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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)

COMPLETION OF ISSUE OF THE INVESTOR'S SUBSCRIPTION SHARES AND THE SCHEME SHARES

Reference is made to the announcements of the Company dated 10 March 2022, 22 March 2022, 30 August 2022 and 16 May 2023 and the circular (the “**Circular**”) of the Company dated 5 August 2022, in relation to, among other matters, the Investor’s Subscription and the implementation of the Scheme. Capitalised terms used herein shall have the same meanings as defined in the Circular unless otherwise stated.

COMPLETION OF ISSUE OF THE INVESTOR'S SUBSCRIPTION SHARES AND THE SCHEME SHARES

The Board is pleased to announce that (i) pursuant to the Restructuring Agreement, completion of the Investor’s Subscription took place on 11 July 2023, pursuant to which 2,260,980,856 New Shares have been allotted and issued to the Investor at the issue price of HK\$0.044 per New Share; and (ii) pursuant to the Scheme, 823,739,687 New Shares have been allotted and issued to China Wood Scheme Limited holding for and on behalf of the Creditors, credited as fully paid, which will be further distributed to the Creditors on the basis of 1 New Share for every HK\$1.80 in the amount of Admitted Claims from the Creditors in accordance with the terms of the Scheme.

The gross proceeds from the Investor's Subscription amount to approximately HK\$99.5 million and has been applied or reserved towards: firstly, HK\$50 million for the distribution of the Cash Bonus under the Scheme; secondly, HK\$15.2 million for payment to the professional parties for the cost of restructuring; and the remaining balance for general working capital and operating expenses.

It is expected that none of the Creditors will become a substantial Shareholder as a result of the allotment and issue of the Scheme Shares.

EFFECT OF THE COMPLETION OF THE ISSUE OF THE INVESTOR'S SUBSCRIPTION SHARES AND THE SCHEME SHARES ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

The table below sets forth the shareholding structure of the Company immediately before and after completion of the issue of the Investor's Subscription Shares and the Scheme Shares:

Name of Shareholder	Immediately before completion of the issue of the Investor's Subscription Shares and the Scheme Shares		Immediately after completion of the issue of the Investor's Subscription Shares and the Scheme Shares	
	<i>New Shares</i>	<i>%</i>	<i>New Shares</i>	<i>%</i>
	The Investor and its concert parties	–	–	2,260,980,856
Sino Merchant Car Rental Limited (<i>Note 1</i>)	174,961,694	51.1	174,961,694	5.1
China Wood Scheme Limited (<i>Note 2</i>)	–	–	823,739,687	24.0
Dundee Greentech Limited (<i>Note 3</i>)	39,475,000	11.5	39,475,000	1.2
Existing public shareholders	128,136,163	37.4	128,136,163	3.7
Total	<u>342,572,857</u>	<u>100.0</u>	<u>3,427,293,400</u>	<u>100.0</u>

Notes:

1. Sino Merchant Car Rental Limited is a company incorporated in the BVI and the issued share capital of which is owned as to 60% by Ms. Deng Shufen and 40% by Ms. Liu Jianguan. Ms. Deng Shufen and Ms. Liu Jianguan are deemed to be interested in all the shares and underlying shares in which Sino Merchant is interested by virtue of the SFO.
2. China Wood Scheme Limited is the Scheme Company as defined under the Scheme, which is a company incorporated in Hong Kong with limited liability, as being a special purpose vehicle held and controlled by the Scheme Administrators and incorporated solely for the purposes as stated in the Scheme.
3. Dundee Greentech Limited is a company incorporated in the BVI, the entire issued share capital of which is held by Mr. Liu Hailong.

By order 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

Hong Kong, 11 July 2023

As at the date of this announcement, the Board comprises of Mr. Lyu NingJiang (Chairman and CEO) as executive Director; Mr. Hu YongGang as non-executive Director; and Mr. Chan Lik Shan, Mr. So Yin Wai and Mr. Zhao XianMing as independent non-executive Directors.