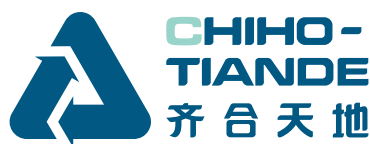


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*This announcement appears for information only and does not constitute an invitation or offer to acquire, purchase or subscribe for any securities.*



## **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)**

### **DISCLOSEABLE TRANSACTION**

### **ACQUISITION OF THE ENTIRE EQUITY INTEREST IN DALIAN NEW GREEN RECYCLE & RESOURCES CORPORATION INVOLVING ISSUE OF CONSIDERATION SHARES UNDER GENERAL MANDATE**

**AND**

### **FORMATION OF A JOINT VENTURE**

Reference is made to the announcement of the Company dated 19 June 2015 in relation to the entering into of the Memorandum of Understanding regarding the Acquisition and the JV Formation.

#### **THE ACQUISITION**

The Board announces that on 21 August 2015 (after trading hours), the Company and CT Investments, a wholly-owned subsidiary of the Company, entered into the Acquisition Agreement with the Sellers, namely, Itochu and Suzuki Shokai, pursuant to which CT Investments conditionally agreed to purchase and the Sellers conditionally agreed to sell their respective equity interests, collectively constituting the entire equity interest, in DNG at a total consideration of RMB345,614,057 (equivalent to approximately HK\$419,007,392) to be settled by way of Consideration Shares of the Company at the issue price of HK\$13.50 per Consideration Share.

The Consideration Shares will be issued under the General Mandate.

## **THE JV FORMATION**

The Board announces that on 21 August 2015 (after trading hours), CT Investments, a wholly-owned subsidiary of the Company, entered into the JV Agreement with Itochu Metals and Suzuki Shokai, pursuant to which CT Investments, Itochu Metals and Suzuki Shokai conditionally agreed to form the Joint Venture by way of the JV Share Subscription for an aggregate consideration of US\$5 million (equivalent to approximately HK\$38.8 million) after which CT Investments, Itochu Metals and Suzuki Shokai will hold 80.1%, 17.9% and 2% of the share capital of the Joint Venture respectively.

## **LISTING RULES IMPLICATIONS**

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

In respect of the Acquisition, as one or more of the applicable percentage ratios is more than 5% but less than 25%, the Acquisition constitutes a discloseable transaction for the Company and is therefore subject to reporting and announcement requirements but exempt from shareholders' approval requirement under Chapter 14 of the Listing Rules.

In respect of the JV Formation, the applicable percentage ratios are less than 5% and therefore the JV Formation does not constitute a notifiable transaction for the Company on a standalone basis under Chapter 14 of the Listing Rules. However, upon aggregation with the Acquisition pursuant to Rule 14.22 of the Listing Rules, one or more of the applicable percentage ratios in respect of the JV Formation will be more than 5% but less than 25%. On this basis, the JV Formation constitutes a discloseable transaction for the Company and is therefore subject to reporting and announcement requirements but exempt from shareholders' approval requirement under Chapter 14 of the Listing Rules.

Reference is made to the announcement of the Company dated 19 June 2015 in relation to the entering into of the Memorandum of Understanding regarding the Acquisition and the JV Formation.

## **THE ACQUISITION**

The Board announces that on 21 August 2015 (after trading hours), the Company and CT Investments, a wholly-owned subsidiary of the Company, entered into the Acquisition Agreement with the Sellers, namely, Itochu and Suzuki Shokai, pursuant to which CT Investments conditionally agreed to purchase and the Sellers conditionally agreed to sell their respective equity interests, collectively constituting the entire equity interest, in DNG at a total consideration of RMB345,614,057 (equivalent to approximately HK\$419,007,392) to be settled by way of Consideration Shares of the Company at the issue price of HK\$13.50 per Consideration Share.

## **The Acquisition Agreement**

Major terms of the Acquisition Agreement are set out below:–

### ***Date***

21 August 2015

### ***Parties***

- (i) CT Investments (as purchaser) and the Company
- (ii) The Sellers, namely, Itochu and Suzuki Shokai

### ***Assets to be acquired***

100% equity interest in DNG

### ***Consideration and payment terms***

The consideration for the Acquisition is RMB345,614,057 (equivalent to approximately HK\$419,007,392), which will be settled by way of Consideration Shares of the Company at the issue price of HK\$13.50 per Consideration Share.

The consideration was determined among the parties after arm's length negotiations with reference to the projected net assets value of DNG of RMB345,614,057 as at 31 October 2015 prepared in accordance with Accounting Standards for Business Enterprises, which was determined after taking into account of, among other things, the fair market value of machineries and equipments, buildings, and land use right of DNG as at 31 March 2015 of approximately RMB305,839,000 according to the valuation report issued by an independent valuer appointed by CT Investments.

Pursuant to the Acquisition Agreement, if the audited net assets value of DNG as at the month end immediately preceding the Transfer Date is higher than the projected net assets value of DNG as at 31 October 2015, CT Investments shall pay the difference to the Sellers, whereas if the audited net assets value of DNG as at the month end immediately preceding the Transfer Date is lower than the projected net assets value of DNG as at 31 October 2015, the Sellers shall pay the difference to CT Investments, provided that such difference shall be more than RMB300,000 and the amount payable by CT Investments or the Sellers (as the case may be) shall be subject to a limit of RMB5 million.

### ***Consideration Shares and lock-up undertaking***

The Consideration Shares (i.e. 31,037,585 Shares) will be issued at the issue price of HK\$13.50 per Consideration Share, which represents:–

- (i) a premium of approximately 141.07% to the closing price of HK\$5.60 per Share as quoted in the Stock Exchange on the date of the Acquisition Agreement; and
- (ii) a premium of approximately 124.25% to the average closing price of HK\$6.02 per Share as quoted on the Stock Exchange for the 5 consecutive trading days of the Shares prior to and including the date of the Acquisition Agreement.

The definite number of the Consideration Shares to be issued to each of the Sellers will be in proportion to their respective equity interests in DNG to be sold to CT Investments immediately prior to the Transfer Date.

Pursuant to the Acquisition Agreement, each of the Sellers undertakes to CT Investments and the Company that during the period commencing from the date of issue of the Consideration Shares (i.e. the Completion Date) and ending on the first anniversary of such date, it shall not dispose of or enter into any agreement to dispose of or otherwise create any options, rights, interests or encumbrances in respect of any of the Consideration Shares without the prior written consent of the Company, unless such transfer is to be made to its direct or indirect wholly-owned subsidiaries.

The Consideration Shares will be issued under the General Mandate. Under the General Mandate, the Board is allowed to allot and issue up to 251,297,741 Shares, being 20% of the total number of issued Shares of the Company as at the date of the annual general meeting of the Company held on 21 May 2015. As of the date of this announcement, no Share has been allotted and issued under the General Mandate. Accordingly, the issue of the Consideration Shares is not subject to any further approval of the Shareholders.

Application will be made to the Stock Exchange for the listing of, and permission to deal in, the Consideration Shares. The Consideration Shares shall rank *pari passu* among themselves and with all Shares currently in issue.

### *Conditions precedent*

The Completion is conditional upon, among other things, the following conditions being satisfied or waived (if applicable) on or before the Long Stop Date:–

- (a) the execution of the JV Agreement on or around the same date of the Acquisition Agreement;
- (b) CT Investments having received sufficient documentary evidence from the Sellers showing completion of the DNG Restructuring (details of which are set out under the paragraph headed “Information on DNG and DNG Restructuring” below);
- (c) the Listing Committee of the Stock Exchange having granted the listing of and permission to deal in the Consideration Shares;
- (d) if required, the parties having obtained all necessary regulatory and/or shareholders’ approval in relation to the Acquisition and the JV Formation;
- (e) the warranties remaining true, correct and complete in all respects as of the date of the Acquisition Agreement and as of the Completion Date;
- (f) CT Investments and the Sellers having performed and complied with their respective obligations which are required to be performed or complied with by them at or before the Completion;
- (g) CT Investments having received a certificate of title issued by the competent authorities in the PRC in relation to each of the registered properties of DNG;
- (h) DNG having received a temporary waste disposal permit issued by the competent authorities in the PRC and a copy certified by a director of DNG having been provided to CT Investments;
- (i) the written resignations of such directors, supervisor and/or officers (including legal representative, managers and secretary (if any)) of DNG as specified by CT Investments; and
- (j) all the necessary approvals or registrations in relation to the Acquisition having been granted or completed and the new business license of DNG having been issued by the relevant PRC regulatory authorities.

As of the date of this announcement, the condition precedent set forth in sub-paragraph (a) above has been fulfilled.

If any of the conditions precedent under the Acquisition Agreement is not fulfilled or waived (if applicable) or otherwise the Completion does not occur prior to the Long Stop Date, subject to further agreement by CT Investments and the Sellers to extend the Long Stop Date, the Acquisition Agreement shall terminate and none of the parties shall have any claim against any other parties except for claims arising out of antecedent breach.

## Completion

Completion shall take place on the Completion Date, i.e. the fifth business day after all the conditions precedent under the Acquisition Agreement having been satisfied or waived (if applicable) or such other date as agreed between CT Investments and the Sellers in writing. Upon Completion, DNG will become an indirect wholly-owned subsidiary of the Company and the financial statements of DNG will be consolidated into the accounts of the Group.

### Effect on the shareholding structure of the Company

On Completion Date, the Company will issue and allot 31,037,585 Consideration Shares to the Sellers, which represents:–

- (i) approximately 1.96% of the share capital of the Company as at the date of this announcement; and
- (ii) approximately 1.92% of the share capital of the Company as enlarged by the allotment and issue of the Consideration Shares (assuming that there is no other change to the share capital of the Company).

Set out below is the shareholding structure of the Company as at the date of this announcement and immediately after the Completion (assuming there being no other change in the share capital of the Company from the date of this announcement up to the Completion):

	As at the date of this announcement		Immediately after Completion	
	<i>Number of Shares</i>	<i>Approximate shareholding in the issued share capital of the Company</i>	<i>Number of Shares</i>	<i>Approximate shareholding in the enlarged issued share capital of the Company</i>
<b>Shareholders</b>				
<b>Directors</b>				
Mr. Fang Ankong	7,014,000	0.44%	7,014,000	0.43%
Mr. Gu Liyong	425,000	0.03%	425,000	0.03%
<b>Substantial shareholders</b>				
USUM Investment Group				
Hong Kong Limited	509,500,000	32.10%	509,500,000	31.48%
HWH Holdings Limited (Note 1)	434,103,256	27.35%	434,103,256	26.83%
Mr. Zhang Mingjie (Note 2)	230,197,990	14.50%	230,197,990	14.23%
<b>Public shareholders (other than Sellers)</b>	405,957,460	25.58%	405,957,460	25.08%
<b>Sellers</b>	0	0.00%	31,037,585	1.92%
<b>Total</b>	<u>1,587,197,706</u>	<u>100%</u>	<u>1,618,235,291</u>	<u>100%</u>

Notes:

1. As at the date hereof, HWH Holdings Limited is wholly-owned by Mr. Fang Ankong.
2. The Shares owned by Mr. Zhang Mingjie are held through two companies wholly-owned by him as at the date hereof, being (i) Good Union Hong Kong Investment Limited holding 120,000,000 Shares and (ii) Tai Security Holding Limited holding 110,197,990 Shares.

### **Information on DNG and DNG Restructuring**

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.

Pursuant to the Acquisition Agreement, prior to the Completion, DNG shall undergo the DNG Restructuring as follows:–

- (i) acquisition by Itochu of all the equity interests in DNG (other than those held by Suzuki Shokai);
- (ii) capital injection to DNG by the Sellers for the purpose of repayment of all loans owed by DNG to DNG's then existing and former shareholders;
- (iii) repayment of all loans owed by DNG as mentioned in sub-paragraph (ii) above; and
- (iv) the Sellers shall procure that, immediately prior to the Completion, there is no debt shown in DNG's accounts, save as the trade debts incurred in the usual and ordinary course of business of DNG.

As at the date hereof, DNG has completed its restructuring in sub-paragraph (i) above.

As at the date hereof, DNG is owned by Itochu and Suzuki Shokai as to approximately 92.6% and 7.4% respectively. 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.

Set out below is the financial information of DNG prepared in accordance with Accounting Standards for Business Enterprises.

	<b>For the year ended 31 December 2013</b>	<b>For the year ended 31 December 2014</b>
	(audited)	(audited)
	<i>RMB</i>	<i>RMB</i>
Book value of the net assets/(net liabilities)	96,076,956	(232,443,555)
Net loss before taxation and extraordinary items	45,256,394	307,925,167
Net loss after taxation and extraordinary items	34,080,763	328,520,511

According to the unaudited management accounts of DNG, the total assets of DNG as at 30 June 2015 is RMB80,503,019.

## **THE JV FORMATION**

The Board announces that on 21 August 2015 (after trading hours), CT Investments, a wholly-owned subsidiary of the Company, entered into the JV Agreement with Itochu Metals and Suzuki Shokai, pursuant to which CT Investments, Itochu Metals and Suzuki Shokai conditionally agreed to form the Joint Venture by way of the JV Share Subscription for an aggregate consideration of US\$5 million (equivalent to approximately HK\$38.8 million), after which CT Investments, Itochu Metals and Suzuki Shokai will hold 80.1%, 17.9% and 2% of the share capital of the Joint Venture respectively.

Major terms of the JV Agreement in relation to the Joint Venture and the JV Share Subscription are set out below:–

### ***Principal business scope***

To principally engage in the trading of recycle materials with a focus on the Chinese and Japanese markets and/or such other business as determined by the board of directors of the Joint Venture from time to time.

### ***Place of incorporation, form of legal entity, names***

Pursuant to the JV Agreement, CT Investments shall, as soon as practically possible after execution of the JV Agreement, incorporate the Joint Venture in Hong Kong in the form of a private company limited by shares.

The English name and Chinese name of the Joint Venture are proposed to be Chiho-Tiande International Resource Recycling Co., Limited and 齊合天地國際再生資源有限公司 respectively.



### *JV Share Subscription*

Subject to satisfaction of the conditions precedent under the JV Agreement (more details below), CT Investments, Itochu Metals and Suzuki Shokai shall subscribe for shares in the Joint Venture and pay their respective subscription prices on the completion date of JV Share Subscription as follows:–

<b>Shareholder</b>	<b>Number of shares to be subscribed</b>	<b>Subscription price</b>
CT Investments	4,004,999	US\$4,004,999
Itochu Metals	895,000	US\$895,000
Suzuki Shokai	100,000	US\$100,000
<b>Total</b>	<b>4,999,999</b>	<b>US\$4,999,999</b>

### *Shareholding structure*

Set out below is the shareholding structure of the Joint Venture immediately prior to and after the JV Share Subscription:–

<b>Shareholder</b>	<b>Immediately prior to the JV Share Subscription</b>		<b>Immediately after the JV Share Subscription</b>	
	<i>Number of shares</i>	<i>Percentage of shareholding</i>	<i>Number of shares</i>	<i>Percentage of shareholding</i>
CT Investments	1	100%	4,005,000	80.10%
Itochu Metals	0	0%	895,000	17.90%
Suzuki Shokai	0	0%	100,000	2.00%
<b>Total</b>	<b>1</b>	<b>100%</b>	<b>5,000,000</b>	<b>100%</b>

### *Board composition*

The board of directors shall initially comprise of 3 directors. For as long as Itochu Metals and Suzuki Shokai together hold not less than 15% of the share capital of the Joint Venture, they shall be entitled to nominate 1 director. CT Investments shall be entitled to nominate the remaining members of the board of directors of the Joint Venture.

### *Transfer of shares*

Pursuant to the JV Agreement, any transfer of shares in the Joint Venture by a party is subject to the consents from the other parties and the Joint Venture unless such transfer is made to a wholly-owned subsidiary within the transferor's group.

In addition, if Itochu Metals or Suzuki Shokai wishes to transfer its shares in the Joint Venture, it may offer such selling shares to CT Investments (which CT Investments may at its absolute discretion to buy or refuse to buy such selling shares) at a price per share equivalent to 50% of the net asset value per share as of the end of the immediately preceding quarter or the subscription price per share paid by Itochu Metals or Suzuki Shokai under the JV Share Subscription, whichever is lower, or at such other price or on such other terms as the parties may agree.

### ***Conditions precedent***

Completion of the JV Share Subscription and the JV Formation is conditional upon, among other things, the following conditions precedent being fulfilled or waived (if applicable):–

- (i) each of CT Investments, Itochu Metals and Suzuki Shokai having obtained all necessary approvals including approvals from regulatory authorities and shareholders, board of directors or other internal decision making body of it in relation to the JV Share Subscription and the matters contemplated under the JV Agreement;
- (ii) the Joint Venture having been duly incorporated;
- (iii) completion of the Acquisition occurring on the same date as the completion of the JV Share Subscription; and
- (iv) the representations and warranties remaining true, correct and complete in all respects.

If completion of the JV Share Subscription does not occur on or before the Long Stop Date, the JV Agreement shall terminate and none of the parties shall have any claim against any other parties except for claims arising out of antecedent breach.

### **SIMULTANEOUS COMPLETION OF THE ACQUISITION AND THE JV FORMATION**

It is intended that the completions of the Acquisition and the JV Formation (by way of the JV Share Subscription) will take place on the same date.

### **REASONS FOR AND BENEFITS OF THE ACQUISITION AND THE JV FORMATION**

With regard to the Acquisition of DNG, the Board is of the view that given DNG being the only approved recycle processing enterprise in Changxing Island Harbor Industrial Zone in Dalian, the PRC, the Acquisition can enhance the Group's processing coverage especially in the north-eastern part of the PRC.

Besides, the existing facilities of DNG are well equipped which allows immediate and continuation of scrap metal processing and recycling operation. Hence, the Acquisition would provide the Group with an immediate increased processing and recycling capacity and enhance the business development of the Group.

With regard to the JV Formation, the Board is delighted to have this opportunity to partner with two major metal recyclers in Japan, which allows the Group to leverage on the extensive business network and recycling experience of both Itochu and Suzuki Shokai and tap into the vast scrap metal market in Japan.

The Board believes that the Joint Venture would complement not only with the increased processing capacity but also providing the Group with an additional sourcing capability in overseas market especially in Japan.

The terms of each of the Acquisition Agreement and the JV Agreement have been determined after arm's length negotiations among the respective parties thereto. The Directors (including the independent non-executive Directors) consider that each of the Acquisition Agreement and the JV Agreement was entered into in the ordinary course of business of the Company and on normal commercial terms and the terms thereof are fair and reasonable and in the interests of the Company and Shareholders taken as a whole.

## **INFORMATION ON THE COMPANY, ITOCHU, ITOCHU METALS AND SUZUKI SHOKAI**

The Company is principally engaged in metal recycling, foundry and wholesales business.

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 Shokai 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. The correct full name of Suzuki Shokai is SUZUKI SHOKAI Co., Ltd, instead of SUZUKI SHOKAI Inc. as described in the Company's announcement dated 19 June 2015.

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 Shokai and their respective ultimate beneficial owners are Independent Third Parties.

## **LISTING RULES IMPLICATIONS**

In respect of the Acquisition, as one or more of the applicable percentage ratios is more than 5% but less than 25%, the Acquisition constitutes a discloseable transaction for the Company and is therefore subject to reporting and announcement requirements but exempt from shareholders' approval requirement under Chapter 14 of the Listing Rules.

In respect of the JV Formation, the applicable percentage ratios are less than 5% and therefore the JV Formation does not constitute a notifiable transaction for the Company on a standalone basis under Chapter 14 of the Listing Rules. However, upon aggregation with the Acquisition pursuant to Rule 14.22 of the Listing Rules, one or more of the applicable percentage ratios in respect of the JV Formation will be more than 5% but less than 25%. On this basis, the JV Formation constitutes a discloseable transaction for the Company and is therefore subject to reporting and announcement requirements but exempt from shareholders' approval requirement under Chapter 14 of the Listing Rules.

## DEFINITIONS

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

<b>“Acquisition”</b>	the acquisition of the entire equity interest in DNG by CT Investments from the Sellers pursuant to the Acquisition Agreement
<b>“Acquisition Agreement”</b>	the agreement dated 21 August 2015 entered into among the Company, CT Investments and the Sellers in relation to the Acquisition
<b>“associate(s)”</b>	has the meaning ascribed to it under the Listing Rules
<b>“Board”</b>	the board of Directors
<b>“Company”</b>	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)
<b>“Completion”</b>	completion of the Acquisition in accordance with the terms and conditions of the Acquisition Agreement
<b>“Completion Date”</b>	the date on which Completion takes place, which shall be the fifth business day after all the conditions precedent under the Acquisition Agreement having been satisfied or waived (if applicable) or such other date as agreed between CT Investments and the Sellers in writing
<b>“connected person(s)”</b>	has the meaning ascribed to it under the Listing Rules
<b>“Consideration Share(s)”</b>	31,037,585 new Share(s) to be allotted and issued to the Sellers as the consideration for the Acquisition
<b>“CT Investments”</b>	Chiho-Tiande Investments Limited, an indirect wholly-owned subsidiary of the Company incorporated in Hong Kong
<b>“Director(s)”</b>	the director(s) of the Company

<b>“DNG”</b>	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
<b>“DNG Restructuring”</b>	the restructuring of DNG to be undergone prior to the Completion, details of which are set out in the paragraph headed “Information on DNG and DNG Restructuring” in this announcement
<b>“General Mandate”</b>	the general mandate granted to the Board by the Shareholders at the annual general meeting of the Company held on 21 May 2015 to allot, issue and deal with the Shares up to a maximum of 20% of the issued Shares on that date
<b>“Group”</b>	the Company and its subsidiaries
<b>“HK\$”</b>	Hong Kong dollars, the lawful currency of Hong Kong
<b>“Hong Kong”</b>	the Hong Kong Special Administrative Region of the PRC
<b>“Independent Third Party(ies)”</b>	person(s) or company(ies) which is/are third party(ies) independent of the Company and its connected persons
<b>“Itochu”</b>	ITOCHU Corporation, a company incorporated in Japan, the shares of which are listed on Tokyo Stock Exchange (Stock Code: 8001), an existing shareholder of DNG
<b>“Itochu Metals”</b>	ITOCHU Metals Corporation, a company incorporated in Japan and a wholly-owned subsidiary of Itochu
<b>“Joint Venture”</b>	a company proposed to be established in Hong Kong by CT Investments at its incorporation, and later new shares of which will be subscribed by Itochu Metals, Suzuki Shokai and CT Investments pursuant to the JV Agreement
<b>“JV Agreement”</b>	the agreement dated 21 August 2015 entered into among CT Investments, Itochu Metals and Suzuki Shokai in relation to the JV Formation and the JV Share Subscription
<b>“JV Formation”</b>	the formation of the Joint Venture among CT Investments, Itochu Metals and Suzuki Shokai by way of the JV Share Subscription pursuant to the JV Agreement
<b>“JV Share Subscription”</b>	the subscription of shares in the Joint Venture by Itochu Metals and Suzuki Shokai and the further subscription of shares in the Joint Venture by CT Investments pursuant to the JV Agreement

<b>“Listing Rules”</b>	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
<b>“Long Stop Date”</b>	31 December 2015 or such later date as may be agreed by, with respect to the Acquisition Agreement, CT Investments, Itochu and Suzuki Shokai, and with respect to the JV Agreement, CT Investments, Itochu Metals and Suzuki Shokai
<b>“Memorandum of Understanding”</b>	the non-legally binding (save for certain customary provisions) memorandum of understanding dated 19 June 2015 entered into among the Company, Itochu, Itochu Metals and Suzuki Shokai in relation to the Acquisition and the JV Formation, details of which were disclosed by the Company in its announcement dated 19 June 2015
<b>“PRC”</b>	the People’s Republic of China, excluding for the purpose of this announcement, Hong Kong and the Macau Special Administrative Region
<b>“RMB”</b>	Renminbi, the lawful currency of the PRC
<b>“Sellers”</b>	Itochu and Suzuki Shokai
<b>“Share(s)”</b>	ordinary share(s) of HK\$0.01 each in the share capital of the Company
<b>“Shareholder(s)”</b>	holder(s) of the Share(s)
<b>“Stock Exchange”</b>	The Stock Exchange of Hong Kong Limited
<b>“substantial shareholder”</b>	has the meaning ascribed to it under the Listing Rules
<b>“Suzuki Shokai”</b>	SUZUKI SHOKAI Co., Ltd, a company incorporated in Japan and an existing shareholder of DNG
<b>“Transfer Date”</b>	the day on which the entire equity interest in DNG is transferred to CT Investments, and all the necessary approvals or registrations in relation to the Acquisition having been granted or completed and the new business license of DNG having been issued by the relevant PRC regulatory authorities
<b>“US\$”</b>	United States dollars, the lawful currency of United States of America
<b>“%”</b>	per cent.

*For the purpose of this announcement, the exchange rates of RMB1.00 = HK\$1.212356337 and US\$1.00 = HK\$7.76 have been used, where applicable, for illustration purposes only and do 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, 21 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

\* *For identification purposes only*