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(Incorporated in the Cayman Islands with limited liability)

CHIHO ENVIRONMENTAL GROUP LIMITED

(Stock Code: 976.HK)

Scholz Group and Autocirc sign Letter of Intent to expand European market reach

On July 2, 2024, Scholz Group is pleased to announce the signing of a Letter of Intent (LOI) with Autocirc, a European automotive parts recycling company, to establish a strategic partnership. Both parties will integrate their core business in key European markets, the resource utilization of scrapped vehicles, through a long-term and substantial partnership, in order to further improve the quality of scrapped vehicle parts reuse and the quality of recycled raw materials.



Since its establishment in 2019, Autocirc has developed rapidly in the automotive after-sales field, with strong growth in its automotive parts recycling and reuse business. Autocirc currently has 63 business operations in Sweden, Norway, Finland, the United Kingdom, Poland, Germany, France, and Portugal.

Scholz Group has a deep accumulation in the recycling and trade of steel and non-ferrous metals, with advanced recycling technology and industry knowledge. Scholz has more than 200 processing plants and material yards worldwide, with a recycling rate of over 97% for scrapped vehicles.

Through the strategic cooperation, Scholz Group's extensive network of yards and recycling facilities, especially in Central and Eastern Europe, will support Autocirc with a fast and effective way to expand its coverage across these markets. By integrating the core operations of both companies - recycling and car dismantling - the partnership aims to significantly increase the volume, quality and availability of parts from end-of-life vehicles (ELVs) and recycled high-quality raw materials.

"This co-operation between Autocirc and Scholz Group is very well complementing our established European expansion strategy and it is therefore gratifying that we have succeeded in signing this Letter of Intent" says Petteri Saarinen, CEO of Autocirc. "We look forward to embarking on this partnership which aligns perfectly with our vision of promoting sustainable automotive recycling. This collaboration will not only expand our geographic footprint but also enhance our ability to provide quality car parts to our customers."

Henry Qin, CEO of Scholz Group adds "We are excited to join forces with Autocirc in this strategic partnership. Our combined expertise and resources will drive significant environmental benefits and support the circular economy. Together, we aim to set new standards in the automotive recycling industry, ensuring the efficient processing and reuse of valuable materials from ELVs."

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