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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)**

**DISCLOSEABLE TRANSACTION  
FINANCE LEASE AGREEMENT WITH JIANGSU FINANCIAL LEASING**

**FINANCE LEASE AGREEMENT**

On 26 June 2025 (after trading hours), Changzhi Boqi (as the Lessee) and Jiangsu Financial Leasing (as the lessor) entered into the Finance Lease Agreement, pursuant to which (i) Jiangsu Financial Leasing agreed to purchase the Lubao Equipment from Beijing Boqi at the consideration of RMB50,000,000.00; and (ii) Jiangsu Financial Leasing agreed to lease the Lubao Equipment to the Lessee for a term of one year, at a total lease amount of RMB51,294,600.00, being the sum of lease principal and lease interest.

**LISTING RULES IMPLICATIONS**

As the highest applicable percentage ratio in respect of the Finance Lease Agreement exceeds 5% but is less than 25%, the transaction contemplated under the Finance Lease Agreement constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules, and is thus subject to the notification and publication requirements under Chapter 14 of the Listing Rules.

**I. INTRODUCTION**

On 26 June 2025 (after trading hours), Changzhi Boqi (as the Lessee) and Jiangsu Financial Leasing (as the lessor) entered into the Finance Lease Agreement, pursuant to which (i) Jiangsu Financial Leasing agreed to purchase the Lubao Equipment from Beijing Boqi at the consideration of RMB50,000,000.00; and (ii) Jiangsu Financial Leasing agreed to lease the Lubao Equipment to the Lessee for a term of one year, at a total lease amount of RMB51,294,600.00, being the sum of lease principal and lease interest.

## II. FINANCE LEASE AGREEMENT

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

**Date:** 26 June 2025

**Parties:** (a) Jiangsu Financial Leasing, as the lessor; and  
(b) Changzhi Boqi, as the Lessee.

**Lease assets:** Lubao Equipment

**Purchase price:** Pursuant to the Finance Lease Agreement, Jiangsu Financial Leasing agrees to purchase the Lubao Equipment from Beijing Boqi and shall pay RMB50,000,000.00 upon satisfaction of the payment conditions according to the Finance Lease Agreement.

**Payment conditions:** Jiangsu Financial Leasing shall pay purchase price of RMB50,000,000.00 upon the satisfaction of the following conditions, including, among others:

- (i) all the agreements contemplated under the Finance Lease Arrangement (including the Security Documents (as defined below)) having been entered into and becoming effective, and all the relevant procedures for them having been completed;
- (ii) Jiangsu Financial Leasing having received the relevant resolutions of consent to providing security from corresponding security providers under the Security Documents; and
- (iii) other conditions or relevant procedures as required by the Finance Lease Agreement having been satisfied or performed.

<b>Basis of purchase price:</b>	The purchase price is determined after arm's length negotiations with reference to the book value of the total assets of the Lubao Equipment of approximately RMB51,294,600.00.
<b>Lease arrangement:</b>	Pursuant to the Finance Lease Agreement, Jiangsu Financial Leasing agreed to lease the Lubao Equipment to the Lessee for a term of one year, at a total lease amount of RMB51,294,600.00, being the sum of lease principal and lease interest. The lease principal of RMB50,000,000.00 and the lease interest of RMB1,294,600.00 shall be paid by the Lessee to Jiangsu Financial Leasing in four equal installments.
<b>Lease interest:</b>	<p>The lease interest of RMB1,294,600.00 shall be paid with the lease principal in four equal installments of a term of one year, and is calculated by a fixed interest rate of 4.1007% (calculated based on simple interest), which is determined based on the loan prime rate (the “<b>LPR</b>”) of 3.00% for RMB loans with a maturity of one year and less as announced by the National Interbank Funding Center on 20 May 2025 plus a fixed premium of 1.1007%.</p> <p>Such premium on the benchmark interest rate of the LPR is a common market practice and is negotiated with reference to a wide range of factors such as the nature of the industry involved and the financial position of the lessees. Based on the aforesaid, the Board is of the view that the lease interest is fair and reasonable and comparable to the terms of similar assets finance lease agreements.</p>
<b>Basis of lease payment:</b>	The lease payment is agreed between Jiangsu Financial Leasing and the Lessee with reference to the purchase price payable by Jiangsu Financial Leasing in respect of the Lubao Equipment and the prevailing market interest rate of comparable equipment finance leases.

<b>Lease term:</b>	One year, commencing from the actual purchase payment date of the first installment of the Lubao Equipment.
<b>Deposit and handling fee:</b>	Nil.
<b>Security Documents:</b>	As security for the due performance of the Lessee's obligations under the Finance Lease Agreement, Jiangsu Financial Leasing, Changzhi Boqi and certain wholly-owned subsidiaries of the Company (namely Beijing Boqi and Jinggangshan Boqi), in favour of Changzhi Boqi, entered into the security documents (the " <b>Security Documents</b> ") consisting of (i) the guarantee given by Beijing Boqi and Jinggangshan Boqi, respectively; (ii) the mortgage given by Changzhi Boqi in respect of the Lubao Equipment (as mortgaged property); and (iii) the pledge given by Changzhi Boqi in respect of the accounts receivable with the right of disposition under the Finance Lease Agreement. The Security Documents and the Finance Lease Agreement have no material adverse effect on the operation and management of the Group's businesses.
<b>Ownership of lease assets:</b>	Before the performance obligations under the Finance Lease Agreement is completed, the ownership of the Lubao Equipment, including the ownership of any components, replacement parts, update parts, accessories and auxiliary parts of the lease assets or attached to the lease assets in the future, shall belong to Jiangsu Financial Leasing. Changzhi Boqi has the right to use the lease assets. Without the written consent of Jiangsu Financial Leasing, Changzhi Boqi shall not add or disassemble any parts to the lease assets, nor shall it change the appearance, performance, quality, etc. of the lease assets. The lease assets shall not be used for debt settlement, transfer, sublet, mortgage, pledge, investment, change registration, be provided to a third party for use, set up security interests for others, reduce the value of the lease assets or infringe upon the ownership of Jiangsu Financial Leasing in any other way.
<b>Transfer of ownership of the lease assets:</b>	Upon the expiration of the lease term, on the premise that Changzhi Boqi has paid the lease payment, overdue interest, nominal purchase price of RMB1.00 and other payable amounts under the Finance Lease Agreement in full, Jiangsu Financial Leasing shall transfer the ownership of the lease assets to Changzhi Boqi in its current state as agreed. If such conditions are met, the issuance of the notice of transfer of ownership of the lease assets by Jiangsu Financial Leasing shall be deemed that Jiangsu Financial Leasing has fulfilled its obligation to deliver the lease assets, and Jiangsu Financial Leasing shall not be held responsible for the status of the lease assets at the time of delivery. In the event of total damage to the lease assets, Jiangsu Financial Leasing is not required to transfer the ownership of the lease assets to Changzhi Boqi.

The net proceeds under the Finance Lease Agreement shall be used by the Group for serving as long-term financial resources to supplement its working capital. According to the applicable accounting standards, the transaction contemplated under the Finance Lease Agreement will not give rise to any disposal gain or loss to be recorded by the Group.

### **III. REASONS FOR AND BENEFITS OF THE FINANCE LEASE AGREEMENT**

The Directors are of the view that entering into the Finance Lease Agreement will provide the Group with long-term financial resources to supplement its working capital. While the Company has also explored other alternative financing options such as bank loans, the drawdown timing, the required conditions for the financing and risk level involved of other financing options may not match the need and requirements of the Group as well as those of the Finance Lease Agreement. As such, the Finance Lease Agreement remains the better financing option to the Group. The terms of the Finance Lease Agreement are determined after arm's length negotiations with reference to the average fair market prices of similar assets, the prevailing market interest rates and the trading terms of similar assets finance lease agreements.

The Directors therefore consider that the terms and conditions of the Finance Lease Agreement are normal commercial terms, fair and reasonable and in the interests of the Company and Shareholders as a whole.

### **IV. GENERAL INFORMATION ON THE PARTIES**

#### **Jiangsu Financial Leasing**

Jiangsu Financial Leasing is a state-owned non-banking financial institution established in the PRC with limited liability and the shares of which are listed on the Shanghai Stock Exchange (stock code: 600901). It is principally engaged in the provision of finance leasing as approved by the National Financial Regulatory Administration, with a focus on green energy, high-end equipment, people's livelihood, etc. in the PRC.

To the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, as disclosed in its report for first quarter of 2025, Jiangsu Financial Leasing is owned as to approximately (i) 21.53% by Jiangsu Communications Holdings Co., Ltd.\* (江蘇交通控股有限公司), which is a state-owned company established in the PRC with limited liability; (ii) 21.20% by Bank of Nanjing Co., Ltd.\* (南京銀行股份有限公司), which is a state-owned company established in the PRC with limited liability and listed on the Shanghai Stock Exchange (stock code: 601009); (iii) 9.83% by Jiangsu Yangzi Bridge Co., Ltd.\* (江蘇揚子大橋股份有限公司), which is a state-owned company established in the PRC with limited liability; and (iv) 7.87% by Jiangsu Guangjing Xicheng Expressway Co., Ltd.\* (江蘇廣靖錫澄高速公路有限責任公司), which is a state-owned company established in the PRC with limited liability.

To the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, Jiangsu Financial Leasing and its ultimate beneficial owner(s) are third parties independent of the Company and its connected persons (as defined under the Listing Rules).

## The Group and Changzhi Boqi

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 dual carbon new energy+, etc.

Changzhi Boqi, a limited liability company established in the PRC, is a wholly-owned subsidiary of the Company. Its main business includes wastewater treatment, recycling and reuse, the treatment, utilization and distribution of other water, the operation and management of wastewater and reclaimed-water reuse and other services.

## V. LISTING RULES IMPLICATIONS

As the highest applicable percentage ratio in respect of the Finance Lease Agreement exceeds 5% but is less than 25%, the transaction contemplated under the Finance Lease Agreement constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules, and is thus subject to the notification and publication requirements under Chapter 14 of the Listing Rules.

## VI. DEFINITIONS

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

“Beijing Boqi”	Beijing Boqi Electric Power SCI-TECH Co., Ltd.* (北京博奇電力科技有限公司), a wholly-owned subsidiary of the Company
“Board”	the board of Directors
“Changzhi Boqi” or “Lessee”	Changzhi Boqi Environmental Technology Co., Ltd.* (長治市博奇環保科技有限公司), a wholly-owned subsidiary of the Company
“Company”	China Boqi Environmental (Holding) Co., Ltd., 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”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Finance Lease Agreement”	the finance lease agreement entered into between Changzhi Boqi and Jiangsu Financial Leasing on 26 June 2025, including all ancillary agreements attached thereto in respect of the lease of the Lubao Equipment, as described in the sub-section headed “Finance Lease Agreement” in this announcement
“Group”	the Company and its subsidiaries

“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Jiangsu Financial Leasing”	Jiangsu Financial Leasing Co., Ltd.* (江蘇金融租賃股份有限公司), a company established in the PRC with limited liability, the shares of which are listed on the Shanghai Stock Exchange (stock code: 600901), and a third party independent of the Company and its connected persons (as defined under the Listing Rules)
“Jinggangshan Boqi”	Jinggangshan Boqi Environmental Technology Co., Ltd.* (江西井岡山博奇環保科技有限公司), a wholly-owned subsidiary of the Company
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange as amended from time to time
“Lubao Equipment”	equipment for advanced treatment system of concentrated water in sewage treatment centers located in Lubao Industrial Park, Changzhi City, Shanxi Province, the PRC as stipulated under the Finance Lease Agreement
“Main Board”	the Main Board of the Stock Exchange
“PRC”	the People’s Republic of China (for the purpose of this announcement, excluding Hong Kong, the Macao Special Administrative Region of the PRC and Taiwan)
“RMB”	Renminbi, the lawful currency of the PRC
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	percentage

\* For identification purposes only

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

Beijing, PRC, 26 June 2025

*As of the date of this announcement, the executive Directors are Mr. Zeng Zhijun, Mr. Liu Genyu and Ms. Qian Xiaoning; the non-executive Directors are Mr. Zheng Tony Tuo, Mr. Zhu Weihang and Mr. Chen Xue; and the independent non-executive Directors are Dr. Xie Guozhong, Mr. Li Tao, Prof. Yu Wayne W. and Ms. Zhang Fan.*