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

CHANGE OF FORENSIC INVESTIGATOR AND INTERNAL CONTROL CONSULTANT

This announcement is made by Chiho Environmental Group Limited (the "**Company**", together with its subsidiaries, the "**Group**") pursuant to Rule 13.09(2) 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 (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 (i) 13 January 2025 in relation to the irregularities of certain non-wholly owned subsidiaries of the Company; (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 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; (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; (v) 30 June 2025 in relation to the resumption guidance and quarterly update on resumption progress (the "**Resumption Guidance Announcement**"); (vi) 15 August 2025 in relation to the establishment of Special Investigation Committee and appointment of independent forensic investigator and independent internal control consultant (the "**Former Forensic and IC Consultant**"); (vii) 29 August 2025 in relation to, amongst others, the delay in publication of the 2025 Interim Results and the dispatch of the 2025 Interim Report; and (viii) 30 September 2025, 31 December 2025, 31 March 2026, 21 May 2026 and 30 June 2026 on the respective quarterly updates and amongst others, the delay in publication of the 2025 Annual Results and dispatch of the 2025 Annual Report (collectively, the "**Announcements**"). Unless otherwise defined, capitalised terms used herein shall have the same meanings as those defined in the Announcements.

APPOINTMENT OF NEW FORENSIC INVESTIGATOR AND INTERNAL CONTROL CONSULTANT

The conditions for the resumption as stated in the Resumption Guidance Announcement include, among other things, the following requirements to be fulfilled by the Company:

(a) To conduct an 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; and

(d) To 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.

As disclosed in the announcement of the Company dated 30 June 2026, the Former Forensic and IC Consultant prepared draft reports which were submitted to the Stock Exchange on 16 March 2026 (the "**Draft Reports**"), and the Stock Exchange raised queries on the findings contained in the Draft Reports (the "**Queries**").

Following the Queries, the Former Forensic and IC Consultant issued the final Forensic Investigation Report dated 14 May 2026 and the final Internal Control Report dated 15 May 2026 (the "**Final Reports**"). Having regard to certain limitations to the independent investigation carried out by the Former Forensic and IC Consultant as indicated in the Final Reports, including the non-cooperation by certain suspected perpetrators during the investigation, the Special Investigation Committee considered it necessary to appoint a separate investigator and internal control consultant with an established network in the PRC to locate further evidence or findings to better address the Queries.

Upon review of the Final Reports, the Special Investigation Committee considered that further investigation is required to address the Queries. Given the material importance of the findings of the Forensic Investigation to the resumption and having regard to the above, the Special Investigation Committee and the Board considered that it is in the best interests of the Company to appoint a separate forensic accountant with a strong presence in the PRC to perform the investigation at various locations in the PRC to supplement and further address the work that the Former Forensic and IC Consultant has carried out to date in connection with the relevant investigations.

Given the circumstance, the Special Investigation Committee promptly took steps to identify and select a suitable and qualified forensic accountant to continue the Forensic Investigation and the Internal Control Review. These steps included, but were not limited to, obtaining, reviewing, and comparing fee quotations and proposals from different accounting firms, as well as engaging in discussions with them to assess their expertise, competence, resources, and availability to undertake the Forensic Investigation. After consideration and deliberation of the above factors, the Special Investigation Committee and the Board have resolved to engage Ernst & Young Advisory Services Limited (the "**New Consultant**") as the independent forensic accountant in place of the Former Forensic and IC Consultant with effect from 16 July 2026.

Consideration of the New Consultant's capability, qualification and independence

The Special Investigation Committee and the Board considered the New Consultant to be suitably qualified and capable of performing the Forensic Investigation and the Internal Control Review. This assessment is based on the New Consultant's reputation, expertise and its prior experiences acting as independent forensic accountant for publicly listed companies in Hong Kong as well as in overseas stock markets. The Special Investigation Committee also considered that the operations of the New Consultant has a larger scale and reach, with more readily deployable resources and staffing to carry out further investigations in the PRC.

The New Consultant's engagement comprises a supplemental independent forensic review covering the period from 1 January 2023 to 31 December 2024 in the first phase (subject to such adjustment as may be agreed), and a second phase of internal control remediation work comprising comprehensive internal control assessment for selected major subsidiaries, remediation recommendations and follow-up testing of rectified key controls.

The Special Investigation Committee has instructed the New Consultant to liaise with the Former Forensic and IC Consultant for the transition between them and to obtain all relevant investigation materials in its possession, and to consider and assess the work that has been performed and any observations and queries raised by the Former Forensic and IC Consultant.

Further announcement(s) will be made by the Company to inform the Shareholders and the Stock Exchange of the progress and any material developments regarding the above 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
Yao Xiang
Executive Director

Hong Kong, 16 July 2026

As at the date of this announcement, the Board comprises

Executive Directors:	Mr. Chu Yuejiang Mr. Yao Xiang
Independent Non-Executive Directors:	Mr. Ng Man Fung Walter Ms. Wu Jian Mr. Choi Wai Hong Clifford