# THIS PROSPECTUS IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

**If you have sold or transferred** all your shares in the Company, you should at once hand the Prospectus Documents to the purchaser or the transferee or to the bank manager, the licensed securities dealer or registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee. The Prospectus Documents should not, however, be distributed, forwarded to or transmitted to, into or from any territory or jurisdiction where to do so might constitute a violation of local securities laws or regulations.

A copy of each of the Prospectus Documents, and the other document(s) specified in the paragraph headed "15. Documents delivered to the Registrar of Companies" in Appendix III to this Prospectus, have been registered with the Registrar of Companies in Hong Kong as required by section 342C of the Companies (WUMP) Ordinance. The Securities and Futures Commission of Hong Kong and the Registrar of Companies in Hong Kong take no responsibility as to the contents of any of these documents.

Dealings in the Rights Shares in their nil-paid and fully-paid forms may be settled through CCASS. You should consult your licensed securities dealer or registered institution in securities, bank manager, solicitor, professional accountant or other professional advisers for details of those settlement arrangements and how such arrangements may affect your rights and interests.

Subject to the granting of the listing of, and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange as well as compliance with the stock admission requirements of HKSCC, the Rights Shares in both their nil-paid and fully-paid forms will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the respective commencement dates of dealings in the Rights Shares in their nil-paid and fully-paid forms on the Stock Exchange or such other dates as determined by HKSCC. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second settlement day thereafter. All activities under CCASS are subject to the General Rules of HKSCC and HKSCC Operational Procedures in effect from time to time.

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

This Prospectus appears for information only and does not constitute an invitation or offer to shareholders or any other persons to acquire, purchase, or subscribe for securities of the Company.

CHINA WOOD
中木國際

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

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

**(Stock Code: 1822)**

## PROPOSED RIGHTS ISSUE ON THE BASIS OF ONE (1) RIGHTS SHARE FOR EVERY ONE (1) EXISTING SHARE HELD ON RECORD DATE ON A NON-UNDERWRITTEN BASIS

**Placing Agent of the Company**

駿達證券有限公司
Tiger Faith Securities Limited

Capitalised terms used in this cover page shall have the same meanings as those defined in this Prospectus.

The Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptance of the provisionally allotted Rights Shares and is subject to the fulfilment of conditions. Please refer to the section headed "Letter from the Board – Conditions of the Rights Issue" in this Prospectus. In the event that the Rights Issue is not fully subscribed, any Rights Shares not taken up by the Qualifying Shareholders will be placed to independent Placees under the Compensatory Arrangements. Any Unsubscribed Rights Shares or NQS Unsold Rights Shares remain not placed under the Compensatory Arrangements will not be issued by the Company and the size of the Rights Issue will be reduced accordingly. There is no minimum subscription level or minimum amount to be raised under the Rights Issue.

Shareholders and potential investors should note that the Rights Issue is conditional upon the fulfillment of the conditions referred to in the paragraph headed "Conditions of the Rights Issue" in the Letter from the Board. Accordingly, the Rights Issue may or may not proceed. Shareholders and potential investors should exercise extreme caution when dealing in the Shares, and if they are in any doubt about their position, they should consult their professional advisers.

Shareholders should note that the Shares have been dealt in on an ex-rights basis commencing from Wednesday, 5 August 2026 and that dealing in the Rights Shares in the nil-paid form will take place from Tuesday, 18 August 2026 to Tuesday, 25 August 2026 (both days inclusive). Any Shareholder or other person dealing in Shares up to the date on which all conditions to which the Rights Issue is subject are fulfilled (which is expected to be on Wednesday, 9 September 2026), will accordingly bear the risk that the Rights Issue cannot become unconditional and may not proceed. Any Shareholder or other person contemplating selling or purchasing Shares, who is in any doubt about his/her/its position, is recommended to consult his/her/its own professional adviser.

14 August 2026

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# EXPECTED TIMETABLE

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

| **Expected Timetable** | **2026** |
|---|---|
| First day of dealing in nil-paid Rights Shares | Tuesday, 18 August |
| Latest time for splitting of the PAL(s) | 4:30 p.m. on Thursday, 20 August |
| Last day of dealing in nil-paid Rights Shares | Tuesday, 25 August |
| Latest time for lodging transfer documents of nil-paid Rights Shares in order to qualify for the Compensatory Arrangements | 4:00 p.m. on Friday, 28 August |
| Latest time for acceptance of and payment for the Rights Shares | 4:00 p.m. on Friday, 28 August |
| Announcement of the number of the Placing Shares subject to the Compensatory Arrangements | Monday, 31 August |
| Commencement of placing of the Placing Shares by the Placing Agent | Tuesday, 1 September |
| Latest time of placing of the Placing Shares by the Placing Agent | 4:00 p.m. on Tuesday, 8 September |
| Latest time for the Rights Issue and placing of the Placing Shares to become unconditional | 4:00 p.m. on Wednesday, 9 September |
| Announcement of results of the Rights Issue (including results of the placing of the Placing Shares and the amount of the Net Gain per Placing Share under the Compensatory Arrangements) | Monday, 14 September |
| Despatch of certificates for fully-paid Rights Shares and refund cheques, if any | Tuesday, 15 September |
| Commencement of dealings in the fully-paid Rights Shares | 9:00 a.m. on Wednesday, 16 September |

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| Payment of Net Gain to relevant No Action Shareholders or Non-Qualifying Shareholders | Tuesday, 22 September |

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

The Prospectus, in both English and Chinese, will be made available on the Company's website (www.chinawoodint.com.hk) and the Stock Exchange's website (www.hkexnews.hk). A notice of publication of the website version of the Prospectus, in both English and Chinese, will be sent by the Company to Shareholders by email or by post (only if the Company does not possess the functional email address of a Shareholder) on the publication date of the Prospectus.

## EFFECT OF BAD WEATHER OR EXTREME CONDITIONS ON THE LATEST TIME FOR ACCEPTANCE OF AND PAYMENT FOR THE RIGHTS SHARES

The latest time for acceptance of and payment for the Rights Shares will not take place if there is a tropical cyclone warning signal no. 8 or above, or a "black" rainstorm warning or "extreme conditions" caused by super typhoons:

(i) in force in Hong Kong at any local time before 12:00 noon and no longer in force after 12:00 noon on Friday, 28 August 2026. Instead, the latest time for acceptance of and payment for the Rights Shares will be extended to 5:00 p.m. on the same Business Day; or

(ii) in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on Friday, 28 August 2026. Instead, the latest time for acceptance of and payment for the Rights Shares will be rescheduled to 4:00 p.m. on the following Business Day which does not have either of those warnings in force in Hong Kong at any time between 9:00 a.m. and 4:00 p.m.

If the latest time for acceptance of and payment for the Rights Shares does not take place on or before 4:00 p.m. on Friday, 28 August 2026, the dates mentioned in this section may be affected. An announcement will be made by the Company in such event.

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

| | |
|---|---|
| "acting in concert" | has the meaning ascribed to it under the Takeovers Code |
| "AFRC" | the Accounting and Financial Reporting Council |
| "Announcement" | the announcement of the Company dated 18 June 2026 in relation to, among others, the Rights Issue |
| "associates" | has the meaning ascribed to it under the Listing Rules |
| "Board" | the board of Directors |
| "Business Day" | a day(s) (excluding Saturday, Sunday and any day on which a tropical cyclone warning signal no. 8 or above is hoisted or remains hoisted between 9:00 a.m. and 12:00 noon and is not lowered at or before 12:00 noon or on which a "black" rainstorm warning is hoisted or remains in effect between 9:00 a.m. and 12:00 noon and is not discontinued at or before 12:00 noon) on which licensed banks in Hong Kong are open for general business |
| "BVI" | British Virgin Islands |
| "CCASS" | the Central Clearing and Settlement System established and operated by HKSCC |
| "Circular" | the circular of the Company dated 17 July 2026 in relation to, among other things, the Rights Share and the Placing |
| "Company" | China Wood International Holding Co., Limited（中木國際控股有限公司）, an exempted company incorporated in the Cayman Islands with limited liability, and the ordinary shares of which are listed on the main board of the Stock Exchange (stock code: 01822) |
| "connected person" | has the meaning ascribed to it under the Listing Rules |
| "Compensatory Arrangements" | the compensatory arrangements pursuant to Rule 7.21(1)(b) of the Listing Rules as described in the paragraph headed "Procedures in respect of the Unsubscribed Rights Shares and the NQS Unsold Rights Shares and the Compensatory Arrangements" in this Prospectus |

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| "Controlling Shareholder(s)" | has the meaning ascribed to it under the Listing Rules |
| "Director(s)" | the director(s) of the Company |
| "EGM" | the extraordinary general meeting of the Company convened and held on 3 August 2026 at which the Rights Issue, the Placing and the transactions contemplated respectively thereunder have been approved by Independent Shareholders |
| "Group" | the Company and its subsidiaries |
| "HK$" | Hong Kong dollars, the lawful currency of Hong Kong |
| "HKSCC" | the Hong Kong Securities Clearing Company Limited |
| "HKSCC Operational Procedures" | the Operational Procedures of HKSCC in relation to CCASS, containing the practices, procedures and administrative requirements relating to operations and functions of CCASS, as amended from time to time |
| "Hong Kong" | the Hong Kong Special Administrative Region of the People's Republic of China |
| "Independent Shareholders" | Shareholders other than (i) the controlling shareholder of the Company; (ii) those who are involved in or interested in the Rights Issue; and (iii) those who are required under the Listing Rules to abstain from voting at the EGM |
| "Independent Third Party(ies)" | third party(ies) who, to the best of the Directors' knowledge, information and belief having made all reasonable enquiry, are independent of and not acting in concert or connected with the Company and its connected persons or any of their respective associates |
| "Last Trading Day" | 18 June 2026, being the last full trading day of the Shares on the Stock Exchange prior to the release of the Announcement |
| "Latest Practicable Date" | 7 August 2026 being the latest practicable date prior to the printing of this Prospectus for ascertaining certain information contained herein |

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|---|---|
| "Latest Time for Acceptance" | 4:00 p.m. on Friday, 28 August 2026 or such later time or date as may be determined by the Company, being the latest time for acceptance of, and payment for, the Rights Shares as described in the Prospectus Documents |
| "Latest Time for Termination" | 4:00 p.m. on Wednesday, 9 September 2026 or such later time or date as the Company and the Placing Agent may agree in writing, being the latest time to terminate the Rights Issue and the Placing Agreement |
| "Listing Rules" | the Rules Governing the Listing of Securities on the Stock Exchange |
| "Mr. Lyu" | Mr. Lyu NingJiang, the chairman of the Board, CEO, executive Director and a Controlling Shareholder of the Company |
| "Net Gain" | the aggregate of any premiums (being the aggregate amount paid by the placees after deducting the aggregate amount of the Subscription Price for the Placing Shares placed by the Placing Agent under the Placing Agreement) |
| "No Action Shareholders" | Qualifying Shareholder(s) or renouncee(s) or transferee(s) of nil-paid rights under PAL(s) during the Rights Issue who do not subscribe for the Rights Shares (whether partially or fully) under the PAL(s), or such persons who hold any nil-paid rights at the time such nil-paid rights lapse |
| "Non-Qualifying Shareholder(s)" | Overseas Shareholder(s) whom the Board, after making enquiries, consider it necessary or expedient not to offer the Rights Issue to such Shareholder(s) on account either of the legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place |
| "NQS Unsold Rights Shares" | the Rights Shares which would otherwise have been provisionally allotted to the Non-Qualifying Shareholders in nil-paid form that have not been sold by the Company |

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| "Overseas Shareholder(s)" | Shareholder(s) whose name(s) appear on the register of members of the Company on the Record Date and whose address(es) as shown on such register is/are in a place(s) outside Hong Kong |
| "PAL(s)" | the renounceable provisional allotment letter(s) in respect of the Rights Issue proposed to be issued to the Qualifying Shareholders |
| "Placee(s)" | means any professional, institutional and other investor, independent of and not connected with the connected persons of the Company and their respective associates, whom the Placing Agent has procured to subscribe for any of the Placing Shares pursuant to its obligations hereunder |
| "Placing" | arrangements to place the Unsubscribed Rights Shares and the NQS Unsold Rights Shares by the Placing Agent on a best effort basis to investors who (or as the case may be, their ultimate beneficial owner(s)) are not Shareholders and are otherwise Independent Third Parties during the Placing Period on the terms and subject to the conditions set out in the Placing Agreement |
| "Placing Agent" | Tiger Faith Securities Limited, a company incorporated in Hong Kong with limited liabilities and licensed by the SFC to carry on Type 1 (dealing in securities) and Type 4 (advising on securities) regulated activity under SFO, being the placing agent appointed by the Company to place the Placing Shares under the Compensatory Arrangements |
| "Placing Agreement" | the placing agreement dated 18 June 2026 entered into between the Company and the Placing Agent in relation to the placing of the Placing Shares |
| "Placing Period" | the period from Tuesday, 1 September 2026 up to 4:00 p.m. on Tuesday, 8 September 2026, or such other dates as the Company may announce, being the period during which the Placing Agent will seek to effect the Compensatory Arrangements |
| "Placing Share(s)" | the Unsubscribed Rights Share(s) and the NQS Unsold Rights Share(s) |

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|---|---|
| "PRC" | the People's Republic of China, which for the purpose of this Prospectus excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan |
| "Prospectus" | the prospectus to be despatched to the Shareholders by the Company containing details of the proposed Rights Issue |
| "Prospectus Documents" | the Prospectus and the PAL |
| "Prospectus Posting Date" | Friday, 14 August 2026, or such other day as may be determined by the Company for the despatch of the Prospectus Documents |
| "Qualifying Shareholder(s)" | Shareholder(s) whose name(s) appear on the register of members of the Company on the Record Date, other than the Non-Qualifying Shareholders |
| "Record Date" | Thursday, 13 August 2026 or such other date as may be determined by the Company for the determination of the entitlements under the Rights Issue |
| "Registrar" | the branch share registrar of the Company in Hong Kong, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong |
| "Right Momentum" | Right Momentum Group Limited, a company incorporated in the BVI and wholly owned by Mr. Lyu |
| "Rights Issue" | the proposed issue of up to 986,898,680 Rights Shares by way of rights on the basis of one (1) Rights Share for every one (1) existing Share held by the Qualifying Shareholders on the Record Date at the Subscription Price on the terms and subject to the conditions set out in the Prospectus Documents |
| "Rights Share(s)" | Shares to be allotted and issued under the proposed Rights Issue on the basis of one (1) Rights Share for every one (1) existing Share in issue on the Record Date, being 986,898,680 Rights Shares based on the Company's total number of issued Shares as at the Latest Practicable Date |
| "RMB" | Renminbi, the lawful currency of the PRC |

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|---|---|
| "SFO" | Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong) |
| "Share(s)" | ordinary share(s) of HK$0.01 each in the share capital of the Company |
| "Shareholder(s)" | holder(s) of issued Share(s) |
| "Stock Exchange" | The Stock Exchange of Hong Kong Limited |
| "Subscription Price" | HK$0.077 per Rights Share |
| "substantial shareholder" | has the meaning ascribed to it under the Listing Rules |
| "Takeovers Code" | The Hong Kong Code on Takeovers and Mergers (as amended and supplemented from time to time) |
| "Unsubscribed Rights Share(s)" | the number of unsubscribed Rights Share(s) not taken up by Qualifying Shareholder(s) or renouncee(s) or transferee(s) of nil-paid rights under PAL(s) during the Rights Issue |
| "%" | percentage |

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

CHINA WOOD
中木國際

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

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

**(Stock Code: 1822)**

*Executive Directors:*
Mr. Lyu NingJiang *(Chairman and CEO)*
Ms. Ng Lai Ha

*Non-executive Director:*
Mr. Hu YongGang

*Independent non-executive Directors:*
Mr. Pang MingLi
Mr. Chan Lik Shan
Mr. So Yin Wai

*Registered Office:*
Cricket Square, Hutchins Drive
P.O. Box 2681, Grand Cayman
KY1-1111
Cayman Islands

*Head Office and Principal Place of Business:*
11th Floor, Tower 2
Admiralty Centre
18 Harcourt Road, Admiralty
Hong Kong

Friday, 14 August 2026

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

Dear Sir or Madam,

**PROPOSED RIGHTS ISSUE
ON THE BASIS OF ONE (1) RIGHTS SHARE
FOR EVERY ONE (1) EXISTING SHARE HELD ON RECORD DATE
ON A NON-UNDERWRITTEN BASIS**

## INTRODUCTION

References are made to the announcement of the Company dated 18 June 2026 and the Circular whereby the Board announced, among others, that the Company proposed to conduct the Rights Issue.

At the EGM held on 3 August 2026, the proposed resolution for approving the Rights Issue and the transactions contemplated thereunder was duly approved by the Independent Shareholders, details of which were disclosed in the poll results announcement of the Company dated 3 August 2026.

From the date of the Announcement and up to 13 August 2026, being the Record Date, no issue or repurchase of Shares has been conducted. As a result, the total number of issued Shares as at the Record Date was 986,898,680 Shares and the total number of Rights Shares to be issued will be up to 986,898,680 Rights Shares.

The purpose of this Prospectus is to provide you with further details on (i) the Rights Issue, including the procedures for acceptance and payment and/or transfer of the Rights Shares provisionally allotted to you; (ii) the financial information of the Group; and (iii) the general information of the Group.

**PROPOSED RIGHTS ISSUE**

The Board proposed the Rights Issue on the basis of one (1) Rights Share for every one (1) existing Share held on the Record Date. Set out below are the details of the Rights Issue.

**Rights Issue Statistics**

| | | |
|---|---|---|
| Basis of the Rights Issue | : | One (1) Rights Share for every one (1) Share held by the Qualifying Shareholders at the close of business on the Record Date |
| Subscription Price | : | HK$0.077 per Rights Share |
| Number of Shares in issue as at the Latest Practicable Date | : | 986,898,680 existing Shares |
| Number of Rights Shares to be issued pursuant to the Rights Issue | : | Up to 986,898,680 Rights Shares (assuming (i) no change in the total number of Shares in issue from Latest Practicable Date up to and including the Record Date and (ii) full subscription under the Rights Issue) |
| Total number of Shares in issue immediately upon completion of the Rights Issue | : | Up to 986,898,680 Shares (assuming (i) no change in the total number of Shares in issue from Latest Practicable Date up to and including the Record Date and (ii) full subscription under the Rights Issue) |
| Gross proceeds from the Rights Issue (before deducting the relevant expenses) | : | Up to approximately HK$76 million (assuming (i) no change in the total number of Shares in issue from the Latest Practicable Date up to and including the Record Date and (ii) full subscription under the Rights Issue) |

| | | |
|---|---|---|
| Net proceeds from the Rights Issue (after deducting the estimated relevant expenses) | : | Up to approximately HK$74 million (assuming (i) no change in the total number of Shares in issue from the Latest Practicable Date up to and including the Record Date and (ii) full subscription under the Rights Issue) |
| Right of excess applications | : | There will not be excess application arrangements in relation to the Rights Issues. |

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

Assuming no Shares are issued or repurchased on or before the Record Date, 986,898,680 Rights Shares to be issued pursuant to the terms of the proposed Rights Issue represents (i) 100% of the total number of issued Shares as at the Latest Practicable Date; and (ii) 50% of the issued share capital of the Company as enlarged by the allotment and issue of the Rights Shares.

**Subscription Price**

The Subscription Price is HK$0.077 per Rights Share, payable in full upon acceptance of the relevant provisional allotment of Rights Shares and, where applicable, application for excess Rights Shares under the Rights Issue or when a transferee of nil-paid Rights Shares applies for the Rights Shares.

The Subscription Price represents:

(i) a discount of approximately 53.05% to the closing price of HK$0.164 per Share as quoted on the Stock Exchange on the Latest Practicable Date;

(ii) a discount of approximately 43.80% to the closing price of HK$0.137 per Share as quoted on the Stock Exchange on the Last Trading Day;

(iii) a discount of approximately 44.84% to the average closing prices of HK$0.1396 per Share as quoted on the Stock Exchange for the 5 consecutive trading days up immediately prior to the Last Trading Day;

(iv) a discount of approximately 44.00% to the average closing price of HK$0.1375 per Share as quoted on the Stock Exchange for the last ten consecutive trading days immediately prior to the Last Trading Day;

(v) a discount of approximately 28.03% to the theoretical ex-rights price of HK$0.107 per Share as adjusted for the effect of the Rights Issue, based on the closing price of HK$0.137 per Share as quoted on the Stock Exchange on the Last Trading Day;

(vi) theoretical dilution effect (as defined under Rule 7.27B of the Listing Rules) of approximately 22.42%, represented by the theoretical diluted price of approximately HK$0.1083 per Share to the benchmarked price of approximately HK$0.1396 per Share (as defined under Rule 7.27B of the Listing Rules, taking into account the higher of (i) the closing price of the Shares as quoted on the Stock Exchange on the Last Trading Day and (ii) the average of the closing prices of the existing Shares as quoted on the Stock Exchange for the five (5) previous consecutive trading days prior to the Last Trading Day); and

(vii) a premium of approximately 5.48% to the audited consolidated net asset value per Share attributable to the Shareholders as at 31 December 2025 of approximately HK$0.073 per Share, which is calculated by dividing the audited consolidated net assets of the Group attributable to the Shareholders of approximately HK$71,932,000 as at 31 December 2025 as set out in the annual report of the Company for the year ended 31 December 2025 by the number of Shares as at the Last Trading Day.

The Subscription Price was determined with reference to (i) the recent market price and trading volume of the Shares; (ii) the prevailing market conditions of the capital market in Hong Kong; (iii) the latest business performance and financial position of the Group; and (iv) the reasons for and benefits of the Rights Issue as discussed in the section headed "REASONS FOR AND BENEFITS OF THE RIGHTS ISSUE AND USE OF PROCEEDS" in this Prospectus.

In particular, in determining the Subscription Price of HK$0.077 per Rights Share, the Board took into account the following factors: (i) latest business performance and financial position of the Group, as set out in the section headed "REASONS FOR AND BENEFITS OF THE RIGHTS ISSUE AND USE OF PROCEEDS" below, the Group's financial performance has deteriorated significantly. The Group's revenue decreased by approximately 23.65% from approximately HK$356.37 million for FY2024 to approximately HK$272.08 million for FY2025, and the Group recorded a loss attributable to owners of the Company of approximately HK$30.77 million for FY2025, as compared to a profit attributable to owners of the Company of approximately HK$63.78 million for FY2024. As at 31 December 2025, the Group's cash and cash equivalents was approximately HK$1.18 million. The Board considered that, in light of the Group's financial deterioration and limited cash resources, a meaningful discount to the prevailing market price of the Shares was necessary and appropriate to promote the attractiveness of the Rights Shares to the Qualifying Shareholders and to facilitate the successful completion of the Rights Issue; (ii) reasons for and benefits of the Rights Issue, as further described in the section headed "REASONS FOR AND BENEFITS OF THE RIGHTS ISSUE AND USE OF PROCEEDS" below, the Company intends to apply the net proceeds of the Rights Issue of approximately HK$74 million (assuming full subscription) primarily towards (a) research and development of the Group's food and beverage offerings (approximately HK$34 million); (b) marketing and promotion activities for the Group's food and beverage business (approximately HK$8 million); (c) marketing and promotion activities for the Group's wood-related business (approximately HK$6 million); and (d) working capital of the Group (approximately HK$26 million). Having regard to the scale of the Group's funding requirements and the need to raise sufficient capital in a timely manner to support its business development, the Board considered it necessary to offer the Rights Shares at a price that would be sufficiently attractive to encourage the maximum possible take-up by the Qualifying Shareholders.

The Directors (including the independent non-executive Directors) consider that, despite any potential dilution impact of the proposed Rights Issue on the shareholding interests of the Shareholders, and having taken into account the Group's deteriorated financial position and limited cash resources as at 31 December 2025, and the Group's funding requirements for its business development, the terms of the proposed Rights Issue, including the Subscription Price, to be fair and reasonable and in the best interests of the Company and the Shareholders as a whole, after taking into account the following factors:

(i) the average daily trading volume during the period of one year prior to the Last Trading Day (the "**Review Period**"), was approximately 630,000 shares, representing approximately 0.06% of the total number of Shares in issue as at Latest Practicable Date. Taking into account the low trading volume of the Shares during the Review Period, it is reasonable and necessary to set the Subscription Price at a discount to the recent market price so as to attract the investors to participate in the Rights Issue;

(ii) the Qualifying Shareholders who do not wish to take up their provisional entitlements under the proposed Rights Issue are able to sell the nil-paid rights in the market;

(iii) the proposed Rights Issue allows the Qualifying Shareholders an opportunity to subscribe for their pro-rata Rights Shares for the purpose of maintaining their respective existing shareholding interests in the Company and an opportunity to subscribe for excess Rights Shares subject to the level of acceptance; and

(iv) the proceeds from the Rights Issue can fulfil the funding needs of the Group.

As at the date of this Prospectus, the Company has not received any information or irrevocable undertaking from any Shareholder of their intention in relation to the Rights Shares to be allotted to them under the Rights Issue.

**Conditions of the Rights Issue**

The Rights Issue will be conditional upon:

(i) the passing by more than 50% of the votes cast by the Independent Shareholders by way of poll of all necessary resolutions to be proposed at the EGM for the transactions contemplated under the Rights Issue to be effective in compliance with the Listing Rules, including but not limited to approving, confirming and/or ratifying the Rights Issue, including the allotment and issue of the Rights Shares in their nil-paid and fully-paid forms;

(ii) the delivery of the Prospectus Documents to the Stock Exchange and the issue by the Stock Exchange on or before the Prospectus Posting Date of a certificate authorising registration of the Prospectus Documents with the Registrar of Companies in Hong Kong;

(iii) following registration, the posting of the Prospectus Documents to the Qualifying Shareholders and the publication of the Prospectus Document on the website of the Stock Exchange on or before the Prospectus Posting Date;

(iv) the grant of listing of the Rights Shares (in both nil-paid and fully paid forms) by the Stock Exchange (either unconditionally or subject only to the allotment and despatch of the share certificates in respect thereof) and the grant of permission to deal in the nil-paid Rights Shares and the fully-paid Rights Shares by the Stock Exchange (and such permission and listing not subsequently having been withdrawn or revoked); and

(v) the Placing Agreement not being terminated pursuant to the terms thereof and remaining in full force and effect.

None of the above conditions can be waived. As at the Latest Practicable Date, condition (i) has been fulfilled.

**Non-underwritten basis**

Subject to the fulfilment of the conditions of the Rights Issue, the Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptances of the provisionally allotted Rights Shares. In the event that the Rights Issue is not fully subscribed, any Unsubscribed Rights Shares together with the NQS Unsold Rights Shares will be placed on a best effort basis by the Placing Agent to independent Placees under the Placing. Any Unsubscribed Rights Shares or NQS Unsold Rights Shares which remain not placed under the Placing will not be issued by the Company and the size of the Rights Issue will be reduced accordingly. There is no minimum subscription amount required to be raised from the Rights Issue.

As the Rights Issue will proceed on a non-underwritten basis, a Shareholder who applies to take up all or part of his/her/its entitlement under the PAL may unwittingly incur an obligation to make a general offer for the Shares under the Takeovers Code. Accordingly, the Rights Issue will be made on terms that the Company will provide for the Shareholders (other than HKSCC Nominees Limited) to apply on the basis that if the Rights Shares are not fully taken up, the application of any Shareholder for his/her/its assured entitlement under the Rights Issue will be scaled down to a level which does not trigger an obligation on part of the relevant Shareholder to make a general offer under the Takeovers Code in accordance to the note to Rule 7.19(5)(b) of the Listing Rules.

**Qualifying Shareholders**

The Company will send the Prospectus Documents to the Qualifying Shareholders only. For the Non-Qualifying Shareholders, the Company will send copies of the Prospectus to them for their information only, but no PAL will be sent to the Non-Qualifying Shareholders. To qualify for the Rights Issue, a Shareholder must be registered as a member of the Company and not be a Non-Qualifying Shareholder on the Record Date.

Shareholders whose Shares are held by nominee companies (or which are deposited in CCASS) should note that the Board will regard a nominee company (including HKSCC Nominees Limited) as a single Shareholder according to the register of members of the Company. Shareholders with their Shares held by nominee companies (or which are deposited in CCASS) are advised to consider whether they would like to arrange for registration of the relevant Shares in the name of the beneficial owner(s) prior to the Record Date.

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

**Rights of Overseas Shareholders**

As at the Latest Practicable Date, the Company had a total of 23 Overseas Shareholders, including (i) one Overseas Shareholder, being Right Momentum, with registered address in the British Virgin Islands holding 452,196,170 Shares; and (ii) 22 Overseas Shareholders with registered address in the PRC holding an aggregate of 7,718 Shares.

The Company has complied with Rule 13.36(2) of the Listing Rules and made enquiries regarding the feasibility of extending the Rights Issue to such Overseas Shareholders. Taking into account the advice provided by legal adviser in the PRC and by legal adviser in the BVI, the Directors are of the view that the relevant PRC and BVI legal restrictions and requirements of the regulatory body or stock exchange in the PRC and/or in the BVI do not make it necessary or expedient to exclude the Overseas Shareholders with registered addresses located in the PRC or in the BVI from the Rights Issue. Therefore, such Overseas Shareholders are not Non-Qualifying Shareholders and the Rights Issue will be extended to such Overseas Shareholders.

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

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

**Procedures in respect of the Unsubscribed Rights Shares and the NQS Unsold Rights Shares and the Compensatory Arrangements**

Pursuant to Rule 7.21(1)(b) of the Listing Rules, the Company will make arrangements to dispose of the Unsubscribed Rights Shares and the NQS Unsold Rights Shares by offering the Unsubscribed Rights Shares and the NQS Unsold Rights Shares to independent Placees for the benefit of Shareholders to whom they were offered by way of the Rights Issue. There will be no excess application arrangements in relation to the Rights Issue. On Thursday, 18 June 2026, the Company entered into the Placing Agreement with the Placing Agent in relation to the placing of Unsubscribed Rights Shares and the NQS Unsold Rights Shares to independent Placees on a best effort basis.

Pursuant to the Placing Agreement, the Company appointed the Placing Agent to place the Placing Shares during the Placing Period to independent Placees on a best effort basis, any premium over the Subscription Price for those Rights Shares that is realised will be paid to those No Action Shareholders on a pro-rata basis. The Placing Agent will on a best effort basis, procure, by not later than 4:00 p.m., on Tuesday, 8 September 2026, Placees to subscribe for all (or as many as possible) of those Unsubscribed Rights Shares and the NQS Unsold Rights Shares. Any Unsubscribed Rights Shares and the NQS Unsold Rights Shares remain not placed after completion of the Placing will not be issued by the Company and the size of the Rights Issue will be reduced accordingly.

Net Gain (if any) will be paid (without interest) to the No Action Shareholders as set out below on a pro rata basis (but rounded down to the nearest cent):

A. the relevant Qualifying Shareholders (or such persons who hold any nil-paid rights at the time such nil-paid rights are lapsed) whose nil-paid rights are not validly applied for in full, by reference to the extent that Shares in his/her/its nil-paid rights are not validly applied for; and

B. the relevant Non-Qualifying Shareholders with reference to their shareholdings in the Company on the Record Date.

If and to the extent in respect of any Net Gain, any No Action Shareholders become entitled on the basis described above to an amount of HK$100 or more, such amount will be paid to the relevant No Action Shareholder(s) in Hong Kong Dollars only and the Company will retain individual amounts of less than HK$100 for its own benefit.

*Placing Agreement for Unsubscribed Rights Shares and the NQS Unsold Rights Shares*

Details of the Placing Agreement are summarised below:

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| Date: | Thursday, 18 June 2026 (after trading hours) |
| Issuer: | The Company |
| Placing Agent: | Tiger Faith Securities Limited<br><br>The Placing Agent confirmed that it and its ultimate beneficial owner(s) are not Shareholders and are Independent Third Parties. |
| Placing Period: | The period from Tuesday, 1 September 2026 up to 4:00 p.m. on Tuesday, 8 September 2026, or such other dates as the Company may announce, being the period during which the Placing Agent will carry out and/or effectuate the Placing. |
| Commission and Expenses: | The Company shall pay the Placing Agent a placing commission equivalent to 1.5% of the amount which is equal to the placing price multiplied by the total number of the Placing Shares which are successfully placed by the Placing Agent.<br><br>The placing commission payable to the Placing Agent under the Placing Agreement is arrived at after arm's length negotiations between the Company and the Placing Agent with reference to the prevailing market commission rate for similar transactions. The Directors are of the view that the placing commission is fair and reasonable. |
| Placing price: | The placing price of each of the Placing Shares shall not be less than the Subscription Price (exclusive of any brokerage, SFC transaction levy, AFRC transaction levy and Stock Exchange trading fee as may be payable). |

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| Placees: | The Placing Shares will be placed to the Placees, who and whose ultimate beneficial owner(s) shall be Independent Third Party(ies).<br><br>For the avoidance of doubt, none of the Placees shall become a substantial shareholder of the Company. |
| Ranking of the Placing Shares: | The placed Placing Shares (when allotted, issued and fully paid, if any) shall rank *pari passu* in all respects among themselves and with the existing Shares in issue as at the date of completion of the Placing. |
| Conditions Precedent: | The obligations of the Placing Agent under the Placing Agreement are conditional upon the following conditions being fulfilled:<br><br>(i) the Listing Committee of the Stock Exchange granting the approval for the listing of, and the permission to deal in, the Rights Shares, including the Placing Shares;<br><br>(ii) none of the representations, warranties or undertakings contained in the Placing Agreement being or having become untrue, inaccurate or misleading in any material respect at any time before completion, and no fact or circumstance having arisen and nothing having been done or omitted to be done which would render any of such undertakings, representations or warranties untrue or inaccurate in any material respect if it was repeated as at the time of completion; and<br><br>(iii) the Placing Agreement not having been terminated in accordance with the provisions thereof. |

The Placing Agent may, in its absolute discretion, waive the fulfillment of all or any or any part of the above conditions (other than the condition set out in paragraph (i) above) by notice in writing to the Company. The Company shall use its best endeavours to procure the fulfilment of such conditions precedent by 4:00 p.m. on Wednesday, 9 September 2026 (the "**Long Stop Date**"). If any of the conditions precedent to the Placing Agreement have not been fulfilled by the Long Stop Date or become incapable of being fulfilled (subject to the Placing Agent not exercising its rights to waiver or extend the time for fulfilment of such conditions), then the Placing will lapse and all rights, obligations, liabilities of the Company and the Placing Agent in relation to the Placing shall cease and determine, save in respect of any accrued rights or obligations under the Placing Agreement or antecedent breach thereof.

Termination: The Placing Period shall end at 4:00 p.m. on Tuesday, 8 September 2026 or any other date by mutual agreement between the Placing Agent and the Company.

The Placing Agent may terminate the Placing Agreement by notice in writing given to the Company at any time on or prior to the Long Stop Date if any of the following events occur at any time prior to the Long Stop Date:

(a) in the reasonable opinion of the Placing Agent, there shall have been since the date of the Placing Agreement such a change in national or international financial, political or economic conditions or taxation or exchange controls as would be likely to prejudice materially the consummation of the Placing; or

(b) the introduction of any new law or regulation or any change in existing law or regulation (or the judicial interpretation thereof) or other occurrence of any matter whatsoever which may adversely affect the business or the financial or trading position or prospects of the Group as a whole; or

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

(d) there is any adverse change in the financial position of the Company which in the reasonable opinion of the Placing Agent is material in the context of the Placing.

If notice of termination is given by the Placing Agent, the Placing Agreement shall be terminated and be of no further effect and neither party shall be under any liability to the other party in respect of the Placing Agreement save for any antecedent breach under the Placing Agreement prior to such termination.

The engagement between the Company and the Placing Agent in respect of the Placing Shares (including the commission and expenses payable) was determined after arm's length negotiation between the Placing Agent and the Company and is on normal commercial terms with reference to the market comparables, the existing financial position of the Group, the size of the Rights Issue, and the current and expected market conditions. The Board considers that the terms of Placing Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

As the Unsubscribed Rights Shares and NQS Unsold Rights Shares will be placed by the Placing Agent to Independent Third Parties on a best effort basis for the benefits of the No Action Shareholders. If all or any of the Unsubscribed Rights Shares and NQS Unsold Rights Shares are successfully placed, any premium over the Subscription Price will be distributed to the relevant No Action Shareholders. The Company will ensure compliance with the public float requirements under Rule 8.08 of the Listing Rules following completion of the Rights Issue and the Placing. After the Placing Period, it is expected that none of the Placees shall become a substantial Shareholder.

The Board considered that the Compensatory Arrangements are fair and reasonable and provide adequate safeguard to protect the interests of the Company's Shareholders because:

(i) they are in compliance with Rule 7.21(1)(b) of the Listing Rules under which the No Action Shareholders may be compensated even if they do nothing (i.e. neither subscribe for Rights Shares nor sell their nil-paid rights) because under the arrangements, the Unsubscribed Rights Shares and NQS Unsold Rights Shares will be first offered to Independent Third Parties and any premium over the Subscription Price will be paid to the No Action Shareholders. The commission payable to the Placing Agents and the related fees and expenses in relation to such Placing will be borne by the Company;

(ii) the Compensatory Arrangements would provide (a) a distribution channel of the Placing Shares to the Company; (b) an additional channel of participation in the Rights Issue for the Qualifying Shareholders and the Non-Qualifying Shareholders; and (c) a compensatory mechanism for the No Action Shareholders and the Non-Qualifying Shareholders. Besides, the Rights Issue will give the Qualifying Shareholders an equal and fair opportunity to maintain their respective pro rata shareholding interests in the Company. As such, the Board considered that the absence of excess application arrangement is acceptable; and

(iii) the terms of the Placing Agreement, including the placing commission, are on normal commercial terms.

**Basis of provisional allotment**

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

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

**Fractional entitlements to the Rights Shares**

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

**Status of the Rights Shares**

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

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

Subject to the fulfillment of the conditions of the Rights Issue, certificates for all fully-paid Rights Shares are expected to be posted to those entitled thereto by ordinary post at their own risk on or before Tuesday, 15 September 2026. If the Rights Issue does not become unconditional, refund cheques without interest are expected to be posted on or before Tuesday, 15 September 2026 by ordinary post to the respective applicants, at their own risk, to their registered addresses.

**Procedures for acceptance and payment or transfer**

A PAL is enclosed with this Prospectus, which entitles the Qualifying Shareholders to whom it is addressed to subscribe for the number of the Rights Shares shown thereon. If a Qualifying Shareholder wishes to accept all the Rights Shares provisionally allotted to him/her/it as specified in the PAL, he/she/ it must lodge the PAL in accordance with the instructions printed thereon with the Registrar, together with a remittance for the full amount payable on acceptance, so that they will be received by no later than 4:00 p.m. (Hong Kong time) on Friday, 28 August 2026 (or, under bad weather conditions, such later time and/or date as mentioned in the paragraph headed "EFFECT OF BAD WEATHER OR EXTREME CONDITIONS ON THE LATEST TIME FOR ACCEPTANCE OF AND PAYMENT FOR THE RIGHTS SHARE" in the section headed "Expected Timetable" in this Prospectus). All remittances must be made in Hong Kong dollars by cheque which must be drawn on a bank account with, or by cashier's order which must be issued by, a licensed bank in Hong Kong and made payable to "**China Wood International Holding Co., Limited**" and crossed "**Account Payee Only"**.

It should be noted that unless the duly completed PAL, together with the appropriate remittance, has been lodged with the Registrar by no later than 4:00 p.m. (Hong Kong time) on Friday, 28 August 2026, whether by the original allottee or any person in whose favour the provisional allotment has been validly transferred, that provisional allotment and all rights and entitlement thereunder will be deemed to have been declined and will be cancelled. The Company may, at its sole and absolute discretion, treat a PAL as valid and binding on the person(s) by whom or on whose behalf it is lodged even if the PAL is not completed in accordance with the relevant instructions. The Company may require such incomplete PAL to be completed by the relevant applicant at a later stage.

If a Qualifying Shareholder wishes to accept only part of his/her/its provisional allotment or transfer part of his/her/its rights to subscribe for the Rights Shares provisionally allotted to him/her/it under the PAL, or to transfer part of his/her/its rights to more than one person, the entire and original PAL must be surrendered and lodged for cancellation by no later than 4:30 p.m. on Thursday, 20 August 2026 to the Registrar, who will cancel the original PAL and issue new PALs in the denominations required. The new PALs will be available for collection from the Registrar at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, after 9:00 a.m. on the second Business Day after the surrender of the original PAL.

It should be noted that Hong Kong ad valorem stamp duty is payable in connection with the transfer of your rights to subscribe for the relevant Rights Shares to the transferee(s) and the acceptance by the transferee(s) of such rights. The Company reserves the right to refuse to register any transfer in favour of any person in respect of which the Company believes such transfer may violate applicable legal or regulatory requirements.

The PAL contains further information regarding the procedures to be followed for acceptance and/ or transfer of the whole or part of the provisional allotment of the Rights Shares by the Qualifying Shareholders.

All cheques and cashier's orders will be presented for payment upon receipt and all interest earned on such monies, if any, will be retained for the benefit of the Company. Any PAL in respect of which the cheque or cashier's order is dishonoured on first presentation is liable to be rejected, and in that event the provisional allotment and all rights and entitlements thereunder will be deemed to have been declined and will be cancelled. Applicants must pay the exact amount payable upon application for the Rights Shares, and underpaid application will be rejected. In the event of overpaid application, a refund cheque, without interest, will be made out to the applicant if the overpaid amount is HK$100 or above.

Completion and return of the PAL together with a cheque or a cashier's order in payment for the Rights Shares, whether by a Qualifying Shareholder or by any nominated transferee(s), will constitute a warranty by the applicant that the cheque or the cashier's order will be honoured on first presentation. Without prejudice to the other rights of the Company in respect thereof, the Company reserves the right to reject any PAL in respect of which the accompanying cheque or cashier's order is dishonoured on first presentation, and in that event, the provisional allotment and all rights and entitlements thereunder will be deemed to have been declined and will be cancelled.

No action has been taken by the Company to permit the offering of the Rights Shares or the distribution of the Prospectus Documents in any territory or jurisdiction outside Hong Kong. Accordingly, no person receiving the Prospectus Documents in any territory or jurisdiction outside Hong Kong may treat it as an offer or invitation to apply for the Rights Shares, unless in the relevant territory or jurisdiction where such an offer or invitation could lawfully be made without compliance with any registration or other legal or regulatory requirements. Subject as referred to below, it is the responsibility of anyone outside Hong Kong wishing to make an application for the Rights Shares to satisfy himself/ herself/itself, before subscribing for the provisionally allotted Rights Shares, as to the full observance of the applicable laws and regulations of the relevant territories and jurisdictions, including the obtaining of any governmental or other consents, and to pay taxes and duties required to be paid in such territory or jurisdiction in connection therewith. Any acceptance of the offer of the Rights Shares by any person will be deemed to constitute a representation and warranty from such person to the Company that these local laws and requirements have been or will be fully complied with. For the avoidance of doubt, neither HKSCC nor HKSCC Nominees Limited will give, or be subject to, any of the representation or warranty above. If you are in doubt as to your position, you should consult your own professional advisers. The Company reserves the right to refuse to accept any application for the Rights Shares where it believes that doing so would violate the applicable securities legislation or other laws and regulations of any territory or jurisdiction. No application for Rights Shares will be accepted from any person who is a Non-Qualifying Shareholder.

No receipt will be issued in respect of any application monies received.

**Stamp duty and other applicable fees**

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

**Taxation**

Shareholders are advised to consult their professional advisers if they are in doubt as to the taxation implications of the receipt, purchase, holding, exercising, disposing of or dealing in, the nil-paid Rights Shares or the fully-paid Rights Shares and, regarding Non-Qualifying Shareholders, their receipt of the net proceeds, if any, from sales of the nil-paid Rights Shares on their behalf.

**No Fractional Entitlement**

No fractional entitlements to the Rights Shares will be provisionally allotted to the Qualifying Shareholders. All fractions of the Rights Shares will be aggregated (and rounded down to the nearest whole number) and sold by the Company in the open market if a premium (net of expense) can be obtained. Any of these Rights Shares remain not sold in the market will not be issued by the Company and the size of the Rights Issue will be reduced accordingly.

**Application for listing of the Rights Shares**

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

Subject to the granting of the listing of, and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange as well as compliance with the stock admission requirements of HKSCC, the Rights Shares in both their nil-paid and fully-paid forms will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the commencement dates of the dealings in the Rights Shares in both their nil-paid and fully-paid forms or such other dates as may be determined by HKSCC.

Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of HKSCC and HKSCC Operational Procedures in effect from time to time.

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

Shareholders are advised to consult their professional advisers if they are in doubt as to the taxation implications of the receipt, purchase, holding, exercising, disposing of or dealing in, the nil-paid Rights Shares or the fully-paid Rights Shares and, regarding Non-Qualifying Shareholders, their receipt of the net proceeds, if any, from sales of the nil-paid Rights Shares on their behalf.

**REASONS FOR AND BENEFITS OF THE RIGHTS ISSUE AND USE OF PROCEEDS**

The Group is principally engaged in (i) wood-related business, including the processing and distribution of furniture wood, and the manufacturing and sales of antique-style wood furniture and other wooden products; and (ii) food and beverage business.

During the year of 2025, the property sector in China was still struggling to emerge from the credit crisis after the government of the PRC cracked down on its debt levels in August 2020. Wood consumption is closely linked to the housing market and its demand for construction materials, flooring, furniture, and decorative items. According to the National Bureau of Statistics of the PRC, new housing sales declined by 12.6% in 2025 whereas Standard and Poor predicted in February 2026 a further decline in property sales of 10% to 14% for 2026. As a result, the business environment in which the Group operates remains to be challenging and tough. To counter the risks of over-exposure to the wood-related business and to capitalize on the Group's expertise and experience in the PRC marketing, the Company has been actively assessing the viability of business diversification. Since 2023, the Group has been actively studying business opportunities in areas including the functional food and beverage industry in the PRC.

With an increasing disposable income and awareness of a healthy lifestyle, driven by the recent pandemic, the desire for a balanced and healthy diet has expanded rapidly in recent years in the PRC, resulting in significant growth in the functional food and beverage industry in the PRC and the Group expects that as China's population ages, the need for functional foods and beverage will be even higher, and so will the opportunities for businesses. According to the China Functional Foods Market Size & Outlook, 2023-2030, a research report published by Grand View Horizon Data Books, provides independent data to assist the Group in assessing the market size and growth potential of the functional food and beverage market in the PRC. The revenue of the PRC functional foods market was estimated at approximately US$36.77 billion in 2023 and is anticipated to grow to approximately US$67.69 billion by 2030, representing a compounded annual growth rate of approximately 9.1% during the forecast period. In light of the robust growth in the PRC functional foods market, the Board considers that it is in the interests of the Company and the Shareholders as a whole for the Group to develop its functional food and beverage business in the PRC.

In the fourth quarter of 2024, the Company has established Shenzhen Weijianbao Food Technology Co. Ltd.*（深圳維健寶食品科技有限公司）, a wholly-owned subsidiary of the Company in the PRC, to conduct functional food and beverage business in the PRC.

The food and beverage business contributed revenue of approximately HK$21,594,000 for the year ended 31 December 2025 (2024: approximately HK$1,057,000). During the year ended 31 December 2025 and up to the Latest Practicable Date, all revenue generated from the food and beverage business segment was derived from the sales and promotion of food and beverage products, supplied by third-party suppliers, under its own branding through direct sales channels in the PRC. The food and beverage products sold by the Group comprise three major types, namely (i) beauty nutrition products; (ii) gut microbiome regulation products; and (iii) weight management/healthy sweetening products. The Group adopts a cost-plus pricing strategy, with a mark-up of between 18% to 22% on the products sold. Although the food and beverage products are supplied by third-party suppliers, the Group has developed its own enhancements to the formulations of the products. The Group sells its food and beverage products under its own branding and intends to further boost sales through enhanced marketing activities.

The Group believes that the research and development of proprietary rights and technology related to the food and beverage business is key to attaining its competitive advantage. The Group is currently focusing its research and development in the areas of:- (a) high-throughput fermentation, mainly aimed at increasing the yield and purity of prebiotics, vitamins, amino acids, natural pigments, flavorings, and other food additives and functional ingredients; (b) correlation between microbiota and health food, mainly aimed at developing functional foods and beverages with clear clinical evidence addressing specific health issues (such as irritable bowel syndrome, metabolic syndrome); (c) genetic testing-based personalized nutrition, mainly aimed at developing new products that better meet the needs of specific consumer segments; and (d) gene-edited microbial production of food ingredients, mainly aimed at utilizing gene-editing technologies to efficiently precisely synthesize rare, expensive, food ingredients otherwise unobtainable through traditional methods.

Subject to the success of the respective research and development projects, the Group plans to develop the following new products: (i) upon the successful completion of the research and development project on high-throughput fermentation (expected to be completed in the first half of 2028), a new line of "clean label" beauty gummies with natural colouring that are both more effective and more appealing to consumers; and (ii) upon the successful completion of the research and development project on correlation between microbiota and health food (expected to be completed in the first half of 2029), IBS Relief Yogurt Drink, a fermented dairy drink, like a kefir or yogurt beverage, fortified with specific probiotic strains clinically shown to alleviate symptoms of Irritable Bowel Syndrome (IBS), further enhanced with prebiotic fruit fibres, like orange bagasse, which could improve gut barrier integrity.

Assuming full subscription under the Rights Issue, the maximum amount of gross proceeds and net proceeds (after deducting related expenses) from the Rights Issue will be approximately HK$76 million and HK$74 million, respectively. The Company intends to apply the net proceeds from the Rights Issue in the following manner:

(a) approximately HK$34 million (being approximately 46.0% of the net proceeds) is intended to be used for the research and development of the Group's food and beverage offerings as follows during the 12 months following the completion of the Rights Issue: (i) approximately HK$16.5 million for the acquisition of research and development equipment and platforms for the development of proprietary rights and technology related to food and beverage products in the aforementioned areas of high throughput fermentation, correlation between microbiota and health food, genetic testing-based personalized nutrition, and gene-edited microbial production of food ingredients; (ii) approximately HK$13.0 million for costs associated with the continuous testing and development of food and beverage products; (iii) approximately HK$4.5 million for the costs of management and technical staff with established knowledge and experience in the Hong Kong and/or PRC food and beverage industry;

(b) approximately HK$8 million (being approximately 10.8% of the net proceeds) is intended to be used for the marketing and promotion activities to support the Group's expansion in the food and beverage business as follows during the 12 months following the completion of the Rights Issue: (i) approximately HK$5.2 million for the costs of sales and marketing team and key opinion leaders to promote the food and beverage products developed by the Group; and (ii) approximately HK$2.8 million for costs of marketing materials, trade shows and exhibitions to promote the food and beverage products of the Group;

(c) approximately HK$6 million (being approximately 8.1% of the net proceeds) is intended to be used for the marketing and promotion activities to support the Group's wood-related business, including the costs of marketing materials, trade shows and exhibitions; and

(d) approximately HK$26 million (being approximately 35.1% of the net proceeds) is intended to be used for the working capital of the Group, including but not limited to operation costs, staff costs, rental expenses, professional fees and other office overheads of the Group. The HK$26 million allocated for general working capital purposes is intended to be applied towards: (a) inventories, trade receivables, prepayments and deposits; (b) day-to-day operating expenses of the Group, which for the year ended 31 December 2025 comprised principally employee benefit expenses of approximately HK$7,012,000, expenses relating to short-term leases on general office of approximately HK$1,776,000, utilities and general expenses of approximately HK$950,000 and auditor's remuneration of approximately HK$1,180,000; and (c) a buffer to cover any shortfall in the proceeds of the Rights Issue and general reserves.

In the event that there is an under-subscription of the Rights Issue, the net proceeds of the Rights Issue will be utilised in proportion to the above uses. The Board considers that there is an imminent funding need for the Rights Issue having regard to, among other things, the benefits of the research and development projects, in particular the projects relating to (a) high-throughput fermentation and (b) correlation between microbiota and health food. The project relating to high-throughput fermentation is expected to improve the Group's cost efficiency, which is critical given the Group's strategic move towards higher-margin products. The project relating to correlation between microbiota and health food is expected to provide the clinical validation needed for premium product positioning in a competitive market. Both projects directly support the Group's existing product portfolio at a lower cost and within a shorter implementation timeline. The Board is therefore of the view that the timely commencement of these research and development projects is essential to the Group's long-term competitiveness and revenue growth, and that the Rights Issue represents the most appropriate and cost-effective means of raising the required funds at this juncture.

**Other fundraising alternatives**

Apart from the Rights Issue, the Directors have considered other debt/equity fund raising alternatives such as bank borrowings, placing, or an open offer. In respect of debt financing, the Directors noted that bank borrowings will carry interest costs and may require the provision of security and creditors will rank before the Shareholders. Debt financing will also result in additional interest burden, higher gearing ratio of the Group and subject the Group to repayment obligations. In addition, debt financing may not be achievable on favourable terms in a timely manner.

As for equity fund raising, such as placing of new Shares, it is relatively smaller in scale as compared to fund raising through rights issue and it would lead to immediate dilution in the shareholding interest of the existing Shareholders without offering them the opportunity to participate in the enlarged capital base of the Company, which is not the intention of the Company.

As opposed to an open offer, the Rights Issue enables the Shareholders to sell the nil-paid Rights Shares in the market. The Rights Issue will give the Qualifying Shareholders the opportunity to maintain their respective pro-rata shareholding interests in the Company and to continue to participate in the future development of the Company. The Placing arrangement, which involves the placement of the Placing Shares at the Subscription Price, serves to maximise the funds to be raised.

Having considered the abovementioned alternatives, the Directors consider raising funds by way of the Rights Issue is more attractive in the current market condition and the Rights Issue will enable the Company to strengthen its working capital base and enhance its financial position, while at the same time, allowing the Qualifying Shareholders to maintain their proportional shareholdings in the Company.

Based on the above, the Board considers that raising capital through the Rights Issue is in the interests of the Company and the Shareholders as a whole. In addition, having considered the capital needs of the Group, the terms of the Rights Issue and the Subscription Price, the Board also considers that it is in the interests of the Company to proceed with the Rights Issue on a non-underwritten basis. However, those Qualifying Shareholders who do not take up the Rights Shares to which they are entitled and Non-Qualifying Shareholder(s), if any, should note that their shareholdings will be diluted. In the event of an under-subscription of the Rights Issue or should the Rights Issue not proceed, the Group intends to explore alternative sources of financing to meet its funding needs, including but not limited to the placing of new Shares, borrowings from major Shareholders and/or undertakings from major Shareholders to provide additional funding as and when required. In such event, the Group would prioritise the deployment of available funds towards the research and development projects relating to (a) high-throughput fermentation and (b) correlation between microbiota and health food first, given their more immediate relevance to the Group's existing product portfolio and shorter implementation timelines.

## EFFECT ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

For illustration purposes only, set out below is the shareholding structure of the Company (i) as at the Latest Practicable Date; (ii) upon the completion of the Rights Issue assuming full acceptance by all Qualifying Shareholders under the Rights Issue; and (iii) immediately after completion of the Rights Issue and the Placing, assuming no subscription by the Qualifying Shareholders and all the Placing Shares are placed to Independent Third Parties under the Placing:

| | **As at the Latest Practicable Date** | | **Immediately after completion of the Rights Issue (assuming full acceptance by all Qualifying Shareholders under the Rights Issue)** | | **Immediately after completion of the Rights Issue and the Placing (assuming no subscription by the Qualifying Shareholders and all the Placing Shares are placed to Independent Third Parties under the Placing)** | |
|---|---|---|---|---|---|---|
| | *No. of Shares* | *Approx. %* | *No. of Shares* | *Approx. %* | *No. of Shares* | *Approx. %* |
| Right Momentum *(Note 1)* | 452,196,170 | 45.82 | 904,392,340 | 45.82 | 452,196,170 | 22.91 |
| Placees | – | – | – | – | 986,898,680 | 50.00 |
| Public Shareholders | 534,702,510 | 54.18 | 1,069,405,020 | 54.18 | 534,702,510 | 27.09 |
| **Total** | **986,898,680** | **100.00** | **1,973,797,360** | **100.00** | **1,973,797,360** | **100.00** |

*Note:*

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

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

Save for the fund raising activity set out below, the Company has not conducted any other equity fund raising activities in the twelve (12) months immediately preceding from the date of the Announcement.

| Date of announcement | Event | Net proceeds as announced (approximate) | Intended use of proceeds as announced | Actual use of proceeds |
|---|---|---|---|---|
| 21 October 2025, 4 and 13 November 2025 | Placing of new shares under general mandate | Approximately HK$16.27 million | Further development of the food and beverage business segment of the Group | All net proceeds have been used for the intended purpose |

As at the Latest Practicable Date, the Company has no concrete plan to undertake any fundraising activities within the next 12 months following completion of the Rights Issue. However, should additional funding be required, the Company will consider other fundraising activities if the terms are in the interests of the Company and its Shareholders as a whole. The Company will make appropriate disclosure in accordance with the Listing Rules should any definitive fundraising plan be determined.

## LISTING RULES IMPLICATIONS

As the Rights Issue will increase the issued share capital of the Company by more than 50%, under Rule 7.19A and 7.27A of the Listing Rules, the Rights Issue is subject to approval of the Independent Shareholders at the EGM by a resolution on which any Controlling Shareholders and their respective associates or, where there are no Controlling Shareholders, the Directors (excluding the independent non-executive Directors) and the chief executive of the Company, and their respective associates shall abstain from voting in favour of the Rights Issue. As at the Latest Practicable Date, Right Momentum, being a Controlling Shareholder, directly holds 452,196,170 Shares (representing approximately 45.82% of the issued share capital of the Company as at the Latest Practicable Date). Right Momentum is a company wholly-owned by Mr. Lyu, the chairman of the Board, CEO and an executive Director of the Company. Accordingly, Right Momentum, Mr. Lyu and their respective associates abstained from voting in favour of the Rights Issue in accordance with Rule 7.27A of the Listing Rules.

At the EGM held on 3 August 2026, the proposed resolution for approving the Rights Issue and the transactions contemplated were duly approved by the Independent Shareholders, details of which were disclosed in the poll results announcement of the Company dated 3 August 2026.

The Company has not conducted any other rights issues, open offers or specific mandate placings within the 12-month period immediately preceding the date of the Announcement, or prior to such 12-month period where dealing in respect of the Shares issued pursuant thereto commenced within such 12-month period, together with any bonus securities, warrants or other convertible securities (assuming full conversion) granted or to be granted to Shareholders as part of such rights issues, open offers and/or specific mandate placings.

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

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

**Dealings in the Rights Shares in nil-paid form are expected to take place from Tuesday, 18 August 2026 to Tuesday, 25 August 2026 (both days inclusive). Any Shareholder or other person contemplating transferring, selling or purchasing the Shares and/or Rights Shares in their nil-paid form is advised to exercise caution when dealing in the Shares and/or the nil-paid Rights Shares.**

**Any party who is in any doubt about his/her/its position or any action to be taken is recommended to consult his/her/its own professional adviser(s). Any Shareholder or other person dealing in the Shares or in the nil-paid Rights Shares up to the date on which all the conditions to which the proposed Rights Issue is subject are fulfilled will accordingly bear the risk that the proposed Rights Issue may not become unconditional or may not proceed.**

**Shareholders and potential investors are advised to exercise caution when dealing in the Shares.**

## ADDITIONAL INFORMATION

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

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

## 1. SUMMARY OF FINANCIAL INFORMATION

The financial information of the Group for the years ended 31 December 2023, 2024 and 2025 are disclosed in the following documents which have been published on the websites of the Stock Exchange (http://www.hkexnews.hk) and the Company (www.chinawoodint.com.hk):

– Annual report for the year ended 31 December 2023 (pages 51 to 190): https://www1.hkexnews.hk/listedco/listconews/sehk/2024/0430/2024043000611.pdf

– Annual report for the year ended 31 December 2024 (pages 49 to 188): https://www1.hkexnews.hk/listedco/listconews/sehk/2025/0429/2025042905138.pdf

– Annual report for the year ended 31 December 2025 (pages 44 to 160): https://www1.hkexnews.hk/listedco/listconews/sehk/2026/0429/2026042902220.pdf

## 2. FINANCIAL AND TRADING PROSPECTS OF THE GROUP

The principal activity of the Company is investment holding. The Group is principally engaged in wood-related business, including the processing and distribution of furniture wood, and the manufacturing and sales of antique-style wood furniture and other wooden products. During the year of 2025, the property sector in China is still struggling to emerge from the credit crisis after the government of the PRC cracked down on its debt levels in August 2020. Wood consumption is closely linked to the housing market and its demand for construction materials, flooring, furniture, and decorative items. According to the National Bureau of Statistics of the PRC, new housing sales declined by 12.6% in 2025 whereas Standard and Poor predicted in February 2026 a further decline in property sales of 10% to 14% for 2026. As a result, the business environment in which the Group operates remains to be challenging and tough.

To counter the risks of over-exposure to the wood-related business and to capitalize on the Group's expertise and experience in the PRC marketing, the Company has been actively assessing the viability of business diversification. Since 2023, the Group has been actively studying business opportunities in areas including the functional food and beverage industry in the PRC. In light of the contingent liabilities arising from legal actions subsisted in the car rental business, its limited scale of operation, and taking into account of its future prospect, the Group discontinued the car rental business in October 2024 to release precious financial resources and management time in the functional food and beverage business in the PRC in the fourth quarter of 2024.

Given the positive results in the food and beverage business segment, the Group believes that it will be beneficial to further develop the functional food and beverage business in the PRC, through collaboration with key players in the food and beverage industry as well as development of intellectual property. On the other hand, given the deterioration of the processing and distribution of furniture wood business with squeezing profit margin, the Group will concentrate on furniture wood products with relatively higher profit margin.

## 3. INDEBTEDNESS

**Indebtedness and Contingent Liabilities**

As at 30 June 2026, being the latest practicable date for the purpose of this indebtedness statement, the Group had the following indebtedness:

| | **As at 30 June 2026** |
|---|---|
| | *HK$'000* |
| Lease liabilities | 2,917 |
| | 2,917 |

None of the lease liabilities above were secured or guaranteed.

Save as disclosed above, and apart from intra-group liabilities and normal trade and other payable in the ordinary course of business, the Group did not, at the close of business on 30 June 2026, have any other loan issued and outstanding or agreed to be issued, bank overdrafts, charges or debentures, mortgages, term loans (whether guaranteed, unguaranteed, secured and unsecured), debts securities or any other similar indebtedness, liabilities under acceptances (other than normal trade bills) or acceptable credits, finance leases or hire purchases commitments, guarantees, material covenants, or other material contingent liabilities.

## 4. WORKING CAPITAL

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

## 5. MATERIAL ADVERSE CHANGE

As at the Latest Practicable Date, the Directors were not aware of any material adverse change in the financial or trading position of the Group since 31 December 2025, the date to which the latest published audited financial statements of the Group were made up.

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

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

The unaudited pro forma statement of adjusted consolidated net tangible assets of the Group attributable to the owners of the Company ("**Unaudited Pro Forma Financial Information**") has been prepared by the Directors in accordance with Rule 4.29 of the Listing Rules to illustrate the effect of the Rights Issue on the unaudited consolidated net tangible assets of the Group attributable to the owners of the Company as if the Rights Issue had been completed on 31 December 2025.

The Unaudited Pro Forma Financial Information is prepared for illustrative purpose only, based on the judgements and assumptions of the Directors of the Company and because of its hypothetical nature, it may not give a true picture of the unaudited consolidated net tangible assets of the Group as at 31 December 2025 or to any future dates after completion of the Rights Issue.

The Unaudited Pro Forma Financial Information is prepared based on the audited consolidated net tangible assets of the Group attributable to owners of the Company as at 31 December 2025, as extracted from the published annual report of the Group for the year ended 31 December 2025, after incorporating the unaudited pro forma adjustments described in the accompanying notes.

| | Audited consolidated net tangible assets of the Group attributable to the owners of the Company as at 31 December 2025 | Estimated net proceeds from the Rights Issue | Unaudited pro forma consolidated net tangible assets of the Group attributable to the owners of the Company immediately after the completion of the Rights Issue |
|---|---|---|---|
| | *HK$'000* | *HK$'000* | *HK$'000* |
| | *(Note 1)* | *(Note 2)* | |
| | 66,544 | 74,000 | 140,544 |
| Audited consolidated net tangible assets of the Group per existing Share as at 31 December 2025 before completion of the Rights Issue *(Note 3)* | | | HK$0.067 |
| Unaudited pro forma consolidated net tangible assets of the Group attributable to the owners of the Company as at 31 December 2025 per Share immediately after the completion of the Rights Issue *(Note 4)* | | | HK$0.071 |

*Notes:*

1. The audited consolidated net tangible assets of the Group attributable to owners of the Company as at 31 December 2025 is extracted from the audited consolidated net assets of the Group attributable to owners of the Company as at 31 December 2025 of approximately HK$71,932,000 as adjusted by exclusion of intangible assets of approximately HK$5,388,000 as shown in the annual report of the Group for the year ended 31 December 2025.

2. The estimated net proceeds from the Rights Issue is calculated based on the number of 986,898,680 Rights Shares to be issued at the Subscription Price of HK$0.077 per Rights Share (assuming full acceptance of the Rights Issue by all the Qualifying Shareholders), after deduction of the estimated related expenses, including other relevant costs and expenses, which are directly attributable to the Rights Issue, of approximately HK$2.0 million.

3. The audited consolidated net tangible assets of the Group per existing Share before completion of the Rights Issue is determined based on the amount of HK$66,544,000 as disclosed in note 1 above, divided by 986,898,680 existing Shares immediately before completion of the Right Issue.

4. The unaudited pro forma consolidated net tangible assets of the Group attributable to the owners of the Company as at 31 December 2025 per Share immediately after the completion of the Rights Issue (assuming full acceptance of the Rights Issue by all of the Qualifying Shareholders) is arrived at based on the unaudited pro forma consolidated net tangible assets of the Group attributable to the owners of the Company as at 31 December 2025 immediately after completion of the Rights Issue of approximately HK$140,544,000 divided by 1,973,797,360 Shares (assuming full acceptance of the Rights Issue by all the Qualifying Shareholders and as if the Rights Issue has been completed on 31 December 2025).

5. No adjustments have been made to the Unaudited Pro Forma Financial Information to reflect any trading results or other transactions of the Group entered into subsequent to 31 December 2025.

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

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

The Board of Directors
**China Wood International Holding Co., Limited**
11th Floor, Tower 2,
Admiralty Centre,
18 Harcourt Road, Admiralty,
Hong Kong

Dear Sirs,

We have completed our assurance engagement to report on the compilation of unaudited pro forma financial information of China Wood International Holding Co., Limited (the "**Company**") and its subsidiaries (hereinafter collectively referred to as the "**Group**") by the directors of the Company (the "**Directors**") for illustrative purposes only. The unaudited pro forma financial information consists of the unaudited pro forma statement of adjusted consolidated net tangible assets of the Group attributable to the owners of the Company as at 31 December 2025 and related notes (the "**Unaudited Pro Forma Financial Information**") as set out on in Appendix II to the prospectus issued by the Company dated 14 August 2026 (the "**Prospectus**"). The applicable criteria on the basis of which the Directors have compiled the Unaudited Pro Forma Financial Information are described in pages II-1 to II-2 of the Prospectus.

The Unaudited Pro Forma Financial Information has been compiled by the Directors to illustrate the impact of the Rights Issue as defined in the Prospectus on the Group's consolidated net tangible assets attributable to the owner of the Company as at 31 December 2025 as if the Rights Issue had taken place at 31 December 2025. As part of the process, information about the Group's audited consolidated net tangible assets attributable to owners of the Company has been extracted by the Directors from the Group's audited consolidated financial statements for the year ended 31 December 2025, on which an annual report has been published.

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

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

**Our independence and quality control**

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

Our firm applies Hong Kong Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

**Reporting accountants' responsibilities**

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

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

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

The purpose of Unaudited Pro Forma Financial Information included in the Prospectus is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the entity as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction at 31 December 2025 would have been as presented.

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

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

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

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

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

**Opinion**

In our opinion:

a. the Unaudited Pro Forma Financial Information has been properly compiled by the Directors on the basis stated;

b. such basis is consistent with the accounting policies of the Group; and

c. the adjustments are appropriate for the purposes of the Unaudited Pro Forma Financial Information as disclosed pursuant to Rule 4.29(1) of the Listing Rules.

**TARGET CPA Limited**
Certified Public Accountants
**CHIN, Chi Ho Stanley**
Practising Certificate Number: P07911

Hong Kong, 14 August 2026

## 1. RESPONSIBILITY STATEMENT

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

## 2. SHARE CAPITAL

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

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

| | | |
|---|---|---|
| *Authorised:* | | *HK$* |
| 20,000,000,000 | Shares of HK$0.01 each | 200,000,000.00 |
| *Issued and fully paid:* | | *HK$* |
| 986,898,680 | Shares of HK$0.01 each | 9,868,986.80 |

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

| | | |
|---|---|---|
| *Authorised:* | | *HK$* |
| 20,000,000,000 | Shares of HK$0.01 each | 200,000,000.00 |
| *Issued and fully paid:* | | *HK$* |
| 986,898,680 | Shares of HK$0.01 each | 9,868,986.80 |
| 986,898,680 | Rights Shares to be allotted and issued under the Rights Issue | 9,868,986.80 |
| 1,973,797,360 | Shares in issue immediately upon completion of the Rights Issue | 19,737,973.60 |

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

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

As at the Latest Practicable Date, the Company does not hold any treasury shares.

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

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

## 3. DISCLOSURE OF INTERESTS

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

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

| Name of Director | Capacity/ Nature of interests | Total number of Shares and underlying Shares held (Long Position) | Approximate percentage of the Company's issued share capital *(Note 1)* |
|---|---|---|---|
| Mr. Lyu NingJiang | Interest in a controlled corporation *(Note 1)* | 452,196,170 | 45.82% |

*Note:*

1. Mr. Lyu beneficially owns 100% of the share capital of Right Momentum. By virtue of the SFO, Mr. Lyu is deemed to be interested in 452,196,170 Shares held by Right Momentum representing approximately 45.82% of the entire issued share capital of 986,898,680 Shares of the Company as at the Latest Practicable Date.

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

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

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

| Name | Capacity and nature of interest | Number of issued ordinary shares held (long position) | Percentage of the Company's issued share capital *(Note 2)* |
|---|---|---|---|
| Right Momentum | Beneficial owner *(Note 1)* | 452,196,170 | 45.82% |

*Notes:*

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

2. The approximate shareholding percentage is based on the number of Shares in issue as at the Latest Practicable Date of 986,898,680.

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

## 4. DIRECTORS' SERVICE CONTRACTS

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

## 5. COMPETING INTERESTS

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

## 6. LITIGATION

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

## 7. INTERESTS IN CONTRACTS AND ASSETS

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

None of the Directors has any direct or indirect interests in any assets which had been acquired or disposed of by or leased to, or which are proposed to be acquired or disposed of by or leased to, the Company or any of its subsidiaries during the period since 31 December 2025, the date to which the latest published audited financial statements of the Group were made up, up to and including the Latest Practicable Date.

## 8. MATERIAL CONTRACTS

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

(i) the placing agreement dated 21 October 2025 entered into between the Company and Cheong Lee Securities Limited as placing agent in relation to the placing of a maximum of 164,460,000 Shares. For further details, please refer to the announcements of the Company dated 21 October 2025, 4 November 2025 and 13 November 2025;

(ii) the share sale agreement dated 9 July 2026 entered into between Fame Steps Limited (the "**Vendor**"), a direct wholly-owned subsidiary of the Company, and Yang Lei (楊蕾) (the "**Purchaser**"), pursuant to which the Vendor has conditionally agreed to sell, and the Purchaser has conditionally agreed to purchase, one share of Asia Pacific Forestry Development (HK) Limited (the "**Target Company**"), representing 100% of the issued share capital of the Target Company, at a consideration of HK$100,000; and

(iii) the Placing Agreement.

## 9. EXPERT AND CONSENT

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

| Name | Qualification |
|---|---|
| TARGET CPA Limited | Certified Public Accountants |

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

As at the Latest Practicable Date, the above expert had no interest, direct or indirect, in the promotion of, or in any assets which since 31 December 2025, the date to which the latest published audited financial statements of the Company were made up, have been acquired or disposed of by or leased to, the Company, or are proposed to be acquired or disposed of by or leased to the Company.

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

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

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

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|---|---|
| **Legal advisers to the Company as to Hong Kong laws** | **Bird & Bird**<br>6/F, The Annex,<br>Central Plaza, 18 Harbour Road,<br>Wanchai, Hong Kong |
| **Auditors** | **McMillan Woods (Hong Kong) CPA Limited**<br>*Certified Public Accountants*<br>24/F, Siu On Centre<br>188 Lockhart Road, Wan Chai,<br>Hong Kong |
| **Reporting accountant in relation to the Rights Issue** | **TARGET CPA Limited**<br>*Certified Public Accountants*<br>Unit E, 22/F<br>Tower A, Billion Centre<br>1 Wang Kwong Road<br>Kowloon Bay<br>Hong Kong |
| **Principal bankers** | **Bank of Communications Co., Ltd. Hong Kong Branch**<br>Unit B, B/F & G/F, Unit C, G/F, 1-3/F,<br>16/F, Room 01 & 18/F, Wheelock House,<br>20 Pedder Street, Central, Hong Kong<br><br>**Nanyang Commercial Bank, Limited**<br>151 Des Voeux Road, Central, Hong Kong |
| **Hong Kong branch share registrar and transfer office** | **Tricor Investor Services Limited**<br>17/F, Far East Finance Centre<br>16 Harcourt Road, Hong Kong |
| **Authorised representatives** | **Mr. Lyu NingJiang**<br><br>**Mr. Lee Pak Chung** |
| **Company secretary** | **Mr. Lee Pak Chung**<br>*Certified Public Accountant* |

## 11. PARTICULARS OF THE DIRECTORS

### Executive Directors

**Mr. Lyu**, aged 66, was appointed as the Chairman of the Board and an executive Director on 3 December 2020. He has received education in mainland China with a forestry major. He had worked with various forestry-related corporations in mainland China with extensive experience in the wood business. Mr. Lyu has over 15 years of experience in senior corporate management. Mr. Lyu was the chairman and chief executive of China Wood Group Company Limited*（中國木材(集團)有限公司）during the period from 1998 to 2013. Mr. Lyu was redesignated as the senior consultant of China Wood Group Company Limited*（中國木材(集團)有限公司）from 2013 to 2018.

**Ms. Ng Lai Ha** ("**Ms. Ng**"), aged 61, was appointed as an executive Director and a member of the Executive Committee of the Board on 31 December 2024. Ms. Ng has over 30 years of experience in accounting, finance, money lending and securities. Before joining the Company, she worked for several international companies and a securities firm.

### Non-executive Director

**Mr. Hu YongGang ("Mr. Hu")**, aged 60, was appointed as a non-executive Director on 3 December 2020. He has received education in mainland China with an international trade major. Mr. Hu has over twenty years of extensive experience in the automobile business in mainland China and he operates automobile dealers, 4S spare parts service shops and car rental business for almost 17 years. Mr. Hu is the founder owner of BeiJing DeRunFeng Car Rental Company Limited*（北京德潤豐汽車租賃有限公司）since 2012.

### Independent non-executive Directors

**Mr. Pang MingLi ("Mr. Pang")**, aged 44, was appointed as an independent non-executive Director on 16 June 2025. Mr. Pang holds a Bachelor Degree in Biotechnology from the Shandong Agricultural University, a Master Degree in Developmental Biology from Shandong Agricultural University. Mr. Pang has over 15 years of working experience in management and research and development in the field of food and beverage with sizeable companies in the PRC. Mr. Pang is also a teaching instructor of higher degree courses on Biomedical Science at Linyi University, Shandong.

**Mr. Chan Lik Shan ("Mr. Chan")**, aged 55, was appointed as an independent non-executive Director on 27 January 2023. He holds a Bachelor 's Degree in Business Administration from The Chinese University of Hong Kong, a Master's Degree in Business Administration from Hong Kong Baptist University, a Master's Degree in Law from The Renmin University of China, and a Postgraduate Diploma in Professional Accountancy from The Chinese University of Hong Kong. Mr. Chan has over 20 years of working experience with multinational and sizeable companies including The Kowloon Motor Bus Co. (1933) Limited, Xinhua Finance Limited, Cheeminmet Finance Limited, Aureos Capital Limited, Global Group International Holdings Limited, and China Youth Galaxy Capital Holdings Limited, in private equity investment, mergers and acquisitions, corporate finance, the capital market in Hong Kong, and post-deal investment management.

**Mr. So Yin Wai ("Mr. So")**, aged 64, was appointed as an independent non-executive Director on 23 December 2021. Mr. So graduated from the Hong Kong Polytechnic University in 1986 and he has been in the accounting profession for more than 30 years. He is a fellow member of the Association of Chartered Certified Accountants of United Kingdom and the Hong Kong Institute of Certified Public Accountants. He has previously worked for international public accounting firms and been involved in the audit of a number of international and local engagements and listed companies. He is currently the sole practitioner of his own firm "Alex So & Co. (Certified Public Accountants)". Apart from his auditing experiences, Mr. So also specializes in company secretarial work, tax planning and management consultancy matters. Mr. So is the chairman of "New SOHO New Life Association" and the former chairman of "Chinese Business Association". He is also the honorary auditor of a number of voluntary organizations, including "Hong Kong Parkinson's Disease Foundation" and "HK Po Yin Association for the Development of Education".

As at the Latest Practicable Date, Mr. So is also serving as an independent non-executive director of Biosysen Limited (Stock Code: 01355), a company listed on the main board of the Stock Exchange, since 20 August 2024.

## 12. EXPENSES

The expenses in connection with the Rights Issue, including professional fees payable to lawyers, reporting accountants and financial printer, etc., are estimated to be approximately HK$2 million and will be payable by the Company.

## 13. MISCELLANEOUS

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

## 14. BINDING EFFECT

The provisions of sections 44A and 44B of the Companies (Winding Up and Miscellaneous Provisions) Ordinance shall apply to all applications made in pursuance to this Prospectus and shall be binding on all persons concerned so far as applicable.

## 15. DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES

A copy of each of the Prospectus Documents and the written consent as referred to under the paragraph headed "9. EXPERT AND CONSENT" in this appendix, have been registered with the Registrar of Companies in Hong Kong pursuant to section 342C of the Companies (Winding Up and Miscellaneous Provisions) Ordinance.

## 16. DOCUMENTS ON DISPLAY

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

(a) the material contracts referred to in the paragraph headed "8. MATERIAL CONTRACTS" in this appendix;

(b) the letter issued by the reporting accountants regarding the unaudited pro forma financial information as set out in appendix II to this Prospectus;

(c) the written consents referred to in the paragraph headed "9. EXPERTS AND CONSENTS" in this appendix;

(d) the letter from the Board, the text of which is set out on pages 7 to 31 of this Prospectus; and

(e) the Prospectus Documents.