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China Boqi Environmental (Holding) Co., Ltd.

中國博奇環保(控股)有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2377)

**CONTINUING CONNECTED TRANSACTION
NO. 5-6 YANGXI FACILITIES MAINTENANCE SERVICE AGREEMENT**

HIGHLIGHT

On 25 January 2022, Beijing Boqi entered into the No. 5-6 Yangxi Facilities Maintenance Service Agreement with Yangxi Electric, pursuant to which Beijing Boqi provides maintenance services in respect of the No. 5-6 Yangxi Facilities to Yangxi Electrics from 1 January 2022 to 31 August 2027 with amount of service fee of RMB33.92 million.

LISTING RULES IMPLICATIONS

As of the date of this announcement, Yangxi Electric is a wholly-owned subsidiary of Guangdong Huaxia Electric, which is owned and controlled by, through various intermediaries, Mr. Zhu Yihang (朱一航). Mr. Zhu Yihang is a brother and thus, an associate of Mr. Zhu, who is a non-executive Director and substantial Shareholder. Mr. Zhu and his associate(s) held an aggregate of 152,170,529 Shares, representing approximately 15.13% of the total issued Shares, as at the date of this announcement. Yangxi Electric is deemed to be a connected person of our Company under Chapter 14A of the Listing Rules. Therefore, the transactions under the No. 5-6 Yangxi Facilities Maintenance Service Agreement with Yangxi Electric constitute continuing connected transactions of our Company.

The highest applicable percentage ratio in respect of the Annual Cap for the transactions contemplated under the No. 5-6 Yangxi Facilities Maintenance Service Agreement is less than 5% and the maximum Annual Cap is expected to be more than HK\$3 million. Therefore, the transactions contemplated under the No. 5-6 Yangxi Facilities Maintenance Service Agreement will be subject to reporting, announcement and annual review requirements but will be exempt from independent Shareholders' approval requirements pursuant to Rule 14A.76 of the Listing Rules.

Pursuant to Rule 14A.52 of the Listing Rules, the term of an agreement governing the continuing connected transaction must not exceed three years except in special circumstances where the nature of the transaction requires it to be of a longer contract term. Therefore, the Company has engaged Gram Capital to explain the reasons for a longer period required for the term of No. 5-6 Yangxi Facilities Maintenance Service Agreement and to confirm that it is normal business practice for an agreements of this type to be of such duration. Please refer to the section headed “Opinion from Gram Capital” below in this announcement for further details.

Mr. Zhu may be regarded as having a material interest in the transactions contemplated under No. 5-6 Yangxi Facilities Maintenance Service Agreement and therefore he has abstained from voting at the meeting of the Board convened for the purpose of approving the said transactions. Save as disclosed above, none of the Directors has a material interest in the transactions contemplated under No. 5-6 Yangxi Facilities Maintenance Service Agreement.

BACKGROUND

On 25 January 2022, Beijing Boqi entered into the No. 5-6 Yangxi Facilities Maintenance Service Agreement with Yangxi Electric. The major terms of the No. 5-6 Yangxi Facilities Maintenance Service Agreement are set out below:

- Parties:**
- (1) Beijing Boqi
 - (2) Yangxi Electric
- Term:** From 1 January 2022 to 31 August 2027
- Subject:** Provision of maintenance services in respect of the No. 5-6 Yangxi Facilities by Beijing Boqi
- Scope of service:** The scope of maintenance services includes but not limited to:
- (1) Maintenance facilities: all maintenance facilities of desulfurization, denitration and public systems (including ammonia area); desulfurization wastewater treatment system and its supporting equipment; desulfurization wastewater drug handling/preparation, etc.; glass flake and spray layer repair (single repair $\leq 50\text{m}^2$);
 - (2) Electrical facilities: all on-site power boxes, distribution boxes, maintenance power boxes and other primary and secondary equipment; outsourced work for low-voltage motors of 37kW and below (including coil replacement, rotor dynamic balance, shaft spraying repair, etc.); 10kV system panel (responsible for the primary electrical part only), 380V system panel, DC system panel and battery, UPS panel, dry-type transformer, local transfer motor equipment, local maintenance box, ventilation, cables, and cable fire protection facilities, cable tray, cable trench and grounding system; lightning protection facilities;

- (3) Thermal control facilities: all thermal control facilities for desulfurization, denitrification, and public systems (including ammonia area); all thermal control facilities for desulfurization and wastewater treatment system and its supporting equipment systems; desulfurization and denitrification CEMS system equipment;
- (4) Comprehensive facilities: fire-fighting water system and fire-fighting underground pipe network system; scaffolding erection and disassembly, thermal insulation disassembly and assembly, sporadic paint anticorrosion; daily inspection and maintenance of hoisting machinery, elevator equipment and shafts, and cooperation with the special equipment inspection department to complete the annual inspection; air conditioning and lighting maintenance;
- (5) Sanitation and cleaning: sanitation and cleaning of all equipment (including steel frames, pipes, etc.); sanitation and cleaning within the area (excluding ground cleaning and greening, watering and weeding); and
- (6) Other work within the scope of service of Beijing Boqi.

Service fee:

Subject to adjustment that may be made in accordance with the No. 5-6 Yangxi Facilities Maintenance Service Agreement, the total service fee is RMB33.92 million, details of which are set out below:

No.	Item	Unit price (RMB)	Amount	Total fee to be received during the entire term (RMB)
1.	Routine maintenance fee for the No. 5-6 Yangxi Facilities (<i>Note 1</i>)	455,864 per month	68 months	30,998,752
2.	C-level inspection and maintenance for each of the No. 5-6 Yangxi Facilities (<i>Note 2</i>)	192,124.80 each (<i>subject to actual costs incurred</i>)	10 times	1,921,248 (<i>subject to actual costs incurred</i>)

No.	Item	Unit price (RMB)	Amount	Total fee to be received during the entire term (RMB)
3.	Adjustment provision for labor costs for routine maintenance for the No. 5-6 Yangxi Facilities in the third stage between January 2025 and August 2027 (Note 3)	Nil	Nil	1,000,000 (subject to adjustment mechanism stated below)
Total				33,920,000

Notes:

1. *The routine maintenance fee primarily includes labor costs, ancillary facilities and equipment fee, management fee, consumable material costs etc. The labor costs are determined with reference to the prevailing market price of labor unit of Yangjiang and the estimated number of on-site worker based on the Group's other existing projects for provision of similar maintenance services*
2. *The C-level inspection and maintenance is determined with reference to the terms of other existing maintenance service agreements in relation to the provision of services to power plants for the maintenance of desulfurization and denitrification facilities that have been entered into by our Group.*
3. *The amount of adjustment provision for labor costs for routine maintenance was determined based on requirements set out in the tendering document, which is applicable to all service providers participated in the tendering process.*

Payment term: (1) Monthly payment:

Beijing Boqi shall submit the payment application form for service fee incurred for the previous month before the 10th of each month to Yangxi Electric. Yangxi Electric shall pay Beijing Boqi 90% of the total payment for the previous month as approved by Yangxi Electric and the remaining 10% will be withheld by Yangxi Electric as maintenance warranty (the “**maintenance warranty**”). The last monthly payment will be made after the parties settle the No. 5-6 Yangxi Facilities Maintenance Service Agreement.

(2) Refund of the maintenance warranty:

- (a) Routine maintenance warranty: Yangxi Electric shall refund routine maintenance warranty (interest-free) annually after the expiration of the annual routine maintenance period and within 30 days after Yangxi Electric confirms that the facilities have no maintenance quality issue. The last refund for the routine maintenance warranty will be made after the parties settle the No. 5-6 Yangxi Facilities Maintenance Service Agreement.

- (b) C-level inspection and maintenance warranty: Yangxi Electric shall refund the C-level maintenance warranty (interest-free) after three months from the completion of a single C-level inspection and maintenance by Beijing Boqi and within 30 days after Yangxi Electric confirms that the facilities have no quality issues.

Adjustment mechanism for labor costs:

The labor costs for routine maintenance in the first and second stages will not be adjusted. Only the labor costs incurred in the third stage (i.e. from 1 January 2025 to 31 August 2027) will be adjusted.

The calculation formula of labor cost adjustment: $F_i = M \times C \times$ the third-stage monthly maintenance quantity (i.e. 32 months), of which:

F_i = the adjustment price of the labor cost for the routine maintenance in the third stage;

M = the monthly labor cost for the routine maintenance (the maximum shall not exceed 72% of the total monthly routine maintenance fee);

C = the adjustment ratio of labor cost ($-10\% \leq C \leq 10\%$, the excess part will not be adjusted);

$$\text{The adjustment ratio of the labor cost} = \left(\frac{\text{the weighted average price of the comprehensive labor unit price of the Yangjiang Project Cost Information in the first quarter of 2025}}{\text{the weighted average price of the comprehensive labor unit price of the Yangjiang Project Cost Information in the third quarter of 2021}} - 100\% \right) \times 50\%$$

The comprehensive labor unit price is determined with reference to the “Yangjiang Project Cost Information” during the performance of the No. 5-6 Yangxi Facilities Maintenance Service Agreement. The labor cost adjustment for the routine maintenance in the third phase will be paid on an average monthly basis since the second quarter of the third phase.

Based on the principle of risk sharing, if the weighted average price of the comprehensive labor unit price in the third stage drops year-on-year, Yangxi Electric will deduct the payment to Beijing Boqi according to the above-mentioned labor cost adjustment calculation principle. If Beijing Boqi raises any objection and requests termination of the No. 5-6 Yangxi Facilities Maintenance Service Agreement, it shall be deemed as a breach of contract. Yangxi Electric has the right to deduct the unpaid adjustment of labor costs for the routine maintenance, and Beijing Boqi shall also compensate Yangxi Electric for liquidated damages of 20% of the annual routine maintenance fees. In the event the liquidated damages are not sufficient to compensate Yangxi Electric’s losses, and Yangxi Electric has the right to continue to seek additional compensation.

**Performance
guarantee:**

Beijing Boqi shall provide an unconditional, irrevocable, and pay-on-demand bank performance guarantee (in the form and content as agreed by Beijing Boqi and Yangxi Electric) (the “**guarantee**”) in favor of Yangxi Electric with an amount equivalent to 10% of the annual routine maintenance fee. The guarantee will be refunded without interest within 30 days after the expiration or termination of the No. 5-6 Yangxi Facilities Maintenance Service Agreement.

Upon receiving the guarantee, Yangxi Electric will refund the tendering deposit.

If Beijing Boqi fails to comply with the No. 5-6 Yangxi Facilities Maintenance Service Agreement, Yangxi Electric has the right to unilaterally terminate the No. 5-6 Yangxi Facilities Maintenance Service Agreement, and deduct all or part of the guarantee, depending on the severity of the breach. For the avoidance of doubt, the guarantee co-exists with Beijing Boqi’s other responsibilities and liabilities under the No. 5-6 Yangxi Facilities Maintenance Service Agreement.

INTERNAL CONTROL MEASURES

The service fee in respect of routine maintenance fee for the No. 5-6 Yangxi Facilities (including the adjustment provision for labor costs for routine maintenance for the No. 5-6 Yangxi Facilities in the third stage between January 2025 and August 2027) is fixed and will be paid in accordance with the terms stated in the No. 5-6 Yangxi Facilities Maintenance Service Agreement.

Whereas, service fee in respect of C-level inspection and maintenance for each of the No. 5-6 Yangxi Facilities, expected to be a total of RMB1,921,248 as stated in the No. 5-6 Yangxi Facilities Maintenance Service Agreement, will be calculated based on actual costs incurred. In order to ensure that the sum paid upon settlement is the actual costs incurred, Beijing Boqi will establish a project team, which comprises of professionals from the marketing department, maintenance business center and technical actuarial department to check and calculate the costs to be incurred, especially, an inspector from Beijing Boqi who will enter the site of project to track the costs incurred ensuring that the C-level inspection and maintenance fees are the actual costs incurred.

The independent non-executive Directors will continue to review the No. 5-6 Yangxi Facilities Maintenance Service Agreement to ensure that it has been entered into on normal commercial terms or better, and its terms are fair and reasonable and in the interests of the Company and the Shareholders as a whole, and provide confirmation in the Company’s annual report.

In addition, the Company will endeavor to carry out adequate supervision over the total transaction amount under the No. 5-6 Yangxi Facilities Maintenance Service Agreement against the relevant Annual Cap, with a view to ensure that necessary measures and appropriate actions for the compliance with the applicable requirements under the Listing Rules will be promptly taken. Information relating to connected transactions of our Company (including quarterly transaction amounts and cumulative amounts) will be reviewed on a quarterly basis. If the transaction amount reaches 80% of the relevant Annual Cap at any point of the financial year, the management would seek advice from the audit committee of the Board and the Board would consider to take any applicable and appropriate action, which may include publishing announcement and seeking independent Shareholders’ approval for increasing the Annual Caps.

HISTORICAL FIGURE

Since the Group and Yangxi Electric had not entered into similar transactions in respect of No. 5-6 Yangxi Facilities in the past, no historical transaction figure is available.

ANNUAL CAPS AND BASIS

The following table sets forth the Annual Caps:

Year ending 31 December	Annual Caps (RMB)
2022	5,900,000
2023	5,900,000
2024	5,900,000
2025	6,200,000
2026	6,200,000
2027	4,500,000

Basis for calculating the Annual Caps

In determining the Annual Caps in respect of the maximum transaction amount to be received under the No. 5-6 Yangxi Facilities Maintenance Service Agreement with Yangxi Electric, our Directors have considered the following factors:

- (a). the Annual Cap was determined with respect to:
 - (i) the fixed monthly routine maintenance fee as set out in the No. 5-6 Yangxi Facilities Maintenance Service Agreement multiplied by corresponding number of service months during the year;
 - (ii) the C-level inspection and maintenance fee as set out in the No. 5-6 Yangxi Facilities Maintenance Service Agreement. Since Beijing Boqi will perform C-level inspection and maintenance service on an as-needed basis in relation to the operation of the No.5-6 Yangxi Facilities, the Company has assumed that the C-level inspection and maintenance service will be performed twice (i.e. once for each of No.5-6 Yangxi Facilities) per year for the calculation of the Annual Caps. Nonetheless, Beijing Boqi will observe and comply with the No. 5-6 Yangxi Facilities Maintenance Service Agreement and perform C-level inspection and maintenance service for the No. 5-6 Yangxi Facilities up to 10 times in total; and
 - (iii) the potential labour costs increase and inflation and the adjustment mechanism in the third stage between 2025 and 2027 as set out in the No. 5-6 Yangxi Facilities Maintenance Service Agreement;
- (b). the inclusion of a buffer for the estimated amount of the services required by the Group under the No. 5-6 Yangxi Facilities Maintenance Service Agreement so as to accommodate any unexpected occurrence or unexpected increase in the cost of provision of the services as contemplated under the No. 5-6 Yangxi Facilities Maintenance Service Agreement.

REASONS FOR AND BENEFITS OF THE NO. 5-6 YANGXI FACILITIES MAINTENANCE SERVICE AGREEMENT

In recent years, coal consumption and pollution emission standards have been significantly tightened. To comply with such stringent standards, and minimize operational risk while also minimizing the costs to be incurred, Yangxi Electric engaged Beijing Boqi, being a leading independent and recognized flue gas treatment integrated service provider to be the sole desulfurization and denitrification service provider for its power plant. Further, it is in the benefit of Yangxi Electric to retain only one desulfurization and denitrification service provider to the Yangxi Facilities for the purpose of minimizing costs and eliminating the need to manage a few different service providers with different points of contact and who may use different quality management systems.

Provision of operation and maintenance services is our usual course of business. Beijing Boqi has earned numerous highly-recognized awards in the flue gas treatment industry, and having been already familiarized with the operations and facilities of Yangxi Electric as a result of provision of operation and maintenance services for No.1-4 Yangxi Facilities. Please refer to the Company's circular dated 31 May 2019 for details of the agreements entered into among Beijing Boqi Electric Power SCI-TECH Co., Ltd., Guangdong Huaxia Electric and Yangxi Electric in respect of No. 1-4 Yangxi Facilities. By entering into the No. 5-6 Yangxi Facilities Maintenance Service Agreement and the transactions thereunder, Beijing Boqi will leverage its relevant professional experience and strengths in the maintenance of the desulfurization and denitrification facilities, export its management experience and gain reasonable income and returns. The execution of the No.5-6 Yangxi Facilities Maintenance Service Agreement is in line with the Group's overall strategy and business focus of engaging in the maintenance of the desulfurization and denitrification facilities and will enhance our market presence in Guangdong province. The enhancement of the Group's competitive edge in its core business is in the interests of the Group as a whole.

The Directors (including the independent non-executive Directors) consider that the Annual Cap is fair and reasonable, and terms of the No. 5-6 Yangxi Facilities Maintenance Service Agreement are fair and reasonable, and transactions contemplated under the No. 5-6 Yangxi Facilities Maintenance Service Agreement are in the ordinary and usual course of business of the Group and on normal commercial terms or better and in the interest of the Company and the Shareholders as a whole.

As Mr. Zhu is deemed to have a material interest in the transactions under the No. 5-6 Yangxi Facilities Maintenance Service Agreement with Yangxi Electric, Mr. Zhu and his associate(s) has abstained from voting on the relevant Board resolution.

LISTING RULES IMPLICATIONS

As of the date of this announcement, Yangxi Electric is a wholly-owned subsidiary of Guangdong Huaxia Electric, which is owned and controlled by, through various intermediaries, Mr. Zhu Yihang (朱一航). Mr. Zhu Yihang is a brother and thus, an associate of Mr. Zhu, who is a non-executive Director and substantial Shareholder. Mr. Zhu and his associate(s) held an aggregate of 152,170,529 Shares, representing approximately 15.13% of the total issued Shares, as at the date of this announcement. Yangxi Electric is deemed to be a connected person of our Company under Chapter 14A of the Listing Rules. Therefore, the transactions under the No. 5-6 Yangxi Facilities Maintenance Service Agreement with Yangxi Electric constitute continuing connected transactions of our Company.

The highest applicable percentage ratio in respect of the Annual Cap for the transactions contemplated under the No. 5-6 Yangxi Facilities Maintenance Service Agreement is less than 5% and the maximum Annual Cap is expected to be more than HK\$3 million. Therefore, the transactions contemplated under the No. 5-6 Yangxi Facilities Maintenance Service Agreement will be subject to reporting, announcement and annual review requirements but will be exempt from independent Shareholders' approval requirements pursuant to Rule 14A.76 of the Listing Rules.

Pursuant to Rule 14A.52 of the Listing Rules, the term of an agreement governing the continuing connected transaction must not exceed three years except in special circumstances where the nature of the transaction requires it to be of a longer contract term. Therefore, the Company has engaged Gram Capital to explain the reasons for a longer period required for the term of No. 5-6 Yangxi Facilities Maintenance Service Agreement and to confirm that it is normal business practice for an agreements of this type to be of such duration. Please refer to the section headed "Opinion from Gram Capital" below in this announcement for further details.

Mr. Zhu may be regarded as having a material interest in the transactions contemplated under No. 5-6 Yangxi Facilities Maintenance Service Agreement and therefore he has abstained from voting at the meeting of the Board convened for the purpose of approving the said transactions. Save as disclosed above, none of the Directors has a material interest in the transactions contemplated under No. 5-6 Yangxi Facilities Maintenance Service Agreement.

GENERAL INFORMATION

About our Group and Beijing Boqi

The Group is mainly engaged in providing comprehensive and professional environmental management services in Mainland China to large industrial and energy customers, including flue gas treatment, hazardous solid waste treatment and disposal, industrial water treatment, and energy saving and emission reduction, etc.

Beijing Boqi, a limited liability company established in the PRC, is an indirect wholly-owned subsidiary of the Company. Its principal business includes the construction and operation of desulfurization, denitrification and dust removal facilities at coal-fired power stations in China and abroad.

About Yangxi Electric

Yangxi Electric, a limited liability company established in the PRC, is the major operating subsidiary of Guangdong Huaxia Electric, which mainly engaged in, among others, investment in electricity industry and has invested in a number of power plants in the PRC. Guangdong Pearl River Investment Management Group Co., Ltd. is the ultimate beneficial owner of Guangdong Huaxia Electric and is primarily engaged in energy and infrastructure investment in China.

OPINION FROM GRAM CAPITAL

In assessing the reasons for the duration of the No. 5-6 Yangxi Facilities Maintenance Service Agreement to be longer than three years, Gram Capital has considered the following factors:

- i. Yangxi Electric selected services provider for the transactions contemplated under the No. 5-6 Yangxi Facilities Maintenance Service Agreement by way of tendering procedures. According to the tendering document, which applied to all participants, the required duration of maintenance services and the template maintenance service agreement (being part of the tendering document) were approximately six years. Therefore, it would be unduly burdensome and would add unnecessary administration costs for a number of shorter period maintenance services agreements as the duration of the maintenance services is approximately six years.
- ii. It is commercially beneficial for power plants to enter into longer operation and maintenance agreements due to the technical requirements and emission standards imposed by the PRC government to ensure compliance and certainty in their operations and minimization of their operational risk.

In considering whether it is normal business practice for agreements of similar nature with the transaction contemplated under the No. 5-6 Yangxi Facilities Maintenance Service Agreement to have a term of such duration (i.e. approximately six years), Gram Capital identified and reviewed eight transactions involving maintenance services, entered into by companies listed on the Stock Exchange, the duration of most of aforesaid arrangements were 10 years, being more than three years.

In addition, Gram Capital reviewed five copies of agreements involving the provision of maintenance services by the Group (four of which were with independent third parties). Gram Capital noted that the durations of such agreements were 4 to 9 years, which also exceed three years.

Taking into account of the above, Gram Capital confirms that the duration of the No. 5-6 Yangxi Facilities Maintenance Service Agreement, which is longer than three years, is required and it is normal business practice for agreements of this type to be of such duration.

DEFINITIONS

Unless the context requires otherwise, the following terms shall have the meanings set out below in this announcement:

“Annual Caps”	the annual caps for the continuing connected transactions contemplated under the No. 5-6 Yangxi Facilities Maintenance Service Agreement with Yangxi Electric for the six years ending 31 December 2027
“associate”	has the same meaning ascribed thereto under the Listing Rules
“Beijing Boqi”	Yangxi Branch of Beijing Boqi Electric Power SCI-TECH Co., Ltd., a limited liability company incorporated in the PRC, is an indirect wholly-owned subsidiary of the Company
“Board”	the board of Directors
“Company”	China Boqi Environmental (Holding) Co., Ltd (中國博奇環保(控股)有限公司), a company incorporated in the Cayman Islands with limited liability, the issued Shares of which are listed on the Main Board of the Stock Exchange

“connected person(s)”	has the same meaning ascribed thereto under the Listing Rules
“continuing connected transaction(s)”	has the same meaning ascribed thereto under the Listing Rules
“Director(s)”	the director(s) of the Company
“Gram Capital” or “Independent Financial Adviser”	Gram Capital Limited, a licensed corporation to carry out Type 6 (advising on corporate finance) regulated activity under Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), the independent financial adviser appointed by our Company in respect of the duration of No. 5-6 Yangxi Facilities Maintenance Service Agreement
“Group”	collectively, the Company and its subsidiaries
“Guangdong Huaxia Electric”	Guangdong Huaxia Electric Development Co., Ltd (廣東華夏電力發展有限公司), a limited liability company established in the PRC on 11 November 2003, a company owned and controlled by a brother of Mr. Zhu
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“independent third party(ies)”	person(s) or company(ies) who/which, to the best of our Directors’ knowledge, information and belief, having made all reasonable enquiries, is/are not our connected persons
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Zhu”	Mr. ZHU Weihang (朱偉航), a non-executive Director and substantial Shareholder
“No. 1-4 Yangxi Facilities”	No. 1-4 desulfurization and denitrification facilities owned by Yangxi Electric
“No. 5-6 Yangxi Facilities”	No. 5-6 desulfurization, denitrification and zero discharge of wastewater facilities owned by Yangxi Electric
“No. 5-6 Yangxi Facilities Maintenance Service Agreement”	Maintenance service agreement dated 25 January 2022 entered into between Beijing Boqi and Yangxi Electric in relation to the maintenance service in respect of No. 5-6 Yangxi Facilities to be provided by Beijing Boqi
“PRC”	the People’s Republic of China, which, for the purpose of this announcement, shall exclude Hong Kong, the Macao Special Administrative Region and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	share(s) of USD0.00001 each in the ordinary share capital of the Company

“Shareholder(s)”	holder(s) of the Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary”	has the same meaning ascribed thereto under the Listing Rules
“substantial shareholder”	has the same meaning ascribed thereto under the Listing Rules
“USD”	United States dollars, the lawful currency of the United States
“Yangjiang Project Cost Information”	Yangjiang’s public information as of the previous month released by Yangjiang Housing and Urban-Rural Development Bureau, including but not limited to the comprehensive labor unit prices
“Yangxi Electric”	Yangxi Haibin Electric Power Development Co., Ltd (陽西海濱電力發展有限公司), a limited liability company established in the PRC on 5 February 2004, a wholly-owned subsidiary of Guangdong Huaxia Electric
“%”	per cent

By order of the Board
China Boqi Environmental (Holding) Co., Ltd.
Zeng Zhijun
Chairman, Executive Director and Chief Executive Officer

Beijing, the PRC, 25 January 2022

As at the date of this announcement, the executive Directors are Mr. Zeng Zhijun and Mr. Cheng Liquan Richard; the non-executive Directors are Mr. Zheng Tony Tuo, Mr. Zhu Weihang and Mr. Chen Xue; and the independent non-executive Directors are Mr. Liu Genyu, Dr. Xie Guozhong and Mr. Lu Zhifan.