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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)

**ANNOUNCEMENT
CONTINUING CONNECTED TRANSACTIONS**

ENTERING INTO CHONGQING CHUANWEI EPC CONTRACT

On 14 September 2018, Beijing Boqi (a wholly-owned subsidiary of the Company) and Chongqing Chuanwei Petrochemical Engineering Company Limited* (重慶川維化工有限公司) (“**Chongqing Chuanwei**”) of Sinopec Group entered into an EPC master contract regarding the engineering, procurement and construction (EPC) of denitrification, desulfurization and dust removal upgrade in the upgrade project on ultra-low emissions of coal-fired boiler (“**Chongqing Chuanwei EPC Contract**”). The engineering, procurement and construction of denitrification, desulfurization and dust removal under the contract is expected to be completed by October 2020.

ENTERING INTO NINGBO PROCUREMENT CONTRACT

On 14 September 2018, Beijing Boqi (a wholly-owned subsidiary of the Company) and Sinopec Ningbo Engineering Co., Ltd.* (中石化寧波工程有限公司) (“**Sinopec Ningbo**”) entered into a procurement contract for the denitrification system in the Sino-Kuwait Power Station (“**Ningbo Procurement Contract**”). The procurement of the denitrification system thereunder is expected to be completed by May 2019.

LISTING RULES IMPLICATIONS

As at the date of this announcement, Sinopec Overseas Investment Holding Limited (中國石化海外投資控股有限公司) (“**Sinopec Overseas**”) holds a 10.91% equity interest in the Company, and Chongqing Chuanwei, Sinopec Ningbo and Sinopec Overseas are all subsidiaries of the China Petrochemical Corporation (“**Sinopec Group**”), therefore, Chongqing Chuanwei and Sinopec Ningbo are connected persons of the Company. In addition, given that the Chongqing Chuanwei EPC Contract and Ningbo Procurement Contract are both conducted between the Company and the members of the Sinopec Group, and the nature is similar to the previous transactions conducted between the Company and other members of the Sinopec Group, the revenues of these transactions shall be aggregated according to the requirements of Rule 14A.81 of the Listing Rules and constitutes a continuing connected transaction.

As certain applicable percentage ratios of transaction amounts of Chongqing Chuanwei EPC Contract and Ningbo Procurement Contract exceed 5% but are less than 25% after aggregation, therefore, Chongqing Chuanwei EPC Contract, Ningbo Procurement Contract and the transactions thereunder must comply with the reporting, announcement, circular, Independent Shareholders’ approval and annual review requirements under Chapter 14A of Listing Rules.

EGM

The Company proposes to seek Independent Shareholders’ approval in relation to Chongqing Chuanwei EPC Contract, Ningbo Procurement Contract and the transactions thereunder as well as the proposed annual caps at the EGM. Sinopec Overseas will abstain from voting on Chongqing Chuanwei EPC Contract, Ningbo Procurement Contract and the transactions thereunder (including the proposed annual caps) at the EGM.

The Company has formed the Independent Board Committee to provide advice regarding the Chongqing Chuanwei EPC Contract, Ningbo Procurement Contract, the terms of transactions thereunder and the proposed annual caps to the Independent Shareholders. Gram Capital has been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders on the above matters.

The Company is expected to dispatch a circular to the Shareholders on or before 9 October 2018 which includes (i) details of the Chongqing Chuanwei EPC Contract, Ningbo Procurement Contract, the transactions thereunder and the proposed annual caps; (ii) Letter from Gram Capital; (iii) recommendations from Independent Board Committee; and (iv) notice of EGM to be convened to approve the Chongqing Chuanwei EPC Contract, Ningbo Procurement Contract, terms of such transactions and the proposed annual caps.

BOARD CONFIRMATION

The Directors (except the independent non-executive Directors, who will express their opinion after obtaining the advice from Gram Capital) consider that the Chongqing Chuanwei EPC Contract, Ningbo Procurement Contract, the transactions as contemplated thereunder and the proposed annual caps for the transactions are entered into (i) on terms that are fair and reasonable; (ii) on normal commercial terms or better and in the ordinary and usual course of business of the Group; and (iii) in the interests of the Company and its Shareholders as a whole.

Mr. Chen Xue, as a director appointed by Sinopec Overseas, is materially interested in Chongqing Chuanwei EPC Contract, Ningbo Procurement Contract and the transactions contemplated thereunder, and has abstained from voting in respect of such connected transaction contracts in the board resolution. Having made all reasonable enquiries, to the best of the Directors' knowledge, information and belief, except Mr. Chen Xue, none of the other Directors is materially interested in Chongqing Chuanwei EPC Contract, Ningbo Procurement Contract and the transactions contemplated thereunder.

BACKGROUND

Beijing Boqi is mainly engaged in flue gas treatment business in Mainland China. Its services cover project engineering, equipment procurement, facility construction and the operation and maintenance of flue gas treatment facilities, as well as concession business.

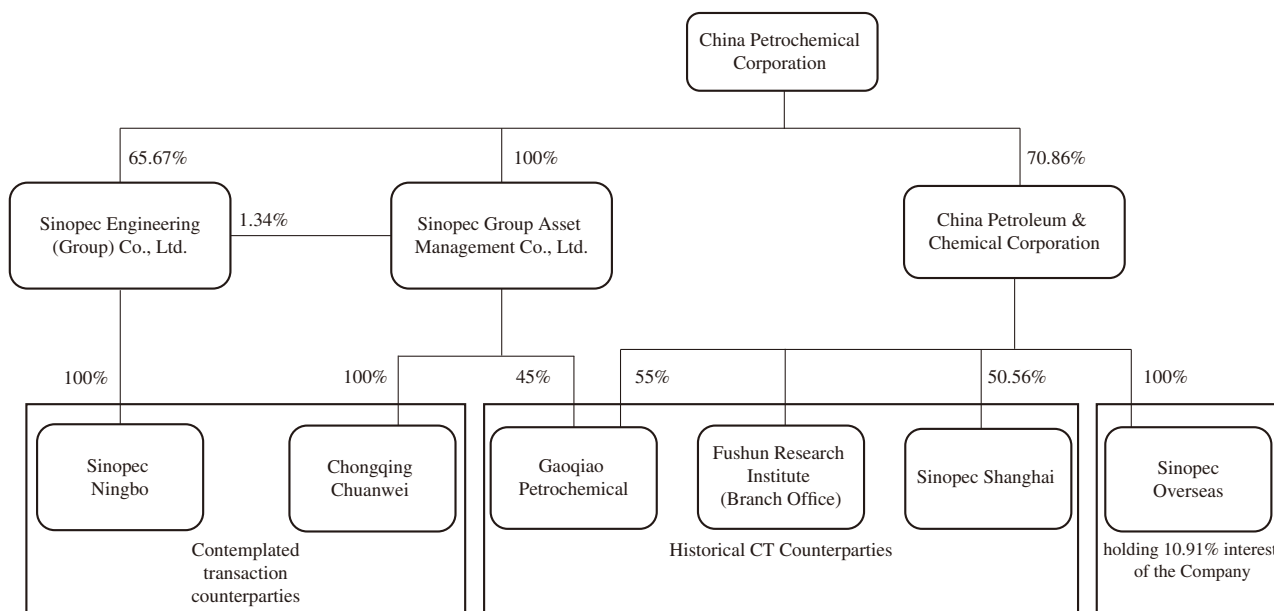
Sinopec Group is the largest refined oil and petrochemical product supplier and the second largest oil and gas producer in the PRC, and the largest oil refining company and the second largest chemical engineering company in the world. Sinopec Overseas was introduced to the Company as a strategic investor. It not only brings substantial funds into the Company but also lays a solid foundation for the Company to enter the non-electricity field.

Chongqing Chuanwei is a business unit of Sinopec Group. It is engaged in chemical and chemical fiber product production business which uses natural gas as the major raw material. Chongqing Chuanwei intends to comply with the national ultra-low emission standard in accordance with the environmental protection requirements through the transformation and upgrade of coal-fired boiler under the Chongqing Chuanwei EPC Contract.

Sinopec Ningbo is a business unit of Sinopec Group. It is engaged in engineering consulting, engineering design, scientific research and development, equipment manufacturing, plant construction and repair and maintenance business in the fields of natural gas chemical, petrochemical, coal chemical and synthesis gas chemical in China. With various patents and exclusive technologies, this all-round engineering company serves both of the domestic and international markets by providing technology and management services. Sinopec Ningbo intends to comply with the ultra-low emission standard required by the PRC national policy at the project site of the Sino-Kuwait Power Station through this Ningbo Procurement Contract.

HISTORICAL CONNECTED TRANSACTIONS

Chongqing Chuanwei and Sinopec Ningbo and (1) Fushun Research Institute, (2) Gaoqiao Petrochemical and (3) Sinopec Shanghai (collectively referred to as “**Historical CT Counterparties**”) as disclosed in the prospectus of the Company dated 28 February 2018 are companies under the China Petrochemical Corporation. Among which, Fushun Research Institute is a branch institute, whereas Gaoqiao Petrochemical and Sinopec Shanghai are fellow subsidiaries.



As Chongqing Chuanwei, Sinopec Ningbo and Historical CT Counterparties are all under China Petrochemical Corporation, the projects under the Chongqing Chuanwei EPC Contract and Ningbo Procurement Contract and the Design and EPC Contracts between the Company and Historical CT Counterparties which were previously disclosed in the Prospectus (“**Historical Connected Transactions**”) are desulfurization, denitrification and dust removal environmental facility EPC projects with similar nature. Therefore, transactions under Chongqing Chuanwei EPC Contract and Ningbo Procurement Contract and Historical Connected Transactions constitute continuing connected transactions. For details of the Historical Connected Transactions, please refer to the disclosures on pages 16 to 220 of the Prospectus.

CHONGQING CHUANWEI EPC CONTRACT

According to Chongqing Chuanwei EPC Contract, Beijing Boqi shall provide the engineering, procurement, construction, debugging and performance evaluation of all denitrification, desulfurization and dust removal upgrade works under the ultra-low emission upgrade project of coal-fired boiler (except the upgrade of the boiler itself) to Chongqing Chuanwei until the expiry of the quality assurance period after delivery for normal usage (“**Chongqing Chuanwei EPC Project**”). The major terms of the Contract are as follows:

Date of tender award:	14 May 2018
Date of signing:	14 September 2018
Parties:	Chongqing Chuanwei (contract-issuing party) and Beijing Boqi (Contractor)
Project description:	Upgrading of coal-fired boiler in the thermal power facility area of Chuanwei to comply with ultra-low emission requirement.
Scope of work:	Engineering of ultra-low emission upgrade project of coal-fired boiler; denitrification, desulfurization and dust removal except upgrade of boiler itself; procurement and supply of relevant equipment; construction (including building, installation, removal and transportation of structures related to the project) and subsequent testing and performance evaluation
Completion date:	October 2020
Contract value:	RMB205,880,000 (tentative estimate of the total value)
Adjustment to the contract price:	<ol style="list-style-type: none">(1) Contract price may vary according to (i) ad hoc adjustments in the scope of work, (ii) changes in equipment models, and (iii) ad hoc requests of Chongqing Chuanwei;(2) technical service and other fees shall decrease by 5.5% at the time of final settlement;(3) the costs of equipment and materials and the construction and installation expenses shall decrease by 4% at the time of final settlement;(4) if there is a net balance between the actual construction and installation expenses and 96% of the corresponding approved one, Beijing Boqi is entitled to 80% of the cost savings; and(5) if there is a net balance between the actual costs of equipment and materials and 96% of the corresponding approved one, Beijing Boqi is entitled to 90% of the cost savings.

Special provisions: 100% pass rate for the design of the finished products; 100% pass rate for equipment and materials; and compliance with the passing standards of the national and industrial construction inspection and acceptance requirements for construction quality.

Payment Schedule

Pursuant to the Chongqing Chuanwei EPC Contract, Chongqing Chuanwei will settle the consideration of RMB205,880,000 (tentative estimate of the total value) in the following manner:

- (1) Cost of equipment and materials – Within 20 days upon passing the on-site inspection and acceptance of equipment and materials, Chongqing Chuanwei shall make a payment to Beijing Boqi for the receipt of project materials amounting to 70% of the cost of equipment and materials of the contract value;
- (2) Construction and installation expenses – Beijing Boqi reports on the completed progress of construction on a monthly basis. Within 20 days upon confirmation, Chongqing Chuanwei shall make a payment to Beijing Boqi amounting to 70% of the corresponding amount of the completed progress;
- (3) Technical service fee and other fees – Within 20 days upon the completion and approval of the basic design, the contract-issuing party makes a payment to the contractor amounting to 50% of total technical service fee and other fees of the contract; upon the completion of the detailed design and its approval by Chongqing Chuanwei, Chongqing Chuanwei shall make a payment which adds up to 80% of total technical service fee and other fees of the contract value;
- (4) Project standard compliance – After the whole project passes its completion inspection and acceptance and meets the passing standards, Chongqing Chuanwei shall make a payment to Beijing Boqi which adds up to 90% of total technical service fee of the settlement amount; and
- (5) Project completion – After the final accounting and auditing for project completion, Chongqing Chuanwei makes a payment to Beijing Boqi which adds up to 97% of total technical service fee of the validated amount; 3% of total technical service fee and other fees serves as the quality assurance deposit. Within 20 days after no error is found in the examination, Chongqing Chuanwei shall pay the outstanding amount to Beijing Boqi.

Basis for Pricing

The pricing of the Chongqing Chuanwei EPC Contract is determined by negotiations between Chongqing Chuanwei and Beijing Boqi on an arm's length basis with reference to the following factors:

- (i) the direct cost of materials quoted by the suppliers and with reference to the prevailing market rates;

- (ii) the processing cost quoted by the processors or with reference to the historical data of the Group;
- (iii) other preliminary cost (including insurance, design fee, construction and installation fee, technical service and other fees) and the estimated cost of such EPC projects; and
- (iv) a ceiling on estimated contract value of the Chongqing Chuanwei EPC Project at RMB206 million as set by Chongqing Chuanwei in the tender documents.

NINGBO PROCUREMENT CONTRACT

According to Ningbo Procurement Contract, Beijing Boqi shall provide the procurement, construction, testing and performance evaluation of the denitrification system to Sinopec Ningbo until the expiry of the quality assurance period after delivery for normal usage (“**Ningbo Procurement Project**”). The major terms of the Contract are as follows:

Date of tender award:	5 June 2018
Date of signing:	14 September 2018
Parties:	Sinopec Ningbo (Purchaser) and Beijing Boqi (Seller)
Project description:	Provide procurement of denitrification system for the project site of Sinopec Ningbo at the Sino-Kuwait Power Station until the expiry of the quality assurance period after delivery for normal operation.
Scope of work:	In terms of design, installation, testing, operation, maintenance, procurement of purchased components and during the construction process, the materials provided and the technology delivered strictly comply with the requirements under the Ningbo Procurement Contract and the relevant technical agreement.
Completion date:	May 2019
Contract value:	RMB24,800,000
Special provisions:	Quality assurance period of the equipment is 24 months after the equipment brings into operation and maintains normal operation continuously.

Payment Schedule

Pursuant to the Ningbo Procurement Contract, Sinopec Ningbo will settle the consideration of RMB24,800,000 in the following manner:

- (1) Prepayment – Sinopec Ningbo shall pay 20% of the contract value of the Ningbo Procurement Contract to Beijing Boqi when the Ningbo Procurement Contract takes effect and Beijing Boqi provides Sinopec Ningbo with the official invoice of 20% of the contract value, early construction information, construction progress plan and quality inspection plan, and within 45 days after the prepayment guarantee;
- (2) Progress payment – Sinopec Ningbo shall pay 20% of the contract value of the Ningbo Procurement Contract to Beijing Boqi within 45 working days after Beijing Boqi provides Sinopec Ningbo with the official invoice of 20% of the contract value and delivery note of the major materials etc.;
- (3) Payment upon delivery – Sinopec Ningbo shall pay 40% of the contract value of the Ningbo Procurement Contract to Beijing Boqi after Beijing Boqi delivers all contract equipment to the delivery location within required timeframe according to the delivery schedule and provides Sinopec Ningbo with technical information including the commercial invoices of the contract equipment, certificates for quality inspection, on-site delivery list and attachments of the contract, within 45 days after Sinopec Ningbo's confirmation;
- (4) Performance evaluation payment – Beijing Boqi completes the installation, debugging of all equipment and the equipment operates normally according to the contract. After inspection and acceptance by Sinopec Ningbo and within 45 days after the passing of performance evaluation, Sinopec Ningbo shall pay 10% of the contract value of the Ningbo Procurement Contract to Beijing Boqi;
- (5) Quality assurance deposit – Within 45 working days after the quality assurance period, Sinopec Ningbo shall pay the outstanding amount to Beijing Boqi.

Basis for Pricing

The pricing of the Ningbo Procurement Contract is determined by negotiations between Sinopec Ningbo and Beijing Boqi on an arm's length basis with reference to the following factors:

- (i) the direct cost of materials quoted by the suppliers and with reference to the prevailing market rates;
- (ii) the processing cost quoted by the processors or with reference to the historical data of the Group;
- (iii) the Group's endeavor to develop business relationship with Sinopec Ningbo; and
- (iv) the Group's anticipation of acquiring future projects from Sinopec Ningbo.

Internal Control Measures

The Company selected and followed up with the Chongqing Chuanwei EPC Project and the Ningbo Procurement Contract from the open tender projects in the market, which included preliminary technical communication and promotion as well as participation in open bidding process. While preparing the tender documents (the “**Tender Documents**”), the Company sets a preliminary budget for each of the Chongqing Chuanwei EPC Project and the Ningbo Procurement Contract, based on factors such as the proposed scope of work and the requirements of the bidding invitations. After the tenders are awarded, the agreements to be entered into with the customers will be reviewed and approved by the relevant internal departments of the Company. The Group prepared a detailed budget according to the contract requirements upon entering into the project contract, for each of the Chongqing Chuanwei EPC Project and the Ningbo Procurement Contract. The detailed budgets are subject to the approval by the operational decision-making committee of the Company and will be used as the assessment standard for budget management.

To further protect the Shareholders’ interest in the future, the Group will assign specific staff to be responsible for the daily operations and the monitoring of the transactions contemplated under the Chongqing Chuanwei EPC Contract and Ningbo Procurement Contract, with a view to ensuring that Beijing Boqi and Chongqing Chuanwei and Sinopec Ningbo carry out the transactions in accordance with the Chongqing Chuanwei EPC Contract and Ningbo Procurement Contract . In addition, the Company will conduct yearly review against the transactions in order to consolidate experiences and eliminate any inadequacy.

PREVIOUS TRANSACTION AMOUNT OF SIMILAR HISTORICAL CONNECTED TRANSACTIONS

Given the above Historical Connected Transactions are conducted between the Company and the members of China Petrochemical Corporation, the revenues of these transactions have been aggregated for calculation in the Prospectus according to the requirement of Rule 14A.81 of the Listing Rules. These Historical Connected Transactions (and the annual caps thereof) have obtained a waiver from the Stock Exchange from compliance with the requirements of announcement and Independent Shareholders’ approval (“**Existing Waiver**”). For details, please see the sections headed “Connected Transactions” and “Waivers from Compliance with the Listing Rules and Exemption from Compliance with the Companies (Winding Up and Miscellaneous Provisions) Ordinance”.

Therefore, although the transactions contemplated under Chongqing Chuanwei EPC Contract and Ningbo Procurement Contract and the proposed annual caps should be aggregated with Historical Connected Transactions for calculation according to the requirement of Rule 14A.81 of the Listing Rules, given that Historical Connected Transactions have obtained Existing Waiver, the transactions as contemplated under this Chongqing Chuanwei EPC Contract and Ningbo Procurement Contract and the proposed annual caps shall be subject to Independent Shareholders’ approval on a stand-alone basis.

PROPOSED ANNUAL CAPS OF CHONGQING CHUANWEI EPC CONTRACT AND NINGBO PROCUREMENT CONTRACT AND ITS BASIS

The Company anticipates that the estimated total value of the transactions under Chongqing Chuanwei EPC Contract and Ningbo Procurement Contract is as follows:

	For the period from the date of EGM to 31 December 2018 RMB	For the year ending 31 December 2019 RMB	For the year ending 31 December 2020 RMB	For the period from 1 January 2021 to the 36th month from the date of EGM (expected to be October 2021) RMB
Proposed annual caps	39,426,062	121,006,185	90,586,831	2,728,000

When determining the above annual caps, the Directors has considered the following factors:

- (1) anticipated incomes of the Chongqing Chuanwei EPC Contract and the Ningbo Procurement Contract;
- (2) expected project schedules of the Chongqing Chuanwei EPC Project and the Ningbo Procurement Project, as the revenue generated thereunder shall be recognized by stages in accordance with such schedules; and
- (3) a buffer for unexpected circumstances during the projects.

REASONS FOR AND BENEFITS OF ENTERING INTO CHONGQING CHUANWEI EPC CONTRACT AND NINGBO PROCUREMENT CONTRACT

Both Chongqing Chuanwei EPC Contract and Ningbo Procurement Contract are in line with the national policy on environmental protection as well as the business development strategy and operation structure adjustment of the Company, which began in late 2016 to explore markets for petrochemicals and steel industries. The Company believes that these transactions will enhance the desulfurization, denitrification and dust removal business of the Group. It is expected to expand the business opportunities between the Group and Sinopec Group and gain considerable project experience, which allows the Company to further expand the market and offer similar services to more market participants of the petrochemical industry in the near future.

Meanwhile, the performance of these contracts will have a positive impact on the Company's income and operating results, thereby laying an important foundation for the Company to expand and strengthen its environmental protection business in the petrochemical industry, as well as contributing to the continuous growth of the Group's annual performance.

LISTING RULES IMPLICATIONS

As at the date of this announcement, Sinopec Overseas Investment Holding Limited (中國石化海外投資控股有限公司) (“**Sinopec Overseas**”) holds a 10.91% equity interest in the Company, and Chongqing Chuanwei, Sinopec Ningbo and Sinopec Overseas are all part of the Sinopec Group, therefore, Chongqing Chuanwei and Sinopec Ningbo are connected persons of the Company. In addition, given that the Chongqing Chuanwei EPC Contract and Ningbo Procurement Contract are both conducted between the Company and the members of the Sinopec Group, and the nature is similar to the previous transactions conducted between the Company and other members of the Sinopec Group, the revenues of these transactions shall be aggregated according to the requirement of Rule 14A.81 of the Listing Rules and constitutes a continuing connected transaction.

As certain applicable percentage ratios of transaction amounts of the Chongqing Chuanwei EPC Contract and the Ningbo Procurement Contract exceed 5% but are less than 25% after aggregation, the Chongqing Chuanwei EPC Contract, the Ningbo Procurement Contract and the transactions thereunder must comply with the reporting, announcement, circular, Independent Shareholders’ approval and annual review requirements under Chapter 14A of Listing Rules.

EGM

The Company proposes to seek at the EGM the Independent Shareholders’ approval on Chongqing Chuanwei EPC Contract, Ningbo Procurement Contract, transactions thereunder and the proposed annual caps. Sinopec Overseas will abstain from voting on Chongqing Chuanwei EPC Contract, Ningbo Procurement Contract and such transactions (including the proposed annual caps) at the EGM. The resolutions to be proposed shall be passed by way of an ordinary resolution and voting by poll in compliance with the requirements of the Hong Kong Listing Rules. The poll results shall be published on the website of the Company and the Stock Exchange after the EGM in accordance with the Hong Kong Listing Rules.

The Company has formed the Independent Board Committee to provide advice regarding the Chongqing Chuanwei EPC Contract, Ningbo Procurement Contract, the terms of transactions thereunder and the proposed annual caps to the Independent Shareholders. Gram Capital has been appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders on the above matters.

The Company is expected to dispatch a circular to the Shareholders on or before 9 October 2018 which includes (i) details of the Chongqing Chuanwei EPC Contract, Ningbo Procurement Contract, such transactions and the proposed annual caps; (ii) Letter from Gram Capital; (iii) recommendations from Independent Board Committee; and (iv) notice of EGM to be convened to approve the Chongqing Chuanwei EPC Contract, Ningbo Procurement Contract, terms of such transactions and the proposed annual caps.

BOARD CONFIRMATION

The Directors (except the independent non-executive Directors, who will express their opinion after obtaining the advice from Gram Capital) considers that these transactions are entered into on normal commercial terms or better and in the ordinary and usual course of business of the Group. The Board (except the independent non-executive Directors, who will provide their opinions after receipt of Gram Capital's advice) after considering the basis in determining the price and other terms of the contracts of these transaction, as well as the basis of determining the proposed annual caps, considers that the Chongqing Chuanwei EPC Contract, Ningbo Procurement Contract, the transactions as contemplated thereunder and the proposed annual caps for the transactions are entered into (i) on terms that are fair and reasonable; (ii) on normal commercial terms or better and in the ordinary and usual course of business of the Group; and (iii) in the interests of the Company and its Shareholders as a whole.

Mr. Chen Xue, as a director nominated by Sinopec Overseas, is materially interested in Chongqing Chuanwei EPC Contract, Ningbo Procurement Contract and the transactions contemplated thereunder, and has abstained from voting in respect of such connected transaction contracts in the board resolution. Having made all reasonable enquiries, to the best of the Directors' knowledge, information and belief, except Mr. Chen Xue, none of the other Directors has any material interest in Chongqing Chuanwei EPC Contract, Ningbo Procurement Contract and the transactions contemplated thereunder.

DEFINITIONS

The following expressions have the following meaning unless the context requires otherwise:

“Associate(s)”, “Connected Person(s)”, “Subsidiary”	each has the meaning ascribed to it under the Listing Rules;
“Beijing Boqi”	Beijing Boqi Electric Power SCI-TECH Co., Ltd., a wholly-owned subsidiary of the Company;
“Board”	the board of Directors;
“Chongqing Chuanwei”	Chongqing Chuanwei Petrochemical Engineering Company Limited* of the Sinopec Group (中國石化集團重慶川維化工有限公司);
“Chongqing Chuanwei EPC Contract”	an EPC master contract in relation to the ultra-low emission upgrading project of coal-fired boiler and engineering, procurement and construction (EPC) of denitrification, desulfurization and dust removal upgrading;
“Chongqing Chuanwei EPC Project”	the project regarding the Chongqing Chuanwei EPC Contract;

“Company”	China Boqi Environmental (Holding) Co., Ltd., a company incorporated in Cayman Islands with limited liability and its shares listed on the Stock Exchange;
“Directors”	the directors of the Company;
“EGM”	an extraordinary general meeting to be convened by the Company for the purpose of considering and approving by the Independent Shareholders on a discretion basis, the conduct of the transactions (including the proposed annual caps) under the Chongqing Chuanwei EPC Contract;
“Existing Waiver”	a waiver obtained by the Historical Connected Transactions (and relevant annual caps) from the Stock Exchange from compliance with the requirements of announcement and Independent Shareholders’ approval;
“Gaoqiao Petrochemical”	Sinopec Shanghai Gaoqiao Petrochemical Co., Ltd.* (中國石化上海高橋石油化工有限公司);
“Gram Capital” or “Independent Financial Adviser”	Gram Capital Limited, a Licensed corporation to carry out Type 6 (advising on corporate finance) regulated activity under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), being the independent financial adviser to the Independent Board Committee and the Independent Shareholders in respect of the Chongqian Chuanwei EPC Contract and the Ningbo Procurement Contract;
“Group”	the Company and its subsidiaries;
“Historical Connected Transactions”	The Design and EPC Contracts between the Company and Sinopec which were previously disclosed in the Prospectus are the same type as the desulfurization, denitrification, dust removal environmental facilities EPC project;
“Historical CT Counterparties”	Fushun Research Institute, Gaoqiao Petrochemical and Sinopec Shanghai;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Independent Board Committee”	Independent Board Committee of the Board;
“Independent Shareholders”	Shareholders of the Company, except Sinopec and its associates;

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Ningbo Procurement Contract”	a procurement contract for the denitrification system in the Sino-Kuwait Power Station;
“Ningbo Procurement Project”	the project regarding the Ningbo Procurement Contract;
“PRC”	The People’s Republic of China;
“Prospectus”	The Prospectus of the Company dated 28 February 2018;
“RMB”	Renminbi, the lawful currency of the PRC;
“Shareholders”	holders of the Shares;
“Shares”	USD0.00001 each in the share capital of the Company;
“Sinopec Overseas”	Sinopec Overseas Investment Holding Limited (中國石化海外投資控股有限公司);
“Sinopec Group”	China Petrochemical Corporation and its subsidiaries;
“Sinopec Ningbo”	Sinopec Ningbo Engineering Co., Ltd* (中石化寧波工程有限公司);
“Sinopec Shanghai”	Sinopec Shanghai Petrochemical Company Limited* (中國石化上海石油化工股份有限公司);
“Stock Exchange”	The Stock Exchange of Hong Kong Limited.

By order of the Board
China Boqi Environmental (Holding) Co., Ltd.
Cheng Liquan Richard
Chairman and Executive Director

Hong Kong, 14 September 2018

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

* *For identification purposes only*