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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)

#### **INSIDE INFORMATION POSITIVE PROFIT ALERT**

This announcement is made by Tiande Chemical Holdings Limited (the “**Company**”), together with its subsidiaries (the “**Group**”) pursuant to Rule 13.09 (2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong).

The board of directors of the Company (the “**Board**”) is pleased to inform shareholders of the Company (the “**Shareholders**”) and potential investors that based on the information currently available to the Board, the latest unaudited consolidated management accounts of the Group, and subject to the finalisation of assessments on the impairment of property, plant and equipment, the Group expects that there would be a turnaround from the net loss attributable to owners of the Company of approximately RMB11.5 million for the six months period ended 30 June 2019 to net profit attributable to owners of the Company for the six months period ending 30 June 2020 of not less than RMB40.0 million. The results improvement is primarily attributable to (i) an increase in turnover driven by the launch of new products and proactive sales and marketing strategies adopted by the Group despite the selling prices dropping further caused by the diminishing of market demand; (ii) a decline of price of raw materials and implementing effective procurement strategies to contain the cost of raw materials as well as adopting effective cost control measures on production overheads resulting in the gross profit and gross profit margin being enhanced further; and (iii) absence of one-off written off for the property, plant and equipment of Jiangsu Chunxiao Pharmaceutical & Chemical Co., Ltd., a former wholly owned subsidiary of the Company, amounting to RMB34.9 million recorded in last corresponding financial period.

The information contained in this announcement is only based on the preliminary assessment of the latest unaudited consolidated management accounts of the Group and the information currently available to the Board, which may be subject to further adjustments. The unaudited

consolidated management accounts have not been reviewed by the independent auditor of the Company and have not been confirmed by the audit committee of the Company. The actual financial results of the Group for the six months ending 30 June 2020 may be different from the information disclosed herein. Further details of the Group's financial results for the six months ending 30 June 2020 will be published in due course pursuant to the requirements of the Listing Rules.

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

On behalf of the Board  
**Tiande Chemical Holdings Limited**  
**Liu Yang**  
*Chairman*

Hong Kong, 15 June 2020

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