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ZONQING Environmental Limited
中庆环境股份有限公司
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 1855)

DISCLOSEABLE TRANSACTION AND CONNECTED TRANSACTION IN RELATION TO THE ADVANCE

The Board hereby announces that on 8 December 2025, Zonbong Ecology, the indirect non-wholly owned subsidiary of the Group, advanced an amount of RMB87.1 million to ZIHG as temporary working capital at an interest rate of 5% per annum, with the Advance period commencing from 8 December 2025 to 28 February 2026. The Advance is unsecured and repayable on demand. ZIHG has repaid RMB2.0 million and RMB4.6 million to Zonbong Ecology on 25 December 2025 and 31 December 2025 respectively. The total remaining amount of the Advance and corresponding interests were fully settled by ZIHG to Zonbong Ecology on 30 January 2026.

The Company only became aware of the fact that the Advance might be regarded as a discloseable transaction and connected transaction under Chapters 14 and 14A of the Listing Rules when preparing its results for the financial year ended 31 December 2025.

LISTING RULES IMPLICATIONS

The entering into of the Agreement constituted a notifiable transaction of the Company under Chapter 14 of the Listing Rules and connected transaction of the Company under Chapter 14A of the Listing Rules. Regrettably, the Company failed to comply with the relevant requirements under Chapter 14 and Chapter 14A of the Listing Rules in respect of the Agreement as set out below in a timely manner due to its unintentional and inadvertent oversight. Zonbong Ecology failed to fully understand the disclosure and approval requirements under Chapter 14 and Chapter 14A of the Listing Rules when executing this short-term Advance. Furthermore, delays in the dissemination of internal information within the Group resulted in failure of timely consultation with legal advisers and fulfilment of relevant disclosure procedures. The Company deeply regrets and will draw a lesson from its non-compliance in this matter. The Company has no intention to conceal any information relating to the Advance. The non-compliance with the Listing Rules was unintentional and not deliberate.

As the highest applicable percentage ratio (as defined under the Listing Rules) in respect of the Agreement exceeded 5% but was less than 25%, the transaction contemplated under the Agreement constituted a discloseable transaction of the Company and was subject to the reporting and announcement requirements but exempt from the shareholders' approval requirement under Chapter 14 of the Listing Rules.

As at the dates of the Agreement and this announcement, ZIHG is owned as to approximately 27.00% by Mr. Sun, 35.00% by Ms. Zhao Hongyu (the spouse of Mr. Sun and hence an associate of Mr. Sun), 5.00% by Mr. Liu Haitao (an executive Director, the vice-chairman of the Board and the chief executive officer of the Company), 5.00% by Mr. Shao Zhanguang (a non-executive Director), and 5.00% by Mr. Sun Juzhi (the brother of Mr. Sun, and hence an associate of Mr. Sun). Mr. Sun, Ms. Zhao Hongyu, Mr. Liu Haitao, Mr. Shao Zhanguang and Mr. Sun Juzhi are controlling shareholders of the Company via their respective interests in Zonqing International Investment Limited and/or Zonbong International Investment Limited. Therefore, ZIHG is a connected person of the Company under the Listing Rules. Therefore, the transaction contemplated under the Agreement constituted connected transactions of the Company and was subject to reporting, announcement, circular and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

Given that the Advance has been fully settled on 30 January 2026, and that all material information in respect of the Agreement has been set out herein, the Company considers that the practical necessity for retrospective shareholders' approval has been significantly diminished. The Company shall ensure to comply with any requirements as stipulated by the Stock Exchange regarding the Advance.

INTRODUCTION

The Board hereby announces that on 8 December 2025, Zonbong Ecology, the indirect non-wholly owned subsidiary of the Group, advanced an amount of RMB87.1 million to ZIHG as temporary working capital at an interest rate of 5% per annum, with the Advance period commencing from 8 December 2025 to 28 February 2026. The Advance is unsecured and repayable on demand. ZIHG has repaid RMB2.0 million and RMB4.6 million to Zonbong Ecology on 25 December 2025 and 31 December 2025 respectively. The total remaining amount of the Advance and corresponding interests were fully settled by ZIHG to Zonbong Ecology on 30 January 2026.

THE ADVANCE

The principal terms of the Agreement are set out as follows:

Date: 8 December 2025

Parties:

i. Zonbong Ecology, the indirect non-wholly owned subsidiary of the Group, as a lender; and

ii. ZIHG, the connected person of the Company (details of which are set out in the paragraph headed "INFORMATION ON THE PARTIES" in this announcement below), as borrower.

Principal Amount

RMB87.1 million

Repayment

ZIHG shall fully repay the principal amount on demand based on the instructions of Zonbong Ecology within the Advance period commencing from 8 December 2025 to 28 February 2026.

Interest and Security

The interest rate of 5.0% per annum for the Advance was determined after arm's length negotiations between the parties to the Agreement with reference to (i) the seven-day call interest rate applicable to similar loans held by the Group with major commercial banks in the PRC; (ii) the short-term interbank lending market rate for comparable local funding amounts; and (iii) the Group's prevailing financing interest costs. The Directors consider that the interest rate substantially exceeds the interest income earned on the Group's bank deposits for equivalent tenures.

REASONS FOR AND BENEFITS OF THE AGREEMENT

In view of the short-term financial need of ZIHG at that time, Zonbong Ecology provided advance payment support for its daily operation and development. Taking into accounts the factors as set out in the paragraph headed "Interest and Security" in this announcement above, the provision of the Advance under the Agreement provided a better return to the Group. The Advance was financed by the Group's internal fund.

Having comprehensively considered the financial conditions and short-term financial needs of ZIHG and the terms of the Agreement, the Board is of the view that ZIHG was capable of fulfilling its repayment obligations as stipulated in the Agreement, with the associated default risk being relatively low. Currently, the Advance and corresponding interest were fully settled by ZIHG to Zonbong Ecology on 30 January 2026.

The Directors (excluding Mr. Sun, Mr. Liu Haitao and Mr. Shao Zhanguang who had abstained from voting on the relevant resolutions of the Board and including the independent non-executive Directors) consider that even though the entry into of the Agreement is not in the ordinary and usual course of business of the Group, the Agreement was entered into through arm's length negotiation, on normal commercial terms or better, and that the terms of the Agreement are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

RISK CONTROL MEASURES

The Directors (excluding Mr. Sun, Mr. Liu Haitao and Mr. Shao Zhanguang and including the independent non-executive Directors) consider that the following risk control measures adopted by the Company were adequate to cover the risks involved in the provision of Advance pursuant to the Agreement:

(i) upon the request of Zonbong Ecology at any time, ZIHG shall provide forthwith to Zonbong Ecology any documents and information relating to the financial position of the ZIHG, including but not limited to credit report, to assess the repayment capacity of ZIHG and credit risks;

(ii) if ZIHG has any potential risks of financial instability, ZIHG shall inform Zonbong Ecology immediately; and

(iii) Zonbong Ecology will review the financial position of ZIHG at least every month. If ZIHG has shown any signs of financial instability, Zonbong Ecology can demand ZIHG to repay on demand all or part of outstanding principal and interest accrued under the Agreement.

FUNDING OF THE ADVANCE

The Group will finance the Advance with the Group's internal fund.

INFORMATION ON THE PARTIES

The Company is an investment holding company incorporated in the Cayman Islands and registered as an exempted company with limited liability under the Companies Act of the Cayman Islands on 8 March 2019. The Group is a comprehensive service provider in the pan-municipal public works, green construction and management and cultural and tourism development industry in the Three Northeast Provinces of the PRC. The Group is principally engaged in landscaping, ecological restoration, cultural and tourism and other related projects.

ZIHG is a company established in the PRC with limited liability on 16 May 2014. As at the dates of the Agreement and this announcement, ZIHG was owned as to approximately 35.00% by Ms. Zhao Hongyu, 27.00% by Mr. Sun, 10.00% by Ms. Li Ping, 5.00% by Mr. Hou Baoshan, 5.00% by Mr. Liu Haitao, 5.00% by Mr. Shao Zhanguang, 5.00% by Mr. Sun Juzhi, 4.00% by Mr. Shan Dejiang, 1.00% by Mr. Li Peng, 1.00% by Mr. Liu Changli, 1.00% by Mr. Wei Xiaoguang and 1.00% by Mr. Weng Hongzhao. Together with other members of the ZIHG Group, it mainly engages in the infrastructure and municipal construction works business and other businesses.

LISTING RULES IMPLICATIONS

The entering into of the Agreement constituted a notifiable transaction of the Company under Chapter 14 of the Listing Rules and connected transaction of the Company under Chapter 14A of the Listing Rules. Regrettably, the Company failed to comply with the relevant requirements under Chapter 14 and Chapter 14A of the Listing Rules in respect of the Agreement as set out below in a timely manner due to its unintentional and inadvertent oversight. Zonbong Ecology failed to fully understand the disclosure and approval requirements under Chapter 14 and Chapter 14A of the Listing Rules when executing this short-term Advance. Furthermore, delays in the dissemination of internal information within the Group resulted in failure of timely consultation with legal advisers and fulfilment of relevant disclosure procedures. The Company deeply regrets and will draw a lesson from its non-compliance in this matter. The Company has no intention to conceal any information relating to the Advance. The non-compliance with the Listing Rules was unintentional and not deliberate.

As the highest applicable percentage ratio (as defined under the Listing Rules) in respect of the Agreement exceeded 5% but was less than 25%, the transaction contemplated under the Agreement constituted a discloseable transaction of the Company and was subject to the reporting and announcement requirements but exempt from the shareholders' approval requirement under Chapter 14 of the Listing Rules.

As at the dates of the Agreement and this announcement, ZIHG is owned as to approximately 27.00% by Mr. Sun, 35.00% by Ms. Zhao Hongyu (the spouse of Mr. Sun and hence an associate of Mr. Sun), 5.00% by Mr. Liu Haitao (an executive Director, the vice-chairman of the Board and the chief executive officer of the Company), 5.00% by Mr. Shao Zhanguang (a non-executive Director), and 5.00% by Mr. Sun Juzhi (the brother of Mr. Sun, and hence an associate of Mr. Sun). Mr. Sun, Ms. Zhao Hongyu, Mr. Liu Haitao, Mr. Shao Zhanguang and Mr. Sun Juzhi are controlling shareholders of the Company via their respective interests in Zonqing International Investment Limited and/or Zonbong International Investment Limited. Therefore, ZIHG is a connected person of the Company under the Listing Rules. Therefore, the transaction contemplated under the Agreement constituted connected transactions of the Company and was subject to reporting, announcement, circular and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

Given that the Advance has been fully settled on 30 January 2026, and that all material information in respect of the Agreement has been set out herein, the Company considers that the practical necessity for retrospective shareholders' approval has been significantly diminished. The Company shall ensure to comply with any requirements as stipulated by the Stock Exchange regarding the Advance.

Approval by the Board

In view of their shareholdings in ZIHG, Mr. Sun, Mr. Liu Haitao and Mr. Shao Zhanguang have abstained from voting on the Board resolutions approving the Advance. Save as disclosed above, none of the Directors has a material interest in the transactions, and none has abstained from voting on the relevant board resolutions.

REMEDIAL MEASURES

The Company deeply regrets its non-compliance with the relevant requirements of Chapter 14 and Chapter 14A of the Listing Rules and would like to stress that such non-compliance was inadvertent and that the Company had no intention to withhold any information relating to the Advance.

To address the non-compliance and strengthen the internal control system of the Company, the Company has taken and will implement the following actions and measures:

(i) as an immediate measure, the Company has issued a memo to relevant personnel, including the finance, legal, corporate and internal audit departments of the Group, reiterating the relevant Listing Rules requirements regarding notifiable transactions and connected transactions and reinforcing the importance of timely report of relevant transactions to the compliance department in accordance with established internal control procedures;

(ii) the Company will enhance the training provided to relevant personnel, including the Directors and the senior management, to reinforce their understanding and to emphasise the importance of compliance with the Listing Rules, including conducting an internal training session to explain and reiterate the relevant Listing Rules requirements and reporting procedures for notifiable transactions and connected transactions;

(iii) a list of connected persons will be updated on a regular basis and circulated to each member of the Group to assist them identifying which counterparty is a connected person of the Group;

(iv) the Company will engage an internal team with sufficient internal control experience to review, update and enhance its internal control systems for notifiable transactions and connected transactions timely discovery and effective compliance management; and

(v) the Company will maintain closer cooperation with its professional advisers in relation to regulatory compliance on an ongoing basis and shall (and as when appropriate and necessary) consult its professional advisors before entering to possible notifiable transactions and connected transactions.

Going forward, the Company will use its best endeavours to carry out necessary measures and appropriate actions to ensure full compliance with the Listing Rules on an on-going basis.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise:

"Advance"	the advance provided by Zonbong Ecology to ZIHG pursuant to the Agreement
"Agreement"	the agreement entered into between Zonbong Ecology as lender and ZIHG as borrower with respect to the Advance
"associate", "connected person", "controlling shareholder(s)", "percentage ratio" and "subsidiary(ies)"	shall have the meaning as ascribed to it under the Listing Rules
"Board"	the board of Directors of the Company
"China" or "PRC"	the People's Republic of China, for the purpose of this announcement excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
"Company"	ZONQING Environmental Limited (中庆环境股份有限公司), an exempted company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 1855)
"Director(s)"	the director(s) of the Company
"Group"	the Company and its subsidiaries
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC

"Independent Shareholders"	Shareholders who are not required to abstain from voting if shareholders' approval is required
"Independent Third Party(ies)"	person(s) or entity(ies) who is/are not connected person(s) of the Company under the Listing Rules
"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
"Mr. Sun"	Mr. Sun Juqing, a non-executive Director and the chairman of the Board
"RMB"	Renminbi, the lawful currency of the PRC
"Share(s)"	ordinary share(s) of HK$0.0003 each in the issued share capital of the Company
"Shareholder(s)"	holder(s) of the Shares
"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)
"Zonbong Ecology"	Zonbong Ecology Environmental Construction Limited* (中邦生態環境有限公司)
"%"	per cent

* *For identification purpose only*

By order of the Board
ZONQING Environmental Limited
Wang Yan
Executive Director

Hong Kong, 30 January 2026

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.