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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 16 September 2024, 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 3,350,000 new Shares, subject to the acceptance of the Grantees.

Details of the Share Options granted are as follows:

Date of Grant of Share Options : 16 September 2024

Exercise price of Share Options : HK\$1.44 per Share, representing the highest of:

- (i) the closing price of HK\$1.44 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\$1.428 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 : 3,350,000 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 A – 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. 16 September 2026) to 15 September 2034 (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. 16 September 2028) to 15 September 2034 (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. 16 September 2030) to 15 September 2034 (both days inclusive).

Category B – 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. 16 September 2027) to 15 September 2034 (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. 16 September 2029) to 15 September 2034 (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. 16 September 2031) to 15 September 2034 (both days inclusive).

Vesting of the Share Options in respect of Categories A and B 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 performance targets are not necessary for the grant of Share Options to the Grantees and such grant of Share Options without performance targets 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 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 the 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 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 Group has not provided any financial assistance to the Grantees to facilitate their purchase of Shares under the Share Option Scheme.

Share Options entitling the holders thereof to subscribe for an aggregate of 3,350,000 Shares were granted to 35 employees of the Group (2 of whom are also directors of certain subsidiaries of the Company):

Grantee	Number of Share Options granted
Category A vesting and exercise schedule	
Selected employees	1,110,000
Category B vesting and exercise schedule	
Selected employees	2,240,000
	<u>3,350,000</u>

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 is (i) a Director, chief executive or substantial shareholder of the Company, or an associate (as defined under the Listing Rules) of any of them; (ii) a participant with share options and awards (the Company has not adopted any share award scheme) granted and to be granted exceeding the 1% individual limit under Rule 17.03D the Listing Rules; or (iii) a related entity participant or a service provider (as defined under the Listing Rules) of the Company with share options granted and to be granted in any 12-month period exceeding 0.1% of the issued Shares.

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 35,763,160 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”	16 September 2024, 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
“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 with a term of 10 years from the date of adoption, upon expiration on 23 September 2024, of which no further share options will be offered thereunder.
“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, 16 September 2024

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. Harry Chi HUI, Mr. Anish LALVANI, Mr. Michael Tze Hau LEE and Mr. Johnson Chin Kwang TAN.