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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)**

### **ANNOUNCEMENT**

#### **INVESTMENT IN A SCRAP VEHICLE RECYCLING COMPANY IN BEIJING AND THE FORMATION OF A NEW JOINT VENTURE IN TIANJIN VOLUNTARY ANNOUNCEMENT**

- Chiho-Tiande Taizhou has signed a letter of intent to invest RMB25.5 million in 北京中物博汽車解體有限公司. This will result in Chiho Group having a 51% equity interest in a company operating scrap vehicle recycling business in Beijing area (the “Beijing Investment”).
- Chiho-Tiande Taizhou has also signed a letter of intent with two of the same Independent Third Parties to establish a new joint venture company in Tianjin (the “Tianjin Joint Venture Company”) for the development of metal and other recycling businesses in the Tianjin area (the “Tianjin Investment”).

This is a voluntary announcement.

The Board is pleased to announce that on 25 January 2011, the following has been signed:–

- (a) a letter of intent between Chiho-Tiande Taizhou, 北京中物博汽車解體有限公司 and three Independent Third Parties to invest in the Beijing Investment.
- (b) a letter of intent between Chiho-Tiande Taizhou and two of the same Independent Third Parties to invest in the Tianjin Investment.

## THE BEIJING INVESTMENT

The letter of intent stipulates that Chiho-Tiande Taizhou is to invest RMB25.5 million representing 51% of the enlarged registered and paid-up capital of 北京中物博汽車解體有限公司. The capital contributions will be in the form of cash. The investment from Chiho-Tiande Taizhou will allow 北京中物博汽車解體有限公司 to expand its existing scrap vehicle recycling business and develop related business activities in the Beijing area.

北京中物博汽車解體有限公司 currently has a registered and paid-up share capital of RMB2 million with its principal business activities in scrap vehicle recycling business in the Beijing area. 北京中物博汽車解體有限公司 is one of the 9 licensees approved by Beijing Municipal Commission of Commerce (北京市商務局), to carry out scrap vehicle recycling business in the Beijing area. Following the investment by Chiho-Tiande Taizhou, the annual scraping capacity of 北京中物博汽車解體有限公司 is expected to reach 100,000 vehicles within the next three years.

Formal agreement for investment in 北京中物博汽車解體有限公司 will need to be executed within the next 180 days.

## THE TIANJIN INVESTMENT

The Tianjin Joint Venture Company will engage in scrap metal and other scrap materials recycling businesses and serve as a processing plant in the region. The Tianjin Joint Venture Company is targeted to achieve a processing capacity of 1,000,000 tonnes within the next three years.

The Tianjin Joint Venture Company is expected to have a registered capital of RMB50 million which will be contributed by Chiho-Tiande Taizhou and the two Independent Third Parties as to 51% and 49% respectively. The capital contributions will be in the form of cash and/or equipment. All parties expect to sign a formal joint venture agreement within 180 days of signing of the letter of intent and should that not occur, the letter of intent will lapse unless the parties otherwise agree.

## DEFINITIONS

In this announcement, the following expressions have the meanings set out below, unless the context otherwise requires:

“北京中物博汽車解體有限公司”	北京中物博汽車解體有限公司, a company established in Mainland China and owned by Independent Third Parties
“Board”	the board of directors of Chiho-Tiande
“Chiho Group”	Chiho-Tiande and its subsidiaries

“Chiho-Tiande”	Chiho-Tiande Group Limited, a company incorporated in the Cayman Islands and whose shares is listed on the Main Board of The Stock Exchange of Hong Kong Limited (Stock Code: 976)
“Chiho-Tiande Taizhou”	台州齊合天地金屬有限公司, a company established in Mainland China and a subsidiary of Chiho-Tiande
“Independent Third Parties”	persons (including ultimate beneficial owners) who, to the best of the knowledge, information and belief of the directors of Chiho-Tiande having made all reasonable enquiry, are third parties independent of Chiho-Tiande and its connected persons (as that terms is defined in the Listing Rules)
“Listing Rules”	The Rules Governing The Listing of Securities on The Stock Exchange of Hong Kong Limited
“Mainland China”	The People’s Republic of China (excluding Hong Kong, Macau and Taiwan)

By Order of the Board  
**Chiho-Tiande Group Limited**  
**Fang Ankong**  
*Chairman*

Hong Kong, 27 January 2011

As at the date of this announcement, the Board of Directors of the Chiho-Tiande comprises:

Executive directors:	Fang Ankong, Stephanus Maria van Ooijen and Gu Liyong
Non-executive director:	Ralph Sytze Ybema
Independent non-executive directors:	Loke Yu, Li Xikui and Zhang Jingdong