Tiande Chemical Holdings Limited
天德化工控股有限公司
(Incorporated in the Cayman Islands with limited liability)
(Stock code: 609)

CONTINUING CONNECTED TRANSACTIONS

Reference is made to the announcement of the Company dated 6 December 2013 (the "**Announcement**"). Unless otherwise defined, capitalised terms used herein shall have the same meanings as those defined in the Announcement.

The Company wish to announce that the exemption under Rule 14A.31(9) and Rule 14A.33(4) of the Listing Rules (the predecessor of Rule 14A.09 of the Listing Rules effective on 1 July 2014) for the Transactions is no longer applicable as the aggregate value of each of the total assets, profits and revenue of the JV Company and its subsidiary no longer represents less than 10% under the relevant percentage ratios in accordance with the latest audited financial statements of the JV Company.

As Henkel Hong Kong is a substantial shareholder of the JV Company and Henkel AG is an associate of Henkel Hong Kong, Henkel AG becomes a connected person of the Company. The Transactions therefore constitute continuing connected transactions on the part of the Company under Chapter 14A of the Listing Rules. Since (1) Henkel AG is a connected person of the Company at subsidiary level, (2) the Board has approved the Transactions and (3) the terms of the Transactions are fair and reasonable and on normal commercial terms or better, the Transactions are exempt from the circular, independent financial advice and shareholders' approval requirements pursuant to Rule 14A.101 of the Listing Rules and will only be subject to announcement and reporting requirements under Chapter 14A of the Listing Rules.

THE FRAMEWORK SUPPLY AGREEMENT

Date : 6 December 2013

Parties : 1) the Company (acting on its own behalf and on behalf of Weifang Parasia) (collectively the "Group")

2) Henkel AG (acting on its own behalf and on behalf of its affiliated company) (collectively the "Henkel Group")

Terms **:** A fixed term from 1 February 2014 to 31 January 2017 (both days inclusive)

SUBJECT MATTER

Pursuant to the Agreement, the Group shall supply the Products to Henkel Group from time to time.

PRINCIPAL BUSINESS ACTIVITIES OF THE GROUP AND HENKEL GROUP

The principal activity of the Company is investment holding. The principal activities of the Group are research and development, manufacture and sale of fine chemical products. Henkel Group operates worldwide with leading brands and technologies in three business areas including (i) laundry and home care; (ii) cosmetics/toiletries; and (iii) adhesive technologies.

PRICING BASIS

The price of the Products to be supplied to Henkel AG was determined based on the fair market value at the time of entering into the Framework Supply Agreement and was fixed and set out in the Price List.

ANNUAL CAPS FOR THE SUPPLY OF THE PRODUCTS

The annual caps for the supply of the Products under the Framework Supply Agreement were determined by reference to:

a) previous sale and purchase transactions with Henkel AG;
b) the Price List; and
c) the economic climate and its effects on the PRC fine chemical products industry.

Based on the above, the annual caps for the supply of the Products by the Group to Henkel Group under the Framework Supply Agreement are therefore as follows:

Financial year/period ending	Annual Cap
from the date of this announcement to 31 December 2015	USD3,300,000 (equivalent to approximately HK$25,575,000)
31 December 2016	USD4,800,000 (equivalent to approximately HK$37,200,000)
31 January 2017	USD400,000 (equivalent to approximately HK$3,100,000)

The Directors (including the independent non-executive Directors) are of the view that the annual caps above for the Transactions are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

APPROVAL OF THE BOARD

The Board has approved the Transactions. None of the Directors has material interests in the Transactions contemplated under the Framework Supply Agreement. Therefore, no Director is required to abstain from voting on the resolutions of the Board approving the Transactions contemplated under the Framework Supply Agreement.

REASONS FOR AND BENEFITS OF THE TRANSACTIONS

The Company considers that the entering into of the Framework Supply Agreement would provide a steady contribution to the turnover of the Group from the sales of the Products under the Framework Supply Agreement.

The Directors (including the independent non-executive Directors) confirmed that the Transactions and the terms of the Framework Supply Agreement are fair and reasonable and on normal commercial terms and in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

As Henkel Hong Kong is a substantial shareholder of the JV Company and Henkel AG is an associate of Henkel Hong Kong, Henkel AG becomes a connected person of the Company. The Transactions therefore constitute continuing connected transactions on the part of the Company under Chapter 14A of the Listing Rules. Since (1) Henkel AG is a connected person of the Company at subsidiary level, (2) the Board has approved the Transactions and (3) the terms of the Transactions are fair and reasonable and on normal commercial terms or better, the Transactions are exempt from the circular, independent financial advice and shareholders' approval requirements pursuant to Rule 14A.101 of the Listing Rules and will only be subject to announcement and reporting requirements under Chapter 14A of the Listing Rules.

The Company will comply with the continuing obligations under Chapter 14A of the Listing Rules and/or any other applicable requirements under the Listing Rules at the relevant time and will re-comply with the applicable Listing Rules in the event that any of the annual caps set out above is exceeded or when there is a material change to the terms of any of the Framework Supply Agreement pursuant to Rule 14A.54 of the Listing Rules.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions have the following respective meaning:

"Henkel Hong Kong"	Henkel Hong Kong Holding Limited, a company incorporated in Hong Kong with limited liability
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"Price List"	the list of prices for the Products as set out in the Framework Supply Agreement
"Share(s)"	ordinary share(s) of HK$0.01 each in the issued share capital of the Company
"Shareholder(s)"	holder(s) of the Share(s)

For the purpose of this announcement, amount denominated in USD has been translated (for information only) into HK$ using the exchange rate of USD1.00 = HK$7.75.

By order of the Board of
Tiande Chemical Holdings Limited
Liu Hongliang
Chairman

Hong Kong, 2 September 2015

As at the date of this announcement, the executive Directors are Mr. Liu Hongliang, Mr. Wang Zijiang, Mr. Guo Xitian and Mr. Gao Feng; whilst the independent non-executive Directors are Mr. Gao Baoyu, Mr. Leung Kam Wan and Mr. Liu Chenguang.