R13.52 Note 5 14.58(1)

建滔集團有限公司

(Stock Code: 148)

建滔積層板控股有限公司

(Stock Code: 1888)

Reference is made to the joint announcement of KBH and KBL dated 26 October 2016 and the circular of KBL dated 21 November 2016 in relation to the Existing Continuing Connected Transaction Agreements. The annual caps under the Existing Continuing Connected Transaction Agreements will expire on 31 December 2019. Hallgain and, as the case may be, KBH and KBL entered into the New Continuing Connected Transaction Agreements and set out the Proposed Annual Caps thereof for the three years commencing on 1 January 2020 and ending on 31 December 2022 as more particularly described in this announcement.

As at the date of this announcement, Hallgain owns approximately 39.03% of the issued share capital of KBH and is therefore a connected person of KBH. KBH, directly and indirectly, owns approximately 68.96% of the issued share capital of KBL and therefore KBL is a non-wholly owned subsidiary of KBH. Accordingly, the transactions contemplated under the New Continuing Connected Transaction Agreements constitute continuing connected transactions of KBH under Chapter 14A of the Listing Rules.

As t h gh st a abe at o (une C a t 14A of t L st ng Ru s) of t agge gat a ount on an annua bas s une t N KBH Pu has F a e o Agee e nt an N KBL Pu has F a e o Agee e nt fo e a h of t t ee e a se n ng 31 D b 2020, 2021 an 2022e e s 0.1% but s o e t an 5%, t t ansa t ons ont at une t N KBH Pu has F a e o Agee e nt an N KBL Pu has F a e o Agee e nt ae sube t to o an t t annua e e , e o t ng an announ e nt q ue e nts b KBH une C a t 14A of t L st ng Ru s but e t f o t u a an t ne e ne nt s ae o e s' a o a q ue e nts.

As t h gh st a abe e ntag at o (une C a t 14A of t L st ng Ru s) of t a ount on an annua bas s une t N KBL Su F a e o Agee e nt fo e a h of t t ee e a se n ng 31 D b 2020, 2021 an 2022e e s 0.1% but s o e t an 5%, t t ansa t ons ont at une t N KBL Su F a e o Agee e nt ae sube t to o an t t annua e e , e o t ng an announ e nt q ue e nts b KBH une C a t 14A of t L st ng Ru s but e t f o t u a an t ne e ne nt s ae o e s' a o a q ue e nts.

Ha ga n s a so e ga e as a onn t e son of KBL. A o ng , t t ansa t ons ont at une t N KBL Su F a e o Agee e nt an t N KBL Pu has F a e o Agee e nt onst tut ont nu ng onn t t ansa t ons of KBL une C a t 14A of t L st ng Ru s.

As t h gh st a abe e ntag at o (une C a t 14A of t L st ng Ru s) of t a ount on an annua bas s une t N KBL Su F a e o Agee e nt fo e a h of t t ee e a se n ng 31 D b 2020, 2021 an 2022e e s 0.1% but s o e t an 5%, t t ansa t ons ont at une t N KBL Su F a e o Agee e nt ae sube t to o an t t annua e e , e o t ng an announ e nt q ue e nts b KBL une C a t 14A of t L st ng Ru s but e t f o t u a an t ne e ne nt s ae o e s' a o a q ue e nts.

As t h gh st a abe e ntag at o (une C a t 14A of t L st ng Ru s) of t a ount on an annua bas s une t N KBL Pu has F a e o Agee e nt fo e a h of t t ee e a se n ng 31 D b 2020, 2021 an 2022e e s 0.1% but s o e t an 5%, t t ansa t ons ont at une t N KBL Pu has F a e o Agee e nt ae sube t to o an t t annua e e , e o t ng an announ e nt q ue e nts b KBL une C a t 14A of t L st ng Ru s but e t f o t u a an t ne e ne nt s ae o e s' a o a q ue e nts.

Cons e at on:

Th at h th at a s ae to b u has b at a h s not e ss fa ou abe to th KBH G ou than th at h th KBH G ou u has s, o ou b abe to u has s a at a s f o ne e ne nt th a te s ha ng e ga to th uant t an oth on t ons of th u has . To fa tat th KBH G ou n e t n ng th e a ng a e t , th KBH G ou ons e th s off e b ne e ne nt th a t su e s of s a at a s (bas on s a a ount an s a se f at ons). In a t u a , h e a o at , th e e ant u has ng e a t e nt of th KBH G ou obta n quotat ons f o ff e nt su e s (both th Ha ga n G ou an th ne e ne nt th a t su e s) an on to th oe e nt of a e t f o t e to t e .

Th Ha ga n G ou g ant a e t e o of 60 a s to th KBH G ou . Th ons e at on b s tte n ash.

14.58(4)
14A.68(4)

Th tabe b o s ts out th h sto a f gu e s an th E st ng Annu a Ca s une th E st ng KBH Pu has F a e o Agee e nt an th P o os Annu a Ca s une th N KBH Pu has F a e o Agee e nt.

31 2017		31 201		31 201			31 2020	31 2021	31 2022
					(30 201)	(31 201)			
('000)		('000)		('000)			('000)	('000)	('000)
520,000	493,118	572,000	565,709	629,000	415,749	554,332	610,000	640,000	672,000

: Th s s are st at f gu e b st a ght- n u t at on f o th a tua u has u ng th n n onths e ne 30 S b 2019.

14.58(5)
14A.68(4)

Th P o os Annu a Ca s une th N KBH Pu has F a e o Agee e nt e e e n th e e n to th nt na e t on of th u has s ha ng e ga to ( ) th h sto a a ount of u has of at a s fo th o u t on of PCBs su h as o e ba s an b ts b th KBH G ou f o th Ha ga n G ou ; ( ) th ant at g o th n e an of su h at a s; ( ) th ant at n e as n a e t of su h at a s; an ( ) nf at on. Th P o os Annu a Ca s fo th N KBH Pu has F a e o Agee e nt fo th e a s e n ng 31 D b 2020, 2021 an 2022 ae a u at bas on: ( ) fo th e a e n ng 31 D b 2020, th e st at annu a e a ount n 2019 th an annu a g o th at of 10%; an ( ) fo th e a s e n ng 31 D b 2021 an 2022, an annu a g o th at of 5%. Th KBH De to s (n u ng th INEDs of KBH) ae of th e th at th P o os Annu a Ca s une th N KBH Pu has F a e o Agee e nt ae fa an e asonab e .

On 25 O tob 2019, KBL e nt e nto a s f a e o agee e nt t Ha ga n (t) n e at on to t s of o e an a nat s b t KBL G7H7F3 1 Tf 8.231 0 TD 31 0 TD 31 0 TD 3142. D ta sat s TD 1 Agee e nt

On 25 Octob 2019, KBL e nt e nto a u chas f a e o agee e nt th Ha ga n (th) ne at on to th u chas of c tan at a s fo th o u ct on of a nat s su ch as b ts an a ch n e s fo th Ha ga n G ou b th KBL G ou . D ta s of th N KBL Pu chas F a e o Agee e nt a e s t out b o :

Dat : 25 Octob 2019 14.58(3)

Pa te s: (1) Ha ga n

(2) KBL

Natu e of t ansa ct on: Pu suant to th N KBL Pu chas F a e o Agee e nt, th KBL G ou agee s to u chas c tan at a s fo th o u ct on of a nat s su ch as b ts an a ch n e s fo th Ha ga n G ou . 14.60(1)

Th a ount of at a s to b u chas s not f e but s to b e ct n an agee b t een th a t e s f o t e to t e . Th KBL G ou not b ob gat to u chas a n u a ount of at a s f o th Ha ga n G ou an th Ha ga n G ou not b ob gat to s an s t q uant t of at a s to th KBL G ou u ng th t of th N KBL Pu chas F a e o Agee e nt.

Th a ctua q uant t , se c f cat on an c (th e f e n c to th e a ng a e t c) of at a s su ch as b ts an a ch n e s une th N KBL Pu chas F a e o Agee e nt b sub ct to th n ua o e s a c b th KBL G ou th th Ha ga n G ou .

T : Th ee e a s f o 1 Janua 2020 to 31 D c b 2022, both a s n c u s e .

Cons e at on: Th c at h ch th at a s a e to b u chas b at a c h ch s not e ss fa ou ab e to th KBL G ou than th c at h ch th KBL G ou u chas s, o ou b ab e to u chas , s a at a s f o n e e n e nt th a t e s h a ng e ga to th q uant t an oth c on t ons of th u chas . To fa c tat th KBL G ou n e ct n ng th e a ng a e t c , th KBL G ou c ons e th c s off e b n e e n e nt th a t su e s of s a at a s (bas on s a a ount an s a se c f c at ons). In a t c u a , h e a o at , th e e ant u chas ng e a t e nt of th KBL G ou obta n q uotat ons f o ff e nt su e s (both th Ha ga n G ou an th n e e n e nt th a t su e s) an on to th oe e nt of a e t c f o t e to t e .

Th Ha ga n G ou g ant a c t e o of 60 a s to th KBL G ou . Th c ons e at on b s tt e n c ash.

14.58(4)
14A.68(4)

The table below sets out the historical figures and the Existing Annual Caps and Proposed Annual Caps under each of the following agreements: (i) the Existing KBL Supply Framework Agreement and the New KBL Supply Framework Agreement; and (ii) the Existing KBL Purchase Framework Agreement and the New KBL Purchase Framework Agreement.

31	2017	31	2018	31	(30 2019)	(31 2019)	31 2020	31 2021	31 2022
('000)		('000)		('000)			('000)	('000)	('000)
700,000	659,021	770,000	702,935	847,000	394,550	526,067	568,000	625,000	687,000

Note: These are estimated figures by straight-line calculation for the actual sales during the nine months ended 30 September 2019.

31	2017	31	2018	31	(30 2019)	(31 2019)	31 2020	31 2021	31 2022
('000)		('000)		('000)			('000)	('000)	('000)
350,000	270,285	385,000	366,706	424,000	216,119	288,159	345,000	362,000	380,000

Note: These are estimated figures by straight-line calculation for the actual purchases during the nine months ended 30 September 2019.

T P o os Annua Ca s une e a of t N KBL S F a e o Agee e nt an t N KBL P as F a e o Agee e nt e e e t t e e n to t t na e t on of t t ansa t ons to b ae a ng e ga to ( ) t sto a a o unt of s of o e an a nat s b t KBL G o to t Ha ga n G o ; ( ) t ant at g o t n e an of s at a s; ( ) t ant at n e as n a e t of s at a s; an ( ) nf at on.

T P o os Annua Ca s fo t N KBL S F a e o Agee e nt fo t e a s e n ng 31 D b 2020, 2021 an 2022 ae a at bas on ( ) fo t e a e n ng 31 D b 2020, t e st at annua e a o unt n 2019 t an annua g o t at of 8%; an ( ) fo t e a se n ng 31 D b 2021 an 2022, an annua g o t at of 10%. T KBH De to s (n ng t INEDs of KBH) an t KBL De to s (n ng t INEDs of KBL) ae of t e t at t P o os Annua Ca s une t N KBL S F a e o Agee e nt ae fa an e asonab .

T P o os Annua Ca s une t N KBL P as F a e o Agee e nt e e e t t e e n to t nt na e t on of t as s to b n e a ng e ga to ( ) t n a a an e nt of t a e s o e b t Ha ga n G o ; ( ) t ant at g o t n e an of b ts an a e s; ( ) t ant at n e as n o t on of a e s b t Ha ga n G o ; an ( ) nf at on.

Pursuant to the New KBH Purchase Framework Agreement, the Ha ga n Group shall o ud

In light of the above, the KBH Directors (including the INEDs of KBH) are of the view that the New Continuing Connected Transaction Agreements are on normal commercial terms and in the ordinary and usual course of business of the KBH, and are fair and reasonable and in the interests of KBH and the KBH Shareholders as a whole. The KBL Directors (including the INEDs of KBL) are of the view that each of the New KBL Supply Framework Agreement and

Ha ga n s a so e ga e as a onn e son of KBL. A o ng , t t ansa t ons ont at une t N KBL Pu as F a e o Agee e nt an t N KBL Su F a e o Agee e nt onst tut ont nu ng onn t ansa t ons of KBL une C a 14A of t L st ng Ru s.

M . C ung K o Wa, M . C ung K o K ung, M . C ung K o P ng, M . La Ka Po an M . C ung Ka Ho a b ng a KBL De to o s a so, as t as a b , a e to an /o s ae o e of Ha ga n, ae absta n f o ot ng at t ee t ng of t boa of e to s of KBL a o ng t N KBL Pu as F a e o Agee e nt, t N KBL Su F a e o Agee e nt an t e se t e P o os Annua Ca s.

As t g st a abe e ntag at o (une C a 14A of t L st ng Ru s) of t agge gat a ount on an annua bas s une e a of t N KBL Su F a e o Agee e nt foe a of t t e e a se n ng 31 D b 2020, 2021 an 2022 e s 0.1% but s o e t an 5%, t t ansa t ons ont at une t N KBL Su F a e o Agee e nt ae sube t to o and t t annua e e , e o t ng an announ e nt q ue e nts b KBL une C a 14A of t L st ng Ru s but e f o t u a an t ne e ne nt s ae o e s' a o a q ue e nts.

As t g st a abe e ntag at o (une C a 14A of t L st ng Ru s) of t a ount on an annua bas s une t N KBL Pu as F a e o f oo12.5(e a)12.8.8

In th s announc e nt, unle ss oth e n cat o th cont t oth e s eq u e s, th
fo o nge e ss ons sha hae th fo o ng e an ngs:

"conn ct e son"	has th e an ng asc b to t une th L st ng Ru s
"E st ng Annua Ca s"	th annua ca s fo th E st ng Cont nu ng Conn ct T ansac t on Agee e nts fo th three e a se n ng 31 Dec b 2019
"E st ng Cont nu ng Conn ct T ansac t on Agee e nts"	th E st ng KBH Pu chas F a e o Agee e nt, E st ng KBL Pu chas F a e o Agee e nt an E st ng KBL Su F a e o Agee e nt
"E st ng KBH Pu chas F a e o Agee e nt"	th agee e nt at 26 Octob 2016e nt e nto b t ee n KBH an Ha ga n fo th u chas of c ta n at a s fo th o uc t on of PCBs, e ta s of h ch ae e sc b n th o nt announc e nt of KBH an KBL ofe e n at
"E st ng KBL Pu chas F a e o Agee e nt"	th agee e nt at 26 Octob 2016e nt e nto b t ee n KBL an Ha ga n fo th u chas of c ta n at a s fo th o uc t on of a nat s, e ta s of h ch ae e sc b n th o nt announc e nt of KBH an KBL ofe e n at
"E st ng KBL Su F a e o Agee e nt"	th agee e nt at 26 Octob 2016e nt e nto b t ee n KBL an Ha ga n fo th su of co e an a nat s, e ta s of h ch ae e sc b n th o nt announc e nt of KBH an KBL ofe e n at
"Ha ga n"	Ha ga n Manag e nt L t , a co an nco o at n th B t sh V g n Is an s th t ab t
"Ha ga n G ou "	Ha ga n an ts subs ae s
"HKD"	Hong Kong o a s, th a fu cu e nc of Hong Kong
"Hong Kong"	th Hong Kong Se c a A n st at e Re g on of th Pe o e 's Re ub c of Ch na
"INEDs"	th ne e ne nt none e cut e e cto s of KBH o KBL, as th cas a b
"KBH"	K ngboa Ho ngs L t (stoc coe : 148), a co an nco o at n th Ca an Is an s th t ab t , th sh ae s of h ch ae st on th a n boa of th Stoc E chang

KBH De to (s)	te e to (s) of KBH
KBH G ou	KBH an ts subs ae se ng te KBL G ou
KBH Sae (s)	o na sae (s) of no na a of HKD0.10e a n te ssq sae a ta of KBH
KBH Sae oe (s)	oe (s) of te KBH Sae
KBL	K ngboa La nat s Ho

"N KBL Su F a e o Agee e nt"	t agee e nt at 25 O tob 2019 e te nto b t ee n KBL an Ha gan ne at on to t su of o e an a nat s b t KBL G ou to t Ha gan G ou fo a of t ee e a s f o 1 Janua 2020 to 31 D b 2022
"PCB(s)"	a on fo t u t boa , a f at an o os t a t nat ng ae s of t on u to s an e e t a nsu at on, t a t onn t b on u t e s; PCBs o e atfo s to onn t s on u to s an ot e e t on , o t a o e an a e s to fo a u t o fun t ona s st
"P o os Annua Ca s"	t o os annua a s fo t t ansa t ons ont at une e a of t N Cont nu ng Conn t T ansa t on Agee e nts
"Sto E ang"	T Sto E ang of Hong Kong L
"%"	e nt

B O e of t boa of e to s [illegible]

B O e of t boa of e to s [illegible]

Hong Kong, 25 O tob 2019

A [illegible]

A [illegible]