

*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.*

**ZONQING Environmental Limited**

**中庆环境股份有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 1855)**

**PROFIT WARNING**

This announcement is made by the board of directors (the “**Board**”) of ZONQING Environmental Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The Board wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that based on a preliminary review of the unaudited consolidated management accounts of the Group (the “**Management Accounts**”) for the year ended 31 December 2022 (“**FY2022**”) and other information currently available to the Company, the Group expects to record a consolidated net loss after taxation ranging from approximately RMB100.0 million to RMB110.0 million for FY2022 as compared to the audited consolidated net profit of approximately RMB28.4 million for the year ended 31 December 2021 (“**FY2021**”).

Based on the information currently available to the Company, the consolidated net loss after taxation for FY2022 was mainly attributable to the implementation of control and lockdown measures to combat the Covid-19 outbreak in Changchun city from 11 March 2022, which started to lift around mid of May 2022; and the further implementation of social control measures in Changchun city from 28 November 2022 until December 2022 when the second-wave Covid-19 outbreak re-emerged. As the control and lockdown measures as well as the impact of outbreak mainly occurred during the peak construction season, the construction work of the landscaping and ecological restoration projects for which the Group was engaged in could not be carried out, which was the main reason for an expected decrease in revenue ranging from approximately RMB240.0 million to RMB250.0 million and an expected decrease in gross profit ranging from approximately RMB52.0 million to RMB62.0 million for FY2022 as compared with FY2021 reported figures respectively. The control and lockdown measures also extended the payment and measurement cycle from project owners, being the main reason for an expected increase in impairment loss on trade and other receivables and contract assets ranging from approximately RMB83.0 million to RMB93.0 million for FY2022 as compared with FY2021 reported figures.

The Company is still in the process of preparing the audited consolidated results of the Group for FY2022. The information above is only a preliminary assessment by the Board based on the information currently available to it and the Management Accounts which have neither been audited nor reviewed by the auditors of the Company or the audit committee of the Company and may be subject to amendments. The Shareholders and potential investors of the Company are advised to read carefully the Company's audited annual results announcement for FY2022, which is expected to be published in or around late March 2023 in compliance with the Listing Rules.

**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  
**ZONQING Environmental Limited**  
**Sun Juqing**  
*Chairman and non-executive Director*

Hong Kong, 17 March 2023

*As at the date of this announcement, the Board of the Company comprises Mr. Liu Haitao (vice-chairman) 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.*