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Stella International Holdings Limited
九興控股有限公司*

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1836)

GRANT OF SHARE OPTIONS

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

The board (the “**Board**”) of directors (the “**Directors**”) of Stella International Holdings Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) announces that on 17 March 2023, the Company granted a total of 19,760,000 share options (the “**Share Options**”) to certain eligible employees (the “**Grantees**”), subject to their acceptance, under the share option scheme adopted by the shareholders (the “**Shareholders**”) of the Company on 19 May 2017 (the “**Share Option Scheme**”). The grant of share options under the Share Option Scheme will serve to protect the value of the Company as well as achieve the purposes of retaining and motivating the participants to contribute to the development and growth of the Group for the benefits of the Shareholders. Details of the Share Options granted are as follows:

Date of grant : 17 March 2023 (the “**Date of Grant**”)

Grantees : There were 56 Grantees in total, including

- three Directors, namely Mr. Chi Lo-Jen (who is also the Chief Executive Officer of the Group), Mr. Gillman Charles Christopher (who is also a vice president of a wholly-owned subsidiary of the Company) and Mr. Chiang Yi-Min, Harvey (who is also a vice president of a wholly-owned subsidiary of the Company).

* For identification purpose only

Save as disclosed above, none of the Grantees is a Director, chief executive or substantial shareholder of the Company, or an associate (as defined under the Listing Rules) of any of them. In accordance with Rule 17.04(1) of the Listing Rules, the grants of Share Options to Mr. Chi Lo-Jen, Mr. Gillman Charles Christopher and Mr. Chiang Yi-Min, Harvey have been approved by the independent non-executive Directors; and

- 53 other employees of the Group (the “**Employees**”).

Number of Share Options granted : A total of 19,760,000 Share Options, each entitling the holder to subscribe for one ordinary share of HK\$0.10 each in the share capital of the Company (the “**Share**”) on exercise, have been granted, including

- 1,500,000 Share Options granted to Mr. Chi Lo-Jen;
- 450,000 Share Options granted to Mr. Gillman Charles Christopher;
- 1,200,000 Share Options granted to Mr. Chiang Yi-Min, Harvey; and
- 16,610,000 Share Options granted to the 53 Employees.

Exercise price of Share Options granted : HK\$7.65 to subscribe for one Share on the exercise of a Share Option

Closing market price of the Shares on the Date of Grant : HK\$7.65 per Share

Vesting period and exercise period of Share Options : The Share Options granted shall be valid for a period commencing on the date of acceptance of the offer thereof and ending on 16 March 2033 (the “**Expiry Date**”), subject to the following vesting conditions:

- the first batch of the Share Options (i.e. 6,470,000 Share Options, including 500,000 Share Options granted to Mr. Chi Lo-Jen, 150,000 Share Options granted to Mr. Gillman Charles Christopher, 400,000 Share Options granted to Mr. Chiang Yi-Min, Harvey and 5,420,000 Share Options granted to the 53 Employees) shall become vested on the first anniversary of the Date of Grant, i.e. 17 March 2024 (the “**2024 Vesting Date**”). Accordingly, such Share Options will be exercisable by the Grantees during the period from the 2024 Vesting Date to the Expiry Date;
- the second batch of the Share Options (i.e. 6,470,000 Share Options, including 500,000 Share Options granted to Mr. Chi Lo-Jen, 150,000 Share Options granted to Mr. Gillman Charles Christopher, 400,000 Share Options granted to Mr. Chiang Yi-Min, Harvey and 5,420,000 Share Options granted to the 53 Employees) shall become vested on the second anniversary of the Date of Grant, i.e. 17 March 2025 (the “**2025 Vesting Date**”). Accordingly, such Share Options will be exercisable by the Grantees during the period from the 2025 Vesting Date to the Expiry Date; and
- the third batch of the Share Options (i.e. 6,820,000 Share Options, including 500,000 Share Options granted to Mr. Chi Lo-Jen, 150,000 Share Options granted to Mr. Gillman Charles Christopher, 400,000 Share Options granted to Mr. Chiang Yi-Min, Harvey and 5,770,000 Share Options granted to the 53 Employees) shall become vested on the third anniversary of the Date of Grant, i.e. 17 March 2026 (the “**2026 Vesting Date**”). Accordingly, such Share Options will be exercisable by the Grantees during the period from the 2026 Vesting Date to the Expiry Date.

Performance target : The purpose of the Share Option Scheme is to enable the Group to grant Share Options to the eligible participants as incentives or rewards for their contribution to the Group. The Share Options have been granted (the “**Grant**”) to the relevant Directors and certain senior managers of the Group (the “**Relevant Grantees**”) taking into account their future contribution to the Group. The Grant has been made subject to no specific performance target to reward the Relevant Grantees and is, at the same time, also meant to provide an incentive for the Relevant Grantees to execute the Group’s strategic plan over the next three years, which is in line with the objectives of the Share Option Scheme.

Notwithstanding the absence of performance targets, the remuneration committee of the Board (the “**Remuneration Committee**”) is of the view that the Grant could serve to retain the Relevant Grantees and motivate them to contribute further to the development of the Group for the following reasons: (1) the Grant is in itself a formal and official recognition of, and a show of appreciation for, the dedication and excellence the Relevant Grantees have all along demonstrated in their respective positions, and such rewards could help increase their loyalty to the Group; (2) as Directors or senior managers of the Group, the Relevant Grantees are in a direct position to drive the Group’s operational and financial performances; under the Grant, the Relevant Grantees will have the opportunity to share the results achieved by the Group and be rewarded for their effort at work, and they will therefore have added incentives to stay with the Group and work towards continuous improvements in business performance, sound corporate governance and sustainable growth of the Group; and (3) under the vesting conditions, the Share Options will be vested in tranches over a period of three years from the Date of Grant, and the Relevant Grantees will be incentivised to service the Group for a relatively long term. By aligning the interests of the Group, the Shareholders and the Relevant Grantees, the Grant could reinforce the Relevant Grantees’ commitment to the long-term development and growth of the Group, thereby achieving the objectives of the Share Option Scheme.

Clawback mechanism : Under the Share Option Scheme, a Share Option shall be personal to the relevant Grantee and shall not be transferable or assignable. Any breach of the foregoing by a Grantee shall entitle the Company to cancel any Share Option granted to the Grantee to the extent not already vested and/or exercised. Otherwise, a Share Option granted but not exercised may only be cancelled with the prior written consent of the relevant Grantee and the approval of the Directors.

In addition, the Share Options will lapse under any of the following conditions:

- on the Expiry Date, all Share Options that are not already vested, or vested but not already exercised, will lapse;
- if a Grantee ceases to be an eligible employee for any reason other than his death, ill-health, disability, or retirement, all Share Options granted to the Grantee that are not already vested will lapse; and
- if a Grantee ceases to be an eligible employee by reason of termination of his employment on the grounds that he has been guilty of misconduct or breach of his contract of employment, or has been convicted of any criminal offence (other than an offence which in the opinion of the Directors does not bring the Grantee or any member of the Group into disrepute), all Share Options granted to the Grantee that are not already vested, or vested but not already exercised, will lapse.

Under the Share Option Scheme, there exists no arrangement for the Company or any of its subsidiaries to provide financial assistance to any Grantee to facilitate their subscription for the Shares under the Share Option Scheme.

Pursuant to the rules of the Share Option Scheme, the total number of Shares which may be allotted and issued upon exercise of all Options (excluding, for this purpose, options which have lapsed in accordance with the terms of the Share Option Scheme and any other share option scheme of the Group) to be granted under the Share Option Scheme and any other share option scheme of the Group must not in aggregate exceed 10% of the Shares in issue as at the date of approval of the Share Option Scheme, i.e. 79,437,950 Shares (the “**Scheme Mandate**”). Taking into account the Grant and all share options previously granted under the Share Option Scheme (excluding those which have lapsed), the number of Shares available for future grants under the Scheme Mandate is 8,197,950 Shares.

By order of the Board
Stella International Holdings Limited
Chen Li-Ming, Lawrence
Chairman

Hong Kong, 17 March 2023

As at the date of this announcement, the executive Directors are Mr. Chen Li-Ming, Lawrence, Mr. Chi Lo-Jen, Mr. Gillman Charles Christopher and Mr. Chiang Yi-Min, Harvey; and the independent non-executive Directors are Mr. Chen Johnny, Mr. Bolliger Peter, Mr. Chan Fu Keung, William, BBS, Mr. Yue Chao-Tang, Thomas, Ms. Shi Nan Sun and Ms. Wan Sin Yee, Cindy.