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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)

- (1) PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL;
AND
(2) PROPOSED RIGHTS ISSUE ON THE BASIS OF THREE
(3) RIGHTS SHARES FOR EVERY
ONE (1) SHARE HELD ON THE RECORD DATE**

Placing Agent



**Independent Financial Adviser to the Independent Board Committee
and the Independent Shareholders**

WALKER CAPITAL

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The Company proposes to increase the authorised share capital of the Company and implement the Rights Issue on the basis of three (3) Rights Shares for every one (1) Share held on the Record Date.

PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL

The Company proposes to increase the authorised share capital of the Company from HK\$20,000,000 divided into 100,000,000 Shares of HK\$0.2 each to HK\$200,000,000 divided into 1,000,000,000 Shares of HK\$0.2 each by the creation of an additional 900,000,000 unissued Shares of HK\$0.2 each. Subject to passing of an ordinary resolution by Shareholders at the EGM, the Increase in Authorised Share Capital will become effective on the date of the EGM.

PROPOSED RIGHTS ISSUE

Subject to the Increase in Authorised Share Capital becoming effective, the Company proposes to raise gross proceeds of up to approximately HK\$44.1 million by way of the issue of up to 220,680,000 Rights Shares (assuming no change in the number of Shares in issue on or before the Record Date), at the Subscription Price of HK\$0.2 per Rights Share on the basis of three (3) Rights Shares for every one (1) Share held on the Record Date. The Rights Issue is only available to the Qualifying Shareholders and will not be extended to the Excluded Shareholders.

The maximum net proceeds from the Rights Issue after deducting the expenses are estimated to be approximately HK\$43.1 million (assuming no change in the number of Shares in issue on or before the Record Date). Subject to fulfilment of the conditions of the Rights Issue, the Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptance of the provisionally allotted Rights Shares.

THE COMPENSATORY ARRANGEMENTS AND THE PLACING AGREEMENT

According to Rule 10.31(1)(b) of the GEM Listing Rules, the Company will make the Compensatory Arrangements to dispose of the Unsubscribed Rights Shares and the ES Unsold Rights Shares (i.e. Placing Shares) by offering the Placing Shares to independent placees for the benefit of the relevant No Action Shareholders and Excluded Shareholders. As the Compensatory Arrangements are in place, there will be no excess application arrangements in relation to the Rights Issue.

Accordingly, on Friday, 4 September 2026 (after trading hours of the Stock Exchange), the Company entered into the Placing Agreement with the Placing Agent, pursuant to which the Company has appointed the Placing Agent to place the Placing Shares during the Placing Period to Placee(s) who and whose ultimate beneficial owner(s) are Independent Third Party(ies) on a best effort basis. Any premium over the Subscription Price that is realised will be paid to the No Action Shareholders and the Excluded Shareholders on a pro-rata basis. Any Placing Shares which are not placed under the Placing will not be issued by the Company and the size of the Rights Issue will be reduced accordingly.

GEM LISTING RULES IMPLICATIONS

As the Rights Issue will increase the number of the issued Shares by more than 50%, in accordance with Rule 10.29(1) of the GEM Listing Rules, the Rights Issue must be made conditional on approval by the Independent Shareholders in a general meeting by a resolution of which all controlling Shareholders and their associates or, where there is no controlling Shareholder, the Directors (excluding the independent non-executive Directors) and the chief executive of the Company and their respective associates shall abstain from voting in favour of the Rights Issue.

As such, Ms. Sha Xuanyi, Mr. Li Rongsheng and their respective associates shall abstain from voting in favour of the resolution(s) to approve the Rights Issue and the transactions contemplated thereunder at the EGM. As at the date of this announcement, (1) Ms. Sha Xuanyi, who is the chairlady and an executive Director of the Company, holds 6,620,000 Shares, representing approximately 9.0% of the existing issued share capital of the Company; and (2) Mr. Li Rongsheng who is the chief executive officer and an executive Director of the Company, holds 4,500,000 Shares, representing approximately 6.12% of the existing issued share capital of the Company.

The Rights Issue does not result in a theoretical dilution effect of 25% or more. As such, the theoretical dilution impact of the Rights Issue is in compliance with Rule 10.44A of the GEM Listing Rules.

INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

The Independent Board Committee comprising all the independent non-executive Directors, namely Mr. Liu Mingxiao, Mr. Zhu Honghai and Mr. Lin Kin-Chin, has been established to advise the Independent Shareholders as to whether the terms of the Rights Issue are fair and reasonable and in the interest of the Company and the Shareholders as a whole and to advise the Independent Shareholders on how to vote at the EGM. In this connection, the Company proposes to appoint Walker Capital Limited as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders as to whether the terms of the Rights Issue are fair and reasonable.

GENERAL

The EGM will be convened for the Shareholders to consider and, if thought fit, approve the Increase in Authorised Share Capital and the Rights Issue. A circular containing, among other things, (i) further details of the Increase in Authorised Share Capital and the Rights Issue; (ii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders in respect of the Rights Issue; (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders on the Rights Issue; and (iv) a notice convening the EGM, is expected to be despatched to the Shareholders on or before Wednesday, 7 October 2026.

Subject to the approval of the Rights Issue by the Independent Shareholders at the EGM, the Prospectus Documents containing further information of the Rights Issue are expected to be despatched to the Qualifying Shareholders on Wednesday, 11 November 2026 and the Prospectus will be despatched to the Excluded Shareholders for information purposes only to the extent permitted under the relevant laws and regulations and reasonably practicable.

WARNING OF THE RISKS OF DEALING IN THE SHARES AND NIL-PAID RIGHTS SHARES

Shareholders and potential investors of the Company should note that the Rights Issue is subject to fulfilment of conditions including, among other things, the Stock Exchange granting the listing of, and permission to deal in, the Rights Shares in their nil-paid and fully-paid forms. Please refer to the section headed “Proposed Rights Issue — Conditions of the Rights Issue” in this announcement.

Shareholder or other person contemplating transferring, selling or purchasing the Shares and/or the nil-paid rights is advised to exercise caution when dealing in the Shares and/or the nil-paid rights.

The Rights Issue will proceed on a non-underwritten basis irrespective of the acceptance of the provisionally allotted Rights Shares. Any person who is in any doubt about his/her/its position or any action to be taken is recommended to consult his/her/its own professional advisor(s). Any Shareholder or other person dealing in the Shares or in the nil-paid rights up to the time at which the Rights Issue becomes unconditional will accordingly bear the risk that the Rights Issue may not become unconditional or may not proceed.

The Company proposes to increase the authorised share capital of the Company and implement the Rights Issue on the basis of three (3) Rights Shares for every one (1) Share held on the Record Date.

PROPOSED INCREASE IN AUTHORISED SHARE CAPITAL

As of the date of this announcement, the authorised share capital of the Company is HK\$20,000,000 divided into 100,000,000 Shares with par value of HK\$0.2 each, of which 73,560,000 Shares have been issued and are fully paid or credited as fully paid.

The Company proposes to increase the authorised share capital of the Company from HK\$20,000,000 divided into 100,000,000 Shares of HK\$0.2 each to HK\$200,000,000 divided into 1,000,000,000 Shares of HK\$0.2 each by the creation of an additional 900,000,000 unissued Shares of HK\$0.2 each. Subject to passing of an ordinary resolution by Shareholders at the EGM, the Increase in Authorised Share Capital will become effective on the date of the EGM.

In order to facilitate the Rights Issue, accommodate the future growth of the Group and to provide the Company with greater flexibility to raise funds in the future, the Board considers the Increase in Authorised Share Capital is in the interests of the Company and the Shareholders as a whole.

PROPOSED RIGHTS ISSUE

Subject to the Increase in Authorised Share Capital becoming effective, the Company proposes to raise gross proceeds of up to approximately HK\$44.1 million by way of the issue of up to 220,680,000 Rights Shares (assuming no change in the number of Shares in issue on or before the Record Date), at the Subscription Price of HK\$0.2 per Rights Share on the basis of three (3) Rights Shares for every one (1) Share held on the Record Date. The Rights Issue is only available to the Qualifying Shareholders and will not be extended to the Excluded Shareholders.

The Rights Issue is not underwritten. Further details of the Rights Issue are set out below:

Issue statistics

Assuming no further change in the number of issued Shares on or before the Record Date:

Basis of Rights Issue	:	Three (3) Rights Shares for every one (1) Share held by the Qualifying Shareholders at the close of business on the Record Date
Subscription Price	:	HK\$0.2 per Rights Share
Net price per Rights Shares (i.e Subscription Price less estimated cost and expenses incurred in the Rights Issue on a per Rights Share basis)	:	HK\$0.195 per Rights Share
Number of Shares in issue as at date of this announcement	:	73,560,000 Shares
Number of Rights Shares to be issued pursuant to the Rights Issue	:	up to 220,680,000 Rights Shares
Aggregate nominal value of the Rights Shares	:	up to HK\$44,136,000
Number of Shares in issue immediately upon completion of the Rights Issue	:	up to 294,240,000 Shares

Maximum amount of gross : up to approximately HK\$44.1 million
proceeds raised from the
Rights Issue (before
expenses)

Maximum amount of net : up to approximately HK\$43.1 million
proceeds raised from the
Rights Issue

As at the date of this announcement, the Group had no outstanding debt securities, derivatives, options, warrants, convertible securities or other similar securities which are convertible or exchangeable into the Shares. Assuming no change in the number of Shares in issue on or before the Record Date and that no new Shares (other than the Rights Shares) will be allotted and issued on or before completion of the Rights Issue, the 220,680,000 Rights Shares to be issued under the Rights Issue represent (i) 300% of the total number of issued Shares as at the date of this announcement; and (ii) 75% of the total number of issued Shares as enlarged by the allotment and issue of the Rights Shares.

The Company has no intention to issue or grant any Shares, convertible securities, warrants and/or options on or before the Record Date.

Non-underwritten basis

The Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptances of the provisionally allotted Rights Shares. In the event that the Rights Issue is not fully subscribed, any Unsubscribed Rights Shares together with the ES Unsold Rights Shares will be placed to independent Placees under the Compensatory Arrangements. Any Unsubscribed Rights Shares and ES Unsold Rights Shares which are not placed under the Compensatory Arrangements will not be issued by the Company and the size of the Rights Issue will be reduced accordingly. There is no minimum amount to be raised under the Rights Issue. There is also no statutory requirement regarding minimum subscription level in respect of the Rights Issue.

As the Rights Issue will proceed on a non-underwritten basis, Shareholders who apply to take up all or part of their entitlements under the PALs may unwittingly incur an obligation to make a general offer for the Shares under the Takeovers Code. Accordingly, the Rights Issue will be made on terms that the Company will provide for the Shareholders to apply on the basis that if the Rights Shares are not fully taken up, the application of any Shareholder (except for HKSCC Nominees Limited) for his/her/its assured entitlement under the Rights Issue will be scaled down to a level which does not trigger an obligation on part of the relevant Shareholder to make a general offer under the Takeovers Code in accordance with the note to Rule 10.26(2) of the GEM Listing Rules.

Subscription Price

The Subscription Price is of HK\$0.2 per Rights Share, payable in full by the Qualifying Shareholders upon acceptance of the relevant provisional allotment of Rights Shares or when a transferee of nil-paid Rights Shares accepts the provisional allotment of the relevant Rights Shares.

The Subscription Price represents:

- (i) a discount of 25.9% to the closing price of HK\$0.27 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a discount of 27.3% to the average closing price of HK\$0.275 per Share as quoted on the Stock Exchange for the five consecutive trading days up to and including the Last Trading Day;
- (iii) a discount of 8.3% to the theoretical ex-rights price of HK\$0.2175 per Share based on the closing price of HK\$0.27 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (iv) a theoretical dilution effect (as defined under Rule 10.44A of the GEM Listing Rules) of 20.5% represented by the theoretical diluted price of HK\$0.21875 per Share to the benchmarked price (as defined under Rule 10.44A of the GEM Listing Rules) of HK\$0.275 per Share; and
- (v) a discount of 69.2% to the unaudited net asset value per Share of HK\$0.649 (based on the unaudited consolidated net asset value of the Group of HK\$47.7 million as at 30 June 2026 and 73,560,000 Shares in issue as at the date of this announcement).

The net price per Rights Share (i.e. Subscription Price less cost and expenses incurred in the Rights Issue) upon full acceptance of the provisional allotment of Rights Shares will be approximately HK\$0.195 per Rights Share (assuming no change in the number of Shares in issue on or before the Record Date).

The Subscription Price was determined with reference to (i) the market price of the Shares under the prevailing market conditions; (ii) the prevailing market conditions of the capital market in Hong Kong; (iii) the latest business performance and financial position of the Group; and (iv) the reasons for and benefits of the Rights Issue as discussed in the section headed “Reasons for and benefits of the Rights Issue and use of proceeds” in this announcement.

The Board has noted the relatively large discount mentioned in (v) above. Nevertheless, given the pre-emptive nature of the Rights Issue and taking into account of the fact that the Shares were traded at a discount to the net asset value attributable to the Shareholders per Share for the three months preceding the Last Trading Day ranging from approximately 19.9% to 59.2%, with an average of approximately 45.2%, the Board is of the view that the net asset value per Share may not be a meaningful reference to determine the Subscription Price.

The Directors consider that the discount of the Subscription Price would encourage Shareholders to participate in the Rights Issue and accordingly maintain their shareholdings in the Company and participate in the future growth and development of the Group. After taking into consideration the reasons for the Rights Issue as stated in the section headed “Reasons for and benefits of the Rights Issue and use of proceeds” below, the Board (excluding the members of the Independent Board Committee whose opinion will be

rendered after considering the advice from the Independent Financial Adviser) considers that the terms of the Rights Issue, including the Subscription Price, are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Basis of provisional allotment

The basis of the provisional allotment shall be three (3) Rights Shares for every one (1) Share held by the Qualifying Shareholders as at the close of business on the Record Date. The PAL(s) relating to the Rights Shares will be enclosed with the Prospectus entitling the Qualifying Shareholders to whom it is addressed to subscribe for the Rights Shares.

Application for all or any part of a Qualifying Shareholder's provisional allotment should be made by completing a PAL and lodging the same with a remittance for the Rights Shares being applied for with the Share Registrar on or before the Latest Time for Acceptance.

Qualifying Shareholders

The Rights Issue is only available to the Qualifying Shareholders. To qualify for the Rights Issue, a Shareholder must be registered as a member of the Company and not be an Excluded Shareholder on the Record Date. In order to be registered as a member of the Company on the Record Date, Shareholders must lodge the relevant documents for transfer of Shares (with the relevant share certificates) with the Share Registrar at 17th Floor, Far East Finance Centre, 16 Harcourt Road, Hong Kong by 4:30 p.m. on Tuesday, 3 November 2026.

Shareholders with their Shares held by a nominee (or held in CCASS) should note that the Board will consider the nominee (including HKSCC Nominees Limited) as one single Shareholder according to the register of members of the Company. For Shareholders whose Shares are held by a nominee (or held in CCASS) and would like to have their names registered on the register of members of the Company, they must lodge all necessary documents with the Share Registrar for registration no later than 4:30 p.m. on Tuesday, 3 November 2026.

It is expected that the last day of dealings in the Shares on a cum-rights basis is Friday, 30 October 2026 and the Shares will be dealt with on an ex-rights basis from Monday, 2 November 2026.

Subject to the fulfilment of certain conditions of the Rights Issue, the Company will despatch the Prospectus Documents containing, among other matters, details of the Rights Issue, to the Qualifying Shareholders on the Prospectus Posting Date.

Qualifying Shareholders who take up their pro-rata entitlement in full will not suffer any dilution to their interests in the Company (except in relation to any dilution resulting from the taking up by third parties of any Rights Shares arising from the aggregation of fractional entitlements).

Qualifying Shareholders who do not fully take up the Rights Shares to which they are entitled and Excluded Shareholders should note that their proportionate shareholdings in the Company will be diluted.

Rights of Overseas Shareholders

If, at the close of business on the Record Date, a Shareholder's address on the Company's register of members is in a place outside Hong Kong, such Shareholder may not be eligible to take part in the Rights Issue. The Prospectus Documents to be despatched in connection with the Rights Issue will not be registered or filed under the applicable securities legislation of any jurisdiction other than Hong Kong.

The Board notes the requirements specified in Rule 17.41(1) of the GEM Listing Rules and will make enquiries in the relevant jurisdictions as to the feasibility of extending the Rights Issue to the Overseas Shareholders (if any). If, after making such enquiries, the Board is of the opinion that it would be necessary or expedient, on account either of the legal restrictions under the laws of the relevant place or any requirements of the relevant regulatory body or stock exchange in that place, not to offer the Rights Shares to the relevant Overseas Shareholders, no provisional allotment of nil-paid Rights Shares or allotment of fully-paid Rights Shares will be made to such Overseas Shareholders. In such circumstances, such Overseas Shareholders will become Excluded Shareholders and the Rights Issue will not be extended to them. The Company will, to the extent permitted under the relevant laws and regulations and reasonably practicable, send the Prospectus to the Excluded Shareholders for information purposes only but will not send any PAL to them.

Arrangements will be made for the Rights Shares which would otherwise have been provisionally allotted to the Excluded Shareholders to be sold in the market in their nil-paid form as soon as practicable after dealings in the nil-paid Rights Shares commence and before the last day for dealing in the nil-paid Rights Shares, if a premium (net of expenses) can be obtained. Any net proceeds of sale thereof, after deduction of expenses, will be paid in Hong Kong dollars to the Excluded Shareholders pro rata to their respective entitlements as at the close of business on the Record Date, provided that if any of such persons would be entitled to a sum not exceeding HK\$100, such sum will be retained by the Company for its own benefit.

Any such ES Unsold Rights Shares to which such Excluded Shareholders would otherwise have been entitled will be placed by the Placing Agent to the Placees at the price at least equal to the Subscription Price under the Placing.

Overseas Shareholders should note that they may or may not be eligible to take part in the Rights Issue, subject to the results of enquiries made by the Directors pursuant to Rule 17.41(1) of the Listing Rules. Accordingly, Overseas Shareholders should exercise caution when dealing in the Shares.

Status of the Rights Shares

The Rights Shares, when allotted, issued and fully paid, will rank *pari passu* in all respects among themselves and with the Shares in issue at the time. Holders of fully-paid Rights Shares will be entitled to receive all future dividends and distributions which may be declared, made or paid by the Company after the date of allotment and issue of the fully-paid Rights Shares.

Fractional entitlement to the Rights Shares

The Company will not provisionally allot fractions of Rights Shares in nil-paid form to the Qualifying Shareholders. All fractions of Rights Shares will be aggregated (and rounded down to the nearest whole number of a Share) and all nil-paid Rights Shares arising from such aggregation will be sold in the market for the benefit of the Company if a premium (net of expenses) can be achieved.

Procedures in respect of the Unsubscribed Rights Shares and the ES Unsold Rights Shares and the Compensatory Arrangements

According to Rule 10.31(1)(b) of the GEM Listing Rules, the Company will make Compensatory Arrangements to dispose of the Unsubscribed Rights Shares and the ES Unsold Rights Shares (i.e. Placing Shares) by offering the Placing Shares to independent placees for the benefit of the relevant No Action Shareholders and Excluded Shareholders. As the Compensatory Arrangements are in place, there will be no excess application arrangements in relation to the Rights Issue.

Accordingly, on Friday, 4 September 2026 (after trading hours of the Stock Exchange), the Company entered into the Placing Agreement with the Placing Agent, pursuant to which the Company has appointed the Placing Agent to place the Placing Shares during the Placing Period to Placee(s) who and whose ultimate beneficial owner(s) are Independent Third Party(ies) on a best effort basis. Any premium over the Subscription Price that is realised will be paid to the No Action Shareholders and the Excluded Shareholders on a pro-rata basis. Any Placing Shares which are not placed under the Placing will not be issued by the Company and the size of the Rights Issue will be reduced accordingly.

Net Gain (if any but rounded down to the nearest cent) will be paid (without interest) on a pro-rata basis to the relevant No Action Shareholders and Excluded Shareholders as set out below:

- (i) for No Action Shareholders, the relevant Qualifying Shareholders (or such persons who hold any nil-paid rights at the time such nil-paid rights are lapsed) whose nil-paid rights are not validly applied for in full, by reference to the extent that Shares in his/her/its nil-paid rights are not validly applied for; and
- (ii) for Excluded Shareholders, the relevant Excluded Shareholders whose name and address appeared on the register of members of the Company on the Record Date with reference to their shareholdings in the Company on the Record Date.

If and to the extent in respect of any Net Gain, any No Action Shareholders or Excluded Shareholders become entitled on the basis described above to an amount of (i) more than HK\$100, the entire amount will be paid to the relevant No Action Shareholders or Excluded Shareholders in Hong Kong Dollars only; or (ii) HK\$100 or less, such amount will be retained by the Company for its own benefit.

Shareholders are reminded that Net Gain may or may not be realised and, accordingly, the No Action Shareholders and the Excluded Shareholders may or may not receive any Net Gain.

PLACING AGREEMENT

On 4 September 2026 (after trading hours), the Company and the Placing Agent entered into the Placing Agreement, pursuant to which the Placing Agent has conditionally agreed as agent of the Company (either by itself or through its sub-placing agents) to procure independent Placees, on a best effort basis, to subscribe for the Placing Shares. Details of the Placing are as follows:

- | | | |
|-------------------------------------|---|--|
| Date | : | 4 September 2026 |
| Parties | : | (i) the Company, as issuer; and
(ii) the Placing Agent |
| Placing Agent | : | Ruibang Securities Limited was appointed as the Placing Agent to procure, on a best effort basis, Placees to subscribe for the Placing Shares during the Placing Period.

The Placing Agent confirmed that it and its ultimate beneficial owner(s) are Independent Third Parties. |
| Placing Period | : | A period commencing from the first Business Day after the date of announcement of the number of Unsubscribed Rights Shares and the ES Unsold Rights Shares, which is expected to be Friday, 27 November 2026, and ending at the 6:00 p.m. on Wednesday, 2 December 2026. |
| Fees and expenses | : | Subject to completion of the Placing, the Company shall pay to the Placing Agent a placing commission of 1.4% of the actual gross proceeds from the subscription of the Placing Shares (i.e. amount which is equal to the placing price multiplied by the Placing Shares that are successfully placed by the Placing Agent) pursuant to the terms of the Placing Agreement and reimbursed for the expenses in relation to the Placing, which the Placing Agent is authorised to deduct from the payment to be made by the Placing Agent to the Company at completion of the Placing. |
| Placing price of the Placing Shares | : | The placing price of the Placing Shares shall be not less than the Subscription Price. |

The final price shall be determined by the Placing Agent with the agreement of the Company based on the demand for and the market conditions of the Placing Shares during the process of placement.

- Placees: :
- The Placing Shares shall only be offered to institutional, corporate or individual investor(s) who and whose ultimate beneficial owner(s) shall be Independent Third Parties, such that:
- (i) the Placing will not have any implication under the Takeovers Code and no Shareholder will be under any obligation to make a general offer under the Takeovers Code as a result of the Placing; and
 - (ii) the Placing will not result in the Company incapable of complying with the public float requirements under the GEM Listing Rules immediately following the Placing.
- Ranking of the Unsubscribed Rights Shares and ES Unsold Rights Shares :
- The placed Placing Shares (when allotted, issued and fully-paid, if any) shall rank pari passu in all respects among themselves and with the existing Shares in issue as at the date of completion of the Rights Issue.
- Termination :
- The Placing Period shall end at 6:00 p.m. on Wednesday, 2 December 2026 or any other date by mutual agreement between the Placing Agent and the Company.

The Placing Agent may terminate the Placing Agreement by notice in writing given to the Company at any time prior to Friday, 4 December 2026 (or any other date any mutually agreed between the Company and the Placing Agent) upon the occurrence of the following events which, in the reasonable opinion of the Placing Agent, to be material in the context of the Placing or has or may have a material adverse effect on the business or financial conditions or prospects of the Group or the success of the Placing or the full placement of all of the Placing Shares or has or may otherwise make it inappropriate, inadvisable or inexpedient to proceed with the Placing on the terms and in the manner contemplated in the Placing Agreement if there develops, occurs or comes into force:

- (i) the Company fails to comply with its material obligations under the Placing Agreement;
- (ii) the occurrence of any event, development or change (whether or not local, national or international or forming part of a series of events, developments or changes occurring or continuing before, on and/or after the date of the Placing Agreement) and including an event or change in relation to or a development of an existing state of affairs of a political, military, industrial, financial, economic, fiscal, regulatory or other nature, resulting in a change in, or which may result in a change in, political, economic, fiscal, financial, regulatory or stock market conditions and which in the Placing Agent's reasonable opinion would materially and adversely affect the success of the Placing; or
- (iii) any of the warranties of the Company under the Placing Agreement is not, or has ceased to be, true, accurate and not misleading in material respect by reference to the facts subsisting at the time.

If notice of termination is given by the Placing Agent, the Placing Agreement shall terminate and be of no further effect and neither party shall be under any liability to the other party in respect of the Placing Agreement save for any antecedent breach under the Placing Agreement prior to such termination.

- Conditions precedent : The Placing is subject to and conditional upon:
- (i) the passing by the Independent Shareholders at the general meeting of the Company of the necessary resolution(s) to approve the Rights Issue;
 - (ii) the GEM Listing Committee having granted the listing of, and permission to deal in, the Rights Shares; and
 - (iii) the Company having obtained all necessary consents and approvals for allotting and issuing the Rights Shares.

None of the above conditions are capable of being waived.

Placing Completion : Friday, 4 December 2026 or such other date as the Company
Date and the Placing Agent may agree in writing.

The terms of the Placing Agreement (including the placing fee) were determined after arm's length negotiation between the Placing Agent and the Company with reference to the size of the Rights Issue, and the market conditions. The Board considers the terms of the Placing for the Placing Shares (including the commission payable) are on normal commercial terms and are fair and reasonable.

As explained above, the Placing Shares will be placed by the Placing Agent to independent Placées on a best effort basis for the benefit of the No Action Shareholders and Excluded Shareholders. If all or any of the Placing Shares are successfully placed, any premium over the Subscription Price will be distributed to the relevant No Action Shareholders and Excluded Shareholders.

Given that the Compensatory Arrangements would provide (i) a distribution channel of the Unsubscribed Rights Shares and the ES Unsold Rights Shares to the Company; and (ii) a compensatory mechanism for No Action Shareholders and the Excluded Shareholders, the Board considers that the Compensatory Arrangements are fair and reasonable and would provide adequate safeguard to protect the interest of the Company's minority shareholders.

Application for listing of the Rights Shares

The Company will apply to the GEM Listing Committee for the listing of, and permission to deal in, the Rights Shares in both nil-paid and fully-paid forms to be issued and allotted pursuant to the Rights Issue. The nil-paid and fully-paid Rights Shares shall have the same board lot size as the Shares, i.e. 10,000 Shares in one board lot. No part of the share capital of the Company is listed or dealt in or on which listing or permission to deal in is being or is proposed to be sought on any other stock exchange.

Eligibility for admission into CCASS

Subject to the granting of the listing of, and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange as well as compliance with the stock admission requirements of HKSCC, the Rights Shares in both their nil-paid and fully-

paid forms will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the respective commencement dates of dealings in the Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange or such other dates as determined by HKSCC.

Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. Shareholders should seek advice from their licensed securities dealers or other professional advisers for details of those settlement arrangements and how such arrangements will affect their rights and interests.

Stamp duty and other applicable fees

Dealings in the Rights Shares in both their nil-paid and fully-paid forms will be subject to payment of stamp duty, Stock Exchange trading fee, SFC transaction levy or any other applicable fees and charges in Hong Kong.

Taxation

Shareholders are advised to consult their professional advisers if they are in doubt as to the taxation implications of the receipt, purchase, holding, exercising, disposing of or dealing in, the nil-paid Rights Shares or the fully-paid Rights Shares and, regarding Overseas Shareholders, their receipt of the net proceeds, if any, from sales of the nil-paid Rights Shares on their behalf.

Share certificates and refund cheques for the Rights Issue

Subject to fulfilment of the conditions of the Rights Issue, (i) share certificates for all fully paid Rights Shares and (ii) refund cheques in respect of wholly or partially unsuccessful applications for Rights Shares (if any) are expected to be posted to those entitled thereto by ordinary post to their registered address, at their own risks, on or before Wednesday, 9 December 2026.

Conditions of the Rights Issue

The Rights Issue is conditional upon:

- (i) the Increase in Authorised Share Capital becoming effective;
- (ii) the passing by the Independent Shareholders at the EGM of the resolution to approve the Rights Issue by no later than the Prospectus Posting Date;
- (iii) the GEM Listing Committee granting or agreeing to grant and not having withdrawn or revoked the listing of, and permission to deal in, all the Rights Shares (in their nil-paid and fully-paid forms);

- (iv) the delivery to the Stock Exchange and filing and registration with the Registrar of Companies in Hong Kong no later than the Prospectus Posting Date of Prospectus Documents in compliance with the Companies (WUMP) Ordinance and otherwise complying with the requirements of the Companies (WUMP) Ordinance, the Companies Ordinance and the GEM Listing Rules;
- (v) the posting of the Prospectus Documents to Qualifying Shareholders; and
- (vi) the Placing Agreement not being terminated.

None of the above conditions can be waived. The Company shall use its reasonable endeavours to procure the fulfilment of the conditions above (to the extent it is within its power to do so) and shall do all the things required to be done by it pursuant to the Prospectus Documents or otherwise reasonably necessary to give effect to the Rights Issue. If any of the conditions referred to above are not fulfilled at or before the Latest Time for Termination, the Rights Issue will not proceed.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Wednesday, 4 November 2026 to Tuesday, 10 November 2026 (both dates inclusive) for the purpose of determining entitlements to the Rights Issue. No transfer of Shares will be registered during the above book closure period.

REASONS FOR AND BENEFITS OF THE RIGHTS ISSUE AND USE OF PROCEEDS

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 its customers in the PRC.

One of the subsidiaries of the Company has obtained a money lending licence in Hong Kong to open up a new business of money lending in Hong Kong. Developing the new business of money lending in Hong Kong represents a step of the Company to actively explore new business opportunities with a view to diversify the income stream of the Group.

The maximum net proceeds from the Rights Issue after deducting the expenses are estimated to be approximately HK\$43.1 million (assuming no change in the number of Shares in issue on or before the Record Date). The Company intends to apply the net proceeds from the Rights Issue as to (i) approximately HK\$16.9 million (or approximately 39.2%) will be used for construction, renovation and development of production facilities of the functional garment of the Group in Nanyang City, Henan Province of the PRC (the “**Production Facilities**”); (ii) approximately HK\$8.3 million (or approximately 19.3%) will be used for acquisition of the machineries and equipment for the Production Facilities for manufacturing functional garment; (iii) approximately HK\$6.0 million (or approximately 13.9%) will be used for the start-up capital of the Production Facilities, including employment of new employees and workers and purchasing raw materials for functional garment; (iv)

approximately HK\$7.6 million (or approximately 17.6%) will be used for capital injection to the money lending business as the loan principal; and approximately HK\$4.3 million (or approximately 10.0%) will be used for general working capital of the Group.

In addition, the Directors are of the view that (i) the interest rates for debt financing may remain high in the medium term; and (ii) it is difficult and time consuming for the Group to liaise with banks to obtain new/additional loan facilities for the Group as banks in Hong Kong or in the PRC have become more prudent in lending amid the worsened prospects of the Hong Kong and global economy, the Rights Issue could enhance the Group's cash flow position to accommodate the liquidity needs for the Group's business operations and development without increasing its gearing ratio and finance costs.

As the Rights Issue will be on a non-underwritten basis, the actual amount of the net proceeds cannot be ascertained at this moment. In the event that the Rights Issue is undersubscribed, the above use of proceeds will be adjusted by the Company accordingly and the net proceeds from the Rights Issue are expected to be utilised with proportional reductions in the same usage scenarios as above.

The Board considers it is prudent to finance the Group's long term growth by long term financing, preferably in the form of equity which will not increase the Group's finance costs. The Directors have also considered other fund-raising alternatives available before resolving to the Rights Issue, including but not limited to debt financing, placing and open offer. Debt financing will result in additional interest burden, higher gearing ratio of the Group and subject the Group to repayment obligations. In addition, debt financing may not be achievable on favourable terms in a timely manner. As for placing of new Shares, it is relatively smaller in scale as compared to fund raising through rights issue and it would lead to immediate dilution in the shareholding interest of the existing Shareholders without offering them the opportunity to participate in the enlarged capital base of the Company, which is not the intention of the Company. As for open offer, while it is similar to a rights issue, offering qualifying shareholders to participate, it does not allow free trading of rights entitlements in the open market unlike a rights issue, which would allow Shareholders to have more flexibility in dealing with the Shares and the nil-paid rights attaching thereto.

It is considered that the Rights Issue would give the Qualifying Shareholders an equal opportunity to participate in the growth of the Group. Given it is pre-emptive in nature, it allows Qualifying Shareholders to maintain their proportional shareholdings in the Company through participation in the Rights Issue. The Rights Issue also allows the Qualifying Shareholders to (a) increase their respective shareholding interests in the Company by acquiring additional rights entitlement in the open market (subject to the availability); or (b) reduce their respective shareholding interests in the Company by disposing of their rights entitlements in the open market (subject to the market demand). Further, the Rights Issue will enable the Group to strengthen its capital base and to enhance its financial position without increasing its debt or finance costs. Accordingly, the Board (excluding the members of the Independent Board Committee whose opinion will be rendered after considering the advice from the Independent Financial Adviser) considers that the Rights Issue is in the interests of the Company and the Shareholders as a whole.

CHANGE IN SHAREHOLDING STRUCTURE OF THE COMPANY

Set out below is the shareholding structure of the Company, assuming no further change in the number of issued Shares before completion of the Rights Issue other than the allotment and issue of the Rights Shares, (i) as at the date of this announcement; (ii) immediately upon completion of Rights Issue assuming full acceptance of Rights Shares by existing Shareholders; and (iii) immediately upon completion of Rights Issue assuming nil acceptance of Rights Shares by Qualifying Shareholders and all the Placing Shares having been placed by Placing Agent:

Name of Shareholders	As at the date of this announcement		Immediately upon completion of Rights Issue assuming full acceptance of Rights Shares by existing Shareholders		Immediately upon completion of Rights Issue assuming nil acceptance of Rights Shares by Qualifying Shareholders and all the Placing Shares having been placed by Placing Agent	
	Number of Shares	%	Number of Shares	%	Number of Shares	%
Mr. Li Rongsheng	4,500,000	6.12%	18,000,000	6.12%	4,500,000	1.53%
Ms. Sha Xuanyi	6,620,000	9.00%	26,480,000	9.00%	6,620,000	2.25%
Public Shareholders						
Independent Placees	—	—	—	—	220,680,000	75.00%
Other public Shareholders	<u>62,440,000</u>	<u>84.88%</u>	<u>249,760,000</u>	<u>84.88%</u>	<u>62,440,000</u>	<u>21.22%</u>
	<u>73,560,000</u>	<u>100.00</u>	<u>294,240,000</u>	<u>100.00</u>	<u>294,240,000</u>	<u>100.00</u>

As at the date of this announcement, the Company does not hold any treasury Shares (as defined under the GEM Listing Rules) and the Company has no intention to undertake any repurchase of Shares from the date of this announcement until the completion of the Rights Issue.

EXPECTED TIMETABLE

Set out below is the expected timetable for the Rights Issue which is indicative only and has been prepared on the assumption that all the conditions of the Rights Issue will be fulfilled:

Event	Time and Date
Despatch of Circular together with the notice of EGM and proxy form for EGM.....	on or before Wednesday, 7 October 2026
Latest time for lodging share transfer documents in order to qualify for attending and voting at the EGM.....	4:30 p.m. on Thursday, 22 October 2026
Closure of register of members of the Company for determining the entitlement to attend and vote at the EGM (both dates inclusive).....	Friday, 23 October 2026 to Thursday, 29 October 2026
Latest time for lodging proxy forms for the EGM.....	11:00 a.m. on Tuesday, 27 October 2026
Record date for attendance and voting at the EGM	Thursday, 29 October 2026
Expected date and time of the EGM to approve the Rights Issue	11 a.m. on Thursday, 29 October 2026
Announcement of the poll results of the EGM	Thursday, 29 October 2026
Register of members of the Company re-opens.....	Friday, 30 October 2026
Last day of dealings in Shares on a cum-rights basis	Friday, 30 October 2026
First day of dealings in Shares on an ex-rights basis.....	Monday, 2 November 2026
Latest time for lodging transfers of Shares in order to qualify for the Rights Issue.....	4:30 p.m. on Tuesday, 3 November 2026
Closure of register of members for the Rights Issue (both dates inclusive)	Wednesday, 4 November 2026 to Tuesday, 10 November 2026
Record Date	Tuesday, 10 November 2026
Register of members of the Company re-opens.....	Wednesday, 11 November 2026
Prospectus Documents expected to be despatched.....	Wednesday, 11 November 2026

Event	Time and Date
First day of dealings in nil-paid Rights Shares	Friday, 13 November 2026
Latest time for splitting of PAL	4:00 p.m. on Tuesday, 17 November 2026
Last day of dealings in nil-paid Rights Shares	Friday, 20 November 2026
Latest Time for Acceptance	4:00 p.m. on Wednesday, 25 November 2026
Announcement of the number of Unsubscribed Rights Shares and the ES Unsold Rights Shares subject to the Compensatory Arrangements	Thursday, 26 November 2026
Commencement of Placing by the Placing Agent	Friday, 27 November 2026
Latest time of Placing by the Placing Agent	6:00 p.m. on Wednesday, 2 December 2026
Latest time for the Rights Issue to become unconditional and Latest Time for Termination	6:00 p.m. on Friday, 4 December 2026
Announcement of the results of Rights Issue (including results of the Placing and the amount of the Net Gain) to be posted on the Stock Exchange's website and the Company's website	Tuesday, 8 December 2026
Share certificates for Rights Shares and refund cheques, if any, in respect of wholly or partially unsuccessful applications expected to be despatched.....	Wednesday, 9 December 2026
Expected commencement of dealings in fully-paid Rights Shares	9:00 a.m. on Thursday, 10 December 2026
Payment of the Net Gain (if any) to relevant No Action Shareholders (if any) or Excluded Shareholders (if any)	Thursday, 31 December 2026

All times and dates stated above refer to Hong Kong local times and dates. The expected timetable for the Rights Issue set out above and all dates and deadlines specified in this announcement are indicative only and may be varied. Any changes to the expected timetable will be announced in separate announcement(s) by the Company as and when appropriate.

EFFECT OF BAD WEATHER AND/OR EXTREME CONDITIONS ON THE LATEST TIME FOR ACCEPTANCE OF AND PAYMENT FOR THE RIGHTS SHARES

The Latest Time for Acceptance of and payment for the Rights Shares will not take place at the time indicated above if there is a tropical cyclone warning signal no. 8 or above, or “extreme conditions” caused by super typhoons announced by the Government of Hong Kong or a “black” rainstorm warning:

- (i) in force in Hong Kong at any local time before 12:00 noon and no longer in force after 12:00 noon on Wednesday, 25 November 2026. Instead the latest time for acceptance of and payment for the Rights Shares will be extended to 5:00 p.m. on the same Business Day; or
- (ii) in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on Wednesday, 25 November 2026. Instead the latest time for acceptance of and payment for the Rights Shares will be rescheduled to 4:00 p.m. on the following Business Day which does not have either of those warnings in force in Hong Kong at any time between 9:00 a.m. and 4:00 p.m.

If the Latest Time for Acceptance does not take place on the currently scheduled date, the dates mentioned in the “Expected timetable” above may be affected. The Company will notify the Shareholders by way of announcement(s) of any change to the expected timetable as soon as practicable.

EQUITY FUNDRAISING ACTIVITIES IN THE PAST TWELVE MONTHS

The Company has conducted the following equity fund raising activity during the twelve months immediately preceding the date of this announcement:

Date of Announcement	Event	Net proceeds raised (Approximately)	Proposed use of proceeds	Actual use of proceeds as at the date of this announcement
5 May 2026	May Share Placing	HK\$4.7 million	(i) approximately HK\$2.6 million for development and expansion of the money lending business of the Group in Hong Kong	approximately HK\$0.4 million for development and expansion of the money lending business of the Group in Hong Kong
			(ii) approximately HK\$1.0 million for salary and staff costs for the lending business	The allocated net proceeds remain unutilised
			(iii) approximately HK\$0.3 million for development of IT application for the lending business	The allocated net proceeds remain unutilised

Date of Announcement	Event	Net proceeds raised (Approximately)	Proposed use of proceeds	Actual use of proceeds as at the date of this announcement
			(iv) remaining balance of approximately HK\$0.8 million for upfront setup costs and marketing costs for the lending business	HK\$0.2 million for upfront setup costs and marketing costs for the lending business

Save as disclosed above, the Company has not conducted any equity fund raising activities during the past twelve months immediately preceding the date of this announcement.

GEM LISTING RULES IMPLICATIONS

As the Rights Issue will increase the number of the issued Shares by more than 50%, in accordance with Rule 10.29(1) of the GEM Listing Rules, the Rights Issue must be made conditional on approval by the Independent Shareholders in a general meeting by a resolution of which all controlling Shareholders and their associates or, where there is no controlling Shareholder, the Directors (excluding the independent non-executive Directors) and the chief executive of the Company and their respective associates shall abstain from voting in favour of the Rights Issue.

As such, Ms. Sha Xuanyi, Mr. Li Rongsheng and their respective associates shall abstain from voting in favour of the resolution(s) to approve the Rights Issue and the transactions contemplated thereunder at the EGM. As at the date of this announcement, (1) Ms. Sha Xuanyi, who is the chairlady and an executive Director of the Company, holds 6,620,000 Shares, representing approximately 9.0% of the existing issued share capital of the Company; and (2) Mr. Li Rongsheng who is the chief executive officer and an executive Director of the Company, holds 4,500,000 Shares, representing approximately 6.12% of the existing issued share capital of the Company.

The Rights Issue does not result in a theoretical dilution effect of 25% or more. As such, the theoretical dilution impact of the Rights Issue is in compliance with Rule 10.44A of the GEM Listing Rules.

INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

The Independent Board Committee comprising all the independent non-executive Directors namely, Mr. Liu Mingxiao, Mr. Zhu Honghai and Mr. Lin Kin-Chin, has been established to advise the Independent Shareholders as to whether the terms of the Rights Issue are fair and reasonable and in the interest of the Company and the Shareholders as a whole and to advise the Independent Shareholders on how to vote at the EGM.

In this connection, the Company proposes to appoint Walker Capital Limited as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders as to whether the terms of the Rights Issue are fair and reasonable.

GENERAL

The EGM will be convened for the Shareholders to consider and, if thought fit, approve the Increase in Authorised Share Capital and the Rights Issue. A circular containing, among other things, (i) further details of the Increase in Authorised Share Capital and the Rights Issue; (ii) a letter of recommendation from the Independent Board Committee to the Independent Shareholders in respect of the Rights Issue; (iii) a letter of advice from the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders on the Rights Issue; and (iv) a notice convening the EGM, is expected to be despatched to the Shareholders on or before Wednesday, 7 October 2026.

Subject to the approval of the Rights Issue by the Independent Shareholders at the EGM, the Prospectus Documents containing further information of the Rights Issue are expected to be despatched to the Qualifying Shareholders on Wednesday, 11 November 2026 and the Prospectus will be despatched to the Excluded Shareholders for information purposes only to the extent permitted under the relevant laws and regulations and reasonably practicable.

WARNING OF THE RISKS OF DEALING IN THE SHARES AND NIL-PAID RIGHTS SHARES

Shareholders and potential investors of the Company should note that the Rights Issue is subject to fulfilment of conditions including, among other things, the Stock Exchange granting the listing of, and permission to deal in, the Rights Shares in their nil-paid and fully-paid forms. Please refer to the section headed “Proposed Rights Issue — Conditions of the Rights Issue” in this announcement.

Shareholder or other person contemplating transferring, selling or purchasing the Shares and/or the nil-paid rights is advised to exercise caution when dealing in the Shares and/or the nil-paid rights.

The Rights Issue will proceed on a non-underwritten basis irrespective of the acceptance of the provisionally allotted Rights Shares. Any person who is in any doubt about his/her/its position or any action to be taken is recommended to consult his/her/its own professional advisor(s). Any Shareholder or other person dealing in the Shares

or in the nil-paid rights up to the time at which the Rights Issue becomes unconditional will accordingly bear the risk that the Rights Issue may not become unconditional or may not proceed.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms shall have the following meanings:

“Board”	the board of Directors
“Business Day”	any day (other than Saturday, Sunday or public holiday) on which banks are open in Hong Kong for general banking business
“CCASS”	The Central Clearing and Settlement System established and operated by HKSCC
“Companies (WUMP) Ordinance”	Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong)
“Company”	Reach New Holdings Limited, an exempted company incorporated in the Cayman Islands with limited liability and its shares are listed on GEM (Stock Code: 8471);
“Compensatory Arrangements”	the compensatory arrangements made pursuant to Rule 10.31(1)(b) of the GEM Listing Rules as described in the paragraph headed “Procedures in respect of the Unsubscribed Rights Shares and the ES Unsold Rights Shares and the Compensatory Arrangements” in this announcement
“Directors”	the directors of the Company
“EGM”	the extraordinary general meeting of the Company to be convened to consider and approve the Increase in Authorised Share Capital and the Rights Issue
“Excluded Shareholder(s)”	the Overseas Shareholder(s) in respect of whom the Board, after making relevant enquiries with the legal advisers in the relevant jurisdictions, considers it necessary or expedient not to offer the Rights Shares to such Overseas Shareholder(s) on account either of legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place
“ES Unsold Rights Shares”	the Rights Share(s) which would otherwise have been provisionally allotted to the Excluded Shareholders in nil-paid form
“GEM”	GEM operated by the Stock Exchange

“GEM Listing Committee”	has the meaning ascribed to it in the GEM Listing Rules
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries
“HKSCC”	Hong Kong Securities Clearing Company Limited
“HK\$” or “HKD”	Hong Kong dollar, the lawful currency of Hong Kong
“Increase in Authorised Share Capital”	the increase in the authorised share capital of the Company from HK\$2,000,000 divided into 100,000,000 Shares of HK\$0.2 each to HK\$20,000,000 divided into 1,000,000,000 Shares of HK\$0.2 each by the creation of an additional 900,000,000 unissued Shares of HK\$0.2 each
“Independent Board Committee”	an independent board committee of the Board comprising all the independent non-executive Directors, which has been established to advise the Independent Shareholders in respect of the Rights Issue
“Independent Financial Adviser”	Walker Capital Limited, a corporation licensed to carry out Type 6 (advising on corporate finance) regulated activities under the SFO, which is proposed to be appointed as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the Rights Issue
“Independent Shareholders”	any Shareholder(s) who is(are) not required to abstain from voting on the resolution relating to the Rights Issue at the EGM under the GEM Listing Rules
“Independent Third Parties”	any individual or company not being the connected persons of the Company, independent of the Company and its connected persons and not connected with any of them or their respective associates
“Last Trading Day”	Friday, 4 September 2026, last trading day for the Shares on the Stock Exchange immediately before the publication of this announcement
“Latest Time for Acceptance”	4:00 p.m. on Wednesday, 25 November 2026 being the latest time for acceptance of the offer of and payment for the Rights Shares
“Latest Time for Termination”	6:00 p.m. on Friday, 4 December 2026 or such later date as the Company and the Placing Agent may agree in writing, being the latest time to terminate the Placing Agreement

“May Share Placing”	the shares placing under general mandate completed on 27 May 2026
“Net Gain”	the premium paid by the Placees over the Subscription Price for the Placing Shares placed by the Placing Agent
“No Action Shareholders”	those Qualifying Shareholders who do not subscribe for the Right Shares (whether partially or fully) under the PALs or their renounces, or such persons who hold any nil-paid rights at the time such nil-paid rights are lapsed
“Overseas Shareholders”	the Shareholder(s) whose registered address(es) as shown in the register of members of the Company as at the close of business on the Record Date is/are outside Hong Kong
“PAL(s)”	the provisional allotment letter(s) to be issued to the Qualifying Shareholders in connection with the Rights Issue
“Placees”	institutional, corporate or individual investors procured by the Placing Agent and/or its sub-placing agents to subscribe for the Placing Shares pursuant to the Placing Agreement
“Placing”	the placing of the Placing Shares on a best effort basis by the Placing Agent and/or its sub-placing agents(s) to the Placees on the terms and conditions of the Placing Agreement
“Placing Agent”	Ruibang Securities Limited, a licensed corporation to carry on business in Type 1 regulated activity (dealing in securities) and Type 6 (advising on corporate finance) under the SFO
“Placing Agreement”	the placing agreement dated 4 September 2026 entered into between the Company and the Placing Agent in relation to the Placing
“Placing Completion Date”	4 December 2026 or such other date as the Company and the Placing Agent may agree
“Placing Period”	a period commencing from the first Business Day after the date of announcement of the number of the Placing Share, which is expected to be Friday, 27 November 2026, and ending at the 6:00 p.m. on Wednesday, 2 December 2026.
“Placing Shares”	the Unsubscribed Rights Shares and the ES Unsold Right Shares
“Prospectus”	the prospectus to be issued to the Shareholders containing details of the Rights Issue

“Prospectus Documents”	the Prospectus and the PAL
“Prospectus Posting Date”	Wednesday, 11 November 2026 or such other date as the Company may determine, being the date on which the Prospectus Documents are posted to the Qualifying Shareholders and the Prospectus for information only to the Excluded Shareholders
“Qualifying Shareholders”	Shareholders, other than Excluded Shareholders, whose names appear on the register of members of the Company at the close of business on the Record Date
“Record Date”	Tuesday, 10 November 2026 or such other date as may be determined by the Company, being the date by reference to which the Shareholders’ entitlements to participate in the Rights Issue will be determined
“Rights Issue”	the issue of the Rights Shares by way of rights on the basis of three (3) Rights Shares for every one (1) Share held by the Qualifying Shareholders on the Record Date at the Subscription Price
“Rights Shares”	up to 220,680,000 new Shares (assuming no change in the number of issued Shares on or before the Record Date)
“SFC”	the Securities and Futures Commission
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share Registrar”	Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong
“Shareholders”	holders of the Shares
“Shares”	ordinary shares of HK\$0.2 each in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	the subscription price of HK\$0.2 per Rights Share under the Rights Issue
“substantial shareholder(s)”	has the meaning as ascribed thereto under the GEM Listing Rules
“Takeovers Code”	The Hong Kong Code on Takeovers and Mergers

“Unsubscribed Rights Shares”	the Rights Shares that are not subscribed by the Qualifying Shareholders
“%”	per cent

For illustrative purpose, sums in RMB in this announcement are translated to HKD at the rate of RMB1 to HK\$1.17. Such exchange rate has been used for illustrative purpose only and does not constitute a representation that any amounts were or may have been exchanged at this or any rates or at all.

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

Hong Kong, 4 September 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 Rules Governing the Listing of Securities on GEM of the Stock Exchange of Hong Kong Limited 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 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.