



# Chiho Environmental Group Limited

## Global Leader in Metal Recycling and Environmental Protection Industries

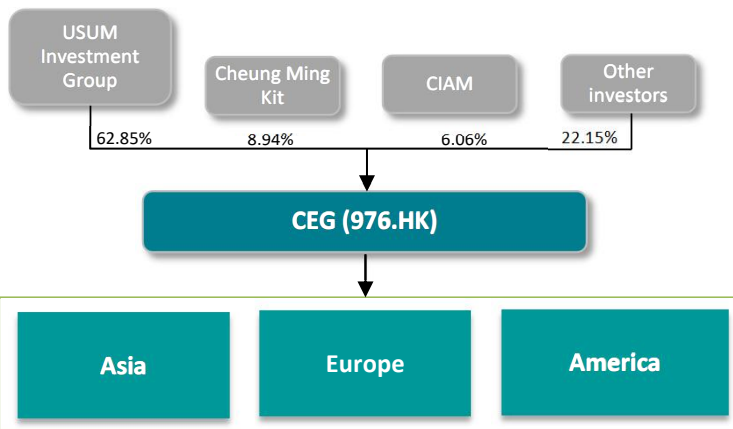


### Company Profile

Chiho Environmental Group Limited ("CEG", 976.HK) is the largest metal scrap recycling and processing company in China as well as one of the largest listed metal recycling companies in the world, primarily engaged in the recycling of ferrous and non-ferrous metal scraps, end-of-life vehicles ("ELV") and electronic waste, and the production of aluminum ingot from aluminum scraps. The business of the Group currently covers Asia, Europe and America, operating more than 200 sites.

The Group completed the acquisition of Scholz Group, one of the world's largest mixed metal recyclers and processors with advanced ELV processing capability, at the end of 2016. With more than a century of history in metal scrap recycling and processing, Scholz and its U.S. based subsidiary Liberty Iron & Metal have developed advanced technologies in the handling and recycling of multiple types of metals and other recyclable materials, allowing the Group to become a leading player in the industry .

### Shareholder Structure



### Stock Information

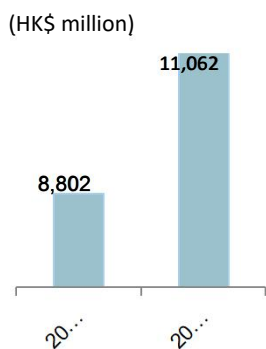
Stock code	976.HK
Listing Date	July 2010
Market Cap.	~HK\$4.815billion*

\*As of 23 August 2018

### Executive Directors

Executive Director (Controlling Shareholder)	Tu Jianhua
Chairman, Executive Director and Chief Executive Officer	Qin Yongming
Executive Director and Chief Financial Officer	Wong Wun Lam

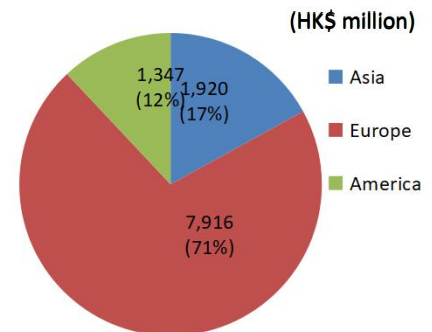
### Revenue of the Group



### Financial Highlights

Profit & Loss Statement (HK\$ million)	FY2017	FY2016	Increase
Sales (tons)	2.75million	2.42 million	13.6%
Sales Revenue	11,062.2	8,801.5	25.7%
Gross Profit	1305.2	1044.5	25%
Gross Profit Margin	11.8%	11.9%	(0.8)%
Profit Before Tax	386.5	271.0	42.6%
Profit After Tax	331.2	214.0	54.8%

### Revenue Breakdown of the Group in FY2017





# Chiho Environmental Group Limited

## Global Leader in Metal Recycling and Environmental Protection Industries



### Major Businesses

CEG owns diversified businesses and advanced technologies in the following areas:

#### Metal Scrap Recycling:

- Metal recycling services covers a wide range of contents, including ferrous and non-ferrous metals; Our sites in Europe and North America primarily focus on ferrous and non-ferrous scrap collection, processing and trading; our plant in Taizhou, China, is the biggest processing plant in the world for scrap motors demolition, with a recovery rate of > 99%; in addition, Chiho Yantai Recycling is a steel scrap recycler and trader in the Chinese domestic market

#### End-Of-Life Vehicle (ELV) Processing:

- A leader in ELV recycling, equipped with advanced post-shredder technology
- Recycling rate of ELV close to 97%

#### Electronic Waste Processing:

- Responsible Waste Electrical and Electronic Equipment (WEEE) recycling
- Our factory in Yuen Long, Hong Kong, is one of the largest, most diverse, integrated electronic waste recycling center with environmentally sound manual and automated processing

#### Waste Oil Recycling:

- The Company obtained the environmental assessment certificate from China's Ministry of Environment in 2H2017 and is one of the few licensed waste lubricating oil recycler in China
- Since January 2018, the waste oil business has been ramping up production, with expected production capacity of 60,000 - 100,000 tpa

### Core Advantages

- The Company underwent a management transformation and a revamp of the business
- Expert in ferrous and non-ferrous metal scrap recycling and trading
- One of the few metal recyclers in the world with a vertically integration model
- The world's top 3 publicly listed metal recycler in terms of annual sales in tonnage of recycled metals
- One of the few metal recyclers with global operations spanning Greater China, Europe and North America
- Diversified business; advanced technology; scrap motor recovery rate > 99%; ELV recycling rate of nearly 97%

### Global Integration

As its business covers Asia Pacific region, Europe and North America, the Company is able to conduct procurement and sales in these three geographies, therefore integrating the regional\upstream\downstream information in the recycled metal market, allowing for optimized resource allocation and cost efficiency

- Our business across China, Europe and US helps us to weather the trade disputes between US and China better
- Leveraging off our global coverage to enhance our business in all regions, such as introducing European and American companies' experience and technologies in ferrous and ELV processing to Asia Pacific region, especially the Chinese market
- Pooling and sharing of our operational and R&D resources across the Group
- Focus on efficiency and stringent cost management in all regions benchmarking industry best practices across the Group
- Central scrap metal trading hub based in HK for the export markets to work across all regions