

STRUCTURE OF THE GLOBAL OFFERING

THE GLOBAL OFFERING

Our Global Offering consists of the Hong Kong Public Offering and the International Offering. We intend to initially make available up to 250,000,000 Offer Shares under the Global Offering, of which 225,000,000 Offer Shares will be conditionally placed at the Offer Price pursuant to the International Offering and the remaining 25,000,000 Offer Shares will be offered to the public in Hong Kong at the Offer Price under the Hong Kong Public Offering subject, in each case, to adjustment on the basis described under the paragraph headed “The Hong Kong Public Offering” below.

The 250,000,000 Offer Shares in the Global Offering will represent approximately 25% of our enlarged share capital immediately after the completion of the Global Offering and the Capitalisation Issue, without taking into account the exercise of the Over-allotment Option.

You may apply for the Offer Shares under the Hong Kong Public Offering or indicate an interest for Offer Shares under the International Offering, but you may not apply in both offerings for the Offer Shares. In other words, you may only apply for and receive either Hong Kong Offer Shares under the Hong Kong Public Offering or International Offer Shares under the International Offering, but not under both offerings. The Hong Kong Public Offering is open to members of the public in Hong Kong as well as to institutional and professional investors. The International Offering will involve selective marketing of the Offer Shares to institutional and professional investors and other investors anticipated to have a sizeable demand for our Offer Shares in Hong Kong and other jurisdictions outside the United States. Professional investors generally include brokers, dealers, companies (including fund managers) whose ordinary business involves dealing in shares and other securities and corporate entities which regularly invest in shares and other securities. Prospective professional, institutional and other investors will be required to specify the number of the Offer Shares under the International Offering they would be prepared to acquire either at different prices or at a particular price. This process, known as “book-building”, is expected to continue up to the Price Determination Date.

OVER-ALLOTMENT AND STABILISATION

In connection with the Global Offering, we intend to grant the Over-allotment Option to the International Underwriter, exercisable by Sole Global Coordinator. The Over-allotment Option gives the Sole Global Coordinator the right, exercisable at any time from the Listing Date up to 30 days from the last day for lodging of applications under the Hong Kong Public Offering, to require us to issue and allot up to an aggregate of 37,500,000 additional Shares, representing in aggregate 15% of the initial size of the Global Offering at the Offer Price to cover over-allocations in the International Offering, if any. The Sole Global Coordinator may cover any over-allocations by purchasing Shares in the secondary market or by a combination of purchases in the secondary market and a partial exercise of the Over-allotment Option. Any such secondary market purchase will be made in compliance with all applicable laws, rules and regulations. If the Sole Global Coordinator exercises the Over-allotment Option in full, the additional Offer Shares will represent 3.61% of our enlarged issued share capital following the completion of the Global Offering and the Capitalisation Issue and the exercise of the Over-allotment Option. In the event that the Over-allotment Option is exercised, we will make an announcement in the South China Morning Post (in English) and the Hong Kong Economic Times (in Chinese). Such announcement will also be available at the website of the Stock Exchange at www.hkex.com.hk and our website at www.chiho-tiande.com.

In order to facilitate the settlement of over-allocations in connection with the Global Offering, the Sole Global Coordinator may choose to borrow, whether on its own or through its affiliates, up to 37,500,000 Shares from Green Elite pursuant to the Stock Borrowing Agreement (being the maximum number of Shares which may be issued upon exercise of the Over-allotment Option), or acquire Shares from other sources, including the exercising the Over-allotment Option.

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If such Stock Borrowing Agreement is entered into, it will only be effected by the Sole Global Coordinator or its agent for settlement of over-allocation in the International Offering.

Only applicable if stabilisation is to be taken under the Securities and Futures (Price Stabilisation) Rules

The loan of Shares by Green Elite, one of our Controlling Shareholders, pursuant to the Stock Borrowing Agreement shall not be subject to the restrictions under Rule 10.07(1)(a) of the Listing Rules which restricts the disposal of Shares by the Controlling Shareholder(s) subsequent to the date of this prospectus, subject to compliance with the following requirements in accordance with the provisions of Rule 10.07(3) of the Listing Rules:

- (i) the Stock Borrowing Agreement will be for the Sole Global Coordinator of covering any short position prior to the exercise of the Over-allotment Option in connection with the International Offering;
- (ii) the maximum number of Shares which may be borrowed from the Controlling Shareholder(s) must not exceed the maximum number of Shares which may be issued upon the full exercise of the Over-allotment Option;
- (iii) the same number of Shares so borrowed must be returned to the Controlling Shareholder(s) or its nominees, as the case may be, on or before the third business day following the earlier of (a) the last day for exercising the Over-allotment Option, and (b) the date on which the Over-allotment Option is exercised in full;
- (iv) the borrowing of Shares pursuant to the stock borrowing arrangement will be effected in compliance with all applicable Listing Rules, laws and other regulatory requirements; and
- (v) no payments will be made to Green Elite in relation to the Stock Borrowing Agreement.

Stabilisation is a practice used by underwriters in some markets to facilitate the distribution of securities. To stabilise, the underwriters may bid for, or purchase, the newly issued securities in the secondary market, during a specified period of time, to retard, and if possible, prevent any decline in the market price of the securities below the offer price. In Hong Kong and certain other jurisdictions, the price at which stabilisation is effected is not permitted to exceed the offer price.

In connections with the Global Offering, the stabilising manager, being the Sole Global Coordinator or any person acting for it, on behalf of the Underwriters, may over-allocate or effect any other transactions with a view to stabilising or maintaining the market price of the Shares at a level higher than that which might otherwise prevail in the open market for a limited period after the commencement of trading in our Shares on the Stock Exchange. Such market purchases of Shares will be effected in compliance with all applicable laws and regulatory requirements. However, there is no obligation on the stabilising manager or any person acting for it to conduct any such stabilising activity, which if commenced, will be done at the absolute discretion of the stabilising manager and may be discontinued at any time. Any such stabilising activity is required to be brought to an end within 30 days of the last day for the lodging of application under the Hong Kong Public Offering.

Stabilising action permitted in Hong Kong pursuant to the Securities and Futures (Price Stabilising) Rules (Chapter 571W of the Laws of Hong Kong) includes (i) over-allocations for the purpose of preventing or minimising any reduction in the market price; (ii) selling or agreeing to sell shares so as to establish a short position in them for the purpose of preventing or minimising any reduction in the market price; (iii) subscribing, or agreeing to subscribe, for shares pursuant to the over-allotment option in order to close out any position established under item (i) or (ii) above; (iv) purchasing, or agreeing to purchase, shares for the sole purpose of preventing or minimising any reduction in the market price; (v) selling offer shares to liquidate a long position held as a result of those purchases; and (vi) offering or attempting to do anything described in item (ii), (iii), (iv) or (v) above.

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As a result of effecting transactions to stabilise or maintain the market price of our Shares, the stabilising manager, or any person acting for it, may maintain a long position in the Offer Shares. The size of the long position, and the period for which the stabilising manager, or any person acting for them, will maintain the long position is at the discretion of the stabilising manager and is uncertain. Investors should be warned that, in the event that the stabilising manager liquidates this long position by making sales in the open market, this may lead to a decline in the market price of the Shares.

Stabilising action by the stabilising manager, or any person acting for them, is not permitted to support the price of our Shares for longer than the stabilising period, which begins on the day on which trading of our Shares commences on the Stock Exchange and ends on the 30th day after the last day for the lodging of applications under the Hong Kong Public Offering. The stabilising period is expected to end no later than the 30th day after the last day for lodging applications under the Hong Kong Public Offering. As a result, demand for the Shares, and their market price, may fall after the end of the stabilising period.

Any stabilising action taken by the stabilising manager, or any person acting for it, may not necessarily result in the market price of the Shares staying at or above the Offer Price either during or after the stabilising period. Stabilising bids for or market purchases of the Offer Shares by the stabilising manager, or any person acting for them, may be made at or below the Offer Price and can therefore be made at or below the price paid for the Offer Shares by applicants for, or investors in, the Offer Shares.

In connection with the Global Offering, the Sole Global Coordinator may over-allocate up to and not more than an aggregate of 37,500,000 additional Shares and cover such over-allocations by exercising the Offer Price or through stock borrowing arrangements or a combination of these means. The number of Shares that may be over-allocated will not exceed the number of Shares that may be issued under the Over-allotment Option, namely 37,500,000 Shares, which is 15% of our Shares initially being offered in the Global Offering.

The Hong Kong Public Offering is fully underwritten by the Hong Kong Underwriters and the International Offering is expected to be fully underwritten by the International Underwriter. The Hong Kong Public Offering and the International Offering are subject to the conditions described in the section headed "Underwriting – Underwriting Arrangements and Expenses" in this prospectus. In particular, we and the Sole Global Coordinator, on behalf of the Underwriters, must agree on the Offer Price for the Global Offering. The Hong Kong Underwriting Agreement was dated 25 June 2010 and, subject to an agreement on the Offer Price between the Sole Global Coordinator, on behalf of the Hong Kong Underwriters, and us for purposes of the Hong Kong Public Offering. The International Underwriting Agreement (including the agreement on the Offer Price between us and the Sole Global Coordinator, on behalf of the International Underwriter for purposes of the International Offering) is expected to be entered into on the Price Determination Date, which is expected to be on or about 2 July 2010, and in any event, not later than 3 July 2010. The Hong Kong Underwriting Agreement and the International Underwriting Agreement are inter-conditional upon each other.

DETERMINING THE OFFER PRICE

We expect the Offer Price to be fixed by agreement among us and the Sole Global Coordinator, on behalf of the Underwriters, on the Price Determination Date when market demand for the Offer Shares will be determined. We expect the Price Determination Date to be on or around 2 July 2010 and in any event, not later than 3 July 2010. The Offer Price will not be more than HK\$3.13 per Offer Share and is expected to be not less than HK\$2.43 per Offer Share. You should be aware that the Offer Price to be determined on the Price Determination Date may be, but is not expected to be, lower than the indicative offer price range stated in this prospectus.

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The Sole Global Coordinator, on behalf of the Underwriters, may, where considered appropriate based on the level of interest expressed by prospective professional, institutional and other investors during the book-building process, and with our consents, reduce the number of Offer Shares and/or the indicative offer price range below that described in this prospectus prior to the morning of the last day for lodging applications under the Hong Kong Public Offering. In such a case, we will as soon as practicable following the decision to make such reduction and in any event not later than the morning of the last day for lodging applications under the Hong Kong Public Offering publish a notice in the South China Morning Post (in English) and the Hong Kong Economic Times (in Chinese) of the reduction in the number of Offer Shares and/or the indicative offer price range.

Upon issue of such a notice, the revised number of Offer Shares and/or Offer Price range will be final and conclusive and the Offer Price, if agreed upon among the Sole Global Coordinator, on behalf of the Underwriters, and us, will be fixed within such revised offer price range. In this notice, we will also confirm or revise, as appropriate, the working capital statement as currently disclosed in the paragraph headed "Working Capital" in the section headed "Financial Information" in this prospectus, the offering statistics as currently disclosed in the section headed "Summary" in this prospectus, the use of proceeds in the section headed "Future Plans and Use of Proceeds" in this prospectus and any other financial information which may change as a result of such reduction. If we do not publish a notice in the South China Morning Post (in English) or the Hong Kong Economic Times (in Chinese) of a reduction in the number of Offer Shares and/or the indicative offer price range stated in this prospectus on or before the morning of the last day for lodging applications under the Hong Kong Public Offering, the Offer Price, if agreed upon by us, will be within the offer price range as stated in this prospectus.

If we are unable to reach an agreement with the Sole Global Coordinator, on behalf of the Underwriters, on the Offer Price by Saturday, 3 July 2010, the Global Offering will not proceed and will lapse. We expect to publish an announcement of the Offer Price, together with the level of interest in the International Offering and the application results and basis of allotment of the Hong Kong Offer Shares, on Friday, 9 July 2010.

PRICE PAYABLE ON APPLICATION

The Offer Price will not be more than HK\$3.13 per Offer Share and is expected to be not less than HK\$2.43 per Offer Share, unless otherwise announced by no later than the morning of the last day for lodging applications under the Hong Kong Public Offering as further explained below. If you apply for the Offer Shares under the Hong Kong Public Offering, you must pay the maximum Offer Price of HK\$3.13 per Offer Share plus a 1.0% brokerage fee, 0.005% Stock Exchange trading fee and 0.004% SFC transaction levy. This means that, for one board lot of 2,000 Offer Shares, you should pay HK\$6,323.16 at the time of your application.

If the Offer Price, as finally determined in the manner described below, is lower than HK\$3.13 per Offer Share, we will refund the respective difference, including the brokerage fee, Stock Exchange trading fee and SFC transaction levy attributable to the surplus application monies. We will not pay interest on any refunded amounts. Please refer to the section headed "How to Apply for the Hong Kong Offer Shares" in this prospectus for further details.

CONDITIONS OF THE GLOBAL OFFERING

Acceptance of all applications for the Offer Shares will be conditional on, among other things:

- the Listing Committee granting the listing of and permission to deal in our Shares in issue and to be issued as described in this prospectus (including any additional Shares issuable pursuant to the exercise of the Over-allotment Option), and such listing and permission not having been subsequently revoked prior to the commencement of dealings in our Shares on the Stock Exchange;

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- the Offer Price having been duly determined and the execution and delivery of the International Underwriting Agreement on or about the Price Determination Date; and
- the obligations of the Underwriters under the Underwriting Agreements becoming and remaining unconditional (including, if relevant, as a result of the waiver of any conditions by the Sole Global Coordinator, on behalf of the Underwriters) and such obligations not being terminated in accordance with the terms of the respective agreements,

in each case, on or before the dates and times specified in the Underwriting Agreements (unless and to the extent such conditions are validly waived on or before such dates and times) and in any event not later than the date that is 30 days after the date of this prospectus.

The consummation of each of the Hong Kong Public Offering and the International Offering is conditional upon, among other things, the other becoming unconditional and not having been terminated in accordance with its terms.

If the above conditions are not fulfilled or waived prior to the times and dates specified, the Global Offering will not proceed and will lapse and the Stock Exchange will be notified immediately. We will publish a notice of the lapse of the Global Offering in the South China Morning Post (in English) and the Hong Kong Economic Times (in Chinese) on the day after such lapse. Such announcement will also be available at the website of the Stock Exchange at www.hkex.com.hk and our website at www.chiho-tiande.com.

In the above situation, we will return all application monies to the applicants, without interest and on the terms described in the sections headed “How to Apply for the Hong Kong Offer Shares – Publication of Results; Refund of Application Monies; and Despatch/Collection of Share Certificates/e-Refund payment instructions/Refund Cheques” in this prospectus. In the meantime, we will hold all application monies in a separate bank account or separate bank accounts with the receiving bankers or other banks licensed under the Banking Ordinance (Chapter 155 of the Laws of Hong Kong).

We expect to despatch share certificates for the Offer Shares on Friday, 9 July 2010. However, these share certificates will only become valid certificates of title on 8:00 a.m. on Monday, 12 July 2010 provided that (i) the Global Offering has become unconditional in all respects and (ii) the right of termination as described in the section headed “Underwriting” in this prospectus has not been exercised.

THE HONG KONG PUBLIC OFFERING

The Hong Kong Public Offering is a fully underwritten public offer (subject to agreement as to pricing and satisfaction or waiver of the other conditions provided in the Hong Kong Underwriting Agreement and described in the section headed “Structure of the Global Offering – The Global Offering – Conditions of the Global Offering” above) for the subscription in Hong Kong of, initially, 25,000,000 Offer Shares at the Offer Price (representing 10% of the total number of the Offer Shares initially available under the Global Offering). Subject to the adjustment of Offer Shares between the International Offering and the Hong Kong Public Offering described below, the Hong Kong Offer Shares will represent 2.5% of our enlarged issued share capital immediately after completion of the Global Offering, assuming that the Over-allotment Option is not exercised.

The total number of the Offer Shares available under the Hong Kong Public Offering (after deducting 2,500,000 Hong Kong Offer Shares available for subscription by Eligible Employees using **PINK** Application Forms and taking into account of any reallocation referred to below) is to be divided equally into two pools for allocation purposes:

- Pool A: The Offer Shares in pool A will be allocated on an equitable basis to applicants who have applied for Hong Kong Offer Shares with an aggregate subscription price of HK\$5,000,000 (excluding the brokerage, the Stock Exchange trading fee and the SFC transaction levy payable) or less; and

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- Pool B: The Offer Shares in pool B will be allocated on an equitable basis to applicants who have applied for Hong Kong Offer Shares with an aggregate subscription price of more than HK\$5,000,000 (excluding the brokerage, the Stock Exchange trading fee and the SFC transaction levy payable) and up to the value of pool B.

Investors should be aware that applications in pool A and applications in pool B may receive different allocation ratios. If the Offer Shares in one (but not both) of the pools are under-subscribed, the surplus Offer Shares will be transferred to the other pool to satisfy demand in that pool and be allocated accordingly. For the purpose of this sub-section only, the “subscription price” for the Offer Shares means the price payable on application therefore (without regard to the Offer Price as finally determined). Applicants can only receive an allocation of Hong Kong Offer Shares from either pool A or pool B but not from both pools. We will reject multiple applications between the two pools and reject multiple applications within pool A or pool B. In addition, any application for more than 50% of the 25,000,000 Offer Shares initially included in the Hong Kong Public Offering after deducting 2,500,000 Hong Kong Offer Shares available for subscription by Eligible Employees using **PINK** Application Forms (that is, 11,250,000 Offer Shares) will be rejected. Each applicant under the Hong Kong Public Offering will also be required to give an undertaking and confirmation in the Application Form submitted by him or her that he or she and any person(s) for whose benefit he or she is making the application have not indicated an interest for or taken up and will not indicate an interest for or take up any Offer Shares under the International Offering, and such applicant’s application will be rejected if the said undertaking and/or confirmation is breached and/or untrue, as the case may be. We and the Hong Kong Underwriters will take reasonable steps to identify and reject applications under the Hong Kong Public Offering from investors who have indicated interest in or have received Offer Shares in the International Offering, and to identify and reject indications of interest in the International Offering from investors who have applied for or have received Offer Shares in the Hong Kong Public Offering.

The allocation of the Offer Shares between the Hong Kong Public Offering and the International Offering is subject to the following adjustments in the event of over-subscription under the Hong Kong Public Offering:

- If the number of the Offer Shares validly applied for under the Hong Kong Public Offering represents 15 times or more but less than 50 times the number of the Offer Shares initially available for subscription under the Hong Kong Public Offering, then International Offer Shares will be reallocated to the Hong Kong Public Offering from the International Offering, so that the total number of the Hong Kong Offer Shares available under the Hong Kong Public Offering will be 75,000,000 Offer Shares, representing 30% of the Offer Shares initially available under the Global Offering;
- If the number of the Offer Shares validly applied for under the Hong Kong Public Offering represents 50 times or more but less than 100 times the number of the Offer Shares initially available for subscription under the Hong Kong Public Offering, then the number of International Offer Shares to be reallocated to the Hong Kong Public Offering from the International Offering will be increased so that the total number of the Hong Kong Offer Shares available under the Hong Kong Public Offering will be 100,000,000 Offer Shares, representing 40% of the Offer Shares initially available under the Global Offering; and
- If the number of the Offer Shares validly applied for under the Hong Kong Public Offering represents 100 times or more the number of the Offer Shares initially available for subscription under the Hong Kong Public Offering, then the number of International Offer Shares to be reallocated to the Hong Kong Public Offering from the International Offering will be increased, so that the total number of the Hong Kong Offer Shares available under the Hong Kong Public Offering will be 125,000,000 Offer Shares, representing 50% of the Offer Shares initially available under the Global Offering.

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If the Hong Kong Public Offering is not fully subscribed, however, the Sole Global Coordinator may reallocate to the International Offering all or any unsubscribed Hong Kong Offer Shares in such numbers as they deem appropriate.

References in this prospectus to applications, Application Forms, application or subscription monies or the procedure for application relate solely to the Hong Kong Public Offering.

PREFERENTIAL OFFERING TO ELIGIBLE FULL-TIME EMPLOYEES

A maximum of 2,500,000 Hong Kong Offer Shares (not subject to any reallocation), being 10% of the Offer Shares initially being offered under the Hong Kong Public Offering, will be available for subscription by full-time employees in Hong Kong of our Group, excluding the directors or the chief executive of our Company or our subsidiaries, the existing beneficial owners of the shares of our Company or our subsidiaries and their respective associates, and any other connected persons of our Company (“Eligible Employees”), who made their applications on the special **PINK** Application Forms on a preferential basis. As at Latest Practicable Date, we had 6 Eligible Employees. In the event of over-subscription on **PINK** Application Forms, the 2,500,000 Hong Kong Offer Shares initially available to applicants on **PINK** Application Forms will be allocated to such applicants on a pro rata basis on proportion (as nearly as possible without involving portions of a board lot) to the level of valid applications received from the Eligible Employees, or balloted if there are insufficient Hong Kong Offer Shares available to **PINK** Application Form applicants. If balloting is conducted, some Eligible Employees may be allocated more Shares than others who have applied for the same number of Shares. No favour will be given to the employees who apply for a large number of Shares or any employees who held a senior position within the Group. Nor will allocation be based on the length of service or the work performance of the Eligible Employees. Applications in excess of the 2,500,000 Hong Kong Offer Shares initially available to applicants on **PINK** Application Forms will be rejected. In case not all the 2,500,000 Shares are subscribed for by Eligible Employees of our Group, the under-subscribed Shares will be available for subscription by the public under the Hong Kong Public Offering. Allocation of Hong Kong Offer Shares to applications made on **PINK** Application Forms will be based on the allocation guidelines contained in Practice Note 20 to the Listing Rules and, in case any exceptions are noted, an announcement will be made in accordance with Practice Note 20 to the Listings Rules. **Such Shares comprise not more than 10% of the initial number of the Hong Kong Offer Shares. This maximum number of Shares will not be adjusted irrespective of any reallocation of the Hong Kong Offer Shares. Any application made by any Eligible Employee of our Group for more than 100% of the Hong Kong Offer Shares being offered to the Eligible Employees of our Group will be rejected.**

THE INTERNATIONAL OFFERING

The number of the Offer Shares to be initially offered under the International Offering will be 225,000,000 Offer Shares, representing 90% of the Offer Shares initially available under the Global Offering and 22.5% of our enlarged issued share capital immediately after completion of the Global Offering and the Capitalisation Issue, assuming the Over-allotment Option is not exercised.

Pursuant to the International Offering, the International Offer Shares will be conditionally placed on our behalf by the International Underwriter or through selling agents appointed by them. International Offer Shares will be placed with certain professional and institutional investors and other investors anticipated to have a sizeable demand for the International Offer Shares in Hong Kong and other jurisdictions outside the United States (other than China) in offshore transactions meeting the requirement of, and in reliance on Regulation S under the US Securities Act. The International Offering is subject to the Hong Kong Public Offering becoming unconditional.

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The Sole Global Coordinator, on behalf of the Underwriters, may require any investor who has been offered Offer Shares under the International Offering and who has made an application under the Hong Kong Public Offering to provide sufficient information to the Sole Global Coordinator so as to allow them to identify the relevant applications under the Hong Kong Public Offering and to ensure that such investor is excluded from any application of Hong Kong Offer Shares under the Hong Kong Public Offering.

Allocation of the International Offer Shares to investors under the International Offering will be determined by the Sole Global Coordinator and will be based on a number of factors including the level and timing of demand, total size of the relevant investor's invested assets or equity assets in the relevant sector and whether or not the relevant investor is likely to buy further, and/or hold or sell its International Offer Shares after the listing of our Shares on the Stock Exchange. Such allocation is intended to result in a distribution of the International Offer Shares on a basis which would lead to the establishment of an appropriate shareholder base to our benefit and the benefit of our Shareholders as a whole.

Allocation of Hong Kong Offer Shares to investors under the Hong Kong Public Offering will be based on the level of valid applications received under the Hong Kong Public Offering. The basis of allocation may vary depending on the number of Hong Kong Offer Shares validly applied for by applicants. Although we may, if necessary, allocate the Hong Kong Offer Shares on the basis of balloting, which would mean that some applicants may receive a higher allocation than others who have applied for the same number of Hong Kong Offer Shares and that those applicants who are not successful in the ballot may not receive any Hong Kong Offer Shares.