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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)

INSIDE INFORMATION

This announcement is made pursuant to the Inside Information Provisions under part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) and Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the“**Listing Rules**”).

The board (the “**Board**”) of directors (the “**Directors**”) of Chiho Environmental Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) would like to inform the shareholders of the Company (“**Shareholders**”) and potential investors that, the Group has entered into exclusive talks with a bank and an investment firm (“**Potential Lenders**”) which are based in Europe about a possible financing of EUR130 million (equivalent to approximately HK\$1,170 million), representing EUR90 million senior tranche loan and EUR40 million junior tranche loan. The proceeds of the proposed financing package will be mainly used to repay the existing indebtedness of the Group.

Pursuant to a non-binding term sheet entered into between an indirectly wholly owned subsidiary of the Company and the Potential Lenders, the cost of the senior tranche is expected to be around 6%, while the cost of the junior tranche is expected to reflect the premium to senior pricing reflective of typical senior-junior financings. The expected maturity of the new financing is around 5 years.

The Company wishes to emphasise that as at the date of this announcement, the Company has not entered into any formal or legally binding agreement with the Potential Lenders. As the financing arrangement may or may not proceed, the Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company. The Company may make separate announcement(s) in relation to the financing arrangement under the Listing Rules as and when appropriate.

By Order of the Board
Chiho Environmental Group Limited
Martin Simon
Chief Financial Officer and Executive Director

Hong Kong, 27 October 2021

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

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
Prof. Li Zhiguo

In this announcement, certain amounts denominated in EUR are translated into HK\$ at the exchange rate shown below, but such conversions shall not be construed as representations that amounts in EUR were or may have been converted into HK\$ at such rate or any other exchange rates or at all: EUR1 = HK\$9.0.

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