Reach New Holdings Limited
新達控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8471)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2026

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.*

HIGHLIGHTS

- The Group recorded an unaudited revenue of approximately RMB43.6 million for the six months ended 30 June 2026 (six months ended 30 June 2025: approximately RMB37.8 million), representing an increase of approximately 15.3% over the corresponding period of 2025.

- The unaudited loss of the Group for the six months ended 30 June 2026 amounted to approximately RMB3.1 million (six months ended 30 June 2025: unaudited loss of approximately RMB5.2 million).

- The basic loss per share for the six months ended 30 June 2026 was RMB5.4 cents after reflecting the effect of the Share Consolidation (six months ended 30 June 2025: basic loss per share of RMB10.0 cents (restated)).

- The Board resolved not to declare an interim dividend for the six months ended 30 June 2026 (six months ended 30 June 2025: nil).

FINANCIAL INFORMATION FOR THE SIX MONTHS ENDED 30 JUNE 2026

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 2026, together with the comparative unaudited figures for the corresponding period in 2025, as follows:

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

For the six months ended 30 June 2026

		Six months ended 30 June	
		2026	2025
	Notes	***RMB'000***	*RMB'000*
		(Unaudited)	(Unaudited)
Revenue	*4*	**43,629**	37,841
Cost of sales		**(30,947)**	(26,795)
Gross profit		**12,682**	11,046
Other income, gains and losses		**1,050**	208
Distribution and selling expenses		**(2,185)**	(2,091)
Administrative expenses		**(13,953)**	(14,031)
Finance costs		**(76)**	(31)
Loss before tax		**(2,482)**	(4,899)
Income tax expenses	*5*	**(624)**	(312)
Loss and total comprehensive expense for the period	*6*	**(3,106)**	(5,211)
Loss and total comprehensive expense for the period attributable to:			
Owners of the Company		**(3,102)**	(5,302)
Non-controlling interests		**(4)**	91
			(Restated)
Loss per share,			
— Basic and diluted (RMB cents)	*8*	**(5.4)**	(10.0)

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2026

	Notes	**As at 30 June 2026** *RMB'000* **(Unaudited)**	As at 31 December 2025 *RMB'000* (Audited)
NON-CURRENT ASSETS			
Property, plant and equipment	*9*	**3,234**	3,090
Financial assets at fair value through profit or loss		**11,600**	11,600
Right-of-use asset		**1,717**	–
		16,551	14,690
CURRENT ASSETS			
Inventories		**701**	2,640
Trade receivables	*10*	**23,241**	19,746
Prepayments and other receivables		**1,397**	8,773
Bank and cash balances		**17,952**	18,047
		43,291	49,206
CURRENT LIABILITIES			
Trade payables	*11*	**10,842**	13,858
Other payables and accruals		**3,993**	7,260
Contract liabilities		**–**	194
Lease liabilities		**95**	404
Bank borrowing		**120**	240
Tax payable		**1,147**	981
		16,197	22,937
NET CURRENT ASSETS		**27,094**	26,269
TOTAL ASSETS LESS CURRENT LIABILITIES		**43,645**	40,959

	Notes	**As at 30 June 2026** *RMB'000* **(Unaudited)**	As at 31 December 2025 *RMB'000* (Audited)
NON-CURRENT LIABILITIES			
Deferred tax liability		**110**	55
Bank borrowing		**900**	900
Lease liabilities		**1,839**	199
TOTAL NON-CURRENT LIABILITIES		**2,849**	1,154
NET ASSETS		**40,796**	39,805
CAPITAL AND RESERVES			
Share capital	*12*	**12,918**	10,794
Reserves		**27,926**	29,023
Equity attributable to owners of the Company		**40,843**	39,817
Non-controlling interests		**(47)**	(12)
TOTAL EQUITY		**40,796**	39,805

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2026

	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 2026 (Audited)	**10,794**	**68,815**	**2,795**	**14,145**	**(56,732)**	**39,817**	**(12)**	**39,805**
Issuance of new shares from placing of shares *(note 12)*	**2,124**	**2,004**	**–**	**–**	**–**	**4,128**	**–**	**4,128**
Share based payment	**–**	**–**	**(2,795)**	**2,795**	**–**	**–**	**–**	**–**
Loss and total comprehensive expense for the period	**–**	**–**	**–**	**–**	**(3,102)**	**(3,102)**	**(35)**	**(3,137)**
At 30 June 2026 (Unaudited)	**12,918**	**70,819**	**–**	**16,940**	**(59,834)**	**40,843**	**(47)**	**40,796**
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

Notes:

1. 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.

2. 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 2026

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Net cash used in operating activities	**(3,362)**	(9,961)
Investing activities		
Purchase of property, plant and equipment	**(48)**	(903)
Interest received	**12**	22
Net cash used in investing activities	**(36)**	(881)
Financing activities		
Net proceeds from placing of new shares under general mandate	**4,216**	18,251
Repayment of lease liabilities	**(57)**	(91)
Repayment of bank borrowing	**(142)**	(120)
Net cash from financing activities	**4,017**	18,040
Net increase in cash and cash equivalents	**619**	7,191
Cash and cash equivalents at the beginning of period	**18,047**	21,062
Effect of foreign exchange rate changes	**(714)**	(43)
Cash and cash equivalents at end of period, representing bank balances and cash	**17,952**	28,126

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 2026 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 2026 have been prepared under the historical cost convention.

The unaudited condensed consolidated financial statements for the six months ended 30 June 2026 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 2026 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 2026 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 2026, 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 2026. 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 2026 and prior years.

4. REVENUE AND SEGMENT INFORMATION

Disaggregation of revenue from contracts with customers

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Types of products — at point in time recognition:		
Sales of printed products	**17,623**	14,012
Sales of woven labels	**8,032**	6,423
Sales of printed labels	**7,911**	7,473
Others	**10,063**	9,933
	43,629	37,841

Types of customers

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Garment brand companies	**5,488**	4,262
Sourcing companies designated by garment brand companies	**9,623**	10,575
Garment manufacturers	**26,458**	20,871
Others	**2,060**	2,133
	43,629	37,841

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	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Customer A	**9,623**	10,539
Customer B	**–**	4,948
Customer C	**–**	3,780

5. INCOME TAX EXPENSES

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Current tax:		
Provision for the period	**624**	312

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 2026 and 2025.

The Group is subject to PRC Enterprise Income Tax ("**PRC EIT**") at a rate of 25% (for the six months ended 30 June 2025: 25%) and dividend withholding tax at a rate of 5% for the six months ended 30 June 2026 (for the six months ended 30 June 2025: 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 2026.

Current tax provision represents provision for PRC EIT.

6. LOSS FOR THE PERIOD

	Six months ended 30 June	
	2026	2025
	RMB'000	*RMB'000*
	(Unaudited)	(Unaudited)
Loss for the period has been arrived at after charging:		
Directors' remuneration	**908**	1,145
Staff costs		
— salaries and wages	**9,643**	11,009
— retirement benefits scheme contributions, excluding directors	**1,555**	1,454
Total directors and other staff costs	**12,106**	13,608
Allowance for credit losses on trade receivables	**172**	475
Depreciation on property, plant and equipment	**243**	132
Depreciation of right-of-use assets	**500**	50

7. DIVIDEND

The Board resolved not to declare an interim dividend for the six months ended 30 June 2026 (for the six months ended 30 June 2025: nil).

8. LOSS PER SHARE

	Six months ended 30 June	
	2026	2025
	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	**(3,102)**	(5,302)

	Six months ended 30 June	
	2026	2025
	(Unaudited)	(Unaudited) (restated)
Number of Shares:		
Weighted average number of ordinary shares for the purpose of calculating basic loss per Share	**57,785,479**	53,241,436

No diluted loss per Share is presented for the six months ended 30 June 2026 and 2025 as 78,000,000 outstanding Share options were anti-dilutive and have not been included in the calculation of diluted loss per share.

As at 30 June 2026, 78,000,000 outstanding Share options granted on 26 March 2024 had expired.

The weighted average number of ordinary Shares used in the calculation of basic loss per Share for the six months ended 30 June 2026 has been adjusted to reflect the effects of the share consolidation (as defined in Note 12) and issue of shares (as defined in Note 12). The corresponding weighted average number of Shares for the six months ended 30 June 2025 has been retrospectively adjusted to ensure comparability, taking into account the impact of the share consolidation.

9. PROPERTY, PLANT AND EQUIPMENT

For the six months ended 30 June 2026, the Group acquired plant and equipment with an aggregate cost of approximately RMB48,000 (30 June 2025: approximately RMB903,000).

10. TRADE AND OTHER RECEIVABLES AND PREPAYMENTS

	30 June 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Trade receivables	**25,905**	22,421
Less: allowance for credit losses	**(2,664)**	(2,675)
	23,241	19,746
Other receivables	**1,397**	5,533
Prepayments	**–**	3,240
	1,397	8,773

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 2026 RMB'000 (Unaudited)	31 December 2025 RMB'000 (Audited)
Within 90 days	**12,704**	17,363
91–180 days	**10,037**	2,383
181–365 days	**500**	–
	23,241	19,746

As at 30 June 2026, included in the Group's trade receivables balance are debtors with an aggregate carrying amount of approximately RMB12.9 million (31 December 2025: approximately RMB12.2 million) which are past due as at the end of reporting period. Out of the past due balances, approximately RMB543,000 (31 December 2025: approximately RMB2.6 million) 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 2026 *RMB'000* **(Unaudited)**	31 December 2025 *RMB'000* (Audited)
Trade payables	**10,842**	13,858
Other payables	**3,993**	6,071
Accrued expenses	**–**	1,189
	3,993	7,260

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

	30 June 2026 *RMB'000* **(Unaudited)**	31 December 2025 *RMB'000* (Audited)
Within 90 days	**7,774**	7,630
91–180 days	**2,686**	1,706
181–365 days	**382**	2,917
Over 365 days	**–**	1,605
Total	**10,842**	13,858

The credit period on trade payables ranges from 30 to 90 days for the six months ended 30 June 2026 (31 December 2025: 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 at 1 January 2026		
Ordinary shares of HK$0.2 each at 30 June 2026		
Authorised:		
At 1 January 2025, 30 June 2025, 1 January 2026	2,000,000,000	20,000,000
Share consolidation during the Period *(Note (d))*	(1,900,000,000)	–
At 30 June 2026	100,000,000	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 six months ended 30 June 2025 *(Note (a) and (b))*	206,000,000	2,060,000
At 30 June 2025	1,226,000,000	12,260,000
At 31 December 2025 and 1 January 2026	1,226,000,000	12,260,000
Issuance of shares during the Period *(Note (c))*	245,200,000	2,452,000
Share consolidation during the Period *(Note (d))*	(1,397,640,000)	–
At 30 June 2026	73,560,000	14,712,000
		RMB
Shown in the unaudited condensed consolidated financial statements as		12,918,000

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 for placing of 204,000,000 shares. On 11 June 2025, the Company completed the 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.

(c) On 5 May 2026, the Company announced that a placing agreement was signed between the Company as issuer and Ruibang Securities Limited as placing agent for placing of 245,200,000 shares. On 27 May 2026, the Company completed the placing of 245,200,000 Shares under generate mandate and raised gross proceeds of HK$4.9 million.

(d) On 15 May 2026, the Company announced that it proposed to implement the share consolidation (the "**Share Consolidation**") on the basis of every twenty (20) issued and unissued Shares of par value of HK$0.01 each in the share capital of the Company to be consolidated into one (1) consolidated Share of par value of HK$0.2 each. Pursuant to an ordinary resolution passed on 18 June 2026, the Share Consolidation was approved by the Shareholders and became effective on 23 June 2026. Since then, the total number of issued shares of the Company was adjusted from 1,471,200,000 to 73,560,000. For more details of the Share Consolidation, please refer to the Company's announcements dated 15 May 2026 and 18 June 2026 and the Company's circular dated 26 May 2026.

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 2026** *RMB'000* **(Unaudited)**	2025 *RMB'000* (Unaudited)
史威特服飾(惠州)有限公司	Rental Paid *(note)*	**1,229**	1,272
Good Wealthy Properties Limited	Rental Paid *(note)*	**43**	44

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 2026. 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. 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 2026, the contributions made by employers on behalf of the employees were approximately HK$938,000 and none of the amount was utilized during the period ended 30 June 2026.

15. EVENTS AFTER THE REPORTING PERIOD

There was no significant subsequent events happened to the Group after 30 June 2026 and up to the date of this announcement.

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.

During the Period, the Group undertook one round of placing under general mandate raising total net proceeds of HK$4.7 million for the development and expansion of the money lending business of the Group in Hong Kong and for general working capital of the Company. On 7 May 2026, Must Win Finance Company Limited (必盈財務有限公司), the indirectly wholly-owned subsidiary of the Company, obtained a money lenders license under the Money Lenders Ordinance (Chapter 163 of the Laws of Hong Kong) and the Group would commence its money lending business since then. The Group would explore suitable new business opportunities to diversify its revenue sources and reduce reliance on its existing principal businesses.

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 increased by approximately 15.3% from approximately RMB37.8 million for the six months ended 30 June 2025 to approximately RMB43.6 million for the six months ended 30 June 2026 (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, as disclosed above, the Group will expand its business operation in manufacturing and sale of functional garment, information technology business and money lending business, and will continue to explore new business opportunities to strengthen its 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 15.3% from approximately RMB11.0 million for the six months ended 30 June 2025 to approximately RMB12.7 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 Period, the Group's revenue increased by approximately 15.3%, while the cost of sales increased proportionately by approximately 15.3% compared to the six months ended 30 June 2025. As a result, the Group's gross profit margin remains relatively stable at approximately 29.1% for the Period compared to approximately 29.2% for the six months ended 30 June 2025.

Distribution and selling expenses

Distribution and selling expenses remained relatively stable at approximately RMB2.2 million for the Period as compared to approximately RMB2.1 million for the six months ended 30 June 2025.

Administrative expenses

Administrative expenses remain stable at RMB14.0 million for the Period and for the six months ended 30 June 2025. 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 RMB3.1 million for the Period, as compared to the unaudited loss of approximately RMB5.2 million for the six months ended 30 June 2025. The decrease in loss was mainly due to the increase in revenue for the Period, while the distribution and selling expenses and administrative expenses remain relative stable compared with those of the same period in the previous year.

LIQUIDITY AND FINANCIAL RESOURCES

On 5 May 2026, 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 "**2026 Placing**") 245,200,000 Shares at the placing price of HK$0.02 per placing share under general mandate. On 27 May 2026, the Company completed the 2026 Placing of 245,200,000 Shares and raised gross proceeds of HK$4.9 million and a net proceeds of HK$4.7 million.

During the Period, the Group mainly financed its operations with its own working capital from its operating activities, bank borrowings and proceeds of the 2026 Placing as mentioned above. As at 30 June 2026, the Group had net current assets of approximately RMB27.1 million (31 December 2025: approximately RMB26.3 million), including cash and bank balances of approximately RMB18.0 million (31 December 2025: approximately RMB18.0 million). The Group's current ratio as at 30 June 2026 was approximately 2.67 (31 December 2025: approximately 2.14).

GEARING RATIO

The gearing ratio of the Group as at 30 June 2026 was 2.5% (31 December 2025: 2.9%). 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 2026.

CAPITAL COMMITMENTS

As at 30 June 2026, the Group did not have any significant capital commitments (31 December 2025: 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 announcement. During the Period, the Group did not hold or sell any treasury shares.

SIGNIFICANT INVESTMENTS

During the Period and as at 30 June 2026, the Group held 24% of the 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**") and the investment cost was RMB11.6 million. Hengda Yongjin is a company incorporated in the PRC whose operations are located in Nanyang, Henan Province, the PRC and it engages in the trading of crop seeds, cultivation of grain crops and production of seeds for non-staple crops. The 24% equity interest in Hengda Yongjin is considered as a financial asset at fair value through profit or loss of the

Company. The fair value of the investment over Hengda Yongjin was RMB11.6 million, respesenting approximately 19.4% of the total assets of the Group as at 30 June 2026. During the Period, Hengda Yongjin recorded an unaudited net loss of RMB33,000 and there was no unrealised gain or loss or any dividend received. 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 that the future prospects of Hengda Yongjin remain generally positive. Save as disclosed above, the Group did not hold other significant investments during the Period.

MATERIAL ACQUISITIONS OR DISPOSAL OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

During the Period, the Group did not have any material acquisitions or disposals of subsidiaries, associates or joint ventures.

CONTINGENT LIABILITIES

As at 30 June 2026, the Group did not have any material contingent liabilities (31 December 2025: 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 2026, 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 with 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. During the Period, the Company did not hold any wealth management products or engage in any hedging activities.

PLEDGE OF ASSETS

As at 30 June 2026, the Group had assets pledged with carrying value of RMB201,000 (31 December 2025: RMB239,000) as securities for facilities granted to the Group.

EMPLOYEES AND REMUNERATION POLICIES

As at 30 June 2026, the Group employed a total of 214 full-time employees (30 June 2025: 228 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 RMB12.1 million (30 June 2025: approximately RMB13.6 million). Remuneration is determined with reference to market terms and the performance, qualification and experience of individual employees. The Group also offers induction and other on-the-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 2025 and the six months ended 30 June 2026, while the amount available for reduction in contributions of the Group due to forfeiture as at 31 December 2025 and 30 June 2026 were approximately HK$0.8 million and HK$0.4 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 2025.

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

Grantees	Name of Director	Grant Date	Exercise Price	Exercise Period	Vesting Date	Balance as at 1 January 2026	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 2026
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	67,550,000	–	–	67,550,000	–
Total						78,000,000	–	–	78,000,000	–

As at the beginning, at the end of the Period and as at the date of this announcement, no Share Options were 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 78,000,000 Shares and nil Shares, respectively, which represent approximately 6.36% and 0% of the number of issued Shares as at the beginning and at the end of the Period, respectively. All outstanding 78,000,000 Share Options were lapsed on 25 March 2026. Save as 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 2025: 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 2025, 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.

During the Period, the Group expanded into money lending business in Hong Kong. On 7 May 2026, Must Win Finance Company Limited (必盈財務有限公司), a wholly-owned indirect subsidiary of the Company, obtained a money lenders license under the Money Lenders Ordinance (Cap. 163 of the Laws of Hong Kong). The Group will explore suitable new business opportunities to diversify its revenue sources and reduce reliance on its existing principal businesses.

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 disclosed in this announcement, the Group did not have any plans for material investments or capital assets as at 30 June 2026.

PRINCIPAL RISKS AND UNCERTAINTIES

The Group's key risk exposures 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 its 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 "Risk Factors" in the Prospectus.

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 2025 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 2026 are set out below:

Intended use of the net proceeds from the FY2020 Placing	Revised total planned amount *HK$'million*	Utilised net proceeds from the FY2020 Placing as at 30 June 2026 *HK$'million*	Net proceeds from the FY2020 Placing utilised during six months ended 30 June 2026 *HK$'million*	Unutilised net proceeds from the FY2020 Placing as at 30 June 2026 *HK$'million*	Expected timeline for the intended use
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

The Company has applied the utilised portion and 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 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 2025 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 2026 are set out below:

Intended use of the Jan-2024 Placing Proceeds	**Total planned amount** *HK$'million*	**Utilised net proceeds from the Jan-2024 Placing as at 30 June 2026** *HK$'million*	**Net proceeds from the Jan-2024 Placing utilised during six months ended 30 June 2026** *HK$'million*	**Unutilised net proceeds from the Jan-2024 Placing as at 30 June 2026** *HK$'million*	**Expected timeline for the intended use**
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	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 2025 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 2026 are set out below:

Intended use of the May-2024 Placing Proceeds	Total planned amount *HK$'million*	Utilised net proceeds from the May-2024 Placing as at 30 June 2026 *HK$'million*	Net proceeds from the May-2024 Placing utilised during six months ended 30 June 2026 *HK$'million*	Unutilised net proceeds from the May-2024 Placing as at 30 June 2026 *HK$'million*	Expected timeline for the intended use
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	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 unutilised 2025 Placing Proceeds brought forward from 31 December 2025 was in the amount of approximately HK$2.2 million.

The reasons for the 2025 Placing and an analysis of the utilisation of the net proceeds from the 2025 Placing as at 30 June 2026 are set out below:

Intended use of the 2025 Placing Proceeds	**Total planned amount**	**Utilised net proceeds from the 2025 Placing as at 30 June 2026**	**Net proceeds from the 2025 Placing utilised during six months ended 30 June 2026**	**Unutilised net proceeds from the 2025 Placing as at 30 June 2026**	**Expected timeline for the intended use**
	HK$'million	*HK$'million*	*HK$'million*	*HK$'million*	
Investment and development of production facilities	15.0	12.8	–	2.2	December 2026
Working capital of the Company	5.0	5.0	–	–	–
Total	20.0	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 will apply the unutilised portion of the 2025 Placing Proceeds according to the announcement of the Company dated 11 June 2025.

2026 PLACING

As per the Company's announcements dated 5 May 2026, 19 May 2026 and 27 May 2026, 245,200,000 Shares (the "**2026 Placing Shares**"), which ranked pari passu with other ordinary shares, were successfully placed to 10 independent placees at the placing price of HK$0.02 per 2026 Placing Share under general mandate (the "**2026 Placing**"). The net price per 2026 Placing Share was approximately HK$0.019 and the closing price of the Shares on 5 May 2026, being the date on which the terms of the issue were fixed, was HK$0.024. The 2026 Placing Shares have an aggregate nominal value of HK$2,452,000. The gross proceeds and the net proceeds (after deducting the placing fee and other related expenses incurred in the 2026 Placing) from the 2026 Placing are HK$4.9 million and approximately HK$4.7 million, respectively (the "**2026 Placing Proceeds**"). The market value of the 2026 Placing Shares was approximately HK$5.88 million on the date on which the placing agreement was signed.

The reasons for the 2026 Placing and an analysis of the utilisation of the net proceeds from the 2026 Placing as at 30 June 2026 are set out below:

Intended use of the 2026 Placing Proceeds	**Total planned amount** *HK$'million*	**Utilised net proceeds from the 2026 Placing as at 30 June 2026** *HK$'million*	**Net proceeds from the 2026 Placing utilised during six months ended 30 June 2026** *HK$'million*	**Unutilised net proceeds from the 2026 Placing as at 30 June 2026** *HK$'million*	**Expected timeline for the intended use**
Development and expansion of the money lending business	2.6	0.4	0.4	2.2	December 2026
Salary and staff costs for the lending business	1.0	–	–	1.0	December 2026
Development of IT application for the lending business	0.3	–	–	0.3	December 2026
Upfront setup costs and marketing costs	0.8	0.2	0.2	0.6	December 2026
Total	4.7	0.6	0.6	4.1	

The unutilised portion of the net proceeds of 2026 Placing is currently placed in banks in Hong Kong and the PRC. The Company will apply the unutilised portion of the 2026 Placing Proceeds according to the announcement of the Company dated 5 May 2026.

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 2026, 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	6,620,000 *(note 1)* (Long position)	9.00%
Mr. Li Rongsheng ("**Mr. Li**")	Beneficial owner	4,500,000 *(note 2)* (Long position)	6.12%

Notes:

1. Ms. Sha, who is the chairlady and the executive Director, is beneficially interested in 6,620,000 Shares.

2. Mr. Li, who is the chief executive officer and the executive Director, is beneficially interested in 4,500,000 Shares.

Save as disclosed above, as at the date of this announcement, 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

So far as the Directors are aware, as at 30 June 2026, 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 2026. During the Period and up to the date of this announcement, the Company did not hold or sell any treasury share.

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.

EVENTS AFTER REPORTING PERIOD

There was no significant subsequent events happened to the Group after 30 June 2026 and up to the date of this announcement.

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 announcement 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, 28 August 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 will remain on the 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.