
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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 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)

PROPOSED REMOVAL OF A DIRECTOR AND NOTICE OF EXTRAORDINARY 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 Extraordinary General Meeting of Chiho Environmental Group Limited to be held at 23/F., Infinitus Plaza, 199 Des Voeux Road Central, Hong Kong on Friday, 7 January 2022 at 10:00 a.m. is set out on pages 6 to 7 of this circular. A proxy form for your use at the Extraordinary General Meeting is enclosed with this circular. Whether or not you intend to attend the Extraordinary 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 Extraordinary General Meeting (i.e. not later than 10:00 a.m. on Wednesday, 5 January 2022) or any adjournment thereof. Completion and return of the proxy form shall not preclude you from attending and voting in person at the Extraordinary 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.

17 December 2021

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DEFINITIONS

In this circular, the following expressions have the following meanings unless the context requires otherwise:

“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
“Controlling Shareholder”	USUMHK, a company incorporated in Hong Kong, holding 978,383,181 Shares (representing 60.95% of the issued share capital of the Company) as at the Latest Practicable Date
“Directors”	the directors of the Company
“Extraordinary General Meeting”	the extraordinary general meeting of the Company to be held at 23/F., Infinitus Plaza, 199 Des Voeux Road Central, Hong Kong on Friday, 7 January 2022 at 10:00 a.m.
“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 People’s Republic of China
“Latest Practicable Date”	14 December 2021, the latest date prior to the printing of the circular for ascertaining certain information in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Proposed Removal”	the proposed removal of Mr. Rafael Heinrich Suchan as an executive Director

DEFINITIONS

“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	registered holder(s) of Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“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. Li Linhui (*Chairman*)

Mr. Miao Yu

Mr. Yao Jietian

Mr. Rafael Heinrich Suchan

Registered Office:

Cricket Square

Hutchins Drive

P.O. Box 2681

Grand Cayman

KY1-1111

Cayman Islands

Independent Non-Executive Director:

Prof. Li Zhiguo

Principal Place of Business

in Hong Kong:

48 Wang Lok Street

Yuen Long Industrial Estate

Hong Kong

17 December 2021

To the Shareholders,

Dear Sir or Madam,

**PROPOSED REMOVAL OF A DIRECTOR
AND
NOTICE OF EXTRAORDINARY GENERAL MEETING**

INTRODUCTION

Reference is made to the announcement of the Company dated 6 December 2021. The purpose of this circular is to provide the Shareholders with details of the Proposed Removal and a notice convening the Extraordinary General Meeting to consider and, if thought fit, approve the Proposed Removal.

LETTER FROM THE BOARD

PROPOSED REMOVAL OF A DIRECTOR

At a Board meeting held on 13 December 2021, at the request of the Controlling Shareholder, the Board resolved to convene the Extraordinary General Meeting for the purpose of considering and approving the Proposed Removal in accordance with the Article 58 of the Articles of Association.

The Company received a request from the Controlling Shareholder on 6 December 2021 to remove Mr. Rafael Heinrich Suchan (“**Mr. Suchan**”) as an executive Director. Due to its concern about the merit on certain proposed transactions, the negotiation of which was led by Mr. Suchan, as such the Company has decided to convene the EGM to remove Mr. Suchan as an executive Director as per the request of the Controlling Shareholder.

To the best of the Directors’ knowledge, information and belief, the investigation and the Proposed Removal would not have any material impact on the Group’s operations and financial position. The Board is also not aware of any monetary dispute between the Company and Mr. Suchan.

According to the Article 58 of the Articles of Association, members of the Company holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company shall at all times have the right, by written requisition to the Board or the company secretary of the Company, to require an extraordinary general meeting to be called by the Board for the transaction of any business specified in such requisition, and such meeting shall be held within two (2) months after the deposit of such requisition.

EXTRAORDINARY GENERAL MEETING

The notice of the Extraordinary General Meeting is set out in Appendix I 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 Extraordinary 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 Extraordinary General Meeting (i.e. not later than 10:00 a.m. on Wednesday, 5 January 2022) or any adjournment thereof. Completion and return of the proxy form shall not preclude you from attending and voting in person at the Extraordinary 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 Extraordinary 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.

RECOMMENDATION

Having taken into consideration the reasons for the Proposed Removal as set out in this letter, the Directors (except Mr. Martin Simon who has resigned as an executive Director on the Latest Practicable Date and Mr. Suchan who is required to abstain from voting in the resolution to remove Mr. Suchan as an executive Director) consider that the Proposed Removal is in the interests of the Company and the Shareholders as a whole and, accordingly, recommend the Shareholders to vote in favour of the resolution approving the Proposed Removal at the Extraordinary General Meeting.

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



CHIHO ENVIRONMENTAL GROUP LIMITED

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NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Extraordinary 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 Friday, 7 January 2022 at 10:00 a.m. for the following purposes:

ORDINARY RESOLUTION

1. To remove Mr. Rafael Heinrich Suchan as an executive Director.

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

Hong Kong, 17 December 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 10:00 a.m. on Wednesday, 5 January 2022) or any adjournment thereof.
- (4) Shareholders are advised to read the circular to the Shareholders dated 17 December 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 Extraordinary 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 Extraordinary General Meeting.
- (6) The Extraordinary General Meeting will be held on Friday, 7 January 2022 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 8:00 a.m. on Friday, 7 January 2022, the Extraordinary 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 Monday, 10 January 2022.
- (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 4 January 2022 to 7 January 2022, 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 who are entitled to attend and vote at the Extraordinary 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 Monday, 3 January 2022.
- (9) As at the date of this notice, the executive Directors are Mr. Tu Jianhua, Mr. Li Linhui (Chairman), Mr. Miao Yu, Mr. Yao Jietian, Mr. Rafael Heinrich Suchan; and the Independent Non-Executive Director is Prof. Li Zhiguo.