
DEFINITIONS

In this document, the following words and expressions shall have the meanings set out below unless the context otherwise requires. Certain other terms are explained in the section headed “Glossary of Technical Terms” in this document.

“Ace Quality”	Ace Quality Development Limited, a company incorporated in the BVI with limited liability on 8 October 2020, which is wholly owned by Mr. Chi and is a [REDACTED]
“affiliate”	with respect to any specified person, any other person, directly or indirectly, controlling or controlled by or under direct or indirect common control with such specified person
“Articles of Association” or “Articles”	the amended and restated articles of association of our Company, conditionally adopted by the then Shareholders on 23 October 2021 which will become effective on the [REDACTED] Date, as amended, supplemented or otherwise modified from time to time, a summary of which is set out in Appendix IV to this document
“Azure Astro”	Azure Astro Group Limited, a company incorporated in the BVI with limited liability on 29 September 2020, which is wholly owned by Mr. Cai QZ and is a [REDACTED]
“Beijing Yutaida”	Beijing Yutaida Technology Limited (北京鈺泰達科技有限公司), a liability company established under the laws of the PRC on 4 January 2011 and was owned as to 95% by Mr. Liu and two independent third parties each holding 2.5% as at the Latest Practicable Date
“Board”	the board of Directors
“business day”	any day (other than a Saturday, Sunday or public holiday in Hong Kong) on which licensed banks in Hong Kong are generally open for business
“BVI”	the British Virgin Islands
“CAGR”	compounded annual growth rate
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]

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[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
“China” or “PRC”	the People’s Republic of China and, except where the context otherwise requires and only for the purpose of this document, references in this document to China or the PRC exclude Hong Kong, the Macao Special Administrative Region of the People’s Republic of China and Taiwan
“CSRC”	China Securities Regulatory Commission (中國證券監督管理委員會)
“Circular 37”	Circular of the SAFE on Issues Concerning Foreign Exchange Administration of Overseas Investments and Financing and Round-Trip Investments by Domestic Residents via Special Purpose Vehicles (國家外匯管理局關於境內居民通過特殊目的公司境外投融資及返程投資外匯管理有關問題的通知) promulgated by the SAFE on 4 July 2014

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“Companies Act”	the Companies Act (As Revised) of the Cayman Islands
“Companies Ordinance”	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended, supplemented and otherwise modified from time to time
“Companies (WUMP) Ordinance” or “Companies (Winding Up and Miscellaneous Provisions) Ordinance”	the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“Company” or “our Company”	HONGCHENG ENVIRONMENTAL TECHNOLOGY COMPANY LIMITED (鴻承環保科技有限公司), an exempted company limited by shares incorporated in the Cayman Islands on 12 January 2021 under the Companies Act
“Controlling Shareholder(s)”	has the meaning ascribed thereto under the Listing Rules and unless the context requires otherwise, refers to Mr. Liu and Zeming International
“Corporate Governance Code”	the Corporate Governance Code and Corporate Governance Report as set out in Appendix 14 to the Listing Rules
“COVID-19”	the coronavirus disease
“Deed of Indemnity”	a deed of indemnity dated 23 October 2021 entered into by our Controlling Shareholders in favour of our Company (for ourselves and as trustee for each of our subsidiaries), particulars of which are set out in “Other Information — 15. Tax and other indemnity” in Appendix V to this document
“Deed of Non-competition”	a deed of non-competition dated 23 October 2021 entered into by our Controlling Shareholders in favour of our Company (for ourselves and as trustee for each of our subsidiaries), particulars of which are set out in “Relationship with our Controlling Shareholders — Deed of Non-competition” in this document
“Director(s)”	the director(s) of our Company
“EIT Law”	the Enterprise Income Tax Law of the PRC (《中華人民共和國企業所得稅法》) issued by the NPC on 16 March 2007, and subsequently amended on 24 February 2017 and 29 December 2018

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“EIT Regulation”	the Regulation on the Implementation of the EIT Law (《中華人民共和國企業所得稅法實施條例》) issued by the State Council on 6 December 2007, last revised on 23 April 2019 and became effective on the same day
“F&S”	Frost & Sullivan (Beijing) Inc., Shanghai Branch Co., an independent industry consultant commissioned by us to prepare the F&S Report
“F&S Report”	an independent market research report, commissioned by our Company and prepared by F&S
“GDP”	gross domestic product
[REDACTED]	[REDACTED]
“Golden Clover”	Golden Clover Holdings Limited, a company incorporated in the BVI with limited liability on 29 September 2020, which is wholly owned by Mr. Cai YL and is a [REDACTED]
[REDACTED]	[REDACTED]
“Hazardous Waste Business License”	the permit for operation of hazardous wastes within the territory of the PRC under the Measures for the Administration of Permit for Operation of Hazardous Wastes (《危險廢物經營許可證管理辦法》)
“HC Environmental”	Laizhou Hongcheng Mining Environmental Protection Development Co., Ltd. (萊州市鴻鉞礦業環保開發有限公司), a limited liability company established under the laws of the PRC on 12 February 2014 and an indirect wholly owned subsidiary of our Company
“HC Hong Kong”	Hong Kong Hong Cheng Environmental Protection Development Group Limited (香港鴻承環保開發集團有限公司), a company incorporated in Hong Kong with limited liability on 16 April 2020 and an indirect wholly owned subsidiary of our Company
“HC International”	Hong Cheng International Investments Limited (鴻承國際投資有限公司), a company incorporated in the BVI with limited liability on 30 March 2020 and a direct wholly owned subsidiary of our Company

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“HC Mining”	Shandong Hongcheng Mining (Group) Co., Ltd. (山東鴻承礦業(集團)有限公司) (formerly known as Shandong Hongcheng Mining Co., Ltd. (山東鴻鉞礦業有限公司) and Shandong Hongcheng Mining Co., Ltd. (山東鴻承礦業有限公司)), a limited liability company established under the laws of the PRC on 28 April 2011 and an indirect wholly owned subsidiary of our Company
“HC Resources”	Shandong Hongcheng Resources Comprehensive Utilisation Co., Ltd. (山東鴻承資源綜合利用有限公司), a limited liability company established under the laws of the PRC on 10 January 2019 and an indirect wholly owned subsidiary of our Company
“HC R&D”	Laizhou Hongcheng Gold Tailings and Cyanidation Comprehensive Utilisation Research and Development Centre (萊州鴻承黃金尾礦及氰化渣綜合利用技術研究中心), a private non-enterprise entity established under the laws of the PRC on 11 June 2020 by HC Mining and HC Environmental
“HC Smelting”	Shandong Hongcheng Smelting Co., Ltd. (山東鴻承冶煉有限公司), a limited liability company established on 27 June 2019 under the laws of the PRC and does not form part of our Group after Reorganisation
“Hexingten Banner Gold Mining”	Hexingten Banner Gold Mining Limited (克什克騰旗山金礦業有限公司), a limited liability company established on 29 July 2010 under the laws of the PRC and does not form part of our Group after Reorganisation
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
“HK\$” or “Hong Kong dollars” or “HK dollars”	Hong Kong dollars and cents respectively, the lawful currency of Hong Kong

THIS DOCUMENT IS IN DRAFT FORM, INCOMPLETE AND SUBJECT TO CHANGE AND THAT THE INFORMATION MUST BE READ IN CONJUNCTION WITH THE SECTION HEADED “WARNING” ON THE COVER OF THIS DOCUMENT.

DEFINITIONS

“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
“Independent Third Party(ies)”	an individual(s) or a company(ies) who or which, as far as our Directors are aware after having made all reasonable enquiries, is/are independent and not a connected person of our Company
“IFRSs”	International Financial Reporting Standards
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]

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[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
“Keen Day”	Keen Day Investments Limited, a company incorporated in the BVI with limited liability on 6 February 2008, which is wholly owned by Mr. Sze and is a [REDACTED]
“Latest Practicable Date”	20 October 2021, being the latest practicable date prior to the printing of this document for ascertaining certain information in this document
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, as amended, supplemented or otherwise modified from time to time
“M&A Rules”	the Rules on Merger and Acquisition of Domestic Enterprise by Foreign Investors (《關於外國投資者併購境內企業的規定》) jointly issued by the State-owned Assets Supervision and Administration Commission (國務院國有資產監督管理委員會), MOFCOM, SAT, SAIC, CSRC and SAFE on 8 August 2006 and amended by MOFCOM on 22 June 2009

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“Main Board”	the stock market (excluding the option market) operated by the Stock Exchange which is independent from and operated in parallel with GEM of the Stock Exchange
“Memorandum” or “Memorandum of Association”	the amended and restated memorandum of association of our Company adopted on 23 October 2021, as amended, supplemented or otherwise modified from time to time, a summary of which is set out in Appendix IV to this document
“MIIT”	the Ministry of Industry and Information Technology of the PRC (中華人民共和國工業和信息化部)
“MOF”	the Ministry of Finance of the PRC (中華人民共和國財政部)
“MOFCOM”	the Ministry of Commerce of the PRC (中華人民共和國商務部)
“MOHURD”	the Ministry of Housing and Urban-Rural Development of the PRC (中華人民共和國住房和城鄉建設部)
“MOST”	the Ministry of Science and Technology of the PRC (中華人民共和國科學技術部)
“Mr. Cai QZ”	Mr. Cai Qingze (蔡清澤), an Independent Third Party and one of our [REDACTED]
“Mr. Cai YL”	Mr. Cai Youli (蔡友利), an Independent Third Party and one of our [REDACTED]
“Mr. Chi”	Mr. Chi Songlin (遲松林), an Independent Third Party and one of our [REDACTED]
“Mr. Liu”	Mr. Liu Zeming (劉澤銘) (formerly known as Mr. Liu Zeming (劉澤明)), our founder, chairman of our Board, an executive Director and a Controlling Shareholder
“Mr. Liu YS”	Mr. Liu Yuansheng (劉遠升), father of Mr. Liu
“Mr. Sheng”	Mr. Sheng Haiyan (盛海燕), chief technical officer of our Group and an executive Director
“Mr. Sze”	Mr. Sze Wai Wai (施維維), an Independent Third Party and one of our [REDACTED]
“Mr. Zhan”	Mr. Zhan Yirong (戰乙榮) (formerly known as Mr. Zhan Dongtang (戰冬棠)), chief executive officer of our Group and an executive Director
“Ms. Lv”	Ms. Lv Huamin (呂花敏), mother of Mr. Liu

DEFINITIONS

“NDRC”	the National Development and Reform Commission of the PRC (中華人民共和國國家發展和改革委員會)
“Nomination Committee”	the nomination committee of our Board
“NPC” or “National People’s Congress”	the National People’s Congress of the PRC (中華人民共和國全國人民代表大會)
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
“PBOC”	the People’s Bank of China (中國人民銀行), the central bank of the PRC
“PRC Company Law”	the Company Law of the PRC (《中華人民共和國公司法》), as enacted by the SCNPC on 29 December 1993 and effective on 1 July 1994, as amended, supplemented or otherwise modified from time to time, and last amended and became effective on 26 October 2018
“PRC GAAP”	generally accepted accounting principles in the PRC
“PRC government” or “State”	the government of the PRC including all political subdivisions (including provincial, municipal and other regional or local government entities) and their instrumentalities thereof or where the context requires, any of them

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“PRC Legal Advisers”	Jingtian & Gongcheng, the legal advisers to our Company as to PRC law
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]
“Relevant Persons”	the Sole Sponsor, the [REDACTED], the [REDACTED], any of their or our Company’s respective directors, advisers, officers, employees, agents or representatives or any other person or party involved in the [REDACTED]
“Reorganisation”	the reorganisation arrangements we have undergone in preparation for the [REDACTED] which are more particularly described in “History, Reorganisation and Corporate Structure — Reorganisation” in this document
“RMB” or “Renminbi”	Renminbi, the lawful currency of the PRC
“SAFE”	the State Administration of Foreign Exchange of the PRC (中華人民共和國外匯管理局)
“SAIC”	the State Administration for Industry and Commerce of the PRC (中華人民共和國國家工商行政管理總局)
“SAT”	the State Administration of Taxation of the PRC (中華人民共和國國家稅務總局)
“SCNPC”	the Standing Committee of National People’s Congress (全國人民代表大會常務委員會)
“SFC”	the Securities and Futures Commission of Hong Kong

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“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented and modified from time to time
“Shandong Jinjia”	Shandong Jinjia Environment Co., Ltd (山東金嘉環保有限公司), a liability company established under the laws of the PRC on 8 June 2020 and an indirect wholly owned subsidiary of our Company
“Share(s)”	ordinary share(s) in the share capital of our Company with a nominal value of HK\$0.01 each
“Share Option Scheme”	the share option scheme of our Company conditionally adopted by our Company on 23 October 2021, the principal terms of which are summarised in “Other Information — 14. Share Option Scheme” in Appendix V to this document
“Shareholder(s)”	holder(s) of the Share(s)
[REDACTED]	[REDACTED]
“Sole Sponsor”	First Shanghai Capital Limited, a licensed corporation under the SFO to carry out type 6 (advising on corporate finance) regulated activities, being the sole sponsor to the [REDACTED]
[REDACTED]	[REDACTED]
“State Council”	the State Council of the PRC (中華人民共和國國務院)
[REDACTED]	[REDACTED]
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	The Codes on Takeovers and Mergers issued by the SFC, as amended, supplemented or otherwise modified from time to time
“Track Record Period”	for the three years ended 31 December 2018, 2019 and 2020 and the four months ended 30 April 2021
[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]

DEFINITIONS

“United States” or “U.S.”	the United States of America
“US dollars” or “US\$” or “USD”	United States dollars, the lawful currency of the United States
“U.S. Securities Act”	the United States Securities Act of 1933, as amended, supplemented or otherwise modified from time to time, and the rules and regulations promulgated thereunder
“VAT”	value-added tax
“we”, “us”, “our”, “Group” and “our Group”	our Company and our subsidiaries, or where the context refers to any time prior to the incorporation of our Company, the business in which the predecessors of its present subsidiaries were engaged and which were subsequently assumed by such subsidiaries pursuant to the Reorganisation
“Zeming International”	Zeming International Investment Co., Ltd., a company incorporated in the BVI with limited liability on 30 November 2020, which is wholly owned by Mr. Liu and is a Controlling Shareholder
“Zhonglian Cement”	Yantai Zhonghong Cement Co., Ltd (煙臺中鴻水泥有限公司) (formerly known as Yantai Zhonglian Cement Co., Ltd (煙臺中聯水泥有限公司)), a limited liability company established under the laws of the PRC on 17 May 2012 indirectly controlled by Mr. Liu, our Controlling Shareholder, and does not form part of our Group after Reorganisation
“sq.m.”	square metre(s)
“%”	per cent

DEFINITIONS

Unless otherwise expressly stated or the content otherwise requires, in this document:

- *all times refer to Hong Kong time and references to years in this document are to calendar years;*
- *the term “associate(s)”, “close associate(s)”, “connected person(s)”, “core connected person(s)”, “connected transaction(s)”, “subsidiary(ies)” and “substantial shareholder(s)” shall have the meanings ascribed to such terms in the Listing Rules;*
- *certain amounts and percentage figures included in this document have been subject to rounding adjustments. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of figures preceding them;*
- *unless otherwise specified, all relevant information in this document assumes no exercise of any of the [REDACTED]; and*
- *the English names of the PRC laws, rules, regulations, nationals, entities, governmental authorities, institutions, facilities, certificates and titles etc. mentioned in this document, are translations from their Chinese names and are for identification purpose only. If there is any inconsistency between the Chinese names and their English translations, the Chinese names shall prevail.*