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If you are in any doubt as to any aspect of this circular or as to the action you should take, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Chiho Environmental Group Limited, you should at once hand this circular with the accompanying proxy form and the 2017 Annual Report to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale was effected for transmission to the purchaser or transferee.

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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)**

**RE-ELECTION OF DIRECTORS,
PROPOSALS FOR GENERAL MANDATES TO ISSUE SHARES AND
TO REPURCHASE SHARES
AND
NOTICE OF ANNUAL GENERAL MEETING**

Capitalised terms used in this circular shall have the meaning as set out in the section headed “Definitions” of this circular.

A notice convening the Annual General Meeting of Chiho Environmental Group Limited to be held at 23/F., Infinitus Plaza, 199 Des Voeux Road Central, Hong Kong on 12 June 2018, Tuesday at 11:00 a.m. is set out on pages 16 to 20 of this circular. A proxy form for your use at the Annual General Meeting is enclosed with this circular. Whether or not you intend to attend the Annual General Meeting, you are requested to complete the proxy form in accordance with the instructions printed thereon and return the same to the Company’s Hong Kong branch share registrar and transfer office, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding of the Annual General Meeting (i.e. not later than 11:00 a.m. on 10 June 2018, Sunday) or any adjournment thereof. Completion and return of the proxy form shall not preclude you from attending and voting in person at the Annual General Meeting or any adjournment thereof should you so wish.

References to time and dates in this circular are to Hong Kong time and dates.

27 April 2018

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DEFINITIONS

In this circular, the following expressions have the following meanings unless the context requires otherwise:

“Annual General Meeting”	the annual general meeting of the Company to be held at 23/F., Infinitus Plaza, 199 Des Voeux Road Central, Hong Kong on 12 June 2018, Tuesday at 11:00 a.m.
“Articles of Association”	the articles of association of the Company as amended, supplemented or modified from time to time
“Board”	the board of Directors
“Company”	Chiho Environmental Group Limited, an exempted company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the Stock Exchange
“controlled corporations”	has the meaning ascribed to it in Part XV of the SFO
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Latest Practicable Date”	23 April 2018, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained herein
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Memorandum of Association”	the memorandum of association of the Company as amended, supplemented or modified from time to time

DEFINITIONS

“PRC”	The People’s Republic of China which, for the purpose of this circular, excludes Hong Kong, Macau Special Administrative Region of the People’s Republic of China and Taiwan
“Repurchase Mandate”	a general mandate proposed to be granted to the Directors to exercise the power of the Company to repurchase Shares during the period as set out in the Repurchase Resolution, up to a maximum of 10% of the total number of issued shares of the Company as at the date of passing of the Repurchase Resolution
“Repurchase Resolution”	the proposed ordinary resolution as referred to in resolution no. 8 of the notice of the Annual General Meeting
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong, as amended and supplemented from time to time
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	registered holder(s) of Shares
“Share Issue Mandate”	a general mandate proposed to be granted to the Directors to exercise the power of the Company to allot, issue and deal with Shares during the period as set out in the proposed ordinary resolution as referred to in resolution no. 7 of the notice of the Annual General Meeting, up to a maximum of 20% of the total number of issued shares of the Company as at the date of passing of the resolution approving the Share Issue Mandate
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers and Share Buy-backs
“%”	percent

LETTER FROM THE BOARD



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)

Executive Directors:

Mr. Tu Jianhua

Mr. Qin Yongming (*Chairman and Chief Executive Officer*)

Mr. Wong Wun Lam

Independent Non-Executive Directors:

Dr. Loke Yu

Mr. Zhu Dajian

Ms. Qian Liping

Mr. Zhu Hongchao

Registered Office:

Cricket Square

Hutchins Drive

P.O. Box 2681

Grand Cayman

KY1-1111

Cayman Islands

Principal Place of Business

in Hong Kong:

48 Wang Lok Street

Yuen Long Industrial Estate

Hong Kong

27 April 2018

To the Shareholders,

Dear Sir or Madam,

**RE-ELECTION OF DIRECTORS,
PROPOSALS FOR GENERAL MANDATES TO ISSUE SHARES AND
TO REPURCHASE SHARES
AND
NOTICE OF ANNUAL GENERAL MEETING**

INTRODUCTION

The purpose of this circular is to provide you with information regarding the resolutions to be proposed at the Annual General Meeting to be held on 12 June 2018, Tuesday relating to, among other things, (i) re-election of the Directors; and (ii) the granting of general mandates to the Directors for the issue and repurchase of Shares.

LETTER FROM THE BOARD

RE-ELECTION OF DIRECTORS

In accordance with Articles 84(1)&(2) of the Articles of Association, Mr. Tu Jianhua shall retire at the Annual General Meeting by rotation and, being eligible, offer himself for re-election.

Mr. Wong Wun Lam was appointed as executive Director of the Company with effect from 11 October 2017 and Mr. Zhu Hongchao was appointed as independent non-executive Director of the Company with effect from 18 April 2018. Pursuant to Article 83(3) of the Articles of Association, Mr. Wong Wun Lam and Mr. Zhu Hongchao shall hold office until the next following general meeting of the Company, being the Annual General Meeting, and being eligible, offer themselves for re-election.

In accordance with Articles 84(1)&(2) of the Articles of Association, Mr. Zhu Dajian shall retire at the Annual General Meeting by rotation and he has informed the Board that he would not offer himself for re-election.

Biographical details of the above Directors who are standing for re-election at the Annual General Meeting, which are required to be disclosed pursuant to the Listing Rules, are set out in Appendix II to this circular.

GENERAL MANDATE TO ISSUE SHARES

On 24 May 2017, the Shareholders passed an ordinary resolution to give a general mandate to the Directors to exercise the powers of the Company to allot, issue and deal with securities of the Company up to 20% of the total number of issued shares of the Company as at that date. Such mandate will lapse at the conclusion of the Annual General Meeting. The Directors propose to seek your approval of the Share Issue Mandate to be proposed at the Annual General Meeting.

As at the Latest Practicable Date, the total number of issued shares of the Company was 1,605,152,291 Shares. Subject to the passing of the resolution approving the Share Issue Mandate and on the basis that no further Shares are issued or repurchased prior to the Annual General Meeting, the Company would be allowed under the Share Issue Mandate to allot and issue up to a maximum of 321,030,458 Shares, being 20% of the total number of issued shares of the Company as at the date of passing of such resolution at the Annual General Meeting.

In addition, subject to the passing of the resolution approving the extension of the Share Issue Mandate to be proposed at the Annual General Meeting, the Company would be allowed to allot, issue and deal with such additional number of Shares as is equal to the number of Shares repurchased by the Company under the Repurchase Mandate.

Details of the Share Issue Mandate and the extension of the Share Issue Mandate are set out in ordinary resolutions nos. 7 and 9, respectively, of the notice of the Annual General Meeting.

LETTER FROM THE BOARD

GENERAL MANDATE TO REPURCHASE SHARES

On 24 May 2017, the Shareholders passed an ordinary resolution to give a general mandate to the Directors to exercise the powers of the Company to repurchase Shares up to 10% of the total number of issued shares of the Company as at that date. Such mandate will lapse at the conclusion of the Annual General Meeting. The Directors propose to seek your approval of the Repurchase Resolution to be proposed at the Annual General Meeting.

As at the Latest Practicable Date, the total number of issued shares of the Company was 1,605,152,291 Shares. Assuming that there is no change in the issued shares of the Company from the Latest Practicable Date up to and including the date of passing of the Repurchase Resolution, the maximum number of Shares which may be repurchased pursuant to the Repurchase Mandate will be 160,515,229 Shares, representing 10% of the total number of issued shares of the Company as at the date of passing of the Repurchase Resolution at the Annual General Meeting.

An explanatory statement required by the Listing Rules to be sent to the Shareholders to provide the requisite information of the Repurchase Mandate reasonably necessary for the Shareholders to make an informed decision on whether to vote for or against the Repurchase Resolution is set out in Appendix I to this circular.

ANNUAL GENERAL MEETING

The notice of the Annual General Meeting is set out in Appendix III to this circular. A proxy form for appointing proxy is dispatched with this circular and published on the respective websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.chihogroup.com). Whether or not you intend to attend the Annual General Meeting, you are requested to complete the proxy form in accordance with the instructions printed thereon and return the same to the Company's Hong Kong branch share registrar and transfer office, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the Annual General Meeting (i.e. not later than 11:00 a.m. on 10 June 2018, Sunday) or any adjournment thereof. Completion and return of the proxy form shall not preclude you from attending and voting in person at the Annual General Meeting or any adjournment thereof should you so wish.

VOTING BY WAY OF POLL

Pursuant to Rule 13.39(4) of the Listing Rules all votes at the Annual General Meeting will be taken by poll except where the chairman, in good faith, decides to allow a resolution relating purely to a procedural or administrative matter to be voted on by a show of hands. The Company will announce the results of the poll in the manner prescribed under Rule 13.39(5) of the Listing Rules.

LETTER FROM THE BOARD

RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm, having made all reasonable enquiries that, to the best of their knowledge and belief, there are no other facts, the omission of which would make any statement in this circular misleading.

RECOMMENDATION

The Directors consider that the re-election of Mr. Tu Jianhua, Mr. Wong Wun Lam and Mr. Zhu Hongchao, the granting of the Share Issue Mandate and the Repurchase Mandate and the extension of Share Issue Mandate are in the best interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend that all Shareholders should vote in favour of the resolutions to be proposed at the Annual General Meeting to give effect to them.

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

This appendix serves as an explanatory statement required by the Listing Rules to be sent to the Shareholders, to provide requisite information to you for your consideration of the proposal to permit the repurchase of Shares up to a maximum of 10% of the total number of issued shares of the Company as at the date of passing of the Repurchase Resolution.

1. SHARE CAPITAL

As at the Latest Practicable Date, the total number of issued shares of the Company comprised 1,605,152,291 Shares.

Subject to the passing of the Repurchase Resolution and on the basis that no further Shares are issued or repurchased prior to the Annual General Meeting, the Company would be allowed under the Repurchase Resolution to repurchase up to a maximum of 160,515,229 Shares, representing 10% of the total number of issued shares of the Company as at the date of passing of the Repurchase Resolution at the Annual General Meeting.

2. REASONS FOR REPURCHASE

The Directors believe that the Repurchase Mandate is in the best interests of the Company and its Shareholders as a whole. Such repurchase may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net assets and/or earnings per Share of the Company and will only be made when the Directors believe that such a repurchase will benefit the Company and its Shareholders as a whole.

3. FUNDING OF REPURCHASES

In repurchasing Shares, the Company may only apply funds entirely from the Company's available cashflow or working capital facilities which will be legally available for such purpose in accordance with its Memorandum of Association and the Articles of Association, the Companies Law of the Cayman Islands, the Listing Rules and any other applicable laws.

There might be a material adverse impact on the working capital or gearing position of the Company as compared with the position disclosed in the audited accounts contained in the Company's annual report for the year ended 31 December 2017 in the event that the Repurchase Mandate were to be carried out in full at any time during the proposed repurchase period. However, the Directors do not propose to exercise the Repurchase Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

4. SHARES PRICES

The table below is a summary of the monthly highest and lowest prices at which the Shares have been traded on the Stock Exchange in each of the previous twelve months up to and including the Latest Practicable Date:

Month	Shares Traded Price	
	Highest	Lowest
	<i>HK\$</i>	<i>HK\$</i>
2017		
April	5.27	3.69
May	4.80	3.16
June	3.77	3.35
July	4.55	3.20
August	4.80	3.80
September	5.10	4.18
October	4.69	3.78
November	4.06	3.20
December	4.25	3.50
2018		
January	4.49	3.93
February	4.47	3.59
March	4.49	3.51
April (up to and including the Latest Practicable Date)	4.29	3.71

5. UNDERTAKING

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the powers of the Company to make repurchases pursuant to the Repurchase Mandate and in accordance with the Listing Rules, the Memorandum of Association and the Articles of Association of the Company, and the applicable laws of the Cayman Islands.

6. DIRECTORS, THEIR CLOSE ASSOCIATES AND CORE CONNECTED PERSONS

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, their close associates (as defined in the Listing Rules), have any present intention to sell any Shares to the Company or its subsidiaries under the Repurchase Mandate if such is approved by the Shareholders.

No core connected persons (as defined in the Listing Rules) have notified the Company that they have a present intention to sell Shares to the Company or its subsidiaries, or have undertaken not to do so, in the event that the Repurchase Mandate is approved by the Shareholders.

7. EFFECT OF TAKEOVERS CODE

If on the exercise of the power to repurchase Shares pursuant to the Repurchase Mandate, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purposes of Rule 32 of the Takeovers Code. As a result, a Shareholder or group of Shareholders acting in concert could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rules 26 and 32 of the Takeovers Code.

As at the Latest Practicable Date, USUM Investment Group Hong Kong Limited ("USUMHK") hold 1,008,885,181 Shares, representing approximately 62.85% of the issued share capital of the Company.

In the event that the Directors exercised in full the power to repurchase Shares under the Repurchase Mandate, the percentage shareholding interest held by USUMHK in the Company will be increased from 62.85% to 69.84%. Such increase would not give rise to any obligation to make a mandatory general offer under Rule 26 of the Takeovers Code.

The Directors are not aware of any consequences which may arise under the Takeovers Code as a consequence of any repurchases made under the Repurchase Mandate.

The Directors will not make a repurchase of Shares if the result of the repurchase would be that less than 25% of the issued ordinary share capital of the Company would be in public hands.

8. SHARES REPURCHASE MADE BY THE COMPANY

The Company has not purchased any shares (whether on the Stock Exchange or otherwise) during the six months immediately preceding the Latest Practicable Date.

RE-ELECTION OF DIRECTORS

The following are the particulars of the Directors (as required by the Listing Rules) proposed to be re-elected at the Annual General Meeting.

As at the Latest Practicable Date, none of the following Directors, save as disclosed herein, had any interest in Shares within the meaning of Part XV of the SFO.

Save as disclosed herein, none of the following Directors holds any position with the Company or any other members of the Group, or any directorships in other public companies, the securities of which are listed on any securities market in Hong Kong or overseas in the last three years. Save as disclosed herein, the following Directors are not otherwise related to any Directors, senior management, substantial shareholders (as defined in the Listing Rules) or controlling shareholders (as defined in the Listing Rules).

Save as disclosed herein, there is no other matter in relation to the following Directors that needs to be brought to the attention of the Shareholders and there is no other information relating to the following Directors which is required to be disclosed pursuant to any of the requirements of Rule 13.51(2)(h) to (v) of the Listing Rules.

The following are the biographical details of the Directors proposed for re-election at the Annual General Meeting:

Mr. Tu Jianhua

Mr. Tu Jianhua (“Mr. Tu”), aged 54, was appointed as an executive Director of the Company on 29 April 2015. Mr. Tu is a member of the executive committee and the strategy and investment committee of the Company and he is also the director of certain subsidiaries of the Group.

Mr. Tu was appointed as the Chief Executive Officer of the Company during the period from 16 February 2016 to 31 March 2016. He has been the chairman of USUM Investment Group Limited since April 2014. He has been the director of Loncin Group Co., Ltd. (隆鑫集團有限公司) since January 1996 and the director of Loncin Holdings Co., Ltd (隆鑫控股有限公司) since January 2003. USUM Investment Group Limited, Loncin Group Co., Ltd. (隆鑫集團有限公司) and Loncin Holdings Co., Ltd. (隆鑫控股有限公司) are controlling shareholders of the Company.

He served as the chairman of the board of Loncin Holdings Co., Ltd. (隆鑫控股有限公司) in the period from January 2003 to July 2010 and from February 2013 to December 2013, the executive director of Loncin Group Co., Ltd. (隆鑫集團有限公司) from January 1996 to January 1997, and the chairman of the board of Loncin Group Co., Ltd. (隆鑫集團有限公司) from January 1997 to December 2013. He served as the general manager of Chongqing Loncin Gasoline Engine Company (SinoAmerican Joint Venture) (中美合資重慶隆鑫汽油機公司), a company that used to be controlled by Mr. Tu during its existence, from 1995 to 1996, and served as the chairman of Chongqing Loncin Transportation and Machinery Factory (重慶隆鑫交通機械廠), a company that used to be controlled by Mr. Tu during its existence, from 1993 to 1995. He served as the chairman of Chongqing City Jiulongpo District Loncin Metal Factory (重慶市九龍坡區隆鑫金屬廠), a company that used to be controlled by Mr. Tu during its existence, from 1991 to 1993 and the factory director of Chongqing Cinhua Metals Factory (重慶鑫華金屬製品廠), from 1983 to 1990.

Mr. Tu graduated from the Economic Management (經濟管理專業) of the Open College in Chongqing City Municipal Party School (重慶市委黨校函授學院) in December 1998. Mr. Tu previously acted as the deputy to the 11th, 12th National People's Congress, the deputy to the 2nd, 3rd and 4th Chongqing Municipal People's Congress and the member of the Finance Committee. He currently serves as a Member of the National Committee of the 13th Chinese People's Political Consultative Conference, a Standing Committee Member of the Executive Committee of the 12th All China Federation of Industry & Commerce (全國工商聯), the president of Chongqing City Industry and Commerce Federation (重慶市工商聯), the President of Chongqing City General Chamber of Commerce (重慶市總商會), the vice president of Chongqing City Charity Federation (重慶市慈善總會) and the vice president of Chongqing City Private Entrepreneurs Confederation (重慶市民營企業家聯合會).

Mr. Tu is a non-executive director of Hanhua Financial Holding Co., Ltd.* (瀚華金控股份有限公司), a company listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") (stock code: 3903), and a director of Loncin Motor Co., Ltd., a company whose shares are listed on the Shanghai Stock Exchange (stock code: 603766).

Mr. Tu has entered into a service agreement with the Company in relation to his re-appointment as executive Director of the Company on 29 April 2018. Pursuant to this service agreement, Mr. Tu is entitled to an annual salary of HK\$2,300,000 and his initial current term of office is for a period of three years. He is also entitled a discretionary bonus. The annual salary and discretionary bonus of Mr. Tu is determined with reference to his duties and responsibilities in the Company, qualifications, experience, the prevailing market conditions and the Company's remuneration policy and is subject to annual review by the Board and the remuneration committee of the Company. Mr. Tu is subject to retirement by rotation and election at the annual general meeting of the Company in accordance with the Articles and Association and the Listing Rules.

As at the Latest Practicable Date, Mr. Tu is deemed to be interested in 1,008,885,181 Shares by his controlled corporation, with USUM Investment Group Hong Kong Limited being the beneficial owner, representing 62.85% of the issued share capital of the Company.

Mr. Wong Wun Lam

Mr. Wong Wun Lam (“Mr. Wong”), aged 53, was appointed as an executive Director on 11 October 2017. He joined the Group on 10 August 2017 as chief financial officer. Mr. Wong is a member of each of the executive committee, the strategy and investment committee and the pricing committee of the Company. He is also the director of certain subsidiaries of the Group.

Mr. Wong obtained a Bachelor of Commerce degree from the University of Calgary and received a degree of Executive Master of Business Administration from Kellogg School of Management at the Northwestern University. He is also a Chartered Accountant of Canada. Prior to joining the Company, Mr. Wong had more than 28 years of extensive experience in the field of financial management. He was the Chief Financial Officer of Cargo Services Group and before that, Mr. Wong worked in Royal Philips Electronics, Jarden Corporation and CLP Power and held senior positions in financial and business management.

Mr. Wong has entered into a supplemental appointment letter with the Company in relation to his appointment as executive Director of the Company. Pursuant to the this supplemental appointment letter, Mr. Wong is not entitled any salary for the appointment as executive Director of the Company but he is entitled an annual salary of HK\$2,600,000 for his role as chief financial officer and his initial current term of office is for a period of three years. He is also entitled a discretionary bonus. The annual salary and discretionary bonus of Mr. Wong are determined with reference to his duties and responsibilities in the Company, qualifications, experience, the prevailing market conditions and the Company’s remuneration policy and is subject to annual review by the Board and the remuneration committee of the Company. Mr. Wong is subject to retirement by rotation and election at the annual general meeting of the Company in accordance with the Articles and Association and the Listing Rules.

Mr. Zhu Hungchao

Mr. Zhu Hungchao (“Mr. Zhu”), aged 58, was appointed as an independent non-executive Director on 18 April 2018. Mr. Zhu is 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.

Mr. Zhu 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.

Mr. Zhu has confirmed that she meets the independence criteria as set out in Rule 3.13 of the Listing Rules.

Mr. Zhu has entered into a service contract with the Company in relation to his appointment as independent non-executive Director of the Company on 18 April 2018. Pursuant to this service contract, Mr. Zhu is entitled to a director's fee of HK\$250,000 per annum and his initial current term of office is for a period of three years. The director fee of Mr. Zhu is determined with reference to his duties and responsibilities in the Company and the market rate for his position as independent non-executive Director and is subject to annual review by the Board and the remuneration committee of the Company. Mr. Zhu is subject to retirement by rotation and election at the annual general meeting of the Company in accordance with the Articles and Association and the Listing Rules.



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)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Chiho Environmental Group Limited (the “**Company**”) will be held at 23/F., Infinitus Plaza, 199 Des Voeux Road Central, Hong Kong on Wednesday, 12 June 2018 at 11:00 a.m. for the following purposes:

ORDINARY RESOLUTIONS

1. To review and approve the audited consolidated financial statements, the report of the directors of the Company (the “**Directors**”) and the report of the independent auditor of the Company for the year ended 31 December 2017.
2. To re-elect Mr. Tu Jianhua as an executive Director of the Company.
3. To re-elect Mr. Wong Wun Lam as an executive Director of the Company.
4. To re-elect Mr. Zhu Hungchao as an independent non-executive Director of the Company.
5. To authorise the board of Directors (the “**Board**”) to fix the Directors’ remuneration.
6. To re-appoint PricewaterhouseCoopers as auditor of the Company and to authorise the Board to fix its remuneration.

7. To consider and, if thought fit, pass with or without amendment(s), the following resolution (“**Resolution**”) as an ordinary resolution of the Company (“**Ordinary Resolution**”):

“**THAT:**

- (a) subject to paragraph (c) of this Resolution, and pursuant to the Rules (the “**Listing Rules**”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”), the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional shares of HK\$0.01 each in the share capital of the Company (the “**Shares**”) or securities convertible into Shares and to make or grant offers, agreements and options (including but not limited to warrants, bonds and debentures convertible into Shares) which might require the exercise of such power be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) of this Resolution shall authorise the Directors during the Relevant Period to make or grant offers, agreements and options (including but not limited to warrants, bonds and debentures convertible into Shares) which might require the exercise of such power during or after the end of the Relevant Period;
- (c) the total number of Shares allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the Directors pursuant to the approval in paragraph (a) of this Resolution, otherwise than pursuant to (i) a Rights Issue (as hereinafter defined); or (ii) the exercise of rights of subscription or conversion under the terms of any warrants or other securities issued by the Company as at the date of this Resolution carrying a right to subscribe for or purchase Shares or otherwise convertible into Shares; or (iii) the exercise of the subscription rights under the share option schemes of the Company; or (iv) any scrip dividend scheme or similar arrangement for the grantor issue of shares or rights to acquire Shares of the Company, shall not exceed 20% of the total number of shares of the Company in issue as at the date of the passing of this Resolution provided that if any subsequent consolidation or subdivision of share of the Company is affected, the maximum number of shares that may be issued pursuant to the approval in paragraph (a) above as a percentage of the total number of issued shares immediately before and after such consolidation or subdivision shall be the same and such maximum number of shares shall be adjusted accordingly; and the said approval shall be limited accordingly; and

- (d) for the purpose of this Resolution:

“**Relevant Period**” means the period from the passing of this Resolution until whichever is the earlier of:

- (i) the conclusion of the next annual general meeting of the Company following the passing of this Resolution;
- (ii) the expiration of the period within which the next annual general meeting of the Company is required to be held by the articles of association of the Company and any applicable laws;
- (iii) the revocation or variation of the authority given under this Resolution by an Ordinary Resolution of the shareholders of the Company in general meeting; and

“**Rights Issue**” means an offer of Shares open for a period fixed by the Directors to holders of Shares whose names appear on the register of members of the Company on a fixed record date in proportion to their then holdings of such Shares (subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory applicable to the Company).”

8. To consider and, if thought fit, pass with or without amendment(s) the following Resolution as an Ordinary Resolution:

“**THAT:**

- (a) subject to paragraph (b) of this Resolution, the exercise by the Director during the Relevant Period (as hereinafter defined) of all the powers of the Company to repurchase Shares on the Stock Exchange subject to and in accordance with all applicable laws and/or the requirements of the Listing Rules, be and is hereby generally and unconditionally approved;

- (b) the total number of the Shares to be repurchased pursuant to the approval in paragraph (a) of this Resolution shall not exceed 10% of the total number of shares of the Company in issue as at the date of the passing of this Resolution provided that if any subsequent consolidation or subdivision of shares of the Company is affected, the maximum number of shares that may be repurchased pursuant to the approval in paragraph (a) above as a percentage of the total number of issued shares immediately before and after such consolidation or subdivision shall be the same and such maximum number of shares shall be adjusted accordingly; and the said approval shall be limited accordingly; and

- (c) for the purpose of this Resolution:

“**Relevant Period**” means the period from the passing of this Resolution until whichever is the earlier of:

- (i) the conclusion of the next annual general meeting of the Company following the passing of this Resolution;

- (ii) the expiration of the period within which the next annual general meeting of the Company is required to be held by the articles of association of the Company and any applicable laws; and

- (iii) the revocation or variation of the authority given under this Resolution by an Ordinary Resolution of the shareholders of the Company in general meeting.”

9. To consider and, if thought fit, pass with or without amendments the following Resolution as an Ordinary Resolution:

“**THAT** subject to the passing of Ordinary Resolutions nos. 7 and 8 above, the general mandate granted to the Director pursuant to Ordinary Resolution no. 7 be and is hereby extended by the addition to the total number of shares of the Company which may be allotted and issued or agreed to be allotted and issued by the Directors pursuant to such general mandate of an amount representing the aggregate nominal value of the share capital of the Company repurchased by the Company under the authority granted pursuant to Ordinary Resolution no. 8, provided that such extended amount shall not exceed 10% of the total number of shares of the Company at the date of passing of the said Resolution.”

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

Hong Kong, 27 April 2018

Registered Office:

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman
KY1-1111
Cayman Islands

Principal Place of Business in Hong Kong:

48 Wang Lok Street
Yuen Long Industrial Estate
Hong Kong

Notes:

- (1) A member entitled to attend and vote at the meeting is entitled to appoint another person as his proxy to attend and vote instead of him. A member who is the holder of two or more Shares may appoint more than one proxy to attend and vote instead of him. A proxy need not be a member of the Company.
- (2) Where there are joint holders of any Share, any one of such joint holders may vote, either in person or by proxy, in respect of such Share as if he/she were solely entitled thereto, but if more than one of such joint holders are present at the meeting, the vote of the senior holder who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holder(s). For this purpose, seniority shall be determined by the order in which the names stand on the register of members of the Company in respect of the joint holding.
- (3) To be valid, a form of proxy and the power of attorney or other authority (if any) under which it is signed or a certified copy of that power or authority, must be deposited at the Company's Hong Kong branch share registrar and transfer office, Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not less than 48 hours before the time appointed for holding the meeting (i.e. not later than 11:00 a.m. on 10 June 2018, Sunday) or any adjournment thereof.
- (4) Shareholders are advised to read the circular to the Shareholders dated 27 April 2018 which contains information concerning the Resolutions to be proposed in this notice.
- (5) According to Rule 13.39(4) of the Listing Rules, any vote of Shareholders at a general meeting of the Company must be taken by poll except where the Chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be vote on by a show of hands. Accordingly, the Chairman of the Annual General Meeting will exercise his power under the articles of association of the Company to demand a poll in relation to all proposed Resolutions at the Annual General Meeting.
- (6) The Annual General Meeting will be held on 12 June 2018, Tuesday as scheduled regardless of whether or not an amber or red rainstorm warning signal is in force in Hong Kong at any time on that day. Shareholders should decide on their own whether they would attend the meeting under bad weather condition bearing in mind their own situations.

However, if Typhoon Signal No. 8 or above remains hoisted or a Black Rainstorm Warning Signal is in force in Hong Kong at 9:00 a.m. on 12 June 2018, Tuesday, the Annual General Meeting will not be held on that day but will be automatically postponed and, by virtue of this notice, be held at the same time and place on 19 June 2018, Tuesday.
- (7) References to time and dates in this circular are to Hong Kong time and dates.
- (8) The Register of Members of the Company will be closed from 7, June 2018 to 12, June 2018, both days inclusive, during which period no transfer of Shares will be registered. In order to determine the identity of the shareholders of the Company (the "Shareholder") who are entitled to attend and vote at the Annual General Meeting, all duly completed transfer documents accompanied by the relevant share certificates must be lodged with the Company's Hong Kong branch share registrar and transfer office, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, no later than 4:30 p.m. on 6, June 2018.