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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)

ANNOUNCEMENT PURSUANT TO RULE 3.7 OF THE TAKEOVERS CODE – OBTAINING OF SFC CONFIRMATION ON NO MANDATORY GENERAL OFFER OBLIGATION AND THE END OF OFFER PERIOD

This announcement is made pursuant to Rule 3.7 of The Hong Kong Code on Takeovers and Mergers (the “**Takeovers Code**”).

Reference is made to the announcements of Chiho Environmental Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) dated 30 December 2021, 7 February 2022 and 21 March 2022 (the “**Announcements**”) in relation to, *inter alia*, the potential restructuring of the Controlling Shareholders. Unless otherwise stated, capitalized terms used herein shall have the same meanings as those defined in the Announcements.

SFC CONFIRMATION ON NO MANDATORY GENERAL OFFER OBLIGATION

Shandong Jiuyang Group Limited* (山東九羊集團有限公司) (“**Shandong Jiuyang**”), which is the leader of the Consortium, has applied to the Executive Director of the Corporate Finance Division (the “**Executive**”) of the Securities and Futures Commission of Hong Kong (the “**SFC**”) for a formal confirmation that the Restructuring will not trigger a mandatory general offer for the shares of the Company. The Company was informed by Shandong Jiuyang that the Executive has confirmed on 21 April 2022 that no mandatory general offer obligation for the shares of the Company will be triggered by Shandong Jiuyang as a result of the Restructuring under Note 8 to Rule 26.1 of the Takeovers Code.

For the purposes of the Takeovers Code, the Offer Period has ended on the date of this announcement, i.e. 22 April 2022.

UPDATE ON THE RESTRUCTURING

The Company wishes to update its shareholders and potential investors that the Loncin Restructuring Companies have convened the first creditors' meeting of the Restructuring (the **"First Creditors' Meeting"**) at 9:30 a.m. on 22 April 2022. The First Creditors' Meeting was held in the form of an online meeting through the "National enterprise bankruptcy information disclosure platform"* (全國企業破產重整案件信息網)(<http://pccz.court.gov.cn>). As at the date of this announcement, the plan of the Restructuring has not been submitted to the creditors of the Loncin Restructuring Companies at creditors' meetings for voting and approval.

As a matter of procedure, implementation of the Restructuring is conditional upon and remains subject to approval by the creditors of the Loncin Restructuring Companies at creditors' meetings and sanction by the Chongqing Intermediate Court.

As at the date of this announcement, neither the creditors' approval nor the court's sanction has been obtained. There is no assurance that the Restructuring would be approved by the creditors and the Chongqing Intermediate Court, and accordingly the Restructuring may or may not proceed.

The Company will continue to closely monitor the subsequent development and effect of the Restructuring. 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 Takeovers Code (as the case may be).

Warnings: There is no assurance that the Restructuring will be implemented. Shareholders and potential investors of the Company should exercise caution when dealing in the securities of the Company, and if they are in any doubt about their position, they should consult their professional adviser(s).

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

Hong Kong, 22 April 2022

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

Independent Non-Executive Directors:

Prof. Li Zhiguo
Prof. Yan Guowan
Mr. Szeto Yuk Ting

The Directors jointly and severally accept full responsibility for the accuracy of information contained in this announcement and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.

* For identification purpose only