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CHINA WOOD  
中木國際

**CHINA WOOD INTERNATIONAL HOLDING CO., LIMITED**

**中木國際控股有限公司**

*(Joint Provisional Liquidators appointed)*

*(For restructuring purposes only)*

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 1822)**

**1. QUARTERLY UPDATE IN RELATION TO RESUMPTION  
AND  
2. MONTHLY UPDATE IN RELATION TO DESPATCH OF  
CIRCULAR**

This announcement is made by China Wood International Holding Co., Limited (the “**Company**”, collectively with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Listing Rules and the Inside Information Provisions under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

Reference is made to the announcements of the Company dated 2 February 2021, 25 October 2021, 15 December 2021, 23 December 2021, 18 February 2022, 10 March 2022, 22 March 2022 and 31 March 2022 (the “**Announcements**”) in relation to, among other matters, the appointment of the JPLs, the Resumption Guidance, the implementation of the Scheme and the delay in despatch of the Circular. Capitalised terms used herein shall have the same meanings as defined in the Announcements unless otherwise stated.

## **QUARTERLY UPDATE**

On 25 October 2021, the Company has been notified by the Stock Exchange of the following guidance for resumption of trading in the shares of the Company:

demonstrate compliance with Rule 13.24.

On 14 December 2021, the Company received a letter from the Stock Exchange setting out the following additional resumption guidance:

re-comply with Rules 3.10(1) and 3.21 the Listing Rules.

### **Compliance with Rule 13.24**

The Company is continuing with its wood business and car rental business in the PRC. The Directors anticipated that there will be strong demand in the market for the Group's wood products and the Group plan to expand downstream in its wood business in the future. The Directors consider that with the anticipated growth of the Group's wood business, the Company would be able to demonstrate to the Stock Exchange its compliance with Rule 13.24.

On 9 March 2022, the Company entered into a strategic cooperation agreement for the provision of wood construction moulding, wood flooring, doors and window frames and other wood products to China Construction Eighth Bureau Development and Construction Limited\* (中建八局發展建設有限公司) (“**China Construction Eighth Bureau**”), an independent third party which is not a shareholder of the Company and not connected with the Company, its shareholders or the Investor. China Construction Eighth Bureau is an enterprise approved by the Ministry of Housing and Urban Rural Development of the PRC as a qualified enterprise for new housing construction primarily engaged in housing construction, infrastructure, industrial installation, investment and development, and engineering design in the PRC, Africa, the Middle East, Central Asia and Southeast Asia.

### **Re-compliance with Rules 3.10(1) and 3.21**

Following the appointment of Mr. So Yin Wai as an independent non-executive Director, a member of the Nomination Committee, a member of the Audit Committee and a member of the Remuneration Committee, all with effect from 23 December 2021, The Company has re-complied with Rules 3.10(1) and 3.21.

## **UPDATE IN RELATION TO THE DESPATCH OF THE WHITEWASH WAIVER CIRCULAR**

Pursuant to Rule 8.2 of the Takeovers Code, a circular (the “**Circular**”) containing, among other things, further details of (i) the Capital Reorganisation; (ii) the Investor’s Subscription; (iii) the Scheme; (iv) the Whitewash Waiver; (v) a letter from the Whitewash Waiver Independent Board Committee to the Independent Shareholders; (vi) a letter from the Connected Transaction Independent Board Committee to the Independent Shareholders; (vii) a letter of advice from the Independent Financial Adviser to the Independent Shareholders; and (viii) a notice convening the EGM is required to despatch to the Shareholders within 21 days of the date of the announcement in relation to the Whitewash Waiver and under Rule 14A.68(11) of the Listing Rules, the Company is required to despatch the Circular within 15 Business Days after the publication of the announcement relating thereto.

As additional time is required for the preparation of the Circular, the Company has applied to the Executive for a waiver from strict compliance with Rule 8.2 of the Takeovers Code by extending the despatch date of the Circular to no later than 31 May 2022 and on 22 April 2022, the Executive has granted consent to the waiver application.

The Company is in the course of preparing the Circular and it is expected that the Circular will be despatched to Shareholders on or before 31 May 2022.

## **SANCTIONING OF THE CREDITORS’ SCHEME BY THE HONG KONG COURT**

On 26 April 2022, the sealed order of Mr. Justice Harris sanctioning the Scheme was delivered to the Registrar of Companies in Hong Kong for registration. **However, the implementation of the Scheme is subject to the fulfilment or waiver (as the case may be) of various conditions. Accordingly, the Scheme may or may not proceed. Shareholders and potential investors of the Company should therefore exercise caution when dealing in the Shares.**

## LITIGATION INVOLVING A SUBSIDIARY OF THE COMPANY

On 21 April 2020, a writ of summons was issued by an independent third party in Beijing, China as plaintiff against a wholly owned subsidiary of the Group namely (北京宜乘企業管理有限公司) as defendant (the “**Action**”). The plaintiff claimed for the repayment of principal and the accrued interests of a loan purportedly owed by the defendant to the plaintiff in the total amount of approximately RMB59.5 million since 2014 (the “**Purported Loan**”). The defendant has denied the existence of the Purported Loan and has requested forensic checks to be conducted to the loan agreement produced by the Plaintiff to the People’s Court in Chaoyang District, Beijing (北京市朝陽區人民法院) (the “**Court**”). The Group has engaged a competent legal advisor to act for its interests in respect of Action.

In January 2022, the Group received a judgement (“**Judgement**”) from the Court and ordered that the defendant is required to pay a sum of approximately RMB37.0 million plus damages of RMB7.5 million from breach of contract. Immediately after the Judgement, the Group has made an appeal to the Beijing No. 3 Intermediate People’s Court (北京市第三中級人民法院) against the Judgement. In April 2022, the Beijing No. 3 Intermediate People’s Court dismissed the Group’s appeal against the Judgement.

A provision of claim in the amount of RMB44.5 million (equivalent to approximately HK\$54,490,000) was made during the year ended 31 December 2021.

## BUSINESS OPERATIONS

The Group is principally engaged in (i) sale and distribution of furniture wood, manufacturing and sales of antique style wood furniture and imported timber flooring processing businesses; and (ii) car rental business in the PRC.

As at the date of this announcement, the Group is focusing on its wood business and the business operations of the Group are continuing as usual in all material respects. In view of the development in the previous months, the Company remains confident and optimistic in the prospect of its business, and will continue with its strategic plan to venture downstream into furniture and wood flooring business. In addition, the Company has been engaging in close discussion with major players in the forestry and wood industry in the PRC for the purposes to, inter alia, establishing long-term strategic business relationship and securing the stable and sustainable demands of its goods. The Board will continue to assess and monitor the impact of the suspension of trading (if any) on the operations and financial performance of the Company.

## CONTINUED SUSPENSION OF TRADING OF THE SHARES

At the request of the Company, trading in the Shares on the Stock Exchange has been suspended with effect from 9:00 a.m. on 22 October 2021 and will remain suspended until further notice. Further announcement(s) will be made by the Company as and when appropriate and in compliance with the requirements under the Listing Rules and the Takeovers Code.

By order of the Board  
**China Wood International Holding Co., Limited**  
**中木國際控股有限公司**  
*(Joint Provisional Liquidators appointed)*  
*(For restructuring purposes only)*  
**Lyu NingJiang**  
*Chairman and Executive Director*

Hong Kong, 3 May 2022

*As at the date of this announcement, the Board comprises Mr. Lyu NingJiang (Chairman and CEO) as executive director, Mr. Hu YongGang as non-executive director; and Mr. Zhao XianMing, Mr. An Dong and Mr. So Yin Wai as independent non-executive directors.*

*The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this announcement and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this announcement have been arrived at after due and careful consideration and there are no other facts not contained in this announcement, the omission of which would make any statements in this announcement misleading.*