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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)

PROFIT WARNING ANNOUNCEMENT

This announcement is made by the Company in accordance with Part XIVA of the SFO concerning disclosure of inside information and Rule 13.09(2)(a) of the Listing Rules.

The Board wishes to inform the Shareholders and potential investors of the Company that based on the information currently available, it is expected that the financial performance of the Group for the Reporting Period (i.e. the six months ending 30 June 2015) will be improved considerably. Although the Group expects to continue to record a loss for the Reporting Period, the amount of loss attributable to the owners of the Company for the Reporting Period is likely to be reduced by more than 50% as compared to the loss reported for the corresponding period in 2014.

Shareholders of the Company and public investors are advised to exercise caution when dealing in the shares of the Company.

This announcement is made by Chiho-Tiande Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) in accordance with Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the “**SFO**”) concerning disclosure of inside information and Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

The board of directors (the “**Board**”) of the Company wishes to inform the shareholders (the “**Shareholders**”) and potential investors of the Company that based on the information currently available, it is expected that the financial performance of the Group for the six months ending 30 June 2015 (the “**Reporting Period**”) will be improved considerably. Although the Group expects to continue to record a loss for the Reporting Period, the amount of loss attributable to the owners of the Company

for the Reporting Period is likely to be reduced by more than 50% as compared to the loss reported for the corresponding period in 2014. The reduction in the loss of the Group is attributable to the following factors:

- (i) the improvement in managing the cost of sales in the first half of 2015, as a result of which the Group is likely to record a gross profit for the Reporting Period as compared to a gross loss for the corresponding period last year;
- (ii) the decrease in the realised losses on the Group's metal futures contracts for the Reporting Period as compared to that for the corresponding period last year; and
- (iii) the decrease in the unrealised loss on fair value changes of derivative financial instruments that the Group is required to make under the "mark-to-market" accounting principle for the Reporting Period as compared to that for the corresponding period last year.

The information set out in this profit warning announcement is only a preliminary assessment by the Board based on the preliminary management accounts of the Group for the five months ended 31 May 2015 which have not been reviewed nor audited by the Company's auditors. The Company will commence preparing the Group's interim results for the Reporting Period once the financial information of the Group for the Reporting Period becomes available. Shareholders and potential investors are advised to read carefully the announcement of the Company in relation to the unaudited interim results of the Group for the Reporting Period, which is expected to be released in August 2015.

Shareholders of the Company and public investors are advised to exercise caution when dealing in the shares of the Company.

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

Hong Kong, 26 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