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中關村科技租賃股份有限公司
ZHONGGUANCUN SCIENCE-TECH LEASING CO., LTD.

(a joint stock company incorporated in the People's Republic of China with limited liability)

(Stock Code: 1601)

DISCLOSEABLE TRANSACTION
FINANCE LEASE TRANSACTIONS

FINANCE LEASE AGREEMENTS

The Board hereby announces that on March 28, 2024, the Company (as the Lessor) entered into the Finance Lease Agreement VI with the Lessee, pursuant to which (i) the Lessor shall acquire the Leased Assets VI owned by the Lessee at a transfer consideration of RMB46,000,000; and (ii) the Lessor shall lease the Leased Assets VI back to the Lessee for a term of 12 months with a total lease payment of RMB47,444,411, which shall include a finance lease principle of RMB46,000,000 and a finance lease interest income (inclusive of VAT) of RMB1,444,411.

Reference is made to the announcement of the Company dated March 30, 2023 in relation to the Finance Lease Agreement V, pursuant to which, among other things, the Company (as the Lessor) agree to: (i) acquire the Leased Assets V owned by the Lessee at a transfer consideration of RMB25,000,000; and (ii) lease the Leased Assets V back to the Lessee for terms of 12 months with a total lease payment of RMB25,772,957, which included a finance lease principal of RMB25,000,000 and a finance lease interest income (inclusive of VAT) of RMB772,957 under Finance Lease Agreement V.

LISTING RULES IMPLICATIONS

As the transactions under the Finance Lease Agreements were entered into with the same party during the 12-month period, according to Rule 14.22 of the Listing Rules, the transactions thereunder shall be aggregated as a series of transactions. As the highest applicable percentage ratio under the Finance Lease Agreement VI on its own is higher than 5% but less than 25%, and the highest applicable percentage ratio upon aggregation of the Finance Lease Agreements is higher than 5% but less than 25%, the transactions contemplated under the Finance Lease Agreement VI constitute a discloseable transaction of the Company and are subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

BACKGROUND

The Board hereby announces that on March 28, 2024, the Company (as the Lessor) entered into the Finance Lease Agreement VI with the Lessee, pursuant to which (i) the Lessor shall acquire the Leased Assets VI owned by the Lessee at a transfer consideration of RMB46,000,000; and (ii) the Lessor shall lease the Leased Assets VI back to the Lessee for a term of 12 months with a total lease payment of RMB47,444,411, which shall include a finance lease principle of RMB46,000,000 and a finance lease interest income (inclusive of VAT) of RMB1,444,411.

Reference is made to the announcement of the Company dated March 30, 2023 in relation to the Finance Lease Agreement V, pursuant to which, among other things, the Company (as the Lessor) agree to: (i) acquire the Leased Assets V owned by the Lessee at a transfer consideration of RMB25,000,000; and (ii) lease the Leased Assets V back to the Lessee for terms of 12 months with a total lease payment of RMB25,772,957, which included a finance lease principal of RMB25,000,000 and a finance lease interest income (inclusive of VAT) of RMB772,957 under Finance Lease Agreement V.

The table below sets out the details of the Finance Lease Agreements:

Finance Lease Agreement	Date of finance lease agreement	Expiry date of finance lease agreement	Finance lease principal amount <i>RMB</i>	Finance lease interest income (inclusive of VAT) <i>RMB</i>	Security deposits <i>RMB</i>	Total lease payment <i>RMB</i>	Net book value of Leased Assets <i>(Approx.)</i> <i>RMB</i>
Finance Lease Agreement V	March 30, 2023	March 29, 2024	25,000,000	772,957	2,500,000	25,772,957	26,180,941.46
Finance Lease Agreement VI	March 28, 2024	March 27, 2025	46,000,000	1,444,411	4,600,000	47,444,411	46,542,730.44
Total			<u>71,000,000</u>	<u>2,217,368</u>	<u>7,100,000</u>	<u>73,217,368</u>	<u>72,723,671.9</u>

THE FINANCE LEASE AGREEMENTS

The principal terms of the Finance Lease Agreements are as follows:

Parties

Lessor: the Company

Lessee: a joint stock limited company incorporated in the PRC, which is principally engaged in production and sales of Chinese medicine.

To the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, the Lessee and its ultimate beneficial owner are all independent third parties to the Company and its connected persons (as defined in the Listing Rules).

Leased Assets

The Leased Assets V is production equipment of pharmaceutical and health product with a net book value of approximately RMB26,180,941.46.

The Leased Assets VI is production equipment of traditional Chinese patent medicines and simple preparations with a net book value of approximately RMB46,542,730.44.

The Lessee does not separately calculate the profits before and after tax of the Leased Assets. The transfer considerations for the acquisition of the Leased Assets under the Finance Lease Agreements will be funded by the Company's internal resources.

Lease Period

The lease period of the Finance Lease Agreement V is 12 months, which commenced on March 30, 2023.

The lease period of the Finance Lease Agreement VI is 12 months, which shall commence on March 28, 2024.

Lease Payment and Method of Payment

Under the Finance Lease Agreement V and the Finance Lease Agreement VI, the respective total lease payment of RMB25,772,957 and RMB47,444,411 shall include (i) the finance lease principal of RMB25,000,000 and RMB46,000,000 respectively, and (ii) the finance lease interest income (inclusive of VAT) of RMB772,957 (calculated based on the interest rate of 5.1% per annum) and RMB1,444,411 (calculated based on the interest rate of 5.15% per annum) respectively. The Lessee shall pay the lease payment to the Lessor at the end of each quarter in installments in accordance with the terms and conditions of the Finance Lease Agreements during the lease period.

The terms of the Finance Lease Agreements, including the transfer consideration for the Leased Assets, finance lease principal, finance lease interest income and other expenses, were determined upon arm's length negotiation between the Lessee and the Lessor with reference to net book value of the Leased Assets and prevailing market prices of the same category of finance lease products in the PRC.

Security Deposits

The Lessee agreed to pay the security deposit for the Finance Lease Agreements of RMB2,500,000 (bearing nil interests) and RMB4,600,000 (bearing nil interests) respectively. When the last lease payments are due to be paid, the lease payment and other payables under the final payment will automatically be deducted from the deposit, and the Lessor will refund the Lessee the remaining amount (if any).

Ownership of the Leased Assets

During the lease period, the ownership of the Leased Assets shall be vested in the Lessor. If the Lessee has properly and fully performed all obligations under the Finance Lease Agreements, upon the expiry of the Finance Lease Agreements, the Lessee is entitled to acquire the Leased Assets at the consideration of RMB100 in nominal value respectively.

Guarantee and Security

The guarantee and security arrangements for each of the Finance Lease Agreements are set out below:

- (1) The ultimate beneficial owner of the Lessee provides joint and several liabilities for the debts of the Lessee under the Finance Lease Agreements respectively; and
- (2) The Lessee's connected company provides joint and several liabilities for the debts of the Lessee under the Finance Lease Agreement V.

REASONS FOR AND BENEFITS OF ENTERING INTO THE FINANCE LEASE AGREEMENTS

The Company's principal activities are to provide finance leasing and advisory services to customers. The entering of the Finance Lease Agreements is part of the Company's ordinary and usual course of business, which is expected to provide a stable revenue and cashflow to the Company.

The Directors consider that entering into the Finance Lease Agreements will generate revenue and profit to the Company over the lease period and is consistent with the Company's business development strategy. Since the Finance Lease Agreements were entered into under normal commercial terms, the Directors are of the view that the terms under the Finance Lease Agreements are fair and reasonable and are in the interests of the Company and its shareholders as a whole.

INFORMATION OF THE PARTIES

Information of the Company

The Company is a pioneer and a dedicated finance lease company in serving technology and new economy companies in China. As the sole finance lease platform under Zhongguancun Development Group Co., Ltd. (中關村發展集團股份有限公司), the Company offers efficient finance lease solutions and a variety of advisory services to satisfy technology and new economy companies' needs for financial services at different stages of their growth. The Company's finance lease solutions primarily take the form of direct lease and sale-and-leaseback. The Company also delivers a variety of advisory services, including policy advisory and management and business consulting, to help its customers achieve rapid growth.

Information of the Lessee

Lessee is a joint stock limited company incorporated in the PRC, which is principally engaged in production and sales of Chinese medicine.

LISTING RULES IMPLICATIONS

As the transactions under the Finance Lease Agreements were entered into with the same party during the 12-month period, according to Rule 14.22 of the Listing Rules, the transactions thereunder shall be aggregated as a series of transactions. As the highest applicable percentage ratio under the Finance Lease Agreement VI on its own is higher than 5% but less than 25%, and the highest applicable percentage ratio upon aggregation of the Finance Lease Agreements is higher than 5% but less than 25%, the transactions contemplated under the Finance Lease Agreement VI constitute a discloseable transaction of the Company and are subject to the notification and announcement requirements under Chapter 14 of the Listing Rules.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms have the following meanings:

“Board”	the board of directors of the Company
“Company”	Zhongguancun Science-Tech Leasing Co., Ltd. (中關村科技租賃股份有限公司), a joint stock company incorporated under the laws of the PRC with limited liability, the H shares of which are listed on the Stock Exchange with stock code of 1601
“Director(s)”	the director(s) of the Company
“Finance Lease Agreements”	the Finance Lease Agreement V and the Finance Lease Agreement VI
“Finance Lease Agreement V”	the finance lease agreement entered into between the Lessor and Lessee on March 30, 2023
“Finance Lease Agreement VI”	the finance lease agreement entered into between the Lessor and Lessee on March 28, 2024
“independent third party(ies)”	any individual or company not being the connected persons (as defined under the Listing Rules) of the Company, independent of the Company and its connected persons (as defined under the Listing Rules) and not connected with them
“Leased Assets”	the Leased Assets V and the Leased Assets VI
“Leased Assets V”	production equipment of pharmaceutical and health product with a net book value of approximately RMB26,180,941.46
“Leased Assets VI”	production equipment of traditional Chinese patent medicines and simple preparations with a net book value of approximately RMB46,542,730.44
“Lessee”	Shandong Hongjitang Pharmaceutical Group Co., Ltd.* (山東宏濟堂製藥集團股份有限公司), a joint stock limited company incorporated in the PRC, which is principally engaged in production and sales of Chinese medicine. The ultimate beneficial owner of the Lessee is GAO Yuankun* (高元坤)

“Lessor”	the Company
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“PRC” or “China”	the People’s Republic of China, which, for the purpose of this announcement, excludes the Hong Kong Special Administrative Region of the PRC, the Macau Special Administrative Region of the PRC and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“VAT”	value-added tax

By order of the Board
Zhongguancun Science-Tech Leasing Co., Ltd.
HE Rongfeng
Executive Director

Beijing, the PRC, March 28, 2024

As at the date of this announcement, the Board comprises Mr. HE Rongfeng and Mr. HUANG Wen as executive Directors, Mr. ZHANG Shuqing and Ms. WANG Sujuan as non-executive Directors, and Mr. CHENG Dongyue, Mr. WU Tak Lung and Ms. LIN Zhen as independent non-executive Directors.

* *For identification purposes only.*