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ZONBONG LANDSCAPE Environmental Limited

中邦园林环境股份有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1855)

**CONNECTED TRANSACTION
AMENDED AND RESTATED AGREEMENT REGARDING
THE ACQUISITION OF EQUITY INTEREST IN
JILIN JINGHE DESIGN**

Reference is made to the Announcement in relation to, among other things, the Acquisition of 100% equity interest in Jilin Jinghe Design.

Blue Bird, an independent third party of the Company, recently expressed its interest in the Capital Injection in Jilin Jinghe Design, representing 3% equity interest in Jilin Jinghe Design prior to the Acquisition, with a view to conduct future business cooperation with the Company. After commercial negotiation among the parties to the Acquisition Agreement, the parties mutually agreed to enter into the Restated Agreement, pursuant to which, Zonbong Shanshui would acquire 97% equity interest in Jilin Jinghe Design from ZIHG following completion of the Capital Injection in Jilin Jinghe Design by Blue Bird.

The Restated Agreement constitutes a material variation of the terms of the Acquisition Agreement and is required to be disclosed under the note to Rule 14A.35 of the Listing Rules.

Reference is made to the announcement of the Company dated 18 February 2022 in relation to, among other things, the acquisition of 100% equity interest in Jilin Jinghe Design (the “**Announcement**”). Capitalised terms used in this announcement shall have the same meanings as those defined in the Announcement unless otherwise defined herein.

INTRODUCTION

Blue Bird Advisory Limited (“**Blue Bird**”), an independent third party of the Company, recently expressed its interest in a capital injection in Jilin Jinghe Design, representing 3% equity interest in Jilin Jinghe Design (the “**Capital Injection**”) prior to the Acquisition, with a view to conduct future business cooperation with the Company. After commercial negotiation among the parties to the Acquisition Agreement, the parties mutually agreed to enter into the Restated Agreement (as defined below), pursuant to which, Zonbong Shanshui would acquire 97% equity interest in Jilin Jinghe Design from ZIHG following completion of the Capital Injection in Jilin Jinghe Design by Blue Bird.

AMENDED AND RESTATED AGREEMENT

The Board announces that, on 10 March 2022 (after trading hours), Zonbong Shanshui entered into an amended and restated agreement relating to the Acquisition Agreement with ZIHG and Jilin Jinghe Design (the “**Restated Agreement**”), pursuant to which the parties have mutually agreed to amend and restate certain terms of the Acquisition Agreement. The Restated Agreement replaces and supersedes the original Acquisition Agreement in its entirety prior to the date of the Restated Agreement. Summary of the principal revised terms of the Restated Agreement are as follows:

Date	:	10 March 2022
Parties	:	(1) Zonbong Shanshui; (2) ZIHG; and (3) Jilin Jinghe Design.
Revised subject matter and consideration	:	The equity interest in Jilin Jinghe Design to be conditionally acquired and sold by Zonbong Shanshui and ZIHG, respectively, shall be 97% (the “ New Sale Interest ”), instead of entire equity interest as set out in the original Acquisition Agreement.

The basis of consideration for the acquisition of the New Sale Interest shall be RMB12,204,540 (the “**New Consideration**”) (i.e. 97% of the original Consideration under the Acquisition Agreement being RMB12,582,000), which shall be payable in full and in cash at completion.

The New Consideration was arrived at after arm's length negotiations with reference to and taking into account 97% of the net asset value of Jilin Jinghe Design as at 31 December 2020 and the potential benefits of the Acquisition as set out in the paragraph headed "REASONS FOR AND BENEFITS OF THE ACQUISITION" in the Announcement.

The New Consideration shall be financed by internal resources of the Group.

Revised conditions precedent : Completion is conditional upon the satisfaction or otherwise waiver by Zonbong Shanshui of the following conditions:

- (i) the Restated Agreement having been executed by ZIHG and Jilin Jinghe Design;
- (ii) resolution(s) having been passed by the shareholders of Jilin Jinghe Design for the approval of the transfer of the New Sale Interest, and the right of first refusal having been waived by other shareholder(s) of Jilin Jinghe Design;
- (iii) all undertakings and obligations under the Restated Agreement having been performed or complied with in all material respects by ZIHG and Jilin Jinghe Design;
- (iv) representations and warranties made by ZIHG and Jilin Jinghe Design in the Restated Agreement remaining true, complete and accurate;
- (v) registration of the New Sale Interest as contemplated under the Restated Agreement at the Market Supervision and Regulation Bureau having been completed in accordance with the relevant law and regulations; and
- (vi) there having been no material adverse change relating to Jilin Jinghe Design on or prior to the date of completion.

Pursuant to the terms of the Restated Agreement, the terms regarding the completion under the Restated Agreement are the same as those set out in the Acquisition Agreement, please refer to the Announcement for information.

For the information of (i) the Group, Jilin Jinghe Design and the ZIHG, and (ii) unaudited historical financial information of Jilin Jinghe Design, please refer to the Announcement.

Immediately prior to the completion of the acquisition of the New Sale Interest, Jilin Jinghe Design will be owned as to 97% and 3% by ZIHG and Blue Bird, respectively. Upon completion of the acquisition of the New Sale Interest, Jilin Jinghe Design will be owned as to 97% by Zonbong Shanshui and 3% by Blue Bird. Jilin Jinghe Design will become a majority-owned subsidiary of the Company and the financial results of Jilin Jinghe Design will be consolidated into the Company's financial results.

To the best of the knowledge, information and belief of the Directors having made all reasonable enquiries, Blue Bird and its ultimate beneficial owners are third party(ies) independent of the Company and its connected persons (as defined under the Listing Rules) (“**Independent Third Party(ies)**”).

REASONS FOR THE ENTERING INTO OF THE RESTATED AGREEMENT

According to Blue Bird, it is a company incorporated under the laws of Hong Kong and principally engaged in the provision of consulting services. As at the date of this announcement, Blue Bird is owned as to 100% by an Independent Third Party.

The Company considers that the Capital Injection could allow Jilin Jinghe Design to leverage on Blue Bird's business network, industry resources and experience to facilitate its future expansion in the industry outside Jilin Province, the PRC, as well as its overseas strategic development, and Jilin Jinghe Design would still be a majority-owned subsidiary of the Company despite the dilution effect resulting from the Capital Injection. For information on the other reasons for and benefits of the Acquisition, please refer to the Announcement.

The Board (excluding the Directors who have abstained from voting but including all independent non-executive Directors) considers that the acquisition of the New Sale Interest is conducted on normal commercial terms, and the terms of the Restated Agreement and the transactions contemplated thereunder are fair and reasonable and in the interests of the Company and its Shareholders as a whole. The Board has approved the acquisition of the New Sale Interest and the transactions contemplated under the Restated Agreement. Mr. Liu Haitao, Mr. Shao Zhanguang and Mr. Sun Juqing, in view of their equity interest in ZIHG, and Ms. Lyu Hongyan, in view of her directorship in Jilin Jinghe Design, have abstained from voting on the board resolution for approving the Restated Agreement and the transactions contemplated thereunder to avoid any potential conflict of interests. Save as disclosed above, none of the Directors have a material interest in the acquisition of the New Sale Interest and hence, no other Directors has abstained from voting on such board resolution.

LISTING RULES IMPLICATIONS

The Restated Agreement constitutes a material variation of the terms of the Acquisition Agreement and is required to be disclosed under the note to Rule 14A.35 of the Listing Rules.

As at the date of this announcement, 100% of equity interest in Jilin Jinghe Design is owned by ZIHG, which in turn is wholly-owned by the ultimate controlling shareholders of the Company as to 35% by Ms. Zhao Hongyu, 27% by Mr. Sun Juqing (a non-executive Director), 10% by Ms. Li Ping, 5% by Mr. Hou Baoshan, 5% by Mr. Liu Haitao (an executive Director, the chairman of the Board and the chief executive officer of the Company), 5% by Mr. Shao Zhanguang (a non-executive Director), 5% by Mr. Sun Juzhi, 4% by Mr. Shan Dejiang, 1% by Mr. Li Peng, 1% by Mr. Liu Changli, 1% by Mr. Wei Xiaoguang and 1% by Mr. Weng Hongzhao. Therefore, the Ultimate Controlling Shareholders, being the director, chief executive and/or substantial Shareholder are connected persons of the Company, and ZIHG and Jilin Jinghe Design, each being an entity controlled by the Ultimate Controlling Shareholders, are associates of the Ultimate Controlling Shareholders and thereby connected persons of the Company.

As one or more of the applicable percentage ratios in respect of the transaction under the Restated Agreement are more than 0.1% but all are less than 5%, the entering into of the Restated Agreement and the transactions contemplated thereunder constitute connected transaction of the Company under Chapter 14A of the Listing Rules and are subject to the reporting and announcement requirements but exempt from the circular and independent shareholders' approval requirements. The Directors confirm that the amendments under the Restated Agreement will not result in a re-classification of the transaction as contemplated under the Acquisition Agreement under Chapter 14A of the Listing Rules. For details of such classification, please refer to the paragraph headed "LISTING RULES IMPLICATIONS" of the Announcement.

Completion of the Acquisition Agreement (as amended and restated by the Restated Agreement) is subject to the fulfilment or waiver (as the case may be) of the conditions precedent of the Restated Agreement, and accordingly may or may not take place. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

By order of the Board
ZONBONG LANDSCAPE Environmental Limited
Liu Haitao
Chairman and executive Director

Hong Kong, 10 March 2022

As at the date of this announcement, the Board of the Company comprises Mr. Liu Haitao as Chairman and executive Director, Mr. Wang Xudong and Ms. Wang Yan as executive Directors, Mr. Sun Juqing, Ms. Lyu Hongyan and Mr. Shao Zhanguang as non-executive Directors, and Mr. Gao Xiangnong, Mr. Yin Jun and Mr. Lee Kwok Tung Louis as independent non-executive Directors.