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China New Holdings Limited
中新控股有限公司
(formerly known as Royal Century Resources Holdings Limited 仁德資源控股有限公司)
(incorporated in Hong Kong with limited liability)
(Stock Code: 8125)

CHANGE IN USE OF PROCEEDS FROM THE RIGHTS ISSUE

Reference is made to the prospectus of the Company dated 15 November 2023 relating to the proposed rights issue (the "**Rights Issue**") on the basis of five (5) rights shares for every one (1) share held on the record date (the "**Prospectus**"). Unless the context requires otherwise, capitalised terms used in this announcement shall have the same meaning as those defined in the Prospectus.

The Board would like to provide an update on the proposed change in use of proceeds from the Rights Issue in the manner as set out below.

USE OF PROCEEDS FROM THE RIGHTS ISSUE

As disclosed in the Prospectus, the net proceeds of the Rights Issue of approximately HK$35 million will be used for (i) approximately HK$20 million (representing 57% of the net proceeds) for the development and expansion of the securities business under the financial services business; (ii) approximately HK$10 million (representing 29% of the net proceeds) as working capital for the design, fitting out and engineering services business and the leasing of construction equipment business to accommodate the anticipated increase in demand for these two business segments; and (iii) approximately HK$5 million (representing 14% of the net proceeds) for general corporate and administrative expenses.

CHANGE IN USE OF PROCEEDS

As at the date of this announcement, a total of approximately HK$24.8 million of the net proceeds from the Rights Issue had been utilised by the Group according to the allocation as set out in the Prospectus and the remaining net proceeds from the Rights Issue amount to approximately HK$10.5 million (the "**Remaining Net Proceeds**").

After careful consideration and detailed evaluation of the Group's operations and the business strategies, the Board has resolved to change the use of the Remaining Net Proceeds. Set out below is the utilisation of Net Proceeds up to the date of this announcement and the proposed change in use of the Remaining Net Proceeds:

	Intended use of Net Proceeds as disclosed in the Prospectus *HK$'million*	**Utilised Net Proceeds as at the date of this announcement** *HK$'million*	**Remaining Net Proceeds as at the date of this announcement** *HK$'million*	**Revised allocation of the Remaining Net Proceeds** *HK$'million*
Use of proceeds from the Rights Issue				
Development and expansion of the securities business	20,116	9,584	10,532	–
Working capital for the engineering business and the leasing business	10,234	10,234	–	7,372
General corporate and administrative expenses	4,941	4,941	–	3,160
	35,291	24,759	10,532	10,532

The Company currently expects to fully utilise the Remaining Net Proceeds by 31 December 2026. Save for the disclosed herein, there are no other changes in the use of the Net Proceeds.

REASONS FOR AND BENEFITS OF THE CHANGE IN USE OF PROCEEDS

In view of the recent unstable economy and the volatile securities market, the Board continues to carry out the securities business at a prudent management approach due to economic uncertainties and local stock market volatility. The Board considers that it is currently not an optimal time to heavily invest in the development and expansion of the securities business. Hence, in order to improve the efficiency of the use of proceeds of the Group, instead of allocating approximately HK$10.5 million for the securities business, the Board has resolved to change the allocation of the amount of the Proceeds for the engineering business and leasing business, such that the use of the Proceeds for securities business in the amount of approximately HK$10.5 million will be applied towards the business operations of the engineering business and the leasing business, and use for the general corporate and administrative expenses of the Group.

The Board believes that the re-allocation of the Unutilised Net Proceeds will provide higher level of flexibility for the Group to manage its assets and liabilities against the current unstable business environment.

The Board confirms that there are no material changes in the nature of the business of the Group as set out in the Prospectus. Save as disclosed in this announcement, the Board does not anticipate any other change to the plan as to the use of the Remaining Net Proceeds.

The Board considers that the change in use of Unutilised Net Proceeds will strengthen the financial position of the Group and allow the Group to deploy its finance resources more effectively.

The Board considers that the re-allocation of the unutilised use of proceeds will not have any material adverse impact on the existing business and operations of the Group and is in the best interest of the Company and its shareholders as a whole. The Board will continuously assess the plans for the use of the unutilised use of proceeds and may revise or amend such plans where necessary to cope with the changing market conditions in order to strive for a better performance of the Group.

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

By order of the Board
China New Holdings Limited
(formerly known as Royal Century Resources Holdings Limited)
Law Hok Yu
Executive Director and Company Secretary

Hong Kong, 24 March 2026

As at the date of this announcement, the executive Directors are Ms. Miao Xianliu, Mr. Law Hok Yu, Ms. Chen Qiuling, Ms. Li Ling, Mr. Teng Wei and Ms. Wang Cuiping; and the independent non-executive Directors are Ms. Tsang Hau Wai, Mr. Li Ka Chun Gordon and Ms. Chan Wai Yan.

*This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules of The Stock Exchange of Hong Kong Limited ("**HKEx**") 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 "Latest Listed Company Information" page of the HKEx website at www.hkex.com.hk for at least 7 days from the date of its posting and on the website of the Company at www.chinanewholdings.com.hk.