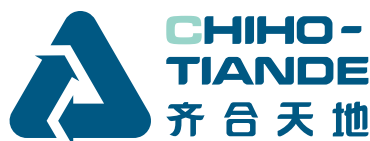


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CHIHO-TIANDE GROUP LIMITED

齊合天地集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 976)

CHANGE IN USE OF PROCEEDS

Reference is made to the circular of Chiho-Tiande Group Limited (the “**Company**”) dated 28 April 2015 in relation to, amongst others, the subscription of new Shares and the application for whitewash waiver (the “**Circular**”). Unless otherwise stated, all capitalized terms used in this announcement shall have the same meanings as defined in the Circular.

PROCEEDS FROM THE SUBSCRIPTION

As disclosed in the Circular, the Company intended to apply the proceeds from the Subscription to finance acquisitions of businesses or assets in order to further strengthen its principal business of metal recycling which is environmental friendly and is a sector encouraged by the central government of the PRC.

The proceeds received by the Company from the Subscription (after deduction of all relevant costs and expenses) amounted to approximately HK\$4,094.6 million in aggregate (the “**Proceeds**”). As at the date of this announcement, the Company utilized approximately HK\$1,040.9 million of the Proceeds as intended. Accordingly, the total balance of the unutilized Proceeds is approximately HK\$3,053.7 million.

CHANGE IN USE OF PROCEEDS

The Company remains confident in the long term prospects for the metal recycling industry in the PRC and intends to continue to operate its business in substantially its current state. However, given the volatility in the global metal prices, there has been a knock-on effect on the global metals recycling industry. In view of the global market conditions, the Group has yet to identify suitable targets for investment or acquisitions in the metal recycling sector.

Accordingly, in order to diversify the Group's income streams, maximize the value and return of the Group's business and operation, the Group has been continuously exploring new business and investment opportunities in other areas, including, without limitation, investment in the financial industry as well as to expand its current business in the metals recycling industry.

In view of the recent business development strategies and reasons set out above, the Board has resolved to allocate approximately RMB1,350 million (equivalent to approximately HK\$1,614.7 million) out of the unutilized Proceeds for investment in the financial industry, as well as for working capital and funding for other general corporate purposes. As of the date of this announcement, no concrete plan or definitive agreement has been entered into by the Group. If and when there is no immediate need to apply such Proceeds, the Company may utilize part or all of such temporarily idle Proceeds for investment in, among others, certain listed and/or unlisted securities, and/or wealth management products, while the Group continues to identify suitable acquisition and/or investment target(s) in the financial industry.

Save as disclosed above, the remaining unutilized Proceeds (i.e. approximately HK\$1,439.0 million) is expected to be used as originally intended.

The Board has considered the impact of the proposed change in the use of RMB1,350 million (equivalent to approximately HK\$1,614.7 million) of the unutilized Proceeds on the Group's business. The Board believes that such change will not adversely affect the existing operation and business of the Group and is in the interests of the Company and its Shareholders as a whole.

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

Hong Kong, 11 March 2016

In this announcement, amounts denominated in RMB have been converted into HK\$ at the rate of RMB1 = HK\$1.1961 for illustration purposes only.

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

<i>Executive Directors:</i>	Tu Jianhua, Zhang Mingjie, Meng Yi
<i>Independent non-executive Directors:</i>	Loke Yu, Zhang Jingdong, Zhu Dajian