
September 13, 2021



(Incorporated in the Cayman Islands with limited liability)

CHIHO ENVIRONMENTAL GROUP LIMITED

(Stock Code: 976.HK)

Chiho Group and Guangzhou Wanbao Group signed a Memorandum of Understanding (MoU)

On September 13, 2021, Scholz Group, the largest subsidiary group of Chiho Group, signed a MoU with Guangzhou Wanbao Business Development Group (“Guangzhou Wanbao Group”) on the development of a recycling industrial park (“Recycling Industrial Park”) in Guangzhou through joint ventures.

The Recycling Industrial Park will be engaged in dismantling and recycling of end-of-life vehicles (“ELVs”), recycling of aluminum scrap, steel scrap, retired lithium batteries and used tires, and other businesses.

The first phase of the Recycling Industrial Park will focus on: construction of collection, sorting and storage facilities for materials; dismantling of ELVs, including reuse, repair and crushing of its parts; crushing, sorting of scrap and mixed metal; dismantling, sorting, assessment, reuse, recycling of retired lithium batteries; construction of public and auxiliary facilities; solid waste and hazardous waste resource treatment; and other aspects of construction and operation.

Guangzhou Wanbao Group is a subsidiary group of Guangzhou Industrial Investment Holding Group Co., Ltd. under the Guangzhou Municipal People’s Government, focusing on the European industrial circular economy for many years. In view of current rapid development of domestic automobile industry, after several rounds of visits and discussion, Guangzhou Wanbao Group and Chiho Group decided to come into cooperation. It is expected that the cooperation will make great use of the corporate competitive advantages of Chiho Group and Guangzhou Wanbao Group, leading to a win-win situation.

Chiho Group, as the world's leading recycling corporation, will contribute to the construction and development of the Recycling Industrial Park with its strong technical development capacities, excellent recycling standard, first-class production and testing equipment, mature and standardised operation management, and perfect quality assurance system. On the other hand, Guangzhou Wanbao

Group is famous and influential in non-ferrous metals market, steel distribution, metallurgical furnaces materials and international trade, and it also has competitive advantage in downstream integration. It is convinced that their cooperation in metal trade and the construction of the Recycling Industrial Park will greatly improve the market supply of recycled metals. At the same time, both parties will follow the concept of low-carbon and green development and contribute to China's dual-carbon strategy and green circular economy.

- End-