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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 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, 23 November 2022, 23 December 2022, 19 January 2023 and 17 February 2023 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.

MANDATORY GENERAL OFFER OBLIGATION NOT TRIGGERED

As advised by the Administrators and China Partner (Shanghai) Equity Investment, under the Restructuring Investment Agreement, China Partner (Shanghai) Equity Investment agreed to act as a leader of a consortium and invite other investors to participate in the Restructuring, and invest in and purchase all assets from the Loncin Restructuring Companies (except the 570,000,000 shares in Chongqing Rural Commercial Bank Co., Ltd.* (重慶農村商業銀行股份有限公司) which have been agreed to be transferred from Loncin Holdings Co., Ltd. (隆鑫控股有限公司) to Chongqing Development (the “**Transfer of Shares of Chongqing Rural Bank**”) pursuant to the Restructuring Investment Agreement), which include a wide range of assets such as the entire equity interest of USUM Investment Group Hong Kong Limited held by USUM Investment Group Limited. Notwithstanding that Chongqing Development is one of the contract parties to the Restructuring Investment Agreement, neither Chongqing Development nor its holding companies and subsidiaries will be involved in the Restructuring, save for the Transfer of Shares of Chongqing Rural Bank. In the event that the Restructuring is implemented, it will lead to a change in control of the controlling shareholders of the Company.

The Company was informed by China Partner (Shanghai) Equity Investment that it 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 confirmation that the Restructuring will not trigger a mandatory general offer for the shares of the Company. The Company was also informed by China Partner (Shanghai) Equity Investment that the Executive has confirmed on 2 March 2023 that no mandatory general offer obligation for the shares of the Company will be triggered by China Partner (Shanghai) Equity Investment 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. 6 March 2023.

Save as disclosed above, there has been no significant development as regards the implementation of the Restructuring plan so far as the Company is concerned since the last announcement of the Company dated 17 February 2023.

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, 6 March 2023

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*