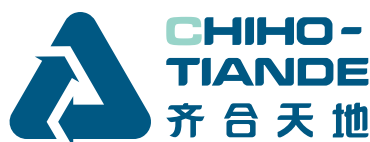


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CHIHO-TIANDE GROUP LIMITED

齊合天地集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 976)

**UPDATE ANNOUNCEMENT ON
THE EXTENSION OF MATURITY DATE OF THE CONVERTIBLE BONDS
AND
THE SUBSCRIPTION OF SHARES UNDER THE SPECIFIC MANDATE
AND
PURCHASE OF CONVERTIBLE BONDS
AND
APPLICATION FOR WHITEWASH WAIVER**

PURCHASE OF CONVERTIBLE BONDS BY THE SUBSCRIBER

Reference is made to the announcements of the Company dated 5 March 2015, 10 March 2015, 18 March 2015, 26 March 2015 and 1 April 2015 in relation to, among other things, the extension of the maturity date of the Convertible Bonds issued by the Company to 1 March 2017 (together the “**CB Extension Announcements**”) and the announcement of the Company dated 27 March 2015 in relation to the subscription by USUM Investment Group Hong Kong Limited (the “**Subscriber**”) of new Shares of the Company (the “**Placing Announcement**”).

The Board has been informed that on 9 April 2015, the Subscriber and Sims entered into the CB Purchase Agreement pursuant to which Sims has conditionally agreed to sell, and the Subscriber has conditionally agreed to purchase, all the Convertible Bonds owned by Sims for a sum equivalent to the total of (i) the principal amount of the Sims Bonds of HK\$315,600,000 and (ii) the amount of interest which has accrued and remains unpaid upon the Sims Bonds on and from 2 March 2015 up to and including the date of completion of the CB Purchase Agreement as calculated in accordance with the Deed Poll. The total principal amount of the Convertible Bonds issued by the Company is HK\$815,800,000.

As disclosed in the CB Extension Announcements, the Company is seeking Shareholders' approval for the extension of the maturity date of the Convertible Bonds (including the Sims Bonds) to 1 March 2017. The CB Purchase Agreement is conditional upon, among other things, (i) completion of the First Subscription Agreement and the Second Subscription Agreement; (ii) the Sims CB Extension having been approved by the Shareholders at the CB Extension EGM by way of poll; and (iii) the Sims CB Transfer having been approved by the independent Shareholders (i.e. Shareholders other than the Subscriber and its associates) at the CB Extension EGM by way of poll. Based on the initial conversion price of the Convertible Bonds of HK\$6.0, full conversion of the Sims Bonds will result in the issue of 52,600,000 Shares.

IMPLICATIONS UNDER THE TAKEOVERS CODE

Upon completion of the First Subscription Agreement, the Subscriber (together with parties acting in concert with it) will in aggregate be interested in 203,900,000 Shares, representing approximately 19.42% of the issued share capital of the Company as at the date of this announcement and approximately 16.26% of the issued share capital of the Company as enlarged by the allotment and issue of the First Subscription Shares (assuming that there is no change in the issued share capital of the Company other than the issue of the First Subscription Shares).

Upon completion of the Second Subscription Agreement, the percentage voting rights held by the Subscriber (together with parties acting in concert with it) in the Company will be increased from approximately 16.26% to approximately 30.32% (assuming that there is no change in the issued share capital of the Company other than the issue of the First Subscription Shares and the Second Subscription Shares).

Assuming that the First Subscription Agreement, the Second Subscription Agreement and the CB Purchase Agreement have been completed, the percentage voting rights held by the Subscriber (together with parties acting in concert with it) in the Company will, upon the full exercise of the conversion rights attaching to the Sims Bonds, be increased from approximately 30.32% to approximately 32.67% (assuming that there is no change in the issued share capital of the Company other than the issue of the First Subscription Shares, the Second Subscription Shares and the Conversion Shares).

The Subscriber will apply to the Executive for the (a) the Whitewash Waiver in respect of the obligations of the Subscriber and parties acting in concert with it to make a mandatory general offer under Rule 26.1 of the Takeovers Code for all the issued Shares and other securities of the Company not already owned or agreed to be acquired by it and parties acting in concert with it which would otherwise arise as a result of the Second Subscription; and (b) CB Whitewash Waiver in respect of the obligations of the Subscriber and parties acting in concert with it to make a mandatory general offer under Rule 26.1 of the Takeovers Code for all the issued Shares and other securities of the Company not already owned or agreed to be acquired by it and parties acting in concert with it which would otherwise arise as a result of the Subscriber fully exercising the conversion rights attaching to the Sims Bonds.

The Placing EGM will be convened and held for the purpose of considering, among other things, and, if thought fit, approving the Transactions (i.e. the entering into of the Second Subscription Agreement and the transactions contemplated thereunder, the grant of the specific mandate to the Board for the allotment and issue of the Second Subscription Shares and the Whitewash Waiver) and the CB Whitewash Waiver. The Placing Circular containing, among other things, details of the First Subscription Agreement, the Second Subscription Agreement, the CB Purchase Agreement, the Whitewash Waiver and the CB Whitewash Waiver, together with the recommendation of the Independent Board Committee to the Independent Shareholders, and the letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders (i.e. Shareholders other than the Subscriber and parties acting in concert with it and any other Shareholders (including Mr. Fang who was involved in the negotiation in his capacity as an executive Director, and parties acting in concert with him (including HWH, Delco and Mr. van Ooijen)) who are interested in or involved in the Transactions and/or the CB Whitewash Waiver) in relation to the Transactions and the CB Whitewash Waiver and the notice of the Placing EGM will be despatched to the Shareholders as soon as practicable and in compliance with the requirements of the Listing Rules and the Takeovers Code.

IMPLICATIONS UNDER THE LISTING RULES

Given that the Subscriber will become a substantial shareholder of the Company holding 203,900,000 Shares (representing approximately 16.26% of the issued share capital of the Company as enlarged by the First Subscription Shares) after completion of the First Subscription Agreement, and will acquire the Sims Bonds upon completion of the CB Purchase Agreement, the CB Purchase Agreement and the transactions contemplated thereunder (including the issue of Shares on any exercise of the conversion rights under the Sims Bonds to the Subscriber) will be regarded as a connected transaction for the Company and is subject to the reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules. The Subscriber and its associates will be required to abstain from voting for the relevant resolution to approve the Sims CB Transfer at the CB Extension EGM.

The Company will despatch the CB Extension Circular to the Shareholders setting out the details of (i) the Undertakings; (ii) the terms of the Convertible Bonds; (iii) the CB Purchase Agreement; and (iv) the respective letters of advice from the independent board committee of the Company and the independent financial adviser appointed by the Company, together with a notice to convene the CB Extension EGM on or before 10 April 2015.

PURCHASE OF CONVERTIBLE BONDS BY THE SUBSCRIBER

Reference is made to the CB Extension Announcements and the Placing Announcement. Unless otherwise specified, capitalised terms used in this announcement shall have the same meaning as those defined in the CB Extension Announcements and the Placing Announcement.

The Board has been informed that on 9 April 2015, the Subscriber and Sims entered into a sale and purchase agreement (the “**CB Purchase Agreement**”) pursuant to which Sims has conditionally agreed to sell, and the Subscriber has conditionally agreed to purchase, all the Convertible Bonds owned by Sims (the “**Sims Bonds**”) for a sum equivalent to the total of (i) the principal amount of the Sims Bonds of HK\$315,600,000 and (ii) the amount of interest which has accrued and remains unpaid upon the Sims Bonds on and from 2 March 2015 up to and including the date of completion of the CB Purchase Agreement as calculated in accordance with the Deed Poll (the “**Sims CB Transfer**”). The total principal amount of the Convertible Bonds issued by the Company is HK\$815,800,000.

As disclosed in the CB Extension Announcements, the Company is seeking Shareholders’ approval for the extension of the maturity date of the Convertible Bonds (including the Sims Bonds) to 1 March 2017. The CB Purchase Agreement is conditional upon, among other things, the Sims CB Extension having been approved by the Shareholders. Based on the initial conversion price of the Convertible Bonds of HK\$6.0, full conversion of the Sims Bonds will result in the issue of 52,600,000 Shares, which represents approximately 3.37% of the issued share capital of the Company as enlarged by the First Subscription Shares, the Second Subscription Shares and the Conversion Shares.

THE CB PURCHASE AGREEMENT

Based on the information provided by the Subscriber, the principal terms of the CB Purchase Agreement are set out as follows:

Date

9 April 2015

Parties

Sims as seller; and

The Subscriber as purchaser

As at the date of this announcement, Sims does not hold any Shares.

Assets to be acquired

The Sims Bonds, being Convertible Bonds owned by Sims in the aggregate principal amount of HK\$315,600,000.

Consideration

The total consideration for the sale of the Sims Bonds will be payment by the Subscriber of a sum equivalent to the total of (i) the principal amount of the Sims Bonds of HK\$315,600,000 and (ii) the amount of interest which has accrued and remains unpaid upon the Sims Bonds on and from 2 March 2015 up to and including the date of completion of the CB Purchase Agreement as calculated in accordance with the Deed Poll.

Conversion Shares

Pursuant to the terms and conditions of the Convertible Bonds, the Bondholders have the right to convert the Convertible Bonds in whole or in part of the principal amount of the Convertible Bonds at the prevailing conversion price (which is HK\$6.0 per Share as at the date of this announcement) at any time during the conversion period in amounts of not less than HK\$100,000 or any higher integral multiples thereof on each conversion, in accordance with the procedures set out in the Deed Poll. The conversion rights attaching to the Convertible Bonds may be exercised, at any time on or after the first Business Day immediately following the second anniversary of the date of issue of the Convertible Bonds (i.e. 1 March 2014) up to and including the date falling on the 10th Business Day prior to the Extended Maturity Date (i.e. 1 March 2017), or if such date is not a business day (the “**Stock Exchange Business Day**”) where the Stock Exchange is open for business, the Stock Exchange Business Day immediately preceding this date.

Upon full conversion of the Sims Bonds, a total of 52,600,000 Shares will be issued. Assuming that there is no change in the issued share capital of the Company other than the issue of the First Subscription Shares, the Second Subscription Shares and the Conversion Shares, the Conversion Shares represent approximately:

- (a) 5.01% of the issued share capital of the Company as at the date of this announcement; and
- (b) 3.37% of the issued share capital of the Company as enlarged by the First Subscription Shares, the Second Subscription Shares and the Conversion Shares.

Conditions Precedent

Completion of the CB Purchase Agreement is conditional upon the fulfillment or waiver (if applicable) of the following conditions precedent:

- (a) the Stock Exchange having confirmed in writing that it has no further comments on the circular to be issued by the Company (in relation to the Sims CB Extension and the extraordinary general meeting (the “**CB Extension EGM**”) of the Company to be convened for the purposes of, among other things, approving the Sims CB Extension) in which information about the transaction contemplated under the CB Purchase Agreement is disclosed;
- (b) the Stock Exchange having granted approval in writing of the Sims CB Extension;

- (c) the Stock Exchange having granted approval in writing of the listing of, and permission to deal in, the new Shares to be issued upon exercise of the conversion rights attaching to the Sims Bonds (the “**Sims Conversion Shares**”) (including the Sims Conversion Shares issuable as a result of the Sims CB Extension);
- (d) a waiver in respect of the obligations of the Subscriber and parties acting in concert with it to make a mandatory general offer under Rule 26.1 of the Takeovers Code for all the issued Shares and other securities of the Company not already owned or agreed to be acquired by it and parties acting in concert with it which would otherwise arise as a result of the Subscriber fully exercising the conversion rights attaching to the Sims Bonds (the “**CB Whitewash Waiver**”) having been granted by the SFC and such waiver not subsequently being revoked prior to completion of the CB Purchase Agreement;
- (e) (i) the Sims CB Extension and the Sims Specific Mandate having been approved by the Shareholders at the CB Extension EGM by way of poll; (ii) the Sims CB Transfer having been approved by the independent Shareholders (i.e. Shareholders other than the Subscriber and its associates) at the CB Extension EGM by way of poll; and (iii) the CB Whitewash Waiver having been approved by the Independent Shareholders (i.e. Shareholders other than the Subscriber and parties acting in concert with it and any other Shareholders (including Mr. Fang who was involved in the negotiation in his capacity as an executive Director, and parties acting in concert with him (including HWH, Delco and Mr. van Ooijen)) who are interested in or involved in the Transactions and/or the CB Whitewash Waiver) by way of poll;
- (f) completion of each of the First Subscription Agreement and the Second Subscription Agreement having taken place in accordance with its terms;
- (g) the representations, warranties and undertakings given by each of the Subscriber and Sims remaining true and correct in all respects; and
- (h) there being no law in force, and no order or decision of a competent authority, securities exchange, court or tribunal having been made (or any pending or outstanding application for the approval of any of the aforesaid bodies), which would have the effect of restricting the transactions contemplated under the CB Purchase Agreement (or without which approval the transactions hereunder cannot proceed).

Save that the Subscriber may waive in whole or in part the conditions precedent (d), (f), (g) (in respect of a breach by Sims of any of the representations, warranties and undertakings given by Sims) and (h) above and that Sims may waive in whole or in part the condition precedent (g) (in respect of a breach by the Subscriber of any of the representations, warranties and undertakings given by the Subscriber), none of the other conditions precedent may be waived by Sims or the Subscriber.

If the above conditions precedent are not fulfilled and/or not waived (in respect of conditions precedent (d), (f), (g) and (h)) on or before 29 May 2015 (the “**CB SPA Long Stop Date**”), the CB Purchase Agreement will be capable of termination by either party forthwith on written notice to the other.

Completion

Completion of the CB Purchase Agreement will take place on the later of: (i) 3 June 2015; or (ii) the third Business Day following the day on which the last in time of the conditions precedent set out in the CB Purchase Agreement shall have been satisfied or waived, or such other date as Sims and the Subscriber may mutually agree in writing.

Principal terms and conditions of the Convertible Bonds

A summary of the principal terms and conditions of the Convertible Bonds will be set out in a circular (the “CB Extension Circular”) to be despatched to the Shareholders in relation to the Extension.

EFFECT OF THE SUBSCRIPTION AND CB PURCHASE AGREEMENT ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

Set out below is the shareholding structure of the Company as at the date of this announcement and (i) immediately after completion of the First Subscription; (ii) immediately after completion of the Second Subscription; and (iii) immediately after the exercise of the conversion rights attaching to the Sims Bonds in full, assuming that the CB Purchase Agreement has been completed:

Shareholders	As at the date of this announcement		Immediately after the completion of the First Subscription		Immediately after the completion of the Second Subscription		Immediately after the full exercise of the conversion rights attaching to the Sims Bonds	
	Shares	%	Shares	%	Shares	%	Shares	%
Directors								
Mr. Fang	7,014,000	0.67	7,014,000	0.56	7,014,000	0.47	7,014,000	0.45
Mr. Gu Liyong	425,000	0.04	425,000	0.03	425,000	0.03	425,000	0.03
Past Director								
Mr. van Ooijen	700,000	0.07	700,000 (Note 3)	0.06	700,000 (Note 3)	0.05	700,000 (Note 3)	0.04
Substantial Shareholders								
HWH (Notes 1&4)	318,905,265	30.37	318,905,265	25.43	318,905,265	21.16	318,905,265	20.45
Tai Security Holding Limited	175,197,990	16.69	175,197,990	13.97	175,197,990	11.63	175,197,990	11.23
Good Union Hong Kong Investment Limited	120,000,000	11.43	120,000,000 (Note 3)	9.57	120,000,000 (Note 3)	7.96	120,000,000 (Note 3)	7.70
Delco (Note 2)	115,197,991	10.97	115,197,991 (Note 3)	9.19	115,197,991 (Note 3)	7.64	115,197,991 (Note 3)	7.39
The Subscriber and parties acting in concert with it (Note 4)	–	–	203,900,000	16.26	456,900,000	30.32	509,500,000	32.67
Other Public Shareholders								
	312,508,460	29.76	312,508,460 (Note 3)	24.93	312,508,460 (Note 3)	20.74	312,508,460 (Note 3)	20.04
Total	<u>1,049,948,706</u>	<u>100.00</u>	<u>1,253,848,706</u>	<u>100.00</u>	<u>1,506,848,706</u>	<u>100.00</u>	<u>1,559,448,706</u>	<u>100.00</u>

Notes:

1. HWH is wholly-owned by, and hence an associate of, Mr. Fang.
2. Delco is a company 50%-owned by, and hence an associate of, Mr. van Ooijen, a former executive Director who resigned on 12 March 2015. As disclosed in the announcement of the Company dated 2 February 2015, Delco and HWH entered into a sale and purchase agreement (the “**HWH-Delco SPA**”) on 23 January 2015, pursuant to which Delco conditionally agreed to sell, and HWH conditionally agreed to purchase, 115,197,991 Shares. As at the date of this announcement, the HWH-Delco SPA has not yet been completed.
3. Immediately after the completion of the First Subscription, the Shares held by Mr. van Ooijen, Delco and Good Union Hong Kong Investment Limited will be regarded as Shares held by the public Shareholders. The public Shareholders will together hold (a) approximately 43.74% of the issued share capital of the Company immediately after the completion of the First Subscription; (b) approximately 36.39% of the issued share capital of the Company immediately after the completion of the Second Subscription; and (c) approximately 35.17% of the issued share capital of the Company immediately after the exercise of the conversion rights attaching to the Sims Bonds in full, assuming that the CB Purchase Agreement has been completed.
4. As at the date of this announcement, HWH (and parties acting in concert with it) and the Subscriber (and parties acting in concert with it) are not acting in concert. Immediately after the completion of the Second Subscription, HWH and the Subscriber will each hold more than 20% voting rights in the Company and will hence be presumed to be acting in concert with each other. Nonetheless, the Subscriber will make an application to the Executive for the rebuttal of the presumption.

IMPLICATIONS UNDER THE TAKEOVERS CODE

Upon completion of the First Subscription Agreement, the Subscriber (together with parties acting in concert with it) will in aggregate be interested in 203,900,000 Shares, representing approximately 19.42% of the issued share capital of the Company as at the date of this announcement and approximately 16.26% of the issued share capital of the Company as enlarged by the allotment and issue of the First Subscription Shares (assuming that there is no change in the issued share capital of the Company other than the issue of the First Subscription Shares).

Upon completion of the Second Subscription Agreement, the percentage voting rights held by the Subscriber (together with parties acting in concert with it) in the Company will be increased from approximately 16.26% to approximately 30.32% (assuming that there is no change in the issued share capital of the Company other than the issue of the First Subscription Shares and the Second Subscription Shares).

Assuming that the First Subscription Agreement, the Second Subscription Agreement and the CB Purchase Agreement have been completed, the percentage voting held by the Subscriber (together with parties acting in concert with it) in the Company will, upon the exercise of the conversion rights attaching to the Sims Bonds, be increased from approximately 30.32% to approximately 32.67% (assuming that there is no change in the issued share capital of the Company other than the issue of the First Subscription Shares, the Second Subscription Shares and the Conversion Shares).

The Subscriber will apply to the Executive for (a) the Whitewash Waiver in respect of the obligations of the Subscriber and parties acting in concert with it to make a mandatory general offer under Rule 26.1 of the Takeovers Code for all the issued Shares and other securities of the Company not already owned or agreed to be acquired by it and parties acting in concert with it which would otherwise arise as a result of the Second Subscription; and (b) the CB Whitewash Waiver in respect of the obligations of the Subscriber and parties acting in concert with it to make a mandatory general offer under Rule 26.1 of the Takeovers Code for all the issued Shares and other securities of the Company not already owned or agreed to be acquired by it and parties acting in concert with it which would otherwise arise as a result of the Subscriber fully exercising the conversion rights attaching to the Sims Bonds.

As disclosed in the Placing Announcement, an extraordinary general meeting (the “**Placing EGM**”) of the Company will be convened and held for the purpose of considering, among other things, and, if thought fit, approving the Transactions (i.e. the entering into of the Second Subscription Agreement and the transactions contemplated thereunder, the grant of the specific mandate to the Board for the allotment and issue of the Second Subscription Shares and the Whitewash Waiver) and the CB Whitewash Waiver.

A circular (the “**Placing Circular**”) containing, among other things, details of the First Subscription Agreement, the Second Subscription Agreement, the CB Purchase Agreement, the Whitewash Waiver and the CB Whitewash Waiver, together with the recommendation of the Independent Board Committee to the Independent Shareholders, and the letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders (i.e. Shareholders other than the Subscriber and parties acting in concert with it and any other Shareholders (including Mr. Fang who was involved in the negotiation in his capacity as an executive Director, and parties acting in concert with him (including HWH, Delco and Mr. van Ooijen)) who are interested in or involved in the Transactions and/or the CB Whitewash Waiver) in relation to the Transactions and the CB Whitewash Waiver and the notice of the Placing EGM will be despatched to the Shareholders as soon as practicable and in compliance with the requirements of the Listing Rules and the Takeovers Code.

INFORMATION ABOUT THE SUBSCRIBER

The Subscriber is an investment holding company incorporated in Hong Kong with limited liability, which is directly wholly owned by USUM, a limited liability company incorporated in the PRC. The single largest shareholder of USUM is Loncin Holdings, with an equity interest in USUM of 38.65%. Loncin Holdings is 98% owned by Loncin Group and 2% owned by Mr. Tu Jianhua. Loncin Group is 98% owned by Mr. Tu Jianhua.

USUM has a registered capital of RMB3.08 billion, and is principally engaged in investments in the energy and natural resources sector. The business scope of USUM, as specified in its business licence, includes investment business, business information services and import and export of goods and technology.

The business scope of Loncin Holdings, as specified in its business licence, includes investments in projects relating to general industrials, real estate and technology, investment consulting and management, manufacture and sale of metal products, electrical machinery and equipment, electronics and communication equipment and import and export of goods.

The business scope of Loncin Group, as specified in its business licence, includes investment business, sale of automobiles, clothing, footwear, headwear, furniture, metal products, electrical machinery and equipment, electronics and communication equipment and fashion design.

Mr. Tu is an entrepreneur from the PRC. He is a member of the 11th and 12th National People Congress of the PRC. He is also the Vice-President of Chongqing City Federation of Industry and Commerce and Vice-Chairman of Chongqing Charity Federation. He is currently a non-executive director of Hanhua Financial Holding Co., Ltd, a company listed on the Stock Exchange (stock code: 3903).

DEALING AND INTEREST OF THE SUBSCRIBER AND PARTIES ACTING IN CONCERT WITH IT IN THE SECURITIES OF THE COMPANY

As at the date of this announcement, save for the First Subscription Shares and the Second Subscription Shares to be acquired upon the completion of the First Subscription Agreement and the Second Subscription Agreement, respectively, the Sims Bonds to be acquired upon the completion of the CB Purchase Agreement and the Sims Conversion Shares to be acquired upon exercise of the conversion rights attaching to the Sims Bonds, the Subscriber has confirmed that none of the Subscriber and parties acting in concert with it:

- (a) holds, controls or has direction over any outstanding Shares, options, or any securities that are convertible into Shares or any derivatives in respect of securities in the Company, or hold any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company, or has entered into any derivatives in respect of the securities of the Company;
- (b) has received any irrevocable commitment to vote for or against the Second Subscription Agreement, the Whitewash Waiver or the CB Whitewash Waiver;
- (c) has borrowed or lent any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company;
- (d) has any arrangement referred to in Note 8 to Rule 22 of the Takeovers Code (whether by way of option, indemnity or otherwise) in relation to the relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company, which might be material to the Second Subscription Agreement, the Whitewash Waiver and/or the CB Whitewash Waiver, with any other persons;
- (e) has any agreement or arrangement to which it is a party which relates to the circumstances in which it may or may not invoke or seek to invoke a pre-condition or a condition to the Second Subscription Agreement, the Whitewash Waiver and/or the CB Whitewash Waiver; or
- (f) has dealt in Shares, outstanding options, derivatives or other securities convertible or exchangeable into Shares, during the six months prior to the date of this announcement.

IMPLICATIONS UNDER THE LISTING RULES

Given that the Subscriber will become a substantial shareholder of the Company holding 203,900,000 Shares (representing approximately 16.26% of the issued share capital of the Company as enlarged by the First Subscription Shares) after completion of the First Subscription Agreement, and will acquire the Sims Bonds upon completion of the CB Purchase Agreement, the CB Purchase Agreement and the transactions contemplated thereunder (including the issue of Shares on any exercise of the conversion rights under the Sims Bonds to the Subscriber) will be regarded as a connected transaction for the Company and is subject to the reporting, announcement and independent shareholders' approval requirements under Chapter 14A of the Listing Rules. The Subscriber and its associates will be required to abstain from voting for the relevant resolution to approve the Sims CB Transfer at the CB Extension EGM.

The Company will despatch the CB Extension Circular to the Shareholders setting out the details of (i) the Undertakings; (ii) the terms of the Convertible Bonds; (iii) the CB Purchase Agreement; and (iv) the respective letters of advice from the independent board committee of the Company and the independent financial adviser appointed by the Company on the Sims CB Transfer, the HWH CB Extension and the Delco CB Extension, together with a notice to convene the CB Extension EGM on or before 10 April 2015.

By Order of the Board
Chiho-Tiande Group Limited
Fang Ankong
Chairman

Hong Kong, 9 April 2015

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

Executive Directors: Fang Ankong, Gu Liyong

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

As at the date of this announcement:

- (a) the sole director of the Subscriber is Ms. Danni Chan; and
- (b) the directors of USUM comprise Tu Jianhua, Yue Longqiang, Duan Xiaohua, Yang Weimin, Xiao Hua'an, Peng Jianqiang, Huang Hongyun, Xiang Hua, Song Xiaoping, Liao Changguang and Wang Huadong.

The Directors jointly and severally accept full responsibility for the accuracy of the information (other than that relating to the Subscriber) contained in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement (other than those expressed by the Subscriber) have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.

The sole director of the Subscriber and the directors of USUM jointly and severally accept full responsibility for the accuracy of the information (other than that relating to the Group) contained in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinion expressed in this announcement (other than those expressed by the Group) have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statement in this announcement misleading.