

## **Chiho-Tiande Announces the Acceptance of a Binding Offer**

(Hong Kong, 28 June 2016) – **Chiho-Tiande Group Limited** ( “Chiho-Tiande” or the “Group” ) (Stock code: 976), a global leading mixed metal scrap recycler, has today announced that the Sellers (certain lenders comprising financial institutions, international debt providers and funds) which have granted certain loans and promissory notes ( “Debt” ) to Scholz Holding GmbH ( “Scholz” ), one of the biggest metal scrap recyclers in the world, have accepted the Binding Offer under a Debt Purchase Agreement at the initial purchase price of EUR236 million (equivalent to approximately HK\$2.1 billion). The Debt Purchase Agreement has become effective after trading hours on 28 June 2016.

Chiho-Tiande Resources Limited ( “CTRL” ), the Group’ s indirectly wholly-owned subsidiary, will acquire the Debt as purchaser, while the Group will remain jointly liable with CTRL for the obligations under the Debt Purchase Agreement. The initial purchase price represented a 55% discount to the nominal amount of EUR 524 million (equivalent to approximately HK\$4.66 billion) and is payable on closing of the Debt Purchase Agreement. CTRL shall pay to the Sellers an additional EUR20.4 million (equivalent to approximately HK\$181.56 million) in the event that EBITDA as set out in the annual audited consolidated financial statements for any of the years ending 31 December 2016 and 2017 of Scholz exceeds EUR100 million (equivalent to approximately HK\$890 million). Furthermore, the Group will provide an

additional EUR20 million (equivalent to approximately HK\$178 million) to Scholz which shall be used to settle the Austrian Bond and other payment obligations in connection with the closing conditions under the Debt Purchase Agreement prior to the completion of the Transaction.

In order to finance the immediate liquidity requirements of Scholz, the group will also provide a Bridg Loan, up to EUR50 million (equivalent to approximately HK\$445 million), to Scholz on request.