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 TRANSACTION

Upon the incorporation of the JV Company on 7 March 2012, Henkel, being a substantial shareholder of the JV Company, has become a connected person of the Company. Hence, the continuing transactions contemplated under the Supply Agreement entered into between the Company (acting on its own behalf and on behalf of Weifang Parasia) and Henkel AG (acting on its own behalf and on behalf of Henkel Ireland, Henkel Puerto Rico and Henkel Brazil) (being Independent Third Parties at the date of the Supply Agreement), being associates of Henkel, on 28 January 2011 constitute continuing connected transactions of the Company under the Listing Rules.

Pursuant to Rule 14A.41 of the Listing Rules, the Supply Agreement is subject to applicable reporting, annual review and disclosure requirements. The Company will comply in full with all applicable reporting, annual review, disclosure and independent shareholders' approval requirements under Chapter 14A of the Listing Rules upon any variation or renewal of the Supply Agreement.

BACKGROUND

References are made to the announcements of the Company dated 3 July 2011 and 13 February 2012.

On 30 June 2011, the Company and Henkel entered into a joint venture agreement pursuant to which the Company and Henkel have agreed to form the JV Company.

Upon the incorporation of the JV Company on 7 March 2012, Henkel, being a substantial shareholder of the JV Company, has become a connected person of the Company. Hence, the continuing transactions contemplated under the Supply Agreement entered into between the Company (acting on its own behalf and on behalf of Weifang Parasia) and Henkel AG (acting on its own behalf and on behalf of Henkel Ireland, Henkel Puerto Rico and Henkel Brazil) (being Independent Third Parties at the date of the Supply Agreement), being associates of Henkel, on 28 January 2011 constitute continuing connected transactions of the Company under the Listing Rules. Set out below are the major terms of the Supply Agreement.

THE SUPPLY AGREEMENT

Date	**:**	28 January 2011
Parties	**:**	(i) the Company, acting on its own behalf and on behalf of Weifang Parasia, as vendors; and
		(ii) Henkel AG, acting on its own behalf and on behalf of Henkel Ireland, Henkel Puerto Rico and Henkel Brazil, being associates of Henkel, as purchasers.

Weifang Parasia is a wholly owned subsidiary of the Company.

Henkel AG, Henkel Ireland, Henkel Puerto Rico and Henkel Brazil, being associates of Henkel, are connected persons of the Company under the Listing Rules.

Henkel Group operates worldwide with leading brands and technologies in three business areas: laundry and home care, cosmetics/toiletries and adhesive technologies.

Products to be supplied

Ethylcyanoacetate, Methylcyanoacetate, Nbutylcyanoacetate and other products supplied by the Vendors from time to time under the Supply Agreement.

Exclusivity

With regard to the cyanoacetate products, the parties agree that, in case they are newly developed with or for the Purchasers with an application in adhesives, the Vendors shall grant to the Purchasers exclusive supply.

Term

The Supply Agreement shall be effective as of 1 February 2011 and shall be in force until 31 January 2014. If neither party exercises a cancellation notice of 6 months before 31 January 2014, the Supply Agreement will extend for an additional 12 month and terminate on 31 January 2015.

Price

The price of the products is determined with reference to the price of similar products sold to other Independent Third Parties and on similar terms available to Independent Third Parties.

Terms of payment

Credit period of 90 days and payable via bank transfer to the bank account designated by the Company.

Historical transaction amounts

During the period from 1 February 2011 to 31 January 2012, the unaudited transaction amounts under the Supply Agreement was approximately RMB27.2 million (equivalent to approximately HK$33.5 million).

REASON FOR ENTERING INTO THE 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 Company considers that the entering into of the Supply Agreement would provide a steady contribution to the turnover of the Group from the sales of the products under the Supply Agreement.

The Directors (including the independent non-executive Directors) consider that the entering into of the Supply Agreement is in the ordinary course of business of the Group and that the terms of the Supply Agreement were negotiated with the Purchasers in good faith and on normal commercial term, and hence are fair and reasonable and in the interests of the Group and the Shareholders as a whole. No Director has a material interest under the Supply Agreement and the transactions contemplated thereby.

LISTING RULES IMPLICATION

Pursuant to Rule 14A.41 of the Listing Rules, the Supply Agreement is subject to applicable reporting, annual review and disclosure requirements. The Company will comply in full with all applicable reporting, annual review, disclosure and independent shareholders' approval requirements under Chapter 14A of the Listing Rules upon any variation or renewal of the Supply Agreement.

DEFINITIONS

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

"Annual Caps"	the annual caps of purchase of the products by the Purchasers per annum under the Supply Agreement
"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: 609)
"connected person"	has the meaning ascribed to this term under the Listing Rules
"Directors"	the directors of the Company
"Group"	the Company and its subsidiaries
"Henkel"	Henkel Hong Kong Holding Limited, a company incorporated in Hong Kong with limited liability
"Henkel AG"	Henkel AG & Co. KGaA, a company incorporated in Germany with limited liability and an associate of Henkel
"Henkel Brazil"	Henkel Ltda., a company incorporated in Brazil and an associate of Henkel
"Henkel Group"	Henkel AG and its subsidiaries including Henkel
"Henkel Ireland"	Henkel Ireland Ltd., a company incorporated in Ireland and an associate of Henkel
"Henkel Puerto Rico"	Henkel Puerto Rico Inc., a company incorporated in Puerto Rico, the United States of America and an associate of Henkel
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Independent Third Parties"	third parties independent of the Company and its connected persons
"JV Company"	Dekel Investment Holdings Ltd., a company incorporated in Hong Kong with limited liability
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"PRC"	the People's Republic of China which, for the purposes of this announcement, excludes Hong Kong, the Macau Special Administrative Region and Taiwan
"Purchasers"	Henkel AG, Henkel Ireland, Henkel Puerto Rico and Henkel Brazil
"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
"Supply Agreement"	the framework supply agreement entered into between the Vendors and the Purchasers in respect of the sale and purchase of products
"Vendors"	the Company and Weifang Parasia
"Weifang Parasia"	Weifang Parasia Chem Co Limited, an entity established in the PRC and a wholly owned subsidiary of the Company
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"RMB"	Renminbi, the lawful currency of the PRC
"%"	per cent.

For the purpose of this announcement, amount denominated in RMB has been translated (for information only) into HK$ using the exchange rate of RMB1.00 = HK$1.2312.

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

Hong Kong, 9 March 2012

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