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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)

(1) APPOINTMENT OF EXECUTIVE DIRECTORS; (2) CHANGES IN COMPOSITION OF BOARD COMMITTEES; AND (3) NON-COMPLIANCE WITH LISTING RULES

The Board is pleased to announce that with effect from 13 December 2021:

- (1) Mr. Li Linhui has been appointed as an executive Director, the chairman of the Board and chairman of each of the Executive Committee, the Nomination Committee and the Strategy and Investment Committee, and the Pricing Committee; and
- (2) Mr. Yao Jietian has been appointed as an executive Director, a member of each of the Executive Committee, the Strategy and Investment Committee and the Pricing Committee.

APPOINTMENT OF EXECUTIVE DIRECTORS

The board (the “**Board**”) of directors (the “**Directors**”) of Chiho Environmental Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) is pleased to announce that each of Mr. Li Linhui (“**Mr. Li**”) and Mr. Yao Jietian (“**Mr. Yao**”) has been appointed as an executive Director of the Company with effect from 13 December 2021.

The biographical details of Mr. Li and Mr. Yao are as follows:

MR. LI LINHUI

Mr. Li Linhui, aged 49, obtained a Bachelor's degree in Law from Southwest University of Political Science and Law in the People's Republic of China (the "PRC"), a Master's degree of International Commercial Law from University of Sussex in England, and an Executive Master of Business Administration ("EMBA") from Tongji University and Ecole Nationale des Ponts et Chaussees ("ENPC").

Mr. Li served as the vice president and general counsel in Loncin Holdings Co., Ltd., an intermediate holding company and a controlling shareholder of the Company, in 2017. He served as an assistant to the president and general counsel in Guangxi Liugong Group Co., Ltd. and Guangxi Liugong Machinery Co., Ltd. whose shares are listed on the Shenzhen Stock Exchange (stock code: 000528) from 2006 to 2016. He also served as a supervisor of Guangxi Liugong Machinery Co., Ltd. whose shares are listed on the Shenzhen Stock Exchange (stock code: 000528) from 2012 to 2016, a director of Loncin Motor Co. whose shares are listed on the Shanghai Stock Exchange (stock code: 603766) from 2018 to 2019, and a director of Shanghai Fenghua Group whose shares are listed on the Shanghai Stock Exchange (stock code: 600615) from 2017 to 2019.

Mr. Li is currently a managing partner of Guohao Lawyers (Nanning) Firm. He also serves as a voluntary lawyer at China Securities Investor Services Center and an arbitrator at Nanning Arbitration Commission of Nanning International Arbitration Court in the PRC.

Mr. Li has extensive experience and knowledge in corporate legal affairs, specialising in bankruptcy liquidation, reorganization, mergers and acquisitions, investment and financing, international legal affairs and compliance, corporate compliance risk management, internal audit, and internal control.

The Company has entered into a service contract with Mr. Li. Mr. Li shall hold office until the next general meeting of the Company after his appointment, where he shall be eligible for re-election, and thereafter subject to retirement by rotation at least once every three years and is eligible for re-election at each annual general meeting of the Company in accordance with the Company's Articles of Association. Mr. Li is entitled to have an annual director's fee of HK\$2,600,000 plus discretionary bonus. Such remuneration has been recommended by the remuneration committee of the Company ("**Remuneration Committee**") and approved by the Board. The remuneration of Mr. Li 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. YAO JIETIAN

Mr. Yao Jietian, aged 29, obtained a Bachelor's degree in Business Administration from Cardiff University in the United Kingdom and a Master's degree in Finance from The London School of Economics and Political Science in the United Kingdom.

Mr. Yao currently served as a project officer in the Group. He joined the Group in March 2020. Before joining the Group, he served as a deputy general manager in Chongqing Chen Gong Technology Co., Ltd. in 2019. He also served as an investment analyst in USUM Investment Group Limited, an intermediate holding company and a controlling shareholder of the Company in 2015.

He has extensive knowledge in the Group's business, and he is experienced in corporate management and project management.

The Company has entered into a service contract with Mr. Yao. Mr. Yao shall hold office until the next general meeting of the Company after his appointment, where he shall be eligible for re-election, and thereafter subject to retirement by rotation at least once every three years and is eligible for re-election at each annual general meeting of the Company in accordance with the Company's Articles of Association. Mr. Yao 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. Yao 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.

Save as disclosed herein, as at the date of this announcement, each of Mr. Li and Mr. Yao has confirmed that he:

- (a) does not hold any directorship in other listed companies, the securities of which are listed on any securities market in Hong Kong or overseas in the last three years;
- (b) does not hold any other positions with the Company or other subsidiaries of the Company;
- (c) does not have any interest or short position (both within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the “**SFO**”)) in the shares, underlying shares or debentures of the Company or any of its associated corporation (as defined under Part XV of the SFO);
- (d) does not have any relationship with any Directors, senior management or substantial shareholders or controlling shareholders of the Company (as defined in the Rules Governing the Listing of Securities of the Stock Exchange (the “**Listing Rules**”)); and
- (e) there is no information that should be disclosed pursuant to subparagraphs (h) to (v) of Rule 13.51(2) of the Listing Rules nor any other matters that need to be brought to the attention of the shareholders of the Company in relation to his appointment as the Director.

The Board would like to take this opportunity to warmly welcome Mr. Li and Mr. Yao to the Board.

CHANGES IN COMPOSITION OF BOARD COMMITTEES

Mr. Li has also been appointed as the chairman of the Board and chairman of each of the executive committee of the Company (“**Executive Committee**”), the nomination committee of the Company (“**Nomination Committee**”) and the strategy and investment committee of the Company (“**Strategy and Investment Committee**”), and the pricing committee of the Company (“**Pricing Committee**”) with effect from 13 December 2021.

Mr. Yao has also been appointed as a member of each of the Executive Committee, the Strategy and Investment Committee and the Pricing Committee effect from 13 December 2021.

Mr. Miao Yu has been appointed as a member of each of the Nomination Committee and the Remuneration Committee with effect from 13 December 2021.

NON-COMPLIANCE WITH LISTING RULES

Under Rule 3.25 of the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”), remuneration committee should comprises a majority of independent non-executive directors. The Remuneration Committee now has one independent non-executive Director and one executive Director, which failing to meet the requirements of rule 3.25 of the Listing Rules. The Board is in the process of identifying a suitable candidate to fill the vacancies of independent non-executive Director in the Remuneration Committee and will use its best endeavours to ensure that a suitable candidate is appointed as soon as practicable and, in any event, within three months pursuant to Rule 3.27 of the Listing Rules. The Company will make further announcement(s) as and when appropriate.

By Order of the Board
Chiho Environmental Group Limited
Mr. Li Linhui
Executive Director

Hong Kong, 13 December 2021

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

Executive Directors:

	Mr. Tu Jianhua
	Mr. Li Linhui (<i>Chairman</i>)
	Mr. Martin Simon (<i>Chief Financial Officer</i>)
	Mr. Miao Yu
	Mr. Yao Jietian
	Mr. Rafael Heinrich Suchan

*Independent Non-Executive
Director:*

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