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SANVO Fine Chemicals Group Limited
三和精化集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 301)

GRANT OF SHARE OPTIONS

This announcement is made by the board (the “**Board**”) of directors (the “**Directors**”) of SANVO Fine Chemicals Group Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 17.06A of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

On 29 March 2023 (the “**Date of Grant**”), the Company granted a total of 19,680,000 share options (the “**Share Options**”) to an executive Director and certain employees of the Group (collectively the “**Grantees**”) to subscribe for 19,680,000 ordinary shares of HK\$0.01 each in the share capital of the Company (the “**Shares**”) pursuant to the share option scheme of the Company adopted on 13 December 2019 (the “**Share Option Scheme**”), subject to acceptance of the Grantees.

Details of the Share Options granted are as follows:

Date of Grant:	29 March 2023
Number of Share Options granted:	19,680,000 (each Share Option shall entitle the holder thereof to subscribe for one (1) Share)

Exercise price of Share Options granted:	<p>HK\$1.234 per Share, which is the highest of</p> <ul style="list-style-type: none"> (i) the closing price of HK\$1.230 per Share as quoted in the Stock Exchange's daily quotation sheet on the Date of Grant; (ii) the average closing price of HK1.234 per Share as quoted in the Stock Exchange's daily quotation sheets for the five consecutive days immediately preceding the Date of Grant; and (iii) the nominal value of HK\$0.01 per Share
Closing price of the Shares on the date of grant:	HK\$1.230 per Share
Validity period of the Share Options:	The Share Options granted shall have a validity period of 10 years from the Date of Grant (i.e. from 29 March 2023 to 28 March 2033 (both dates inclusive))
Vesting period of the Share Options:	<ul style="list-style-type: none"> (i) 50% of Share Options granted shall be vested to the Grantees on 29 March 2024 and are exercisable from 29 March 2024 to 28 March 2033; and (ii) 50% of Share Options granted shall be vested to the Grantees on 29 March 2025 and are exercisable from 29 March 2025 to 28 March 2033.
Performance target and clawback mechanism:	<p>There is no performance target nor clawback mechanism attached to the Share Options.</p> <p>The purposes of the Share Option Scheme are to (i) recognise and acknowledge the contributions of eligible participants have had or may have made to the Group; (ii) motivate the eligible participants to optimise their performance efficiency for the benefit of the Group; and (iii) attract and retain or otherwise maintain on-going business relationships with the eligible participants whose contributions are or will be beneficial to the long-term growth of the Group.</p>

Taking into account (i) the value of the Share Options is linked to future price of the Shares; (ii) the contributions made by the Grantees to the Group during their tenure of office; (iii) the Grantees will directly contribute towards enhancing the overall performance of the Group; (iv) the vesting conditions of the Share Options; and (v) the Share Option Scheme provides for the lapse and cancellation of Share Options under various scenarios, the remuneration committee of the Company and the Board are of the review that without additional performance target and clawback mechanism, the grant of the Share Options could align the interests of the Grantees with incentive to the Grantees to work towards successes of the Group, and reinforce their commitment to long term services of the Group, which is in line with the purpose of the Share Option Scheme.

Financial assistance: The Group has not provided any financial assistance to the Grantees to facilitate the purchase of Share under the Share Option Scheme.

Among the total of 19,680,000 Share Options granted, 4,000,000 Share Options were granted to an executive Director as follows:

Name of Director	Position	Number of Share Options granted
Mr. Ng Cheuk Lun	Executive Director and company secretary	4,000,000

Pursuant to Rule 17.04(1) of the Listing Rules, the grant of Share Options to the above Director was reviewed and approved by the remuneration committee of the Company and the independent non-executive Directors. Save as disclosed above, none of the other Grantees is a director, chief executive or substantial shareholder of the Company or any of their respective associates (as defined in the Listing Rules).

Save as disclosed above, to the best of the Directors' knowledge, information and belief, having made all reasonable enquiry, none of the Grantees is (i) a Director, chief executive or substantial shareholder of the Company, or their respective associates (as defined in the Listing Rules); (ii) a participant with options and awards granted and to be granted exceeding the 1% individual limit under Rule 17.03D of the Listing Rules; or (iii) a related entity participant or service provider (as defined in Listing Rules) with options and awards granted and to be granted in any 12-month period exceeding 0.1% of the total issued Shares.

Subsequent to the grant of the Share Options, the number of Shares available for grant in the future pursuant to the Share Option Scheme is 23,070,000.

For and on behalf of the Board

SANVO Fine Chemicals Group Limited

CHEN Bingqiang

Chairman, Chief Executive Officer and Executive Director

Hong Kong, 29 March 2023

As at the date of this announcement, the executive Directors are Mr. Chen Bingqiang, Mr. Chen Bingyao and Mr. Ng Cheuk Lun; and the independent non-executive Directors are Ir. Daniel Lai, Mr. Xu Kai and Mr. Yeung Chun Yue David.