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, 9 May 2008 at 10:00 a.m. is set out on pages 9 to 11 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 Shops 1712-1716 on the 17th 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.

16 April 2008

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 2007 to be held on Friday, 9 May 2008 at 10:00 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"	11 April 2008, 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
"Shares"	the shares of the Company
"Shareholders"	holders of the Shares
"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

16 April 2008

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 of the Company and/or earnings per Share. As compared with the financial position of the Company as at 31 December 2007 (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 redemption 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 repurchases 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$*	*HK$*
2007		
May	1.28	1.09
June	1.50	1.20
July	1.40	1.26
August	1.32	0.81
September	1.20	0.72
October	0.92	0.74
November	0.87	0.65
December	0.78	0.64
2008		
January	0.80	0.60
February	0.75	0.60
March	0.61	0.385
1 to 11 April	0.46	0.40

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. 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. Liu Hongliang (劉洪亮先生), Mr. Guo Xitian (郭希田先生) and Mr. Liu Chenguang (劉晨光先生) as Directors according to the Articles. Their particulars are as follows:–

Mr. Liu Hongliang (**劉洪亮先生**) ("**Mr. H L Liu**"), aged 52, is an executive Director, the chairman and one of the founders of the Group. Mr. H L 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. H L 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. H L Liu established Weifang Tianhong Corporate Management and Consultancy Company Limited ("**Weifang Tianhong**") with others in 1996. Mr. H L Liu has over 20 years of experience in the chemical industry. Save as disclosed in this circular, Mr. H L Liu did not hold any other directorships in other listed public company in the last three years.

As at the Latest Practicable Date, Mr. H L Liu was deemed to have interests in 292,000,000 Shares (representing 73% 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. H L 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 46, is an executive Director and deputy general manager of the Group. Mr. Guo is responsible for the overall personnel matters, human resources planning, training and development. 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 chemical engineering. Prior to joining the Group, Mr. Guo had been working in Shandong Zibo Dongfeng Chemical Factory (山東淄博東風化工廠). He has over 20 years of experience in the chemical industry. Mr. Guo joined the Group in March 1999. Save as disclosed in this circular, Mr. Guo did not hold any other directorships in other listed public company in the last three years.

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. Liu Chenguang (劉晨光先生) ("**Mr. C G Liu**"), aged 46, has been appointed as an independent non-executive Director since 4 October 2006. Mr. C G 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 (煉製系) in 1982 and a master degree in applied chemistry in 1985. He obtained his doctorate degree in chemistry from the University of Petroleum (East China) (中國石油大學（華東）) in 1991. Mr. C G 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. C G Liu is the dean and professor of the faculty of applied chemistry of the University of Petroleum (East China). He is a member of China Petroleum Association (中國石油學會), China Chemistry Association (中國化學學會), China Chemical Association (中國化工學會), US Chemistry Association (美國化學會) and director of Shandong Chemistry and Chemical Association (山東省化學化工學會). Save as disclosed in this circular, Mr. C G Liu did not hold any other directorships in other listed public company in the last three years.

Each of Mr. H L Liu and Mr. Guo has entered into a service agreement with the Company for an initial fixed term of three years commencing from 4 October 2006 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. H L Liu and Mr. Guo is HK$780,000 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. C G Liu 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. C G Liu is HK$100,000 per annum which is determined with reference to the prevailing range of fees for independent non-executive directors and members of the audit and remuneration committees of listed companies in Hong Kong. Mr. C G 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 9 to 11 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 Shops 1712-1716 on the 17th 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.

PROCEDURE FOR DEMAND OF VOTING BY POLL

According to Article 66 of the Articles, before or on the chairman of the meeting has declared the result of voting on a show of hands on a resolution at the annual general meeting, a poll may be demanded by:

(a) the chairman of the meeting; or

(b) at least three members present in person or in the case of a member being a corporation by its duly authorised representative or by proxy for the time being entitled to vote at the meeting; or

(c) a member or members present in person or, in the case of a member being a corporation by its duly authorised representative or by proxy and representing not less than one-tenth of the total voting rights of all members having the right to vote at the meeting; or

(d) a member or members present in person or in the case of a member being a corporation by its duly authorised representative or by proxy and holding shares in the Company conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the shares conferring that right; or

(e) if required by the Listing Rules, by any director or directors who, individually or collectively, hold proxies in respect of shares representing 5% or more of the total voting rights at such meeting.

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, 9 May 2008 at 10:00 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 auditors of the Company for the year ended 31 December 2007.

2. To declare a final dividend of HK1.25 cents per share for the year ended 31 December 2007.

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

4. To re-appoint Deloitte Touche Tohmatsu as the auditor of the Company for 2008 and to authorise the board of directors of the Company to fix their 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, 16 April 2008

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, in the event of a poll, 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 Shops 1712-16 on the 17th 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.