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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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**If you are in any doubt** as to any aspect of this circular or as to the action to be taken, you should consult your licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your shares in **China Boqi Environmental (Holding) Co., Ltd.**, you should at once hand this circular together with the accompanying form of proxy to the purchaser(s) or the transferee(s) or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or the transferee(s).

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**China Boqi Environmental (Holding) Co., Ltd.****中國博奇環保(控股)有限公司***(Incorporated in Cayman Islands with limited liability)***(Stock Code: 2377)****MAJOR TRANSACTION  
FINANCE LEASE ARRANGEMENTS AND  
NOTICE OF EXTRAORDINARY GENERAL MEETING**

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A letter from the Board is set out on pages 5 to 19 of this circular.

A notice convening the EGM to be held at the first conference room of the Company at 11/F, R&F Center, 63 East 3rd Ring Middle Road, Chaoyang District, Beijing, the PRC on 9 April 2020 at 10:30 a.m. is set out on pages EGM-1 to EGM-2 of this circular. A form of proxy for use at the EGM is enclosed. Whether or not you are able to attend the EGM, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return the same to the Company's Hong Kong branch share registrar, Tricor Investor Services Limited, Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding of the EGM or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof should you so wish.

19 March 2020

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## DEFINITIONS

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*In this circular, unless the context requires otherwise, the following terms and expressions shall have the following meanings:*

“Beijing Boqi”	Beijing Boqi Electric Power SCI-TECH Co., Ltd.* (北京博奇電力科技有限公司), a limited liability company established in the PRC and a wholly-owned subsidiary of the Company
“Benchmark Interest Rate”	the benchmark interest rate for RMB loans with a maturity of above five years, as promulgated by the People’s Bank of China from time to time
“Board”	the board of Directors of the Company
“Changjizhou Boqi”	Changjizhou Boqi Environmental Technology Co., Ltd.* (昌吉州博奇環保科技有限公司), a company established in the PRC with limited liability and a wholly-owned subsidiary of the Beijing Boqi
“Changjizhou Equipment”	certain desulfurization and denitrification equipment for the Group’s operation of a desulfurization and denitrification project in Xinjiang Province, the PRC as stipulated under the Changjizhou Finance Lease Agreement
“Changjizhou Finance Lease Agreement”	the finance lease agreement entered into between Changjizhou Boqi and CITIC Leasing on 15 January 2020, in respect of the purchase and lease of the Changjizhou Equipment, as described in the sub-section headed “Changjizhou Finance Lease Arrangement – (i) The Changjizhou Finance Lease Agreement” in this announcement
“Changjizhou Finance Lease Arrangement”	the transactions contemplated under the Changjizhou Finance Lease Agreement and the Changjizhou Security Agreements

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## DEFINITIONS

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“Changjizhou Security Agreements”	the security agreements, including the guarantee agreements, the equity pledge agreement, the service fees pledge agreement and the designated account agreement, to secure the obligations of Changjizhou Boqi under the Changjizhou Finance Lease Arrangement, as described in the sub-section headed “Changjizhou Finance Lease Arrangement – (ii) The Changjizhou Security Agreements” in this announcement
“CITIC Leasing”	CITIC Financial Leasing Co. Ltd.* (中信金融租賃有限公司), a company established in the PRC with limited liability and an Independent Third Party. Based on public information, the ultimate beneficial owner of CITIC Leasing is the State Council of the PRC* (中國國務院)
“Company”	China Boqi Environmental (Holding) Co., Ltd., a company incorporated in Cayman Islands with limited liability, the ordinary shares of which are listed on the Main Board of the Stock Exchange
“Directors”	the directors of the Company
“EGM”	an extraordinary general meeting to be convened by the Company for the Shareholders to consider and approve, if thought fit, among other things, the agreements entered into pursuant to the Finance Lease Arrangements and the transactions contemplated thereunder
“Finance Lease Arrangements”	collectively, the Jinggangshan Finance Lease Arrangement and the Changjizhou Finance Lease Arrangement
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
Independent Third Party(ies)	a party(ies) who is/are independent of the Company and its connected persons (as defined under the Listing Rules)
“Jinggangshan Boqi”	Jiangxi Jinggangshan Boqi Environmental Technology Co., Ltd.* (江西井岡山博奇環保科技有限公司), a company established in the PRC with limited liability and a wholly-owned subsidiary of the Beijing Boqi

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## DEFINITIONS

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“Jinggangshan Concession Service Agreement”	the Jinggangshan Power Plant Flue Gas Desulfurization Concession Operation Agreement dated 18 January 2008, and the Flue Gas Desulfurization Concession Operation Agreement of Jinggangshan Power Plant Phase II Supercritical Coal-fired Units dated 15 August 2008 entered into between Beijing Boqi and Huaneng Power International, Inc.* (華能國際電力股份有限公司). Based on public information, the ultimate beneficial owner of Huaneng Power International, Inc. is the State Assets Supervision & Administration Commission of the State Council of the PRC* (中國國務院國有資產監督管理委員會), which is independent of the Company, CITIC Leasing and their respective connected persons (as defined under the Listing Rules)
“Jinggangshan Equipment”	certain desulfurization and ultra-low emission equipment for the Group’s operation of two desulfurization and ultra-low emission projects in Jiangxi Province, the PRC as stipulated under the Jinggangshan Finance Lease Agreement
“Jinggangshan Finance Lease Agreement”	the finance lease agreement entered into between Jinggangshan Boqi and CITIC Leasing on 15 January 2020, in respect of the purchase and lease of the Jinggangshan Equipment, as described in the sub-section headed “Jinggangshan Finance Lease Arrangement – (i) The Jinggangshan Finance Lease Agreement” in this announcement
“Jinggangshan Finance Lease Arrangement”	the transactions contemplated under the Jinggangshan Finance Lease Agreement and the Jinggangshan Security Agreements
“Jinggangshan Security Agreements”	the security agreements, including the guarantee agreements, the equity pledge agreement, the service fees pledge agreement and the designated account agreement, to secure the obligations of Jinggangshan Boqi under the Jinggangshan Finance Lease Arrangement, as described in the sub-section headed “Jinggangshan Finance Lease Arrangement – (ii) The Jinggangshan Security Agreements” in this announcement

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## DEFINITIONS

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“Latest Practicable Date”	13 March 2020, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“O&M”	operation and maintenance
“PRC”	The People’s Republic of China, for the purpose of this announcement, does not include Hong Kong, Macau Special Administrative Region and Taiwan
“RMB”	Renminbi, the lawful currency of the PRC
“Shareholder(s)”	holder(s) of the Shares
“Shares”	the ordinary shares of US\$0.00001 each in the issued share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Xinjiang Shenhua Project Concession Service Agreement”	the Agreement of 4x350MW Unit Fuel Gas Ultra-low Emission Renovation Project dated 15 June 2017 entered into between Beijing Boqi and Xinjiang Shenhua Coal Co., Ltd.* (新疆神火煤電有限公司). Based on public information, the ultimate beneficial owner of Xinjiang Shenhua Coal Co., Ltd is the State Assets Supervision & Administration Commission of the people’s government of Shangqiu city* (商丘市人民政府 國有資產監督管理委員會), which is independent of the Company, CITIC Leasing and their respective connected persons (as defined under the Listing Rules)
“%”	per cent

\* *for identification purposes only*

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## LETTER FROM THE BOARD

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### **China Boqi Environmental (Holding) Co., Ltd.**

### **中國博奇環保(控股)有限公司**

*(Incorporated in Cayman Islands with limited liability)*

**(Stock Code: 2377)**

*Executive Directors:*

Mr. Cheng Liquan Richard (*Chairman*)

Mr. Zeng Zhijun (*Vice Chairman and  
Chief Executive Officer*)

*Registered Office:*

PO Box 309, Ugland House

Grand Cayman KY1-1104

Cayman Islands

*Non-executive Directors:*

Mr. Tony Tuo Zheng

Mr. Zhu Weihang

Mr. Chen Xue

*Principal place of business in Hong Kong:*

40/F, Sunlight Tower

248 Queen's Road East

Wanchai

Hong Kong

*Independent Non-executive Directors:*

Mr. Liu Genyu

Dr. Xie Guozhong

Mr. Lu Zhifang

19 March 2020

*To the Shareholders:*

Dear Sir or Madam,

### **MAJOR TRANSACTION FINANCE LEASE ARRANGEMENTS**

#### **INTRODUCTION**

Reference is made to the announcement of the Company dated 15 January 2020 in relation to the Finance Lease Arrangements.

The purpose of this circular is to provide you with, among other things, (i) further details of the Finance Lease Arrangements; and (ii) notice of the EGM.

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## LETTER FROM THE BOARD

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### FINANCE LEASE ARRANGEMENTS

#### (1) Jingtangshan Finance Lease Arrangement

On 15 January 2020, Jingtangshan Boqi (as lessee) and CITIC Leasing (as lessor) entered into the Jingtangshan Finance Lease Arrangement, pursuant to which (i) CITIC Leasing agreed to purchase the Jingtangshan Equipment from Jingtangshan Boqi, at the consideration of RMB90,000,000.00 (representing a discount rate of approximately 8.31% to the total book value of Jingtangshan Equipment); and (ii) CITIC Leasing agreed to lease back the Jingtangshan Equipment to Jingtangshan Boqi for a term of five years, at an estimated total amount of RMB107,667,669.63;

The Jingtangshan Equipment under the Jingtangshan Finance Lease Arrangement shall be used by the Group for the operation of two desulfurization and ultra-low emission projects in Jiangxi Province, the PRC.

#### (i) *The Jingtangshan Finance Lease Agreement*

The principal terms of the Jingtangshan Finance Lease Agreement are set out below:

<b>Date</b>	15 January 2020
<b>Parties</b>	CITIC Leasing as lessor Jingtangshan Boqi as lessee
<b>Lease assets</b>	The Jingtangshan Equipment
<b>Purchase price</b>	Pursuant to the Jingtangshan Finance Lease Agreement, CITIC Leasing agrees to purchase the Jingtangshan Equipment and shall pay RMB90,000,000.00 within 10 business days upon satisfaction of the conditions precedent as set out below.
<b>Conditions Precedent</b>	The conditions precedent of the Jingtangshan Finance Lease Agreement, including, among others:  (a) CITIC Leasing has received the handling fee under the Jingtangshan Finance Lease Agreement;  (b) CITIC Leasing has received the necessary title documents to prove that Jingtangshan Boqi has ownership of and/or has the right to deal with the Jingtangshan Equipment;



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## LETTER FROM THE BOARD

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- (c) Jinggangshan Boqi has obtained all internal and external authorization or approval required to sign and perform the Jinggangshan Finance Lease Agreement;
- (d) CITIC Leasing has received such authorization or approval required for the provisions of the guarantees provided by the relevant guarantors;
- (e) the Jinggangshan Finance Lease Agreement and the Jinggangshan Security Agreements have been duly executed, and such agreements have become effective and have not been breached; and
- (f) other documentary proof as required by CITIC Leasing have been satisfied.

The conditions precedent (a), (b), (d) and (f) are waivable at the discretion of CITIC Leasing. As of the Latest Practicable Date, conditions precedent (b) and (e) have been fulfilled.

### **Basis of purchase price**

The purchase price is determined after arm's length negotiations with reference to the following factors:

- (a) the book value of Jinggangshan Equipment of approximately RMB98,160,000.00; and
- (b) with reference to the estimated service fees to be generated by the Jinggangshan Equipment under the Jinggangshan Concession Service Agreement.

### **Lease back arrangement**

Pursuant to the Jinggangshan Finance Lease Agreement, CITIC Leasing agreed to lease back the Jinggangshan Equipment to Jinggangshan Boqi for an estimated total amount of RMB107,667,669.63, being the sum of the handling fee of RMB4,050,000.00, and the lease payment estimated at RMB103,617,669.63. The lease payment comprises the lease principal of RMB90,000,000.00 and the estimated aggregate lease interest as set out below, and shall be paid by Jinggangshan Boqi to CITIC Leasing in 10 equal installments on a semi-annual basis.

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## LETTER FROM THE BOARD

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<b>Lease interest and adjustment</b>	<p>The lease interest is calculated by a floating interest rate, which shall be adjusted with reference to the Benchmark Interest Rate plus a fixed premium of 0.47%.</p> <p>As of the Latest Practicable Date, the aggregate interest is estimated at RMB13,617,669.63, based on the Benchmark Interest Rate of 4.75% plus a fixed premium of 0.47%.</p>
<b>Basis of lease payment</b>	<p>The lease payment is agreed between CITIC Leasing and Jinggangshan Boqi with reference to the consideration payable by CITIC Leasing in respect of the Jinggangshan Equipment and the prevailing market interest rate of comparable equipment finance leases.</p>
<b>Handling Fee</b>	<p>RMB4,050,000.00, which is the purchase price of RMB90,000,000.00 multiplied by 4.5%. The rate of 4.5% is determined after arm's length negotiation between CITIC Leasing and Jinggangshan Boqi, having taken into account of (i) the handling fees quoted by various finance lease companies in the PRC; and (ii) the overall financing costs of the transaction, including the floating interest rate to the lease interest. Accordingly, the Board is of the view that the handling fee is on normal commercial terms, fair and reasonable.</p> <p>The handling fee shall be fully paid by Jinggangshan Boqi to CITIC Leasing on an one-off basis as a condition precedent to the Jinggangshan Finance Lease Agreement. As of the Latest Practicable Date, such handling fee has not been paid. Jinggangshan Boqi intends to pay the handling fee in full within 10 business days from the date of EGM.</p>
<b>Lease term</b>	<p>Five years, commencing from the date when CITIC Leasing makes payment of the purchase price for transfer of the Jinggangshan Equipment to Jinggangshan Boqi. The expected commencement of the Jinggangshan Finance Lease Agreement is by early April of 2020.</p>

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## LETTER FROM THE BOARD

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<b>Ownership of lease assets</b>	Jinggangshan Boqi shall transfer and/or register the Jinggangshan Equipment under the name of CITIC Leasing during the lease term. Jinggangshan Boqi is entitled to the possession, usage and benefits of such assets.
<b>Option to buy back the lease assets</b>	Upon the end of the lease term, subject to Jinggangshan Boqi having fulfilled all of its obligations under the Jinggangshan Finance Lease Agreement, Jinggangshan Boqi has the option to buy back the Jinggangshan Equipment at a nominal consideration of RMB1.00.
<b>Early repayment</b>	<p>After 12 months from the date of payment of the purchase price, Jinggangshan Boqi is entitled to make an early repayment request and provide at least one month's prior written notice to CITIC Leasing, requesting for early repayment. Subject to the written consent of CITIC Leasing, Jinggangshan Boqi shall make full payment of the following to CITIC Leasing:</p> <ul style="list-style-type: none"><li>(i) the losses and expenses (if any) incurred by CITIC Leasing as a result of the early repayment;</li><li>(ii) the overdue interests (if any);</li><li>(iii) the outstanding lease payment(s);</li><li>(iv) the undue lease payment(s);</li><li>(v) any liquidated damages, which shall be calculated by <math>A \times 3\%</math>;</li><li>(vi) an early repayment fee, which shall be calculated by <math>\text{RMB1 million} \times A \times B</math>; and</li><li>(vii) the nominal consideration to exercise the buy-back option of RMB1.00;</li></ul> <p>where,</p> <p>A = the amount of the unpaid lease principal up to the date of early repayment divided by RMB100,000,000 (up to two decimal places); and</p> <p>B = the number of years between the date of early repayment and the date of the last installment (any period of less than one year shall be counted as one year).</p>

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## LETTER FROM THE BOARD

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Upon receipt of such payment, the Jingtangshan Finance Lease Agreement shall be terminated. Accordingly, the obligations under the Jingtangshan Security Agreements shall be released, and the ownership of the Jingtangshan Equipment shall be transferred to Jingtangshan Boqi.

In event that Jingtangshan Boqi submits an early repayment request, the Company will comply with the relevant disclosure requirements in accordance with Chapter 14 of the Listing Rules.

### *(ii) The Jingtangshan Security Agreements*

In order to secure Jingtangshan Boqi's obligations under the Jingtangshan Finance Lease Agreement, the following security documents were executed concurrently on 15 January 2020:

#### **Guarantee agreements**

- (a) Beijing Boqi entered into a guarantee agreement in favour of CITIC Leasing, pursuant to which, Beijing Boqi agreed to provide an irrevocable joint liability guarantee for all the obligations of Jingtangshan Boqi under the Jingtangshan Finance Lease Agreement.
- (b) Changjizhou Boqi entered into a guarantee agreement in favour of CITIC Leasing, pursuant to which, Changjizhou Boqi agreed to provide an irrevocable joint liability guarantee for all the obligations of Jingtangshan Boqi under the Jingtangshan Finance Lease Agreement.

#### **Equity pledge agreement**

Beijing Boqi entered into an equity pledge agreement in favour of CITIC Leasing, pursuant to which Beijing Boqi agreed to pledge all of its equity interests in Jingtangshan Boqi to CITIC Leasing, to secure the obligations of Jingtangshan Boqi under the Jingtangshan Finance Lease Agreement.

#### **Service fees pledge agreement**

Jingtangshan Boqi entered into a service fees pledge agreement in favour of CITIC Leasing, pursuant to which Beijing Boqi agreed to pledge its receivables in service fees under the Jingtangshan Concession Service Agreements to CITIC Leasing, to secure its obligations under the Jingtangshan Finance Lease Agreement.

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## LETTER FROM THE BOARD

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**Designated account agreement**      Jingtangshan Boqi and CITIC Leasing entered into a designated account agreement, pursuant to which a designated account (the “**Jingtangshan Designated Account**”) shall be set up and the receivables in service fees under the Jingtangshan Concession Service Agreements shall be deposited into the Jingtangshan Designated Account, the fund of which should be given priority for fulfilling the obligations of Jingtangshan Boqi under the Jingtangshan Finance Lease Agreement.

### (2) **Changjizhou Finance Lease Arrangement**

On 15 January 2020, Changjizhou Boqi (as lessee) and CITIC Leasing (as lessor) entered into the Changjizhou Finance Lease Arrangement, pursuant to which (i) CITIC Leasing agreed to purchase the Changjizhou Equipment from Changjizhou Boqi, at the consideration of RMB260,000,000.00 (representing a discount rate of approximately 4.57% to the total book value of Changjizhou Equipment); and (ii) CITIC Leasing agreed to lease back the Changjizhou Equipment to Changjizhou Boqi for a term of five years, at an estimated total amount of RMB311,039,934.47.

Changjizhou Equipment under the Changjizhou Finance Lease Arrangement shall be used by the Group for the operation of a desulfurization and denitrification project in Xinjiang Province, the PRC.

#### (i) *The Changjizhou Finance Lease Agreement*

The principal terms of the Changjizhou Finance Lease Agreement are set out below:

<b>Date</b>	15 January 2020
<b>Parties</b>	CITIC Leasing as lessor  Changjizhou Boqi as lessee
<b>Lease assets</b>	The Changjizhou Equipment
<b>Purchase price</b>	Pursuant to the Changjizhou Finance Lease Agreement, CITIC Leasing agrees to purchase the Changjizhou Equipment and shall pay RMB260,000,000.00 within 10 business days upon satisfaction of the conditions precedent as set out below.

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## LETTER FROM THE BOARD

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### **Conditions precedent**

The conditions precedent of the Changjizhou Finance Lease Agreement, including, among others:

- (a) CITIC Leasing has received the handling fee under the Changjizhou Finance Lease Agreement;
- (b) CITIC Leasing has received the necessary title documents to prove that Changjizhou Boqi has ownership of and/or has the right to deal with the Changjizhou Equipment;
- (c) Changjizhou Boqi has obtained all internal and external authorization or approval required to sign and perform the Changjizhou Finance Lease Agreement;
- (d) CITIC Leasing has received such authorization or approval required for the provisions of the guarantees provided by the relevant guarantors;
- (e) the Changjizhou Finance Lease Agreement and the Changjizhou Security Agreements have been duly executed, and such agreements have become effective and have not been breached; and
- (f) other documentary proof as required by CITIC Leasing have been satisfied.

The conditions precedent (a), (b), (d) and (f) are waivable at the discretion of CITIC Leasing (if applicable). As of the Latest Practicable Date, conditions precedent (b) and (e) have been fulfilled.

### **Basis of purchase price**

The purchase price is determined after arm's length negotiations with reference to the following factors:

- (a) the book value of Changjizhou Equipment of approximately RMB272,450,542.40; and
- (b) with reference to the estimated service fees to be generated by the Changjizhou Equipment under the Xinjiang Shenhua Project Concession Service Agreement.

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## LETTER FROM THE BOARD

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**Lease back arrangement** Pursuant to the Changjizhou Finance Lease Agreement, CITIC Leasing agreed to lease back the Changjizhou Equipment to Changjizhou Boqi for an estimated total amount of RMB311,039,934.47, being the sum of the handling fee of RMB11,700,000.00, and the estimated lease payment of RMB299,339,934.47. The lease payment comprises the lease principal of RMB260,000,000.00 and the estimated aggregate lease interest as set out below, and shall be paid by Changjizhou Boqi to CITIC Leasing in 10 equal installments on a semi-annual basis.

**Lease interest and adjustment** The lease interest is calculated by a floating interest rate, which shall be adjusted with reference to the Benchmark Interest Rate plus a fixed premium of 0.47%.

As of the Latest Practicable Date, the aggregate interest is estimated at RMB39,339,934.47, based on the Benchmark Interest Rate of 4.75% plus a fixed premium of 0.47%.

**Basis of lease payment** The lease payment is agreed between CITIC Leasing and Changjizhou Boqi with reference to the consideration payable by CITIC Leasing in respect of the Changjizhou Equipment and the prevailing market interest rate of comparable equipment finance leases.

**Handling Fee** RMB11,700,000.00, which is the purchase price of RMB260,000,000 multiplied by 4.5%. The rate of 4.5% is determined after arm's length negotiation between CITIC Leasing and Changjizhou Boqi, having taken into account (i) handling fees quoted by various finance lease companies in the PRC and (ii) the overall financing costs of the transaction, including the floating interest rate to the lease interest, the Board is of the view that the handling fee is on normal commercial terms, fair and reasonable.

The handling fee shall be fully paid by Changjizhou Boqi to CITIC Leasing on one-off basis as a condition precedent to the Changjizhou Finance Lease Agreement. As of the Latest Practicable Date, such handling fee has not been paid. Changjizhou Boqi intends to pay the handling fee in full within 10 business days from the date of EGM.

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## LETTER FROM THE BOARD

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<b>Lease term</b>	Five years, commencing from the date when CITIC Leasing makes payment of the purchase price for transfer of the Changjizhou Equipment to Changjizhou Boqi. The expected commencement of the Changjizhou Finance Lease Agreement is by early April of 2020.
<b>Ownership of lease assets</b>	Changjizhou Boqi shall transfer and/or register the Changjizhou Equipment under the name of CITIC Leasing during the lease term. Changjizhou Boqi is entitled to the possession, usage and benefits of such assets.
<b>Option to buy back the lease assets</b>	Upon the end of the lease term, subject to Changjizhou Boqi having fulfilled all of its obligations under the Changjizhou Finance Lease Agreement, Changjizhou Boqi has the option to buy back the Changjizhou Equipment at a nominal consideration of RMB1.00.
<b>Early repayment</b>	<p>After the first 12 months from the date of payment of the purchase price, Changjizhou Boqi is entitled to make an early repayment request and provide at least one month's prior written notice to CITIC Leasing requesting for early repayment. Subject to the written consent of CITIC Leasing, Changjizhou Boqi shall make full payment of the following to the CITIC Leasing:</p> <ul style="list-style-type: none"><li>(i) the losses and expenses (if any) incurred by CITIC Leasing as a result of the early repayment;</li><li>(ii) the overdue interests (if any);</li><li>(iii) the outstanding lease payment(s);</li><li>(iv) the undue lease payment(s);</li><li>(v) any liquidated damages, which shall be calculated by <math>A \times 3\%</math>;</li><li>(vi) an early repayment fee, which shall be calculated by <math>\text{RMB1 million} \times A \times B</math>; and</li></ul>



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## LETTER FROM THE BOARD

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- (vii) the nominal consideration to exercise the buy-back option of RMB1.00;

where,

A = the amount of the unpaid lease principal up to the date of early repayment divided by RMB100,000,000 (up to two decimal places); and

B = the number of years between the date of early repayment and the date of the last installment (any period of less than one year shall be counted as one year).

Upon receipt of such payment, the Changjizhou Finance Lease Agreement shall be terminated. Accordingly, the obligations under the Changjizhou Security Agreements shall be released, and the ownership of the Changjizhou Equipment shall be transferred to Changjizhou Boqi.

In event that Changjizhou Boqi submits an early repayment request, the Company will comply with the relevant disclosure requirements in accordance with Chapter 14 of the Listing Rules.

### *(ii) The Changjizhou Security Agreements*

In order to secure Changjizhou Boqi's obligations under the Changjizhou Finance Lease Agreement, the following security documents were executed concurrently on 15 January 2020:

#### **Guarantee agreements**

- (a) Beijing Boqi entered into a guarantee agreement in favour of CITIC Leasing, pursuant to which, Beijing Boqi agreed to provide an irrevocable joint liability guarantee for all the obligations of Changjizhou Boqi under the Changjizhou Finance Lease Agreement.
- (b) Jingtangshan Boqi entered into a guarantee agreement in favour of CITIC Leasing, pursuant to which, Jingtangshan Boqi agreed to provide an irrevocable joint liability guarantee for all the obligations of Changjizhou Boqi under the Changjizhou Finance Lease Agreement.

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## LETTER FROM THE BOARD

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<b>Equity pledge agreement</b>	Beijing Boqi entered into an equity pledge agreement in favour of CITIC Leasing, pursuant to which Beijing Boqi agreed to pledge all of its equity interest in Changjizhou Boqi to CITIC Leasing, to secure the obligations of Changjizhou Boqi under the Changjizhou Finance Lease Agreement.
<b>Service fees pledge agreement</b>	Changjizhou Boqi entered into a service fees pledge agreement in favour of CITIC Leasing, pursuant to which Beijing Boqi agreed to pledge its receivables in service fees under Xinjiang Shenhua Project Concession Service Agreement to CITIC Leasing, to secure its obligations under the Changjizhou Finance Lease Agreement.
<b>Designated account agreement</b>	Changjizhou Boqi and CITIC Leasing entered into a designated account agreement, pursuant to which a designated account (the “ <b>Changjizhou Designated Account</b> ”) shall be set up and the receivables in service fees under the Xinjiang Shenhua Project Concession Service Agreements should be deposited into the Changjizhou Designated Account, the fund of which shall be given priority for fulfilling the obligations of Changjizhou Boqi under the Changjizhou Finance Lease Agreement.

### REASONS FOR AND BENEFIT OF THE FINANCE LEASE ARRANGEMENTS

The Directors are of the view that the Finance Lease Arrangements provide the Group with long-term financial resources to supplement its working capital. The terms of the Finance Lease Arrangements are determined after arm’s length negotiations with reference to (i) the average fair market price of the similar assets and (ii) the prevailing market interest rates and general terms under the assets finance agreements.

The Directors therefore consider the terms and conditions on normal commercial terms, fair and reasonable and in the interests of the Company and its shareholders as a whole.

### INFORMATION OF THE PARTIES TO THE FINANCE LEASE ARRANGEMENTS

#### CITIC Leasing

CITIC Leasing is a limited liability company established in the PRC and is principally engaged in the business of finance leasing. CITIC Leasing is a wholly-owned subsidiary of China CITIC Bank Corporation Limited, a company listed on both the Shanghai Stock Exchange (Stock Code: 601998) and the Main Board of the Stock Exchange (Stock Code: 998).

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## LETTER FROM THE BOARD

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To the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, CITIC Leasing and its ultimate beneficial owner(s) are Independent Third Parties.

### **The Company**

The Company is a leading provider in the eco-environmental governance industry listed on the Main Board of the Stock Exchange. The Company provides customers with comprehensive air pollution control services such as flue gas desulfurization, denitrification and dust removal services. Meanwhile, the Company is also actively expanding its business operations into water pollution control, solid waste treatment and disposal, soil pollution remediation, energy conservation and environmental protection, and is committed to becoming a world-leading environmental protection industry group.

### **Beijing Boqi**

Beijing Boqi, a limited liability company established in the PRC, is a wholly-owned subsidiary of the Company. It is a one-stop service provider of construction, operation and the maintenance of desulfurization, denitrification and dust removal facilities in the PRC and abroad.

### **Jinggangshan Boqi**

Jinggangshan Boqi, a limited liability company established in the PRC, is a wholly-owned subsidiary of Beijing Boqi and is principally engaged in the construction, operation, maintenance and management of environmental engineering projects and processing and sale of by-products.

### **Changjizhou Boqi**

Changjizhou Boqi, a limited liability company established in the PRC, is a wholly-owned subsidiary of Beijing Boqi and is principally engaged in air pollution control, solid waste management, sales of gypsum and the investment, construction, operation, maintenance and management of desulfurization, denitrification and dust removal projects.

## **FINANCIAL IMPACT OF THE FINANCE LEASE ARRANGEMENTS**

As a result of the Finance Lease Arrangements, it is expected that (i) the total assets of the Group will increase to reflect the proceeds from the sale of the Jinggangshan Equipment and Changjizhou Equipment; and (ii) the total liabilities of the Group will increase to reflect the payment obligation of the Group under the Finance Lease Arrangements. The aggregate of the semi-annual interest payments to be paid in 2020 is approximately RMB17,745,838.93, which represents 1.02% of the revenue for the year ended 31 December 2018. While the

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## LETTER FROM THE BOARD

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Company expects that there is no immediate material impact on the earnings of the Group as a result of the Finance Lease Arrangements, the lease interest and handling fee shall be charged to the consolidated statement of profit or loss of the Group over the lease term.

Save as described above, it is not expected that there will be any material impact on the earnings, assets and liabilities of the Group as a result of the Finance Lease Arrangements.

### LISTING RULES IMPLICATIONS

As the transactions contemplated under the Finance Lease Arrangements involve the disposal and leasing of certain equipment to and from the same lessor and are completed within a 12-month period, the transactions shall be aggregated in accordance with Rule 14.22 of the Listing Rules.

As one or more of the applicable percentage ratio(s) (as defined under the Listing Rules) in respect of the transactions contemplated under the Finance Lease Arrangements exceed(s) 25% but is/are less than 100%, the Finance Lease Arrangements constitute a major transaction of the Company and is thus subject to the reporting, announcement, circular and shareholders' approval requirements under Chapter 14 of the Listing Rules.

### EXTRAORDINARY GENERAL MEETING

The EGM shall be held at the first conference room of the Company at 11/F, R&F Center, 63 East 3rd Ring Middle Road, Chaoyang District, Beijing, the PRC on Thursday, 9 April 2020 at 10:30 a.m. and, if thought fit, approving, among other things, the agreements executed pursuant to the Finance Lease Arrangements and the transactions contemplated thereunder. To the best of the Directors' knowledge, belief and having made all reasonable enquiries, as at the Latest Practicable Date, no Shareholder has a material interest in the transactions contemplated under the Finance Lease Arrangements, therefore no Shareholder is required to abstain from voting on the relevant resolutions, as the case may be, for approving, among other things, the agreements executed pursuant to the Finance Lease Arrangements and the transactions contemplated thereunder.

A notice convening the EGM and a form of proxy for use at the EGM are enclosed herewith. Whether or not you are able to attend the EGM, you are requested to complete and return the form of proxy in accordance with the instructions printed thereon to the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong not less than 48 hours before the time appointed for holding of the EGM or any adjournment thereof (as the case may be). Completion and return of the form of proxy will not preclude you from attending and voting at the EGM or any adjourned meeting should you so desire.

In compliance with the Listing Rules, all resolution(s) put to vote at the EGM will be decided by way of poll. An announcement on the poll results will be published on the websites of the Company and of the Stock Exchange following the EGM.

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## LETTER FROM THE BOARD

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### CLOSURE OF REGISTER OF MEMBERS FOR EGM

The EGM is scheduled to be held on 9 April 2020. For determining the entitlement to attend and vote at the EGM, the transfer books and register of members of the Company will be closed from Monday, 6 April 2020 to Thursday, 9 April 2020, both days inclusive, during which period no transfer of Shares will be effected.

In order to be eligible to attend and vote at the EGM, all transfers accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration not later than 4:30 p.m. on Friday, 3 April 2020.

### RECOMMENDATION

The Directors (including the independent non-executive Directors) consider that the terms of the agreements executed pursuant to the Finance Lease Arrangements and the transactions contemplated thereunder are on normal commercial terms, fair and reasonable and in the interest of the Company and the Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favour of the resolution(s) to be proposed at the EGM.

### ADDITIONAL INFORMATION

Your attention is drawn to the information set out elsewhere in this circular and in the appendices to it.

Yours faithfully,

For and on behalf of the Board of Directors

**Zeng Zhijun**

*Vice Chairman, Executive Director and Chief Executive Officer*

## 1. CONSOLIDATED FINANCIAL INFORMATION OF THE GROUP

Consolidated financial information of the Group for each of the three financial years ended 31 December 2016, 2017 and 2018 and the six months ended 30 June 2019 are disclosed in the following documents which have been published on the websites of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.chinaboqi.com](http://www.chinaboqi.com)) respectively:

- Prospectus of the Company dated 28 February 2018  
(<https://www1.hkexnews.hk/listedco/listconews/sehk/2018/0228/ltn20180228051.htm>)
- Annual report for the year ended 31 December 2017  
(<https://www1.hkexnews.hk/listedco/listconews/sehk/2018/0426/ltn201804261882.pdf>)
- Annual report for the year ended 31 December 2018  
(<https://www1.hkexnews.hk/listedco/listconews/sehk/2019/0425/ltn201904251248.pdf>)
- Interim report for the six months ended 30 June 2019  
(<https://www1.hkexnews.hk/listedco/listconews/sehk/2019/0923/ltn20190923105.pdf>)

## 2. STATEMENT OF INDEBTEDNESS

As at 31 January 2020, being the latest practicable date for the purpose of this statement of indebtedness prior to the printing of this circular, the Group had aggregate outstanding borrowings of approximately RMB35.5 million, comprising (i) bank borrowings of RMB12.0 million, secured by Beijing Boqi with credit guarantee; and (ii) unsecured bank loan of RMB23.5 million.

Save as aforesaid or otherwise mentioned herein, and apart from intra-group liabilities and normal trade payables in the ordinary course of the business, none of the companies comprising the Group had any outstanding indebtedness in respect of any loan capital, bank overdrafts, loans, debt securities or other similar indebtedness, finance lease or hire purchases commitments, liabilities under acceptances (other than normal trade bills) or acceptable credits, debentures, mortgages, charges, guarantees or other material contingent liabilities as at 31 January 2020, being the latest practicable date for the purpose of this statement of indebtedness prior to the printing of this circular.

## 3. WORKING CAPITAL

The Directors, after due and careful enquiry, are of the opinion that taking into account of the financial resources available to the Group including internally generated funds and the available banking facilities, the Group will have sufficient working capital for its present requirements, that is for at least the next twelve months from the date of this circular.

**4. MATERIAL ADVERSE CHANGE**

The Directors are not aware of any material adverse change in the financial or trading position of the Group since 31 December 2018 being the date to which the latest published audited financial statements of the Group were made up and including the Latest Practicable Date.

**5. MATERIAL LITIGATION**

No member of the Group was engaged in any litigation or claims of material importance, and no such litigation or claim of material importance was known to the Directors to be pending or threatened by or against any member of the Group, as at the Latest Practicable Date.

**6. FINANCIAL AND TRADING PROSPECT OF THE GROUP**

The Group has long been pursuing further business development in the environmental governance industry and is committed to becoming a comprehensive environmental protection industry group and intelligent environmental protection housekeeper. The Group recorded a continuing increase in its operating income with good asset structure and stable financial capital. In 2019, under the guidance of strategic transformation, the Group continued to develop its principal business and successfully opened up new businesses through active exploration with the courage to break new ground. In order to seize market development opportunities, the Group will adjust and optimize its business based on the flue gas treatment business to vigorously develop the non-electrical field business, industrial wastewater treatment and solid waste treatment businesses.

Based on the interim report for the six months ended 30 June 2019, the revenue of the Group amounted to RMB753 million, representing an increase of 4.3% as compared to the same period last year. In the first half of 2019, the contract value of Group's newly contracted projects amounted to RMB621 million with a total of 15 O&M projects under operation, and the Group accumulated nine concession operation projects, which provided a stable source of income for the Group.

Looking ahead, the Directors expect that the competition will be intensified in the environmental protection industry in which the challenges and opportunities coexist. The Group will strategically explore new business opportunities in the environmental protection industry and strive to expand the market size. The Group will also obtain sufficient funds through financial products of capital market to provide momentum for the Group's business development.

**1. RESPONSIBILITY STATEMENT**

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Group. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

**2. DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES**

As at the Latest Practicable Date, the interests and short positions of the Directors and the chief executive of the Company in the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which (i) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix 10 to the Listing Rules, to be notified to the Company and the Stock Exchange were as follows:

**Interests in Shares**

<b>Name of Director</b>	<b>Nature of Interest</b>	<b>Number and class of Shares</b>	<b>Approximate percentage of shareholding</b>
Mr. Cheng Liquan Richard (Notes 1 and 2)	Interest of a controlled corporation; interests held jointly with another person (Note 1)	409,951,911 (Long Position)	40.71%
Mr. Zeng Zhijun (Notes 1 and 3)	Interest of a controlled corporation; interests held jointly with another person (Note 1)	409,951,911 (Long Position)	40.71%
Mr. Zhu Weihang (Note 4)	Interest of a controlled corporation; interests held jointly with another person (Note 1)	152,573,529 (Long Position)	15.15%



*Notes:*

- (1) Mr. Cheng Liquan Richard and Mr. Zeng Zhijun have entered into an acting-in-concert arrangement. As such, Mr. Cheng and Mr. Zeng together control 40.47% equity interests in the issued share capital of our Company through World Hero International Limited (“World Hero”), Asia Environment Investment Limited (“Asia Environment”) and Best Dawn Limited (“Best Dawn”). Asia Environment is owned as to 47.2% by Mr. Zeng. Asia Environment is interested in 2.67% interest in the issued share capital of the Company, and therefore Mr. Zeng is deemed to be interested in the Shares held by Asia Environment under Part XV of the SFO.
- (2) Mr. Cheng holds the entire issued share capital of World Hero. Therefore, Mr. Cheng is deemed to be interested in the Shares held by World Hero under the SFO.
- (3) Mr. Zeng holds the entire issued share capital of Best Dawn. Therefore, Mr. Zeng is deemed to be interested in the Shares held by Best Dawn under the SFO.
- (4) The entire issued share capital of New Asia Limited (“New Asia”) is held by Great Origin Ventures Limited (“Great Origin”), whose entire issued share capital is in turn by Mr. Zhu. Therefore, Mr. Zhu is deemed to be interested in the Shares held by New Asia under the SFO.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors and chief executive of the Company hold any interest or short position in the Shares, underlying Shares and debentures of the Company or any of its associated corporation (within the meaning of Part XV of the SFO) which (i) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein; or were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers of the Listing Rules, to be notified to the Company and the Stock Exchange.

### 3. SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

As at the Latest Practicable Date, so far as is known to the Directors or chief executive of the Company, the following persons (other than Directors and chief executive of the Company) had interests or short positions in Shares or underlying Shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO:

Name of shareholder	Capacity/ Nature of interests	As of the Latest Practicable Date	
		Number of Shares/underlying Shares held or deemed to be held	Percentage of the total number of Shares of the Company
Mr. Cheng Liquan Richard (Notes 1 and 2)	Interest of a controlled corporation; interests held jointly with another person (Note 1)	409,951,911 (Long Position)	40.71%
World Hero (Note 2)	Beneficial owner	169,034,580 (Long Position)	16.78%
Ms. Zhou Xuan (Note 3)	Interest of spouse	409,951,911 (Long Position)	40.71%
Mr. Zeng Zhijun (Notes 1 and 4)	Interest of a controlled corporation; interests held jointly with another person (Note 1)	409,951,911 (Long Position)	40.71%
Best Dawn (Note 4)	Beneficial owner	213,975,143 (Long Position)	21.25%
Ms. Ge Tong (Note 5)	Interest of spouse	409,951,911 (Long Position)	40.71%
New Asia	Beneficial owner	152,573,529 (Long Position)	15.15%
Great Origin (Note 6)	Interest of a controlled corporation	152,573,529 (Long Position)	15.15%

Name of shareholder	Capacity/ Nature of interests	As of the Latest Practicable Date	
		Number of Shares/underlying Shares held or deemed to be held	Percentage of the total number of Shares of the Company
Mr. Zhu Weihang (Note 6)	Interest of a controlled corporation	152,573,529 (Long Position)	15.15%
Sinopec Overseas Investment Holding Limited (“Sinopec”)	Beneficial owner	110,294,118 (Long Position)	10.95%
China Petroleum & Chemical Corporation (Note 7)	Interest of a controlled corporation	110,294,118 (Long Position)	10.95%
Full Synergy Investment Limited (“Full Synergy”)	Beneficial owner	56,508,715	5.61%
Partners Investment Management Limited (Note 8)	Interest of a controlled corporation	56,508,715	5.61%
Bullion Riches Limited (Note 8)	Interest of a controlled corporation	56,508,715	5.61%
Partners Financial Holdings Limited (Note 8)	Interest of a controlled corporation	56,508,715	5.61%
Bright Hope Global Investments Limited (Notes 8 and 9)	Interest of a controlled corporation	56,508,715	5.61%
Wan Ten Lap (Notes 8 and 9)	Interest of a controlled corporation	56,508,715	5.61%
Zhang Yi (Notes 8 and 9)	Interest of a controlled corporation	56,508,715	5.61%

*Notes:*

- (1) Mr. Cheng Liquan Richard and Mr. Zeng Zhijun have entered into an acting-in-concert arrangement. As such, Mr. Cheng and Mr. Zeng together control 40.47% equity interests in the issued share capital of our Company through World Hero, Asia Environment and Best Dawn. Asia Environment is owned as to 47.2% by Mr. Zeng. Asia Environment is interested in 2.67% interest in the issued share capital of our Company, and therefore Mr. Zeng is deemed to be interested in the Shares held by Asia Environment under Part XV of the SFO.
- (2) Mr. Cheng holds the entire issued share capital of World Hero. Therefore, Mr. Cheng is deemed to be interested in the Shares held by World Hero under the SFO.
- (3) Ms. Zhou Xuan is the spouse of Mr. Cheng. Under the SFO, Ms. Zhou Xuan is deemed to be interested in the same number of Shares in which Mr. Cheng is interested.
- (4) Mr. Zeng holds the entire issued share capital of Best Dawn. Therefore, Mr. Zeng is deemed to be interested in the Shares held by Best Dawn under the SFO.
- (5) Ms. Ge Tong is the spouse of Mr. Zeng. Under the SFO, Ms. Ge Tong is deemed to be interested in the same number of Shares in which Mr. Zeng is interested.
- (6) The entire issued share capital of New Asia is held by Great Origin, whose entire issued share capital is in turn held by Mr. Zhu. Therefore, Mr. Zhu is deemed to be interested in the Shares held by New Asia under the SFO.
- (7) China Petroleum & Chemical Corporation holds the entire issued share capital of Sinopec. Therefore, China Petroleum & Chemical Corporation is deemed to be interested in the Shares held by Sinopec under the SFO. China Petroleum & Chemical Corporation is a PRC state-owned company, whose H shares are listed on the Main Board (stock code: 386).
- (8) Full Synergy, a company incorporated in the BVI on 2 April 2015, is an investment holding company and a wholly-owned subsidiary of Partners Investment Management Limited. Partners Investment Management Limited is wholly owned by Bullion Riches Limited, which in turn is wholly owned by Partners Financial Holdings Limited. Partners Financial Holdings Limited is a financial holding company, whose subsidiaries are licensed corporations under the SFO holding type 1, type 4, type 6 and type 9 licences in Hong Kong. Full Synergy is the issuer of structured notes, of which one of the subscribers is a fund established in the PRC. Mr. Cheng, through World Hero, subscribed approximately 2.96% of the limited partner interest in such fund. Mr. Cheng does not hold any interest in the general partner of the fund, and is not involved in the decision making process of the fund.
- (9) Bright Hope Global Investments Limited and Wan Ten Lap own 44% and 51%, respectively, of Partners Financial Holdings Limited, the holding company of Full Synergy. Zhang Yi in turn owns 100% of Bright Hope Global Investments Limited. Under the SFO, Bright Hope Global Investments Limited, Wan Ten Lap and Zhang Yi are deemed to be interested in the same number of Shares in which Full Synergy is interested.

Save as disclosed above, as at the Latest Practicable Date, the Company has not been notified by any persons (other than Directors or chief executives of the Company) who had interests or short positions in the Shares or underlying Shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

#### **4. DIRECTORS' INTERESTS IN COMPETING BUSINESS**

As of the Latest Practicable Date, none of the Directors or their close associates had any direct or indirect interest in any business which competes or is likely to compete, either directly or indirectly, with the business of our Group.

**5. DIRECTORS' INTERESTS IN ASSETS AND CONTRACTS**

As at the Latest Practicable Date, none of the Directors had any direct or indirect interest in any assets which had been, since 31 December 2018 (being the date to which the latest published audited financial statements of the Group were made up), acquired or disposed of by or leased to or were proposed to be acquired or disposed of by or leased to any member of the Group.

There was no contract or arrangement subsisting as at the Latest Practicable Date in which any of the Directors was materially interested and which was significant in relation to the business of the Group.

**6. MATERIAL ADVERSE CHANGE**

As at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Group since 31 December 2018 (being the date to which the latest published consolidated audited financial statements of the Group were made up).

**7. SERVICE AGREEMENTS**

None of the Directors had entered into any service contract with the Company or any member of the Group (excluding contracts expiring or terminable by the employer within one year without payment of compensation (other than statutory compensation)).

**8. LITIGATION**

As at the Latest Practicable Date, none of the members of the Group has engaged in any litigation or arbitration of material importance and no litigation or claim of material importance is known to the Directors to be pending or threatened against any members of the Group.

**9. MATERIAL CONTRACTS**

As at the Latest Practicable Date, no contracts (not being contracts in the ordinary course of business of the Group) have been entered into by members of the Group within the two years immediately preceding the date of this circular which are or may be material.

**10. MISCELLANEOUS**

- (a) The registered office of the Company is at PO Box 309, Uglan House Grand Cayman, KY1-1104 Cayman Islands, and the principal place of business in Hong Kong is at 40/F., Sunlight Tower, 248 Queen's Road East, Wanchai, Hong Kong.
- (b) The branch share registrar of the Company is Tricor Investor Services Limited, Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong.

- (c) The joint company secretaries are Ms. Qian Xiaoning and Ms. Wong Wai Ling. Ms. Qian Xiaoning graduated from China University of Political Science and Law with a master's degree in economic law and obtained a master's degree in business administration from Chinese University of Hong Kong. Ms. Wong Wai Ling graduated from Hong Kong Polytechnic University and was admitted as an associate of The Hong Kong Institute of Chartered Secretaries.
- (d) The English text of this circular shall prevail over the Chinese text.

## 11. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the principal place of business of the Company in 40/F, Sunlight Tower, 248 Queen's Road East, Wanchai, Hong Kong, during normal business hours on any weekday (except public holidays), up to and including 14 days from the date of this circular:

- (a) the memorandum and articles of association of the Company currently in force;
- (b) the circular of the Company dated 31 May 2019;
- (c) the prospectus issued by the Company dated 28 February 2018;
- (d) the annual reports of the Company for the years ended 31 December 2017 and 2018;
- (e) the interim report of the Company for the six months ended 30 June 2019;
- (f) a copy of the Jinggangshan Finance Lease Agreement;
- (g) a copy of the Changjizhou Finance Lease Agreement;
- (h) a copy of the Jinggangshan Security Agreements;
- (i) a copy of the Changjizhou Security Agreements;
- (j) a copy of the Jinggangshan Concession Service Agreement;
- (k) a copy of the Xinjiang Shenhua Project Concession Service Agreement; and
- (l) this circular.

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## NOTICE OF EGM

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### **China Boqi Environmental (Holding) Co., Ltd.**

### **中國博奇環保(控股)有限公司**

*(Incorporated in Cayman Islands with limited liability)*

**(Stock Code: 2377)**

**NOTICE IS HEREBY GIVEN** that the extraordinary general meeting (“**EGM**”) of China Boqi Environmental (Holding) Co., Ltd. (the “**Company**”) will be held at the first conference room of the Company at 11/F, R&F Center, 63 East 3rd Ring Middle Road, Chaoyang District, Beijing, the PRC on Thursday, 9 April 2020 at 10:30 a.m. (the “**Meeting**”) to consider and, if thought fit, pass the following resolutions of the Company:

Unless otherwise defined, capitalised terms used herein shall have the same meanings as ascribed to them in the circular of the Company dated 19 March 2020.

#### **ORDINARY RESOLUTIONS**

**“THAT:**

- (a) the agreements entered into pursuant to the Jinggangshan Finance Lease Arrangement (including the Jinggangshan Finance Lease Agreement and the Jinggangshan Security Agreements) and the transaction contemplated thereunder be and are hereby approved, confirmed and ratified; and
- (b) the agreements entered into pursuant to the Changjizhou Finance Lease Arrangement (including the Changjizhou Finance Lease Agreement and the Changjizhou Security Agreements) and the transaction contemplated thereunder be and are hereby approved, confirmed and ratified; and
- (c) any one director of the Company (the “**Director**”) be and is hereby generally and unconditionally authorized to do all such acts and things, to sign and execute all such further documents for and on behalf of the Company by hand, or in case of execution of documents under seal, to do so jointly with any of a second Director, a duly authorized representative of the Director or any one of the joint company secretaries of the Company (the “**Company Secretary**”) and to take such steps as he may in his absolute discretion consider necessary, appropriate, desirable or expedient to give effect to or in connection with the transactions contemplated under the Finance Lease Arrangements.”

By Order of the Board

**China Boqi Environmental (Holding) Co., Ltd.**

**Zeng Zhijun**

*Vice Chairman, Executive Director and Chief Executive Officer*

Hong Kong, 19 March 2020

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## NOTICE OF EGM

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*As at the date of this notice, the Board comprises Mr. Cheng Liquan Richard and Mr. Zeng Zhijun, as executive Directors; Mr. Tony Tuo Zheng, Mr. Zhu Weihang and Mr. Chen Xue, as the non-executive Directors; and Mr. Liu Genyu, Dr. Xie Guozhong and Mr. Lu Zhifang, as the independent non-executive Directors.*

*Notes:*

1. A member entitled to attend and vote at the Meeting is entitled to appoint not more than two proxies to attend and vote on his/her behalf. A member who is a recognized clearing house within the meaning of the Securities and Futures Ordinance is entitled to appoint one or more proxies to attend and vote on its behalf. A proxy need not be a member of the Company.
2. In the case of joint holders of any shares in the Company, any one of such joint holders may vote at the above meeting, either personally or by proxy, in respect of such shares as if he/she was solely entitled thereto, but if more than one of such joint holders are present at the meeting, either personally or by proxy, that one of the said persons so present being the most or, as the case may be, the more senior shall alone be entitled to vote in respect of the relevant joint holding and, for this purpose, seniority shall be determined by reference to the order in which the names of the joint holders stand on the register in respect of the relevant joint holding.
3. In order to be valid, a form of proxy must be deposited at the Company's share registrar in Hong Kong, Tricor Investor Services Limited, at Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong together with the power of attorney or other authority (if any) under which it is signed (or a notarially certified copy thereof) not less than 48 hours before the time appointed for the holding of the above meeting or any adjournment thereof. The completion and return of the form of proxy shall not preclude shareholders of the Company from attending and voting in person at the above meeting (or any adjourned meeting thereof) if they so wish.
4. The register of members of the Company will be closed from 6 April 2020 to 9 April 2020 (both days inclusive) during which period no transfer of shares will be registered. In order to qualify for attending the Meeting, all share certificates with completed transfer forms must be lodged with the Company's Hong Kong branch share registrar, Tricor Investor Services Limited, Level 54, Hopewell Centre, 183 Queen's Road East, Hong Kong not later than 4:30 p.m. on 3 April 2020 for registration of share transfer.
5. As required under the Listing Rules, the votes at the Meeting will be taken by poll.