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)

1) GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES;
2) RETIREMENT, RE-ELECTION OF DIRECTORS;
3) TERMINATION OF EXISTING SHARE OPTION SCHEME;
4) ADOPTION OF NEW SHARE OPTION SCHEME; AND
5) NOTICE OF ANNUAL GENERAL MEETING

A notice convening an annual general meeting of the Company to be held at 14/F, Fairmont House, 8 Cotton Tree Drive, Hong Kong, on Friday, 20 May 2016 at 2:00 p.m. is set out on pages 24 to 28 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 and voting at the annual general meeting if you so wish.

14 April 2016

CONTENTS

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

"Adoption Date"	the date on which the New share Option Scheme is conditionally adopted by the Shareholders
"AGM"	the annual general meeting of the Company for the year ended 31 December 2015 to be held on Friday, 20 May 2016 at 2:00 p.m.
"Articles"	the articles of association of the Company, as amended from time to time
"associates"	has the meaning ascribed to it under the Listing Rules
"Board"	the board of Directors
"business day"	any day on which the Stock Exchange is open for business of dealing in securities
"chief executive"	has the meaning ascribed to it under the Listing Rules
"Companies Law"	the Companies Law (as revised) of the Cayman Islands, as amended, supplemented or otherwise modified from time to time
"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
"Director(s)"	the director(s) of the Company
"Existing Share Option Scheme"	the existing share option scheme of the Company adopted on 4 October 2006
"Final Dividend"	the proposed final dividend of HK$0.075 per Share in respect of the year ended 31 December 2015 to Shareholders whose names appear on the Register on the Record Date

"Grantee"	any Participant who accepts the Offer of the grant of any Option in accordance with the New Share Option Scheme or (where the context so permits) a person entitled to any such Option in consequence of the death of the original Grantee or the legal personal representative(s) of such person
"Group"	the Company and its subsidiaries
"HK$"	Hong Kong dollar(s), the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the People's Republic of China
"Issue Mandate"	the general mandate proposed to be granted to the Directors at the AGM to issue further new Shares not exceeding 20% of the issued share capital of the Company as at the date of granting of the general mandate
"Latest Practicable Date"	6 April 2016, 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
"New Share Option Scheme"	the new share option scheme proposed to be adopted by an ordinary resolution to be passed by the Shareholders at the AGM, a summary of the principal terms of which is set out in Appendix III to this circular
"Offer"	an offer of the grant of an Option made in accordance with the New Share Option Scheme
"Offer Date"	the date on which an Option is offered to a Participant
"Option(s)"	any option(s) to subscribe for Shares granted and accepted under the New Share Option Scheme
"Participant"	any full-time or part-time employee, consultant or adviser, director (including executive, non-executive or independent non-executive directors), substantial shareholder, distributor, contractor, supplier, agent, customer, business partner or service provider of any member of the Group, who may be selected by the Board at its absolute discretion

"PRC"	the People's Republic of China which, for the purposes of this circular, excludes Hong Kong, the Macau Special Administrative Region and Taiwan
"Record Date"	3 June 2016, being the record date for determining entitlements of the Shareholders to the Final Dividend
"Register"	the register of members of the Company
"Repurchase Mandate"	the general mandate proposed to be granted to the Directors at the AGM to repurchase up to 10% of the issued share capital of the Company as at the date of granting of the general mandate
"RMB"	Renminbi, the lawful currency of the PRC
"SFO"	Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong), as amended, modified and/or otherwise supplemented from time to time
"Shareholder(s)"	holder(s) of the Shares
"Share(s)"	ordinary share(s) of nominal value of HK$0.01 each in the share capital of the Company
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Subscription Price"	the price per Share at which a Grantee may subscribe for Shares on the exercise of an Option in accordance with the New Share Option Scheme
"substantial shareholder"	has the meanings ascribed to it under the Listing Rules
"Takeovers Code"	the Code on Takeovers and Mergers of Hong Kong
"%"	per cent

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. Gao Feng *(Chairman)*
Mr. Guo Xitian *(General Manager)*
Mr. Liu Hongliang
Mr. Wang Zijiang

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

Registered Office:
Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

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

14 April 2016

To the Shareholders

Dear Sir or Madam,

1) GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES;
2) RETIREMENT, RE-ELECTION OF DIRECTORS;
3) TERMINATION OF EXISTING SHARE OPTION SCHEME;
4) ADOPTION OF NEW SHARE OPTION SCHEME; AND
5) NOTICE OF ANNUAL GENERAL MEETING

INTRODUCTION

It is proposed that at the AGM, resolutions will be proposed (i) to grant to the Directors Issue Mandate to issue the Shares (including the extended Issue Mandate); (ii) to grant to the Directors Repurchase Mandate to repurchase the Shares; (iii) for re-election of Directors; (iv) to terminate the Existing Share Option Scheme; and (v) to adopt the New Share Option Scheme.

This circular is to provide you with the information relating to the proposed grant of the Issue Mandate (including the extended Issue Mandate) and the Repurchase Mandate, the Directors offering for re-election at the AGM, the termination of the Existing Share Option Scheme and the adoption of the New Share Option Scheme 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.

GENERAL MANDATE TO ISSUE SHARES

At the AGM, an ordinary resolution will be proposed to grant an Issue 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 846,878,000 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 169,375,600 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 Repurchase Mandate to exercise all powers of the Company to repurchase issued and fully paid Shares. Under such mandate, the number of 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 repurchasing Shares on the Stock Exchange in accordance with the Listing Rules.

The Issue Mandate (including the extended Issue Mandate) and the Repurchase Mandate shall continue to be in force during the period from the date of passing of the resolutions for the approval of the Issue Mandate (including the extended Issue Mandate) and the Repurchase Mandate up to (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, the Companies Law, or any applicable laws of the Cayman Islands to be held; or (iii) the revocation or variation of the Issue Mandate (including the extended Issue Mandate) or the Repurchase Mandate (as the case may be) by ordinary resolution of the Shareholders in general meeting, whichever occurs first.

An explanatory statement in connection with the Repurchase Mandate is set out in Appendix I to this circular. The explanatory statement contains all the requisite information required under the Listing Rules to be given to the Shareholders to enable them to make an informed decision on whether to vote for or against the resolution approving the Repurchase Mandate.

RETIREMENT, RE-ELECTION OF DIRECTORS

According to 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.

Details of the persons who are proposed to be re-elected at the AGM are set out in Appendix II to this circular.

FINAL DIVIDEND

As stated in the announcement issued by the Company dated 7 March 2016 relating to the annual results of the Group for the year ended 31 December 2015, the Board recommends the payment of the Final Dividend of HK$0.075 per Share for the year ended 31 December 2015 to Shareholders whose names appeared on the Register on the Record Date. The Final Dividend is subject to approval by the Shareholders at the AGM and a resolution will be proposed to the Shareholders for voting at the AGM.

Closure of Register

The Register will be closed from 1 June 2016 to 3 June 2016 (both dates inclusive) in order to determine the Shareholders' entitlements to the Final Dividend, during which no transfer of Shares will be registered.

To qualify for the Final Dividend, all transfers of Shares accompanied by the relevant share certificates must be lodged with 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, for registration no later than 4:30 p.m. on 31 May 2016.

Shareholders whose names appear on the Register on the Record Date, i.e. 3 June 2016 will be entitled to the Final Dividend. The Final Dividend is tentatively to be paid to Shareholders on or about 24 June 2016.

TERMINATION OF THE EXISTING SHARE OPTION SCHEME

The Company adopted the Existing Share Option Scheme on 4 October 2006, which will expire on 3 October 2016 and therefore the Board considers it preferable to adopt the New Share Option Scheme which will be effective for a period of ten (10) years commencing from the date of its adoption. As provided for in paragraph 14 of the provisions of the Existing Share Option Scheme, it is proposed that the Existing Share Option Scheme be terminated by ordinary resolution with effect from the adoption of the New Share Option Scheme at the AGM. There are no other requirements under the provisions of the Existing Share Option Scheme to be satisfied for its termination.

Upon termination of the Existing Share Option Scheme, no further options would be offered under the Existing Share Option Scheme but the Existing Share Option Scheme would in other respects remain in force to the extent necessary to give effect to the exercise of the outstanding options, if any, granted thereunder prior to its termination (the "**Existing Options**"). Any Existing Options will continue to be valid and exercisable in accordance with the terms of the Existing Share Option Scheme. As at the Latest Practicable Date, there were 16,340,000 Existing Options outstanding.

Other than the Existing Share Option Scheme, the Company did not maintain any other share option scheme as at the Latest Practicable Date. At the AGM, an ordinary resolution will be proposed to the Shareholders to approve the termination of the Existing Share Option Scheme.

ADOPTION OF THE NEW SHARE OPTION SCHEME

An ordinary resolution will be proposed to the Shareholders to adopt the New Share Option Scheme at the AGM. The purpose of the New Share Option Scheme is to enable the Company to grant Options to selected Participants in order to attract and retain the best available personnel and to provide additional incentive and to promote the success of the business of the Group. A summary of the principal terms of the New Share Option Scheme is set out in Appendix III to this circular. The New Share Option Scheme will take effect on the date of its adoption at the AGM and is conditional upon:

(a) the passing of the ordinary resolution by the Shareholders to approve and adopt the New Share Option Scheme and to authorise the Board to grant Options under the New Share Option Scheme and to allot and issue Shares pursuant to the exercise of any Options; and

(b) the Stock Exchange granting approval of the listing of, and permission to deal in, any Shares which may fall to be allotted and issued pursuant to the exercise of any Options.

The New Share Option Scheme does not stipulate either a minimum period for which an Option must be held or any performance targets a grantee is required to achieve before an Option may be exercised. However, under the New Share Option Scheme, the Board may at its discretion specify any conditions which must be satisfied before the Option may be exercised in the offer document whereby the Option is offered. The Board believes that this will provide the Board with more flexibility in setting the terms and conditions of the Options under particular circumstances of each grant and facilitate the Board's aim to offer meaningful incentives to attract and retain the best available personnel.

The aggregate number of Shares which may be issued upon exercise of all Options to be granted under the New Share Option Scheme and any other share option scheme of the Company which may be adopted hereinafter must not, in aggregate, exceed 10% of the total number of Shares in issue as at the date of adoption of the New Share Option Scheme or any other share option scheme (as the case may be). The maximum aggregate number of Shares which may be issued upon exercise of all outstanding Options granted and yet to be exercised under the New Share Option Scheme and any other share option schemes of the Company, must not, in aggregate, exceed 30% of the total number of Shares in issue from time to time. As at the Latest Practicable Date, the total number of shares in issue was 846,878,000 Shares. Assuming that no further Shares are issued and repurchased after the Latest Practicable Date and up to the date of the AGM, the total number of Shares which may be issued upon exercise of all Options to be granted under the New Share Option Scheme would be 84,687,800 Shares, representing 10% of the total number of Shares in issue as at the date of adoption of the New Share Option Scheme on the date of the AGM.

The Board considers that it is not appropriate or helpful to Shareholders to state the value of the Options that can be granted under the New Share Option Scheme as if they had been granted on the Latest Practicable Date given that the variables which are crucial for the calculation of the value of such Option cannot be determined. The variables which are critical for the determination of the value of such Options include the subscription price payable for the Shares upon the exercise of the Options, whether or not Options will be granted under the New Share Option Scheme, and if so, the number of Options to be granted and the timing of granting such Options, the period during which the Options may be exercised, the discretion of the Board to impose any performance targets that have to be achieved before the Options can be exercised and any other terms and conditions that the Board may impose with respect to the Options and whether or not such Options, if granted, will be exercised by the holders of the Options. Accordingly, the Board believes that any calculation of the value of the Options based on a great number of speculative assumptions will not be meaningful and may be misleading to Shareholders in the circumstances. None of the Directors is a trustee of the New Share Option Scheme or has a direct or indirect interest in the trustees of the New Share Option Scheme, if any. Application will be made to the Stock Exchange for the approval of the listing of, and permission to deal in, the Shares which may fall to be allotted and issued pursuant to the exercise of any Options that may be granted under the New Share Option Scheme. The Company will comply with the applicable requirements under Chapter 17 of the Listing Rules in respect of the operation of the New Share Option Scheme. A summary of the principal terms of the New Share Option Scheme is set out in Appendix III to this circular. A copy of the New Share Option Scheme will be available for inspection at Room 2204A, Bank of America Tower, 12 Harcourt Road, Central, Hong Kong during normal business hours from the date hereof up to and including the date of the AGM and will be available for inspection at the AGM.

As at the Latest Practicable Date, the Company did not contemplate to grant Options under the New Share Option Scheme in the near future and has no immediate plan to grant Options under the New Share Option Scheme upon it comes into effect.

AGM

The notice of AGM is set out on pages 24 to 28 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 AGM

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

RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

RECOMMENDATION

The Directors consider that the granting of the Issue Mandate (including the extended Issue Mandate) and the Repurchase Mandate and the re-election of 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.

GENERAL

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no Shareholder is required to abstain from voting on any resolutions to be proposed at the AGM.

Yours faithfully,
For and on behalf of the Board
Gao Feng
Chairman

This Appendix serves as an explanatory statement, as required by the Listing Rules, to provide requisite information to you for your consideration of the Repurchase Mandate.

1. REPURCHASE OF SECURITIES FROM CONNECTED PARTIES

The Listing Rules prohibit the Company from knowingly purchasing its securities on the Stock Exchange from a "connected person", that is, a director, chief executive or substantial shareholder of the Company or any of its subsidiaries or their respective associates (as defined in the Listing Rules) and a connected person is prohibited from knowingly selling to the Company his/her/its securities of the Company.

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

2. SHARE CAPITAL

As at the Latest Practicable Date, the issued share capital of the Company comprised 846,878,000 fully paid Shares.

Subject to the passing of the proposed resolution for the approval of the Repurchase Mandate and on the basis that no further Shares are issued or repurchased by the Company prior to the AGM, the Company will be allowed under the Repurchase Mandate to repurchase a maximum of 84,687,800 fully paid Shares, representing approximately 10% of the issued share capital of the Company as at the date of passing of the resolution.

3. REASONS FOR THE REPURCHASE

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 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.

4. FUNDING OF REPURCHASES

Such repurchases may enhance the net asset value and/or the earnings per Share. As compared with the financial position of the Company as at 31 December 2015 (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.

5. SHARE PRICES

The highest and lowest prices at which the Shares have traded on the Stock Exchange in each of the previous twelve calendar months immediately prior to the Latest Practicable Date were as follows:

	Per Share	
Month	**Highest**	**Lowest**
	HK$	*HK$*
2015		
April	1.92	1.48
May	2.01	1.71
June	1.79	1.55
July	1.70	1.10
August	1.49	1.23
September	1.41	1.16
October	1.36	1.24
November	1.30	1.24
December	1.26	1.20
2016		
January	1.25	1.10
February	1.25	1.03
March	1.43	1.16
April (up to the Latest Practicable Date)	1.40	1.37

6. DISCLOSURE OF INTERESTS AND MINIMUM PUBLIC HOLDING

None of the Directors or, to the best of their knowledge having made all reasonable enquiries, their associates, have any present intention to sell to the Company or its subsidiaries any of the Shares in the Company if the Repurchase Mandate is approved at the AGM.

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the powers of the Company to make repurchases pursuant to the Repurchase Mandate in accordance with the Listing Rules and applicable laws of the Cayman Islands.

If a Shareholder's proportionate interest in the voting rights of the Company increases on the Company exercising its powers to repurchase Shares pursuant to the Repurchase Mandate, such increase will be treated as an acquisition for the purposes of Rule 32 of the Takeovers Code. As a result, a Shareholder or group of Shareholders acting in concert could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rules 26 and 32 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, an executive Director, 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.

7. SHARES REPURCHASE MADE BY THE COMPANY

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

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. 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), aged 60, is an executive Director. Mr. Liu is one of the founders of the Group. He graduated from East China Petroleum Institute (now known as China University of Petroleum) in 1982, majoring in basic organic chemistry. Mr. Liu spent more than ten years from 1982 to 1993 in Weifang New Technology Research Centre. After that, Mr. Liu established Weifang Tianhong Equity Investment Company Limited (formerly known as Weifang Tianhong Corporate Management and Consultancy Company Limited) with others in 1996. Mr. Liu has over 30 years of experience in the chemical industry. Save as disclosed in this circular, Mr. Liu did not hold any other major appointments and professional qualifications.

As at the Latest Practicable Date, Mr. Liu was deemed to have interests in 221,920,000 Shares (representing 26.2% of the issued share capital of the Company) through his 38.0% interests in Cheerhill which is the substantial Shareholder holding 584,000,000 Shares (representing 69.0% of the issued share capital of the Company). Save as disclosed above, Mr. Liu does not have any relationship with any Directors, senior management of the Company or substantial or controlling Shareholders and did not hold any other directorships in public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years prior to the Latest Practicable Date. He does not have, and is not deemed to have any interests or short positions in any Shares, underlying Shares or debentures of the Company or any of its associated corporations which is required to be disclosed under Part XV of the SFO.

Mr. GUO Xitian (郭希田先生) ("Mr. Guo"), aged 54, is an executive Director and the general manager of the Company. He is responsible for the management and supervision of the overall operation of the Group. He graduated from East China Petroleum Institute (now known as China University of Petroleum) in 1982, majoring in basic organic chemistry. Prior to joining the Group, Mr. Guo had been working in Shandong Zibo Dongfeng Chemical Factory. Mr. Guo joined the Group in March 1999. Mr. Guo has over 30 years of experience in the chemical industry. Save as disclosed in this circular, Mr. Guo did not hold any other major appointments and professional qualifications.

As at the Latest Practicable Date, Mr. Guo was deemed to have interests in 67,160,000 Shares (representing 7.9% of the issued share capital of the Company) through his 11.5% interests in Cheerhill which is the substantial Shareholder holding 584,000,000 Shares (representing 69.0% of the issued share capital of the Company). Save as disclosed above, Mr. Guo does not have any relationship with any Directors, senior management of the Company or substantial or controlling Shareholders and did not hold any other directorship in public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years prior to the Latest Practicable Date. He does not have, and is not deemed to have any interests or short positions in any Shares, underlying Shares or debentures of the Company or any of its associated corporations which is required to be disclosed under Part XV of the SFO.

Mr. LEUNG Kam Wan (梁錦雲先生) ("Mr. Leung"), aged 50, has been appointed as an independent non-executive Director since 1 March 2007. Mr. Leung graduated from Hong Kong Baptist University and 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 and a director of CCTH CPA Limited. Save as disclosed above, Mr. Leung did not hold any other major appointments and professional qualifications. He does not have any relationship with any Directors, senior management of the Company or substantial or controlling Shareholders and did not hold any other directorships in public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years prior to the Latest Practicable Date. He does not have, and is not deemed to have any interests or short positions in any Shares, underlying shares or debentures of the Company or any of its associated corporations which is required to be disclosed under Part XV of the SFO.

Mr. Leung has confirmed in writing his independence in accordance with the Listing Rules. Based on Mr. Leung's background and his confirmation, the Board believes that Mr. Leung continues to be independent. Given the qualifications and professional experience of Mr. Leung, the Board is of the view that the continuing service of Mr. Leung in the Group is beneficial to the Group and thus considers that Mr. Leung should be re-elected at the AGM.

Each of Mr. Liu and Mr. Guo has entered into a service agreement with the Company in May 2014. Subject to the Shareholders' approval, each of Mr. Liu and Mr. Guo will enter into a new service agreement with the Company for their appointment as an executive Director for an initial fixed term of three years commencing from the date of the AGM and 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, is RMB760,000 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. Leung has entered into a letter of appointment with the Company for an initial term of not more than three years from May 2013 and will be renewed automatically for successive term of three years subject to retirement by rotation under the Articles. The director's fee of Mr. Leung is HK$140,000 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, a member of the remuneration committee and the nomination committee of listed companies in Hong Kong. Mr. Leung has no relationship with any Directors, senior management of the Company or substantial or controlling Shareholders 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 persons 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.

The following is a summary of the principal terms of the New Share Option Scheme proposed to be adopted at the AGM:

1. PURPOSE

The purpose of the New Share Option Scheme is to attract and retain the best available personnel, to provide additional incentive to employees (full-time and part-time), directors, consultants, advisors, distributors, contractors, suppliers, agents, customers, business partners or service providers of the Group and to promote the success of the business of the Group.

2. WHO MAY JOIN AND BASIS OF ELIGIBILITY

The Board may, at its absolute discretion, invite any person belonging to any of the following classes as Participants:

(i) any full-time or part-time employee of any member of the Group;

(ii) any consultant or adviser of any member of the Group;

(iii) any director (including executive, non-executive or independent non-executive Directors) of any member of the Group;

(iv) any substantial shareholder of any member of the Group; and

(v) any distributor, contractor, supplier, agent, customer, business partner or service provider of any member of the Group.

The basis of eligibility of any Participant to the grant of any Option shall be determined by the Board on the basis of the Participant's contribution or potential contribution to the development and growth of the Group.

3. DURATION

Subject to the terms of the New Share Option Scheme, the Board shall be entitled within 10 years after the Adoption Date to make an Offer to any Participant as the Board may in its absolute discretion select.

4. GRANT OF OPTIONS

Options granted under the New Share Option Scheme are subject to such terms as may be determined at its absolute discretion by the Board and specified at the time of Offer which may include conditions that:

(i) the Grantee shall not dispose of the Shares issued upon exercise of the Option within such period of time; or

(ii) minimum period for which an Option must be held; and

(iii) performance targets that must be achieved before an Option can be exercised.

Save as determined by the Board and specified at the time of an Offer, there is no requirement regarding any minimum period for which an Option must be held and performance targets that must be achieved before an Option can be exercised.

5. EXERCISE OF OPTION AND PAYMENT FOR OPTION

The period for the exercise of an Option shall be notified by the Board to the Grantee at the time of making an Offer, but in any event shall not exceed 10 years from the Offer Date (the "**Option Period**").

A Participant shall pay to the Company HK$1.00 by way of consideration for the grant of an Option on acceptance of an Offer within 28 days from the Offer Date (inclusive of the Offer Date).

6. SUBSCRIPTION PRICE

The Subscription Price shall be a price determined solely by the Board and at least the higher of:

(i) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the Offer Date, which must be a business day;

(ii) the average of the closing prices of the Shares as stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the Offer Date; and

(iii) the nominal value of a Share on the Offer Date.

7. MAXIMUM NUMBER OF SHARES AVAILABLE FOR SUBSCRIPTION

The aggregate number of Shares which may be issued upon exercise of all outstanding Options granted and yet to be exercised under the New Share Option Scheme and any other share option schemes of the Company ("**Other Share Option Schemes**") must not exceed 30% of the Shares in issue from time to time. No Options may be granted under the Scheme or any other share option schemes of the Company if this will result in the limit being exceeded.

The maximum number of Shares issuable upon exercise of all Options to be granted under the New Share Option Scheme and Other Share Option Schemes as from the Adoption Date (excluding, for this purpose, Shares issuable upon exercise of Options which have been granted but which have lapsed) must not in aggregate exceed 10% of all the Shares in issue upon the date on which the Shares are listed and permitted to be dealt in the Stock Exchange.

The 10% limit may be refreshed at any time by approval of the Shareholders in general meeting provided that the total number of Shares which may be issued upon exercise of all Options to be granted under the New Share Option Scheme and Other Share Option Schemes must not exceed 10% of the Shares in issue as at the date of approval of the refreshed limit. Options previously granted under the Existing Share Option Scheme and Other Share Option Schemes (including those outstanding, cancelled or lapsed) will not be counted for the purpose of calculating the limit as "refreshed".

Subject to the overall 30% limit, the Company may seek separate approval by the Shareholders in general meeting for granting Options beyond the 10% limit as set out above provided the Options in excess of the limit are granted only to Participants specifically identified by the Company before such approval is sought.

8. MAXIMUM ENTITLEMENT OF EACH PARTICIPANT

The total number of Shares issued and to be issued upon exercise of the Options granted to each Participant under the New Share Option Scheme or Other Share Option Schemes in any 12-month period up to the Offer date must not exceed 1% of the Shares in issue.

The Board may grant Options to any Participant in excess of the individual limit of 1% in any 12-month period with the approval of the Shareholders in general meeting (with such Participant and his associates abstaining from voting). The number and terms (including the Subscription Price) of Options to be granted to such Participant must be fixed before the Shareholders' approval.

9. NON-TRANSFERABILITY OF OPTIONS

Except for the transmission of an Option on the death of a Grantee to his legal personal representative(s), the Option shall not be assignable and no Grantee shall in any way sell, transfer, charge, mortgage, encumber or otherwise dispose or create any interest in favour of any third party over or in relation to any Option.

10. RIGHTS ON CEASING EMPLOYMENT BY REASON OF DEATH

If the Grantee dies before exercising the Option in full, his legal personal representative(s) may exercise the Option up to the Grantee's entitlement within the period of 12 months following his death provided that where any of the events set out in paragraphs 13, 14 and 15 of this appendix occurs prior to his death or within such 12-month period following his death, then his legal personal representative(s) may so exercise the Option within such of the various periods respectively set out in such clauses.

If within a period of 3 years prior to the Grantee's death, the Grantee had committed any of the acts as specified in paragraph 17(iv) of this appendix prior to his death, the Board may at any time forthwith terminate the Option of the Grantee and the Option shall lapse on the date of the relevant Board resolution.

11. RIGHTS ON CEASING EMPLOYMENT BY TERMINATION OF EMPLOYMENT, ETC.

If the Grantee is an employee of the Group when an Offer is made to him and he subsequently ceases to be an employee by reason of a termination of his employment on one or more of the grounds specified in paragraph 17(iv) of this appendix and the Grantee has exercised the Option, but Shares have not been allotted to him, the Grantee shall, unless the Board determines otherwise, be deemed not to have so exercised such Option and the Company shall return to the Grantee the amount of the Subscription Price for the Shares in respect of the purported exercise of such Option.

12. RIGHTS ON CEASING EMPLOYMENT BY REASON OTHER THAN DEATH AND ANY OF THE GROUNDS LISTED IN PARAGRAPH 17(IV) OF THIS APPENDIX

If the Grantee is an employee of the Group when an Offer is made to him and he subsequently ceases to be an employee of the Group for any reason other than (i) his death or (ii) the termination of his employment on one or more of the grounds specified in paragraph 17(iv) of this appendix, the Option shall lapse on the expiry of 3 months after the date of cessation of such employment.

13. RIGHTS ON A GENERAL OFFER OR PARTIAL OFFER

If a general or partial offer being made to all the Shareholders, the Company shall use its best endeavours to procure that an appropriate offer is extended to all the Grantee (on comparable terms, mutatis mutandis, and assuming that they will become, by the exercise in full of the Options granted to them, as Shareholders).

If such offer is unconditional, the Grantee shall, notwithstanding any terms on which his Options were granted, be entitled to exercise the Option in full at any time within 1 month after the date on which the offer becomes or is declared unconditional.

14. RIGHTS ON A COMPROMISE

In the event of a compromise or arrangement between the Company and the Shareholders or its creditors being proposed in connection with the reconstruction of the Company or its merger or consolidation with any other company or companies pursuant to the Companies Law, the Company shall give notice thereof to all the Grantees on the same day as it gives notice of the meeting to the Shareholders or its creditors to consider such a compromise or arrangement. The Options shall become exercisable in whole or in part on such date until the earlier of (i) 2 months after that date or (ii) at any time not later than 2 business days prior to the date of the general meeting directed to be convened by the court for the purposes of considering such compromise or arrangement (the "**Suspension Date**").

With effect from the Suspension Date, the rights of all Grantees to exercise their respective Options shall forthwith be suspended. Upon such compromise or arrangement becoming effective, all Options shall, to the extent that they have not been exercised, lapse and determine.

15. RIGHTS ON WINDING UP

If a notice is given by the Company to its members to convene a general meeting for the purposes of considering, and if thought fit, approving a resolution to voluntarily wind-up the Company, the Company shall on the same date as or soon after it despatches such notice, give notice to all Grantees. Each Grantee shall be entitled to exercise all or any of his Options at any time not later than 2 business days prior to the proposed general meeting of the Company.

16. REORGANISATION OF CAPITAL STRUCTURE

In the event of any alteration in the capital structure of the Company whilst any Option remains exercisable, whether by way of capitalisation of profits or reserves, rights issue, open offer, consolidation, subdivision or reduction of the share capital of the Company (other than (a) an issue of any securities of the Company for cash or as consideration in respect of a transaction; and (b) an issue of any securities of the Company under the authority of a general mandate or specific mandate granted to the Board by the Shareholders), such corresponding adjustments (if any) shall be made in:

(i) the number of Shares subject to the Option so far as unexercised; and/or

(ii) the Subscription Prices of any unexercised Option.

Any such adjustment shall be made on the basis that:

(i) the proportion of the issued share capital of the Company to which a Grantee is entitled after such adjustment shall remain the same as that to which he was entitled before such adjustment;

(ii) it will not enable any Share to be issued at less than its nominal value, or to increase the proportion of the issued share capital of the Company for which any Grantee would have been entitled to subscribe had he exercised all the Options held by him immediately prior to such adjustments; and

(iii) the auditors or financial advisers selected by the Board must confirm to the Board in writing that the adjustment satisfies the requirements of the note to paragraph 17.03(13) of the Listing Rules, except where such adjustment is made on a capitalisation issue.

17. LAPSE OF OPTIONS

An Option shall lapse automatically on the earliest of:–

(i) the expiry of the Option Period;

(ii) the expiry of any of the periods referred to in paragraphs 10, 12, 13 or 15 of this appendix;

(iii) the date of the commencement of the winding-up of the Company;

(iv) in the event that the Grantee is an employee of the Group when an Offer is made to him and he subsequently ceases to be an employee of the Group on any one or more of the grounds that he has been guilty of serious misconduct, or has committed an act of bankruptcy or has become insolvent or has made any arrangement or composition with his or her creditors generally, or has been convicted of any criminal offence involving his integrity or honesty or (if so determined by the Board) on any other ground on which an employer would be entitled to terminate his employment at common law or pursuant to any applicable laws or under the Grantee's service contract with the Group, the date of cessation of his employment with the Group;

(v) the occurrence of any act of bankruptcy, insolvency or entering into of any arrangements or compositions with his creditors generally by the Grantee, or conviction of the Grantee of any criminal offence involving his integrity or honesty;

(vi) the date on which the Board exercises the Company's right to cancel, revoke or terminate the Option on the ground that the Grantee commits a breach of paragraph 9 of this appendix in respect of that or any other Option; or

(vii) the date on which a compromise or arrangement referred to in paragraph 14 becomes effective.

18. RANKING OF SHARES

The Shares to be allotted and issued upon the exercise of an Option will be subject to all the provisions of the memorandum and articles of association of the Company for the time being in force and will rank pari passu in all respects with the fully paid Shares in issue on the date of allotment and accordingly will entitle the holders to participate in all dividends or other distributions paid or made after the date of allotment, save that the Shares shall not carry any voting rights until the name of the Grantee has been duly entered on the register of members of the Company as the holder thereof.

19. CANCELLATION

Any cancellation of Options granted but not exercised may be effected on such terms as may be agreed with the relevant Grantee, as the Board may in its absolute discretion sees fit and in a manner that complies with all applicable legal requirements for such cancellation.

Where the Company cancels Options granted and issues new Options to the same Grantee, the issue of such new Options may only be made under the New Share Option Scheme with available unissued Options (excluding the cancelled Options) and in compliance with the terms of the New Share Option Scheme, in particular within the limit approved by the Shareholders and, subject to the maximum number of Shares available for subscription referred to in paragraph 7 of this appendix.

20. ALTERATION

The New Share Option Scheme may be altered in any respect by resolution of the Board except that:

(i) the terms and conditions of the New Share Option Scheme relating to the matters set out in rule 17.03 of the Listing Rules shall not be altered to the advantage of the Grantees or prospective Grantees except with the prior sanction of the Shareholders in general meeting, provided that no such alteration shall operate to affect adversely the terms of issue of any Option granted or agreed to be granted prior to such alteration except with the consent or sanction such majority of the Grantees as would be required of the Shareholders under the articles of association of the Company for a variation of the rights attached to the Shares; and

(ii) any alterations to the terms and conditions of the New Share Option Scheme, which are of a material nature, or any change to the terms of Option granted, or any change to the authority of the Board in respect of alteration of the New Share Option Scheme, must be approved by the Shareholders in general meeting, except where the alterations take effect automatically under the existing terms of the New Share Option Scheme.

The New Share Option Scheme may also be altered in any respect by resolution of the Board to cause it to comply with any statutory provisions and regulations of any relevant authority. The amended terms of the New Share Option Scheme shall comply with Chapter 17 of the Listing Rules.

21. TERMINATION

The Company by resolution in general meeting or the Board may at any time terminate the operation of the New Share Option Scheme. In such event no further Options will be offered but Options granted prior to such termination shall continue to be valid and exercisable in accordance with the provisions of the Scheme.

22. RESTRICTION ON THE TIME OF GRANT OF OPTION

No Offer may be made after inside information has come to the Company's knowledge until such inside information has been announced in accordance with the Listing Rules. No Option may be granted during the period commencing one month immediately before the earlier of:–

(i) the date of the Board meeting for approving the Company's results for any year, half-year, quarterly or any other interim period; and

(ii) the last day on which the Company shall announce its results for any year or half-year under the Listing Rules, or quarterly or any other interim period, and ending on the date of the results announcement.

23. RESTRICTION ON GRANT OF OPTIONS TO DIRECTORS, CHIEF EXECUTIVES OR SUBSTANTIAL SHAREHOLDERS ETC.

Each grant of Options to a Director, chief executive or substantial shareholder of or any of their respective associates must be approved by independent non-executive Directors (excluding independent non-executive Director who is the Grantee).

Where any grant of Options to a substantial shareholder or an independent non-executive Director or any of their respective associates would result in the total number of Shares issued and to be issued upon exercise of all Options already granted and to be granted (including Options exercised, cancelled and outstanding) under the New Share Option Scheme and Other Share Option Schemes to such person in any 12-month period up to and including the date of such grant:

(i) representing in aggregate over 0.1% of the Shares in issue; and

(ii) having an aggregate value, based on the closing price of the Shares at the date of each grant, in excess of HK$5 million,

such further grant of Options must be approved by the Shareholders at a general meeting of the Company, with voting to be taken by way of poll. The Company shall send a circular to the Shareholders containing all information as required under the Listing Rules.

All connected persons (as defined in the Listing Rules) of the Company shall abstain from voting (except where any connected person intends to vote against the proposed grant and his intention to do so has been stated in the aforesaid circular). Any change in the terms of an Option granted to a substantial shareholder or an independent non-executive Director or any of their respective associates is also required to be approved by Shareholders in the aforesaid manner.

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 14/F, Fairmont House, 8 Cotton Tree Drive, Hong Kong on Friday, 20 May 2016 at 2:00 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 2015.

2. To declare a final dividend of HK$0.075 per share for the year ended 31 December 2015.

3. (i) To re-elect Mr. Liu Hongliang (劉洪亮先生) as executive director of the Company;

   (ii) To re-elect Mr. Guo Xitian (郭希田先生) as executive director of the Company;

   (iii) To re-elect Mr. Leung Kam Wan (梁錦雲先生) as independent non-executive director of the Company; and

   (iv) To authorise the board of directors of the Company to fix their remuneration.

4. To re-appoint BDO Limited as the auditor of the Company for 2016 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 (defined as below) 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 (defined as below) to make or grant offers, agreements and options which might require the exercise of such power after the end of the Relevant Period (defined as below);

(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 (defined as below) or scrip dividend scheme or similar arrangement of the Company or the exercise of the subscription rights under the New Share Option Scheme to be adopted at the AGM 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 (defined as below) 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 (defined as below) 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** subject to and conditional upon the Listing Committee of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") granting the approval for the listing of, and the permission to deal in, the ordinary shares of the Company (the "**Shares**") to be issued pursuant to the exercise of the share options which may be granted under the share option scheme (the "**New Share Option Scheme**"), a copy of which is tabled at the meeting and marked "A" and initialled by the chairman of the meeting for identification purpose, the New Share Option Scheme be and is hereby approved and adopted; and the Directors be and are hereby authorised to do all such acts and to enter into all such transactions, arrangements and agreements as may be necessary or expedient in order to give full effect to the New Share Option Scheme, including without limitation to:

a) to administer the New Share Option Scheme under which share options will be granted to a Participant (as defined in the New Share Option Scheme) eligible under the New Share Option Scheme to subscribe for Shares, including but not limited to determining and granting the share options in accordance with the terms of the New Share Option Scheme;

b) to modify and/or amend the New Share Option Scheme from time to time provided that such modification and/or amendment is effected in accordance with the terms of the New Share Option Scheme relating to the modification and/or amendment and subject to Chapter 17 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**");

c) to allot and issue from time to time such number of Shares in the share capital of the Company as may be required to be allotted and issued pursuant to the exercise of the share options under the New Share Option Scheme and subject to the Listing Rules;

d) to make application at appropriate time or times to the Stock Exchange, and any other stock exchanges on which the issued Shares may for the time being be listed, for listing of, and permission to deal in, any Shares which may hereafter from time to time be allotted and issued pursuant to the exercise of the share options under the New Share Option Scheme; and

e) to consent, if it so deems fit and expedient, to such conditions, modifications and/or variations as may be required or imposed by the relevant authorities in relation to the New Share Option Scheme."

7. "**THAT** the existing share option scheme (the "**Existing Share Option Scheme**") adopted by the Company pursuant to a resolution passed by the then shareholders of the Company on 4 October 2006 be terminated with immediate effect and shall cease to have any further effect save and except that the Existing Share Option Scheme will remain in force to the extent necessary to give effect to the exercise of the options granted thereunder prior to termination thereof."

By order of the Board
Lau Wai Chun
Company Secretary

Hong Kong, 14 April 2016

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 Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited in connection with the repurchase mandate is also despatched to the shareholders of the Company together with this notice.