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CHIH ENVIRONMENTAL GROUP LIMITED

齊合環保集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 976)

**ESTABLISHMENT OF SPECIAL INVESTIGATION COMMITTEE
AND
APPOINTMENT OF INDEPENDENT FORENSIC
INVESTIGATOR AND
INDEPENDENT INTERNAL CONTROL CONSULTANT**

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 the announcement of the Company dated (i) 13 January 2025 in relation to the irregularities (the “**Irregularities**”) of certain non-wholly owned subsidiaries of the Company (the “**Subject Group Companies**”); (ii) 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 (the “**Trading Suspension**”); (iii) 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; (iv) 9 June 2025 in relation to the key findings of the independent investigation; and (v) 30 June 2025 in relation to the resumption guidance and quarterly update on resumption progress (collectively, the “**Announcements**”). Unless otherwise defined, capitalised terms used herein shall have the same meanings as those defined in the Announcements.

ESTABLISHMENT OF SPECIAL INVESTIGATION COMMITTEE

The Board wishes to announce that a special investigation committee (the “**Special Investigation Committee**”), comprising all independent non-executive Directors, namely Prof. Li Zhiguo, Mr. Szeto Yuk Ting and Ms. Leung Pui Yee, was established on 15 August 2025.

The duties and purposes of the Special Investigation Committee are to (i) engage an independent forensic investigator to assist the review of the Irregularities and other possible irregularities relating to the Subject Group Companies; (ii) engage an independent internal control consultant to review the Company’s internal controls and procedures; and (iii) report to the Board on the findings of the independent forensic investigation and the independent internal control review and make recommendations to the Board on appropriate actions to be taken (if any).

APPOINTMENT OF INDEPENDENT FORENSIC INVESTIGATOR AND INDEPENDENT INTERNAL CONTROL CONSULTANT

As disclosed in the announcement of the Company dated 9 June 2025, the Audit Committee has appointed the Investigator to investigate and report on various matters and events concerning the Irregularities. The major findings of the Investigator has been included in such announcement. Subsequently, the Company received the letter containing the Resumption Guidance from the Stock Exchange. As one of the conditions for the resumption of trading in the shares of the Company as stated in the Resumption Guidance disclosed in the announcement of the Company dated 30 June 2025, the Stock Exchange specifically requested the Company to (i) conduct the 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 such investigation and take appropriate remedial actions; and (ii) 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.

In light of the Resumption Guidance, after careful consideration, the Special Investigation Committee determined that it was appropriate to engage an additional external consultant with extensive experience specifically in (i) forensic investigation to conduct a further investigation on the Irregularities (the “**Forensic Investigation**”), in addition to the work already completed by the Investigator, while addressing any additional areas specified in the Resumption Guidance; and (ii) internal control to conduct a review on the internal controls and procedures of the Company (the “**Internal Control Review**”) and ensure the Company has adequate internal controls and procedures in place. The Special Investigation Committee took steps to identify and select a suitable and qualified independent forensic investigator to conduct the Forensic Investigation and independent internal control consultant to conduct the Internal Control Review, including soliciting, reviewing, and comparing fee quotations and proposals from multiple firms, and assessing each firm’s expertise, competence, resources, and availability, and their experience in handling similar investigations.

After careful consideration and deliberation of the above factors, on 15 August 2025, the Special Investigation Committee appointed PAL Advisory Limited (“**PAL**”) as the independent forensic investigator to conduct the Forensic Investigation and the independent internal control consultant to conduct the Internal Control Review. PAL is experienced in conducting forensic investigations and internal control reviews for publicly listed companies in Hong Kong. Further, it has confirmed to the Special Investigation Committee that it meets all independence requirements and has sufficient resources to undertake the Forensic Investigation effectively. The Special Investigation Committee considers that PAL is qualified and suitable to act as the independent forensic investigator and the independent internal control consultant. The Special Investigation Committee believes that PAL’s appointment will ensure a thorough, impartial, and high-quality investigation and internal control review in addition to the investigation conducted by the Investigator, in the best interests of the Company and its shareholders.

Further announcement(s) will be made by the Company to keep its shareholders and potential investors informed of the progress and any material developments regarding the Forensic Investigation, the Internal Control Review and the compliance with the Resumption Guidance as and when appropriate.

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
Tu Jianhua
Executive Director

Hong Kong, 15 August 2025

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

<i>Executive Directors:</i>	Mr. Tu Jianhua
	Mr. Qin Yongming (<i>Chairman</i>)
	Mr. Ju Qinghao
	Mr. Liu Yongxin

<i>Independent Non-Executive Directors:</i>	Prof. Li Zhiguo
	Mr. Szeto Yuk Ting
	Ms. Leung Pui Yee