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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other licensed securities dealer, bank manager, solicitor, professional accountant or other professional advisers.

If you have sold or transferred all your shares in **China Sanjiang Fine Chemicals Company Limited**, you should at once forward this circular and the accompanying form of proxy to the purchaser(s) or the transferee(s) or to the bank, stockbroker or licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or the transferee(s).

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三江化工
SANJIANG CHEMICAL

CHINA SANJIANG FINE CHEMICALS COMPANY LIMITED

中國三江精細化工有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2198)

**PROPOSED GRANT OF GENERAL MANDATES
TO ISSUE AND BUY BACK SHARES
PROPOSED RE-ELECTION OF DIRECTORS
AND
NOTICE OF ANNUAL GENERAL MEETING**

Capitalised terms used in this cover page shall have the same meanings as those defined in the section headed “Definitions” in this circular.

A notice convening the AGM to be held at 5/F, United Centre, 95 Queensway, Admiralty, Hong Kong on 24 May 2024 at 2:00 p.m. is set out on pages 15–20 of this circular.

Whether or not you intend to attend the AGM, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon to the Company’s branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible and in any event not less than 48 hours before the time of the AGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the AGM or any adjournment thereof should you so wish and in such event, the proxy form shall be deemed to be revoked.

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DEFINITION

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

| | |
|---------------------------|---|
| “AGM” | the annual general meeting of the Company to be convened and held at 5/F, United Centre, 95 Queensway, Admiralty, Hong Kong on 24 May 2024 at 2:00 p.m., the notice of which is set out on pages 15–20 of this circular, and any adjournment thereof |
| “Articles of Association” | the articles of association of the Company currently in force |
| “associates” | has the same meaning as defined under the Listing Rules |
| “Board” | the board of Directors |
| “Companies Act” | the Companies Act, Cap 22 (Act 3 of 1961, as consolidated and revised) of the Cayman Islands |
| “Company” | China Sanjiang Fine Chemicals Company Limited, a company incorporated under the laws of the Cayman Islands with limited liability and the Shares of which are listed on the Main Board of the Stock Exchange (stock code: 2198) |
| “Director(s)” | director(s) of the Company |
| “Extension Mandate” | a general and unconditional mandate proposed to be granted to the Directors to the effect that any Shares repurchased under the Share Buy Back Mandate will be added to the total number of Shares which may be allotted and issued under the General Mandate |
| “General Mandate” | a general and unconditional mandate proposed to be granted to the Directors to exercise the power of the Company to allot, issue or otherwise deal with Shares up to a maximum of 20% of the number of issued Shares as at the date of passing the relevant resolution at the AGM |
| “Group” | the Company and its subsidiaries |
| “Hangzhou Haoming” | 杭州浩明投資有限公司 (Hangzhou Haoming Investment Co., Ltd.*) (formerly known as 杭州蕭山三江精細化工有限公司 (Hangzhou Xiaoshan Sanjiang Fine Chemicals Co., Ltd.*)), and 蕭山市三江精細化工有限公司 (Xiaoshan City Sanjiang Fine Chemicals Co., Ltd.*), a company established in the PRC with limited liability on 26 March 1998, and owned as to 75% by Mr. Guan, 20% by Ms. Han and 5% by Mr. Han Jianping, the brother of Ms. Han |

DEFINITION

| | |
|-----------------------------|--|
| “HK\$” | Hong Kong dollars, the lawful currency of Hong Kong |
| “Hong Kong” | the Hong Kong Special Administrative Region of the PRC |
| “Jiahua” | 浙江嘉化集團股份有限公司 (Zhejiang Jiahua Group Co., Ltd.*), a joint stock company established in the PRC with limited liability on 15 March 2000 and a company which is ultimately controlled by Mr. Guan and Ms. Han |
| “Jiahua Energy Chemical Co” | 浙江嘉化能源化工股份有限公司 (Zhejiang Jiahua Energy Chemical Co., Ltd.*) (formerly known as 浙江嘉化工業園投資發展有限公司 (Zhejiang Jiahua Industrial Park Investment and Development Co., Ltd.*)), a company established in the PRC with limited liability on 20 January 2001 and currently listed on the Shanghai Stock Exchange (stock code: 600273) and a non-wholly owned subsidiary of Jiahua |
| “Latest Practicable Date” | 16 April 2024, being the latest practicable date prior to the printing of this circular for ascertaining certain information herein |
| “Listing Rules” | the Rules Governing the Listing of Securities on the Stock Exchange |
| “Mr. Guan” | Mr. Guan Jianzhong, the controlling Shareholder of the Company and the spouse of Ms. Han |
| “Ms. Guan” | Ms. Guan Siyi, an executive Director and the daughter of Mr. Guan and Ms. Han |
| “Ms. Han” | Ms. Han Jianhong, an executive Director and the spouse of Mr. Guan |
| “PRC” | the People’s Republic of China, and for the purposes of this circular, excluding Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan |
| “RMB” | Renminbi, the lawful currency of PRC |
| “Sanjiang Chemical” | 三江化工有限公司 (Sanjiang Chemical Co., Ltd.*), a company established in the PRC with limited liability on 9 December 2003, and an indirect wholly-owned subsidiary of the Company |
| “SFO” | the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong |

DEFINITION

| | |
|--------------------------|--|
| “Share Buy Back Mandate” | a general and unconditional mandate proposed to be granted to the Directors to enable them to repurchase Shares, the aggregate number of which shall not exceed 10% of the number of issued Shares in issue as at the date of passing the relevant resolution at the AGM |
| “Shareholder(s)” | holder(s) of Share(s) |
| “Share(s)” | ordinary share(s) of HK\$0.10 each in the share capital of the Company |
| “Stock Exchange” | The Stock Exchange of Hong Kong Limited |
| “Takeovers Code” | The Hong Kong Code on Takeovers and Mergers |
| “%” | per cent. |

If there is any inconsistency between the Chinese names of the entities or enterprises established in the PRC and their English translations, the Chinese names shall prevail. The English translation of names or any descriptions in Chinese which are marked with “” is for identification purpose only.*



三江化工
SANJIANG CHEMICAL

CHINA SANJIANG FINE CHEMICALS COMPANY LIMITED

中國三江精細化工有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2198)

Executive Directors:

Ms. Han Jianhong

Mr. Rao Huotao

Ms. Chen Xian

Ms. Guan Siyi

Registered Office:

Cricket Square, Hutchins Drive

P.O. Box 2681

Grand Cayman

KY1-1111

Cayman Islands

Independent Non-executive Directors:

Mr. Shen Kaijun

Ms. Pei Yu

Mr. Kong Liang

*Head Office and Principal place of
business in Hong Kong:*

Room 2202, 22/F.

303 Hennessy Road

Hong Kong

29 April 2024

To the Shareholders

Dear Sir/Madam,

**PROPOSED GRANT OF GENERAL MANDATES
TO ISSUE AND BUY BACK SHARES
AND
PROPOSED RE-ELECTION OF DIRECTORS**

INTRODUCTION

The primary purpose of this circular is to provide you with information regarding the resolutions to be proposed at the AGM and to give you notice of the AGM. Resolutions to be proposed at the AGM include, *inter alia*: (a) ordinary resolutions on the proposed grant of each of the General Mandate, the Share Buy Back Mandate and the Extension Mandate; and (b) ordinary resolutions relating to the proposed re-election of the Directors.

LETTER FROM THE BOARD

GRANT OF GENERAL MANDATE, SHARE BUY BACK MANDATE AND EXTENSION MANDATE

Pursuant to the resolutions passed by the Shareholders on 15 May 2023, the Directors were granted (a) a general unconditional mandate to allot, issue and deal with Shares not exceeding 20% of the number of issued Shares as at the date of passing the relevant resolution in such annual general meeting; (b) a general unconditional mandate to repurchase Shares with an aggregate nominal amount not exceeding 10% of the number of issued Shares as at the date of passing the relevant resolution in such annual general meeting; and (c) the power to extend the general mandate mentioned in (a) above by the number of Shares repurchased by the Company pursuant to the mandate to repurchase Shares referred to in (b) above.

The above general mandates will expire at the conclusion of the AGM. At the AGM, the following resolutions, among other matters, will be proposed:

- (a) to grant the General Mandate to the Directors to exercise the powers of the Company to allot, issue and otherwise deal with the Shares up to a maximum of 20% of the number of issued Shares on the date of passing of such resolution. On the assumption that 1,190,000,000 Shares in issue as at the Latest Practicable Date and assuming no Shares will be issued or repurchased prior to the AGM, the maximum number of Shares to be allotted and issued pursuant to the General Mandate will be 238,000,000;
- (b) to grant the Share Buy Back Mandate to the Directors to enable them to repurchase the Shares on the Stock Exchange up to a maximum of 10% of the number of issued Shares on the date of passing of such resolution; and
- (c) to grant the Extension Mandate to the Directors to increase the total number of Shares which may be allotted and issued under the General Mandate by an additional number representing such number of Shares repurchased under the Share Buy Back Mandate.

Each of the General Mandate, the Share Buy Back Mandate and the Extension Mandate will expire at the earliest of: (a) the conclusion of the next annual general meeting of the Company following the AGM; (b) the date by which the next annual general meeting is required by the Companies Act or the Articles of Association to be held; or (c) when the authority given to the Directors thereunder is revoked or varied by ordinary resolution(s) of the Shareholders in a general meeting prior to the next annual general meeting of the Company.

The Directors wish to state that they have no immediate plans to allot and issue any new Shares other than such Shares which may fall to be allotted and issued upon the exercise of any options granted under the share option scheme of the Company.

LETTER FROM THE BOARD

Under the Listing Rules, the Company is required to give the Shareholders all information which is reasonably necessary to enable the Shareholders to make an informed decision as to whether to vote for or against the resolution in respect of the Share Buy Back Mandate at the AGM. An explanatory statement for such purpose is set out in Appendix I to this circular.

CLOSURE OF REGISTER OF MEMBERS

In order to ascertain the entitlement to attend and vote in the AGM, the register of members of the Company will be closed from Monday, 20 May 2024 to Friday, 24 May 2024, both days inclusive, for the purpose of ascertaining shareholders' entitlement to attend and vote at the AGM. In order to qualify for the right to attend and vote at the forthcoming AGM, all transfers documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not later than 4:30 p.m. on Friday, 17 May 2024.

PROPOSED RE-ELECTION OF DIRECTORS

Pursuant to article 105 of the Articles of Association, one-third of the Directors shall retire from office by rotation at each annual general meeting of the Company and every Director shall be subject to retirement by rotation at least once every three years. Ms. Chen Xian, Mr. Shen Kaijun and Mr. Kong Liang shall retire from office by rotation at the AGM and, being eligible, offer themselves for re-election as Directors at the AGM.

Biographical information of each of the Directors who are proposed to be re-elected at the AGM is set out in Appendix II to this circular.

ACTIONS TO BE TAKEN

Set out on pages 15–20 of this circular is a notice convening the AGM at which ordinary resolutions will be proposed to approve, among other matters, the following:

- (a) the proposed grant of the General Mandate, Share Buy Back Mandate and Extension Mandate; and
- (b) the proposed re-election of Directors.

Whether or not you are able to attend the AGM in person, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon to the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible and in any event not less than 48 hours before the time of the AGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the AGM or any adjournment thereof should you so wish.

LETTER FROM THE BOARD

VOTING AT THE AGM

All resolutions at the AGM shall be conducted by way of poll, and the results of the AGM will be announced by the Company in compliance with the Listing Rules.

RECOMMENDATIONS

The Board considers that the ordinary resolutions in respect of the proposed grant of the General Mandate, Share Buy Back Mandate and Extension Mandate and the proposed re-election of Directors to be proposed at the AGM are in the best interests of the Company and the Shareholders as a whole and recommends the Shareholders to vote in favour of such resolutions at the AGM.

GENERAL INFORMATION

Your attention is drawn to the additional information set out in the appendices to this circular.

MISCELLANEOUS

The English text of this circular shall prevail over the Chinese text for the purpose of interpretation.

Yours faithfully
By Order of the Board
China Sanjiang Fine Chemicals Company Limited
Han Jianhong
Chairlady and executive Director

This appendix serves as an explanatory statement, as required by the Listing Rules, to provide the Shareholders with all the information reasonably necessary to enable them to make an informed decision on whether to vote for or against the ordinary resolution to approve the grant of the Share Buy Back Mandate to the Directors.

1. LISTING RULES RELATING TO THE REPURCHASE OF SHARES

The Listing Rules permit companies whose primary listings are on the Stock Exchange to repurchase their securities on the Stock Exchange and any other stock exchange on which securities of the company are listed and such exchange is recognised by the Securities and Futures Commission of Hong Kong subject to certain restrictions. Among such restrictions, the Listing Rules provide that the shares of such company must be fully paid up and all repurchases of shares by such company must be approved in advance by an ordinary resolution of shareholders, either by way of a general mandate or by specific approval of a particular transaction.

2. SHARE CAPITAL

As at the Latest Practicable Date, there were a total of 1,190,000,000 Shares in issue.

The Share Buy Back Mandate will enable the Directors to repurchase the Shares on the Stock Exchange up to a maximum of 10% of the number of issued Shares on the date of passing the relevant ordinary resolution in the AGM. Subject to the passing of the proposed resolution granting the Share Buy Back Mandate and assuming that no Shares will be issued or repurchased prior to the AGM, the Company will be allowed under the Share Buy Back Mandate to repurchase a maximum of 119,000,000 Shares.

3. REASONS FOR REPURCHASES

The Directors believe that the Share Buy Back Mandate is in the best interests of the Company and the Shareholders as a whole. Such repurchases may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net asset value per Share and/or earnings per Share and will only be made when the Directors believe that such repurchases will benefit the Company and the Shareholders as a whole.

4. FUNDING OF REPURCHASES

Repurchases made pursuant to the Share Buy Back Mandate would be funded out of funds legally available for the purpose in accordance with the Company's memorandum of association, the Articles of Association, the Companies Act, other applicable laws of the Cayman Islands and the Listing Rules. A listed company may not repurchase its own securities on the Stock Exchange for a consideration other than cash or for settlement otherwise than in accordance with the trading rules of the Stock Exchange. Under the Companies Act, repurchases by the Company may only be made out of the profits of the Company or out of the proceeds of a fresh issue of Shares made for the purpose, or, if so authorised by the Articles of Association and subject to the provisions of the Companies Act, out of capital. Any premium payable on a redemption or purchase over the par value

of the Shares to be purchased must be provided for out of profits of the Company or out of the Company's share premium account, or, if so authorised by the Articles of Association and subject to the provisions of the Companies Act, out of capital.

5. GENERAL

There might be a material adverse impact on the working capital and/or gearing position of the Company as compared with the position disclosed in the most recent published audited accounts, in the event that the Share Buy Back Mandate were to be carried out in full at any time during the proposed repurchase period. However, the Directors do not intend to exercise the Share Buy Back Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements or the gearing position of the Company which in the opinion of the Directors are from time to time appropriate for the Company.

6. SHARE PRICES

The highest and lowest prices at which the Shares were traded on the Stock Exchange in each of the 12 calendar months immediately preceding the Latest Practicable Date are as follows:

| | Highest <i>HK\$</i> | Lowest <i>HK\$</i> |
|---|-------------------------------|------------------------------|
| 2023 | | |
| February | 1.73 | 1.49 |
| March | 1.71 | 1.50 |
| April | 1.95 | 1.70 |
| May | 1.70 | 1.43 |
| June | 1.45 | 1.31 |
| July | 1.32 | 1.12 |
| August | 1.11 | 1.00 |
| September | 1.06 | 0.93 |
| October | 1.00 | 0.91 |
| November | 1.21 | 1.00 |
| December | 1.22 | 1.11 |
| 2024 | | |
| January | 1.24 | 1.03 |
| February | 1.05 | 0.89 |
| March | 1.71 | 1.08 |
| April (up to the Latest Practicable Date) | 1.95 | 1.69 |

7. UNDERTAKING

The Directors have undertaken to the Stock Exchange that, so far as the same may be applicable, they will exercise the power of the Company to make repurchases under the Share Buy Back Mandate in accordance with the Listing Rules and the applicable laws of Cayman Islands and in accordance with the regulations set out in the memorandum of association of the Company and the Articles of Association.

8. CONNECTED PERSON

None of the Directors nor, to the best of their knowledge having made all reasonable enquiries, any of their associates (as defined in the Listing Rules), have any present intention to sell any Shares to the Company under the Share Buy Back Mandate if the same is approved by the Shareholders.

No connected person (as defined in the Listing Rules) of the Company has notified the Company that he/she has a present intention to sell Shares to the Company, or has any such connected person undertaken not to do so, in the event that the grant of Share Buy Back Mandate to the Directors is approved by the Shareholders.

9. THE TAKEOVERS CODE AND MINIMUM PUBLIC HOLDING

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

As at the Latest Practicable Date, to the best knowledge and belief of the Directors, Sure Capital Holdings Limited ("**Sure Capital**") beneficially owned 524,973,000 Shares. Sure Capital is wholly-owned by Yihao Development Limited which is in turn owned as to 85% and 15% by Mr. Guan and Ms. Han respectively. Accordingly, each of Mr. Guan, Ms. Han and Ms. Guan are deemed to be interested in the 524,973,000 Shares under the SFO, representing approximately 44.12% of the existing issued Shares. In addition, as at the Latest Practicable Date, Mr. Guan also directly owned 20,738,000 Shares, representing approximately 1.74% of the existing issued Shares. Accordingly, Ms. Han and Ms. Guan are also deemed to be interested in the 20,738,000 Shares.

In the event that the Directors exercise in full the power to repurchase Shares which is proposed to be granted pursuant to the Share Buy Back Mandate, the shareholding of Sure Capital together with the shareholding of Mr. Guan, himself as beneficial owner, in the Company would be increased to approximately 51.40% of the issued Shares and such increase would result in Sure Capital together with Mr. Guan becoming obliged to make a mandatory offer under Rule 26 of the Takeovers Code.

The Directors have no intention to exercise the Share Buy Back Mandate to such an extent that would result in Sure Capital together with Mr. Guan becoming obliged to make such a mandatory offer or the number of Shares which are in the hands of public falling below 25% of the total number of shares in issue (or such other percentage as may be prescribed as the minimum public shareholding under the Listing Rules). Save as aforesaid, the Directors are not aware of any consequence which would arise under the Takeovers Code as a consequence of any repurchases pursuant to the Share Buy Back Mandate.

10. SHARE REPURCHASE MADE BY THE COMPANY

The Company has not purchased any of the Shares (whether on the Stock Exchange or otherwise) in the six months preceding the Latest Practicable Date.

The following sets out the biographical information of the Directors eligible for re-election at the AGM:

EXECUTIVE DIRECTOR

CHEN Xian (陳嫻), aged 49, is an executive Director. She is primarily responsible for the financial management of the Group.

Ms. Chen graduated with a diploma in financial accounting from the Hangzhou Institution of Commerce of Zhejiang Gongshang University* (浙江工商大學杭州商學院) in 1996 and a bachelor's degree in accounting from Renmin University of China (中國人民大學) in 2013. She joined the Group as the deputy head of the financial department of 三江化工有限公司 (Sanjiang Chemical Company Limited*) ("**Sanjiang Chemical**"), a wholly-owned subsidiary of the Company, in August 2009 and was later appointed as head of the financial department of Sanjiang Chemical in November 2009. Ms. Chen is currently the secretary of the Board and the chief accountant of the Group and she is primarily responsible for the financial management of the Group. As at the date of this announcement, Ms. Chen is also the responsible person for financial reporting of 浙江嘉化集團股份有限公司 (Zhejiang Jiahua Group Co. Limited*), being the controlling shareholder of 浙江嘉化能源化工股份有限公司 (Zhejiang Jiahua Energy Chemical Co. Limited*), a company listed on the Shanghai Stock Exchange (stock code: 600273).

As determined by the Board, Ms. Chen is entitled to receive salaries, allowances and benefits in kind of approximately RMB500,000 per annum in total which is determined with reference to her experience and responsibilities in the Group. Ms. Chen's appointment is for a term of 3 years until terminated by not less than three months' notice in writing served by either party on the other.

Save as disclosed above and as at the Latest Practicable Date, Ms. Chen does not hold any other position in the Company or any of its subsidiaries and does not have any relationship with any other Directors, senior management, substantial shareholders or controlling shareholders (as defined in the Listing Rules) of the Company and does not have any interests in shares of the Company within the meaning of Part XV of the SFO. Ms. Guan has not been a director of any public companies the securities of which are listed on any securities market in Hong Kong or overseas during the three years preceding the Latest Practicable Date.

INDEPENDENT NON-EXECUTIVE DIRECTORS

SHEN Kaijun (沈凱軍), aged 56, graduated with a bachelor's degree in accounting from Hangzhou Institute of Electronic Engineering (杭州電子工業學院) in 1995 and was admitted as a certified public accountant in China in December 1993. Mr. Shen was further awarded the qualifications as a licensed certified accountant to engage in securities related businesses in July 1997 and a certified tax agent in June 2000. Mr. Shen has over 25 years of experience in accounting and corporate management. Mr. Shen has not at any time during the three years preceding the Latest Practicable Date served nor is currently serving as a director of any other listed companies. Mr. Shen has entered into a service contract

with the Company for a term of two years commencing from 1 September 2019 and until terminated by not less than three month's notice in writing served by either party on the other. Under the service agreement, Mr. Shen is entitled to an annual salary of HK\$120,000. The emolument of Mr. Shen has been determined by the Board with reference to his duties, responsibilities and contribution to the Group.

Mr. Shen, who was first appointed in 2010, has served for more than thirteen years. He has no financial or family relationships with any Directors, senior management or substantial or controlling shareholders of the Company. Mr. Shen has also given to the Company an annual confirmation of his independence pursuant to Rule 3.13 of the Listing Rules and as of the Latest Practicable Date, the Company did not receive any notification from Mr. Shen that there has been a subsequent change of circumstances which affected his independence.

As recognised in the Group's Board Diversity Policy, the independence of Directors is a question of fact and is assessed with regard to all relevant factors concerned not just limited to the length of service. The Board is satisfied that the length of Mr. Shen's tenure had not affected his independence having regard to his actual contributions, his impartiality and effective oversight of management. In addition, the Board is of the view that as Mr. Shen is not involved in the daily management of the Group nor in any relationships or circumstances which would interfere with the exercise of his independent judgment as an independent non-executive Director, he has demonstrated his ability to provide independent view to the Company's affairs and is able to continue to fulfill his role as required. Therefore, the Board considers Mr. Shen to be independent and believes that he should be re-elected.

As at the Latest Practicable Date, Mr. Shen was not related to any other Directors, senior management, substantial Shareholders or controlling Shareholders (as defined in the Listing Rules) of the Company and he did not have any other interests in the Shares, underlying shares and debentures of the Company within the meaning of Part XV of the SFO.

KONG Liang (孔良), aged 58, graduated from the Fudan University with a bachelor's degree in science (major in management science) in July 1988. He obtained a master's degree in economics (major in management) from the University of International Business and Economics in June 1991 and a master's degree in business administration from the Nyenrode Business Universiteit (formally known as the Nijenrode University, The Netherlands Business School) in September 1995. Mr. Kong also obtained a doctrine degree in education economics and management from Peking University in July 2011. Between 1996 and 1997, Mr. Kong worked as a management trainee in Van Ommeren, a company providing warehouse and transportation services in Netherlands. Between 1997 and 2001, He worked as the director in the international department of LaSalle College in Canada. During 2001, he worked as the senior strategic management consulting consultant in 新華信管理諮詢有限公司 (Sinotrust Management Consulting Company Limited*). Mr.

Kong has worked as the project manager and chief representative of the United States in the EMBA project in China organized by the school of business of the University of Texas since 2002.

The appointment of Mr. Kong is for a term of two years and subject to retirement by rotation in accordance with the articles of association of the Company. Mr. Kong is entitled to receive a fee of HK\$120,000 per annum which is determined with reference to his experience.

Mr. Kong does not hold any other position in the Company or any of its subsidiaries and does not have any relationship with any other Directors, senior management, substantial shareholders or controlling shareholders (as defined in the Listing Rules) of the Company as at the date of this circular. He does not have any interests in shares of the Company within the meaning of Part XV of the SFO as at the date of this circular. Mr. Kong has not been a director of any public companies the securities of which are listed on any securities market in Hong Kong or overseas in the last three years.

Mr. Kong has given to the Company an annual confirmation of his independence pursuant to Rule 3.13 of the Listing Rules.

Save as disclosed above, the Company is not aware of any other matters that need to be brought to the attention of the Shareholders in relation to the election/re-election of each of Ms. Chen Xian, Mr. Shen Kaijun and Mr. Kong Liang there is no information which is discloseable nor is/was Ms. Chen Xian, Mr. Shen Kaijun and Mr. Kong Liang involved in any matters required to be disclosed pursuant to any of the requirements of the provisions under paragraphs (h) to (v) of Rule 13.51(2) of the Listing Rules.



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SANJIANG CHEMICAL

CHINA SANJIANG FINE CHEMICALS COMPANY LIMITED

中國三江精細化工有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 2198)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the annual general meeting of China Sanjiang Fine Chemicals Company Limited (“**Company**”) will be held at 5/F, United Centre, 95 Queensway, Admiralty, Hong Kong on 24 May 2024 at 2:00 p.m. for the purpose of transacting the following business:

ORDINARY BUSINESS

1. To receive and approve the audited consolidated financial statements of the Company and its subsidiaries and the reports of the directors (“**Directors**”) and the auditors of the Company for the year ended 31 December 2023.
2. To consider and approve, each as a separate resolution, if thought fit, the following resolutions:
 - (a) to re-elect Chen Xian as Director;
 - (b) to re-elect Mr. Shen Kaijun as Director;
 - (c) to re-elect Mr. Kong Liang as Director; and
 - (d) to authorise the board of Directors to fix the Directors’ remuneration.
3. To re-appoint Ernst & Young as the auditors of the Company and authorise the Board to fix their remuneration.

NOTICE OF AGM

SPECIAL BUSINESS

To consider and, if thought fit, pass the following resolutions as ordinary resolutions (with or without modifications):

4. **“THAT:**

- (a) subject to paragraph (c) below, pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and all other applicable laws, the exercise by the directors of the Company during the Relevant Period (as defined in paragraph (d) below) of all the powers of the Company to allot, issue and deal with the unissued shares in the capital of the Company and to make or grant offers, agreements and options (including warrants, bonds and debentures convertible into shares in the Company) which might require the exercise of such powers be and the same is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) above shall authorise the directors of the Company during the Relevant Period to make or grant offers, agreements and options (including warrants, bonds and debentures convertible into shares in the Company) which might require the exercise of such powers after the end of the Relevant Period;
- (c) the aggregate number of shares of the Company allotted and issued or agreed conditionally or unconditionally to be allotted and issued (whether pursuant to options or otherwise) by the directors of the Company pursuant to the approval in paragraph (a) above, otherwise than pursuant to (i) a Rights Issue (as defined in paragraph (d) below); or (ii) the exercise of any options granted under the share option scheme of the Company; or (iii) any scrip dividend or similar arrangements providing for the allotment and issue of Shares in lieu of the whole or part of a dividend on shares in the Company in accordance with the articles of association of the Company in force from time to time; or (iv) any issue of shares in the Company 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 in the Company shall not exceed the aggregate of:
 - (aa) 20 per cent. of the aggregate number of issued shares of the Company on the date of the passing of this resolution; and
 - (bb) (if the directors of the Company are so authorised by a separate ordinary resolution of the shareholders of the Company) the aggregate number of such shares of the Company purchased by the Company subsequent to the passing of this resolution (up to a maximum equivalent to 10 per cent. of the number of issued shares of the Company on the date of the passing of this resolution),

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and the authority pursuant to paragraph (a) of this resolution shall be limited accordingly; and

- (d) “**Relevant Period**” means the period from the date of the passing of this resolution until whichever is the earliest 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, the Companies Act, Cap. 22 (Law 3 of 1961, as consolidated and revised) (“**Companies Act**”) of the Cayman Islands or any other applicable law of the Cayman Islands to be held; or
 - (iii) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying the authority given to the directors of the Company by this resolution;

“**Rights Issue**” means an offer of shares in the Company, or offer or issue of warrants, options or other securities giving rights to subscribe for shares in the Company open for a period fixed by the directors of the Company to holders of shares in the Company whose names appear on the Company’s register of members on a fixed record date in proportion to their then holdings of shares in the Company (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, or the expense or delay which may be involved in determining the existence or extent of any restrictions or obligations under the laws of, or the requirements of, any jurisdiction outside Hong Kong or any recognised regulatory body or any stock exchange outside Hong Kong).”

5. “**THAT:**

- (a) subject to paragraph (b) below, the exercise by the directors of the Company during the **Relevant Period** (as defined in paragraph (c) below) of all powers of the Company to purchase shares in the capital of the Company on The Stock Exchange of Hong Kong Limited (“**Stock Exchange**”) or any other stock exchange on which the shares in the Company may be listed and recognised by the Securities and Futures Commission of Hong Kong and the Stock Exchange for such purpose, and otherwise in accordance with the rules and regulations of the Securities and Futures Commission of Hong Kong, the Stock Exchange, the Companies Act, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands and all other applicable laws in this regard, be and the same is hereby generally and unconditionally approved;

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- (b) the aggregate number of shares of the Company which may be purchased or agreed to be purchased by the Company pursuant to the approval in paragraph (a) during the Relevant Period shall not exceed 10 per cent. of the aggregate number of issued shares of the Company as at the date of the passing of this resolution and the authority pursuant to paragraph (a) of this resolution shall be limited accordingly; and
- (c) for the purposes of this resolution, “**Relevant Period**” means the period from the date of the passing of this resolution until whichever is the earliest 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, the Companies Act or any other applicable law of the Cayman Islands to be held; or
 - (iii) the passing of an ordinary resolution by the shareholders of the Company in general meeting revoking or varying the authority given to the directors of the Company by this resolution.”
6. “**THAT** conditional on the passing of resolutions numbered 4 and 5 above, the general mandate granted to the directors of the Company pursuant to paragraph (a) of resolution numbered 4 above be and it is hereby extended by the addition to the aggregate number of shares of the Company which may be allotted or agreed conditionally or unconditionally to be allotted by the directors of the Company pursuant to or in accordance with such general mandate of an amount representing the aggregate number of shares of the Company purchased by the Company pursuant to or in accordance with the authority granted under paragraph (a) of resolution numbered 5 above.”

Yours faithfully
By Order of the Board
China Sanjiang Fine Chemicals Company Limited
Han Jianhong
Chairlady and executive Director

Hong Kong, 29 April 2024

Head Office and Principal place of business in Hong Kong:
Room 2202, 22/F.
303 Hennessy Road
Hong Kong

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Notes:

1. A shareholder entitled to attend and vote at the meeting convened by the above notice is entitled to appoint another person as his proxy to attend and vote instead of him. A shareholder who is the holder of two or more shares may appoint more than one proxy to represent him and vote on his behalf at the meeting. A proxy need not be a member of the Company but must be present in person to represent him.
2. To be valid, the form of proxy together with a power of attorney or other authority, if any, under which it is signed or a notarially certified copy of such power or authority must be deposited at the offices of the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong no later than 48 hours before the time of the meeting or any adjournment thereof.
3. Completion and return of the form of proxy will not preclude a shareholder from attending and voting in person at the meeting or any adjournment thereof and in such event, the instrument appointing a proxy shall be deemed to be revoked.
4. In the case of joint registered holders of a share in the Company, any one of such joint holders may vote, either in person or by proxy, in respect of such Share as if he/she were solely entitled thereto or if more than one of such joint holders are present at the meeting, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders. For this purpose, seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of the joint holding.
5. For the purpose of determining entitlement to attend and vote at the meeting, the register of members of the Company will be closed from Monday, 20 May 2024 to Friday, 24 May 2024, both days inclusive, for the purpose of ascertaining shareholders' entitlement to attend and vote at the AGM. In order to qualify for the right to attend and vote at the forthcoming AGM, all transfers documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not later than 4:30 p.m. on Friday, 17 May 2024.
6. In relation to the proposed resolutions numbered 4 and 6 above, approval is being sought from the shareholders for the grant to the Directors of a general mandate to authorise the allotment and issue of shares under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("**Listing Rules**"). The Directors have no immediate plans to issue any new shares other than shares which may fall to be issued under the share option scheme of the Company.

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7. In relation to the proposed resolution numbered 5 above, the Directors wish to state that they will exercise the powers conferred thereby to purchase shares in circumstances which they deem appropriate for the benefit of the shareholders. An explanatory statement containing the information necessary to enable the shareholders to make an informed decision to vote on the proposed resolution as required by the Listing Rules is set out in a circular to the shareholders.

As at the date of this notice, the Board comprises four executive Directors: Ms. HAN Jianhong, Mr. RAO Huotao, Ms. CHEN Xian and Ms. GUAN Siyi and three independent non-executive Directors: Mr. SHEN Kaijun, Ms. PEI Yu and Mr. KONG Liang.