

September 2, 2022



(Incorporated in the Cayman Islands with limited liability)

CHIHO ENVIRONMENTAL GROUP LIMITED

(Stock Code: 976.HK)

The groundbreaking ceremony of Qishun ELV comprehensive utilization project successfully held

On September 2, the key project of Qishun (Zhejiang) Recycling Technology Co., Ltd. --- the End-of-Life vehicles ("ELV") comprehensive utilization project (hereinafter referred to as the "project" or "Qishun project") was officially kick off in Luqiao Economic Development Zone, Taizhou City, Zhejiang Province. Yang Jianfeng---director of the Management Committee of Taizhou Luqiao Economic Development Zone, Li Hui---deputy director of the management committee, Yao Jietian---executive director of Chiho environmental group, Qin Siji --- general manager of Chiho Environmental Group Asia Pacific region, and representatives of Fujian Dongri Engineering Co., Ltd. and other relevant units attended the groundbreaking ceremony.



The Groundbreaking ceremony

Qishun project is jointly invested by Chiho environmental group and its subsidiary Scholz group. It focuses on the recycling of ELV, the recycling of powered lithium batteries, the recycling of waste metals and the supporting industrial chain. The investment of the first phase of the project is 160 million RMB, covering an area of 100 mu. After the project is completed and put into operation, 50000 ELVs and 10000 tons of retired lithium batteries can be recycled and comprehensively utilized. It is estimated that the annual output value is 750 million RMB, and the profits and taxes are 50 million RMB. It is expected to create about 280 new local jobs and reduce carbon emissions by 120,000 tons per year.

Construction process of Qishun project

(As of June 2022)

- **The construction of the ELV workshop officially kick-off.**
- **The basic design of power lithium battery recycling has been completed.**
- **Bidding and evaluation of relevant equipment have been completed.**

Qishun project is a benchmark project for Chiho environmental group and Scholz group to jointly explore the waste metal renewable resources market in Chinese Mainland. It is also the first new project for Chiho Taizhou to transform and upgrade, and also a determination for Chiho & Scholz to actively participate in the "dual carbon" strategy and green development. The groundbreaking of the Qishun project marks a new journey for Qihe Taizhou. At the same time, with the help and support of the committee of Taizhou road and Luqiao Economic Development Zone and competent departments at all levels, Qishun project will make full use of the localized operation experience and the global leading technical advantages of ELV recycling to contribute to the sustainable development of Zhejiang.

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