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## **CHIHO ENVIRONMENTAL GROUP LIMITED**

**齊合環保集團有限公司**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 976)**

### **APPOINTMENT OF INDEPENDENT NON-EXECUTIVE DIRECTOR; CHANGE OF MEMBER OF THE BOARD COMMITTEES AND RETIREMENT OF INDEPENDENT NON-EXECUTIVE DIRECTOR**

The Board is pleased to announce that:

1. With effect from 18 April 2018, Mr. Zhu Hongchao is appointed as an independent non-executive Director of the Company;
2. With effect from 18 April 2018, Mr. Zhu Dajian has resigned as the chairman and remained as a member of the remuneration committee of the Company. Mr. Zhu Hongchao has been appointed as the chairman of the remuneration committee of the Company and a member of each of the audit committee and the nomination committee of the Company with effect from the same day; and
3. Mr. Zhu Dajian will retire from his position as independent non-executive Director of the Company with effect from the conclusion of the annual general meeting of the Company to be held on 12 June 2018.

### **APPOINTMENT OF INDEPENDENT NON-EXECUTIVE DIRECTOR**

The board (the “**Board**”) of directors (the “**Directors**”) of Chiho Environmental Group Limited (the “**Company**”) announces that Mr. Zhu Hongchao (“**Mr. Zhu**”) has been appointed as an independent non-executive Director of the Company with effect from 18 April 2018.

The biographical details of Mr. Zhu are as below:

Mr. Zhu, aged 58, is one of the founding partners of Shanghai United Law Firm and a senior lawyer. He possesses a Juris Master degree obtained from Fudan University and has rich litigation and non-litigation experience in terms of Contract Law, Law of Torts, Company Law and other legal fields. Mr. Zhu has served as a permanent legal adviser or specially invited adviser of a large number of state-owned enterprises, Global 500 enterprises and governmental departments for a long time. As one of the first batch of lawyers with the qualification to practice securities law, he has participated in the reorganisation and listing of over 40 large Chinese enterprises.

Mr. Zhu is currently the director and senior partner of Shanghai United Law Firm. He also serves as an arbitrator of China International Economic and Trade Arbitration Commission, Shanghai International Economic and Trade Arbitration Commission (Shanghai International Arbitration Center) and Shanghai Arbitration Commission, a mediator of Shanghai Commercial Mediation Center, and a part-time professor of Shanghai University Law School and East China University of Political Science and Law.

He once served as the third, fourth, fifth and sixth deputy president of All China Lawyers Association, the sixth president of Shanghai Bar Association and the seventh chief supervisor of Shanghai Bar Association.

He is an independent director of the following companies: Shanghai First Pharmaceutical Co., Ltd.\* (上海第一醫藥股份有限公司) (Stock Code: 600833(SHA)); Wonders Information Co., Ltd. (Stock Code: 300168(SHE)); Caitong Fund Management Co., Ltd.; Jupai Holdings Limited (Stock Code: JP (NYSE)); and E-House (China) Holdings Limited (Stock Code: EJ (NYSE)). He once served as an independent director of the following companies: Sinochem International Corporation (Stock Code: 600500(SHA)); E-House Holdings Co., Ltd.\* (易居控股股份有限公司), Shanghai Guangdian Electric Group Co., Ltd. (Stock Code: 601616 (SHA)); and Tengda Construction Group Co., Ltd. (Stock Code: 600512 (SHA)). He now is also an external director of Bright Food (Group) Co., Ltd.

Save as disclosed in this announcement, as at the date of this announcement, Mr. Zhu has confirmed that:

- a) he did not hold any directorship in other listed companies, the securities of which are listed on any securities market in Hong Kong or overseas in the last three years;
- b) he does not hold any other positions with the Company or other subsidiaries of the Company;

- c) he does not have any interest or short position (both within the meaning of Part XV of the Securities and Futures Ordinance (the “SFO”) (Chapter 571 of the Laws of Hong Kong)) in the shares, underlying shares or debentures of the Company or any of its associated corporation (as defined under Part XV of the SFO);
- d) he does not have any relationship with any Directors, senior management or substantial shareholders or controlling shareholders (as defined in the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”)) of the Company; and
- e) there is no information that should be disclosed pursuant to subparagraphs (h) to (v) of Rule 13.51(2) of the Listing Rules nor any other matters that need to be brought to the attention of the shareholders of the Company in relation to the appointment of him as a Director of the Company, and he meets the independence guidelines as set out in Rule 3.13 of the Listing Rules.

The Company has entered into a service contract with Mr. Zhu in relation to appointment of him as an independent non-executive Director for a fixed term of three years commencing from 18 April 2018. Pursuant to the service contract, he is entitled to receive a director’s fee of HK\$250,000 per annum which is determined by the Board based on the recommendations of the remuneration committee of the Company with reference to his duties and responsibilities in the Company and the prevailing market rate of remuneration for independent non-executive directors and shall be subject to annual review by the Board and the remuneration committee of the Company. He will hold office until the next annual general meeting of the Company, is subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the articles of association of the Company and thereafter subject to retirement by rotation at least once every three years and eligible for re-election at annual general meeting.

## **CHANGE OF MEMBER OF THE BOARD COMMITTEES**

The board also announces that, with effect from 18 April 2018, Mr. Zhu Dajian (“**Prof. Zhu**”) has resigned as the chairman and remained as a member of the remuneration committee of the Company. Mr. Zhu has been appointed as the chairman of the remuneration committee of the Company and a member of each of the audit committee and the nomination committee of the Company with effect from the same day.

## **RETIREMENT OF INDEPENDENT NON-EXECUTIVE DIRECTOR**

The Board also announces that Prof. Zhu will retire from his position as independent non-executive Director of the Company with effect from the conclusion of the annual general meeting of the Company to be held on 12 June 2018 (“**2018 AGM**”).

Prof. Zhu is subject to retirement by rotation at the coming 2018 AGM. Recently, Prof. Zhu has informed the Company that he will not be standing for re-election at the 2018 AGM and will therefore retire at the conclusion of the 2018 AGM. Following the retirement of Prof. Zhu, he will also cease to be a member of each of the remuneration committee, the audit committee and the nomination committee of the Company.

In accordance with the requirement of Rule 13.51(2) of the Listing Rules, Prof. Zhu has confirmed that he has no disagreement with the Board and there is no matter relating to his retirement that needs to be brought to the attention of the shareholders of the Company.

The Board would like to express its warm welcome to Mr. Zhu on his appointment, and would also like to express its sincere gratitude and appreciation to Prof. Zhu for his valuable and outstanding contribution to the Company during his tenure of service.

By Order of the Board  
**Chiho Environmental Group Limited**  
**Qin Yongming**  
*Chairman*

Hong Kong, 18 April 2018

*As at the date of this announcement, the Board of the Company comprises:*

*Executive Directors:* Qin Yongming, Tu Jianhua, Wong Wun Lam

*Independent Non-executive Directors:* Loke Yu, Zhu Dajian, Qian Liping, Zhu Hongchao

\* *for identification purpose only*