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Reach New Holdings Limited

新達控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8471)

GRANT OF SHARE OPTIONS

This announcement is made pursuant to Rule 23.06A of the Rules Governing the Listing of Securities on GEM (the “**GEM Listing Rules**”) of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

The board (the “**Board**”) of directors (the “**Directors**”) of Reach New Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) announces that on 18 May 2020, a total of 80,000,000 share options (the “**Option(s)**”) to subscribe for ordinary shares of nominal value of HK\$0.01 each in the share capital of the Company (the “**Share(s)**”) under the share option scheme of the Company adopted on 24 June 2017 were granted to two Directors, an employee of the Company and a director of a subsidiary of the Company (collectively, the “**Grantees**”), subject to the approval of independent shareholders of the Company and the acceptance of the Grantees. Details of the grant of Options are set out below:

- | | | |
|-----------------------------------|---|---|
| Date of grant | : | 18 May 2020 |
| Exercise price of Options granted | : | Each Option shall entitle the holder of the Option to subscribe for one Share upon exercise of such option at an exercise price of HK\$0.380 per Share, which is the highest of: <ul style="list-style-type: none">i. the closing price of HK\$0.380 per Share as quoted in the Stock Exchange’s daily quotation sheet on the date of grant;ii. the average closing price of HK\$0.184 per Share as quoted in the Stock Exchange’s daily quotation sheet for the five business days immediately preceding the date of grant; andiii. the nominal value of HK\$0.01 per Share. |
| Number of Options granted | : | 80,000,000 (each Share Option shall entitle the holder of the Share Option to subscribe for one Share) |

Closing price of the Shares on the date of grant	:	HK\$0.380 per Share
Validity period of the Options	:	Ten years from the date of grate, i.e. from 18 May 2020 to 17 May 2030 (both dates inclusive)
Vesting Schedule of the Options	:	For Mr. Lam Kai Yuen and Mr. Lam Kai Cheong, the executive Directors, and an employee of the Company:

50% of the Options will be vested on 18 May 2021; and the remaining 50% of the Options will be vested on 18 May 2022.

For Mr. Yan Yiming* (晏藝銘)(“**Mr. Yan**”), the vesting of the Options is conditional upon the fulfillment of performance targets set out as follows :

- (i) If 廣州半城雲信息科技有限公司 (Guangzhou Banchengyun Information Technology Co. Ltd.)(“**Guangzhou Banchengyun**”), a non-wholly owned subsidiary of the Company established in the PRC, can achieve an accumulated revenue of RMB2,000,000 to RMB6,000,000 by 30 April 2021, Mr. Yan will be vested with 15,000,000 Options on 18 May 2022;
- (ii) If Guangzhou Banchengyun can achieve an accumulated revenue of RMB6,000,000 to RMB10,000,000 and not having a loss before tax of more than RMB1,500,000 by 30 April 2021, Mr. Yan will be vested with 25,000,000 Options on 18 May 2022; or
- (iii) If Guangzhou Banchengyun can achieve an accumulated revenue of RMB10,000,000 or more and having a profit before tax of RMB1,000,000 or more by 30 April 2021, Mr. Yan will be vested with 40,000,000 Options on 18 May 2022.

The financial performance of Guangzhou Banchengyun as at 30 April 2021 shall be evaluated by an independent PRC auditor.

If the performance targets are not fulfilled by 30 April 2021, the Company reserves the right to cancel the Options granted to Mr. Yan.

Among the total of 80,000,000 Options granted (subject to the approval of independent shareholders of the Company), 77,000,000 Options were granted to Directors and a director of a subsidiary of the Company, the details of which are as follows:

Name of Directors	Position/Capacity	Number of Options Granted
Mr. Lam Kai Yuen	Executive Director	18,500,000
Mr. Lam Kai Cheong	Executive Director	18,500,000
Mr. Yan	Director and substantial shareholder of Guangzhou Banchengyun	40,000,000
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		77,000,000

* *For identification purposes only*

In accordance with Rule 23.04(1) of the GEM Listing Rules, the grant of Options to each of the above Directors and the director of Guangzhou Banchengyun has been approved by the independent non-executive Directors.

Save as disclosed in this announcement, none of the Grantees is a Director, chief executive or substantial shareholder of the Company or any of their respective associates (as defined under the GEM Listing Rules) as at the date of this announcement.

Given that (a) the total number of Shares to be issued upon exercise of the Options granted to Mr. Lam Kai Yuen and Mr. Lam Kai Cheong, each represents in aggregate over 0.1% of the Shares in issue and having an aggregate value in excess of HK\$5 million, based on the closing price of the Shares of HK\$0.380 per Share on 18 May 2020; and (b) the total number of Shares to be issued upon exercise of the Options granted to an employee of the Company and Mr. Yan, respectively would in a 12-month period exceed 1% of the Shares in issue, pursuant to the GEM Listing Rules, the grant of the Options to each of the Grantees is conditional upon the approval by the independent shareholders of the Company at the forthcoming extraordinary general meeting of the Company (the “EGM”) to be convened. Mr. Lam Kai Yuen, Mr. Lam Kai Cheong and Mr. Yan, their respective associates and all core connected persons of the Company shall abstain from voting in favour at the EGM.

A circular containing information relating to the grant of the Options to Mr. Lam Kai Yuen, Mr. Lam Kai Cheong and Mr. Yan as required under the GEM Listing Rules, and a notice of the EGM are expected to be despatched to the shareholders of the Company in due course.

By order of the Board
Reach New Holdings Limited
Lam Kai Yuen
Executive Director

Hong Kong, 18 May 2020

As at the date of this announcement, the chairman and non-executive Director is Mr. Lam Cheung Chuen; the executive Directors are Mr. Lam Kai Yuen and Mr. Lam Kai Cheong; and the independent non-executive Directors are Mrs. So Chan Wai Hang, Mr. Ho Yuk Hay and Mr. Moy Yee Wo, Matthew.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM 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 announcement 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 announcement misleading.

This announcement will remain on the GEM's website at www.hkgem.com on the "Latest Company Announcements" page for at least 7 days from the date of its posting and on the website of the Company at www.sthl.com.hk.