

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.



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)

DISCLOSEABLE TRANSACTION DISPOSALS OF LISTED SECURITIES

HIGHLIGHT

During the Relevant Period, the Company conducted a series of on-market transactions to dispose of an aggregate of 19,619,000 CRGL Shares (representing approximately 0.44% of the total issued CRGL Shares as at the date of this announcement) at an aggregate consideration of approximately HK\$75.48 million (excluding transaction costs), representing an average price of approximately HK\$3.85 per CRGL Share. The consideration of each of the Disposals represented the prevailing market prices of the CRGL Shares at the respective time of each of the Disposals and, after deducting transaction costs, was received by the Company in cash on settlement. Upon settlement of the Disposals, the Group will cease to hold any CRGL Shares.

LISTING RULES IMPLICATION

As the Disposals took place within a 12-month period, the Disposals shall be aggregated as a single series of transactions pursuant to Rule 14.22 of the Listing Rules. As one or more of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the Disposals (when aggregated as a whole) exceed 5% but are less than 25%, the Disposals (when aggregated as a whole) constitute discloseable transactions of the Company under Chapter 14 of the Listing Rules and are therefore subject to the reporting and announcement requirements of the Listing Rules.

THE DISPOSALS

During the Relevant Period, the Company conducted a series of on-market transactions to dispose of an aggregate of 19,619,000 CRGL Shares (representing approximately 0.44% of the total issued CRGL Shares as at the date of this announcement) at an aggregate consideration of approximately HK\$75.48 million (excluding transaction costs), representing an average price of approximately HK\$3.85 per CRGL Share. The consideration of each of the Disposals represented the prevailing market prices of the CRGL Shares at the respective time of each of the Disposals and, after deducting transaction costs, was received by the Company in cash on settlement. Upon settlement of the Disposals, the Group will cease to hold any CRGL Shares.

As the Disposals were made through the Company's security broker (which is and whose ultimate beneficial owners are Independent Third Parties) and conducted on the open market, the identities of the purchasers of the CRGL Shares cannot be ascertained. To the best knowledge, information and belief of the Directors and having made all reasonable enquiries, the purchasers of the CRGL Shares and their respective ultimate beneficial owners are Independent Third Parties.

INFORMATION OF CRGL

CRGL is a 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: 1907). According to the 2021 annual report of CRGL, CRGL is an integrated coke, coking chemical and refined chemical producer and supplier together with relevant operation management services provider in China and all principal assets employed by CRGL are located in the PRC during the year ended 31 December 2021.

The following financial information is extracted from the 2021 annual report of CRGL:

	Year Ended 31 December	
	2021	2020
	<i>RMB'000</i>	<i>RMB'000</i>
Revenue	38,430,411	19,784,866
Profit before tax	3,197,879	1,950,664
Profit after tax	2,596,039	1,653,852

Based on CRGL's 2021 annual report, CRGL has audited net asset value of approximately RMB8,382.8 million and RMB11,111.3 million as at 31 December 2020 and 2021, respectively.

FINANCIAL EFFECTS AND REASONS FOR AND BENEFITS OF THE DISPOSALS

The Group monitors the performance and makes adjustment of its investment portfolio from time to time. Having considered the then market prices of CRGL Shares, the Disposals provided the Group with an opportunity to realise its investment in the CRGL Shares, and to re-allocate resources for other investment opportunities when they arise.

As a result of the Disposals, the Group is expected to recognise a gain of approximately HK\$19.69 million, being the difference between the proceeds received from the Disposals after deducting transaction costs and the acquisition cost of the CRGL Shares inclusive of transaction costs. It is intended that the net proceeds from the Disposals will be applied as general working capital of the Group. For the avoidance of doubt, the income/loss to be recognised in the consolidated statement of profit or loss and other comprehensive income of the Group as a result of the Disposals will be subject to final audit to be performed by the Company's auditors.

As the Disposals were conducted on the open market at prevailing market prices, the Directors are of the view that the terms of the Disposals are fair and reasonable, on normal commercial terms and in the interests of the Company and its shareholders as a whole.

INFORMATION OF THE COMPANY AND THE GROUP

The Company is incorporated in the Cayman Islands with limited liabilities and is an investment holding company. The Group is mainly engaged in providing comprehensive and professional environmental management services to large industrial and energy customers, including flue gas treatment, water treatment, hazardous solid waste treatment and disposal, and energy for “dual carbon” goals, etc.

LISTING RULES IMPLICATION

As the Disposals took place within a 12-month period, the Disposals shall be aggregated as a single series of transactions pursuant to Rule 14.22 of the Listing Rules. As one or more of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the Disposals (when aggregated as a whole) exceed 5% but are less than 25%, the Disposals (when aggregated as a whole) constitute discloseable transactions of the Company under Chapter 14 of the Listing Rules and are therefore subject to the reporting and announcement requirements of the Listing Rules.

DEFINITIONS

Unless the context requires otherwise, the following terms shall have the following meanings:

“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
“CRGL”	China Risun Group Limited (中國旭陽集團有限公司), 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 (stock code: 1907)
“CRGL Share(s)”	ordinary share(s) of CRGL
“Director(s)”	the director(s) of the Company
“Disposals”	the series of on-market disposals of an aggregate of 19,619,000 CRGL Shares conducted by the Company during the Relevant Period at an aggregate consideration of approximately HK\$75.48 million (excluding of transaction costs), representing an average price of approximately HK\$3.85 per CRGL Share
“Group”	collectively, 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 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 independent of and not connected with the Company and its connected persons
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“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
“Relevant Period”	from 27 April 2022 to 21 February 2023
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	share(s) of USD0.00001 each in the ordinary share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	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, 23 February 2023

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 Zhifang.