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)

PROPOSALS FOR BONUS ISSUE OF SHARES, GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES, 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, 13 May 2011 at 4:00 p.m. is set out on pages 12 to 14 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.

7 April 2011

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DEFINITIONS

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 2010 to be held on Friday, 13 May 2011 at 4:00 p.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
"Bonus Issue"	the issue of the Bonus Shares on and subject to the terms and conditions set out in this circular
"Bonus Share(s)"	new Share(s) to be issued pursuant to the Bonus Issue
"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"	1 April 2011, 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
"Record Date"	13 May 2011, being the record date by reference to which entitlements to the Bonus Shares will be determined
"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
"HK$" and "cents"	Hong Kong dollar(s) and cents respectively, the lawful currency of Hong Kong
"%"	per cent

EXPECTED TIMETABLE FOR THE IMPLEMENTATION OF THE BONUS ISSUE OF SHARES:

Last day of dealings in the Shares cum-entitlement basis	3 May 2011
First day of dealings in the Shares ex-entitlement basis	4 May 2011
Latest time for the lodging of the transfer forms of Shares to qualify for entitlements to the dividends and the Bonus Issue	4:30 p.m. Thursday, 5 May 2011
Closure of register of members of the Company for the dividends and the Bonus Issue (both days inclusive)	From Friday, 6 May 2011 to Friday, 13 May 2011
Latest time for lodging forms of proxy for the AGM	4:00 p.m. Wednesday, 11 May 2011
Record Date for determination of entitlements to the dividends and the Bonus Shares	Friday, 13 May 2011
The AGM	4:00 p.m. Friday, 13 May 2011
Register of members of the Company re-opens	Monday, 16 May 2011
Despatch of dividends and share certificates for Bonus Shares	on or before Friday, 27 May 2011
Dealing in the Bonus Shares expected to commence	Tuesday, 31 May 2011

Note: All times refer to Hong Kong local time in this circular.

The above timetable may be changed and the Company will make further announcements if such a change is necessary. The Bonus Issue is subject to fulfilment of all conditions in this circular.

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 Central
Hong Kong

7 April 2011

To the Shareholders

Dear Sir or Madam,

PROPOSALS FOR BONUS ISSUE OF SHARES, GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES AND RE-ELECTION OF DIRECTORS

INTRODUCTION

Reference is made to the Company's announcement dated 21 March 2011 regarding the proposed Bonus Issue and the proposed payment of dividends which are, among others, subject to the approval by the Shareholders at the AGM.

It is also 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 terms and conditions of the proposed Bonus Issues, the explanatory statement in compliance with the Listing Rules on the issue and repurchase of the Company's Shares, the information of the Directors offering for re-election at the AGM and all other information reasonably necessary to enable the Shareholders to make informed decisions on whether to vote for or against the resolutions proposed at the AGM.

BONUS ISSUE

The Board has resolved to recommend a Bonus Issue on the basis of one (1) Bonus Share at par for every one (1) existing Share of the Company to its Shareholders whose names appear on the register of members of the Company as at the close of business on the Record Date. The Bonus Shares will be issued and credited as fully paid and will rank pari passu with the then issued Shares in all respects with effect from the date of issue, except that they are not entitled to the proposed dividends for the year ended 31 December 2010.

The exact total number of Bonus Shares to be issued under the Bonus Issue cannot be determined until the Record Date. Based on 423,439,000 Shares in issue as at the Latest Practicable Date and assuming no further Shares are issued or repurchased before the Record Date, 423,439,000 Bonus Shares will be issued pursuant to the Bonus Issue. Immediately after completion of the Bonus Issue and based on the aforesaid assumption, there will be a total of 846,878,000 Shares in the enlarged issued share capital of the Company. It is proposed that the Directors shall be authorised to capitalise the sum of HK$4,234,390, being part of the amount standing to the credit of the share premium account of the Company and apply such sum in paying up in full the Bonus Shares. No fractional Shares (if any) shall be issued and Shares representing fractions (if any) shall be aggregated and sold and the benefit accrued of the Company.

There are not any outstanding options, warrants and convertible securities to subscribe for the Shares of the Company as at the Latest Practicable Date.

The proposed Bonus Issue will not have any effect on the earnings of the Group for the financial year ended 31 December 2010. However, the earnings per Share will be correspondingly diluted as a result of the increase in the Company's issued and paid-up share capital.

The proposed Bonus Issue will not have any effect on the net tangible asset of the Group, on the Company and Group levels, save for the sum and the estimated expenses in implementing the proposed Bonus Issue which will be charged against the Company's share premium account. However, the net tangible asset per Share will be correspondingly diluted as a result of the increase in the Company's issued and paid-up share capital.

Subject to the fulfilment of the conditions mentioned below and in the absence of any specific instruction to the contrary received in writing by 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, certificates in respect of the Bonus Shares will be sent to the persons entitled thereto at their respective addresses shown on the register of members of the Company or in the case of joint holders to the address of the joint holder whose name stands first in the register of members of the Company in respect of the joint holding.

If the conditions mentioned below have been fulfilled, it is expected that certificates for the Bonus Shares will be posted to those entitled thereto at their own risk latest on or before Friday, 27 May 2011. Dealings in the Bonus Shares are expected to commence on Tuesday, 31 May 2011. The subsequent dealings in the Bonus Shares are subject to stamp duty in pursuance of the Stamp Duty Ordinance (Chapter 117 of the laws of Hong Kong).

Ordinary resolutions set out as Ordinary Resolution No. 6 in the Notice of AGM will be proposed at the AGM to approve the Bonus Issue.

Reasons for the Bonus Issue

The Group has attained new records in turnover and net profit for the year ended 31 December 2010. The Board believes that the Bonus Issue is a reward to the continuing support of the Shareholders by allowing them to participate in the business growth of the Company by way of capitalisation of a portion of the share premium account.

Closure of register of members

The register of members of the Company will be closed from Friday, 6 May 2011 to Friday, 13 May 2011, both days inclusive, during which period no transfer of Shares will be registered. In order to qualify for the final dividend, the special dividend and the Bonus Issue, all transfer forms accompanied by the relevant share certificates must be lodged with Hong Kong share registrar and transfer office of the Company, Computershare Hong Kong Investor Services Limited at Shops 1712–1716 on the 17th Floor of Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, for registration not later than 4:30 p.m. on Thursday, 5 May 2011.

Conditions of the Bonus Issue

The Bonus Issue is conditional upon:

(i) the approval of the Bonus Issue by the Shareholders at the AGM; and

(ii) the Listing Committee of the Stock Exchange granting listing of, and permission to deal in, the Bonus Shares.

Listing and Dealing

Listing and dealing application will be made to the Listing Committee of the Stock Exchange for listing of and permission to deal in, the Bonus Shares to be issued pursuant to the proposed Bonus Issue. It is expected that the dealings in the Bonus Shares on the Stock Exchange will commence on Tuesday, 31 May 2011.

The issued Shares are listed and dealt in on the main board of the Stock Exchange. There is no equity or debt security of the Company being listed or dealt in on any other stock exchange nor is listing or permission to deal in such securities on any other stock exchange being or proposed to be sought.

Overseas Shareholders

As at the Latest Practicable Date and based on information provided by the Hong Kong share registrar and transfer office of the Company, none of the Shareholders as recorded on the register of members had address(es) which is/are outside Hong Kong.

If there are any overseas shareholders (the "**Overseas Shareholders**") on the Record Date, the Company will make enquiry regarding the legal restrictions under the laws of the relevant place and the requirements of the relevant regulatory body or stock exchange in pursuance to Rule 13.36(2) of the Listing Rules and upon the enquiry, if the Board is of the view that for Overseas Shareholders who will not be entitled to the Bonus Issue because of the legal restrictions under the laws or statutory regulations or the requirements of the stock exchange in that jurisdiction, arrangements will be made for the Bonus Shares which would otherwise have been issued to the Overseas Shareholders to be sold in the market as soon as practicable after dealings commence, if a premium, net of expenses, can be obtained. Any net proceeds of such sale for each Overseas Shareholder, after deduction of expenses, of HK$100 or more will be distributed in Hong Kong dollars to the relevant Overseas Shareholder, by ordinary post at their own risk, unless the amount falling to be distributed to any such person is less than HK$100 in which case it will be retained for the benefit of the Company.

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 new Shares efficiently. As at the

Latest Practicable Date, there were in issue an aggregate of 423,439,000 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 84,687,800 Shares being allotted, issued or disposed of by the Company.

GENERAL MANDATE TO REPURCHASE SHARES

At the AGM, an ordinary resolution will also 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 repurchase the Shares on the Stock Exchange in accordance with the Listing Rules. As at the Latest Practicable Date, there were in issue an aggregate of 423,439,000 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 42,343,900 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 2010 (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 provides 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 69.0% to approximately 76.6% 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:

Month	Per Share Highest	Per Share Lowest
	HK$	*HK$*
2010		
April	1.15	0.96
May	1.05	0.75
June	1.09	0.85
July	1.42	1.05
August	1.53	1.24
September	1.85	1.30
October	2.69	1.67
November	3.10	2.36
December	3.48	2.70
2011		
January	4.38	3.16
February	4.15	3.31
March	4.28	3.40
1 April	3.94	3.80

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. Wang Zijiang (王子江先生), Mr. Guo Yucheng (郭玉成先生) and Mr. Liu Chenguang (劉晨光先生) 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. Wang Zijiang (王子江先生), Mr. Guo Yucheng (郭玉成先生) and Mr. Liu Chenguang (劉晨光先生) as Directors according to the Articles. Their particulars are as follows:

Mr. Wang Zijiang (王子江先生) ("**Mr. Wang**"), aged 46, is an executive Director, the deputy general manager and one of the founders of the Group. Mr. Wang is responsible for the management and supervision of the overall sales, purchase and logistic operations of the Group. He graduated from the Nanjing Chemical College (南京化工學院) (now known as the Nanjing University of Technology (南京工業大學)) in 1988, majoring in chemical engineering. He spent three years since 1991 working in Weifang New Technology Research Centre (濰坊市新技術研究所). After that, Mr. Wang established Weifang Tianhong Corporate Management and Consultancy Company Limited ("**Weifang Tianhong**") with others in 1996. Mr. Wang has over 15 years of experience in the chemical industry. Save as disclosed in this circular, Mr. Wang 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. Wang was deemed to have interests in 75,920,000 Shares (representing 17.9% of the issued share capital of the Company) through his 26.0% interests in Cheerhill which is the substantial Shareholder holding 292,000,000 Shares (representing 69.0% of the issued share capital of the Company). Save as disclosed in this circular, Mr. Wang 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 Yucheng (郭玉成先生) ("**Mr. Guo**"), aged 54, is an executive Director of the Group. Mr. Guo is responsible for the overall safety and environmental protection 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 2000, Mr. Guo had been working for Weifang Organic Chemicals Factory (濰坊基本有機化工) since 1982. He was accredited as a senior engineer by The Jury of Senior Title of Chemical Technical Post, Shandong Province in 1994. Mr. Guo joined the Group in December 2000. Mr. Guo 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 18,980,000 Shares of the Company (representing 4.5% of the issued share capital of the Company) through his 6.5% interests in Cheerhill which is the substantial Shareholder holding 292,000,000 Shares (representing 69.0% 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. Liu Chenguang (劉晨光先生) ("**Mr. Liu**"), aged 49, has been appointed as an independent non-executive Director since 4 October 2006. Mr. Liu has obtained 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))) a bachelor degree in science majoring in petroleum refining in 1982 and a master degree in applied chemistry in 1985. He obtained his doctorate degree in applied chemistry from the University of Petroleum (Beijing) (中國石油大學(北京)) in 1991. Mr. Liu has been an associate professor of the University of Petroleum (East China) (中國石油大學(華東)) since 1992, then was promoted as a professor in 1994 and subsequently the tutor of the post-graduate students studying for doctorate degrees in 1998. Mr. Liu is the dean and professor of the faculty of chemistry and chemical engineering of the University of Petroleum (East China) (中國石油大學(華東)). He is a member of China Petroleum Society, China Chemistry Society, China Chemical Society, American Chemistry Society and director of Shandong Chemistry and Chemical Society. 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.

Each of Mr. Wang and Mr. Guo has entered into a service agreement with the Company for an initial fixed term of three years commencing from 8 May 2009 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. Wang and Mr. Guo, is RMB720,000 each 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. Liu has entered into a letter of appointment with the Company for a term of three years from May 2008 subject to retirement by rotation under the Articles. The director's fee Mr. Liu is HK$120,000 per annum which is determined with reference to the prevailing range of fees for an independent non-executive director, a member of the audit committee and remuneration committee of listed companies in Hong Kong. Mr. Liu 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 12 to 14 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 Bonus Issue, 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, 13 May 2011 at 4:00 p.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 the auditor of the Company for the year ended 31 December 2010.

2. To declare a final dividend of 8.0 HKcents per share and a special dividend of 1.0 HKcent for the year ended 31 December 2010.

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

4. To appoint BDO Limited as the auditor of the Company for 2011 and to authorise the board of directors of the Company to fix its remuneration.

ORDINARY RESOLUTIONS

5. To consider and, if thought fit, pass with or without amendments the following resolution as an Ordinary Resolution:

   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."

6. "**THAT** upon the recommendation of the directors of the Company (the "**Directors**") and conditional upon the Listing Committee of The Stock Exchange of Hong Kong Limited granting listing of, and permission to deal in, the Bonus Shares (as defined in paragraph (a) of this resolution below) to be issued pursuant to this resolution:

   (a) an amount standing to the credit of the share premium account of the Company as would be required to be applied in paying up in full at par new ordinary shares (the "**Shares**") of HK$0.01 par value each in the capital of the Company, such Shares, credited as fully paid, to be allotted and distributed (subject as referred to in paragraph (b) below) among members of the Company whose names appear on the register of members of the Company on Friday, 13 May 2011 (the "**Record Date**") in the proportion of one new Share (the "**Bonus Share**") for every existing Share then held, be capitalised and applied in such manner and the Directors be and are hereby authorised to allot and issue such Bonus Shares;

   (b) no fractional Bonus Shares shall be allotted to members of the Company and fractional entitlements (if any) will be aggregated and sold and the benefit accrued for the Company;

   (c) the Bonus Shares to be issued pursuant to paragraph (a) above shall rank park passu in all respects with the existing issued and unissued Shares as at the date of issue of such Bonus Shares except that they will not be entitled to the proposed dividends of the Company for the financial year ended 31 December 2010 nor rank for the Bonus Issue; and

   (d) the Directors be and are hereby authorised to do all acts and things as may be necessary and expedient in connection with the issue of the Bonus shares referred to in paragraph (a) of this resolution, including but not limited to determining the amount to be capitalised out of the share premium account and the number of Bonus Shares to be allotted and distributed in the manner referred to in paragraph (a) of this resolution."

By order of the Board
Lau Wai Chun
Company Secretary

Hong Kong, 7 April 2011

Principal office in Hong Kong:
Room 2204A on the 22nd Floor
Bank of America Tower
12 Harcourt Road Central
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 under the respective general mandates proposed at the AGM. 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.