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) PROPOSED GRANT OF GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES;
2) RETIREMENT AND RE-ELECTION OF DIRECTORS;
3) PROPOSED FINAL DIVIDEND;
4) ADOPTION OF NEW SHARE AWARD 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, 5 June 2026 at 2:00 p.m. (Hong Kong time) is set out on pages 44 to 48 of this circular. Whether or not you propose to attend the meeting, you are requested to complete the accompanying form of proxy 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, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not later than Wednesday, 3 June 2026 at 2:00 p.m. (Hong Kong time). Completion and return of the form of proxy will not preclude you from attending and voting at the annual general meeting if you so wish, and in such event, the form of proxy shall be deemed to be revoked.

No refreshment or beverages, and corporate gifts or gift coupons will be provided at the annual general meeting.

23 April 2026

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

"Administration"	the Board, the Remuneration Committee of the Company, and/or delegate(s) of the aforementioned in charge of the operation and all other aspects of the New Share Award Scheme
"Adoption Date"	the date on which the New Share Award Scheme is conditionally adopted by the Shareholders
"AGM"	the annual general meeting of the Company to be held at 14/F, Fairmont House, 8 Cotton Tree Drive, Hong Kong, on Friday, 5 June 2026 at 2:00 p.m. (Hong Kong time) or any adjournment thereof
"Articles"	the amended and restated articles of association of the Company, as amended from time to time
"associate(s)"	has the meaning ascribed to it under the Listing Rules
"Audit Committee"	the audit committee of the Company
"Award(s)"	the award(s), in the form of conditional vesting of Award Share(s) to a Selected Participant, granted by the Administration to a Selected Participant, under which Award Shares may be vested in accordance with the terms of the Scheme Rule(s)
"Award Share(s)"	the Share(s) granted to a Selected Participant in an Award
"Board"	the board of Directors
"Business Day"	has the meaning ascribed to it under the Listing Rules
"chief executive"	has the meaning ascribed to it under the Listing Rules
"close associates"	has the meaning ascribed to it under the Listing Rules
"Companies Act"	the Companies Act (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), an exempted company incorporated in the Cayman Islands with limited liability on 7 December 2004 under the Companies Act 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
"controlling shareholder"	has the meaning ascribed to it under the Listing Rules

"core connected person(s)"	has the meaning ascribed to it under the Listing Rules
"Director(s)"	the director(s) of the Company
"Eligible Participant(s)"	means: (a) Employee Participant(s); (b) Related Entity Participant(s); and (c) Service Provider(s); provided that it is not an Excluded Participant
"Employee Participant(s)"	the Director(s) (including independent non-executive Director(s)) or employee(s) (whether full time or part time) of a member of the Group (including person who is granted Awards under the New Share Award Scheme as an inducement to enter into employment contract with any member of the Group)
"Excluded Participant(s)"	the individual(s) who is/are resident(s) in a place where the grant, acceptance or vesting of an Award pursuant to the New Share Award Scheme is not permitted under the laws and regulations of such place or where, in the view of the Board or its delegate(s), compliance with applicable laws and regulations in such place makes it necessary or expedient to exclude such individual
"Existing Share Option Scheme"	the existing share option scheme of the Company adopted on 20 May 2016
"Final Dividend"	the proposed final dividend of HK$0.03 per Share as recommended by the Board in respect of the year ended 31 December 2025 to Shareholders whose names appear on the Register on the Record Date
"Grant Date"	the date on which the grant of an Award is made to a Selected Participant, being the date of a Grant Instrument
"Grant Instrument"	has the meaning as set out in the Scheme Rule(s)
"Group"	the Company and its subsidiaries
"HK$"	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 allot, issue or deal with new Shares not exceeding 20% of the number of Shares in issue as at the date of passing of the relevant resolution(s) granting such general mandate

"Latest Practicable Date"	16 April 2026, being the latest practicable date for ascertaining certain information in this circular prior to its printing
"Listing Committee"	the listing committee of the Stock Exchange
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange, as amended from time to time
"New Share Award Scheme"	the new share award 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
"Nomination Committee"	the nomination committee of the Company
"on-market"	the trading of Share(s) through one or more transactions through the facilities of the Stock Exchange in accordance with the Listing Rules and any other applicable laws and regulations
"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"	7 August 2026, being the record date for determining entitlements of the Shareholders to the Final Dividend
"Register"	the register of members of the Company
"Related Entity Participant(s)"	the director(s) or employee(s) (whether full time or part time) of the holding company(ies), fellow subsidiary(ies) or associated company(ies) of the Company
"Remuneration Committee"	the remuneration committee 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 number of Shares in issue as at the date passing of the relevant resolution(s) of granting such general mandate
"RMB"	Renminbi, the lawful currency of the PRC
"Safety and Environmental Protection Committee"	the safety and environmental protection committee of the Company

"Scheme Mandate Limit"	the total number of new Shares which may be issued and allotted upon exercise of all share options and grant of share awards under the New Share Award Scheme and any other share award schemes and share option schemes of the Company shall not in aggregate exceed 10% of the total number of Shares in issue (excluding treasury shares, if any) (being 87,841,800 Shares, subject to adjustment in the case of any consolidation or subdivision of Shares thereafter) as at the Adoption Date or as at the date of approval of the refreshment of the Scheme Mandate Limit by Shareholders in general meeting, whichever is later
"Scheme Period"	the period commencing on the Adoption Date, and ending on the Business Day immediately prior to the tenth (10th) anniversary of the Adoption Date
"Scheme Rule(s)"	the rules relating to the New Share Award Scheme
"Selected Participant"	the Eligible Participant(s) approved for participation in the New Share Award Scheme and who has been granted any Award pursuant to the Scheme Rules
"Service Provider(s)"	the individual(s) or entity(ies) (not being an Employee Participant and a Related Entity Participant) that provide services to members of the Group on a continuing or recurring basis in its ordinary and usual course of business, which is in the interest of the long-term growth of the Company and/or its subsidiaries. For the purpose of the New Share Award Scheme, Service Providers covered by the New Share Award Scheme include the following two types of service providers of the Group's research and development, manufacture and sale of fine chemical products business: (1) market development service providers; and (2) technical and research and development service providers
"Service Provider Sublimit"	within the Scheme Mandate Limit, the total number of new Shares which may be awarded in respect of all share options and grant of share awards under the New Share Award Scheme and any other share award schemes and share option schemes of the Company to the Service Providers shall not in aggregate exceed 1% of the total number of Shares in issue (excluding treasury shares, if any) as at the Adoption Date (being 8,784,180 Shares, subject to adjustment in the case of any consolidation or subdivision of shares of the Company thereafter) unless shareholders' approval has been obtained otherwise in accordance with the Listing Rules
"SFC"	the Securities and Futures Commission

"SFO"	Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"Shareholder(s)"	holder(s) of the Share(s)
"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
"substantial shareholders"	has the meanings ascribed to it under the Listing Rules
"Takeovers Code"	the Codes on Takeovers and Mergers and Share Buy-backs as approved by the SFC, as amended from time to time
"Taxes"	has the meanings ascribed to it under the Listing Rules
"trading day"	a day on which the Stock Exchange is open for the trading of securities
"treasury shares"	has the meaning ascribed to it under the Listing Rules
"vest"	the Selected Participant becoming entitled to receive Shares under his Award (or any part thereof)
"Vesting Conditions"	the conditions which must be satisfied before an Award shall become vested
"Vesting Date"	the date or dates, as determined from time to time by the Administration, on which the Award (or part thereof) is to vest in the relevant Selected Participant as set out in the relevant Grant Instrument, unless a different Vesting Date is deemed to occur by the operation of other Rules, the Listing Rules, other applicable laws or regulations
"Vesting Period"	the period commencing on the date on which the Award has been granted to a Selected Participant and ending on the Vesting Date (both dates inclusive)
"%"	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. Liu Yang *(Chairman)*
Mr. Chen Xiaohua *(General manager)*
Mr. Dou Aobo

Non-executive Director:
Mr. Wang Zijiang

Independent non-executive Directors:
Mr. Leung Kam Wan
Mr. Liu Chenguang
Ms. Shan Honghong

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

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

23 April 2026

To the Shareholders

Dear Sir or Madam,

1) PROPOSED GRANT OF GENERAL MANDATES TO ISSUE AND REPURCHASE SHARES; 2) RETIREMENT AND RE-ELECTION OF DIRECTORS; 3) PROPOSED FINAL DIVIDEND; 4) ADOPTION OF NEW SHARE AWARD SCHEME; AND 5) NOTICE OF ANNUAL GENERAL MEETING

INTRODUCTION

It is proposed that at the AGM, resolutions will be proposed to seek the Shareholders' approval for, among others, (i) to grant to the Directors Issue Mandate to allot, issue or deal with the new Shares (including the extended Issue Mandate); (ii) to grant to the Directors the Repurchase Mandate to repurchase the Shares; (iii) to re-elect the retiring Directors; (iv) to declare Final Dividend; and (v) to adopt the New Share Award Scheme.

This circular is to provide you with the information related 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 proposed declaration of Final Dividend and the adoption of the New Share Award 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 seek the approval of the Shareholders to grant an Issue Mandate to the Directors to allot, issue or deal with the Shares up to 20% of the number of Shares in issue (excluding treasury shares if any) as at the date of the AGM to provide flexibility for the Company to raise funds by issue of new Shares efficiently. In addition, a separate ordinary resolution will further be proposed for extending the Issue Mandate authorising the Directors to allot, issue and deal with Shares to the extent of the Shares repurchased pursuant to the Repurchase Mandate. Details of the Repurchase Mandate are further elaborated below. As at the Latest Practicable Date, there were in issue an aggregate of 878,418,000 Shares. Subject to the passing of the resolutions for the approval of the Issue Mandate and on the basis that no further Shares are issued or repurchased between the Latest Practicable Date and the date of the AGM, the Company would be allowed under the Issue Mandate to allot, issue and deal with a maximum of 175,683,600 Shares.

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 number of Shares in issue (excluding treasury shares if any) as at the date of the AGM. Subject to the passing of the resolution for the approval of the Repurchase Mandate and on the basis that no further Shares are issued or repurchased between the Latest Practicable Date and the date of the AGM, the Company would be allowed under the Repurchase Mandate to repurchase a maximum of 87,841,800 Shares. The Company's authority is restricted to repurchase 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 Act, 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 AND RE-ELECTION OF DIRECTORS

According to Article 83(3) and 84 of the Articles, Mr. Dou Aobo (竇奧博先生), Mr. Wang Zijiang (王子江先生) and Mr. Liu Chenguang (劉晨光先生) shall retire from office by rotation at the AGM, each of them, being eligible, will offer himself for re-election.

In accordance with Article 83(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 shall hold office only until the first annual general meeting of the Company after his appointment and shall then be eligible for re-election. Accordingly, Mr. Dou Aobo, the executive Director will retire from office at the AGM and, being eligible, will offer himself for re-election.

Pursuant to Code Provision B.2.3 of the Corporate Governance Code set out in Appendix C1 to the Listing Rules, any further appointment of an independent non-executive Director serving more than nine years should be subject to a separate resolution to be approved by the Shareholders. Mr. Liu Chenguang ("**Mr. Liu CG**"), independent non-executive Director, has been serving the Company for more than nine years since October 2006. Separate resolution will be proposed for his re-election at the AGM. He is not and has not been a director of any other listed companies in the last three years. He attended all the meetings of the Board and the relevant Board committees held in the past years. Mr. Liu CG has confirmed in writing his independence in accordance with the Listing Rules ("**Mr. Liu CG's Confirmation**").

The Nomination Committee has reviewed the structure and composition of the Board, the confirmations and disclosures given by the Directors, the qualifications, skills and experience, time commitment and contribution of the retiring Directors with reference to the nomination principles and criteria set out in the Company's Board Diversity Policy and Director Succession Plan and the Company's corporate strategy, and the independence of all independent non-executive Directors. The Nomination Committee has recommended to the Board on re-election of all the retiring Directors including Mr. Liu CG who is due to retire at the AGM. The Board is not aware of any circumstances which are likely to affect Mr. Liu CG's independence as an independent non-executive Director even though he has served the Company for more than nine years.

Based on Mr. Liu CG's background and Mr. Liu CG's Confirmation, the Board believes that Mr. Liu CG continues to be independent. Mr. Liu CG has not been involved in any day-to-day management role in the Group nor in any relationships which would interfere with the exercise of his independent judgement. Besides, as at the Latest Practicable Date, Mr. Liu CG does not hold any Shares. The Company considers that the continuous appointment of Mr. Liu CG as an independent non-executive Director will help to maintain the stability of the Board as he will continue to bring valuable business experience, knowledge and professionalism to the Board for its efficient and effective functioning and diversity. Furthermore, Mr. Liu CG confirms to the Company that he is fully aware that he is responsible for performing functions and discharging duties to the Company through active participation in the Board's meetings by bringing balance of views as well as knowledge, experience and expertise. Given the historical attendance records, the qualifications and professional experience of Mr. Liu CG, the Board is of the view that the continuing service of Mr. Liu CG in the Company is beneficial to the Group and thus considers that Mr. Liu CG should be re-elected by way of separate resolution at the AGM.

Details of the Directors 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 23 March 2026 relating to the annual results of the Group for the year ended 31 December 2025, the Board recommended the payment of the Final Dividend. 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 record date for determining the entitlement of the Shareholders to attend and vote at the AGM will be on Friday, 5 June 2026. For ascertaining the Shareholders who are entitled to attend and vote at the AGM, the Register will be closed from Tuesday, 2 June 2026 to Friday, 5 June 2026 (both days inclusive), during which period no transfer of Shares will be effected. In order to be eligible to attend and vote at the AGM, all transfers documents accompanied by the relevant share certificates should be lodged with the Company's share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712-1716 on the 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, for registration not later than 4:30 p.m. on Monday, 1 June 2026.

The Register will also be closed from Wednesday, 5 August 2026 to Friday, 7 August 2026 (both days 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, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, for registration not later than 4:30 p.m. on Tuesday, 4 August 2026. Shareholders whose names appear on the Register on the Record Date, i.e. Friday, 7 August 2026 will be entitled to the Final Dividend. The Final Dividend is expected to be paid to Shareholders on or about Thursday, 27 August 2026.

ADOPTION OF THE NEW SHARE AWARD SCHEME

The Existing Share Option Scheme

The Company adopted the Existing Share Option Scheme on 20 May 2016, which has a term of 10 years from its adoption date and will expire on 20 May 2026. As at the Latest Practicable Date, no share options under the Existing Share Option Scheme remain outstanding and exercisable upon.

As the Existing Share Option Scheme will expire on 20 May 2026 and to enable the Company to continue to grant share incentives or rewards to Eligible Participants for their contributions to the Group, the Directors propose to recommend to the Shareholders at the AGM to approve and adopt the New Share Award Scheme.

As at the Latest Practicable Date, the Board has no plan or intention to grant any share options under the Existing Share Option Scheme prior to its expiration.

The New Share Award Scheme

The Board proposes to adopt a share award scheme in compliance with Chapter 17 of the Listing Rules.

The purpose of the New Share Award Scheme is to continue to enable the Company to provide incentives by the grant of Awards to Eligible Participants for their contributions or potential contributions to the Group and to align their interests with that of the Group. The ability of the Company to grant Awards provides alternative means for the Company to provide incentives which can be more tailored towards each Eligible Participant.

A summary of the principal terms of the New Share Award Scheme is set out in Appendix III to this circular.

Purposes and Objectives

The purposes of the New Share Award Scheme are to (i) incentivise and motivate Eligible Participants to contribute to the Group, optimise their performance and efficiency for the benefit of the Group, and achieve designated goals, (ii) encourage continuing commitment to the Group, (iii) attract important candidates to join the Group to facilitate the development of the Group, and (iv) recognise the contributions that Eligible Participants have or may have made or may make to the Group (whether directly or indirectly).

The New Share Award Scheme will give the Eligible Participants an opportunity to have a personal stake in the Company and will help achieve the objectives of: (i) motivating the Eligible Participants to optimise their performance and efficiency; (ii) attracting and retaining the Eligible Participants whose contributions are important to the long-term growth and profitability of the Group; and (iii) enhancing the Company's employee and business relations. Further, the imposition of appropriate criteria for vesting and lapsing of Awards will strengthen the alignment of the interest of the Selected Participants and the Group and the Shareholders.

Conditions to the New Share Award Scheme

The adoption of the New Share Award Scheme is conditional upon:

(a) the passing of a resolution by the Shareholders to approve the adoption of the New Share Award Scheme and to authorise the Board to grant Awards under the New Share Award Scheme and to approve the Scheme Mandate Limit; and

(b) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the new Shares which may be issued by the Company in respect of all Awards to be granted under the New Share Award Scheme.

Resolutions will be proposed at the AGM for the Shareholders to consider (and if thought fit approve) the New Share Award Scheme and the Scheme Mandate Limit (resolution number 6), and the Service Provider Sublimit (resolution number 7).

Administration

The New Share Award Scheme shall be subject to the execution of the Administration in accordance with the Scheme Rules. A decision of the Administration shall be final and binding on all persons affected thereby, subject to the general power of the Board of administration.

Eligible Participants

The Administration may, from time to time, select any Eligible Participant to be a Selected Participant, grant an Award to such Selected Participant during the Scheme Period, and determine the terms and conditions of the Awards and the vesting of Awards Shares. Eligible Participants include Employee Participants, Related Entity Participants and Service Providers, provided that it is not an Excluded Participant.

Under the New Share Award Scheme, the Board (or the independent non-executive Directors, as the case may be) shall have absolute discretion to determine the eligibility of any person to participate in the New Share Award Scheme pursuant to the Scheme Rules.

(i) Employee Participants

In assessing the eligibility of Employee Participants, the Administration will take into account, without limitation, (i) the experience, technical expertise and qualification, level of responsibilities of the Employee Participant in relation to the Group's business; (ii) the financial condition and short-term and long-term objectives of the Group; (iii) the current remuneration packages of the Employee Participant; (iv) prevailing market practice and industry standard; and/or (v) the amount of participation, support, efforts, contributions and positive impact the Employee Participant has made/given, or could potentially make/give in the future, to the Group and/or towards the success of the Group.

Independent non-executive Directors

The scope of the Eligible Participants includes independent non-executive Directors. Having considered that (i) equity-based remuneration continues to be an important means of ensuring alignment between the interests of Shareholders and all Board members, including the independent non-executive Directors; (ii) it is common to include independent non-executive directors as eligible persons of share award schemes among companies listed on the Stock Exchange; and (iii) independent non-executive Directors make significant contributions to the Group through their professional expertise, independent judgment and oversight of corporate governance and internal control, the Board believes the inclusion of independent non-executive Directors as Eligible Participants and the flexibility to grant Awards to them, in addition to cash-based remuneration, will allow the Company to keep its remuneration package competitive in order to attract and retain talents.

The Company is of the view that the independence and impartiality of the independent non-executive Directors will not be compromised by any potential grant of Awards, for the following reasons: (i) the independent non-executive Directors will continue to comply with the independence requirement under Rule 3.13 of the Listing Rules; (ii) approval by Shareholders will be required if any Award is to be granted to independent non-executive Directors or any of their respective associates would result in the total number of Shares issued and to be issued in respect of all options and awards granted to such person in the twelve (12)-month period up to and including the date of the grant representing in aggregate over 0.1% of the Shares in issue (excluding any treasury shares); and (iii) the Board will be mindful of the recommended best practice under Code Provision E.1.9 of the Corporate Governance Code set out in Appendix C1 to the Listing Rules, which recommends that issuers should generally not grant equity-based remuneration (e.g. share options or grants) with performance-related elements to independent non-executive directors when considering any future grants of Awards to the independent non-executive Directors.

As at the Latest Practicable Date, the Company has not formulated any plan or intention to grant any Award to the independent non-executive Directors under the New Share Award Scheme.

(ii) Related Entity Participants

In assessing the eligibility of Related Entity Participants, the Administration will take into account, on a case by case basis, one or more of the following factors:

(i) the significance of the Related Entity Participant's role in enhancing the Group's business prospects and development, including:

(a) the extent to which the Related Entity Participant has secured, introduced, maintained or expanded key clients or strategic relationships, with measurable indicators, such as (i) annual revenue or gross profit attributable to such clients introduced or retained by the Related Entity Participant; (ii) year-on-year growth in such client accounts; (iii) the aggregate value of new business generated during the most recent 12-month period; or (iv) the duration and stability of client relationships maintained through the Related Entity Participant's efforts;

(b) the Related Entity Participant's involvement in material transactions or projects which contribute demonstrable strategic value (such as market entry, or expansion into a new business) by reference to the Group's most recent audited financial results; and/or

(c) the Related Entity Participant's specialist expertise or leadership functions demonstrably relied upon by the Group in relation to key operational, technological or strategic initiatives;

(ii) the participation, support, efforts, and/or future contributions, assessed using both (a) documentary evidence of performance or achievements (e.g. executed contracts, completed projects or board-approved synergies) and (b) objective forward-looking key performance indicators (the "KPIs") or milestones agreed by the Administration;

(iii) where future contributions are anticipated, vesting may be made conditional upon the achievement of agreed project or business-performance milestones (such as revenue thresholds, budget discipline, regulatory approvals obtained or other commercially relevant criteria); and/or

(iv) potential acquisition or joint venture opportunities introduced or facilitated by the Related Entity Participant. The Administration will evaluate whether such participant has played, or is expected to play, a substantive role in sourcing, negotiating or implementing such opportunities, including successful closing of a transaction or confirmation by the Board that the opportunity is commercially actionable and strategically aligned with the Group's medium-to-long term plan.

The Board retains full discretion to determine materiality and relevance of the Related Entity Participant's contributions, and may consider both qualitative and quantitative factors in its assessment.

(iii) Service Providers

Eligible Participants also include Service Providers. Eligibility of each Service Provider will be considered on a case by case basis. For the purpose of the New Share Award Scheme, Service Providers covered by the New Share Award Scheme include the following two types of service providers of the Group's research and development, manufacture and sale of fine chemical products business:

(1) **Market development service providers**: they primarily undertake the market development and customer acquisition responsibilities on behalf of the Company in enhancing the Group's market positioning within the fine chemical industry. Their scope of services include, but are not limited to, (i) formulating and executing regional or industry-specific market entry strategies; (ii) identifying potential clients and business collaboration opportunities to convert leads; (iii) maintaining relationships with key clients, and assisting in sales negotiations and contract signings; (iv) gathering market dynamics, competitive intelligence, and customer feedback to support the optimisation of the Group's product positioning and marketing strategies; and (v) enhancing the Group's brand promotion and market influence.

Given their direct contribution to revenue growth and market share expansion, and the strong correlation of their performance with the Group's long-term business outcomes, granting the Awards to them is beneficial in aligning their interests with those of the Company, encouraging them to drive value enhancement from a shareholder perspective.

The services provided by these market development service providers are (i) exclusively provided to the Group; (ii) material and relevant to the Group's operations; (iii) provided on a regular or recurring basis, where the continuity and frequency of their services are akin to those of employees. The Board considers that these market development service providers are in substance acting as an extension of the Group's marketing development functions, and that the inclusion of them as an eligible participant under the New Share Award Scheme is fair and reasonable, and in the interest of the Company as a whole.

(2) **Technical and research and development service providers**: they primarily offer specialised scientific, engineering and regulatory expertise that supports the innovation, product quality, and operational excellence that contribute to the Group's long-term development. Their scope of services include, but not limited to, (i) advising on optimisation of production processes and advancement of technology to enhance competitive production capabilities and operational stability of the Group; (ii) strengthening the Group's innovation pipeline by assisting in the development of new products, intermediates, or specialty formulations and providing technical insights that accelerate time-to-market for new products; (iii) assisting in compliance with the stringent regulatory environment of the

fine chemical sector, these services are essential to maintaining compliance and operational integrity; (iv) providing independent technical assessments to enhance product reliability so as to reinforce the Group's reputation for high-quality products; and (v) facilitating knowledge transfer on emerging technologies and industry best practices and supporting the upskilling of the Group's technical workforce.

Their services are highly specialised, ongoing, and strategically critical, with their deliverables directly impacting the competitiveness and innovation capacity of the Group's product offerings. A grant of the Awards to them may secure long-term alignment of interests between these service providers and the Company.

The services provided by these technical and research and development service providers are (i) exclusively provided to the Group; (ii) material and relevant to the Group's operations; (iii) provided on a regular or recurring basis, where the continuity and frequency of their services are akin to those of employees. The Board considers that these technical and research and development service providers are in substance acting as an extension of the Group's technical and research and development functions, and that the inclusion of them as an eligible participant under the New Share Award Scheme is fair and reasonable, and in the interest of the Company as a whole.

Even though the Group has paid service fees to these Service Providers for their services provided, grant of Awards to the Service Providers aligns their interests with the long-term development interests of the Group. Equity incentives foster a sense of ownership and commitment among the Service Providers, motivating them to contribute to the Company's success beyond the scope of their immediate contractual obligations. By giving the Service Providers a stake in the Company, it does not only enhance their loyalty but also encourage them to invest in the quality and innovation of their services.

Eligibility of the Service Provider under this category will be considered on a case by case basis with reference to the qualitative and quantitative factors set out above including, among others: (i) the scale or recurring nature of dependency on such services; (ii) the materiality and nature of business relationship (for example, the importance to the Group's core business and strategy, the benefits and strategic value which could be brought and/or attributable to the relevant collaboration (including, the profit and revenue expected to be attributable to such collaboration), the business opportunities and external connection the Group could potentially obtain, the expenses in establishing and maintaining collaboration, and the contract value); (iii) the market norms and industry practices; and (iv) the actual or potential contribution (including but not limited to that of support, assistance, guidance, advice and efforts) towards the long-term development and success of the Group.

Although the Company has not granted any share awards or share options to its Service Providers or Related Entity Participants in the past, the Board (including independent non-executive Directors) recognises the importance of engaging and retaining capable Service Providers which can perform in a competitive business environment and ever-changing industry landscape, and is of the view that the proposed categories of Service Provider are in line with the Company's business needs by referencing to the Company's nature of operation, the industry norms, and relationship with the Service Providers. Furthermore, the industry-specific knowledge, skills, and connections of the Services Providers are crucial for enhancing the Group's competitiveness and supporting future business growth capabilities. Having the flexibility to remunerate Service Providers by equity-based payment is considered to be in interest of the Company and Shareholders as a whole as it can provide the Group means to incentivise the Service Providers to be more dedicated to Group's expansion plans and new business initiatives.

With reference to the scope of the Eligible Participants and the corresponding eligibility criteria, the Directors (including the independent non-executive Directors) are of the view that it would be in the Group's interest to granting the Award to its Employee Participants and to permit the Company such flexibility in granting Award to the Related Entity Participants and the Service Providers in recognition of their contribution to the Group's long-term growth and development, given those which will be selected are those which maintain a close collaborative business relationship with the Group.

Furthermore, a sustainable and stable relationship with the Related Entity Participants and the Service Providers is vital for the Group and the inclusion of non-employee participants under the New Share Award Scheme would align their interests with the interest of the Group and incentivise them to provide better services to, create more opportunities for and/or contribute to the success of the Group in the long run, and thus promoting the growth and development of the Group, and therefore enable the New Share Award Scheme's purpose to be achieved. Thus, the Directors consider that the inclusion of the Related Entity Participants and the Service Providers aligns with the purpose of the New Share Award Scheme and the long-term interests of the Company and its Shareholders.

Scheme Mandate Limit and Service Provider Sublimit

The total number of Shares which may be issued in respect of all options and awards to be granted under the New Share Award Scheme and other share schemes of the Company must not in aggregate exceed the Scheme Mandate Limit (or such other percentage which may be specified by the Stock Exchange from time to time), unless such Scheme Mandate Limit shall have been refreshed in accordance with the requirements of the Listing Rules, or Awards are made with the separate approval by Shareholders in general meeting or otherwise permitted under the Listing Rules.

Awards lapsed in accordance with the terms of its relevant scheme shall not be regarded as utilised for the purposes of calculating the Scheme Mandate Limit and the Service Provider Sublimit.

Subject to the aforementioned and within the Scheme Mandate Limit, the total number of Shares which may be issued in respect of all Awards to be granted under this Scheme and all options and awards to be granted under any other share schemes of the Company to the Service Providers must not in aggregate exceed the Service Provider Sublimit unless Shareholders' approval has been obtained pursuant in accordance with the Listing Rules.

The Service Provider Sublimit (being a sublimit under the Scheme Mandate Limit) will be 1% of total number of the issued Shares as of the Adoption Date (excluding treasury shares, if any) (round down to the nearest whole number). Assuming there being no change in the issued Shares from the Latest Practicable Date up to the Adoption Date, the Service Provider Sublimit will be 8,784,180 Shares.

The Service Provider Sublimit was determined with reference to (i) the purposes of the New Share Award Scheme; (ii) the potential dilution effect of the utilisation of the Service Provider Sublimit; and (iii) the Group's business needs and plannings with respect to the use of Service Providers.

The Board (including the independent non-executive Directors) is of the view that the Service Provider Sublimit is appropriate and reasonable, taking into account the following factors: (i) the potential dilutive effect from grants to Service Providers; (ii) the importance of the balance between the New Share Award Scheme being able to achieve its purposes efficiently and protecting Shareholders from the dilution effect arising from granting substantial amount of Shares to Service Providers; (iii) the rationale and eligibility criteria with respect to inclusion of Service Providers as Eligibility Participants in the New Share Award Scheme discussed above, in particular, the significance of Service Providers' participation and contribution in the Group's long-term and sustainable development; (iv) the ability and flexibility to provide equity incentives (instead of expending cash or other financial resources) to incentivise and reward participations and contributions from persons who are not employees or officers of the Group, including persons who have expertise in their field, persons who by business nature, customary practices and/or costs considerations are not employees or officers but the continuity and stability in supply of services are of great importance to the Group, and persons who may provide valuable contribution to the Group; (v) that the Service Provider Sublimit represents a maximum limit and the Company's discretion as to the extent of using such Service Provider Sublimit, including the flexibility of allocating the portion under this limit to other Eligible Participants with reference to the Group's business and needs at a future point in time; (vi) the Company's discretion to include additional granting and/or vesting condition(s); and (vii) the applicable requirements under the Listing Rules and practices commonly adopted by companies listed on the Stock Exchange.

Assuming there is no change to the number of issued Shares between the Latest Practicable Date and the Adoption Date, for illustration purpose only, the Scheme Mandate Limit, being the total number of Shares which may be issued and allotted upon exercise of all share options and grant of share awards under the New Share Award Scheme and any other share option schemes and share award schemes of the Company, will authorise the issue of up to 87,841,800 Shares (representing approximately 10% of the number of Shares in issue as at the Latest Practicable Date).

The limit of the New Share Award Scheme is the total number of Shares which may be funded by newly allotted and issued Shares, including the transfer of treasury shares.

Granting and Vesting Conditions

The Company shall issue a Grant Instrument to each Selected Participant in such form as the Administration may from time to time determine, specifying the Grant Date, the number of Award Shares underlying the Award, the granting and/or vesting criteria and conditions (including but not limited to performance targets (if any)), the purchase price of Award Shares (if any) and the Vesting Date and such other details as they may consider necessary. The Administration may in its absolute discretion determine whether the Selected Participant is required to pay any purchase price for the acquisition of the Awarded Shares and, if so required, the amount and conditions of the purchase price, after taking into account the practices of comparable companies and the effectiveness of the New Share Award Scheme in attracting talents and motivating the Selected Participant to contribute to the long term development of the Group and other factors as the Administration shall deem fit. For the avoidance of doubt, the Administration may determine the purchase price to be nil.

Upon receipt of the Grant Instrument, the Selected Participants are required to confirm their acceptance of the Award by returning to the Company a notice of acceptance duly executed by them together with all information and documents as requested by the Company in the Grant Instrument within 10 business days after the Grant Date (the "**Acceptance Period**") together with a payment of HK$1.00 or such other amount (if any) in favour of the Company as consideration for the grant thereof as the Administration may determine. The Award may be accepted by the Selected Participant in respect of less than the number of the Award Shares which are offered provided that it is accepted in respect of a board lot for dealing in Shares on the Stock Exchange or an integral multiple thereof and such number is clearly stated in the notice of acceptance. If any Selected Participant fails to return the notice of acceptance or to provide any requested information and documents upon the expiration of the Acceptance Period to the Company, the Award automatically lapses forthwith. Upon the satisfaction (or waiver) of all such vesting terms and conditions as stated in the Grant Instrument, the purchase price of Award Shares (if any) shall become payable by the Selected Participant and after payment of which has been settled, an Award will vest on the Vesting Date stated in the Grant Instrument, upon which the relevant number of Award Shares will be transferred to the Selected Participant.

The Board considers that it is consistent with the purpose of the New Share Award Scheme for the Administration to retain discretion to consider the purchase price, if any, for an Award and the underlying Award Shares based on the prevailing closing price of the Shares or otherwise so that meaningful reward may be provided to Selected Participants in recognition of their contribution or potential contribution to the Group.

Clawback Mechanism

Upon the occurrence of certain events in relation to an Eligible Participant, no further Share Awards may be granted to such Eligible Participant and the Share Awards granted to such Eligible Participant shall be clawed back and such Share Awards shall lapse accordingly on the date as determined by the Administration (if such Share Awards are unvested). In addition, where a Share Award granted to an Eligible Participant has already been vested, at the time when the Eligible Participant's Share Awards are clawed back, the Eligible Participant shall return, by the Administration's determination at its sole and absolute discretion, either (i) the exact number of the relevant vested and clawed back underlying Shares in respect of such Share Awards, or (ii) the monetary amount equivalent to the value of the relevant underlying Shares of the Share Awards (I) on the grant date, (II) on the date of vesting of the relevant Share Awards, or (III) on the date of such clawback, whichever the highest.

The Board (including the independent non-executive Directors) is of the view that the clawback mechanism provides enough flexibility for the Board to achieve the purposes of the New Share Award Scheme, as they motivate and remunerate Selected Participants based on their individual circumstances and ensure that any Awards granted would benefit the Group's development.

For details of the clawback mechanism of the New Share Award Scheme, please refer to the paragraph headed "22. Clawback mechanism" in Appendix III to this circular.

Vesting Period

The Vesting Date in respect of any Award shall not be a date which is within 12 months from the Grant Date, provided that for Employee Participants, the Administration may in its absolute discretion determine that the Vesting Date may be less than 12 months from the Grant Date (including on the Grant Date) in the following circumstances where:

(a) grants of "make whole" Awards to new joiners to replace share awards or options they forfeited when leaving their previous employers;

(b) grants to an Employee Participant whose employment is terminated due to death or disability or occurrence of any out-of-control event;

(c) grants with performance-based vesting conditions in lieu of time-based vesting criteria;

(d) grants that are made in batches during a year for administrative and compliance reasons, which include Awards that should have been granted earlier if not for such administrative or compliance reasons but had to wait for subsequent batch. In such case, the vesting period may be shorter to reflect the time from which the Award would have been granted;

(e) grants with a mixed or accelerated vesting schedule such as where the Awards may vest evenly over a period of 12 months; and

(f) grants with a total vesting and holding period of more than 12 months.

The Board (including the independent non-executive Directors) considers allowing a vesting period shorter than 12 months in the above circumstances is in line with the purposes of the New Share Award Scheme as it gives the Administration the flexibility to (1) timely provide competitive remuneration package to attract important candidates to join the Group, especially when such candidates have to forgo certain share options or awards when terminating their previous employment; (2) fairly recognise the contribution of those Selected Participants made from the grant of their Awards up to the point where their employment with the Group has to be terminated due to their death, disability or other uncontrollable events; (3) actively incentivise and motivate Selected Participants to meet the performance targets within 12 months; (4) correctly vesting Awards which should have been granted already or sooner but for administrative or technical reasons; and (5) better design Awards with immediate and enduring effect to encourage continuing commitment to the Group.

Performance Targets

Unless otherwise determined by the Administration and specified in the Grant Instrument, vesting of the Award is not subject to any performance target that needs to be achieved by a Selected Participant. However, the New Share Award Scheme affords the Administration flexibility to determine and impose in the Grant Instrument vesting criteria or conditions as the Administration may from time to time determine (including but not limited to performance targets (if any) which may include without limitation (i) financial parameters of the Group (such as the revenue, profits and general financial condition of the Group); (ii) non-financial parameters of the Group (such as the Group's strategic objectives, operational targets and future development plan); and/or (iii) the KPIs of the Selected Participant's departments and/or business units, and the Selected Participant's position KPIs relevant to his roles and responsibilities and/or its annual appraisal results (where applicable); (iv) the Selected

Participant's contribution to the Group's financial and operating results; and/or (v) other factors that the Administration may in its discretion consider appropriate) in respect of each Award where it considers in its discretion appropriate.

The Board considers that the absence of performance targets aligns with the purpose of the New Share Award Scheme for the following reasons:

(i) it may not always be appropriate to impose performance targets or conditions particularly when the purpose of granting Awards is to remunerate or compensate the Eligible Participants for past contributions to the Group and to incentivise them to continue serving the Group;

(ii) it is more beneficial to the Company to retain the flexibility to determine when such conditions are appropriate on a case-by-case basis, taking into account the then prevailing market conditions, financial performance results of the Group and the individual circumstances of the Selected Participants; and

(iii) each Selected Participant plays a different role and contributes in diverse ways to the Group and will be assessed against different parameters, thus not setting out a generic set of performance targets in the rules of the New Share Award Scheme will place the Company in a better position to offer meaningful incentives to attract and retain quality personnel that are valuable to the development of the Group.

Rights attaching to the Shares

Awards granted but unvested under the New Share Award Scheme will not entitle the Selected Participants to any voting, dividend, transfer and other rights (including those arising on liquidation of the Company). Award Shares vested pursuant to the New Share Award Scheme will be subject to all the provisions of the Articles for the time being in force and will rank *pari passu* in all respects with other Shares in issue on the date they are transferred to the Selected Participant and accordingly, will entitle the holders to the same voting, dividend, transfer and other rights (including those arising on liquidation of the Company) as the existing fully paid Shares in issue on the date on which they are transferred upon vesting of an Award. Without prejudice to the generality of the foregoing, Award Shares vested pursuant to the New Share Award Scheme shall entitle their holders to participate in all dividends or other distributions paid or made on or after the date on which the Shares are transferred to the Selected Participant.

Other information

If the Company has treasury shares available, the Company may use the treasury shares for the New Share Award Scheme where appropriate.

As at the Latest Practicable Date:

(1) The Company has not engaged any trustee for administration of the New Share Award Scheme. If the Company is to engage any trustee in the future, such trustee will not be a Director and no Director will have any direct or indirect interest in the trustee.

(2) 878,418,000 Shares were in issue; and the Company did not hold any treasury shares.

(3) The Existing Share Option Scheme will expire on 20 May 2026 pursuant to the provisions of the Existing Share Option Scheme. As at the Latest Practicable Date, all the share options granted have been lapsed or expired/no share options have been granted under the Existing Share Option Scheme.

(4) The Company had no immediate plan of granting any Awards to any of the Eligible Participants under the New Share Award Scheme.

After consulting its legal adviser, the Company understands that the adoption of the New Share Award Scheme would not constitute an offer to the public and the prospectus requirements under the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong) do not apply.

A summary of the principal terms of the New Share Award Scheme is set out in Appendix III to this circular. The rules governing the New Share Award Scheme will be published on the Stock Exchange's website (http://www.hkexnews.hk) and the Company's website (www.tdchem.com) for a period of not less than 14 days before the date of the AGM (including the date of the AGM) and can be inspected at the AGM.

Application will be made to the Listing Committee of the Stock Exchange for the approval of the listing of, and permission to deal in, Share(s) which may be issued in respect of Awards that are made under the New Share Award Scheme.

Upon the expiry of the Existing Share Option Scheme, no further options may be granted thereunder but the provisions of the Existing Share Option Scheme shall remain in force to the extent necessary to give effect to the exercise of any options granted prior to its expiry. Therefore, the adoption of the New Share Award Scheme will not in any event affect the terms of the grant of such outstanding options that have already been granted under the Existing Share Option Scheme and the outstanding options granted under the Existing Share Option Scheme (if any) shall continue to be valid and subject to the provisions of the Existing Share Option Scheme.

AGM

The notice of AGM is set out on pages 44 to 48 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, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong as soon as possible and in any event not later than Wednesday, 3 June 2026 at 2:00 p.m. (Hong Kong time). Completion and return of the form of proxy will not preclude you from attending and voting at the AGM if you so wish, and in such event, the form of proxy shall be deemed to be revoked.

VOTING BY POLL AT THE AGM

In accordance with Rule 13.39(4) of the Listing Rules, any vote of the Shareholders at a general meeting of the Company must be taken by poll except where the chairman of the meeting, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to the voted on by a show of hands. Accordingly, the resolutions to be considered and, if thought fit, approved at the AGM will be voted by way of a poll by the Shareholders. The results of the vote by poll will be published on the Company's website and the website of the Stock Exchange after the conclusion of the AGM in the manner prescribed under Rule 13.39(5) of 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 proposed granting of the Issue Mandate (including the extended Issue Mandate) and the Repurchase Mandate, the re-election of Directors, the proposed declaration of Final Dividend and the adoption of the New Share Award Scheme are each in the best interests of the Company and its Shareholders as a whole. The Directors recommend you to vote in favour of all the proposed resolutions at the AGM.

GENERAL

As at the Latest Practicable Date, 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
Tiande Chemical Holdings Limited
Liu Yang
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 CORE CONNECTED PARTIES

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

No core 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 core 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.

The Company confirms that the explanatory statement set out in this Appendix contains the information required under Rule 10.06(1)(b) of the Listing Rules and that neither the explanatory statement nor the Repurchase Mandate has any unusual features.

2. SHARE CAPITAL

As at the Latest Practicable Date, the issued Share comprised 878,418,000 fully-paid Shares and the Company did not have any treasury 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 87,841,800 fully-paid Shares, representing 10% of the number of Shares in issue (excluding treasury shares if any) 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. When exercising the Repurchase Mandate, the Directors intend to cancel the repurchased shares following settlement of any such repurchase. As such, no repurchased shares will be held as treasury shares or deposited with Central Clearing and Settlement system pending resale. The Directors have no present intention to repurchase any Shares but consider that the mandate will provide the Company with flexibility to make such repurchase when they consider appropriate and beneficial to the Company.

4. FUNDING OF REPURCHASES

Such repurchases may, depending on market conditions and funding arrangement at the time, enhance the net asset value and/or the earnings per Share. As compared with the financial position of the Company as at 31 December 2025 (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 repurchase 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.

In repurchasing Shares, the Company will only apply funds legally available for such purpose in accordance with its Articles, the Listing Rules and the applicable laws and regulations of the Cayman Islands.

The Company is empowered by its Articles to repurchase its Shares. The Companies Act 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 Act, the repurchased Shares will remain part of the authorised but unissued Shares.

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$*
2025		
April	1.10	0.96
May	1.13	1.05
June	1.21	1.08
July	1.29	1.16
August	1.40	1.18
September	1.56	1.32
October	1.53	1.37
November	1.53	1.30
December	1.50	1.36
2026		
January	1.75	1.39
February	1.65	1.51
March	1.60	1.29
April (up to the Latest Practicable Date)	1.40	1.25

6. DISCLOSURE OF INTERESTS AND MINIMUM PUBLIC SHAREHOLDING

None of the Directors or, to the best of their knowledge having made all reasonable enquiries, their close associates, have any present intention to sell to the Company or its subsidiaries any of the Shares 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 after 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 a 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 wholly owned by Mr. Liu Yang, and Mr. Liu Yang are the substantial Shareholders holding in aggregate more than 10% of the issued Shares. In the event that Cheerhill and/or Mr. Liu Yang did not acquire/dispose of its/his/their 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 aggregated shareholding of Cheerhill and Mr. Liu Yang in the Company would be increased from 27.04% to approximately 30.05% of the issued Shares and such increase may give rise to an obligation on the part of Cheerhill and Mr. Liu Yang to make a mandatory offer under Rule 26 of the Takeovers Code. The Directors have no intention to exercise the Repurchase Mandate to such extent that would give rise to an obligation to make a mandatory general offer by any Shareholder under Rule 26 of the Takeovers Code or the Shares in the hand of the public would fall below the relevant prescribed minimum percentage (i.e. 25%).

7. SHARES REPURCHASE MADE BY THE COMPANY

During the six months immediately prior to the Latest Practicable Date, no Shares have been repurchased by the Company (whether on the Stock Exchange or otherwise).

Resolutions will be proposed at the AGM for re-election of Mr. Dou Aobo (竇奧博先生), Mr. Wang Zijiang (王子江先生) and Mr. Liu Chenguang (劉晨光先生) as Directors according to the Articles. Their particulars are as follows:–

Mr. Dou Aobo (竇奧博先生) ("Mr. Dou"), aged 42, is currently an executive Director and deputy general manager of the Company. Mr. Dou is responsible for the overall supply chain management of the Group. He completed specialised studies in English Language and obtained a Bachelor of Economics in International Economics and Trade (entry at associate-degree level) from Shandong Normal University in the PRC in July 2005 and June 2008, respectively. Before he joined the Company, he was a business operations specialist at Qingdao Riso Foods Co., Ltd. between September 2008 and December 2009. He joined the Group in January 2010 as a manager of logistics department and later was promoted to deputy head and then the head of the same department. Mr. Dou has more than 17 years of work experience. Save as disclosed in this circular, Mr. Dou did not hold any other major appointments and professional qualifications.

As at the Latest Practicable Date, Mr. Dou holds 6,252,000 Shares as beneficial owner, representing approximately 0.71% of the issued Shares. Save as disclosed above, Mr. Dou 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 of its associated corporations which is required to be disclosed under Part XV of the SFO. He does not have any relationship with any Directors, senior management of the Group or substantial or controlling Shareholder. Mr. Dou 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.

Mr. Dou has entered into a service agreement with the Company commencing from 1 January 2026. Subject to the Shareholders' approval, Mr. Dou will enter into a new service agreement with the Company for his 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. Dou is RMB600,000 which was determined with reference to his duties and responsibilities with the Company and the prevailing market conditions. He is 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. Wang Zijiang (王子江先生) ("Mr. Wang"), aged 61, is a non-executive Director. Mr. Wang is one of the co-founders of the Group. He graduated from Nanjing Chemical College (now known as Nanjing University of Technology) in the PRC in 1988, majoring in chemical engineering. He worked for three years since 1991 in Weifang New Technology Research Centre. After that, Mr. Wang co-founded Weifang Tianhong Equity Investment Company Limited in 1996. Mr. Wang was an executive Director from 2006 to 2025. Mr. Wang was re-designated from an executive Director to a non-executive Director with effect from 1 January 2026. Mr. Wang has over 29 years of experience in the chemical industry. Save as disclosed in this circular, Mr. Wang did not hold any other major appointments and professional qualifications.

As at the Latest Practicable Date, (i) Mr. Wang holds 124,120,000 Shares as beneficial owner, representing approximately 14.13% of the issued Share; and (ii) Ms. Shi Huifang, the spouse of Mr. Wang, holds 140,000 Shares as beneficial owner, representing approximately 0.02% of the issued Share, and Mr. Wang is accordingly deemed to be interested in those 140,000 Shares under Part XV of the SFO. Save as disclosed above, Mr. Wang 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. Wang has entered into a service agreement with the Company for a term of three years commencing from 1 January 2026, which may be terminated by either party giving to the other not less than three months' prior notice in writing. The director's fee of Mr. Wang is HK$10,000 per annum which is determined with reference to the prevailing range of fees for a non-executive director and their duties and responsibilities with the Company.

Mr. Liu Chenguang（劉晨光先生）("Mr. Liu CG"), aged 63, has been appointed as an independent non-executive Director since 4 October 2006. Mr. Liu CG is also a chairman of remuneration committee of the Company, a member of audit committee and nomination committee of the Company. Mr. Liu CG obtained from East China Petroleum Institute (now known as China University of Petroleum) a bachelor's degree in science majoring in petroleum refining in 1982 and a master's degree in applied chemistry in 1985. He also obtained his doctorate degree in applied chemistry from China University of Petroleum (Beijing) in 1991. Mr. Liu CG was appointed as an associate professor of China University of Petroleum in 1992, was then promoted as a professor in 1994 and subsequently took on the post as the tutor of postgraduate students studying for doctorate degrees in 1998 and has ever since become the professor and tutor at China University of Petroleum. Mr. Liu CG was the dean of the college of chemical engineering of China University of Petroleum from May 2004 to April 2013. He was a professor of the college of chemical engineering of China University of Petroleum from May 1994 to March 2022 and a director of Shandong Chemistry and Chemical Society from 2005 to 2020. Currently, Mr. Liu CG is a member of China Petroleum Society, China Chemistry Society, China Chemical Society, and American Chemistry Society. Save as disclosed above, Mr. Liu CG did not hold any other major appointments and professional qualifications. He does not have any relationship with any Directors, senior management of the Group or substantial Shareholder or controlling Shareholder 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. Liu CG has entered into a letter of appointment with the Company for an initial term of not more than three years from June 2023 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. Liu CG is HK$210,000 per annum which is determined with reference to the prevailing range of fees for an independent non-executive director, a member of audit committee, a member of nomination committee and a chairman of remuneration committee of listed companies in Hong Kong.

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 Award Scheme to be approved and adopted by ordinary resolution at the AGM, but such summary does not form part of, nor was it intended to be, part of the New Share Award Scheme, nor should it be taken as affecting the interpretation of the Scheme Rules.

SUMMARY OF THE PRINCIPAL TERMS OF THE NEW SHARE AWARD SCHEME

1. Purposes

The purposes of the New Share Award Scheme are to improve the Group's long term incentive mechanism to attract and retain the best available personnel and outstanding talents, to provide additional incentive to the Eligible Participants, and by enabling the Group to recruit and retain high-calibre personnel and attract human resources that are valuable to the Group, drive the performance growth and promote the success of the Group's business. The New Share Award Scheme shall be valid and effective for a term of 10 years commencing from the Adoption Date, and after the expiry of such 10-year term no further Awards may be made but the Scheme Rules shall remain in full force and effect to the extent necessary to give effect to any Awards made prior thereto and the Administration thereof. The Awards under the New Share Award Scheme are satisfied by new Shares to be issued by the Company.

The Board considers that, compared with other alternatives such as cash bonus, the granting of Awards allows the Group to use share incentives to encourage persons both inside and outside of the Group to contribute to the Group and align the mutual interests of each party, such that by holding on to equity incentives, both the Company and Selected Participants will mutually benefit from the long-term growth of the Group. In addition, the grant of Shares to the Selected Participants can align the interests of such persons and the Company by providing them with the opportunity to partake in the Group's future prospects and benefit from an attractive and competitive remuneration package with additional rewards through their contributions, which will bind the interests of such participants and the Group to work towards the realisation of the Company's strategic development objectives and to drive the performance growth. With the equity based remuneration in the form of grant of Shares, any increase in the future share price of the Company would increase the remuneration or reward granted to Selected Participants, thereby aligning their interests with that of the Company.

The grant of Awards is for the purpose of attracting and retaining talents. As such, the Board is given sufficient flexibility to decide the best way to achieve such purpose taking into account matters which may include but are not limited to changing market conditions, industry competition and also the individual circumstances of each Selected Participant. The grant of Award Shares under the New Share Award Scheme acts as an additional method of incentivising talents and mobilising senior management team and core employees, as well as Related Entity Participants and Service Providers while preserving cash resources of the Group. Further, as the Vesting Period for the grant of Awards shall generally be not less than 12 months, coupled with the power of the Board to impose any Vesting Conditions as they deem fit, the granting of Awards enables the Group to incentivise the Selected Participants to contribute to the long-term growth and success of the Group.

Therefore, the Board is of the view that allowing ownership in Shares by the Selected Participants under the New Share Award Scheme will align the interest of the Selected Participants with the interest of the Group and the Group's long-term strategic objectives and that the imposition of appropriate criteria for vesting and lapsing of Awards will strengthen the alignment of the interest of the Selected Participants and the Group.

2. Conditions

The New Share Award Scheme shall take effect upon the fulfilment of the following conditions:

(a) the passing of a resolution by the Shareholders to approve the adoption of the New Share Award Scheme and to authorise the Board to grant Awards under the New Share Award Scheme, and to approve the Scheme Mandate Limit; and

(b) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the new Shares which may be issued by the Company in respect of all Awards to be granted under the New Share Award Scheme.

3. Administration

The New Share Award Scheme shall be subject to the execution of the Administration in accordance with the Scheme Rules. A decision of the Administration shall be final and binding on all persons affected thereby, subject to the general power of the Board of administration.

The authority of the Administration to administer the New Share Award Scheme shall not prejudice the Board's ultimate power to override or modify the decisions of the Administration in its execution of the New Share Award Scheme, revoke any delegation to the Administration at any time, and/or derogate from the discretion rested with the Administration.

Without prejudice to the Board's general power of administration, the Administration may from time to time appoint one or more administrators, who may be independent third-party contractors, to assist in the administration of the New Share Award Scheme, to whom they, at their sole discretion, may delegate such functions relating to the administration of the New Share Award Scheme as they may think fit. The duration of office, terms of reference and remuneration (if any) of such administrator(s) shall be determined by the Administration at its sole discretion from time to time.

Subject to the Scheme Rules, the Listing Rules and any applicable laws and regulations, the Administration shall have the power, without limitation, from time to time to:

(a) grant Awards to those Eligible Participants whom it shall select from time to time;

(b) determine the terms and conditions of the Awards and vesting of Award Shares;

(c) decide how the vesting of the Award Shares will be settled;

(d) construe and interpret these Scheme Rules and the terms of the Awards granted under the New Share Award Scheme;

(e) make or vary such arrangements, guidelines, procedures and/or regulations for the administration, interpretation, implementation and operation of the New Share Award Scheme, provided that they are not inconsistent with these Scheme Rules;

(f) determine the commencement or termination date of an Eligible Participant's employment with and the retirement date of any Selected Participant from any member of the Group;

(g) determinate the form and substance of and approve the Grant Instrument; and

(h) take such other steps or actions to give effect to the terms and intent of the Scheme Rules.

None of the Administration shall be personally liable by reason of any contract or other instrument executed by him/her, or on his/her behalf or for any mistake of judgment made in good faith, for the purposes of the New Share Award Scheme, and the Company shall indemnify and hold harmless each member of the Administration in relation to the administration or interpretation of the New Share Award Scheme, against any cost or expense (including legal fees) or liability (including any sum paid in settlement of a claim with the approval of the Board) arising out of any act or omission to act in connection with the New Share Award Scheme unless arising out of such person's own willful default, fraud or bad faith.

4. Eligible Participants

The Administration may, from time to time, select any Eligible Participant to be a Selected Participant, grant an Award to such Selected Participant during the Scheme Period, and determine the terms and conditions of the Awards and the vesting of Award Shares. Eligible Participant includes the Employee Participants, Related Entity Participants and Service Providers, provided that it is not an Excluded Participant.

5. Basis of determining eligibility

(i) Employee Participants

In assessing the eligibility of Employee Participants, the Administration will take into account, without limitation, (i) the experience, technical expertise and qualification, level of responsibilities of the Employee Participant in relation to the Group's business; (ii) the financial condition and short-term and long-term objectives of the Group; (iii) the current remuneration packages of the Employee Participant; (iv) prevailing market practice and industry standard; and/or (v) the amount of participation, support, efforts, contributions and positive impact the Employee Participant has made/given, or could potentially make/give in the future, to the Group and/or towards the success of the Group.

Independent non-executive Directors

The scope of the Eligible Participants includes independent non-executive Directors. Having considered that (i) equity-based remuneration continues to be an important means of ensuring alignment between the interests of Shareholders and all Board members, including the independent non-executive Directors; (ii) it is common to include independent non-executive directors as eligible persons of share award schemes among companies listed on the Stock Exchange; and (iii) independent non-executive Directors make significant contributions to the Group through their professional expertise, independent judgment and oversight of corporate governance and internal control, the Board believes the inclusion of independent non-executive Directors as Eligible Participants and the flexibility to grant Awards to them, in addition to cash-based remuneration, will allow the Company to keep its remuneration package competitive in order to attract and retain talents.

(ii) Related Entity Participants

In assessing the eligibility of Related Entity Participants, the Administration will take into account, on a case by case basis, one or more of the following factors:

(i) the significance of the Related Entity Participant's role in enhancing the Group's business prospects and development, including:

(a) the extent to which the Related Entity Participant has secured, introduced, maintained or expanded key clients or strategic relationships, with measurable indicators, such as (i) annual revenue or gross profit attributable to such clients introduced or retained by the Related Entity Participant; (ii) year-on-year growth in such client accounts; (iii) the aggregate value of new business generated during the most recent 12-month period; or (iv) the duration and stability of client relationships maintained through the Related Entity Participant's efforts;

(b) the Related Entity Participant's involvement in material transactions or projects which contribute demonstrable strategic value (such as market entry, or expansion into a new business) by reference to the Group's most recent audited financial results; and/or

(c) the Related Entity Participant's specialist expertise or leadership functions demonstrably relied upon by the Group in relation to key operational, technological or strategic initiatives;

(ii) the participation, support, efforts, and/or future contributions, assessed using both (a) documentary evidence of performance or achievements (e.g. executed contracts, completed projects or board-approved synergies) and (b) objective forward-looking KPIs or milestones agreed by the Administration;

(iii) where future contributions are anticipated, vesting may be made conditional upon the achievement of agreed project or business-performance milestones (such as revenue thresholds, budget discipline, regulatory approvals obtained or other commercially relevant criteria); and/or

(iv) potential acquisition or joint venture opportunities introduced or facilitated by the Related Entity Participant. The Administration will evaluate whether such participant has played, or is expected to play, a substantive role in sourcing, negotiating or implementing such opportunities, including successful closing of a transaction or confirmation by the Board that the opportunity is commercially actionable and strategically aligned with the Group's medium-to-long term plan.

The Board retains full discretion to determine materiality and relevance of the Related Entity Participant's contributions, and may consider both qualitative and quantitative factors in its assessment.

(iii) Service Providers

Eligible Participants also include Service Providers. Eligibility of each Service Provider will be considered on a case by case basis. For the purpose of the New Share Award Scheme, Service Providers covered by the New Share Award Scheme include the following two types of service providers of the Group's research and development, manufacture and sale of fine chemical products business:

(1) **Market development service providers**: they primarily undertake the market development and customer acquisition responsibilities on behalf of the Company in enhancing the Group's market positioning within the fine chemical industry. Their scope of services include, but are not limited to, (i) formulating and executing regional or industry-specific market entry strategies; (ii) identifying potential clients and business collaboration opportunities to convert leads; (iii) maintaining relationships with key clients, and assisting in sales negotiations and contract signings; (iv) gathering market dynamics, competitive intelligence, and customer feedback to support the optimisation of the Group's product positioning and marketing strategies; and (v) enhancing the Group's brand promotion and market influence.

Given their direct contribution to revenue growth and market share expansion, and the strong correlation of their performance with the Group's long-term business outcomes, granting the Awards to them is beneficial in aligning their interests with those of the Company, encouraging them to drive value enhancement from a shareholder perspective.

The services provided by these market development service providers are (i) exclusively provided to the Group; (ii) material and relevant to the Group's operations; (iii) provided on a regular or recurring basis, where the continuity and frequency of their services are akin to those of employees. The Board considers that these market development service providers are in substance acting as an extension of the Group's marketing development functions, and that the inclusion of them as an eligible participant under the New Share Award Scheme is fair and reasonable, and in the interest of the Company as a whole.

(2) **Technical and research and development service providers**: they primarily offer specialised scientific, engineering and regulatory expertise that supports the innovation, product quality, and operational excellence that contribute to the Group's long-term development. Their scope of services include, but not limited to, (i) advising on optimisation of production processes and advancement of technology to enhance competitive production capabilities and operational stability of the Group; (ii) strengthening the Group's innovation pipeline by assisting in the development of new products, intermediates, or specialty formulations and providing technical insights that accelerate time-to-market for new products; (iii) assisting in compliance with the stringent regulatory environment of the fine chemical sector, these services are essential to maintaining compliance and operational integrity; (iv) providing independent technical assessments to enhance product reliability so as to reinforce the Group's reputation for high-quality products; and (v) facilitating knowledge transfer on emerging technologies and industry best practices and supporting the upskilling of the Group's technical workforce.

Their services are highly specialised, ongoing, and strategically critical, with their deliverables directly impacting the competitiveness and innovation capacity of the Group's product offerings. A granting of Awards to them may secure long-term alignment of interests between these service providers and the Company.

The services provided by these technical and research and development service providers are (i) exclusively provided to the Group; (ii) material and relevant to the Group's operations; (iii) provided on a regular or recurring basis, where the continuity and frequency of their services are akin to those of employees. The Board considers that these technical and research and development service providers are in substance acting as an extension of the Group's technical and research and development functions, and that the inclusion of them as an eligible participant under the New Share Award Scheme is fair and reasonable, and in the interest of the Company as a whole.

Eligibility of the Service Provider under this category will be considered on a case by case basis with reference to the qualitative and quantitative factors set out above including, among others: (i) the scale or recurring nature of dependency on such services; (ii) the materiality and nature of business relationship (for example, the importance to the Group's core business and strategy, the benefits and strategic value which could be brought and/or attributable to the relevant collaboration (including, the profit and revenue expected to be attributable to such collaboration), the business opportunities and external connection the Group could potentially obtain, the expenses in establishing and maintaining collaboration, and the contract value); (iii) the market norms and industry practices; and (iv) the actual or potential contribution (including but not limited to that of support, assistance, guidance, advice and efforts) towards the long-term development and success of the Group.

6. Scheme Mandate Limit

The total number of new Shares (the Scheme Mandate Limit) which may be issued and allotted upon exercise of all share options and grant of share awards under the New Share Award Scheme and any other share option schemes and share award schemes of the Company shall not in aggregate exceed 10% of the total number of Shares in issue (excluding treasury shares, if any) as at the Adoption Date (being 87,841,800 Shares (assuming there being no change in the number of issued Shares from the Latest Practicable Date to the Adoption Date), subject to adjustment in the case of any consolidation or subdivision of shares of the Company thereafter) or as at the date of approval of the refreshment of the Scheme Mandate Limit by Shareholders in general meeting, whichever is later.

The Scheme Mandate Limit may be "refreshed" with the approval of the Shareholders in general meeting, provided that no refreshment shall take effect within three years after the Adoption Date or the effective date of a previous refreshment unless the Company complies with Rules 17.03C(1)(b) and (c) of the Listing Rules. The Scheme Mandate Limit as refreshed shall not exceed 10% of the shares in issue (excluding treasury shares) as at the relevant date of such approval. Options and awards previously granted under the New Share Award Scheme and other schemes (including those outstanding, cancelled or lapsed in accordance with such schemes or those exercised) shall not be counted for the purpose of calculating the limit as refreshed.

7. Service Provider Sublimit

Within the Scheme Mandate Limit, the total number of new Shares which may be awarded in respect of all share options and grant of share awards under the New Share Award Scheme and any other share award schemes and share option schemes of the Company to the Service Providers shall not in aggregate exceed 1% of the total number of shares in issue (excluding treasury shares, if any) as at the Adoption Date (being 8,784,180 Shares, subject to adjustment in the case of any consolidation or subdivision of shares of the Company thereafter) unless shareholders' approval has been obtained otherwise in accordance with the Listing Rules.

8. Maximum entitlement of each Eligible Participant

No Award Shares shall be granted to any Eligible Participant (excluding any Director, chief executive or substantial shareholder of the Company, or any of their respective associates) if such grant of Award Shares to such person would result in the Shares issued and to be issued in respect of all award shares and options granted (excluding any award shares and share options lapsed in accordance with the terms of the New Share Award Scheme and other share scheme(s) adopted by the Company) to such person in the 12-month period (or such other time period as may be specified by the Stock Exchange from time to time) up to and including the date of such grant representing in aggregate over 1% (or such other percentage as may be specified by the Stock Exchange from time to time) of Shares in issue (excluding treasury shares, if any) on the date of grant shall take effect, unless:

(a) such grant has been duly approved, in the manner prescribed by the relevant provisions of Chapter 17 of the Listing Rules, by resolution of the Shareholders in general meeting, at which such person and his/her close associates (or his/her if such person is a connected person) shall abstain from voting;

(b) a circular regarding the grant has been despatched to the Shareholders in a manner complying with, and containing the information specified in, the relevant provisions of Chapter 17 of the Listing Rules; and

(c) the number and terms of such Award Share are fixed before the general meeting of the Company at which the same are approved.

Subject to the above, each grant of an Award to any Director, chief executive or substantial shareholder of the Company, or any of their respective associates, must be approved by the independent non-executive Directors (excluding any independent non-executive Director who is a proposed recipient of the grant of an Award). In addition:

(a) where any grant of Award Shares to any Director (other than an independent non-executive Director) or chief executive of the Company, or any of their respective associates, would result in the Shares issued and to be issued in respect of all award shares granted (excluding any award shares lapsed in accordance with the terms of the New Share Award Scheme and other share award scheme(s) of the Company (if any)) to such person in the 12-month period (or such other time period as may be specified by the Stock Exchange from time to time) up to and including the date of such grant representing in aggregate over 0.1% (or such other percentage as may be specified by the Stock Exchange from time to time) of the Shares in issue (excluding treasury shares, if any) as at the date of such grant, such further grant of Award Shares must be approved by Shareholders in general meeting with a circular sent to the Shareholders in the manner required, and subject to the requirements set out, in the Listing Rules; and

(b) where any grant of Award Shares to an independent non-executive Director or a substantial shareholder of the Company, or any of their respective associates, would result in Shares issued and to be issued in respect of all award shares and options granted (excluding any award shares and options lapsed in accordance with the terms of the New Share Award Scheme and other share scheme(s) adopted by the Company) to such person in the 12-month period (or such other time period as may be specified by the Stock Exchange from time to time) up to and including the date of such grant, representing in aggregate over 0.1% (or such other percentage as may be specified by the Stock Exchange from time to time) of Shares in issue (excluding treasury shares, if any) as at the date of such grant such further grant of Award Shares must be approved by Shareholders in general meeting with a circular sent to the Shareholders in the manner required, and subject to the requirements set out, in the Listing Rules.

In the circumstances described in paragraphs (a) and (b) above, the Company must send a circular to the Shareholders. The Selected Participants, his/her associates and all core connected persons of the Company will be required to abstain from voting in favour at such general meeting.

9. Grant Instrument

The Company shall issue a letter agreement to any Selected Participant in such form as the Administration may from time to time determine, specifying the Grant Date, the number of Award Shares underlying the Award, the granting and/or vesting criteria and conditions (including but not limited to performance targets (if any)), the purchase price of Award Shares (if any) and the Vesting Date and such other details as they may consider necessary (the "**Grant Instrument**").

The Administration may in its absolute discretion determine whether the Selected Participant is required to pay any purchase price for the acquisition of the Awarded Shares and, if so required, the amount and conditions of the purchase price, after taking into account the practices of comparable companies and the effectiveness of the New Share Award Scheme in attracting talents and motivating the Selected Participant to contribute to the long term development of the Group and other factors as the Administration shall deem fit. For the avoidance of doubt, the Board may determine the purchase price to be nil.

Upon receipt of the Grant Instrument, the Selected Participants are required to confirm their acceptance of the Award by returning to the Company a notice of acceptance duly executed by them together with all information and documents as requested by the Company in the Grant Instrument within 10 business days after the Grant Date (the "**Acceptance Period**") together with a payment of HK$1.00 or such other amount (if any) in favour of the Company as consideration for the grant thereof as the Administration may determine. The Award may be accepted by the Selected Participant in respect of less than the number of the Award Shares which are offered provided that it is accepted in respect of a board lot for dealing in Shares on the Stock Exchange or an integral multiple thereof and such number is clearly stated in the notice of acceptance. If any Selected Participant fails to return the notice of acceptance or to provide any requested information and documents upon the expiration of the Acceptance Period to the Company, the Award automatically lapses forthwith.

10. Vesting Conditions and period of Award

Subject to the Listing Rules, the Administration may from time to time while the New Share Award Scheme is in force and subject to all applicable laws, determine such vesting criteria and conditions (including but not limited to performance targets) or periods for the Award to be vested hereunder. Upon the satisfaction (or waiver) of all such vesting terms and conditions as stated in the Grant Instrument, the purchase price of Award Shares (if any) shall become payable by the Selected Participant and after payment of which has been settled, an Award will vest on the Vesting Date in the Grant Instrument, upon which the relevant number of Award Shares will be transferred to the Selected Participant.

The Vesting Date in respect of any Award shall not be a date which is within 12 months from the Grant Date, provided that for Employee Participants, the Administration may in its absolute discretion determine that the Vesting Date may be less than 12 months from the Grant Date (including on the Grant Date) in the following circumstances where:

(a) grants of "make whole" Awards to new joiners to replace share awards or options they forfeited when leaving their previous employers;

(b) grants to an Employee Participant whose employment is terminated due to death or disability or occurrence of any out-of-control event;

(c) grants with performance-based vesting conditions in lieu of time-based vesting criteria;

(d) grants that are made in batches during a year for administrative and compliance reasons, which include Awards that should have been granted earlier if not for such administrative or compliance reasons but had to wait for subsequent batch. In such case, the vesting period may be shorter to reflect the time from which the Award would have been granted;

(e) grants with a mixed or accelerated vesting schedule such as where the Awards may vest evenly over a period of 12 months; and

(f) grants with a total vesting and holding period of more than 12 months.

If the Vesting Date is not a Business Day, the Vesting Date shall, subject to any trading halt or suspension in the Shares or book closure period of the Company, be the Business Day immediately thereafter.

Other than the stamp duty or other direct costs and expenses to be borne by the Company in accordance with the Scheme Rules, all other taxes (including personal income taxes, professional taxes, salary taxes, withholding taxes and other taxes, as applicable), duties, social security contributions, impositions, charges and other levies arising out of or in connection with the Selected Participant's participation in the New Share Award Scheme or in relation to the Award Shares or cash amount of equivalent value of the Award Shares (the "**Taxes**") shall be borne by the Selected Participant and neither the Company nor any other member of the Group shall be liable for any Taxes. The Selected Participant will indemnify all members of the Group against any liability each of them may have to pay or account for such Taxes, including any withholding liability in connection with any Taxes. To give effect to this, any member of the Group may, notwithstanding anything else in the Scheme Rules (but subject to applicable laws):

(a) reduce or withhold the number of the Selected Participant's Award Shares underlying the Award shall be limited to the number of Award Shares that have a fair market value on the date of withholding that, in the reasonable opinion of the Company is sufficient to cover any such liability);

(b) sell, on the Selected Participant's behalf, such number of Shares to which the Selected Participant becomes entitled under the New Share Award Scheme and retain the proceeds and/or pay them to the relevant authorities or government agency;

(c) deduct or withhold, without notice to the Selected Participant, the amount of any such liability from any payment to the Selected Participant made under the New Share Award Scheme or from any payments due from a member of the Group to the Selected Participant, including from the salary payable to the Selected Participant by any member of the Group; and/or

(d) require the Selected Participant to remit to any member of the Group, in the form of cash or a certified or bank cashier's check, an amount sufficient to satisfy any Taxes or other amounts required by any governmental authority to be withheld and paid over to such authority by any member of the Group on account of the Selected Participant or to otherwise make alternative arrangements satisfactory to the Company for the payment of such amounts.

For the avoidance of doubt, the Administration or the Company shall not be obliged to transfer any Award Shares to a Selected Participant unless and until the Selected Participant satisfies the Administration and the Company that such Selected Participant's obligations under this Rule have been met.

The Selected Participant must remain an Eligible Participant under the New Share Award Scheme on the Vesting Date. Specifically, the Selected Participant must remain in employment or contractual engagement with the Group and in good standing, and not under termination notice or garden leave, and must be in continued compliance with all relevant terms of the Scheme Rules and his/its employment or contractual engagement on each relevant Vesting Date, unless the Administration determines otherwise at their absolute discretion.

11. Performance Targets

Unless otherwise determined by the Administration and specified in the Grant Instrument, vesting of the Award is not subject to any performance target that needs to be achieved by a Selected Participant. However, the Administration may determine and impose in the Grant Instrument vesting criteria or conditions (including performance targets which may include without limitation (i) financial parameters of the Group (such as the revenue, profits and general financial condition of the Group); (ii) non-financial parameters of the Group (such as the Group's strategic objectives, operational targets and future development plan); and/or (iii) the KPIs of the Selected Participant's departments and/or business units, and the Selected Participant's position KPIs relevant to his roles and responsibilities and/or its annual appraisal results (where applicable); (iv) the Selected Participant's contribution to the Group's financial and operating results; and/or (v) other factors that the Administration may in its discretion consider appropriate) in respect of each Award where it considers in its discretion appropriate.

12. Satisfying the vesting of Award Shares

The Company may satisfy the vesting of Awards Shares by issuing and allotting Shares, transferring treasury shares, and/or making a cash payment to the Selected Participant in accordance with the Rules, the Listing Rules and any other applicable laws and regulations. Any stamp duty, levy, trading fee, and other, if any, direct cost and expense arising on the vesting of Award Shares to Selected Participants shall be borne by the Company.

To the extent that, (i) a Selected Participant chooses to receive cash instead of Award Shares upon vesting of Award Shares, and such choice is approved by the Administration at its absolute discretion, or (ii) at the determination of the Administration, it is not practicable for the Selected Participant to receive Award Shares upon vesting due to legal or regulatory restrictions, the Administration may satisfy the vesting of Awards Shares by making a cash payment to the Selected Participant. The amount of such payment shall be calculated by reference to the number of Award Shares to be vested in respect of the Selected Participant on the Vesting Date and valuing the same at the closing price of the Shares as stated in the daily quotations sheet published by the Stock Exchange on the Vesting Date and deducting therefrom any stamp duty, levy, trading fee and other, if any, direct costs and expenses which would have been payable if the Award Shares were sold on-market on the Vesting Date at the said closing price.

The Administration may require any Selected Participant to return duly executed transfer documents or other documents for the purpose of vesting and transfer of the relevant Award Shares within a stipulated period. The Award shall automatically lapse if a Selected Participant fails to do so, unless the Administration determines otherwise at their absolute discretion.

13. Rights attaching to Award Shares

Selected Participants do not have any right to voting, dividend, or transfer, including those arising on a liquidation of the Company, in relation to any Award granted but unvested under the New Share Award Scheme. Rights of the Award Shares after vesting are set out in the paragraph headed "18. Ranking of Award Shares" below.

14. Life of the New Share Award Scheme

Subject to the Scheme Rules, the New Share Award Scheme shall be valid and effective for the Scheme Period, after which no further Awards shall be granted while the provisions of this Scheme will in all other respects remain in full force and effect and Award Shares granted but not vested before the end of the Scheme Period may still be vested in accordance with the terms and conditions of the relevant Awards.

15. Lapse of Award

If there is a change in position(s) or duty(ies) of the Selected Participant's employment or contractual engagement with the Group and such Selected Participant is still regarded as an Eligible Participant, any outstanding Award Shares not yet vested shall continue to vest in accordance with the Vesting Dates set out in the Grant Instrument, unless the Administration determines otherwise at their absolute discretion, provided that the Vesting Date shall not be a date which is within 12 months from the Grant Date.

An Award (to the extent not vested) shall lapse automatically on the earliest of:

(i) if a Selected Participant ceases to be an Eligible Participant by reason of:

(a) retirement of the Selected Participant at his/her normal retirement age as specified in his/her terms of employment or contractual engagement with the Group or as prescribed by any applicable laws or regulations;

(b) his/her job-related permanent physical or mental disablement or job-related death (proof as required by the Board must be provided in all cases); or

(c) termination of employment or contractual engagement with the Group due to voluntary resignation by the Selected Participant in good standing,

any outstanding Award Shares not yet vested shall be vested in accordance with the Vesting Dates set out in the Grant Instrument, unless the Administration determines otherwise at their absolute discretion, provided that the Vesting Date shall not be a date which is within 12 months from the Grant Date. For the purpose of this provision, a Selected Participant shall be taken to have retired on the date that he retires upon or after reaching the age of retirement specified in his service agreement or pursuant to any retirement policy of the Group or the statutory age of retirement as prescribed by the laws and/or regulations applicable to him from time to time or, in case there is no such terms of retirement applicable to the Selected Participant, with the approval of the Administration. In the event of vesting by reason of job-related death of a Selected Participant, the legal personal representatives of the Selected Participant shall have two years from the date of the death of the Selected Participant to provide the necessary documents (including but not limited to a legal opinion) to the satisfaction of the Administration as to the entitlement of the estate of the dead Selected Participant. After the said two years, or if the Award unvested or Award Shares yet to be transferred would have become bona vacantia at the time of death, the Award shall lapse automatically and the underlying Award Shares shall not vest and will cease to be transferable. The successor of the estate shall have no claims or restitution against any member of the Group.

(ii) if a Selected Participant ceases to be an Eligible Participant for reasons other than those stated above (such as non-job-related permanent physical or mental disablement or non-job-related death, termination of employment or contractual engagement for cause or any reasons by the Group, winding up of the member of the Group employing or engaging the Selected Participant), the Award granted to the Selected Participant shall lapse automatically, unless the Administration determines otherwise at their absolute discretion.

(iii) in the event of an order for the winding-up of the Company being made or a resolution being passed for the voluntary winding-up of the Company (otherwise than for the purposes of, and followed by, an amalgamation or reconstruction in such circumstances that substantially the whole of the undertaking, assets and liabilities of the Company pass to a successor company) on or prior to any Vesting Date, the Award granted to the Selected Participant shall lapse automatically.

(iv) if a Selected Participant is declared bankrupt or becomes insolvent or makes any arrangements or composition with his/her creditors generally, the Award granted to the Selected Participant shall lapse automatically, unless the Administration determines otherwise at their absolute discretion.

(v) without prejudice to the interpretation and operation of other Scheme Rules, an Award of a Selected Participant shall lapse automatically on the earliest of:

(a) the Selected Participant is found to be an Excluded Participant;

(b) the Selected Participant fails to meet the conditions of a grant or vesting of an Award, or to provide such information or documents as may be required under the Scheme Rules for the Award; or

(c) as required by or by the operation of laws or regulations (including the Listing Rules) of the jurisdictions in which the Eligible Participants and the Company are subject to.

For the avoidance of doubt, when an Award lapses under this Scheme, the Award or all relevant parts of the Award granted to the Selected Participant concerned shall lapse automatically and the Award Shares or the relevant Award Shares underlying the Award or parts of the Award so lapsed shall not vest on the relevant Vesting Date and shall cease to be transferable. The affected Selected Participant in this case shall have no claims or restitution against any member of the Group.

16. Change in control and capital structure

If there is an event of change in control of the Company by way of a takeover, merger, scheme of arrangement, general offer, or the Company shall otherwise be privatised, the Administration shall at their sole discretion determine whether the Vesting Date of any Awards will be accelerated to an earlier date, whereby the vesting date may be less than 12 months from the Grant Date (including on the Grant Date), subject to the compliance with the Listing Rules and the Scheme Rules. For the purpose of the Scheme Rules, "control" shall have the meaning as specified in The Codes on Takeovers and Mergers and Share Buy-backs issued by the SFC from time to time.

In the event of any alteration in the capital structure of the Company following the commencement of the New Share Award Scheme from any capitalisation issue, rights issue, sub-division or consolidation of shares or reduction of capital, the Administration shall make corresponding adjustments to:

(1) the purchase price (if any); and/or

(2) the number of outstanding Award Shares that have been granted but unvested, provided that any such adjustments made must:

(i) give a Selected Participant the same proportion of the equity capital, rounded to the nearest whole Share, as that to which that person was previously entitled;

(ii) not be made to the extent that a Share would be issued at less than its nominal value (if any);

(iii) not be made to the advantage of the Selected Participant without specific prior approval from the Shareholders;

(iv) other than any made on a capitalisation issue, be confirmed by an independent financial adviser or auditors of the Company to the Directors in writing that the adjustments satisfy the requirements of chapter 17 of the Listing Rules; and

(v) be in accordance with the Scheme Rules, the Listing Rules and any other applicable guidance/interpretation issued by the Stock Exchange from time to time.

For the avoidance of doubt, the issue of securities as consideration in a transaction may not be regarded as a circumstance requiring adjustment. All fractional Shares (if any) arising out of such alteration in the capital structure of the Company in respect of the Award Shares of a Selected Participant shall be deemed forfeited and shall not be transferred to the relevant Selected Participant on the relevant Vesting Date.

In addition, in the event the Company conducts a share subdivision or consolidation, the number of shares comprising the Scheme Mandate Limit and the Service Provider Sublimit shall be adjusted to the effect that such limits as a percentage of the total number of issued shares of the Company at the date immediately before and the date immediately after such share consolidation or subdivision shall be the same, rounded to the nearest whole share.

In respect of any such adjustments (other than any made on a capitalisation issue), the auditors or the independent financial adviser (as the case may be) appointed by the Company must confirm in writing to the Board that the adjustments satisfy the requirements set out in the note to Rule 17.03(13) of the Listing Rules and Appendix 1 to FAQ13 – No.16 issued by the Stock Exchange. No adjustments to the purchase price or the number of shares would be made to the advantage of the Eligible Participants without specific prior Shareholders' approval.

17. Cancellation of Awards granted

The Administration may cancel an Award granted but unvested in certain circumstances, including where it is necessary to comply with the laws in the jurisdictions in which the Eligible Participants and the Company are subject to, or in order to comply with the requirements of any securities exchange.

Award may be granted to an Eligible Participant in place of his/her cancelled Award provided that there are available Scheme Mandate Limit approved by the Shareholders as referred to in the Listing Rules. The Award Shares cancelled will be regarded as utilised for the purpose of calculating the Scheme Mandate Limit and (where applicable) the Service Provider Sublimit.

18. Ranking of Award Shares

Award Shares vested pursuant to the New Share Award Scheme will be subject to all the provisions of the Articles for the time being in force and will rank *pari passu* in all respects with other Shares in issue on the date they are transferred to the Selected Participant and accordingly, will entitle the holders to the same voting, dividend, transfer and other rights (including those arising on liquidation of the Company) as the existing fully paid Shares in issue on the date on which they are transferred upon vesting of an Award. Without prejudice to the generality of the foregoing, Award Shares vested pursuant to the New Share Award Scheme shall entitle their holders to participate in all dividends or other distributions paid or made on or after the date on which the Shares are vested and transferred to the Selected Participant.

19. Termination of New Share Award Scheme and treatment of Awards

The New Share Award Scheme shall terminate on the earlier of:

(a) the 10th anniversary date of the Adoption Date; and

(b) such date of early termination as determined by the Board provided that such termination does not affect any subsisting rights of any Selected Participant.

In such event, no further Awards may be offered or granted but Awards granted prior to the termination of the New Share Award Scheme shall in all other respects remain in full force and effect.

For the avoidance of doubt, any temporary suspension of the granting of Awards shall not be construed as a decision to terminate the operation of the New Share Award Scheme.

20. Transferability and other rights to deal with Awards Shares

Any Award granted under the New Share Award Scheme must be personal to the Selected Participant to whom it is made. No Awards may be transferred or assigned and no Selected Participant shall in any way sell, transfer, charge, mortgage, encumber or create any interest in favour of any other person over or in relation to any Award, or enter into any agreement to do so. The Stock Exchange may consider granting a waiver to allow a transfer to a vehicle (such as a trust or a private company) for the benefit of the participant and any family members of such participant (e.g. for estate planning or tax planning purposes) that would continue to meet the purpose of the New Share Award Scheme and comply with other requirements of the Listing Rules. Where such waiver is granted, the Company will be required to disclose the beneficiaries of the trust or the ultimate beneficial owners of the transferee vehicle pursuant to Chapter 17 of the Listing Rules, as may be applicable.

Any actual or purported breach of the provision herein shall entitle the Company to cancel any outstanding Award or part thereof granted to such Selected Participant. For this purpose, a determination from the Administration, to the effect that the Selected Participant has or has not breached any of the foregoing shall be final and conclusive as to such Selected Participant, subject to the power of the Board under Scheme Rules.

21. Alteration of the New Share Award Scheme

The Board may from time to time alter:

(a) the authority of the Administration to alter the terms of the New Share Award Scheme;

(b) terms and conditions of the New Share Award Scheme which are of a material nature; or

(c) provisions relating to the matters set out in rule 17.03 of the Listing Rules to the advantage of Selected Participants or prospective Selected Participants,

provided that approval from the Shareholders in general meeting (with the Selected Participants and their associates abstaining from voting) has been obtained.

Other than alterations set out above, the Administration may alter the terms of the New Share Award Scheme without the approval of the Shareholders in a general meeting, provided that no such alteration shall operate to affect adversely the terms of issue of any Award Shares granted or agreed to be granted prior to such alteration except with the consent of all affected Selected Participant(s) or the sanction in writing of such majority of Selected Participants as would be required of the Shareholders under the constitutional documents for the time being of the Company for a variation of tire rights attached to the Shares.

Any change to the terms of any Awards granted to a Selected Participant must be approved by the Board, the Remuneration Committee, the independent non-executive Directors and/or the Shareholders of the Company (as the case may be) if the initial grant of the Awards was approved by the Board, the Remuneration Committee, the independent non-executive Directors and/or the Shareholders of the Company (as the case may be). This requirement does not apply where the alterations take effect automatically under the existing terms of the New Share Award Scheme.

Any change to (a) the authority of the Administration to alter the terms of the New Share Award Scheme; and (b) terms and condition of the New Share Award Scheme which are of a material nature, must be approved by Shareholders in general meeting pursuant to the notes to Rule 17.03(18) of Chapter 17 of the Listing Rules.

In any event, the amended terms of the New Share Award Scheme and/or the Award pursuant to this provision must comply with the relevant requirements of Chapter 17 of the Listing Rules.

22. Clawback mechanism

Upon the occurrence of any of the following event (and whether an event is to be regarded as having occurred for the purpose of this paragraph is subject to the sole determination of the Administration) in relation to a Selected Participant, no further Awards shall be granted to such Selected Participants and the Awards granted to such Selected Participants shall be clawed back and such Awards shall lapse accordingly on the date as determined by the Administration (if such Awards are unvested):

(a) the Selected Participant has failed to perform duties effectively or is involved in serious misconduct or malfeasance;

(b) the Selected Participant has contravened the relevant laws and regulations of any applicable jurisdiction or the provisions of the articles of association of any member of the Group, any Related Entity Participant or any Service Provider (as applicable);

(c) the Selected Participant has, during his/her tenure of office, been involved in acceptance or solicitation of bribery, corruption, theft, leakage of trade and technical secrets, conducted other unlawful acts and misconducts, which prejudiced the interest and reputation of and caused significant negative impact to the image of any member of the Group, any Related Entity Participant or any Service Provider;

(d) the Selected Participant has failed to discharge, or failed to discharge properly, his/her duties and thereby resulting in serious loss in assets to any member of the Group, any Related Entity Participant or any Service Provider and other serious and adverse consequences;

(e) the Selected Participant has violated the Company's high voltage lines (or similar standards) applicable to the Selected Participant pursuant to any internal guideline(s) adopted by the Company (as amended, supplemented or modified from time to time); or

(f) the Selected Participant has failed to comply with any non-compete covenants or restrictive covenants or any terms and conditions of a similar effect applicable to the Selected Participant pursuant to any internal guideline(s) adopted by the Company (as amended, supplemented or modified from time to time).

Where an Award (or any part thereof) granted to a Selected Participant has already been vested at the time when such Award is clawed back pursuant to paragraph 22(a)-(f) above, the Selected Participant shall return, by the Administration's determination at its sole and absolute discretion, either (i) the exact number of vested and clawed back Share(s), (ii) the monetary amount equivalent to the Value of the relevant Share(s) on the Grant Date, (iii) the monetary amount equivalent to the Value of the relevant Share(s) on the Vesting Date or (iv) the monetary amount equivalent to the Value of the relevant Share(s) on the date of such clawback, whichever the highest.

Where an Award (or any part thereof) granted to a Selected Participant is unvested at the time when such Award is clawed back pursuant to paragraph 22(a)-(f) above, such Award (or any part thereof) subject to clawback will lapse on the date as determined by the Administration and the relevant Shares will not vest on the relevant Vesting Date and become unvested Shares, and the relevant Shares will not be counted for the purpose of the Scheme Mandate Limit in Clause 6.

For the purpose of this paragraph, "Value" of the relevant Share(s) is the average closing price of the Share(s) as stated in the Hong Kong Stock Exchange's daily quotations sheets for the five business days immediately preceding the relevant date of determination (being the Grant Date, the Vesting Date or the date of clawback, as applicable).

23. Restriction on the time of grant

No Award shall be made to Selected Participants:

(a) after inside information (having the meaning as defined in the SFO) has come to the Company's knowledge until (and including) the trading day after such inside information has been announced in accordance with the relevant requirements of the Listing Rules;

(b) the period commencing thirty (30) days immediately before the earlier of:

i. the date of the Board meeting (as such date is first notified to the Stock Exchange in accordance with the Listing Rules) for the approval of the Company's results for any year, half-year, quarterly or any other interim period (whether or not required under the Listing Rules); and

ii. the deadline for the Company to publish an announcement of its results for any year or half-year under the Listing Rules, or quarterly or any other interim period (whether or not required under the Listing Rules);

and ending on the date of results announcement (including any period of delay in the publication of such results announcement), no Awards may be granted;

(c) during any other periods of time stipulated by the Listing Rules from time to time in relation to any restriction on the time of grant of awards; or

(d) in any other circumstances where dealings by a Selected Participant (including a Director) are prohibited under the Listing Rules, the SFO or other applicable laws or regulations or where the requisite approval from applicable regulatory authorities has not been granted.

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 an 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, 5 June 2026 at 2:00 p.m. (Hong Kong time) to consider, and if thought fit, transact the following resolutions as ordinary resolutions of the Company:

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 2025.

2. To approve the declaration of a final dividend of HK$0.03 per share for the year ended 31 December 2025.

3. (i) To re-elect Mr. Dou Aobo (竇奧博先生) as executive director of the Company;

   (ii) To re-elect Mr. Wang Zijiang (王子江先生) as non-executive director of the Company;

   (iii) To re-elect Mr. Liu Chenguang (劉晨光先生) as independent non-executive director of the Company; and

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

4. To re-appoint BDO Limited as the auditor of the Company for the year ending 31 December 2026 and to authorise the board of directors of the Company to fix its remuneration.

5. To consider as special business and, if thought fit, pass with or without amendments the following resolution as ordinary resolutions of the Company:

   A. "**THAT**:

      (a) subject to paragraph (c), pursuant to the Rules (the "**Listing Rules**") Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"), 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 unissued shares of the Company (the "**Shares**") and to make or grant offers, agreements and options, including warrants to subscribe for Shares, 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 number of Shares 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 share option scheme of the Company adopted on 20 May 2016 or any issue of Shares upon the exercise of rights of subscription or conversion under the terms of any warrants of the Company or any securities which are convertible into Shares, shall not exceed the aggregate of:

(aa) 20% of the number of Shares in issue (excluding treasury shares if any) as at the date of the AGM; and

(bb) (if the directors of the Company are so authorised by a separate ordinary resolution of the shareholders of the Company) the nominal amount of any share capital of the Company repurchased by the Company subsequent to the passing of this resolution (up to a maximum equivalent to 10% of the number of issued Shares (excluding treasury shares if any) on the date of the passing of resolution no. 5B), 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, or offer or issue of warrants, option or other securities giving rights to subscribe for 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 the Shares on the Stock Exchange or any other stock exchange on which the Shares may be listed and recognised by the Securities and Futures Commission and the Stock Exchange for such purpose, and otherwise in accordance with the rules and regulations of the Securities and Futures Commission, the Stock Exchange, the Companies Act and all other applicable laws in this regard, be and is hereby generally and unconditionally approved;

(b) the aggregate number of Shares purchased by the Company pursuant to the approval in paragraph (a) during the Relevant Period (defined as below) shall not exceed 10% of the number of Shares in issue (excluding treasury shares if any) 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 number of Shares 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 number of Shares that may be allotted or agreed conditionally or unconditionally to be allotted by the directors of the Company pursuant to resolution no. 5A above, provided that such number shall not exceed 10% of the aggregate number of the Shares in issue (excluding treasury shares if any) as at the date of passing of this resolution"

6. "**THAT**:

subject to and conditional upon the Listing Committee of the Stock Exchange granting the approval for the listing of, and permission to deal in, the Shares which may fall to be issued and allotted pursuant to the vesting of any share awards (the "**Awards**") that may be granted under the share award scheme of the Company (the "**New Share Award Scheme**") (the rules relating to which (the "**Scheme Rules**") have been produced to the meeting marked "A" and initialled by the chairman of the meeting for the purpose of identification), the New Share Award Scheme be and is hereby approved and adopted and the Scheme Rules be and are hereby adopted as the rules of the New Share Award Scheme, and that the directors of the Company (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 Award Scheme including without limitation:

(a) to give effect to and administer the New Share Award Scheme as contemplated and in accordance with the Scheme Rules; and

(b) to allot, issue or otherwise deal in new Shares of the Company and to make or grant Awards under the terms of the Scheme Rules adopted by the Company pursuant to Chapter 17 of the Listing Rules; provided that the aggregate number of Shares allotted or agreed to be allotted by the Directors in respect of all the share options and awards to be granted under all share schemes of the Company (the "**Scheme Mandate Limit**") shall not exceed in aggregate 10% of the Shares in issue at the date of passing of this resolution or the relevant date of approval of the refreshment of the Scheme Mandate Limit."

7. "**THAT**:

the aggregate number of Shares allotted or agreed to be allotted by the Directors to Service Providers (as defined in the Scheme Rules) in respect of all the share options and awards to be granted under all share schemes of the Company (the "**Service Provider Sublimit**"), which shall not exceed in aggregate 1% of the Shares in issue as at the date of passing of this resolution or the relevant date of approval of the refreshment of the Service Provider Sublimit, be and is hereby approved and adopted and the Directors be and are hereby authorised to take all such steps and attend all such matters, approve and execute (whether under hand or under seal) such documents and do such other things, for and on behalf of the Company, as the Directors may consider necessary, desirable or expedient to effect and implement the Service Provider Sublimit."

By order of the Board
Tiande Chemical Holdings Limited
Lau Wai Chun
Company Secretary

Hong Kong, 23 April 2026

Principal place of business 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 AGM 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 Wednesday, 3 June 2026 at 2:00 p.m. (Hong Kong time).

(2) With reference to the ordinary resolutions sought in resolution nos. 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 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.

(3) The record date for determining the entitlement of the Shareholders to attend and vote at the AGM will be on Friday, 5 June 2026. For ascertaining the shareholders of the Company who are entitled to attend and vote at the AGM, the register of members of the Company will be closed from Tuesday, 2 June 2026 to Friday, 5 June 2026, both days inclusive, during which period no transfer of Shares will be effected. All transfers documents accompanied by the relevant share certificates should be lodged with the Company's share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, for registration not later than 4:30 p.m. on Monday, 1 June 2026.

(4) If a Bad Weather Signal (as defined under the Listing Rules) is in force at 11:00 a.m. on Friday, 5 June 2026, the AGM will be postponed and further announcement for details of alternative meeting arrangements will be made. The AGM will be held as scheduled even when typhoon warning signal no. 3 or below is hoisted, or an amber or red rainstorm warning signal is in force. The shareholders of the Company should make their own decision as to whether they would attend the AGM under bad weather conditions and if the shareholders of the Company should choose to do so, they are advised to exercise care and caution.

(5) No refreshment or beverages, and corporate gifts or gift coupons will be provided at the AGM.