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## **CHEN HSONG HOLDINGS LIMITED**

**震雄集團有限公司**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 00057)**

### **GRANT OF SHARE OPTIONS**

This announcement is made pursuant to Rule 17.06A of the Listing Rules.

The Board announces that on 6 December 2023, the Company has granted the Share Options to the Grantees pursuant to the Share Option Scheme carrying the rights to subscribe for a total of 6,290,000 new Shares, subject to the acceptance of the Grantees.

Details of the Share Options granted are as follows:

Date of Grant of Share Options : 6 December 2023

Exercise price of Share Options : HK\$1.436 per Share, representing the highest of:

- (i) the closing price of HK\$1.410 of the Shares as stated in the daily quotations sheet of the Stock Exchange on the Date of Grant;
- (ii) the average closing price of HK\$1.436 of the Shares as stated in the daily quotations sheets of the Stock Exchange for the five business days immediately preceding the Date of Grant; and
- (iii) the nominal value of the Shares (being HK\$0.10 per Share).

Total number of Share Options granted : 6,290,000 Share Options. Each Share Option carries the right to subscribe for one Share.

Vesting and exercise period of the Share Options : The Share Options shall vest and are exercisable according to the following schedules:

Category I – Directors, in respect of each Grantee

- (i) first 50% of the Share Options shall vest on the date falling on the second anniversary of the Date of Grant, and be exercisable for the period commencing from the date of vesting (i.e. 6 December 2025) to 5 December 2033 (both days inclusive); and
- (ii) the remainder of the Share Options shall vest on the date falling on the fourth anniversary of the Date of Grant, and be exercisable for the period commencing from the date of vesting (i.e. 6 December 2027) to 5 December 2033 (both days inclusive).

Category II – selected employees of the Group, in respect of each Grantee

- (i) first 30% of the Share Options shall vest on the date falling on the second anniversary of the Date of Grant, and be exercisable for the period commencing from the date of vesting (i.e. 6 December 2025) to 5 December 2033 (both days inclusive);
- (ii) next 30% of the Share Options shall vest on the date falling on the fourth anniversary of the Date of Grant, and be exercisable for the period commencing from the date of vesting (i.e. 6 December 2027) to 5 December 2033 (both days inclusive); and
- (iii) remainder of the Share Options shall vest on the date falling on the sixth anniversary of the Date of Grant, and be exercisable for the period commencing from the date of vesting (i.e. 6 December 2029) to 5 December 2033 (both days inclusive).

Category III – selected employees of the Group, in respect of each Grantee

- (i) first 30% of the Share Options shall vest on the date falling on the third anniversary of the Date of Grant, and be exercisable for the period commencing from the date of vesting (i.e. 6 December 2026) to 5 December 2033 (both days inclusive);
- (ii) next 30% of the Share Options shall vest on the date falling on the fifth anniversary of the Date of Grant, and be exercisable for the period commencing from the date of vesting (i.e. 6 December 2028) to 5 December 2033 (both days inclusive); and
- (iii) remainder of the Share Options shall vest on the date falling on the seventh anniversary of the Date of Grant, and be exercisable for the period commencing from the date of vesting (i.e. 6 December 2030) to 5 December 2033 (both days inclusive).

Vesting of the Share Options in respect of Categories II and III is subject to the consent of the Chairman of the Board.

Consideration of the grant of the Share Options : HK\$1.00 to be paid by each Grantee upon the acceptance of the Share Options granted.

Performance target : There is no performance target attached to the Share Options granted.

The Remuneration Committee notes that the purpose of the Share Option Scheme is to enable the Board to grant Share Options to selected persons as rewards or incentive for their contribution or potential contribution to the Group and for achieving the long-term business objectives of the Group.

Having considered the purpose of the Share Option Scheme above and the following factors, the Remuneration Committee is of the view that the performance target is not necessary for the grant of Share Options to the Grantees who are Directors and/or senior managers of the Company and such grant of Share Options without performance target is in line with the purpose of the Share Option Scheme:

- (i) those Grantees' roles and experiences in the Group's business, length of services to the Group, and contribution and dedication to the promotion of the Group's business;
- (ii) those Grantees being directors and/or senior managers of the Company and/or subsidiaries directly contributed to the overall business performance, sustainable development and good corporate governance of the Group; and
- (iii) such grant of Share Options being subject to the vesting schedules as stated above which reinforces Grantees' commitment to long-term services to the Group.

Clawback mechanism : There is no clawback mechanism attached to the Share Options granted.

The Remuneration Committee is of the view that clawback mechanism is not necessary for the grant of Share Options to the Grantees who are Directors and/or senior managers of the Company as the lapse and cancellation of the Share Options in various scenarios have already been provided for under the Share Option Scheme which could adequately safeguard the Company's interests.

Financial assistance : The Company did not provide any financial assistance to the Grantees to facilitate their purchase of Shares under the Share Option Scheme.

Among the Share Options granted, Share Options entitling the holders thereof to subscribe for an aggregate of 830,000 Shares were granted to the Directors, and the remaining Share Options entitling the holders thereof to subscribe for an aggregate of 5,460,000 Shares were granted to 75 employees of the Group:

<b>Name of Grantee</b>	<b>Position</b>	<b>Number of Share Options granted</b>
<b>Category I</b>		
Directors		
Ms. Lai Yuen CHIANG ( <i>Note</i> ) ("Ms. CHIANG")	Chairman, Executive Director and Chief Executive Officer	630,000
Mr. Stephen Hau Leung CHUNG ("Mr. CHUNG")	Executive Director	200,000
<b>Category II</b>		
Selected employees		2,300,000
<b>Category III</b>		
Selected employees		3,160,000
		<u>6,290,000</u>

*Note:*

*By virtue of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), Ms. CHIANG is deemed to be interested in the Shares held by Chen Hsong Investments Limited, a company holding 399,641,620 Shares, representing 63.38% of the issued Shares as at the date hereof, as she beneficially owns 100% shares in one of the eligible beneficiaries of a discretionary trust, namely The Chiang Chen Industrial Charity Foundation, where the trustee thereof indirectly holds 100% interest in Chen Hsong Investments Limited.*

Save as disclosed above, to the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, as of the date of this announcement, none of the Grantees (other than Ms. CHIANG and Mr. CHUNG) is a Director, chief executive or substantial shareholder of the Company, or any of their respective associates (as defined in the Listing Rules); and none of the Grantees is a related entity participant (as defined in the Listing Rules) or a service provider (as defined in the Listing Rules). As at the date of this announcement, the grant of Share Options will not result in the share options and awards (the Company does not have any share award scheme) granted and to be granted to each Grantee in the 12-month period up to and including the Date of Grant exceeding 1% of the Share in issue.

Under Rule 17.04(1) of the Listing Rules and the provisions of the Share Option Scheme, each grant of Share Options to a Director, chief executive or substantial shareholder of the Company, or any of their respective associates, must be approved by the independent non-executive Directors. The grant of Share Options to Ms. CHIANG and Mr. CHUNG has been approved by all the independent non-executive Directors of the Company respectively. Each of Ms. CHIANG and Mr. CHUNG has abstained from voting on the resolutions of the Board and/or the Remuneration Committee approving the grant of Share Options in which they are the Grantees.

After the grant of Share Options, assuming all Grantees have accepted such grant, the number of Shares available for future grant under the scheme mandate limit of the Share Option Scheme is 39,113,160 Shares.

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

“Board”	the board of Directors
“Company”	Chen Hsong Holdings Limited, a company incorporated in Bermuda with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 00057)
“Date of Grant”	6 December 2023, being date of grant of the Share Options
“Director(s)”	director(s) of the Company
“Grantee(s)”	certain selected eligible person(s) under the Share Option Scheme being the grantee(s) of the Share Options
“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

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange, as amended from time to time
“Remuneration Committee”	the remuneration committee of the Company
“senior managers”	has the meaning ascribed thereto in the Listing Rules
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Share Option(s)”	the share option(s) granted to the Grantees under the Share Option Scheme to subscribe for Shares as described in this announcement
“Share Option Scheme”	the share option scheme approved and adopted by the shareholders at the annual general meeting of the Company held on 24 September 2014
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder”	has the meaning ascribed thereto in the Listing Rules

By Order of the Board  
**Chen Hsong Holdings Limited**  
**CHAN Chi Ngai**  
Company Secretary

Hong Kong, 6 December 2023

*As at the date of this announcement, the executive Directors are Ms. Lai Yuen CHIANG and Mr. Stephen Hau Leung CHUNG; and the independent non-executive Directors are Mr. Bernard Charnwut CHAN, Mr. Harry Chi HUI, Mr. Anish LALVANI, Mr. Michael Tze Hau LEE and Mr. Johnson Chin Kwang TAN.*