

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



CHIHU ENVIRONMENTAL GROUP LIMITED

齊合環保集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 976)

DISCLOSURE PURSUANT TO RULE 13.18 OF THE LISTING RULES

This announcement is made by Chiho Environmental Group Limited (the “**Company**”) pursuant to Rule 13.18 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

The Company is pleased to announce that on 29 June 2018, the Company as borrower entered into a facility agreement (“**Facility Agreement**”) with, among others, certain independent third party institutions (the “**Lenders**”) pursuant to which the Company agrees to borrow and the Lenders agrees to make a syndicated term loan facility of up to US\$300,000,000 (“**Loan**”) for a term of two years for the refinancing of existing loans and working capital purposes.

Pursuant to the Facility Agreement, Mr. Tu Jianhua (“**Mr. Tu**”) and USUM Investment Group Hong Kong Limited 渝商投資集團(香港)有限公司 (“**USUM**”), among others, shall provide a personal guarantee and a corporate guarantee, respectively, in favour of the Lenders to secure, among others, the due and punctual observance and performance by the Company under the Facility Agreement and other ancillary documents.

Pursuant to the terms of the Loan, the Company shall ensure and procure that, among other things, Mr. Tu remains, directly or indirectly, as the single largest shareholder of the Company, and that it will be an event of default if, among others, (i) Mr. Tu ceases to, directly or indirectly, be the single largest shareholder of the Company. As at the date of this announcement, USUM owns 62.85% of the total issued share capital of the Company and Mr. Tu indirectly owns 45.956% of the total issued share capital of USUM.

The successful turnaround of the Company has enabled the Company to refinance the existing loans with better terms and interest rate. While it will lengthen the maturity profile of the Company's debts, the Loan will lower the Company's interest expenses to have a positive impact on its earnings and enable more resources to fund the Company's further growth.

The Company will make continuing disclosure in its subsequent interim and annual reports pursuant to the requirements of Rule 13.21 of the Listing Rules as long as the aforesaid obligations continue to exist.

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

Hong Kong, 5 July 2018

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

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

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