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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 2020 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 Monday, 28 June 2021 at 3:00 p.m. is set out on pages 15 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 3:00 p.m. on Saturday, 26 June 2021) 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 2021

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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 Monday, 28 June 2021 at 3:00 p.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”	20 April 2021, 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
“Nomination Committee”	the nomination committee of the Company

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
“Remuneration Committee”	the remuneration committee of the Company
“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. 9 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. 8 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
“USUMHK”	USUM Investment Group Hong Kong Limited, a company incorporated in Hong Kong with limited liability
“%”	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. Rafael Heinrich Suchan (*Chief Executive Officer*)

Mr. Martin Simon (*Chief Financial Officer*)

Mr. Miao Yu

Independent Non-Executive Directors:

Dr. Loke Yu

Mr. Ko Frankie Andrew

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 2021

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 Monday, 28 June 2021, 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) and (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. Martin Simon, Mr. Miao Yu and Mr. Ko Frankie Andrew were appointed as Directors of the Company with effect from 23 June 2020, 29 December 2020 and 5 March 2021, respectively. Pursuant to Article 83(3) of the Articles of Association, Mr. Martin Simon, Mr. Miao Yu and Mr. Ko Frankie Andrew shall hold office until the next annual general meeting of the Company, being the Annual General Meeting and then eligible, offer themselves for re-election.

The Nomination Committee of the Board has reviewed the structure and composition of the Board, the confirmations and disclosures given by the Directors, the qualifications, skills and experience, time commitment and contribution of the retiring Directors with reference to the nomination principles and criteria set out in the Company's Board Diversity Policy and the Company's policy for the nomination of Directors as set forth in the terms of reference of the Nomination Committee of the Board, the Company's corporate strategy, and the independence of all independent non-executive Directors. The Nomination Committee has recommended to the Board the re-election of all the retiring Directors at the Annual General Meeting.

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 19 June 2020, 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.

LETTER FROM THE BOARD

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. 8 and 10, respectively, of the notice of the Annual General Meeting.

GENERAL MANDATE TO REPURCHASE SHARES

On 19 June 2020, 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 despatched 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 3:00 p.m. on Saturday, 26 June 2021) 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.

LETTER FROM THE BOARD

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.

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. Martin Simon, Mr. Miao Yu and Mr. Ko Frankie Andrew, 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
Rafael Heinrich Suchan
Director

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 2020 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>
2020		
May	0.270	0.236
June	0.350	0.250
July	0.385	0.295
August	0.335	0.234
September	0.265	0.202
October	0.290	0.200
November	0.233	0.208
December	0.375	0.207
2021		
January	0.435	0.175
February	0.360	0.212
March	0.600	0.310
April (up to and including the Latest Practicable Date)	0.390	0.290

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 of the Company (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, USUMHK hold 978,383,181 Shares, representing approximately 60.95% of the total number of issued shares 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 60.95% to 67.72%. 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:

EXECUTIVE DIRECTORS**Mr. Tu Jianhua (“Mr. Tu”)**

Mr. Tu aged 57, is an executive director of the Company. He was appointed as an executive director in 2015. Mr. Tu is a member of each of the executive committee and the strategy and investment committee of the Company. Mr. Tu also acted as the chairman of the Board from 29 April 2015 to 17 July 2017, and as the chief executive officer of the Company from 16 February 2016 to 31 March 2016. He was the chairman of USUM Investment Group Limited from April 2014 to November 2019. He has been a director of Loncin Group Co., Ltd. (隆鑫集團有限公司) since January 1996 and a 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, an 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 directors of Loncin Group Co., Ltd. (隆鑫集團有限公司) from January 1996 to December 2013. He served as a 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 chief director 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 1996. He served as the chairman of factory director 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 1984 to 1990.

APPENDIX II**DETAILS OF DIRECTORS PROPOSED TO BE
RE-ELECTED AT THE ANNUAL GENERAL MEETING**

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 and Economic Affairs Committee of Chongqing Municipal People's Congress. 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 president of Chongqing City Technology Equipment Industry Chamber of Commerce (重慶市科技裝備業商會會長), 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).

Currently, Mr. Tu is a director of Loncin Motor Co., Ltd., a company whose shares are listed on the Shanghai Stock Exchange (stock code: 603766). Mr. Tu resigned as a non-executive director of Hanhua Financial Holding Co., Ltd.* (瀚華金控股份有限公司) whose shares are listed on the Main Board of the Stock Exchange (stock code: 3903) with effect from 17 December 2020.

Mr. Tu has entered into a service agreement with the Company in relation to his re-appointment as executive director of the Company. Pursuant to this service agreement, Mr. Tu is entitled to an annual salary of HK\$3,600,000. 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 has the following interests in Shares pursuant to Part XV of the SFO:

Nature of interest	Long position/ Short position	Number of ordinary shares	Approximate percentage of interest in the Company
Interest in controlled corporations	Long position	978,383,181	60.95%

* For identification only

Mr. Martin Simon (“Mr. Simon”)

Mr. Simon aged 54, joined the Group as the chief financial officer of Scholz Group, a major operation group of the Group, on 2 July 2019. He took up the additional roles as an executive director and the chief financial officer of the Company with effect from 23 June 2020. He also acts as a director of certain subsidiaries of the Company. Mr. Simon also serves as a member of each of the executive committee, pricing committee and strategy and investment committee of the Company.

Mr. Simon started his career as an auditor at ERNST & YOUNG in 1995. In 1999, he moved to become a business controller based in Germany at Dyckerhoff Group, an international producer of cement and ready-mixed concrete. In 2001, he was relocated for the Dyckerhoff Group as the finance vice president and chief financial officer of Glens Falls Lehigh Cement Company in New York, United States. From 2005, Mr. Simon worked in the paper and packaging industry for SCA Packaging Europe as the chief financial officer for the Region Central Europe and subsequently as the managing director and vice president with full financial responsibility for the Region Central and Eastern Europe, successfully steering the region through the 2008/09 world economic crisis. From 2013, Mr. Simon held chief financial officer positions in the automotive supplier industry with NBHX Trim Group, a wholly owned subsidiary of Ningbo Huaxiang Group, working in the field of interior surfaces for premium vehicles. and from 2016 onwards, with the German SHW AG, a global supplier of motor & transmission oil pumps and brake discs, where he was responsible for the transition after the takeover by a European strategic investor.

Mr. Simon holds a Master’s degree in Business Administration (Diplom-Kaufmann) from University of Würzburg in Germany.

Mr. Simon previously held directorship in SHW AG whose shares are listed on the Munich Stock Exchange (stock code: SW1) from 1 September 2016 to 31 December 2018.

The Group has entered into a service agreement with Mr. Simon, pursuant to which he was additionally appointed as an executive director and the chief financial officer of the Company. Pursuant to the service agreement, Mr. Simon is entitled to an annual salary of EUR400,000 for his roles as an executive director and the chief financial officer of the Company, and as an managing director and the chief financial officer of Scholz Group, a major operation group of the Group. He is also entitled a discretionary bonus. The annual salary and discretionary bonus of Mr. Simon 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. Simon 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. Miao Yu (“Mr. Miao”)

Mr. Miao, aged 42, was appointed as an executive director of the Company on 29 December 2020. He also serves as a member of each of the executive committee, the strategy and investment committee and the pricing committee. He also acts as the president of USUM Investment Group Limited, a controlling shareholder of the Company.

Mr. Miao has extensive experience in investment management, corporate finance, financing structure and implementation. He served as the investment and financing director of China General Consulting and Investment Co., Ltd. from 2017 to 2019 and as the senior vice president of Tensant Securities Limited from 2015 to 2017. He was the vice general manager of Beijing Maosen Capital Management Ltd. from 2012 to 2015.

Mr. Miao holds a Bachelor’s degree in Finance from Hebei University of Economics and Business in the PRC.

The Company has entered into a service contract with Mr. Miao. Pursuant to the service agreement, Mr. Miao is entitled to have an annual director’s fee of HK\$600,000. Such remuneration has been recommended by the Remuneration Committee and approved by the Board. The remuneration of Mr. Miao is determined with reference to his duties and responsibilities within the Company, his background, qualifications and experience, current remuneration of other Directors, and the prevailing market conditions; and it shall be subject to annual review by the Board and the Remuneration Committee. Mr. Miao 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.

INDEPENDENT NON-EXECUTIVE DIRECTOR**Mr. Ko Frankie Andrew (“Mr. Ko”)**

Mr. Ko, aged 70, acted as an independent non-executive director of the Company from 19 February 2020 to 29 December 2020 and was re-appointed as an independent non-executive director of the Company on 5 March 2021. He also serves as the chairman of the remuneration committee of the Company and a member of each of the audit committee, the nomination committee and the strategy and investment committee of the Company.

Mr. Ko graduated from the University of Wisconsin-Madison with a Bachelor's degree in chemical engineering in 1974, the University of Kentucky with a Master's degree in chemical engineering in 1976, and also from Marshall University with a Master of Business Administration in 1982. Mr. Ko started his career at Dow Chemical Company in 1976 and spent 31 years in various manufacturing and commercial leadership roles, with his most recent role from 2005 to 2007 as vice president of Greater China, responsible for business development. He also previously served as director of operations of Greater China, general manager of Greater China, and also an executive or director of various joint ventures of Dow Chemical Company. In 2007, Mr. Ko joined AEA Investors, a global private investment firm focused on private equity and debt investments in the middle market, and is currently a partner and an operating executive.

The Company has entered into an appointment letter with Mr. Ko in relation to his appointment as an independent non-executive Director for a fixed term of one year. Pursuant to the appointment letter, Mr. Ko is entitled to a director's fee of HK\$250,000 per annum, which is determined with reference to his duties and responsibilities in the Company and the market rate for her position as independent non-executive Director and is subject to annual review by the Board and the remuneration committee of the Company. Mr. Ko 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.

DIRECTORS' REMUNERATION

The total amount of the Directors' remuneration for the year ended 31 December 2020 received by each of the retiring Directors are set out in the consolidated financial statements of the Company in the 2020 annual report.

DIRECTOR'S INTEREST

Save as disclosed in this circular, to the best knowledge of the Company, each of the Directors who stand for re-election (i) does not hold other positions in the Company or other members of the Group, (ii) does not hold any directorship in other public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years, (iii) does not have any relationship with any other Director, senior management, substantial shareholders (as defined in the Listing Rules) or controlling shareholders (as defined in the Listing Rules) of the Company, (iv) does not have any interest in the Shares within the meaning of Part XV of the SFO, and (v) has no information to disclose pursuant to any of the requirements of Rule 13.51(2) (h) to 13.51(2)(v) of the Listing Rules; and there are no other matters that need to be brought to the attention of the Shareholders.



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 Monday, 28 June 2021 at 3:00 p.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 2020.
2. To re-elect Mr. Tu Jianhua as an executive Director.
3. To re-elect Mr. Martin Simon as an executive Director.
4. To re-elect Mr. Miao Yu as an executive Director.
5. To re-elect Mr. Ko Frankie Andrew as an independent non-executive Director.
6. To authorise the board of Directors (the “**Board**”) to fix the Directors’ remuneration.
7. To re-appoint PricewaterhouseCoopers as auditor of the Company and to authorise the Board to fix its remuneration.

8. 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 grant or 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).”

9. 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.”

10. 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. 8 and 9 above, the general mandate granted to the Director pursuant to Ordinary Resolution no. 8 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. 9, 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
Rafael Heinrich Suchan
Chief Executive Officer and Executive Director

Hong Kong, 27 April 2021

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 3:00 p.m. on Saturday, 26 June 2021) or any adjournment thereof.
- (4) Shareholders are advised to read the circular to the Shareholders dated 27 April 2021 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 Monday, 28 June 2021 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 Monday, 28 June 2021, 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 Tuesday, 29 June 2021.
- (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 23 June 2021 to 28 June 2021, 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 22 June 2021.