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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**

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On 22 March 2013, the Company granted Share Options to certain Directors to subscribe for an aggregate of 19,150,000 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 represents 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\$3.75 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 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.

#### **EGM**

The Company will convene an EGM, at which resolutions will be proposed for the approval of the grant of Share Options to each of Mr. Fang and Mr. van Ooijen. The Company will also send a circular to the Shareholders as soon as practicable setting out (i) further information in relation to, among other things, the grant of Share Options to each of Mr. Fang and Mr. van Ooijen as required under the Listing Rules; and (ii) the notice convening the EGM.

## GRANT OF SHARE OPTIONS

On 22 March 2013, the Board resolved to conditionally grant Share Options to certain Directors to subscribe for an aggregate of 19,150,000 Shares, subject to acceptance of the Grantees.

Details of the Share Options granted are as follows:–

<b>Date of Grant:</b>	22 March 2013
<b>Exercise price of Share Options:</b>	HK\$3.75 per Share, which represents the highest of (i) the closing price of HK\$3.75 per Share as stated in the daily quotations sheet of the Stock Exchange on 22 March 2013, being the Date of Grant; (ii) the average closing price of HK\$3.734 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.
<b>Number of Share Options granted:</b>	19,150,000 Share Options to be subscribe for an aggregate of 19,150,000 Shares
<b>Closing price of the Shares on the Date of Grant:</b>	HK\$3.75 per Share
<b>Validity period of the Share Options:</b>	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.
<b>Vesting period and vesting conditions for the Share Options:</b>	<p>The Share Options granted may be exercised:</p> <ul style="list-style-type: none"><li>(i) as to 30%, from the date of the first anniversary of the Date of Grant, i.e. 22 March 2014, to the date immediately before the fourth anniversary of the Date of Grant, i.e. 21 March 2017 (both dates inclusive);</li><li>(ii) as to 30%, from the date of the second anniversary of the Date of Grant, i.e. 22 March 2015, to the date immediately before the fourth anniversary of the Date of Grant, i.e. 21 March 2017 (both dates inclusive); and</li><li>(iii) as to 40%, from the date of the third anniversary of the Date of Grant, i.e. 22 March 2016, to the date immediately before the fourth anniversary of the Date of Grant, i.e. 21 March 2017 (both dates inclusive).</li></ul>

In addition to the vesting period set out above, the Share Options granted to each of the Grantees will only be vested if the net profit of the Group for the financial year of the Company ending 31 December 2013 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 the Grantees will automatically lapse.

Set out below are the names of the Grantees and the number of Shares to be issued to each of the Grantees upon the exercise of the Share Options conditionally granted to them:–

<b>Name of Grantee</b>	<b>Relationship with the Company</b>	<b>Number of Shares to be issued upon the exercise of the Share Options granted</b>
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
	Total:	<u>19,150,000</u>

As disclosed in the announcement and the circular of the Company dated 28 March 2012 and 24 April 2012, respectively, on 28 March 2012, the Company granted Share Options to Mr. Fang, Mr. van Ooijen and Mr. Gu to subscribe for 16,500,000 Shares, 2,000,000 Shares and 650,000 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 2012 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, Mr. van Ooijen and Mr. Gu in 2012 have automatically lapsed.

### **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 share options) 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 1,043,506,206 Shares in issue.

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 represents 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\$3.75 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, although they may vote against the resolution to approve the grant of Share Options at such general meeting provided that their intention to do so has been stated in the relevant circular.

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.

## **EGM**

The Company will convene an EGM, at which resolutions will be proposed for the approval of the grant of Share Options to each of Mr. Fang and Mr. van Ooijen. The Company will also send a circular to the Shareholders as soon as practicable setting out (i) further information in relation to, among other things, the grant of Share Options to each of Mr. Fang and Mr. van Ooijen as required under the Listing Rules; and (ii) the notice convening the EGM.

## **DEFINITIONS**

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

“associates”	has the meaning ascribed to it in the Listing Rules
“Board”	the board of Directors
“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 ascribed to it in the Listing Rules
“controlling shareholders”	has the meaning ascribed to it in the Listing Rules
“Date of Grant”	22 March 2013
“Directors”	the directors of the Company, and a “Director” means any one of them
“EGM”	the extraordinary general meeting of the Company to be convened for the purpose of, among other things, considering and, if thought fit, approving the grant of Share Options to each of Mr. Fang and Mr. van Ooijen
“Grantees”	collectively, Mr. Fang, Mr. van Ooijen and Mr. Gu, and a “Grantee” means any of them
“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

“Listing Rules”	The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Mr. Fang”	Mr. Fang Ankong, an executive Director and a controlling shareholder of the Company
“Mr. Gu”	Mr. Gu Liyong, an executive Director
“Mr. van Ooijen”	Mr. Stephanus Maria van Ooijen, an executive Director and a controlling shareholder of the Company
“Post-IPO Share Option Scheme”	the post-IPO share option scheme of the Company adopted on 23 June 2010
“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
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder(s)”	has the meaning ascribed to it in the Listing Rules
“%”	per cent

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

Hong Kong, 22 March 2013

As at the date of this announcement, the Board 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