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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 pursuant to Rule 13.09(1) of the Listing Rules.

The Board wishes to inform the Shareholders and potential investors that based on the information currently available to the Board, the Group expects to record a significant decrease in net profit for the six months ended 30 June 2012 as compared with the corresponding period in 2011.

Shareholders and potential investors 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**”) pursuant to Rule 13.09(1) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

The board of directors of the Company (the “**Board**”) wishes to inform the shareholders (the “**Shareholders**”) and potential investors of the Company that the Group expects to record a significant decrease in net profit for the six months ended 30 June 2012 as compared with the corresponding period in 2011. The decrease in net profit is mainly attributable to (i) the market volatility and decrease in commodity prices in the first half of 2012, (ii) the decrease in the sales volume of the Group; (iii) an inventory provision that the Group is required to make under the “mark-to-market” accounting principle; and (iv) the increase in administrative expenses, finance cost in bank borrowings and the interest expenses incurred as a result of the issuance of the convertible bonds of the Company.

This profit warning announcement is only a preliminary assessment by the Board based on the information currently available, which have not been reviewed nor audited by the Company's auditors. The Company is in the process of finalising the Group's results for the six months ended 30 June 2012. Shareholders and potential investors are advised to read carefully the announcement of the Company in relation to the interim results of the Group for the six months ended 30 June 2012, which is expected to be released in August 2012.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

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

Hong Kong, 17 July 2012

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

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