
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this circular, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this circular.

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 licensed securities dealer or other registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in China Automotive Interior Decoration Holdings Limited, you should at once hand this circular with the accompanying form of proxy to the purchaser or transferee or to the bank, licensed securities dealer or other registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.



中國汽車內飾集團有限公司

CHINA AUTOMOTIVE INTERIOR DECORATION HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 0048)

**PROPOSALS FOR RE-ELECTION OF DIRECTORS,
RE-APPOINTMENT OF AUDITOR,
GENERAL MANDATES TO REPURCHASE SHARES AND
ISSUE NEW SHARES,
ADOPTION OF THE 2026 SHARE OPTION SCHEME
AND
NOTICE OF ANNUAL GENERAL MEETING**

A notice convening an AGM of China Automotive Interior Decoration Holdings Limited to be held at Portion 2, 12/F, The Center, 99 Queen's Road Central, Central, Hong Kong at 10:30 a.m. on Tuesday, 2 June 2026 is set out on pages 33 to 37 of this circular. Whether or not you are able to attend the meeting, you are requested to complete the enclosed form of proxy in accordance with the instructions printed thereon and return it to the branch share registrar of China Automotive Interior Decoration Holdings Limited 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 fixed for the holding of the AGM. Completion and return of the form of proxy will not preclude you from attending and voting in person at the AGM or any adjourned meeting thereof should you so wish.

6 May 2026

CONTENTS

	<i>Pages</i>
Definitions	1
Letter from the Board	4
Appendix I – Details of Directors Proposed to be Re-elected	14
Appendix II – Explanatory Statement on the Repurchase Mandate	16
Appendix III – Summary of principal terms of the 2026 Share Option Scheme	20
Notice of Annual General Meeting	33

DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions shall have the following meanings when used herein:

“2026 Share Option Scheme”	the share option scheme of the Company proposed to be adopted by the Company on the Adoption Date, a summary of the principal terms of which is set out in Appendix III of this circular
“Adoption Date”	the date on which the 2026 Share Option Scheme is approved by the Shareholders at the AGM
“AGM”	the annual general meeting of the Company to be held at Portion 2, 12/F, The Center, 99 Queen’s Road Central, Central, Hong Kong at 10:30 a.m. on Tuesday, 2 June 2026 the notice of which is set out on pages 33 to 37 of this circular
“Articles of Association”	the articles of association of the Company as amended, supplemented or otherwise modified from time to time
“Board”	the board of Directors
“Business Day”	means a day on which the Stock Exchange is open for the business of dealing in securities
“Companies Law”	the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands
“Company”	China Automotive Interior Decoration Holdings Limited, an exempted company incorporated in Cayman Islands with limited liability, the issued Shares of which are listed on the main board of the Stock Exchange
“Date of Grant”	in respect of any particular Option, the business day on which an offer of the grant of an Option is made to an Eligible Participant in accordance with the 2026 Share Option Scheme
“Director(s)”	the director(s) of the Company
“Eligible Participant(s)”	(a) any full time or part-time employee of any member of the Group; or (b) any director (including executive, non-executive or independent non-executive directors) of any member of the Group, to be determined absolutely by the Board

DEFINITIONS

“Exercise Price”	the price per Share at which a Grantee may subscribe for Shares on the exercise of an Option
“Grantee”	means any Eligible Participant who accepts an Option in accordance with the terms of the 2026 Share Option Scheme or, where the context so permits, a person entitled to any such Option in consequence of the death of the original Grantee or the legal personal representative of such person
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Issue Mandate”	a general and unconditional mandate proposed to be granted to the Directors to allot, issue and deal with Shares not exceeding 20% of the total number of the issued share capital of the Company (excluding treasury shares) at the date of the resolution approving such mandate
“Latest Practicable Date”	29 April 2026, being the latest practicable date prior to the printing of this circular for ascertaining certain information for inclusion in this circular
“Listing Rules”	the Rules Governing the Listing of Securities
“Memorandum and Articles of Association”	the memorandum and articles of association of the Company, as amended from time to time
“Offer Date”	the date of offer of the Option by the Company to an Eligible Participant
“Option(s)”	an option(s) to subscribe for shares granted under the 2026 Share Option Scheme
“Personal Representative(s)”	the person or persons who, in accordance with the laws of succession applicable in respect of the death of a Grantee (being an individual), is or are entitled to exercise the Option granted to such Grantee (to the extent not already exercised)

DEFINITIONS

“PRC”	the People’s Republic of China
“Repurchase Mandate”	a general and unconditional mandate proposed to be granted to the Directors to repurchase Shares not exceeding 10% of the total number of the issued share capital of the Company (excluding treasury shares) at the date of the resolution approving such mandate
“Scheme Limit”	the total number of Shares which may be issued in respect of all options to be granted under the 2026 Share Option Scheme and any other schemes of the Company
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Shareholder(s)”	holder(s) of the Share(s)
“Share(s)”	share(s) of HK\$0.025 each in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Takeovers Code”	The Codes on Takeovers and Mergers and Share Repurchases, as amended from time to time
“treasury share(s)”	shall have the meaning ascribed to it from time to time in the Listing Rules
“Vesting Period”	the minimum period for which an Option must be held before it can be vested as the Board may in its absolute discretion determine
“%”	per cent

LETTER FROM THE BOARD



中國汽車內飾集團有限公司

CHINA AUTOMOTIVE INTERIOR DECORATION HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 0048)

Executive Directors:

Mr. Zhuang Yuejin

Mr. Ng Chung Ho

Ms. Xiao Suni

Independent non-executive Directors:

Mr. Yuen Wai Keung

Ms. Ng Li La, Adeline

Ms. Zhu Chunyan

Registered Office:

Cricket Square

Hutchins Drive

P.O. Box 2681

Grand Cayman, KY1-1111

Cayman Islands

Hong Kong Principal Place of Business:

Unit A, 7/F., Max Share Centre

373 King's Road

North Point

Hong Kong

6 May 2026

To the Shareholders

Dear Sir/Madam,

**PROPOSALS FOR RE-ELECTION OF DIRECTORS,
RE-APPOINTMENT OF AUDITOR,
GENERAL MANDATES TO REPURCHASE SHARES AND
ISSUE NEW SHARES,
ADOPTION OF THE 2026 SHARE OPTION SCHEME
AND
NOTICE OF ANNUAL GENERAL MEETING**

INTRODUCTION

The purpose of this circular is to provide you with information regarding certain resolutions to be proposed at the AGM relating to (i) the re-election of Directors due to retire at the AGM; (ii) the re-appointment of auditor of the Company; (iii) the granting of the Repurchase Mandate to the Directors to repurchase fully paid up Shares by the Company; (iv) the granting of the Issue

LETTER FROM THE BOARD

Mandate to the Directors to exercise all the powers of the Company to allot, issue and otherwise deal with new Shares; (v) the extension of the Issue Mandate by a number representing the total number of any Shares repurchased under the Repurchase Mandate; and (vi) the adoption of the 2026 Share Option Scheme.

RE-ELECTION OF DIRECTORS

The Board currently consists of six Directors, namely Mr. Zhuang Yuejin, Mr. Ng Chung Ho, Ms. Xiao Suni, Mr. Yuen Wai Keung, Ms. Ng Li La, Adeline and Ms. Zhu Chunyan.

Pursuant to Article 84(1) of the Articles of Association, Mr. Ng Chung Ho and Ms. Ng Li La, Adeline shall retire by rotation at the AGM. All the retiring Directors are eligible for re-elections and have agreed to offer themselves for re-election at the AGM.

Pursuant to code provision B.2.3 of the Corporate Governance Code as set out in Appendix C1 to the Listing Rules, any further appointment of an independent non-executive director serving more than 9 years should be subject to a separate resolution to be approved by shareholders. Ms. Ng Li La Adeline (“Ms. Ng”), being an independent non-executive Director, has given an annual confirmation of independence pursuant to the independence guidelines as set out in Rule 3.13 of the Listing Rules. Ms. Ng was appointed as an independent non-executive Director since September 2025, and as at the Latest Practicable Date, has served more than 9 years. During her years of appointment, Ms. Ng has demonstrated her ability to provide an independent view, enquiry and advice to the Company in relation to its business, operations, future development and strategy. The nomination committee of the Company has assessed her independence has satisfied all the criteria for independence as set out in Rule 3.13 of the Listing Rules. Notwithstanding her years of service as an independent non-executive Director, the Board considers that Ms. Ng is objective and her independent advice based on her extensive experience and knowledge remain important and valuable to the Company, and that long service on the Board would not affect her exercise of independent judgement. In addition, there is no evidence that Ms. Ng’s over nine years of service with the Company would have any impact on her independence. The Board believes that her re-election as an independent non-executive Director is in the best interests of the Company and the Shareholders as a whole, and therefore recommends Ms. Ng for re-election as an independent non-executive Director at the Annual General Meeting.

Accordingly, Ms. Ng Li La Adeline shall be subject to retirement rotation and re-election by way of a separate resolution to be approved by the Shareholders at the AGM.

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

LETTER FROM THE BOARD

RE-APPOINTMENT OF AUDITOR

Infinity CPA Limited will retire as auditor of the Company at the AGM and, being eligible, offer themselves for re-appointment.

The Board, upon the recommendation of the Audit Committee, proposed to re-appoint Infinity CPA Limited as auditor of the Company and to hold office until the conclusion of the next annual general meeting of the Company. The estimated audit fee for audit services in respect of the financial year ending 31 December 2026 ranges from approximately HK\$0.47 million to HK\$0.57 million, which was determined between the Company and Infinity CPA Limited having regard to, among other matters, the audit workload, the Company's business development of the year and the outcome of negotiations between the parties. A resolution will be proposed to approve the said re-appointment and to authorise the Board to fix the auditor's remuneration.

REPURCHASE MANDATE TO REPURCHASE SHARES

At the annual general meeting of the Company held on 3 June 2025, resolution was passed giving a general mandate to the Directors to exercise the powers of the Company to repurchase the Shares. Such mandate will lapse at the conclusion of the AGM. Therefore, an ordinary resolution will be proposed to approve the granting of the Repurchase Mandate to the Directors to exercise the powers of the Company to repurchase Shares representing up to 10% of the total number of the issued share capital of the Company (excluding treasury shares) at the date of passing the resolution in relation to the Repurchase Mandate. At the Latest Practicable Date, the issued share capital of the Company comprised 437,787,760 Shares. The maximum number of Shares which may be repurchased pursuant to the Repurchase Mandate at the date of passing of the resolution approving the Repurchase Mandate will be 43,778,776 Shares.

The Repurchase Mandate will end on (i) the conclusion of the next annual general meeting of the Company following the passing of the Repurchase Mandate; or (ii) the expiration of the period within which the next annual general meeting of the Company is required by any applicable law or the Articles of Association to be held; or (iii) the revocation or variation of the Repurchase Mandate by ordinary resolution of Shareholders in general meeting, whichever is the earliest.

An explanatory statement required by the Listing Rules to be sent to the Shareholders in connection with the proposed Repurchase Mandate is set out in Appendix II to this circular. This explanatory statement contains all information reasonably necessary to enable the Shareholders to make an informed decision on whether to vote for or against the relevant resolution at the AGM.

LETTER FROM THE BOARD

GENERAL MANDATES TO ISSUE NEW SHARES

At the annual general meeting of the Company held on 3 June 2025, resolution was passed giving a general mandate (the “Previous Issue Mandate”) to the Directors to allot, issue and deal with additional Shares. The Previous Issue Mandate will lapse at the conclusion of the AGM. Therefore, an ordinary resolution will be proposed to approve the granting of the Issue Mandate to the Directors to exercise the powers of the Company to allot, issue and deal with the additional Shares in the share capital of the Company up to 20% of the total number of the issued share capital of the Company (excluding treasury shares) at the date of passing the resolution in relation to the Issue Mandate. At the Latest Practicable Date, the issued share capital of the Company comprised 437,787,760 Shares. Subject to the passing of ordinary resolution and on the basis that no further Shares are issued or repurchased after the Latest Practicable Date and up to the date of passing of the resolution approving the Issue Mandate, the Company will be allowed to issue a maximum of 87,557,552 Shares.

Subject to the passing of the aforesaid ordinary resolutions in relation to the Repurchase Mandate and the Issue Mandate, an ordinary resolution will also be proposed to authorise the Directors to extend the Issue Mandate to issue and allot Shares in a number not exceeding the total number of the Shares repurchased by the Company pursuant to the Repurchase Mandate.

The Issue Mandate and its extension will end on (i) the conclusion of the next annual general meeting of the Company following the passing of the Issue Mandate; or (ii) the expiration of the period within which the next annual general meeting of the Company is required by any applicable law or the Articles of Association to be held; or (iii) the revocation or variation of the Issue Mandate by ordinary resolution of Shareholders in general meeting, whichever is the earliest.

PROPOSED ADOPTION OF 2026 SHARE OPTION SCHEME

The Board is pleased to propose the adoption of the 2026 Share Option Scheme by the Company. Pursuant to the Rule 17.02(1)(a) of the Listing Rules, the adoption of the share option scheme is subject to, *inter alia*, the approval of the shareholders of the listed issuer at the general meeting.

As at the Latest Practicable Date, the Company had no share schemes under which the Company may grant any share options or share awards. The 2026 Share Option Scheme will take effect conditional upon (i) the passing of the resolution by the Shareholders to approve and adopt the 2026 Share Option Scheme and to authorise the Board to grant Options under the 2026 Share Option Scheme and to allot and issue Shares pursuant to the exercise of any Options; and (ii) the listing committee of the Stock Exchange granting the approval of the listing of, and permission to deal in, the Shares which fall to be issued pursuant to the exercise of any Options.

The provisions of the 2026 Share Option Scheme will comply with the requirements of Chapter 17 of the Listing Rules.

LETTER FROM THE BOARD

Purpose

The purpose of the 2026 Share Option Scheme is to recognise and acknowledge the contributions the Eligible Participants have had or may have made to the Group. The 2026 Share Option Scheme will provide the Eligible Participants an opportunity to have a personal stake in the Company with the view to achieving the following objectives:

- (i) motivating the Eligible Participants to optimise their performance and efficiency for the benefit of the Group; and
- (ii) attracting and retaining or otherwise maintaining on-going employment and/or relationships with the Eligible Participants whose contributions are or will be beneficial to the long term growth of the Group.

Eligible Participants

The 2026 Share Option Scheme sets out the basis of eligibility of the Eligible Participants, who include full-time or part-time employee of any member of the Group; and director (including executive, non-executive or independent non-executive directors) of any member of the Group. All of these individuals are stakeholders of the Group whose quality of performance or advice (where appropriate) may directly or indirectly affect the operation and performance of the Group.

The Board will assess the eligibility of Eligible Participants based on, amongst others, (i) their educational and professional qualifications, and knowledge in the industry; (ii) their skills, knowledge, experience, expertise and other relevant personal qualities; (iii) their length of engagement or employment with the Group; (iv) their performance, time commitment, responsibilities or employment conditions according to the prevailing market practice and industry standard; and (v) their contribution made or expected to be made to the growth of the Group. The Board considers that the 2026 Share Option Scheme will provide and give the Eligible Participants an opportunity to have a personal stake in the Company and will help motivate the Eligible Participants in optimising their performance and efficiency, attract and retain the Eligible Participants whose contributions are important to the long-term growth and profitability of the Group. Therefore, the Board considers these provisions align with the purpose of the 2026 Share Option Scheme.

Vesting Period

According to the terms of the 2026 Share Option Scheme, an Option must be held by the Grantee for at least twelve (12) months before the Option can be exercised. The Board (or the remuneration committee of the Company where it relates to grants of Options to an Eligible Participant who is a Director and/or senior management of the Company) considers that a shorter Vesting Period is appropriate to align with the purpose of the 2026 Share Option Scheme and may at its discretion grant a shorter Vesting Period to an Eligible Participant. Set out below is the exhaustive circumstances which may trigger a shorter Vesting Period:

LETTER FROM THE BOARD

- (1) grants of “make-whole” Option(s) to new joiners to replace the share options they forfeited when leaving the previous employers;
- (2) grants to an Eligible Participant whose employment is terminated due to death or disability or occurrence of any out of control event;
- (3) grants that are made in batches during a year for administrative and compliance reasons, which include Options 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 Option would have been granted;
- (4) grants of Options with a mixed or accelerated vesting schedule such as where the Options may vest evenly over a period of twelve (12) months;
- (5) grants with performance-based vesting conditions in lieu of time-based vesting criteria; or
- (6) grants of Options with a total vesting and holding period of more than twelve (12) months such as where the Options may vest by several batches with the first batch to vest within twelve (12) months of the grant date and the last batch to vest twelve (12) months after the grant date.

The Board (or the remuneration committee of the Company where it relates to grants of Options to an Eligible Participant who is a Director and/or senior management of the Company) believes that its ability to provide for flexible accelerated vesting period of an Option under these specific circumstances (i) may further incentivize such Eligible Participants to strive for better work quality by directly linking their performance with vesting conditions, and therefore contribute to the growth and promote the success of the business of the Group, and (ii) will enable the Group to provide competitive remuneration packages to attract and retain talents to continuously serve the Group, which is considered appropriate and align with the purpose of the 2026 Share Option Scheme.

Performance Targets and Clawback Mechanism

The 2026 Share Option Scheme sets out the vesting period for an Option granted shall not be less than 12 months. However, the Board may, at its sole discretion, determine any minimum period for which an Option must be held, any performance targets that must be achieved and/or any other conditions that must be fulfilled before an Option can be exercised. Further, the Board has discretion (but not obligation) to determine any performance targets as it may think fit and claw back Options under certain circumstances.

Given that the Board is entitled to determine any performance targets to be achieved, the minimum period for which an Option must be held before it can be exercised and clawback on a case by case basis, it is expected that (i) the Group is in a better position to reward its employees

LETTER FROM THE BOARD

and retain human resources that are valuable to the growth and development of the Group as a whole; and (ii) the Grantees will make an effort to contribute to the development of the Group so as to bring about an increased market price of the Shares in order to capitalize on the benefits of the Options granted under the 2026 Share Option Scheme and in turn benefiting the Company and the Shareholders as a whole. As such, the Board considers that these provisions align with the purpose of the 2026 Share Option Scheme.

As at the Latest Practicable Date, the Company has no plan or intention to grant any Option with performance targets to the independent non-executive Directors under the 2026 Share Option Scheme.

Exercise Price of an Option

The exercise price of an Option shall be determined by the Board and notified to the Grantee which shall be at least the higher of: (i) the closing price of the Shares as stated in the daily quotations sheet of the Stock Exchange on the Offer Date, which must be a Business Day; (ii) the average of the closing prices of the Shares as stated in the daily quotations sheets of the Stock Exchange for the five (5) consecutive Business Days immediately preceding the Offer Date; and (iii) the nominal value of the Share on the Offer Date. The Board considers that as the exercise price of an Option cannot in any event fall below the price stipulated in the Listing Rules or such higher price as may be fixed by the Directors, it is expected that the Grantee will make an effort to contribute to the development of the Group so as to bring about an increased market price of the Shares in order to capitalize on the benefits of the Options granted under the 2026 Share Option Scheme and in turn benefiting the Company and the Shareholders as a whole. As such, the Board considers that the provision in relation to the exercise price of an Option aligns with the purpose of the 2026 Share Option Scheme.

Based on the above, the Board considers that the adoption of the 2026 Share Option Scheme is in the interests of the Company and the Shareholders as a whole, and would enable the purpose of the 2026 Share Option Scheme as set out above to be achieved. The Board believes that the authority and flexibility given to the Board under the 2026 Share Option Scheme, including, *inter alia*, selection of Eligible Participants and determination of vesting period, performance targets and clawback mechanism and the Exercise Price on a case-by-case basis, will serve to protect the value of the Company as well as to achieve the purpose of the 2026 Share Option Scheme.

The Directors consider it inappropriate to state the value of all Options that can be granted pursuant to the 2026 Share Option Scheme as if they had been granted at the Latest Practicable Date because a number of variables crucial for the calculation cannot be determined. Such variables include the exercise price, the vesting period, any conditions which the Options are subject to and other relevant variables. The Directors believe that any statement regarding the value of the Options based on a large number of assumptions will not be meaningful to the Shareholders.

LETTER FROM THE BOARD

To the best knowledge, information and belief of the Directors, having made all reasonable enquiries, as at the Latest Practicable Date, no Shareholder is required to abstain from voting on the resolution approving the adoption of the 2026 Share Option Scheme at the AGM. The Company will, where applicable, comply with the applicable requirements under Chapter 17 of the Listing Rules in respect of the operation of the 2026 Share Option Scheme.

A summary of the principal terms of the 2026 Share Option Scheme is set out in the Appendix III to this circular. This serves as a summary of the terms of the 2026 Share Option Scheme but does not constitute the full terms of the same.

The Company has sought legal advices in respect of the 2026 Share Option Scheme and understood that whilst the 2026 Share Option Scheme is not restricted to executives and employees of the Group, the adoption of the 2026 Share Option Scheme would not constitute offer to public and prospectus requirements under Companies (Winding Up and Miscellaneous Provisions) Ordinance are not applicable.

The Company has no intention to use treasury shares (if any) for the 2026 Share Option Scheme.

As at the Latest Practicable Date, the Board has no plan to grant any Option under the 2026 Share Option Scheme.

A copy of the 2026 Share Option Scheme will be published on the respective websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.hklistco.com/48) for display for a period of not less than fourteen (14) days before the date of the AGM and the 2026 Share Option Scheme will be made available for inspection at the AGM.

An ordinary resolution will be proposed at the AGM for the adoption of the 2026 Share Option Scheme.

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.

LETTER FROM THE BOARD

ANNUAL GENERAL MEETING

The notice convening the AGM is set out on pages 33 to 37 of this circular.

A form of proxy for the AGM is enclosed with this circular. Whether or not you are able to attend the AGM, you are requested to complete the enclosed form of proxy in accordance with the instructions printed thereon and return it to the branch share registrar of the Company 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 fixed for the holding of the AGM. Such form of proxy for use at the AGM is also published on the websites of the Company and the Stock Exchange. Completion and return of the form of proxy will not preclude you from attending and voting in person at the AGM or any adjourned meeting thereof should you so wish.

The register of members of the Company will be closed from 28 May 2026 to 2 June 2026 (both days inclusive), during which period no transfer of shares in the Company shall be registered. In order to qualify for the AGM, all transfers, accompanied by the relevant share certificates, have to be lodged with the Company's branch share registrar 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 27 May 2026. The record date for the purpose of determining the eligibility of the shareholders of the Company to attend and vote at the AGM will be 2 June 2026.

PROCEDURES FOR VOTING

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of the Shareholders at a general meeting of the Company must be taken by way of poll except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matters to be 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.

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

LETTER FROM THE BOARD

RECOMMENDATION

The Directors consider that the proposed resolutions for the re-election of Directors, the re-appointment of auditor of the Company, the granting of the Repurchase Mandate, the Issue Mandate, the extension of the Issue Mandate and the adoption of the 2026 Share Option Scheme are in the best interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend all the Shareholders to vote in favour of all the resolutions to be proposed at the AGM.

By Order of the Board of
China Automotive Interior Decoration Holdings Limited
Zhuang Yuejin
Chairman

The following are the particulars of the Directors proposed to be re-elected at the AGM:

1. Mr. Ng Chung Ho (伍忠豪), aged 50

Mr. Ng Chung Ho (“Mr. Ng”) was appointed as an executive Director on 27 December 2023. He is responsible for business developments and general administrative matters of the Group. Mr. Ng has over 20 years of experience in corporate management and extensive experience and business networks in Hong Kong and the People’s Republic of China. Prior to joining the Group, he was a chief executive officer of a insurance broker which is permitted to carry on businesses in general insurance and long term (including linked long term) insurance in Hong Kong.

Mr. Ng is also currently an executive chairman of Guangdong-Hong Kong-Macao Greater Bay Area Youth Society (粵港澳大灣區青年協會) and a director of the board in AD & FD POHL Mrs Cheng Yam On School.

Mr. Ng has entered into a service agreement with the Company for a term of one year and is subject to retirement and re-election at the AGM in accordance with the Articles of Association. His emoluments are determined with reference to his duties and responsibilities with the Company and the Company’s remuneration policy. Mr. Ng is entitled to receive a monthly salary of HK\$20,000 subject to review by the remuneration committee of the Company with reference to his performance, duties and responsibilities from time to time and determined by the Board under the authority given by the Shareholders.

Save as disclosed above, Mr. Ng has not held any directorship in any other public companies the securities of which are listed on any securities market in Hong Kong or overseas in the past three years.

At the Latest Practicable Date, Mr. Ng has no interests in the Shares within the meaning of Part XV of the SFO. He is independent from and not related to any other Directors, senior management or substantial Shareholders of the Company.

Save as disclosed above, there is no other information to be disclosed pursuant to Rule 13.51(2) of the Listing Rules in respect of Mr. Ng and there are no other matters that need to be brought to the attention of the Shareholders in relation to his re-election.

2. Ms. Ng Li La Adeline (吳莉娜), aged 47

Ms. Ng Li La Adeline was appointed as an independent non-executive Director on 4 September 2015. Ms. Ng has over 10 years of experience in human resources and corporate management. Ms. Ng obtained a Certificate of Human Resources Management from Hong Kong Baptist University in 2011 and was a senior administrative officer of a renowned international information technology company in Hong Kong.

Ms. Ng has entered into a service agreement with the Company for a term of one year and is subject to retirement and re-election at the AGM in accordance with the Articles of Association. Her emoluments are determined with reference to her duties and responsibilities with the Company and the Company's remuneration policy. Ms. Ng is entitled to receive a monthly fee of HK\$8,000 subject to review by the remuneration committee of the Company with reference to her performance, duties and responsibilities from time to time and determined by the Board under the authority given by the Shareholders.

Save as disclosed above, Ms. Ng has not held any directorship in any other public companies the securities of which are listed on any securities market in Hong Kong or overseas in the past three years.

At the Latest Practicable Date, Ms. Ng has no interests in the Shares within the meaning of Part XV of the SFO. She is independent from and not related to any other Directors, senior management or substantial Shareholders of the Company.

Save as disclosed above, there is no other information to be disclosed pursuant to Rule 13.51(2) of the Listing Rules in respect of Ms. Ng and there are no other matters that need to be brought to the attention of the Shareholders in relation to her re-election.

This is an explanatory statement given to all Shareholders relating to a resolution to be proposed at the AGM for approving the Repurchase Mandate. This explanatory statement contains all the information required pursuant to Rule 10.06(1)(b) and other relevant provisions of the Listing Rules which is set out as follows:

1. LISTING RULES RELATING TO THE REPURCHASE OF SHARES

The Listing Rules permit companies whose primary listing is on the Stock Exchange to repurchase their shares on the Stock Exchange and any other stock exchange on which the 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 repurchase of shares by such company must be approved in advance by an ordinary resolution of shareholders, either by way of a general repurchase mandate or by specific approval of a particular transaction.

2. SHARE CAPITAL

At the Latest Practicable Date, the issued share capital of the Company comprised 437,787,760 Shares and the Company did not have any treasury shares.

Subject to the passing of the ordinary resolution granting the Repurchase Mandate and on the basis that no further Shares are issued or repurchased prior to the AGM, the Company would be allowed under the Repurchase Mandate to repurchase a maximum of 43,778,776 Shares, being 10% of the Shares in issue (excluding treasury shares) at the Latest Practicable Date.

3. REASONS FOR REPURCHASE

The Directors believe that the Repurchase Mandate is in the best interests of the Company and its Shareholders as a whole. Whilst it is not possible to anticipate in advance any specific circumstance in which the Directors might think it appropriate to repurchase Shares, they believe that an ability to do so would give the Company additional flexibility that would be beneficial to the Company and its Shareholders as a whole. When exercising the Repurchase Mandate, the Directors may, subject to market conditions and the Company's capital management needs at the relevant time of the repurchase, resolve to cancel the shares repurchased following settlement of any such repurchase or hold them as treasury shares. Shares repurchased for cancellation may, depending on market conditions and funding arrangements at the time, lead to an enhancement of the net assets value per Share and/or earnings per Share. On the other hand, Shares repurchased and held by the Company as treasury shares may be resold on the market at market prices to raise funds for the Company, or transferred or used for other purposes, subject to compliance with the Listing Rules, the Articles of Association, and the laws of the Cayman Islands. Share repurchase will only be made when the Directors believe that such a repurchase will benefit the Company and the Shareholders as a whole.

4. FUNDING OF REPURCHASES

In repurchasing Shares, the Company may only apply funds legally available for such purpose in accordance with the Articles of Association and the laws of the Cayman Islands. Any repurchase of Shares will be made out of the profits of the Company or the proceeds of a fresh issue of Shares made for the purpose of the purchase or, if authorized by the Articles of Association and subject to the Companies Law, out of capital and, in the case of any premium payable on the purchase, out of the profits of the Company or from sums standing to the credit of the share premium account of the Company or, if authorized by the Articles of Association and subject to the Companies Law, out of capital. In accordance with the laws of the Cayman Islands, the shares so repurchased would be treated as cancelled.

The Directors consider that the exercise of the Repurchase Mandate in full will not have a material adverse impact on the working capital or gearing level of the Company (as compared with the position disclosed in the audited consolidated financial statements contained in the annual report for the year ended 31 December 2025). The Directors do not propose to exercise the Repurchase Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital or the gearing level which in the opinion of the Directors are from time to time appropriate for the Company.

5. MARKET PRICES

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

	Price per Share	
	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2025		
April	0.130	0.114
May	0.280	0.115
June	0.276	0.185
July	0.214	0.143
August	0.154	0.144
September	0.158	0.132
October	0.141	0.132
November	0.157	0.136
December	0.147	0.136
2026		
January	0.330	0.142
February	0.310	0.250
March	0.260	0.237
April (up to the Latest Practicable Date)	0.330	0.237

6. UNDERTAKING

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 and in accordance with the Listing Rules, the Articles of Association and the laws of the Cayman Islands.

None of the Directors nor, to the best of their knowledge and belief having made all reasonable enquiries, any of their close associates (as defined in the Listing Rules) have any present intention to sell any Shares to the Company in the event that the Repurchase Mandate is approved by the Shareholders.

The Company confirms that neither the explanatory statement nor the proposed share repurchase has any unusual features.

No core connected persons (as defined in the Listing Rules) have notified the Company that they have a present intention to sell Shares to the Company or its subsidiaries, nor have undertaken not to do so, in the event that the Repurchase Mandate is granted by the Shareholders.

7. TAKEOVERS CODE AND THE PUBLIC FLOAT REQUIREMENT

If a Shareholder's proportionate interest in the voting capital of the Company increases as a result of a share repurchase, such increase will be treated as an acquisition for the purposes of the Takeovers Code and, if such increase results in a change of control, may in certain circumstances give rise to an obligation to make a mandatory offer for Shares under Rule 26 of the Takeovers Code.

At the Latest Practicable Date, to the best knowledge and belief of the Company, there was no substantial shareholder. In the event that the Repurchase Mandate is exercised in full, such increase is not expected to give rise to an obligation on them to make a mandatory offer under Rule 26 of the Takeovers Code.

The Directors will not exercise the Repurchase Mandate to such an extent as a result of such repurchase, the number of Shares held by the public would fall below 25% of the total number of Shares in issue (excluding treasury shares). The Directors do not have any present intention (i) to repurchase Shares to an extent which will result in the number of Shares held by the public being reduced to less than 25% and (ii) to trigger any event under the Takeovers Code.

8. SHARE REPURCHASES MADE BY THE COMPANY

The Company had not repurchased any Shares (whether on the Stock Exchange or otherwise) during the 6 months preceding the Latest Practicable Date.

When exercising the Repurchase Mandate, the Directors may, subject to market conditions and the Company's capital management needs at the relevant time of the repurchase, resolve to cancel the shares repurchased or hold them as treasury shares.

The following is a summary of the principal terms of the 2026 Share Option Scheme proposed to be adopted at the AGM.

(a) Purpose

The purpose of the 2026 Share Option Scheme is to recognise and acknowledge the contributions the Eligible Participants have had or may have made to the Group. The 2026 Share Option Scheme will provide the Eligible Participants an opportunity to have a personal stake in the Company with the view to achieving the following objectives:

- (i) motivating the Eligible Participants to optimise their performance and efficiency for the benefit of the Group; and
- (ii) attracting and retaining or otherwise maintaining on-going employment and/or relationships with the Eligible Participants whose contributions are or will be beneficial to the long term growth of the Group.

(b) Who may join

The Board may at their absolute discretion grant Options to (i) any full-time or part-time employee of any member of the Group; or (ii) any director (including executive, non-executive or independent non-executive directors) of any member of the Group, to be determined absolutely by the Board. The Board will assess the eligibility of Eligible Participants based on, amongst others, (i) their educational and professional qualifications, and knowledge in the industry; (ii) their skills, knowledge, experience, expertise and other relevant personal qualities; (iii) their length of engagement or employment with the Group; (iv) their performance, time commitment, responsibilities or employment conditions according to the prevailing market practice and industry standard; and (v) their contribution made or expected to be made to the growth of the Group.

(c) Duration of the 2026 Share Option Scheme

The 2026 Share Option Scheme shall be valid and effective for a period of 10 years commencing on the date it was adopted.

(d) Grant, Acceptance and exercise of Option

No Option shall be granted by the Board:

- (1) after inside information (having the meaning defined in the Securities and Futures Ordinance, Chapter 571 of the laws of Hong Kong) has come to its knowledge until (and including) the trading day after it has been announced by the Company pursuant to the requirements of the Listing Rules; and

- (2) during the period commencing from thirty (30) days immediately before the earlier of:
- (a) the date of the meeting of the Board (as such date is first notified to the Stock Exchange under the Listing Rules) for approving the Company's results for any year, half-year, quarterly or any other interim period (whether or not required under the Listing Rules); and
 - (b) the deadline for the Company to announce 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 the results announcements (or during any period of delay in publishing results announcements).

For the avoidance of doubt, in compliance with the Listing Rules, a Director must not deal in any securities of the Company (and no Options may be granted to a Director) on any day on which its financial results are published and:

- (i) during the period of sixty (60) days immediately preceding the publication date of the annual results or, if shorter, the period from the end of the relevant financial year up to the publication date of the results; and
- (ii) during the period of thirty (30) days immediately preceding the publication date of the quarterly results (if any) and half-year results or, if shorter, the period from the end of the relevant quarterly or half-year period up to the publication date of the results,

unless the circumstances are exceptional, for example, where a pressing financial commitment has to be met as described in Section C of Appendix C3 to the Listing Rules.

An offer of the grant of an Option may be accepted within 30 days from the Offer Date together with a remittance of HK\$1.00 by way of consideration for the grant thereof. An Option may be exercised during such period as the Board may in its absolute discretion determine, save that such period shall not be more than ten (10) years from the date of grant.

Subject to paragraphs (i), (j), (k) and (l), an Option shall be exercised in whole or in part and, other than where it is exercised to the full extent outstanding, shall be exercised in integral multiples of such number of Shares as shall represent one board lot for dealing in Shares on the Stock Exchange for the time being, by the grantee by giving notice in writing to the Company stating that the Option is thereby exercised and the number of Shares in respect of which it is exercised. Each such notice must be accompanied by a remittance for the full amount of the exercise price for the Shares in respect of which the notice is given.

Within 21 days after receipt of the notice and the remittance and, where appropriate, receipt of the certificate by the auditors to the Company or the independent financial adviser as the case may be pursuant to paragraph (s), the Company shall allot and issue the relevant number of Shares to the grantee credited as fully paid and issue to the grantee share certificates in respect of the Shares so allotted.

The exercise of any Option shall be subject to the Shareholders in general meeting approving any necessary increase in the authorised share capital of the Company. Subject thereto, the Board shall make available sufficient authorised but unissued share capital of the Company to allot the Shares on the exercise of share options.

(e) Exercise Price

The exercise price of the Option shall be determined at the discretion of the Board which shall not be less than the higher of (i) the closing price of the Shares as stated in the daily quotations sheet of the Stock Exchange on the Offer Date, which must be a Business Day; (ii) the average of the closing prices of the Shares as stated in the daily quotations sheets of the Stock Exchange for the five (5) consecutive Business Days immediately preceding the Offer Date; and (iii) the nominal value of the Share on the Offer Date.

(f) Performance target

The Board may at its discretion specify any condition in the offer letter at the grant of the relevant Options which must be satisfied before the vesting of the Options. Save as determined by the Board and provided in the offer letter, there is no performance target which must be achieved before the vesting of the Options under the terms of the 2026 Share Option Scheme. The Directors (including the independent non-executive Directors) are of the view that the flexibility given to the Board in relation to the performance targets will place the Group in a better position to reward the Eligible Participants and retain human resources that are valuable to the growth and development of the Group as a whole.

If performance targets are imposed upon the grant of Options, the Board will have regard to the purpose of the 2026 Share Option Scheme in assessing such performance targets, with reference to factors including but not limited to, as and when appropriate, sales performance (e.g. revenue), operating performance (e.g. profits, operation efficiency in term of cost control), financial performance (e.g. profits, cash flow, earnings, market capitalization, return on equity) of the Group, corporate sustainability parameter (e.g. timeliness and accuracy in handling customer feedback, team work capabilities, adherence to corporate culture) and discipline and responsibility (e.g. punctuality, integrity, honesty or compliance with internal business procedures), the satisfaction of which shall be assessed and determined by the Board at its sole discretion.

(g) Vesting Period

An Option must be held by the Grantee for at least twelve (12) months before the Option can be exercised.

The Board (or the remuneration committee of the Company where it relates to grants of Options to an Eligible Participant who is a Director and/or senior management of the Company) considers that a shorter Vesting Period is appropriate to align with the purpose of the 2026 Share Option Scheme and may at its discretion grant a shorter Vesting Period to an Eligible Participant. Set out below is the exhaustive circumstances which may trigger a shorter Vesting Period:

- (1) grants of “make-whole” Option(s) to new joiners to replace the share options they forfeited when leaving the previous employers;
- (2) grants to an Eligible Participant whose employment is terminated due to death or disability or occurrence of any out of control event;
- (3) grants that are made in batches during a year for administrative and compliance reasons, which include Options 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 Option would have been granted;
- (4) grants of Options with a mixed or accelerated vesting schedule such as where the Options may vest evenly over a period of twelve (12) months;
- (5) grants with performance-based vesting conditions in lieu of time-based vesting criteria; or
- (6) grants of Options with a total vesting and holding period of more than twelve (12) months such as where the Options may vest by several batches with the first batch to vest within twelve (12) months of the grant date and the last batch to vest twelve (12) months after the grant date.

(h) Transferability of Options

An Option shall be personal to the Grantee and shall not be assignable or transferable and no Grantee 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 Option. Any breach of the foregoing by the Grantee shall entitle the Company to cancel any outstanding Option or any part thereof granted to such Grantee to the extent not already exercised without incurring any liability on the part of the Company.

(i) Rights on ceasing to be an Eligible Participant

After the vesting of the Options,

- (1) in the event of the Grantee ceasing to be an Eligible Participant by reason of his/her death before exercising the Option in full, and where the Grantee is an Eligible Participant and none of the events which would be a ground for termination of his/her employment or directorship under paragraph (i)(3)(ii) arises, his/her Personal Representative(s) may exercise the Option (to the extent not already exercised) in whole or in part in accordance with the terms of the 2026 Share Option Scheme within a period of one (1) month following the date of death, or up to the expiration of the Option Period, whichever is earlier, and such Option to the extent not so exercised shall lapse and determine at the end of the period of one (1) month or at the expiration of the Option Period, whichever is earlier, if any of the events referred to in paragraph (j), (k) and (l) occur during such period, exercise the Option pursuant to paragraph (j), (k) and (l) respectively;
- (2) in the event of the Grantee ceasing to be an Eligible Participant by reason of ill-health or retirement as an employee of the Company in accordance with his/her contract of employment before exercising the Option in full, he/she may exercise the Option (to the extent not already exercised) in whole or in part in accordance with the terms of the 2026 Share Option Scheme within a period of one (1) month following the date of such cessation or, if any of the events referred to in paragraph (j), (k) and (l) occurs during such period, exercise the Option pursuant to paragraph (j), (k) and (l) respectively. The date of cessation as aforesaid shall be the last day on which the Grantee is actually at work with the Group whether salary is paid in lieu of notice or not; and
- (3) (i) in the event of the Grantee ceasing to be an Eligible Participant for any reason other than the reasons specified in paragraphs (i)(1) and (i)(2); or (ii) where the Grantee by reason of voluntary resignation or dismissal or upon expiration of his/her term of directorship (unless immediately renewed upon expiration), his/her Option (to the extent not already exercised) shall lapse on the date of cessation or termination and not be exercisable and any Option exercised (if any) but the Shares of which have not been allotted, shall be deemed not to have so exercised and the amount of the Exercise Price for the Shares in respect of the purported exercise of such Option shall be returned.

(j) Rights on a general or partial offer

After the vesting of the Options, in the event a general or partial offer, whether by way of takeover offer, share repurchase offer, or scheme of arrangement or otherwise in like manner is made to all the Shareholders (or all such holders other than the offeror and/or any person controlled by the offeror and/or any person acting in association or concert (as defined in the Takeovers Code) with the offeror), the Company shall use all its reasonable endeavours to procure that such offer is extended to all the Grantees on the same terms, *mutatis mutandis*, and assuming that they will become, by the exercise in full of the Options granted to them, the Shareholders. If such offer becomes or is declared unconditional or such scheme of arrangement is formally proposed to the Shareholders, the Grantee shall, notwithstanding any other terms on which his/her/its Options were granted, be entitled to exercise the Option (to the extent not already exercised) to its full extent or to the extent specified in the Grantee's notice to the Company in accordance with the provisions of paragraph (d) at any time within one (1) month after the date on which such offer becomes or is declared unconditional, or within one (1) month after the record date for entitlements under the scheme of arrangement, as the case may be.

(k) Rights on winding up

After the vesting of the Options, in the event a notice is given by the Company to the Shareholders to convene a general meeting for the purposes of considering, and if thought fit, approving a resolution to voluntarily wind-up the Company, the Company shall on the same date as it despatches such notice to each Shareholder give notice thereof to all Grantees (containing an extract of the provisions of this sub-paragraph) and thereupon, each Grantee or his/her Personal Representative(s) shall be entitled to exercise all or any of his/her/its Options (to the extent not already exercised) by giving notice in writing to the Company in accordance with the terms of the 2026 Share Option Scheme (such notice shall be received by the Company no later than two (2) Business Days prior to the proposed general meeting), accompanied by a remittance for the full amount of the aggregate Exercise Price for the Shares in respect of which the notice is given whereupon the Company shall as soon as possible and, in any event, no later than the Business Day immediately prior to the date of the proposed general meeting referred to above, allot and issue the relevant Shares to the Grantee credited as fully paid.

(l) Rights on compromise or arrangement

After the vesting of the Options, in the event of a compromise or arrangement between the Company and the Shareholders or its creditors being proposed for the purpose of or in connection with a scheme for the reconstruction or amalgamation of the Company, the Company shall give notice thereof to all Grantees on the same date as it gives notice of the meeting to the Shareholders or its creditors to summon a meeting to consider such a scheme or arrangement and the Options (to the extent not already exercised) shall become exercisable in whole or in part on such date until the earlier of (i) two (2) months after that date or (ii) at any time not later than

two (2) Business Days prior to the date of the meeting directed to be convened by the court for the purposes of considering such a scheme or arrangement (the “Suspension Date”). Any Grantee or his/her Personal Representative(s) may by notice in writing to the Company in accordance with the terms of the 2026 Share Option Scheme, accompanied by a remittance of the full amount of the aggregate Exercise Price for the Shares in respect of which the notice is given whereupon the Company shall as soon as possible and in any event no later than 3:00 p.m. on the Business Day immediately prior to the date of the proposed meeting, allot and issue such number of Shares to the Grantee or his/her Personal Representative(s) which falls to be issued on such exercise of the Option credited as fully paid and register the Grantee as holder thereof. With effect from the Suspension Date, the rights of all Grantees to exercise their respective Options shall forthwith be suspended. Upon such compromise or arrangement becoming effective, all Options shall, to the extent that they have not been exercised, lapse and terminated.

(m) Ranking of the Share

The Shares to be allotted upon the exercise of an Option shall be subject to all the provisions of the memorandum and articles of association of the Company for the time being in force and shall rank *pari passu* with and shall have the same voting, dividend, transfer and other rights (including the rights arising on a liquidation of the Company) with the existing fully paid Shares in issue (excluding treasury Shares) on the date on which those Shares are allotted on exercise of the Option and accordingly shall entitle the holders to participate in all dividends or other distributions paid or made after the date on which Shares are allotted other than any dividends or distributions previously declared or recommended or resolved to be paid or made if the record date thereof shall be on or before the date on which the Shares are allotted. No dividends (including distributions made upon the liquidation of the Company) will be payable and no voting rights will be exercisable in relation to an Option that has not been exercised notwithstanding the satisfaction of any vesting periods and/or performance targets (if any).

(n) Lapse of Options

An Option shall lapse automatically and not be exercisable (to the extent not already exercised) on the earliest of:

- (1) the expiry of the period referred to in paragraph (c) above;
- (2) the expiry of the periods referred to in paragraphs (i), (j), (k) and (l) above: and
- (3) the date of the commencement of the winding-up of the Company.

(o) Cancellation of Options

The Company shall cancel the Options in the event where (i) the clawback mechanism being triggered; or (ii) the Grantee breaching the term against transferring the Options. Any cancellation of Options granted but not exercised may be effected on such terms as may be agreed with the relevant Grantee, as the Board may in its absolute discretion sees fit and in manner that complies with all applicable legal requirements for such cancellation.

Where the Company cancels Options and offers new Options to the same Grantee, the offer of such new Options may only be made under the 2026 Share Option Scheme with available unissued Options (excluding the cancelled Options) within the limit approved by the Shareholders.

(p) Maximum number of Share

The total number of Shares which may be issued in respect of all Options which may be granted at any time under the 2026 Share Option Scheme, together with options and awards which may be granted under any other share schemes for the time being of the Company, shall not exceed such number of Shares as equals 10% of the issued share capital of the Company (excluding treasury Shares) as at the Adoption Date, representing 43,778,776 Shares. Options lapsed in accordance with the terms of the 2026 Share Option Scheme will not be regarded as utilised for the purpose of calculating the Scheme Limit. If the Company conducts a share consolidation or subdivision after the Scheme Limit have been approved in general meeting, the maximum number of Shares that may be issued in respect of all Options to be granted under the 2026 Share Option Scheme, together with options and awards which may be granted under any other share schemes for the time being of the Company under the Scheme Limit as a percentage of the total number of issued Shares at the date immediately before and after such consolidation or subdivision shall be the same, rounded to the nearest whole Share.

The Company may seek approval of the Shareholders in general meeting to refresh the Scheme Limit under the 2026 Share Option Scheme after three (3) years from the Adoption Date (or the date of Shareholders' approval for the last refreshment). However, the total number of Shares which may be issued upon exercise of all Options and awards to be granted under the 2026 Share Option Scheme and any other schemes of the Company under the limit as "refreshed" must not exceed 10% of the relevant class of Shares in issue (excluding treasury Shares) as at the date of approval of the refreshed Scheme Limit. For the purpose of seeking approval of Shareholders under this paragraph, the Company must send a circular to its Shareholders containing the information required under the Listing Rules. Any refreshment of the Scheme Limit to be made within three (3) years from the Adoption Date (or the date of Shareholders' approval for the last refreshment) shall be subject to independent Shareholders' approval pursuant to Rule 17.03C(1) of the Listing Rules.

The Company may seek separate approval of the Shareholders in general meeting for granting Options beyond the Scheme Limit provided that the Options in excess of the Scheme Limit are granted only to Eligible Participants specifically identified by the Company before such approval is sought. For the purpose of seeking approval of Shareholders under this paragraph, the Company must send a circular to the Shareholders containing the name of each Eligible Participants who may be granted such Options, the number and terms of the Options to be granted, the purpose of granting Options to the specified Eligible Participants with an explanation as to how the terms of the Options serve such purpose, and such other information as required under the Listing Rules. The number and terms (including the Exercise Price) of Options to be granted to such Eligible Participant must be fixed before Shareholders' approval and the date of Board meeting for proposing such grant should be taken as the date of grant for the purpose of calculating the Exercise Price.

At any time, the maximum number of Shares which may be issued upon exercise of all Options which then has been granted and have yet to be exercised under the 2026 Share Option Scheme and any other share option schemes of the Company shall not, in the absence of Shareholders' approval, in aggregate exceed 10% of the Shares in issue (excluding treasury Shares) from time to time.

(q) Maximum entitlement of each Grantee

The maximum number of Shares issued and to be issued upon exercise of the Options granted to each Grantee under the 2026 Share Option Scheme (including both exercised and outstanding Options) in any twelve (12)-month period shall not (when aggregated with any Shares subject to options granted during such period under any other share option scheme(s) of the Company other than those Options granted pursuant to specific approval by the Shareholders in a general meeting) exceed 1% of the Shares in issue (excluding treasury Shares) for the time being (the "Individual Limit"). Any further grant of Options exceeding the Individual Limit must be separately approved by Shareholders in general meeting with such Eligible Participant and his associates abstaining from voting. The Company must send a circular to the Shareholders disclosing the identity of the Eligible Participant in question, the number and terms of the Options to be granted (and Options previously granted to such Eligible Participant) and such other information required under the Listing Rules. The number and terms (including the Exercise Price) of Options to be granted to such Eligible Participant must be fixed before Shareholders' approval and the date of Board meeting for proposing such grant should be taken as the date of grant for the purpose of calculating the Exercise Price.

(r) Grant of Options to connected persons

Any grant of Options to any of the Directors, chief executive of the Company or substantial Shareholders (as defined in the Listing Rules), or any of their respective associates must be approved by the independent non-executive Directors (excluding any independent non-executive Director who and whose associate is the proposed Grantee of the Option (if any)).

Where any grant of Options to an independent non-executive Director or a substantial Shareholder or any of their respective associates would result in the Shares issued and to be issued in respect of all options and awards granted and to be granted (excluding any options and awards lapsed in accordance with the terms of the relevant schemes) to such person in the twelve (12)-month period up to and including the date of such grant representing in aggregate over 0.1% of the total issued Shares (excluding treasury Shares), such further grant of Options must be approved by the Shareholders in a general meeting of the Company in the manner set out below. The Company must send a circular to the Shareholders. The Grantee, his/her associates and all core connected persons of the Company must abstain from voting in favour of the proposed grant at such general meeting. Parties that are required to abstain from voting in favour at the general meeting pursuant to Rule 17.04(3) of the Listing Rules may vote against the resolution at the general meeting of the Company, provided that their intention to do so has been stated in the relevant circular to the Shareholders. Any vote taken at the general meeting to approve the grant of such Options must be taken on a poll and comply with the requirements under the Listing Rules. The circular must contain:

- (1) details of the number and terms of the Options to be granted to each Eligible Participant, which must be fixed before the Shareholders' meeting. In respect of any Options to be granted, the date of the Board meeting for proposing such further grant should be taken as the Offer Date for the purpose of calculating the Exercise Price;
- (2) the views of the independent non-executive Directors (excluding any independent non-executive Director who and whose associate is the proposed Grantee) as to whether the terms of the grant are fair and reasonable and whether such grant is in the interests of the Company and the Shareholders as a whole, and their recommendation to the independent Shareholders as to voting; and
- (3) the information required under the Listing Rules and the Stock Exchange from time to time.

Any change in the terms of Options granted to a Grantee who is a Director, chief executive of the Company or substantial Shareholder (as defined in the Listing Rules), or any of their respective associates, must be approved by the Shareholders in the manner as set out in this paragraph if the initial grant of the Options requires such approval (except where the changes take effect automatically under the existing terms of the 2026 Share Option Scheme).

(s) Adjustments

In the event of any alteration in the capital structure of the Company whilst any Option that have been granted but remains exercisable or the 2026 Share Option Scheme remains in effect, and such event arises from a capitalisation issue, rights issue, consolidation, sub-division or reduction of the share capital of the Company (other than an issue of Shares as consideration in respect of a transaction while any Option remains exercisable), then, in any such case (other than in the case of capitalisation issue) the Company shall instruct the auditors or independent financial adviser to certify in writing:

(a) the adjustment, if any, that ought in their opinion fairly and reasonably to be made either generally or as regards any particular Grantee, to:

- (i) the number or nominal amount of Shares subject to any Option granted so far as such Option remains unexercised; and/or
- (ii) the Exercise Prices of any unexercised Options,

and an adjustment as so certified by the auditors or the independent financial adviser shall be made, provided that:

- (1) any such adjustment shall be made on the basis that the aggregate Exercise Price payable by a Grantee on the full exercise of any Option shall remain as nearly as possible the same (but shall not be greater than) as it was before such event;
- (2) no such adjustment shall be made the effect of which would be to enable a Share to be issued at less than its nominal value;
- (3) any such adjustment shall be made on the basis that a Grantee shall be given the same proportion of the issued share capital of the Company for which such Grantee would have been entitled to subscribe had he/she/it exercised all the Options held by him/her/it immediately prior to such event (as interpreted in accordance with the appendix referred to the frequently asked questions on adjustments of the exercise price of share options (FAQ 13 – No. 16) or any guidance/interpretation of the Listing Rules issued by the Stock Exchange and the note thereto from time to time);
- (4) the issue of securities of the Company as consideration in a transaction shall not be regarded as a circumstance requiring any such adjustment; and

(b) in respect of any such adjustments, the auditors or the independent financial adviser must confirm to the Board in writing that the adjustments satisfy the requirements set out in the above, the requirements of Rule 17.03(13) of the Listing Rules, the

appendix referred to the frequently asked questions on adjustments of the exercise price of share options (FAQ 13 - No. 16), any relevant provisions of the Listing Rules and any guidance/interpretation of the Listing Rules issued by the Stock Exchange and the note thereto from time to time.

If there has been any alteration in the capital structure of the Company as referred to in paragraph (s), the Company shall, upon receipt of a notice from a Grantee in accordance with paragraph (d), inform the Grantee of such alteration and shall either inform the Grantee of the adjustment to be made in accordance with the certificate of the auditors or the independent financial adviser obtained by the Company for such purpose or, if no such certificate has been obtained, inform the Grantee of such fact and instruct the auditors or an independent financial adviser as soon as practicable thereafter to issue a certificate in that regard in accordance with paragraph (s).

In giving any certificate under this paragraph, the auditors and independent financial adviser shall be deemed to be acting as experts and not as arbitrators and their certificate shall, in the absence of manifest error, be final, conclusive and binding on the Company and all persons who may be affected thereby.

(t) Variations

The 2026 Share Option Scheme may be altered in any respect by a resolution of the Board or administrator of the 2026 Share Option Scheme except:

- (a) any alterations to the terms and conditions of the 2026 Share Option Scheme which are of a material nature or any alterations to the provisions relating to the matters set out in Rule 17.03 of the Listing Rules to the advantage of participants must be approved by the Shareholders in general meeting;
- (b) any change to the authority of the Directors or the administrators of the 2026 Share Option Scheme to alter the terms of the 2026 Share Option Scheme must be approved by the Shareholders in general meeting;
- (c) any change to the terms of the Option granted to a participant must be approved by the Board, the remuneration committee of the Company, the independent non-executive Directors and/or the Shareholders (as the case may be) if the initial grant of the Options was approved by the Board, the remuneration committee of the Company, the independent non-executive Directors and/or the Shareholders (as the case may be). This requirement does not apply where the alterations take effect automatically under the existing terms of the 2026 Share Option Scheme; and
- (d) the amended terms of the 2026 Share Option Scheme or the Options must still comply with the relevant requirements of the Chapter 17 of the Listing Rules.

(u) Clawback

There is a clawback mechanism under the 2026 Share Option Scheme. Where such Grantee (i) ceases to be an employee of the Group by reason of the termination of his/her employment on grounds entitling the employer to effect such termination without notice or payment in lieu of notice; (ii) having been convicted of any criminal offence involving his/her integrity or honesty; (iii) has been guilty of persistent or serious misconduct; (iv) has committed any act of bankruptcy; (v) has made any arrangement or composition with his/her creditors generally; or (vi) having done something which brings the Group into disrepute or causes damages to the Group (including, among others, causing material misstatement of the financial statements of the Company), the Board may by notice in writing to such Grantee concerned claw back such number of Options (to the extent not being exercised) granted as the Board may consider appropriate. The Options that are clawed back pursuant to the above shall be regarded as cancelled and the Options so cancelled will be regarded as utilised for the purpose of calculating the Scheme Limit. If the Grantee ceases to be an Eligible Participant for any reason other than the above-mentioned, the Option (to the extent not being exercised) shall lapse forthwith unless the Board determines otherwise in which event the Option (or such remaining part thereof) shall vest. For the avoidance of doubt, the Options that have been exercised shall not be subject to the clawback mechanism as set out in this paragraph.

(v) Termination

The Company by an ordinary resolution in general meeting may at any time terminate the operation of the 2026 Share Option Scheme and in such event no further Options will be offered but in all other respects the provisions of the 2026 Share Option Scheme shall remain in force to the extent necessary to give effect to the exercise of any Options granted prior thereto or otherwise as may be required in accordance with the provisions of the 2026 Share Option Scheme and Options granted prior to such termination shall continue to be valid and exercisable in accordance with the 2026 Share Option Scheme.

NOTICE OF ANNUAL GENERAL MEETING



中國汽車內飾集團有限公司

CHINA AUTOMOTIVE INTERIOR DECORATION HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 0048)

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that an annual general meeting (the “AGM”) of China Automotive Interior Decoration Holdings Limited (the “Company”) will be held at Portion 2, 12/F, The Center, 99 Queen’s Road Central, Central, Hong Kong at 10:30 a.m. on Tuesday, 2 June 2026 to consider and, if thought fit, pass with or without amendments, the following as ordinary resolutions:

AS ORDINARY BUSINESS

1. To consider and approve the audited consolidated financial statements of the Company together with its subsidiaries and the reports of the directors of the Company (the “Directors”) and the auditors of the Company for the year ended 31 December 2025.
2. To consider and approve, each as a separate resolution, if thought fit, the following resolutions:
 - (A) to re-elect Mr. Ng Chung Ho as an executive Director.
 - (B) to re-elect Ms. Ng Li La, Adeline as an independent non-executive Director.
3. To authorise the board of Directors (the “Board”) to fix the remuneration of the Directors.
4. To re-appoint Infinity CPA Limited as the auditors of the Company and to authorise the Board to fix their remuneration for the year ending 31 December 2026.

NOTICE OF ANNUAL GENERAL MEETING

AS SPECIAL BUSINESS

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

Ordinary Resolutions

5. (A) **“THAT**

- (i) subject to paragraph (iii) below, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional shares in the capital of the Company or to resell treasury shares of the Company (if permitted under the Listing Rules) and to make or grant offers, agreements, options (including bonds, warrants and debentures convertible into shares of the Company) and rights of exchange or conversion which might require the exercise of such powers, subject to and in accordance with all applicable laws and requirements of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited (the “Stock Exchange”) (as amended from time to time) (the “Listing Rules”), be and is hereby generally and unconditionally approved;
- (ii) the approval in paragraph (i) above shall authorise the Directors during the Relevant Period to make or grant offers, agreements, options (including bonds, warrants and debentures convertible into shares of the Company) and rights of exchange or conversion which might require the exercise of such powers after the end of the Relevant Period;
- (iii) the total number of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the Directors pursuant to the approval granted in paragraph (i) above, otherwise than pursuant to (a) a Rights Issue (as hereinafter defined), or (b) the exercise of options under any share option scheme or similar arrangement adopted by the Company for the grant or issue to the employees and Directors and/or any of its subsidiaries and/or other eligible participants specified thereunder of options to subscribe for or rights to acquire shares of the Company, or (c) an issue of shares upon the exercise of the subscription rights attaching to any warrants which may be issued by the Company; or (d) an issue of shares of the Company as scrip dividend or similar arrangement in accordance with the memorandum and articles of association of the Company, shall not exceed 20% of the total number of the share capital of the Company in issue (excluding treasury shares) at the date of the passing of this resolution, and the said approval shall be limited accordingly; and

NOTICE OF ANNUAL GENERAL MEETING

- (iv) for the purpose of this resolution: “Relevant Period” means the period from the date of passing of this resolution until whichever is the earliest of:
- (a) the conclusion of the next annual general meeting of the Company;
 - (b) 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 laws to be held; and
 - (c) the date on which the authority sets out in this resolution is revoked or varied by an ordinary resolution of the Company in general meeting.

“Rights Issue” means an offer of shares of the Company open for a period fixed by the Directors 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 exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any legal restrictions under the laws of any relevant jurisdiction, or the requirements of any recognized regulatory body or any stock exchange, in any territory outside Hong Kong).”

(B) **“THAT**

- (i) subject to paragraph (ii) below, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all powers of the Company to purchase or otherwise acquire shares in the capital of the Company on the Stock Exchange or on any other stock exchange on which the shares of the Company may be listed and recognised by the Stock Exchange and the Hong Kong Securities and Futures Commission (“SFC”) for this purpose, subject to and in accordance with all applicable rules and regulations of the SFC, the Stock Exchange or of any other stock exchange as amended from time to time and are applicable laws in this regard be and is hereby generally and unconditionally approved;
- (ii) the total number of shares of the Company which are authorized to be purchased pursuant to the approval in paragraph (i) above shall not exceed 10% of the total number of the share capital of the Company in issue (excluding treasury shares) at the date of the passing of this resolution, and the said approval shall be limited accordingly; and

NOTICE OF ANNUAL GENERAL MEETING

(iii) for the purpose of this resolution: “Relevant Period” means the period from the date of passing of this resolution until whichever is the earliest of:

- (a) the conclusion of the next annual general meeting of the Company;
- (b) 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 laws to be held; and
- (c) the date on which the authority sets out in this resolution is revoked or varied by an ordinary resolution of the Company in general meeting.”

(C) **“THAT**

conditional upon the passing of the resolutions set out in paragraphs 5(A) and 5(B) of the notice convening this meeting, the general mandate granted to the Directors to exercise the powers of the Company to allot, issue and otherwise deal with shares of the Company pursuant to the resolution set out in paragraph 5(A) of the notice convening this meeting be and is hereby extended by the addition thereto a number of shares representing the total number of shares of the Company purchased or otherwise acquired by the Company pursuant to the authority granted to the Directors under the resolution set out in paragraph 5(B) above, provided that such number shall not exceed 10% of the total number of the issued share capital of the Company (excluding treasury shares) at the date of passing this resolution.”

6. **“THAT**

the share option scheme referred to the circular dispatched to the shareholders of the Company on the same day as this notice, the terms of which are set out in the printed document marked “A” now produced to the meeting and for the purpose of identification signed by the Chairman hereof (“2026 Share Option Scheme”), be approved and adopted to be the 2026 Share Option Scheme of the Company and that the Directors be authorised to grant options thereunder and to allot and issue shares of the Company pursuant to the 2026 Share Option Scheme and take all such steps as may be necessary or desirable to implement such 2026 Share Option Scheme.”

By Order of the Board of
China Automotive Interior Decoration Holdings Limited
Zhuang Yuejin
Chairman

Hong Kong, 6 May 2026

NOTICE OF ANNUAL GENERAL MEETING

Notes:

- (1) Any shareholder of the Company entitled to attend and vote at the AGM is entitled to appoint one or more proxies to attend and vote on behalf of him. A proxy need not be a shareholder of the Company.
- (2) A form of proxy for the AGM is enclosed. In order to be valid, a form of proxy, together with the power of attorney or other authority (if any) under which the form is signed, or a notarially certified copy of such power of attorney or authority, must be deposited at the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not less than 48 hours before the time fixed for holding the AGM or any adjournment thereof.
- (3) Where there are joint registered holders of any share, any one of such persons may vote at the AGM, either personally or by proxy, in respect of such share as if he were solely entitled thereto; but if more than one of such joint holders be present at the AGM personally or by proxy, that one of the said persons so present whose name stands first on the register of members of the Company in respect of such share shall alone be entitled to vote in respect thereof.
- (4) Completion and delivery of the form of proxy will not preclude shareholders of the Company from attending and voting in person at the AGM or any adjourned meeting or upon the poll concerned and, in such event, the instrument appointing a proxy will be deemed to be revoked.
- (5) The register of members of the Company will be closed from 28 May 2026 to 2 June 2026 (both days inclusive), during which period no transfer of shares in the Company shall be registered. In order to qualify for the AGM, all transfers, accompanied by the relevant share certificates, have to be lodged with the Company's branch share registrar 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 27 May 2026. The record date for the purpose of determining the eligibility of the shareholders of the Company to attend and vote at the AGM will be Tuesday, 2 June 2026.
- (6) A circular containing, among others things, an explanatory statement relating to the proposed resolution no. 4(B) above has been despatched to the shareholders of the Company.
- (7) At the date of this notice, the executive Directors are Mr. Zhuang Yuejin, Mr. Ng Chung Ho and Ms. Xiao Suni, and the independent non-executive Directors are Mr. Yuen Wai Keung, Ms. Ng Li La, Adeline and Ms. Zhu Chunyan.