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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 DISPOSALS OF LISTED SECURITIES

HIGHLIGHT

During the Relevant Period, the Company conducted a series of on-market transactions to dispose of an aggregate of 11,944,000 GNM Shares (representing approximately 1.0% of the total issued GNM Shares as at the date of this announcement) at an aggregate consideration of approximately HK\$70.4 million (excluding transaction costs), representing an average price of approximately HK\$5.9 per GNM Share. The consideration of each of the Disposals represented the prevailing market prices of the GNM Shares at the respective time of each of the Disposals and, after deducting transaction costs, was received by the Company in cash on settlement. Upon settlement of the Disposals, the Group will cease to hold any GNM Shares.

LISTING RULES IMPLICATION

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

THE DISPOSALS

During the Relevant Period, the Company conducted a series of on-market transactions to dispose of an aggregate of 11,944,000 GNM Shares (representing approximately 1.0% of the total issued GNM Shares as at the date of this announcement) at an aggregate consideration of approximately HK\$70.4 million (excluding transaction costs), representing an average price of approximately HK\$5.9 per GNM Share. The consideration of each of the Disposals represented the prevailing market prices of the GNM Shares at the respective time of each of the Disposals and, after deducting transaction costs, was received by the Company in cash on settlement. Upon settlement of the Disposals, the Group will cease to hold any GNM Shares.

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

INFORMATION OF GNM

GNM is a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 6616). GNM is principally engaged in the business of the production and sales of pearlescent pigment products and the assets of GNM are substantially located in the PRC.

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

	Year Ended 31 December	
	2021	2020
	<i>RMB'000</i>	<i>RMB'000</i>
Revenue	669,727	569,113
Profit before tax	191,107	177,821
Profit after tax	169,116	152,861

Based on GNM's 2021 annual report, GNM has audited net asset value of approximately RMB1,347.3 million and RMB2,342.7 million as at 31 December 2020 and 2021, respectively.

FINANCIAL EFFECTS AND REASONS FOR AND BENEFITS OF THE DISPOSALS

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

As a result of the Disposals, the Group is expected to recognise a gain of approximately HK\$31.1 million, being the difference between the proceeds received from the Disposals after deducting transaction costs and the acquisition cost of the GNM Shares inclusive of transaction costs. It is intended that the net proceeds from the Disposals will be applied as general working capital of the Group. For the avoidance of doubt, the income/loss to be recognised in the the consolidated statement of profit or loss and other comprehensive income of the Group as a result of the Disposals will be subject to final audit to be performed by the Company's auditors.

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

INFORMATION OF THE COMPANY AND THE GROUP

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

LISTING RULES IMPLICATION

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DEFINITIONS

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

“Board”	the board of Directors
“Company”	China Boqi Environmental (Holding) Co., Ltd. (中國博奇環保(控股)有限公司), a company incorporated in the Cayman Islands with limited liability, the issued Shares of which are listed on the Main Board of the Stock Exchange
“Director(s)”	the director(s) of the Company
“Disposals”	the series of on-market disposals of an aggregate of 11,944,000 GNM Shares conducted by the Company during the Relevant Period at an aggregate consideration of approximately HK\$70.4 million (excluding of transaction costs), representing an average price of approximately HK\$5.9 per GNM Share
“Group”	collectively, the Company and its subsidiaries
“GNM”	Global New Material International Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 6616)
GNM Share(s)	ordinary share(s) of GNM
“HK\$”	Hong Kong Dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

“Independent Third Party(ies)”	person(s) or company(ies) who/which, to the best of our Directors’ knowledge, information and belief, having made all reasonable enquiries, is/are independent of and not connected connected with the Company and its connected persons
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“PRC”	the People’s Republic of China, which, for the purpose of this announcement, shall exclude Hong Kong, the Macao Special Administrative Region and Taiwan
“Relevant Period”	from 30 December 2021 to 9 June 2022
“RMB”	Renminbi, the lawful currency of the PRC
“Share(s)”	share(s) of USD0.00001 each in the ordinary share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent

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

Beijing, the PRC, 10 August 2022

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