THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to the action to be taken, you should immediately consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Tiande Chemical Holdings Limited (the "Company"), you should at once hand this circular to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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)

GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES
AND
RE-ELECTION OF DIRECTORS
AND
NOTICE OF ANNUAL GENERAL MEETING

A notice convening an annual general meeting of the Company to be held at Newton Hotel Hong Kong, 218 Electric Road, North Point, Hong Kong on Friday, 14 May 2010 at 11:00 a.m. is set out on pages 10 to 12 of this circular. Whether or not you propose to attend the meeting, you are requested to complete the accompanying proxy form in accordance with the instructions printed thereon and return the same to the office of the Hong Kong share registrar and transfer office of the Company, Computershare Hong Kong Investor Services Limited at 17M Floor of Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not later than 48 hours before the time appointed for the holding of the meeting or the adjourned meeting (as the case may be). Completion and return of the proxy form will not preclude you from attending voting at the annual general meeting if you so wish.

14 April 2010

CONTENTS

In this circular, unless the context otherwise requires, the following expressions have the meanings set out below:

"AGM"	the annual general meeting of the Company for the year ended 31 December 2009 to be held on Friday, 14 May 2010 at 11:00 a.m.
"Articles"	the articles of association of the Company, as amended from time to time
"associate(s)"	has the meaning ascribed to it under the Listing Rules
"Board"	the board of Directors
"Companies Law"	the Companies Law, Chapter 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands
"Company"	Tiande Chemical Holdings Limited (天德化工控股有限公司), a company incorporated in the Cayman Islands with limited liability on 7 December 2004 under the Companies Law and whose Shares are listed and traded on the Main Board of the Stock Exchange (Stock Code: 609)
"connected person(s)"	has the meaning ascribed to it under the Listing Rules
"Directors"	the directors of the Company
"Group"	the Company and its subsidiaries
"Hong Kong"	the Hong Kong Special Administrative Region of the People's Republic of China
"Latest Practicable Date"	8 April 2010, being the latest practicable date for ascertaining certain information in this circular prior to its printing
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"SFO"	Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong), as amended, modified and/or otherwise supplemented from time to time
"Shareholders"	holders of the Shares
"Shares"	the shares of the Company

"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Takeovers Code"	the Code on Takeovers and Mergers of Hong Kong

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)

Executive Directors:
Mr. Liu Hongliang *(Chairman)*
Mr. Wang Zijiang
Mr. Guo Xitian
Mr. Guo Yucheng

Independent non-executive Directors:
Mr. Liu Chenguang
Mr. Gao Baoyu
Mr. Leung Kam Wan

Principal office in Hong Kong:
Room 2204A on the 22nd Floor
Bank of America Tower
12 Harcourt Road
Hong Kong

14 April 2010

To the Shareholders

Dear Sir or Madam,

GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES AND RE-ELECTION OF DIRECTORS

INTRODUCTION

It is proposed that at the AGM, resolutions will be proposed to grant to the Directors general mandates to issue and repurchase the Shares.

This circular contains the explanatory statement in compliance with the Listing Rules and gives all the information reasonably necessary to enable the Shareholders to make an informed decision on whether to vote for or against the resolution to approve the purchase by the Company of its own Shares.

GENERAL MANDATE TO ISSUE SHARES

At the AGM, an ordinary resolution will be proposed to grant a general mandate to the Directors to allot, issue or dispose of the Shares up to 20% as at the date of the AGM of the issued share capital of the Company to provide flexibility for the Company to raise fund by issue of Shares efficiently. As at the Latest Practicable Date, there were in issue an aggregate of 400,000,000 Shares of HK$0.01 each in the Company. Exercise in full of the mandate, on the basis that no further Shares are issued prior to the date of the AGM, could accordingly result in up to 80,000,000 Shares being allotted, issued or disposed of by the Company.

GENERAL MANDATE TO REPURCHASE SHARES

At the AGM, an ordinary resolution will be proposed that the Directors will be given a general mandate to exercise all powers of the Company to repurchase issued and fully paid Shares. Under such mandate, the number of the Shares that the Company may repurchase shall not exceed 10% of the share capital of the Company in issue as at the date of the AGM. The Company's authority is restricted to purchase made on the Stock Exchange in accordance with the Listing Rules. As at the Latest Practicable Date, there were in issue an aggregate of 400,000,000 Shares of HK$0.01 each in the Company. Exercise in full of the mandate, on the basis that no further Shares are issued prior to the date of the AGM, could accordingly result in up to 40,000,000 Shares being repurchased by the Company. The mandate allows the Company to make or agree to make purchases only during the period ending on the earliest of (i) the date of the next annual general meeting; (ii) the date by which the next annual general meeting of the Company is required to be held by law or; (iii) the date upon which such authority is revoked or varied by an ordinary resolution of the Shareholders in a general meeting of the Company.

The Directors believe that it is in the best interests of the Company and its Shareholders to have a general authority from the Shareholders to enable the Directors to repurchase Shares of the Company in the market. The Directors have no present intention to repurchase any Shares but consider that the mandate will provide the Company flexibility to make such repurchase when they consider appropriate and beneficial to the Company.

Such repurchases may enhance the net asset value and/or the earnings per Share of the Company. As compared with the financial position of the Company as at 31 December 2009 (being the date of its latest published accounts), the Directors consider that there would not be a material adverse impact on the working capital and on the gearing position of the Company in the event that the proposed repurchases were to be carried out in full during the proposed purchase period.

No repurchase would be made in circumstances that would have a material adverse impact on the working capital or gearing ratio of the Company.

The Company is empowered by its Articles to repurchase its Shares. The Companies Law provide that the amount of capital repaid in connection with a share repurchase may only be paid out of either the profits that would otherwise be available for distribution by way of dividend or the proceeds of a new issue of shares made for such purpose. The amount of premium payable on repurchase may only be paid out of either the profits that would otherwise be available for distribution by way of dividend or out of the share premium of the Company. Under the Companies Law, the repurchased Shares will remain part of the authorised but unissued share capital of the Company.

The Directors intend to apply the profits that would otherwise be available for distribution by way of dividend for any repurchase of its Shares.

Directors, their associates and connected persons

None of the Directors or, to the best of the knowledge and belief of the Directors having made all reasonable enquiries, any of the associates of any of the Directors has any present intention, in the event that the proposal is approved by the Shareholders, to sell Shares to the Company.

No connected person of the Company has notified the Company that he/she/it has a present intention to sell Shares to the Company nor has he/she/it undertaken not to sell any of the Shares held by him/her/it to the Company in the event that the Company is authorised to make purchases of Shares.

Undertaking of the Directors

The Directors have undertaken to the Stock Exchange to exercise the power of the Company to make purchases pursuant to the proposed resolution in accordance with the Listing Rules and all applicable laws of the Cayman Islands, and in accordance with the regulations set out in the memorandum and articles of association of the Company.

Effect of the Takeovers Code

A repurchase of Shares by the Company may result in an increase in the proportionate interests of a substantial Shareholder in the voting rights of the Company, which could give rise to an obligation to make a mandatory offer in accordance with Rule 26 of the Takeovers Code.

As at the Latest Practicable Date, to the best of the knowledge and belief of the Company, Cheerhill Group Limited ("**Cheerhill**"), a company deemed to be controlled by Mr. Liu Hongliang, the chairman and executive Director of the Company, pursuant to the SFO, was the substantial Shareholder holding more than 10% of the issued share capital of the Company. In the event that Cheerhill did not dispose of its Shares and if the Directors should exercise in full the power to repurchase Shares which is proposed to be granted pursuant to the resolution, the shareholding of Cheerhill in the Company would be increased from 73% to approximately 81.11% of the issued share capital of the Company and such increase would not give rise to an obligation to make a mandatory offer under Rule 26 of the Takeovers Code. The Directors have no present intention to make any repurchase of Shares in the circumstances that the Shares in the hand of the public would fall below the relevant prescribed minimum percentage (i.e. 25%) and would give rise to the takeover obligation.

Listing Rules applicable to repurchase of shares

The Listing Rules permit companies whose primary listings are on the Stock Exchange to repurchase their shares on the Stock Exchange subject to certain restrictions, the most important of which are summarised below:

(a) Shareholders' approval

The Listing Rules provide that all share repurchases on the Stock Exchange by a company with its primary listing on the Stock Exchange must be approved in advance by an ordinary resolution, which may be by way of general mandate, or by special resolution in relation to specific transactions.

(b) Source of funds

Repurchases must be funded out of funds legally available for the purpose.

Besides, pursuant to Rule 13.32(1) of the Listing Rules, the Company is required to maintain at least 25% of its total issued share capital at all times in public hands. Assuming that the total issued share capital of and the shareholding of Cheerhill in the Company remain unchanged, the exercise of the power to repurchase the Shares may lead to less than 25% of the Company's total issued share capital in public hands. The Directors shall exercise the power to repurchase the Shares as and when it will not lead to a breach of the Rule 13.32(1) of the Listing Rules.

General

During the six months ended on the Latest Practicable Date, no Shares have been repurchased by the Company.

During each of the previous 12 months and up to the Latest Practicable Date, the highest and lowest traded prices for Shares on the Stock Exchange were as follows:

	Per Share	
	Highest	**Lowest**
Month	*HK$*	*HK$*
2009		
April	0.42	0.32
May	0.47	0.37
June	0.65	0.39
July	0.55	0.43
August	0.57	0.45
September	0.56	0.46
October	0.54	0.49
November	0.61	0.54
December	0.69	0.55
2010		
January	0.72	0.57
February	0.62	0.54
March	1.05	0.61
1 to 8 April	1.15	0.98

RE-ELECTION OF DIRECTORS

According to Article 86(3) of the Articles, the Directors shall have the power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy on the Board or as an addition to the existing Board. Any Director so appointed by the Board shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election. Article 87(1) of the Articles, at each annual general meeting, one-third of the Directors for the time being (or, if their number is not a multiple of three, the number nearest to but not less than one-third) shall retire from office by rotation provided that every Director shall be subject to retirement at least once every three years. Accordingly, at the AGM, Mr. Liu Hongliang (劉洪亮先生), Mr. Guo Xitian (郭希田先生) and Mr. Leung Kam Wan (梁錦雲先生) shall retire and, each of them, being eligible will offer themselves for re-election.

Resolutions will be proposed at the AGM for re-election of Mr. Liu Hongliang (劉洪亮先生), Mr. Guo Xitian (郭希田先生) and Leung Kam Wan (梁錦雲先生) as Directors according to the Articles. Their particulars are as follows:–

Mr. Liu Hongliang (劉洪亮先生) ("**Mr. Liu**"), aged 54, is an executive Director, the chairman and one of the founders of the Group. Mr. Liu is responsible for the overall strategic development and policy of the Group. He graduated from the East China Petroleum Institute (華東石油學院) (now known as the University of Petroleum (East China) (中國石油大學(華東))) in 1982, majoring in basic organic chemistry. Mr. Liu spent more than ten years from 1982 to 1993 in Weifang New Technology Research Centre (濰坊市新技術研究所). After that, Mr. Liu established Weifang Tianhong Corporate Management and Consultancy Company Limited ("**Weifang Tianhong**") with others in 1996. Mr. Liu has over 25 years of experience in the chemical industry. Save as disclosed in this circular, Mr. Liu did not hold (i) any other directorships in the last three years in public companies the securities of which are listed on any securities market in Hong Kong or overseas; and (ii) any other major appointments and professional qualifications.

As at the Latest Practicable Date, Mr. Liu was deemed to have interests in 110,960,000 Shares (representing 27.74% of the issued share capital of the Company) through his 38% interests in Cheerhill which is the substantial Shareholder holding 292,000,000 Shares (representing 73% of the issued share capital of the Company). Save as disclosed in this circular, Mr. Liu was not interested nor deemed to be interested in any Shares, underlying Shares or debentures of the Company and its associated corporations within the meaning of Part XV of the SFO nor had he any relationship with any Directors, senior management or substantial or controlling Shareholders of the Company as at the Latest Practicable Date.

Mr. Guo Xitian (郭希田先生) ("**Mr. Guo**"), aged 48, is an executive Director and deputy general manager of the Group. Mr. Guo is responsible for the overall production and technology development of the Group. He graduated from the East China Petroleum Institute (華東石油學院) (now known as the University of Petroleum (East China) (中國石油大學(華東))) in 1982, majoring in basic organic chemistry. Prior to joining the Group in March 1999, Mr. Guo had been working in Shandong Zibo Dongfeng Chemical Factory (山東淄博東風化工廠). He has over 25 years of experience in the chemical industry. Save as disclosed in this circular, Mr. Guo did not hold (i) any other directorships in the last three years in public companies the securities of which are listed on any securities market in Hong Kong or overseas; and (ii) any other major appointments and professional qualifications.

As at the Latest Practicable Date, Mr. Guo was deemed to have interests in 33,580,000 Shares of the Company (representing 8.395% of the issued share capital of the Company) through his 11.5% interests in Cheerhill which is the substantial Shareholder holding 292,000,000 Shares (representing 73% of the issued share capital of the Company). Save as disclosed in this circular, Mr. Guo was not interested nor deemed to be interested in any Shares, underlying Shares or debentures of the Company and its associated corporations within the meaning of Part XV of the SFO nor had he any relationship with any Directors, senior management or substantial or controlling Shareholders of the Company as at the Latest Practicable Date.

Mr. Leung Kam Wan (梁錦雲先生) ("**Mr. Leung**"), aged 44, has been appointed as an independent non-executive Director since 1 March 2007. Mr. Leung graduated from the Hong Kong Baptist University and The Hong Kong Polytechnic University with a degree of Bachelor of Business Administration in Finance and a master degree in corporate governance in 1992 and 2007 respectively. Mr. Leung is an associate member of The Hong Kong Institute of Certified Public Accountants, a fellow of The Association of Chartered Certified Accountants, an associate of The Institute of Chartered Secretaries and Administrators and an associate of The Hong Kong Institute of Chartered Secretaries. Mr. Leung has been a practicing certified public accountant for over 10 years. He has extensive experience in financing, accounting and auditing. Mr. Leung currently is the managing director of Leung Kam Wan CPA Limited. Save as disclosed in this circular, Mr. Leung did not hold (i) any other directorships in the last three years in public companies the securities of which are listed on any securities market in Hong Kong or overseas; and (ii) any other major appointments and professional qualifications.

Each of Mr. Liu and Mr. Guo has entered into a service agreement with the Company for an initial fixed term of three years commencing from 9 May 2008 and will continue thereafter unless and until terminated by either party to the service agreement by not less than three months' prior written notice. The current basic annual salary of Mr. Liu and Mr. Guo, equivalent to Hong Kong Dollars, is HK$777,600 and HK$597,000 respectively which was determined with reference to their duties and responsibilities with the Company and the prevailing market conditions. Both of them are also entitled to an annual management bonus after the end of each financial year equivalent to a maximum of 5% of the audited consolidated profits of the Group attributable to the Shareholders (after taxation but before extraordinary items and before such management bonus).

Mr. Leung has entered into a letter of appointment with the Company for a term of three years from May 2007 subject to retirement by rotation under the Articles. The director's fee Mr. Leung is HK$120,000 per annum which is determined with reference to the prevailing range of fees for an independent non-executive director, a chairman of the audit committee and a member of remuneration committee of listed companies in Hong Kong. Mr. Leung has no relationships with any Directors, senior management or substantial or controlling Shareholders of the Company and do not have any interests in the Shares within the meaning of Part XV of the SFO.

Save as disclosed above, the Company is not aware of any matters relating to the re-election of the above Directors which are required to be disclosed pursuant to paragraphs (h) to (v) of Rule 13.51(2) of the Listing Rules and any other matters that need to be brought to the attention of shareholders of the Company.

NOTICE OF THE AGM

The notice of the AGM is set out on pages 10 to 12 of this circular. A form of proxy for use at the AGM is enclosed and whether you intend to be present at the AGM, you are requested to complete the form of proxy and return it to the Company's Hong Kong share registrar and transfer office, Computershare Hong Kong Investor Services Limited at 17M Floor of Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not later than 48 hours before the time appointed for the holding of the AGM or the adjourned meeting (as the case may be). Completion and return of the proxy form will not preclude you from attending voting at the AGM if you so wish.

VOTING BY POLL AT THE ANNUAL GENERAL MEETING

Resolutions at any Shareholders' general meeting including the AGM shall be determined by poll pursuant to the Listing Rules.

RESPONSIBILITY STATEMENT

This circular includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors collectively and individually accept full responsibility for the accuracy of the information contained in this circular and confirm that, having made all reasonable enquiries and to the best of their knowledge and belief, there are no other facts the omission of which would make any statement herein misleading.

RECOMMENDATION

The Directors consider that the granting of the mandates to issue and repurchase Shares of the Company and the re-election of the retiring Directors are each in the best interests of the Company and its Shareholders as a whole and accordingly, recommend you to vote in favour of the resolutions at the forthcoming AGM.

Yours faithfully,
For and on behalf of the Board
Liu Hongliang
Chairman

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)

NOTICE IS HEREBY GIVEN that the annual general meeting (the "AGM") of Tiande Chemical Holdings Limited (the "Company") will be held at Newton Hotel Hong Kong, 218 Electric Road, North Point, Hong Kong on Friday, 14 May 2010 at 11:00 a.m. for the following purposes:

1. To receive and consider, and if thought fit, approve the audited financial statements and the reports of the directors and auditor of the Company for the year ended 31 December 2009.

2. To declare a final dividend of HK2.50 cents per share for the year ended 31 December 2009.

3. To re-elect directors of the Company and to authorise the remuneration committee to fix their remuneration.

4. To appoint Grant Thornton as the auditor of the Company for 2010 and to authorise the board of directors of the Company to fix its remuneration.

5. As special business, to consider and, if thought fit, pass the following resolutions as ordinary resolutions:

ORDINARY RESOLUTIONS

A. **"THAT:**

(a) subject to paragraph (c), the exercise by the directors of the Company during the Relevant Period of all the powers of the Company to allot, issue and deal with additional shares in the capital of the Company and to make or grant offers, agreements and options which might require the exercise of such power be and is hereby generally and unconditionally approved;

(b) the approval in paragraph (a) shall authorise the directors of the Company during the Relevant Period to make or grant offers, agreements and options which might require the exercise of such power after the end of the Relevant Period;

(c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the directors of the Company pursuant to the approval in paragraph (a), otherwise than pursuant to a Rights Issue or scrip dividend scheme or similar arrangement of the Company or the exercise of the subscription rights under the share option scheme of the Company adopted on 4 October 2006 shall not exceed 20% of the aggregate nominal amount of the share capital of the Company in issue as at the date of the AGM and the said approval shall be limited accordingly; and

(d) for the purposes of this resolution:

"Relevant Period" means the period from the passing of this resolution until whichever is the earlier of:

(i) the conclusion of the next annual general meeting of the Company;

(ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association of the Company or any applicable law to be held; and

(iii) the revocation or variation of this resolution by an ordinary resolution of the shareholders of the Company in general meeting; and

"Rights Issue" means an offer of shares open for a period fixed by the directors of the Company to holders of shares on the register of members of the Company on a fixed record date in proportion to their then holdings of such shares (subject to such exclusion or other arrangements as the directors of the Company may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in any territory outside Hong Kong)."

B. "THAT:

(a) the exercise by the directors of the Company during the Relevant Period of all powers of the Company to purchase its own shares, subject to and in accordance with all applicable laws, be and is hereby generally and unconditionally approved;

(b) the aggregate nominal amount of shares of the Company purchased by the Company pursuant to the approval in paragraph (a) during the Relevant Period shall not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue as at the date of the AGM and the said approval be limited accordingly; and

(c) for the purposes of this resolution:

"Relevant Period" means the period from the passing of this resolution until whichever is the earlier of:

(i) the conclusion of the next annual general meeting of the Company;

(ii) the expiration of the period within which the next annual general meeting of the Company is required by the Articles of Association of the Company or any applicable law to be held; and

(iii) the revocation or variation of this resolution by an ordinary resolution of the shareholders of the Company in general meeting."

C. "**THAT** conditional upon resolution no. 5B above being passed, the aggregate nominal amount of the number of shares in the capital of the Company which are repurchased by the Company under the authority granted to the directors of the Company as mentioned in resolution no. 5B above shall be added to the aggregate nominal amount of share capital that may be allotted or agreed conditionally or unconditionally to be allotted by the directors of the Company pursuant to resolution no.5A above."

By order of the Board
Lau Wai Chun
Company Secretary

Hong Kong, 14 April 2010

Principal office in Hong Kong:
Room 2204A on the 22nd Floor
Bank of America Tower
12 Harcourt Road
Hong Kong

Notes:

(1) A member entitled to attend and vote at the meeting convened by the above notice is entitled to appoint proxies to attend and to vote in his stead. A proxy need not be a member of the Company. In order to be valid, the form of proxy must be deposited at the Company's Hong Kong share registrar and transfer office, Computershare Hong Kong Investor Services Limited, at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong together with a power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority, not later than 48 hours before the time for holding the meeting or adjourned meeting.

(2) With reference to the ordinary resolutions sought in items 5A and 5B of this notice, the directors of the Company wish to state that they have no immediate plans to issue any new shares or to repurchase any existing shares of the Company. The explanatory statement required by the Listing Rules of the Stock Exchange in connection with the repurchase mandate is also despatched to the shareholders of the Company together with this notice.