
November 5, 2021



(Incorporated in the Cayman Islands with limited liability)

CHIHO ENVIRONMENTAL GROUP LIMITED

(Stock Code: 976.HK)

Chiho Group invest into

new end-of-life vehicle and electric vehicle battery recycling facility in Taizhou

On November 5, 2021, at the digital Zhejiang International Economy Summit, part of the 4th China International Import Expo, Chiho Environmental Group (“**Chiho Group**”) announced its investment into the construction of a new recycling facility in Taizhou, China. Around 50,000 end-of-life vehicles (“**ELV**”) and 10,000 tons of electric vehicle (“**EV**”) batteries will be processed, saving around 120,000 tons of carbon emission equivalents per year.

Chiho Group plan to invest RMB243 million, mainly financed through internal resources, to build a 100 acres new recycling yard in Taizhou, China, to recycle scrap, ELV and EV batteries, and to refurbish EV batteries and prepare them for a second life. Chiho Group will thereby further contribute to make industrial supply chains more circular and contribute to China's green circular economy by saving around 120,000 ton of carbon emission equivalents per year. In addition, the project will create approximately 280 local jobs.

Automobile ownership has been growing steadily in China over the recent years and more vehicles need to be recycled properly to enhance circular economy models. The current percentage of cars that are recycled, remains far lower than in many developed countries. The demand for ELV recycling and for recycling EV batteries is therefore on the rise. Especially as forecasts say that in 2025 roughly 20 percent of new cars will be electric vehicles.

This presents a huge immediate and long-term opportunity for the Group with its extensive industrial recycling know-how and latest developments in EV battery recycling. Furthermore, policies are in favour of the Group’s strategy: the Chinese government announced to promote a low carbon economy and to achieve carbon neutrality by 2060, including the Measures for the Management of End-of-Life Vehicle Recycling in 2020. It also emphasized the development of circular economy and dual carbon goals in its 14th Five-Year-Plan.

The project will be jointly operated by Taizhou Chiho-Tiande Metals Company Limited (“**Chiho Tiande**”) and Scholz China GmbH (“**Scholz**”), both being indirectly wholly owned subsidiaries of Chiho Group.

Scholz is a major subsidiary group of the Chiho Group and with a history of 150 years, possessing advanced technology and deep operational experience in metal recycling and recycling of ELV. Through continuous innovation, Scholz can turn up to 97% of ELVs and 99% from fine grained residuals into new high-quality products for the industry, exceeding even the strictest European Union targets. On the other hand, Chiho Tiande has been operating in the Chinese mixed metal recycling industry for more than two decades and has a strong customer base, an extensive supplier network and latest local market knowledge. The project will combine the competitive advantages of Scholz and Chiho-Tiande to transform the existing production base in Taizhou, China, into a leading recycling center for ELV and EV batteries.



Mr. Huang Ting

The Managing Director and Chief Operating Officer of Chiho
being interviewed at the digital Zhejiang International Economy Summit
to introduce the new investment project in Taizhou, China

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