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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)**

**TERMINATION OF  
PROPOSED CAPITAL REDUCTION AND  
SHARE SUB-DIVISION**

References are made to the announcements of China Wood International Holding Co., Limited (the “**Company**”) dated 27 May 2020 and 23 June 2020 and the circular (the “**Circular**”) of the Company dated 29 May 2020. Unless the context otherwise requires, terms used in this announcement shall have the same meanings as those defined in the Circular.

The Board wishes to inform the Shareholders and the public that, as certain conditions precedent for the Capital Reduction cannot be fulfilled in light of the existing situation of the Company, being that the Company has reported a negative net assets value as at 30 June 2020 as disclosed in the interim report of the Company for the six months ended 30 June 2020, which would cause the application to the Court for granting an order confirming the Capital Reduction to become unduly complicated and costly, the Company would therefore not proceed with the Capital Reduction and the Share Sub-division.

The current Board, which has since undergone certain changes in composition, considers that as there is no immediate plan for the Company to conduct the abovementioned corporate exercises, not proceeding with the proposed Capital Reduction and Share Sub-division would not have any material impact on the existing business operation, financial position of the Group and the status of the issued Shares. However, depending on the prevailing position and circumstances of the Group, the Board does not rule out the possibility of putting forth a new proposal for capital reduction for approval by the Shareholders in the future. The Company will make further announcement in this regard in accordance with the Listing Rules as and when appropriate.

By order of the Board  
**China Wood International Holding Co., Limited**  
**Lyu NingJiang**  
*Chairman and Executive Director*

Hong Kong, 18 December 2020

*As at the date of this announcement, the board of directors of the Company comprises Mr. Lyu NingJiang (Chairman and CEO) as executive director; Mr. Hu YongGang as non-executive director; and Mr. Zhao XianMing, Mr. An Dong and Mr. Fung Tze Wa as independent non-executive directors.*