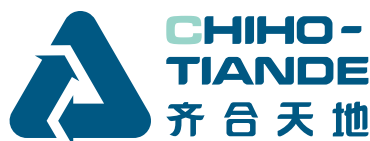


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CHIHO-TIANDE GROUP LIMITED

齊合天地集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 976)

MEMORANDUM OF UNDERSTANDING

IN RELATION TO

(I) PROPOSED ACQUISITION OF THE ENTIRE EQUITY INTEREST IN DALIAN NEW GREEN RECYCLE & RESOURCES CORPORATION

INVOLVING ISSUE OF CONSIDERATION SHARES

AND

(II) PROPOSED FORMATION OF A JOINT VENTURE

MEMORANDUM OF UNDERSTANDING

This announcement is made pursuant to Part XIVA of the SFO concerning disclosure of inside information and Rule 13.09(2)(a) of the Listing Rules.

The Board announces that on 19 June 2015 (after trading hours), the Company entered into the non-legally binding Memorandum of Understanding with Itochu, Itochu Metals and Suzuki in relation to the Proposed Transactions, pursuant to which:–

- (i) the Company intends to, through CT Investments or CT SPV (a wholly-owned subsidiary of the Company), acquire whilst Itochu and Suzuki intend to sell their respective equity interests, collectively constituting 100% equity interests, in DNG at a consideration to be settled by way of Consideration Shares of the Company at the initial issue price of HK\$13.5 per Consideration Share subject to the terms and conditions of the Formal Acquisition Agreement to be negotiated among the Company, CT Investments or CT SPV (as the case may be), Itochu and Suzuki (i.e. the Proposed Acquisition); and

(ii) the Company intends to, through CT SPV (a wholly-owned subsidiary of the Company), form the Joint Venture with Itochu Subscriber and Suzuki Subscriber by way of the Proposed JV Share Subscription for an aggregate consideration of US\$5 million (approximately HK\$38.8 million) in which CT SPV will hold 80.1% whilst Itochu Subscriber and Suzuki Subscriber will collectively hold 19.9% of the share capital of the Joint Venture subject to the terms and conditions of the Formal JV Agreement to be negotiated among CT SPV, Itochu Subscriber and Suzuki Subscriber (i.e. the Proposed JV Formation).

It is intended that the Proposed Acquisition and the Proposed JV Formation (including the Proposed JV Share Subscription) are conditional upon each other, and the completions of the Proposed Acquisition and the Proposed JV Share Subscription will take place simultaneously.

DNG is a limited liability company incorporated in the PRC and is principally engaged in recycle processing and utilization of scrap metals, discarded appliances, office machines and other wastes. DNG is the only approved recycle processing enterprise in Changxing Island Harbor Industrial Zone in Dalian, the PRC.

It is intended that the Joint Venture will engage in the trading of recycle materials with a focus on the Chinese and Japanese markets.

The Memorandum of Understanding is non-legally binding save for certain customary provisions such as the term, exclusivity, confidentiality, costs and governing law of the Memorandum of Understanding.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, as at the date hereof, Itochu, Itochu Metals, Suzuki and DNG and their respective ultimate beneficial owners are Independent Third Parties.

As the Memorandum of Understanding may or may not lead to the entering into of the Formal Agreements and the Proposed Transactions may or may not proceed, Shareholders and investors are advised to exercise caution when trading in the Shares.

In the event that the Proposed Transactions materialize, they may or may not constitute notifiable transactions for the Company under Chapter 14 of the Listing Rules. The Company will make announcement(s) as and when appropriate and comply with all other applicable requirements under the Listing Rules.

This announcement is made pursuant to Part XIVA of the SFO concerning disclosure of inside information and Rule 13.09(2)(a) of the Listing Rules.

The Board announces that on 19 June 2015 (after trading hours), the Company entered into the non-legally binding Memorandum of Understanding with Itochu, Itochu Metals and Suzuki in relation to the Proposed Transactions, namely, the Proposed Acquisition and the Proposed JV Formation.

MEMORANDUM OF UNDERSTANDING

(I) Proposed Acquisition

Pursuant to the Memorandum of Understanding, the Company intends to, through CT Investments or CT SPV (a wholly-owned subsidiary of the Company), acquire whilst Itochu and Suzuki intend to sell their respective equity interests, collectively constituting 100% equity interests, in DNG at a consideration to be settled by way of Consideration Shares of the Company subject to the terms and conditions of the Formal Acquisition Agreement to be negotiated among the Company, CT Investments or CT SPV (as the case may be), Itochu and Suzuki.

DNG is a limited liability company incorporated in the PRC and is principally engaged in recycle processing and utilization of scrap metals, discarded appliances, office machines and other wastes. DNG is the only approved recycle processing enterprise in Changxing Island Harbor Industrial Zone in Dalian, the PRC. As at the date hereof, DNG is owned by Itochu and its associates (including Itochu Metals), Suzuki and other shareholders. To be best of the knowledge, information and belief of the Directors having made all reasonable enquiries, DNG and its ultimate beneficial owners are Independent Third Parties.

The consideration for the Proposed Acquisition is intended to be determined with reference to, amongst other things, the appraised value of DNG and the book value of the assets and liabilities of DNG, payable by way of Consideration Shares to be allotted and issued by the Company (subject to the terms and conditions under the Formal Acquisition Agreement). The Company intends to allot and issue the Consideration Shares pursuant to the general mandate given by the Shareholders at its annual general meeting held on 21 May 2015.

The Company, Itochu and Suzuki agreed that the initial issue price per Consideration Share will be HK\$13.5 (subject to the Formal Acquisition Agreement).

If the Proposed Acquisition materializes and proceeds to completion, it is expected that neither Itochu nor Suzuki will become a substantial shareholder of the Company because of the allotment and issuance of the Consideration Shares.

The Proposed Acquisition is conditional upon, amongst other things, the entering into of the Formal Acquisition Agreement and all the conditions precedent therein being fulfilled (or waived, if applicable).

(II) Proposed JV Formation

Pursuant to the Memorandum of Understanding, the Company intends to, through CT SPV (a wholly-owned subsidiary of the Company), form the Joint Venture with Itochu Subscriber and Suzuki Subscriber by way of the Proposed JV Share Subscription to engage in the trading of recycle materials with a focus on the Chinese and Japanese markets.

It is intended that the Joint Venture will be established in Hong Kong by CT SPV at its incorporation in the form of a private company limited by shares with nominal share capital. Subject to and upon completion of the Proposed Acquisition, CT SPV, Itochu Subscriber and Suzuki Subscriber will subscribe for additional shares in the Joint Venture for an aggregate consideration of US\$5 million (approximately HK\$38.8 million), such that immediately after completion of the Proposed JV Share Subscription, CT SPV will hold 80.1% of the enlarged issued share capital of the Joint Venture while Itochu Subscriber and Suzuki Subscriber will hold 19.9% of the enlarged issued share capital of the Joint Venture in total. The specific number of shareholding in the Joint Venture which each of Itochu Subscriber and Suzuki Subscriber will hold is to be determined in the Formal JV Agreement.

The Proposed JV Formation (including the Proposed JV Share Subscription) is conditional upon, amongst other things, the entering into of the Formal JV Agreement and all the conditions precedent therein being fulfilled (or waived, if applicable).

Simultaneous completion of the Proposed Transactions

It is intended that the Proposed Acquisition and the Proposed JV Formation (including the Proposed JV Share Subscription) are conditional upon each other, and the completions of the Proposed Acquisition and the Proposed JV Share Subscription will take place simultaneously.

Term of the Memorandum of Understanding

Pursuant to the Memorandum of Understanding, the Memorandum of Understanding shall cease to have effect upon the earlier of (a) the execution of the Formal Agreements or (b) 31 July 2015, unless otherwise agreed by the parties in writing.

Non-legally binding effect

Save for certain customary provisions such as the term, exclusivity, confidentiality, costs and governing law of the Memorandum of Understanding, other terms of the Memorandum of Understanding do not constitute legally-binding commitments in respect of the Proposed Transactions. The Proposed Transactions will be subject to the execution and completion of the Formal Agreements.

INFORMATION ON ITOCHU, ITOCHU METALS AND SUZUKI

Itochu is a company incorporated in Japan, the shares of which are listed on Tokyo Stock Exchange since 1950 (Stock Code: 8001). Its principal businesses include domestic trading, import and export, and overseas trading of various products such as textile, machinery, metals, minerals, energy, chemicals, food, information and communications technology, realty, general products, insurance, logistics services, construction, and finance, as well as business investment in Japan and overseas.

Itochu Metals is a company incorporated in Japan and a wholly-owned subsidiary of Itochu. Itochu Metals is principally engaged in the import, export and wholesale of non-ferrous, light metals, products and steel scrap, as well as development of recycle business.

Suzuki is a company incorporated in Japan and is principally engaged in recycle business with respect to aluminium scrap, steel scrap, plastic, home appliances, vehicle, etc.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, as at the date hereof, Itochu, Itochu Metals and Suzuki and their respective ultimate beneficial owners are Independent Third Parties.

GENERAL

As the Memorandum of Understanding may or may not lead to the entering into of the Formal Agreements and the Proposed Transactions may or may not proceed, Shareholders and investors are advised to exercise caution when trading in the Shares.

In the event that the Proposed Transactions materialize, they may or may not constitute notifiable transactions for the Company under Chapter 14 of the Listing Rules. The Company will make announcement(s) as and when appropriate and comply with all other applicable requirements under the Listing Rules.

DEFINITIONS

In this announcement, unless the context requires otherwise, the following expressions shall have the following meanings:

“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Company”	Chiho-Tiande Group Limited, a company incorporated in the Cayman Islands and whose Shares are listed on the Main Board of the Stock Exchange (Stock Code: 976)
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Consideration Share(s)”	certain new Share(s) to be allotted and issued to Itochu and Suzuki as the consideration for the Proposed Acquisition subject to the terms and conditions of the Formal Acquisition Agreement
“CT Investments”	Chiho-Tiande Investments Limited, an indirect wholly-owned subsidiary of the Company incorporated in Hong Kong
“CT SPV”	the entity(ies) that the Company determines and specifies for the Proposed Transactions which shall be wholly-owned by the Company

“Director(s)”	the director(s) of the Company
“DNG”	大連新綠再生資源加工有限公司 (Dalian New Green Recycle & Resources Corporation*), a limited liability company established under the laws of the PRC
“Formal Agreements”	the Formal Acquisition Agreement and the Formal JV Agreement
“Formal Acquisition Agreement”	the formal legally-binding agreement to be entered into among the Company, CT Investments or CT SPV (as the case may be), Itochu and Suzuki in the event that the parties proceed to the Proposed Acquisition
“Formal JV Agreement”	the formal legally-binding agreement to be entered into among CT SPV, Itochu Subscriber and Suzuki Subscriber in the event that the parties proceed to the Proposed JV Formation and the Proposed JV Share Subscription
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	person(s) or company(ies) which is/are third party(ies) independent of the Company and its connected persons
“Itochu”	ITOCHU Corporation, a company incorporated in Japan, the shares of which are listed on Tokyo Stock Exchange (Stock Code: 8001), as an existing shareholder of DNG
“Itochu Metals”	ITOCHU Metals Corporation, a company incorporated in Japan and a wholly-owned subsidiary of Itochu
“Itochu Subscriber”	Itochu Metals or another wholly-owned subsidiary of Itochu that Itochu may direct for the Proposed JV Share Subscription
“Joint Venture”	a company proposed to be established in Hong Kong by CT SPV at its incorporation, and later new shares of which will be subscribed by Itochu Subscriber, Suzuki Subscriber and CT SPV and which will be engaged in the trading of recycle materials pursuant to the Formal JV Agreement

“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Memorandum of Understanding”	the non-legally binding (save for certain customary provisions) memorandum of understanding dated 19 June 2015 entered into between the Company, Itochu, Itochu Metals and Suzuki in relation to the Proposed Transactions
“PRC”	the People’s Republic of China, excluding for the purpose of this announcement, Hong Kong and the Macau Special Administrative Region
“Proposed Acquisition”	the proposed acquisition of the entire equity interest in DNG by CT SPV from Itochu and Suzuki subject to the terms and conditions of the Formal Acquisition Agreement
“Proposed JV Formation”	the proposed formation of the Joint Venture among CT SPV, Itochu Subscriber and Suzuki Subscriber subject to the terms and conditions of the Formal JV Agreement
“Proposed JV Share Subscription”	the proposed subscription of the shares in the Joint Venture by Itochu Subscriber and Suzuki Subscriber and further subscription of the shares in the Joint Venture by CT SPV for an aggregate consideration of US\$5 million subject to the terms and conditions of the Formal JV Agreement
“Proposed Transactions”	the Proposed Acquisition and the Proposed JV Formation (including the Proposed JV Share Subscription)
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder”	has the meaning ascribed to it under the Listing Rules
“Suzuki”	SUZUKI SHOKAI Inc., a company incorporated in Japan and an existing shareholder of DNG

“Suzuki Subscriber”	Suzuki or a wholly-owned subsidiary of Suzuki that Suzuki may direct for the Proposed JV Share Subscription
“US\$”	United States dollars, the lawful currency of United States of America
“%”	per cent.

For the purpose of this announcement, the exchange rate of US\$1.00 = HK\$7.76 has been used, where applicable, for illustration purposes only and does not constitute any representation that any amounts have been, could have been or may be exchange at this or any other rate.

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

Hong Kong, 19 June 2015

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

Executive Directors: Tu Jianhua, Fang Ankong, Gu Liyong

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

* *For identification purposes only*