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Ground Group (Hong Kong) Co., Limited

廣澤集團(香港)有限公司

(Incorporated in Hong Kong with limited liability)

CHINA CHANGBAISHAN INTERNATIONAL

HOLDINGS LIMITED

中國長白山國際控股有限公司

(Incorporated in Bermuda with limited liability)

(Stock code: 989)

JOINT ANNOUNCEMENT

(1) RESTRUCTURING FRAMEWORK AGREEMENT

IN RELATION TO

THE PROPOSED RESTRUCTURING INVOLVING

(i) SUBSCRIPTION; AND

(ii) THE SCHEME;

(2) CONNECTED TRANSACTION – SUBSCRIPTION AND ISSUE OF SCHEME SHARES UNDER SPECIFIC MANDATE;

(3) POSSIBLE UNCONDITIONAL MANDATORY CASH OFFER BY DL SECURITIES (HK) LIMITED

FOR AND ON BEHALF OF

GROUND GROUP (HONG KONG) CO., LIMITED

TO ACQUIRE ALL THE ISSUED SHARES IN

CHINA CHANGBAISHAN INTERNATIONAL HOLDINGS LIMITED

(OTHER THAN THOSE ALREADY OWNED OR AGREED TO BE ACQUIRED BY THE OFFEROR AND PARTIES ACTING IN CONCERT WITH IT

AND THE SCHEME SHARES);

(4) SPECIAL DEAL; AND

(5) APPOINTMENT OF INDEPENDENT FINANCIAL ADVISER

Joint Financial Advisers to the Offeror



Financial Adviser to the Company



THE RESTRUCTURING FRAMEWORK AGREEMENT

On 15 July 2026 (after trading hours), Ground Group HK and the Company entered into the Restructuring Framework Agreement, pursuant to which the Company will implement the Proposed Restructuring, which involves, among others, (i) the Subscription; and (ii) the Scheme. Subject to the terms and conditions of the Subscription Agreement, and subject to the drawdown of the full amount of HK\$39,000,000 under the Funding Agreement, Ground Group HK shall subscribe for a total of 260,000,000 Subscription Shares at the total subscription price of HK\$39,000,000, which shall be satisfied by applying all amounts advanced and to be advanced by Ground Group HK under the Funding Agreement in full as the Subscription Price credited as fully paid for capitalisation into the Subscription Shares on a dollar-for-dollar basis.

THE SUBSCRIPTION

Pursuant to the Restructuring Framework Agreement and the Subscription Agreement, and subject to the drawdown of the full amount of HK\$39,000,000 under the Funding Agreement, Ground Group HK shall subscribe for a total of 260,000,000 Subscription Shares at the total subscription price of HK\$39,000,000 (representing a subscription price of HK\$0.15 per Subscription Share), which shall be satisfied by way of set-off against the outstanding amounts under the Funding Agreement in whole or in part on a dollar-for-dollar basis.

The Subscription Shares will be allotted and issued under the Specific Mandate to be sought for approval from the Independent Shareholders at the SGM. An application will be made by the Company to the Stock Exchange for the listing of, and permission to deal in, the Subscription Shares.

The Subscription Shares represent approximately 4.85% of the Enlarged Issued Share Capital (assuming there is no change in the issued share capital of the Company other than the allotment and issue of the Subscription Shares and the Scheme Shares).

THE SCHEME

Pursuant to the terms of the Restructuring Framework Agreement, the Company will propose the Scheme between the Company and the Scheme Creditors. Upon the Scheme having become effective, the Scheme Claims of all the Scheme Creditors will be discharged and released in full. In return, the Scheme Creditors with the Admitted Scheme Claims under the Scheme will be entitled to receive the Scheme Shares, which will be allotted and issued by the Company to the Scheme Company to be held on trust for the benefit of the Scheme Creditors with Admitted Scheme Claims and will only be distributed to the relevant Scheme Creditors after determination and/or adjudication of their Admitted Scheme Claims and after the close of the Offer.

The Scheme is subject to sanction of the Court and shall become effective and legally binding on the Company and all the Scheme Creditors, including those voting against the Scheme and those not voting, if the requisite majority (more than fifty per cent (50%) in number of the Scheme Creditors, representing not less than seventy-five per cent (75%) in value, of the Voting Claims who, either in person (or through electronic means if applicable) or by proxy, attend the Scheme Meeting convened with the leave of the Court) votes in favour of the Scheme which the Court thereafter sanctions and an official copy of the court order sanctioning the Scheme is filed with the Registrar of Companies in Hong Kong. The effectiveness of the Scheme is also subject to certain other conditions precedent as detailed in the section headed “Conditions precedent to the Scheme” below.

POSSIBLE UNCONDITIONAL MANDATORY CASH OFFER

As at the date of this joint announcement, Charm Success and Ka Yik are interested in 18,356,035 Shares and 89,739,018 Shares, representing approximately 5.10% and 24.91% of the issued share capital of the Company, respectively. Charm Success and Ka Yik are both companies wholly owned by Deep Wealth Holding Limited, which is in turn held by TMF (Cayman) Ltd. as the trustee of the Ground Trust. The Ground Trust is a discretionary trust set up by Ms. Cui as settlor and protector, and TMF (Cayman) Ltd. as trustee on 27 July 2016.

Pursuant to the definition under the Takeovers Code, Ground Group HK, Mr. Cui, Ms. Chai, Ms. Cui, Jilin Ground Group, Xin Guangze, Jilin Guangxun Investment, Jilin Xinquan, Jilin Xinshun, Jilin Zexiao, Ka Yik and Charm Success are presumed to be acting in concert by virtue of classes (1) and (8) of the definition of “acting in concert” under the Takeovers Code, and as a matter of fact are, parties acting in concert. Please refer to the section headed “Information of the Offeror” in this joint announcement for details of the Offeror.

Assuming that the full amount of HK\$39,000,000 under the Funding Agreement has been drawn down and that there is no other change in the number of issued Shares as at the date of this joint announcement up to the date of Completion (save for the allotment and issue of the Subscription Shares and the Scheme Shares), the shareholding interest of each of Ground Group HK and Ka Yik would increase to 2,223,059,293 Shares and 818,147,911 Shares, respectively, representing approximately 41.46% and 15.26% of the Enlarged Issued Share Capital, respectively. As such, the aggregate shareholding interest of the Concert Party Group would increase from 108,767,181 Shares, representing approximately 30.20% of the issued Shares as at the date of this joint announcement, to 3,060,235,367 Shares, representing approximately 57.07% of the Enlarged Issued Share Capital.

Therefore, upon Completion, the Concert Party Group would trigger an obligation to make a mandatory general offer for all the issued Shares (other than those already owned or agreed to be acquired by the Concert Party Group and the Scheme Shares) under Rule 26.1 of the Takeovers Code.

Assuming there is no other change in the number of issued Shares from the date of this joint announcement up to the date of Completion and in light of the Irrevocable Undertaking in respect of the Scheme Shares, the remaining 251,414,759 Shares, being 5,362,635,631 issued Shares (i.e. the total number of the Enlarged Issued Share Capital) after deducting the 368,767,181 issued Shares held by the Concert Party Group and 4,742,453,691 Scheme Shares issued to the Scheme Company, will be subject to the Offer.

Irrevocable Undertaking

The Scheme Administrators and the Scheme Company have irrevocably and unconditionally undertaken to and covenant with the Company and the Offeror that: (a) they will not accept the Offer in respect of any Scheme Shares (including any Scheme Share held by it on trust for the benefit of the Scheme Creditors); (b) they will not transfer, sell, encumber or otherwise dispose of any Scheme Shares; and (c) they will not distribute, transfer or otherwise deliver any Scheme Shares to any Scheme Creditor, from the date of the Irrevocable Undertaking until the close of the Offer. Therefore, the Scheme Shares do not form part of the Offer Shares and will not be subject to the Offer.

Principal Terms of the Offer

Subject to Completion, DL Securities will, for and on behalf of the Offeror, make the Offer to acquire all the remaining 251,414,759 Shares as enlarged by the Scheme Shares and the Subscription Shares immediately after Completion (exclusive of the 368,767,181 issued Shares held by the Concert Party Group and the 4,742,453,691 Scheme Shares issued to the Scheme Company) on the terms to be set out in the Composite Document on the following basis:

The Offer:

For each Offer Share HK\$0.15 in cash

The Offer Price of HK\$0.15 per Offer Share is equivalent to the Subscription Price per Subscription Share and the Issue Price per Scheme Share (assuming there will be in aggregate of approximately HK\$711,368,054 of Admitted Scheme Claims).

The Offeror confirms that the Offer Price is final and will not be increased.

As at the date of this joint announcement, there are 360,181,940 Shares in issue. The outstanding 515,000 Share Options have not been exercised and have been lapsed on 17 April 2026. Accordingly, as at the date of this joint announcement, the Company does not have any outstanding options, derivatives, warrants or relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) which are convertible or exchangeable into Shares and has not entered into any agreement for the issue of such options, derivatives, warrants or securities which are convertible or exchangeable into Shares.

Upon Completion, there will be 5,362,635,631 Shares in issue, as enlarged by the allotment and issue of the Scheme Shares and the Subscription Shares (assuming the full amount of HK\$39,000,000 under the Funding Agreement has been drawn down prior to the completion of the Subscription).

The Offer will be unconditional in all aspects when it is made.

The Bonds

For the avoidance of doubt, as at the date of this joint announcement, the Bonds have matured and are no longer convertible into issued Shares. Upon the Scheme becoming effective and subject to the distribution of the Scheme Shares, the Bonds will be discharged, and the Company shall take such other action as may be required to effect the cancellation, mark down and discharge of the Bonds. Accordingly, no offer will be made for the Bonds.

Value of the Offer

Assuming there is no other change in the number of issued Shares from the date of this joint announcement up to the date of Completion and in light of the Irrevocable Undertaking in respect of the Scheme Shares, the remaining 251,414,759 Shares, being the total number of the Enlarged Issued Share Capital less the Shares held by the Concert Party Group and the Scheme Shares, will be subject to the Offer. The value of the Offer is approximately HK\$37.7 million.

Confirmation of financial resources available for the Offer

The Offeror intends to finance the entire consideration payable under the Offer by the Facility extended by DL Securities in the amount of up to HK\$40.0 million. The Facility is secured by the Share Charges over the Concert Party Shares held by the Concert Party Group upon Completion and the Shares to be acquired by the Offeror and the Concert Party Group during the offer period (as defined under the Takeovers Code) and under the Offer. Pursuant to the terms of the Facility, so long as any part of the Facility or any other amounts payable under the Facility remain outstanding, the Offer Shares acquired by the Offeror under the Offer shall be deposited to the margin securities account of the Offeror with DL Securities from time to time.

DL Securities and Alpha Financial, being the joint financial advisers to the Offeror in connection with the Offer, are satisfied that sufficient financial resources are available to the Offeror to satisfy the total consideration payable by the Offeror upon full acceptances of the Offer.

IMPLICATIONS UNDER THE LISTING RULES AND THE TAKEOVERS CODE

Listing Rules implications

Connected Transactions

Based on the records available to the Company as at the date of this joint announcement, the Company has certain debts owed to:

- (i) Ground Group HK, being a company ultimately and beneficially as to approximately 72.60% owned by Mr. Cui, which Mr. Cui is a Director; and
- (ii) Ka Yik, a company directly and wholly owned by Deep Wealth Holding Limited which is in turn held by TMF (Cayman) Ltd. as the trustee of the Ground Trust. The Ground Trust is a discretionary trust where Ms. Cui is the settlor and protector.

According to the Scheme, these creditors of the Company may also be a Scheme Creditor, which are subject to determination and/or adjudication by the Scheme Administrators upon the Scheme taking effect.

Accordingly, the issue of Scheme Shares to the abovementioned creditors of the Company under the Scheme constitute connected transactions of the Company under Chapter 14A of the Listing Rules, and are subject to the approval of the Independent Shareholders by way of poll. As such, the abovementioned creditors and their respective associates, including the Concert Party Group shall abstain from voting in respect of the resolution(s) to approve the Scheme.

As at the date of this joint announcement, the ultimate beneficial owners of Ground Group HK are (i) Mr. Cui (owned as to approximately 72.60% of the shareholding interests in Ground Group HK), who is the non-executive Director and the father of Ms. Cui, a former executive director and a substantial shareholder of the Company; and (ii) Mr. Cong (owned as to approximately 12.00% of the shareholding interests in Ground Group HK), who is the executive Director and a sole director of Ground Group HK. The remaining approximately 15.40% of the shareholding interests of Ground Group HK are owned by five natural persons who individually holds less than 10% of the interests as at the date of this joint announcement. As such, Ground Group HK is a connected person of the Company. Accordingly, the Subscription constitutes a connected transaction of the Company under the Listing Rules and is subject to the reporting, announcement and Independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

Specific Mandate

The Subscription Shares and the Scheme Shares will be allotted and issued pursuant to the Specific Mandate to be obtained upon approval by the Shareholders at the SGM.

Dilution effect of the Subscription and the issue of Scheme Shares, and exceptional circumstances

Pursuant to Rule 7.27B of the Listing Rules, a listed issuer may not undertake a rights issue, open offer or specific mandate placings that would result in a theoretical dilution effect of 25% or more, unless the Stock Exchange is satisfied that there are exceptional circumstances.

In view of the insolvent financial position of the Company, the closing price of the Shares on the Last Trading Day does not reasonably reflect the existing condition of the Company and the financial position of the Company could be considered as an exceptional circumstance under Rule 7.27B of the Listing Rules. Accordingly, it is considered reasonable (i) for the Subscription Price and the Issue Price to be set at a relatively deep discount to the historical trading prices of the Shares; and (ii) the allotment and issue of the Subscription Shares and the Scheme Shares would result in a relatively significant theoretical dilution effect of approximately 75.32%. Pursuant to Note 2 to Rule 7.27B of the Listing Rules, the Company has consulted the Stock Exchange regarding the allotment and issue of the Subscription Shares and the Scheme Shares. The Stock Exchange has agreed that the Company has demonstrated that there are exceptional circumstances for the purpose of Rule 7.27B, and the Company may proceed with the Subscription and the Scheme on 26 June 2026.

Takeovers Code implications

Possible unconditional mandatory cash offer

As disclosed in the section headed "Possible unconditional mandatory cash offer" in this joint announcement, upon Completion, the Concert Party Group would trigger an obligation to make a mandatory general offer for all the issued Shares (other than those already owned or agreed to be acquired by the Concert Party Group and the Scheme Shares) under Rule 26.1 of the Takeovers Code.

Special Deal

As at the date of this joint announcement, each of Ka Yik, Mr. Jiang Jinbo, Mr. Lin Huipeng and Ms. Wang Ting Ting owns 89,739,018 Shares, 31,500,000 Shares, 4,846,250 Shares and 36,000 Shares, representing approximately 24.91%, 8.75%, 1.34% and 0.01% of the issued share capital of the Company. Based on the information available to the Company, the Company is indebted to each of Ka Yik, Mr. Jiang Jinbo, Mr. Lin Huipeng and Ms. Wang Ting Ting of HK\$109,261,334.00, HK\$19,800,000.00, HK\$19,710,000.00 and HK\$1,025,000.00, respectively.

As the proposed settlement of the Admitted Scheme Claims (subject to determination and/or adjudication) to Ka Yik, Mr. Jiang Jinbo, Mr. Lin Huipeng and Ms. Wang Ting Ting under the Scheme is not extended to all other Shareholders, such settlement of indebtedness under the Scheme is not extended to all the other Shareholders, the implementation of the Scheme constitutes a special deal under Rule 25 of the Takeovers Code, and thus requires consent of the Executive.

An application will be made to the Executive for the consents to proceed with the Special Deal under Rule 25 of the Takeovers Code. Such consents, if granted, will be subject to (a) the Independent Financial Adviser publicly stating in its opinion that the terms of the Special Deal are fair and reasonable; and (b) approval of the Special Deal by the Independent Shareholders at the SGM, in which (i) the Concert Party Group and (ii) the Shareholders who are involved in or interested in the Restructuring Framework Agreement and the transactions contemplated thereunder, the Specific Mandate, the Scheme, the Subscription or the Special Deal (including Ka Yik, Mr. Jiang Jinbo, Mr. Lin Huipeng and Ms. Wang Ting Ting) will be required to abstain from voting in respect of the relevant resolution(s).

Save as disclosed above, as at the date of this joint announcement, based on the information available to the Company, none of the creditors of the Company and their ultimate beneficial owners is a Shareholder.

INDEPENDENT BOARD COMMITTEE, TC INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

The Independent Board Committee comprising all independent non-executive Directors, namely Mr. Tsang Hung Kei, Mr. Wang Xiaochu and Ms. Wang Meirong, has been established to advise the Independent Shareholders as to whether the terms of the Restructuring Framework Agreement and the transactions contemplated thereunder, the Specific Mandate, the Scheme, and the Subscription are fair and reasonable so far as the Independent Shareholders are concerned, and to advise the Independent Shareholders on how to vote, taking into account recommendations of the Independent Financial Adviser.

The TC Independent Board Committee comprising all non-executive Directors who have no direct or indirect interest in the Offer, the Scheme, the Subscription and the Special Deal, namely Mr. Chiu Sin Nang, Kenny, Mr. Tsang Hung Kei, Mr. Wang Xiaochu and Ms. Wang Meirong, has been established in compliance with Rule 2.8 of the Takeovers Code to (a) advise the Independent Shareholders whether the Special Deal is fair and reasonable, and as to voting, with its letter to be included in the Circular (with respect to the Restructuring Framework Agreement and the transactions contemplated thereunder, the Specific Mandate, the Subscription, the Scheme and the Special Deal); and (b) advise the Independent Shareholders whether the Offer is fair and reasonable and as to the acceptance of the Offer, taking into account recommendations of the Independent Financial Adviser, with its letter to be included in the Composite Document (with respect to the Offer). Since Mr. Cui is the sole director of Jilin Zexiao, the ultimate parent company of the Offeror, he is considered to be interested in the Offer and the Special Deal and is therefore not considered to be independent, he has been excluded from the TC Independent Board Committee.

Jun Hui International has been appointed as the Independent Financial Adviser by the Company with the approval of the Independent Board Committee and the TC Independent Board Committee to (a) advise the Independent Board Committee and the Independent Shareholders on whether the Restructuring Framework Agreement and the transactions contemplated thereunder, the Specific Mandate, the Scheme and the Subscription are fair and reasonable with its letter of advice to be included in the Circular; (b) advise the TC Independent Board Committee and the Independent Shareholders whether the Special Deal is fair and reasonable, and as to voting, with its letter of advice to be included in the Circular; and (c) advise the TC Independent Board Committee and the Independent Shareholders whether the Offer is fair and reasonable and as to the acceptance of the Offer, with its letter of advice to be included in the Composite Document.

GENERAL

The SGM will be convened and held to consider and, if thought fit, approve, among others, the Restructuring Framework Agreement and the transactions contemplated thereunder, the grant of the Specific Mandate, the Subscription, the Scheme and the Special Deal.

The Company will submit an application to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in the Subscription Shares and the Scheme Shares.

A circular containing, among others, details of: (a) the Restructuring Framework Agreement and the transactions contemplated thereunder; (b) the Specific Mandate; (c) the Scheme; (d) the Subscription; (e) the Special Deal; (f) a letter of advice from the Independent Financial Adviser to the Independent Shareholders in relation to the Restructuring Framework Agreement and the transactions contemplated thereunder, the Subscription, the Scheme, the Specific Mandate and the Special Deal; and (g) a notice of the SGM, is expected to be despatched to the Shareholders on or before 5 August 2026 in accordance with the Listing Rules. Further announcement(s) will be made as and when appropriate.

Under Rule 8.2 of the Takeovers Code, the Composite Document containing, amongst other things: (i) details of the Offer (including the expected timetable); (ii) a letter of advice from the TC Independent Board Committee to the Independent Shareholders in relation to the Offer; and (iii) a letter of advice from the Independent Financial Adviser to the TC Independent Board Committee in relation to the Offer, together with the forms of acceptance and transfer, is required to be despatched to the Shareholders. As the making of the Offer is conditional upon the Completion, which in turn is conditional upon satisfaction or waiver (as may be applicable) of the conditions precedent for Completion, an application will be made by the Offeror to seek the Executive's consent under Note 2 to Rule 8.2 of the Takeovers Code (which may or may not be granted) to extend the deadline for the despatch of the Composite Document. Further announcement(s) will be made as and when appropriate.

WARNINGS

The transactions contemplated under the Restructuring Framework Agreement are subject to fulfilment of various conditions and therefore may or may not materialise. The release of this joint announcement does not necessarily indicate that the Proposed Restructuring will be completed. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares.

The Company will keep the Shareholders and investors informed of the latest development by making further announcements as and when appropriate.

BACKGROUND

Reference is made to the announcement of the Company dated 12 January 2026 in relation to, among others, the entering into of the Funding Agreement.

According to the 2024/2025 Annual Report, the Group incurred a loss of approximately RMB852.9 million for the year ended 31 March 2025, with an accumulated losses attributable to the owners of the Company of approximately RMB2,587.5 million. As at 31 March 2025, the Group recorded net current liabilities and net liabilities of approximately RMB942.5 million and RMB623.3 million, respectively. According to the 2025/2026 Annual Results Announcement, the Group recorded a profit of approximately RMB122.2 million for the year ended 31 March 2026, mainly attributable to one-off gain arising from the disposal of project companies and purchase of ginseng assets. As at 31 March 2026, the Group recorded net current liabilities and net liabilities of approximately RMB481.5 million and RMB489.5 million, respectively. The cash and cash equivalents of the Group amounted to approximately RMB4.2 million as at 31 March 2026.

Given the Group's existing debt level and the net liabilities position, the Group's management has been actively exploring various financing options, including but not limited to discussing with the Company's major shareholders for financial support and seeking professional advice in other alternative strategies in improving the Group's financial position. The Group has decreased its bank loans through the disposals of project companies during the past years; transferred convertible bonds to shareholder loans; and explored the possibility to raise funds via equity financing. However, all the above ways have been unable to fully resolve the Group's net liabilities position and the Group's liabilities. Taking into account the severe financial distress situation and lack of cashflow, the Board believes there is an imminent need to pursue a restructuring and to formulate the terms of the Proposed Restructuring, which is considered to be in the interest of all the stakeholders in the Company, including the Scheme Creditors.

THE RESTRUCTURING FRAMEWORK AGREEMENT

On 15 July 2026 (after trading hours), Ground Group HK and the Company entered into the Restructuring Framework Agreement, pursuant to which the Company will implement the Proposed Restructuring, which involves, among others, (i) the Subscription; and (ii) the Scheme. Subject to the terms and conditions of the Subscription Agreement and subject to the drawdown of the full amount of HK\$39,000,000 under the Funding Agreement, Ground Group HK shall subscribe for a total of 260,000,000 Subscription Shares at the total subscription price of HK\$39,000,000, which shall be satisfied by applying all amounts advanced and to be advanced by Ground Group HK under the Funding Agreement in full as the Subscription Price credited as fully paid for capitalisation into the Subscription Shares on a dollar-for-dollar basis.

Details of the Restructuring Framework Agreement, together with the detailed arrangements are set out below:

Date

15 July 2026 (after trading hours)

Parties

- (i) the Company; and
- (ii) Ground Group HK (the Offeror)

Ground Group HK is a company incorporated in Hong Kong and is wholly owned by Jilin Ground Group, which is a company established in the PRC with limited liability and is wholly-owned by Xin Guangze, which is owned as to approximately 75%, 10% and 15% by each of Jilin Guangxun Investment, Jilin Xinquan and Jilin Xinshun, respectively. Jilin Guangxun Investment is owned as to approximately 96.86% and 3.14% by each of Jilin Zexiao and Jilin Tianyi, respectively. As at the date of this joint announcement, Ground Group HK is ultimately and beneficially owned as to approximately 72.60% and approximately 12.00% by Mr. Cui and Mr. Cong, respectively. The remaining approximately 15.40% of the shareholding interests of Ground Group HK are owned by five natural persons who individually holds less than 10% of the interests as at the date of this joint announcement.

Based on the available books, records and information of the Company and pending determination and/or adjudication of the Admitted Scheme Claims, the total claim amount owed by the Company to Ground Group HK and Ka Yik is HK\$403,720,228.11. For details of Ground Group HK, please refer to the section headed “Information of the Offeror” in this joint announcement.

Conditions precedent for the completion of the Restructuring Framework Agreement

Completion of the Proposed Restructuring shall be conditional upon the following conditions precedent being fulfilled or waived on or before the Long Stop Date:

- (1) the signing of all the Restructuring Documents by all the parties thereunder as may be required to be entered into to give effect to the Proposed Restructuring before Completion;
- (2) the Court sanctions the Scheme and an official copy of the order of the Court is delivered to and filed with and registered by the Registrar of Companies in Hong Kong;
- (3) the passing of the necessary resolutions by the Shareholders or the Independent Shareholders (as the case may be) at the SGM for the Scheme, the Restructuring Framework Agreement, the Subscription Agreement and the transactions contemplated thereunder (including the Subscription, the Specific Mandate for the allotment and issue of the Scheme Shares, the Scheme, and the Special Deal) and not having been revoked or vitiated;
- (4) the Company having obtained either conditional approval or approval-in-principle from the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Scheme Shares and the Subscription Shares;
- (5) the Scheme becoming effective and being implemented in accordance with its terms;
- (6) the Subscription Agreement having become unconditional in all respect in accordance with the terms and conditions set out therein;
- (7) the Company having obtained the necessary consent of the Executive for the Special Deal, and such necessary consent not having been revoked or withdrawn; and
- (8) all necessary governmental, regulatory and corporate authorisations, approvals, consents and/or waivers for the entering into of the Restructuring Framework Agreement and the performance of obligations thereunder having been obtained and effective.

None of the above conditions is capable of being waived. As at the date of this joint announcement, save for the consents, approvals and/or waivers required to be obtained by the Company as set out in conditions (2) to (7) above, there are no other governmental, regulatory and corporate authorisations and approvals required to be obtained in respect of condition (8) above. In the event that the above conditions precedent have not been fulfilled on or before the Long Stop Date, the Restructuring Framework Agreement shall be automatically terminated.

As at the date of this joint announcement, save for condition (1) above which has been fulfilled, none of the conditions above is fulfilled.

Undertakings by the Company

Under the Restructuring Framework Agreement, the Company irrevocably undertakes to Ground Group HK that (a) the Scheme Shares shall be allotted and issued to the Scheme Company as soon as practicable after the Scheme becomes effective. The Scheme Company shall hold the Scheme Shares on trust for the benefit of those Scheme Creditors with Admitted Scheme Claims, to be distributed on a pro rata basis based on the amount of their respective Admitted Scheme Claims, after determination and/or adjudication and after the close of the Offer, and (b) no Scheme Shares shall be subject to, or taken into account in respect of, the Offer. The Company has further undertaken in favour of Ground Group HK that, as part of the terms of the Scheme, the Scheme Administrators and the Scheme Company have given the Irrevocable Undertaking that they will not accept, and will not transfer, dispose of or distribute, the Scheme Shares until after the close of the Offer. Details of the Irrevocable Undertaking are set out under the section headed “Irrevocable Undertaking” below.

Undertakings by Ground Group HK

The Company has considered the rights of each of the Scheme Creditors against the Company and the way in which those rights would be affected by the Scheme. As the Concert Party Group is connected to Ground Group HK and will be obliged to make a mandatory general offer for all the issued Shares (other than those already owned or agreed to be acquired by the Concert Party Group and the Scheme Shares) under Rule 26.1 of the Takeovers Code upon Completion, the Offeror, Mr. Cui, Ms. Chai, Ms. Cui, Jilin Ground Group, Xin Guangze, Jilin Guangxun Investment, Jilin Xinquan, Jilin Xinshun, Ka Yik and Charm Success have given undertakings not to attend or vote at the Scheme Meeting and to abide by the terms of the Scheme, and hence were not counted towards the Voting Claims.

Termination of the Restructuring Framework Agreement

The Company and/or Ground Group HK may terminate the Restructuring Framework Agreement by serving written notice to the other party thereto if the Company or Ground Group HK (i) commits a material breach or default in any of its obligations under the Restructuring Framework Agreement or fails to comply fully with such obligations; and (ii) fails to rectify such breach, default or non-compliance within fourteen (14) Business Days of the non-defaulting party notifying the defaulting party in writing of such breach, default or non-compliance.

Unless Ground Group HK and the Company shall otherwise agree, the Restructuring Framework Agreement shall be terminated automatically if:

- (1) the listing of the Shares has been cancelled by the Stock Exchange before the date of Completion; or
- (2) Completion has not taken place on or before the Long Stop Date; or
- (3) Ground Group HK and the Company agree in writing that the Restructuring Framework Agreement shall be terminated; or
- (4) the Scheme is terminated in accordance with its terms and conditions in the circumstances where the Scheme Creditors are revived; or
- (5) Ground Group HK fails to advance the loan to the Company and Ka Yun in accordance with the Funding Agreement and such failure is not being rectified (i.e. the payment of funding is not made) within fourteen (14) Business Days from such failure.

1. FUNDING OF THE PROPOSED RESTRUCTURING

Funding Agreement

To proceed with the Proposed Restructuring, on 12 January 2026 (as further supplemented on 15 July 2026), Ground Group HK (as lender) and the Company and Ka Yun (as co-borrowers) entered into the Funding Agreement, pursuant to which, Ground Group HK agreed to grant a credit facility of a total sum of up to HK\$39,000,000 to the Group to, among others, facilitate (i) the preparation and implementation of the Proposed Restructuring; (ii) the Group's property development and management and property investment business; and (iii) the working capital of the Group. The term loan facility under the Funding Agreement is interest-free and unsecured, with eighteen months of availability period from the date of the Funding Agreement. As at the date of this joint announcement, HK\$20,614,403 has been drawn down. Having considered (i)

the costs and expenses for the implementation of the Proposed Restructuring (including the Scheme); and (ii) the working capital needs of the Group, the Board expects the full amount of HK\$39,000,000 under the Funding Agreement to be drawn down by July 2026. In the event that the total amount drawn down under the Funding Agreement as at the date of completion of the Subscription is less than HK\$39,000,000, the total consideration of the Subscription shall be adjusted to the aggregate amount actually drawn down on a dollar-for-dollar basis in accordance with the terms and conditions of the Subscription Agreement, and the number of the Subscription Shares to be allotted and issued shall be adjusted accordingly. For further details, please refer to the Company's announcement dated 12 January 2026.

2. THE SUBSCRIPTION

Subscription Shares

Pursuant to the Restructuring Framework Agreement and the Subscription Agreement and subject to the drawdown of the full amount of HK\$39,000,000 under the Funding Agreement, Ground Group HK shall subscribe for a total of 260,000,000 Subscription Shares at the total subscription price of HK\$39,000,000 (representing a subscription price of HK\$0.15 per Subscription Share), which shall be satisfied by way of set-off against the outstanding amounts under the Funding Agreement in whole or in part on a dollar-for-dollar basis.

The Subscription Shares will be allotted and issued under the Specific Mandate to be sought for approval from the Independent Shareholders at the SGM. An application will be made by the Company to the Stock Exchange for the listing of, and permission to deal in, the Subscription Shares.

The Subscription Shares represent approximately 4.85% of the Enlarged Issued Share Capital (assuming there is no change in the issued share capital of the Company other than the allotment and issue of the Subscription Shares and the Scheme Shares).

Ranking of the Subscription Shares

The Subscription Shares shall, when fully paid, rank pari passu in all respects with the Shares in issue on the date of allotment of the Subscription Shares.

The Subscription price

The Subscription Price of HK\$0.15 per Subscription Share under the Subscription represents:

- (i) a discount of approximately 79.17% to the closing price of HK\$0.72 per Share as quoted on the Stock Exchange on the Last Trading Day;

- (ii) a discount of approximately 80.21% to the average closing price of HK\$0.758 per Share as quoted on the Stock Exchange for the last five trading days up to and including the Last Trading Day;
- (iii) a discount of approximately 80.89% to the average closing price of HK\$0.785 per Share as quoted on the Stock Exchange for the last ten trading days up to and including the Last Trading Day;
- (iv) a premium of approximately HK\$1.69 over the Group's audited consolidated net liabilities per Share of approximately HK\$1.54 as at 31 March 2026, based on the audited consolidated net liabilities attributable to Shareholders of approximately RMB489.5 million (equivalent to approximately HK\$554.6 million) as at 31 March 2026 and 360,181,940 Shares in issue, prior to the allotment and issue of the Subscription Shares and the Scheme Shares; and
- (v) a theoretical dilution effect (as defined under Rule 7.27B of the Listing Rules) of approximately 75.32%, represented by the theoretical diluted price of approximately HK\$0.192 per Share (based on the total number of issued Shares as enlarged by the allotment and issue of the Subscription Shares and the Scheme Shares) to the benchmarked price of HK\$0.778 per Share (as defined under Rule 7.27B of the Listing Rules), taking into account the higher of the closing price on the date of the Subscription Agreement and the Restructuring Framework Agreement of HK\$0.720 per Share and the average of the closing prices of the Shares as quoted on the Stock Exchange for the five consecutive trading days prior to the date of the Subscription Agreement and the Restructuring Framework Agreement of HK\$0.778 per Share.

The Subscription Price is determined after arm's length negotiation between the Company and Ground Group HK with reference to (i) the net liability position of the Company and the fact that the Company is insolvent; (ii) the loss-making position and the difficulty in obtaining financing from banks and financial institutions to sustain the ongoing operations of the Group; (iii) the market sentiment in relation to investment in listed companies in similar financial situation; and (iv) the prevailing market conditions.

It is proposed that the proceeds from the Subscription will be applied as to approximately HK\$10,000,000 for costs and expenses for the implementation of the restructuring plan of the Group, approximately HK\$10,000,000 for the expenditure for the property development and management, and property investment business of the Group, and the balance for the working capital of the Group.

The above proposed use of proceeds of the Subscription is for indicative purpose only and may be changed subject to the agreement among the Company and Ground Group HK.

Conditions precedent to the Subscription

Completion of the Subscription shall be conditional upon:

- (1) Ground Group HK being reasonably satisfied with the results of the due diligence review on the Group to be conducted;
- (2) all necessary consents, licenses and approvals required to be obtained on the part of the Company in respect of the Subscription Agreement and the transactions contemplated thereunder having been obtained and remain in full force and effect;
- (3) all necessary consents, licenses and approvals required to be obtained on the part of Ground Group HK in respect of the Subscription Agreement and the transactions contemplated thereunder have been obtained and remain in full force and effect;
- (4) the Court sanctions the Scheme and an official copy of the order of the Court sanctioning the Scheme is delivered to the Registrar of Companies in Hong Kong for registration;
- (5) the passing of the necessary resolutions by the Shareholders or the Independent Shareholders (as the case may be) at the SGM for the Scheme, the Restructuring Framework Agreement, the Subscription Agreement and the transactions contemplated thereunder (including the granting of the Specific Mandate for the allotment and issue of the Scheme Shares, the Scheme, and the Special Deal);
- (6) the Company having obtained either conditional approval or approval-in-principle from the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Subscription Shares on the Stock Exchange, and such permission not having been subsequently revoked or withdrawn;
- (7) the Executive having granted the consent to the Special Deal, the satisfaction of all conditions (if any) attached to the Special Deal, and such consent to the Special Deal not having been subsequently revoked or withdrawn;

- (8) the effectuation of the Scheme having become unconditional (save for the condition that the Subscription has become unconditional); and
- (9) all other necessary waivers, consents and approvals including but not limited to those from the Stock Exchange, the SFC and any other relevant government or regulatory authorities, which are required (if any) for the implementation of the Restructuring Transactions and all transactions contemplated thereunder having been obtained.

None of the above conditions is capable of being waived. The Company shall use its best endeavours to procure the fulfilment of the conditions precedent above. As at the date of this joint announcement, none of the conditions contemplated above has been fulfilled. Furthermore, as at the date of this joint announcement, save for the consents, licenses, approvals and/or waivers required to be obtained by the Company as set out in conditions (4) to (7) above, there is no other governmental, regulatory and corporate consents, licenses, approvals and/or waivers required to be obtained in respect of condition (9) above.

If the public float of the Company falls below 25% (or such other prescribed percentage as determined by the Stock Exchange to constitute the minimum public float of a company) upon completion of the Restructuring Transactions, Ground Group HK undertakes that it will, at its own cost and as soon as practicable, dispose of such number of Shares through a placing agent as may be necessary to ensure that the public float requirement under Rule 13.32B of the Listing Rules is restored and complied with by the Company.

Further announcement(s) will be made by the Company in relation to the Subscription as and when appropriate.

3. THE SCHEME

Pursuant to the terms of the Restructuring Framework Agreement, the Company will propose the Scheme between the Company and the Scheme Creditors. Upon the Scheme having become effective, the Scheme Claims of all the Scheme Creditors will be discharged and released in full. In return, the Scheme Creditors with the Admitted Scheme Claims under the Scheme will be entitled to receive the Scheme Shares, which will be allotted and issued by the Company to the Scheme Company to be held on trust for the benefit of the Scheme Creditors with Admitted Scheme Claims and will only be distributed to the relevant Scheme Creditors after determination and/or adjudication of their Admitted Scheme Claims and after the close of the Offer.

The Scheme is subject to sanction of the Court and shall become effective and legally binding on the Company and all the Scheme Creditors, including those voting against the Scheme and those not voting, if the requisite majority (more than fifty per cent (50%) in number of the Scheme Creditors, representing not less than seventy-five per cent (75%) in value, of the Voting Claims who, either in person (or through electronic means if applicable) or by proxy, attend the Scheme Meeting convened with the leave of the Court) votes in favour of the Scheme which the Court thereafter sanctions and an official copy of the court order sanctioning the Scheme is filed with the Registrar of Companies in Hong Kong. The effectiveness of the Scheme is also subject to certain other conditions precedent as detailed in the section headed “Conditions precedent to the Scheme” below.

Allotment and issue of the Scheme Shares

Under the Scheme, 4,742,453,691 Scheme Shares will be allotted and issued to the Scheme Company, which shall hold the Scheme Shares on trust for the benefit of the Scheme Creditors pending determination and/or adjudication of their Scheme Claims, and the close of the Offer pursuant to the Irrevocable Undertaking.

No fractional Scheme Shares will be transferred, issued or sold. The entitlement of each Scheme Creditor to the Scheme Shares based on his Admitted Scheme Claim will be rounded down to the nearest whole number, if required.

The Scheme Administrators are entitled to dispose of any odd lots of the Scheme Shares at their discretion which may arise during the allocation of the Scheme Shares to each Scheme Creditor as a result of rounding adjustments. All net cash proceeds from such disposal (after deducting the relevant fees and costs) will be pooled into the Scheme Funds and firstly be applied to settle the Scheme Costs. Any surplus balance will then be applied to distribute to the Scheme Creditors with Admitted Scheme Claims on a pro rata basis. For the avoidance of doubt, all Scheme Costs will be borne by the Company outside of the Scheme.

Ranking of the Scheme Shares

The Scheme Shares shall, when fully paid, rank *pari passu* in all respects with the Shares on the date of allotment of the Scheme Shares.

Issue Price

The Issue Price of HK\$0.15 per Scheme Share, which was arrived at assuming there will be in aggregate of approximately HK\$711,368,054 of Admitted Scheme Claims after determination and/or adjudication, represents:

- (i) a discount of approximately 79.17% to the closing price of HK\$0.72 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a discount of approximately 80.21% to the average closing price of HK\$0.758 per Share as quoted on the Stock Exchange for the last five trading days up to and including the Last Trading Day;
- (iii) a discount of approximately 80.89% to the average closing price of HK\$0.785 per Share as quoted on the Stock Exchange for the last ten trading days up to and including the Last Trading Day;
- (iv) a premium of approximately HK\$1.69 over the Group's audited consolidated net liabilities per Share of approximately HK\$1.54 as at 31 March 2026, based on the audited consolidated net liabilities attributable to Shareholders of approximately RMB489.5 million (equivalent to approximately HK\$554.6 million) as at 31 March 2026 and 360,181,940 Shares in issue, prior to the allotment and issue of the Subscription Shares and the Scheme Shares; and
- (v) a theoretical dilution effect (as defined under Rule 7.27B of the Listing Rules) of approximately 75.32%, represented by the theoretical diluted price of approximately HK\$0.192 per Share (based on the total number of issued Shares as enlarged by the allotment and issue of the Subscription Shares and the Scheme Shares) to the benchmarked price of HK\$0.778 per Share (as defined under Rule 7.27B of the Listing Rules), taking into account the higher of the closing price on the date of the Subscription Agreement and the Restructuring Framework Agreement of HK\$0.720 per Share and the average of the closing prices of the Shares as quoted on the Stock Exchange for the five consecutive trading days prior to the date of the Subscription Agreement and the Restructuring Framework Agreement of HK\$0.778 per Share.

The Issue Price is determined after arm's length negotiation between the Company and Ground Group HK with reference to (i) the net liability position of the Company and the fact that the Company is insolvent; (ii) the loss-making position and the difficulty in obtaining financing from banks and financial institutions to sustain the ongoing operations of the Group; (iii) the market sentiment in relation to investment in listed companies in similar financial situation; (iv) the prevailing market conditions; and (v) the 1.26% to 3.31% recovery rate from the Company's assets under liquidation scenario based on the Company's current estimation. The amount of Admitted Scheme Claims will be subject to further adjustments in accordance with the fluctuations in the exchange rate and the accumulation of interests of the Claims as at the Scheme Effective Date, which are expected to have minimal effect to the Admitted Scheme Claim, and thus the Issue Price.

Nonetheless, members of the Concert Party Group which hold Claims against the Company (i.e. Ka Yik and Ground Group HK) irrevocably undertake to the Company (the “**Undertaking**”), among others, that (i) their Claims against the Company shall for all purposes be limited to the amount attributed to them in the scheme document for the Scheme, being HK\$294,458,894.11 in the case of Ground Group HK and HK\$109,261,334.00 in the case of Ka Yik (in each case, its “**Capped Amount**”); (ii) they will complete and file (or, where already filed, procure the updating of) their notice of claim in an amount not exceeding the Capped Amount; and (iii) to the extent that their Claim and/or Admitted Scheme Claim (as determined or adjudicated in accordance with the Scheme) would otherwise exceed their respective Capped Amount, each of Ka Yik and Ground Group HK irrevocably and unconditionally waives such excess.

In the unlikely event that after the date of the Undertaking, any creditor whose Claim was not previously known to or identified in the books and records of the Company filed Claim against the Company (each an “**Unrecorded Claim**”), the accrual of interest, any fluctuation in exchange rates, the determination or adjudication of any Claim in an amount exceeding the amount so recorded, or otherwise, leading the aggregate amount of the Admitted Scheme Claims of all Scheme Creditors to exceed HK\$711,368,054, Ka Yik and Ground Group HK irrevocably and unconditionally waive, on a dollar-for-dollar basis, such portion of its Claim and/or Admitted Scheme Claim (such waiver to be borne by the members of the Concert Party Group holding Claims on a pro rata basis by reference to their respective Admitted Scheme Claims, up to the amount of each such member’s own Claim and/or Admitted Scheme Claim). Such measures effectively prevent the fluctuations in the exchange rate and the accumulation of interest and any Unrecorded Claim (the occurrence of which itself is remote as explained above) from inflating the total amount of Admitted Scheme Claims above HK\$711,368,054. Accordingly, the Issue Price would not exceed HK\$0.15.

In the event that the amount of Admitted Scheme Claims is lower than the amount of HK\$711,368,054 after adjudication by the Scheme Administrator upon the Scheme taking effect, the Issue Price will be adjusted downwards accordingly based on the adjudicated Admitted Scheme Claims and the fixed number of Scheme Shares (i.e. 4,742,453,691 Shares).

Further announcement(s) will be made by the Company in relation to the adjusted Issue Price as and when appropriate.

Conditions precedent to the Scheme

The Scheme shall become effective and subject to the fulfilment of the following conditions precedent:

- (a) over fifty per cent (50%) in number of the Scheme Creditors (for the avoidance of doubt, the Offeror, Mr. Cui, Ms. Chai, Ms. Cui, Jilin Ground Group, Xin Guangze, Jilin Guangxun Investment, Jilin Xinquan, Jilin Xinshun, Ka Yik and Charm Success have given undertakings not to attend or vote at the Scheme Meeting and to abide by the terms of the Scheme, and hence were not counted towards the Voting Claims), representing at least seventy-five per cent (75%) in value of the aggregate Voting Claims of the Scheme Creditors, present and voting in person (or through electronic means if applicable) or by proxy at the Scheme Meeting, vote in favour of the Scheme;
- (b) the Court sanctions the Scheme and an official copy of the order of the Court sanctioning the Scheme is delivered to the Registrar of Companies in Hong Kong for registration;
- (c) the Subscription Agreement having become unconditional in all respects in accordance with the terms and conditions set out therein (save for the condition for the Scheme to become unconditional);
- (d) the passing of the necessary resolutions by the Shareholders or the Independent Shareholders (as the case may be) at the SGM for the Scheme and the transactions contemplated thereunder (including the granting of the Specific Mandate for the allotment and issue of the Scheme Shares and the Special Deal) as required under the Listing Rules and the Takeovers Code;
- (e) the Company having obtained either conditional approval or approval in-principle from the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Scheme Shares on the Stock Exchange, and such permission not having been subsequently revoked or withdrawn; and
- (f) the Company having obtained the necessary consent of the Executive for the Special Deal, and such necessary consent not having been revoked or withdrawn.

The implementation of the Scheme shall also be conditional on Completion taking effect. None of the conditions precedent above can be waived. As at the date of this joint announcement, save for condition (a), none of the above conditions have been fulfilled. The Scheme has been approved by the requisite statutory majorities of creditors with Voting Claims at the Scheme Meeting held on 8 June 2026. Please refer to the announcements of the Company dated 24 February 2026, 14 May 2026 and 8 June 2026 for further details. The Company will provide further update on the Scheme as and when appropriate. For the avoidance of doubt, the Scheme has not yet become effective and if any of the condition as listed above cannot be fulfilled, the Scheme will not proceed and the Scheme Claims will not be compromised under the Scheme.

POSSIBLE UNCONDITIONAL MANDATORY CASH OFFER

As at the date of this joint announcement, Charm Success and Ka Yik are interested in 18,356,035 Shares and 89,739,018 Shares, representing approximately 5.10% and 24.91% of the issued share capital of the Company, respectively. Charm Success and Ka Yik are both companies wholly owned by Deep Wealth Holding Limited, which is in turn held by TMF (Cayman) Ltd. as the trustee of the Ground Trust. The Ground Trust is a discretionary trust set up by Ms. Cui as settlor and protector, and TMF (Cayman) Ltd. as trustee on 27 July 2016.

Pursuant to the definition under the Takeovers Code, Ground Group HK, Mr. Cui, Ms. Chai, Ms. Cui, Jilin Ground Group, Xin Guangze, Jilin Guangxun Investment, Jilin Xinquan, Jilin Xinshun, Jilin Zexiao, Ka Yik and Charm Success are presumed to be acting in concert by virtue of classes (1) and (8) of the definition of “acting in concert” under the Takeovers Code, and as a matter of fact are, parties acting in concert. Please refer to the section headed “Information of the Offeror” in this joint announcement for details of the Offeror.

Assuming that the full amount of HK\$39,000,000 under the Funding Agreement has been drawn down and that there is no other change in the number of issued Shares as at the date of this joint announcement up to the date of Completion (save for the allotment and issue of the Subscription Shares and the Scheme Shares), the shareholding interest of each of Ground Group HK and Ka Yik would increase to 2,223,059,293 Shares and 818,147,911 Shares, respectively, representing approximately 41.46% and 15.26% of the Enlarged Issued Share Capital, respectively. As such, the aggregate shareholding interest of the Concert Party Group would increase from 108,767,181 Shares, representing approximately 30.20% of the issued Shares as at the date of this joint announcement, to 3,060,235,367 Shares, representing approximately 57.07% of the Enlarged Issued Share Capital.

Therefore, upon Completion, the Concert Party Group would trigger an obligation to make a mandatory general offer for all the issued Shares (other than those already owned or agreed to be acquired by the Concert Party Group and the Scheme Shares) under Rule 26.1 of the Takeovers Code.

Assuming there is no other change in the number of issued Shares from the date of this joint announcement up to the date of Completion and in light of the Irrevocable Undertaking in respect of the Scheme Shares, the remaining 251,414,759 Shares, being 5,362,635,631 issued Shares (i.e. the total number of the Enlarged Issued Share Capital) after deducting the 368,767,181 issued Shares held by the Concert Party Group and 4,742,453,691 Scheme Shares issued to the Scheme Company, will be subject to the Offer.

Irrevocable Undertaking

The Scheme Administrators and the Scheme Company have irrevocably and unconditionally undertaken to and covenant with the Company and the Offeror that: (a) they will not accept the Offer in respect of any Scheme Shares (including any Scheme Share held by it on trust for the benefit of the Scheme Creditors), (b) they will not transfer, sell, encumber or otherwise dispose of any Scheme Shares, and (c) they will not distribute, transfer or otherwise deliver any Scheme Shares to any Scheme Creditor, from the date of the Irrevocable Undertaking until the close of the Offer. Therefore, the Scheme Shares do not form part of the Offer Shares and will not be subject to the Offer.

Principal Terms of the Offer

Subject to Completion, DL Securities will, for and on behalf of the Offeror, make the Offer to acquire all the remaining 251,414,759 Shares as enlarged by the Scheme Shares and the Subscription Shares immediately after Completion (exclusive of the 368,767,181 issued Shares held by the Concert Party Group and the 4,742,453,691 Scheme Shares issued to the Scheme Company) in compliance with the Takeovers Code, on the terms to be set out in the Composite Document on the following basis:

THE OFFER:

For each Offer Share HK\$0.15 in cash

The Offer Price of HK\$0.15 per Offer Share is equivalent to the Subscription Price per Subscription Share and the Issue Price per Scheme Share (assuming there will be in aggregate of approximately HK\$711,368,054 of Admitted Scheme Claims).

The Offeror confirms that the Offer Price is final and will not be increased.

As at the date of this joint announcement, there are 360,181,940 Shares in issue. The outstanding 515,000 Share Options have not been exercised and have been lapsed on 17 April 2026. Accordingly, as at the date of this joint announcement, the Company does not have any outstanding options, derivatives, warrants or relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) which are convertible or exchangeable into Shares and has not entered into any agreement for the issue of such options, derivatives, warrants or securities which are convertible or exchangeable into Shares.

Upon Completion, there will be 5,362,635,631 Shares in issue, as enlarged by the allotment and issue of the Scheme Shares and the Subscription Shares (assuming the full amount of HK\$39,000,000 under the Funding Agreement has been drawn down prior to the completion of the Subscription).

The Offer will be unconditional in all aspects when it is made.

The Bonds

For the avoidance of doubt, as at the date of this joint announcement, the Bonds have matured and are no longer convertible into issued Shares. Upon the Scheme becoming effective and subject to the distribution of the Scheme Shares, the Bonds will be discharged, and the Company shall take such other action as may be required to effect the cancellation, mark down and discharge of the Bonds. Accordingly, no offer will be made for the Bonds.

Payment

Subject to the Offer having become, or having been declared, unconditional in all respects, payment in cash in respect of acceptance of the Offer will be made as soon as possible but in any event no later than seven (7) Business Days after the date on which the duly completed acceptances of the Offer and the relevant documents of title in respect of such acceptances are received by the Offeror (or its agent) to render each such acceptance complete and valid.

No fractions of a cent will be payable and the amount of the consideration payable to a Shareholder who accepts the Offer will be rounded up to the nearest cent.

Value of the Offer

Assuming there is no other change in the number of issued Shares from the date of this joint announcement up to the date of Completion and in light of the Irrevocable Undertaking in respect of the Scheme Shares, the remaining 251,414,759 Shares, being the total number of the Enlarged Issued Share Capital less the Shares held by the Concert Party Group and the Scheme Shares, will be subject to the Offer. The value of the Offer is approximately HK\$37.7 million.

Confirmation of financial resources available for the Offer

The Offeror intends to finance the entire consideration payable under the Offer by the Facility extended by DL Securities in the amount of up to HK\$40.0 million. The Facility is secured by the Share Charges over the Concert Party Shares held by the Concert Party Group upon Completion and the Shares to be acquired by the Offeror and the Concert Party Group during the offer period (as defined under the Takeovers Code) and under the Offer. Pursuant to the terms of the Facility, so long as any part of the Facility or any other amounts payable under the Facility remain outstanding, the Offer Shares acquired by the Offeror under the Offer shall be deposited to the margin securities account of the Offeror with DL Securities from time to time.

DL Securities and Alpha Financial, being the joint financial advisers to the Offeror in connection with the Offer, are satisfied that sufficient financial resources are available to the Offeror to satisfy the total consideration payable by the Offeror upon full acceptances of the Offer.

Effect of accepting the Offer

By accepting the Offer, the Shareholders will be deemed to constitute a warranty by such person that all the Shares to be sold by such person under the Offer are free from all encumbrances together with all rights attached thereto, including but not limited to all rights to receive any dividend or other distribution declared, made or paid on or after the date on which the Offer is made, being the date of the Composite Document.

Acceptances of the Offer shall be irrevocable and not capable of being withdrawn, except as otherwise permitted under the Takeovers Code.

As at the date of this joint announcement, (a) no dividends or distributions have been declared but unpaid; and (b) there is no intention for the Company to make, declare or pay any dividends or distributions.

Hong Kong stamp duty

Seller's Hong Kong ad valorem stamp duty on acceptances of the Offer at a rate of 0.1% of the total consideration payable in respect of the relevant acceptances or, if higher, the market value of the Offer Shares subject to such acceptance, will be deducted from the amounts payable to Independent Shareholders who accept the Offer. The Offeror will arrange for payment of the seller's ad valorem stamp duty on behalf of the Independent Shareholders who accept the Offer and pay the buyer's Hong Kong ad valorem stamp duty in connection with the acceptance of the Offer and the transfers of the relevant Shares in accordance with the Stamp Duty Ordinance (Chapter 117 of the Laws of Hong Kong).

Availability of the Offer

The Offeror intends to make the Offer available to all Independent Shareholders, including Overseas Shareholders. However, the Offer to persons not resident in Hong Kong may be affected by the laws and regulations of the relevant jurisdiction in which they are resident. The making of the Offer to persons with a registered address in jurisdictions outside Hong Kong may be prohibited or limited by the laws or regulations of the relevant jurisdictions. Overseas Shareholders who are citizens, residents or nationals of a jurisdiction outside Hong Kong should fully observe any applicable legal or regulatory requirements and, where necessary, seek independent legal and professional advice. It is the responsibility of the Overseas Shareholders who wish to accept the Offer to satisfy themselves as to the full observance of the laws and regulations of the relevant jurisdictions in connection with the acceptance of the Offer (including the obtaining of any governmental or other consent which may be required or the compliance with other necessary formalities and the payment of any transfer or other taxes due from such Overseas Shareholders in respect of such jurisdictions).

In the event the receipt of the Composite Document by the Overseas Shareholders is prohibited by any applicable laws and regulations and may only be effected upon compliance with conditions or requirements in such overseas jurisdictions that would be unduly burdensome, the Composite Document, subject to the Executive's consent, may not be despatched to such Overseas Shareholders. In those circumstances, the Offeror will apply for any waivers as may be required by the Executive pursuant to Note 3 to Rule 8 of the Takeovers Code as soon as practicable.

Any acceptance of the Offer by any Overseas Shareholders will be deemed to constitute a representation and warranty from such Overseas Shareholders to the Offeror that the local laws and requirements have been complied with. Overseas Shareholders should consult their professional advisers if in doubt.

Taxation Advice

Shareholders are recommended to consult their own professional advisers if they are in any doubt as to the taxation implications of accepting or rejecting the Offer. None of the Offeror, the parties acting in concert with it, the Company, DL Securities, Alpha Financial and their respective ultimate beneficial owners, directors, officers, advisers, agents or associates or any other person involved in the Offer accepts responsibility for any taxation effects on, or liabilities of, any persons as a result of their acceptance or rejection of the Offer.

DEALING AND INTERESTS IN THE COMPANY'S SECURITIES

As at the date of this joint announcement,

- (i) save for the Restructuring Framework Agreement, the Facility Agreement, the Subscription Agreement and the transactions contemplated thereunder, none of the members of the Concert Party Group has dealt in the Shares, outstanding options, warrants, or any securities that are convertible into Shares or any derivatives in respect of securities in the Company, or has held any or relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company during the six months period prior to the commencement of the offer period (as defined under the Takeovers Code), i.e. the date of this joint announcement (being 15 July 2026).
- (ii) the Concert Party Group (excluding Ms. Cui, Ms. Chai, Charm Success and Ka Yik as disclosed in the section headed "Effect on the Shareholding Structure of the Company" below) does not hold, own or has control or direction over any voting rights or rights over any Shares, convertible securities, warrants, options or derivatives of the Company;
- (iii) there is no outstanding options, warrants, or any securities that are convertible into Shares or any derivative in respect of securities in the Company which is owned, controlled or directed by, or has been entered into by any member of the Concert Party Group;

- (iv) none of the members of the Concert Party Group has borrowed or lent any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company;
- (v) save for the Restructuring Framework Agreement, the Subscription Agreement, the Facility Agreement, the Share Charges and the transactions contemplated thereunder, there is no arrangement (whether by way of option, indemnity or otherwise) of any kind referred to in Note 8 to Rule 22 of the Takeovers Code in relation to the relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of each of the Company and the Offeror which might be material to the Offer;
- (vi) the Restructuring Framework Agreement, the Facility Agreement, the Subscription Agreement and the transactions contemplated thereunder do not involve any sale of Shares;
- (vii) save for the Restructuring Framework Agreement, the Facility Agreement, the Subscription Agreement and the transactions contemplated thereunder, there is no agreement or arrangement to which any member of the Concert Party Group is a party which relates to circumstances in which it may or may not invoke or seek to invoke a pre-condition or condition to the Offer; and
- (viii) none of the members of the Concert Party Group has received any irrevocable commitment(s) to accept or reject the Offer.

The Company and the Offeror confirm that, as at the date of this joint announcement, save for the Special Deal, there is no understanding, arrangement, agreement or special deal (as defined under Rule 25 of the Takeovers Code) between (i) any Shareholder; and (ii) (a) any member of the Concert Party Group; or (b) the Company, its subsidiaries or associated companies.

REASONS FOR AND BENEFITS OF ENTERING INTO THE RESTRUCTURING FRAMEWORK AGREEMENT AND THE SUBSCRIPTION AGREEMENT

The Company is an investment holding company. The Group is principally engaged in property development and management, including planning designing, budgeting, licensing, contract tendering and contract administration, property investment and cultivation and sales of ginseng assets in the PRC.

As set out under the section headed “Background” above, taking into account that the Company is facing a severe liquidity shortage and is in serious financial stress, its ability to repay all its indebtedness when they fall due has been significantly impaired, which does not have sufficient financial resources to cover all its liabilities as they became due. With the willingness of Ground Group HK to finance the Group in order to relieve the indebtedness of the Company and to support the business operations of the Group, the Directors consider that the entering into of the Restructuring Framework Agreement and the Subscription Agreement will facilitate the debt restructuring of the Group and is beneficial to the Group in proceeding its debt restructuring plan.

On the other hand, the Company considers that the Proposed Restructuring is a strategic and realistic solution to resolve its outstanding debts in an orderly manner such that all of the Company’s indebtedness and liabilities to the Creditors will be released and discharged pursuant to the terms of the Scheme, without which the Company, as a holding entity and as disclosed above, would be subject to an unsustainable financial situation and would be at risk of insolvent liquidation, and the expected returns to the Shareholders and Scheme Creditors would likely be lower or become minimal.

Considering the abovementioned factors, the Board (excluding the member of the Independent Board Committee) is of the view that the terms of the Restructuring Framework Agreement and the Subscription Agreement are fair and reasonable and on normal commercial terms, and the entering into of the Restructuring Framework Agreement and the Subscription Agreement would be beneficial to and in the interest of the Company, the Shareholders and the Creditors as a whole.

EFFECT ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

For illustrative purpose only, the shareholding structure of the Company (i) as at the date of this joint announcement; and (ii) immediately after the completion of the Subscription and the allotment and issue of the Scheme Shares is set out below:

Shareholders	As at the date of this joint announcement		Immediately after the completion of the Subscription and the allotment and issue of the Scheme Shares ^(Note 14)	
	Number of Shares	Approx. %	Number of Shares	Approx. %
Charm Success ^(Note 1)	18,356,035	5.10	18,356,035	0.34
Ka Yik ^(Notes 1 & 2)	89,739,018	24.91	818,147,911	15.26
Ms. Cui	629,628	0.18	629,628	0.01
Ms. Chai	42,500	0.01	42,500	0.00
Ground Group HK ^(Note 3)	—	—	2,223,059,293	41.46
Sub-total (The Concert Party Group)	108,767,181	30.20	3,060,235,367	57.07
China Investment Fund International Financial Group Limited ^(Note 4)	52,000,000	14.44	52,000,000	0.97
Integrated Asset Management (Asia) Limited ^(Note 5)	18,964,950	5.26	18,964,950	0.35
Jilin Wanding ^(Note 6)	—	—	241,648,515	4.51
Mr. Jiang Jinbo ^(Note 7)	31,500,000	8.75	163,500,000	3.05
Mr. Lin Huipeng ^(Note 8)	4,846,250	1.34	136,246,250	2.54
Ms. Wang Ting Ting ^(Note 9)	36,000	0.01	6,869,333	0.13
The Bondholders (except Mr. Jiang Jinbo) ^(Note 10)	—	—	322,438,356	6.01
長春市納百利商貿有限公司 (Changchun Nabaili Trading Company Limited*) ^(Note 11)	—	—	262,737,594	4.90
Other public shareholders	144,067,559	40.00	1,097,995,266	20.47
Total	360,181,940	100.00	5,362,635,631	100.00

Notes:

1. Charm Success and Ka Yik are companies wholly owned by Deep Wealth Holding Limited, which is in turn wholly held by TMF (Cayman) Ltd. as trustee of the Ground Trust. The Ground Trust is a discretionary trust set up by Ms. Cui as settlor and protector, and TMF (Cayman) Ltd. as trustee on 27 July 2016. By virtue of part XV of the SFO, Ms. Cui is deemed to be interested in the securities of the Company held by Charm Success and Ka Yik.
2. Based on the available books, records and information of the Company and pending determination and/or adjudication of the Admitted Scheme Claims, the total claim amount owed by the Company to Ka Yik is HK\$109,261,334.00, Ka Yik would be entitled to 728,408,893 Scheme Shares upon the Scheme becoming effective.
3. Ground Group HK is a company incorporated in Hong Kong and is wholly owned by Jilin Ground Group, which is a company established in the PRC with limited liability and is wholly-owned by Xin Guangze, which is owned as to approximately 75%, 10% and 15% by each of Jilin Guangxun Investment, Jilin Xinquan and Jilin Xinshun, respectively. Jilin Guangxun Investment is owned as to approximately 96.86% and 3.14% by each of Jilin Zexiao and Jilin Tianyi, respectively. Ground Group HK is ultimately and beneficially owned as to approximately 72.60% and 12.00% by Mr. Cui and Mr. Cong, respectively. The remaining approximately 15.40% of the shareholding interests of Ground Group HK are owned by five natural persons who individually holds less than 10% of the interests as at the date of this joint announcement.

Based on the available books, records and information of the Company and pending determination and/or adjudication of the Admitted Scheme Claims, the total claim amount owed by the Company to Ground Group HK is HK\$294,458,894.11 and Ground Group HK would be entitled to 1,963,059,293 Scheme Shares upon the Scheme becoming effective (in addition to the 260,000,000 Subscription Shares)

Further, Ground Group HK has undertaken to subscribe for 260,000,000 Subscription Shares by way of set-off against amounts owing under the Funding Agreement, pending determination and/or adjudication of the Admitted Scheme Claims and the close of the Offer pursuant to the Irrevocable Undertaking. Accordingly, assuming the full amount of HK\$39,000,000 under the Funding Agreement has been drawn down, upon Completion, the shareholding interest of each of Ground Group HK and Ka Yik would increase to 2,223,059,293 Shares (comprising 260,000,000 Subscription Shares and 1,963,059,293 Scheme Shares) and 818,147,911 Shares, representing approximately 41.46% and 15.26% of the Enlarged Issued Share Capital, respectively. As such, the aggregate shareholding interest of the Concert Party Group would increase from approximately 30.20% of the issued Shares as at the date hereof to approximately 57.07% of the then issued Shares as enlarged by the Enlarged Issued Share Capital. Therefore, upon Completion, Ground Group HK would trigger an obligation to make the Offer.

Ground Group HK has undertaken that it will, at its own costs and as soon as practicable, dispose of such number of Shares through a placing agent as may be necessary to ensure that the public float requirements under the Listing Rules is restored and complied with by the Company.

4. China Investment Fund International Financial Group Limited is a company incorporated in Hong Kong with limited liability and is wholly owned by China Investment Fund Company Limited which is in turn wholly owned by Carmen Century Investment Limited. Carmen Century Investment Limited, a company incorporated in Cayman Islands and whose shares are listed on the Main Board of the Stock Exchange, is deemed to be interested in those Shares by virtue of being its controlling shareholder under SFO.

5. Integrated Asset Management (Asia) Limited is a company wholly and beneficially owned by Mr. Yam Tak Cheung. Mr. Yam Tak Cheung deemed to be interested in those Shares by virtue of being its controlling shareholder under SFO.
6. Based on the available books, records and information of the Company and pending determination and/or adjudication of the Admitted Scheme Claims, the total claim amount of Jilin Wanding is HK\$36,247,277.26 and Jilin Wanding would be entitled to 241,648,515 Scheme Shares upon the Scheme becoming effective.
7. Out of the 31,500,000 Shares, (i) 16,500,000 Shares are held by Mr. Jiang Jinbo himself; and (ii) 16,500,000 Shares are held by 元匯國際控股有限公司 (Yuanhui International Holding Limited*), which is in turn wholly owned by 深圳市鼎新控股集團有限公司 (Shenzhen Dingxin Holding Group Company Limited*) (“Shenzhen Dingxin”). Shenzhen Dingxin is wholly and beneficially owned by Mr. Jiang Jinbo. Mr. Jiang Jinbo is interested in and deemed to be interested in those shares by virtue of being a controlling shareholder under SFO. As disclosed in note 10 below, the Bonds (including those held by Mr. Jiang Jinbo) have matured on 22 June 2026 and the conversion rights attached to the Bonds lapsed upon the maturity, and thus are no longer convertible into issued Shares. Notwithstanding the maturity, the Company has an outstanding obligation to settle the Admitted Scheme Claims of Mr. Jiang Jinbo in respect of the Bonds. Based on the available books, records and information of the Company and pending determination and/or adjudication of the Admitted Scheme Claims, the total outstanding amount of the Bonds held by Mr. Jiang Jinbo is approximately HK\$16,800,000. Mr. Jiang Jinbo would therefore be entitled to 112,000,000 Scheme Shares upon the Scheme becoming effective. Apart from the Admitted Scheme Claims in respect of the outstanding amount of the Bonds held by Mr. Jiang Jinbo, based on the available books, records and information of the Company and pending determination and/or adjudication of the Admitted Scheme Claims, the total claim amount owed by the Company to Mr. Jiang Jinbo is HK\$3,000,000, Mr. Jiang Jinbo would also be entitled to 20,000,000 Scheme Shares upon the Scheme becoming effective.
8. Based on the available books, records and information of the Company and pending determination and/or adjudication of the Admitted Scheme Claims, the total claim amount of Mr. Lin Huipeng is HK\$19,710,000, and he would be entitled to 131,400,000 Scheme Shares upon the Scheme becoming effective.
9. Based on the available books, records and information of the Company and pending determination and/or adjudication of the Admitted Scheme Claims, the total claim amount of Ms. Wang Ting Ting is HK\$1,025,000, and she would be entitled to 6,833,333 Scheme Shares upon the Scheme becoming effective.
10. Pursuant to the terms and conditions of the Bonds, the Bondholder(s) shall have the right to convert all or part of the Bonds into Shares at a conversion price of HK\$8.9 per Share. According to the Instrument, the Bonds held by the Bondholders have matured on 22 June 2026 and the conversion rights attached to the Bonds lapsed upon the maturity, and thus are no longer convertible into issued Shares. Notwithstanding the maturity, the Company has an outstanding obligation to settle the Admitted Scheme Claims of the Bondholders. Based on the available books, records and information of the Company and pending determination and/or adjudication of the Admitted Scheme Claims, the total outstanding amount of the Bonds, save for those held by Mr. Jiang Jinbo as disclosed in note 7 above, is approximately HK\$48,365,753.42. The Bondholders therefore would be entitled to 322,438,356 Scheme Shares upon the Scheme becoming effective.
11. Based on the available books, records and information of the Company and pending determination and/or adjudication of the Admitted Scheme Claims, the total claim amount owed by the Company to 長春市納百利商貿有限公司 (Changchun Nabaili Trading Company Limited*) is HK\$39,410,639.17, 長春市納百利商貿有限公司 (Changchun Nabaili Trading Company Limited*) would be entitled to 262,737,594 Scheme Shares upon the Scheme becoming effective.

12. Based on the information available to the Company, save for Ka Yik, Mr. Jiang Jinbo, Mr. Lin Huipeng and Ms. Wang Ting Ting, none of the Scheme Creditors are Shareholders as at the date of this joint announcement.
13. Based on the information available to the Company, save as disclosed above, none of the Directors are Shareholders as at the date of this joint announcement.
14. The expected shareholding of the Scheme Creditors (taking into account the Scheme Shares) is calculated based on the information currently available to the Company as at the date of this joint announcement on the total claim amount due to the Scheme Creditors and the number of Scheme Shares to be allocated to them based on their respective pro rata entitlement under the Scheme. The exact number of Scheme Shares to be allotted and issued to each Scheme Creditor may be changed subject to determination and/or adjudication of the Admitted Scheme Claims by the Scheme Administrator in accordance with the terms of the Scheme.

APPLICATION FOR LISTING

Application will be made by the Company to the Listing Committee for the listing of, and permission to deal in, the Subscription Shares and the Scheme Shares on the Stock Exchange.

Subject to the granting of listing of, and permission to deal in, the Subscription Shares and the Scheme Shares on the Stock Exchange, as well as compliance with the stock admission requirements of the HKSCC, upon Completion, the Subscription Shares and the Scheme Shares will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement date of dealings in the Subscription Shares and the Scheme Shares on the Stock Exchange or such other date 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 settlement day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. All necessary arrangements will be made for the Subscription Shares and the Scheme Shares to be admitted into CCASS established and operated by HKSCC.

SPECIFIC MANDATE

The Subscription Shares and the Scheme Shares will be allotted and issued pursuant to the Specific Mandate to be obtained upon approval by the Independent Shareholders at the SGM.

FUND RAISING ACTIVITIES IN THE PAST 12 MONTHS

Save for the Restructuring Framework Agreement and the Subscription Agreement, the Company had not revealed any equity fund raising activities conducted involving the issue of its equity securities in the 12 months immediately preceding the date of this joint announcement.

IMPLICATIONS UNDER THE LISTING RULES AND THE TAKEOVERS CODE

Listing Rules implications

Connected Transactions

Based on the records available to the Company as at the date of this joint announcement, the Company has certain debts owed to:

- (i) Ground Group HK, being a company ultimately and beneficially as to 72.60% owned by Mr. Cui, which Mr. Cui is a Director; and
- (ii) Ka Yik, a company directly and wholly owned by Deep Wealth Holding Limited which is in turn held by TMF (Cayman) Ltd. as the trustee of the Ground Trust. The Ground Trust is a discretionary trust where Ms. Cui is the settlor and protector.

According to the Scheme, these creditors of the Company may also be a Scheme Creditor, which are subject to determination and/or adjudication by the Scheme Administrators upon the Scheme taking effect.

As at the date of this joint announcement, based on the available books and records of the Company, (i) the approximate amount owed by the Company to the abovementioned creditors are set out hereinbelow; and (ii) for illustrative purpose and subject to their respective notices of Claim filed, and the adjudication and the final determination of the same by the Scheme Administrators, based on the total estimated indebtedness owed by the Company, under the Scheme, each of these creditors will receive:

Creditors	Amount owed by the Company	Settlement of indebtedness under the Scheme	
		<i>Number of Scheme Shares (assuming the outstanding debt to be converted at HK\$0.15 per Scheme Share)</i>	<i>% as to the Enlarged Issued Share Capital (assuming no other change in the issued share capital of the Company) (Approximate)</i>
	<i>(Approximate) HK\$</i>		
Ground Group HK	294,458,894.11	1,963,059,293	36.61
Ka Yik	109,261,334.00	728,408,893	13.58
Total	<u>403,720,228.11</u>	<u>2,691,468,186</u>	<u>50.19</u>

Accordingly, the issue of Scheme Shares to the abovementioned creditors of the Company under the Scheme constitute connected transactions of the Company under Chapter 14A of the Listing Rules, and are subject to the approval of the Independent Shareholders by way of poll. As such, the abovementioned creditors and their respective associates, including the Concert Party Group shall abstain from voting in respect of the resolution(s) to approve the Scheme.

As at the date of this joint announcement, the ultimate beneficial owners of Ground Group HK are (i) Mr. Cui (owned as to approximately 72.60% of the shareholding interests in Ground Group HK), who is the non-executive Director and the father of Ms. Cui, a former executive director and a substantial shareholder of the Company; and (ii) Mr. Cong (owned as to approximately 12.00% of the shareholding interests in Ground Group HK), who is the executive Director and a sole director of Ground Group HK. The remaining approximately 15.40% of the shareholding interests of Ground Group HK are owned by five natural persons who individually holds less than 10% of the interests as at the date of this joint announcement. As such, Ground Group HK is a connected person of the Company. Accordingly, the Subscription constitutes a connected transaction of the Company under the Listing Rules and is subject to the reporting, announcement and Independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

Specific Mandate

The Subscription Shares and the Scheme Shares will be allotted and issued pursuant to the Specific Mandate to be obtained upon approval by the Shareholders at the SGM.

Dilution effect of the Subscription and the issue of Scheme Shares, and exceptional circumstances

Pursuant to Rule 7.27B of the Listing Rules, a listed issuer may not undertake a rights issue, open offer or specific mandate placings that would result in a theoretical dilution effect of 25% or more, unless the Stock Exchange is satisfied that there are exceptional circumstances.

In view of the insolvent financial position of the Company, the closing price of the Shares on the Last Trading Day does not reasonably reflect the existing condition of the Company and the financial position of the Company could be considered as an exceptional circumstance under Rule 7.27B of the Listing Rules. Accordingly, it is considered reasonable (i) for the Subscription Price and the Issue Price to be set at a relatively deep discount to the historical trading prices of the Shares; and (ii) the allotment and issue of the Subscription Shares and the Scheme Shares would result in a relatively significant theoretical dilution effect of approximately 75.32%. Pursuant to Note 2 to Rule 7.27B of the Listing Rules, the Company has consulted the Stock Exchange regarding the allotment and issue of the Subscription Shares and the Scheme Shares. The Stock Exchange has agreed that the Company has demonstrated that there are exceptional circumstances for the purpose of Rule 7.27B, and the Company may proceed with the Subscription and the Scheme on 26 June 2026.

Takeovers Code implications

Possible unconditional mandatory cash offer

As at the date of this joint announcement, Charm Success and Ka Yik are interested in 18,356,035 Shares and 89,739,018 Shares, representing approximately 5.10% and 24.91% of the issued share capital of the Company, respectively. Charm Success and Ka Yik are both companies wholly owned by Deep Wealth Holding Limited, which is in turn held by TMF (Cayman) Ltd. as the trustee of the Ground Trust. The Ground Trust is a discretionary trust set up by Ms. Cui as settlor and protector, and TMF (Cayman) Ltd. as trustee on 27 July 2016.

Pursuant to the definition under the Takeovers Code, Ground Group HK, Mr. Cui, Ms. Chai, Ms. Cui, Jilin Ground Group, Xin Guangze, Jilin Guangxun Investment, Jilin Xinquan, Jilin Xinshun, Jilin Zexiao, Ka Yik and Charm Success are presumed to be acting in concert by virtue of classes (1) and (8) of the definition of “acting in concert” under the Takeovers Code, and as a matter of fact are, parties acting in concert. Please refer to the section headed “Information of the Offeror” in this joint announcement for details of the Offeror.

Assuming that the full amount of HK\$39,000,000 under the Funding Agreement has been drawn down and that there is no other change in the number of issued Shares as at the date of this joint announcement up to the date of Completion (save for the allotment and issue of the Subscription Shares and the Scheme Shares), the shareholding interest of each of Ground Group HK and Ka Yik would increase to 2,223,059,293 Shares and 818,147,911 Shares, respectively, representing approximately 41.46% and 15.26% of the Enlarged Issued Share Capital, respectively. As such, the aggregate shareholding interest of the Concert Party Group would increase from 108,767,181 Shares, representing approximately 30.20% of the issued Shares as at the date of this joint announcement, to 3,060,235,367 Shares, representing approximately 57.07% of the issued Shares as enlarged by the allotment and issue of the Subscription Shares and the Scheme Shares immediately after Completion.

Therefore, upon Completion, the Concert Party Group would trigger an obligation to make a mandatory general offer for all the issued Shares (other than those already owned or agreed to be acquired by the Concert Party Group and the Scheme Shares) under Rule 26.1 of the Takeovers Code.

Special Deal

As at the date of this joint announcement, each of Ka Yik, Mr. Jiang Jinbo, Mr. Lin Huipeng and Ms. Wang Ting Ting owns 89,739,018 Shares, 31,500,000 Shares, 4,846,250 Shares and 36,000 Shares, representing approximately 24.91%, 8.75%, 1.34% and 0.01% of the issued share capital of the Company. Based on the information available to the Company, the Company is indebted to each of Ka Yik, Mr. Jiang Jinbo, Mr. Lin Huipeng and Ms. Wang Ting Ting of HK\$109,261,334.00, HK\$19,800,000.00, HK\$19,710,000.00 and HK\$1,025,000.00, respectively.

As the proposed settlement of the Admitted Scheme Claims (subject to determination and/or adjudication) to Ka Yik, Mr. Jiang Jinbo, Mr. Lin Huipeng and Ms. Wang Ting Ting under the Scheme is not extended to all other Shareholders, such settlement of indebtedness under the Scheme is not extended to all the other Shareholders, the implementation of the Scheme constitutes a special deal under Rule 25 of the Takeovers Code, and thus requires consent of the Executive.

An application will be made to the Executive for the consents to proceed with the Special Deal under Rule 25 of the Takeovers Code. Such consents, if granted, will be subject to (a) the Independent Financial Adviser publicly stating in its opinion that the terms of the Special Deal are fair and reasonable; and (b) approval of the Special Deal by the Independent Shareholders at the SGM, in which (i) the Concert Party Group and (ii) the Shareholders who are involved in or interested in the Restructuring Framework Agreement and the transactions contemplated thereunder, the Specific Mandate, the Subscription, the Scheme, or the Special Deal (including Ka Yik, Mr. Jiang Jinbo, Mr. Lin Huipeng and Ms. Wang Ting Ting) will be required to abstain from voting in respect of the relevant resolution(s).

Save as disclosed above, as at the date of this joint announcement, based on the information available to the Company, none of the creditors of the Company and their ultimate beneficial owners is a Shareholder.

INFORMATION OF THE GROUP

The Company is an investment holding company. The Group is principally engaged in property development and management, including planning designing, budgeting, licensing, contract tendering and contract administration, property investment and cultivation and sales of ginseng assets in the PRC.

Set out below is the summary of the financial information of the Group for the financial years ended 31 March 2024, 2025 and 2026 as extracted from the 2024/2025 Annual Report and the 2025/26 Annual Results Announcement:

	For the year ended 31 March		
	2024	2025	2026
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
	<i>(audited)</i>	<i>(audited)</i>	<i>(audited)</i>
		<i>(restated)^(Note)</i>	
Revenue	116,072	173,105	52,686
(Loss)/profit before tax from continuing operations	(227,713)	(782,550)	138,627
(Loss)/profit for the year from continuing operations	(193,330)	(712,034)	128,314

	As at 31 March		
	2024	2025	2026
	<i>RMB'000</i>	<i>RMB'000</i>	<i>RMB'000</i>
	<i>(audited)</i>	<i>(audited)</i>	<i>(audited)</i>
Total assets	2,268,515	1,252,364	417,970
Total equity/(deficit)	228,874	(623,301)	(489,493)

Note: The financial information of the Group for the year ended 31 March 2025 in the 2024/2025 Annual Report has been restated as a result of the disposal of property projects in Baishan City, Jilin Province, the PRC, that included in the Group's property investment segment during the year ended 31 March 2026 as it is considered to be a discontinued operation under HKFRS 5.

Further financial information of the Group will be set out in the Composite Document to be despatched.

INFORMATION OF THE OFFEROR

Ground Group HK is a company incorporated in Hong Kong with limited liability and is wholly owned by Jilin Ground Group, which is in turn wholly owned by Xin Guangze.

Xin Guangze is a company established in the PRC with limited liability and is owned as to approximately 75.00%, 10.00% and 15.00% by each of Jilin Guangxun Investment, Jilin Xinquan and Jilin Xinshun, respectively.

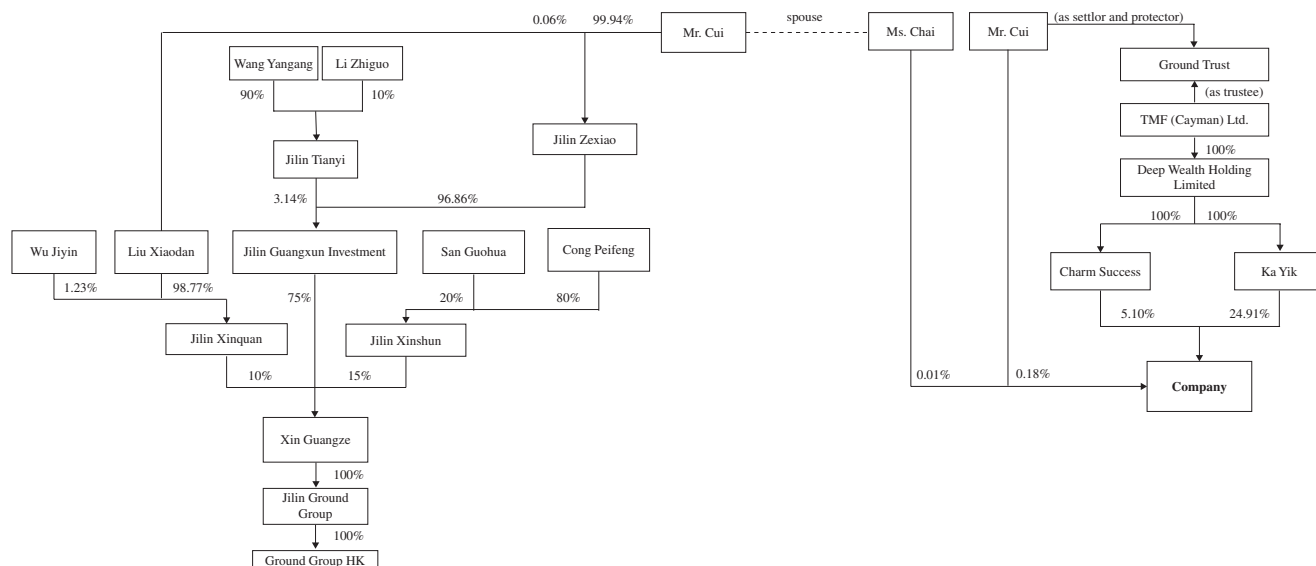
Jilin Guangxun Investment is a company established in the PRC with limited liability and is owned as to approximately 96.86% by Mr. Cui and 劉曉丹 (Liu Xiaodan*) through Jilin Zexiao and as to approximately 3.14% by 王彥剛 (Wang Yangang*) and 李志國 (Li Zhiguo*) through Jilin Tianyi. Wang Yangang and Li Zhiguo are Independent Third Parties, each of whom does not have any relationship with Mr. Cui.

Jilin Xinquan is a company established in the PRC with limited liability and is owned as to approximately 98.77% by 劉曉丹 (Liu Xiaodan*) and approximately 1.23% by 吳紀雨 (Wu Jiyu*) respectively. Liu Xiaodan is the cousin of Mr. Cui. Wu Jiyu is an Independent Third Party and does not have any relationship with Mr. Cui.

Jilin Xinshun is a company established in the PRC with limited liability and is owned as to 80% by Mr. Cong and 20% by 孫國華 (Sun Guohua*) respectively. Mr. Cong is an executive Director and Sun Guohua is an Independent Third Party. Each of Mr. Cong and Sun Guohua does not have any relationship with Mr. Cui.

Ground Group HK is principally engaged in investment holdings.

The shareholding structure of the Offeror is set out as follows:



Based on the available books, records and information of the Company and pending determination and/or adjudication of the Admitted Scheme Claims, the total claim amount owed by the Company Ground Group HK and Ka Yik is HK\$403,720,228.11. Ground Group HK and Ka Yik will be entitled to the aggregate of 2,691,468,186 Scheme Shares upon the Scheme becoming effective. Further, Ground Group HK has undertaken to subscribe for 260,000,000 Subscription Shares by way of set-off against amounts owing under the Funding Agreement, pending determination and/or adjudication of the Admitted Scheme Claims and the close of the Offer pursuant to the Irrevocable Undertaking.

INTENTION OF THE OFFEROR ON THE COMPANY

The Group is principally engaged in property development and management, including planning designing, budgeting, licensing, contract tendering and contract administration, property investment and cultivation and sales of ginseng assets in the PRC. The Offeror has no intention (i) to discontinue the employment of the employees; (ii) to dispose of or re-deploy the assets of the Group other than those in its ordinary course of business; and (iii) to downsize, cease or dispose of any of the existing businesses, operations and assets of the Group. The Offeror also intends to continue the existing principal business of the Group immediately following the completion of the Offer. It is currently intended that, subject to the review by the Offeror from time to time, current directors of the Group's subsidiary who are necessary to participate in the Group's ongoing operations will remain as directors at the relevant Group companies following the completion of the Offer.

Considering the severe liquidity shortage and financial distress situation of the Company, the Offeror intends to provide support in the implementation of the restructuring plan and the continuous business development of the Group. Nevertheless, the Offeror will conduct a detailed review on the existing principal businesses and operations, and the financial position of the Group for the purpose of formulating business plans and strategies for the Group's long-term business development and will explore other business opportunities for the Group, including the diversification into the ginseng and mineral water businesses. Subject to the results of the review, and should suitable investment or business opportunities arise, the Offeror may consider whether any assets and/or business acquisitions or disposals by the Group will be appropriate in order to enhance its growth.

As at the date of this joint announcement, no investment or business opportunity had been identified nor had the Offeror entered into any agreement, arrangement, understanding or negotiation in relation to the injection of any assets or business into the Group, nor any business opportunities in relation to the injection of any assets or business into the Group were under consideration or negotiation.

INDEPENDENT BOARD COMMITTEE, TC INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

The Independent Board Committee comprising all independent non-executive Directors, namely Mr. Tsang Hung Kei, Mr. Wang Xiaochu and Ms. Wang Meirong, has been established to advise the Independent Shareholders as to whether the terms of the Restructuring Framework Agreement and the transactions contemplated thereunder, the Specific Mandate, the Scheme, and the Subscription are fair and reasonable so far as the Independent Shareholders are concerned, and to advise the Independent Shareholders on how to vote, taking into account recommendations of the Independent Financial Adviser.

The TC Independent Board Committee comprising all non-executive Directors who have no direct or indirect interest in the Offer, the Scheme, the Subscription, and the Special Deal, namely Mr. Chiu Sin Nang, Kenny, Mr. Tsang Hung Kei, Mr. Wang Xiaochu and Ms. Wang Meirong, has been established in compliance with Rule 2.8 of the Takeovers Code to (a) advise the Independent Shareholders whether the Special Deal is fair and reasonable, and as to voting, with its letter to be included in the Circular (with respect to the Restructuring Framework Agreement and the transactions contemplated thereunder, the Specific Mandate, the Subscription, the Scheme and the Special Deal); and (b) advise the Independent Shareholders whether the Offer is fair and reasonable and as to the acceptance of the Offer, taking into account recommendations of the Independent Financial Adviser, with its letter to be included in the Composite Document (with respect to the Offer). Since Mr. Cui is the sole director of Jilin Zexiao, the ultimate parent company of the Offeror, he is considered to be interested in the Offer and the Special Deal and is therefore not considered to be independent, he has been excluded from the TC Independent Board Committee.

Jun Hui International has been appointed as the Independent Financial Adviser by the Company with the approval of the Independent Board Committee and the TC Independent Board Committee to (a) advise the Independent Board Committee and the Independent Shareholders on whether the Restructuring Framework Agreement and the transactions contemplated thereunder, the Specific Mandate, the Scheme and the Subscription are fair and reasonable with its letter of advice to be included in the Circular; (b) advise the TC Independent Board Committee and the Independent Shareholders whether the Special Deal is fair and reasonable, and as to voting, with its letter of advice to be included in the Circular; and (c) advise the TC Independent Board Committee and the Independent Shareholders whether the Offer is fair and reasonable and as to the acceptance of the Offer, with its letter of advice to be included in the Composite Document.

GENERAL

The SGM will be convened and held to consider and, if thought fit, approve, among others, the Restructuring Framework Agreement and the transactions contemplated thereunder, the grant of the Specific Mandate, the Subscription, the Scheme, and the Special Deal.

The Company will submit an application to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in the Subscription Shares and the Scheme Shares.

A circular containing, among others, details of: (a) the Restructuring Framework Agreement and the transactions contemplated thereunder; (b) the Specific Mandate; (c) the Scheme; (d) the Subscription; (e) the Special Deal; (f) a letter of advice from the Independent Financial Adviser to the Independent Shareholders in relation to the Restructuring Framework Agreement and the transactions contemplated thereunder, the Subscription, the Specific Mandate, the Scheme, and the Special Deal; and (g) a notice of the SGM, is expected to be despatched to the Shareholders on or before 5 August 2026 in accordance with the Listing Rules. Further announcement(s) will be made as and when appropriate.

Under Rule 8.2 of the Takeovers Code, the Composite Document containing, amongst other things: (i) details of the Offer (including the expected timetable); (ii) a letter of advice from the TC Independent Board Committee to the Independent Shareholders in relation to the Offer; and (iii) a letter of advice from the Independent Financial Adviser to the TC Independent Board Committee in relation to the Offer, together with the forms of acceptance and transfer, is required to be despatched to the Shareholders. As the making of the Offer is conditional upon the Completion, which in turn is conditional upon satisfaction or waiver (as may be applicable) of the conditions precedent for Completion, an application will be made by the Offeror to seek the Executive's consent under Note 2 to Rule 8.2 of the Takeovers Code (which may or may not be granted) to extend the deadline for the despatch of the Composite Document. Further announcement(s) will be made as and when appropriate.

DEALINGS DISCLOSURE

In accordance with Rule 3.8 of the Takeovers Code, associates of the Company or the Offeror (including persons holding 5% or more of a class of relevant securities (as defined under Note 4 to Rule 22 of the Takeovers Code) of the Company) are reminded to disclose their dealings in any relevant securities of the Company pursuant to the requirements of the Takeovers Code.

“Responsibilities of stockbrokers, banks and other intermediaries

Stockbrokers, banks and others who deal in relevant securities on behalf of clients have a general duty to ensure, so far as they are able, that those clients are aware of the disclosure obligations attaching to associates of an offeror or the offeree company and other persons under Rule 22 and that those clients are willing to comply with them. Principal traders and dealers who deal directly with investors should, in appropriate cases, likewise draw attention to the relevant Rules. However, this does not apply when the total value of dealings (excluding stamp duty and commission) in any relevant security undertaken for a client during any 7 day period is less than \$1 million.

This dispensation does not alter the obligation of principals, associates and other persons themselves to initiate disclosure of their own dealings, whatever total value is involved.

Intermediaries are expected to co-operate with the Executive in its dealings enquiries. Therefore, those who deal in relevant securities should appreciate that stockbrokers and other intermediaries will supply the Executive with relevant information as to those dealings, including identities of clients, as part of that co-operation.”

WARNING

The transactions contemplated under the Restructuring Framework Agreement are subject to fulfilment of various conditions and therefore may or may not materialise. The release of this joint announcement does not necessarily indicate that the Proposed Restructuring will be completed. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares.

The Company will keep the Shareholders and investors informed of the latest development by making further announcements as and when appropriate.

DEFINITIONS

Unless the context requires otherwise, capitalised terms used in this joint announcement shall have the following meanings:

“2024/2025 Annual Report”	the Company’s annual report for the year ended 31 March 2025
“2025/2026 Annual Results Announcement”	the Company’s annual results announcement for the year ended 31 March 2026
“acting in concert”	has the meaning ascribed to it under the Takeovers Code
“Adjudicator(s)”	such persons with experience in the adjudication of creditors’ claims in a liquidation as the Scheme Administrators, in their absolute discretion, shall nominate and appoint
“Admitted Scheme Claim(s)”	all Scheme Claim(s) against the Company which have been admitted under the Scheme by the Scheme Administrators or the Adjudicator (as the case may be)
“Alpha Financial”	Alpha Financial Group Limited, a licensed corporation to carry out business in Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO, being one of the joint financial advisers to the Offeror in connection with the Offer
“associates”	has the meaning ascribed to it under the Listing Rules
“Board”	board of Directors
“Bondholder(s)”	holder(s) of the Bonds at the voting record time, being the latest date and time to be specified in the scheme document for the Scheme for the delivery of the notice of claim and proxy form

“Bonds”	HK\$60,000,000 (equivalent to approximately RMB55,734,000) 6% convertible bonds issued by the Company on 23 June 2023 and due on 22 June 2026 and constituted by the Instrument
“Business Day(s)”	a day other than a Saturday, Sunday or public holiday or a day on which a tropical cyclone warning signal no. 8 or above or a black rainstorm warning signal is hoisted or an Extreme Condition is announced in Hong Kong at any time between 9:00 a.m. and 5:00 p.m. on which licensed banks in Hong Kong are generally open for business throughout their normal business hours
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC
“Charm Success”	Charm Success Group Limited (美成集團有限公司), a company incorporated in the BVI with limited liability and directly wholly owned by Deep Wealth Holding Limited which is in turn held by TMF (Cayman) Ltd. as the trustee of the Ground Trust
“Circular”	the circular in relation to the (a) Restructuring Framework Agreement and the transactions contemplated thereunder; (b) the Specific Mandate; (c) the Scheme (d) the Subscription; and (e) the Special Deal to be despatched by the Company
“Claim(s)”	any debt, liability or obligation of the Company (whether known or unknown, whether actual or contingent, whether present, future or prospective, whether liquidated or unliquidated), whether arising by virtue of contract, at common law, in equity or by statute in Hong Kong, Bermuda or in any other jurisdiction or in any manner whatsoever, which includes without limitation a debt or liability to pay money or money’s worth, any liability for breach of trust, any liability in contract (including any guarantee liability of the Company), tort or bailment and any liability arising out of an obligation to make restitution, together with all interest on such debt, obligation or liability
“Companies Ordinance”	Companies Ordinance (Chapter 622 of the Laws of Hong Kong) as amended from time to time
“Company”	China Changbaishan International Holdings Limited (stock code: 0989), a company incorporated in Bermuda with limited liability
“Completion”	completion of the Proposed Restructuring

“Composite Document”	the composite offer and response document to be jointly issued by the Offeror and the Company in accordance with the Takeovers Code containing, among other things, details of the Offer, the recommendation from the TC Independent Board Committee to the Independent Shareholders and the advice from the Independent Financial Adviser to the TC Independent Board Committee in respect of the Offer
“Concert Party Group”	the Offeror and parties acting in concert with it (including Mr. Cui, Ms. Chai, Ms. Cui, Jilin Ground Group, Xin Guangze, Jilin Guangxun Investment, Jilin Xinquan, Jilin Xinshun, Jilin Zexiao, Ka Yik and Charm Success)
“Concert Party Shares”	any Scheme Shares received by members of the Concert Party Group in respect of their Admitted Scheme Claims under the Scheme or any Subscription Shares
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Court”	the High Court of Hong Kong
“Creditors”	collectively, all the creditors of the Company with Admitted Scheme Claims against the Company as at the date on which the Scheme becomes effective
“Director(s)”	director(s) of the Company
“DL Securities”	DL Securities (HK) Limited, a licensed corporation to carry out business in Type 1 (dealing in securities), Type 4 (advising on securities) and Type 6 (advising on corporate finance under the licensing condition that in the capacity as an adviser to a client on matters/transactions falling within the ambit of the Takeovers Code, act together with another adviser (to the client) not subject to this condition) regulated activities under the SFO, being one of the joint financial advisers to the Offeror in connection with the Offer
“Enlarged Issued Share Capital”	5,362,635,631 Shares, being the total number of issued Shares upon Completion as enlarged by the allotment and issue of the Scheme Shares and the Subscription Shares (assuming the full amount of HK\$39,000,000 under the Funding Agreement has been drawn down prior to the completion of the Subscription)

“Excluded Claim(s)”	(i) preferential Claims, (ii) secured Claims, and (iii) the Scheme Costs and (iv) any amounts owing by the Company to Ground Group HK under the Funding Agreement as at the Scheme Effective Date (if any)
“Executive”	the Executive Director of the Corporate Finance Division of the SFC or any of his delegate(s)
“Facility”	a loan facility of up to HK\$40,000,000 granted by DL Securities as lender to the Offeror as borrower, which is secured by the Share Charges over the Concert Party Shares held by members of the Concert Party Group upon Completion and the Offer Shares that may be acquired by the Offeror under the Offer
“Facility Agreement”	the facility agreement dated 3 February 2026 entered into among DL Securities as lender to the Offeror as borrower, which is secured by the Share Charges over the Concert Party Shares held by members of the Concert Party Group upon Completion and the Offer Shares that may be acquired by the Offeror under the Offer
“Funding Agreement”	the funding agreement dated 12 January 2026 (as supplemented on 15 July 2026) entered into among Ground Group HK as lender, the Company and Ka Yun as co-borrowers in relation to a loan in the amount of HK\$39,000,000 which may or may not be drawn down in full
“Group”	the Company and its subsidiaries
“Ground Group HK” or “Offeror”	Ground Group (Hong Kong) Co., Limited, a company incorporated in Hong Kong with limited liability, which is wholly owned by Jilin Ground Group
“Ground Trust”	a discretionary trust set up by Ms. Cui as settlor and protector, and TMF (Cayman) Ltd. as trustee on 27 July 2016
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“HKFRS 5”	being Hong Kong Financial Reporting Standard 5 – Non-Current Assets Held for Sale and Discontinued Operations
“HKSCC”	Hong Kong Securities Clearing Company Limited
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC

“Independent Board Committee”	an independent committee of the Board comprising all independent non-executive Directors established for the purpose of advising the Independent Shareholders in relation to the Restructuring Framework Agreement and the transactions contemplated thereunder, the Specific Mandate, the Scheme, and the Subscription
“Independent Financial Adviser” or “Jun Hui International”	Jun Hui International Finance Limited, a licensed corporation permitted to carry out Type 6 (advising on corporate finance) regulated activity under the SFO, being the independent financial adviser appointed by the Company to (a) advise the Independent Board Committee and the Independent Shareholders on whether the Restructuring Framework Agreement and the transactions contemplated thereunder, the Specific Mandate, the Scheme and the Subscription are fair and reasonable with its letter of advice to be included in the Circular; (b) advise the TC Independent Board Committee and the Independent Shareholders whether the Special Deal is fair and reasonable, and as to voting, with its letter of advice to be included in the Circular; and (c) advise the TC Independent Board Committee and the Independent Shareholders whether the Offer is fair and reasonable and as to the acceptance of the Offer, with its letter of advice to be included in the Composite Document
“Independent Shareholder(s)”	(a) (for the purpose of the Proposed Restructuring, Specific Mandate and Special Deal) Shareholders other than (i) the Scheme Creditors, their close associates and parties acting in concert with any one of them, (ii) those who are involved in or interested in the Proposed Restructuring or the Special Deal; (iii) those who are required to abstain from voting under the Listing Rules; and (iv) members of the Concert Party Group (b) (for the purpose of the Offer) Shareholders other than members of the Concert Party Group
“Independent Third Party(ies)”	party(ies) independent of and not connected with the Company and its connected persons
“Instrument”	the instrument constituting the Bonds
“Irrevocable Undertaking”	has the meaning set out under the section headed “Possible Unconditional Mandatory Cash Offer – Irrevocable Undertaking” in this joint announcement

“Issue Price”	HK\$0.15 per Scheme Share, being the issue price of each Scheme Share
“Jilin Ground Group”	吉林省廣澤集團有限公司 (Jilin Ground Group Company Limited*), a company established in the PRC with limited liability and which is in turn wholly owned by Xin Guangze
“Jilin Guangxun Investment”	吉林省廣訊投資有限公司 (Jilin Guangxun Investment Company Limited*), a company established in the PRC with limited liability and is owned as to approximately 96.86% by Jilin Zexiao and as to approximately 3.14% by Jilin Tianyi
“Jilin Tianyi”	吉林省天益商務諮詢有限公司 (Jilin Tianyi Business Consulting Company Limited*), a company established in the PRC with limited liability and is owned as to approximately 90% by 王彥剛 (Wang Yangang*) and approximately 10% by 李志國 (Li Zhiguo*) respectively
“Jilin Wanding”	吉林省萬鼎控股集團有限公司 (Jilin Wanding Holdings Group Co., Ltd*), a company established in the PRC with limited liability and is owned as to approximately 90% by 隋廣義 (Mr. Sui Guangyi*), 5% by 王健 (Mr. Wang Jian*) and 5% by 王敏 (Ms. Wang Min*) respectively
“Jilin Xinquan”	吉林省新泉商貿有限公司 (Jilin Xinquan Trading Company Limited*), a company established in the PRC with limited liability and is owned as to approximately 98.77% by 劉曉丹 (Liu Xiaodan*) and approximately 1.23% by 吳紀雨 (Wu Jiyu*) respectively
“Jilin Xinshun”	吉林省欣順商務諮詢有限公司 (Jilin Xinshun Business Consulting Company Limited*), a company established in the PRC with limited liability and is owned as to 80.00% by Mr. Cong and 20.00% by 孫國華 (Sun Guohua*) respectively
“Jilin Zexiao”	吉林省澤曉信息科技有限公司 (Jilin Zexiao Information Technology Company Limited*), a company established in the PRC with limited liability, and is owned as to approximately 99.94% by Mr. Cui and 0.06% by 劉曉丹 (Liu Xiaodan*) respectively

“Ka Yik”	Ka Yik Investments Limited (家譯投資有限公司), a company incorporated in the BVI with limited liability and directly wholly owned by Deep Wealth Holding Limited which is in turn held by TMF (Cayman) Ltd. as the trustee of the Ground Trust
“Ka Yun”	Ka Yun Investments Limited (家潤投資有限公司), a company incorporated in the British Virgin Islands and is a wholly-owned subsidiary of the Company
“Last Trading Day”	15 July 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
“Long Stop Date”	31 October 2026 or such later date as the parties to the Restructuring Framework Agreement may agree in writing, and approved by Scheme Creditors holding not less than 75% in value of the aggregate Voting Claims present and voting at a meeting convened for that purpose
“Mr. Cong”	Mr. Cong Peifeng, an executive Director and the sole director of the Offeror
“Mr. Cui”	Mr. Cui Mindong, a non-executive Director and ultimate controlling shareholder of the Offeror. Mr. Cui is also the father of Ms. Cui and the spouse of Ms. Chai
“Ms. Chai”	Ms. Chai Xiu, the spouse of Mr. Cui and the mother of Ms. Cui
“Ms. Cui”	Ms. Cui Xintong, a former executive director and a substantial shareholder of the Company and the daughter of Mr. Cui and Ms. Chai
“Offer”	subject to Completion, the mandatory unconditional cash offer to be made by DL Securities for and on behalf of the Offeror to acquire all the Offer Shares
“Offer Price”	HK\$0.15 per Offer Share
“Offer Share(s)”	all the issued Shares (other than those already beneficially owned or to be acquired by the Concert Party Group and the Scheme Shares)

“PRC”	the People’s Republic of China which for the purpose of this joint announcement shall exclude Hong Kong, Macau Special Administrative Region of the PRC and Taiwan
“Proposed Restructuring”	the proposed restructuring of the capital, business and indebtedness of the Company comprising the Subscription and the Scheme
“Restructuring Documents”	the Restructuring Framework Agreement, the Subscription Agreement and all documents necessary to document and implement the Restructuring Framework Agreement and the Restructuring Transactions
“Restructuring Framework Agreement”	an agreement dated 15 July 2026 and entered into between Ground Group HK and the Company (as may be amended or supplemented from time to time) relating to the Proposed Restructuring
“Restructuring Transactions”	the Subscription and the Scheme, being the transactions for the purpose of implementing the Proposed Restructuring
“RMB”	Renminbi, the lawful currency of the PRC
“Scheme”	the proposed scheme of arrangement in Hong Kong pursuant to section 670 of the Companies Ordinance and made between the Company and the Scheme Creditors in its present form or with or subject to any non-material modifications, additions, or conditions that the Court may approve or impose
“Scheme Administrators”	Mr. Osman Mohammed Arab and Mr. Lai Wing Lun, both of Acclime Corporate Advisory (Hong Kong) Limited acting without personal liabilities subject to the terms of the Scheme
“Scheme Claim(s)”	any Claim excluding the Excluded Claims
“Scheme Company”	a company incorporated by the Scheme Administrators in Hong Kong with limited liability, being a special purpose vehicle held and controlled by the Scheme Administrators
“Scheme Costs”	costs, charges, expenses and disbursements necessary and properly incurred in connection with the administration and implementation of the Scheme including the fees and remuneration of the Scheme Administrators and the Adjudicator and their respective advisers and those set out in the scheme document for the Scheme

“Scheme Creditors”	any person having a Scheme Claim, including but not limited to the Bondholders
“Scheme Effective Date”	the date on which the Scheme becomes effective, where all conditions precedent under the section headed section “3. The Scheme” of this joint announcement have been fulfilled
“Scheme Funds”	all funds from time to time credited to the Scheme Trust Account, including any interest thereon
“Scheme Meeting”	the meeting of the Scheme Creditors convened and held on 8 June 2026 at the direction of the Court for the purpose of considering and, if thought fit, approving the Scheme
“Scheme Share(s)”	an aggregate of 4,742,453,691 new Shares which fall to be allotted and issued by the Company to the Scheme Creditors pursuant to the Scheme
“Scheme Trust Account”	an interest-bearing trust account to be opened in the names of the Scheme Company and/or any of the Scheme Administrators with a licensed bank in Hong Kong for the purposes of holding the Scheme Funds for the benefit of the Scheme Creditors
“SFC”	The Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
“SGM”	the special general meeting of the Company to be convened and held to consider and approve, among other things, the granting of the Specific Mandate, the Scheme, the Subscription and the Special Deal
“Share(s)”	the ordinary share(s) of HK\$0.01 each in the share capital of the Company
“Share Charges”	the share charges granted by the Offeror and certain members of the Concert Party Group as chargors in favour of DL Securities as chargee in respect of the charge over all the Concert Party Shares held by those members of the Concert Party Group upon Completion and any Offer Shares to be acquired by the Offeror during the offer period (as defined under the Takeovers Code) and under the Offer as security for the Facility

“Shareholder(s)”	holder(s) of the issued Shares
“Special Deal”	the proposed settlement of the indebtedness due to each of the Scheme Creditors who are also Shareholders under the Scheme, namely, Ka Yik, Mr. Jiang Jinbo, Mr. Lin Huipeng and Ms. Wang Ting Ting, which will constitute a special deal under Rule 25 of the Takeovers Code
“Specific Mandate”	the specific mandate to be granted by the Independent Shareholders to the Board at the SGM for the allotment and issue of the Scheme Shares and the Subscription Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription”	the subscription of the Subscription Shares subject to the terms and conditions of the Subscription Agreement
“Subscription Agreement”	the conditional subscription agreement dated 15 July 2026 and entered into between Ground Group HK (as subscriber) and the Company (as issuer) in relation to the Subscription
“Subscription Price”	HK\$0.15 per Subscription Share
“Subscription Shares”	an aggregate of 260,000,000 new Shares to be subscribed by Ground Group HK pursuant to the terms and conditions of the Subscription Agreement, each a “Subscription Share”
“substantial shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers issued by the SFC
“TC Independent Board Committee”	an independent committee of the Board comprising all non-executive Directors who have no direct or indirect interest in the Offer and the Special Deal, namely Mr. Chiu Sin Nang, Kenny, Mr. Tsang Hung Kei, Mr. Wang Xiaochu and Ms. Wang Meirong, established in compliance with Rule 2.8 of the Takeovers Code to (a) advise the Independent Shareholders whether the Special Deal is fair and reasonable, and as to voting, with its letter to be included in the Circular; and (b) advise the Independent Shareholders whether the Offer is fair and reasonable and as to the acceptance of the Offer, with its letter to be included in the Composite Document

“Voting Claim(s)” the amount of a Claim admitted for the purposes of voting at the Scheme Meeting, as estimated and determined by the Chairman of the Scheme Meeting in his sole discretion as at the date of the Scheme Meeting. For the avoidance of doubt, the Offeror, Mr. Cui, Ms. Chai, Ms. Cui, Jilin Ground Group, Xin Guangze, Jilin Guangxun Investment, Jilin Xinquan, Jilin Xinshun, Ka Yik and Charm Success have given undertakings not to attend or vote at the Scheme Meeting and to abide by the terms of the Scheme, and hence were not counted towards the Voting Claims

“Xin Guangze” 吉林省鑫廣澤控股有限公司 (Jilin Xin Guangze Holding Company Limited*), a company established in the PRC with limited liability and is owned as to approximately 75.00%, 10.00% and 15.00% by each of Jilin Guangxun Investment, Jilin Xinquan and Jilin Xinshun, respectively

“%” per cent

For and on behalf of
Ground Group (Hong Kong) Co., Limited
Cong Peifeng
Sole Director

By the order of the Board
China Changbaishan International Holdings Limited
Ng Man Kit Micky
Company Secretary

Hong Kong, 15 July 2026

As at the date of this joint announcement, the Executive Directors are Mr. Xu Yingchuan (Acting Chairperson), Mr. Li Junjie and Mr. Cong Peifeng; the Non-executive Directors are Mr. Cui and Mr. Chiu Sin Nang, Kenny; and the Independent Non-executive Directors are Mr. Tsang Hung Kei, Mr. Wang Xiaochu and Ms. Wang Meirong.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this joint announcement (other than those relating to the Concert Party Group), and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than those expressed by the sole director of the Offeror) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement, the omission of which would make any statements in this joint announcement misleading.

As at the date of this joint announcement, the sole director of the Offeror is Mr. Cong. As at the date of this joint announcement, Mr. Cui is also the sole director of Jilin Zexiao, the ultimate parent company of the Offeror. Mr. Cong (being the sole director of the Offeror) and Mr. Cui (being the sole director of the ultimate parent company of the Offeror) jointly and severally accept full responsibility for the accuracy of information contained in this joint announcement (other than the information relating to the Group) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this joint announcement (other than those expressed by the Directors) have been arrived at after due and careful consideration and there are no other facts not contained in this joint announcement the omission of which would make any statement in this joint announcement misleading.

** For identification purposes only*