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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)

**COMPLETION OF PLACING OF NEW SHARES
UNDER GENERAL MANDATE**

Placing Agent



RUIBANG SECURITIES LIMITED

Reference is made to the announcement of Reach New Holdings Limited (the “**Company**”) dated 2 January 2024 (the “**Announcement**”) in relation to Placing of new Shares under General Mandate and change in use of proceeds from the Listing. Unless otherwise stated, the capitalised terms used herein shall have the same meaning as those defined in the Announcement.

COMPLETION OF PLACING OF NEW SHARES UNDER GENERAL MANDATE

The Board is pleased to announce that the Completion took place on 18 January 2024 and, in accordance with the terms and conditions of the Placing Agreement, the Placing Agent has successfully placed an aggregate of 100,000,000 Placing Shares, representing (i) 11.76% of the issued share capital of the Company immediately before the Placing and (ii) approximately 10.53% of the issued share capital of the Company as enlarged by the allotment and issue of 100,000,000 Placing Shares as at the date of this announcement, to 7 independent Placees at the Placing Price of HK\$0.08 per Placing Share.

To the best of the Directors’ knowledge, information and belief, having made all reasonable enquiries, each of the Placees and its ultimate beneficial owners (where applicable) is an Independent Third Party and none of the Placees have become a substantial shareholder (as defined in the GEM Listing Rules) as a result of the Placing.

The gross proceeds and the net proceeds (after deducting the placing fee and other related expenses incurred in the Placing) from the Placing are expected to be HK\$8.0 million and approximately HK\$7.7 million, respectively.

It is expected that (i) approximately HK\$6.9 million, representing approximately 90% of the net proceeds, will be used for developing the sales and production of functional garment products, out of which (a) approximately HK\$3.1 million, representing approximately 40% of the net proceeds, will be used for expansion of the production plant for functional garment, including renting and setting up of the production plant for manufacture of functional garment and hiring staff members for development and manufacture of functional garment; (b) approximately HK\$2.3 million, representing approximately 30% of the net proceeds, will be used for acquisition of the machineries for manufacture and processing of functional garment; and (c) approximately HK\$1.5 million, representing approximately 20% of the net proceeds, will be used for purchasing raw materials and semi-finished products for further processing at the Group's production plant; and (ii) approximately HK\$0.8 million, representing approximately 10% of the net proceeds, will be used for general working capital of the Company.

The shareholding structure of the Company immediately before and after the Completion is set out as follows:

Shareholders	Immediately before the Completion		Immediately after the Completion	
	Number of Shares	%	Number of Shares	%
<i>Directors</i>				
Mr. Li Rongsheng (<i>Note 1</i>)	90,000,000	10.59	90,000,000	9.47
Ms. Sha Xuanyi (<i>Note 2</i>)	132,400,000	15.58	132,400,000	13.94
<i>Public Shareholders</i>				
— Places	—	—	100,000,000	10.53
— Other public	<u>627,600,000</u>	<u>73.83</u>	<u>627,600,000</u>	<u>66.06</u>
Total	<u>850,000,000</u>	<u>100%</u>	<u>950,000,000</u>	<u>100%</u>

Notes:

- Mr. Li Rongsheng is an executive Director and the Chief Executive Officer of the Company, who beneficially owned 90,000,000 Shares, representing approximately 10.59% of the issued share capital of the Company before the Completion.
- Ms. Sha Xuanyi is an executive Director, who beneficially owned 132,400,000 Shares, representing approximately 15.58% of the issued share capital of the Company before the Completion.

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

Hong Kong, 18 January 2024

As at the date of this announcement, the executive Directors are Mr. Lam Kai Yuen (Chairman), Mr. Lam Kai Cheong, Mr. Li Rongsheng (Chief Executive Officer) and Ms. Sha Xuanyi; 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 website of the Stock Exchange at www.hkexnews.hk 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.