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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)

SUPPLEMENTAL ANNOUNCEMENT
PLACING OF NEW SHARES UNDER GENERAL MANDATE

Reference is made to the announcement of Reach New Holdings Limited (the "**Company**") dated 5 May 2026 (the "**Announcement**"). Unless otherwise stated, capitalised terms in this announcement shall have the same meanings as those defined in the Announcement.

The Board would like to provide supplemental information in connection with the Placing in this announcement.

USE OF PROCEEDS FROM PREVIOUS PLACING

The Board has carefully assessed the Group's liquidity position and considers that, notwithstanding the bank and cash balances of approximately RMB18.0 million as at 31 December 2025, the Company has funding needs to conduct the Placing. In reaching this view, the Board has taken into account, among other things, the following factors:

1. a substantial portion of the Group's existing cash balances has been allocated and reserved for the specific intended uses of the unutilised net proceeds from previous placings. As at 31 December 2025, the unutilised net proceeds from previous placings amount to approximately HK$13.2 million (equivalent to approximately RMB11.5 million); and

2. the Company is required to retain sufficient working capital to support its operation and business development.

As disclosed on pages 12 to 15 of the Company's annual report for the year ended 31 December 2025 (the "**Annual Report**"), the Company had unutilised net proceeds from placings completed during the period from 2020 to 2025 (the "**Previous Placings**"). As at 31 December 2025, the aggregate unutilised net proceeds from the Previous Placings amounted to approximately HK$13.2 million (equivalent to approximately RMB11.5 million). Details are set out below:

Intended use of the net proceeds from the Previous Placings	**Date of completion of the placing**	**Unutilised net proceeds as at 31 December 2025** *(HK$'million)*	**Expected timeline for the intended use**	**Reasons for delay**
Investment in information technology companies or projects	13 May 2020	5.0	December 2026	The Company has been proactively identifying suitable information technology companies or projects for potential investment. The Company sourced and reviewed potential targets through agency consultants, business contacts and market referrals. However, after preliminary due diligence and commercial evaluation, the Board considered that the potential targets identified to date did not demonstrate satisfactory commercial prospects, investment returns or strategic value to the Group. Accordingly, the Company decided not to proceed with such investments in order to avoid applying the proceeds to investments which may not be in the interests of the Company and its shareholders as a whole. The Company will continue to identify suitable information technology companies or projects which meet the Group's investment criteria.

Intended use of the net proceeds from the Previous Placings	Date of completion of the placing	Unutilised net proceeds as at 31 December 2025 *(HK$'million)*	Expected timeline for the intended use	Reasons for delay
Acquisition of machineries for manufacture and processing of functional garment	18 January 2024	2.3	December 2026	The Company has been negotiating with machinery suppliers in Henan Province, the PRC, in relation to the proposed acquisition of machineries for the manufacture and processing of functional garment. The delay was mainly due to the additional time required for the Company to assess the production capacity, technical specifications, compatibility, pricing and suitability of the relevant machineries for the Group's planned functional garment production. As the selection of machineries would affect the production efficiency, product quality and subsequent procurement of raw materials, the Group took a longer time to finalise the potential acquisition of the relevant machineries and equipment until the relevant technical and commercial assessment being completed.
Purchasing raw materials and semi-finished products for further processing at the Group's production plant	18 January 2024	1.5	December 2026	As the Company has not yet finalised the proposed acquisition of the relevant machineries, it has not proceeded with the bulk purchase of raw materials and semi-finished products. Accordingly, the Company will proceed with the purchase of raw materials and semi-finished products after the relevant machinery acquisition plan has been finalised.

Intended use of the net proceeds from the Previous Placings	Date of completion of the placing	Unutilised net proceeds as at 31 December 2025 *(HK$'million)*	Expected timeline for the intended use	Reasons for delay
Marketing and developing online sales channels of the functional garment	2 May 2024	2.2	December 2026	The Company has been identifying and evaluating suitable online sales channels and live-streaming platforms for advertisement and marketing of functional garments. And similar to the above, the utilisation of these proceeds depends on commercialisation of production of the functional garment.
Investment and development of a production facilities as the base for research and development and manufacturing of the functional garment	11 June 2025	2.2	December 2027	The Company has been developing its production facilities for research and development and manufacturing of the functional garment. The Company will continue to apply the proceeds progressively as the development of the functional garment business advances.
Total		**13.2**		

The Placing is therefore intended to provide the Company with additional financial resources to satisfy its funding needs for developing the new money lending business, while allowing the Group to preserve the unutilised net proceeds from the Previous Placings for their originally intended purposes.

REASONS TO COMMENCE THE MONEY LENDING BUSINESS

The Board considers that the proposed commencement of the money lending business represents a commercially reasonable opportunity for the Group to diversify its business portfolio and broaden its income stream.

As disclosed in the Annual Report, the Group is principally engaged in the production and supply of garment accessories, provision of labelling solutions and provision of information technology services. The Group has also expanded into the production and trading of functional garments in the PRC.

The Board notes that the Group's traditional garment accessories business continued to face challenging market conditions during the year ended 31 December 2025, including keen price competition, increasing operating costs, cost reduction measures adopted by customers, trade protectionism and intensifying trade frictions between the PRC and the United States. 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, and its gross profit decreased by approximately 21.6% from approximately RMB25.5 million to approximately RMB20.0 million. The Group also recorded a loss for the year of approximately RMB13.9 million for the year ended 31 December 2025.

In light of the above, the Board considers it prudent for the Group to explore suitable new business opportunities to diversify its revenue sources and reduce reliance on its existing principal businesses. This is consistent with the Group's disclosed business strategy of exploring other business opportunities for broadening its income streams and maximising returns to shareholders in the long run.

Although the money lending business is not directly related to the Group's existing principal businesses, the Board considers that it may, if operated on a prudent and properly controlled basis, provide the Group with an additional source of interest income and recurring cash flow. The Board also considers that the relevant experience of certain Directors in the banking, financial services and related sectors, details of which are set out in the paragraphs headed "Commencement of Money Lending Business" below in this announcement, would be beneficial to the Company in assessing and developing the proposed money lending business.

Taking into account the above, the Board considers that the proposed commencement of the money lending business is a reasonable business diversification initiative and is in the interests of the Company and its shareholders as a whole.

OBTAINING MONEY LENDERS LICENSE

The Board is pleased to announce that Must Win Finance Company Limited (必盈財務有限公司) (the "**Subsidiary**"), the wholly-owned indirect subsidiary of the Company, has obtained a money lenders license under the Money Lenders Ordinance (Cap. 163 of the Laws of Hong Kong) on 7 May 2026.

COMMENCEMENT OF MONEY LENDING BUSINESS

The Board considers that the Company has sufficient and appropriate expertise and infrastructure to commence and conduct the money lending business, having regard to the relevant experience of certain Directors, the Company's proposed internal business plan and the internal control procedures to be established for such business.

In terms of expertise, Ms. Sha Xuanyi ("**Ms. Sha**"), the chairlady and an executive director of the Company, has substantial experience in the banking industry. She worked at China Merchants Bank in Shenzhen, the PRC, from February 1993 to January 2014. During her tenure with China Merchants Bank, Ms. Sha held various positions in branch operations and business functions, and her last position was general manager of the sales department of China Merchants Bank's Qianhai branch. Through her long-standing experience in the banking industry, the Board considers that Ms. Sha has acquired relevant knowledge and experience in lending operations, credit-related business and financial risk management.

In addition, Mr. Kok Bing Ching ("**Mr. Kok**"), a non-executive director of the Company, has relevant academic background and professional experience in information engineering, financial technology and related sectors. Mr. Kok graduated from The Chinese University of Hong Kong in 2010 with a Bachelor of Engineering degree in Information Engineering. In December 2018, Mr. Kok obtained an Executive Certificate in Fintech from The University of Hong Kong School of Professional and Continuing Education.

Mr. Kok has over 11 years of experience in financial technology, blockchain and the virtual asset market. From September 2014 to December 2017, Mr. Kok served as head of information technology of Hani Securities (H.K.) Limited (恆利證券(香港)有限公司), currently known as Fosun International Securities Limited (復星國際證券有限公司). He subsequently served as vice president of Loto Interactive Limited (樂透互娛有限公司), currently known as Crypto Flow Technology Limited (加冪科技有限公司) (stock code: 8198) (the "**Crypto Flow**"), from January 2018 to December 2022, where he was primarily responsible for the operations of blockchain and big data businesses in Hong Kong and the PRC.

During his tenure with Cryto Flow, Mr. Kok also served as the manager of Might Winner Limited, an indirect wholly-owned subsidiary of that group which obtained a money lender's licence under the Money Lenders Ordinance in January 2020 and operated a money lending business in Hong Kong. In such capacity, Mr. Kok gained direct exposure to the operation and management of a licensed money lending business.

Having considered the above, the Board is of the view that Ms. Sha and Mr. Kok possess relevant experience in the banking, financial services, credit-related and financial technology sectors, which would be beneficial to the Company in developing its proposed money lending business.

The Company has also prepared a business plan for the proposed money lending business and will also establish appropriate internal control and risk management procedures for the proposed money lending business.

USE OF PROCEEDS FROM THE PLACING

As disclosed in the Announcement, the net proceeds from the Placing are expected to be approximately HK$4.7 million, of which approximately HK$2.6 million is intended to be used for the development and expansion of the money lending business of the Group in Hong Kong, and the remaining balance of approximately HK$2.1 million is intended to be used as general working capital of the Company.

The Company would like to clarify that the amount of approximately HK$2.6 million allocated for the development and expansion of the money lending business is intended to be applied as the initial lending capital and/or loan principal for the operation of the proposed money lending business.

The detailed breakdown of the remaining net proceeds of approximately HK$2.1 million to be used as general working capital of the Company is set out below:

Intended use of the net proceeds of the Placing	**Amount**	**Expected use**
Salary and staff costs for the lending business	HK$1.0 million	To support the Group's operating business, including staff costs and remuneration of personnel involved in the proposed money lending business
Development of IT application for the lending business	HK$0.3 million	To develop or procure IT application/system functions to support the proposed money lending business, including loan application processing, customer records, repayment monitoring and related administrative functions
Upfront setup costs and marketing costs for the lending business	HK$0.8 million	To cover preliminary setup costs, professional fees, administrative expenses and marketing expenses in connection with the proposed money lending business
Total	**HK$2.1 million**	

The Company expects that the above allocation will provide the Group with sufficient working capital to support the initial operation and development of the proposed money lending business.

THE MONEY LENDING BUSINESS AND INTENDED CLIENTS

The Group, through the Subsidiary, currently intends to offer unsecured loans, secured loans excluding mortgage loans, and property mortgage loans. The target customers will include individual and corporate borrowers in Hong Kong. The target individual borrowers will mainly comprise high-income professionals, executives and business owners in the financial and technology sectors, with annual income generally ranging from approximately HK$300,000 to HK$3,000,000 depending on the type of loan product, while the target corporate borrowers will mainly comprise small and medium-sized enterprises in the technology, media and professional services sectors.

The expected interest rates of the loans will range from approximately 10% to 30%, depending on the type of loan product and the risk assessment of the relevant borrower. The Company currently expects that the loan portfolio size will be approximately HK$20 million

in the first year and approximately HK$30 million in the second year, subject to the actual availability of funding, market demand, credit assessment results and the Group's internal resources.

The Group intends to source customers primarily through referrals from its shareholders and their respective business networks, while all loan applications, regardless of the source of referral, will be subject to the Subsidiary's independent credit assessment and approval procedures.

Save as disclosed above, all other information in the Announcement remains unchanged.

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

Hong Kong, 19 May 2026

As at the date of this announcement, the executive Directors are Ms. Sha Xuanyi (Chairlady), Mr. Lam Kai Yuen, Mr. Lam Kai Cheong and Mr. Li Rongsheng (Chief Executive Officer); 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 Company Announcements" page for at least 7 days from the date of its posting and on the website of the Company at www.sthl.com.hk.

For the purpose of this announcement, unless otherwise specified, the conversion of RMB into HK$ is based on the approximate exchange rate of RMB1.00 to HK$1.15. The exchange rate is for illustrative purpose only and does not constitute a representation that any amounts have been, could have been, or may be exchanged at such rate.