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KINGBOARD LAMINATES HOLDINGS LIMITED

建滔積層板控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1888)

GRANT OF SHARE OPTIONS

This announcement is made pursuant to Rule 17.06A of the Rules (the “Listing Rules”) Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

The board of directors (the “Board”) of Kingboard Laminates Holdings Limited (the “Company”) hereby announces that the Company has granted 35,900,000 share options (the “Share Options”) to subscribe for a total of 35,900,000 new ordinary shares in the nominal value of HK\$0.10 each in the capital of the Company (the “Shares”), under its share option scheme adopted on 29 May 2017 (“Share Option Scheme”), subject to the acceptance of the grantees, details of which are set out as below:

Date of grant:	28 July 2023 (the “Date of Grant”)
Exercise price of Share Options granted:	HK\$7.80 (which is the highest of (i) the closing price of HK\$7.80 per Share as stated in the Stock Exchange’s daily quotation sheets on the Date of Grant; (ii) the average closing price of HK\$7.52 per Share as stated in the Stock Exchange’s daily quotation sheets for the five business days immediately preceding the Date of Grant; and (iii) the nominal value of the Shares)
Number of Share Options granted:	35,900,000 Share Options (each Share Option shall entitle the holder of the Share Option to subscribe for one Share of the Company)
Consideration of the grant:	HK\$1 to be paid by each grantee upon acceptance of the Share Options

Exercise period of the Share Options:	the Share Options shall be exercisable from the Date of Grant until 27 July 2033, provided always that the grantee shall remain as an employee (or, as the case may be, director) of the Company or its subsidiaries (collectively referred to as the “Group”), at the exercise of the Share Options and the exercise of the Share Options is subject to the Board’s approval.
Vesting period of Share Options:	The Share Options shall be vested on the Date of Grant.
	The Share Option Scheme does not provide for any minimum vesting period. The Board and the remuneration committee of the Board (the “Remuneration Committee”) are of the view that a vesting period shorter than 12 months is appropriate considering that the grants of Share Options serve as a recognition of the grantee’s past contribution to the Group or outstanding performance in the preceding financial year and incentivise the grantee to continuously contribute to the operation, development and long-term growth of the Group. The Share Options are exercisable at a fixed exercise price, which aligns the grantees’ interests with that of the Company, as they will benefit more from the Share Options if the Company’s share price increases. The Board and the Remuneration Committee believe that such arrangement will motivate the grantees to strive for higher productivity and financial results of the Company.
Financial assistance:	The Group has not provided any financial assistance to the grantees to facilitate the purchase of Shares under the Share Option Scheme.
Performance target and clawback mechanism:	There is no performance target attached to the Share Options. The grants above are not subject to any clawback mechanism for the Company to recover, but the Options granted shall lapse automatically if the grantee ceases to be an employee or director of the Group.

The purpose of the grant of Share Options is to provide the Participants with an opportunity to have a personal stake in the Company, and motivate the grantees to optimize their performance and efficiency, having considered the grantees' experience, length of service to the Group and contribution to the Group's overall business performance. The Remuneration Committee is of the view that performance targets are not necessary as (i) the value of the Share Options is subject to the market price of the Shares, which, in turn, depends on the business performance of the Group, to which the Grantees would directly contribute, and the grantees will benefit more from the Share Options if the Company's share price increases; (ii) the number of Share Options granted to each grantee was determined after taking into account their contribution for the past financial periods, such that relevant performance targets have already been met before any grant is decided to be made. The Share Options are also subject to the terms of the Share Option Scheme which provides that the Share Options will lapse automatically if the grantee ceases to be an employee or director of the Group.

In addition, the Remuneration Committee is of the view that a clawback mechanism is not necessary considering the lapse of share options upon cessation or termination of employment already been provided for under the Share Option Scheme, which could adequately safeguard the Company's interests. Notwithstanding the absence of the performance target and clawback mechanism to recover, the Board and the Remuneration Committee believe that without additional performance target and clawback mechanism, the grant of the Share Options could align the interests of the Grantees with that of the Company and its shareholders, provide the grantees with an opportunity to have a personal stake in the Company, incentivize the grantees to contribute to the future continuous competitiveness, results of operation and growth of the Company, reinforce their commitment to long term services of the Company, and motivate the grantees to optimize their performance and efficiency, which is in line with the purpose of the Share Option Scheme.

The Share Options were granted to some of the directors of the Company and other employees of the Company or its subsidiaries with details as follows:

Name of grantee	Number of Share Options
Cheung Kwok Wa (<i>executive director of the Company</i>)	6,000,000
Cheung Kwok Keung (<i>executive director of the Company</i>)	6,000,000
Cheung Kwok Ping (<i>executive director of the Company</i>)	6,000,000
Lam Ka Po (<i>executive director of the Company</i>)	6,000,000
Cheung Ka Ho (<i>executive director of the Company</i>)	2,000,000
Zhou Pei Feng (<i>executive director of the Company</i>)	1,000,000
Ip Shu Kwan, Stephen (<i>independent non-executive director of the Company</i>)	500,000
Zhang Lu Fu (<i>independent non-executive director of the Company</i>)	500,000
Kung, Peter (<i>independent non-executive director of the Company</i>)	500,000
Ho Kwok Ming (<i>independent non-executive director of the Company</i>)	500,000
Cheung Wai Kam (<i>employee and associate of director</i>)	4,900,000
Employees of the Company or its subsidiaries	2,000,000
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Total	<u>35,900,000</u>

Save as disclosed in this announcement, none of the grantees is a director, chief executive or substantial shareholder of the Company, nor an associate (as defined in the Listing Rules) of any of them.

The grant of the Share Options to each of the aforesaid directors of the Company has been approved by (i) the independent non-executive directors of the Company pursuant to Rule 17.04(1) of the Listing Rules; and (ii) the independent non-executive directors of Kingboard Holdings Limited (the holding company of the Company whose shares are listed on the Stock Exchange) pursuant to Rule 17.01(4) of the Listing Rules, other than that each of the independent non-executive directors of the Company has abstained from voting on the decision to grant the relevant Share Options to himself. To the best knowledge of the directors, all the other grantees are employees of the Group and are not a director, chief executive or substantial shareholder of the Company or an associate (as defined in the Listing Rules) of any of them. To the best knowledge of the directors, as of the date of this announcement, none of the grantees is (i) a participant with share options granted and to be granted exceeding the 1% individual limit under the Listing Rules; or (ii) a related entity participant or a service provider (as defined under the Listing Rules) of the Company. The above grant would not result in the Share Options granted and to be granted to each grantee in the 12-month period up to and including the date of such grant in aggregate to exceed 1% of the Shares in issue.

After the above grant of Share Options, a total of 196,300,000 Shares will be available for future grant under the scheme mandate limit of the Share Option Scheme.

By Order of the Board
Kingboard Laminates Holdings Limited
Ng Mei Kam Kennis
Company Secretary

Hong Kong, 28 July 2023

As at the date of this announcement, the Board consists of Messrs. Cheung Kwok Wa, Cheung Kwok Keung, Cheung Kwok Ping, Lam Ka Po, Cheung Ka Ho and Zhou Pei Feng, being the executive directors, Mr. Lo Ka Leong, being the non-executive director, and Messrs. Ip Shu Kwan, Stephen, Zhang Lu Fu, Kung, Peter and Ho Kwok Ming, being the independent non-executive directors.