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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 by Chiho Environmental Group Limited (the “**Company**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined in the Listing Rules) under part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

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 (the “**31 Oct Announcement**”), 18 November 2022, 23 November 2022, 23 December 2022, 19 January 2023, 17 February 2023, 6 March 2023 and 22 November 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.

The board of directors (the “**Board**”) of the Company wishes to update shareholders of the Company and potential investors that on 21 May 2024, the Company received a notification (the “**Notification**”) from USUM Investment Group Limited that while certain progress has been made, it still needs more time to finish the implementation of the Restructuring plan due to objective reasons. As such, the Loncin Restructuring Companies have applied to the Fifth Intermediate People’s Court of Chongqing City (重慶市第五中級人民法院) for extension of execution of the Restructuring plan. On 20 May 2024, the Fifth Intermediate People’s Court of Chongqing City has made a civil ruling approving the extension of the execution of the Restructuring plan for three months (i.e. until 21 August 2024).

It is also stated in the Notification that, on 21 May 2024, the Loncin Restructuring Companies issued a notification letter to China Partner (Shanghai) Equity Investment concerning the cancellation of the investor qualification for the Restructuring due to its failure to meet its payment obligations as outlined in the Restructuring Investment Agreement. In view of that, while the Loncin Restructuring Companies believed that the Restructuring plan is feasible, they will adhere to the principle thereunder and continue to negotiate and sign a new restructuring investment agreement with Chongqing Development and other investors.

The Board would like to emphasize that 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. 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 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, 22 May 2024

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. Wang Li
Mr. Liu Yongxin

Independent Non-Executive Directors:

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