

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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)

VOLUNTARY ANNOUNCEMENT

REVISION OF ANNUAL CAP FOR FULLY EXEMPT CONTINUING CONNECTED TRANSACTION UNDER THE EQUIPMENT USAGE FRAMEWORK AGREEMENT

REVISION OF ANNUAL CAP FOR FULLY EXEMPT CONTINUING CONNECTED TRANSACTION UNDER THE EQUIPMENT USAGE FRAMEWORK AGREEMENT

Reference is made to the continuing connected transactions between the Company and the ZIHG Group under the Equipment Usage Framework Agreement, details of which were disclosed in the Prospectus. Pursuant to the Equipment Usage Framework Agreement, the Group has agreed to lease its water sprinkling vehicles to the ZIHG Group for its business use.

In view of (i) the anticipated increase in demand from ZIHG Group in the fourth quarter of 2022 due to the expected increase in usage of water sprinkling vehicles in winter; and (ii) status of utilisation for the Original Equipment Usage Annual Cap for FY2022, the Board envisages that the Original Equipment Usage Annual Cap in respect of FY2022 will not be sufficient. The Board therefore resolved to revise and increase the Original Equipment Usage Annual Cap to the Revised Equipment Usage Annual Cap.

LISTING RULES IMPLICATIONS

As at the date of this announcement, ZIHG is owned as to 27% by Mr. Sun Juqing (a non-executive Director, the chairman of the Board and a controlling shareholder of the Company), 35% by Ms. Zhao Hongyu (the spouse of Mr. Sun Juqing, who is an associate of Mr. Sun Juqing and a controlling shareholder of the Company), 5% by Mr. Liu Haitao (an executive Director, the vice-chairman of the Board and the chief executive officer of the Company), and 5% by Mr. Shao Zhanguang (a non-executive Director), and hence ZIHG and the ZIHG Group are connected persons of the Company under the Listing Rules. The transactions contemplated under the Equipment Usage Framework Agreement constitute continuing connected transactions of the Company under the Listing Rules.

As the highest applicable percentage ratios calculated under Rule 14.07 of the Listing Rules in respect of the Revised Equipment Usage Annual Cap for FY2022 is less than 0.1%, it constitutes a de minimis transaction and will be exempted from the annual reporting, annual review, announcement and independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

REVISION OF THE ORIGINAL EQUIPMENT USAGE ANNUAL CAP

Reference is made to the continuing connected transactions between the Company and the ZIHG Group under the Equipment Usage Framework Agreement, details of which were disclosed in the Prospectus. Pursuant to the Equipment Usage Framework Agreement, the Group has agreed to lease its water sprinkling vehicles to the ZIHG Group for its business use.

In view of (i) the anticipated increase in demand from ZIHG Group in the fourth quarter of 2022 due to the expected increase in usage of water sprinkling vehicles in winter; and (ii) status of utilisation for the Original Equipment Usage Annual Cap for FY2022, the Board envisages that the Original Equipment Usage Annual Cap in respect of FY2022 will not be sufficient. The Board therefore resolved to revise and increase the Original Equipment Usage Annual Cap to the Revised Equipment Usage Annual Cap.

CONTINUING CONNECTED TRANSACTIONS UNDER THE EQUIPMENT USAGE FRAMEWORK AGREEMENT

The terms of the Equipment Usage Framework Agreement have not been changed or modified in any other way and the major terms are set out in the section headed "Connected Transactions – Fully-Exempt Continuing Connected Transactions – Equipment usage framework agreement" in the Prospectus.

THE ORIGINAL AND REVISED EQUIPMENT USAGE ANNUAL CAP

Set out below are the Original Equipment Usage Annual Cap and the Revised Equipment Usage Annual Cap:

	FY2022 <i>(RMB'000)</i>
Original Equipment Usage Annual Cap	144
Revised Equipment Usage Annual Cap	200

The historical transaction amounts under the Equipment Usage Framework Agreement for FY2020 and FY2021 were approximately RMB77,000 and RMB136,000, respectively, which did not exceed the corresponding annual caps of RMB136,000 for FY2020, and RMB139,000 for FY2021. For the seven months ended 31 July 2022, the historical transaction amount under the Equipment Usage Framework Agreement was approximately RMB96,000.

Factors and basis for the Revised Equipment Usage Annual Cap

The Revised Equipment Usage Annual Cap is primarily determined with reference to, among others:

- (a) the status of the existing projects in light of the long history of cooperation and synergy between the ZIHG Group and the Group;
- (b) the historical transaction amounts under the Equipment Usage Framework Agreement for FY2020 and FY2021, and the seven months ended 31 July 2022;
- (c) the historical transactions with independent third parties which the Group provided similar services; and
- (d) the anticipated increase in demand from ZIHG Group in the fourth quarter of 2022 due to the expected increase in usage of water sprinkling vehicles in winter.

REASONS FOR AND BENEFITS OF THE REVISED EQUIPMENT USAGE ANNUAL CAP AND THE CONTINUING CONNECTED TRANSACTIONS

In order for the Group to capture the growth expected to be brought along by the increase in transaction amounts for the leasing of water sprinkling vehicles, it will be necessary for the Company to revise the relevant annual cap, and the Board therefore resolved to revise and increase the Original Equipment Usage Annual Cap for FY2022 to the Revised Equipment Usage Annual Cap.

The Continuing Connected Transactions are expected to be of a recurrent nature and will occur on a regular and continuing basis in the ordinary and usual course of businesses of the Group and ZIHG Group.

The Directors (including the independent non-executive Directors, but except the Directors as set out in the section headed “Approval by the Board” in this announcement) are of the view that the Continuing Connected Transactions are on normal commercial terms or better and the terms of the Equipment Usage Framework Agreement and the Revised Equipment Usage Annual Cap are fair and reasonable, and in the interest of the Company and its Shareholders as a whole.

INFORMATION REGARDING THE PARTIES

The Company

The Company was incorporated in the Cayman Islands as an exempted company with limited liability on 8 March 2019. The Group is an established service provider for landscaping and ecological restoration projects in the Three Northeast Provinces of the PRC and it is principally engaged in landscaping, ecological restoration and other related projects.

ZIHG

ZIHG and ZIHG Group are mainly engaged in the provision of infrastructure and municipal construction works and other businesses.

LISTING RULES IMPLICATIONS

As at the date of this announcement, ZIHG is owned as to 27% by Mr. Sun Juqing (a non-executive Director, the chairman of the Board and a controlling shareholder of the Company), 35% by Ms. Zhao Hongyu (the spouse of Mr. Sun Juqing, who is an associate of Mr. Sun Juqing and a controlling shareholder of the Company), 5% by Mr. Liu Haitao (an executive Director, the vice-chairman of the Board and the chief executive officer of the Company), and 5% by Mr. Shao Zhanguang (a non-executive Director), and hence ZIHG and the ZIHG Group are connected persons of the Company under the Listing Rules. The transactions contemplated under the Equipment Usage Framework Agreement constitutes continuing connected transactions of the Company under the Listing Rules.

As the highest applicable percentage ratios calculated under Rule 14.07 of the Listing Rules in respect of the Revised Equipment Usage Annual Cap for FY2022 is less than 0.1%, it constitutes a de minimis transaction and will be exempted from the annual reporting, annual review, announcement and independent Shareholders’ approval requirements under Chapter 14A of the Listing Rules.

Approval by the Board

Mr. Sun Juqing, Mr. Liu Haitao and Mr. Shao Zhanguang, in view of their shareholding in ZIHG, have abstained from voting on the board resolution for approving the Revised Equipment Usage Annual Cap.

DEFINITIONS AND GLOSSARY OF TECHNICAL TERMS

Unless the context otherwise requires, the following terms have the following meanings when used in this announcement:

“Board”	the board of directors of the Company
“China”, “Mainland China” or “the PRC”	the People’s Republic of China, excluding, for the purpose of this announcement, Hong Kong, Macau Special Administration Region and Taiwan
“Company”	ZONBONG LANDSCAPE Environmental Limited (中邦园林环境股份有限公司), an exempted company incorporated in the Cayman Islands with limited liability on 8 March 2019
“Continuing Connected Transactions”	the transactions contemplated under the Equipment Usage Framework Agreement
“Director(s)”	the director(s) of the Company
“Equipment Usage Framework Agreement”	The equipment usage framework agreement dated 14 December 2020 made between the Company and ZIHG in relation to the lease of equipment by the Group to ZIHG Group
“FY2020”, “FY2021” and “FY2022”	financial years ended or ending (as the case may be) 31 December 2020, 2021 and 2022, respectively
“Group” or “the Group”	the Company and its subsidiaries
“HK\$” or “HKD”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Shareholder(s)”	Shareholders excluding ZIHG and its associates
“Listing”	the listing of Shares on the Main Board of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Main Board”	the Main Board of the Stock Exchange

“Original Equipment Usage Annual Cap”	the original annual cap amount in respect of the equipment usage agreements that the Group and ZIHG Group have and may enter into pursuant to the Equipment Usage Framework Agreement for FY2022
“Prospectus”	the prospectus issued by the Company dated 22 December 2020
“Renminbi” or “RMB”	Renminbi Yuan, the lawful currency of China
“Revised Equipment Usage Annual Cap”	the revised annual cap amount in respect of the equipment usage agreements that the Group and ZIHG Group have and may enter into pursuant to the Equipment Usage Framework Agreement for FY2022 as stated in the section headed “THE ORIGINAL AND REVISED EQUIPMENT USAGE ANNUAL CAP” in this announcement
“Shareholder(s)”	holder(s) of Shares
“Share(s)”	ordinary shares with a nominal value of HK\$0.001 each in the capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“ZIHG”	Zhongqing Investment Holding Group Limited Liability Company (中慶投資控股(集團)有限責任公司), formerly known as Changchun Mingju Commerce Limited (長春市銘聚商貿有限責任公司), a company established under the laws of the PRC on 16 May 2014
“ZIHG Group”	ZIHG together with its subsidiaries and associates as defined under the Listing Rules
“%”	per cent

In this announcement, the terms “associate”, “connected person”, “controlling shareholder”, “percentage ratios” and “subsidiary” have the meanings given to such terms in the Listing Rules, unless the context otherwise requires.

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

Hong Kong, 7 October 2022

As at the date of this announcement, the Board of the Company comprises Mr. Liu Haitao (Vice-Chairman), Mr. Wang Xudong and Ms. Wang Yan as executive Directors, Mr. Sun Juqing (Chairman), 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.