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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)

SUPPLEMENTAL ANNOUNCEMENT PROFIT WARNING

This announcement is made by the board of directors (the "Board") of ZONBONG LANDSCAPE 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).

Reference is made to the Company's profit warning announcement dated 15 August 2022 in respect of the Group's financial information for the six months ended 30 June 2022 (the "Announcement"). Unless otherwise specified, capitalised terms used herein shall have the same meanings as those defined in the Announcement.

The Board wishes to further inform the Shareholders and potential investors that based on the preliminary review of the Management Account for the six months ended 30 June 2022 and other information currently available, the Group is expected to record a net loss after taxation ranging from approximately RMB40.0 million to RMB43.0 million for the six months ended 30 June 2022 as compared to a net profit after taxation of approximately RMB16.5 million for the corresponding period in 2021, which was primarily attributable to the implementation of control and lockdown measures to combat the Covid-19 outbreak in Changchun city, as disclosed in the Announcement.

Based on the latest assessment by the Board, the Board wishes to further supplement that:

- (i) due to the control and lockdown period occurring during peak construction season, construction work could not be carried out, and also as the tendering process has been delayed, the newly awarded contracts in the six months ended 30 June 2022 has decreased as compared to that of the corresponding period in 2021. As a result, the revenue for the six months ended 30 June 2022 is expected to decrease in the range of approximately RMB134.0 million to RMB137.0 million (representing a decrease of approximately 37.0% to 37.8%), as compared with the amount of approximately RMB362.1 million recorded for the corresponding period in 2021, hence the gross profit is expected to decrease in the range of approximately RMB43.0 million to RMB46.0 million (representing a decrease of approximately 53.0% to 56.7%) as compared with the amount of approximately RMB81.2 million recorded for the corresponding period in 2021; and
- (ii) the control and lockdown measures also extended the payment and measurement cycle from project owners. The impairment loss on trade and other receivables and contract assets for the six months ended 30 June 2022 is expected to increase in the range of approximately RMB32.0 million to RMB35.0 million (representing an increase of approximately 238.8% to 261.2%) as compared with the amount of approximately RMB13.4 million recorded for the corresponding period in 2021.

The Group is still in the process of finalising its interim results for the six months ended 30 June 2022. The information above is only based on a preliminary assessment by the Board and other information currently available to the Company, which has not been reviewed by the auditors of the Company or the audit committee of the Company and may be subject to adjustments. Shareholders and potential investors are advised to read the interim results announcement of the Company for the six months ended 30 June 2022, which is expected to be published in August 2022 pursuant to the requirements of 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 ZONBONG LANDSCAPE Environmental Limited Liu Haitao

Chairman and executive Director

Hong Kong, 18 August 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.