

December 4, 2023



(Incorporated in the Cayman Islands with limited liability)

CHIHO ENVIRONMENTAL GROUP LIMITED

(Stock Code: 976.HK)

Scholz and Voestalpine signed a long-term cooperation framework to jointly support the green steel plan

On November 27, 2023, Scholz Group and Voestalpine held a strategic cooperation signing ceremony in Linz, Austria, and jointly signed a long-term cooperation framework agreement, marking a solid step for both parties to drive green steel production in Austria and its surrounding areas. The partnership aims to fully leverage the supply advantages of recycled steel raw materials of Scholz Group and support in Voestalpine's "Greentec steel" strategy.

(Note: Greentec steel is a long-term decarbonization strategy implemented by Voestalpine to align with the EU climate goals. The strategic aims to reduce the group's carbon dioxide emissions by about 30% by 2030 and achieve carbon neutrality by 2050.)



The image is sourced from Voestalpine

The EU's 2050 carbon neutrality target has driven the transformation of the entire European steel industry. Facing the necessary transformation, Voestalpine Group formulated the Greentec Steel strategy for steel production and set specific goals to achieve carbon neutrality by 2050. In this plan, the supply of recycled steel raw materials has become an indispensable and important part.

Scholz Group has always been committed to providing high-quality recycled steel raw materials for steel mills, foundries, and smelters around the world. With high-quality raw material and efficient logistics capabilities, Scholz established long-term and stable cooperative relations with global partners and customers. In the backdrop of climate change and carbon reduction, Scholz has been continuously developing recycling technology to assist partners in carbon reduction and sustainability. In this long-term strategic cooperation with Voestalpine, Scholz will continue to contribute to the "Greentec Steel" goal based on the supply of high-quality recycled steel raw materials.

At the signing ceremony, the CEO of Scholz Group emphasized that "the cooperation with Voestalpine Group and the supporting for the 'Greentec Steel' are not only on commercial level, but also represent Scholz Group's active participation in climate protection. We believe that this cooperation will enhance both parties's market influence and make significant contributions to achieving global climate goals." He added, "Every member of the Scholz Group should take pride in our recycling business and environmental protection actions. Through cooperation with the Voestalpine Group, we will further realize Scholz's vision --- efficiently reusing resources through continuously innovative R&D, helping global industrial partners achieve sustainable development and carbon reduction".



Introduction to VOESTALPINE GROUP

Voestalpine Group is located in Austria, mainly producing, processing, and deeply developing high-quality steel products. It is a globally leading technology group in the same industry with comprehensive materials and processing capabilities. It has approximately 500 companies in over 50 countries worldwide. With high-quality steel and system solutions, Voestalpine has become a leading partner in the automotive and home appliance industries, as well as in the aviation and oil and gas industries. In addition, in the field of complete rail transit infrastructure, tool steel, Voestalpine is also a leader in the global market.



Introduction to SCHOLZ GROUP

Scholz Group is headquartered in Germany and is a key unit under Chiho Environmental Group. It has been committed to circular economy and green development for more than 150 years, accumulating advanced recycling technology and know-how. In 2016, Scholz Group became a wholly-owned subsidiary of Chiho Environmental Group and further mapped its industrial layout in Asia, with over 200 global yards. Scholz's business covers a wide range in the recycling of ferrous and

non-ferrous metals scraps, end-of-life vehicles, powered battery and electronic scraps and the production of secondary aluminum ingots from aluminum scraps, and its ELV recycling rate reached over 97%, exceeding the EU standard.

— End —