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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 and 29 July 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 Board wishes to update shareholders of the Company and potential investors that USUM Investment Group Limited was notified by Loncin Holdings Co., Limited that Loncin Motor Co., Ltd. (“**Loncin Motor**”), one of the Loncin Restructuring Companies and a company in which Loncin Holdings Co., Limited held controlling interest, received a letter (the “**Letter**”) issued by The Shanghai Stock Exchange (the “**Shanghai Stock Exchange**”) on 16 August 2024. According to the Letter, the Shanghai Stock Exchange noted that the Administrator assumed the right of shareholders of Loncin Motor and requested the convention of a shareholders’ meeting for proposing change of directors of Loncin Motor; and Mr. Tu. Jianhua filed lawsuit (the “**Lawsuit**”) with the Fifth Intermediate People’s Court of Chongqing City (the “**Court**”) challenging the validity of the relevant disposal agreements and the Restructuring Investment Agreement. The Shanghai Stock Exchange was of the view that the Administrator’s requisition of shareholders’ meeting may subject to litigation risk. The Shanghai Stock Exchange requested Loncin Motor and the Administrator to closely monitor the development of the Lawsuit and proactively report to the local government and the Court the progress of the Lawsuit. In addition, Loncin Motor and the relevant parties were reminded to comply with the relevant regulations and requirements under China Companies Ordinance, Rules for the Shareholders’ Meetings of Listed Companies, the Rules Governing the Listing of Stocks on the Shanghai Stock Exchange and the articles of association of Loncin Motor with respect to the convention of the shareholders’ meeting and the proposed change of directors.

Given that the Lawsuit has been filed with the Court, it is uncertain as to whether the Disposal would be proceeded. 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 and the Disposal has no material adverse impact on the operation and the financial status of the Company.

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, 20 August 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
Mr. Szeto Yuk Ting