

**THIS PROSPECTUS IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

If you are in any doubt as to any aspect of this Prospectus or as to the action to be taken, you should consult a stockbroker or other licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in China Wood International Holding Co., Limited (the “Company”), you should at once hand the Prospectus Documents to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this Prospectus, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss however arising from or in reliance upon the whole or any part of the contents of this Prospectus.

A copy of each of the Prospectus Documents, having attached thereto the documents specified in the paragraph headed “15. Documents delivered to the Registrar of Companies in Hong Kong” in Appendix III to this Prospectus, have been registered with the Registrar of Companies in Hong Kong as required by Section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong). The Securities and Futures Commission, The Stock Exchange of Hong Kong Limited and the Registrar of Companies in Hong Kong take no responsibility as to the contents of any of the Prospectus Documents.

Dealings in the Shares and the Rights Shares in both nil-paid and fully-paid forms may be settled through CCASS established and operated by HKSCC and you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser for details of the settlement arrangements and how such arrangements may affect your rights and interests.

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 their respective commencement dates of dealings in the Rights Shares 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 HKSCC and HKSCC Operational Procedures in effect from time to time. You should consult your stockbroker or licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountant or other professional adviser for details of the settlement arrangements and how such arrangements may affect your rights and interests.



CHINA WOOD  
中木國際

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

**中木國際控股有限公司**

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

**(Stock Code: 1822)**

**RIGHTS ISSUE ON THE BASIS OF  
ONE RIGHTS SHARE FOR EVERY ONE EXISTING SHARE HELD  
ON RECORD DATE**

Capitalised terms used in this cover page shall have the same meanings as those defined in this Prospectus, unless the context requires otherwise. The latest time for acceptance of and payment for the Rights Shares is 4:00 p.m. on Monday, 17 March 2025 (or such other time and date as may be determined by the Company). The procedures for acceptance, splitting of provisional allotment and payment and/or transfer of the Rights Shares are set out on pages 13 to 18 of this Prospectus.

The Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptance of the provisionally allotted Rights Shares and is subject to the fulfilment of conditions. Please refer to the section headed “Letter from the Board – Conditions of the Rights Issue” in this Prospectus. Accordingly, the Rights Issue may or may not proceed. Shareholders and potential investors should exercise extreme caution when dealing in the Shares, and if they are in any doubt about their position, they should consult their professional advisers. In the event that the Rights Issue is not fully subscribed, any Rights Shares not taken up by the Qualifying Shareholders together with the Rights Shares not provisionally allotted to the Non-Qualifying Shareholders and aggregated fractions of Rights Shares will be made available for excess application under the EAFs. There is no minimum subscription level or minimum amount to be raised under the Rights Issue.

Shareholders should note that the Shares have been dealt in on an ex-rights basis commencing from Thursday, 20 February 2025 and that dealing in the Rights Shares in the nil-paid form will take place from Wednesday, 5 March 2025 to Wednesday, 12 March 2025 (both days inclusive). Any Shareholder or other person dealing in Shares and/or Rights Shares in their nil-paid form up to the date on which all conditions to which the Rights Issue is subject are fulfilled (which is expected to be on Monday, 17 March 2025), will accordingly bear the risk that the Rights Issue cannot become unconditional and may not proceed. Any Shareholder or other person contemplating selling or purchasing Shares and/or Rights Shares in their nil-paid form, who is in any doubt about his/her/its position, is recommended to consult his/her/its own professional adviser.

3 March 2025

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## EXPECTED TIMETABLE

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

<b>Expected Timetable</b>	<b>2025</b>
First day of dealing in nil-paid Rights Shares . . . . .	Wednesday, 5 March
Latest time for splitting of the PAL(s) . . . . .	4:30 p.m. on Friday, 7 March
Last day of dealing in nil-paid Rights Shares . . . . .	Wednesday, 12 March
Latest time for acceptance of and payment for the Rights Shares and application and payment for excess Rights Shares . . . . .	4:00 p.m. on Monday, 17 March
Announcement of allotment results . . . . .	Monday, 24 March
Despatch of certificates for fully-paid Rights Shares and refund cheques, if any, in respect of wholly or partially unsuccessful application for excess Rights Shares . . . . .	Tuesday, 25 March
Expected first day of dealings in fully-paid Rights Shares . . . . .	9:00 a.m. on Wednesday, 26 March

Dates or deadlines specified in expected timetable above or in other parts of this Prospectus are indicative only and may be subject to change. Any changes to the expected timetable will be published or notified to the Shareholders and the Stock Exchange as and when appropriate.

## EXPECTED TIMETABLE

### EFFECT OF BAD WEATHER 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 if there is a tropical cyclone warning signal no. 8 or above, or a “black” rainstorm warning or “extreme conditions” caused by super typhoons:

- (i) in force in Hong Kong at any local time before 12:00 noon and no longer in force after 12:00 noon on Monday, 17 March 2025. 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 Monday, 17 March 2025. 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 of and payment for the Rights Shares does not take place on or before 4:00 p.m. on Monday, 17 March 2025, the dates mentioned in this section may be affected. An announcement will be made by the Company in such event.

## DEFINITIONS

*In this Prospectus, the following expressions have the following meanings unless the context requires otherwise:*

“Announcement”	the announcement of the Company dated 19 November 2024 in relation to, among others, the Rights Issue
“associates”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Business Day”	a day (excluding Saturday and Sunday and public holiday) on which licensed banks in Hong Kong are open for general business
“BVI”	British Virgin Islands
“CAGR”	compounded annual growth rate
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Circular”	the circular issued by the Company dated 28 January 2025 in relation to, among other things, the Rights Issue and the transactions contemplated thereunder
“Companies Ordinance”	the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), as amended from time to time
“Companies (WUMP) Ordinance”	the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong), as amended from time to time
“Company”	China Wood International Holding Co., Limited (中木國際控股有限公司), an exempted company incorporated in the Cayman Islands with limited liability, and the ordinary shares of which are listed on the main board of the Stock Exchange (stock code: 01822)

## DEFINITIONS

“connected person”	has the meaning ascribed to it under the Listing Rules
“Controlling Shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Disposal”	the disposal by the Group of the Disposal Group
“Disposal Group”	Gigantic Wisdom Limited and its subsidiaries, indirectly wholly-owned by the Company before the Disposal, and principally engaged in car rental business in the PRC
“EAF(s)”	the form(s) of application for use by the Qualifying Shareholders who wish to apply for excess Rights Shares
“EGM”	the extraordinary general meeting of the Company convened and held on 18 February 2025 at which resolution was duly passed, to approve, among other things, the Rights Issue and the transactions contemplated respectively thereunder
“Excluded Shareholder(s)”	those Overseas Shareholder(s) whom the Directors, based on legal opinions provided by the Company’s legal advisers, consider it necessary or expedient not to offer the Rights Shares to such Shareholders on account either of restrictions under the laws of the relevant place or the requirements of a relevant regulatory body or stock exchange in that place
“General Rules of HKSCC”	the terms and conditions regulating the use of HKSCC’s services, as may be amended or modified from time to time and where the context so permits, shall include the HKSCC Operational Procedures
“Group”	the Company and its subsidiaries
“HKSCC”	the Hong Kong Securities Clearing Company Limited

## DEFINITIONS

“HKSCC Operational Procedures”	the operational procedures of HKSCC, containing the practices, procedures and administrative requirements relating to operations and functions of CCASS, as amended from time to time
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Shareholders”	Shareholders other than the Controlling Shareholder(s) and their associates or, where there is no Controlling Shareholder, the Directors (excluding independent non-executive Directors) and the chief executive of the Company and their respective associates
“Last Trading Day”	19 November 2024, being the last full trading day of the Shares on the Stock Exchange prior to the release of the Announcement
“Latest Practicable Date”	24 February 2025 being the latest practicable date prior to the printing of this Prospectus for ascertaining certain information contained herein
“Latest Time for Acceptance”	4:00 p.m. on Monday, 17 March 2025 or such later time or date as may be determined by the Company, being the latest time for acceptance of, and payment for, the Rights Shares
“Listing Committee”	the listing committee appointed by the Stock Exchange for considering applications for listing and approving the listing of and dealing with securities on the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

## DEFINITIONS

“Mr. Lyu”	Mr. Lyu NingJiang, the chairman of the Board, CEO, executive Director and a Controlling Shareholder of the Company
“Overseas Shareholder(s)”	Shareholder(s) whose name(s) appear on the register of members of the Company on the Record Date and whose address(es) as shown on such register is/are in a place(s) outside Hong Kong
“PAL(s)”	the renounceable provisional allotment letter(s) in respect of the Rights Issue issued to the Qualifying Shareholders
“Placing”	the placing of 68,490,000 Placing Shares by the Company that was completed on 20 September 2024
“Placing Share(s)”	new Shares allotted and issued by the Company, on 20 September 2024 under the general mandate granted by the Shareholders at the annual general meeting held on 14 June 2024 and pursuant to the placing agreement dated 27 August 2024, ranking <i>pari passu</i> in all respects with the other Shares then in issue
“Posting Date”	Monday, 3 March 2025 as the date of the despatch of the Prospectus Documents
“PRC”	the People’s Republic of China, which for the purpose of this Prospectus excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Prospectus”	the prospectus despatched to the Shareholders by the Company containing details of the Rights Issue
“Prospectus Documents”	the Prospectus, the PAL and the EAF
“Qualifying Shareholder(s)”	Shareholder(s) whose name(s) appear on the register of members of the Company on the Record Date, other than the Excluded Shareholders



## DEFINITIONS

“Record Date”	Friday, 28 February 2025 as the date for the determination of the entitlements under the Rights Issue
“Registrar”	the branch share registrar of the Company in Hong Kong, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong
“Right Momentum”	Right Momentum Group Limited, a company incorporated in the BVI and wholly owned by Mr. Lyu
“Rights Issue”	the issue by way of rights on the basis of one (1) Rights Share for every one (1) existing Share held by the Qualifying Shareholders on the Record Date at the Subscription Price on the terms and subject to the conditions set out in the Prospectus Documents
“Rights Share(s)”	Shares to be allotted and issued under the Rights Issue on the basis of one (1) Rights Share for every one (1) existing Share in issue on the Record Date, being 411,219,340 Rights Shares
“RMB”	Renminbi, the lawful currency of the PRC
“SFO”	Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong)
“Share(s)”	ordinary share(s) of HK\$0.10 each in the share capital of the Company
“Shareholder(s)”	holder(s) of issued Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription Price”	HK\$0.111 per Rights Share
“substantial shareholder”	has the meaning ascribed to it under the Listing Rules

## DEFINITIONS

“Takeovers Code”                      The Hong Kong Code on Takeovers and Mergers (as amended and supplemented from time to time)

“%”    percentage

\*                      *In this Prospectus, the English translation of the Chinese names denoted is for illustration purposes only. In the event of any inconsistency, the Chinese names shall prevail.*

LETTER FROM THE BOARD



CHINA WOOD  
中木國際

**CHINA WOOD INTERNATIONAL HOLDING CO., LIMITED**  
**中木國際控股有限公司**

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

**(Stock Code: 1822)**

*Executive Directors:*

Mr. Lyu NingJiang (*Chairman and CEO*)

Ms. Ng Lai Ha

*Non-executive Director:*

Mr. Hu YongGang

*Independent non-executive Directors:*

Mr. Zhao XianMing

Mr. Chan Lik Shan

Mr. So Yin Wai

*Registered Office:*

Cricket Square, Hutchins Drive

P.O. Box 2681, Grand Cayman

KY1-1111

Cayman Islands

*Head Office and Principal Place of*

*Business:*

11th Floor, Tower 2

Admiralty Centre

18 Harcourt Road, Admiralty

Hong Kong

3 March 2025

*To the Qualifying Shareholders and, for information only, the Excluded Shareholders (if any)*

Dear Sir or Madam,

**PROPOSED RIGHTS ISSUE**  
**ON THE BASIS OF ONE RIGHTS SHARE**  
**FOR EVERY ONE EXISTING SHARE HELD ON RECORD DATE**

**INTRODUCTION**

References are made to the Announcement and the Circular in relation to, among others, the Rights Issue.

## LETTER FROM THE BOARD

At the EGM, the necessary resolution for approving, among other things, the Rights Issue was duly passed by the Independent Shareholders.

The purpose of this Prospectus is to provide you with further details of the Rights Issue.

### **RIGHTS ISSUE**

The Rights Issue will be implemented on the basis of one (1) Rights Share for every one (1) existing Share held on the Record Date at the Subscription Price of HK\$0.111 per Rights Share, to raise gross proceeds of approximately HK\$45.6 million by issuing 411,219,340 Rights Shares to the Qualifying Shareholders.

As at the Latest Practicable Date, the Group had no outstanding derivatives, options, warrants, convertible or exchangeable securities carrying rights to subscribe for, convert or exchange into Shares.

411,219,340 Rights Shares to be issued pursuant to the terms of the proposed Rights Issue represents (i) 100% of the total number of issued Shares as at the Latest Practicable Date; and (ii) 50% of the issued share capital of the Company as enlarged by the allotment and issue of the Rights Shares.

### **Subscription Price**

The Subscription Price is HK\$0.111 per Rights Share, payable in full upon acceptance of the relevant provisional allotment of Rights Shares and, where applicable, application for excess Rights Shares under the Rights Issue or when a transferee of nil-paid Rights Shares applies for the Rights Shares.

The Subscription Price represents:

- (i) a discount of approximately 63.6% to the closing price of HK\$0.305 per Share as quoted on the Stock Exchange on the Latest Practicable Date;
- (ii) a discount of approximately 45.0% to the closing price of HK\$0.202 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (iii) a discount of 48.6% to the average of the closing prices of HK\$0.216 per Share as quoted on the Stock Exchange for the 5 consecutive trading days up to and including the Last Trading Day;

## LETTER FROM THE BOARD

- (iv) a discount of approximately 29.1% to the theoretical ex-rights price of HK\$0.1565 per Share as adjusted for the effect of the Rights Issue, based on the closing price of HK\$0.202 per Share as quoted on the Stock Exchange on the Last Trading Day; and
- (v) a theoretical dilution effect (as defined under Rule 7.27B of the Listing Rules) represented by a discount of approximately 24.9%, represented by the theoretical diluted price of approximately HK\$0.1663 per Share to the benchmarked price of HK\$0.2216 per Share (as defined under Rule 7.27B of the Listing Rules, taking into account the average of the closing prices of the Shares as quoted on the Stock Exchange for the five (5) previous consecutive trading days prior to the date of the Announcement).

The Subscription Price was determined with reference to, among others, (i) the market prices of the Shares under the prevailing market conditions and the relevant discount to the closing prices; (ii) the latest business performance and financial position of the Group; and (iii) the reasons for and benefits of proposed Rights Issue as discussed in the section headed “REASONS FOR AND BENEFITS OF THE PROPOSED RIGHTS ISSUE AND INTENDED USE OF PROCEEDS” in this Prospectus.

The Directors consider that, despite any potential dilution impact of the proposed Rights Issue on the shareholding interests of the Shareholders, the terms of the proposed Rights Issue, including the Subscription Price, to be fair and reasonable and in the best interests of the Company and the Shareholders as a whole, after taking into account the following factors:

- (i) the Qualifying Shareholders who do not wish to take up their provisional entitlements under the proposed Rights Issue are able to sell the nil-paid rights in the market;
- (ii) the proposed Rights Issue allows the Qualifying Shareholders an opportunity to subscribe for their pro-rata Rights Shares for the purpose of maintaining their respective existing shareholding interests in the Company and an opportunity to subscribe for excess Rights Shares subject to the level of acceptance; and
- (iii) the proceeds from the Rights Issue can fulfil the funding needs of the Group.

## LETTER FROM THE BOARD

### **Irrevocable Undertakings**

As at the Latest Practicable Date, the Board has not received any information or irrevocable undertaking from any Shareholders of their intention to take up or not to take up the securities of the Company to be provisionally allotted to them under the Rights Issue.

### **Conditions of the Rights Issue**

The Rights Issue is conditional upon:

- (i) the passing of all the necessary resolution at the EGM to approve the Rights Issue and the transactions contemplated thereunder (including but not limited to the allotment and issue of the Rights Shares) by the Independent Shareholders;
- (ii) the delivery to the Stock Exchange for authorisation and the registration with the Registrar of Companies in Hong Kong respectively each of the Prospectus Documents in compliance with the Listing Rules and the Companies (WUMP) Ordinance not later than the Prospectus Posting Date;
- (iii) the posting of the Prospectus Documents to the Qualifying Shareholders in the manners as set out in the section headed “Qualifying Shareholders” in the “Letter from the Board” of this Prospectus and the posting of the Prospectus and a letter to the Excluded Shareholders, if any, for information purpose only explaining the circumstances in which they are not permitted to participate in the Rights Issue on or before the Prospectus Posting Date;
- (iv) the Listing Committee of the Stock Exchange granting or agreeing to grant (subject to allotment) and not having withdrawn or revoked the listing of and permission to deal in the Rights Shares (in their nil-paid and fully-paid forms); and
- (v) compliance with the requirements under the applicable laws and regulations of Hong Kong and the Cayman Islands.

The conditions set out above are incapable of being waived by the Company. If any of the above conditions is not satisfied by the Latest Time for Acceptance, the Rights Issue will not proceed. As at the Latest Practicable Date, save for the above condition (i), other conditions have not been fulfilled.

## LETTER FROM THE BOARD

**The Rights Issue is subject to the fulfilment of conditions including the Stock Exchange granting the listing of, and permission to deal in, the Rights Shares in their nil-paid and fully-paid forms. If the conditions to the Rights Issue are not fulfilled, the Rights Issue will not proceed.**

### **Non-underwritten basis**

Subject to the fulfilment of the conditions of the Rights Issue, 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 there is an under subscription of the Rights Issue, any unsubscribed Rights Shares will not be issued by the Company and the size of the Rights Issue will be reduced accordingly. There is no minimum amount which must be raised in order for the Rights Issue to proceed.

As the Rights Issue will proceed on a non-underwritten basis, the Shareholder who applies to take up all or part of his/her/its entitlement under the PAL(s) may unwittingly incur an obligation to make a general offer under the Takeovers Code, unless a waiver from the Executive has been obtained. Accordingly, the Rights Issue will be made on the term that the Company will provide for Shareholders to apply on the basis that if the Rights Shares are not fully taken up, the applications of any Shareholder for his entitlement under the PAL or for excess Rights Shares under the EAF 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.

### **Qualifying Shareholders**

The Company will send the Prospectus Documents to the Qualifying Shareholders only. This Prospectus, in both English and Chinese, will be made available on the Company's website ([www.chinawoodint.com.hk](http://www.chinawoodint.com.hk)) and the Stock Exchange's website ([www.hkexnews.hk](http://www.hkexnews.hk)). A notice of publication of the website version of this Prospectus, in both English and Chinese, will be sent by the Company to Shareholders by email or by post (only if the Company does not possess the functional email address of a Shareholder) on the publication date of the Prospectus. The Company will send the PAL(s) to the Qualifying Shareholders individually in printed form. The Company will send the EAF(s) to its Qualifying Shareholders individually by email. If the Company does not possess the email address of a Qualifying Shareholder or the email address provided is not functional, the Company will send the EAF(s) in printed form together with a request form for soliciting the Qualifying Shareholder's functional email address to facilitate electronic dissemination of Actionable Corporate Communications in the future. 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.

## LETTER FROM THE BOARD

Shareholders whose Shares are held by nominee companies (or which are deposited in CCASS) should note that the Board will regard a nominee company (including HKSCC Nominees Limited) as a single Shareholder according to the register of members of the Company.

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

### **Rights of Overseas Shareholders (if any)**

As at the Latest Practicable Date, the Company has a total of 23 Overseas Shareholders holding an aggregate of 238,910,512 Shares as follows:

<b>Place of address</b>	<b>Number of Overseas Shareholders</b>	<b>Number of Shares held</b>
BVI	2	238,903,147
PRC	21	7,365

Taking into account the advice provided by legal adviser in the PRC and by legal adviser in the BVI, the Directors are of the view that the relevant PRC and BVI legal restrictions and requirements of the regulatory body or stock exchange in the PRC and/or in the BVI do not make it necessary or expedient to exclude the Overseas Shareholders with registered addresses located in the PRC or in the BVI from the Rights Issue. Therefore, such Overseas Shareholders are not Excluded Shareholders and the Rights Issue will be extended to such Overseas Shareholders.

No invitation has been made or will be made, directly or indirectly, to the public in the BVI to purchase the Rights Shares, and the Rights Shares are not being offered or sold and may not be offered or sold, directly or indirectly, in the BVI, except as otherwise permitted by the BVI laws.

The Prospectus Documents will not be registered or filed under the securities law of any jurisdiction other than Hong Kong. In the event that additional Overseas Shareholder(s), other than the Overseas Shareholders with registered address located in the PRC or in the BVI as mentioned above, is/are identified as at the Record Date, such Overseas Shareholder(s) may not be eligible to take part in the Rights Issue as explained below.



## LETTER FROM THE BOARD

No additional Overseas Shareholder(s), other than the Overseas Shareholders with registered address located in the PRC or in the BVI as mentioned above, is/are identified as at the Latest Practicable Date. As the register of members of the Company had already been closed as at the Latest Practicable Date and would remain closed up to the Record Date, there would be no additional Overseas Shareholders and no Excluded Shareholder on the Record Date.

### **Basis of provisional allotment**

The basis of the provisional allotment shall be one (1) Rights Share for every one (1) existing Share in issue and held by the Qualifying Shareholders at the close of business on the Record Date at the Subscription Price payable in full on acceptance and otherwise on the terms and subject to the conditions set out in the Prospectus Documents.

Application for all or any part of a Qualifying Shareholder's provisional allotment should be made by lodging a duly completed PAL and a cheque or a banker's cashier order for the sum payable for the Rights Shares being applied for with the Registrar on or before the Latest Time for Acceptance.

### **Fractional entitlements to the Rights Shares**

On the basis of provisional allotment of one (1) Right Share for every one (1) Share held on the Record Date, no fractional entitlements to the Rights Shares shall be issued to the Shareholders. No entitlements of the Excluded Shareholders to the Rights Shares shall be issued to the Excluded Shareholders.

### **Status of the Rights Shares**

The Rights Shares, when allotted and issued, shall rank *pari passu* in all respects with the Shares then in issue. Holders of fully-paid Rights Shares will be entitled to receive all future dividends and distributions which are declared, made or paid after the date of allotment of the Rights Shares in their fully-paid form.

### **Procedures for acceptance and payment or transfer**

A PAL will be sent to the Qualifying Shareholders in printed form which entitles the Qualifying Shareholder(s) to whom it is addressed to subscribe for the number of the Rights Shares shown therein. If the Qualifying Shareholders wish to accept all the Rights Shares provisionally allotted to them as specified in the PAL, they must lodge the PAL in accordance with the instructions printed thereon, together with a remittance for the full amount payable on acceptance, with the Registrar, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, by no later than 4:00 p.m. on Monday, 17 March 2025 (or,

## LETTER FROM THE BOARD

under bad weather conditions, such later time or date as mentioned in the section headed “Effect of Bad Weather on the Latest Time for Acceptance of and Payment for the Rights Shares and Application and Payment for the excess Rights Shares” in “Expected Timetable” in this Prospectus). All remittances must be made in Hong Kong dollars by cheques which must be drawn on an account with, or by banker’s cashier orders which must be issued by, a licensed bank in Hong Kong and made payable to “China Wood International Holding Co., Limited” and crossed “Account Payee Only”. It should be noted that unless the PAL, together with the appropriate remittance, have been lodged with the Registrar by no later than 4:00 p.m. on Monday, 17 March 2025, whether by the original allottee or any person to whom the provisional allotment has been validly transferred, the relevant provisional allotment and all rights and entitlements thereunder will be deemed to have been declined and will be cancelled. The Company is not obliged to but may, at its sole absolute discretion, treat a PAL as valid and binding on the person(s) by whom or on whose behalf it is lodged even if the PAL is not completed in accordance with the relevant instructions. The Company may require such incomplete PAL to be completed by the relevant applicants at a later stage.

If the Qualifying Shareholders wish to accept only part of their provisional allotment or transfer part of their rights to subscribe for the Rights Shares provisionally allotted to them under the PAL or to transfer part or all of their rights to more than one person, the original PAL must be surrendered and lodged for cancellation by no later than 4:30 p.m. on Friday, 7 March 2025 to the Registrar, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, who will cancel the original PAL and issue new PALs in the denominations required, which will be available for collection at the Registrar’s address set out above after 9:00 a.m. on the second Business Day after the surrender of the original PAL. This process is commonly referred to as “splitting” of nil-paid rights. It should be noted that Hong Kong stamp duty is payable in connection with a transfer of rights to subscribe for the Rights Shares.

If the Qualifying Shareholders wish to transfer all of their nil-paid Rights Shares under the PAL(s) (or a split PAL(s), as the case may be) to another person, they must complete and sign Form B in the PAL(s) and hand the PAL(s) to the person(s) to or through whom they are transferring their nil-paid rights. The transferee must then complete and sign Form C in the PAL(s) and lodge the PAL(s) intact together with a remittance for the full amount payable on acceptance with the Registrar, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong so as to be received by no later than 4:00 p.m. on Monday, 17 March 2025 to effect the transfer. It should be noted that Hong Kong stamp duty is payable in connection with the transfer of rights to subscribe for the Rights Shares to the transferee(s) and the acceptance by the transferee(s) of such rights.

The Company reserves the right to refuse to register any transfer in favour of any person in respect of which the Company believes such transfer may violate applicable securities or other laws or regulations of any jurisdiction.

## LETTER FROM THE BOARD

The PAL contains the full information regarding the procedures to be followed for Qualifying Shareholders who wish to (i) accept their provisional allotment in full; (ii) accept only part of their provisional allotment; or (iii) renounce/transfer all or part of their provisional allotment to other party/parties. Qualifying Shareholders are advised to study the procedures set out in the PAL carefully. If any of the conditions of the Rights Issue as set out in the section headed “Conditions of the Rights Issue” in the “Letter from the Board” of this Prospectus is not satisfied by the Latest Time for Acceptance, the Rights Issue will not proceed. Under such circumstances, the monies received in respect of application for the Rights Shares will be returned to the relevant applicants or, in the case of joint applicants, to the first-named person without interest, by means of cheques despatched by ordinary post at the risk of such Qualifying Shareholders to their registered addresses by the Registrar on or about Tuesday, 25 March 2025. No receipt will be given for such remittance.

All cheques or banker’s cashier orders will be presented for payment immediately upon receipt and all interest earned on such monies (if any) will be retained for the benefit of the Company. Completion and lodgment of a PAL together with a cheque or banker’s cashier order in payment for the Rights Shares applied for will constitute a warranty by the applicant that the cheque or banker’s cashier order will be honoured on first presentation. Without prejudice to its other rights in respect thereof, the Company reserves the right and is in its absolute discretion to reject any PAL in respect of which the cheque or banker’s cashier order is dishonoured upon first presentation, and in that event the provisional allotment and all rights and all such assured entitlements thereunder will be deemed to have been declined and will be cancelled.

For beneficial owners whose Shares are deposited in CCASS and registered in the name of HKSCC Nominees Limited, if they wish to subscribe for the Rights Shares provisionally allotted to them, or sell their nil-paid Rights Shares or “split” their nil-paid rights by accepting part of their provisional allotment and selling/transferring the remaining part, they should contact their intermediary and provide their intermediary with instructions or make arrangements with their intermediary in relation to the acceptance, transfer and/or “splitting” of the rights to subscribe for the Rights Shares which have been provisionally allotted to them in respect of the Shares in which they are beneficially interested. Such instructions and the relevant arrangements should be given or made in advance of the relevant dates stated in the “Expected Timetable” in this Prospectus and otherwise in accordance with the requirements of their intermediary in order to allow their intermediary sufficient time to ensure that their instructions are given effect. The procedures for acceptance, transfer and/or “splitting” in these cases shall be in accordance with the General Rules of HKSCC, the HKSCC Operational Procedures and any other applicable requirements of HKSCC.

## LETTER FROM THE BOARD

### **Share certificates and refund cheques for the Rights Issue**

Subject to the fulfillment of the conditions of the Rights Issue, certificates for all fully-paid Rights Shares are expected to be posted to those entitled thereto by ordinary post at their own risk on or before Tuesday, 25 March 2025. Refund cheques in respect of wholly or partially unsuccessful applications for excess Rights Shares (if any) are expected to be posted on or before Tuesday, 25 March 2025 by ordinary post to the applicants at their own risk, to their respective registered addresses.

### **Application for excess Rights Shares**

Qualifying Shareholders may apply, by way of excess application, for any Rights Shares provisionally allotted but not accepted by the Qualifying Shareholders or otherwise subscribed for by transferees of nil-paid Rights Shares.

Application for excess Rights Shares can be made by the Qualifying Shareholders only and by duly completing and signing an EAF (in accordance with the instructions printed therein) and lodging the same with a separate remittance for the excess Rights Shares being applied for with the Registrar no later than 4:00 p.m. on Monday, 17 March 2025.

The Directors will allocate any excess Rights Shares at their discretion on a fair and equitable basis on the following principles:

- (i) any excess Rights Shares will be allocated to Qualifying Shareholders who apply for them on a pro rata basis by reference to the number of the excess Rights Shares applied for under each application;
- (ii) no reference will be made to the Rights Shares subscribed through applications by PALs or the existing number of Shares held by Qualifying Shareholders; and
- (iii) no preference will be given to applications for topping up odd-lot holdings to whole lot holdings.

## LETTER FROM THE BOARD

Pursuant to Rule 7.21(3)(b) of the Listing Rules, the Company will also take steps to identify the applications for excess Rights Shares made by the Controlling Shareholder or its associates (together, the “**Relevant Shareholders**”), whether in their own names or through nominees. The Company shall disregard the Relevant Shareholders’ applications for excess Rights Shares to the extent that the total number of excess Rights Shares they have applied for exceeds a maximum number equivalent to the total number of Rights Shares offered under the Rights Issue minus the number of Rights Shares taken up by the Relevant Shareholders under their assured entitlement to the Rights Shares.

Beneficial owners of Shares whose Shares are held by a nominee company (including HKSCC Nominees Limited) should note that for the purpose of the Rights Issue, the Board will regard the nominee company as a single Shareholder according to the register of members of the Company. Accordingly, the beneficial owners of Shares whose Shares are registered in the name of the nominee companies should note that the aforesaid arrangement in relation to the allocation of the excess Rights Shares will not be extended to beneficial owners individually.

Qualifying Shareholders who wish to apply for excess Rights Shares in addition to their provisional allotment must complete and sign an EAF and lodge it, together with a separate remittance for the amount payable on application in respect of the excess Rights Shares applied for, with the Registrar on or before 4:00 p.m. on Monday, 17 March 2025. All remittances must be made in Hong Kong dollars by cheques which must be drawn on a bank account with, or by cashier’s orders which must be issued by, a licensed bank in Hong Kong and made payable to “China Wood International Holding Co., Limited” and crossed “Account Payee Only”.

All cheques or cashier’s orders accompanying completed EAFs will be presented for payment immediately following receipt and all interest earned on such monies (if any) will be retained for the benefit of the Company. Completion and return of the EAF together with a cheque or a cashier’s order in payment for the excess Rights Shares applied for will constitute a warranty by the applicant that the cheque or the cashier’s order will be honoured on first presentation. Without prejudice to the other rights of the Company in respect thereof, the Company reserves the right to reject any EAF in respect of which the cheque or cashier’s order is dishonoured on first presentation.

The EAF is for use only by the person(s) to whom it is addressed and is not transferable.

## LETTER FROM THE BOARD

The Company may, at its discretion, treat an EAF as valid and binding on the person(s) by whom or on whose behalf it is lodged even if the EAF is not completed in accordance with the relevant instructions. Completion and return of the EAF together with a cheque or cashier's order in payment for the excess Rights Shares applied for will constitute a warranty and representation from such Qualifying Shareholder(s) to the Company that all registration, legal and regulatory requirements of all relevant jurisdictions in connection with the EAF and any application thereunder, have been, or will be, duly complied with. For the avoidance of doubt, neither HKSCC nor HKSCC Nominees Limited will give, or be subject to, any of the above warranty and representation. The Company reserves the right to refuse to accept any application for excess Rights Shares where it believes that doing so would violate the applicable securities or other laws or regulations of any jurisdiction. If you are in any doubt as to your position, you should consult a professional adviser.

No receipts will be given in respect of any application monies received.

If any of the conditions of the Rights Issue as set out in the paragraph headed "Conditions of the Rights Issue" is not satisfied by the Latest Time for Acceptance, the Rights Issue will not proceed. Under such circumstances, the remittance received in respect of application for excess Rights Shares will be returned to the Qualifying Shareholders or, in the case of joint applicants, to the first named person without interest, by means of cheques despatched by ordinary post at the risk of such Qualifying Shareholders to their registered addresses by the Registrar on or before Tuesday, 25 March 2025. Other than HKSCC Nominees Limited, only one share certificate will be issued for all the Rights Shares allotted to an applicant.

### **Application for listing of the Rights Shares**

The Company has applied to the Listing Committee of the Stock Exchange for the listing of, and the permission to deal in, the Rights Shares, in both their nil-paid and fully-paid forms.

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 commencement dates of the dealings in the Rights Shares in both their nil-paid and fully-paid forms or such other dates as may be determined by HKSCC.

## LETTER FROM THE BOARD

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 HKSCC and HKSCC Operational Procedures in effect from time to time.

Dealing in the Rights Shares in both their nil-paid and fully-paid forms which are registered in the register of members of the Company in Hong Kong will be in the board lots of 30,000 Rights Shares and will be subject to the payment of stamp duty, Stock Exchange trading fee, transaction levy, investor compensation levy or any other applicable fees and charges in Hong Kong.

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 Excluded Shareholders, their receipt of the net proceeds, if any, from sales of the nil-paid Rights Shares on their behalf.

### **REASONS FOR AND BENEFITS OF THE PROPOSED RIGHTS ISSUE AND INTENDED USE OF PROCEEDS**

The principal activity of the Company is investment holding. The Group is principally engaged in wood-related business, including the processing and distribution of furniture wood, and the manufacturing and sales of antique-style wood furniture and other wooden products. During 2024, the property sector in China is still struggling to emerge from the credit crisis after the PRC government cracked down on its debt levels in August 2020. Wood consumption is closely linked to the housing market and its demand for construction materials, flooring, furniture, and decorative items. In the last quarter of 2024, the central bank in the PRC had come up with measures including RMB300 billion in lending support for state owned enterprises to buy completed but unsold housing inventory. Another RMB4 trillion in credit was targeted to boost project completions. Notwithstanding that, the property market in the PRC is still in a precarious position, and much depends on the PRC government's follow through on support. As a result, the business environment in which the Group operates remains to be challenging and tough.

To counter the risks of over-exposure to the wood-related business and to capitalize on the Group's expertise and experience in PRC marketing, the Company has been actively assessing the viability of business diversification. The Group has been actively studying business opportunities in areas including the functional food and beverage industry in the PRC. In light of the contingent liabilities arising from legal actions subsisted in the car rental business, its limited scale of operation, and taking into account of its future prospect, the Group considers it appropriate to discontinue the car rental business in October 2024 to release precious financial resources and management time in more promising business areas like the functional food and beverage business in the PRC.

## LETTER FROM THE BOARD

With an increasing disposable income and awareness of a healthy lifestyle, driven by the recent pandemic, the desire for a balanced and healthy diet has expanded rapidly in recent years in the PRC, resulting in significant growth in the functional food and beverage industry in the PRC and the Group expects that as China's population ages, the need for functional foods and beverage will be even higher, and so will the opportunities for businesses. According to a market research report publicly available, the revenue of PRC functional foods market was estimated at approximately US\$36.77 billion in 2023 and is anticipated to grow to approximately US\$67.69 billion by 2030, representing a CAGR of approximately 9.1% during the forecast period. In light of the robust growth in the PRC functional foods market, the Board considers that it is in the interests of the Company and the Shareholders as a whole for the Group to develop its functional food and beverage business in the PRC.

In the fourth quarter of 2024, the Company has established Shenzhen Weijianbao Food Technology Co. Ltd.\* (深圳維健寶食品科技有限公司) (“**Shenzhen Weijianbao**”), a wholly-owned subsidiary of the Company in the PRC, to conduct functional food and beverage business in the PRC. The Group has allocated up to HK\$2 million out of its working capital for the initial setup and operation of Shenzhen Weijianbao. To assist in the initial setup and operation of Shenzhen Weijianbao, out of the HK\$2 million allocated, the Group has appointed an independent consultant who holds a degree in business administration and having over 10 years of business development management experience in the food and beverage industry; and another independent consultant who holds a degree in bio-science and having over 10 years of research development management experience in the food and beverage industry. To minimize business risk and on the strength of the Group expertise and experience in PRC marketing, the Group initially has marketed functional food and beverage products, supplied by ODM supplier, under its own branding through direct sales channel and achieved a revenue of approximately HK\$1 million in 2024. Given the initial positive response, the Group believes that it will be beneficial to further develop the functional food and beverage business in the PRC. As at the Latest Practicable Date, the Company has not identified any potential targets for acquisition or formation of joint venture in relation to its planned development of functional food and beverage business in the PRC. To further develop the business in the functional food and beverage industry, the Group also plans to (i) recruit additional management and technical staff with established knowledge and experience in the functional food and beverage industry; (ii) conduct research activities for the development of proprietary rights and technology related to functional food and beverage to enhance the competitive advantages of the Group's products, the production of the Group's products will remain to be outsourced to external independent suppliers; and (iii) set up a sales and marketing team and engaging key opinion leaders (“KOLs”) designated for the promotion of functional food and beverage products and the development of its functional food and beverage business in the PRC through direct sales channels. The Group has no plan to change the development of its wood-related business. Other than the Disposal, the Company does not intend to cease or downsize any of its existing business upon further development of its functional food and beverage business.



## LETTER FROM THE BOARD

The net proceeds from the Rights Issue (after deducting the estimated expenses) are estimated to be approximately HK\$44.6 million. The estimated net subscription price per Rights Share after deducting the related expenses of the Rights Issue is expected to be approximately HK\$0.109. The Company intends to apply the net proceeds from the proposed Rights Issue as follows:

- (i) approximately 44.8% of the net proceeds, or approximately HK\$20.0 million, for investment in functional food and beverage business in the PRC. The Company currently intends to apply the net proceeds allocated for the development of the functional food and beverage business of the Group in the PRC as follows during the 12 months following the completion of the Rights Issue: (a) approximately HK\$8.0 million for the acquisition of research and development equipment for the development of proprietary rights and technology related to functional food products; (b) approximately HK\$3.0 million for costs associated with the continuous testing and development of functional food products; (c) approximately HK\$3.0 million for the recruitment of management and technical staff with established knowledge and over five years of experience in the Hong Kong and/or PRC food and beverage industry; and (d) approximately HK\$6.0 million for setting up a sales and marketing team and engaging KOLs to promote the functional food and beverage products developed by the Group; and
- (ii) approximately 55.2% of the net proceeds, or approximately HK\$24.6 million, for general working capital of the Group, including but not limited to operational costs, staff costs, rental expenses, professional fees and other office overheads of the Group.

In the event that there is an under-subscription of the Rights Issue, the net proceeds of the Rights Issue as reduced by such under-subscription will be utilised in proportion to the above uses.

The Rights Issue will allow the Qualifying Shareholders who elect not to participate in the Rights Issue are able to sell the nil-paid Rights Shares in the market while the Qualifying Shareholders who wish to increase their shareholding in the Company through the Rights Issue are able to acquire additional nil-paid Rights Shares in the market and/or through application for excess Rights Shares.

The Directors consider that the Rights Issue provides a good opportunity for the Group to strengthen its capital base without incurring debt financing cost and to enhance its financial position, while at the same time the Rights Issue will enable all Shareholders to participate in the future development of the Company. Therefore, the Directors are of the view that it is in the interests of the Company and the Shareholders as a whole to raise capital through the Rights Issue.

## LETTER FROM THE BOARD

The Company has considered fund raising by issuing debt security or debt financing but the Board considers that any further debt financing or borrowings would worsen the gearing ratio and incur further interest expenses of the Company. Therefore, the Board has ruled out debt financing as a source for raising funds on this occasion.

The Board also considered the option of placing of new Shares, but taking into account (i) the engagement of a placing agent which would incur additional costs and expenses on the part of the Company; and (ii) the dilution of the interests of Shareholders without giving them the opportunity to take part in the exercise, it was not considered by the Board to be the most suitable fund-raising method for the Company on this occasion. Further, the Board considered that a rights issue would be more favourable and attractive to the Shareholders than an open offer because it would allow Shareholders to have more flexibility in dealing with the Shares and the nil paid rights attaching thereto.

In light of the above, the Board is of the view that the Rights Issue is the most appropriate fund-raising method and that the terms of the Rights Issue are fair and reasonable and in the interest of the Company and the Shareholders as a whole.

**However, those Qualifying Shareholders who do not take up the Rights Shares to which they are entitled and Excluded Shareholders should note that their shareholdings will be diluted.**

### EFFECT ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

For illustration purposes only, set out below is the shareholding structure of the Company as at the Latest Practicable Date, and the effect on the shareholding structure of the Company upon completion of the Rights Issue in the manner contemplated in this Prospectus, is as follow:

<i>Name of Shareholder</i>	<b>As at the Latest Practicable Date</b>		<b>Immediately after completion of the Rights Issue (assuming all Shareholders have taken up the Rights Shares)</b>	
	<i>Number of</i>		<i>Number of</i>	
	<i>Shares</i>	<i>Approximate %</i>	<i>Shares</i>	<i>Approximate %</i>
<b>Right Momentum (Note 1)</b>	226,098,085	54.98%	452,196,170	54.98%
<b>Public Shareholders</b>	185,121,255	45.02%	370,242,510	45.02%
<b>Total</b>	<b>411,219,340</b>	<b>100.0%</b>	<b>822,438,680</b>	<b>100.0%</b>

*Note:*

- Right Momentum is a company incorporated in the British Virgin Islands and is wholly owned by Mr. Lyu.

## LETTER FROM THE BOARD

### EQUITY FUND RAISING ACTIVITIES OF THE COMPANY IN THE PAST TWELVE MONTHS

Save for the fund raising activity set out below, the Company has not conducted any other equity fund raising activities in the twelve (12) months immediately preceding the Latest Practicable Date.

Date of initial announcement	Event	Net proceeds as announced (approximate)	Intended use of proceeds as announced	Actual use of proceeds
27 August 2024	Placing of new shares under general mandate	HK\$15.2 million	Repayment of debts and general working capital of the Group	All net proceeds have been used for the intended purpose

### LISTING RULES IMPLICATIONS

As the Rights Issue will increase the issued share capital of the Company by more than 50%, under Rule 7.19A and 7.27A of the Listing Rules, the Rights Issue is subject to approval of the Independent Shareholders at the EGM by a resolution on which any Controlling Shareholders and their respective associates or, where there are no Controlling Shareholders, 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. At the date of the EGM, Right Momentum, being a Controlling Shareholder, directly holds 226,098,085 Shares (representing approximately 54.98% of the issued share capital of the Company at the date of the EGM). Right Momentum is a company wholly-owned by Mr. Lyu, the chairman of the Board, CEO and an executive Director of the Company. Accordingly, Right Momentum, Mr. Lyu and their respective associates were required to abstain and had so abstained from voting in favour of the Rights Issue in accordance with Rule 7.27A of the Listing Rules.

At the EGM, the resolution approving the Rights Issue and the transactions contemplated thereunder was duly passed by the Independent Shareholders by way of poll.

## LETTER FROM THE BOARD

### WARNING OF THE RISKS OF DEALINGS IN THE SHARES AND THE NIL-PAID RIGHTS SHARES

Shareholders and potential investors of the Company should note that the Rights Issue is conditional upon, among others, the Stock Exchange granting the listing of, and permission to deal in, the Rights Shares in their nil-paid and full-paid forms. Accordingly, the proposed Rights Issue may or may not proceed.

Dealings in the Rights Shares in nil-paid form are expected to take place from Wednesday, 5 March 2025 to Wednesday, 12 March 2025 (both days inclusive). Any Shareholder or other person contemplating transferring, selling or purchasing the Shares and/or Rights Shares in their nil-paid form is advised to exercise caution when dealing in the Shares and/or the nil-paid Rights Shares.

Any party 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 adviser(s). Any Shareholder or other person dealing in the Shares or in the nil-paid Rights Shares up to the date on which all the conditions to which the proposed Rights Issue is subject are fulfilled will accordingly bear the risk that the proposed Rights Issue may not become unconditional or may not proceed.

Shareholders and potential investors are advised to exercise caution when dealing in the Shares and/or the Rights Shares.

### ADDITIONAL INFORMATION

Your attention is drawn to the additional information set out in the appendices to this Prospectus.

Yours faithfully,  
For and on behalf of the Board  
**China Wood International Holding Co., Limited**  
**Lyu NingJiang**  
*Chairman and Executive Director*

## 1. SUMMARY OF FINANCIAL INFORMATION

The financial information of the Group for the years ended 31 December 2021, 2022 and 2023 and for the six months ended 30 June 2024 are disclosed in the following documents which have been published on the websites of the Stock Exchange (<http://www.hkexnews.hk>) and the Company ([www.chinawoodint.com.hk](http://www.chinawoodint.com.hk)):

- Annual report for the year ended 31 December 2021 (pages 47 to 186):  
<https://www1.hkexnews.hk/listedco/listconews/sehk/2022/0422/2022042200374.pdf>
- Annual report for the year ended 31 December 2022 (pages 49 to 194):  
<https://www1.hkexnews.hk/listedco/listconews/sehk/2023/0428/2023042800043.pdf>
- Annual report for the year ended 31 December 2023 (pages 51 to 190):  
<https://www1.hkexnews.hk/listedco/listconews/sehk/2024/0430/2024043000611.pdf>
- Interim report for six months ended 30 June 2024 (pages 27 to 56):  
<https://www1.hkexnews.hk/listedco/listconews/sehk/2024/0927/2024092701223.pdf>

## 2. FINANCIAL AND TRADING PROSPECTS OF THE GROUP

The principal activity of the Company is investment holding. The Group is principally engaged in wood-related business, including the processing and distribution of furniture wood, and the manufacturing and sales of antique-style wood furniture and other wooden products. During 2024, the property sector in China is still struggling to emerge from the credit crisis after the PRC government cracked down on its debt levels in August 2020. Wood consumption is closely linked to the housing market and its demand for construction materials, flooring, furniture, and decorative items. In the last quarter of 2024, the central bank in the PRC had come up with measures including RMB300 billion in lending support for state owned enterprises to buy completed but unsold housing inventory. Another RMB4 trillion in credit was targeted to boost project completions. Notwithstanding that, the property market in the PRC is still in a precarious position, and much depends on the PRC government's follow through on support. As a result, the business environment in which the Group operates remains to be challenging and tough.

With an increasing disposable income and awareness of a healthy lifestyle, driven by the recent pandemic, the desire for a balanced and healthy diet has expanded rapidly in recent years in the PRC, resulting in significant growth in the functional food and beverage industry in the PRC and the Group expects that as China's population ages, the need for functional foods and beverage will be even higher, and so will the opportunities for businesses. According to a market research report publicly available, the revenue of PRC functional foods market was estimated at approximately US\$36.77 billion in 2023 and is anticipated to grow to approximately US\$67.69 billion by 2030, representing a CAGR of approximately 9.1% during the forecast period. In light of the robust growth in the PRC functional foods market, the Board considers that it is in the interests of the Company and the Shareholders as a whole for the Group to develop its functional food and beverage business in the PRC.

In the fourth quarter of 2024, the Company has established Shenzhen Weijianbao, a wholly-owned subsidiary of the Company in the PRC, to conduct functional food and beverage business in the PRC. The Group has allocated up to HK\$2 million out of its working capital for the initial setup and operation of Shenzhen Weijianbao. To assist in the initial setup and operation of Shenzhen Weijianbao, out of the HK\$2 million allocated, the Group has appointed an independent consultant who holds a degree in business administration and having over 10 years of business development management experience in the food and beverage industry; and another independent consultant who holds a degree in bio-science and having over 10 years of research development management experience in the food and beverage industry. To minimize business risk, the Group initially has marketed functional food and beverage products, supplied by ODM supplier, under its own branding through direct sales channel and achieved a revenue of approximately HK\$1 million in 2024. Given the initial positive response, the Group believes that it will be beneficial to further develop the functional food and beverage business in the PRC. As at the Latest Practicable Date, the Company has not identified any potential targets for acquisition or formation of joint venture in relation to its planned development of functional food and beverage business in the PRC. To further develop the business in the functional food and beverage industry, the Group also plans to (i) recruit additional management and technical staff with established knowledge and experience in

the functional food and beverage industry; (ii) conduct research activities for the development of proprietary rights and technology related to functional food and beverage to enhance the competitive advantages of the Group's products, the production of the Group's products will remain to be outsourced to external independent suppliers; and (iii) set up a sales and marketing team and engaging KOLs designated for the promotion of functional food and beverage products and the development of its functional food and beverage business in the PRC through direct sales channels. The Group has no plan to change the development of its wood-related business. Other than the Disposal, the Company does not intend to cease or downsize any of its existing business upon further development of its functional food and beverage business.

### 3. INDEBTEDNESS

#### Indebtedness and Contingent Liabilities

As at 31 January 2025, being the latest practicable date for the purpose of this indebtedness statement, the Group had the following indebtedness:

	<b>As at</b> <b>31 January 2025</b> <i>HK\$'000</i>
Lease liabilities	8,439
	<u>8,439</u>

None of the lease liabilities above were secured or guaranteed.

Save as disclosed above, and apart from intra-group liabilities and normal trade and other payable in the ordinary course of business, the Group did not, at the close of business on 31 January 2025, have any other loan issued and outstanding or agreed to be issued, bank overdrafts, charges or debentures, mortgages, term loans (whether guaranteed, unguaranteed, secured and unsecured), debts securities or any other similar indebtedness, liabilities under acceptances (other than normal trade bills) or acceptable credits, finance leases or hire purchases commitments, guarantees, material covenants, or other material contingent liabilities.

**4. WORKING CAPITAL**

The Directors, after due and careful consideration, are of the opinion that, taking into consideration the Group's present financial resources and the estimated net proceeds from the Rights Issue, the Group has sufficient working capital for its present requirements for at least twelve months from the date of this Prospectus in the absence of any unforeseen circumstances.

**5. MATERIAL ADVERSE CHANGE**

As at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Group since 31 December 2023, the date to which the latest published audited financial statements of the Group were made up.



*For illustrative purpose only, set out below is the unaudited pro forma statement of adjusted consolidated net tangible assets of the Group after completion of the Rights Issue. Although reasonable care has been exercised in preparing the unaudited pro forma financial information. Shareholders who read the information should bear in mind that these figures are inherently subject to adjustments and may not give a complete picture of the Group's financial positions at the relevant time.*

**A. UNAUDITED PRO FORMA STATEMENT OF ADJUSTED CONSOLIDATED NET TANGIBLE ASSETS OF THE GROUP**

The unaudited pro forma statement of adjusted consolidated net tangible assets of the Group attributable to the owners of the Company ("**Unaudited Pro Forma Financial Information**") has been prepared by the Directors in accordance with Rule 4.29 of the Listing Rules to illustrate the effect of the Rights Issue on the unaudited consolidated net tangible assets of the Group attributable to the owners of the Company as if the Rights Issue had been completed on 30 June 2024.

The Unaudited Pro Forma Financial Information is prepared for illustrative purpose only, based on the judgements and assumptions of the Directors of the Company and because of its hypothetical nature, it may not give a true picture of the unaudited consolidated net tangible assets of the Group as at 30 June 2024 or to any future dates after completion of the Rights Issue.

The Unaudited Pro Forma Financial Information is prepared based on the unaudited consolidated net tangible assets of the Group attributable to the owners of Company as at 30 June 2024 as derived from the Group's unaudited consolidated financial statements for the period ended 30 June 2024 set out in the published interim report of the Company and is adjusted for the effect of the Rights Issue as if the Rights Issue had been completed on 30 June 2024.

	Unaudited consolidated net liabilities of the Group attributable to the owners of the Company as at 30 June 2024 <i>HK\$'000</i> <i>(Note 1)</i>	Net proceeds from the Placing completed on 20 September 2024 <i>HK\$'000</i> <i>(Note 2)</i>	Estimated net proceeds from the Rights Issue <i>HK\$'000</i> <i>(Note 3)</i>	Unaudited pro forma consolidated net tangible assets of the Group attributable to the owners of the Company immediately after the completion of the Placing and the Rights Issue <i>HK\$'000</i>
	(44,005)	15,200	44,645	15,840
Unaudited consolidated net liabilities of the Group attributable to the owners of the Company as at 30 June 2024 per Share immediately after the completion of the Placing and before the Rights Issue <i>(Note 4)</i>			HK\$	<u><u>(0.070)</u></u>
Unaudited consolidated net tangible assets of the Group attributable to the owners of the Company as at 30 June 2024 per Share immediately after the completion of the Placing and the Rights Issue <i>(Note 5)</i>			HK\$	<u><u>0.019</u></u>

*Notes:*

1. The amount is determined based on the unaudited consolidated net liabilities of the Group attributable to the owners of the Company as at 30 June 2024 of approximately HK\$44,005,000 which has been extracted from the unaudited condensed consolidated statement of financial position of the Group as at 30 June 2024 in the published interim report of the Company dated 23 August 2024.
2. On 20 September 2024, the Company completed the Placing in which 68,490,000 Placing Shares were issued at placing price of HK\$0.226 per Placing Share. Net proceeds from the Placing amounted to approximately HK\$15,200,000 (after deduction of commission and other relevant costs and expenses of the Placing).
3. The estimated net proceeds from the Rights Issue is calculated based on the number of 411,219,340 Rights Shares to be issued at the Subscription Price of HK\$0.111 per Rights Share (assuming full acceptance of the Rights Issue by all the Qualifying Shareholders), after deduction of the estimated related expenses, including other relevant costs and expenses, which are directly attributable to the Rights Issue, of approximately HK\$1.0 million.
4. The unaudited consolidated net liabilities of the Group attributable to the owners of the Company as at 30 June 2024 per Share immediately after the completion of the Placing and before the Rights Issue is arrived at by aggregating the unaudited consolidated net liabilities of the Group attributable to the owners of the Company of approximately HK\$44,005,000 (note 1 above) and the net proceeds of approximately HK\$15,200,000 from the Placing (note 2 above) to approximately HK\$28,805,000 and divided by 411,219,340 Shares in issue immediately after completion of the Placing.
5. The unaudited pro forma consolidated net tangible assets of the Group attributable to the owners of the Company as at 30 June 2024 per Share immediately after the completion of the Placing and the Rights Issue (assuming full acceptance of the Rights Issue by all of the Qualifying Shareholders) is arrived at based on the unaudited pro forma consolidated net tangible assets of the Group attributable to the owners of the Company as at 30 June 2024 immediately after completion of the Placing and the Rights Issue of approximately HK\$15,840,000 divided by 822,438,680 Shares (assuming full acceptance of the Rights Issue by all the Qualifying Shareholders and as if the Rights Issue has been completed on 30 June 2024).
6. No adjustments have been made to the Unaudited Pro Forma Financial Information to reflect any trading results or other transactions, save for the Placing, of the Group entered into subsequent to 30 June 2024.

**B. INDEPENDENT REPORTING ACCOUNTANT'S ASSURANCE REPORT ON  
THE COMPILATION OF UNAUDITED PRO FORMA FINANCIAL  
INFORMATION**

*The following is the text of a report, prepared for the sole purpose of inclusion in this Prospectus, from the reporting accountant, TARGET CPA Limited, Certified Public Accountants, Hong Kong.*

The Board of Directors

**China Wood International Holding Co., Limited**

11th Floor, Tower 2,

Admiralty Centre,

18 Harcourt Road, Admiralty,

Hong Kong

Dear Sirs,

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of China Wood International Holding Co., Limited (the “**Company**”) and its subsidiaries (hereinafter collectively referred to as the “**Group**”) by the directors of the Company (the “**Directors**”) for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma statement of adjusted consolidated net tangible assets of the Group attributable to the owners of the Company as at 30 June 2024 and related notes (the “**Unaudited Pro Forma Financial Information**”) as set out on in Appendix II to the prospectus issued by the Company dated 3 March 2025 (the “**Prospectus**”). The applicable criteria on the basis of which the Directors have compiled the Unaudited Pro Forma Financial Information are described in Appendix II of the Prospectus.

The Unaudited Pro Forma Financial Information has been compiled by the Directors to illustrate the impact of the Rights Issue as defined in the Prospectus on the Group's unaudited consolidated net tangible assets attributable to the owner of the Company as at 30 June 2024 as if the Rights Issue had taken place at 30 June 2024. As part of the process, information about the Group's unaudited consolidated net liabilities attributable to owners of the Company has been extracted by the Directors from the Group's unaudited consolidated financial statements for the six months ended 30 June 2024, on which an interim report has been published.

**Directors' responsibility for the Unaudited Pro Forma Financial Information**

The Directors are responsible for compiling the Unaudited Pro Forma Financial Information in accordance with Rule 4.29 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") and with reference to Accounting Guideline 7 "Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars" ("AG 7") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA").

**Our independence and quality control**

We have complied with the independence and other ethical requirements of the "Code of Ethics for Professional Accountants" issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.

Our firm applies Hong Kong Standard on Quality Management (HKSQM) 1 "Quality Management for Firms that Perform Audits and Reviews of Financial Statements, or Other Assurance and Related Services Engagements" issued by the HKICPA, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

**Reporting accountants' responsibilities**

Our responsibility is to express an opinion, as required by Rule 4.29(7) of the Listing Rules, on the Unaudited Pro Forma Financial Information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the Unaudited Pro Forma Financial Information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420 “Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus” issued by the HKICPA. This standard requires that the reporting accountants plan and perform procedures to obtain reasonable assurance about whether the Directors have compiled the Unaudited Pro Forma Financial Information in accordance with paragraph 29 of Chapter 4 of the Listing Rules and with reference to AG 7 issued by the HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the Unaudited Pro Forma Financial Information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the Unaudited Pro Forma Financial Information.

The purpose of Unaudited Pro Forma Financial Information included in the Prospectus is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the entity as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction at 30 June 2024 would have been as presented.

A reasonable assurance engagement to report on whether the Unaudited Pro Forma Financial Information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Directors in the compilation of the Unaudited Pro Forma Financial Information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- The related unaudited pro forma adjustments give appropriate effect to those criteria; and
- The Unaudited Pro Forma Financial Information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountants' judgement, having regard to the reporting accountants' understanding of the nature of the Group, the event or transaction in respect of which the Unaudited Pro Forma Financial Information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the Unaudited Pro Forma Financial Information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Opinion**

In our opinion:

- a. the Unaudited Pro Forma Financial Information has been properly compiled by the Directors on the basis stated;
- b. such basis is consistent with the accounting policies of the Group; and
- c. the adjustments are appropriate for the purposes of the Unaudited Pro Forma Financial Information as disclosed pursuant to Rule 4.29(1) of the Listing Rules.

### **TARGET CPA Limited**

Certified Public Accountants

**CHIN, Chi Ho Stanley**

Practising Certificate Number: P07911

Hong Kong, 3 March 2025

## 1. RESPONSIBILITY STATEMENT

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

## 2. SHARE CAPITAL

The authorised and issued share capital of the Company (i) as at the Latest Practicable Date; and (ii) immediately after completion of the Rights Issue (assuming no other change in the number of issued Shares and full acceptance of Rights Shares by all Qualifying Shareholders) are set out as follows:

### (i) As at the Latest Practicable Date

<i>Authorised:</i>		<i>HK\$</i>
<u>2,000,000,000</u>	Shares of HK\$0.10 each	<u>200,000,000.00</u>
<i>Issued and fully paid:</i>		<i>HK\$</i>
<u>411,219,340</u>	Shares of HK\$0.10 each	<u>41,121,934.00</u>



- (ii) **Immediately after completion of the Rights Issue (assuming no change in the number of issued Shares and full acceptance of Rights Shares by all Qualifying Shareholders)**

<i>Authorised:</i>		<i>HK\$</i>
<u>2,000,000,000</u>	Shares of HK\$0.10 each	<u>200,000,000.00</u>
<i>Issued and fully paid:</i>		<i>HK\$</i>
411,219,340	Shares of HK\$0.10 each	41,121,934.00
<u>411,219,340</u>	Rights Shares to be allotted and issued under the Rights Issue	<u>41,121,934.00</u>
<u>822,438,680</u>	Shares in issue immediately upon completion of the Rights Issue	<u>82,243,868.00</u>

All the existing Shares in issue are fully-paid and rank *pari passu* in all respects including all rights as to dividends, voting and return of capital. The Rights Shares (when allotted, fully paid or credited as fully paid) will rank *pari passu* in all respects with the Shares in issue on the date of allotment and issue of the Rights Shares. Holders of the Rights Shares in their fully paid form will be entitled to receive all future dividends and distributions which are declared, made or paid on or after the date of allotment and issue of the Rights Shares.

No part of the share capital or any other securities of the Company is listed or dealt in on any stock exchange other than the Stock Exchange and no application is being made or is currently proposed or sought for the Shares or Rights Shares or any other securities of the Company to be listed or dealt in on any other stock exchange.

As at the Latest Practicable Date, the Company did not have any outstanding warrants, options or securities convertible into Shares.

As at the Latest Practicable Date, there was no arrangement under which future dividends are waived or agreed to be waived.

### 3. DISCLOSURE OF INTERESTS

#### (a) Director's interests and short positions in the securities of the Company and its associated corporations

As at the Latest Practicable Date, save as disclosed below, none of the Directors nor the chief executive of the Company had or was deemed to have any interests or short positions in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) (i) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) which were otherwise required to notify the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers as set out in Appendix C3 to the Listing Rules (the "Model Code"):

Name of Director	Capacity/ Nature of interests	Total number of Shares and underlying Shares held (Long Position)	Approximate percentage of the Company's issued share capital (Note 1)
Mr. Lyu Ningjiang	Interest in a controlled corporation (Note 1)	226,098,085	54.98%

Note:

- Mr. Lyu beneficially owns 100% of the share capital of Right Momentum. By virtue of the SFO, Mr. Lyu is deemed to be interested in 226,098,085 Shares held by Right Momentum representing approximately 54.98% of the entire issued share capital of 411,219,340 Shares of the Company as at the Latest Practicable Date.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors nor the chief executive of the Company had or was deemed to have any interests or short positions in the Shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) (i) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code.

**(b) Persons who have an interest or short position which is discloseable under Divisions 2 and 3 of Part XV of the SFO and substantial shareholders**

So far as is known to the Directors, as at the Latest Practicable Date, the following person (not being Directors or chief executive of the Company) had, or was deemed to have, interests or short positions in the Shares or underlying Shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or who were directly or indirectly interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group:

Name	Capacity and nature of interest	Number of issued ordinary shares held (long position)	Percentage of the Company's issued share capital (Note 2)
Right Momentum	Beneficial owner (Note 1)	226,098,085	54.98%
Cheung Ching Mo	Beneficial owner	30,000,353	7.29%

*Notes:*

- Right Momentum is a company incorporated in the British Virgin Islands and is wholly owned by Mr. Lyu.
- The approximate shareholding percentage is based on the number of Shares in issue as at the Latest Practicable Date of 411,219,340.

Save as disclosed above, as at the Latest Practicable Date, so far as was known to the Directors, there are no other person (other than the Directors and the chief executive of the Company) who had, or was deemed to have, interests or short positions in the Shares or underlying Shares, which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who was directly or indirectly interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any member of the Group.

#### **4. DIRECTORS' SERVICE CONTRACTS**

As at the Latest Practicable Date, no director has a service contract with the Company which is not determinable by the Company within one year without payment of compensation, other than statutory compensation.

#### **5. COMPETING INTERESTS**

As at the Latest Practicable Date, none of the Directors or substantial shareholder or any of their respective associates has any interest in business which competes with or may compete with the business of the Group or has any other conflict of interests which any person has or may have with the Group.

#### **6. LITIGATION**

As at the Latest Practicable Date, no member of the Group was engaged in any litigation or arbitration of material importance and no litigation, arbitration or claim of material importance was known to the Directors to be pending or threatened against any member of the Group.

#### **7. INTERESTS IN CONTRACTS AND ASSETS**

As at the Latest Practicable Date, no contract or arrangement of significance in relation to the Group's business to which the Company or any of its subsidiaries was a party and in which any of the Directors had a material interest, whether directly or indirectly, subsisted as at the Latest Practicable Date.

None of the Directors has any direct or indirect interests in any assets which had been acquired or disposed of by or leased to, or which are proposed to be acquired or disposed of by or leased to, the Company or any of its subsidiaries during the period since 31 December 2023, the date to which the latest published audited financial statements of the Group were made up, up to and including the Latest Practicable Date.

## 8. MATERIAL CONTRACTS

The following contract(s) (not being contracts in the ordinary course of business) have been entered into by members of the Group within the two years immediately preceding the Latest Practicable Date which are or may be material:

- (i) the placing agreement dated 27 August 2024 entered into between the Company and VC Brokerage Limited (“**VC Brokerage**”) as placing agent in relation to the placing of a maximum of 68,500,000 Placing Shares by VC Brokerage to not less than six independent placees at the placing price of HK\$0.226 per Placing Share, pursuant to which VC Brokerage would charge the Company a non-refundable documentary and placing fee of HK\$128,000. For further details, please refer to the announcements of the Company dated 27 August 2024 and 11 September 2024; and
- (ii) the sale and purchase agreement dated 28 October 2024 entered into between Easy Top Ace Limited (頂王有限公司), a direct wholly-owned subsidiary of the Company, as vendor; and Wanyi Asia Limited (萬益亞洲有限公司), an independent third party who is not connected with the Company and its connected persons (as defined under the Listing Rules), as purchaser in relation to the Disposal, at a consideration of HK\$50,000. For details, please refer to the announcements of the Company dated 28 October 2024 and 31 October 2024.

## 9. EXPERT AND CONSENT

The following is the qualification of the expert who has been named in this Prospectus or has given opinions, letter or advice contained in this Prospectus:

Name	Qualification
TARGET CPA Limited	Certified Public Accountants

As at the Latest Practicable Date, the above expert had no shareholding, directly or indirectly, in the Company or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in the Company.

As at the Latest Practicable Date, the above expert had no interest, direct or indirect, in the promotion of, or in any assets which since 31 December 2023, the date to which the latest published audited financial statements of the Company were made up, have been acquired or disposed of by or leased to, the Company, or are proposed to be acquired or disposed of by or leased to the Company.

The above expert has given and has not withdrawn its written consent to the issue of this Prospectus, with the inclusion of the references to its name and/or its opinion or report in the form and context in which they are included.

## 10. PARTIES INVOLVED IN THE RIGHTS ISSUE AND CORPORATE INFORMATION

<b>Board of Directors</b>	<i>Executive Directors</i>
	Mr. Lyu NingJiang ( <i>Chairman and CEO</i> )
	Ms. Ng Lai Ha
	<i>Non-executive Director</i>
	Mr. Hu YongGang
	<i>Independent non-Executive Directors</i>
	Mr. Zhao XianMing
	Mr. Chan Lik Shan
	Mr. So Yin Wai
<b>Audit committee</b>	Mr. Zhao XianMing ( <i>Chairman</i> )
	Mr. Chan Lik Shan
	Mr. So Yin Wai
<b>Nomination committee</b>	Mr. Lyu NingJiang ( <i>Chairman</i> )
	Mr. Zhao XianMing
	Mr. Chan Lik Shan
	Mr. So Yin Wai
<b>Remuneration committee</b>	Mr. Zhao XianMing ( <i>Chairman</i> )
	Mr. Chan Lik Shan
	Mr. So Yin Wai
<b>Head office and principal place of business</b>	11th Floor, Tower 2 Admiralty Centre 18 Harcourt Road, Admiralty Hong Kong
<b>Business address of all Directors and authorised representatives</b>	11th Floor, Tower 2 Admiralty Centre 18 Harcourt Road, Admiralty Hong Kong
<b>Registered office</b>	Cricket Square, Hutchins Drive P.O. Box 2681, Grand Cayman KY1-1111 Cayman Islands

<b>Legal advisers to the Company as to Hong Kong laws</b>	<b>K.T. Lo &amp; Co., Solicitors</b> Units 2109-10, 21/F Dominion Centre 43-59 Queen's Road East Wanchai, Hong Kong
<b>Auditors</b>	<b>McMillan Woods (Hong Kong) CPA Limited</b> <i>Certified Public Accountants</i> 24/F, Siu On Centre 188 Lockhart Road, Wan Chai Hong Kong
<b>Reporting accountant in relation to the Rights Issue</b>	<b>TARGET CPA Limited</b> <i>Certified Public Accountants</i> Unit E, 22/F Tower A, Billion Centre 1 Wang Kwong Road Kowloon Bay Hong Kong
<b>Principal bankers</b>	<b>Bank of Communications Co., Ltd.</b> <b>Hong Kong Branch</b> Unit B, B/F & G/F, Unit C, G/F, 1-3/F, 16/F Room 01 & 18/F, Wheelock House 20 Pedder Street, Central, Hong Kong  <b>Nanyang Commercial Bank, Limited</b> 151 Des Voeux Road, Central, Hong Kong
<b>Hong Kong branch share registrar and transfer office</b>	<b>Tricor Investor Services Limited</b> 17/F, Far East Finance Centre 16 Harcourt Road, Hong Kong
<b>Authorised representatives</b>	<b>Mr. Lyu NingJiang</b>  <b>Mr. Lee Pak Chung</b>
<b>Company secretary</b>	<b>Mr. Lee Pak Chung</b> <i>Certified Public Accountant</i>

**11. PARTICULARS OF THE DIRECTORS****Executive Directors**

**Mr. Lyu**, aged 65, was appointed as the Chairman of the Board and an executive Director on 3 December 2020. He has received education in mainland China with a forestry major. He had worked with various forestry-related corporations in mainland China with extensive experience in the wood business. Mr. Lyu has over 15 years of experience in senior corporate management. Mr. Lyu was the chairman and chief executive of China Wood Group Company Limited\* (中國木材(集團)有限公司) during the period from 1998 to 2013. Mr. Lyu was redesignated as the senior consultant of China Wood Group Company Limited\* (中國木材(集團)有限公司) from 2013 to 2018.

**Ms. Ng Lai Ha** (“**Ms. Ng**”), aged 59, was appointed as an executive Director and a member of the Executive Committee of the Board on 31 December 2024. Ms. Ng has over 30 years of experience in accounting, finance, money lending and securities. Before joining the Company, she worked for several international companies and a securities firm.

**Non-executive Director**

**Mr. Hu YongGang** (“**Mr. Hu**”), aged 58, was appointed as a non-executive Director on 3 December 2020. He has received education in mainland China with an international trade major. Mr. Hu has over twenty years of extensive experience in the automobile business in mainland China and he operates automobile dealers, 4S spareparts service shops and car rental business for almost 17 years. Mr. Hu is the founder owner of Beijing DeRunFeng Car Rental Company Limited\* (北京德潤豐汽車租賃有限公司) since 2012.

**Independent non-executive Directors**

**Mr. Zhao XianMing** (“**Mr. Zhao**”), aged 48, was appointed as an independent non-executive Director on 16 July 2014. He assumed various positions such as the supervisor of the legal and auditorial center of Fanhua Construction Group Limited\*(泛華建設集團有限公司), the general legal counsel, the vice-president and the board secretary of China Agritech Inc. (a company listed on the NASDAQ Stock Market). He graduated from China Foreign Affairs University with a master degree of International Law and is a certified enterprise risk manager.



**Mr. Chan Lik Shan (“Mr. Chan”)**, aged 54, was appointed as an independent non-executive Director on 27 January 2023. He holds a Bachelor’s Degree in Business Administration from The Chinese University of Hong Kong, a Master’s Degree in Business Administration from Hong Kong Baptist University, a Master’s Degree in Law from The Renmin University of China, and a Postgraduate Diploma in Professional Accountancy from The Chinese University of Hong Kong. Mr. Chan has over 20 years of working experience with multinational and sizeable companies including The Kowloon Motor Bus Co. (1933) Limited, Xinhua Finance Limited, Cheeminmet Finance Limited, Aureos Capital Limited, Global Group International Holdings Limited, and China Youth Galaxy Capital Holdings Limited, in private equity investment, mergers and acquisitions, corporate finance, the capital market in Hong Kong, and post-deal investment management.

**Mr. So Yin Wai (“Mr. So”)**, aged 62, was appointed as an independent non-executive Director on 23 December 2021. Mr. So graduated from the Hong Kong Polytechnic University in 1986 and he has been in the accounting profession for more than 30 years. He is a fellow member of the Association of Chartered Certified Accountants of United Kingdom and the Hong Kong Institute of Certified Public Accountants. He has previously worked for international public accounting firms and been involved in the audit of a number of international and local engagements and listed companies. He is currently the sole practitioner of his own firm “Alex So & Co. (Certified Public Accountants)”. Apart from his auditing experiences, Mr. So also specializes in company secretarial work, tax planning and management consultancy matters. Mr. So is the chairman of “New SOHO New Life Association” and the former chairman of “Chinese Business Association”. He is also the honorary auditor of a number of voluntary organizations, including “Hong Kong Parkinson’s Disease Foundation” and “HK Po Yin Association for the Development of Education”.

## 12. EXPENSES

The expenses in connection with the Rights Issue, including professional fees payable to lawyers, reporting accountants and financial printer, etc., are estimated to be approximately HK\$1 million and will be payable by the Company.

## 13. MISCELLANEOUS

As at the Latest Practicable Date, to the best knowledge of the Directors, there was no restriction affecting the remittance of profit or repatriation of capital of the Company into Hong Kong from outside Hong Kong.

**14. DOCUMENTS ON DISPLAY**

Copies of the following documents will be published on the websites of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company ([www.chinawoodint.com.hk](http://www.chinawoodint.com.hk)) for 14 days from the date of this Prospectus:

- (a) the material contracts referred to in the paragraph headed “8. MATERIAL CONTRACTS” in this appendix;
- (b) the reporting accountant's report on the unaudited pro forma financial information of the Group, the text of which is set out in Appendix II to this Prospectus;
- (c) the written consent referred to in the paragraph headed “9. EXPERT AND CONSENT” in this appendix; and
- (d) the letter from the Board, the text of which is set out on pages 7 to 24 of this Prospectus.

**15. DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES IN HONG KONG**

A copy of each of the Prospectus Documents, the material contracts disclosed in the paragraph under the heading “8. Material Contracts” in this Appendix to this Prospectus and the written consent as referred to in the paragraph headed “9. Expert and consent” in this Appendix, have been registered by the Registrar of Companies in Hong Kong pursuant to Section 342C of the Companies (WUMP) Ordinance.