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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 (the “**GEM Listing Rules**”) Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

The board (the “**Board**”) of directors (the “**Director(s)**”) of Reach New Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) hereby announces that on 26 March 2024 (the “**Date of Grant**”), the Company has granted, subject to acceptance of the grantees, 80,000,000 share options (the “**Share Options**”) to individuals (the “**Grantees**”) under the share option scheme adopted by the Company on 24 June 2017 (the “**Share Option Scheme**”). The Share Options shall entitle the Grantees to subscribe for a total of 80,000,000 new ordinary shares of HK\$0.01 each (the “**Share(s)**”) in the share capital of the Company, representing approximately 8.4% of the issued share capital of the Company. Details of the Share Options granted are set out below:

Date of Grant:	26 March 2024
Number of Share Options granted:	80,000,000 Share Options, each entitles its holder to subscribe for one (1) Share
Exercise price of Share Options granted:	HK\$0.10 per Share, which represents a premium of 6.38% over HK\$0.094, which is the highest of: the closing price of HK\$0.094 per Share as stated in the daily quotation sheets issued by the Stock Exchange on the Date of Grant; and the average closing price of HK\$0.0916 per Share as stated in the daily quotation sheets issued by the Stock Exchange for the five (5) trading days immediately preceding the Date of Grant; and the nominal value of HK\$0.01 per Share.

Closing price of the Shares on the Date of Grant:	HK\$0.094
Validity period of the Share Options:	The Share Options shall have a validity period of two (2) years from the Date of Grant to 25 March 2026 (both dates inclusive).
Vesting period:	The Share Options granted must be held by the Grantees for twelve (12) months from the Date of Grant before the Share Options can be exercised.
Performance target:	There is no specific performance target attached to the Share Options. The purpose of the Share Option Scheme is to provide incentives or rewards to participants thereunder for their contribution to the Group and/or to enable the Group to recruit and retain high-calibre employees and attract human resources that are valuable to the Group and any entity in which the Group holds any equity interest. Having considered that (1) the Share Options to be granted will give the Grantees an opportunity to have a personal stake in the Company; and (2) the value of the Share Options shall be subject to the market performance of the Shares, which in turn depends on the performance of the Group, to which the Grantees would directly contribute, the remuneration committee of the Company (the “ Remuneration Committee ”) and the Board consider that notwithstanding the absence of performance target set for each Grantee individually, the grant of the Share Options aligns with the purpose of the Share Option Scheme to incentivize the Grantees to contribute to the Group’s business development.
Financial assistance:	There is no arrangement for the Group to provide any financial assistance to the Grantees to facilitate the purchase of the Shares by exercising the Share Options.

Clawback mechanism: The Share Options granted are not subject to any clawback mechanism but shall lapse (to the extent not already exercised) on the date when the Grantee(s) ceases to be an eligible participant under the Share Option Scheme.

The Board and the Remuneration Committee consider that a specific clawback mechanism is not necessary, having considered that the lapse of the Share Options upon the Grantee(s) cease to be an eligible participant under the Share Option Scheme, which is in line with the purpose of the Share Option Scheme and in the interests of the Company.

Among the 80,000,000 Share Options granted, 10,450,000 Share Options were granted to the Directors, details of which are as follows:

Name of the Grantee	Position	Number of Share Options granted
1. Ms. Sha Xuanyi ("Ms. Sha")	Chairlady, executive Director and substantial shareholder of the Company	950,000
2. Mr. Li Rongsheng ("Mr. Li")	Chief executive officer and executive Director	9,500,000
Sub-total		10,450,000
3. A total of 17 employees of the Group		69,550,000
Total		<u>80,000,000</u>

The grant of Share Options to Ms. Sha, a Director and a substantial shareholder, and Mr. Li, a Director, has been approved by the independent non-executive Directors in accordance with Rule 23.04(1) of the GEM Listing Rules. The grant of Share Options to Ms. Sha shall be subject to the limit of 0.1% of the total number of issued shares in every 12-months period.

Each of Ms. Sha Xuanyi and Mr. Li Rongsheng has abstained from voting in the Board meeting so far as the resolution for the approval of the grant of Share Options to each of them was concerned.

Save as disclosed in this announcement, none of the Grantees of the Share Options is (i) a director, chief executive or substantial shareholder of the Company, nor an associate (as defined under the GEM Listing Rules) of any of them; (ii) a participant with Share Options granted or to be granted exceeding 1% individual limit under the GEM Listing Rules; or (iii) a service provider or a related entity participant (as defined under the GEM Listing Rules). None of the grant will be subject to approval of the Shareholders.

After the grant of Share Options, no Shares are available for future grants under the scheme mandate limit of the Share Option Scheme. No service provider sublimit was set under the Share Option Scheme.

By order of the Board
Reach New Holdings Limited
Sha Xuanyi
Chairlady and Executive Director

Hong Kong, 26 March 2024

As at the date of this announcement, the executive Directors are Ms. Sha Xuanyi (Chairlady), Mr. Lam Kai Yuen, Mr. Lam Kai Cheong and Mr. Li Rongsheng (Chief Executive Officer); and the independent non-executive Directors are Mr. Liu Mingxiao, Mr. Zhu Honghai and Mr. Lin Kin-Chin.

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 Stock Exchange's website at www.hkexnews.hk on the "Latest Listed 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.