

Chiho-Tiande Completed the Debt Acquisition of Scholz Holding GmbH

Chiho-Tiande Group Limited ("Chiho-Tiande" or the "Group") (Stock code: 976), a global leading mixed metal scrap recycler, is pleased to announce the completion of the acquisition of the rights and obligations under certain loan agreements and promissory notes of Scholz Holding GmbH ("Scholz Holding"), one of the biggest metal scrap recyclers in the world. The closing of the Debt Acquisition took place on 22 July 2016 (after trading hours), at the initial purchase price of EUR236 million (equivalent to approximately HK\$2.1 billion) and part of the Closing Conditions Settlement Amount of approximately EUR4 million (equivalent to approximately HK\$35.6 million). Through the Debt Acquisition, the Group become the largest debtholder of Scholz Holding, and will embark on a series of steps to prepare for the Potential Equity Acquisition in the near future.

As disclosed in the announcement of the Group dated 20 July 2016, the Restructuring Agreement was entered into by the Group and Scholz Holding, pursuant to which Chiho-Tiande Resources Limited ("CTRL") and Scholz Holding will enter into a debt waiver agreement on the Restructuring Closing Date, in which CTRL has agreed to irrevocably waive approximately EUR224 million (equivalent to approximately HK\$2.0 billion) of the Debt (representing 42.75% of the original nominal amount of the Debt) and the relevant interest. The remaining outstanding

nominal value of the Debt owed by Scholz Holding to CTRL after the partial waiver is approximately EUR300 million (equivalent to approximately HK\$2.7 billion).

The Debt Acquisition is dedicated to allow the Group to restructure the financial situation and balance sheet of Scholz Holding in order to revitalize the sustainable going concern of Scholz Holding' s business and, thereby, gain access to upstream material supplies from the European markets, and to one of the best End-of-Life Vehicle dismantling and processing technology globally.