

June 7, 2021



(Incorporated in the Cayman Islands with limited liability)

CHIHO ENVIRONMENTAL GROUP LIMITED

(Stock Code: 976.HK)

CEO of Chiho was invited to attend The 23rd China Zhejiang Investment and Trade Symposium Zhijiang Forum

On 7 June 2021, The 23rd China Zhejiang Investment and Trade Symposium Zhijiang Forum and The 6th China Zhejiang-Europe Digital Economy and High-tech Industry Match-making Conference were held in Ningbo, China. This symposium which was organised by the People's Government of Zhejiang Province comprised a series of activities relating to trade, consumption, service and other topics. Leaders from the People's Government of Zhejiang Province, Municipal Party Committee and Municipal Government of Ningbo and local authorities overseeing the matters in Yangtze River Delta from other provinces and municipalities, ambassadors from various countries to China, and executives from multinational companies in the fields of environmental protection, digital economy and biomedical, participated in the symposium. Mr. Rafael Suchan (“**Rafael**”), Chief Executive Officer of Chiho Environmental Group Limited (“**Chiho**” or the “**Group**”) and Scholz Recycling Group (“**Scholz Group**”), and representatives from the American DuPont Group, China's JD Technology Group, and the American Johnson & Johnson Group and other multinational enterprises were invited to participated at the symposium.



Mr. Rafael gave a speech at the Symposium

Adhere to the road to circular economy and strive to facilitate carbon neutrality



Mr. Rafael, Chief Executive Officer of Chiho and Scholz Group, was invited to give a speech - "Adhere to the road to circular economy and strive to facilitate carbon neutrality ". He mentioned that the China's "14th Five-Year-Plan" will create tremendous development potentials and opportunities to various emerging industries. Meanwhile, the development of the recycling industry is becoming an important part in the implementation of the "14th Five-Year-Plan", the "Dual Circulation" strategy and the "3060" targets on carbon emissions and other national strategies. The "3060" strategy conveys the Chinese government's commitment to a green economy. The "Dual Circulation" strategy emphasises

strengthening internal circulation and reducing reliance on external natural resources, such as imported iron ore, coal, oil and various mineral resources. Circular economy will become extremely important in China's economic activities.

He further shared that China, as the second largest economy in the world, had about 9.8 billion tons of carbon emissions in 2019, accounting for 28.8% of the world's total carbon emissions. The steel industry and aluminium industry were the largest carbon emissions parties in China with carbon emissions of 1.96 billion tons, accounting for 20% of the total carbon emissions of China. Using recycled steel and recycled aluminium as raw materials, it can reduce at least 1 ton and 10 tons of carbon emission, respectively, per ton of steel and aluminium being produced. It can also greatly reduce energy consumption and reliance on imported raw materials.

Actual figures show that, in 2019, China's total steel production reached 1 billion tons out of which 22 million tons were recycled steel, accounting for only 22% of the total steel production in China while the ratio in the United States and the European Union reaching 72% and 55%, respectively. On the other hand, China's total aluminium production reached 45 million tons out of which 7.65 million tons was recycled aluminium, accounting for only 17% of the total aluminium production in China in 2019. The average ratio of recycled aluminium in the production of aluminium for the world, developed countries and the United States is about 33%, 55% and 80%, respectively. It means that there is huge room for improvement in the utilisation of recycled metal in China. Increasing the utilisation of recycled metals is becoming a crucial part of the future development of related industries.

In addition, Mr. Rafael believed that, as China's national strategies and policies are gradually rolled out, the current situation will be improved. The use of recycled steel in China is estimated to reach 330 million tons by 2025 and 420 million tons in 2030; the use of recycled aluminium in China will reach 12 million tons by 2025 and more than 15 million tons by 2030.

Chiho, together with its German-based subsidiary Scholz group, is a global circular economy solution partner, taking an active lead in the Chinese market

The major subsidiary group of Chiho, Scholz Group, with a history of 150 years, possessed advanced technology and rich operating experience in metal recycling and recycling of end-of-life vehicles (“ELVs”). Through our state-of-the-art processing know-how and continuous innovation, Chiho has become a leading metal recycling enterprise in the world. With more than 200 processing plants and yards spreading across Europe, Asia and North America, Chiho is able to provide high-quality recycled metal for steel plants, foundries and smelters around the world. At present, Chiho processes 5 million tons of scrap metal annually, reducing carbon emissions by an average of 8 million tons per year. Chiho is committed to achieving the best recovery rate and economic benefits through excellent operations, reducing the carbon footprint in operations, and helping customers achieve carbon emission reduction goals!

Mr. Rafael stated that favourable Chinese policies and strategies have provided a strong support for the development of Chiho in China. At the same time, in support of Chinese government’s strategies, Chiho will also actively facilitate the development of dual circulation economy. Chiho and Hongqiao Group, one of the largest aluminium producer in the world, is jointly developing a recycling industrial park project in China, which echoes to China’s “3060” low-carbon development and energy innovation strategies, and aims to develop a circular industrial park with the highest international standards. The project is envisaged to process up to 100,000 ELVs, 500,000 tons of aluminium and 50,000 electric vehicle lithium batteries per annum and to reduce carbon emissions of 1.9 million tons per annum. Chiho looks forward to working with our Chinese partners to make greater contributions to China's recycling industry!

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