

**REACH NEW HOLDINGS LTD:
THE MANY REASONS THAT INVESTORS
SHOULD SHY AWAY FROM INVESTING IN THIS COMPANY**

It could be held that Reach New Holdings Ltd () (Code: 8471, The **G**rowth **E**nterprise **M**arket [the **GEM**], The Stock Exchange of Hongkong Ltd) is aptly named for at least the below-mentioned reasons:

1. Senior Management agreed to pay all of the expenses with regard to its listing on the secondary equity market of the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC), amounting to 44.83 percent of the gross proceeds, derived from the **I**nitial **P**ublic **O**ffering (**IPO**);
2. Senior Management determined to increase the take-home remunerations of the members of the ruling triumvirate, which constitutes the entire Executive Board of Directors plus the paterfamilias, a Non-Executive Director, by about 338.15 percent, from 584,000 renminbi (equivalent to about \$HK657,305.60) to \$HK2,880,000; and,
3. Senior Management has, by innuendo, guaranteed that the Company will record a Loss Attributable to Shareholders in respect of the Financial Year, ending December 31, 2017.

If the above is not off-putting, then nothing could be deemed as such by any right-minded, prospective investor.

The following extrapolations and interpolations of that which is contained in the Share Offer Prospectus of this IPO, however, are far-reaching and should, in this medium's opinion, be a turn-off to prospective investors, trying to ascertain whether or not to buy some of the Shares on Offer in this Company._

The IPO Of Reach New Holdings Ltd

On June 30, 2017, prospective investors of the HKSAR were informed of the publication and dissemination of the Share Offer Prospectus of Reach New Holdings Ltd.

Management of this Company Offered a total of 200 million, one-cent Shares at the Indicative Offer Price Per Share, ranging from a low of 26 cents to a high of 34 cents.

On July 20, 2017, it was announced that the Offer Price Per Share had been struck at 30 cents, just four cents higher than Management's minimum, acceptable Offer Price.

Investors of the HKSAR had been Offered 20 million Shares and the remaining 180 million Shares were Placed with Institutional/Professional/Well-healed International Investors.

The July 20 Allotment Results Announcement stated that the Company anticipated that it would net about \$HK37.60 million from this cash-raising exercise.

At Page Seven of this Announcement, Management listed six, anticipated utilisations of the net proceeds:

1. Approximately, 45.20 percent, that is about \$HK17.00 million, *'for upgrading its*

production facilities and digital printing technology’;

2. Approximately, 8.00 percent, that is about \$HK3.00 million, ‘*for developing the application of RFID (**R**adio **F**requency **I**dentification) technology to its products’;*
3. Approximately, 16.00 percent, that is about \$HK6.00 million, ‘*for enhancing its heat transfer printing production facilities’;*
4. Approximately, 14.10 percent, that is about \$HK5.30 million, ‘*for upgrading its information technology systems’;*
5. Approximately, 8.00 percent, that is about \$HK3.00 million, ‘*for the expansion of its sales and marketing department’;* and,
6. Approximately, 8.70 percent, that is about \$HK3.30 million, ‘*for general working capital’.*

The Business Of Reach New Holdings Ltd

An ... [CLICK TO ORDER FULL ARTICLE](#)

*While TARGET makes every attempt to ensure accuracy of all data published,
TARGET cannot be held responsible for any errors and/or omissions.*

*If readers feel that they would like to voice their opinions about that which they have read in
TARGET, please feel free to e-mail your views to editor@targetnewspapers.com. **TARGET**
does not guarantee to publish readers' views, but reserves the right so to do subject to the
laws of libel.*