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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)**

**VOLUNTARY ANNOUNCEMENT  
UPDATES ON THE RESTRUCTURING OF  
THE CONTROLLING SHAREHOLDERS**

This announcement is made by the board of directors (the “**Board**”) of Chiho Environmental Group Limited (the “**Company**”) on a voluntary basis.

References are made to the announcements of the Company dated 30 December 2021, 7 February 2022, 21 March 2022, 22 April 2022, 22 July 2022, 31 October 2022, 18 November 2022, 23 November 2022, 23 December 2022, 19 January 2023, 17 February 2023, 6 March 2023, 22 November 2023, 22 May 2024, 29 July 2024, 20 August 2024, 23 August 2024 and 17 November 2024, 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 announcement of the Company published on 29 July 2024 at 12:24 p.m. (the “**29 Jul Announcement**”).

The Board wishes to update shareholders of the Company and potential investors that Mr. Tu Jianhua (“**Mr. Tu**”) notified the Company that he has commenced the following lawsuits with the courts in the PRC and Hong Kong (the “**Mr. Tu’s Legal Actions**”):

- (i) on 26 December 2024, Mr. Tu, as a shareholder of Loncin Group Co., Limited and Loncin Holdings Co., Limited and a creditor of the Loncin Restructuring Companies, filed a lawsuit with the People’s Court of Chaoyang District of Beijing City of the PRC (北京市朝陽區人民法院, the “**Beijing Court**”) against the Administrators, namely Beijing Long An Law Firm (北京市隆安律師事務所) and Beijing Dacheng Law Offices, LLP (Shanghai) (北京大成 (上海) 律師事務所). Mr. Tu claims that the Administrator did not carry out the restructuring in accordance with the Restructuring Plan, which was originally sanctioned by the Fifth Intermediate People’s Court of Chongqing City. As a result, certain portion of the equity interests in Loncin Restructuring Companies were disposed to a third party at a consideration significantly lower than the valuation of the Loncin Restructuring Companies stipulated in the Restructuring Plan. Mr. Tu claims against the Administrator for, among others, the value of the equity interests in Loncin Restructuring Companies disposed by the Administrators. On 15 January 2025, Mr. Tu received a Notice of Case Acceptance ((2025)京0105民初5996號) from the Beijing Court; and

- (ii) on 21 January 2025, Mr. Tu filed an originating summons (HCMP118 of 2025) with the High Court of the Hong Kong Special Administrative Region seeking the grant of leave pursuant to sections 732 and 733 of the Companies Ordinance (Cap. 622 of the Laws of Hong Kong) for Mr. Tu to commence a statutory derivative action in the name of USUM HK against the Administrator and the Investor (i.e. Pingyang Yansheng Equity Investment Centre (Limited Partnership) (平陽雁晟股權投資中心(有限合夥), collectively, the “**Defendants**”)) for, among others, an injunction restraining the Defendants from taking any step to implement, or further implement, the altered restructuring plan and the agreement for disposal of certain assets of the Loncin Restructuring Companies to the Investor, and/or take control of USUM HK, including (a) disposing of, transferring, charging or otherwise dealing with any shares of the Company held by USUM HK; (b) causing, procuring or directing the removal of any existing directors of USUM HK; (c) causing, procuring or directing the appointment of any additional directors of USUM HK; and (d) making any filings with respect of USUM HK, including but not limited to filings relating to the directorship of USUM HK, at the Companies Registry of Hong Kong.

Considering that the Company is not a party to Mr. Tu’s Legal Actions nor one of the Loncin Restructuring Companies and is independent from the Controlling Shareholders in respect of business, personnel, assets and finance, the Board is of the view that the Mr. Tu’s Legal Actions has no material adverse impact on the operation of the Company. As at the date of this announcement, the operation and management of the Company are stable and normal.

The Company will continue to closely monitor the subsequent development and effect of the Restructuring and the status of Mr. Tu’s Legal Actions. Further announcement(s) will be made by the Company as and when appropriate or required in accordance with the Listing Rules and/or other applicable codes, laws and regulations.

**Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.**

By Order of the Board  
**Chiho Environmental Group Limited**  
**Qin Yongming**  
*Chairman*

Hong Kong, 27 January 2025

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

*Executive Directors:*

Mr. Tu Jianhua  
Mr. Qin Yongming (*Chairman*)  
Mr. Miao Yu  
Mr. Yao Jietian  
Mr. Liu Yongxin

*Independent Non-Executive Directors:*

Prof. Li Zhiguo  
Mr. Szeto Yuk Ting  
Ms. Leung Pui Yee