
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

If you have sold or transferred all your shares in **China Wood International Holding Co., Limited** (the “Company”), you should at once hand this circular, together with the accompanying form of proxy, to the purchaser or the transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or the transferee.

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CHINA WOOD
中木國際

CHINA WOOD INTERNATIONAL HOLDING CO., LIMITED

中木國際控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1822)

**(I) MAJOR TRANSACTION IN RELATION TO
THE DISPOSAL OF THE SALE SHARE
OF THE TARGET COMPANY
AND**

(II) NOTICE OF EXTRAORDINARY GENERAL MEETING

Capitalised terms used in this cover shall have the same meanings as defined in this circular. A letter from the Board is set out on pages 4 to 12 of this circular.

A notice convening the EGM to be held at Room 3006-3007, 30/F., China Resources Building, 26 Harbour Road, Wanchai, Hong Kong on Wednesday, 2 September 2026 at 3 p.m. is set out on pages EGM-1 to EGM-3 of this circular.

A form of proxy for use by the Shareholders at the EGM is enclosed with this circular for despatch to the Shareholders. Whether or not you intend to attend the EGM in person, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon to the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as practicable but in any event not less than 48 hours before the time for holding the EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof should you so wish and in such event, the proxy shall be deemed to be revoked.

14 August 2026

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DEFINITIONS

In this circular, unless the context otherwise requires, the following expressions shall have the following meanings:

“Board”	the board of Directors
“close associates”	has the meaning ascribed to it under the Listing Rules
“Company”	China Wood International Holding Co., Limited, an exempted company incorporated in the Cayman Islands with limited liability and the issued shares of which are listed on the Main Board of the Stock Exchange (stock code: 1822)
“Completion”	the completion of the Disposal, which shall take place within 20 days from the date after the fulfillment and/or satisfaction (or waiver, as appropriate) of the conditions precedent of the Share Sale Agreement
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“Consideration”	the consideration of the Disposal, being HK\$100,000
“Controlling Shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Disposal”	the disposal of the Sale Share
“EGM”	the extraordinary general meeting of the Company to be convened and held for the Shareholders to consider and, if thought fit, approve the Share Sale Agreement and the transactions contemplated thereunder
“Group”	the Company and its subsidiaries from time to time
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Latest Practicable Date”	11 August 2026, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

DEFINITIONS

“Long Stop Date”	31 October 2026 (or such other date as the Purchaser and the Vendor may agree from time to time)
“Mr. Lyu”	Mr. Lyu NingJiang, the chairman of the Board, CEO, executive Director and a Controlling Shareholder of the Company
“PRC”	the People’s Republic of China
“Purchaser”	Ms. Yang Lei (楊蕾), a merchant in 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 at the subscription price of HK\$0.077 per rights share on the basis of one (1) rights share for every one (1) Share held at the close of business on the record date payable in full on acceptance
“Sale Share”	one share of the Target Company, representing 100% of the issued share capital of the Target Company
“SFO”	Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong)
“Share Sale Agreement”	the share sale agreement dated 9 July 2026 entered into between the Vendor and the Purchaser in relation to the Disposal
“Share(s)”	the ordinary share(s) of the Company
“Shareholder(s)”	holder(s) of the Shares from time to time
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company”	Asia Pacific Forestry Development (HK) Limited, a company incorporated under the laws of Hong Kong with limited liability and is wholly owned by the Vendor as at the Latest Practicable Date
“Target Group”	the Target Company and its subsidiary
“Vendor”	Fame Steps Limited, a direct wholly-owned subsidiary of the Company

DEFINITIONS

“HK\$” Hong Kong dollars, the lawful currency of Hong Kong

“%” per cent.

LETTER FROM THE BOARD



CHINA WOOD
中木國際

CHINA WOOD INTERNATIONAL HOLDING CO., LIMITED

中木國際控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1822)

Executive Directors:

Mr. Lyu NingJiang (*Chairman and CEO*)

Ms. Ng Lai Ha

Non-executive Director:

Mr. Hu YongGang

Independent non-executive Directors:

Mr. 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 in Hong Kong:*

11th Floor, Tower 2

Admiralty Centre

18 Harcourt Road, Admiralty

Hong Kong

14 August 2026

To the Shareholders

Dear Sir or Madam,

**(I) MAJOR TRANSACTION IN RELATION TO
THE DISPOSAL OF THE SALE SHARE
OF THE TARGET COMPANY
AND
(II) NOTICE OF EGM**

INTRODUCTION

Reference is made to the announcement of the Company dated 9 July 2026 in relation to the Disposal. The purpose of this circular is to provide you with, among other things, (i) further details of the Share Sale Agreement; (ii) other information as required to be disclosed under the Listing Rules; and (iii) a notice of the EGM to approve the Disposal.

LETTER FROM THE BOARD

THE DISPOSAL

On 9 July 2026 (after trading hours), the Vendor, a direct wholly-owned subsidiary of the Company, entered into the Share Sale Agreement with the Purchaser, pursuant to which the Vendor has conditionally agreed to sell and the Purchaser has conditionally agreed to purchase the Sale Share, representing 100% of the issued share capital of the Target Company, at the Consideration of HK\$100,000.

THE SHARE SALE AGREEMENT

The principal terms of the Share Sale Agreement are set forth as below.

Date

9 July 2026

Parties

Vendor: Fame Steps Limited

Purchaser: Ms. Yang Lei

As at the Latest Practicable Date, to the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the Purchaser is a third party independent of and not connected with the Company and its connected persons (as defined in the Listing Rules).

Subject matter

The Sale Share represents 100% of the issued share capital of the Target Company as at the Latest Practicable Date. Subject to the provisions of the Share Sale Agreement, the Vendor shall sell the Sale Share and the Purchaser shall purchase (or procure the purchase of) the Sale Share, with all rights attaching or accruing to the Sale Share and all dividends declared, made or paid in respect of the Sale Share on or after the Completion.

Consideration

The Consideration payable by the Purchaser to the Vendor for the Disposal is HK\$100,000, of which HK\$50,000, being a refundable deposit, have been paid in cash upon execution of the Share Sale Agreement and the remaining HK\$50,000 shall be payable in cash upon the Completion, free from any set-off, counterclaim or other deduction of any nature whatsoever.

If all the conditions of the Share Sale Agreement shall not have been fulfilled (or waived by the Purchaser, as the case may be) on or before the Long Stop Date, the Purchaser (in addition to and without prejudice to any other claims, rights and remedies the Purchaser shall have) shall have the right by notice in writing to terminate and rescind the Share Sale Agreement and any payment of the Consideration (or any part thereof) shall be returned to the Purchaser within ten business days after the Long Stop Date.

LETTER FROM THE BOARD

The Consideration was arrived at after arm's length negotiations between the Vendor and the Purchaser on normal commercial terms and having taken into account (i) the unaudited consolidated net liabilities of the Target Group of HK\$2,518,000 as at 30 April 2026; (ii) the unaudited consolidated results of the Target Group for the recent two years ended 31 December 2024 and 31 December 2025, being loss of approximately HK\$4,906,000 and HK\$4,121,000 respectively; and (iii) the reasons set out in the section head "REASONS FOR AND BENEFITS OF THE DISPOSAL". As mentioned in the section headed "FINANCIAL EFFECTS AND USE OF PROCEEDS OF THE DISPOSAL", the sale proceeds from the Disposal will be HK\$100,000 and the Company intends to use such proceeds to settle part of the relevant fees and expenses in relation to the Disposal. The transaction cost of the Disposal is estimated to be approximately HK200,000. The Consideration of HK\$100,000 represents approximately half of the relevant fees and expenses. As such, the Directors are of the view that the Consideration is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Conditions precedent

The Completion is conditional upon the fulfillment (or waiver, as the case may be) of the following principal conditions:

- (a) all necessary consent, approval and authorisations (if any) by regulators pursuant to the Listing Rules and any other rules and regulations which may be applicable to the Disposal having been obtained by the Company (collectively, the "**Necessary Approvals**"), and such Necessary Approvals shall be valid and effective up to the juncture immediately prior to the Completion, and shall not be threatened with any withdrawal, revocation or cancellation at all times prior to the Completion;
- (b) the Shareholders having resolved at the EGM to be convened and held to consider and, if thought fit, approve the Share Sale Agreement and the transactions contemplated thereunder;
- (c) the representations and warranties by the Vendor as specified in the Share Sale Agreement remaining true, correct, valid, binding and effective up to the Completion; and;
- (d) the representations and warranties by the Purchaser as specified in the Share Sale Agreement remaining true, correct, valid, binding and effective up to the Completion.

The Purchaser may, at its sole and absolute discretion, by written notice to the Vendor, waive (in whole or in part) the conditions (c) referred to above and for avoidance of doubt, other conditions are not waivable. The Vendor shall procure the satisfaction of the conditions set out in above conditions as soon as reasonably practicable.

As at the Latest Practicable Date, none of the conditions precedent has been fulfilled or waived.

LETTER FROM THE BOARD

Completion of the Disposal

The Completion shall take place within 20 days from the date after the fulfillment and/or satisfaction (or waiver, as appropriate) of the conditions precedent of the Share Sale Agreement. The legal title of the Sale Share shall be transferred to the Purchaser on the same date of payment of the balance of the Consideration upon the Completion.

As at the Latest Practicable Date, the Target Company is an indirect wholly-owned subsidiary of the Company. Upon the Completion, the Company will cease to have any interests in the Target Company and the Target Company will no longer be a subsidiary of the Company, and the financial results and assets and liabilities of the Target Company will no longer be consolidated into the consolidated financial statements of the Group.

INFORMATION ON THE PARTIES TO THE SHARE SALE AGREEMENT

The Vendor

The Vendor is a company incorporated in the British Virgin Islands with limited liability and a direct wholly-owned subsidiary of the Company. The Vendor is principally engaged in processing and distribution of furniture and other wooden products.

The Purchaser

The Purchaser is a merchant in Hong Kong.

INFORMATION OF THE COMPANY

The Company is an investment holding company and 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 in the PRC.

INFORMATION ON THE TARGET GROUP

The Target Company is a company incorporated under the laws of Hong Kong with limited liability and is wholly owned by the Vendor. The Target Company is principally engaged in investment holding. The Target Company directly holds the entire equity interest in Qingdao Jinhuifeng Wood Industry Co., Limited* (青島金惠豐木業有限公司), a company incorporated in the PRC with limited liability and is principally engaged in processing and distribution of wood products.

* For identification purposes only

LETTER FROM THE BOARD

The unaudited consolidated revenue, net losses before and after taxation of the Target Group for each of the two years ended 31 December 2024 and 31 December 2025 are set out below:

	For the year ended 31 December 2025 HK\$('000) (approximately)	For the year ended 31 December 2024 HK\$('000) (approximately)
Revenue	156,058	321,996
Net loss before taxation	(3,599)	(1,434)
Net loss after taxation	(4,121)	(4,906)

The unaudited consolidated net liabilities of the Target Group as at 30 April 2026 was approximately HK\$2,518,000.

FINANCIAL EFFECTS AND USE OF PROCEEDS OF THE DISPOSAL

As a result of the Disposal, it is estimated that the Group will recognise a gain of approximately HK\$2.5 million which is calculated on the basis of the difference between the Consideration to be received by the Vendor and the unaudited consolidated net liabilities of the Target Group of HK\$2,518,000 as at 30 April 2026 and the estimated relevant fees and expenses in relation to the Disposal. The above financial impact is shown for illustrative purpose only and the actual gain or loss as a result of the Disposal will be subject to review and final audit by the auditors of the Company. The sale proceeds from the Disposal will be HK\$100,000 and the Company intends to use such proceeds to settle part of the relevant fees and expenses in relation to the Disposal.

Based on the unaudited consolidated financial information of the Target Group as at 30 April 2026, upon the Completion, the consolidated total assets of the Group are expected to decrease by approximately HK\$27.0 million (subject to audit), the consolidated total liabilities of the Group are expected to decrease by approximately HK\$29.5 million (subject to audit).

Save as the abovementioned, the Directors consider that the Disposal will not have any other material effect on the total assets, total liabilities and earnings of the Group.

REASONS FOR AND BENEFITS OF THE DISPOSAL

The Company is an investment holding company and 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 in the PRC.

LETTER FROM THE BOARD

Among the Group's wood-related businesses, the processing and distribution of furniture wood generally has a lower profit margin, whereas antique-style wood furniture and other wooden products are regarded by the Company as relatively higher-margin products. The Target Group's current business mainly involves the processing and distribution of pine/fir wooden products, which falls within this lower-margin segment. Such products are generally used as construction or general-purpose materials and are characterised by lower unit selling prices, a lower level of value-added processing and a higher degree of standardisation and substitutability as compared with finished furniture products or higher-end hardwood products. For the financial year ended 31 December 2025, the gross profit margin of the Target Group was approximately 2.9%.

Demand for the Target Group's pine/fir wooden products is closely linked to property development, construction and fit-out activities in the PRC. According to the National Bureau of Statistics of the PRC, during the five months ended 31 May 2026, national real estate development investment, new construction floor area, completed floor area and new commodity housing sales area decreased by 16.2%, 22.6%, 23.4% and 10.8% year-on-year, respectively, while retail sales of building and decoration materials and furniture by units above designated size also recorded year-on-year decreases. In view of the weak demand environment and the standardised and substitutable nature of pine/fir wooden products, market participants in this segment continue to face intense price competition and limited pricing power.

Having considered the above, the Directors consider that the Target Group operates in a business segment which is subject to challenging market conditions, limited margin potential and uncertain prospects. In light of this, the Company considers it commercially prudent to exit this lower-margin segment and preserve its financial and management resources for the maintenance and further development of the Group's retained wood-related businesses, including antique-style wood furniture and other higher value-added wooden products.

The retained wood-related businesses generally involve the sourcing of more premium timber, such as red mahogany wood, sandalwood or rosewood, and require a higher level of craftsmanship, product differentiation, marketing capability and relationship-building with higher-end clientele. As compared with the Target Group's pine/fir wood processing and distribution business, which is more closely linked to construction and general-purpose demand, the Company considers that the retained higher value-added wood-related businesses may be relatively less directly exposed to the property and construction market downturn.

Reference is also made to the announcement of the Company dated 18 June 2026 in relation to the Rights Issue. As disclosed in such announcement, 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, among others, approximately HK\$6 million (being approximately 8.1% of the net proceeds), for the marketing and promotion activities to support the Group's wood-related business, including the costs of marketing materials, trade shows and exhibitions.

LETTER FROM THE BOARD

The Board wishes to emphasise that the Disposal does not represent the Group's exit from, or cessation of, its wood-related business. The Group has no present intention to discontinue or dispose of its remaining wood-related businesses after the completion of the Disposal. Instead, the Board regards that the Disposal forms part of the Group's adjustment of its business development strategy to optimise its business structure by disposing of the lower-margin pine/fir wood processing and distribution segment and focusing its resources on the retained higher value-added wood-related businesses. The Group will continue to seek further business opportunities in the remaining wood-related business and other business segment of the Group.

Following the Completion, the Group intends to continue to develop its remaining wood-related businesses, including the processing and distribution of higher-margin furniture wood products and the manufacturing and sales of antique-style wood furniture and other wooden products. The retained wood-related businesses are expected to focus on products involving more premium timber, such as red mahogany wood, sandalwood and rosewood, which generally require more careful sourcing, higher craftsmanship, product differentiation and closer relationship-building with higher-end customers.

As part of the business plan for the remaining wood-related businesses, the Group intends to strengthen its marketing and promotion efforts, including enhancement of marketing materials, participation in trade shows and exhibitions, and further development of customer relationships with higher-end clientele and business partners. The Group also intends to continue to review its product mix and customer base, with a view to allocating resources towards wood-related products with better margin potential and reducing exposure to standardised and lower value-added wooden products.

In light of the above, the Directors are of the view that the terms of the Share Sale Agreement and the transactions contemplated thereunder are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

As one or more applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) in respect of the Disposal exceed 25% but all are less than 75%, the Disposal constitutes a major transaction of the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting, announcement, circular and shareholders' approval requirements under Chapter 14 of the Listing Rules.

THE EGM

The EGM will be convened and held at Room 3006-3007, 30/F., China Resources Building, 26 Harbour Road, Wanchai, Hong Kong on Wednesday, 2 September 2026 at 3 p.m. for the purpose of considering and, if thought fit, approving the Share Sale Agreement and the transactions contemplated thereunder. A notice of EGM is set out on pages EGM-1 to EGM-3 of this circular.

LETTER FROM THE BOARD

A form of proxy for use by the Shareholders at the EGM is enclosed with this circular. Whether or not you intend to attend the EGM in person, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon to the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as practicable but in any event not less than 48 hours before the time appointed for the holding of the EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjournment thereof should you so wish and in such event, the proxy shall be deemed to be revoked.

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of shareholders at a general meeting must be taken by poll except where the chairman, in good faith, decides to allow a resolution which relates purely to a procedural or administrative matter to be voted on by a show of hands. Procedural and administrative matters are those that (i) are not on the agenda of the general meeting or in any supplementary circular to members; and (ii) which relate to the chairman's duties to maintain the orderly conduct of the meeting and/or allow the business of the meeting to be properly and effectively dealt with, whilst allowing all Shareholders a reasonable opportunity to express their views. Accordingly, all resolutions proposed at the EGM will be taken by poll.

Shareholders who have a material interest in the Share Sale Agreement and their close associates will be required to abstain from voting in respect of the resolution to approve the Share Sale Agreement and the transactions contemplated thereunder at the EGM. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, as at the Latest Practicable Date, none of the Shareholders has a material interest in the Disposal and therefore, no Shareholder is required to abstain from voting on the resolution at the EGM to approve the Share Sale Agreement and the transactions contemplated thereunder.

After the conclusion of the EGM, the results of the poll will be released on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.chinawoodint.com.hk).

CLOSURE OF REGISTER OF MEMBERS

For the purpose of determining Shareholders' entitlement to attend and vote at the EGM, the register of members of the Company will be closed from Friday, 28 August 2026 to Wednesday, 2 September 2026 (both days inclusive), during which period no transfer of Shares will be registered. The record date for determining the eligibility of Shareholders to attend and vote at the EGM will be Wednesday, 2 September 2026. In order to qualify for attending and voting at the EGM, all transfer documents accompanied by the relevant share certificates, must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not later than 4:30 p.m. on Thursday, 27 August 2026.

LETTER FROM THE BOARD

RECOMMENDATION

The Directors consider that the terms of the Disposal are on normal commercial terms, fair and reasonable, and the entering into the Share Sale Agreement is in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favour of the relevant resolution to approve the Share Sale Agreement and the transactions contemplated thereunder at the EGM.

GENERAL INFORMATION

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

Completion of the Share Sale Agreement is subject to the fulfillment of certain conditions precedent and terms thereof, and therefore, may or may not take place. Shareholders and potential investors of the Company should exercise caution when dealing in the securities of the Company.

Yours faithfully,

For and on behalf of the Board

China Wood International Holding Co., Limited

中木國際控股有限公司

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. 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 <i>HK\$'000</i>
Lease liabilities	<u>2,917</u>
	<u><u>2,917</u></u>

None of the lease liabilities above were secured or guaranteed.

Save as disclosed above, and apart from intra-group liabilities and normal trade and other payable in the ordinary course of business, the Group did not, at the close of business on 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.

3. WORKING CAPITAL

The Directors, after due and careful consideration, are of the opinion that, taking into account (i) the effects of the Disposal; (ii) the financial resources available to the Group; and (iii) the estimated net proceeds from the Rights Issue, the Group will have sufficient working capital for its present requirements for at least twelve months from the date of this circular in the absence of any unforeseen circumstances.

The Company has obtained the relevant letter from its auditor as required under Rule 14.66(12) of the Listing Rules.

4. 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, being the date to which the latest published audited consolidated financial statements of the Group were made up.

5. 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's 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 capitalise 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.

The Board wishes to emphasise that the Disposal does not represent the Group's exit from, or cessation of, its wood-related business. The Group has no present intention to discontinue or dispose of its remaining wood-related businesses after the completion of the Disposal. Instead, the Board regards that the Disposal forms part of the Group's adjustment of its business development strategy to optimise its business structure by disposing of the lower-margin pine/fir wood processing and distribution segment and focusing its resources on the retained higher value-added wood-related businesses. The Group will continue to seek further business opportunities in the remaining wood-related business and other business segment of the Group.

Following the Completion, the Group intends to continue to develop its remaining wood-related businesses, including the processing and distribution of higher-margin furniture wood products and the manufacturing and sales of antique-style wood furniture and other wooden products. The retained wood-related businesses are expected to focus on products involving more premium timber, such as red mahogany wood, sandalwood and rosewood, which generally require more careful sourcing, higher craftsmanship, product differentiation and closer relationship-building with higher-end customers.

As part of the business plan for the remaining wood-related businesses, the Group intends to strengthen its marketing and promotion efforts, including enhancement of marketing materials, participation in trade shows and exhibitions, and further development of customer relationships with higher-end clientele and business partners. The Group also intends to continue to review its product mix and customer base, with a view to allocating resources towards wood-related products with better margin potential and reducing exposure to standardised and lower value-added wooden products.

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 and may consider to exit the sector of processing and distribution of furniture wood products carrying lower margins.

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars 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 circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. 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:

- 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.

3. DIRECTORS' SERVICE CONTRACT

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.

4. COMPETING INTEREST

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.

5. 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.

6. 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 consolidated financial statements of the Group were made up, up to and including the Latest Practicable Date.

7. 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 at the placing price of HK\$0.10 per placing share and a non-refundable documentary and placing fee of HK\$150,000 payable by the Company to the placing agent. The placing completed on 13 November 2025 and the gross proceeds amounted to HK\$16,446,000 and the net proceeds, after deduction of relevant related expenses (including but not limited to placing commission, legal expenses and disbursements), amounted to approximately HK\$16.27 million. For further details, please refer to the announcements of the Company dated 21 October 2025, 4 November 2025 and 13 November 2025;
- (ii) the placing agreement dated 18 June 2026 entered into between the Company and Tiger Faith Securities Limited as placing agent in relation to the placing of the unsubscribed rights share(s) and 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 at the placing price of not less than HK\$0.077 per placing share as the compensatory arrangements of the Rights Issue pursuant to Rule 7.21(1)(b) of the Listing Rules and 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 payable by the Company to the placing agent. For further details, please refer to the announcement of the Company dated 18 June 2026 and the circular of the Company dated 17 July 2026. 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; and
- (iii) the Share Sale Agreement.

8. MISCELLANEOUS

- (a) The registered office of the Company is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands.
- (b) The head office and principal place of business of the Company is 11th Floor, Tower 2, Admiralty Centre, 18 Harcourt Road, Admiralty, Hong Kong.

- (c) The Hong Kong branch share registrar and transfer office of the Company is Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong.
- (d) The company secretary of the Company is Mr. Lee Pak Chung. Mr. Lee Pak Chung holds a bachelor's degree in Computer Studies from City University of Hong Kong and a Master of Business Administration degree from The Hong Kong University of Science and Technology. He is a member of the Hong Kong Institute of Certified Public Accountants, the American Institute of Certified Public Accountants, the Association of Chartered Certified Accountants and the Chinese Institute of Certified Public Accountants.
- (e) In case of inconsistency, the English text of this circular shall prevail over its Chinese text.

9. DOCUMENTS ON DISPLAY

Copies of the material contracts referred to in the section headed “7. MATERIAL CONTRACTS” in this appendix will be published on the website of the Stock Exchange (<http://www.hkexnews.hk>) and the website of the Company (www.chinawoodint.com.hk) for 14 days from the date of this circular.

** For identification purposes only*

NOTICE OF EGM



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)

NOTICE OF EXTRAORDINARY GENERAL MEETING

NOTICE IS HEREBY GIVEN that the extraordinary general meeting (the “EGM”) of China Wood International Holding Co., Limited (the “**Company**”) will be held at Room 3006-3007, 30/F., China Resources Building, 26 Harbour Road, Wanchai, Hong Kong on Wednesday, 2 September 2026, at 3 p.m. to consider and if thought fit, pass with or without amendments, the following resolution of the Company:

ORDINARY RESOLUTION

“THAT:

- (a) the share sale agreement dated 9 July 2026 (the “**Share Sale Agreement**”, a copy of which has been produced to the EGM and marked “A” and signed by the chairman of the EGM for the purpose of identification) entered into between Fame Steps Limited, a direct wholly-owned subsidiary of the Company, as vendor and Ms. Yang Lei as purchaser in relation to, among others, the disposal of 100% of the issued share capital of Asia Pacific Forestry Development (HK) Limited, at the consideration of HK\$100,000 and the transactions contemplated thereunder, be and are hereby approved, ratified and confirmed; and

NOTICE OF EGM

- (b) any one or more director(s) of the Company (the “**Director(s)**”) be and is/are hereby authorised to do all such acts and things, to sign and execute such documents or agreements on behalf of the Company and to take all such actions as he/she/they consider(s) necessary, appropriate, desirable and expedient for the purpose of giving effect to or in connection with the Share Sale Agreement and the transactions contemplated thereunder, and to agree to such variation, amendments or waiver or matters relating thereto (including any variation, amendments or waiver of such documents or any terms thereof, which are not fundamentally different from those as provided in the Share Sale Agreement) as are, in the opinion of such Director, in the interests of the Company and its shareholders as a whole.”

By order of the Board

China Wood International Holding Co., Limited

Lyu NingJiang

Chairman and Executive Director

Hong Kong, 14 August 2026

Registered office:

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

*Head office and principal place
of business in Hong Kong:*

11th Floor, Tower 2
Admiralty Centre
18 Harcourt Road, Admiralty
Hong Kong

Notes:

1. Words and expressions that are not expressly defined in this notice of EGM shall bear the same meaning as those defined in the circular of the Company dated 14 August 2026.
2. A member of the Company entitled to attend and vote at the EGM is entitled to appoint another person as his/her/its proxy to attend and vote in his/her/its stead. A member who is the holder of two or more Shares in the Company may appoint more than one proxy to represent him/her/it and vote on his/her/its behalf at the EGM. A proxy need not be a member of the Company.
3. In the case of joint holders of Shares, any one of such joint holders may vote, either in person or by proxy, in respect of such Shares as if he/she were solely entitled thereto, but if more than one of such joint holders are present at the EGM, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders, and for this purpose seniority shall be determined by the order in which the names stand in the register of members of the Company in respect of the joint holding.

NOTICE OF EGM

4. In order to be valid, the form of proxy must be in writing under the hand of the appointor or of his/her/its attorney duly authorised in writing, or if the appointor is a corporation, either under seal, or under the hand of an officer or attorney duly authorised, and must be deposited with the Company's branch share registrar and transfer office in Hong Kong (the "**Branch Share Registrar**"), Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong (together with the power of attorney or other authority, if any, under which it is signed or a notarially certified copy thereof) not less than 48 hours before the time fixed for holding of the EGM (or any adjournment thereof).
5. Delivery of an instrument appointing a proxy should not preclude a member from attending and voting in person at the EGM or any adjournment thereof and in such event, the instrument appointing a proxy shall be deemed to be revoked.
6. For the purpose of determining Shareholders' entitlement to attend and vote at the EGM, the register of members of the Company will be closed from Friday, 28 August 2026 to Wednesday, 2 September 2026 (both days inclusive), during which period no transfer of Shares will be registered. The record date for determining the eligibility of Shareholders to attend and vote at the EGM will be Wednesday, 2 September 2026. In order to qualify for attending and voting at the EGM, all transfer documents accompanied by the relevant share certificates must be lodged with the Branch Share Registrar not later than 4:30 p.m. on Thursday, 27 August 2026.

As at the date of this notice, the Board comprises Mr. Lyu NingJiang (Chairman and CEO) and Ms. Ng Lai Ha as executive Directors; Mr. Hu YongGang as a non-executive Director; and Mr. Pang MingLi, Mr. Chan Lik Shan and Mr. So Yin Wai as independent non-executive Directors.