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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 UPDATES ON THE 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**”).

References is made to the announcement of Chiho Environmental Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) dated 30 December 2021 in relation to the potential restructuring of the Controlling Shareholders. Unless otherwise stated, capitalised terms used herein shall have the same meanings as defined in such announcement.

On 7 February 2022, the Company received a notice from USUM Investment Group Limited, the intermediate holding company of the Company, that USUM Investment Group Limited, one of the Loncin Restructuring Companies, had received a ruling ((2021) Yu No. 05 Bankruptcy Application No.676 Civil Verdict* (2021) 渝05破申676號《民事裁定書》) from the Fifth Intermediate People’s Court of Chongqing City (重慶市第五中級人民法院) on 30 January 2022 approving the acceptance of the restructuring application of USUM Investment Group Limited.

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 (the “**Board**”) confirms that the restructuring of the Controlling Shareholders mentioned above currently has no material adverse impact on the operation and the financial status of the Company. The Company is independent from the Controlling Shareholders in respect of business, personnel, assets, organisational structure and finance. As at the date of this announcement, the operation and management of the Company are stable and 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 closely monitor subsequent developments in relation to the restructuring of the Controlling Shareholders. Further announcement(s) will be made by the Company as and when appropriate or required in accordance with the Listing Rules, the SFO and/or The Code on Takeovers and Mergers (as the case may be).

Shareholders and potential investors should be aware that the restructuring of the Controlling Shareholders may or may not continue to proceed. There is no assurance that any transaction mentioned in this announcement will materialise or eventually be consummated and the discussions may or may not result in the change of controlling shareholders of the Company. Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company. Persons who are in doubt as to the action they should take should consult their stockbroker, bank manager, solicitor or other professional advisors.

By Order of the Board
Chiho Environmental Group Limited
Li Linhui
Chairman

Hong Kong, 7 February 2022

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

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| <i>Executive Directors:</i> | Mr. Tu Jianhua |
| | Mr. Li Linhui (<i>Chairman</i>) |
| | Mr. Miao Yu |
| | Mr. Yao Jietian |

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| <i>Independent Non-Executive Director:</i> | Prof. Li Zhiguo |
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In the case of any inconsistency, the Chinese text of this announcement shall prevail over the English text.

* *For identification purposes only*