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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 POTENTIAL RESTRUCTURING OF THE CONTROLLING SHAREHOLDERS

This announcement is made pursuant to the Inside Information Provisions under part XIVA of the Securities and Futures Ordinance (“SFO”) (Chapter 571 of the Laws of Hong Kong) and Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“Listing Rules”).

On 30 September 2021, the Fifth Intermediate People’s Court of Chongqing City (重慶市第五中級人民法院) (the “Chongqing Intermediate Court”) accepted the filing of the application for the pre-restructuring of Loncin Group Co., Limited, Loncin Holdings Co., Limited and USUM Investment Group Limited (“Controlling Shareholders”), the intermediate controlling shareholders of Chiho Environmental Group Limited (the “Company”, together with its subsidiaries, the “Group”), and ten other companies related to the Controlling Shareholders (collectively refer to as the “Loncin Restructuring Companies”). The Company is not one of the Loncin Restructuring Companies. Temporary restructuring administrator has been appointed to lead the restructuring process.

On 30 December 2021, the Company received a notice from USUM Investment Group Limited that, with the authorisation from the Loncin Restructuring Companies, their temporary restructuring administrator has signed an restructuring investment agreement (the “Restructuring Investment Agreement”) with an investors consortium which is led by Shangdong Jiuyang Group Limited* (山東九羊集團有限公司) after several rounds of competitive selections of potential investors. The Restructuring Investment Agreement is a framework agreement only, and the final restructuring plan is subject to the ruling and approval by the Chongqing Intermediate Court.

* For identification purpose only

As at the date of this announcement, the Controlling Shareholders indirectly holds 60.95% of the entire issued share capital of the Company through USUM Investment Group Hong Kong Limited.

The board of directors of the Company (“**Board**”) confirms that the restructuring of the Controlling Shareholders mentioned above currently has no material adverse impact on the operation of the Company. The Company is independent from the Controlling Shareholders in respect of business, personnel, assets and finance. As at the date of this announcement, the operation and management of the Company are normal. However, the restructuring of the Controlling Shareholders may have an impact on the current shareholding structure of the Company.

The Company will continue to pay attention to the progress of the restructuring of the Controlling Shareholders and comply with relevant disclosure requirements under the Listing Rules and the SFO and issue further announcement(s) as and when appropriate.

Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company. Any investor who is in doubt is advised to seek advice from professional advisers.

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

Hong Kong, 30 December 2021

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

Executive Directors:

Mr. Tu Jianhua
Mr. Li Linhui (*Chairman*)
Mr. Miao Yu
Mr. Yao Jietian
Mr. Rafael Heinrich Suchan

Independent Non-Executive Directors:

Prof. Li Zhiguo

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