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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)

POSITIVE PROFIT ALERT

This announcement is made by Reach New Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 17.10 of the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (the “**GEM Listing Rules**”) and the Inside Information Provisions (as defined in the GEM Listing Rules) of Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Based on the preliminary assessment on the unaudited consolidated management accounts of the Group for the nine months ended 30 September 2021 (the “**Period**”) and the information currently available, the board (the “**Board**”) of directors (the “**Directors**”) of the Company wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that the Group is expected to record a net profit within the range of approximately RMB2.6 million to RMB3.1 million for the Period, as compared to the net loss of approximately RMB9.4 million recorded for the nine months ended 30 September 2020 (the “**Previous Period**”).

Based on the information currently available, the expected turnaround from loss to profit is mainly attributable to (i) an increase in the Group’s turnover and gross profit for the Period as compared to the Previous Period as a result of the recovery of the garment industry from the outbreak of the COVID-19 pandemic; and (ii) the gain on the deemed disposal of an associate of approximately RMB4.9 million recorded during the Period.

The information contained in this announcement is only based on a preliminary assessment made by the Board on the unaudited consolidated management accounts of the Group for the Period and the information currently available. The information in this announcement has not been reviewed or audited by the auditors of the Company or reviewed by the audit committee of the Company. The Company is still in the process of finalising the results for the Period and the actual results of the Company for the Period are subject to adjustment and may differ from the information disclosed in this announcement. Shareholders and investors are advised to read carefully the 2021 third quarterly results announcement of the Company for the Period, which is expected to be published by the Company on or around 8 November 2021 in accordance with the GEM Listing Rules.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.

By order of the Board
Reach New Holdings Limited
Lam Kai Yuen
Executive Director

Hong Kong, 29 October 2021

As at the date of this announcement, the chairman and non-executive Director is Mr. Lam Cheung Chuen; the executive Directors are Mr. Lam Kai Yuen, Mr. Lam Kai Cheong and Ms. Wu, Rachel; and the independent non-executive Directors are Mrs. So Chan Wai Hang, Mr. Ho Yuk Hay and Mr. Moy Yee Wo, Matthew.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief, the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

This announcement will remain on the GEM's website at www.hkgem.com 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.