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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)

GRANT OF SHARE OPTIONS AND CONTINUING CONNECTED TRANSACTIONS IN RELATION TO THE NEW MASTER PURCHASE AGREEMENT FOR THE SUPPLY OF METAL SCRAP TO SIMS METAL MANAGEMENT ASIA LIMITED

GRANT OF SHARE OPTIONS

On 28 March 2012, the Company granted Share Options to the Grantees to subscribe for an aggregate of 30,900,000 Shares.

As the total number of Shares to be issued upon exercise of the Share Options granted to each of Mr. Fang and Mr. van Ooijen in the 12-month period up to and including the Date of Grant will represent in aggregate over 0.1% of the Shares in issue and having an aggregate value in excess of HK\$5 million, based on the closing price of the Shares of HK\$4.10 on the Date of Grant, the grant of Share Options to each of Mr. Fang and Mr. van Ooijen must be approved by the Shareholders at a general meeting at which all connected persons of the Company shall abstain from voting.

In addition, as the total number of Shares to be issued upon exercise of the Share Options granted to Mr. Fang in the 12-month period represents in aggregate over 1% of the Shares in issue, the grant of Share Options to Mr. Fang must be approved by Shareholders in general meeting with Mr. Fang and his associates abstaining from voting.

CONTINUING CONNECTED TRANSACTIONS IN RELATION TO THE NEW MASTER PURCHASE AGREEMENT WITH SIMS ASIA

Reference is made to the announcement of the Company on 16 February 2012 in relation to the Existing Master Purchase Agreement. Pursuant to the Existing Master Purchase Agreement, the relevant member(s) of the Sims Asia Group may purchase from the relevant member(s) of the Group the Products which comprise, among others, copper scrap at prevailing market prices during the term between 1 February 2012 and 31 May 2012.

In order to renew the existing arrangements under the Existing Master Purchase Agreement, on 28 March 2012, the Company entered into the New Master Purchase Agreement with Sims Asia pursuant to which the relevant member(s) of the Sims Asia Group may purchase from the relevant member(s) of the Group the Products at prevailing market prices for the Term of three years from 1 June 2012 to 31 May 2015.

The Products shall be purchased by the relevant member(s) of the Sims Asia Group from the relevant member(s) of the Group (a) on normal commercial terms (or on terms no less favourable to the Group than terms made available from independent third parties); (b) at pricing determined on arm's length negotiation by reference to the prevailing market prices and having regard to the estimated costs for the supply of the Products; and (c) the aggregate values of which shall not exceed the Annual Caps in the relevant periods during the Term.

Sims Asia is the intermediate holding company of Sims which holds 16% of the issued share capital of the Company. Therefore, Sims Asia is a substantial shareholder and hence a connected person of the Company. The transactions contemplated under the New Master Purchase Agreement constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

The aggregate values of the transactions between the Group and the Sims Asia Group under the New Master Purchase Agreement in the relevant periods during the Term are capped at the Annual Caps. The Annual Caps were arrived at after taking into account (a) the historical volume of the Products that the Sims Asia Group purchased under the Existing Master Purchase Agreement; (b) the prevailing market prices of the Products; (c) the Company's expected average market price of the Products over the Term; and (d) the estimated volume of the Products that the Sims Asia Group may order from the Group during the Term.

As the applicable Percentage Ratios in respect of the Annual Caps are more than 5%, the transactions contemplated under the New Master Purchase Agreement constitute non-exempt continuing connected transactions for the Company under Rule 14A.35 of the Listing Rules. The New Master Purchase Agreement is therefore subject to the reporting, announcement, annual review and the independent shareholders' approval requirements under Chapter 14A of the Listing Rules. Details of the New Master Purchase Agreement will be included in the next published annual report and accounts of the Company in accordance with Rule 14A.45 of the Listing Rules.

EGM

The Company will convene an EGM, at which resolutions will be proposed for the approval of (i) the grant of Share Options to each of Mr. Fang and Mr. van Ooijen; and (ii) the New Master Purchase Agreement and the Annual Caps.

The Company will appoint an independent financial adviser to advise the Independent Board Committee and the Independent Shareholders as to the fairness and reasonableness of the New Master Purchase Agreement and the Annual Caps, and to advise the Independent Shareholders as to how they should vote in respect of the transactions contemplated under the New Master Purchase Agreement at the EGM. The Independent Board Committee comprising all independent non-executive Directors has been established to advise the Independent Shareholders as to whether the New Master Purchase Agreement is on normal commercial terms, the terms of which are fair and reasonable insofar as the Independent Shareholders are concerned, and to advise the Independent Shareholders as to how they should vote in respect of the transactions contemplated under the New Master Purchase Agreement at the EGM, after taking into account of the recommendations of the independent financial adviser to be appointed by the Company.

The Company will send a circular to the Shareholders as soon as practicable setting out (i) further information in relation to the grant of Share Options to each of Mr. Fang and Mr. van Ooijen and the New Master Purchase Agreement as required under the Listing Rules; (ii) the letter of advice from the independent financial adviser to the Board and the Independent Shareholders regarding the New Master Purchase Agreement; and (iii) the notice convening the EGM.

1. GRANT OF SHARE OPTIONS

On 28 March 2012, the Board resolved to conditionally grant Share Options to certain Directors and employees of the Company to subscribe for an aggregate of 30,900,000 Shares, subject to acceptance of the Grantees.

Details of the Share Options granted are as follows:–

Date of Grant: 28 March 2012

Exercise price of Share Options: HK\$4.186 per Share, which represents the highest of (i) the closing price of HK\$4.10 per Share as stated in the daily quotations sheet of the Stock Exchange on 28 March 2012, being the Date of Grant; (ii) the average closing price of HK\$4.186 per Share as stated in the daily quotations sheets of the Stock Exchange for the five trading days immediately preceding the Date of Grant; and (iii) the nominal value of the Share, being HK\$0.01

| | |
|---|--|
| Number of Share Options granted: | 30,900,000 Share Options to be subscribe for an aggregate of 30,900,000 Shares |
| Closing price of the Shares on the Date of Grant: | HK\$4.10 per Share |
| Validity period of the Share Options: | The option period of the Share Options shall be four years from the Date of Grant and the Share Options shall lapse at the expiry of the aforesaid option period. |
| Vesting period and vesting conditions for the Share Options: | <p>(a) For all Grantees, the Share Options granted may be exercised:</p> <ul style="list-style-type: none"> (i) as to 30%, from the date of the first anniversary of the Date of Grant, i.e. 28 March 2013, to the date immediately before the fourth anniversary of the Date of Grant, i.e. 27 March 2016 (both dates inclusive); (ii) as to 30%, from the date of the second anniversary of the Date of Grant, i.e. 28 March 2014, to the date immediately before the fourth anniversary of the Date of Grant, i.e. 27 March 2016 (both dates inclusive); and (iii) as to 40%, from the date of the third anniversary of the Date of Grant, i.e. 28 March 2015, to the date immediately before the fourth anniversary of the Date of Grant, i.e. 27 March 2016 (both dates inclusive). <p>(b) In the case of Mr. Fang, Mr. van Ooijen and Mr. Gu:</p> <p>In addition to the vesting period set out in (a) above, the Share Options granted to each of Mr. Fang, Mr. van Ooijen and Mr. Gu will only be vested if the net profit of the Group for the financial year of the Company ending 31 December 2012 is equal to or exceeds 130% of the net profit of the Group for the financial year ended 31 December 2010 (the “Performance Target”). If the Performance Target is not reached, the Share Options granted to Mr. Fang, Mr. van Ooijen and Mr. Gu will automatically lapse.</p> |

Among the Share Options granted above, Share Options to subscribe for an aggregate of 19,375,000 Shares were conditionally granted to the following Directors and substantial shareholders of the Company and their respective associates (as defined in Rule 1.01 of the Listing Rules):—

| Name of Grantee | Relationship with the Company | Number of Shares to be issued upon the exercise of the Share Options granted |
|------------------------|---|---|
| Mr. Fang | Executive Director and a controlling shareholder of the Company | 16,500,000 |
| Mr. van Ooijen | Executive Director and a controlling shareholder of the Company | 2,000,000 |
| Mr. Gu | Executive Director | 650,000 |
| Dr. Loke Yu | Independent non-executive Director | 75,000 |
| Mr. Li Xikui | Independent non-executive Director | 75,000 |
| Ms. Zhang Jingdong | Independent non-executive Director | 75,000 |

Implications of the grant of Share Options under the Listing Rules

Pursuant to Rule 17.04(1) of the Listing Rules and the provisions of the Post-IPO Share Option Scheme, the grant of Share Options by the Company to any Director, chief executive, or substantial shareholder of the Company or any of their respective associates must be approved by the independent non-executive Directors (excluding independent non-executive Director who is the grantee of the Share Options concerned). On the Date of Grant, the independent non-executive Directors have approved the grant of Share Options to Mr. Fang, Mr. van Ooijen and Mr. Gu.

Further, pursuant to Rule 17.04(1) of the Listing Rules and the provisions of the Post-IPO Share Option Scheme, where a grant of share options to a substantial shareholder of the Company or an independent non-executive Director and/or their respective associates would result in the Shares issued and to be issued upon exercise of all the share options granted and to be granted (including options exercised, cancelled and outstanding) under the Post-IPO Share Option Scheme and any other share option schemes of the Company to such person in the 12-month period up to and including the date of such grant (i) representing in aggregate over 0.1% of the Shares in issue; and (ii) having an aggregate value, based on the closing price of the Shares on the date of grant, in excess of HK\$5 million, such grant of share options must be approved by the Shareholders at a general meeting at which all connected persons of the Company shall abstain from voting. As at the Date of Grant, there were 1,041,854,706 Shares in issue.

As disclosed in the announcement and the circular of the Company dated 3 May 2011 and 1 June 2011, respectively, on 3 May 2011, the Company granted the Share Options to Mr. Fang and Mr. van Ooijen to subscribe for 16,500,000 Shares and 1,000,000 Shares, respectively, subject to, among other vesting conditions, the condition that the net profit of the Group for the financial year of the Company ended 31 December 2011 should be equal to or exceed 130% of the net profit of the Group for the financial year ended 31 December 2010. This condition was not satisfied and therefore the Share Options granted to Mr. Fang and Mr. van Ooijen in 2011 have not been duly vested and are not exercisable. Notwithstanding this, these Share Options should be taken into account for the purpose of determining whether the limits under Rule 17.04(1) of the Listing Rules are exceeded.

As the total number of Shares to be issued upon exercise of the Share Options granted to each of Mr. Fang and Mr. van Ooijen in the 12-month period up to and including the Date of Grant will represent in aggregate over 0.1% of the Shares in issue and having an aggregate value in excess of HK\$5 million, based on the closing price of the Shares of HK\$4.10 on the Date of Grant, the grant of Share Options to each of Mr. Fang and Mr. van Ooijen must be approved by the Shareholders at a general meeting at which all connected persons of the Company shall abstain from voting.

In addition, pursuant to the provisions of the Post-IPO Share Option Scheme, the maximum number of Shares issued and to be issued upon exercise of the Share Options granted to each Grantee under the Post-IPO Share Option Scheme (including both exercised and outstanding Share Options) in any 12-month period shall not, when aggregated with any Shares subject to options granted under such period under any other share option schemes of the Company other than those options granted pursuant to specific approval by the Shareholders in a general meeting, exceed 1% of the Shares in issue for the time being. When any further grant of Shares Options to a Grantee would result in the Shares issued and to be issued upon exercise of all Share Options granted and to be granted to such person (including exercised, cancelled and outstanding share options) in the 12-month period up to and including the date of such further grant representing in aggregate over 1% of the Shares in issue, such further grant must be separately approved by Shareholders in general meeting with such Grantee and his associates abstaining from voting.

As the total number of Shares to be issued upon exercise of the Share Options granted to Mr. Fang in the 12-month period up to and including the Date of Grant represents in aggregate over 1% of the Shares in issue, the grant of Share Options to Mr. Fang must be approved by Shareholders in general meeting with Mr. Fang and his associates abstaining from voting. Save for Mr. Fang, none of the Grantees will, as a result of the grant of Share Options, be entitled to be issued with such number of Shares as represents over 1% of the Shares in issue upon exercise of all Share Options granted to him/her/it in the 12-month period up to and including the Date of Grant.

2. CONTINUING CONNECTED TRANSACTIONS IN RELATION TO THE NEW MASTER PURCHASE AGREEMENT WITH SIMS ASIA

The New Master Purchase Agreement

Reference is made to the announcement of the Company on 16 February 2012 in relation to the Existing Master Purchase Agreement. Pursuant to the Existing Master Purchase Agreement, the relevant member(s) of the Sims Asia Group may purchase from the relevant member(s) of the Group the Products which comprise, among others, copper scrap at prevailing market prices during the term between 1 February 2012 and 31 May 2012.

In order to renew the existing arrangements under the Existing Master Purchase Agreement, on 28 March 2012, the Company entered into the New Master Purchase Agreement with Sims Asia, pursuant to which the relevant member(s) of the Sims Asia Group may purchase from the relevant member(s) of the Group the Products at prevailing market prices for the Term of three years from 1 June 2012 to 31 May 2015.

The principal terms of the New Master Purchase Agreement are as follows:—

Date: 28 March 2012

Parties: (a) the Company; and
(b) Sims Asia

Purchase of Products: Sims Asia agrees to procure the relevant member(s) of the Sims Asia Group to issue Purchase Orders to the relevant member(s) of the Group for the purchase of the Products from time to time. Each Purchase Order shall set out the particulars and the terms and conditions upon which any particular Products shall be supplied by the relevant member(s) of the Group to the relevant member(s) of the Sims Asia Group. The terms of each Purchase Order must comply with the terms of the New Master Purchase Agreement and in particular, any Products to be supplied under any Purchase Order must comply with the basis set out in the New Master Purchase Agreement.

Basis for the purchase of Products: All of the Products shall be purchased by the relevant member(s) of the Sims Asia Group from the relevant member(s) of the Group on the following basis:

(a) on normal commercial terms (or on terms no less favourable to the Group than terms made available from independent third parties);

- (b) pricing determined on an arm's length negotiation by reference to the prevailing market prices and having regard to the estimated costs for the supply of the Products; and
- (c) the aggregate value of the Products purchased and to be purchased by the Sims Asia Group from the Group under the New Master Purchase Agreement during the Term shall not exceed the Annual Caps as set out in the section headed "Implications of the New Master Purchase Agreement under the Listing Rules" of this announcement.

The charges for Products rendered under the Purchase Order(s) shall be settled by way of cash.

Conditions:

The New Master Purchase Agreement is conditional upon:

- (a) the Company having obtained all necessary approvals, whether corporate or regulatory or otherwise, required for the New Master Purchase Agreement and the transactions contemplated thereunder, including but not limited to the passing of the resolution(s) to approve the continuing connected transactions aspect of the New Master Purchase Agreement and the transactions contemplated thereunder (insofar as such transactions are required by the Listing Rules to be approved by the Independent Shareholders) by the Independent Shareholders; and
- (b) Sims Asia having obtained all necessary approvals, whether corporate or regulatory or otherwise, required for the New Master Purchase Agreement and the transactions contemplated thereunder.

If the above conditions are not fulfilled on or before the Long Stop Date, the New Master Purchase Agreement shall automatically terminate and neither Party shall have any rights to claim against the other Party under the New Master Purchase Agreement.

Term of the New Master Purchase Agreement:

The New Master Purchase Agreement will take effect from 1 June 2012 and shall continue until 31 May 2015 unless terminated earlier in accordance with the terms thereof.

Reasons for and benefits of the New Master Purchase Agreement

Sims Asia is an existing business partner of the Group as the Group has been purchasing certain mixed metal scrap products from the Sims Asia Group for a considerable period of time. Since February 2012, the Group has commenced supplying the Products to the Sims Asia Group and it is expected that the demand for a constant supply of the Products by the Sims Asia Group will last over the next few years. The New Master Purchase Agreement will enable the Group to comply with the applicable requirements under the Listing Rules in respect of continuing connected transactions and allow the Group to continue selling and supplying the Products to the Sims Asia Group on an uninterrupted basis during the Term.

Implications of the New Master Purchase Agreement under the Listing Rules

Sims Asia is the intermediate holding company of Sims which holds 16% of the issued share capital of the Company. Therefore, Sims Asia is a substantial shareholder and hence a connected person of the Company. The transactions contemplated under the New Master Purchase Agreement therefore constitute continuing connected transactions for the Company under Chapter 14A of the Listing Rules.

The aggregate values of the transactions between the Group and the Sims Asia Group under the New Master Purchase Agreement in the relevant periods during the Term are capped at the following Annual Caps:—

| Relevant periods during the Term | Annual Caps |
|---|---|
| 1 June 2012 – 31 December 2012 | US\$37 million (approximately HK\$288.6 million) |
| 1 January 2013 – 31 December 2013 | US\$74 million (approximately HK\$577.2 million) |
| 1 January 2014 – 31 December 2014 | US\$81 million (approximately HK\$631.8 million) |
| 1 January 2015 – 31 May 2015 | US\$45 million (approximately HK\$351 million) |

The Annual Caps were arrived at after taking into account (a) the historical volume of the Products that the Sims Asia Group purchased under the Existing Master Purchase Agreement; (b) the prevailing market prices of the Products; (c) the Company's expected average market price of the Products over the Term; and (d) the estimated volume of the Products that the Sims Asia Group may order from the Group during the Term.

As the applicable Percentage Ratios in respect of the Annual Caps are more than 5%, the transactions contemplated under the New Master Purchase Agreement constitute non-exempt continuing connected transactions for the Company under Rule 14A.35 of the Listing Rules. The New Master Purchase Agreement is therefore subject to the reporting, announcement, annual review and the independent shareholders' approval requirements under Chapter 14A of the Listing Rules. Details of the New Master Purchase Agreement will be included in the next published annual report and accounts of the Company in accordance with Rule 14A.45 of the Listing Rules.

The Directors' View

The New Master Purchase Agreement was entered into by the Company in the ordinary and usual course of business of the Group. The terms of the New Master Purchase Agreement (including the Annual Caps) have been arrived at after arm's length negotiation between the Company and Sims Asia. The Directors (excluding the independent non-executive Directors and Mr. Lion, the non-executive Director, who is considered having a material interest in the transactions contemplated under the New Master Purchase Agreement and was hence required to abstain from voting at the relevant meeting of the Board to approve the transactions contemplated under the New Master Purchase Agreement) consider that the terms of the New Master Purchase Agreement (including the Annual Caps) are on normal commercial terms and are fair and reasonable, and that it would be in the interest of the Company and the Shareholders as a whole to enter into the New Master Purchase Agreement as it will allow the Group to continue selling and supplying metal scrap to the Sims Asia Group on an uninterrupted basis.

The independent non-executive Directors would only be able to form their opinion on the New Master Purchase Agreement and the Annual Caps after having reviewed the advice of the independent financial adviser to be appointed by the Company.

Information on the Group and Sims Asia

The Group principally engages in mixed metal scrap recycling, reuse and processing which involve breaking-down, demolition and separation of mixed metal scrap such as motor scrap and electric wire and cable scrap into their respective metal constituents, comprising mainly copper scrap, steel scrap, aluminium scrap and iron scrap as well as a growing business in scrap metal collection.

Sims Asia is the intermediate holding company of Sims which holds 16% of the issued share capital of the Company. Sims in turn is an indirect wholly-owned subsidiary of SMM, the world's largest listed metal recycler with ordinary shares listed on the Australian Securities Exchange (ASX: SGM) and American Depositary Receipts listed on the New York Stock Exchange (NYSE: SMS). The principal business of SMM and its subsidiaries and its associates is metals and electronics recycling.

3. EGM

The Company will convene an EGM, at which resolutions will be proposed for the approval of (i) the grant of Share Options to each of Mr. Fang and Mr. van Ooijen; and (ii) the New Master Purchase Agreement and the Annual Caps. Pursuant to the requirements under the Listing Rules, Sims and its associates (who together hold 166,696,754 Shares, representing approximately 16% of the issued share capital of the Company as at the date of this announcement) are required to abstain from voting for the relevant resolution(s) to approve the New Master Purchase Agreement and the Annual Caps.

The Company will appoint an independent financial adviser to advise the Independent Board Committee and the Independent Shareholders as to the fairness and reasonableness of the New Master Purchase Agreement and the Annual Caps, and to advise the Independent Shareholders as to how they should vote in respect of the transactions contemplated under the New Master Purchase Agreement at the EGM.

The Independent Board Committee comprising all independent non-executive Directors has been established to advise the Independent Shareholders as to whether the New Master Purchase Agreement is on normal commercial terms, the terms of which are fair and reasonable insofar as the Independent Shareholders are concerned, and to advise the Independent Shareholders as to how they should vote in respect of the transactions contemplated under the New Master Purchase Agreement at the EGM, after taking into account of the recommendations of the independent financial adviser to be appointed by the Company.

The Company will send a circular to the Shareholders as soon as practicable setting out (i) further information in relation to the grant of Share Options to each of Mr. Fang and Mr. van Ooijen and the New Master Purchase Agreement as required under the Listing Rules; (ii) the letter of advice from the independent financial adviser to the Board and the Independent Shareholders regarding the New Master Purchase Agreement; and (iii) the notice convening the EGM.

4. DEFINITIONS

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

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| “Annual Caps” | the expected maximum aggregate annual values of the Products to be purchased by the Sims Asia Group from the Group under the New Master Purchase Agreement in the relevant periods during the Term |
| “associates” | has the meaning ascribed to it in the Listing Rules |
| “Board” | the board of Directors |

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| “Company” | 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) |
| “connected person(s)” | has the meaning given to it in the Listing Rules |
| “continuing connected transaction” | has the meaning given to it in the Listing Rules |
| “controlling shareholders” | has the meaning given to it in the Listing Rules |
| “Date of Grant” | 28 March 2012 |
| “Directors” | the directors of the Company, and a “Director” means any one of them |
| “EGM” | the extraordinary general meeting of the Company |
| “Existing Master Purchase Agreement” | the master purchase agreement entered into on 16 February 2012 between the Company and Sims Asia in respect of the purchase of the Products by the relevant member(s) of the Sims Asia Group from the relevant member(s) of the Group during the term between 1 February 2012 and 31 May 2012 |
| “Grantees” | certain Directors and employees of the Company |
| “Group” | the Company and its subsidiaries from time to time |
| “HK\$” | Hong Kong dollars, the lawful currency of Hong Kong |
| “Hong Kong” | the Hong Kong Special Administrative Region of the People’s Republic of China |
| “Independent Board Committee” | a board committee comprising all independent non-executive Directors established by the Board to advise the Independent Shareholders on the New Master Purchase Agreement |
| “Independent Shareholders” | Shareholders other than Sims and its associates |
| “Listing Rules” | The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited |

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| “Long Stop Date” | 31 May 2012 or such later date as the Parties shall agree in writing |
| “Mr. Fang” | Mr. Fang Ankong, an executive Director and a controlling shareholder of the Company |
| “Mr. Gu” | Mr. Gu Liyong, an executive Director |
| “Mr. Lion” | Mr. Michael Charles Lion, a non-executive Director |
| “Mr. van Ooijen” | Mr. Stephanus Maria van Ooijen, an executive Director and a controlling shareholder of the Company |
| “New Master Purchase Agreement” | the master purchase agreement entered into on 28 March 2012 between the Company and Sims Asia in respect of the purchase of the Products by the relevant member(s) of the Sims Asia Group from the relevant member(s) of the Group during the Term |
| “Parties” | collectively, the Company and Sims Asia, and a “Party” shall mean any of them |
| “Percentage Ratios” | the percentage ratios under Rule 14.07 of the HK Listing Rules |
| “Post-IPO Share Option Scheme” | the post-IPO share option scheme of the Company adopted on 23 June 2010 |
| “Products” | the products which may from time to time be purchased by the relevant member(s) of the Sims Asia Group from the relevant member(s) of the Group which include copper scrap under the New Master Purchase Agreement |
| “Purchase Order(s)” | the purchase order(s) setting out the particulars and the detailed terms and conditions for the supply of the Products by the relevant member(s) of the Group to the relevant member(s) of the Sims Asia Group |
| “Share Options” | the share options granted or to be granted under the Post-IPO Share Option Scheme which entitle the holders thereof to subscribe for Shares |
| “Share(s)” | ordinary share(s) of HK\$0.01 each in the share capital of the Company |

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| “Shareholder(s)” | holder(s) of the Share(s) |
| “Sims” | Sims Metal Management Dragon Holdings Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of SMM |
| “Sims Asia” | Sims Metal Management Asia Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of SMM |
| “Sims Asia Group” | Sims Asia and its subsidiaries and associates |
| “SMM” | Sims Metal Management Limited, a company incorporated in Australia and the holding company of Sims and Sims Asia |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “substantial shareholder(s)” | has the meaning ascribed to it in the Listing Rules |
| “Term” | the term of the New Master Purchase Agreement, being the period between 1 June 2012 and 31 May 2015 unless terminated earlier in accordance with the terms of the New Master Purchase Agreement |
| “US\$” | US dollars, the lawful currency of the United States of America |
| “%” | per cent |

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

Hong Kong, 28 March 2012

In this announcement, amounts denominated in US\$ have been converted into HK\$ at the rate of US\$1 = HK\$7.8 for illustration purposes only.

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

Executive Directors : Fang Ankong, Stephanus Maria van Ooijen, Gu Liyong
Non-executive Director : Michael Charles Lion
Independent non-executive Directors : Loke Yu, Li Xikui, Zhang Jingdong