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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)

MONTHLY PROGRESS UPDATE PURSUANT TO RULE 3.7 OF THE TAKEOVERS CODE

This announcement is made pursuant to the 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**”), 18 November 2022 and 23 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 since the last announcement made on 23 November 2022 in relation to progress of the Restructuring, there has been no significant development as regards the implementation of the Restructuring plan. The Loncin Restructuring Companies are in the course of implementing 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 (i.e. 21 November 2022) pursuant to the provisions of the Enterprise Bankruptcy Law of the People’s Republic of China.

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.

MONTHLY ANNOUNCEMENTS

In compliance with Rule 3.7 of the Takeovers Code, monthly announcement(s) will be made by the Company until an announcement is made of a firm intention to make an offer under Rule 3.5 of the Takeovers Code or of a decision not to proceed with the offer.

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, 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 December 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*