# 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)**

# PROPOSED BONUS ISSUE AND PROPOSED PAYMENT OF DIVIDENDS

Reference is made to the earlier announcement of Tiande Chemical Holdings Limited (the "**Company**") on the financial results of the Company and its subsidiaries for the year ended 31 December 2010 dated 21 March 2011.

## PROPOSED BONUS ISSUE

### Basis of the Bonus Issue

The board of directors of the Company (the "**Board**") would like to announce that at a meeting of the Board held on 21 March 2011 (the "**Board Meeting**"), the Board proposed a bonus issue of new shares of the Company (the "**Bonus Shares**") to its shareholders (the "**Bonus Issue**") whose names appear on the register of members of the Company on 13 May 2011 (the "**Record Date**") on the basis of one (1) Bonus Share at par for every one (1) existing Share of the Company held by such shareholders on the Record Date. The Bonus Issue will be funded by way of capitalisation of certain amount standing to the credit of the Company's share premium account.

No fractional shares (if any) shall be issued and Shares representing fractions (if any) shall be aggregated and sold and the benefit will be accrued for the Company.

The Bonus Issue is subject to (i) the approval of the shareholders of the Company at the forthcoming annual general meeting of the Company to be held on 13 May 2011 (the "**AGM**"); and (ii) the Listing Committee of The Stock Exchange of Hong Kong Limited granting listing of, and permission to deal in, the Bonus Shares.

**Effect to the shareholding on the Bonus Issue**

Based on 423,439,000 Shares in issue as at the date of this announcement and assuming no further Shares are issued or repurchased before the Record Date, 423,439,000 Bonus Shares will be issued pursuant to the Bonus Issue. Immediately after completion of the Bonus Issue, there will be a total of 846,878,000 Shares in the enlarged issued share capital of the Company.

**Reasons for the Bonus Issue**

The Group has attained new records in turnover and net profit for the year ended 31 December 2010. The Board believes that the Bonus Issue is a reward to the continuing support of the Shareholders by allowing them to participate in the business growth of the Company by way of capitalisation of a portion of the share premium account.

**Status of the Bonus Shares**

The Bonus Shares will rank pari passu in all respects with the existing Shares from their date of issue except that they are not entitled to the proposed dividend for the financial year ended 31 December 2010.

**Overseas shareholders**

The Company will make enquiry regarding the legal restrictions under the laws of the relevant place and the requirements of the relevant regulatory body or stock exchange in pursuance to Rule 13.36(2) of the Listing Rules and upon the enquiry, if the Board is of the view that for overseas Shareholders (the "**Overseas Shareholders**") who will not be entitled to the Bonus Issue because of the legal restrictions under the laws or statutory regulations or the requirements of the stock exchange in that jurisdiction, arrangements will be made for the Bonus Shares which would otherwise have been issued to the Overseas Shareholders to be sold in the market as soon as practicable after dealings commence, if a premium, net of expenses, can be obtained. Any net proceeds of such sale for each Overseas Shareholder, after deduction of expenses, of HK$100 or more will be distributed in Hong Kong dollars to the relevant Overseas Shareholder, by ordinary post at their own risk, unless the amount falling to be distributed to any such person is less than HK$100 in which case it will be retained for the benefit of the Company.

## PROPOSED PAYMENT OF DIVIDENDS

It was also proposed at the Board Meeting for the payment of a final dividend of 8.0 HKcents per share and a special dividend of 1.0 HKcents per share for the year ended 31 December 2010 to the shareholders of the Company whose names appear on the register of members of the Company on the Record Date subject to the approval by the shareholders of the Company at the AGM.

## CLOSURE OF BOOKS

The register of members of the Company will be closed from Friday, 6 May 2011 to Friday, 13 May 2011, both days inclusive, during which period no transfer of the shares of the Company will be registered. In order to qualify for the Bonus Issue, the final dividend and the special dividend, all transfers forms accompanied by the relevant share certificates must be lodged with Hong Kong share registrar and transfer office of the Company, Computershare Hong Kong Investor Services Limited at Shops 1712-1716 on the 17 Floor of Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, for registration not later than 4:30 p.m. on Thursday, 5 May 2011.

The expected timetable for implementation of the Bonus Issue is set out as follows:

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| Last day of dealings in the Shares cum-entitlement basis……...…………………… | 3 May 2011 |
| First day of dealings in the Shares ex-entitlement basis….…………………… | 4 May 2011 |
| Latest time for the lodging of the transfer forms of Shares to qualify for entitlements to the Bonus Issue.………………………..……… | 4:30 p.m. Thursday, 5 May 2011 |
| Closure of register of members of the Company for the dividends and the Bonus Issue (both days inclusive)…................... | From Friday, 6 May 2011 to Friday, 13 May 2011 |
| Latest time for lodging forms of proxy for the AGM.…..........… | 4:00 p.m. Wednesday, 11 May 2011 |
| Record Date for determination of entitlements to the dividends and the Bonus Shares…………………………………... | Friday, 13 May 2011 |
| The AGM…....………….……………………………..…..…....… | 4:00 p.m. Friday, 13 May 2011 |
| Register of members of the Company re-opens…..…………….. ……..... | Monday, 16 May 2011 |
| Despatch of dividends and share certificates for Bonus Shares..……………………….…… | on or before Friday, 27 May 2011 |
| Dealing in Bonus Shares expected to commence……………….………..... | Tuesday, 31 May 2011 |

*Note: All times refer to Hong Kong local time in this announcement.*

The above timetable may be changed and the Company will make further announcements if such a change is necessary.

The Company will issue the notice for the AGM and the relevant circular containing, among other things, details of the Bonus Issue in accordance with the requirements under the Rules Governing the Listing of Securities on the Stock Exchange as soon as practicable.

By order of the Board
Liu Hongliang
Chairman

Hong Kong, 22 March 2011

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