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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)

**(I) QUARTERLY UPDATE ON STATUS OF RESUMPTION;
AND
(II) CONTINUED SUSPENSION OF TRADING**

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 of the Subject Group Companies; (ii) 3 March 2025 in relation to the deconsolidation of the Subject Group Companies from the Group; (iii) 31 March 2025 in relation to the delay in publication of the 2024 Annual Results, the postponement of the meeting of the Board and the Trading Suspension; (iv) 30 April 2025 and 30 May 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; (v) 30 June 2025 in relation to the resumption guidance (the “**Resumption Guidance**”) and quarterly update on status of resumption; (vi) 15 August 2025 in relation to the establishment of special investigation committee and appointment of independent forensic investigator and independent internal control consultant; (vii) 29 August 2025 in relation to, among others, the further delay in publication of the 2024 Annual Results and the delay in publication of the 2025 Interim Results and the 2025 Interim Report; (viii) 30 September 2025, 31 December 2025 and 31 March 2026 in relation to the quarterly update on status of resumption; (ix) 21 May 2026 in relation to the additional resumption guidance (the “**Additional Resumption Guidance**”) (collectively, the “**Announcements**”). Unless otherwise defined, capitalised terms used herein shall have the same meanings as those defined in the Announcements.

QUARTERLY UPDATE ON STATUS OF RESUMPTION

Pursuant to Rule 13.24A of the Listing Rules, the Board wishes to update the Shareholders and potential investors of the Company that as at the date of this announcement, the latest developments of the Company and progress of fulfilling the Resumption Guidance and the Additional Resumption Guidance are as follows:

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, to the best information and belief of the Directors and having made all reasonable enquiries, 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.

Progress on the fulfilment of Resumption Guidance and the Additional Resumption Guidance

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

As disclosed in the announcement of the Company dated 30 June 2025, the Stock Exchange requires the Company to meet all Resumption Guidance set out in the same announcement, 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. As disclosed in the announcement of the Company dated 21 May 2026, the Stock Exchange requires the Company to remedy the substantive issues and fully comply with all Additional Resumption Guidance set out in the same announcement before trading in its securities is allowed to resume.

Independent forensic investigation and internal control review

Among the Resumption Guidance, the Company shall (i) 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; 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.

As mentioned in the announcement of the Company dated 15 August 2025, the Special Investigation Committee, comprising the then independent non-executive Directors, namely Prof. Li Zhiguo, Mr. Szeto Yuk Ting and Ms. Leung Pui Yee, 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.

As disclosed in the announcement of the Company dated 31 March 2026, on 16 March 2026 the Company submitted the draft reports on the Forensic Investigation and the Internal Control Review to the Stock Exchange for review. Following such submission, the Stock Exchange raised queries on the findings contained in those reports.

Since the recent reconstitution of the Board and the changes in the composition of the Special Investigation Committee (which now comprises the current independent non-executive Directors, namely Mr. Ng Man Fung Walter, Ms. Wu Jian and Mr. Choi Wai Hong Clifford), the current members of the Special Investigation Committee have been reviewing the forensic investigation report and the internal control report (together the “**Reports**”) prepared by PAL and liaising with PAL to understand the findings of the Forensic Investigation and Internal Control Review, and how the findings in the Reports address the Auditor’s and the Stock Exchange’s concerns and queries.

The Company will make further announcement(s) on the progress of the Forensic Investigation and the Internal Control Review as and when appropriate.

Financial results

With respect to the outstanding 2024 Annual Results, 2024 Annual Report, 2025 Interim Results, 2025 Interim Report, 2025 Annual Results and 2025 Annual Report, the Board and the management of the Company are continuing to work closely with the Auditor to facilitate the completion of the relevant audit procedures and to publish the 2024 Annual Results, the 2025 Interim Results and the 2025 Annual Results as soon as practicable. The Company is using its best endeavours to assist the Auditor to complete the audit procedures and will publish further announcement to inform its shareholders and potential investors on the date(s) of the release of the 2024 Annual Results, the 2025 Interim Results, the 2025 Annual Results and the date(s) of despatch of the 2024 Annual Report, the 2025 Interim Report and the 2025 Annual Report as and when appropriate.

Reasonable regulatory concern about the integrity, competence and/or character of the Group's management and/or any person with substantial influence over the Company's management

As at the date of this announcement, the composition of the Board comprises Mr. Chu Yuejiang, Mr. Yao Xiang, Mr. Ng Man Fung Walter, Ms. Wu Jian, and Mr. Choi Wai Hong Clifford. Amongst the current Directors, none of them served on the Board prior to the Trading Suspension.

As disclosed in the Company's announcements dated 15 January 2026, 29 and 30 April 2026, 13, 15 and 21 May 2026 and 1 June 2026, the former Directors have either resigned or been removed. These include Mr Tu Jianhua, a former executive director of the Company who has been named as a dishonest person subject to enforcement for unpaid debts (失信被執行人) and is subject to a high-value consumption restriction order arising from the same ruling of the Hongkou District People's Court of Shanghai City* (上海市虹口區人民法院) in the PRC. Mr Tu's resignation took effect on 12 May 2026.

The current Directors were appointed recently and have no relationship with the former management or with any former persons who had substantial influence over the Company's management and operations which may pose a risk to investors and damage market confidence, if any.

As regards the directors at the subsidiary level, the Company is currently in process of reconstituting the board of directors of the relevant subsidiaries. Further announcement(s) will be made by the Company in relation to the progress as and when appropriate.

Compliance with Rule 13.24 of the Listing Rules

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 is currently in active discussions with potential investors to obtain funding to increase its capital and to satisfy the relevant operational and financing needs.

Informing the market of all material information

The Company will continue to keep the Shareholders and potential investors updated of any relevant material developments by making further announcement(s) as and when appropriate in accordance with the requirements under the Listing Rules, as well as announce quarterly updates pursuant to Rule 13.24A of the Listing Rules. The Company will continue to work closely with its professional advisers and proactively take all necessary and appropriate steps to comply with the Resumption Guidance, with the aim to resuming trading in its shares on the Stock Exchange as soon as practicable.

Additional Resumption Guidance

As disclosed in the Company's announcement dated 21 May 2026, since the appointment of three independent non-executive Directors with effect from 21 May 2026, the Company has re-complied with Rules 3.10(1), 3.10(2), 3.10A, 3.21, 3.25, 3.27A and 13.92(2) of the Listing Rules, and hence satisfied the Additional Resumption Guidance.

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
Yao Xiang
Executive Director

Hong Kong, 30 June 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