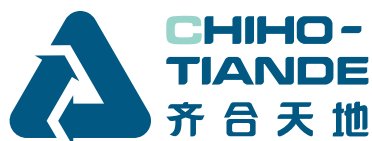


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CHIHO-TIANDE GROUP LIMITED

齊合天地集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 976)

FURTHER ANNOUNCEMENT

MAJOR TRANSACTION: ACCEPTANCE OF BINDING OFFER FOR THE ACQUISITION OF RIGHTS AND OBLIGATIONS UNDER CERTAIN LOAN AGREEMENTS AND PROMISSORY NOTES OF, AND PROVISION OF BRIDGING FACILITY TO, SCHOLZ HOLDING GMBH

The Company refers to its announcement made on 2 May 2016 (the “**Announcement**”) in relation to, among other things, the Transaction. Unless the context otherwise requires, capitalized terms used herein shall have the same meaning as those defined in the Announcement.

1. ACCEPTANCE OF BINDING OFFER

The Company is pleased to announce that the Sellers have now accepted the Binding Offer. As a result, the Debt Purchase Agreement became effective on 28 June 2016 (after trading hours). Closing of the Debt Purchase Agreement is still subject to the satisfaction and/or waiver of certain closing conditions.

2. CHANGE OF PURCHASING ENTITY UNDER THE DEBT PURCHASE AGREEMENT

By a transfer agreement dated 19 May 2016 between the Company and Chiho-Tiande Resources Limited (“**CTRL**”), a company incorporated under the laws of the British Virgin Islands and an indirectly wholly-owned subsidiary of the Company, CTRL will assume all the rights and obligations of the Company under the Debt Purchase Agreement. As a result, CTRL will acquire the Debt as purchaser under the Debt Purchase Agreement. The Company will remain jointly liable with CTRL for the obligations under the Debt Purchase Agreement.

3. CONSIDERATION

The initial purchase price of the Debt paid to the Sellers under the Debt Purchase Agreement is EUR236 million (equivalent to approximately HK\$2.1 billion) (the “**Initial Purchase Price**”). The nominal amount of the Debt to be acquired amounts to EUR524 million (equivalent to approximately HK\$4.66 billion). The Initial Purchase Price represents a 55% discount to the nominal amount of the Debt and is payable on closing of the Debt Purchase Agreement.

Subject to, and within 10 business days upon, the occurrence of an Upside Event (i.e. the earnings before interest, taxes, depreciation and amortization (“**EBITDA**”) (after post deduction of EBITDA attributable to minority shareholders) as set out in the annual audited consolidated financial statements for any of the years ending 31 December 2016 and 2017 of the Target exceeds EUR100 million (equivalent to approximately HK\$890 million)), CTRL shall pay to the Sellers an additional EUR20.4 million (equivalent to approximately HK\$181.56 million) (the “**Additional Purchase Price**” and together with the Initial Purchase Price, the “**Aggregate Purchase Price**”). For the avoidance of doubt, the obligation to pay the Additional Purchase Price can only be triggered once.

In addition to the Aggregate Purchase Price and pursuant to the Debt Purchase Agreement, the Company had set aside EUR20 million (representing approximately 7.8% of the Aggregate Purchase Price and equivalent to approximately HK\$178 million) (the “**Closing Conditions Settlement Amount**”) for the settlement of the 8.5% EUR150 million (equivalent to approximately HK\$1,335 million) Austrian law governed bond originally issued by the Target on 8 March 2012 and subsequently increased to EUR182.5 million (equivalent to approximately HK\$1,624.25 million) on 13 February 2013 (the “**Austrian Bond**”) and the settlement of certain other closing conditions.

The Closing Conditions Settlement Amount, together with the Aggregate Purchase Price, had been paid into an escrow account. EUR16,001,600 (equivalent to approximately HK\$142.4 million) of such amount shall be used to settle the Austrian Bond. The remaining EUR3,998,400 (equivalent to approximately HK\$35.6 million) will be used for settlement of other payment obligations in connection with the closing conditions under the Debt Purchase Agreement prior to the completion of the Transaction.

Further, under the terms of the Debt Purchase Agreement, the Company has undertaken to the Sellers that it will, upon request of the Target, provide the Bridging Loan to the Target which may be utilized for the financing of liquidity requirements after the Debt Purchase Agreement has become effective.

The Aggregate Purchase Price (including the Closing Conditions Settlement Amount) was determined after arm’s length negotiations between the Company and the Sellers, having regard to, among other things, (i) the Sellers’ view of the value of the Debt; and (ii) the business and financial results of the Target.

4. FURTHER ANNOUNCEMENT(S)

Further announcement(s) will be made by the Company in accordance with the Listing Rules as and when appropriate.

By Order of the Board
Chiho-Tiande Group Limited
Tu Jianhua
Chairman

Hong Kong, 28 June 2016

In this announcement and for illustration purposes only, amounts denominated in EUR has been converted into HK\$ at the rate of EUR1=HK\$8.9.

As at the date of this announcement, the Board of Directors of the Company comprises:

Executive Directors: Tu Jianhua, Zhang Mingjie, Zhang Jun

Independent Non-executive Directors: Loke Yu, Zhang Jingdong, Zhu Dajian