

## Letter of Undertaking

Date: 23 October 2024

### **CHINA BOQI ENVIRONMENTAL (HOLDING) CO., LTD.**

9-10/F, CCT Center  
No. 5 Laiguangying West Road  
Chaoyang District  
Beijing, the PRC

Attn.: The Board of Directors

Proposed voluntary conditional cash offer by CLSA Limited on behalf of China Boqi Environmental (Holding) Co., Ltd. (stock code: 2377) (the "**Company**") to buy-back up to 150,858,120 shares in the share capital of the Company.

## **1 Background**

**1.1** I refer to the proposed voluntary conditional cash offer (the "**Offer**") to be made by CLSA Limited for and on behalf of the Company (the "**Offeror**") to buy-back up to 150,858,120 shares in the share capital of the Company (the "**Shares**"), details of which will be set out in an announcement to be issued by the Company on or about 18 October 2024 (the "**Announcement**") (an advanced copy of which is attached for your reference). Unless otherwise stated, the capitalized terms used in this deed shall have the same meanings as those defined in the Announcement.

### **1.2 The Offer will be conditional upon fulfilment of all of the following conditions on or before the Long Stop Date:**

- 1.2.1 valid acceptances being received (and not, where permitted, withdrawn) in respect of the Minimum Number (i.e. 100,572,079 Shares) at or before 4:00 p.m. (Hong Kong time) on the First Closing Date, provided that CLSA Limited shall, on behalf of the Company, buy-back Shares as tendered by the Shareholders up to the Maximum Number (i.e. 150,858,120 Shares);
- 1.2.2 the approval by more than 50% of the votes cast by the Independent Shareholders in attendance either in person or by proxy by way of a poll having been obtained at the EGM in respect of the Offer;
- 1.2.3 the approval by at least 75% of the votes cast by the Independent Shareholders in attendance either in person or by proxy by way of a poll having been obtained at the EGM in respect of the Whitewash Waiver; and
- 1.2.4 the Executive granting the Whitewash Waiver and the satisfaction of any conditions attached to the Whitewash Waiver and the Whitewash Waiver not having been revoked or withdrawn.

Save for the Condition (a) above, none of the Conditions can be waived. Accordingly, if any of the Conditions is not satisfied or waived on or before the Long Stop Date, the Offer will not proceed.

## 2 Irrevocable Undertakings

- 2.1 I hereby unconditionally and irrevocably undertake to the Offeror that before the expiry of the offer period (as defined under the Code on Takeovers and Mergers (the “**Takeovers Code**”)) in respect of the Offer:
- 2.1.1 I shall not accept the Offer in respect of 278,636,331 Shares, comprising (i) 255,695,143 Shares held by Best Dawn Limited (the entire issued share capital of which is held by me); and (ii) 22,941,188 Shares held by Asia Environment (in which 47.2% of interest is held by me and the remaining 52.8% of interest is held by Mr. Wang Rui, my long time acquaintance), in which I am the registered holder or beneficial owner or deemed to be interested in by virtue of Part XV of the SFO (the “**Relevant Shares**”).
- 2.1.2 I shall or procure the holder(s) of the Relevant Shares (in case I am non-registered shareholder of the Relevant Shares) to execute all documents and take all necessary and appropriate actions not to accept the Offer.
- 2.1.3 If any of the Relevant Shares are held by a trustee or custodian, I will procure the trustee or custodian to perform in accordance with the terms of this deed.
- 2.1.4 I will not, and will procure any party acting in concert with me not to, acquire any Share or other securities of the Company.
- 2.1.5 Save for pursuant to the Offer, without the prior consent of the Company, I shall not prior to the earlier of the completion of the Offer or lapsing or being withdrawn, other than usual brokers’ or bankers’ liens or assurances provided to the Hong Kong Securities Clearing Company Limited, directly or indirectly sell, transfer, charge, encumber, grant any option over or otherwise dispose of or permit any of the above actions over all or any of the Relevant Shares held or controlled by me, or enter into any arrangement to do any of the actions above.

## 3 Action to Facilitate the Offer

- 3.1 I, using my best endeavours, undertake and will procure the holder(s) of the Shares in case I am non-registered shareholder of the Relevant Shares to co-operate in the production of the formal document containing the Offer (the “**Offer Document**”), including, among other things, the provision of information required by Schedules to the Takeovers Code that relates to me (including but not limited to the relevant details of holdings and dealings in the Relevant Shares by me (or the holder(s) of the Shares in case I am non-registered shareholder of the Relevant Shares)) and, if so required by the Executive or the Takeovers Code, my concert parties as soon as reasonably practicable.

## 4 Warranties and Undertakings

- 4.1 I warrant and undertake to the Offeror that:
- 4.1.1 I have the requisite power and authority to enter into, and to perform my Obligations under this deed and any other documents to be executed by me pursuant to or in connection with the Offer;
- 4.1.2 I have obtained or satisfied all corporate, regulatory and other approvals, necessary to execute and perform my Obligations under this deed;

- 4.1.3 this deed constitutes a legal, valid and binding agreement of mine and is enforceable against me in accordance with its terms;
- 4.1.4 the execution and delivery of this deed, the consummation of the transaction herein, and the fulfilment by me of the terms hereof do not and will not conflict with, or result in a breach or violation of any laws, rules or regulations applicable to me;
- 4.1.5 the Relevant Shares are registered in my name(s), beneficially owned by me or in respect of which I am deemed to be interested by virtue of Part XV of the SFO;
- 4.1.6 I have full power and authority not to accept the Offer, or to undertake that the Offer will not be accepted, in respect of the Relevant Shares; and

Such warranties and undertakings shall be true and accurate in all respects throughout the offer period (as defined under the Takeovers Code).

## 5 Confidentiality

5.1 In consideration of any information provided by the Offeror to me in relation to the Offer, I undertake to keep confidential all the terms and conditions of the Offer and the existence of this deed (collectively, the “**Confidential Information**”), unless the Offeror agrees in writing and until the Announcement is released or the Confidential Information has otherwise become generally available to the public, provided that nothing in this paragraph shall restrict the disclosure of the Confidential Information by me:

- 5.1.1 if required by applicable laws or regulations or the requirements of the Securities and Futures Commission, or the Stock Exchange of Hong Kong Limited or any other authority; or
- 5.1.2 to our directors, officers, employees (as applicable), affiliates, agent or professional advisers on a need to know and strictly confidential basis, provided that such individual or entity (a) is under a similar obligation of confidentiality; or (b) is otherwise under a binding professional obligation of confidentiality;

*provided* that Confidential Information shall not include (i) information which the recipient already had in its possession without confidential limitation at the time of disclosure by the me; (ii) information known or that becomes known to the general public without breach of this letter by me; and (iii) information that is received rightfully and without confidential limitation by the recipient from a third party, provided that such third party source was not prohibited from disclosing such information to any party or its representatives by any legal, contractual or fiduciary obligation or another party.

The obligations in this paragraph shall immediately terminate upon the earlier of (i) the Announcement is released to or available to the public or (ii) the Announcement is aborted.

5.2 To the extent any of the Confidential Information is inside information under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), I will comply with the applicable restrictions on dealing in securities and disclosing inside information in accordance with Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

## 6 Publicity

6.1 I consent to:

- 6.1.1 the disclosure of the contents of this deed and/or anything in connection thereto to the Securities and Futures Commission of the Hong Kong Special Administrative

Region of the People's Republic of China ("**Hong Kong**") and The Stock Exchange of Hong Kong Limited; and

- 6.1.2 the issue of any announcements, circulars and documents incorporating a reference to this deed, to be made by you and/or the Company relating to the Offer pursuant to the Takeovers Code and the Rules Governing the Listing of the Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**"). I acknowledge that, if the Offer is made, this deed will be available for inspection during the offer period.

## 7 Termination

- 7.1 This deed shall terminate immediately if the Offer close, lapse or are withdrawn. In the event of the termination of this deed, this deed shall terminate in all respects with immediate effect, and no party shall have any obligations and liabilities hereunder or any claim under this deed against any other party, save that:
- 7.1.1 the provisions of paragraphs 6, 7, 8 and 10 hereof shall continue to apply in full force and effect thereafter; and
- 7.1.2 such termination shall be without prejudice to a party's accrued rights, remedies, obligations and liabilities under this deed as at the date of such termination.

## 8 Enforcement

### 8.1 Governing law etc.

This deed and any non-contractual obligations arising out of or in connection with this deed shall be governed by and construed in accordance with the laws of Hong Kong without regard to the conflict of laws thereunder. All disputes arising out of or in connection with this deed shall be finally resolved by arbitration conducted in Hong Kong in accordance with the Administered Arbitration Rules (the "**Rules**") of the Hong Kong International Arbitration Centre by three arbitrators appointed in accordance with the Rules. The seat of arbitration shall be Hong Kong. Judgment on the award(s) rendered by the arbitrators may be entered in any court having jurisdiction thereof.

### 8.2 Remedies

Without prejudice to any other rights or remedies which you may have, I acknowledge and agree that monetary damages would not be an adequate remedy for any breach by me of this deed, including any of my Obligations. You shall be entitled to the remedies of injunction, specific performance and/or other equitable relief (without posting bond or other security) for any threatened or actual breach of this deed, including any such Obligation and no proof of special damages shall be necessary for the enforcement by you of your rights under this deed.

## 9 Interpretation

### 9.1 Meaning

In this deed:

- 9.1.1 references to the "**Obligations**" are to my undertakings, agreements, warranties, appointments, consents and waivers set out in it;
- 9.1.2 references to "**subsidiaries**" have the same meaning as in the Companies Ordinance (Cap. 622 of the Laws of Hong Kong) and the Takeovers Code.

**10 Waiver and Variation**

**10.1** No failure or delay by either party in exercising its rights under this deed shall operate as a waiver.

**10.2** No variation of this deed shall be effective unless in writing and signed by or on behalf of each of the parties.

**11 No third-party rights**

A person who is not a party to this deed has no right under the Contracts (Rights of Third Parties) Ordinance (Cap. 623 of the Laws of Hong Kong) to enforce the terms of this deed.

In witness whereof this deed has been duly executed and delivered as a deed on the day and year first written above.

**EXECUTED AND DELIVERED AS A DEED** )  
by Zeng Zhijun )  
in the presence of: )



.....  
Name:

EXECUTED AND DELIVERED AS A DEED )  
by CHINA BOQI ENVIRONMENTAL (HOLDING) CO., LTD. )  
acting by Qian Xiaoning )  
in the presence of: )

  
.....  
Director

  
.....  
Name:

  
.....  
Director/Secretary

