

首年上市即取得  
令人鼓舞之業績  
Encouraging annual  
results for the first year  
as a publicly-listed entity

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Chairman  
主席  
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本人欣然向各位宣佈，天德化工控股有限公司（「本公司」）及其附屬公司（統稱為「本集團」）首年上市即取得令人鼓舞之業績。

I am pleased to present the encouraging annual results of Tiande Chemical Holdings Limited (the "Company") and its subsidiaries (collectively the "Group") for the first year as a publicly-listed entity.

**成功在香港上市**

二零零六年是本公司發展歷史上具成功紀念性及有出色回報一年。自一九九七年成立起，本集團從一間國內精細化工公司發展成為一間於香港聯合交易所有限公司（「聯交所」）上市的精細化工公司。

**SUCCESSFUL LISTING IN HONG KONG**

2006 was a year of remarkable achievements and promising rewards in terms of the development history of the Company. Since the Group's inception in 1997, it has developed from a local fine chemical company to a fine chemical company listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

主席報告 (續)  
Chairman's Statement (continued)

本公司股份成功在二零零六年十月二十七日於聯交所主板上市，同時本年是本集團成立十週年紀念。

成功上市是一個新的里程碑，代表本集團在精細化工業界的成功地位。通過上市，提高了本集團品牌認知度，亦為本集團客戶及投資者帶來更大保證。再者，上市後提供一個具體平台，使本集團在迅速發展的中國精細化工市場，確立更加明顯的領先優勢，及讓本集團伸展至海外資本市場，從而能夠獲得資金用於集團將來增長。

截至二零零六年十二月三十一日止年度，本集團的財務表現出色。與上一財政年度比較，綜合營業額上升17.0%至約人民幣504,200,000元；而淨利潤上升39.1%至約人民幣58,000,000元，超越了本公司於二零零六年十月十七日刊發的招股章程所載之溢利預測。成績令我們引以為榮。

The shares of the Company were successfully listed on the Main Board of the Stock Exchange on 27 October 2006 (the "Listing"), and this year is also the 10th anniversary of the Group's establishment.

The Listing is one of the milestones of the Group that represents its success in the fine chemical industry. As a result of the higher brand awareness brought forth by the Listing, reassurance among the Group's customers and investors has been enhanced. In addition, the Listing has provided a concrete platform for the Group to become an even stronger leader in the fast growing PRC fine chemical market and to extend its reach to the overseas capital market, from which it can raise funds for the future growth of the Group.

For the year ended 31 December 2006, the Group delivered encouraging financial results. Consolidated turnover increased by 17.0% to approximately RMB504.2 million, and net profit grew by 39.1% to approximately RMB58.0 million, as compared with the same recorded in the previous financial year and which also exceeded the profit forecast set out in the Company's prospectus dated 17 October 2006. We are proud of these impressive accomplishments.

營業額上升  
Turnover  
increased by

17%

至約人民幣504,200,000元  
to approximately RMB504.2 million

於回顧年度內，為了進一步擴充生產能力及改善盈利能力，本集團成立了濰坊柏立化學有限公司（「濰坊柏立」，已在二零零六年二月份成功投入生產），並通過生產產品之主要原材料，如氰化鈉及蒸汽，逐漸進行縱向整合式生產。在不久將來，本集團將繼續致力開發其他主要原材料，如氯乙酸，務求更能控制整體生產成本及進一步提高本集團之盈利能力。

除此之外，本集團管理層認為產品多元化策略能減少過度集中於特定客戶和依賴特定下游行業所產生之負面影響，故本集團已致力開拓其他精細化工產品，藉以擴大產品範圍。本集團已開始興建新生產廠房，名為濰坊濱海石油化工有限公司（「濰坊濱海」），該廠房主要用於生產石油化工產品如高純度異丁烯、聚異丁烯及醋酸叔丁酯等。本集團已於二零零七年三月份開始生產高純度異丁烯，並預期於二零零七年底開始生產聚異丁烯。本集團現正為該等新產品制定全新的營銷策略。根據可預見將來市場對這些產品之需求，本集團預期銷售該等產品可為本集團帶來穩定之收入及溢利增長。

為了給予客戶信心，本集團將繼續提供優質產品及穩定供應。同時，為了保持具吸引力的股東回報，本集團將會繼續把握各項新商機，進一步鞏固基礎，並保持領先優勢。

During the year under review, the Group has expanded its production capabilities by establishing Weifang Parasia Chem Co. Ltd. ("Weifang Parasia") for improving its profitability and moving toward a vertical integration production by producing the core raw materials of its products such as sodium cyanide and steam, for which it had successfully commenced the production in February 2006. The Group will continue to dedicate in the development of other core raw materials such as mono chloro acetic acid in near future in order to better control its overall cost of production and to further enhance the profitability of the Group.

Apart from that, the Group has been endeavouring to develop other fine chemical products in order to widen its product range as the management of the Group recognises that product diversification can minimize the adverse impact from over concentration on specific customers and mitigate the risk of reliance on the specific downstream industries. The Group has commenced the construction of a new production plant, namely Weifang Binhai Petrochem Co. Ltd. ("Weifang Binhai") which is principally engaged in the production of petrochemical products such as high purity isobutylene, polyisobutylene and tert-butyl acetate. The production of high purity isobutylene has been commenced in March 2007 whilst that of polyisobutylene is expected to be commenced at the end of 2007. The Group is mapping out new sales and marketing strategies for these products. It is expected that the sales of these products may generate a steady growth in revenue and profit for the Group according to the foreseeable market demand in such products.

The Group will continue to provide premium quality products and stable supply in order to assure the customers. The Group will also continue to grasp on new business opportunities, further strengthen its foundation and maintain its leading edge, in order to maintain an attractive return to the shareholders.



淨利潤上升  
Net profit  
grew by

39.1%

至約人民幣58,000,000元  
to approximately RMB58.0 million



儘管預見未來充滿挑戰，如原材料成本上漲、息率上升、人民幣升值等所帶來營運成本上升的壓力，本集團將會採取更多有效措施，包括自行生產主要原材料、改進生產技術、擴大生產規模、提昇銷售服務質素以鞏固客戶關係。本集團抱有充足自信為股東爭取最佳回報。

最後，本人謹向所有曾為本集團成功上市及於二零零六年取得出色財務業績作出貢獻的人士表示謝意，並祝願本集團所有客戶、股東及全體員工，於二零零七年再創佳績。

主席  
劉洪亮

香港，二零零七年四月十三日

Nevertheless, the future is full of challenges such as the pressure of high operation cost arising from the soaring raw materials costs, increasing interest rate and appreciation of RMB, the Group will adopt a number of effective measures, including self-production of the core raw materials, advancement of production technology and expansion of production scale, improving quality of sales services to maintain customer relationships. The Group is full of confidence to bring fruitful returns for the shareholders.

Finally, I wish to thank all of those who had contributed to the Group's successful Listing and its outstanding financial performance in 2006. I also wish all of our customers, shareholders and employees another good and productive year in 2007.

**Liu Hongliang**  
Chairman

Hong Kong, 13 April 2007