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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”).

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, 21 March 2022 and 22 April 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.

On 22 July 2022, the Company was informed by the Restructuring administrators of the Loncin Restructuring Companies (the “Administrators”) that Shandong Jiuyang, which was the leader of the Consortium, has withdrawn from the Restructuring and will no longer engage as the leader of the Consortium in the Restructuring.

As at the date of this announcement, several potential investors had expressed their intent in relation to Restructuring and are in the course of discussing the details of the Restructuring plan with the Administrators. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, no legally binding agreement has been entered into between the potential investors and the Administrators in relation to the Restructuring. Once and when the potential investors in relation to the Restructuring are confirmed and finalised, the Administrators will then submit the draft of the Restructuring plan to the Fifth Intermediate People's Court of Chongqing City (重慶市第五中級人民法院) (the "**Chongqing Intermediate Court**") and the creditors of the Loncin Restructuring Companies at the creditors' meetings within the statutory deadline.

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 of the Loncin Restructuring Companies and the Chongqing Intermediate Court. There is uncertainty as to the progress and outcome of the Restructuring.

The Board is of the view that the withdrawal of Shangdong Jiuyang from the Restructuring as mentioned above has no direct and material adverse impact on the operation and the financial status of the Company.

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 July 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
Mr. Wang Li

Independent Non-Executive Directors:

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

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