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**THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

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**If you are in any doubt** as to any aspect of this circular or as to the action you should take, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

**If you have sold or transferred** all your shares in **Chiho-Tiande Group Limited**, you should at once hand this circular with the accompanying form of election to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale was effected for transmission to the purchaser or transferee.

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**SCRIP DIVIDEND SCHEME  
IN RELATION TO THE FINAL DIVIDEND  
FOR THE YEAR ENDED 31 DECEMBER 2010**

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## DEFINITIONS

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*In this circular, the following expressions have the following meanings unless the context requires otherwise:*

“AGM”	the annual general meeting of the Company held on 19 May, 2011 approving, among other things, the Dividend
“Board”	the board of Directors
“Company”	Chiho-Tiande Group Limited, an exempted company incorporated in the Cayman Islands on 15 May 2008 with limited liability, with its Shares listed on the Stock Exchange on 12 July 2010
“Directors”	the directors of the Company
“Dividend”	the dividend of the Company for the year ended 31 December 2010 of HK\$0.09 per Share to be paid to Shareholders whose names appear in the register of members of the Company as at the Record Date
“Hong Kong”	the Hong Kong Special Administrative Region of The People’s Republic of China
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Overseas Shareholders”	Shareholders whose registered addresses appearing on the register of members of the Company at the Record Date are outside Hong Kong
“Record Date”	8 April, 2011
“Scrip Dividend Scheme”	the scheme proposed by the Directors on 11 March, 2011 in relation to the Dividend to offer the Shareholders a scrip alternative to elect to receive the Dividend wholly or partly by allotment of new Shares credited as fully paid up Shares in lieu of cash
“Scrip Dividend Shares”	new Shares to be allotted, issued and credited as fully paid up Shares under the Scrip Dividend Scheme
“Share(s)”	ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	registered holder(s) of Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

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## DEFINITIONS

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“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“%”	percent

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## LETTER FROM THE BOARD

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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)**

*Executive Directors:*

Mr. Fang Ankong *(Chairman and  
Chief Executive Officer)*  
Mr. Stephanus Maria van Ooijen *(Vice President)*  
Mr. Gu Liyong *(Vice President)*

*Non-executive Director:*

Mr. Ralph Sytze Ybema

*Independent non-executive Directors:*

Ms. Zhang Jingdong  
Dr. Loke Yu  
Mr. Li Xikui

*Registered Office:*

Cricket Square  
Hutchins Drive  
P.O. Box 2681  
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*Principal Place of Business  
in Hong Kong:*

1410, 14/F.,  
Shun Tak Centre West Tower  
168-200 Connaught Road Central  
Hong Kong

24 May, 2011

*To the Shareholders,*

Dear Sir or Madam,

### **SCRIP DIVIDEND SCHEME IN RELATION TO THE FINAL DIVIDEND FOR THE YEAR ENDED 31 DECEMBER 2010**

#### **1. INTRODUCTION**

On 11 March, 2011, it was announced that the Board of the Company declared a final dividend of HK\$0.09 per share of the Company for the year ended 31 December, 2010 by way of scrip with an option to elect cash in respect of part or all of such Dividend, payable to shareholders of the Company whose names appeared on the register of members of the Company as at 8 April, 2011. Shareholders may elect to receive the Dividend wholly or partly in cash. The register of members of the Company was closed from Friday, 1 April, 2011 to Friday, 8 April, 2011 (both dates inclusive) in order to establish entitlements of Shareholders to the Dividend and the Scrip Dividend Scheme, during which period no

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transfer of Shares was registered. The latest date of lodging of transfer forms accompanied by the relevant share certificates to the Company's Hong Kong Share Registrar and Transfer Office for registration for participation in Scrip Dividend Scheme was 31 March, 2011.

The purpose of this circular is to set out information of the Scrip Dividend Scheme, the procedures which apply in relation to the election of Scrip Dividend Shares and the actions which Shareholders should take in relation thereto.

### 2. PARTICULARS OF THE SCRIP DIVIDEND SCHEME

Under the Scrip Dividend Scheme, each Shareholder whose name appears on the register of members of the Company as at the Record Date has the following choices in respect of the Dividend:-

- (a) to receive the Dividend of HK\$0.09 per Share in cash; or
- (b) to be allotted Scrip Dividend Shares having an aggregate market value (as described below), save for adjustment for fractions, equal to the total amount of the Dividend which such Shareholder would otherwise receive in cash; or
- (c) to receive the Dividend partly in cash and partly in Scrip Dividend Shares.

The Scrip Dividend Shares to be issued pursuant to the Scrip Dividend Scheme will rank pari passu in all respects with the existing Shares except that they will not be entitled to the Dividend. Dividend in cash will be paid out in Hong Kong dollars regardless of the place of residence of the Shareholders as at the Record Date.

### 3. BASIS OF ALLOTMENT OF THE SCRIP DIVIDEND SHARES

For the purposes of calculating the number of Scrip Dividend Shares to be allotted, the market value of the Scrip Dividend Shares has been fixed at HK\$7.414, being the average of the closing prices of one Share traded on the Stock Exchange for the five consecutive trading days up to and including the Record Date, rounded down to the nearest three decimal places. Accordingly, the number of Scrip Dividend Shares which the Shareholders will receive in respect of the existing Shares registered in their names as at the Record Date and for which elections to receive the Scrip Dividend Shares are lodged with the Company's Hong Kong Share Registrar and Transfer Office, Computershare Hong Kong Investor Services Limited, at the address and before the time set out in paragraph 5 will be calculated as follows:-

$$\begin{array}{rcccl} \text{Number of Scrip} & & \text{Number of Shares held} & & \text{HK\$0.09} \\ \text{Dividend Shares to be} & = & \text{on the Record Date for} & & \text{(Dividend per Share)} \\ \text{received} & & \text{which election is made} & \times & \hline & & \text{under the Scrip} & & \text{HK\$7.414} \\ & & \text{Dividend Scheme} & & \text{(the average closing price per} \\ & & & & \text{Share for the five consecutive} \\ & & & & \text{trading days up to and including} \\ & & & & \text{the Record Date)} \end{array}$$

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If all Shareholders elect to receive their Dividend in Scrip Dividend Shares, based on 1,000,000,000 Shares in issue as at the Record Date, not more than 12,139,196 Scrip Dividend Shares will be issued under the Scrip Dividend Scheme. The number of Scrip Dividend Shares to be issued to each Shareholder will be rounded down to the nearest whole number. Fractional entitlements to Scrip Dividend Shares will not be allotted but will be aggregated and sold for the benefit of the Company.

#### 4. ADVANTAGES OF THE SCRIP DIVIDEND SCHEME

The Scrip Dividend Scheme will give the Shareholders the opportunity to increase their investment in the Company at market value without incurring brokerage fees, stamp duty and related dealing costs. The Scrip Dividend Scheme will also be to the advantage of the Company because, to the extent that the Shareholders do not elect to receive cash, in whole or in part, such cash as would otherwise have been paid to such Shareholders will be retained for use as working capital by the Company. The Directors therefore consider that the Scrip Dividend Scheme is in the best interests of the Company and the Shareholders as a whole.

#### 5. FORM OF ELECTION

**A form of election for Shareholders to elect to receive the Final Dividend in cash is enclosed with this circular.**

**Any Shareholder who wishes to receive only Scrip Dividend Shares in respect of his/her Dividend need not complete the form of election. Any Shareholder who wishes receive cash in lieu of Scrip Dividend Shares in respect of his/her Dividend, either in whole or in part, must complete the enclosed form of election and return it to the Company's Hong Kong Share Registrar and Transfer Office, Computershare Hong Kong Investor Services Limited, Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, no later than 4:30 p.m. on Thursday, 9 June, 2011. No acknowledgment of receipt of the form of election will be issued. If any Shareholder signs the form of election but does not specify the number of Shares in respect of which he/she wishes to receive his/her Dividend in cash or, if he/she elects to receive his/her Dividend in cash in respect of a greater number of Shares than his/her registered shareholding, then in either case he/she will be deemed to have exercised his/her election of cash in respect of all the Shares registered in his/her name. For the avoidance of doubt, the Scrip Dividend Shares are not offered to the public (other than the Shareholders) and the forms of election are non-transferable.**

#### 6. OVERSEAS SHAREHOLDERS

None of this circular, the form of election and the Scrip Dividend Shares will be registered or filed under the securities laws or equivalent legislation of any jurisdiction other than, if applicable, Hong Kong and the Cayman Islands.

If you are resident outside Hong Kong, this circular and/or the form of election only constitute(s) an invitation to subscribe for Scrip Dividend Shares if such an invitation can be legally made to you without the Company having to meet any legal or registration

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requirements outside Hong Kong. Shareholders residing in a jurisdiction where it would be illegal for the Company to make such an invitation will be deemed to have received this circular and/or the form of election for information only.

As at the Record Date, there were 3 Overseas Shareholders residing in 2 jurisdictions, namely British Virgin Islands and the Netherlands, who together held an aggregate of 750,000,000 Shares, representing approximately 75% of the entire issued share capital of the Company. The aggregate amount of the Dividend to which these Overseas Shareholders are entitled is approximately HK\$67,500,000.

The Company has been advised by its legal advisers on the laws of the British Virgin Islands and the Netherlands that either there is no legal restriction or there are exemptions available to the Company under the applicable legislation of the British Virgin Islands and the Netherlands or requirement of any relevant regulatory body or stock exchange in these 2 jurisdictions with respect to the offer of the Scrip Dividend Shares to the Overseas Shareholders with registered addresses in these 2 jurisdictions as at the Record Date.

For the avoidance of doubt, the Scrip Dividend Shares are not offered to the public (other than the Shareholders) and the forms of election are non-transferable.

Notwithstanding the legal advice taken by the Company, it is the responsibility of anyone wishing to participate in the Scrip Dividend Scheme to satisfy themselves as to full observance of the laws of any relevant territory, including obtaining any governmental or other consents which may be required. Overseas Shareholders who are in doubt as to their position should consult their own professional advisers.

### **7. LISTING OF THE SCRIP DIVIDEND SHARES AND DISPATCH OF CERTIFICATES OF THE SCRIP DIVIDEND SHARES**

The Scrip Dividend Scheme is conditional upon the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the Scrip Dividend Shares. Application will be made to the Listing Committee of the Stock Exchange by the Company for the granting of the listing of, and permission to deal in, the Scrip Dividend Shares to be allotted and issued pursuant to the Scrip Dividend Scheme. The Shares are only listed on the Stock Exchange. No part of the Company's securities is listed or dealt in on any other stock exchange and no such listing or permission to deal is being or is proposed to be sought.

It is expected that certificates for the Scrip Dividend Shares will be posted to the Shareholders at their own risk on or about 22 June, 2011. On this basis, dealings in the Scrip Dividend Shares are expected to commence on or about 23 June, 2011.

Dealings in Shares may be settled through the Central Clearing and Settlement System and you should seek the advice of your stockbroker or other professional advisor for details of these settlement arrangements and how such arrangements will affect your right and interests.



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## LETTER FROM THE BOARD

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### 8. RECOMMENDATION AND ADVICE

Whether or not it is to your advantage to receive cash or the Scrip Dividend Shares, in whole or in part, depends upon your own individual circumstances, and the decision in this regard and all effects resulting therefrom are the responsibility of each Shareholder. If you are in any doubt as to what to do, you should consult your professional advisers as to whether or not you are permitted to receive the Dividend in scrip form or if any governmental or other consent is required. Shareholders who are trustees are recommended to take professional advice as to whether the choice of the Scrip Dividend Shares is within their powers and as to its effects having regard to the terms of the relevant trust instrument.

### 9. DISCLOSURE OF INTERESTS

Shareholders should note that an acquisition of Scrip Dividend Shares under the Scrip Dividend Scheme may give rise to notification requirements under Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong). Shareholders who are in any doubt as to how these provisions may affect them are recommended to seek their own professional advice.

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