

*Our estimated loss attributable to the owners of our Company for the year ended December 31, 2017 is set out in “Financial Information—Loss Estimate for the Year ended December 31, 2017”.*

#### **A. OVERVIEW**

- (i) Our Directors estimate that, on the bases set out in Part B of this Appendix III and in the absence of unforeseen circumstances, the estimate of the loss attributable to owners of our Company for the year ended December 31, 2017 will be no more than RMB38 million.
- (ii) Non Generally Accepted Accounting Principle Illustrative

Excluding the estimated fair value loss on the Company’s Class B Shares and Class C Shares for the year ended December 31, 2017, the estimated profit of the Group for the year ended December 31, 2017 would have been no less than RMB195 million.

*Note:* This is for illustrative purpose only, and is not presented on a basis consistent in all material respects with the accounting policies normally adopted by the Group.

#### **B. BASES**

Our Directors have prepared the estimated loss attributable to owners of our Company for the year ended December 31, 2017 based on the audited results of the Company for the nine months ended September 30, 2017 and the unaudited results based on the management accounts of the Company for the three months ended December 31, 2017. The loss estimate has been prepared on a basis consistent in all material respects with the accounting policies that we normally adopt in the Accountants’ Report set out in Appendix I to this prospectus.

#### **C. LETTERS**

The following is the text of letters prepared for the purpose of incorporation in this prospectus received from Deloitte Touche Tohmatsu, Certified Public Accountants, Hong Kong, being the Reporting Accountant, and from the Sole Sponsor in connection with the estimated loss attributable to the owners of our Company for the year ended December 31, 2017.

**(1) Letter from the Reporting Accountant****Deloitte.****德勤**35/F One Pacific Place  
88 Queensway  
Hong Kong

February 28, 2018

The Board of Directors  
China Boqi Environmental (Holding) Co., Ltd.  
11/F, R & F Center  
63 East 3rd Ring Road Middle  
Chaoyang District  
Beijing, the PRC

CMB International Capital Limited  
45/F  
Champion Tower  
3 Garden Road  
Central  
Hong Kong

Dear Sirs,

China Boqi Environmental (Holding) Co., Ltd. (“the Company”)

**Loss Estimate for Year Ended December 31, 2017**

We refer to the estimate of the consolidated loss of the Company and its subsidiaries (collectively referred to as “the Group”) attributable to owners of the Company for the year ended December 31, 2017 set forth in the section A(i) of Appendix III to the prospectus of the Company dated February 28, 2018 (“the Prospectus”) (“the Loss Estimate”).

**Directors’ Responsibilities**

The Loss Estimate has been prepared by the directors of the Company based on the audited consolidated results of the Group for the nine months ended September 30, 2017 and the unaudited consolidated results based on the management accounts of the Group for the remaining three months ended December 31, 2017.

The Company’s directors are solely responsible for the Loss Estimate.

**Our Independence and Quality Control**

We have complied with the independence and other ethical requirements of the “Code of Ethics for Professional Accountants” issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies Hong Kong Standard on Quality Control 1 “Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services

Engagements” issued by the HKICPA and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

**Reporting Accountants’ Responsibilities**

Our responsibility is to express an opinion on the accounting policies and calculations of the Loss Estimate based on our procedures.

We conducted our engagement in accordance with Hong Kong Standard on Investment Circular Reporting Engagements 500 “Reporting on Profit Forecasts, Statements of Sufficiency of Working Capital and Statements of Indebtedness” and with reference to Hong Kong Standard on Assurance Engagements 3000 (Revised) “Assurance Engagements Other Than Audits or Reviews of Historical Financial Information” issued by the HKICPA. Those standards require that we plan and perform our work to obtain reasonable assurance as to whether, so far as the accounting policies and calculations are concerned, the Company’s directors have properly compiled the Loss Estimate in accordance with the bases adopted by the directors of the Company and as to whether the Loss Estimate is presented on a basis consistent in all material respects with the accounting policies normally adopted by the Group. Our work is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing issued by the HKICPA. Accordingly, we do not express an audit opinion.

**Opinion**

In our opinion, so far as the accounting policies and calculations are concerned, the Loss Estimate has been properly compiled in accordance with the bases adopted by the directors of the Company as set out in Appendix III of the Prospectus and is presented on a basis consistent in all material respects with the accounting policies normally adopted by the Group as set out in our accountants’ report dated February 28, 2018, the text of which is set out in Appendix I of the Prospectus.

Yours faithfully,

Deloitte Touche Tohmatsu  
Certified Public Accountants  
Hong Kong

**(2) Letter from the Sole Sponsor**

*The following is the text of a letter, prepared for inclusion in this prospectus by the Sole Sponsor in connection with the loss estimate for the year ended December 31, 2017.*



February 28, 2018

The Board of Directors  
China Boqi Environmental (Holding) Co., Ltd.  
11/F, R & F Center  
63 East 3rd Ring Road Middle  
Chaoyang District  
Beijing, the PRC  
Attn: the Directors

Dear Sirs,

We refer to the estimated loss attributable to the owners of China Boqi Environmental (Holding) Co., Ltd. (the “**Company**”) and its subsidiaries (together the “**Group**”) for the year ended December 31, 2017 (the “**Loss Estimate**”) as set out in the prospectus issued by the Company dated February 28, 2018 (the “**Prospectus**”).

We understand that the Loss Estimate, for which the directors of the Company (the “**Directors**”) are solely responsible, has been prepared by you based on the basis of the audited consolidated results of the Group for the nine months ended September 30, 2017 and unaudited consolidated results of the Group based on the management accounts for the three months ended December 31, 2017.

We have discussed with you the bases, as set forth in Appendix III to the Prospectus, upon which the Loss Estimate has been made. We have also considered, and relied upon, the letter dated February 28, 2018 addressed to you and us from Deloitte Touche Tohmatsu, *Certified Public Accountants* regarding the accounting policies and calculations upon which the Loss Estimate has been made.

On the basis of the information comprising the Loss Estimate and on the basis of the accounting policies and calculations adopted by you and reviewed by Deloitte Touche Tohmatsu, *Certified Public Accountants*, we are of the opinion that the Loss Estimate, for which the Directors are solely responsible, has been made after due and careful enquiry.

For and on behalf of  
CMB International Capital Limited  
Cheung Wai Lik  
Managing Director