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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)

**UNUSUAL PRICE AND TRADING VOLUME MOVEMENTS
AND
DECREASE IN SHAREHOLDING IN THE COMPANY
BY CONTROLLING SHAREHOLDER**

This announcement is made by Chiho Environmental Group Limited (the “**Company**”) at the request of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

The board of directors (the “**Director(s)**”) of the Company (the “**Board**”) has noted unusual movements in price and trading volume of the shares of the Company (the “**Shares**”) on 22 January 2021. Having made such enquiry with respect to the Company as is reasonable in the circumstances, the Board confirms that save and except for the decrease in shareholding by the Company’s controlling shareholder disclosed below, it is not aware of any reasons for such movements in the price and trading volume of the Shares, or of any information which must be announced to avoid a false market in the Company’s securities, or of any inside information that needs to be disclosed under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The Board has been informed by USUM Investment Group Hong Kong Limited (“**USUM**”), the Company’s controlling shareholder (as defined under the Rules Governing the Listing of Securities on the Stock Exchange), that it has disposed of an aggregate of 30,502,000 Shares (representing approximately 1.90% of the entire issued share capital of the Company as at the date of this announcement) on 22 January 2021 at an average price of HK\$0.21 per Share (the “**Decrease in Shareholding**”).

Immediately after completion of the Decrease in Shareholding, USUM will be interested in an aggregate of 978,383,181 Shares, representing approximately 60.95% of the entire issued share capital of the Company as at the date of this announcement.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company

This announcement is made by the order of the Board. The Board collectively and individually accepts responsibility for the accuracy of this announcement.

By Order of the Board
Chiho Environmental Group Limited
Chen Chunguo
Chairman and Executive Director

Hong Kong, 22 January 2021

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

Executive Directors:

Mr. Chen Chunguo (*Chairman*)
Mr. Tu Jianhua
Mr. Rafael Heinrich Suchan (*Chief Executive Officer*)
Mr. Martin Simon (*Chief Financial Officer*)
Mr. Ding Zhiyi
Mr. Miao Yu

*Independent Non-executive
Directors:*

Dr. Loke Yu
Ms. Yang Yali
Mr. Wang Qiwei

In the case of any inconsistency, the English text of this announcement shall prevail over the Chinese text.