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

On 19 May 2017, Weifang Dekel entered into the Master Supply Agreement with Henkel BV, pursuant to which Weifang Dekel agreed to supply and Henkel BV and, as the case may be, certain other group members of Henkel AG, agreed to purchase the Products.

As each of the percentage ratios (other than the profits ratio) for the transactions contemplated under the Master Supply Agreement is on an annual basis less than 5%, the Master Supply Agreement is only subject to the reporting and announcement requirements and is exempted from the independent shareholders' approval requirement under Rule 14A.76(2)(a) of the Listing Rules.

THE MASTER SUPPLY AGREEMENT

Date : 19 May 2017

Parties : (i) Weifang Dekel; and

(ii) Henkel BV.

Weifang Dekel is a wholly owned subsidiary of Dekel Investment. Dekel Investment is a 55%-owned jointly controlled entity of the Company.

Henkel BV was established in the Netherlands for the purposes of globally centralising and integrating the supply chains of Henkel AG including purchasing across all its business units.

It acts as the decision maker, and is responsible for all supply chains and purchasing activities of the Henkel Group.

Subject

Pursuant to the Master Supply Agreement, Weifang Dekel agreed to supply and Henkel BV and, as the case may be, certain other group members of Henkel AG, agreed to purchase the Products.

Term

The Master Supply Agreement shall be effective from the date of the Master Supply Agreement and shall be in force until 31 December 2017. The term of the Master Supply Agreement shall be renewed automatically for successive one-year terms unless terminated within two months' written notice prior to the end of the initial or each consecutive term.

Price

The agreed purchase unit price set out in the Master Supply Agreement is ranging from RMB34.0 to US$5.15 (equivalent to RMB35.4) (excluding VAT) per kg plus actual or agreed shipment costs (based on the distance to destination and/or order quantity) and insurance where appropriate.

The purchase price of the Products was determined based on the market value of the Products at the time of entering into the Master Supply Agreement with reference to:

a) historical unit prices of the Products supplied by Weifang Dekel to the Purchaser;

b) average unit prices of the Products supplied by Weifang Dekel for the past 12 months to third parties independent of and not connected with the Company and its connected persons;

c) the price of raw materials for manufacturing the Products;

d) the quantity of the Products expected to be purchased by the Purchaser during the term of the Master Supply Agreement; and

e) market value of products of similar type and quality available in the market.

Terms of payment

The Purchaser shall pay the purchase price in full to Weifang Dekel on the 5th of the following month after 60 days from the invoice is issued to Purchaser.

Annual Cap

The annual cap for the transactions under the Master Supply Agreement for the financial year ending 31 December 2017 is RMB48,000,000.

The historical figures for the sale transactions for the Products with the Purchaser from 1 January 2017 to 31 March 2017 was approximately RMB7,159,000.

The annual caps for the transactions under the Master Supply Agreement were calculated after taking into account of (i) the historical figures of the sale transactions for the Products with the Purchaser from 1 January 2017 to 31 March 2017; (ii) the potential growth in the demand of the Products by the Purchaser; (iii) the sales volume under negotiation and anticipated to be entered into between Weifang Dekel and Henkel BV; and (iv) the economic climate and its effects on the PRC fine chemical products industry.

Reasons for and benefits of entering into of the Master Supply Agreement

The principal activity of the Company is investment holding. The principal activities of the Group are research and development, manufacture and sales of fine chemical products.

The Master Supply Agreement was entered into in the usual and ordinary course of Weifang Dekel's business and terms of which were negotiated based on normal commercial terms and the prices were determined following arm's length negotiation.

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

The Board has approved the Master Supply Agreement and the transactions contemplated thereunder. The Directors, including the independent non-executive Directors, are of the opinion that the terms of the Master Supply Agreement are fair and reasonable, is on normal commercial terms and in the interests of the Company and the Shareholders as a whole.

None of the Directors have a material interest in the transactions contemplated under the Master Supply Agreement. As such, no Directors are required to abstain from voting on the board meeting to approve the transactions contemplated under the Master Supply Agreement.

LISTING RULES IMPLICATION

Henkel BV is wholly-owned by Henkel AG and is an associate of Henkel Hong Kong. Henkel Hong Kong is a substantial shareholder of Dekel Investment, a 55%-owned jointly controlled entity of the Company. As such, Henkel BV is a connected person at the subsidiary level of the Company.

As each of the percentage ratios (other than the profits ratio) for the transactions contemplated under the Master Supply Agreement is on an annual basis less than 5%, the Master Supply Agreement is only subject to the reporting and announcement requirements and is exempted from the independent shareholders' approval requirement under Rule 14A.76(2)(a) of the Listing Rules.

DEFINITIONS

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

"associate"	has the meaning ascribed to this term under the Listing Rules
"Board"	the board of Directors
"Company"	Tiande Chemical Holdings Limited, an exempted company with limited liability incorporated under the Companies Law of the Cayman Islands whose shares are listed and traded on the main board of the Stock Exchange (Stock code: 00609)
"connected person"	has the meaning ascribed to this term under the Listing Rules
"connected person at the subsidiary level"	has the meaning ascribed to this term under the Listing Rules
"Dekel Investment"	Dekel Investment Holdings Co., Ltd., a company incorporated in Hong Kong with limited liability
"Directors"	the directors of the Company
"Group"	the Company and its subsidiaries
"Henkel AG"	Henkel AG & Co. KGaA, a company incorporated in Germany with limited liability and an associate of Henkel Hong Kong
"Henkel BV"	Henkel Global Supply Chain B.V., a company incorporated in the Netherlands with limited liability
"Henkel Group"	Henkel AG and its subsidiaries including Henkel Hong Kong
"Henkel Hong Kong"	Henkel Hong Kong Holding Limited, a company incorporated in Hong Kong with limited liability
"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
"Master Supply Agreement"	the master supply agreement entered into between Weifang Dekel and Henkel BV in respect of the supply of the Products
"PRC"	the People's Republic of China which, for the purposes of this announcement, excludes Hong Kong, the Macau Special Administrative Region and Taiwan
"Products"	Ethyl Cyanoacrylate with different parameter and specifications as set out in the Master Supply Agreement
"Purchaser"	Henkel BV or certain other group members of Henkel AG

"Share(s)"	ordinary share(s) of HK$0.01 each in the issued share capital of the Company
"Shareholder(s)	holder(s) of the Share(s)
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"VAT"	valued-added tax
"Weifang Dekel"	Weifang Dekel Innovative Materials Co., Ltd., an entity established in the PRC and a wholly owned subsidiary of Dekel Investment
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"kg"	kilograms
"RMB"	Renminbi, the lawful currency of the PRC
"US$"	United States dollars, the lawful currency of the United States

For the purpose of this announcement, amount denominated in US$ has been translated (for information only) into RMB using the exchange rate of US$1.00 = RMB6.87.

By order of the Board of
Tiande Chemical Holdings Limited
Gao Feng
Chairman

Hong Kong, 19 May 2017

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