

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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
AND
ANNOUNCEMENT PURSUANT TO RULE 3.7 OF
THE TAKEOVERS CODE
AND
RESUMPTION OF TRADING**

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”) and Rule 3.7 of The Hong Kong Code on Takeovers and Mergers (the “Takeovers Code”).

References are 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, 22 April 2022, 24 July 2022, 31 October 2022 (the “31 Oct Announcement”) and 18 November 2022 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 31 Oct Announcement.

The Board wishes to update shareholders of the Company and potential investors that on 22 November 2022, the Company received a notification from the Administrators that, the Administrators have submitted the Restructuring plan to the Chongqing Intermediate Court for approval on 18 November 2022, and the Chongqing Intermediate Court has made a ruling ((2022)渝05破76號之四) that the Restructuring plan was approved and the procedure of the Restructuring was terminated. Therefore, the Restructuring plan is in the phase of implementation.

Pursuant to the Restructuring plan, after the Loncin Restructuring Companies having completed the settlement of the liabilities owed to the relevant creditors and subject to the conditions of the Restructuring plan being satisfied:–

- (i) USUM Investment Group Limited will transfer the entire equity interest of USUM Investment Group Hong Kong Limited to the new entity established by the Restructuring Investors, which shall be provisionally named as “New Loncin Holdings Limited* (新隆鑫控股有限公司)” (the “**New Entity**”) and its actual name shall be subject to the business registration; and
- (ii) 240,772,843 shares of the Company (representing approximately 15% of the total issued shares of the Company as at the date of this announcement) held by USUM Investment Group Hong Kong Limited shall be transferred to the relevant creditors in proportion to their respective unsecured creditors’ rights against the Loncin Restructuring Companies.

According to the provisions of the Enterprise Bankruptcy Law of the People’s Republic of China, the Loncin Restructuring Companies are responsible to implement the Restructuring plan and the Administrators will monitor the implementation of the Restructuring plan, which shall be valid for 12 months from the date of the approval of the Restructuring plan by the Chongqing Intermediate Court. There is uncertainty as to the progress and outcome of the Restructuring. If the Restructuring is not successfully implemented, there is a risk that the Controlling Shareholders will be declared bankrupt. In the event that the Restructuring is implemented, the ultimate beneficial owner of the Controlling Shareholders may be changed, which in turn may trigger a mandatory general offer under the Takeovers Code.

Considering that the Company is not 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 Restructuring has no material adverse impact on the operation and the financial status 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. 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).

RESUMPTION OF TRADING

At the request of the Company, trading in the shares of the Company on the Stock Exchange was halted with effect from 9:00 a.m. on 23 November 2022 pending the release of this announcement.

Application has been made by the Company for the resumption of trading in the shares of the Company on the Stock Exchange with effect from 9:00 a.m. on 24 November 2022.

Warnings: There is no assurance that the Restructuring will be implemented, or that it will lead to a general offer under Rule 26.1 of Takeovers Code. 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, 23 November 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

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*