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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, the Group is expected to continue to record a significant net loss for the year ended 31 December 2015.

Shareholders and potential investors of the Company 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, the Group is expected to continue to record a significant net loss for the year ended 31 December 2015. The net loss is mainly attributable to the following factors:

- (i) with the continuous decrease in global commodity price for the year 2015, the Group continued to record a substantial decrease in revenue and a significant increase in the inventory provision as at 31 December 2015, which resulted in a gross loss for the Group during the year;
- (ii) the realised losses on the Group’s metal futures contracts;

- (iii) the fair value losses of the derivative components of the Company's convertible bonds, which is a non-cash accounting treatment solely for compliance with Hong Kong Financial Reporting Standards and will not have an impact on the operating cash flow of the Group. For details of the above convertible bonds, please refer to the Company's circulars dated 9 February 2012 and 11 April 2015; and
- (iv) the foreign exchange loss due to the depreciation of Renminbi against US Dollar during year 2015.

The Company is still in the process of finalising the annual results of the Group for the year ended 31 December 2015. The information contained in this announcement represents only the latest assessment by the Board based on the information and figures currently available, and which have not been audited or reviewed by the auditors of the Company. The Company expects to announce its annual results for year 2015 in late March 2016.

Shareholders and potential investors of the Company 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, 1 March 2016

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

Executive Directors: Tu Jianhua, Zhang Mingjie, Meng Yi

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