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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)

**ANNUAL RESULTS ANNOUNCEMENT
FOR THE YEAR ENDED 31 DECEMBER 2025**

CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.

Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

*This announcement, 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 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.*

ANNUAL RESULTS

The board of Directors (the “**Board**”) is pleased to announce the audited consolidated financial results of the Group for the year ended 31 December 2025 (the “**Year**”) together with the comparative audited figures for the year ended 31 December 2024. The financial information has been approved by the Board.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2025

	<i>Notes</i>	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Revenue	2	80,376	91,706
Cost of sales		(60,360)	(66,207)
Gross profit		20,016	25,499
Other income, gains and losses		594	751
Allowance for credit losses on trade receivables, net		(1,067)	(323)
Distribution and selling expenses		(4,641)	(4,541)
Administrative expenses		(28,490)	(29,343)
Finance expense		(50)	(49)
Loss before tax		(13,638)	(8,006)
Income tax expense	3	(276)	(252)
Loss and total comprehensive expense for the year	4	(13,914)	(8,258)
Loss and total comprehensive expense for the year attributable to:			
Owners of the Company		(13,892)	(8,258)
Non-controlling interests		(22)	–
		(13,914)	(8,258)
		<i>RMB cents</i>	<i>RMB cents</i>
Loss per share	5		
— Basic		(1.22)	(0.83)
— Diluted		N/A	N/A

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2025

	<i>Notes</i>	2025 RMB'000	2024 <i>RMB'000</i>
NON-CURRENT ASSETS			
Property, plant and equipment		3,090	932
Intangible assets		–	–
Right-of-use assets		–	1,350
Financial assets at fair value through profit or loss		11,600	–
		14,690	2,282
CURRENT ASSETS			
Inventories		2,640	2,924
Trade receivables	7	19,746	17,705
Prepayments, deposits and other receivables	7	8,773	7,781
Bank and cash balances		18,047	21,062
		49,206	49,472
CURRENT LIABILITIES			
Trade payables	8	13,858	8,271
Other payables and accruals	8	7,260	4,885
Contract liabilities		194	539
Leases liabilities		404	342
Bank Borrowing		240	240
Tax payable		981	1,171
		22,937	15,448
NET CURRENT ASSETS		26,269	34,024
TOTAL ASSETS LESS CURRENT LIABILITIES		40,959	36,306
NON-CURRENT LIABILITIES			
Deferred tax liability		55	55
Bank Borrowing		900	1,140
Lease liabilities		199	308
		1,154	1,503
NET ASSETS		39,805	34,803
CAPITAL AND RESERVES			
Share capital	9	10,794	8,879
Reserves		29,023	25,924
Equity attributable to owners of the Company		39,817	34,803
Non-controlling interests		(12)	–
TOTAL EQUITY		39,805	34,803

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2025

1. APPLICATION OF NEW AND AMENDMENTS TO HKFRS ACCOUNTING STANDARDS

(a) Amendments to HKFRS Accounting Standards that are mandatorily effective for the current year

The Group has applied the following amendments to HKFRS Accounting Standards as issued by the HKICPA for the first time, which are mandatorily effective for the annual period beginning on or after 1 January 2025 for the preparation of the consolidated financial statements:

Amendments to HKAS 21 and HKFRS 1 *Lack of Exchangeability*

The application of the amendments to HKFRS Accounting Standards in the current year had no material impact on the Group's financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

(b) New and amendments to HKFRS Accounting Standards in issue but not yet effective

The Group has not early applied the following new and amendments to HKFRS Accounting Standards and interpretation that have been issued but are not yet effective for the financial year beginning 1 January 2025:

	Effective for accounting periods beginning on or after
Amendments to HKFRS 10 and HKAS 28 — Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined by the HKICPA
Annual Improvements to HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7 — Annual Improvements to HKFRS Accounting Standards — Volume 11	1 January 2026
Amendments to HKFRS 9 and HKFRS 7 — Classification and Measurement of Financial Instruments	1 January 2026
Amendments to HKFRS 9 and HKFRS 7 — Contracts Referencing Nature-dependent Electricity	1 January 2026
Amendments to HK Int 5 — Presentation of Financial Statements — Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause	1 January 2027
HKFRS 18 — Presentation and Disclosure in Financial Statements	1 January 2027
Amendments to HKAS 21 — Translation to a Hyperinflationary Presentation Currency	1 January 2027

Except for the new and amendments to HKFRS Accounting Standards mentioned below, the Group anticipate that the application of all other new and amendments to HKFRS Accounting Standards and interpretation will not have material impact on the consolidated financial statements in the foreseeable future.

HKFRS 18 Presentation and Disclosure in Financial Statements, which sets out requirements on presentation and disclosures in financial statements, will replace HKAS 1 Presentation of Financial Statements. This new HKFRS Accounting Standard, while carrying forward many of the requirements in HKAS 1, introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. In addition, some HKAS 1 paragraphs have been moved to HKAS 8 Accounting Policies, Changes in Accounting Estimates and Errors (the title of which will be changed to Basis of Preparation of Financial Statements upon effective of HKFRS 18) and HKFRS 7. Minor amendments to HKAS 7 Statement of Cash Flows and HKAS 33 Earnings per Share are also made.

HKFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted. The application of the new standard is expected to affect the presentation of the statement of profit or loss and disclosures in the future financial statements. The Group is in the process of assessing the detailed impact of HKFRS 18 on the Group's consolidated financial statements.

2. REVENUE AND SEGMENT INFORMATION

Disaggregation of revenue from contracts with customers

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Types of products — Timing of revenue recognition		
— at a point in time		
Sales of printed products	29,678	28,584
Sales of woven labels	13,282	13,443
Sales of printed labels	14,342	17,763
Information technology (“IT”) services	6,434	–
Others	16,640	31,916
	<u>80,376</u>	<u>91,706</u>

Types of customers

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Garment brand companies	7,433	7,584
Sourcing companies designated by garment brand companies	19,969	20,177
Garment manufacturers	46,404	50,582
Government agency and enterprises	6,434	–
Others	136	13,363
	<u>80,376</u>	<u>91,706</u>

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.

Commencing in 2025, the Group has introduced additional revenue streams from IT services which were not presented in prior years.

However, other than revenue analysis, no operating results and other discrete consolidated financial statements are regularly reviewed by the CODM for the purpose of resource allocation and assessment of performance of respective businesses. 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

The Group’s revenue from 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 a customer that individually contributing over 10% of the total revenue are as follows:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Customer A	<u>19,969</u>	<u>22,466</u>

3. INCOME TAX EXPENSE

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Current tax:		
Provision for the year	<u>276</u>	<u>252</u>

The Group is not subject to any income tax in the Cayman Islands and the British Virgin Islands 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 year ended 31 December 2025 (2024: Nil).

The Group is subject to the PRC Enterprise Income Tax (the “**PRC EIT**”) at a rate of 25% (2024: 25%) and dividend withholding tax at a rate of 5% (2024: 5%) for the year ended 31 December 2025, except STL Garment Accessories which qualified as High and New Technology Enterprises and entitled to the preferential tax rate of 15% for the year ended 31 December 2025 (2024: 15%).

Current tax provision represents provision for the PRC EIT.

4. LOSS AND TOTAL COMPREHENSIVE EXPENSE FOR THE YEAR

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Loss and total comprehensive expense for the year has been arrived at after charging:		
Directors' emoluments	2,258	3,015
Other staff costs excluding directors' emolument		
— salaries and wages	21,364	24,481
— retirement benefits scheme contribution	3,164	3,152
— share-based payment expenses	—	2,494
Total directors and other staff costs	<u>26,786</u>	<u>33,142</u>
Auditor's remuneration	599	599
Cost of inventories recognised as cost of sales	53,510	62,790
Depreciation of property, plant and equipment	534	501
Depreciation of right-of-use assets	150	450
Interest expense on lease liabilities	19	13
Interest expense on bank borrowing	31	36
Short-term lease expense	2,018	2,330
Exchange loss, net	<u>270</u>	<u>53</u>

Cost of inventories recognised as cost of sales includes staff costs, depreciation on property, plant and equipment and right-of-use assets of approximately RMB13,759,000 (2024: RMB17,450,000) which are included in the amounts disclosed separately.

5. LOSS PER SHARE

The calculation of the basic loss per share attributable to owners of the Company is based on the following data:

	2025	2024
	<i>RMB'000</i>	<i>RMB'000</i>
Loss:		
Loss for the year attributable to owners of the Company for the purpose of calculating basic loss per share	<u>(13,892)</u>	<u>(8,258)</u>
	2025	2024
Number of shares:		
Weighted average number of ordinary shares for the purpose of calculating basic loss per share	<u>1,135,556,164</u>	<u>991,945,206</u>

No diluted loss per share is presented for the years ended 31 December 2025 and 2024 as there were no dilutive potential ordinary share in issue.

6. DIVIDEND

No dividend in respect of the years ended 31 December 2025 and 2024 were declared and approved by the directors.

7. TRADE AND OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Trade receivables	22,421	19,313
Less: allowance for credit losses	<u>(2,675)</u>	<u>(1,608)</u>
	<u>19,746</u>	<u>17,705</u>
Other receivables and deposits	5,533	2,745
Prepayments	<u>3,240</u>	<u>5,036</u>
	<u>8,773</u>	<u>7,781</u>

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. Limits and scoring attributed to customer are reviewed annually. The following is an aging analysis of trade receivables net of allowance for credit losses presented based on the invoice date at the end of the reporting period:

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Within 90 days	17,363	17,658
91–180 days	2,383	22
181–365 days	<u>–</u>	<u>25</u>
	<u>19,746</u>	<u>17,705</u>

8. TRADE AND OTHER PAYABLES AND ACCRUALS

	2025 <i>RMB'000</i>	2024 <i>RMB'000</i>
Trade payables	<u>13,858</u>	<u>8,271</u>
Other payables	6,071	2,534
Accrued expenses	<u>1,189</u>	<u>2,351</u>
	<u>7,260</u>	<u>4,885</u>

The credit period on trade payables ranging from 30 to 90 days. The aging analysis of the Group's trade payables below is presented based on the invoice date at the end of the reporting period:

	2025	2024
	RMB'000	RMB'000
Within 90 days	7,630	5,881
91–180 days	1,706	1,490
181–365 days	2,917	829
Over 1 year	1,605	71
	<u>13,858</u>	<u>8,271</u>

9. SHARE CAPITAL

	Number of shares	HK\$
Ordinary shares of HK\$0.01 each		
Authorised:		
At 1 January 2024, 31 December 2024, 1 January 2025 and 31 December 2025	<u>2,000,000,000</u>	<u>20,000,000</u>
Issued and fully paid:		
At 31 December 2023 and 1 January 2024	850,000,000	8,500,000
Issuance of shares upon placing of shares (<i>note i</i>)	<u>170,000,000</u>	<u>1,700,000</u>
At 31 December 2024 and 1 January 2025	<u>1,020,000,000</u>	<u>10,200,000</u>
Issuance of shares upon placing of shares (<i>note ii</i>)	204,000,000	2,040,000
Issuance of shares upon exercise of shares option (<i>note iii</i>)	<u>2,000,000</u>	<u>20,000</u>
	<u>206,000,000</u>	<u>2,060,000</u>
At 31 December 2025	<u>1,226,000,000</u>	<u>12,260,000</u>
	2025	2024
	RMB'000	RMB'000
Shown in the consolidated financial statements as RMB	<u>10,794</u>	<u>8,879</u>

Notes:

- (i) On 2 January 2024, the Company announced that a placing agreement was signed between the Company as issuer and Ruibang Securities Limited as placing agent. On 18 January 2024, the Company completed placing of 100,000,000 shares of the Company (the “**Shares**”) under general mandate and raised the gross proceeds and the net proceeds of approximately HK\$8.0 million (equivalent to approximately RMB7.4 million) and approximately HK\$7.8 million (equivalent to approximately RMB7.2 million) respectively. In addition, on 16 April 2024, the Company announced that a placing agreement was signed between the Company as issuer and Ruibang Securities Limited as placing agent. On 2 May 2024, the Company completed placing of 70,000,000 shares under general mandate and raised the gross proceeds and the net proceeds of approximately HK\$4.9 million (equivalent to approximately RMB4.7 million) and approximately HK\$4.8 million (equivalent to approximately RMB4.6 million) respectively.
- (ii) 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, under which the Company agreed to allot and issue, and the placing agent agreed to place 204,000,000 Shares at the placing price of HK\$0.1 per Share (“**2025 Placing**”) under general mandate. On 11 June 2025, the Company completed the 2025 Placing of 204,000,000 Shares and raised gross proceeds of approximately HK\$20.4 million (equivalent to approximately RMB19.1 million) and net proceeds of approximately HK\$20.0 million (equivalent to approximately RMB18.7 million) respectively.
- (iii) On 26 March 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 and raise proceeds of HK\$200,000 (equivalent to approximately RMB183,000). No related costs were incurred in connection with issue of Shares upon the exercise of Share Options.

The Group’s objective when managing capital are to safeguard the Group’s ability to continue as a going concern and to maximise the return to the shareholders through the optimisation of the debt and equity balance. The Group’s overall strategy remains unchanged from prior years.

The capital structure of the Group consists of debt (net of cash) and cash equivalents and equity.

The management of the Group reviews the capital structure from time to time. As a part of this review, the management considers the cost of capital and the risks associated with each class of capital. Based on recommendations of the management, the Group will balance its overall capital structure through the payment of dividends, the issue of new shares, new debts or the redemption of existing debts.

The externally imposed capital requirements for the Group that in order to maintain its listing on the Stock Exchange is to have a public float of at least 25% of the shares of the Company throughout the year. Based on the information that is publicly available to the Company and within the knowledge of the directors, the Company has maintained a sufficient public float of at least 25% throughout the years ended 31 December 2025 and 2024.

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, the Group has expanded its business operations into production and trading of functional garment in the PRC. The Group is also exploring other business opportunities for maximising the return to Shareholders in the long run.

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. The Directors are of the view that regarding further development of garment market in the PRC, shortening of fashion cycle and the multifunction of labels remains to be the key drivers for the growth of the PRC garment accessories industry.

In addition, the Group explored new business opportunities to strengthen the Group's income streams, including, but not limited to, sales of garment products through different channels. The Group also re-entered the information technology segment by acquiring 90% equity interest in GuanChengTong, which is a company principally engages in blockchain technology and IT security. The acquisition is expected to diversify the scope of business and will broaden the income stream of the Group in the future.

During the year ended 31 December 2025, the Group undertook one round of placing under general mandate for raising funds for investment and development of a production facilities in Nanyang City, Henan Province of the PRC.

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.

FINANCIAL REVIEW

Revenue

For the Year, the Group recorded revenue of approximately RMB80.4 million, representing a decrease of approximately 12.3% comparing with that of approximately RMB91.7 million for the year ended 31 December 2024. A breakdown on revenue of the Group by product types for 2025 and the comparative figures in 2024 is summarised as below:

Product types	For the year ended 31 December			
	2025		2024	
	RMB'000	%	RMB'000	%
Printed products	29,678	36.9	28,584	31.2
Woven labels	13,282	16.5	13,443	14.6
Printed labels	14,342	17.9	17,763	19.4
Others (<i>note</i>)	23,074	28.7	31,916	34.8
	<u>80,376</u>	<u>100</u>	<u>91,706</u>	<u>100</u>

Note: Others mainly include tapes, string locks, leather badge, buttons, metal products and raw materials, etc..

During the Year, the Group's revenue decreased by approximately 12.3% from approximately RMB91.7 million for the year ended 31 December 2024 to approximately RMB80.4 million for the year ended 31 December 2025. The decrease in the Group's revenue was mainly attributable to decrease in sales in other products such as tapes, string locks, leather badge, buttons, metal products and raw materials during the year ended 31 December 2025.

The Group will continuously put more resources and effort in marketing to attract potential customers in the PRC and at the same time exploring the expansion of the customer base of the Group to PRC and foreign garment brand companies, in order to increase sales and enhance its profitability. In addition, the Group has expanded into other garment and textile business, such as production and trading of functional garment, and re-entered into the information technology segment. The Group is also keen to explore other business opportunities to diversify income streams.

Cost of sales and gross profit

During the year ended 31 December 2025, the cost of sales of the Group was approximately RMB60.4 million as compared to that of the year ended 31 December 2024 of approximately RMB66.2 million, representing a decrease of approximately RMB5.8 million. The Group's cost of sales primarily consists of material costs, direct labour costs, subcontracting costs, rental and rates, depreciation on machinery and utilities. During the year ended 31 December 2025, the Group's gross profit decreased by approximately 21.6% from approximately RMB25.5 million for the year ended 31 December 2024 to approximately RMB20.0 million for the year ended 31 December 2025.

During the year ended 31 December 2025, the Group's revenue decreased by 12.3% while the cost of sales decreased by 8.8% as compared with that of the previous year primarily due to shift in product mix. As a result, the Group's gross profit margin decreased by approximately 2.9 percentage points from approximately 27.8% for the year ended 31 December 2024 to approximately 24.9% for the year ended 31 December 2025.

Other income, gains and losses

During the year ended 31 December 2025, the Group's other income, gains and losses slightly decreased by approximately RMB0.2 million from approximately RMB0.8 million for the year ended 31 December 2024 to approximately RMB0.6 million for the year ended 31 December 2025.

Distribution and selling expenses

Distribution and selling expenses increased slightly by approximately RMB0.1 million to approximately RMB4.6 million for the year ended 31 December 2025 from approximately RMB4.5 million for the year ended 31 December 2024.

Administrative expenses

Administrative expenses decreased by approximately RMB0.8 million to approximately RMB28.5 million for the year ended 31 December 2025 from approximately RMB29.3 million for the year ended 31 December 2024, which was mainly due to the decrease in staff costs and benefits during the year ended 31 December 2025 comparing with those of last year. Administrative expenses consist primarily of staff costs and benefits, depreciation (excluding depreciation on property, plant and equipment), office expenses and other general administrative expenses.

Income Tax expense

Income tax expense of the Group was approximately RMB0.3 million for the year ended 31 December 2025 (for the year ended 31 December 2024: approximately RMB0.3 million).

Loss for the Year

As a result of the foregoing, the Group's loss for the year was approximately RMB13.9 million for the year ended 31 December 2025, as compared with the loss for the year of approximately RMB8.3 million for the year ended 31 December 2024. The decrease in loss is mainly attributable to the decrease in gross profit.

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 December 2025, the Group had total assets of approximately RMB63.9 million (2024: approximately RMB51.8 million), which was financed by total liabilities and shareholders' equity (comprising share capital and reserves) of approximately RMB24.1 million (2024: approximately RMB17.0 million) and approximately RMB39.8 million (2024: approximately RMB34.8 million), respectively.

The Group maintained sufficient working capital as at 31 December 2025 with bank and cash balances of approximately RMB18.0 million (2024: approximately RMB21.1 million, which were principally denominated in RMB). The Board adopts treasury policy in managing its cash balances and maintain a strong and healthy liquidity to ensure that the Group is well placed to take advantage of growth opportunities for the business. As at 31 December 2025, the Group had bank borrowings of RMB1.1 million (2024: RMB1.4 million).

GEARING RATIO

The gearing ratio of the Group as at 31 December 2025 was approximately 2.9% (2024: 4.0%). The gearing ratio is calculated based on the total obligation under bank borrowings and overdrafts divided by total equity at the end of the year and multiplied by 100%.

TREASURY POLICIES

The Group has adopted a prudent financial management approach towards its treasury policies and thus maintained a healthy liquidity position throughout the Year. 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. During the year ended 31 December 2025, the Company did not hold any wealth management products or engage in any hedging activities.

On the other hand, the Group strives to reduce exposure to credit risk by performing ongoing credit assessments and evaluations of the financial status of its 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 its funding requirements from time to time.

PLEDGE OF ASSETS

As at 31 December 2025, the Group had pledge of assets with carrying value of RMB239,000 (2024: nil) as securities for facilities granted to the Group.

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 31 December 2025, the Group's cash and bank deposits, were mainly denominated in RMB and Hong Kong Dollar (“**HKD**”). Any significant exchange rate fluctuations of HKD against RMB as the functional currency may have a financial impact to the Group.

As at 31 December 2025, the Directors considered the Group's foreign exchange risk to be insignificant. During the year ended 31 December 2025, the Group did not use any financial instruments for hedging purposes.

CAPITAL STRUCTURE

Details of changes in the Company's share capital are set out in Note 9 to the consolidated financial statements of the Group in this announcement. On 26 March 2025, 2,000,000 share options were exercised at the exercise price of HK\$0.10 per Share. On 11 June 2025, the Company completed a placing of 204,000,000 Shares under general mandate and the number of its issued ordinary Shares increased to 1,226,000,000. For details of the placings conducted in 2025, please refer to the paragraphs headed "2025 Placing" below.

As at 31 December 2025, the number of its issued ordinary Shares was 1,226,000,000 of HK\$0.01 each. During the year ended 31 December 2025, the Company did not hold any treasury shares and did not sell any treasury shares.

DIVIDEND

The Board resolved not to declare any final dividend for the year ended 31 December 2025. No dividend in respect of the year ended 31 December 2025 (2024: nil) were declared by the Board.

COMMITMENTS

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

SEGMENTAL INFORMATION

Segmental information is presented for the Group as disclosed on note 2 to the consolidated financial statements of this announcement.

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

Save as disclosed in the prospectus of the Company dated 30 June 2017 (the "Prospectus") and in this announcement, the Group did not have any plan for material investments or capital assets as of 31 December 2025.

MATERIAL ACQUISITIONS AND DISPOSALS 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. The transaction was completed on 15 January 2025. GuanChengTong became a subsidiary of the Company, whose financial results were 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.

On 18 December 2025, the Group entered into an equity transfer agreement to acquire 24% equity interest in Hengda Yongjin Agricultural High Technology Co. Ltd.* (衡達湧金農業高科技有限公司) (“**Hengda Yongjin**”), which possesses a production plant with advanced production capabilities for functional garments suitable to the use of the Group at the consideration of RMB11.6 million. Upon completion of the acquisition of 24% of the equity interest in Hengda Yongjin, the equity interest in Hengda Yongjin held by the Group is considered as a financial asset at fair value through profit or loss of the Company. For further information, please refer to the announcements of the Company dated 18 December 2025 and 2 February 2026. Save as disclosed in this announcement, the Group did not have any other material acquisitions or disposals of subsidiaries, associates or joint ventures.

CONTINGENT LIABILITIES

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

EMPLOYMENTS AND REMUNERATION POLICIES

As at 31 December 2025, the Group employed a total of 210 employees (2024: 219 employees) in mainland China and Hong Kong. The staff costs, including Directors’ emoluments, of the Group were approximately RMB26.8 million for the year ended 31 December 2025 (2024: approximately RMB33.1 million). Directors’ emoluments for the year ended 31 December 2025 amounted to approximately RMB2.3 million (2024: approximately RMB3.0 million) which included emoluments of the non-executive Director and independent non-executive Directors for a total amount of approximately RMB0.5 million (2024: approximately RMB0.4 million).

The Group promotes individuals based on their performance and development potential in the positions held. In order to attract and retain high quality staff, competitive remuneration package is offered to employees (with reference to prevailing market salary level and individual employees' performance, qualification and experience). On top of basic salaries, discretionary bonuses may be paid with reference to the Group's performance as well as individual's performance. Other staff benefits include provision of retirement benefits, medical benefits and sponsorship of training courses. Share options may also be granted to eligible employees by reference to the Group's performance as well as individual contribution.

SIGNIFICANT INVESTMENTS HELD

On 18 December 2025, the Group entered into an equity transfer agreement to acquire 24% equity interest in Hengda Yongjin, which possesses a production plant with advanced production capabilities for functional garments suitable to the use of the Group at the consideration of RMB11.6 million. Upon completion of the acquisition of 24% of the equity interest in Hengda Yongjin, Hengda Yongjin is considered as a financial asset at fair value through profit or loss of the Company. The principal business of Hengda Yongjin is trading of crop seeds (limited to pre-packaged seeds not for resale), the cultivation of grain crops, and the production of seeds for non-staple crops. As at 31 December 2025, the Group held 24% of the equity interest in Hengda Yongjin and the investment cost was RMB11.6 million. The fair value of the investment in the equity interest in Hengda Yongjin was approximately RMB11.6 million as at 31 December 2025, which was of approximately 18.15% of the total assets of the Company as at 31 December 2025. There has yet been any financial performance available after the acquisition and up to 31 December 2025. There was no unrealised gain or loss after the acquisition and up to 31 December 2025 and there was no dividend received after the acquisition and up to 31 December 2025. The investment strategy of the investment over the equity interest in Hengda Yongjin is that it possesses a suitable production plant for functional garment, which will be used by the Group as its production plant. The Company considers the future prospects of Hengda Yongjin remain generally positive. Save as disclosed above, the Group did not hold any other significant investments during the year ended 31 December 2025.

PRINCIPAL RISKS AND UNCERTAINTIES

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

- (i) The Group's business may be seriously affected by any possible 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, may not be successful and are subject to uncertainties and risks.

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

KEY PERFORMANCE INDICATORS

The key financial performance indicators of the Group for the year ended 31 December 2025 is set out in the section headed "Five Years' Financial Summary" of the 2025 annual report.

ENVIRONMENTAL POLICIES AND PERFORMANCE

As the operation and production of the Group is mainly located in the PRC, the Group's operations are subject to certain environment requirements pursuant to the laws in the PRC, including primarily those in relation to prevention and reduction of pollution, water pollution control and waste disposal control.

The Group recognises its responsibility to protect the environment from its business activities. The Group continually seeks to identify and manage environmental impacts attributable to its operational activities in order to minimise these impacts if possible. The Group aims to promote efficient use of resources and adopting green technologies for emission reduction. For instance, the Group seeks to replace the equipment by the environmental friendly machines in order to minimise overall exhaust emission.

For further information in relation to the environmental policies and performance of the Group, please refer to the Environmental, Social and Governance Report in the 2025 annual report.

COMPLIANCE WITH LAWS AND REGULATIONS

To the best of the Director's knowledge, information and belief, having made all reasonable enquiries, the Group has complied in material respects with the relevant laws and regulations that have a significant impact on the business and operation of the Company and its subsidiaries during the year ended 31 December 2025.

KEY RELATIONSHIP WITH EMPLOYEES, CUSTOMERS AND SUPPLIERS

To the best knowledge and belief of the Directors, the Group maintains good relationship with its customers. The sales personnel and merchandisers make regular phone calls to the customers and visit them overseas periodically. If there is any complaint from customers, it will be reported to the management and immediate remedial action will be taken to address the complaint made by the customer.

To the best knowledge and belief of the Directors, the Group also maintains a good relationship with its suppliers. During the year ended 31 December 2025, no material complaint was received from the customers or the suppliers and there was no disputed debts or unsettled debts.

During the year ended 31 December 2025, there was no material dispute with the Group's employees and no dispute on salary payments and other labour dispute. All accrued remunerations were settled on or before their respective due dates, as stipulated under individual employee's employment contract. The Group also ensures that all the employees are reasonably remunerated by regular review the policies on salary increment, promotion, bonus, allowances and all other related benefits with reference to the individual performance, work experience and prevailing salary levels in the market.

In view of the above and as at the date of this announcement, there is no circumstance or any event relating to employees, customers and suppliers which will have a significant impact on the Group's business and operation.

EVENTS AFTER THE REPORTING PERIOD

There was no significant subsequent events happened to the Group after 31 December 2025 and up to the date of this announcement.

USE OF PROCEEDS FROM THE LISTING

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 brought forward from 31 December 2024 was in the amount of HK\$1.8 million. As at 31 December 2025, the unutilised Net Proceeds have been fully applied according to the disclosure in the Prospectus and the announcement of the Company dated 28 April 2020.

An analysis of the utilisation of the Net Proceeds as at 31 December 2025 is set out below:

Intended Use of Net Proceeds	Revised planned application of the Net Proceeds <i>HK\$’million</i>	Utilised Net Proceeds as at 31 December 2025 <i>HK\$’million</i>	Net Proceeds utilised during the Year <i>HK\$’million</i>	Unutilised balance as at 31 December 2025 <i>HK\$’million</i>
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	3.0	1.8	–
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	–	–
	<hr/>	<hr/>	<hr/>	<hr/>
Total	37.6	37.6	1.8	–

USE OF NET PROCEEDS FROM THE PLACING

FY2020 Placing

As disclosed in 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"). 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 balance of FY2020 Placing Proceeds brought forward from 2024 was approximately HK\$5.0 million.

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

		Utilised net proceeds from the FY2020 Placing as at 31 December 2025	Net proceeds from the FY2020 Placing utilised during the Year	Unutilised net proceeds from the FY2020 Placing as at 31 December 2025	Expected timeline for the intended use
	Revised total planned amount	HK\$'million	HK\$'million	HK\$'million	
Intended use of the net proceeds from the FY2020 Placing					
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 2026

* Unofficial name for identification only

The Company will apply the unutilised portion of the FY2020 Placing Proceeds according to 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.

JANUARY-2024 PLACING

As disclosed in 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 places 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 placing agreement was signed, 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 balance of Jan-2024 Placing Proceeds brought forward from 2024 was approximately HK\$3.8 million.

The reasons for the Jan-2024 Placing and an analysis of the utilisation of the net proceeds from the Jan-2024 Placing as at 31 December 2025 is set out below:

Intended use of the Jan-2024 Placing Proceeds	Total planned amount <i>HK\$'million</i>	Utilised	Net proceeds	Unutilised	Expected timeline for the intended use
		net proceeds from the Jan-2024 Placing as at 31 December 2025 <i>HK\$'million</i>	from the Jan-2024 Placing utilised during the Year <i>HK\$'million</i>	net proceeds from the Jan-2024 Placing as at 31 December 2025 <i>HK\$'million</i>	
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 2026
Purchasing raw materials and semi- finished products for further processing at the Group's production plant	1.5	-	-	1.5	December 2026
Working capital of the Company	0.8	0.8	-	-	-
Total	<u>7.7</u>	<u>3.9</u>	<u>-</u>	<u>3.8</u>	

The unutilised portion of the net proceeds of Jan-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 Jan-2024 Placing Proceeds according to the announcement of the Company dated 18 January 2024. There was a delay in the application of the proceeds allocated for 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 plan for the acquisition of new machineries for functional garments and the related raw materials and semi-finished products took longer time to implement than expected.

MAY-2024 PLACING

As disclosed in 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 placing agreement was signed, 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 balance of the May-2024 Placing Proceeds brought forward from 2024 was 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 31 December 2025 is set out below:

Intended use of the May-2024 Placing Proceeds	Total planned amount <i>HK\$'million</i>	Utilised	Net proceeds	Unutilised	Expected timeline for the intended use
		net proceeds from the May-2024 Placing as at 31 December 2025 <i>HK\$'million</i>	from the May-2024 Placing utilised during the Year <i>HK\$'million</i>	net proceeds from the May-2024 Placing as at 31 December 2025 <i>HK\$'million</i>	
Marketing and developing online sales channels of the functional garment	3.0	0.8	–	2.2	December 2026
Working capital of the Company	1.7	1.7	–	–	–
Total	<u>4.7</u>	<u>2.5</u>	<u>–</u>	<u>2.2</u>	

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. There was a delay in the proceeds allocated for marketing and developing online sales channels for the functional garment because the online sales channels took longer time to develop than expected.

2025 PLACING

As disclosed in 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 placing agreement was signed, 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 31 December 2025 is set out below:

Intended use of the 2025 Placing Proceeds	Total planned amount <i>HK\$'million</i>	Utilised	Net proceeds	Unutilised	Expected timeline for the intended use
		net proceeds from the 2025 Placing as at 31 December 2025 <i>HK\$'million</i>	from the 2025 Placing utilised during the Year <i>HK\$'million</i>	net proceeds from the 2025 Placing as at 31 December 2025 <i>HK\$'million</i>	
Investment and development of a production facilities as the base for research and development and manufacturing of the functional garment	15.0	12.8	12.8	2.2	December 2027
Working capital of the Company	5.0	5.0	5.0	–	–
Total	20.0	17.8	17.8	2.2	

The unutilised portion of the net proceeds of 2025 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 2025 Placing Proceeds according to the announcement of the Company dated 23 May 2025.

CORPORATE GOVERNANCE CODE

The Directors and the management of the Group recognise the importance of sound corporate governance to the long-term success and continuing development of the Group. Therefore, the Board is committed to upholding good corporate standards and procedures, so as to improve the accountability system and transparency of the Group, protect the interests and create value for shareholders of the Company.

The Company's corporate governance practices are based on the principles and code provisions as set out in the Corporate Governance Code and Corporate Governance Report (the "**CG Code**") as set out in Appendix C1 of the GEM Listing Rules. During the year ended 31 December 2025, to the best knowledge of the Board, the Company has complied with all applicable code provisions of the CG Code.

CODE OF CONDUCT FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Group has adopted a code of conduct regarding securities transactions by the Directors as the required standard of dealings set out in Rules 5.46 to 5.67 of the GEM Listing Rules (the "**Model Code**"). The Company has made specific enquiry to each of the Directors as to the compliance of the Model Code and each of the Director confirmed that they have fully complied with the Model Code during the year ended 31 December 2025. The Company was not aware of any non-compliance with the Model Code by the Directors during the year ended 31 December 2025.

REVIEW BY AUDIT COMMITTEE

The Company has established an audit committee (the "**Audit Committee**") on 24 June 2017 with its written terms of reference in compliance with code provisions D.3.3 and D.3.7 of the CG Code. The Audit Committee consists of three members, namely Mr. Liu Mingxiao, Mr. Lin Kin-Chin and Mr. Zhu Honghai, all being independent non-executive Directors. Mr. Liu Mingxiao currently serves as the chairman of the Audit Committee, who has appropriate professional qualifications and experience in accounting matters. The members of the Audit Committee shall comprise non-executive Directors and shall be appointed or removed by the Board. If any member of the Audit Committee ceases to be a Director, he/she will cease to be a member of the Audit Committee automatically. The Audit Committee has reviewed the consolidated financial statements for the year ended 31 December 2025. The Audit Committee is of the opinion that the audited consolidated financial statements of the Group for the year ended 31 December 2025 comply with the applicable accounting standards, the GEM Listing Rules and that adequate disclosures have been made.

The Audit Committee must comprise a minimum of three members, at least one of whom is an INED with appropriate professional qualifications or accounting or related financial management expertise as required under Rule 5.28 of the GEM Listing Rules. In addition, the majority of the Audit Committee shall be INEDs.

DIVIDENDS

The Board resolved not to declare any final dividend for the year ended 31 December 2025. No dividend in respect of the year ended 31 December 2025 (2024: nil) were declared by the Board.

COMPETING INTERESTS

The Directors are not aware of any business or interest of the Directors nor the controlling shareholder of the Company nor any of their respective close associates (as defined in the GEM Listing Rules) that compete or may compete with the business of the Group and any other conflicts of interest which any such person has or may have with the Group during the year ended 31 December 2025.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the Year. The Company did not hold or sell any treasury shares during the Year.

GENERAL MEETINGS WITH SHAREHOLDERS

The annual general meeting (“AGM”) is a forum in which the Board and the shareholders communicate directly and exchange views concerning the affairs and overall performance of the Group, and its future developments, etc.

At the AGM, the shareholders will be given the opportunity to raise questions to the Directors (including the INEDs). The external auditor of the Company is also invited to be present at the AGM to address the queries of the shareholders concerning the audit procedures and the auditor's report.

The 2026 AGM will be held on Thursday, 18 June 2026, the notice of which shall be sent to the shareholders of the Company in accordance with the Articles, the GEM Listing Rules and other applicable laws and regulations.

CLOSURE OF REGISTER OF MEMBERS

In order to ascertain entitlements to attend and vote at the 2026 AGM, the register of members of the Company will be closed from Monday, 15 June 2026 to Thursday, 18 June 2026, both days inclusive, during which period no transfer of the shares of the Company will be registered. Shareholder of the Company are reminded to ensure that all completed share transfer forms accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not later than 4:30 p.m. on Friday, 12 June 2026.

AUDITOR

The consolidated financial statements for the Year have been audited by McMillan Woods (Hong Kong) CPA Limited (“**McMillan Woods**”). McMillan Woods shall retire in the forthcoming AGM and, being eligible, offer themselves for re-appointment. A resolution for the reappointment of McMillan Woods as auditor of the Company will be proposed at the 2026 AGM. The Company has not changed its external auditor during the year ended 31 December 2025 and up to the date of this announcement.

SCOPE OF WORK OF MCMILLAN WOODS ON THIS ANNOUNCEMENT

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 December 2025 as set out in this preliminary announcement have been agreed by McMillan Woods, to the amounts set out in the Group's audited consolidated financial statements for the Year. The work performed by McMillan Woods in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements and consequently no opinion or no assurance has been expressed by McMillan Woods on this preliminary announcement.

PUBLICATION OF ANNUAL RESULTS AND ANNUAL REPORT

This annual results announcement is published on the Company's website at www.sthl.com.hk and the Stock Exchange's website at www.hkexnews.hk. The 2025 annual report of the Company will be issued and made available on the above websites according to the GEM Listing Rules by April 2026.

By order of the Board
Reach New Holdings Limited
Chan Mei Wah
Company Secretary

Hong Kong, 25 March 2026

As at the date of this announcement, the executive Directors are Ms. Sha Xuanyi (Chair lady), 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.

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 Information" page for at least 7 days from the date of its posting and on the website of the Company at www.sthl.com.hk.