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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)**

### **DISCLOSEABLE TRANSACTION**

#### **COMPLETION OF**

**(1) ACQUISITION OF THE ENTIRE EQUITY INTEREST IN DALIAN NEW GREEN RECYCLE & RESOURCES CORPORATION INVOLVING ISSUE OF CONSIDERATION SHARES;**

**AND**

**(2) FORMATION OF A JOINT VENTURE**

Reference is made to the announcements of Chiho-Tiande Group Limited (the “**Company**”) dated 19 June 2015, 21 August 2015 and 30 December 2015 (the “**Announcements**”) in relation to, amongst others, the Acquisition and the JV Formation. Capitalized terms used in this announcement shall have the same meanings as those defined in the Announcements, unless otherwise stated.

#### **COMPLETION OF THE ACQUISITION**

The Board is pleased to announce that all the conditions precedent under the Acquisition Agreement have been satisfied, and the Acquisition was completed on 21 March 2016.

The consideration of RMB345,614,057 (equivalent to approximately HK\$419,007,392) in relation to the Acquisition Agreement was settled by way of the allotment and issue of 31,037,585 Consideration Shares under General Mandate to the Sellers on 21 March 2016.

Application was made to the Stock Exchange and the Listing Committee of the Stock Exchange has granted approval 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.

As at the date of this announcement, DNG is an indirect wholly-owned subsidiary of the Company and the financial statements of DNG will be consolidated into the accounts of the Group.

## FORMATION OF A JOINT VENTURE

The Board is pleased to announce that all the conditions precedent under the JV Agreement have been satisfied, and Chiho Renewable Kings Glory Limited, instead of Chiho-Tiande International Resource Recycling Co., Limited (the “**Joint Venture**”) has been incorporated for the purpose of trading recycled materials and/or such other business as may be determined by the board of directors of the Joint Venture from time to time. At completion of the JV Formation (including the JV Share Subscription), CT Investments, Itochu Metals and Suzuki Shokai subscribed, in aggregate, HK\$39 million (equivalent to approximately US\$5 million) in the Joint Venture and held 80.1%, 17.9% and 2% respectively of its enlarged issued share capital. The Joint Venture is an indirect non-wholly owned subsidiary of the Company.

Completion of the Acquisition and the JV Formation (including the JV Share Subscription), being inter-conditional, took place on the same date, being 21 March 2016.

## EFFECT ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

The following table sets out the shareholding structure of the Company (i) immediately before completion of the Acquisition and the JV Formation and (ii) immediately after the completion of the Acquisition and the JV Formation:

Shareholders	Immediately before completion of the Acquisition and the JV Formation		Immediately after completion of the Acquisition and the JV Formation	
	Number of Shares	Approximate shareholding in the issued share capital of the Company	Number of Shares	Approximate shareholding in the issued share capital of the Company
<b>Directors</b>				
Mr. Meng Yi	108,000	0.01%	108,000	0.01%
<b>Substantial Shareholders</b>				
USUM Investment Group Hong Kong Limited	1,008,885,181	63.51%	1,008,885,181	62.29%
Good Union Hong Kong Investment Limited ( <i>Note 1</i> )	120,000,000	7.55%	120,000,000	7.41%
Tai Security Holding Limited ( <i>Note 1</i> )	110,197,990	6.94%	110,197,990	6.80%
<b>Public Shareholders (other than the Sellers)</b>	349,323,535	21.99%	349,323,535	21.57%
<b>Sellers (<i>Note 2</i>)</b>	—	—	31,037,585	1.92%
<b>Total</b>	<u>1,588,514,706</u>	<u>100%</u>	<u>1,619,552,291</u>	<u>100%</u>

Notes:

1. Both Good Union Hong Kong Investment Limited (“**Good Union**”) and Tai Security Holding Limited (“**Tai Security**”) are companies wholly-owned directly by Mr. Zhang Mingjie, an executive Director of the Company.
2. Upon completion of the Acquisition and the JV Formation, the shareholdings in the Company of Itochu will not count towards the public float by virtue of its wholly-owned subsidiary, Itochu Metals, being a substantial shareholder of a subsidiary of the Company with its 17.9% holding in the Joint Venture.

## **WAIVER FROM STRICT COMPLIANCE WITH THE MINIMUM PUBLIC FLOAT REQUIREMENT**

Reference is made to the announcement dated 15 February 2016 jointly issued by the Company and USUM Investment Group Hong Kong Limited (the “**Closing Announcement**”) and also the announcement of the Company dated 23 February 2016 (the “**Public Float Announcement**”).

As disclosed in the Closing Announcement, immediately after the close of the unconditional mandatory general cash offers, the Company could not satisfy the minimum public float requirement of 25.0% under Rule 8.08(1)(a) of the Listing Rules (the “**Public Float Requirement**”). Accordingly, the Company applied to the Stock Exchange for, and was granted, a temporary waiver from strict compliance with the Public Float Requirement for a period of three months commencing 15 February 2016 until 14 May 2016 as announced in the Public Float Announcement.

As at the date of this announcement, after completion of the Acquisition and the JV Formation, 349,323,535 Shares, representing approximately 21.57% of the issued share capital of the Company, are held by the public. Further announcement(s) will be made by the Company regarding restoration of the public float as and when appropriate pursuant to the Listing Rules.

*For the purpose of this announcement, the historical exchange rates of the announcement dated 21 August 2015 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 exchanged at this or any other rate.*

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

Hong Kong, 21 March 2016

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

*Executive Directors:* Tu Jianhua, Zhang Mingjie, Meng Yi

*Independent non-executive Directors:* Loke Yu, Zhang Jingdong, Zhu Dajian