

*Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*



## 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

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

The board (the “**Board**”) of directors (the “**Directors**”) of the Company wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that, based on a preliminary review of the unaudited consolidated management accounts of the Group for the year ended 31 December 2022 (the “**Year 2022**”) and the information currently available to the Board, it is expected that the net profit of the Group for the Year 2022 will decline as compared to that for the year ended 31 December 2021 mainly due to, among other things, the following factors:

- i) The production of the Group in Europe and Asia regions was suspended from time to time during the Year 2022, which was mainly due to the outbreak of the Russian-Ukrainian war and the impact of the COVID-19 pandemic which led to delay in material supply and outbound logistical delays in delivery of products to customers. Hence, there is a decline on revenue and gross profit.
- ii) The production costs of the Group such as material costs and utility costs were continuously increasing in the Year 2022, that led to a decline on gross margin.
- iii) The joint ventures of the Group were also suffering from the impact of the outbreak of the Russian-Ukrainian war and the COVID-19 pandemic and as a result their profitability declined. Hence, there is a decline on share of post-tax profit in joint ventures.

Notwithstanding the above, it is expected that the Group will record a net profit in a range of approximately HK\$210 million to HK\$240 million for the Year 2022 as compared to that of approximately HK\$692 million for the year ended 31 December 2021.

As the Company is in the course of finalising the annual results for the Year 2022, the information contained in this announcement is only a preliminary assessment made by the Board based on the unaudited consolidated management accounts of the Group for the Year 2022 and the information currently available, and such information or data has not been audited or reviewed by the auditors or the audit committee of the Company. The actual results of the Group for the Year 2022 may be different from the disclosures in this announcement. Further details on the financial results will be disclosed in due course pursuant to the requirements of the Listing Rules when the Group publishes its results for the Year 2022.

**Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.**

By Order of the Board  
**Chiho Environmental Group Limited**  
**Yao Jietian**  
*Executive Director*

Hong Kong, 21 March 2023

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

*Executive Directors:*

Mr. Tu Jianhua  
Mr. Qin Yongming (*Chairman*)  
Mr. Miao Yu  
Mr. Yao Jietian  
Mr. Wang Li  
Mr. Zhang Wei (*Chief Executive Officer*)

*Independent Non-Executive Directors:*

Prof. Li Zhiguo  
Prof. Yan Guowan  
Mr. Szeto Yuk Ting