

June 29, 2022



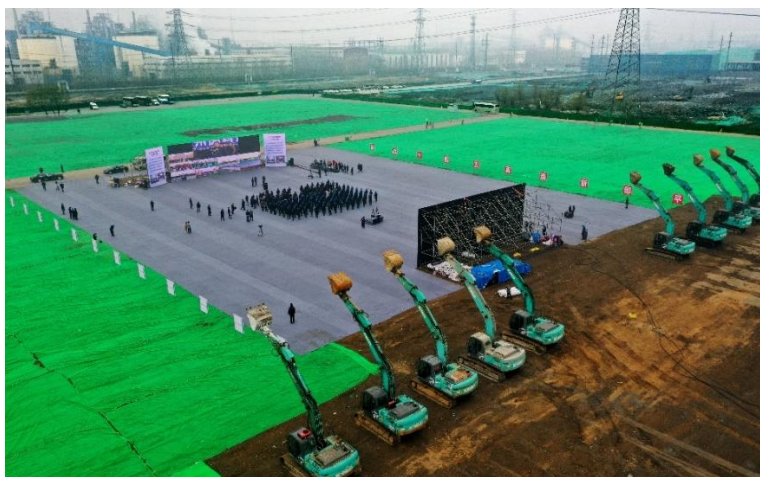
(Incorporated in the Cayman Islands with limited liability)

CHIHO ENVIRONMENTAL GROUP LIMITED

(Stock Code: 976.HK)

The Sino-German Hongshun Circular Industrial Park is creating a new flag for the world's high-end recycling industry

Sino-German Hongshun Circular Industrial Park (“Hongshun project”) is jointly invested and constructed by Shandong Weiqiao Pioneering Group (“Weiqiao”), China's largest electrolytic aluminum producer, and Scholz Group (“Scholz”) which is Germany's largest vehicle dismantling and metals recycling company, and a direct and fully owned subsidiary of Chiho Environmental Group (“Chiho”). Hongshun project aims to become a top-of-the-range recycling technology industrial park, both at home and abroad, through the "3+N" model, namely the recyclable resource of scrap car, aluminum recovery, lithium-ion battery recycling and supporting industrial chain. The establishment of Hongshun project fully combines Scholz's leading recycling technology and Weiqiao's mass aluminum production capacity, while seizing the huge potential recycling development opportunities in China and striving to promote the development of end-of-life scrap car dismantling, comprehensive utilization of EV battery and metal recycling in Binzhou and even the whole country. The Park strives to achieve an annual output of 500,000 tons of recycled aluminum, dismantle 100,000 vehicles annually and reduce carbon emissions by an average of 1.9 million tons per year by 2026.



The groundbreaking ceremony in May 2021

Updates of the construction of Hongshun project

(As of June 2022)

- **The Multi-effect recovery furnace has been completed and will be put into production by the end of June.**
- **The installation of aluminum ash processing equipment is nearing completion, and the equipment is aiming to be put into use by the end of June.**
- **The recycled aluminum workshop will sprint to the output target of 1,500 tons in June.**
- **The installation of pretreatment equipment in the dismantling workshop is substantially completed, and the acceptance conditions are fit.**

Chiho will continue to use its well-established technologies and operational experience in the fields of mixed metal recycling, non-ferrous metal recycling, and scrap vehicle dismantling and recycling, and combine with its strong R&D capabilities to enable sustainable innovation for the Hongshun project. Meanwhile, Chiho will continue to adhere to green development to seek closer cooperation with Weiqiao, and to make the Hongshun project the world's largest non-ferrous metal recycling technology industrial park, which will be playing a valuable role in industrial clusters, recycling economy and ecological construction.

— End —