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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)

PROFIT WARNING ANNOUNCEMENT

This announcement is made by Chiho Environmental Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) in accordance with the Inside Information Provision (as defined in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”)) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the “**SFO**”) and Rule 13.09(2)(a) of the Listing Rules.

The board of directors (the “**Board**”) of the Company wishes to inform the shareholders (the “**Shareholders**”) and potential investors of the Company that based on the preliminary review on the unaudited management accounts of the Group for the six months ended 30 June 2019 and the information currently available to the Board, it is expected that the Group will record a significant decline in the profit attributable to shareholders of the Company for the six months ended 30 June 2019 as compared to the profit for the corresponding period in 2018. The anticipated decrease in the profit attributable to shareholders of the Company is primarily attributable to the change in the PRC Government’s policy regarding the import ban of Category 7 scraps into China, the slowdown of the automotive industry in Europe and China, the effect of the US-China trade war on the global economy, and to a certain extent the rising transportation and energy costs.

As the Company is still in the process of finalising the unaudited consolidated results of the Group for the six months ended 30 June 2019, the information contained in this announcement is only based on the preliminary review and assessment made by the Board based on the unaudited consolidated management accounts of the Group and information currently available, which have neither been audited by the auditors nor reviewed by the audit committee of the Company. The above information may be subject to further adjustments upon further review. Shareholders and potential investors are advised to read carefully the announcement of the interim results of the Group for the six months ended 30 June 2019 which, is expected to be published in late August 2019.

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
Qin Yongming
Chairman

Hong Kong, 13 August 2019

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

Executive Directors: Qin Yongming (*Chairman and Chief Executive Officer*)
Tu Jianhua
Wong Wun Lam (*Chief Financial Officer*)

Independent Non-Executive Directors: Loke Yu
Qian Liping
Zhu Hongchao