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CHIHU ENVIRONMENTAL GROUP LIMITED

齊合環保集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 976)

**RESUMPTION GUIDANCE
AND
QUARTERLY UPDATE ON STATUS OF RESUMPTION**

This announcement is made by Chiho Environmental Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) in accordance with Rules 13.09(2)(a) and 13.24A of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

References are made to (i) the announcement of the Company dated 13 January 2025 in relation to the irregularities (the “**Irregularities**”) of certain non-wholly owned subsidiaries of the Company (the “**Subject Group Companies**”); (ii) the announcement of the Company dated 3 March 2025 in relation to the deconsolidation of the Subject Group Companies from the Group; (iii) the announcement of the Company dated 31 March 2025 in relation to the delay in publication of the announcement in relation to the annual results of the Group for the year ended 31 December 2024 (the “**2024 Annual Results**”), the postponement of the meeting of the board (the “**Board**”) of directors (the “**Directors**”) of the Company and the suspension of trading in the shares of the Company on the Stock Exchange with effect from 9:00 a.m. on 1 April 2025 (the “**Trading Suspension**”); (iv) the announcement of the Company dated 30 April 2025 in relation to, among others, the further delay in publication of the 2024 Annual Results, the delay in despatch of the 2024 annual report (the “**2024 Annual Report**”) and (v) the announcement of the Company dated 30 May 2025 in relation to, among others the further delay in publication of the 2024 Annual Results and the 2024 Annual Report (collectively, the “**Announcements**”). Unless otherwise defined, capitalised terms used herein shall have the same meanings as those defined in the Announcements.

RESUMPTION GUIDANCE

On 27 June 2025, the Company received a letter from the Stock Exchange setting out the following guidance (the “**Resumption Guidance**”) for the resumption of trading in the shares of the Company:

- (a) conduct an appropriate independent forensic investigation into the Irregularities and other possible irregularities relating to the Subject Group Companies, assess the impact on the Company's business operations and financial position, announce the findings of the investigation and take appropriate remedial actions;
- (b) publish all outstanding financial results required under the Listing Rules and address any audit modifications;
- (c) demonstrate that there is no reasonable regulatory concern about the integrity, competence and/or character of the Group's management and/or any persons with substantial influence over the Company's management and operations, which may pose a risk to investors and damage market confidence;
- (d) conduct an independent internal control review and demonstrate that the Company has in place adequate internal controls and procedures to meet its obligations under the Listing Rules;
- (e) demonstrate the Company's compliance with Rule 13.24 of the Listing Rules; and
- (f) inform the market of all material information for the Company's shareholders and other investors to appraise the Company's position.

The Stock Exchange requires the Company to meet all resumption guidance, remedy the issues causing its trading suspension and fully comply with the Listing Rules to the Stock Exchange's satisfaction before trading in its securities is allowed to resume. For this purpose, the Company has the primary responsibility to devise its action plan for resumption. The Stock Exchange further indicated that it may modify or supplement the Resumption Guidance if the Company's situation changes.

Under Rule 6.01A(1) of the Listing Rules, the Stock Exchange may cancel the listing of any securities that have been suspended from trading for a continuous period of 18 months. In the case of the Company, the 18-month period expires on 30 September 2026. If the Company fails to remedy the issue causing the Trading Suspension, fulfill the Resumption Guidance and fully comply with the Listing Rules to the Stock Exchange's satisfaction and resume trading in its shares by 30 September 2026, the Listing Division of the Stock Exchange will recommend the Listing Committee of the Stock Exchange to proceed with the cancellation of the Company's listing. Under Rules 6.01 and 6.10 of the Listing Rules, the Stock Exchange also has the right to impose a shorter specific remedial period or to cancel the listing of the Company immediately, where appropriate.

QUARTERLY UPDATE ON STATUS OF RESUMPTION

Business operations

The Group is the one of the world's largest publicly listed metal recycling corporations with geographical presence covering Asia and Europe. As of the date of this announcement, the business of the Group has been operating as usual in all material respects. To the best knowledge of the Directors and based on preliminary assessment, the operations of the Group have not been adversely affected by the Irregularities and the Trading Suspension. The Company will continuously assess the impact of the Irregularities and the Trading Suspension on the Group's operations and will make further announcements as and when appropriate.

Resumption Guidance Plan and Progress

The Company has been taking steps to address the Irregularities and comply with the Resumption Guidance.

On 25 February 2025, an independent investigation led by the Audit Committee, comprising independent non-executive Directors, namely Ms. Leung Pui Yee, Prof. Li Zhiguo and Mr. Szeto Yuk Ting, has commenced. The key findings of such independent investigation has been disclosed in the announcement of the Company dated 9 June 2025. In order to fulfil the Resumption Guidance, the Company is in the course of identifying an independent forensic investigator to investigate into, among others, the Irregularities and other possible irregularities relating to the Subject Group Companies and assess the impact on the Company's business operations and financial position.

With respect to the outstanding 2024 Annual Results and the 2024 Annual Report, the Board and the management of the Company are continuously working with the Auditor to facilitate the completion of the relevant audit procedures and to publish the 2024 Annual Results as soon as practicable. The Company will further discuss the expected date of the publication of the 2024 Annual Results Announcement with the Auditor. The Company will publish further announcement to inform its shareholders and potential investors on the date of the release of the 2024 Annual Results and the date of despatch of the 2024 Annual Report as and when appropriate.

The Company is also in the course of identifying an internal control consultant to carry out a thorough review on the Group's internal control systems and will work closely with professional advisers and take necessary steps to fulfil the other requirements under the Resumption Guidance. The Company will keep its shareholders and potential investors informed on the progress as and when appropriate.

The Board is of the view that the Company is in compliance with Rule 13.24 of the Listing Rules, and will make appropriate submissions to the Stock Exchange in due course.

The Company remains committed to use its best endeavours to satisfy the Resumption Guidance as soon as practicable and will make further announcement(s) as and when appropriate should there be any material development on the Resumption Guidance.

CONTINUED SUSPENSION OF TRADING

Trading in the Company's shares on the Stock Exchange has been suspended with effect from 9:00 a.m. on 1 April 2025, and will remain suspended until further notice pending the fulfilment of the Resumption Guidance. Further announcement(s) will be made by the Company as and when appropriate and in compliance with the requirements under the Listing Rules.

Shareholders and potential investors of the Company 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, 30 June 2025

As at the date of this announcement, the Board comprises:

Executive Directors:

Mr. Tu Jianhua
Mr. Qin Yongming (*Chairman*)
Mr. Yao Jietian
Mr. Liu Yongxin

Independent Non-Executive Directors:

Prof. Li Zhiguo
Mr. Szeto Yuk Ting
Ms. Leung Pui Yee