



Reach New Holdings Limited 新達控股有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 8471

2025

INTERIM REPORT

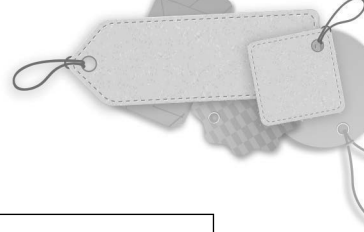
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*This report, for which the directors (the "**Directors**" or individually, a "**Director**") of Reach New Holdings Limited (the "**Company**") collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the "**GEM Listing Rules**") for the purpose of giving information with regard to the Company and its subsidiaries (collectively the "**Group**"). The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this report 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 report misleading.*



HIGHLIGHTS

- The Group recorded an unaudited revenue of approximately RMB37.8 million for the six months ended 30 June 2025 (six months ended 30 June 2024: approximately RMB39.7 million), representing a decrease of approximately 4.8% over the corresponding period of 2024.
- The unaudited loss of the Group for the six months ended 30 June 2025 amounted to approximately RMB5.2 million (six months ended 30 June 2024: unaudited loss of approximately RMB6.5 million).
- The basic loss per share for the six months ended 30 June 2025 was RMB0.5 cent (six months ended 30 June 2024: basic loss per share of RMB0.7 cent).
- The board of Directors resolved not to declare an interim dividend for the six months ended 30 June 2025 (six months ended 30 June 2024: nil).

FINANCIAL INFORMATION FOR THE SIX MONTHS ENDED 30 JUNE 2025

The board of Directors (the “**Board**”) of the Company is pleased to present the unaudited condensed consolidated financial results of the Group for the six months ended 30 June 2025, together with the comparative unaudited figures for the corresponding period in 2024, as follows:

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2025

	Notes	Six months ended 30 June	
		2025 RMB'000 (Unaudited)	2024 RMB'000 (Unaudited)
Revenue	4	37,841	39,709
Cost of sales		(26,795)	(28,964)
Gross profit		11,046	10,745
Other income, gains and losses		208	403
Distribution and selling expenses		(2,091)	(2,549)
Administrative expenses		(14,031)	(15,003)
Finance costs		(31)	(46)
Loss before tax		(4,899)	(6,450)
Income tax expenses	5	(312)	(34)
Loss and total comprehensive expense for the period	6	(5,211)	(6,485)
Loss and total comprehensive expense for the period attributable to:			
Owners of the Company		(5,302)	(6,485)
Non-controlling interests		91	–
Loss per share,			
— Basic and diluted (RMB cents)	8	(0.5)	(0.7)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2025

	Notes	As at 30 June 2025 RMB'000 (Unaudited)	As at 31 December 2024 RMB'000 (Audited)
NON-CURRENT ASSETS			
Property, plant and equipment	9	1,703	932
Right-of-use asset		1,300	1,350
		3,003	2,282
CURRENT ASSETS			
Inventories		2,629	2,924
Trade receivables	10	22,341	17,705
Prepayments and other receivables		11,467	7,781
Bank and cash balances		28,216	21,062
		64,653	49,472
CURRENT LIABILITIES			
Trade payables	11	10,223	8,271
Other payables and accruals		5,351	4,885
Contract liabilities		926	539
Lease liabilities		308	342
Bank borrowing		240	240
Tax payable		1,256	1,171
		18,304	15,448



		As at 30 June 2025 RMB'000 (Unaudited)	As at 31 December 2024 RMB'000 (Audited)
	Notes		
NET CURRENT ASSETS		46,349	34,024
TOTAL ASSETS LESS CURRENT LIABILITIES		49,352	36,306
NON-CURRENT LIABILITIES			
Deferred tax liability		55	55
Bank borrowing		1,020	1,140
Lease liabilities		251	308
TOTAL NON-CURRENT LIABILITIES		1,326	1,503
NET ASSETS		48,026	34,803
CAPITAL AND RESERVES			
Share capital	12	10,741	8,879
Reserves		37,285	25,924
TOTAL EQUITY		48,026	34,803

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2025

	Share capital RMB'000	Share premium RMB'000 (Note 1)	Share based payment reserve RMB'000	Other reserve RMB'000 (Note 2)	Accumulated profits RMB'000	Total RMB'000	Non-controlling interests RMB'000	Total equity RMB'000
At 1 January 2025 (Audited)	8,879	51,749	2,869	14,145	(42,840)	34,803	-	34,803
Issuance of new shares from placing of shares and exercise of share options (note 12)	1,862	16,390	-	-	-	18,251	-	18,251
Share based payment	-	-	183	-	-	183	-	183
Loss and total comprehensive expense for the period	-	-	-	-	(5,302)	(5,302)	91	(5,211)
At 30 June 2025 (Unaudited)	10,741	68,139	3,052	14,145	(48,142)	47,935	91	48,026
At 1 January 2024 (Audited)	7,321	41,488	-	14,145	(34,582)	28,372	-	28,372
Issuance of new shares from placing of shares (note 12)	1,558	10,261	-	-	-	11,819	-	11,819
Share based payment	-	-	814	-	-	814	-	814
Loss and total comprehensive expense for the period	-	-	-	-	(6,485)	(6,485)	-	(6,485)
At 30 June 2024 (Unaudited)	8,879	51,749	814	14,145	(41,067)	34,520	-	34,520

Notes:

- Pursuant to the Companies Act of the Cayman Islands and the Company's Articles of Association, the share premium of the Company is distributable to the equity holders provided that immediately following the date on which the dividend is proposed to be distributed, the Company will be in a position to pay off its debts as they fall due in the ordinary course of business.
- As part of the group reorganisation for the listing of the Company's shares on GEM of The Stock Exchange, there were series of restructuring within the Group which mainly involved interspersing investment holding entities between the operating subsidiaries and investment holding companies. The difference between the Company's share capital and the combined paid-in capital of Sun Tin Lun Garment Accessories (Huizhou) Company Limited* (新天倫服裝配料(惠州)有限公司) and Reach New Technology (Huizhou) Company Limited* (新達科技(惠州)有限公司) ("**Reach New Technology**") (formerly known as 新天倫服裝輔料(惠州)有限公司), the indirect wholly-owned subsidiaries of the Company established in the People's Republic of China (the "**PRC**"), was credited to other reserve on 30 November 2016.

* unofficial English name for identification purpose only.

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 June 2025

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Net cash used in operating activities	(9,961)	(16,424)
Investing activities		
Purchase of property, plant and equipment	(903)	(884)
Interest received	22	200
Net cash (used in)/from investing activities	(881)	(684)
Financing activities		
Net proceeds from placing of new shares under general mandate	18,251	11,819
New finance lease liabilities	–	445
Repayment of lease liabilities	(91)	(370)
Repayment of bank borrowing	(120)	–
New bank borrowing	–	1,500
Net cash from financing activities	18,040	13,394
Net increase/(decrease) in cash and cash equivalents	7,191	(3,714)
Cash and cash equivalents at the beginning of period	21,062	19,725
Effect of foreign exchange rate changes	(43)	(174)
Cash and cash equivalents at end of period, representing bank balances and cash	28,126	15,837



NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

The Company was incorporated in the Cayman Islands as an exempted company and registered in the Cayman Islands with limited liability under the Companies Act, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands on 22 January 2016. Its registered office is located at PO Box 1350, Regatta Office Park, Windward 3, Grand Cayman KY1-1108, Cayman Islands. The address of its headquarters and principal place of business is located at Unit 2502, 25th Floor, South Tower, Concordia Plaza, 1 Science Museum Road, Tsim Sha Tsui East, Kowloon, Hong Kong. The ordinary shares of the Company (the **"Shares"**) have been listed on GEM of the Stock Exchange since 21 July 2017 (the **"Listing"**).

The Company is an investment holding company. The Group is principally engaged in the provision of labelling solution and production and supply of garment accessories in the PRC. In addition, in order to diversify the business and income stream, the Group has expanded its business operations into production and trading of functional garment in the PRC and re-entered the information technology segment.

2. BASIS OF PREPARATION

The unaudited condensed consolidated financial statements of the Group for the six months ended 30 June 2025 have been prepared in accordance with accounting principles generally accepted in Hong Kong and have complied with Hong Kong Financial Reporting Standards (**"HKFRSs"**) issued by Hong Kong Institute of Certified Public Accountants (the **"HKICPA"**) and the applicable disclosure requirements of the GEM Listing Rules.

The unaudited condensed consolidated financial statements of the Group for the six months ended 30 June 2025 have been prepared under the historical cost convention.

The unaudited condensed consolidated financial statements for the six months ended 30 June 2025 have not been audited by the Company's independent auditor, but have been reviewed by the Company's audit committee.

The preparation of the unaudited condensed consolidated financial statements of the Group for the six months ended 30 June 2025 is in conformity with the HKFRSs requirements in the use of certain critical accounting estimates. The HKFRSs also require the management to exercise their judgements in the process of applying the Group's accounting policies.

The unaudited condensed consolidated financial statements of the Group for the six months ended 30 June 2025 are presented in Renminbi (**"RMB"**), which is the same functional currency of the Company.

3. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

For the six months ended 30 June 2025, the Group has adopted all the new and revised HKFRSs issued by the HKICPA that are relevant to its operations and effective for its accounting year beginning on 1 January 2025. HKFRSs comprise HKFRS; Hong Kong Accounting Standards (**"HKAS"**); and Interpretations. The adoption of these new and revised HKFRSs did not result in significant changes to the Group's accounting policies, presentation of the Group's financial statements and amounts reported for the six months ended 30 June 2025 and prior years.

4. REVENUE AND SEGMENT INFORMATION

Disaggregation of revenue from contracts with customers

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Types of products — at point in time recognition:		
Sales of printed products	14,012	13,910
Sales of woven labels	6,423	7,174
Sales of printed labels	7,473	9,355
Others	9,933	9,270
	37,841	39,709

Types of customers

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Garment brand companies	4,262	3,554
Sourcing companies designated by garment brand companies	10,575	11,660
Garment manufacturers	20,871	24,495
Others	2,133	—
	37,841	39,709

The Group sells garment accessories directly to customers and revenue is recognised when control of the goods has transferred, being when the goods have been shipped from the warehouse (delivery). Following delivery, customers have full discretion over the manner of distribution and price to sell the goods, and they also have the primary responsibility to sell and bear the risks of obsolescence and loss in relation to the goods. The normal credit term is 30 to 90 days upon delivery.

Information reported to the chief executive officer of the Group, being the chief operating decision maker (“CODM”) regularly reviews revenue analysis by major products as set out in the revenue analysis above for the purpose of resource allocation and assessment of performance. However, other than revenue analysis, no operating results and other discrete consolidated financial statements is regularly reviewed by the CODM for the purpose of resource allocation and assessment of performance of respective businesses which generate different types of revenue. The CODM reviews the operating results of the Group as a whole to make decisions about resource allocation and for performance assessment. The operation of the Group constitutes one single operating and reportable segment under HKFRS 8 “Operating Segments” and accordingly no separate segment information is presented.



Geographical information

Revenue by geographical location

The Group's operations are located in the PRC. Most of the Group's non-current assets and capital expenditure are located or utilised in the PRC.

Information about major customers

Revenue from three customers individually contributing to over 10% of the total sales is as follows:

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Customer A	10,539	11,660
Customer B	4,948	4,004
Customer C	3,780	3,541

5. INCOME TAX EXPENSES

	Six months ended 30 June	
	2025	2024
	RMB'000	RMB'000
	(Unaudited)	(Unaudited)
Current tax:		
Provision for the period	312	34

The Group is not subject to any income tax in the Cayman Islands and the BVI pursuant to the rules and regulations in those jurisdictions.

No provision for Hong Kong Profits Tax has been made as the Group had no assessable profits derived from or earned in Hong Kong for the six months ended 30 June 2025 and 2024.

The Group is subject to PRC Enterprise Income Tax ("PRC EIT") at a rate of 25% (for the six months ended 30 June 2024: 25%) and dividend withholding tax at a rate of 5% for the six months ended 30 June 2025 (for the six months ended 30 June 2024: 5%), except 新天倫服裝配料(惠州)有限公司 (Sun Tin Lun Garment Accessories (Huizhou) Company Limited*) which qualified as High and New Technology Enterprises and entitled to the preferential tax rate of 15% for the six months ended 30 June 2025.

Current tax provision represents provision for PRC EIT.

* unofficial English name for identification purpose only.

6. LOSS FOR THE PERIOD

Six months ended 30 June

2025	2024
RMB'000	RMB'000
(Unaudited)	(Unaudited)

Loss for the period has been arrived at after charging:

Directors' remuneration	1,145	1,379
Staff costs		
— salaries and wages	11,009	10,320
— retirement benefits scheme contributions, excluding directors	1,454	1,238
— share based payment	—	814
Total directors and other staff costs	13,608	13,751
Allowance for credit losses on trade receivables	475	183
Depreciation on property, plant and equipment	132	38
Depreciation of right-of-use assets	50	141

7. DIVIDEND

The Board resolved not to declare an interim dividend for the six months ended 30 June 2025 (for the six months ended 30 June 2024: nil).

8. LOSS PER SHARE

Six months ended 30 June

2025	2024
RMB'000	RMB'000
(Unaudited)	(Unaudited)

Loss for the purpose of calculating basic loss per Share

Loss for the period attributable to owners of the Company	(5,302)	(6,485)
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Six months ended 30 June

2025	2024
(Unaudited)	(Unaudited)

Number of Shares:

Weighted average number of ordinary shares for the purpose of calculating basic loss per Share	1,064,828,729	962,802,198
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During the six months ended 30 June 2025, 2,000,000 Share options were exercised. These shares have been included in the calculation of basic and diluted loss per share from the respective dates of issue.

As at 30 June 2025, 78,000,000 outstanding Share options granted on 26 March 2024 were in-the-money, with an exercise price of HK\$0.10 and a market price of HK\$0.131. However, as the Group recorded a net loss for the Period, the potential ordinary shares arising from these options are anti-dilutive and have not been included in the calculation of diluted loss per share.

No diluted loss per share is presented for the six months ended 30 June 2024 as the 80,000,000 share options granted by the Company on 26 March 2024 were out-of-the-money as at 30 June 2024, there is no potential dilutive effect on the loss per share.

9. PROPERTY, PLANT AND EQUIPMENT

For the six months ended 30 June 2025, the Group acquired plant and equipment with aggregate cost of approximately RMB903,000 (30 June 2024: approximately RMB884,000).

10. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Trade receivables	24,424	19,313
Less: allowance for credit losses	(2,083)	(1,608)
	22,341	17,705
Other receivables	3,408	2,745
Prepayments	8,059	5,036
	11,467	7,781

The Group allows credit periods ranging from 30 to 90 days to its trade customers. Before accepting any new customer, the Group makes enquiries to assess the potential customer's credit quality and defines credit limits by customer. Credit limits and scoring attributed to customers are reviewed annually. The following is an ageing analysis of trade receivables net of allowance for doubtful debts presented based on the invoice date at the end of the reporting period:

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Within 90 days	14,656	17,658
91–180 days	6,130	22
181–365 days	1,555	25
	22,341	17,705



As at 30 June 2025, included in the Group's trade receivables balance are debtors with an aggregate carrying amount of approximately RMB9,782,000 (31 December 2024: approximately RMB5,775,000) which are past due as at the end of reporting period. Out of the past due balances, approximately RMB1,256,000 (31 December 2024: approximately RMB148,000) has been past due 90 days or more and is not considered as in default as there has not been a significant change in credit quality and amounts are still considered recoverable based on historical experience. The Group does not hold any collaterals over these balances.

11. TRADE AND OTHER PAYABLES AND ACCRUALS

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Trade payables	10,223	8,271
Other payables	2,671	2,534
Accrued expenses	2,680	2,351
	5,351	4,885

The following is an aging analysis of trade payables presented based on the invoice date at the end of the reporting period.

	30 June 2025 RMB'000 (Unaudited)	31 December 2024 RMB'000 (Audited)
Within 90 days	6,681	5,881
91–180 days	1,883	1,490
181–365 days	1,590	829
Over 365 days	69	71
Total	10,223	8,271

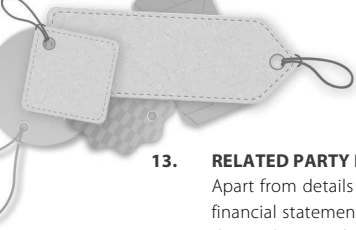
The credit period on trade payables ranges from 30 to 90 days for the six months ended 30 June 2025 (31 December 2024: ranges from 30 to 90 days) . The Group has financial risk management policies in place to ensure all payables are settled within the credit time frame.

12. SHARE CAPITAL

	Number of shares	Share capital HK\$
Ordinary shares of HK\$0.01 each		
Authorised:		
At 31 December 2024, 1 January 2025 and 30 June 2025	2,000,000,000	20,000,000
Issued and fully paid:		
At 31 December 2024 and 1 January 2025	1,020,000,000	10,200,000
Issuance of shares during the period (Note (a) and (b))	206,000,000	2,060,000
At 30 June 2025	1,226,000,000	12,260,000
		RMB
Shown in the unaudited condensed consolidated financial statements as		10,741,000

Note:

- (a) On 23 May 2025, the Company announced that a placing agreement was signed between the Company as issuer and Ruibang Securities Limited as placing agent. On 11 June 2025, the Company completed placing of 204,000,000 Shares under general mandate and raised gross proceeds of HK\$20.4 million.
- (b) During the six months ended 30 June 2025, 2,000,000 share options were exercised at the exercise price of HK\$0.10 per share, resulting in the issue of 2,000,000 shares for a total cash consideration, before expenses, of HK\$200,000. The weighted average closing price of the Shares immediately before 26 March 2025, being the date on which the Share Options were exercised, was HK\$0.238 per Share.



13. RELATED PARTY DISCLOSURES

Apart from details of the balances with related parties disclosed in the condensed consolidated financial statements, the Group also entered into the following transactions with related parties during the period:

Name of related company/party	Nature of transactions	Six months ended 30 June	
		2025	2024
		RMB'000 (Unaudited)	RMB'000 (Unaudited)
史威特服飾(惠州)有限公司	Rental Paid (note)	1,272	1,272
Good Wealthy Properties Limited	Rental Paid (note)	44	45

Note: Mr. Lam Cheung Chuen is the father of Mr. Lam Kai Yuen and Mr. Lam Kai Cheong, both the executive Directors as at 30 June 2025. Mr. Lam Cheung Chuen was the ultimate beneficial owner of 史威特服飾(惠州)有限公司 and Good Wealthy Properties Limited.

14. EVENTS AFTER THE REPORTING PERIOD

There was no significant subsequent events happened to the Group after 30 June 2025 and up to the date of this report.

15. PENSION OBLIGATIONS

The Group contributes to defined contribution retirement schemes which are available to all employees. Contributions to the schemes by the Group and employees are calculated as a percentage of employees' basic salaries. The retirement benefit scheme cost charged to profit or loss represents contributions payable by the Group to the funds. As at 30 June 2025, the contributions made by employers on behalf of the employees is approximately HK\$879,000 and none of the amount was utilized during the period ended 30 June 2025.



MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW AND OUTLOOK

The Group is an established labelling solution provider and a one-stop garment accessories manufacturer and supplier based in the PRC. The Group mainly engages in the production of three types of products, which are (i) printed products (e.g. hangtags, price tags and stickers), (ii) woven labels (e.g. woven brand labels, woven size labels and badges) and (iii) printed labels (e.g. printed brand labels, printed size labels and care content labels). The Group also sources and sells other garment accessories, such as tapes, hanging tablets, string locks, leather badge, buttons and metal products, to the customers in the PRC. The Group's customers mainly include (i) garment brand companies, (ii) sourcing companies designated by garment brand companies and (iii) garment manufacturers in the PRC.

In order to diversify the business and income stream of the Group, the Group has expanded its business operations into production and trading of functional garment in the PRC. The Group also re-entered the information technology segment by acquiring 90% equity interest in Shenzhen GuanChengTong Technology Company Ltd.* (深圳市冠晟通科技有限公司) ("**GuanChengTong**"), a company which principally engages in blockchain technology and IT security. The acquisition is expected to diversify the scope of business and broaden the income stream of the Group in the future. The Group is also exploring other business opportunities for maximising the return to Shareholders in the long run.

FINANCIAL REVIEW

Revenue

The Group's revenue is principally generated from the direct sales of (i) printed products (e.g. hangtags, price tags and stickers), (ii) woven labels (e.g. woven brand labels, woven size labels and badges), (iii) printed labels (e.g. printed brand labels, printed size labels and care content labels) and (iv) other garment accessories (e.g. tapes, string locks, leather badge, buttons and metal products). The Group's revenue decreased by approximately 4.8% from approximately RMB39.7 million for the six months ended 30 June 2024 to approximately RMB37.8 million for the six months ended 30 June 2025 (the "**Period**").

The Group will put more resources and effort in exploring the potential customers in the PRC and at the same time exploring potential PRC and foreign garment brand companies in order to increase sales and enhance its profitability. In addition, the Group will expand its business operation in manufacturing and sale of functional garment and continue to explore new business opportunities to strengthen our income streams, including sales of garment related products through different channels.



Cost of sales and gross profit

During the Period, the Group's gross profit increased by approximately 2.8% from approximately RMB10.7 million for the six months ended 30 June 2024 to approximately RMB11.0 million for the Period. The Group's cost of sales primarily consists of material costs, direct labour costs, subcontracting costs, rental and rates and depreciation on machinery and utilities.

During the six months ended 30 June 2025, the Group's revenue decreased by approximately 4.8%, while the cost of sales decreased by approximately 7.5%. As a result, the Group's gross profit margin increased by 2.1 percentage point from approximately 27.1% for the six months ended 30 June 2024 to approximately 29.2% for the Period.

Distribution and selling expenses

Distribution and selling expenses decreased by approximately RMB0.4 million to approximately RMB2.1 million for the six months ended 30 June 2025 from approximately RMB2.5 million for the six months ended 30 June 2024. The decrease in the Group's distribution and selling expenses was mainly due to the decrease in headcount of sales and marketing staffs during the Period.

Administrative expenses

Administrative expenses decreased by approximately RMB1.0 million to approximately RMB14.0 million for the Period from approximately RMB15.0 million for the six months ended 30 June 2024. The decrease in the Group's administrative expenses was mainly due to the cost control measures taken by the Group. Administrative expenses consist primarily of staff costs and benefits, depreciation (excluding depreciation for plant and machinery), office expenses and other general administrative expenses.

Loss for the period

After taking into account of the foregoing, the Group's unaudited loss was approximately RMB5.2 million for the Period, as compared to the unaudited loss of approximately RMB6.5 million for the six months ended 30 June 2024. The decrease in loss was mainly due to the increase in gross profit margin and the decrease in administrative expenses during the Period when comparing with those of the same period in the previous year.



LIQUIDITY AND FINANCIAL RESOURCES

On 23 May 2025, the Company announced that a placing agreement was signed between the Company as issuer and Ruibang Securities Limited as placing agent (the **"Placing Agent"**), under which the Company agreed to allot and issue and the Placing Agent agreed to place (the **"2025 Placing"**) 204,000,000 Shares at the placing price of HK\$0.1 per placing share under general mandate. On 11 June 2025, the Company completed the 2025 Placing of 204,000,000 Shares and raised gross proceeds of HK\$20.4 million. During the six months ended 30 June 2025, 2,000,000 share options were exercised at the exercise price of HK\$0.10 per share, resulting in the issue of 2,000,000 shares for a total cash consideration, before expenses, of HK\$200,000. The weighted average closing price of the Shares immediately before 26 March 2025, being the date on which the Share Options were exercised, was HK\$0.238 per Share.

During the Period, the Group mainly financed its operations with its own working capital from its operating activities, bank borrowings, proceeds of the placing exercise and share option exercise as mentioned above. As at 30 June 2025, the Group had net current assets of approximately RMB46.3 million (31 December 2024: approximately RMB34.0 million), including cash and bank balances of approximately RMB28.2 million (31 December 2024: approximately RMB21.1 million). The Group's current ratio as at 30 June 2025 was approximately 3.53 (31 December 2024: approximately 3.20).

GEARING RATIO

The gearing ratio of the Group as at 30 June 2025 was 2.6% (31 December 2024: 4.0%). Gearing ratio is calculated by the total loans and borrowings divided by the total equity attributable to owners of the Company as at 30 June 2025.

CAPITAL COMMITMENTS

As at 30 June 2025, the Group did not have any significant capital commitments (31 December 2024: nil).

CAPITAL STRUCTURE

Details of changes in the Company's share capital are set out in Note 12 to the condensed consolidated financial statements of the Group in this report. During the Period, the Group did not hold or sell any treasury shares.

SIGNIFICANT INVESTMENTS

As at 30 June 2025, the Group did not hold any significant investments other than the investments in subsidiaries (31 December 2024: nil).



MATERIAL ACQUISITIONS OR DISPOSAL OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

On 23 December 2024, the Group entered into an agreement to acquire a 90% equity interest in GuanChengTong, a company specializing in blockchain technology and IT security services, at the consideration of RMB90,000. The acquisition constituted a discloseable transaction. Upon completion of the acquisition of GuanChengTong on 15 January 2025, GuanChenTong became a subsidiary of the Company, whose financial results are consolidated into the financial results of the Group. For further information in relation to the acquisition of the equity interest in GuanChengTong, please refer to the announcement of the Company dated 23 December 2024. Save as disclosed in this report, the Group did not have any material acquisitions or disposals of subsidiaries, associates or joint ventures.

CONTINGENT LIABILITIES

As at 30 June 2025, the Group did not have any material contingent liabilities (31 December 2024: nil).

FOREIGN EXCHANGE EXPOSURE

The business operations of the Group's subsidiaries were conducted mainly in the PRC with revenues and expenses of the Group's subsidiaries denominated mainly in RMB. As at 30 June 2025, the Group's cash and bank deposits were denominated mainly in RMB, with some denominated in Hong Kong Dollars. Any significant exchange rate fluctuations of Hong Kong dollars against RMB as the functional currency may have a financial impact on the Group.

However, the Directors considered the Group's foreign exchange risk to be insignificant. During the Period, the Group did not use any financial instruments for hedging purposes and did not engage in any currency borrowings or other hedging transactions.



TREASURY POLICIES

The Group has adopted a prudent financial management approach towards its treasury policies and thus maintained a healthy liquidity position throughout the Period. The Group adopted an investment policy to utilise the idle cash or other financial resources of the Group to generate reasonable return to the Group with acceptable and controllable risks associated with the investments placed by the Group. In this connection, the Company also established a treasury committee of the Board to consider and assess the investment decisions of the Company in compliance of the treasury policy. The Group strives to reduce exposure to credit risk by performing ongoing credit assessments and evaluations of the financial status of our customers. To manage liquidity risk, the Board closely monitors the Group's liquidity position to ensure that the liquidity structure of the Group's assets, liabilities and other commitments can meet our funding requirements from time to time.

PLEDGE OF ASSETS

As at 30 June 2025, the Group did not pledge any assets (31 December 2024: nil) as securities for any facilities granted to the Group.

EMPLOYEES AND REMUNERATION POLICIES

As at 30 June 2025, the Group employed a total of 228 full-time employees (30 June 2024: 218 full time employees). The Group's employee benefit expenses mainly included salaries, wages, share based payment, other staff benefits and contributions to retirement schemes. For the Period, the Group's total employee benefit expenses (including Directors' emoluments) amounted to approximately RMB13.6 million (30 June 2024: approximately RMB13.8 million). Remuneration is determined with reference to market term and the performance, qualification and experience of individual employee. The Group also offers induction and other on-job trainings to employees from time to time.

As the Group made mandatory provident funds ("**MPF**") contributions to its Hong Kong employees in compliance with the labour laws in Hong Kong, the forfeited contributions (by employers on behalf of employees who leave the scheme prior to vesting fully in such contributions) may be used by the Group as employer to reduce the existing level of contributions. No amount was utilised for reduction in contributions of the Group due to forfeiture for the financial year ended 31 December 2024 and the six months ended 30 June 2025, while the amount available for reduction in contributions of the Group due to forfeiture as at 31 December 2024 and 30 June 2025 were approximately HK\$0.8 million and HK\$0.8 million, respectively.

SHARE OPTION SCHEME

A share option scheme was adopted and approved by the then sole shareholder of the Company on 24 June 2017 (the **"Share Option Scheme"**) and will remain in force for 10 years after its adoption with terms of the Share Option Scheme under Chapter 23 of the GEM Listing Rules. The principal terms of the Share Option Scheme are summarised in the directors' report of the annual report of the Company for the year ended 31 December 2024.

Details of the movements of Share Options granted, exercised or cancelled/lapsed during the Period is as follows:

Grantees	Name of Director	Grant Date	Exercise Price	Exercise Period	Vesting Date	Balance as at 1 January 2025	Number of Share Options granted during the Period	Number of Share Options exercised during the Period	Number of Share Options cancelled or lapsed during the Period	Balance as at 30 June 2025
Directors	Ms. Sha Xuanyi	26 March 2024	HK\$0.1	From 26 March 2025 to 25 March 2026	26 March 2025	950,000	-	-	-	950,000
	Mr. Li Rongsheng	26 March 2024	HK\$0.1	From 26 March 2025 to 25 March 2026	26 March 2025	9,500,000	-	-	-	9,500,000
Other 17 employees		26 March 2024	HK\$0.1	From 26 March 2025 to 25 March 2026	26 March 2025	69,550,000	-	2,000,000	-	67,550,000
Total						80,000,000	-	2,000,000	-	78,000,000

During the six months ended 30 June 2025, 2,000,000 share options were exercised at the exercise price of HK\$0.10 per share, resulting in the issue of 2,000,000 shares for a total cash consideration, before expenses, of HK\$200,000. The weighted average closing price of the Shares immediately before 26 March 2025, being the date on which the share options were exercised, was HK\$0.238 per Share.

As at the beginning and at the end of the Period, no Share Option are available for future grants under the scheme mandate limit of the Share Option Scheme. There is no service provider sublimit under the Share Option Scheme. The number of Share which may be issued by exercising the outstanding Share Options as at the beginning and at the end of the Period was 80,000,000 Shares and 78,000,000 Shares, respectively, which represent approximately 7.84% and approximately 7.64% of the number of issued Shares as at the beginning and at the end of the Period, respectively. Save for disclosed, no share option has been exercised, granted, cancelled or lapsed during the Period.



DIVIDEND

The Board resolved not to declare an interim dividend for the Period (for the six months ended 30 June 2024: nil).

FUTURE PROSPECTS

Looking forward, the Directors consider that the future opportunities and challenges faced by the Group will continue to be affected by the overall development of the garment market in the PRC as well as factors such as the increasing costs of labour and materials. In order to deal with the challenging market conditions, the Group will continue to undertake cost control measures and broaden customer base and product offerings. The Directors are of the view that further development of garment market in the PRC, shortening of fashion cycle and the multifunction of labels remain to be the key drivers for the growth of the PRC garment accessories industry.

In order to diversify the business and income stream of the Group, the Group will also consider exploring other garment and textile business and other business opportunities for maximising the return to Shareholders in the long run. The Group has expanded its business operations into production and trading of functional garment in the PRC. In addition, during the Period, the Group acquired 90% equity interest in GuanChengTong, which is an information technology company focusing on blockchain technology, application security, big data security, cloud security, Internet-of-Things (IoT) security, industrial control security and industrial internet security. The acquisition, which was completed in January 2025, is expected to diversify the scope of business and broaden the income stream of the Group in the future.

With the Group's experienced management team and reputation in the market, the Directors consider that the Group is well-positioned to compete against its competitors in respect of future challenges that are commonly faced by all competitors, and the Group will continue to adopt a positive yet prudent approach in its business strategies, with an aim to enhance the Group's profitability and maximise the shareholders' value in the long run.

FUTURE PLAN FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

Save as those disclosed in the prospectus of the Company dated 30 June 2017 (the "**Prospectus**") and in this report, the Group currently has no other plan for material investments and capital assets.



PRINCIPAL RISKS AND UNCERTAINTIES

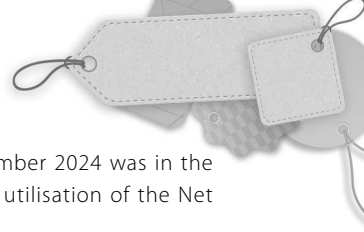
The Group's key risk exposure are summarised as follows:

- (i) The Group's business may be seriously affected by the spread of contagious diseases or other public health incident, which may cause lock-down, travel restrictions and suspension of work in the PRC, Hong Kong and other locations;
- (ii) The Group has not entered into long-term contracts with the customers of the Group and it is difficult for the Group to forecast future order quantities;
- (iii) Increases in the prices of raw materials may materially and adversely affect the Group's business, financial condition and results of operations;
- (iv) The Group may experience a shortage of labour or our labour costs may continue to increase;
- (v) The Group faces intense competition in the garment accessories industry in the PRC;
- (vi) The Group may lose its customers if its customers move their factories from the PRC;
- (vii) The Group may be exposed to environmental liabilities;
- (viii) The Group may be subject to potential labour disputes and labour strikes; and
- (ix) The future expansion plans of the Group, such as production and trading of functional garment, are subject to uncertainties and risks.

For the details of other risks and uncertainties facing the Group, please refer to the section headed "Risks Factors" in the Prospectus.

USE OF PROCEEDS FROM THE LISTING AND BUSINESS OBJECTIVES

The net proceeds from the Listing, after deducting listing-related expenses, were approximately HK\$37.6 million (equivalent to approximately RMB32.7 million) (the "**Net Proceeds**"). After the Listing, part of these proceeds have been applied for the purposes in accordance with the future plans and use of proceeds as set out in the Prospectus. On 28 April 2020, the Board resolved to change the use of the unutilised portion of the Net Proceeds, details of which are more particularly disclosed in the Company's announcement dated 28 April 2020. The unutilised Net Proceeds have been and will be applied according to the disclosure in the Prospectus and the announcement of the Company dated 28 April 2020.



The unutilised Net Proceeds brought forward from 31 December 2024 was in the amount of approximately HK\$1.8 million. An analysis of the utilisation of the Net Proceeds as at 30 June 2025 is set out below:

Intended Use of Net Proceeds	Revised planned application of the Net Proceeds	Utilised Net Proceeds as at 30 June 2025	Net Proceeds utilised during the six months ended 30 June 2025	Unutilised balance as at 30 June 2025	Expected timeline for the intended use
	HK\$'million	HK\$'million	HK\$'million	HK\$'million	
Upgrading the production facilities and digital printing technology of the Group	7.9	7.9	-	-	-
Developing the capability of applying RFID technology to the products of the Group	3.0	1.9	0.7	1.1	December 2025
Enhancing the heat transfer printing production facilities of the Group	4.1	4.1	-	-	-
Upgrading the information technology systems of the Group	5.3	5.3	-	-	-
Expansion of the sales and marketing department of the Group	3.0	3.0	-	-	-
General working capital	3.3	3.3	-	-	-
Developing garment trading business	8.0	8.0	-	-	-
Developing the internet and information technology business	3.0	3.0	-	-	-
Total	37.6	36.5	0.7	1.1	

There has been delay in the application of the Net Proceeds for developing the capability of applying RFID technology. The reasons for the delay in application were that the demand for garment accessory was lower than expected, which led to a slower rate of utilisation of the Net Proceeds allocated for developing the capability of applying RFID technology. The Company will apply the unutilised portion of the Net Proceeds as and when appropriate with reference to the pace of recovery of the garment industry according to the manner as disclosed in the Prospectus and the announcement of the Company dated 28 April 2020. All the unutilised balance of the Net Proceeds have been placed in licenced banks in Hong Kong or the PRC as at 30 June 2025.

USE OF NET PROCEEDS FROM THE PLACING

FY2020 PLACING

As per the Company's announcements dated 28 April 2020 and 13 May 2020, 50,000,000 Shares (the **"FY2020 Placing Shares"**) were successfully placed to nine independent placees at the placing price of HK\$0.113 per FY2020 Placing Share under general mandate (the **"FY2020 Placing"**). The gross proceeds and the net proceeds (after deducting the placing fee and other related expenses incurred in the FY2020 Placing) from the FY2020 Placing are HK\$5.65 million and approximately HK\$5.41 million, respectively (the **"FY2020 Placing Proceeds"**). As disclosed in the announcement of the Company dated 3 December 2021, the Group entered into a sale and purchase agreement to dispose of the equity interest of Dongdong Laike (Guangzhou) Information Technology Co., Ltd.* (咚咚來客(廣州)信息技術有限公司) (**"Dongdong Laike"**) (formerly known as Guangzhou Banchengyun Information Technology Co., Ltd.* (廣州半城雲信息科技有限公司)). As such, on 3 December 2021, the Board resolved to change the use of the unutilised portion of the net FY2020 Placing Proceeds to be utilised for investment in other information technology companies or projects which may be identified by the Group as suitable targets in the future.

The unutilised FY2020 Placing Proceeds brought forward from 31 December 2024 was in the amount of approximately HK\$5.0 million. An analysis of the unutilisation of the net proceeds from the FY2020 Placing as at 30 June 2025 is set out below:

Intended use of the net proceeds from the FY2020 Placing	Revised total planned amount HK\$'million	Utilised net proceeds from the FY2020 Placing as at 30 June 2025	Net proceeds from the FY2020 Placing utilised during six months ended 30 June 2025	Unutilised net proceeds from the FY2020 Placing as at 30 June 2025	Expected timeline for the intended use
		HK\$'million	HK\$'million	HK\$'million	
Working capital in Dongdong Laike in connection with the Group's development in the information technology industry	0.3	0.3	-	-	-
Investment in information technology companies or projects	5.1	0.1	-	5.0	December 2025

The Company has applied the utilised portion and will apply the unutilised portion of the FY2020 Placing Proceeds according the announcements of the Company dated 13 May 2020 and 3 December 2021. The Company had utilised approximately RMB0.1 million to acquire the equity interest of GuanChengTong. The Company will continue to identify suitable acquisition target to utilise the remaining unutilised FY2020 Placing Proceeds as soon as practicable. The Company will make further announcement(s) as to update on the use of the FY2020 Placing Proceeds as and when appropriate.

* unofficial name for identification only

JANUARY-2024 PLACING

As per the Company's announcements dated 2 January 2024 and 18 January 2024, 100,000,000 Shares (the "**Jan-2024 Placing Shares**"), which ranked pari passu with other ordinary shares, were successfully placed to seven independent placees at the placing price of HK\$0.08 per Jan-2024 Placing Share under general mandate (the "**Jan-2024 Placing**"). The net price per Jan-2024 Placing Share was approximately HK\$0.077 and the closing price of the Shares on 2 January 2024, being the date on which the terms of the issue was fixed was HK\$0.097. The Jan-2024 Placing Shares have an aggregate nominal value of HK\$1 million. The gross proceeds and the net proceeds (after deducting the placing fee and other related expenses incurred in the Jan-2024 Placing) from the Jan-2024 Placing are HK\$8.0 million and approximately HK\$7.7 million, respectively (the "**Jan-2024 Placing Proceeds**"). The market value of the Jan-2024 Placing Shares was HK\$9.7 million on the date on which the placing agreement was signed.

The unutilised Jan-2024 Placing Proceeds brought forward from 31 December 2024 was in the amount of approximately HK\$3.8 million.

The reasons for the Jan-2024 Placing and an analysis of the unutilisation of the net proceeds from the Jan-2024 Placing as at 30 June 2025 is set out below:

Intended use of the Jan-2024 Placing Proceeds	Total planned amount HK\$'million	Utilised net proceeds from the Jan-2024 Placing as at 30 June 2025	Net proceeds from the Jan-2024 Placing utilised during six months ended 30 June 2025	Unutilised net proceeds from the Jan-2024 Placing as at 30 June 2025	Expected timeline for the intended use
		HK\$'million	HK\$'million	HK\$'million	
Expansion of production plant for functional garment	3.1	3.1	-	-	-
Acquisition of machineries for manufacture and processing of functional garment	2.3	-	-	2.3	December 2025
Purchasing raw materials and semi-finished products for further processing at the Group's production plant	1.5	-	-	1.5	December 2025
Working capital of the Company	0.8	0.8	-	-	-
Total	7.7	3.9	-	3.8	

There has been a delay in utilisation in the application of the Jan-2024 Placing Proceeds on acquisition of machineries for manufacture and processing of functional garment and purchasing raw materials and semi-finished products for further processing at the Group's production plant because the manufacturing facilities of functional garment took longer time to establish than planned.

The unutilised portion of the net proceeds of Jan-2024 Placing is currently placed in banks in the PRC. The Company has applied the utilised portion and will apply the unutilised portion of the Jan-2024 Placing Proceeds according to the announcement of the Company dated 18 January 2024.

MAY-2024 PLACING

As per the Company's announcements dated 16 April 2024 and 2 May 2024, 70,000,000 Shares (the **"May-2024 Placing Shares"**), which ranked pari passu with other ordinary shares, were successfully placed to six independent placees at the placing price of HK\$0.07 per May-2024 Placing Share under general mandate (the **"May-2024 Placing"**). The net price per May-2024 Placing Share was approximately HK\$0.067 and the closing price of the Shares on 16 April 2024, being the date on which the terms of the issue were fixed, was HK\$0.081. The May-2024 Placing Shares have an aggregate nominal value of HK\$700,000. The gross proceeds and the net proceeds (after deducting the placing fee and other related expenses incurred in the May-2024 Placing) from the May-2024 Placing are HK\$4.9 million and approximately HK\$4.7 million, respectively (the **"May-2024 Placing Proceeds"**). The market value of the May-2024 Placing Shares was HK\$5.67 million on the date on which the placing agreement was signed.

The unutilised May-2024 Placing Proceeds brought forward from 31 December 2024 was in the amount of approximately HK\$2.2 million.

The reasons for the May-2024 Placing and an analysis of the utilisation of the net proceeds from the May-2024 Placing as at 30 June 2025 is set out below:

Intended use of the May-2024 Placing Proceeds	Total planned amount HK\$'million	Net proceeds			Expected timeline for the intended use
		Utilised net proceeds from the May-2024 Placing as at 30 June 2025 HK\$'million	from the May-2024 Placing utilised during six months ended 30 June 2025 HK\$'million	Unutilised net proceeds from the May-2024 Placing as at 30 June 2025 HK\$'million	
Marketing and developing online sales channels of the functional garment	3.0	0.8	-	2.2	December 2025
Working capital of the Company	1.7	1.7	-	-	-
Total	4.7	2.5	-	2.2	

The unutilised portion of the net proceeds of May-2024 Placing is currently placed in banks in Hong Kong and the PRC. The Company has applied the utilised portion and will apply the unutilised portion of the May-2024 Placing Proceeds according to the announcement of the Company dated 2 May 2024.

2025 PLACING

As per the Company's announcements dated 23 May 2025 and 11 June 2025, 204,000,000 Shares (the **"2025 Placing Shares"**), which ranked pari passu with other ordinary shares, were successfully placed to 11 independent placees at the placing price of HK\$0.10 per 2025 Placing Share under general mandate (the **"2025 Placing"**). The net price per 2025 Placing Share was approximately HK\$0.098 and the closing price of the Shares on 23 May 2025, being the date on which the terms of the issue were fixed, was HK\$0.122. The 2025 Placing Shares have an aggregate nominal value of HK\$2,040,000. The gross proceeds and the net proceeds (after deducting the placing fee and other related expenses incurred in the 2025 Placing) from the 2025 Placing are HK\$20.4 million and approximately HK\$20.0 million, respectively (the **"2025 Placing Proceeds"**). The market value of the 2025 Placing Shares was approximately HK\$24.89 million on the date on which the placing agreement was signed.

The reasons for the 2025 Placing and an analysis of the utilisation of the net proceeds from the 2025 Placing as at 30 June 2025 is set out below:

Intended use of the 2025 Placing Proceeds	Total planned amount HK\$'million	Net proceeds		Unutilised net proceeds from the 2025 Placing as at 30 June 2025 HK\$'million	Expected timeline for the intended use
		Utilised net proceeds from the 2025 Placing as at 30 June 2025 HK\$'million	from the 2025 Placing utilised during six months ended 30 June 2025 HK\$'million		
Investment and development of a production facilities	15.0	-	-	15.0	December 2026
Working capital of the Company	5.0	-	-	5.0	December 2025
Total	20.0	-	-	20.0	

The unutilised portion of the net proceeds of 2025 Placing is currently placed in banks in Hong Kong and the PRC. The Company will apply the unutilised portion of the 2025 Placing Proceeds according to the announcement of the Company dated 11 June 2025.



OTHER INFORMATION

INTERESTS AND SHORT POSITIONS OF DIRECTORS AND CHIEF EXECUTIVE IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at 30 June 2025, the interests and short positions of the Directors and chief executive of the Company in the Shares, underlying Shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which would have to be notified to the Company and the Stock Exchange under Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO); or which would be required, pursuant to section 352 of the SFO, to be entered in the register as referred to therein; or pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules relating to securities transactions by the Directors, required to be notified to the Company and the Stock Exchange, are as follows:

INTERESTS IN THE COMPANY

Name of Director	Capacity/ nature of interest	Number of Shares	Percentage of interest in the Company
Ms. Sha Xuanyi (" Ms. Sha ")	Beneficial owner	132,400,000 (note 1) (Long position)	10.80%
Mr. Li Rongsheng (" Mr. Li ")	Beneficial owner	90,000,000 (note 2) (Long position)	7.34%

Notes:

1. Ms. Sha is beneficially interested in 132,400,000 Shares and 950,000 options which can be exercisable into 950,000 Shares.
2. Mr. Li is beneficially interested in 90,000,000 Shares and 9,500,000 options which can be exercisable into 9,500,000 Shares.

Save as disclosed above, as at the date of this report, none of the Directors and chief executive of the Company had any interests or short positions in the Shares, underlying Shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which would have to be notified to the Company and the Stock Exchange under Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO); or which would be required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules relating to securities transactions by the Directors, required to be notified to the Company and the Stock Exchange.



INTERESTS AND SHORT POSITIONS OF SUBSTANTIAL SHAREHOLDERS AND OTHER PERSONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY

Name of shareholder	Capacity/ nature of interest	Number of Shares	Percentage of interest in the Company
Ms. Xiao Fengmei (" Ms. Xiao ")	Beneficial owner	150,020,000 (note 1) (Long position)	12.24%

Note:

1. Ms. Xiao is beneficially interested in 150,020,000 Shares.

So far as the Directors are aware, save as disclosed above, as at 30 June 2025, there was no person (other than the Directors and chief executive of the Company) who had or deemed or taken to have an interest or short position in the Shares or underlying Shares which were recorded in the register of interests required to be kept by the Company pursuant to Section 336 of the SFO, or which would fall to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO and the GEM Listing Rules.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities (including treasury share) throughout the six months ended 30 June 2025.

MODEL CODE FOR DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted a code of conduct regarding securities transactions by the Directors on terms no less exacting than the required standard of dealing as set out in Rules 5.46 to 5.67 of the GEM Listing Rules (the "**Model Code**"). Having made specific enquiry of all the Directors, the Company was not aware of any non-compliance with the required standard of dealings and its code of conduct regarding securities transactions by the Directors under the Model Code for the Period.

CORPORATE GOVERNANCE PRACTICES

The Company's corporate governance practices are based on principles and code provisions as set out in the Corporate Governance Code as set out in Appendix C1 to the GEM Listing Rules ("**CG Code**"). For the Period, the Board and the management of the Company are committed to maintaining and achieving a high standard of corporate governance practices with an emphasis on a quality Board, an effective accountability system and a healthy corporate culture in order to safeguard the interests of the Shareholders and enhance the business growth of the Group. The Company has complied with all the applicable code provisions of the CG Code in all material respects for the Period.



DIRECTORS' INTERESTS IN CONTRACTS

Save as disclosed in the Prospectus, no Director had a material interest in any contract of significance to the business of the Group, to which the Company or any of its subsidiaries was a party during the Period.

COMPETING INTERESTS

To the best of the Directors' knowledge, none of the substantial shareholder of the Company, the Directors and their respective close associates (as defined in the GEM Listing Rules) is interested in any business apart from the business operated by the Group which competes or is likely to compete, directly or indirectly, with the Group's business, or had any other conflict of interest with the Group, during the Period.

EVENT AFTER REPORTING PERIOD

There was no significant subsequent events happened to the Group after 30 June 2025 and up to the date of this report.

AUDIT COMMITTEE

The audit committee of the Company (the "**Audit Committee**") was established on 24 June 2017. The terms of reference in compliance with paragraph D.3.3 and D.3.7 of the CG Code have been adopted for the Audit Committee. The primary duties of the Audit Committee are mainly to make recommendations to the Board on the appointment and removal of external auditor; review the financial statements and give advice in respect of financial reporting; oversee financial reporting system, risk management and internal control systems of the Company; and review the continuing connected transactions of the Company.

The Audit Committee currently consists of three members, namely Mr. Liu Mingxiao (chairman of the Audit Committee), Mr. Zhu Honghai and Mr. Lin Kin-Chin, all being independent non-executive Directors. No member of the Audit Committee is a member of the former or existing independent auditor of the Company. The unaudited financial information in this report has not been reviewed or audited by the auditor of the Company but the Audit Committee has reviewed the interim report, including the unaudited interim financial information and is of the opinion that the preparation of such statements comply with the applicable accounting standards, GEM Listing Rules and that adequate disclosures have been made.

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

Hong Kong, 25 August 2025

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