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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)

### **POSITIVE PROFIT ALERT**

This announcement is made pursuant to Rule 13.09 of the Listing Rules.

The Board wishes to inform the shareholders of the Company and the potential investors that the consolidated profit attributable to shareholders of the Company for the year ended 31 December 2009 is expected to increase substantially as compared with that of in 2008.

The information contained in this announcement is only based on the preliminary review of the consolidated management accounts of the Group, which has not been confirmed or audited by the independent auditor of the Company.

**Shareholders of the Company and the potential investors are advised to exercise extreme caution when dealing in the shares of the Company.**

This announcement is made by Tiande Chemical Holdings Limited (the “**Company**” and together with its subsidiaries, collectively the “**Group**”) pursuant to the Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

The board of directors (the “**Board**”) of the Company wishes to inform the shareholders of the Company and the potential investors that based on the preliminary review of the consolidated management accounts of the Group, which has not been confirmed or audited by the independent auditor of the Company, the consolidated profit attributable to shareholders of the Company for the year ended 31 December 2009 is expected to increase substantially as compared with that of in 2008. Such increase was primarily attributable to the following factors:

1. the increase in the gross profit margin of the Group’s products due to (i) the improved competitive environment after the removal of inefficient market players caused by the diminution in the market demand, (ii) the enhancement of our Group’s production efficiency as a whole after the effective integration of the production facilities of the upstream products, and (iii) the decrease in the raw material costs;
2. the substantial decrease on the operating expenses of the Group as compared with that of in 2008 due to the effective cost control measurements implemented by the Group;
3. the absence of the one-off provision for removal expenses of Weifang Common Chem Co. Ltd., a wholly own subsidiary of the Company, and of the written-off of the government grants receivable previously recognised as income represented as the other operating expenses recorded in 2008; and
4. the decrease in the finance costs resulting from the decrease in bank borrowing interest rates.

Accordingly, the profit generated from the operations of the Group for the financial year ended 31 December 2009 is also expected to increase substantially as compared with that of in 2008.

The Company is still in the process of finalising the audited annual results of the Group for the year ended 31 December 2009. The information contained in this announcement is only based on the preliminary review of the consolidated management accounts of the Group, which has not been confirmed or audited by the independent auditor of the Company.

**Shareholders of the Company and the potential investors are advised to exercise extreme caution when dealing in the shares of the Company.**

By order of the Board  
**Liu Hongliang**  
Chairman

Hong Kong, 11 March 2010

*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. Gao Baoyu and Mr. Liu Chenguang.*