

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



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)

QUARTERLY UPDATE ON THE STATUS OF RESUMPTION AND CONTINUED SUSPENSION OF TRADING

This announcement is made by Chiho Environmental Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rules 13.09 and 13.24A of the Rules (the “**Listing Rules**”) Governing the Listing of Securities 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:

- (i) the announcements of the Company dated (a) 13 January 2025 in relation to the Irregularities of the Subject Group Companies; (b) 3 March 2025 in relation to the deconsolidation of the Subject Group Companies from the Group; (c) 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; (d) 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; (e) 9 June 2025 on the key findings of the independent investigation conducted by the Former Consultant; (f) 30 June 2025 in relation to the Resumption Guidance and quarterly update on status of resumption; (g) 15 August 2025 in relation to the establishment of the Special Investigation Committee and appointment of PAL Advisory Limited (the “**Former Consultant**”) as the independent forensic investigator and independent internal control consultant; (h) 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; (i) 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; (j) 21 May 2026 in relation to the Additional Resumption Guidance and, among others, the change in composition of the Special Investigation Committee; and (k) 16 July 2026 on the engagement of Ernst & Young Advisory Services Limited (the “**Current Consultant**”) as the independent forensic accountant in place of the Former Consultant;

- (ii) the announcements of the Company dated 5 July 2018, 3 April 2024, 20 May 2025, 5 June 2025, 6 May 2026, 31 July 2026, 12 August 2026, 14 August 2026, 19 August 2026, 7 September 2026 and 30 September 2026 in relation to the default of the Facility Agreement, subsequent disposal of the Scholz Group by the Receivers, the release of the Share Charges, and the deconsolidation of the Scholz Group from the Group (the “**Scholz Group Announcements**”);
- (iii) the announcement of the Company dated 30 September 2026 on the key findings of the Forensic Investigation (“**Forensic Investigation Announcement**”);
- (iv) the announcement of the Company dated 30 September 2026 on the key findings of the Internal Control Review (“**Internal Control Announcement**”); and
- (v) the announcements of the Company each dated 30 September 2026 on the (a) unaudited annual results for the year ended 31 December 2024, (b) unaudited interim results for the six months ended 30 June 2025; (c) unaudited annual results for the year ended 31 December 2025; and (d) unaudited interim results for the six months ended 30 June 2026 (the “**Financial Results Announcements**”),

(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 are as follows:

Business Operations

References are made to the Scholz Group Announcements. As disclosed, the sale of the Scholz Group by the Receivers was completed on 31 July 2026. Zhongying International (Asia) Co., Limited, as lender, has been fully repaid from the sale proceeds arising from the disposal of the Scholz Group, and all obligations and liabilities of the Company under the Facility Agreement have been fully satisfied and discharged. The Company has also received the net sale proceeds of approximately US\$334 million from the Receivers. The share charges over the shares in CRIH, CRD and CTRL (the “**Share Charges**”) were released on 3 September 2026.

Following the appointment of the Receivers over the shares in CRD, CRIH and CTRL, the Receivers appointed a majority of the directors to the boards of CRD, CRIH and CTRL. Accordingly, the Company was unable to exercise control over CRD, CRIH and CTRL, and lost its ability to influence the affairs of the Scholz Group through its interests in CRD and CRIH with effect from 14 May 2025. As such, the Company determined that the Scholz Group should be deconsolidated from the Group with effect from 14 May 2025 (the “**Scholz Deconsolidation**”).

Following the Scholz Deconsolidation and the deconsolidation of the Subject Group Companies in 2024, the Group (the “**Continuing Group**”) is principally engaged in resources recycling, including the recycling of mixed metal and shredded aluminium scrap. The Continuing Group’s operations are now primarily located in mainland China and Hong Kong.

The Continuing Group continues to carry on its ordinary course of business notwithstanding the suspension of trading in the Shares, with its principal businesses having remained unchanged in nature since before the Trading Suspension.

The Board also notes that the net proceeds received from the disposal of the Scholz Group have strengthened the Continuing Group’s liquidity position, including facilitating the full settlement of the Outstanding Loan Balance under the Facility Agreement and the release of the Share Charges.

Facing the opportunities presented by the global trend towards low-carbon and green development, the Continuing Group will continue to diversify its business, explore geographical expansion opportunities, deepen cooperation with upstream and downstream enterprises, improve the stability and efficiency of its supply chain to meet the demand for high-quality raw materials, and support the sustainable development of the renewable resources industry.

Progress on the fulfilment of Resumption Guidance

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

Resumption proposal

The Board is pleased to announce that the Company submitted a resumption proposal to the Stock Exchange on 21 August 2026, with an updated resumption proposal submitted on 17 September 2026. The resumption proposal set out the progress of the fulfilment of the Resumption Guidance, and explained the Continuing Group's business, scale of operations, and financial strength, together with other material information about the Continuing Group, demonstrating the viability and sustainability of the business of the Continuing Group.

The Company will make a further submission to the Stock Exchange on 30 September 2026 with an aim to demonstrate the further progress and fulfilment of the Resumption Guidance to the satisfaction of the Stock Exchange. The Stock Exchange may raise comments at a later stage if necessary.

Change of composition of the Board and senior management

All Directors and members of senior management who were in office at the time of the Irregularities have resigned or been removed. These include Mr. Tu Jianhua, Mr. Qin Yongming, Mr. Miao Yu, Mr. Yao Jietian and Mr. Liu Yongxin, being the former executive Directors; Prof. Li Zhiguo, Mr. Szeto Yuk Ting and Ms. Leung Pui Yee, being the former independent non-executive Directors; and Ms. Ng Mei Wah, being the former company secretary.

As disclosed in the Company's announcement dated 23 September 2026, Mr. Chu Yuejiang resigned as an executive Director on 23 September 2026 due to other business commitments, and Ms. Zhang Aoxue was appointed as an executive Director on the same date. The current Board comprises Mr. Fu Tao, Ms. Zhang Aoxue, Mr. Yao Xiang, Mr. Yang Wei and Ms. Zhou Shuli as executive Directors, together with Mr. Ng Man Fung Walter, Ms. Wu Jian and Mr. Choi Wai Hong Clifford as independent non-executive Directors. None of the current Directors served as a Director of the Company prior to the Trading Suspension, nor does any of them have any connection with the former management or any former person with substantial influence over the Company's affairs.

Substantial completion of the Forensic Investigation

As set out in the Company's announcement dated 16 July 2026, the Current Consultant was appointed to conduct the Forensic Investigation.

As at the date of this announcement, the Current Consultant has substantially completed the Forensic Investigation. The draft forensic investigation report prepared by the Current Consultant was submitted to the Stock Exchange on 7 September 2026, and the Current Consultant submitted an updated draft of the forensic investigation report on 29 September 2026 ("**Forensic Investigation Report**") to the Special Investigation Committee of the Company. The Current Consultant is currently revising the Forensic Investigation Report to address the Stock Exchange's comments on the draft Forensic Investigation Report.

Further details of the findings of the Forensic Investigation are set out in the Forensic Investigation Announcement. In the event that there are other material updates after the publication of the Forensic Investigation Announcement, the Company will make further announcement(s), as and when appropriate, in compliance with the Listing Rules.

Substantial completion of the Internal Control Review

As set out in the announcement of the Company dated 16 July 2026, the Current Consultant was appointed to conduct the Internal Control Review.

As at the date of this announcement, the Internal Control Review has been substantially completed and the Group has adopted all advice and recommendations made by the Current Consultant, and has adopted, revised and/or strengthened all the relevant policies and procedures of the Group, although testing for certain remedial measures could not be conducted due to unavailability of test samples. The draft internal control report prepared by the Current Consultant was submitted to the Stock Exchange on 7 September 2026, and the Current Consultant submitted an updated draft of the internal control report on 29 September 2026 (“**Internal Control Report**”) to the Audit Committee of the Company. As the Stock Exchange may have further enquiries on the draft Internal Control Report, the Internal Control Report remains subject to further revisions to address the comments from the Stock Exchange.

Further details of the findings of the Internal Control Review are set out in the Internal Control Announcement. In the event that there are other material updates after the publication of the Internal Control Announcement, the Company will make further announcement(s), upon the finalization of the Internal Control Report and completion of the Internal Control Review, as and when appropriate, in compliance with the Listing Rules.

Publication of unaudited financial results

References are made to the Financial Results Announcements. As at the date of this announcement, the Company has published the unaudited interim results announcement for the six months ended 30 June 2025 (“**HY2025**”) and the unaudited interim results announcement for the six months ended 30 June 2026 (“**HY2026**”). The corresponding interim reports will be published by the Company as soon as practicable. The Company has also published the unaudited annual results announcement for the year ended 31 December 2024 (“**FY2024**”) and the unaudited annual results announcement for the year ended 31 December 2025 (“**FY2025**”). Together, these publications partially fulfil the requirement to publish all outstanding financial results under the Listing Rules.

The Board considers that the publication of these unaudited results enables the Shareholders and potential investors to be informed of the Group’s financial position and results of operations for the relevant periods, notwithstanding that the results remain unaudited.

The Auditors are in the process of finalising their audit procedures in respect of the consolidated financial statements for the years ended 31 December 2024 and 2025. Completion of the audits for the years ended 31 December 2024 and 2025 remains subject to, amongst other things, the finalisation of Forensic Investigation Report and Internal Control Report. Given the passage of time before signing, the Auditors will also need to complete their customary subsequent events procedures and consider any relevant events occurring from today to the date on which the audit opinions are signed.

The Company will continue to work closely with the Special Investigation Committee, the Current Consultant and the Auditors with a view to publishing the remaining outstanding financial results as soon as practicable, and will make further announcement(s) on the progress as and when appropriate.

Legal Actions

The Company is seeking legal advice to determine next steps and possible actions vis-a-vis relevant counterparties in respect of the various findings in the Forensic Investigation Report. Further announcement(s) will be made by the Company in respect of any actions taken 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.

By Order of the Board
Chiho Environmental Group Limited
Fu Tao
Chairman and Executive Director

Hong Kong, 30 September 2026

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

Executive Directors:

Mr. Fu Tao (*Chairman*)
Ms. Zhang Aoxue
Mr. Yao Xiang
Mr. Yang Wei
Ms. Zhou Shuli

Independent Non-Executive Directors:

Mr. Ng Man Fung Walter
Ms. Wu Jian
Mr. Choi Wai Hong Clifford