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China Treasures New Materials Group Ltd.
中寶新材集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock code: 2439)

PLACING OF NEW SHARES UNDER GENERAL MANDATE

Placing Agent

寶新證券有限公司
GLORY SUN SECURITIES LIMITED

On 1 April 2026 (after trading hours), the Placing Agent and the Company entered into the Placing Agreement, pursuant to which the Placing Agent has conditionally agreed to procure, on a best efforts basis, not less than six Placees to subscribe for up to 200,000,000 Placing Shares at the Placing Price of HK$0.228 per Placing Share. The Placing Shares will be allotted and issued under the General Mandate.

Assuming that there will be no change in the issued share capital the Company between the date of this announcement and the Completion, the maximum number of 200,000,000 Placing Shares under the Placing represents (i) approximately 20.00% of the issued share capital of the Company as at the date of this announcement; and (ii) approximately 16.67% of the issued share capital of the Company as enlarged by the issue and allotment of the Placing Shares.

The Placing Price of HK$0.228 per Placing Share represents (i) a discount of approximately 20.00% to the closing price of HK$0.285 per Share as quoted on the Stock Exchange on the date of the Placing Agreement, being the Last Trading Day; and (ii) a discount of approximately 16.18% to the average closing price of approximately HK$0.272 per Share as quoted on the Stock Exchange for the five consecutive trading days of the Shares immediately prior to the Last Trading Day.

Assuming all of the Placing Shares are fully placed, the net proceeds (after deduction of placing commission and other expenses of the Placing) from the Placing are estimated to be approximately HK$45.4 million, representing a net placing price of approximately HK$0.227 per Placing Share. The Company intends to use such net proceeds for (i) the procurement of materials for production, (ii) the research and development of new products, and (iii) the promotion of products of the Company.

The Placing Shares will be allotted and issued pursuant to the General Mandate and therefore the allotment and issue of the Placing Shares will not be subject to any Shareholders' approval.

Shareholders and potential investors should note that Completion of the Placing is subject to fulfillment of the conditions under the Placing Agreement. As the Placing may or may not proceed, Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.

THE PLACING

On 1 April 2026 (after trading hours), the Placing Agent and the Company entered into the Placing Agreement, pursuant to which the Placing Agent has conditionally agreed to procure, on a best efforts basis, not less than six Placees to subscribe for up to 200,000,000 Placing Shares at the Placing Price of HK$0.228 per Placing Share.

The Placing Agreement

The principal terms of the Placing Agreement are as follows:

Date: 1 April 2026 (after trading hours)

Parties: (1) The Company, as issuer; and

(2) Glory Sun Securities Limited, as the Placing Agent.

To the best knowledge, information and belief of the Directors having made all reasonable enquiries, the Placing Agent and its ultimate beneficial owner(s) are Independent Third Parties.

Placing Commission

The Placing Agent will charge the Company a fixed placing commission of HK$200,000, which the Placing Agent is authorised to deduct from the payment to the Company at Completion.

The placing commission payable to the Placing Agent under the Placing Agreement was arrived at after arm's length negotiations between the Company and the Placing Agent under normal commercial terms and with reference to the prevailing commission rate for similar transactions, the size of the Placing and the price performance of the Shares. The Directors are of the view that the placing commission is fair and reasonable based on the current market conditions and the Placing is in the interests of the Company and the Shareholders as a whole.

Placees

The Placing Shares will, on a best effort basis, place the Placing Shares to not less than six (6) Placees, who and whose ultimate beneficial owner(s) (if applicable) shall be Independent Third Parties. Upon Completion, it is expected that none of the Placees will become a Substantial Shareholder of the Company.

Number of Placing Shares

Assuming that there will be no change in the issued share capital the Company between the date of this announcement and the Completion, the maximum number of 200,000,000 Placing Shares under the Placing represents (i) approximately 20.00% of the issued share capital of the Company as at the date of this announcement; and (ii) approximately 16.67% of the issued share capital of the Company as enlarged by the issue and allotment of the Placing Shares in full. The aggregate nominal value of the maximum number of Placing Shares under the Placing will be HK$2,000,000.

Placing Price

The Placing Price of HK$0.228 per Placing Share represents:

(i) a discount of approximately 20.00% to the closing price of HK$0.285 per Share as quoted on the Stock Exchange on the date of the Placing Agreement, being the Last Trading Day; and

(ii) a discount of approximately 16.18% to the average closing price of approximately HK$0.272 per Share as quoted on the Stock Exchange for the five consecutive trading days of the Shares immediately prior to the Last Trading Day.

The Placing Price was arrived at after arm's length negotiations between the Company and the Placing Agent with reference to the recent market prices of the Shares and prevailing market conditions. The Directors are of the view that the Placing Price is fair and reasonable based on the current market conditions and the Placing is in the interests of the Company and the Shareholders as a whole.

Ranking of the Placing Shares

The Placing Shares, when issued and fully paid, will rank *pari passu* in all respects among themselves and with all other Shares in issue.

Conditions of the Placing

Completion is conditional upon the fulfilment or waiver (as the case may be) of the following conditions:

(i) the Listing Committee granting the approval for the listing of, and the permission to deal in, the Placing Shares;

(ii) all necessary consents and approvals to be obtained from the Stock Exchange and other authority in respect of this Placing Agreement and the transactions contemplated hereunder having been obtained; and

(iii) no representation, warranty or undertaking under the Placing Agreement having been breached in any material respect by the Company or is otherwise rendered inaccurate, untrue or misleading in any material respect.

In the event that the above Conditions have not been fulfilled by the Long Stop Date (or such other date as the parties may agree in writing), all right, obligations and liabilities of the parties to the Placing shall cease and determine and none of the parties thereto shall have any claim against the other in respect of the Placing, save for any antecedent breaches of the Placing Agreement.

Completion of the Placing

Completion of the Placing will take place on the third Business Day after the fulfillment (or waiver, if applicable) of the above conditions precedent or such other date to be agreed between the Company and the Placing Agent in writing.

General Mandate to allot and issue the Placing Shares

The Placing Shares will be allotted and issued pursuant to the General Mandate granted to the Directors by resolution of the Shareholders passed at the AGM to allot, issue and deal with Shares not exceeding 20% of the then aggregate number of the issued Shares as at the date of passing of the relevant resolution. Based on the total number of 1,000,000,000 Shares in issue as at the date of the AGM, the Company may allot and issue up to a total of 200,000,000 new Shares under the General Mandate. As at the date of this announcement, no new Shares have been allotted and issued under the General Mandate since the AGM. Accordingly, the General Mandate is sufficient for the allotment and issue of the Placing Shares and the Placing is not subject to the Shareholders' approval.

Termination

The Placing Agent shall be entitled by notice in writing (to the extent in its reasonable opinion), if at any time at or prior to 10:00 a.m. on the Completion Date (or such other date as may be agreed between the parties to the Placing), to terminate the Placing Agreement if:

(a) there is any introduction of any new laws or regulations or any change in existing laws or regulations which may materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole; or

(b) there shall have been any local, national or international event or change of a political, military, financial, economic, currency or other nature which may materially and adversely affect the business or the financial or trading position or prospects of the Group as a whole or adversely prejudices the success of the Placing or otherwise makes it inexpedient or inadvisable for the Company or the Placing Agent to proceed with the Placing; or

(c) any change in market conditions or combination of circumstances in Hong Kong occurs which affect the success of the Placing or otherwise in the reasonable opinion of the Placing Agent makes it inexpedient or inadvisable or inappropriate for the Company or the Placing Agent to proceed with the Placing; or

(d) any material breach of any of the representations and warranties set out in the Placing Agreement comes to the knowledge of the Placing Agent or any event occurs or any matter arises on or after the date hereof and prior to the Completion Date which if it had occurred or arisen before the date hereof would have rendered any of such representations and warranties untrue or incorrect in any material respects or there has been a material breach by the Company of any other provisions of the Placing Agreement; or

(e) any suspension in the trading of the Shares on the Stock Exchange for more than four consecutive trading days save for the purposes of clearing of any announcement relating to this Agreement or circulars relating to the Placing.

Upon termination of the Placing Agreement as described above, the Placing Agreement shall terminate and be of no further effect and neither party shall be under any liability to the other party in respect of the Placing Agreement save for any antecedent breach which may have accrued under the Placing Agreement prior to such termination.

The Directors are not aware of the occurrence of any of the above events as at the date of this announcement.

REASONS FOR THE PLACING AND USE OF PROCEEDS

The Group is principally engages in development and manufacturing of biodegradable plastic products in Northeast China, with its main production base situated in Changchun, Jilin province, the PRC.

Assuming that all the Placing Shares are fully placed, the maximum gross proceeds from the Placing will be approximately HK$45.6 million. The net proceeds from the Placing, after deducting the placing commission payable to the Placing Agent and other related expenses, are expected to be approximately HK$45.4 million, representing a net issue price of HK$0.227 per Placing Share.

The Company intends to apply the net proceeds from the Placing in the following manner:

(i) approximately 62.6% of the net proceeds in the sum of HK$28.4 million, for the procurement of materials for production;

(ii) approximately 22.0% of the net proceeds in the sum of HK$10.0 million, for the research and development of new products; and

(iii) approximately 15.4% of the net proceeds in the sum of HK$7.0 million, for the promotion of products of the Company.

The Board is of the view that (i) the Placing will enlarge the shareholder base and the capital base of the Company thereby increasing the liquidity of the Shares, and (ii) the net proceeds of the Placing will increase the financial flexibility of the Group and support its future growth.

Accordingly, the Board considers that the terms of the Placing Agreement and the transactions contemplated thereunder are on normal commercial terms agreed upon after arm's length negotiations between the parties, fair and reasonable, and that entering into the Placing Agreement is in the interests of the Company and the Shareholders as a whole.

DILUTION EFFECT

The earnings per Share and the net asset value per Share may be diluted upon Completion. The Placing will not result in any changes to the business operations or the management structure of the Company.

EFFECTS ON SHAREHOLDING STRUCTURE OF THE COMPANY

To the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, the shareholding structure of the Company (i) as at the date of this announcement; and (ii) immediately upon Completion (assuming the maximum number of Placing Shares are placed and there is no change in the share capital of the Company from the date of this announcement up to the Completion) is set out as follows:

Shareholders	**As at the date of this announcement**		**Immediately upon Completion (assuming all Placing Shares are fully placed)**	
	No. of Shares	*Approximate %*	*No. of Shares*	*Approximate %*
Lvsetianye Technology[(1)(4)]	321,080,700	32.11%	321,080,700	26.76%
Lvsesenlin Technology[(2)(4)]	91,022,880	9.10%	91,022,880	7.59%
Daziran Technology[(2)(4)]	92,599,460	9.26%	92,599,460	7.72%
CPEP Holdings[(2)(4)]	7,200,000	0.72%	7,200,000	0.60%
The Placees	–	–	200,000,000	16.67%
Languang Technology[(3)]	11,250,090	1.13%	11,250,090	0.94%
Other Public Shareholders	476,846,870	47.68%	476,846,870	39.74%
Total	1,000,000,000	100.00%	1,200,000,000	100.00%

Notes:

(1) Lvsetianye Technology Holdings Limited ("**Lvsetianye Technology**") held approximately 32.11% of the issued share capital of the Company. Lvsetianye Technology is wholly owned by Ms. Zhang Yuqiu ("**Ms. Zhang**"). Ms. Zhang is therefore deemed to be interested in the Shares that Lvsetianye Technology is interested in.

(2) Lvsesenlin Technology Holdings Limited ("**Lvsesenlin Technology**"), Daziran Technology Invest Holdings Limited ("**Daziran Technology**") and China Plastic Environmental Protection Holdings Limited ("**CPEP Holdings**") held approximately 9.10%, 9.26% and 0.72% of the issued share capital of the Company, respectively. Each of Daziran Technology and CPEP Holdings is wholly owned by Lvsesenlin Technology, which is in turn wholly owned by Mr. Shan Yuzhu ("**Mr. Shan**"). Mr. Shan is therefore deemed to be interested in the Shares that each of Lvsesenlin Technology, Daziran Technology and CPEP Holdings is interested in.

(3) Mr. Li Xiquan beneficially owns the entire issued shares of Languang Technology Invest Holdings Limited ("**Languang Technology**"). Languang Technology is a company incorporated in the BVI which in turn holds 11,250,090 Shares or approximately 1.13% of the issued share capital of the Company. Therefore, Mr. Li Xiquan is deemed, or taken to be, interested in all the Shares held by Languang Technology for the purpose of the SFO. Mr. Li Xiquan is an executive Director of the Company.

(4) Ms. Zhang and Mr. Shan are wife and husband. They are therefore deemed to be interested in the Shares that the other is interested in under the SFO.

Application for listing of Placing Shares

Application will be made to the Listing Committee for the granting of the approval for the listing of, and permission to deal in, the Placing Shares.

FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

Save as disclosed above, the Company had not conducted any equity fund raising activities in the past twelve months immediately preceding the date of this announcement.

Completion of the Placing is subject to fulfilment of the conditions under the Placing Agreement. As the Placing may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.

DEFINITIONS

Terms or expressions used in this announcement shall, unless the context otherwise requires, have the meanings ascribed to them below:

"AGM"	the annual general meeting of the Company held on 27 June 2025
"Board"	the board of Directors
"Business Day"	a day (other than a Saturday, Sunday, public holiday in Hong Kong and a day on which a tropical cyclone warning No. 8 or above or a "black rainstorm warning signal" is hoisted in Hong Kong at any time between 9:00 a.m. and 5:00 p.m.) on which banks in Hong Kong are open for general business
"Company"	China Treasures New Materials Group Ltd., a company incorporated in the Cayman Islands with limited liability, the shares of which are listed on the Main Board of the Stock Exchange (Stock code: 2439)
"Completion"	completion of the Placing in accordance with the terms and conditions as set out in the Placing Agreement
"Completion Date"	the third Business Day after the date on which all the conditions precedent are satisfied or such other date as the Company and the Placing Agent may agree in writing
"Director(s)"	director(s) of the Company

"General Mandate"	the general mandate granted to the Directors at the AGM to allot, issue and deal with the Shares not exceeding 20% of the then aggregate number of the issued Shares as at the date of passing of the relevant resolution
"Group"	the Company and its subsidiaries
"HK$"	Hong Kong dollars, the lawful currency of Hong Kong
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"Independent Third Part(ies)"	person(s) or company(ies) who/which are independent of and not connected to the Company and its connected persons (as defined in the Listing Rules)
"Last Trading Day"	1 April 2026
"Listing Committee"	has the meaning ascribed to it under the Listing Rules
"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
"Placee(s)"	any person or entity whom the Placing Agent or its agent(s) has procured to subscribe for any of the Placing Shares pursuant to the Placing Agreement
"Placing"	the placing of the Placing Shares to the Placee(s) pursuant to the Placing Agreement
"Placing Agent"	Glory Sun Securities Limited, a company incorporated in Hong Kong whose registered office and principal place of business is at Room 2309, 23/F., China Resources Building, 26 Harbour Road, Wan Chai, Hong Kong, being a corporation licensed to carry on type 1 (dealing in securities), type 4 (advising on securities) and type 9 (asset management) regulated activities under the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong)
"Placing Agreement"	the placing agreement dated 1 April 2026 entered into between the Company and the Placing Agent in respect of the Placing
"Placing Price"	HK$0.228 per Placing Share
"Placing Share(s)"	up to 200,000,000 new Shares, to be allotted and issued pursuant to the terms and conditions of the Placing Agreement

"PRC"	The People's Republic of China, which for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
"Share(s)"	ordinary share(s) of HK$0.01 each in the share capital of the Company
"Shareholder(s)"	holder(s) of the Share(s)
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Substantial Shareholder(s)"	has the meaning as ascribed thereto under the Listing Rules
"%"	per cent.

For and on behalf of the Board
China Treasures New Materials Group Ltd.
ZHANG Yuqiu
Chair and Executive Director

Changchun, Jilin, the PRC, 1 April 2026

As at the date of this announcement, the Board comprises Ms. Zhang Yuqiu, Mr. Shan Yuzhu, Mr. Li Xiquan and Mr. Li Peng as the executive Directors; and Dr. Lai King Yin, Dr. Song Xiaofeng and Mr. Leung Tsz Wing as the independent non-executive Directors.