25 August 2026

To the Shareholders

Dear Sir or Madam,

(1) RESTRUCTURING FRAMEWORK AGREEMENT IN RELATION TO THE PROPOSED RESTRUCTURING INVOLVING (i) SUBSCRIPTION; AND (ii) THE SCHEME; (2) CONNECTED TRANSACTION – SUBSCRIPTION AND ISSUE OF SCHEME SHARES UNDER SPECIFIC MANDATE; (3) SPECIAL DEAL; AND (4) NOTICE OF SPECIAL GENERAL MEETING

1. INTRODUCTION

References are made to (i) the announcement of the Company dated 12 January 2026 in relation to, among other matters, the entering into of the Funding Agreement; (ii) the Joint Announcement; and (iii) the announcement of the Company dated 21 July 2026 in relation to the modifications to the Scheme and the results of the sanction hearing of the Court for the Scheme.

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

As at the Latest Practicable Date, the total outstanding indebtedness of the Company amounted to approximately HK$711.4 million, which were either in default or under cross-default provisions. Pursuant to the cross-default provisions set out in the outstanding debts, a default in an outstanding debt would trigger defaults in other indebtedness, the Company is thus facing imminent risk of full-scale default of the debts (including debts with maturity dates falling in 2027), leading to a domino effect where any creditors would demand the Company to make immediate repayments and take legal actions (including but not limited to statutory demands and winding-up petitions) against the Group. The Group has received demand letters from certain creditors during the year ended 31 March 2026, requesting the Group's immediate repayment of approximately HK$248.7 million and formal legal demand indicating potential enforcement proceedings against the Group. Save for the aforementioned, no additional demand letters have been received by the Group since then and up to the Latest Practicable Date. As at the Latest Practicable Date, the Group has not received any enforcement actions undertaken by creditors.

Given the Group's existing debt level and the net liabilities position, the Group's management has been actively exploring various financing options, including but not limited to discussing with the Company's major shareholders for financial support and seeking professional advice in other alternative strategies in improving the Group's financial position. The Group has decreased its bank loans through the disposals of project companies during the past years; transferred convertible bonds to shareholder loans; and explored the possibility to raise funds via equity financing.

In December 2021, the Company completed an issue of an aggregate principal amount of HK$103,076,730 convertible bonds to Ka Yik (a member of the Concert Party Group) which was due in June 2023. In June 2023, the Company received a written confirmation from Ka Yik for its consent that the initial maturity date shall be extended for another eighteen months to December 2024. Upon maturity in December 2024, as the Company did not have sufficient financial resources to repay at the material time, the convertible bonds with principal amount of HK$103,076,730 and the accrued interests of HK$6,184,604 were converted into Shareholder's loan of HK$109,261,334 in aggregate, which is unsecured, interest free and repayable on demand, by entering into a loan agreement as mutually agreed between the Company and Ka Yik.

In April 2024, a loan capitalisation agreement (the "**Loan Capitalisation Agreement**") was entered into, pursuant to which, among others, the Company conditionally agreed to allot and issue to a connected subscriber (i.e. Ground Investment Holding Group Co. Ltd, which is ultimately and beneficially owned by Mr. Cui and Ms. Chai) and the subscriber conditionally agree to subscribe for, a total of 5,060 million capitalisation shares at a price of HK$0.05 per capitalisation share for a total consideration of HK$253 million (equivalent to approximately RMB230 million). As part of the conditions precedent, the loan capitalisation was subject to the completion of a debt reorganisation, which was considered that there is minimal chance for the requisite approvals to be obtained from the relevant government authorities in the PRC (i.e. the National Development and Reform Commission, the State Administration of Foreign Exchange, and the Ministry of Commerce) on or before 31 December 2024 (being the long stop date for the completion of the Loan Capitalisation Agreement). As a result, the loan capitalisation was terminated on 4 October 2024.

In September 2025, the Group completed the disposal of 100% equity interests held in Jilin Province Ground Tourism Development Company Limited and its subsidiaries, resulting in a decrease in the Group's total liabilities by approximately RMB523.0 million.

In March 2026, the Group completed the disposal of 100% equity interests held in (i) Changchun Zhujia Real Estate Development Company Limited) and its subsidiary; (ii) Baishan Ground Business Management Company Limited; and (iii) Yanji Huize Real Estate Development Company Limited, resulting in a decrease in the Group's total liabilities by approximately RMB559.8 million.

The initiatives undertaken have significantly contributed a decrease in the Group's bank and other borrowings from approximately RMB651.6 million as at 31 March 2024 to approximately RMB183.4 million as at 31 March 2026. However, all the above ways have been unable to fully resolve the Group's severe liquidity and financial distress situation, with subsisting net liabilities of approximately RMB489.5 million and total liabilities of approximately RMB907.5 million as at 31 March 2026. Such initiatives undertaken by the Company could only resolve part, but not the whole, of the Group's financial difficulties.

Before the decision to proceed with the Proposed Restructuring, the Company has considered other means of fund raising, including but not limited to bank borrowing, debt financing and other equity fund raising methods to settle its indebtedness. For debt financing, taking into account (i) the net current liabilities and net liabilities positions of the Group; (ii) the unavailability of suitable assets to be pledged as collateral; and (iii) debt financing incur interest burden on the Group, which may further deteriorate the liquidity and financial distress situation of the Group, it is considered that further debt financing may not be viable to the Group. As such, the Company is of the view that the debt financing from banks or other financial institutions are of limited accessibility and undesirable effects, and such funding method is not in the interests of the Company and the Shareholders as a whole. As for equity financing, it is considered that (i) the extremely adverse financial position and performance of the Group, the generally low liquidity of the Shares as discussed below as well as the recent volatile market condition, the procurement of commercial underwriting would be difficult; and (ii) substantial transaction costs, including underwriting commission, placing commission and various professional service fees, will be incurred. Nonetheless, the Group's management had approached the principal bank of the Company and various financial institutions for debt and/or equity financing possibilities, which no fruitful results have been yielded. The Group's management had also attempted to approach the Company's substantial Shareholders for financial support, and a further financial support has been provided under the Funding Agreement. Further, the substantial Shareholder has agreed not to demand immediate repayment of the existing loans of approximately HK$403.7 million, if the Company proceeds its debt restructuring.

Taking into account the severe financial distress situation and lack of cashflow of the Group, which would be at risk of insolvent liquidation, the Board believes there is an imminent need to pursue a restructuring and to formulate the terms of the Proposed Restructuring, which is considered to be the only viable option to the Company under such circumstances, and is in the interest of all the stakeholders in the Company, including the Scheme Creditors.

The purpose of this circular is to provide you, among others, details of: (a) the Restructuring Framework Agreement and the transactions contemplated thereunder; (b) the Specific Mandate; (c) the Scheme; (d) the Subscription; (e) the Special Deal; (f) a letter of advice from the Independent Financial Adviser to the Independent Shareholders in relation to the Restructuring Framework Agreement and the transactions contemplated thereunder, the Subscription, the Scheme, the Specific Mandate and the Special Deal; (g) the letter from the Independent Board Committee; (h) the letter from the TC Independent Board Committee; and (i) a notice of the SGM.

2. THE RESTRUCTURING FRAMEWORK AGREEMENT

On 15 July 2026, Ground Group HK and the Company entered into the Restructuring Framework Agreement, pursuant to which the Company will implement the Proposed Restructuring, which involves, among others, (i) the Subscription; and (ii) the Scheme. Following the modifications to the terms of the Scheme sanctioned by the Court on 21 July 2026, Ground Group HK and the Company entered into the Supplemental Restructuring Framework Agreement on [•••] 2026 to reflect such modifications (details of which are set out in the announcement of the Company dated 21 July 2026) and to supplement the Restructuring Framework Agreement accordingly, which is of administrative nature (such as revising the definition of the Scheme Effective Date and the introduction of the Restructuring Effective Date) and will not affect the key terms of the Proposed Restructuring. Subject to the terms and conditions of the Subscription Agreement, Ground Group HK shall subscribe a total of 260,000,000 Subscription Shares at the total subscription price of HK$39,000,000, which shall be satisfied by applying all amounts advanced and to be advanced by Ground Group HK under the Funding Agreement in full as the Subscription Price credited as fully paid for capitalisation into the Subscription Shares on a dollar-for-dollar basis.

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

Date

15 July 2026 (as supplemented by the Supplemental Restructuring Framework Agreement dated [•••] 2026)

Parties

(i) the Company; and

(ii) Ground Group HK

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

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

Conditions precedent of the Proposed Restructuring

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

(1) the signing of all the Restructuring Documents by all the parties thereunder as may be required to be entered into to give effect to the Proposed Restructuring before Completion;

(2) the Court sanctions the Scheme and an official copy of the order of the Court is delivered to and filed with and registered by the Registrar of Companies in Hong Kong;

(3) the passing of the necessary resolutions by the Shareholders or the Independent Shareholders (as the case may be) at the SGM for the Scheme, the Restructuring Framework Agreement, the Subscription Agreement and the transactions contemplated thereunder (including the Subscription, the Specific Mandate, the Scheme and the Special Deal) and not having been revoked or vitiated;

(4) the Company having obtained either conditional approval or approval-in-principle from the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Scheme Shares and the Subscription Shares;

(5) the Scheme becoming effective and being implemented in accordance with its terms;

(6) the Subscription Agreement having become unconditional in all respect in accordance with the terms and conditions set out therein;

(7) the Company having obtained the necessary consent of the Executive for the Special Deal, and such necessary consent not having been revoked or withdrawn; and

(8) all necessary governmental, regulatory and corporate authorisations, approvals, consents and/or waivers for the entering into of the Restructuring Framework Agreement and the performance of obligations thereunder having been obtained and effective;

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

As at the Latest Practicable Date, save for conditions (1), (2) and (5) above which have been fulfilled, none of the conditions above is fulfilled.

Undertakings by the Company

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

Undertakings by Ground Group HK

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

Termination of the Restructuring Framework Agreement

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

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

(1) the listing of the Shares has been cancelled by the Stock Exchange before the date of Completion; or

(2) Completion has not taken place on or before the Long Stop Date; or

(3) Ground Group HK and the Company agree in writing that the Restructuring Framework Agreement shall be terminated; or

(4) the Scheme is terminated in accordance with its terms and conditions where the Scheme Claims due to the Scheme Creditors are revived; or

(5) Ground Group HK fails to advance the loan to the Company and Ka Yun in accordance with the Funding Agreement and such failure is not being rectified (i.e. the payment of funding is not made) within fourteen (14) Business Days from such failure.

A. FUNDING OF THE PROPOSED RESTRUCTURING

Funding Agreement

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

B. THE SUBSCRIPTION

Subscription Shares

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

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

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

Ranking of the Subscription Shares

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

The Subscription Price

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

(i) a discount of approximately 73.21% to the closing price of HK$0.56 per Share as quoted on the Stock Exchange on the Latest Practicable Date;

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

(iii) a discount of approximately 80.21% to the average closing price of HK$0.758 per Share as quoted on the Stock Exchange for the last five trading days up to and including the Last Trading Day;

(iv) a discount of approximately 80.89% to the average closing price of HK$0.785 per Share as quoted on the Stock Exchange for the last ten trading days up to and including the Last Trading Day;

(v) a premium of approximately HK$1.69 over the Group's audited consolidated net liabilities per Share of approximately HK$1.54 as at 31 March 2026, based on the audited consolidated net liabilities attributable to Shareholders of approximately RMB489.5 million (equivalent to approximately HK$554.6 million) as at 31 March 2026 and 360,181,940 Shares in issue, prior to the allotment and issue of the Subscription Shares and the Scheme Shares; and

(vi) a theoretical dilution effect (as defined under Rule 7.27B of the Listing Rules) of approximately 75.32%, represented by the theoretical diluted price of approximately HK$0.192 per Share (based on the total number of issued Shares as enlarged by the allotment and issue of the Subscription Shares and the Scheme Shares) to the benchmarked price of HK$0.778 per Share (as defined under Rule 7.27B of the Listing Rules), taking into account the higher of the closing price on the date of the Subscription Agreement and the Restructuring Framework Agreement of HK$0.720 per Share and the average of the closing prices of the Shares as quoted on the Stock Exchange for the five consecutive trading days prior to the date of the Subscription Agreement and the Restructuring Framework Agreement of HK$0.778 per Share.

The Subscription Price is determined after arm's length negotiation between the Company and Ground Group HK with reference to (i) the net liability position of the Company and the fact that the Company is insolvent; (ii) the loss-making position and the difficulty in obtaining financing from banks and financial institutions to sustain the ongoing operations of the Group; (iii) the market sentiment in relation to investment in listed companies in similar financial situation; and (iv) the prevailing market conditions. The Subscription Price is the same as the Issue Price as they are integral parts of the Proposed Restructuring, where the key terms of the Subscription and the Scheme are inter-related, and thus were negotiated on the same underlying commercial basis as a whole with Ground Group HK and other Creditors.

According to the 2024/2025 Annual Report, the Group incurred a loss of approximately RMB852.9 million for the year ended 31 March 2025, with an accumulated losses attributable to the owners of the Company of approximately RMB2,587.5 million. The Company is both balance-sheet insolvent (with net current liabilities and net liabilities of approximately RMB942.5 million and RMB623.3 million, respectively, as at 31 March 2025; and net current liabilities and net liabilities of approximately RMB481.5 million and RMB489.5 million, respectively, as at 31 March 2026) and cash flow insolvent (with consolidated cash and cash equivalents of only approximately RMB4.2 million as at 31 March 2026). As disclosed in the 2025/2026 Annual Report, for the year ended 31 March 2026, the Company's auditor has issued a disclaimer of opinion on the Company's consolidated financial statements, citing the existence of material uncertainties which may cast significant doubt on the Group's ability to continue as a going concern. Under such severe financial distress situation and lack of cashflow, the Company has used its best endeavours to maintain on-going discussions with the Creditors (including Ground Group HK as the subscriber) and to explore potential terms of the Proposed Restructuring. Taking into account (i) the feedback received from the Creditors during arm's length negotiations, which Ground Group HK would not accept the Subscription Price to be lower than the Issue Price, and certain lead Creditors explicitly expressed that they would not accept the Issue Price to be higher than HK$0.15; (ii) the adverse financial condition with worsening net liabilities position and insolvency of the Company; (iii) the accumulated net losses recorded by the Group; (iv) the prevailing market conditions, with relatively low market price and trading liquidity of the Shares, which reflected the market sentiment of investors towards listed companies in similar financial distress situation, during the course of formulating the Proposed Restructuring; and (v) the expected business prospect and continuous development of the Group after the completion of the Proposed Restructuring, the Board (excluding members of the Independent Board Committee) is of the view that the Subscription Price is considered fair and reasonable, and would be beneficial to and in the interest of the Company, the Shareholders and the Creditors as a whole. Please refer to the sections headed "INTRODUCTION" and "REASONS FOR AND BENEFITS OF ENTERING INTO THE RESTRUCTURING FRAMEWORK AGREEMENT AND THE SUBSCRIPTION AGREEMENT" to this circular for further details.

It is proposed that the proceeds from the Subscription will be applied as to approximately HK$10,000,000 for costs and expenses for the implementation of the restructuring plan of the Group, approximately HK$10,000,000 for the expenditure for the property development and management, and property investment business of the Group, and the balance for the working capital of the Group. As at the Latest Practicable Date, a total sum of HK$39,000,000 has been drawn down, among which, (i) approximately HK$6.1 million has been utilised for the costs and expenses for the implementation of the Proposed Restructuring, mainly comprised counsel fee for the sanction of the Scheme and fees for other professional parties; (ii) approximately HK$8.6 million has been utilised for the expenditure for the Group's property development and management business, mainly attributable to the settlement of constructions costs payables to contractors and vendors arisen from the existing property project of the Group in Jiutai District, Changchun City, Jilin Province and the remaining amount of approximately RMB1.4 million to be utilised for settling the constructions costs payables of the same property project for the year ending 31 March 2027; and (iii) approximately HK$11.4 million has been utilised for the Group's working capital, mainly attributable to the payment of staff costs, legal and professional fees and other administrative expenses of the Group.

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

Conditions precedent of the Subscription

Completion of the Subscription shall be conditional upon:

(1) Ground Group HK being reasonably satisfied with the results of the due diligence review on the Group to be conducted;

(2) all necessary consents, licenses and approvals required to be obtained on the part of the Company in respect of the Subscription Agreement and the transactions contemplated thereunder having been obtained and remain in full force and effect;

(3) all necessary consents, licenses and approvals required to be obtained on the part of Ground Group HK in respect of the Subscription Agreement and the transactions contemplated thereunder having been obtained and remain in full force and effect;

(4) the Court sanctions the Scheme and an official copy of the order of the Court sanctioning the Scheme is delivered to and filed with and registered by the Registrar of Companies in Hong Kong;

(5) the passing of the necessary resolutions by the Shareholders or the Independent Shareholders (as the case may be) at the SGM for the Scheme, the Restructuring Framework Agreement, the Subscription Agreement and the transactions contemplated thereunder (including the granting of the Specific Mandate and the Special Deal);

(6) the Company having obtained either conditional approval or approval-in-principle from the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Subscription Shares on the Stock Exchange, and such permission not having been subsequently revoked or withdrawn;

(7) the Executive having granted the consent to the Special Deal, the satisfaction of all conditions (if any) attached to the Special Deal, and such consent to the Special Deal not having been subsequently revoked or withdrawn;

(8) the effectuation of the Scheme having become unconditional (save for the condition that the Subscription has become unconditional); and

(9) all other necessary waivers, consents and approvals including but not limited to those from the Stock Exchange, the SFC and any other relevant government or regulatory authorities, which are required (if any) for the implementation of the Restructuring Transactions and all transactions contemplated thereunder having been obtained.

None of the above conditions is capable of being waived. The Company shall use its best endeavours to procure the fulfilment of the conditions precedent above. As at the Latest Practicable Date, save for conditions (1), (4) and (8) above which have been fulfilled, none of the conditions contemplated above has been fulfilled.Furthermore, as at the Latest Practicable Date, save for the consents, licenses, approvals and/or waivers required to be obtained by the Company as set out in conditions (4) to (7) above, there is no other governmental, regulatory and corporate consents, licenses, approvals and/or waivers required to be obtained in respect of condition (9) above.

The completion of the Restructuring Transactions shall not result in the Company failing to meet the public float requirements under the Listing Rule. Please refer to the section headed "Effect on the Shareholding Structure of the Company" in this circular for details. Ground Group HK undertakes that it will, at its own cost and as soon as practicable, dispose of such number of Shares through a placing agent as may be necessary to ensure that the public float requirement under Rule 13.32B of the Listing Rules is maintained and complied with by the Company at all times.

C. THE SCHEME

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

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

The Scheme has been approved by the requisite statutory majorities of creditors with Voting Claims at the Scheme Meeting held on 8 June 2026. At the adjourned Sanction Hearing held on 21 July 2026, the Court approved, in accordance with the terms of the Scheme (which permit modifications approved by the Court that do not have a material adverse effect on the interests of any Scheme Creditor), the modifications to the terms of the Scheme, details of which are set out in the announcement of the Company dated 21 July 2026 and under the section headed "Conditions Precedent" below.

Allotment and issue of the Scheme Shares

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

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

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

Ranking of the Scheme Shares

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

Issue Price

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

(i) a discount of approximately 73.21% to the closing price of HK$0.56 per Share as quoted on the Stock Exchange on the Latest Practicable Date;

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

(iii) a discount of approximately 80.21% to the average closing price of HK$0.758 per Share as quoted on the Stock Exchange for the last five trading days up to and including the Last Trading Day;

(iv) a discount of approximately 80.89% to the average closing price of HK$0.785 per Share as quoted on the Stock Exchange for the last ten trading days up to and including the Last Trading Day;

(v) a premium of approximately HK$1.69 over the Group's audited consolidated net liabilities per Share of approximately HK$1.54 as at 31 March 2026, based on the audited consolidated net liabilities attributable to Shareholders of approximately RMB489.5 million (equivalent to approximately HK$554.6 million) as at 31 March 2026 and 360,181,940 Shares in issue, prior to the allotment and issue of the Subscription Shares and the Scheme Shares; and

(vi) a theoretical dilution effect (as defined under Rule 7.27B of the Listing Rules) of approximately 75.32%, represented by the theoretical diluted price of approximately HK$0.192 per Share (based on the total number of issued Shares as enlarged by the allotment and issue of the Subscription Shares and the Scheme Shares) to the benchmarked price of HK$0.778 per Share (as defined under Rule 7.27B of the Listing Rules), taking into account the higher of the closing price on the date of the Subscription Agreement and the Restructuring Framework Agreement of HK$0.720 per Share and the average of the closing prices of the Shares as quoted on the Stock Exchange for the five consecutive trading days prior to the date of the Subscription Agreement and the Restructuring Framework Agreement of HK$0.778 per Share.

The Issue Price is determined after arm's length negotiation between the Company and the Creditors with reference to (i) the net liability position of the Company and the fact that the Company is insolvent; (ii) the loss-making position and the difficulty in obtaining financing from banks and financial institutions to sustain the ongoing operations of the Group; (iii) the market sentiment in relation to investment in listed companies in similar financial situation; (iv) the prevailing market conditions; and (v) the 1.26% to 3.31% recovery rate from the Company's assets under liquidation scenario based on the Company's current estimation.

According to the 2024/2025 Annual Report, the Group incurred a loss of approximately RMB852.9 million for the year ended 31 March 2025, with an accumulated losses attributable to the owners of the Company of approximately RMB2,587.5 million. The Company is both balance-sheet insolvent (with net current liabilities and net liabilities of approximately RMB942.5 million and RMB623.3 million, respectively, as at 31 March 2025; and net current liabilities and net liabilities of approximately RMB481.5 million and RMB489.5 million, respectively, as at 31 March 2026) and cash flow insolvent (with consolidated cash and cash equivalents of only approximately RMB4.2 million as at 31 March 2026). As disclosed in the 2025/2026 Annual Report, for the year ended 31 March 2026, the Company's auditor has issued a disclaimer of opinion on the Company's consolidated financial statements, citing the existence of material uncertainties which may cast significant doubt on the Group's ability to continue as a going concern. Under such severe financial distress situation and lack of cashflow, the Company has used its best endeavours to maintain on-going discussions with the Creditors and to explore potential terms of the Proposed Restructuring. Taking into account (i) the feedback received from the Creditors during arm's length negotiations, which certain lead Creditors explicitly expressed that they would not accept the Issue Price to be higher than HK$0.15; (ii) the adverse financial condition with worsening net liabilities position and insolvency of the Company; (iii) the accumulated net losses recorded by the Group; (iv) the prevailing market conditions, with relatively low market price and trading liquidity of the Shares, which reflected the market sentiment of investors towards listed companies in similar financial distress situation, during the course of formulating the Proposed Restructuring; and (v) the expected business prospect and continuous development of the Group after the completion of the Proposed Restructuring, the Board (excluding the member of the Independent Board Committee) is of the view that the Issue Price is considered fair and reasonable, and would be beneficial to and in the interest of the Company, the Shareholders and the Creditors as a whole. Please refer to the sections headed "INTRODUCTION" and "REASONS FOR AND BENEFITS OF ENTERING INTO THE RESTRUCTURING FRAMEWORK AGREEMENT AND THE SUBSCRIPTION AGREEMENT" to this circular for further details.

As at the Latest Practicable Date, the Excluded Claims amounted to HK$39,000,000, being the amount drawn down by the Company under the Funding Agreement.

The amount of Admitted Scheme Claims will be subject to further adjustments in accordance with the fluctuations in the exchange rate and the accumulation of interests of the Claims as at the Restructuring Effective Date, which are expected to have minimal effect to the Admitted Scheme Claim, and thus the Issue Price. In the event that the amount of Admitted Scheme Claims exceeds HK$711,368,054 after such adjustments, the Issue Price will increase accordingly while the number of Scheme Shares would remain at 4,742,453,691. Nonetheless, based on (i) the Undertaking (as defined below) provided by members of the Concert Party Group to the Company; and (ii) the Waiver (as defined below) provided by Ka Yik and Ground Group HK (collectively, the "**Measures**"), the Issue Price would not exceed HK$0.15. For details of the Measures, please refer to the section headed "Measures implemented in respect of the Admitted Scheme Claims" to this circular. Taking into account the aforesaid adjustments in accordance with exchange rate and accumulation of interests of the Claims, as well as the books and records of the Company, the Company anticipated that the amount of Admitted Scheme Claims would not be less than HK$711,368,054.

Measures implemented in respect of the Admitted Scheme Claims

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

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

The details of the approximately HK$711,368,054 of Admitted Scheme Claims are set out as follows:

Type of Scheme Creditors	**Claim nature**	**Maturity profile**	**Claim amount** *(HK$)*	**Total claim amount** *(HK$)*
Concert Party Group	Borrowing to the Company	Repayable on demand	113,946,654	
	Corporate guarantee liabilities *(note 3)*	Repayable on demand	289,773,574	403,720,228
Independent Third Party Creditors *(note 1)*	Bonds	Default	16,800,000	
	Bonds	Default	48,365,754	
	Borrowing to the Company	Default	15,157,277	
	Borrowing to the Company	Under cross-default provision *(note 2)*	4,250,000	307,647,826
	Corporate guarantee liabilities *(note 3)*	Default	185,194,639	
	Corporate guarantee liabilities *(note 3)*	Under cross-default provision *(note 2)*	37,880,156	
			Total	**711,368,054**

Note:

1) Three of the Independent Third Party Creditors are Shareholders, being Mr. Jiang Jinbo, Ms. Wang Ting Ting and Mr. Lin Huipeng, with claim amounts of approximately HK$19.8 million, HK$1.0 million and HK$19.7 million, respectively. As at the Latest Practicable Date and immediately after the completion of the Subscription and the allotment and issue of the Scheme Shares, Mr. Jiang Jinbo, Ms. Wang Ting Ting and Mr. Lin Huipeng were not, and will not become the substantial Shareholders.

2) The Claims under cross-default provision of approximately HK$42.1 million will fall due in the first half of 2027.

3) The corporate guarantee liabilities represented the corporate guarantees provided by the Company to its subsidiaries.

Conditions precedent

Conditions precedent of the Scheme

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

(1) over fifty per cent (50%) in number of the Scheme Creditors (for the avoidance of doubt, the Offeror, Mr. Cui, Ms. Chai, Ms. Cui, Jilin Ground Group, Xin Guangze, Jilin Guangxun Investment, Jilin Xinquan, Jilin Xinshun, Ka Yik and Charm Success have given undertakings not to attend or vote at the Scheme Meeting and to abide by the terms of the Scheme, and hence were not counted towards the Voting Claims), representing at least seventy-five per cent (75%) in value of the aggregate Voting Claims of the Scheme Creditors, present and voting in person (or through electronic means if applicable) or by proxy at the Scheme Meeting, vote in favour of the Scheme; and

(2) the Court sanctions the Scheme and an official copy of the order of the Court sanctioning the Scheme is delivered to and filed with and registered by the Registrar of Companies in Hong Kong.

As at the Latest Practicable Date, all of the above conditions have been fulfilled. The Scheme has been approved by the requisite statutory majorities of creditors with Voting Claims at the Scheme Meeting held on 8 June 2026. On 21 July 2026, the Court has granted an order to sanction the Scheme and an official copy of the order of the Court sanctioning the Scheme has been delivered to the Registrar of Companies in Hong Kong for registration on 28 July 2026. Please refer to the announcements of the Company dated 24 February 2026, 14 May 2026 and, 8 June 2026 and 21 July 2026 for further details.

Condition precedent of the Proposed Restructuring

The Proposed Restructuring will become effective and subject to the fulfilment of the following conditions precedent:

(a) the occurrence of the Scheme Effective Date;

(b) the Subscription Agreement having become unconditional in all respects in accordance with the terms and conditions set out therein (save for the condition for the Scheme to become unconditional);

(c) the passing of the necessary resolutions by the Shareholders or the Independent Shareholders (as the case may be) at the SGM for the Scheme and the transactions contemplated thereunder (including the granting of the Specific Mandate, the Scheme, and the Special Deal) as required under the Listing Rules and the Takeovers Code;

(d) Company having obtained either conditional approval or approval in-principle from the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Scheme Shares on the Stock Exchange, and such permission not having been subsequently revoked or withdrawn; and

(e) the Company having obtained the necessary consent of the Executive for the Special Deal, and such necessary consent not having been revoked or withdrawn.

None of the conditions precedent above can be waived. As at the Latest Practicable Date, save for condition (a), none of the above conditions have been fulfilled. For the avoidance of doubt, if any of the condition as listed above cannot be fulfilled, the Proposed Restructuring will not proceed and the Scheme Claims will not be compromised under the Scheme.

Possible unconditional mandatory cash offer

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

Pursuant to the definition under the Takeovers Code, Ground Group HK, Mr. Cui, Ms. Chai, Ms. Cui, Jilin Ground Group, Xin Guangze, Jilin Guangxun Investment, Jilin Xinquan, Jilin Xinshun, Jilin Zexiao, Ka Yik and Charm Success are presumed to be acting in concert by virtue of classes (1) and (8) of the definition of "acting in concert" under the Takeovers Code, and as a matter of fact are, parties acting in concert.

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

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

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

Details of the Offer will be included in the Composite Document to be despatched in due course.

Irrevocable Undertaking

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

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

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

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

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

While the Subscription Price and the Issue Price of HK$0.15 represent a discount to the prevailing market price of the Shares, the Board (excluding the member of the Independent Board Committee) considers that the market price does not reasonably reflect the Company's underlying financial condition, having regard to the low trading liquidity of the Shares and the Company's deeply insolvent position. The discount serves as a necessary incentive for Ground Group HK, being the sole investor willing to participate in the restructuring, to inject capital and assume the risks associated with the Company's outstanding liabilities and uncertain future performance. In the absence of alternative funding sources and based on the discussions with the Creditors, during which certain lead Creditors explicitly expressed that they would not accept the Subscription Price and the Issue Price to be higher than HK$0.15, and the Board (excluding members of the Independent Board Committee) understood that the Concert Party Group did not expect to accept any nominal haircut on face value for the Proposed Restructuring, the Board (excluding members of the Independent Board Committee), after taking into account (i) the feedback from the Creditors; (ii) the absence of any competing higher-priced proposal; (iii) the Group's limited funding alternatives (with the Concert Party Group being the only interested investor willing to participate and provide new funding in the Proposed Restructuring); (iv) the investment risk faced by the Concert Party Group; and (v) the immediate need to implement a restructuring that could secure creditor support, thus considers that the Subscription Price and the Issue Price of HK$0.15 represent the only viable basis upon which a rescuer could be secured, and therefore constitute the best price reasonably obtainable in the circumstances. The Board (excluding members of the Independent Board Committee) considers that a nominal haircut on face value would have significantly reduced the prospects of achieving the requisite statutory majorities at the Scheme Meeting, potentially rendering the Proposed Restructuring unworkable.

In light of the above and notwithstanding the allotment and issue of the Subscription Shares and the Scheme Shares would result in a theoretical dilution of approximately 75.32%, the Board (excluding members of the Independent Board Committee) is of the view that the terms of the Proposed Restructuring (including the Subscription Price and the Issue Price) are fair and reasonable, on normal commercial terms and in the interests of the Company, its Shareholders and the Creditors as a whole.

The Scheme has been structured to address and settle the Company's indebtedness (instead of all of the Group's indebtedness) which is proposed to be admitted as Scheme Claims of approximately HK$711.4 million, representing a substantial portion of the Group's consolidated liabilities. The remaining indebtedness and contingent liabilities of other members of the Group are, in substance, governed primarily by PRC law and arise at the level of PRC operating subsidiaries, which cannot be directly compromised by a scheme of arrangement sanctioned by the Hong Kong Court and will instead continue to be managed through the Group's ongoing restructuring efforts and enforcement negotiations in the PRC.

With the Proposed Restructuring expected to be completed in the fourth quarter of 2026, it is expected that the Group's debt level will be significantly improved. Upon Completion, it is anticipated that the Group's remaining liabilities mainly comprise (i) trade and other payable (mainly attributable to construction cost payables arising from the Group's properties projects), which will be settled by proceeds from the sale of properties; (ii) contract liabilities, which will be recognised as sale of properties upon completion of construction of the Group's property project; and (iii) income tax payable and deferred tax, which will be settled by proceeds from the sale of properties.

4. EFFECT ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

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

Shareholders	**As at the Latest Practicable Date**		**Immediately after the completion of the Subscription and the allotment and issue of the Scheme Shares** (Note 14)	
	Number of Shares	*Approx. %*	*Number of Shares*	*Approx. %*
Charm Success (Note 1)	18,356,035	5.10	18,356,035	0.34
Ka Yik (Notes 1 & 2)	89,739,018	24.91	818,147,911	15.26
Ms. Cui	629,628	0.18	629,628	0.01
Ms. Chai	42,500	0.01	42,500	0.00
Ground Group HK (Note 3)	–	–	2,223,059,293	41.46
Sub-total (The Concert Party Group)	***108,767,181***	***30.20***	***3,060,235,367***	***57.07***
China Investment Fund International Financial Group Limited (Note 4)	52,000,000	14.44	52,000,000	0.97
Integrated Asset Management (Asia) Limited (Note 5)	18,964,950	5.26	18,964,950	0.35
Jilin Wanding (Note 6)	–	–	241,648,515	4.51
Mr. Jiang Jinbo (Note 7)	31,500,000	8.75	163,500,000	3.05
Mr. Lin Huipeng (Note 8)	4,846,250	1.34	136,246,250	2.54
Ms. Wang Ting Ting (Note 9)	36,000	0.01	6,869,333	0.13
The Bondholders (except Mr. Jiang Jinbo) (Note 10)	–	–	322,438,356	6.01
長春市纳百利商貿有限公司 (Changchun Nabaili Trading Company Limited*) (Note 11)	–	–	262,737,594	4.90
Other public shareholders	144,067,559	40.00	1,097,995,266	20.47
Total	**360,181,940**	**100.00**	**5,362,635,631**	**100.00**

Notes:

1. Charm Success and Ka Yik are companies wholly owned by Deep Wealth Holding Limited, which is in turn wholly held by TMF (Cayman) Ltd. as trustee of the Ground Trust. The Ground Trust is a discretionary trust set up by Ms. Cui as settlor and protector, and TMF (Cayman) Ltd. as trustee on 27 July 2016. By virtue of part XV of the SFO, Ms. Cui is deemed to be interested in the securities of the Company held by Charm Success and Ka Yik.

2. Based on the available books, records and information of the Company and pending determination and/or adjudication of the Admitted Scheme Claims, the total claim amount owed by the Company to Ka Yik is HK$109,261,334.00, Ka Yik would be entitled to 728,408,893 Scheme Shares upon Completion.

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

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

   Further, Ground Group HK has undertaken to subscribe for 260,000,000 Subscription Shares by way of set-off against amounts owing under the Funding Agreement. Accordingly, upon Completion and taking into account the entitlement of Scheme Shares, the shareholding interest of each of Ground Group HK and Ka Yik would increase to 2,223,059,293 Shares (comprising 260,000,000 Subscription Shares and 1,963,059,293 Scheme Shares) and 818,147,911 Shares, representing approximately 41.46% and 15.26% of the Enlarged Issued Share Capital, respectively. As such, the aggregate shareholding interest of the Concert Party Group would increase from approximately 30.20% of the issued Shares as at the date hereof to approximately 57.07% of the then issued Shares as enlarged by the Enlarged Issued Share Capital. Therefore, upon Completion, Ground Group HK would trigger an obligation to make the Offer.

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

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

5. Integrated Asset Management (Asia) Limited is a company wholly and beneficially owned by Mr. Yam Tak Cheung. Mr. Yam Tak Cheung deemed to be interested in those Shares by virtue of being its controlling shareholder under SFO.

6. Based on the available books, records and information of the Company and pending determination and/or adjudication of the Admitted Scheme Claims, the total claim amount of Jilin Wanding is HK$36,247,277.26 and Jilin Wanding would be entitled to 241,648,515 Scheme Shares upon Completion.

7. Out of the 31,500,000 Shares, (i)16,500,000 Shares are held by Mr. Jiang Jinbo himself; and (ii) 15,000,000 Shares are held by 元匯國際控股有限公司 (Yuanhui International Holding Limited*), which is in turn wholly owned by 深圳市鼎新控股集團有限公司 (Shenzhen Dingxin Holding Group Company Limited*) ("Shenzhen Dingxin"). Shenzhen Dingxin is wholly and beneficially owned by Mr. Jiang Jinbo. Mr. Jiang Jinbo is interested in and deemed to be interested in those shares by virtue of being a controlling shareholder under SFO. As disclosed in note 10 below, the Bonds (including those held by Mr. Jiang Jinbo) have matured on 22 June 2026 and the conversion rights attached to the Bonds lapsed upon the maturity, and thus are no longer convertible into issued Shares. Notwithstanding the maturity, the Company has an outstanding obligation to settle the Admitted Scheme Claims of Mr. Jiang Jinbo in respect of the Bonds. Based on the available books, records and information of the Company and pending determination and/or adjudication of the Admitted Scheme Claims, the total outstanding amount of the Bonds held by Mr. Jiang Jinbo is approximately HK$16,800,000. Mr. Jiang Jinbo would therefore be entitled to 112,000,000 Scheme Shares upon the Proposed Restructuring becoming effective. Apart from the Admitted Scheme Claims in respect of the outstanding amount of the Bonds held by Mr. Jiang Jinbo, based on the available books, records and information of the Company and pending determination and/or adjudication of the Admitted Scheme Claims, the total claim amount owed by the Company to Mr. Jiang Jinbo is HK$3,000,000, Mr. Jiang Jinbo would also be entitled to 20,000,000 Scheme Shares upon Completion.

8. Based on the available books, records and information of the Company and pending determination and/or adjudication of the Admitted Scheme Claims, the total claim amount of Mr. Lin Huipeng is HK$19,710,000, and he would be entitled to 131,400,000 Scheme Shares upon Completion.

9. Based on the available books, records and information of the Company and pending determination and/or adjudication of the Admitted Scheme Claims, the total claim amount of Ms. Wang Ting Ting is HK$1,025,000, and she would be entitled to 6,833,333 Scheme Shares upon Completion.

10. Pursuant to the terms and conditions of the Bonds, the Bondholder(s) shall have the right to convert all or part of the Bonds into Shares at a conversion price of HK$8.9 per Share. According to the Instrument, the Bonds held by the Bondholders have matured on 22 June 2026 and the conversion rights attached to the Bonds lapsed upon the maturity, and thus are no longer convertible into issued Shares. Notwithstanding the maturity, the Company has an outstanding obligation to settle the Admitted Scheme Claims of the Bondholders. Based on the available books, records and information of the Company and pending determination and/or adjudication of the Admitted Scheme Claims, the total outstanding amount of the Bonds, save for those held by Mr. Jiang Jinbo as disclosed in note 7 above, is approximately HK$48,365,753.45. The Bondholders therefore would be entitled to 322,438,356 Scheme Shares upon Completion.

11. Based on the available books, records and information of the Company and pending determination and/or adjudication of the Admitted Scheme Claims, the total amount claim owed by the Company to 長春市納百利商貿有限公司 (Changchun Nabaili Trading Company Limited*) is HK$39,410,639.17, 長春市納百利商貿有限公司 (Changchun Nabaili Trading Company Limited*) would be entitled to 262,737,594 Scheme Shares upon Completion.

12. Based on the information available to the Company, save for Ka Yik, Mr. Jiang Jinbo, Mr. Lin Huipeng and Ms. Wang Ting Ting, none of the Scheme Creditors are Shareholders as at the Latest Practicable Date.

13. Based on the information available to the Company, save as disclosed above, none of the Directors are Shareholders as at the Latest Practicable Date.

14. The expected shareholding of the Scheme Creditors (taking into account the Scheme Shares) is calculated based on the information currently available to the Company as at the Latest Practicable Date on the total claim amount due to the Scheme Creditors and the number of Scheme Shares to be allocated to them based on their respective pro rata entitlement under the Scheme. The exact number of Scheme Shares to be allotted and issued to each Scheme Creditor may be changed subject to determination and/or adjudication of the Admitted Scheme Claims by the Scheme Administrator in accordance with the terms of the Scheme.

5. APPLICATION FOR LISTING

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

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

6. FUND RAISING ACTIVITIES IN THE PAST 12 MONTHS

Save for the Restructuring Framework Agreement and the Subscription Agreement, the Company had notconducted any equity fund raising activities in the 12 months immediately preceding the Latest Practicable Date.

7. IMPLICATIONS UNDER THE LISTING RULES AND THE TAKEOVERS CODE

Listing Rules implications

Connected Transactions

Based on the records available to the Company as at the Latest Practicable Date, the Company has certain debts owed to:

(i) Ground Group HK, being a company ultimately and beneficially owned by Mr. Cui with effective shareholding interests of approximately 72.60%, which Mr. Cui is a Director; and

(ii) Ka Yik, a company directly and wholly owned by Deep Wealth Holding Limited which is in turn held by TMF (Cayman) Ltd. as the trustee of the Ground Trust. The Ground Trust is a discretionary trust where Ms. Cui is the settlor and protector.

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

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

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

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

As at the Latest Practicable Date, the ultimate beneficial owners of Ground Group HK are (i) Mr. Cui (owned as to approximately 72.60% of the effective shareholding interests in Ground Group HK), who is the non-executive Director and the father of Ms. Cui, a former executive director, a substantial shareholder of the Company and the settlor and protector of the Ground Trust (by virtue of Part XV of the SFO, deemed to be owned as to approximately 30.19% of the issued share capital of the Company, via direct interests and her interests in Ka Yik and Charm Success); and (ii) Mr. Cong (owned as to approximately 12.00% of the effective shareholding interests in Ground Group HK), who is the executive Director and a sole director of Ground Group HK. The remaining approximately 15.40% of the shareholding interests of Ground Group HK are owned by five natural persons who individually holds less than 10% of the interests as at the Latest Practicable Date. As such, Ground Group HK is a connected person of the Company. Accordingly, the Subscription constitutes a connected transaction of the Company under the Listing Rules and is subject to the reporting, announcement and Independent Shareholders' approval requirement under Chapter 14A of the Listing Rules.

Specific Mandate

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

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

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

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

Takeovers Code implications

Special Deal

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

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

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

Save as disclosed above, as at the Latest Practicable Date, based on the information available to the Company, none of the creditors of the Company and their ultimate beneficial owners is a Shareholder.

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

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

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

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

9. INFORMATION OF THE GROUP

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

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

		For the year ended 31 March	
	2026	**2025**	**2024**
	RMB'000	*RMB'000*	*RMB'000*
	(audited)	*(audited)*	*(audited)*
		(restated) *(Note)*	
Revenue	52,686	173,105	116,072
Profit/(loss) before tax from continuing operations	138,627	(782,550)	(227,713)
Profit/(loss) for the year from continuing operations	128,314	(712,034)	(193,330)
		As at 31 March	
	2026	**2025**	**2024**
Total assets	417,970	1,252,364	2,268,515
Total (deficit)/equity	(489,493)	(623,301)	228,874

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

According to Note 3 to Rule 2 of the Takeovers Code, the Board would like to draw the attention to the Independent Shareholders that the Company's auditor has issued disclaimer of opinion on the consolidated financial statements of the Group for the year ended 31 March 2026. As stated in the independent auditor's report included in 2025/2026 Annual Report, the disclaimer of opinion was issued due to, among others, the Company's auditor was unable to obtain sufficient appropriate audit evidence regarding the use of going concern assumption in the preparation of the consolidated financial statements. The Company's auditor expressed that should the going concern assumption be inappropriate, adjustments may have to be made to reclassify non-current assets and liabilities as current assets and liabilities respectively, write-down the value of assets to their recoverable amounts and to provide for further liabilities which may arise. The Independent Shareholders are advised to take into account the foregoing and consider carefully the resolutions proposed at the SGM. If the Independent Shareholders decide not to vote for the resolutions at the SGM, they should be aware of the potential risks associated with the material uncertainty.

Further details of the financial information of the Group are set out in Appendix I – Financial Information of the Group to this circular.

10. INFORMATION OF GROUND GROUP HK

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

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

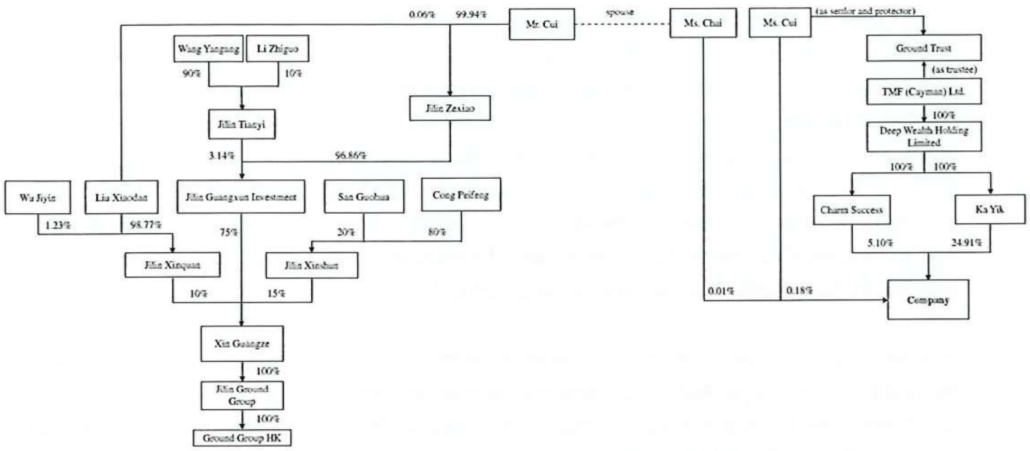
Jilin Guangxun Investment is a company established in the PRC with limited liability and is owned as to approximately 96.86% by Mr. Cui and 劉曉丹 (Liu Xiaodan*) through Jilin Zexiao and as to approximately 3.14% by 王彥剛 (Wang Yangang*) and 李志國 (Li Zhiguo*) through Jilin Tianyi. Wang Yangang and Li Zhiguo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

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

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

Ground Group HK is principally engaged in investment holdings.

The shareholding structure of Ground Group HK is set out as follows:



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

11. GENERAL

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

As disclosed in the above sections, Ground Group HK and Ka Yik and their respective associates, including the Concert Party Group, shall abstain from voting in respect of the resolution(s) to approve the Scheme. The Concert Party Group (including (i) Charm Success, which was interested in 18,356,035 Shares, representing approximately 5.10% of the issued share capital of the Company as at the Latest Practicable Date; (ii) Ka Yik, which was interested in 89,739,018 Shares, representing approximately 24.91% of the issued share capital of the Company as at the Latest Practicable Date; (iii) Ms. Cui, who was, by virtue of part XV of the SFO, deemed to be interested in 108,724,681 Shares, representing approximately 30.19% of the issued share capital of the Company via direct interests and her interests in Ka Yik and Charm Success as at the Latest Practicable Date; and (iv) Ms. Chai, who was interested in

42,500 Shares, representing approximately 0.01% of the issued share capital of the Company as at the Latest Practicable Date), and other Shareholders who are involved in or interested in the Restructuring Framework Agreement and the transactions contemplated thereunder, the Specific Mandate, the Subscription, the Scheme, or the Special Deal (including (i) Mr. Jiang Jinbo, who was interested in approximately 8.75% of the issued share capital of the Company as at the Latest Practicable Date; (ii) Mr. Lin Huipeng, who was interested in approximately 1.34% of the issued share capital of the Company as at the Latest Practicable Date; and (iii) Ms. Wang Ting Ting, who was interested in approximately 0.01% of the issued share capital of the Company as at the Latest Practicable Date) will be required to abstain from voting in respect of the resolution(s) approving the Scheme, the Restructuring Framework Agreement, the Subscription Agreement and the transactions contemplated thereunder (including the granting of the Specific Mandate and the Special Deal).

A form of proxy for use at the SGM is enclosed with this circular. Whether or not you are able to attend the SGM, you are requested to complete and sign the accompanying form of proxy in accordance with the instructions printed thereon and deposit the same 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 as soon as possible and in any event not less than 48 hours before the time appointed for holding of the SGM, excluding Saturdays, Sundays and public holidays in Hong Kong (i.e. 11:00 a.m. on Saturday, 5 September 2026), or any adjournment thereof.

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of shareholders at a general meeting must be taken by poll and the Company will announce the results of the poll in the manner prescribed under Rule 13.39(5) of the Listing Rules.

12. CLOSURE OF REGISTER OF MEMBERS

For determining the entitlement of the Shareholders to attend and vote at the SGM, the register of members of the Company will be closed from Wednesday, 2 September 2026 to Monday, 7 September 2026 (both days inclusive) during which period no transfer of shares will be registered. In order to qualify for entitlement to attend and vote at the SGM, all properly completed transfer forms accompanied by the relevant share certificates must be lodged with the Company's branch share registrar, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not later than 4:30 p.m. on Tuesday, 1 September 2026. The record date for determining the identity of Shareholders eligible for attending and voting at the SGM is on Monday, 7 September 2026.

13. FURTHER INFORMATION

Your attention is drawn to the letter from the letter from Independent Financial Adviser set out on pages 47 to [•••] of this circular which contains its advice to the Independent Board Committee, TC Independent Board Committee, and the Independent Shareholders in this regard.

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

13. RECOMMENDATION

Based on the above, the Directors (including members of the Independent Board Committee whose opinion is set forth in the letter from the Independent Board Committee in this circular) consider that the terms of the Proposed Restructuring are fair and reasonable so far as the Independent Shareholders are concerned and the transaction contemplated thereunder are in the interests of the Company and the Shareholders as a whole. Accordingly, the Directors recommend the Shareholders to vote in favour of the resolutions to be proposed at the SGM to approve the Restructuring Framework Agreement and the transactions contemplated thereunder, the grant of the Specific Mandate, the Subscription, the Scheme, and the Special Deal.

WARNING

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

By order of the Board
China Changbaishan International Holdings Limited

徐英川

Xu Yingchuan
Acting Chairperson and Executive Director