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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

Reference is made to the announcement (the "**Announcement**") of the Company dated 29 May 2012 in relation to the connected transaction. Capitalised terms used in this announcement shall have the same meanings as those defined in the Announcement unless otherwise specified herein.

As set out in the Announcement, Weifang Xiang Rui and Weifang Binhai have agreed to appoint an independent property valuer to conduct a valuation on the Property after the acceptance of the examination on the completed construction of the Property but prior to Completion. In the event the valuation of the Property exceeds RMB18,000,000 (equivalent to approximately HK$22,118,000), the Consideration will be adjusted upwards on a dollar to dollar basis and shall be paid by Weifang Binhai to Weifang Xiang Rui in cash at Completion. In the event the valuation of the Property is less than RMB18,000,000 (equivalent to approximately HK$22,118,000), the Consideration will be adjusted downwards on a dollar to dollar basis and Weifang Xiang Rui shall pay the excess amount paid by Weifang Binhai as deposit to Weifang Binhai in cash at Completion.

The initial consideration (subject to adjustment) of RMB18,000,000 (equivalent to approximately HK$22,118,000) was determined with reference to the then prevailing market price of similar residential units in the same area of the Property. The final Consideration shall be determined with reference to the valuation of the Property to be conducted by an independent property valuer at Completion.

According to the valuation report on the Property dated 24 May 2013 prepared by RHL Appraisal Ltd., an independent property valuer, the value of the Property is RMB26,900,000 (equivalent to approximately HK$33,055,000) as at 30 April 2013. The valuation was based on depreciated replacement cost approach adopted for valuation. Based on the valuation, the Consideration will be adjusted upwards by RMB8,900,000 (equivalent to approximately HK$10,937,000) (the "**Additional Consideration**") to RMB26,900,000 (equivalent to approximately HK$33,055,000).

As set out in the Announcement, the aggregate building area of the Property was approximately 9,200 sq.m. Upon completion of the construction of the Property, the final aggregate building area of the Property was adjusted to approximately 9,100 sq.m.

Completion took place on 28 May 2013 and Weifang Xiang Rui delivered the vacant possession of the Property to Weifang Binhai and Welfang Binhai paid the Additional Consideration to Weifang Xiang Rui .

After the adjustment of the Consideration, each of the percentage ratios (other than the profits ratio) is still less than 5%. As such, the Acquisition is only subject to reporting and announcement requirements but is exempt from the independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

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$1.2288.

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

Hong Kong, 28 May 2013

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.