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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)

CONNECTED TRANSACTION IN RESPECT OF DISPOSAL OF PROPERTY

THE SALE AND PURCHASE AGREEMENT

On 18 June 2014 (after trading hours), Weifang Tongye, an indirect wholly-owned subsidiary of the Company, entered into the Sale and Purchase Agreement pursuant to which Weifang Tongye has agreed to sell and the Purchaser has agreed to purchase the Property for the Consideration of RMB2,900,000 (equivalent to approximately HK$3,619,000).

LISTING RULES IMPLICATIONS

As at the date of this announcement, the Purchaser is controlled by Mr. Liu Hongliang, Mr. Wang Zijiang, Mr. Guo Xitian and Mr. Guo Yucheng, all being executive Directors, and is therefore a connected person of the Company under the Listing Rules. The Disposal constitutes a connected transaction on the part of the Company under Chapter 14A of the Listing Rules. As each of the percentage ratios (other than the profits ratio) is less than 5%, the Disposal is only subject to reporting and announcement requirements but is exempt from the independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

THE SALE AND PURCHASE AGREEMENT

Date: 18 June 2014 (after trading hours)

Parties: (1) Weifang Tongye (as vendor)

(2) The Purchaser (as purchaser)

Weifang Tongye is an indirect wholly-owned subsidiary of the Company established in the PRC and is principally engaged in research and development, manufacture and trading of fine chemical products.

The Purchaser is a company established in the PRC and is principally engaged in equity investments and related consultancy services. As at the date of this announcement, the Purchaser is controlled by Mr. Liu Hongliang, Mr. Wang Zijiang, Mr. Guo Xitian and Mr. Guo Yucheng, all being executive Directors, and is therefore a connected person of the Company under the Listing Rules.

The Disposal

Pursuant to the terms of the Sale and Purchase Agreement, Weifang Tongye has agreed to sell and the Purchaser has agreed to purchase the Property.

The Property to be disposed of

The Property is an office building situated at the intersection between Wolong East Street and No.1 sub-avenue, Weifang High and Advance Technology Industrial Development Zone, Weifang City, Shandong Province, the PRC. The Property comprises a two-storey office building erected upon a land with a site area of approximately 848 sq.m. and a gross floor area of approximately 961 sq.m. The net book value of the Property is approximately RMB671,000 (equivalent to approximately HK$837,000) as at 31 December 2013. As at the date of this announcement, a portion of the Property is subject to various tenancies, the tenants of which are third parties independent of and not connected with the Company and its connected persons, and the remaining portion of the Property is vacant. The annual rent received by Weifang Tongye for the two financial years ended 31 December 2013 and 2012 are approximately RMB144,000 (equivalent to approximately HK$180,000) and RMB110,000 (equivalent to approximately HK$137,000) respectively. The land use rights of the Property have been granted for a term expiring on 3 October 2046 for office use.

Consideration

The Consideration for the Property is RMB2,900,000 (equivalent to approximately HK$3,619,000).

The Consideration shall be paid to Weifang Tongye (or its nominee) in cash by the Purchaser within thirty days from the date of the Sale and Purchase Agreement.

The Consideration was arrived at after arm's length negotiations between the parties to the Sale and Purchase Agreement and determined with reference to a valuation report prepared by an independent property valuer appointed by Weifang Tongye (i) adopting a valuation methodology of direct comparison approach; and (ii) showing the market value of the Property in the amount of RMB2,900,000 as at 30 May 2014.

Based on the Consideration of RMB2,900,000 (equivalent to approximately HK$3,619,000) for the Disposal and the related expenses of approximately RMB258,000 (equivalent to approximately HK$322,000), it is expected that, upon Completion, for illustrative purpose, an unaudited consolidated gain of approximately RMB1,998,000 (equivalent to approximately HK$2,494,000) will be recognised from the Disposal. The actual gain or loss arising from the Disposal shall be subject to audit and determined based on the amount of expenses incidental to the Disposal which may be different from the above.

Condition Precedent

The completion of the Sale and Purchase Agreement is unconditional.

REASONS FOR AND BENEFITS OF THE DISPOSAL

The Group is principally engaged in research and development, production and trading of fine chemical products.

The Directors (including the independent non-executive Directors) consider that the Disposal represents a good opportunity for the Group to realise the Property at a reasonable price and can enhance the cashflow of the Group.

The net sales proceeds of the Disposal after deducting all relevant expenses, is expected to amount to approximately RMB1,998,000 (equivalent to approximately HK$2,494,000), which will be used for general working capital of the Group.

Based on the above, the Directors (including the independent non-executive Directors) consider that the terms and conditions of the Sale and Purchase Agreement and the Disposal are fair and reasonable and on normal commercial terms and are in the interests of the Company and Shareholders as a whole.

As Mr. Liu Hongliang, Mr. Wang Zijiang, Mr. Guo Xitian and Mr. Guo Yucheng, all being executive Directors, have a majority equity interest in the Purchaser, they have abstained from voting on the relevant resolution(s) of the Board to approve the Sale and Purchase Agreement. Save as disclosed in the above, none of the Directors has a material interest or conflicting interest in the Disposal and the transaction contemplated thereunder and none of them is required to abstain from voting on the relevant resolution(s) of the Board to approve the Disposal.

LISTING RULES IMPLICATIONS

As at the date of this announcement, the Purchaser is controlled by Mr. Liu Hongliang, Mr. Wang Zijiang, Mr. Guo Xitian and Mr. Guo Yucheng, all being executive Directors, and is therefore a connected person of the Company under the Listing Rules. The Disposal constitutes a connected transaction on the part of the Company under Chapter 14A of the Listing Rules. As each of the percentage ratios (other than the profits ratio) is less than 5%, the Disposal is only subject to reporting and announcement requirements but is exempt from the independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meanings when used herein:

"Board"	the board of Directors
"Company"	Tiande Chemical Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the issued shares of which are listed on the main board of the Stock Exchange
"Completion"	completion of the Disposal
"connected person"	has the meaning ascribed to it under the Listing Rules
"Consideration"	the consideration of RMB2,900,000 (equivalent to approximately HK$3,619,000) to be satisfied by the Purchaser for the acquisition of the Property
"Directors"	directors of the Company
"Disposal"	the disposal by Weifang Tongye of the Property subject to and upon the terms and conditions of the Sale and Purchase Agreement
"Group"	the Company and its subsidiaries
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"PRC"	the People's Republic of China which excludes, for the purpose of this announcement, Hong Kong, the Macau Special Administrative Region and Taiwan
"Property"	an office building situated at the intersection between Wolong East Street and No.1 sub-avenue, Weifang High and Advance Technology Industrial Development Zone, Weifang City, Shandong Province, the PRC which comprises a two-storey office building erected upon a land with a site area of approximately 848 sq.m. and a gross floor area of approximately 961 sq.m.
"Purchaser"	濰坊天弘股權投資有限責任公司(Weifang Tianhong Equity Investment Company Limited#), a company

	established in the PRC in which Mr. Liu Hongliang, Mr. Wang Zijiang, Mr. Guo Xitian and Mr. Guo Yucheng, all being executive Directors, have a majority equity interest and a connected person of the Company under the Listing Rules
"Sale and Purchase Agreement"	the sale and purchase agreement dated 18 June 2014 entered into between Weifang Tongye and the Purchaser in relation to the sale and purchase of the Property
"Shareholders"	holders of the issued shares of the Company
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Weifang Tongye"	潍坊同業化學有限公司 (Weifang Common Chem. Company Limited#), a company established in the PRC and an indirect wholly owned subsidiary of the Company
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"RMB"	Renminbi, the lawful currency of the PRC
"sq. m."	square metre(s)

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

Hong Kong, 18 June 2014

For the purpose of this announcement, unless otherwise indicated, conversion of RMB into HK$ is calculated at the approximate exchange rate of RMB1.00 to HK$1.248. This exchange rate is for illustration purpose only and does not constitute a representation that any amounts have been, could have been, or may be exchanged at this or any other rate at all.

#The English transliteration of the Chinese names in the announcement, where indicated, is included for information only, and should not be regarded as the official English names of such Chinese names.

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.