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## 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 of directors (the “**Board**”) 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 2024 (“**FY2024**”) and the information currently available to the Board, it is anticipated that the Group may record a gross profit of approximately HK\$860.0 million for FY2024 as compared to a gross profit of HK\$1,038.0 million for the year ended 31 December 2023 (“**FY2023**”); and a net loss of not less than approximately HK\$225.0 million for FY2024 as compared to a net loss of HK\$19.2 million for FY2023.

The expected net loss for FY2024 was mainly attributable to the impact of (i) the contraction in demand in end-use metal sectors (such as the automobile and construction industries) under the influence of the global macroeconomic environment, resulting in overall inventory adjustments across the industrial chain; (ii) escalating trade barriers and regional conflicts which exerted pressure on supply chain stability and operating costs; (iii) volatility in commodity prices ; (iv) high energy price, logistics costs and labor cost which compressed profit margins of the Group’s operations in Europe; (v) the provision for the loss on deconsolidation of subsidiaries as announced by the Company in the announcement dated 3 March 2025; and (vi) the provision for the closure of certain loss-making entities in China and Southeast Asia.

Faced with multiple adverse factors, the Company responded to external environmental fluctuations with strategic resilience in order to navigate the challenging landscape effectively, including strengthening communication and cooperation with customers, consolidating existing customer relationships, and continuously driving technological innovation as well as optimizing production processes, improving production efficiency, and reducing production costs. The Group remains confident in its long-term development.

As the Company is in the course of finalizing the annual results for FY2024, 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 FY2024 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 FY2024 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 FY2024.

**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**  
**Qin Yongming**  
*Chairman*

Hong Kong, 14 March 2025

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. Liu Yongxin

*Independent Non-Executive Directors:*

Prof. Li Zhiguo  
Mr. Szeto Yuk Ting  
Ms. Leung Pui Yee