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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 ON PROFIT WARNING

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.

Reference is made to the Profit Warning Announcement. The Board wishes to update the Shareholders and potential investors of the Company that, the interim results of the Group for the six months ended 30 June 2015 is expected to be affected by the significant loss of approximately HK\$700 million derived from the change in the fair value of the derivative component of the Convertible Bonds, due to a non-cash accounting treatment solely for the purpose of complying with HKFRSs, and therefore it is expected that the amount of loss attributable to the owners of the Company for the Reporting Period (i.e. the six months ended 30 June 2015) is likely to be increased by approximately 20% 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**”).

Reference is made to the Company’s profit warning announcement dated 26 June 2015 (the “**Profit Warning Announcement**”).

As mentioned in the Profit Warning Announcement, based on the preliminary review of the Group’s unaudited management accounts for the five months ended 31 May 2015 and the information available at that time, although the Group was expected to continue record a loss for the six months ended 30 June

2015 (the “**Reporting Period**”), it was expected that the financial performance of the Group would be improved and the amount of loss attributable to the owners of the Company for the Reporting Period was likely to be reduced by more than 50% as compared to the loss reported for the corresponding period in 2014.

The board of directors (the “**Board**”) of the Company wishes to update the shareholders (the “**Shareholders**”) and potential investors of the Company that, the interim results of the Group for the six months ended 30 June 2015 is expected to be affected by the significant loss of approximately HK\$700 million derived from the change in the fair value of the derivative component of the convertible bonds issued by the Company (the “**Convertible Bonds**”), and therefore it is expected that the amount of loss attributable to the owners of the Company for the Reporting Period is likely to be increased by approximately 20% as compared to the loss reported for the corresponding period in 2014.

Details of the Convertible Bonds were disclosed in the announcements and circulars of the Company dated 17 January 2012, 9 February 2012, 5 March 2015, 18 March 2015, 26 March 2015, 1 April 2015, 9 April 2015, 10 April 2015, 11 April 2015, 3 June 2015, 5 June 2015 and 9 June 2015.

The Board would like to emphasize that the change in the fair value of the derivative component of the Convertible Bonds is a non-cash accounting treatment solely for the purpose of complying with the Hong Kong Financial Reporting Standards (“**HKFRSs**”) and therefore it will not have an impact on the operating cash flow of the Group.

The Company is still in the process of finalizing the unaudited interim results of the Group for the six months ended 30 June 2015. The information set out in this announcement is only a preliminary assessment by the Board based on the preliminary management accounts of the Group for the six months ended 30 June 2015. 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 on or about 21 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, 11 August 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