THIS COMPOSITE DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

If you are in any doubt as to any aspect of the Offer, this Composite Document and/or the accompanying Form of Acceptance or as to the action to be taken, you should consult a licensed securities dealer or registered institution in securities, a bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in **China Changbaishan International Holdings Limited**, you should at once hand this Composite Document together with the accompanying Form of Acceptance to the purchaser(s) or the transferee(s) or to the bank, licensed securities dealer or registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s).

This Composite Document should be read in conjunction with the accompanying Form of Acceptance, the contents of which form part of the terms and conditions of the Offer.

Ground Group (Hong Kong) Co., Limited
廣澤集團(香港)有限公司
(Incorporated in Hong Kong with limited liability)

China Changbaishan International Holdings Limited
中國長白山國際控股有限公司
(Incorporated in Bermuda with limited liability)
(Stock Code: 989)

COMPOSITE DOCUMENT RELATING TO THE UNCONDITIONAL MANDATORY CASH OFFER BY DL SECURITIES (HK) LIMITED FOR AND ON BEHALF OF GROUND GROUP (HONG KONG) CO., LIMITED TO ACQUIRE ALL THE ISSUED SHARES IN CHINA CHANGBAISHAN INTERNATIONAL HOLDINGS LIMITED (OTHER THAN THOSE ALREADY OWNED OR AGREED TO BE ACQUIRED BY THE OFFEROR AND PARTIES ACTING IN CONCERT WITH IT)

Joint Financial Advisers to the Offeror

德林證券 DL SECURITIES

首盛資本集團 Alpha Financial Group

Financial adviser to the Company

Lego Corporate Finance Limited 力高企業融資有限公司

Independent Financial Adviser to the TC Independent Board Committee

雋匯國際金融有限公司 Jun Hui International Finance Limited

Unless the context otherwise requires, capitalised terms used in this cover page shall have the same meanings as those defined in the section headed "Definitions" in this Composite Document.

A letter from DL Securities and Alpha Financial containing, among other things, details of the terms of the Offer, is set out on pages 15 to 24 of this Composite Document. A letter from the Board is set out on pages 25 to 33 of this Composite Document. A letter from the TC Independent Board Committee is set out on pages 34 to 35 of this Composite Document. A letter from the Independent Financial Adviser, containing its advice to the TC Independent Board Committee and the Independent Shareholders, is set out on pages 36 to 65 of this Composite Document.

The procedures for acceptance and settlement of the Offer are set out in Appendix I to this Composite Document and in the accompanying Form of Acceptance. Form of Acceptance of the Offer must be received by the Registrar, (i) Hong Kong branch registrar: Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong and (ii) Bermuda principal registrar: Appleby Global Corporate Services (Bermuda) Limited, c/o Suntera Corporate Services Limited at 18/F, On Building, 162 Queen's Road Central, Central, Hong Kong by no later than 4:00 p.m. on Thursday, 8 October 2026 (Hong Kong time) (or such later time and/or date as the Offeror may determine and the Offeror and the Company may jointly announce with the consent of the Executive in accordance with the Takeovers Code).

Any persons including, without limitation, custodians, nominees and trustees, who would, or otherwise intend to, forward this Composite Document and/or the accompanying Form of Acceptance to any jurisdiction outside Hong Kong should read the section headed "IMPORTANT NOTICE" in this Composite Document before taking any action. It is the responsibility of the Overseas Shareholders who wish to accept the Offer to satisfy themselves as to the full observance of the laws and regulations of the relevant jurisdictions in connection with the acceptance of the Offer, including the obtaining of any governmental, exchange control or other consents and any registration or filing which may be required or the compliance with other necessary formalities, or legal and regulatory requirements and the payment of any transfer or other taxes or other required payments due from such Overseas Shareholder in respect of such jurisdictions. Overseas Shareholders are advised to seek professional advice on deciding whether to accept the Offer. This Composite Document will remain on the websites of the Stock Exchange at www.hkexnews.hk and the Company at www.chinacbsintl.com as long as the Offer remains open.

17 September 2026

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The expected timetable set out below is indicative only and may be subject to changes. Further announcement(s) will be made in the event of any changes to the timetable as and when appropriate. All time and date references contained in this Composite Document and the accompanying Form of Acceptance refer to Hong Kong time and dates.

Despatch date of this Composite Document and the accompanying Form of Acceptance and commencement date of the Offer *(Note 1)*	Thursday, 17 September, 2026
Offer opens for acceptance *(Note 1)*	Thursday, 17 September, 2026
Latest time and date for acceptance of the Offer *(Notes 2, 3 and 5)*	by 4:00 p.m. on Thursday, 8 October, 2026
Closing Date *(Notes 3 and 5)*	Thursday, 8 October, 2026
Announcement of the results of the Offer (or its extension or revision, if any) on the website of the Stock Exchange *(Notes 3 and 5)*	by 7:00 p.m. on Thursday, 8 October, 2026
Latest date for posting of remittances in respect of valid acceptances received under the Offer *(Notes 4 and 5)*	Tuesday, 20 October 2026

Notes:

1. The Offer, which is unconditional in all respects, is made on the date of posting of this Composite Document, and is capable of acceptance on and from that date until 4:00 p.m. on the Closing Date, unless the Offeror decides to revise or extend the Offer in accordance with the Takeovers Code. Acceptances of the Offer shall be irrevocable and not capable of being withdrawn, except in the circumstances set out in the paragraph headed "6. Right of Withdrawal" in Appendix I to this Composite Document.

2. Beneficial owners of Shares who hold their Shares in CCASS directly as an investor participant or indirectly via a broker or custodian participant should note the timing requirements (as set out in the paragraph headed "1. General Procedures for Acceptance of the Offer" in Appendix I to this Composite Document) for causing instructions to be made to CCASS in accordance with the General Rules of HKSCC and HKSCC Operational Procedures.

3. In accordance with the Takeovers Code, the Offer must initially be open for acceptance for at least 21 days after the date of this Composite Document. The latest time and date for acceptance of the Offer is 4:00 p.m. on the Closing Date, unless the Offeror revises or extends the Offer in accordance with the Takeovers Code. An announcement will be issued jointly by the Offeror and the Company through the website of the Stock Exchange by 7:00 p.m. on the Closing Date stating whether the Offer has been extended, revised or expired. In the event that the Offeror decides to revise or extend the Offer, all Independent Shareholders, whether or not they have already accepted the Offer, will be entitled to accept the revised Offer under the revised terms. The revised Offer must be kept open for at least 14 days after the date of the revised offer document(s) and shall not close earlier than the Closing Date.

4. Remittances in respect of the cash consideration (after deducting the seller's ad valorem stamp duty) payable for the Offer Shares tendered under the Offer will be despatched to the Independent Shareholders accepting the Offer by ordinary post at their own risk as soon as possible, but in any event no later than seven (7) Business Days after the date of receipt by the Registrar of all relevant documents required to render such acceptance complete and valid in accordance with the Takeovers Code.

5. If there is a tropical cyclone warning signal number 8 or above, or a "black rainstorm warning signal" or "extreme conditions" as announced by the Hong Kong Government:

   (a) in force in Hong Kong at any local time before 12:00 noon but no longer in force at or after 12:00 noon on the latest date for acceptance of the Offer under Rule 15.1 of the Takeovers Code, any publication date of a closing announcement under Rule 19.1 of the Takeovers Code or the latest date for posting of remittances for the amounts due under the Offer in respect of valid acceptances, these dates, as the case may be, will remain on the same Business Day; or

   (b) in force in Hong Kong at any local time at 12:00 noon and/or thereafter on the latest date for acceptance of the Offer under Rule 15.1 of the Takeovers Code, any publication date of a closing announcement under Rule 19.1 of the Takeovers Code or the latest date for posting of remittances for the amounts due under the Offer in respect of valid acceptances, these dates, as the case may be, will be rescheduled to the following Business Day which does not have any of those warnings or condition in force in Hong Kong at any local time at 12:00 noon and/or thereafter or such other day as the Executive may approve in accordance with the Takeovers Code.

Save as mentioned above, if the latest time for acceptance of the Offer does not take effect on the date and time as stated above, the other dates subsequent to the latest time and date for acceptance of the Offer mentioned in the expected timetable above may be affected. The Offeror and the Company will notify the Independent Shareholders by way of joint announcement(s) on any change to the expected timetable as soon as practicable.

NOTICE TO THE OVERSEAS SHAREHOLDERS

The making of the Offer to persons with a registered address in jurisdictions outside Hong Kong may be prohibited or affected by the laws or regulations of the relevant jurisdictions. Overseas Shareholders who are citizens, residents or nationals of a jurisdiction outside Hong Kong should inform themselves about and observe any applicable legal and regulatory requirements and, where necessary, seek legal advice in respect of the Offer.

It is the responsibility of the Overseas Shareholders who wish to accept the Offer to satisfy themselves as to the full observance of the laws and regulations of the relevant jurisdiction in connection with the acceptance of the Offer, including the obtaining of any governmental, exchange control or other consents and any registration or filing which may be required or the compliance with other necessary formalities, legal and/or regulatory requirements and the payment of any issue, transfer, cancellation or other taxes and duties due by such Overseas Shareholders in respect of the acceptance of the Offer in such jurisdictions.

Any acceptance by the Overseas Shareholders will be deemed to constitute a representation and warranty from such Overseas Shareholders to the Offeror that the local laws and requirements have been complied with and such acceptance shall be lawful, valid and binding in accordance with all applicable laws. Such Overseas Shareholders should consult their respective professional advisers if in doubt.

The Concert Party Group, the Company, DL Securities, Alpha Financial, Lego Corporate Finance, the Independent Financial Adviser, the Registrar or any of their respective ultimate beneficial owners, directors, officers, agents, advisers and associates and any other person involved in the Offer shall be entitled to be fully indemnified and held harmless by the Overseas Shareholders for any taxes or duties as such persons may be required to pay. Please see the paragraphs headed "Availability of the Offer" in the "Letter from DL Securities and Alpha Financial" and "7. Overseas Shareholders" in Appendix I to this Composite Document for further details.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Composite Document contains forward-looking statements, which may be identified by words such as "believe", "expect", "anticipate", "intend", "plan", "seek", "estimate", "will", "would" or words of similar meaning, that involve risks and uncertainties, as well as assumptions. All statements other than statements of historical fact are statements that could be deemed forward-looking statements. The forward-looking statements included herein are made only as at the Latest Practicable Date. The Offeror and the Company assume no obligation to correct or update the forward-looking statements or opinions contained in this Composite Document, except as required pursuant to applicable laws or regulations, including but not limited to the Listing Rules and/or the Takeovers Code.

In this Composite Document, unless otherwise defined or the context otherwise requires, the following expressions have the following meanings:

"2024/2025 Annual Report"	the Company's annual report for the year ended 31 March 2025
"2025/2026 Annual Report"	the Company's annual report for the year ended 31 March 2026
"acting in concert"	has the meaning ascribed to it under the Takeovers Code
"Adjudicator(s)"	such persons with experience in the adjudication of creditors' claims in a liquidation as the Scheme Administrators, in their absolute discretion, shall nominate and appoint
"Admitted Scheme Claim(s)"	all Scheme Claim(s) against the Company which have been admitted under the Scheme by the Scheme Administrators or the Adjudicator (as the case may be)
"Alpha Financial"	Alpha Financial Group Limited, a licensed corporation to carry out business in Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO, being one of the joint financial advisers to the Offeror in connection with the Offer
"associate(s)"	has the meaning ascribed to it under the Takeovers Code
"Board"	the board of Directors
"Bondholder(s)"	holder(s) of the Bonds at the voting record time, being the latest date and time to be specified in the scheme document for the Scheme for the delivery of the notice of claim and proxy form
"Bonds"	HK$60,000,000 (equivalent to approximately RMB55,734,000) 6% convertible bonds issued by the Company on 23 June 2023 and due on 22 June 2026 and constituted by the Instrument
"Business Day(s)"	a day on which the Stock Exchange is open for the transaction of business
"BVI"	British Virgin Islands

"CCASS"	the Central Clearing and Settlement System established and operated by HKSCC
"Charm Success"	Charm Success Group Limited (美成集團有限公司), a company incorporated in the BVI with limited liability and directly wholly owned by Deep Wealth Holding Limited which is in turn held by TMF (Cayman) Ltd. as the trustee of the Ground Trust
"Circular"	the circular of the Company dated 25 August 2026 in relation to the (a) Restructuring Framework Agreement and the transactions contemplated thereunder; (b) the Specific Mandate; (c) the Subscription; and (d) the Special Deal
"Claim(s)"	any debt, liability or obligation of the Company (whether known or unknown, whether actual or contingent, whether present, future or prospective, whether liquidated or unliquidated), whether arising by virtue of contract, at common law, in equity or by statute in Hong Kong, Bermuda or in any other jurisdiction or in any manner whatsoever, which includes without limitation a debt or liability to pay money or money's worth, any liability for breach of trust, any liability in contract (including any guarantee liability of the Company), tort or bailment and any liability arising out of an obligation to make restitution, together with all interest on such debt, obligation or liability
"Closing Date"	Thursday, 8 October 2026, being the closing date of the Offer, which is no less than twenty-one (21) days following the date on which this Composite Document is despatched, or if the Offer is extended, any subsequent closing date as the Offeror may determine and announce with the consent of the Executive and in accordance with the Takeovers Code
"Companies Ordinance"	Companies Ordinance (Chapter 622 of the Laws of Hong Kong) as amended from time to time
"Company"	China Changbaishan International Holdings Limited (stock code: 0989), a company incorporated in Bermuda with limited liability
"Completion"	completion of the Proposed Restructuring, which took place on 11 September 2026

"Composite Document"	this composite offer and response document jointly issued by the Offeror and the Company in accordance with the Takeovers Code containing, among other things, details of the Offer, the recommendation from the TC Independent Board Committee to the Independent Shareholders and the advice from the Independent Financial Adviser to the TC Independent Board Committee in respect of the Offer
"Concert Party Group"	the Offeror and parties acting in concert with it (including 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)
"Concert Party Shares"	any Scheme Shares received by members of the Concert Party Group in respect of their Admitted Scheme Claims under the Scheme or any Subscription Shares
"connected person(s)"	has the meaning ascribed to it under the Listing Rules
"Court"	the High Court of Hong Kong
"Creditors"	collectively, all the creditors of the Company with Admitted Scheme Claims against the Company as at the date on which the Scheme becomes effective
"Director(s)"	the director(s) of the Company
"DL Securities"	DL Securities (HK) Limited, a licensed corporation to carry out business in Type 1 (dealing in securities), Type 4 (advising on securities) and Type 6 (advising on corporate finance under the licensing condition that in the capacity as an adviser to a client on matters/transactions falling within the ambit of the Takeovers Code, act together with another adviser (to the client) not subject to this condition) regulated activities under the SFO, being one of the joint financial advisers to the Offeror in connection with the Offer
"Enlarged Issued Share Capital"	5,362,635,631 Shares, being the total number of issued Shares upon Completion as enlarged by the allotment and issue of the Scheme Shares and the Subscription Shares
"Excluded Claim(s)"	(i) preferential Claims, (ii) secured Claims, and (iii) the Scheme Costs and (iv) any amounts owing by the Company to Ground Group HK under the Funding Agreement as at the Restructuring Effective Date (if any)

"Executive"	the Executive Director of the Corporate Finance Division of the SFC or any of his delegate(s)
"Facility"	a loan facility of up to HK$40,000,000 granted by DL Securities as lender to the Offeror as borrower, which is secured by the Share Charges over the Concert Party Shares held by members of the Concert Party Group upon Completion and the Offer Shares that may be acquired by the Offeror under the Offer
"Facility Agreement"	the facility agreement dated 3 February 2026 entered into among DL Securities as lender to the Offeror as borrower, which is secured by the Share Charges over the Concert Party Shares held by members of the Concert Party Group upon Completion and the Offer Shares that may be acquired by the Offeror under the Offer
"Funding Agreement"	the funding agreement dated 12 January 2026 (as supplemented on 15 July 2026) entered into among Ground Group HK as lender, the Company and Ka Yun as co-borrowers in relation to a loan in the amount of HK$39,000,000 which has been drawn down in full as at the Latest Practicable Date
"Form of Acceptance"	the form of acceptance and transfer of the Offer Shares in respect of the Offer accompanying this Composite Document
"Group"	the Company and its subsidiaries
"Ground Group HK" or "Offeror"	Ground Group (Hong Kong) Co., Limited, a company incorporated in Hong Kong with limited liability, which is wholly owned by Jilin Ground Group
"Ground Trust"	a discretionary trust set up by Ms. Cui as settlor and protector, and TMF (Cayman) Ltd. as trustee on 27 July 2016
"HK$"	Hong Kong dollar(s), the lawful currency of Hong Kong
"HKFRS 5"	being Hong Kong Financial Reporting Standard 5 – Non-Current Assets Held for Sale and Discontinued Operations
"HKSCC"	Hong Kong Securities Clearing Company Limited
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC

"Independent Financial Adviser" or "Jun Hui International"	Jun Hui International Finance Limited, a licensed corporation permitted to carry out Type 6 (advising on corporate finance) regulated activity under the SFO, being the independent financial adviser appointed by the Company to, among others, 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 this Composite Document
"Independent Shareholder(s)"	Shareholders other than members of the Concert Party Group
"Independent Third Party(ies)"	party(ies) independent of and not connected with the Company and its connected persons
"Instrument"	the instrument constituting the Bonds
"Irrevocable Undertaking"	has the meaning set out under the section headed "Unconditional Mandatory Cash Offer – Irrevocable Undertaking" in this Composite Document
"Issue Price"	HK$0.15 per Scheme Share, being the issue price of each Scheme Share
"Jilin Ground Group"	吉林省廣澤集團有限公司 (Jilin Ground Group Company Limited*), a company established in the PRC with limited liability and which is in turn wholly owned by Xin Guangze
"Jilin Guangxun Investment"	吉林省廣訊投資有限公司 (Jilin Guangxun Investment Company Limited*), a company established in the PRC with limited liability and is owned as to approximately 96.86% by Jilin Zexiao and as to approximately 3.14% by Jilin Tianyi
"Jilin Tianyi"	吉林省天益商務諮詢有限公司 (Jilin Tianyi Business Consulting Company Limited*), a company established in the PRC with limited liability and is owned as to approximately 90% by 王彥剛 (Wang Yangang*) and approximately 10% by 李志國 (Li Zhiguo*), respectively
"Jilin Wanding"	吉林省萬鼎控股集團有限公司 (Jilin Wanding Holdings Group Co., Ltd*), a company established in the PRC with limited liability and is owned as to approximately 90% by 隋廣義 (Mr. Sui Guangyi*), 5% by 王健 (Mr. Wang Jian*) and 5% by 王敏 (Ms. Wang Min*), respectively

"Jilin Xinquan"	吉林省新泉商貿有限公司 (Jilin Xinquan Trading Company Limited*), 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
"Jilin Xinshun"	吉林省欣順商務諮詢有限公司 (Jilin Xinshun Business Consulting Company Limited*), a company established in the PRC with limited liability and is owned as to 80.00% by Mr. Cong and 20.00% by 孫國華 (Sun Guohua*), respectively
"Jilin Zexiao"	吉林省澤曉信息科技有限公司 (Jilin Zexiao Information Technology Company Limited*), a company established in the PRC with limited liability, and is owned as to approximately 99.94% by Mr. Cui and 0.06% by 劉曉丹 (Liu Xiaodan*), respectively
"Joint Announcement"	the announcement jointly published by Ground Group HK and the Company dated 15 July 2026 in relation to, among others, the Proposed Restructuring and the Offer
"Ka Yik"	Ka Yik Investments Limited (家譯投資有限公司) a company incorporated in the BVI with limited liability and directly wholly owned by Deep Wealth Holding Limited which is in turn held by TMF (Cayman) Ltd. as the trustee of the Ground Trust
"Ka Yun"	Ka Yun Investments Limited (家潤投資有限公司), a company incorporated in the BVI and is an indirect wholly-owned subsidiary of the Company
"Last Trading Day"	15 July 2026
"Latest Practicable Date"	14 September 2026, being the latest practicable date prior to the despatch of this Composite Document for the purpose of ascertaining certain information contained in this Composite Document
"Lego Corporate Finance"	Lego Corporate Finance Limited, a corporation licensed by the SFC to carry out Type 6 (advising on corporate finance) regulated activity under the SFO, being the financial adviser to the Company in respect of the Offer
"Listing Committee"	has the meaning ascribed to it under the Listing Rules
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange

"Long Stop Date"	31 October 2026 or such later date as the parties to the Restructuring Framework Agreement may agree in writing and approved by Scheme Creditors holding not less than 75% in value of the aggregate Voting Claims present and voting at a meeting convened for that purpose
"Mr. Cong"	Mr. Cong Peifeng, an executive Director and the sole director of Ground Group HK
"Mr. Cui"	Mr. Cui Mindong, a non-executive Director and ultimate controlling shareholder of Ground Group HK. Mr. Cui is also the father of Ms. Cui
"Ms. Chai"	Ms. Chai Xiu, the spouse of Mr. Cui and the mother of Ms. Cui
"Ms. Cui"	Ms. Cui Xintong, a former executive director and a substantial shareholder of the Company and the daughter of Mr. Cui and Ms. Chai
"Offer"	the mandatory unconditional cash offer made by DL Securities for and on behalf of Ground Group HK to acquire all the Offer Shares
"Offer Period"	has the meaning ascribed to it under the Takeovers Code
"Offer Price"	HK$0.15 per Offer Share
"Offer Share(s)"	all the issued Shares (other than those already beneficially owned or to be acquired by the Concert Party Group)
"Overseas Shareholders"	Independent Shareholders whose addresses as shown on the register of members of the Company are outside Hong Kong
"PRC"	the People's Republic of China which for the purpose of this Composite Document shall exclude Hong Kong, Macau Special Administrative Region of the PRC and Taiwan
"Proposed Restructuring"	the proposed restructuring of the capital, business and indebtedness of the Company comprising the Subscription and the Scheme
"Registrar"	(i) the Hong Kong branch registrar: Tricor Investor Services Limited, the Hong Kong branch share registrar and transfer office of the Company, whose address is situated at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong and (ii) Bermuda principal registrar: Appleby Global Corporate Services (Bermuda) Limited, c/o Suntera Corporate Services Limited at 18/F, On Building, 162 Queen's Road Central, Central, Hong Kong

"Relevant Period"	the period commencing six months prior to 15 July 2026, being the date of the Joint Announcement, up to and including the Latest Practicable Date
"Restructuring Effective Date"	11 September 2026, being the date on which all conditions precedent under the section headed "Conditions precedent of the Proposed Restructuring" of the Circular have been fulfilled
"Restructuring Framework Agreement"	an agreement dated 15 July 2026 (as supplemented by the Supplemental Restructuring Framework Agreement) and entered into between Ground Group HK and the Company (as may be amended or supplemented from time to time) relating to the Proposed Restructuring
"RMB"	Renminbi, the lawful currency of the PRC
"Sanction Order"	the order of the Court dated 21 July 2026 sanctioning the Scheme
"Scheme"	the scheme of arrangement in Hong Kong pursuant to section 670 of the Companies Ordinance and made between the Company and the Scheme Creditors, as sanctioned by the Court on 21 July 2026 and set forth in the annexure to the Sanction Order, in its present form or with or subject to any non-material modifications, additions, or conditions that the Court may further approve or impose
"Scheme Administrators"	Mr. Osman Mohammed Arab and Mr. Lai Wing Lun, both of Acclime Corporate Advisory (Hong Kong) Limited acting without personal liabilities subject to the terms of the Scheme
"Scheme Claim(s)"	any Claim excluding the Excluded Claims
"Scheme Company"	a company incorporated by the Scheme Administrators in Hong Kong with limited liability, being a special purpose vehicle held and controlled by the Scheme Administrators

"Scheme Costs"	costs, charges, expenses and disbursements necessary and properly incurred in connection with the administration and implementation of the Scheme including the fees and remuneration of the Scheme Administrators and the Adjudicator and their respective advisers and those set out in the scheme document for the Scheme
"Scheme Creditors"	any person having a Scheme Claim, including but not limited to the Bondholders
"Scheme Effective Date"	28 July 2026, being the date on which the Scheme became effective, where conditions (1) and (2) of the conditions precedent under the section headed "Conditions precedent of the Scheme" of the Circular have been fulfilled
"Scheme Meeting"	the meeting(s) of the Scheme Creditors convened and held on 8 June 2026 at the direction of the Court for the purpose of considering and, if thought fit, approving the Scheme
"Scheme Share(s)"	an aggregate of 4,742,453,691 new Shares allotted and issued by the Company to the Scheme Creditors pursuant to the Scheme
"SFC"	the Securities and Futures Commission of Hong Kong
"SFO"	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong), as amended, supplemented or otherwise modified from time to time
"SGM"	the special general meeting of the Company convened and held on 9 September 2026 to consider and approve, among other things, the granting of the Specific Mandate, the Scheme, the Subscription and the Special Deal
"Share(s)"	the ordinary share(s) of HK$0.01 each in the share capital of the Company

"Share Charges"	the share charges granted by the Offeror and certain members of the Concert Party Group as chargors in favour of DL Securities as chargee in respect of the charge over all the Concert Party Shares held by those members of the Concert Party Group upon Completion and any Offer Shares to be acquired by the Offeror during the offer period (as defined under the Takeovers Code) and under the Offer as security for the Facility
"Shareholder(s)"	holder(s) of the issued Shares
"Special Deal"	the settlement of the indebtedness due to each of the Scheme Creditors who are also Shareholders under the Scheme, namely, Ka Yik, Mr. Jiang Jinbo, Mr. Lin Huipeng and Ms. Wang Ting Ting, which constitute a special deal under Rule 25 of the Takeovers Code
"Specific Mandate"	the specific mandate granted by the Independent Shareholders to the Board at the SGM for the allotment and issue of the Scheme Shares and the Subscription Shares
"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Subscription"	the subscription of the Subscription Shares subject to the terms and conditions of the Subscription Agreement
"Subscription Agreement"	the conditional subscription agreement dated 15 July 2026 and entered into between Ground Group HK (as subscriber) and the Company (as issuer) in relation to the Subscription
"Subscription Price"	HK$0.15 per Subscription Share
"Subscription Shares"	an aggregate of 260,000,000 new Shares subscribed by Ground Group HK pursuant to the terms and conditions of the Subscription Agreement, each a "Subscription Share"
"substantial shareholder"	has the meaning ascribed to it under the Listing Rules
"Supplemental Restructuring Framework Agreement"	the supplemental agreement dated 20 August 2026 entered into between Ground Group HK and the Company to supplement the Restructuring Framework Agreement
"Takeovers Code"	the Hong Kong Code on Takeovers and Mergers issued by the SFC

"TC Independent Board Committee"	an independent committee of the Board comprising all non-executive Directors who have no direct or indirect interest in the Offer and the Special Deal, namely Mr. Chiu Sin Nang, Kenny, Mr. Tsang Hung Kei, Mr. Wang Xiaochu and Ms. Wang Meirong, established in compliance with Rule 2.8 of the Takeovers Code to, among others, advise the Independent Shareholders whether the Offer is fair and reasonable and as to the acceptance of the Offer, with its letter to be included in this Composite Document
"Voting Claim(s)"	the amount of a Claim admitted for the purposes of voting at the Scheme Meeting, which was held on 8 June 2026, as estimated and determined by the chairman of the Scheme Meeting (i.e. Mr. Tsang Hung Kei, the independent non-executive Director) in his sole discretion as at the date of the Scheme Meeting. 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
"Xin Guangze"	吉林省鑫廣澤控股有限公司 (Jilin Xin Guangze Holding Company Limited*), 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
"%"	per cent

** For translation purposes only*

德林證券
DL SECURITIES

首盛資本集團
Alpha Financial Group

17 September 2026

To the Independent Shareholders:

Dear Sir or Madam,

UNCONDITIONAL MANDATORY CASH OFFER BY DL SECURITIES (HK) LIMITED FOR AND ON BEHALF OF GROUND GROUP (HONG KONG) CO., LIMITED TO ACQUIRE ALL THE ISSUED SHARES IN CHINA CHANGBAISHAN INTERNATIONAL HOLDINGS LIMITED (OTHER THAN THOSE ALREADY OWNED OR AGREED TO BE ACQUIRED BY THE OFFEROR AND PARTIES ACTING IN CONCERT WITH IT)

INTRODUCTION

References are made to (i) the Joint Announcement jointly published by the Offeror and the Company dated 15 July 2026 in relation to, among other things, the Restructuring Framework Agreement and the Offer; (ii) the Circular in relation to the (a) Restructuring Framework Agreement and the transactions contemplated thereunder; (b) the Specific Mandate; (c) the Scheme; (d) the Subscription; and (e) the Special Deal; (iii) the poll results announcement of the Company dated 9 September 2026 in relation to the SGM; and (iv) the announcement jointly published by the Offeror and the Company dated 11 September 2026 in relation to the Completion.

As stated in the Joint Announcement, the making of the Offer was conditional upon Completion of the conditions precedent of the Proposed Restructuring, including but not limited to 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. As at the Scheme Effective Date, all the conditions precedent of the Scheme have been fulfilled. As at the Restructuring Effective Date, all conditions precedent of the Proposed Restructuring have been fulfilled. As disclosed in the announcement jointly published by the Offeror and the Company dated 11 September 2026 in relation to the Completion, Completion took place on 11 September 2026.

UNCONDITIONAL MANDATORY CASH OFFER

As at the date of the Joint Announcement, 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. Please refer to the section headed "Information of the Offeror" in this letter and Appendix V as contained in this Composite Document for details of the Offeror.

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 since the date of Completion and up to the Latest Practicable Date, pending determination and/or adjudication of the Admitted Scheme Claim and taking into account (i) the entitlement of an aggregate of 2,691,468,186 Scheme Shares upon Completion, which are held by the Scheme Company on trust for the benefit of Ground Group HK and Ka Yik; and (ii) the 368,767,181 Shares already owned by the Concert Party Group. 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 date of the Joint Announcement to 3,060,235,367 Shares, representing approximately 57.07% of the Enlarged Issued Share Capital.

As disclosed in the announcement jointly published by the Offeror and the Company dated 11 September 2026 in relation to the Completion, Completion took place on 11 September 2026. Accordingly, 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.

In light of the Irrevocable Undertaking in respect of the Scheme Shares, as at the Latest Practicable Date, 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.

Irrevocable Undertaking

The Scheme Administrators and the Scheme Company have irrevocably and unconditionally undertaken to and covenant with the Company and the Offeror 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.

PRINCIPAL TERMS OF THE OFFER

The Offer

DL Securities, for and on behalf of the Offeror, is making the Offer to acquire all the remaining 251,414,759 Shares as enlarged by the Scheme Shares and the Subscription Shares immediately after Completion (exclusive of the 368,767,181 issued Shares held by the Concert Party Group and the 4,742,453,691 Scheme Shares issued to the Scheme Company) in compliance with the Takeovers Code, on the terms to be set out in this Composite Document on the following basis:

For each Offer Share..HK$0.15 in cash

The Offer Price of HK$0.15 per Offer Share is equivalent to the Subscription Price per Subscription Share and the Issue Price per Scheme Share (assuming there will be in aggregate of approximately HK$711,368,054 of Admitted Scheme Claims).

The Offeror confirms that the Offer Price is final and will not be increased.

As at the Latest Practicable Date, there are 5,362,635,631 Shares in issue, as enlarged by the allotment and issue of the Scheme Shares and the Subscription Shares. The outstanding 515,000 Share Options have not been exercised and have lapsed on 17 April 2026. Accordingly, as at the Latest Practicable Date, the Company does not have any outstanding options, derivatives, warrants or relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) which are convertible or exchangeable into Shares and has not entered into any agreement for the issue of such options, derivatives, warrants or securities which are convertible or exchangeable into Shares.

The Offer is unconditional in all aspects when made, and is not conditional upon any minimum level of acceptances being received or any other conditions.

The Bonds

For the avoidance of doubt, as at the Latest Practicable Date, the Bonds have matured and are no longer convertible into issued Shares. Subject to the distribution of the Scheme Shares, the Bonds will be discharged, and the Company shall take such other action as may be required to effect the cancellation, mark down and discharge of the Bonds. Accordingly, no offer will be made for the Bonds.

Payment

Payment in cash in respect of acceptance of the Offer will be made as soon as possible but in any event no later than seven (7) Business Days after the date on which the duly completed acceptances of the Offer and the relevant documents of title in respect of such acceptances are received by the Offeror (or its agent) to render each such acceptance complete and valid.

No fractions of a cent will be payable and the amount of the consideration payable to a Shareholder who accepts the Offer will be rounded up to the nearest cent.

Value of the Offer

In light of the Irrevocable Undertaking in respect of the Scheme Shares, as at the Latest Practicable Date, the remaining 251,414,759 Shares, being the total number of the Enlarged Issued Share Capital less the Shares held by the Concert Party Group and the Scheme Shares, will be subject to the Offer. The value of the Offer is approximately HK$37.7 million.

Comparisons of value

The Offer Price of HK$0.15 per Offer Share represents:

(i) a discount of approximately 72.73% to the closing price of HK$0.55 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 the 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;

(vi) a premium of approximately HK$1.56 over the Group's adjusted unaudited consolidated net liabilities per Share of approximately HK$1.41 as at 31 March 2026, the calculation of which is set out in the paragraph headed "5. ADJUSTED UNAUDITED CONSOLIDATED NET LIABILITIES" in Appendix II to this Composite Document; and

(vii) 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.

Highest and lowest Share prices

The lowest and highest closing market prices of the Shares recorded on the Stock Exchange during the Relevant Period were HK$0.420 on 19 and 20 May 2026 and HK$0.920 on 24 June 2026, respectively.

Confirmation of financial resources available for the Offer

The Offeror intends to finance the entire consideration payable under the Offer by the Facility extended by DL Securities in the amount of up to HK$40.0 million. The Facility is secured by the Share Charges over the Concert Party Shares held by the Concert Party Group upon Completion and the Shares to be acquired by the Concert Party Group during the Offer Period and under the Offer. Pursuant to the terms of the Facility, so long as any part of the Facility or any other amounts payable under the Facility remain outstanding, the Offer Shares acquired by the Offeror under the Offer shall be deposited to the margin securities account of the Offeror with DL Securities from time to time.

DL Securities and Alpha Financial, being the joint financial advisers to the Offeror in connection with the Offer, are satisfied that sufficient financial resources are available to the Offeror to satisfy the total consideration payable by the Offeror upon full acceptances of the Offer.

Effect of accepting the Offer

By accepting the Offer, the Shareholders will be deemed to constitute a warranty by such person that all the Shares to be sold by such person under the Offer are free from all encumbrances together with all rights attached thereto, including but not limited to all rights to receive any dividend or other distribution declared, made or paid on or after the date on which the Offer is made, being the date of this Composite Document.

Acceptances of the Offer shall be irrevocable and not capable of being withdrawn, except as otherwise permitted under the Takeovers Code.

As at the Latest Practicable Date, (a) no dividends or distributions have been declared but unpaid; and (b) there is no intention for the Company to make, declare or pay any dividends or distributions.

Hong Kong Stamp duty

Seller's Hong Kong ad valorem stamp duty on acceptances of the Offer at a rate of 0.1% of the total consideration payable in respect of the relevant acceptances or, if higher, the market value of the Offer Shares subject to such acceptance, will be deducted from the amounts payable to Independent Shareholders who accept the Offer. The Offeror will arrange for payment of the seller's ad valorem stamp duty on behalf of the Independent Shareholders who accept the Offer and pay the buyer's Hong Kong ad valorem stamp duty in connection with the acceptance of the Offer and the transfers of the relevant Shares in accordance with the Stamp Duty Ordinance (Chapter 117 of the Laws of Hong Kong).

Availability of the Offer

The Offeror intends to make the Offer available to all Independent Shareholders, including Overseas Shareholders. However, the Offer to persons not resident in Hong Kong may be affected by the laws and regulations of the relevant jurisdiction in which they are resident. The making of the Offer to persons with a registered address in jurisdictions outside Hong Kong may be prohibited or limited by the laws or regulations of the relevant jurisdictions. Overseas Shareholders who are citizens, residents or nationals of a jurisdiction outside Hong Kong should fully observe any applicable legal or regulatory requirements and, where necessary, seek independent legal and professional advice. It is the responsibility of the Overseas Shareholders who wish to accept the Offer to satisfy themselves as to the full observance of the laws and regulations of the relevant jurisdictions in connection with the acceptance of the Offer (including the obtaining of any governmental or other consent which may be required or the compliance with other necessary formalities and the payment of any transfer or other taxes due from such Overseas Shareholders in respect of such jurisdictions).

Based on the register of members of the Company, as at the Latest Practicable Date, there were 2,652 Overseas Shareholders, holding 20,031,616 Shares (representing approximately 0.4% of the total issued share capital of the Company). The Overseas Shareholders are located in the PRC, BVI, Singapore, Malaysia, Canada, the United States of America, Australia, New Zealand, Taiwan, Switzerland, Mauritius, Japan, India, Brunei, the United Kingdom and Indonesia.

Any acceptance of the Offer by any Overseas Shareholders will be deemed to constitute a representation and warranty from such Overseas Shareholders to the Offeror that the local laws and requirements have been complied with. Overseas Shareholders should consult their professional advisers if in doubt.

Taxation advice

The Independent Shareholders are recommended to consult their own professional advisers if they are in any doubt as to the taxation implications of accepting or rejecting the Offer. None of the Concert Party Group, the Company, DL Securities, Alpha Financial, Lego Corporate Finance and their respective ultimate beneficial owners, directors, officers, advisers, agents or associates or any other person involved in the Offer accepts responsibility for any taxation effects on, or liabilities of, any persons as a result of their acceptance or rejection of the Offer.

INFORMATION ON THE GROUP

Details of the information on the Group are set out in the section headed "Information on the Group" in the "Letter from the Board" and Appendix IV as contained in this Composite Document.

INFORMATION ON THE OFFEROR

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.

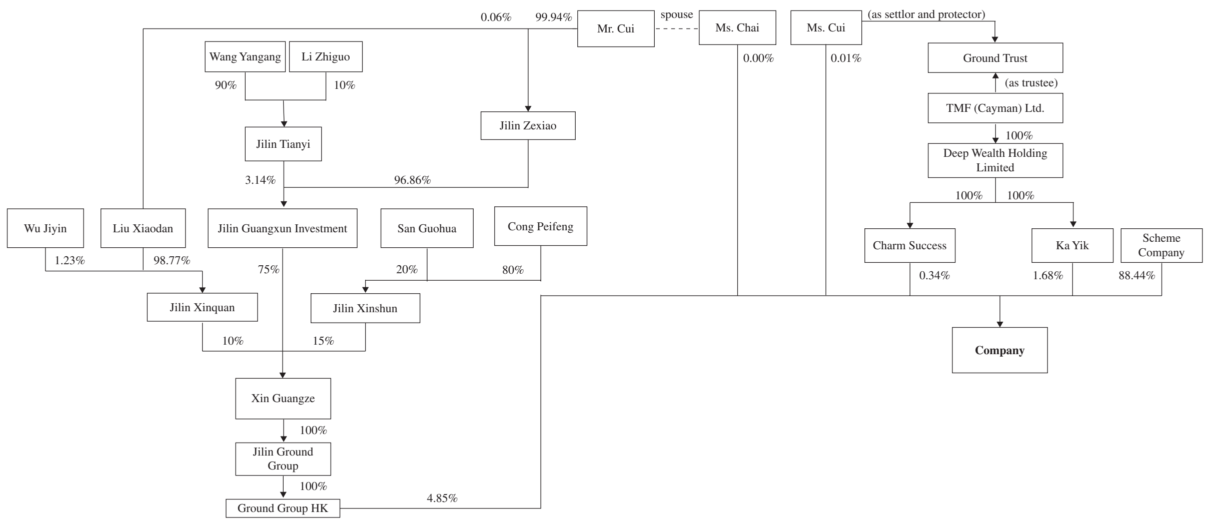
Jilin Guangxun Investment is a company established in the PRC with limited liability and is owned as to approximately 96.86% by Mr. Cui and 劉曉丹 (Liu Xiaodan*) through Jilin Zexiao and as to approximately 3.14% by 王彥剛 (Wang Yangang*) and 李志國 (Li Zhiguo*) through Jilin Tianyi. Wang Yangang and Li Zhiguo 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 the Offeror as at the Latest Practicable Date 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. Accordingly, Ground Group HK and Ka Yik will be entitled to the aggregate of 2,691,468,186 Scheme Shares upon Completion, representing approximately 50.20% of the issued share capital of the Company as at the Latest Practicable Date, which are held by the Scheme Company on trust for the benefit of Ground Group HK and Ka Yik. The determination and/or adjudication of the Admitted Scheme Claims will be conducted as soon as practicable subsequent to Completion under the terms of the Scheme, and is expected to be completed in November 2026. Further, Ground Group HK has subscribed for 260,000,000 Subscription Shares by way of set-off against amounts owing under the Funding Agreement, representing approximately 4.85% of the issued share capital of the Company as at the Latest Practicable Date.

INTENTION OF THE OFFEROR IN RELATION TO THE GROUP

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. The Offeror has no intention (i) to discontinue the employment of the employees or change the composition of the Board; (ii) to dispose of or re-deploy the assets of the Group other than those in its ordinary course of business; and (iii) to downsize, cease or dispose of any of the existing businesses, operations and assets of the Group. The Offeror also intends to continue the existing principal business of the Group immediately following the completion of the Offer. It is currently intended that, subject to the review by the Offeror from time to time, current directors of the Group's subsidiary who are necessary to participate in the Group's ongoing operations will remain as directors at the relevant Group companies following the completion of the Offer.

Considering the severe liquidity shortage and financial distress situation of the Company, the Offeror intends to provide support in the implementation of the restructuring plan and the continuous business development of the Group. Nevertheless, the Offeror will conduct a detailed review on the existing principal businesses and operations, and the financial position of the Group for the purpose of formulating business plans and strategies for the Group's long-term business development and will explore other business opportunities for the Group, including the diversification into the ginseng and mineral water businesses. Subject to the results of the review, and should suitable investment or business opportunities arise, the Offeror may consider whether any assets and/or business acquisitions or disposals by the Group will be appropriate in order to enhance its growth.

As at the Latest Practicable Date, no investment or business opportunity had been identified nor had the Offeror entered into any agreement, arrangement, understanding or negotiation in relation to the injection of any assets or business into the Group, nor any business opportunities in relation to the injection of any assets or business into the Group were under consideration or negotiation.

PUBLIC FLOAT AND MAINTENANCE OF THE LISTING STATUS OF THE COMPANY

The Stock Exchange has stated that:

(a) if, at the close of the offer, the Stock Exchange believes that:

- a false market exists or may exist in the trading of the shares; or
- an orderly market does not exist or may not exist;

it will consider exercising its discretion to suspend dealings in the shares; and

(b) if, at the close of the offer, the listed issuer has a Significant Public Float Shortfall (as defined in Rule 13.32F of the Listing Rules), then:

- the Stock Exchange will add a designated marker to the stock name of the listed shares; and
- the Stock Exchange will cancel the listing of the issuer's shares if the issuer fails to re-comply with Rule 13.32B of the Listing Rules for a continuous period of 18 months from the commencement of the Significant Public Float Shortfall.

The Offeror intends the Company to remain listed on the Stock Exchange after the close of the Offer. Mr. Cong Peifeng, being the sole director of the Offeror, has undertaken under Rule 14.81(3) of the Listing Rules to the Stock Exchange that if, at the close of the Offer, the Company fails to comply with the requirement of Rule 13.32B, he will take appropriate steps to ensure the Company's compliance with the Rule 13.32B at the earliest possible moment.

ACCEPTANCE AND SETTLEMENT OF THE OFFER

Your attention is drawn to the details regarding the procedures for acceptance and settlement of the Offer as set out in Appendix I to this Composite Document and the accompanying Form of Acceptance.

COMPULSORY ACQUISITION

The Offeror does not intend to avail itself of any powers of compulsory acquisition of any Shares outstanding after the close of the Offer.

GENERAL

This Composite Document has been prepared for the purposes of complying with the laws of Hong Kong, the Takeovers Code and the Listing Rules and the information disclosed may not be the same as which would have been disclosed if this Composite Document had been prepared in accordance with the laws of jurisdictions outside Hong Kong.

All communications, notices, Form(s) of Acceptance, share certificate(s), transfer receipt(s), other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) and remittances to settle the consideration payable under the Offer to be delivered by or sent to or from the Independent Shareholders will be delivered by or sent to or from them, or their designated agents, by ordinary post at their own risk, and none of the Company, the Concert Party Group, DL Securities, Alpha Financial, Lego Corporate Finance, the Independent Financial Adviser and any of their respective directors nor the Registrar or other parties involved in the Offer or any of their respective agents accept any liability for any loss in postage, delay in transmission or any other liabilities that may arise as a result thereof.

ADDITIONAL INFORMATION

Your attention is drawn to the "Letter from the Board", the "Letter from the TC Independent Board Committee", the "Letter from the Independent Financial Adviser" and the additional information set out in the appendices to this Composite Document and the accompanying Form of Acceptance, which forms part of this Composite Document, before reaching a decision as to whether or not to accept the Offer.

Yours faithfully,
For and on behalf of
DL Securities (HK) Limited

Tommy Cheng
Managing Director
Corporate Finance Division

Nathan Au
Managing Director
Corporate Finance Division

Yours faithfully,
For and on behalf of
Alpha Financial Group Limited

Cheng Chi Ming, Andrew
Managing Director

Irene Ho
Head of Corporate Finance, Senior Vice President

CHINA CHANGBAISHAN INTERNATIONAL HOLDINGS LIMITED
中國長白山國際控股有限公司

(Incorporated in Bermuda with limited liability)

(Stock code: 989)

Executive Directors
Mr. Xu Yingchuan *(Acting Chairperson)*
Mr. Li Junjie
Mr. Cong Peifeng

Non-executive Directors:
Mr. Cui Mindong
Mr. Chiu Sin Nang, Kenny

Independent non-executive Directors:
Mr. Tsang Hung Kei
Mr. Wang Xiaochu
Ms. Wang Meirong

Registered office in the Bermuda:
Richmond House
12 Par-la-Ville Road
Hamilton HM 08

Principal Place of Business in Hong Kong:
Room 1304, 13th Floor,
China Resources Building,
No. 26 Harbour Road,
Wan Chai, Hong Kong

17 September 2026

To the Independent Shareholders,

Dear Sir or Madam,

UNCONDITIONAL MANDATORY CASH OFFER BY DL SECURITIES (HK) LIMITED FOR AND ON BEHALF OF GROUND GROUP (HONG KONG) CO., LIMITED TO ACQUIRE ALL THE ISSUED SHARES IN CHINA CHANGBAISHAN INTERNATIONAL HOLDINGS LIMITED (OTHER THAN THOSE ALREADY OWNED OR AGREED TO BE ACQUIRED BY THE OFFEROR AND PARTIES ACTING IN CONCERT WITH IT)

INTRODUCTION

References are made to (i) the Joint Announcement jointly published by the Offeror and the Company dated 15 July 2026 in relation to, among other things, the Restructuring Framework Agreement and the Offer; (ii) the Circular in relation to the (a) Restructuring Framework Agreement and the transactions contemplated thereunder; (b) the Specific Mandate; (c) the Scheme; (d) the Subscription; and (e) the Special Deal; (iii) the poll results announcement of the Company dated 9 September 2026 in relation to the SGM; and (iv) the announcement jointly published by the Offeror and the Company dated 11 September 2026 in relation to the Completion.

As stated in the Joint Announcement, the making of the Offer was conditional upon Completion of the conditions precedent of the Proposed Restructuring, including but not limited to 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. As at the Scheme Effective Date, all the conditions precedent of the Scheme have been fulfilled. As at the Restructuring Effective Date, all conditions precedent of the Proposed Restructuring have been fulfilled.

As disclosed in the announcement jointly published by the Offeror and the Company dated 11 September 2026 in relation to the Completion, Completion took place on 11 September 2026. Immediately after Completion and taking into account (i) the entitlement of an aggregate of 2,691,468,186 Scheme Shares, which are held by the Scheme Company on trust for the benefit of Ground Group HK and Ka Yik; and (ii) the 368,767,181 Shares already owned by the Concert Party Group, the aggregate shareholding interest of the Concert Party Group increased from 108,767,181 Shares, representing approximately 30.20% of the issued Shares as at the date of the Joint Announcement to 3,060,235,367 Shares, representing approximately 57.07% of the Enlarged Issued Share Capital. Accordingly, 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. DL Securities is, on behalf of the Offeror and in compliance with the Takeovers Code, making the Offer on the terms set out in this Composite Document.

The purpose of this Composite Document (of which this letter forms part) is to provide you, among other things, (i) details of the Offer; (ii) the letter from DL Securities and Alpha Financial containing, among others, the principal terms of the Offer; (iii) the letter from the TC Independent Board Committee; and (iv) the letter of recommendation from the Independent Financial Adviser, together with the Form of Acceptance.

THE OFFER

As set out in the "Letter from DL Securities and Alpha Financial" contained in this Composite Document, DL Securities is making the Offer for and on behalf of the Offeror in compliance with the Takeovers Code on the following terms:

Offer price for each Offer Share ....HK$0.15 in cash

The Offer Price of HK$0.15 per Offer Share is equivalent to the Subscription Price per Subscription Share and the Issue Price per Scheme Share (assuming there will be in aggregate of approximately HK$711,368,054 of Admitted Scheme Claims).

The Offeror confirms that the Offer Price is final and will not be increased.

As at the Latest Practicable Date, there are 5,362,635,631 Shares in issue, as enlarged by the allotment and issue of the Scheme Shares and the Subscription Shares. The outstanding 515,000 Share Options have not been exercised and have been lapsed on 17 April 2026. Accordingly, as at the Latest Practicable Date, the Company does not have any outstanding options, derivatives, warrants or relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) which are convertible or exchangeable into Shares and has not entered into any agreement for the issue of such options, derivatives, warrants or securities which are convertible or exchangeable into Shares.

The Offer is unconditional in all aspects when made, and is not conditional upon any minimum level of acceptances being received or any other conditions.

As at the Latest Practicable Date, (a) no dividends or distributions have been declared but unpaid; and (b) there is no intention for the Company to make, declare or pay any dividends or distributions.

Further details of the Offer are set out under the section headed "Letter from DL Securities and Alpha Financial" and Appendix I to this Composite Document and the accompanying Form of Acceptance, which together set out the terms and conditions of the Offer and certain related information.

INFORMATION ON 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 2025/2026 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**
	RMB'000	*RMB'000*	*RMB'000*
	(audited)	(audited)	(audited)
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 2025/2026 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 5.

According to Note 3 to Rule 2 of the Takeovers Code, the Board would like to draw the attention of 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 terms of the Offer. All Independent Shareholders should be aware of the potential risks associated with the material uncertainty in relation to the aforesaid disclaimer of opinion when making their decision in respect of the Offer.

Your attention is drawn to Appendices II and IV to this Composite Document which contain further financial and general information of the Group.

EFFECT ON THE SHAREHOLDING STRUCTURE OF THE COMPANY

For illustrative purpose only, the shareholding structure of the Company (i) immediately prior to Completion; (ii) immediately after Completion and as at the Latest Practicable Date; and (iii) immediately after Completion and as at the Latest Practicable Date (assuming the distribution of the Scheme Shares to the Scheme Creditors by the Scheme Company has taken place), is set out below:

Shareholders	**Immediately prior to Completion**		**Immediately after Completion and as at the Latest Practicable Date**		**Immediately after Completion and as at the Latest Practicable Date (assuming the distribution of the Scheme Shares to the Scheme Creditors by the Scheme Company has taken place)** *(Note 17)*	
	Number of Shares	*Approx. %*	*Number of Shares*	*Approx. %*	*Number of Shares*	*Approx. %*
Charm Success *(Note 1)*	18,356,035	5.10	18,356,035	0.34	18,356,035	0.34
Ka Yik *(Notes 1 & 2)*	89,739,018	24.91	89,739,018	1.67	818,147,911	15.26
Ms. Cui	629,628	0.18	629,628	0.01	629,628	0.01
Ms. Chai	42,500	0.01	42,500	0.00	42,500	0.00
Ground Group HK *(Note 3)*	–	–	260,000,000	4.85	2,223,059,293	41.46
Scheme Company *(Note 14 & 15)*	–	–	2,691,468,186	50.20	–	–
Sub-total (The Concert Party Group)	***108,767,181***	***30.20***	***3,060,235,367***	***57.07***	***3,060,235,367***	***57.07***
China Investment Fund International Financial Group Limited *(Note 4)*	52,000,000	14.44	52,000,000	0.98	52,000,000	0.97
Integrated Asset Management (Asia) Limited *(Note 5)*	18,964,950	5.26	18,964,950	0.36	18,964,950	0.35
Jilin Wanding *(Note 6)*	–	–	–	–	241,648,515	4.51
Mr. Jiang Jinbo *(Note 7)*	31,500,000	8.75	31,500,000	0.60	163,500,000	3.05
Mr. Lin Huipeng *(Note 8)*	4,846,250	1.34	4,846,250	0.09	136,246,250	2.54
Ms. Wang Ting Ting *(Note 9)*	36,000	0.01	36,000	0.00	6,869,333	0.13
The Bondholders (except Mr. Jiang Jinbo) *(Note 10)*	–	–	–	–	322,438,356	6.01
長春市納百利商貿有限公司 (Changchun Nabaili Trading Company Limited*) *(Note 11)*	–	–	–	–	262,737,594	4.90
Scheme Company *(Note 14 & 16)*	–	–	2,050,985,505	38.20	–	–
Other public shareholders	144,067,559	40.00	144,067,559	2.70	1,097,995,266	20.47
Total	**360,181,940**	**100.00**	**5,362,635,631**	**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 of the Joint Announcement to approximately 57.07% of the issued Shares as enlarged by the Enlarged Issued Share Capital.

   Mr. Cong Peifeng, being the sole director of 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 all the 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 is 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 Scheme Company is the company incorporated by the Scheme Administrators in Hong Kong with limited liability, being a special purpose vehicle held and controlled by the Scheme Administrators solely for the purpose as stated in the Scheme. The Scheme Shares are held by the Scheme Company 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. Pursuant to the terms of the Scheme as sanctioned by the Court, the Scheme Company shall not exercise the voting rights attached to the Scheme Shares nor be entitled to the dividend for the Scheme Shares (if any).

15. 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. The determination and/or adjudication of the Admitted Scheme Claims will be conducted as soon as practicable subsequent to Completion under the terms of the Scheme, and is expected to be completed in November 2026. Accordingly, Ground Group HK and Ka Yik would be entitled to 2,691,468,186 Scheme Shares upon Completion, representing approximately 50.20% of the issued share capital of the Company as at the Latest Practicable Date, which are held by the Scheme Company on trust for their benefit, and will only be distributed to them after determination and/or adjudication of their Admitted Scheme Claims and after the close of the Offer.

16. 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 the Scheme Creditors other than those of the Concert Party Group is approximately HK$307,647,825.89. Accordingly, the Scheme Creditors (excluding those of the Concert Party Group) would be entitled to 2,050,985,505 Scheme Shares upon Completion, which are held by the Scheme Company on trust for their benefit, and will only be distributed to them after determination and/or adjudication of their Admitted Scheme Claims and after the close of the Offer.

17. 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.

INFORMATION ON THE OFFEROR

Your attention is drawn to the section headed "Information of the Offeror" in the "Letter from DL Securities and Alpha Financial" contained in this Composite Document.

INTENTION OF THE OFFEROR IN RELATION TO THE GROUP

Your attention is drawn to the section headed "Intention of the Offeror in relation to the Group" in the "Letter from DL Securities and Alpha Financial" contained in this Composite Document for details regarding Offeror's intention on the business of the Group.

The Board is pleased to note the intention of the Offeror in respect of the Group as disclosed. The Board is willing to cooperate with the Offeror for the best interests of the Company and its Shareholders as a whole.

PUBLIC FLOAT AND MAINTENANCE OF THE LISTING STATUS OF THE COMPANY

The Stock Exchange has stated that:

(a) if, at the close of the offer, the Stock Exchange believes that:

   – a false market exists or may exist in the trading of the shares; or

   – an orderly market does not exist or may not exist;

   it will consider exercising its discretion to suspend dealings in the shares; and

(b) if, at the close of the offer, the listed issuer has a Significant Public Float Shortfall (as defined in Rule 13.32F of the Listing Rules), then:

– the Stock Exchange will add a designated marker to the stock name of the listed shares; and

– the Stock Exchange will cancel the listing of the issuer's shares if the issuer fails to re-comply with Rule 13.32B of the Listing Rules for a continuous period of 18 months from the commencement of the Significant Public Float Shortfall.

The Offeror intends the Company to remain listed on the Stock Exchange after the close of the Offer. Mr. Cong Peifeng, being the sole director of the Offeror, has undertaken under Rule 14.81(3) of the Listing Rules to the Stock Exchange that if, at the close of the Offer, the Company fails to comply with the requirement of Rule 13.32B, he will take appropriate steps to ensure the Company's compliance with the Rule 13.32B at the earliest possible moment.

RECOMMENDATION

Your attention is drawn to the "Letter from the TC Independent Board Committee" and the "Letter from the Independent Financial Adviser" in this Composite Document, which contain, among others, the advice of the Independent Financial Adviser and the TC Independent Board Committee in relation to the Offer and the principal factors considered by them in arriving at their recommendations, and in particular, as to whether the Offer is fair and reasonable and as to the acceptance of the Offer.

ADDITIONAL INFORMATION

Your attention is drawn to the "Letter from DL Securities and Alpha Financial" and additional information contained in the appendices to this Composite Document and the accompanying Forms of Acceptance.

If you are in any doubt as to any aspect of the Offer, this Composite Document and/or the accompanying Form of Acceptance or as to the action to be taken, you should consult a licensed securities dealer or registered institution in securities, a bank manager, solicitor, professional accountant or other professional adviser.

By order of the Board
China Changbaishan International Holdings Limited
Xu Yingchuan
Acting Chairperson and Executive Director

CHINA CHANGBAISHAN INTERNATIONAL HOLDINGS LIMITED
中國長白山國際控股有限公司

(Incorporated in Bermuda with limited liability)

(Stock code: 989)

17 September 2026

To the Independent Shareholders

Dear Sir or Madam,

UNCONDITIONAL MANDATORY CASH OFFER BY DL SECURITIES (HK) LIMITED FOR AND ON BEHALF OF GROUND GROUP (HONG KONG) CO., LIMITED TO ACQUIRE ALL THE ISSUED SHARES IN CHINA CHANGBAISHAN INTERNATIONAL HOLDINGS LIMITED (OTHER THAN THOSE ALREADY OWNED OR AGREED TO BE ACQUIRED BY THE OFFEROR AND PARTIES ACTING IN CONCERT WITH IT)

We refer to the composite document jointly issued by the Offeror and the Company dated 17 September 2026 (the "**Composite Document**") to the Independent Shareholders, of which this letter forms part. Unless the context requires otherwise, capitalised terms used herein shall have the same meanings as those defined in this Composite Document.

We have been appointed by the Board as members to form the TC Independent Board Committee and to 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 this Composite Document. Jun Hui International Finance Limited has been appointed as the Independent Financial Adviser with approval from the TC Independent Board Committee to advise you and us in this respect.

We wish to draw your attention to (i) the letter of advice from the Independent Financial Adviser containing their recommendation and the principal factors they have taken into account in arriving at their recommendation as set out on pages 36 to 65 of this Composite Document; and (ii) the letter from the Board as set out on pages 25 to 33 of this Composite Document and the additional information set out in the appendices to this Composite Document.

Having taken into account the principal reasons and factors considered by, and the advice of, the Independent Financial Adviser, we are of the opinion that the Offer is fair and reasonable insofar as the Independent Shareholders are concerned. Accordingly, we recommend the Independent Shareholders to accept the Offer.

The Independent Shareholders who wish to realise their investment in the Group are reminded that they should carefully and closely monitor the market price of the Shares during the Offer Period and consider selling their Shares in the open market during the Offer Period, rather than accepting the Offer, if the net proceeds from the sales of such Shares in the open market would exceed the net amount receivable under the Offer. In any event, the Independent Shareholders should note that there is no certainty that the current trading volume and/or current trading price level of the Shares will be sustainable during or after the Offer Period.

Notwithstanding our recommendation, the Independent Shareholders are strongly advised that the decision to realise or to hold their investment is subject to individual circumstances and investment objectives. If in doubt, the Independent Shareholders should consult their own professional advisers for professional advice.

Furthermore, the Independent Shareholders who wish to accept the Offer are recommended to read carefully the procedures for accepting the Offer as detailed in the Composite Document and the Form of Acceptance. If in any doubt, the Independent Shareholders should consult their own professional advisers for professional advice.

Yours faithfully,
For and on behalf of
TC Independent Board Committee of
China Changbaishan International Holdings Limited

Ms. Wang Meirong *Independent Non-executive Director*	**Mr. Tsang Hung Kei** *Independent Non-executive Director*	**Mr. Wang Xiaochu** *Independent Non-executive Director*

Mr. Chiu Sin Nang, Kenny
Non-executive Director

The following is the text of the letter of advice from Jun Hui International Finance Limited, the Independent Financial Adviser, to the TC Independent Board Committee and the Independent Shareholders in respect of the Offer, which has been prepared for the purpose of inclusion in this Composite Document.

Jun Hui International Finance Limited
Unit 01-02, 16/F, Hing Yip Commercial Centre,
272-284 Des Voeux Road Central,
Sheung Wan, Hong Kong

17 September 2026

To: the TC Independent Board Committee and the Independent Shareholders of
China Changbaishan International Holdings Limited

Dear Sir or Madam,

THE UNCONDITIONAL MANDATORY CASH OFFER BY DL SECURITIES (HK) LIMITED FOR AND ON BEHALF OF GROUND GROUP (HONG KONG) CO., LIMITED TO ACQUIRE ALL THE ISSUED SHARES IN CHINA CHANGBAISHAN INTERNATIONAL HOLDINGS LIMITED (OTHER THAN THOSE ALREADY OWNED OR AGREED TO BE ACQUIRED BY THE OFFEROR AND PARTIES ACTING IN CONCERT WITH IT)

INTRODUCTION

We refer to our engagement as the Independent Financial Adviser to advise the TC Independent Board Committee and the Independent Shareholders in respect of the Offer, details of which are set out in the composite offer and response document jointly issued by the Offeror and the Company dated 17 September 2026 (the "**Composite Document**") to the Shareholders, of which this letter forms part. Capitalised terms used in this letter shall have the same meanings as those defined in the Composite Document unless the context otherwise requires.

References are made to (i) the Joint Announcement jointly published by the Offeror and the Company dated 15 July 2026 in relation to, among other things, the Restructuring Framework Agreement and the Offer; (ii) the Circular dated 25 August 2026 in relation to (a) the Restructuring Framework Agreement and the transactions contemplated thereunder; (b) the Specific Mandate; (c) the Scheme; (d) the Subscription; and (e) the Special Deal; (iii) the poll results announcement of the Company dated 9 September 2026 in relation to the SGM; and (iv) the announcement jointly published by the Offeror and the Company dated 11 September 2026 in relation to the Completion.

As stated in the Joint Announcement, the making of the Offer was conditional upon Completion of the conditions precedent of the Proposed Restructuring, including but not limited to 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. As at the Scheme Effective Date, all the conditions precedent of the Scheme have been fulfilled. As at the Restructuring Effective Date, all conditions precedent of the Proposed Restructuring have been fulfilled.

As disclosed in the announcement jointly published by the Offeror and the Company dated 11 September 2026 in relation to the Completion, Completion took place on 11 September 2026. Immediately after Completion and taking into account (i) the entitlement of an aggregate of 2,691,468,186 Scheme Shares, which are held by the Scheme Company on trust for the benefit of Ground Group HK and Ka Yik; and (ii) the 368,767,181 Shares already owned by the Concert Party Group, the aggregate shareholding interest of the Concert Party Group increased from 108,767,181 Shares, representing approximately 30.20% of the issued Shares as at the date of the Joint Announcement to 3,060,235,367 Shares, representing approximately 57.07% of the Enlarged Issued Share Capital. Accordingly, 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. DL Securities is, on behalf of the Offeror and in compliance with the Takeovers Code, making the Offer on the terms set out in this Composite Document.

The TC Independent Board Committee comprising all non-executive Directors who have no direct or indirect interest in the Offer 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, among others, 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 included in the Composite Document.

In this connection, we, Jun Hui International, have been appointed, with the approval of the TC Independent Board Committee, to advise the TC Independent Board Committee and the Independent Shareholders in respect of the Offer in accordance with Rule 2.1 of the Takeovers Code.

As at the Latest Practicable Date, we were not in the same group as the financial or other professional adviser (including a stockbroker) to the Offeror, the Concert Party Group or the Company. We have acted as the Independent Finance Adviser to the independent board committee of the Company and the Independent Shareholders in relation to the Restructuring Framework Agreement and the transactions contemplated thereunder, the Specific Mandate, the Subscription and the Scheme, and the Special Deal (with the Company's circular dated 25 August 2026). As our fee for such engagement was fixed and not contingent on the outcome or successful completion of the Restructuring Framework Agreement and the transactions contemplated thereunder, the Specific Mandate, the Subscription, the Scheme and the Special Deal, we consider that the aforesaid engagement does not affect our independence to act as the Independent Financial Adviser in respect of the Offer. Other than that, we did not have any connection, financial or otherwise, with either the Offeror, the Concert Party Group or the Company, or the controlling shareholder(s) of either of them, of a kind reasonably likely to create, or to create the perception of, a conflict of interest or reasonably likely to affect the objectivity of our advice, within two years prior to the commencement of the Offer Period and up to and including the Latest Practicable Date. We were not associated with the Offeror, the Concert Party Group or the Company, their respective controlling shareholder(s), or any party acting, or presumed to be acting, in concert with any of them, or any company controlled by any of them. Apart from normal professional fees payable to us for this appointment, no arrangement exists whereby we will receive any fees or benefits from any party abovementioned. Accordingly, we consider that we are independent pursuant to Rule 2.6 of the Takeovers Code and are considered eligible to give independent advice in respect of the Offer.

BASIS OF OUR OPINION

In formulating our opinion and recommendation to the TC Independent Board Committee and the Independent Shareholders, we have relied on the accuracy of the information, opinions and representations contained or referred to in the Composite Document (or otherwise provided to us by the Directors and the management of the Group (the "**Management**") and the Offeror (where applicable)), and have assumed that all information, opinions and representations contained or referred to in the Composite Document (or otherwise provided to us by the Directors, the Management and the sole director of the Offeror (where applicable)) were true, accurate and complete in all respects at the time when they were made and up to the date throughout the Offer Period and should there be any material changes thereto or of our opinion, the Shareholders would be notified as soon as possible in accordance with Rule 9.1 of the Takeovers Code. We have also assumed that all statements of belief, opinions and intention made by the Directors and the Offeror (where applicable) in the Composite Document (or otherwise provided to us by the Directors, the Management and the Offeror (where applicable)) are reasonably made after due and careful enquiry. We have no reason to doubt that any relevant information has been withheld or omitted, nor are we aware of any fact or circumstance which would render the information, opinions and representations provided or made to us untrue, inaccurate or misleading.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained or referred to in the Composite Document (or otherwise provided to us by the Directors and the Management) (other than information relating to the Offeror and parties acting in concert with it) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions and representations expressed in the Composite Document (or otherwise provided to us by the Directors and the Management) (other than those expressed by the sole director the Offeror) have been arrived at after due and careful consideration and there are no other facts not contained in the Composite Document the omission of which would make any statement in the Composite Document misleading.

The sole director of the Offeror accept full responsibility for the accuracy of the information contained or referred to in the Composite Document (other than that relating to the Group and their respective associates and parties acting in concert with them) and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions and representations expressed in the Composite Document (other than those expressed by the Directors) have been arrived at after due and careful consideration and there are no other facts not contained in the Composite Document the omission of which would make any statement in the Composite Document misleading.

We consider that we have reviewed sufficient information to enable us to reach an informed view, which include, among other things, the announcements of the Company in relation to the Offer, the Composite Document, annual reports of the Company for the years ended 31 March 2024, 2025 and 2026 ("**Annual Report 2023/24**", "**Annual Report 2024/25**" and "**Annual Report 2025/26**", respectively) and the historical trading price and the trading liquidity of the Shares. We have not, however, for the purpose of this exercise, conducted any independent detailed verification or audit into the businesses, affairs or future prospects of the Group, the Offeror, or their respective subsidiaries or associates (if applicable).

We have not considered the taxation and regulatory implications on the Shareholders arising from acceptance or non-acceptance of the Offer since these depend on their individual circumstances, if any, and therefore we will not accept responsibility for any tax effect or liability that may potentially be incurred by the Shareholders as a result of the Offer. In particular, Shareholders who are overseas residents or subject to overseas taxation or Hong Kong taxation on dealings in securities should consider their own tax positions and, if any doubt, should consult their own professional advisers.

Please be advised that our role as the Independent Financial Adviser and the services we provide are subject to the requirements of the Takeovers Code. Our opinion may only be relied upon by, and our responsibilities are strictly limited to, parties to the extent and as required under the Takeovers Code. We shall not be held accountable for decisions made by parties not entitled to rely on our opinion.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion and recommendation to the TC Independent Board Committee and the Independent Shareholders in respect of the Offer, we have considered the following principal factors and reasons:

I. Background and financial information of the Group

(i) Background information of the Group

Referring to the Letter from the Board, 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. Referring to Annual Report 2025/26, the Group's property investment segment is treated and presented as a discontinued operation for the year ended 31 March 2026 upon the disposal of Baishan Ground Real Estate Development Company Limited and Baishan Ground Business Management Company Limited. It is disclosed that despite the Group's presentation of the property investment business segment as a discontinued operation in accordance with HKFRS5 for accounting purpose, the Group's management considers the property investment segment remains to be one of the operating segments of the Group and the Group is actively seeking for potential properties to hold for rental income or capital appreciation, subject to the investment return, synergy and exit potentials of any opportunities. The Company confirmed that the above statements relating to its property investment segment remain true and accurate, whilst no relevant legally binding agreement was entered by the Group, as at the Latest Practicable Date.

In relation to the Group's ginseng business, as disclosed in Annual Report 2025/26, the Group purchased over 700,000 pieces of ginsengs aged 15 years that are naturally grown under forest land ("**Linxia Ginseng**") in Ji'an City, Jilin Province in December 2025. Ji'an City located with close proximity to Changbaishan is one of the most ginseng abundant districts within Jilin Province. It is disclosed that, among others, products relating to Linxia Ginseng being consumer goods, are primarily targeted at individuals aged 45 and above who have health and wellness needs and prioritise health and wellness. Further details about the Group's ginseng business can be referred to Annual Report 2025/26.

(ii) Financial information of the Group

The following table summarises the results of operation and financial positions of the Group for the years ended 31 March 2024, 2025 and 2026:

	For the year ended 31 March			
	2024	**2025 (before restated)** *(Note 1)*	**2025 (restated)** *(Note 1)*	**2026**
	RMB'000	*RMB'000*	*RMB'000*	*RMB'000*
	(audited)	*(audited)*	*(audited)*	*(audited)*
Revenue *(Note 2)*				
– Sale of properties	69,936	130,720	130,720	30,241
– Rental income	13,239	13,236	–	–
– Property management service income	32,897	28,520	28,520	22,445
– Project management service income	–	13,865	13,865	–
Total	116,072	186,341	173,105	52,686
(Loss)/Profit for the year from continuing operations	(193,330)	(852,906)	(712,034)	128,314
Loss for the year from discontinued operation	–	–	(140,872)	(6,065)
(Loss)/Profit for the year	(193,330)	(852,906)	(852,906)	122,249

	As at 31 March		
	2024	**2025**	**2026**
	RMB'000	*RMB'000*	*RMB'000*
	(audited)	*(audited)*	*(audited)*
Total assets	2,268,515	1,252,364	417,970
Total liabilities	2,039,641	1,875,665	907,463
Total (deficit)/equity	228,874	(623,301)	(489,493)
Net current (liabilities)/assets	108,016	(942,524)	(481,510)

Notes:

1) For completeness purpose and to avoid any confusion of disclosures in Annual Report 2024/25, Annual Report 2025/26 and this letter, both financial figures of the Group for the year ended 31 March 2025 before restated (as disclosed in Annual Report 2024/25) and after restated (as disclosed in Annual Report 2025/26) are provided. As referred to Annual Report 2025/26 and confirmed by the Company, following the disposal of the property project in Baishan City that holds the sole investment properties in the Group, the property investment business in the year ended 31 March 2026 was classified as discontinued operation under HKFRS 5 "Non-current assets held for sale and discontinued operations" whereby the operating results of the property investment business are presented as loss for the year from discontinued operation. In accordance with HKFRS 5, comparative figures presented have also been restated to conform to presentation of the year ended 31 March 2026.

2) No revenue was generated in relation to the Group's ginseng business during the years ended 31 March 2024, 2025 and 2026.

Source: Annual Report 2023/24, Annual Report 2024/25 and Annual Report 2025/26 published by the Company on the website of the Stock Exchange

Financial results for the year ended 31 March 2024 compared with the year ended 31 March 2025 (Note: to avoid any confusion of disclosures with Annual Report 2024/25, the Group's financial figures before restated for the year ended 31 March 2025 are used under this headline for illustration purpose)

Revenue of the Group increased by approximately 60.5% from approximately RMB116.1 million for the year ended 31 March 2024 to approximately RMB186.3 million for the year ended 31 March 2025, which was mainly due to the increase in sale of properties by approximately 86.9% resulted from the fact that the Group's property project of Guangze China House – Phase IIA was completed and delivered during the year ended 31 March 2025 whereas there was no newly completed property project delivered during the year ended 31 March 2024. During the year ended 31 March 2025, the Group's results of operations further deteriorated and recorded net loss of approximately RMB852.9 million, compared to the net loss of approximately RMB193.3 million for the year ended 31 March 2024, which was mainly the combined effect of: (i) the decreased other income and gains from approximately RMB8.9 million for the year ended 31 March 2024 to approximately RMB0.4 million for the year ended 31 March 2025 mainly as the matter of (a) an exchange gain of approximately RMB4.3 million, (b) gain on modification of convertible bonds of approximately RMB1.8 million (of which the Company advised that the bondholder was Ka Yik and the modification was related to an extension of maturity date of the convertible bonds) and (c) gain on recognition of lease receivables of approximately RMB2.3 million recognised during the year ended 31 March 2024 (as the matter of an accounting gain recognised for the transfer of certain car park units from properties under development and completed properties held for sale to lease receivables upon completion, as advised by the Company), whereas there were no such items in the year ended 31 March 2025; (ii) the increased finance costs from approximately RMB23.1 million for the year ended 31 March 2024 to approximately RMB51.4 million for the year ended 31 March 2025 which was mainly due to less interest capitalised into properties under development during the year ended 31 March 2025 (as the matter of completion or suspension of relevant property projects and the related interest was subsequently not qualified for capitalisation under the Group's accounting policy, as advised by the Company); (iii) the increased other expenses from approximately RMB86.9 million for the year ended 31 March 2024 to approximately RMB692.1 million for the year ended 31 March 2025 which was mainly due to the write-down of properties under development and impairment loss on assets associated with disposal group classified as held for sale in respect of the Group's cultural tourism property project in Fusong County, Baishan City, Jilin Province (the "**Fusong Property Project**") of approximately RMB637.9 million (compared to that of approximately RMB84.3 million during the year ended 31 March 2024) and RMB47.1 million (whereas it was nil during the year ended 31 March 2024), respectively; and (iv) the change in fair value of investment properties which had a further decrease in the fair value of approximately RMB170.9 million during the year ended 31 March 2025 (compared to that of approximately RMB64.2 million for the year ended 31 March 2024) mainly as the matter of the continual deterioration of the market rent for shopping mall units in Baishan City, Jilin Province, as disclosed in Annual Report 2024/25.

Financial results for the year ended 31 March 2025 (restated) compared with the year ended 31 March 2026 (Note: to avoid any confusion of disclosures with Annual Report 2025/26, restated financial figures of the Group for the year ended 31 March 2025 are used under this headline for illustration purpose)

Revenue of the Group decreased by approximately 69.6% from approximately RMB173.1 million (restated) for the year ended 31 March 2025 to approximately RMB52.7 million for the year ended 31 March 2026, which was mainly due to the decrease in sale of properties by approximately 76.9% resulted from the fact that no new properties project was completed and delivered during the year ended 31 March 2026. During the year ended 31 March 2026, the Group recorded net profit of approximately RMB122.2 million, compared to the net loss of approximately RMB852.9 million (restated) for the year ended 31 March 2025, which was mainly the combined effect of: (i) the gross profit of approximately RMB3.3 million recorded for the year ended 31 March 2026, compared to the gross loss of approximately RMB2.7 million (restated) for the year ended 31 March 2025; (ii) the increased other income and gains from approximately RMB0.4 million (restated) for the year ended 31 March 2025 to approximately RMB168.1 million for the year ended 31 March 2026 which was mainly due to one-off gains arising from the disposals of certain property projects; and (iii) the significant decrease in other expenses from approximately RMB692.1 million (restated) for the year ended 31 March 2025 to approximately RMB11.0 million for the year ended 31 March 2026 which was mainly due to the write-down of properties under development and impairment loss on assets associated with disposal group classified as held for sale in respect of the Fusong Property Project of approximately RMB637.9 million and RMB47.1 million respectively for the year ended 31 March 2025, whilst there were no such write-downs and impairment during the year ended 31 March 2026, as disclosed in Annual Report 2025/26.

Financial positions

As at 31 March 2025, the Group had total assets of approximately RMB1,252.4 million, which significantly reduced by approximately RMB1,016.1 million from the total assets of approximately RMB2,268.5 million as at 31 March 2024. As at 31 March 2024 and 2025, the Group had total liabilities of approximately RMB2,039.6 million and RMB1,875.7 million, respectively. The Group's financial positions deteriorated from the total equity of approximately RMB228.9 million as at 31 March 2024 to the total deficit of approximately RMB623.3 million as at 31 March 2025, as the decrease in its total assets as at 31 March 2025 substantially outweighed the decrease in its total liabilities as at the same date.

Referring to Annual Report 2024/25, certain major items comprising the total assets of the Group as at 31 March 2025 included (i) investment properties of approximately RMB315.3 million compared with the balance of approximately RMB486.2 million as at 31 March 2024, the decrease in balance of investment properties as at 31 March 2025 was mainly due to the decrease in fair value of the self-owned and leased portion of the shopping mall in Baishan City, Jilin Province as a result of the decrease in market rent; (ii) properties under development and completed properties held for sale of approximately RMB335.3 million; (iii) cash and cash equivalents of approximately RMB5.1 million; and (iv) assets associated with disposal group classified as held for sale of approximately RMB504.2 million in relation to the disposal of the entire equity interest in Jilin Province Ground Tourism Development Company Limited and its three subsidiaries (the "**Fusong Disposal**"), whereas the balance was nil as at 31 March 2024. The lower balance of the Group's total assets of approximately RMB1,252.4 million as at 31 March 2025, comparing to the balance of approximately RMB2,268.5 million as at 31 March 2024 was mainly as the result of (i) the write-down on the Group's properties under development in the Fusong Property Project of approximately RMB637.9 million made during the six months ended 30 September 2024; and (ii) decrease of cash and cash equivalents from approximately RMB53.6 million as at 31 March 2024 to approximately RMB5.1 million as at 31 March 2025 primarily resulted from the repayment of borrowings, settlement of construction costs, interests, operating expenditure partially offset by the cash receipt from pre-sale of properties, as advised by the Company.

As at 31 March 2025, certain major items comprising the Group's total liabilities were (i) trade and other payables of approximately RMB435.9 million; (ii) loans from a substantial/controlling shareholder of approximately RMB449.4 million, which were unsecured, interest free and repayable within one year or on demand; (iii) bank and other borrowings of approximately RMB243.1 million, which were payable within one year or on demand; and (iv) liabilities associated with disposal group classified as held for sale of approximately RMB504.2 million in relation to the Fusong Disposal.

As at 31 March 2026, the Group had total assets of approximately RMB418.0 million and total liabilities of approximately RMB907.5 million. The Group's total liabilities remained substantially outweighing its total assets as at the same date. The Group's financial positions remained as total deficit, recording the balance of approximately RMB489.5 million as at 31 March 2026.

Referring to Annual Report 2025/26, certain major items comprising the total assets of the Group as at 31 March 2026 included (i) properties under development (being mainly Guangze Jiuxi Red House – Phase II) and completed properties held for sale (being mainly unsold units of Guangze Jiuxi Red House – Phase I) of approximately RMB261.5 million; (ii) ginseng assets held for sale of approximately RMB101.7 million; and (iii) cash and cash equivalents of approximately RMB4.2 million. The lower balance of the Group's total assets of approximately RMB418.0 million as at 31 March 2026, comparing to the balance of approximately RMB1,252.4 million as at 31 March 2025 was mainly as the result of (i) no balance of investment properties was recorded as at 31 March 2026, comparing to the balance of approximately RMB315.3 million as at 31 March 2025 which were primarily certain shopping mall units in Baishan City, Jilin Province. Such investment properties were reclassified to assets associated with disposal group classified as held for sale in September 2025 and were derecognised upon the completion of the disposal in March 2026; (ii) decreased balance of properties under development and completed properties held for sale from approximately RMB335.3 million as at 31 March 2025 to approximately RMB261.5 million as at 31 March 2026. As disclosed in Annual Report 2025/26, the lower balance of properties under development and completed properties held for sale as at 31 March 2026 was primarily the result led by the remaining residential and commercial units and car parking spaces at projects completed in prior years including those relating to Baishan and Yanji Property Projects were reclassified to assets associated with disposal group classified as held for sale in September 2025 and were derecognised upon the completion of the disposal in March 2026; (iii) no balance of assets associated with disposal group classified as held for sale was recorded as at 31 March 2026 following the disposal of the Fusong Property Project, comparing to the balance of approximately RMB504.2 million as at 31 March 2025, and partially offset by the initial recognition of ginseng assets held for sale of approximately RMB101.7 million as at 31 March 2026 as the Group purchased ginseng assets grown under forest land located in Ji'an City, Jilin Province during the year ended 31 March 2026.

As at 31 March 2026, certain major items comprising the Group's total liabilities were (i) trade and other payables of approximately RMB176.7 million; (ii) loans from a substantial shareholder of approximately RMB369.7 million, which were unsecured, interest free and repayable on demand; and (iii) bank and other borrowings of approximately RMB183.4 million. The lower balance of the Group's total liabilities of approximately RMB907.5 million as at 31 March 2026, comparing to the balance of approximately RMB1,875.7 million as at 31 March 2025 was mainly as the result of (i) decrease in trade and other payable from approximately RMB435.9 million as at 31 March 2025 to approximately RMB176.7 million as at 31 March 2026; and (ii) no balance of liabilities associated with disposal group classified as held for sale was recorded as at 31 March 2026 following the disposal of the Fusong Property Project, comparing to the balance of approximately RMB504.2 million as at 31 March 2025.

(iii) Valuation of the Group's properties and adjusted net liabilities

The valuation of the properties held by the Group (being the unsold portions of Guangze Jiuxi Red House – Phase I and Phase II, collectively as the "**Property**") in existing state as at 31 July 2026 (the "**Valuation Date**") has been assessed by Colliers Appraisal & Advisory Services (Shanghai) Co., Ltd. ("**Colliers**" or the "**Valuer**") pursuant to Rule 11.1(f) of the Takeovers Code. The full text of the valuation report (including the valuation certificates) is set out in Appendix III to the Composite Document (the "**Valuation Report**"). According to the Valuation Report, the total market value of the Property attributable to the Group as at the Valuation Date was RMB303.0 million (the "**Valuation**").

We have reviewed the Valuation Report and discussed with the Valuer the methodology, bases and assumptions adopted in arriving at the Valuation. We note that the Valuer has valued the Property by the direct comparison approach, with reference to recent asking prices of comparable properties located within the same district (Jiutai District, Changchun) with similar conditions, size and tenure, adjusted for factors including condition, amenities, environment, view, age and decoration, management, and, for the retail comparables, established retail area, accessibility, size and road frontage. We further note that pre-sold portions of the Property have been taken into account by the Valuer at their respective transacted amounts. In addition, the Valuer has selected separate sets of comparables for the residential and retail portions of the Property respectively, on the basis that residential and retail properties are subject to different market dynamics, pricing characteristics and value drivers and are separately analysed under the direct comparison approach. Based on our enquiry with the Valuer, we note that this valuation methodology is a commonly used approach for assessing the market value of residential and retail properties held for sale (the same as the Property).

We are provided with the Valuer's underlying workings indicating the adjustments applied to comparable properties, and enquired of the Valuer as to the basis on which such adjustments were determined. We understand that the adjustments reflect the Valuer's assessment of the specific characteristics of each comparable property by reference to the Property, and have reviewed and confirmed the quantified adjustment ranges disclosed by the Valuer to be consistent with the direction of adjustment applied to each comparable as set out in the Valuation Report. We have also enquired about the equal weighting applied by the Valuer to each comparable, and understand this reflects the Valuer's assessment that none of the selected comparables was demonstrably more representative of the Property than the others. We consider this a reasonable basis for weighting.

Further to the above, we have enquired the qualifications and experience of the persons responsible for the Valuation. We note that Mr. Kin Ming Woo James, Executive Director and Head of China Valuation and Advisory Services at Colliers, is a fellow member of the Royal Institution of Chartered Surveyors ("**RICS**") with 30 years' experience in the valuation of properties of this magnitude and type in China, and that Mr. Chin Pang Tsang, Executive Director and Acting Head of the Valuation and Advisory Services (Hong Kong) at Colliers, is a member of RICS and the Hong Kong Institute of Surveyors, a Registered Professional Surveyor in Hong Kong and a Registered Real Estate Appraiser in the PRC, with over 26 years' relevant experience. The Valuer has confirmed that the Valuation has been prepared in accordance with the HKIS Valuation Standards (2024 Edition) published by The Hong Kong Institute of Surveyors, the RICS Valuation – Global Standards published by RICS, and the requirements set out in Chapter 5 of and Practice Note 12 to the Listing Rules and Rule 11 of the Takeovers Code.

After our enquiry, we understand that the Valuer provided valuation services to the Company for: (i) connected transaction in relation to loan capitalisation involving subscription of shares under specific mandate and application for whitewash waiver in 2024 (with the Company's circular dated 29 June 2024); (ii) very substantial disposal in relation to the disposal of the entire equity interest of the target company involving a property project in Fusong County, Jilin Province (with the Company's circular dated 29 November 2024); (iii) major transaction in relation to the disposal of the entire equity interest of the target companies involving property projects in Baishan City and Yanji City, Jilin Province (with the Company's circular dated 16 September 2025); (iv) the Circular dated 25 August 2026 in relation to the Restructuring Framework Agreement and the transactions contemplated thereunder, the Specific Mandate, the Subscription and the Scheme, and the Special Deal; and (v) valuation on fair value of investment properties held by the Group, if any, for annual preparation of the Group's financial statements. The aforementioned valuation services had been completed. We have been confirmed by the Valuer that it has no other relationship with the Company or the Offeror or the Concert Party Group which may render the Valuer not independent, and we are satisfied that the Valuer is independent of the Company, the Offeror and the Concert Party Group for the purpose of the Valuation. We have also reviewed the Valuer's terms of engagement and are satisfied that the scope of work thereunder is appropriate for the Valuer to arrive at its opinion of value.

Adjusted net liabilities

For the purpose of Rule 11 of the Takeovers Code, we have reviewed the adjusted unaudited consolidated net liabilities attributable to the Shareholders, which is provided by the Company and calculated based on the audited consolidated net liabilities attributable to the Shareholders as at 31 March 2026, adjusted with reference to the Valuation as at 31 July 2026. Details of the adjustment are set out in the table below for illustration purpose.

	RMB'000
Audited consolidated net liabilities attributable to the Shareholders as at 31 March 2026	(489,493)
Adjustment:	
– Revaluation surplus arising from the Valuation *(Note 1)*	41,540
Adjusted unaudited consolidated net liabilities attributable to the Shareholders	(447,953)

	HK$
Adjusted unaudited consolidated net liabilities attributable to the Shareholders per Share *(Note 2)*	(1.41)
Offer Price	0.15
Premium represented by the Offer Price to the adjusted unaudited consolidated net liabilities attributable to the Shareholders per Share	1.56

Notes:

1. represents the revaluation surplus arising from the excess of (a) the market value of the Property in existing state of approximately RMB303.0 million as at 31 July 2026 according to the Valuation Report in Appendix III to the Composite Document, as appraised by the Valuer, over (b) its corresponding book value of approximately RMB261.5 million as at 31 March 2026.

2. based on 360,181,940 Shares in issue prior to the allotment and issue of the Subscription Shares and the Scheme Shares.

The appreciation in value of the Property represented by the Valuation was mainly attributable to the fact that the Property has been stated at cost in the consolidated financial statements of the Group since completion, in accordance with the accounting policy adopted by the Group, whereas the Valuation reflects the current open market value of the Property. We also note that the revaluation surplus of approximately RMB41.5 million is modest relative to the Group's audited net liabilities as at 31 March 2026, and the Group would remain in a substantial net liabilities position after taking the Valuation into account. Accordingly, we do not consider the Valuation to have a material impact on the Group's overall net liabilities position.

(iv) Prospect of the Group

During the years ended 31 March 2024, 2025 and 2026, sale of properties remained as the major revenue stream of the Group which accounted for approximately 60.3%, 70.2% (before restatement of relevant financial figures, or approximately 75.5% after restatement of relevant financial figures for the year ended 31 March 2025) and 57.4% of the Group's revenue, respectively. As disclosed in Annual Report 2025/26, related assets of the Group's property projects located in Jilin Province, the PRC accounted for approximately 99% and 99% of the Group's total assets as at 31 March 2025 and 31 March 2026, respectively. This demonstrates that the Group's property development and management business in the PRC remains its principal business and continues to be the key contributor to the Group's financial performance. However, as disclosed by the Company in Annual Report 2025/26, the Group is exposed to risks associated with the PRC property market, which may include policy change, interest rate change, demand-supply imbalance and the overall economic conditions.

According to National Bureau of Statistics of China, it revealed that the investment in real estate development in China was approximately RMB8,278.8 billion in 2025, indicating a year-on-year decrease of approximately 17.2%. From January to July 2026, the investment in real estate development was approximately RMB4,300.9 billion, which represented a decrease of approximately 19.2% comparing with the corresponding period of last year. The situation of the real estate investment in the Northeastern region of China, being the region where the Group's principal business and properties are located, was even worse recording a decrease of approximately 29.7% from January to July 2026 (with the investment in real estate development amounted to approximately RMB76.0 billion) as compared with the corresponding period of last year. According to an article titled "China's home prices seen falling faster before stabilising in 2027: Reuters poll" released by Reuters on 13 March 2026, it is noted that the property sector in China remains stuck in a prolonged downturn, still facing several structural challenges, including demographic shifts, an uncertain employment environment, low housing affordability and high stocks of unsold homes. The article also indicated the property investment and sales in China are expected to remain weak in 2026, with investment forecast to fall 10.3% and sales down 6.5%. While the property management sector in China is also generally tough. According to an article titled China's real estate funk drags down yet another sector: property service providers" released by Reuters on 3 June 2026, it is revealed that providers of property services in China are struggling to collect management fees from disgruntled homeowners, threatening their revenue and house prices in general, as the consequence after decades of overbuilding, many compounds are partly vacant and distressed property developers owe the service fees for unsold flats. In light of the above, we note the unfavourable condition in the PRC property market are expected to continue in the near term, and the outlook for the Group's principal business remains uncertain.

As disclosed in Annual Report 2025/26, the Group intended to diversify its business into, among others, ginseng business. It is noted that the Group's ginseng business did not generate any revenue during the year ended 31 March 2026. We consider that actual sales are a reliable indicator of business prospect, whereas for the ginseng business, in the absence of actual sales revenue, its prospect shall be viewed with caution.

We note from the independent auditor's report in Annual Report 2025/26 that includes a "Material uncertainty relating to going concern" paragraph, from which the Company's auditor considered, among others, the Group's net current liabilities and net liabilities of approximately RMB481.5 million and RMB489.5 million respectively, of which RMB183.4 million represented other borrowings and RMB51.7 million represented liability component of convertible bonds as at 31 March 2026, while the cash and cash equivalents amounted to approximately RMB4.2 million only as at 31 March 2026, and considered that the Group may take longer time than expected to realise cash from the sales of its properties, and/or have cash from external financing to meet its loan repayment obligations. The Company's auditor expressed that these conditions along with certain matters relating to the Funding Agreement for the purpose of financing the Company's restructuring and the working capital requirements of the Group, the cash flow forecast of which the Directors expect the Group to generate adequate cash flows to maintain its operations and the continuous active measures to control costs and expenses by the Group, indicate the existence of a material uncertainty which casts significant doubt on the Group's ability to continue as a going concern and the Group may be unable to realise its assets and discharge its liabilities in the normal course of business. The validity of the going concern basis depends on the assumptions that the Group would be successful in the debt restructuring, further cash inflow from ginseng business and obtaining the future fundings. The Company's auditor issued disclaimer of opinion and expressed that, due to the uncertainty of the Group's ability to maintain adequate future cash flows, it was unable to ascertain whether the assumptions made by the Directors in preparing the consolidated financial statements for the year ended 31 March 2026 on a going concern basis are proper and appropriate. For further details, please refer to the independent auditor's report included in Annual Report 2025/26. We consider the Company's going concern issue and the disclaimer of opinion given by the Company's auditor indicates the financial distress situation faced by the Group.

Having regard to the Group's significant reliance on the property development and management business in the PRC, the weak market conditions in Northeastern region of China where the Group's principal business and properties are located, the continued downturn in the PRC property sector as a whole, the prospect of the ginseng business of the Group shall be viewed with caution in the absence of actual sales revenue and the disclaimer of opinion issued by the Company's auditor as illustrated above, the Group's business prospect is considered to remain cautious and uncertain in the near term.

According to Note 3 to Rule 2 of the Takeovers Code, we 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 Annual Report 2025/26, 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. For detailed information of the basis of disclaimer of opinion, please refer to the independent auditor's report in Annual Report 2025/26 and the section headed "2. Financial summary" in Appendix II – Financial information on the Group to the Composite Document.

II. Information of the Offeror and its future intentions regarding the Group

(i) Information of the Offeror

Referring to the Letter from DL Securities and Alpha Financial, 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. *(* For translation purposes only)*

Ground Group HK is principally engaged in investment holdings. Referring to the Letter from DL Securities and Alpha Financial, 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. Accordingly, Ground Group HK and Ka Yik will be entitled to the aggregate of 2,691,468,186 Scheme Shares upon Completion, representing approximately 50.20% of the issued share capital of the Company as at the Latest Practicable Date, which are held by the Scheme Company on trust for the benefit of Ground Group HK and Ka Yik. The determination and/or adjudication of the Admitted Scheme Claims will be conducted as soon as practicable subsequent to Completion under the terms of the Scheme, and is expected to be completed in November 2026. Further, Ground Group HK has subscribed for 260,000,000 Subscription Shares by way of set-off against amounts owing under the Funding Agreement, representing approximately 4.85% of the issued share capital of the Company as at the Latest Practicable Date.

(ii) Future intentions of the Offeror regarding the Group

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. Referring to the Letter from DL Securities and Alpha Financial, the Offeror has no intention (i) to discontinue the employment of the employees or change the composition of the Board; (ii) to dispose of or re-deploy the assets of the Group other than those in its ordinary course of business; and (iii) to downsize, cease or dispose of any of the existing businesses, operations and assets of the Group. The Offeror also intends to continue the existing principal business of the Group immediately following the completion of the Offer. It is currently intended that, subject to the review by the Offeror from time to time, current directors of the Group's subsidiary who are necessary to participate in the Group's ongoing operations will remain as directors at the relevant Group companies following the completion of the Offer. From the above, it is noted that the Offeror intends to maintain the existing business and management of the Group. We consider this arrangement shall enable the Group to maintain stability of its operations after the completion of the Offer.

Considering the severe liquidity shortage and financial distress situation of the Company, the Offeror intends to provide support in the implementation of the restructuring plan and the continuous business development of the Group. Nevertheless, the Offeror will conduct a detailed review on the existing principal businesses and operations, and the financial position of the Group for the purpose of formulating business plans and strategies for the Group's long-term business development and will explore other business opportunities for the Group, including the diversification into the ginseng and mineral water businesses. Subject to the results of the review, and should suitable investment or business opportunities arise, the Offeror may consider whether any assets and/or business acquisitions or disposals by the Group will be appropriate in order to enhance its growth. Although it is positive that the Offeror intends to support the Group's business development as described above, we note that (i) as previously illustrated under the section headed "Background and financial information of the Group – Prospect of the Group" in this letter, the unfavourable condition in the PRC property market are expected to continue in the near term and the outlook for the Group's principal business being the property related business remains uncertain; and (ii) no revenue was derived from the Group's ginseng and mineral water businesses during the year ended 31 March 2026, their business prospects should be viewed with caution in the absence of actual sales revenue. Thus, we consider that there is no assurance as to whether, or the extent to which, the Offeror will be able to identify suitable opportunities or otherwise assist in improving the Group's business and financial position going forward.

As at the Latest Practicable Date, no investment or business opportunity had been identified nor had the Offeror entered into any agreement, arrangement, understanding or negotiation in relation to the injection of any assets or business into the Group, nor any business opportunities in relation to the injection of any assets or business into the Group were under consideration or negotiation.

(iii) Public float and maintenance of the listing status of the Company

The Stock Exchange has stated that: (a) if, at the close of the offer, the Stock Exchange believes that: a false market exists or may exist in the trading of the shares; or an orderly market does not exist or may not exist, it will consider exercising its discretion to suspend dealings in the shares; and (b) if, at the close of the offer, the listed issuer has a Significant Public Float Shortfall (as defined in Rule 13.32F of the Listing Rules), then: the Stock Exchange will add a designated marker to the stock name of the listed shares; and the Stock Exchange will cancel the listing of the issuer's shares if the issuer fails to re-comply with Rule 13.32B of the Listing Rules for a continuous period of 18 months from the commencement of the Significant Public Float Shortfall.

Referring to the Letter from DL Securities and Alpha Financial, the Offeror intends the Company to remain listed on the Stock Exchange after the close of the Offer. Mr. Cong Peifeng, being the sole director of the Offeror, has undertaken under Rule 14.81(3) of the Listing Rules to the Stock Exchange that if, at the close of the Offer, the Company fails to comply with the requirement of Rule 13.32B, he will take appropriate steps to ensure the Company's compliance with the Rule 13.32B at the earliest possible moment.

III. The Offer Price

As referred to the Letter from DL Securities and Alpha Financial, DL Securities, for and on behalf of the Offeror, is making the Offer to acquire all the remaining 251,414,759 Shares as enlarged by the Scheme Shares and the Subscription Shares immediately after Completion (exclusive of the 368,767,181 issued Shares held by the Concert Party Group and the 4,742,453,691 Scheme Shares issued to the Scheme Company) in compliance with the Takeovers Code, on the terms to be set out in this Composite Document on the following basis:

For each Offer Share..HK$0.15 in cash

The Offer Price of HK$0.15 per Offer Share is equivalent to the Subscription Price per Subscription Share and the Issue Price per Scheme Share (assuming there will be in aggregate of approximately HK$711,368,054 of Admitted Scheme Claims).

The Offeror confirms that the Offer Price is final and will not be increased.

(i) The Offer Price comparison

As set out in the Letter from DL Securities and Alpha Financial, the Offer Price of HK$0.15 per Offer Share represents:

(i) a discount of approximately 72.73% to the closing price of HK$0.55 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 the 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 premium of approximately HK$1.56 over the Group's adjusted unaudited consolidated net liabilities per Share of approximately HK$1.41 as at 31 March 2026, based on the adjusted unaudited consolidated net liabilities attributable to the Shareholders of approximately RMB448.0 million (after taking into account the revaluation surplus arising from the Valuation) (equivalent to approximately HK$507.5 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.

(ii) Historical trading price of the Shares

In order to assess the fairness and reasonableness of the Offer Price, we have reviewed the daily closing price of the Shares as quoted on the Stock Exchange during the period commencing from 16 July 2025, being the twelve-month period immediately preceding the date of the Joint Announcement (i.e. 15 July 2026) and up to and including the Latest Practicable Date (the "**Review Period**").

We consider that the Review Period which covers a one-year period prior to the date of the Joint Announcement and up to and including the Latest Practicable Date represents a reasonable and sufficient period to provide a general overview of the recent price performance of the Shares. Set out below is the chart of the closing prices of the Shares during the Review Period:

Source: the website of the Stock Exchange

We have reviewed the Company's notable corporate events during the Review Period, including but not limited to:

(i) 30 June 2025, the Company announced financial results for the year ended 31 March 2025, where a net loss attributable to owners of at least RMB840.0 million for the year ended 31 March 2025, a significant increase from the RMB193.3 million loss recorded for the year ended 31 March 2024, which were primarily driven by write-down and impairment related to the Fusong Property Project;

(ii) 4 July 2025, the Company proposed to further change its English and Chinese names to better reflect the direction of the future business plans and development of the Company;

(iii) 28 July 2025, the Company announced to divest certain property projects under tradename "Guangze", which constituted a major transaction under the Listing Rules;

(iv) 18 September 2025, the Company announced to divest certain property projects in Dunhua City, which constituted a discloseable transaction under the Listing Rules;

(v) 30 September 2025, divestment related to the Fusong Property Project was completed, which constituted a very substantial disposal transaction under the Listing Rules;

(vi) 21 November 2025, profit alert was announced where a significant reduction by not less than 90% of net loss attributable to the owners of the Company for the six months ended 30 September 2025, which were primarily driven by the completion of divestment related to the Fusong Property Project;

(vii) 12 January 2026, Ground Group HK, the Company, and Ka Yun entered into the Funding Agreement to facilitate the preparation and implementation of the Restructuring;

(viii) 24 February 2026, the Company has received a court order to convene a Scheme Meeting in early June 2026 for Scheme Creditors to consider the Proposed Restructuring;

(ix) 31 March 2026, the major disposal related to certain property projects under tradename "Guangze" was completed;

(x) 8 June 2026, the Company announced that at the Scheme Meeting was held and the Scheme was approved by the requisite statutory majorities of creditors;

(xi) 22 June 2026, positive profit alert was announced where a profit of not less than approximately RMB110.0 million is expected to record for the year ended 31 March 2026 mainly due to the one-off gain arising from the disposal of project companies and purchase of ginseng assets; and

(xii) 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.

As advised by the Management, other than the events mentioned above, the Management is not aware of any events that might lead to the fluctuation trend in the closing prices of the Shares during the Review Period.

During the initial phase of the Review Period, spanning from July 2025 through March 2026, the Shares traded within a relatively stable band ranging from approximately HK$0.60 to HK$0.85. The period commenced under immediate downward pressure following the profit warning announcement dated 13 June 2025 and the subsequent release of the annual result for the year ended 31 March 2025. Thereafter, the closing price of the Shares consolidated and stabilized at around HK$0.75 level. This might indicate that the market had digested the insolvent position of the Company, pricing in both the Group's strategic efforts to prevent winding-up proceedings through disposal of loss-making and heavily indebted property projects, and the speculative value tied to the potential successful completion of the Proposed Restructuring.

During April and May 2026, the Shares experienced a sharp downturn to a low of HK$0.42 per Share, which might reflect market reactions related to the uncertainties surrounding the restructuring ahead of the court-convened Scheme Meeting in early June 2026, notwithstanding that the Company had successfully decoupled from its distressed real estate liabilities following the disposal of property projects under the tradename "Guangze". Following the announcement made on 8 June 2026 confirming that the Scheme had been approved by the requisite statutory majorities of creditors, the Shares recovered and subsequently reached the highest closing price during Review Period at HK$0.92 per Share on 24 June 2026 after the publication of a positive profit alert announcement. In July 2026, the Shares stabilized at around the HK$0.72 level before the publication of the Joint Announcement, demonstrating the market might have adopted a cautious approach regarding the restructuring updates, pending the actual implementation and execution of the Proposed Restructuring.

Following the publication of the Joint Announcement on 15 July 2026, the Shares experienced a sharp downward correction, the closing price of the Shares fell significantly from the pre-announcement level of HK$0.72 per Share to HK$0.45 per Share on 17 July 2026 and stabilized at around HK$0.55 level as at the Latest Practicable Date. This reflected immediate market re-pricing to align with the substantial discount of the transaction terms and structural changes under the Proposed Restructuring.

During the Review Period, the closing prices of the Shares traded within a range between the lowest closing price at HK$0.42 per Share in mid-May 2026 to the highest closing price at HK$0.92 per Share in late June 2026 with an average closing price of approximately HK$0.69 per Share. The Offer Price of HK$0.15 per Offer Share represents discounts of approximately 83.70%, 64.29% and 78.26% over the highest, lowest and the average closing prices respectively during the Review Period. Furthermore, the Offer Price represents a discount of approximately 79.17% over the closing price of HK$0.72 as at the Last Trading Day and a discount of approximately 72.73% over the closing price of HK$0.55 as at the Latest Practicable Date. Although the closing prices of the Shares had been staying above the Offer Price during the entire Review Period, the gap between the two had narrowed following the publication of the Joint Announcement, and such downward adjustment after the Joint Announcement demonstrates that the market has begun factoring in the impact of the terms of the Proposed Restructuring.

Consequently, Independent Shareholders should note that the historical closing prices and the market re-pricing following the publication of the Joint Announcement set out above are not an indicator of the future performance of the Shares, and that the trading price of the Shares may continue to fluctuate above or below the closing price recorded as at the Latest Practicable Date in response to further developments in relation to the Proposed Restructuring. The Independent Shareholders who wish to accept the Share Offer or otherwise realize their investments in the Group are reminded that they should carefully and closely monitor the trading price and liquidity of the Shares throughout the Offer Period.

(iii) Historical trading liquidity of the Shares

Set out below is the average daily trading volume of the Shares per relevant month/period, and the respective percentage of the average daily trading volume of the Shares to the total number of issued Shares and the Shares held by public Shareholders as at the end of relevant month/period, in the Review Period:

Year/Month	Total trading volume of the Shares	Number of trading days	Average daily trading volume of the Shares *(Note 1)*	Percentage of average daily trading volume of total issued Shares as at the end of relevant month/period *(Note 2)*	Percentage of average daily trading volume of the Shares held by public Shareholders as at the end of relevant month/period *(Note 3)*
2025					
July (from 16 July)	1,599,725	12	133,310	0.0370%	0.0530%
August	4,820,015	21	229,525	0.0637%	0.0913%
September	1,286,250	22	58,466	0.0162%	0.0233%
October	3,414,800	20	170,740	0.0474%	0.0679%
November	414,900	20	20,745	0.0058%	0.0083%
December	797,298	21	37,967	0.0105%	0.0151%
2026					
January	818,380	21	38,970	0.0108%	0.0155%
February	314,650	17	18,509	0.0051%	0.0074%
March	522,120	22	23,733	0.0066%	0.0094%
April	223,700	19	11,774	0.0033%	0.0047%
May	3,176,500	19	167,184	0.0464%	0.0665%
June	5,425,760	21	258,370	0.0717%	0.1028%
July	4,458,850	26	171,494	0.0476%	0.0682%
August	588,530	21	28,025	0.0078%	0.0111%
September (to Latest Practicable Date)	188,500	10	18,850	0.0052%	0.0075%
		Maximum	258,370	0.0717%	0.1028%
		Minimum	11,774	0.0033%	0.0047%
		Average	92,511	0.0257%	0.0368%

Source: the website of the Stock Exchange

Note:

1. *Average daily trading volume of the Shares is calculated by dividing the total trading volume for the month/period by the number of trading days in the respective month/period.*

2. *The calculation is based on the average daily trading volume of the Shares divided by the total number of the Shares in issue at the end of month/period.*

3. *Based on 251,414,759 Shares held by public Shareholders as at the end of relevant month/period.*

As illustrated above, the average daily trading volume of the Shares per relevant month/period during the Review Period ranged from a low of approximately 11,774 Shares in April 2026 to a high of approximately 258,370 Shares in June 2026, representing a thin and negligible percentage of the total number of issued Shares as at the end of the relevant month/period, ranging from approximately 0.0033% to approximately 0.0717%. Furthermore, the average daily trading volume of the Shares also represented a low percentage of the Shares held by public Shareholders throughout the Review Period, ranging from approximately 0.0047% to 0.1028%, with an average of approximately 0.0368%, which further reflects the thin trading liquidity of the Shares. There were 59 trading days where no trading of the Shares was recorded out of 292 trading days during the Review Period, representing approximately 20% of the total number of trading days.

The highest daily trading volume was recorded on 17 July 2026, with approximately 2.86 million Shares traded, representing approximately 0.7940% of the total number of issued Shares, which occurred following the publication of the Joint Announcement. This may represent a brief, event-driven liquidity surge directly triggered by market reactions to the material inside information contained in the Joint Announcement, which is highly unlikely to be sustainable under ordinary open market conditions. Independent Shareholders should remain mindful that once the market has digested the Joint Announcement, the trading volume of the Shares will likely revert to its historically thin and illiquid baseline.

Given the persistently low trading liquidity, the Independent Shareholders (especially those with relatively sizeable shareholdings) should note that, having considered the overall thin historical trading volume of the Shares during the Review Period, they may find it difficult to dispose of a large volume of the Shares in the open market at a stable price level within a short period of time without exerting downward pressure on the Shares price. Therefore, Independent Shareholders are advised to carefully and closely monitor the trading price and the trading liquidity of the Shares during the Offer Period, take into account the potential downward pressure on the Share price when attempting to execute bulk sales in the open market, and consider the Offer as a certain exit alternative to realise their investments in the Shares.

(iv) Market comparable analysis

In assessing the fairness and reasonableness of Offer Price, we have conducted a comparative analysis of the Offer Price against the prevailing market valuation of industry peers. This was based on the trading multiples of the companies listed on the Stock Exchange which are primarily engaged in business activities similar to those of the Group ("**Market Comparables**").

We have considered three most commonly adopted benchmarks for equity analysis: the price-to-sales ratio ("**P/S ratio**"), the price-to-earnings ratio ("**P/E ratio**"), and the price-to-book ratio ("**P/B ratio**"). Given that the Group recorded net liabilities of approximately RMB489.5 million for the year ended 31 March 2026, the P/B ratio analysis is not applicable. Given that the Group incurred net losses for the years ended 31 March 2024 and 2025, and its profit of approximately RMB122.2 million for the year ended 31 March 2026 was mainly driven by a non-recurring, one-off gain of approximately RMB168.1 million from disposing of project companies and purchasing ginseng assets, the P/E ratio analysis is also not considered applicable. Consequently, we have utilized the P/S ratio as the primary metrics for our analysis of the Market Comparables.

Taking into account the principal business nature and the severe financial distress situation of the Company, we have identified the Market Comparables based on the following criteria: (i) companies which are principally engaged in property development and management in the PRC, with such activities accounting for over 70% of total revenue in the latest financial year; (ii) companies whose shares are listed and traded on the Main Board of the Stock Exchange; (iii) companies with a market capitalization of not more than HK$1,000 million as at the Last Trading Day; (iv) companies recording a net liability position as that of the Company during the latest financial year, which is regarded as exhibiting a distressed financial profile similar to that of the Company; (v) companies whose shares were not under trading suspension as at the Last Trading Day. On this basis, we have identified an exhaustive list of 15 Market Comparables that met the aforementioned criteria, details of which are set out in the table below:

#	Company name (stock code)	Principal business	Market capitalisation as at the Last Trading Day (Note 1) (HK$ million)	Total revenue for the latest financial year (HK$ million)	Percentage of revenue generated from property development and management %	P/S Ratio (Note 2) (times)	Net liabilities recorded for the latest financial year (HK$ million)
1	JY Grandmark Holdings Limited (2231)	Principally engaged in property development and sales, hotel operations, property management and commercial property investment in the PRC.	24.69	615.03	94%	0.040	(734.96)
2	Sunshine 100 China Holdings Ltd (2608)	Principally engaged in property and land development, property investment, property management and hotel operation, and light-asset operation in the PRC.	25.51	1,920.15	93%	0.013	(9,548.13)
3	Zhenro Properties Group Limited (6158)	Principally engaged in property development and property leasing in the PRC.	48.05	10,771.54	99%	0.004	(25,025.52)
4	Redsun Properties Group Limited (1996)	Principally engaged in property development and management services, commercial property investment and operations and hotel operations in the PRC.	66.78	4,747.46	94%	0.014	(5,010.15)
5	Ronshine China Holdings Limited (3301)	Principally engaged in property development in the PRC.	89.22	7,818.34	94%	0.011	(7,419.67)
6	Times China Holdings Limited (1233)	Principally engaged in the property development, urban redevelopment business and property leasing in the PRC.	89.77	3,685.47	82%	0.024	(8,614.53)
7	Central China Real Estate Limited (832)	Principally engaged in property development, property leasing and hotel operations in the PRC.	130.68	12,998.66	91%	0.010	(9,420.81)
8	Zhuguang Holdings Group Company Limited (1176)	Principally engaged in property development, property investment, project management, and other property development related services in the PRC.	132.76	1,529.78	90%	0.087	(4,699.31)
9	Overseas Chinese Town (Asia) Holdings Limited (3366)	Principally engaged in comprehensive development, equity investment and fund management.	160.90	443.08	88%	0.363	(2,160.41)
10	Huijing Holdings Company Limited (9968)	Principally engaged in property development and investment in the PRC.	183.89	330.32	90%	0.557	(2,256.62)
11	China Aoyuan Group Limited (3883)	Principally engaged in property development and property investments in the PRC.	192.81	10,181.22	90%	0.019	(50,209.58)

#	Company name (stock code)	Principal business	Market capitalisation as at the Last Trading Day *(Note 1)* *(HK$ million)*	Total revenue for the latest financial year *(HK$ million)*	Percentage of revenue generated from property development and management *%*	P/S Ratio *(Note 2)* *(times)*	Net liabilities recorded for the latest financial year *(HK$ million)*
12	China SCE Group Holdings Limited (1966)	Principally engaged in property development, property investment, property management, project management and land development in the PRC.	206.93	40,825.51	98%	0.005	(5,619.96)
13	Redco Properties Group Limited (1622)	Principally engaged in property development, property management services, property investment, project management services and healthcare services in the PRC.	607.33	2,638.46	96%	0.230	(6,160.06)
14	Sino-Ocean Group Holding Limited (3377)	The Group is mainly engaged in development of residential property, investment property development and operation, property services and whole-industrial chain construction services, with its scope of businesses also covering senior living service, internet data center, logistics real estate, real estate financing, etc. The Group is one of the leading property developers with developments in key economic regions in the PRC.	607.92	16,321.18	75%	0.037	(739.91)
15	Shimao Group Holdings Limited (813)	The Group is principally engaged in the development and investment of residential and commercial properties, property management, commercial properties operation and hotel operation in the PRC.	687.05	31,259.55	87%	0.022	(183.59)
					Maximum	**0.557**	
					Minimum	**0.004**	
					Median	**0.022**	
					Average	**0.096**	

#	Company name (stock code)	Principal business	Market capitalisation as at the Last Trading Day *(Note 1)* *(HK$ million)*	Total revenue for the latest financial year *(HK$ million)*	Percentage of revenue generated from property development and management *%*	P/S Ratio *(Note 2)* *(times)*	Net liabilities recorded for the latest financial year *(HK$ million)*
	The Company	Principally engaged in property development and management, including planning design, budgeting, licensing, contract tendering and contract administration, property investment and cultivation and sales of ginseng assets in the PRC.	54.03	57.95	100%	0.932 *(Note 3)*	(538.45)

Source: the website of the Stock Exchange

Notes:

1. The market capitalization of the Market Comparables is computed by multiplying their respective closing share price and the total number of issued shares as at the Last Trading Day as published on the website of the Stock Exchange.

2. For each of the Market Comparables, the P/S ratio is computed by dividing their respective market capitalization as at the Last Trading Day by the total revenue based on their respective latest published annual results for the year ended 31 December 2025 with an exchange rate of RMB1=HK$1.1 (for illustrative purposes).

3. For the implied P/S ratio of the Company, it is computed based on: (a) the Offer Price of HK$0.15 per Offer Share; (b) 360,181,940 Shares in issue as at the Last Trading Day; and (c) the Group's revenue of approximately RMB52.686 million for the year ended 31 March 2026 with an exchange rate of RMB1=HK$1.1 (for illustrative purpose).

4. Figures are subject to rounding

5. For each of JY Grandmark Holdings Limited, Sunshine 100 China Holdings Ltd, Redsun Properties Group Limited, Central China Real Estate Limited and Shimao Group Holdings Limited we acknowledge that they engaged in hotel operations, which is a business segment different from that of the Company. Nevertheless, given that the revenue derived from their respective hotel operations accounted for less than 10% of their total revenue in the latest financial year, we consider that such operational discrepancies do not compromise the fundamental relevance and representativeness of these Market Comparables.

As illustrated in the above table, the P/S ratios of the Market Comparables ranged from approximately 0.004 times to approximately 0.557 times, with an average of approximately 0.096 times and a median of approximately 0.022 times, as of the Last Trading Day. The implied P/S ratio of the Company of 0.932 times is above the range of the P/S ratios of the Market Comparables, which indicates that, notwithstanding the substantial discount to the recent trading price of the Shares, that the Offer Price does not undervalue the Company relative to how the market currently values comparable distressed PRC property developers.

Based on the foregoing analysis, including (i) the market re-pricing of the Shares following the publication of the Joint Announcement as set out in the section headed "Historical trading price of the Shares" above; (ii) the overall thin historical trading volume of the Shares during the Review Period as set out in the section headed "Historical trading liquidity of the Shares" above; and (iii) the Market Comparable analysis as set out above, we are of the view that the Offer Price of HK$0.15 per Offer Share is fair and reasonable so far as the Independent Shareholders are concerned. The Independent Shareholders (especially those with relatively sizeable shareholdings) should note that they may find it difficult to dispose of a large volume of the Shares in the open market at a stable price level within a short period of time without exerting downward pressure on the Shares price, therefore they are advised to carefully and closely monitor the trading price and the trading liquidity of the Shares during the Offer Period. For those who wish to realize their investments in the Company but are concerned about the lack of secondary market depth, the Offer provides a certain exit alternative to liquidate their entire shareholding positions at the Offer Price of HK$0.15 per Share without incurring transaction slippage or causing a localized collapse in the market price.

OPINION AND RECOMMENDATION

In formulation of our opinion and recommendation, we have taken into account the factors and reasons discussed above in this letter, in particular, the following principal considerations:

(i) as discussed under the section headed "Background and financial information of the Group – Prospect of the Group" above, having regard to the Group's significant reliance on the property development and management business in the PRC, the weak market conditions in Northeastern region of China where the Group's principal business and properties are located, and the continued downturn in the PRC property sector as a whole, the prospect of the ginseng business of the Group shall be viewed with caution in the absence of actual sales revenue and the disclaimer of opinion issued by the Company's auditor with respect to the financial statements of the Group for the year ended 31 March 2026, the Group's business prospect is considered to remain cautious and uncertain in the near term;

(ii) despite the closing prices of the Shares had been staying above the Offer Price during the entire Review Period, the downward adjustment after the Joint Announcement demonstrates that the market has begun factoring in the impact of the terms of the Proposed Restructuring. Consequently, Independent Shareholders should note that the historical trading price levels observed prior to the Joint Announcement may not serve as a reliable baseline to project the future trading performance of the Shares, which may continue to fluctuate based on the progress of the actual implementation and execution of the Proposed Restructuring as discussed in the section headed "Historical trading price of the Shares" above;

(iii) having considered the persistently low trading liquidity of the Shares, particularly the 59 trading days where no trading of the Shares was recorded out of 292 trading days during the Review Period as discussed in the section headed "Historical trading liquidity of the Shares" above, the Independent Shareholders (especially those with relatively sizeable shareholdings) should note that, they may encounter substantial difficulties when attempting to dispose of a large volume of the Shares in the open market at a stable price level within a short period of time without exerting severe downward pressure on the Shares price. Accordingly, the Offer provides a certain exit alternative for Independent Shareholders to realise their investments in the Shares;

(iv) as evaluated under the section headed "Market comparable analysis" of this letter, the Company's implied P/S ratio exceeds the range of the P/S ratios of the Market Comparables, which indicates that, notwithstanding the substantial discount to the recent trading price of the Shares, the Offer Price does not undervalue the Company relative to how the market currently values comparable distressed PRC property developers; and

(v) the Offer Price of HK$0.15 per Offer Share represents a substantial 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.

Balancing the abovementioned principal reasons, we consider that the Offer (including the Offer Price) is fair and reasonable so far as the Independent Shareholders are concerned. Accordingly, we recommend the TC Independent Board Committee to recommend the Independent Shareholders to accept the Offer.

Independent Shareholders who wish to realise part or all of their investments in the Shares should closely monitor the market price and liquidity of the Shares during the Offer Period. Should the net proceeds (after deducting all transaction and brokerage costs) from the sale of such Shares in the open market exceed the net amount receivable under the Offer, Independent Shareholders should consider selling their Shares in the market instead of accepting the Offer.

The Independent Shareholders should also note that (i) there is no assurance that the market price of the Shares will be sustained at a level above the Offer Price during or after the Offer Period; and (ii) given the thin historical trading volume of the Shares during the Review Period, the Independent Shareholders may not be able to liquidate their holdings at a price higher than the Offer Price in the open market.

Independent Shareholders who decide to retain part or all of their investments in the Shares should carefully monitor the financial and operational performance of the Group, and remain mindful of the potential difficulties they may encounter when attempting to dispose of their Shares after the Offer Period given the thin historical trading liquidity.

Independent Shareholders are reminded that their investments in the Shares are subject to their individual circumstances and investment objectives. Independent Shareholders are advised to read the Composite Document carefully before taking any actions in respect of the Offer.

Yours faithfully,
For and on behalf of
JUN HUI INTERNATIONAL FINANCE LIMITED

Tina Tian	**Karol Hui**
Managing Director	*Executive Director*

Note: Ms. Tina Tian and Ms. Karol Hui are licensed persons and responsible officers of Jun Hui International Finance Limited registered with the SFC to carry out Type 6 (advising on corporate finance) regulated activity under the SFO with over 18 years and 15 years of experience in corporate finance industry respectively.

1. GENERAL PROCEDURES FOR ACCEPTANCE OF THE OFFER

(a) To accept the Offer, you should complete and sign the accompanying Form of Acceptance in accordance with the instructions printed thereon, which form part of the terms of the Offer.

(b) If the share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect hereof) in respect of your Shares is/are in your name, and you wish to accept the Offer in respect of your Shares (whether in full or in part), you must send the duly completed and signed Form of Acceptance together with the relevant share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) for the number of Shares in respect of which you intend to accept the Offer, by post or by hand, to the Registrar, (i) Hong Kong branch registrar: Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, and (ii) Bermuda principal registrar: Appleby Global Corporate Services (Bermuda) Limited, c/o Suntera Corporate Services Limited at 18/F, On Building, 162 Queen's Road Central, Central, Hong Kong, marked "**China Changbaishan International Holdings Limited – General Offer**" on the envelope, as soon as possible and in any event so as to reach the Registrar by no later than 4:00 p.m. on the Closing Date or such later time and/or date as the Offeror may determine and the Offeror and the Company may jointly announce with the consent of the Executive in accordance with the Takeovers Code.

(c) If the share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Shares is/are in the name of a nominee company or a name other than your own, and you wish to accept the Offer in respect of your Shares (whether in full or in part), you must either:

(i) lodge your share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Shares with the nominee company, or other nominee, with instructions authorising it to accept the Offer on your behalf and requesting it to deliver the duly completed and signed Form of Acceptance together with the relevant share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Shares to the Registrar by no later than 4:00 p.m. on the Closing Date; or

(ii) arrange for the Shares to be registered in your name by the Company through the Registrar, and deliver the duly completed and signed Form of Acceptance together with the relevant share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Shares to the Registrar by no later than 4:00 p.m. on the Closing Date; or

(iii) if your Shares have been lodged with your licensed securities dealer/registered institution in securities/custodian bank through CCASS, instruct your licensed securities dealer/registered institution in securities/custodian bank to authorise HKSCC Nominees Limited to accept the Offer on your behalf on or before the deadline set by HKSCC Nominees Limited. In order to meet the deadline set by HKSCC Nominees Limited, you should check with your licensed securities dealer/registered institution in securities/custodian bank for the timing on the processing of your instruction, and submit your instruction to your licensed securities dealer/registered institution in securities/custodian bank as required by them; or

(iv) if your Shares have been lodged with your investor participant's account maintained with CCASS, give your instruction via the CCASS Phone System or CCASS Internet System on or before the deadline set by HKSCC Nominees Limited.

(d) If the share certificate(s) and/or transfer receipts and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Shares is/are not readily available and/or is/are lost, as the case may be, and you wish to accept the Offer in respect of your Shares, the Form of Acceptance should nevertheless be completed and signed and delivered to the Registrar together with a letter stating that you have lost one or more of your share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Shares or that it is/they are not readily available. If you find such document(s) or if it/they become(s) available, it/they should be forwarded to the Registrar as soon as possible thereafter. If you have lost your share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title, you should also write to the Registrar a letter of indemnity which, when completed in accordance with the instructions given, should be delivered to the Registrar. The Offeror shall have the absolute discretion to decide whether any Shares in respect of which the share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title is/are not readily available and/or is/are lost will be taken up by the Offeror.

(e) If you have lodged transfer(s) of any of your Shares for registration in your name and have not yet received your share certificate(s), and you wish to accept the Offer in respect of your Shares, you should nevertheless complete and sign the Form of Acceptance and deliver it to the Registrar together with the transfer receipt(s) duly signed by yourself. Such action will constitute an irrevocable authority to the Offeror and/or DL Securities and/or Alpha Financial and/or their respective agent(s) to collect from the Company or the Registrar on your behalf the relevant share certificate(s) when issued and to deliver such share certificate(s) to the Registrar on your behalf and to authorise and instruct the Registrar to hold such share certificate(s), subject to the terms and conditions of the Offer, as if it was/they were delivered to the Registrar with the Form of Acceptance.

(f) Acceptance of the Offer will be treated as valid only if the duly completed and signed Form of Acceptance is received by the Registrar by no later than 4:00 p.m. on the Closing Date (or such later time and/or date as the Offeror may determine and the Offeror and the Company may jointly announce with the consent of the Executive in accordance with the Takeovers Code) and the Registrar has recorded that the Form of Acceptance and any relevant documents as required by Note 1 to Rule 30.2 of the Takeovers Code have been so received, and is:

(i) accompanied by the relevant share certificate(s) and/or transfer receipt(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Shares and, if that/those share certificate(s) and/or transfer receipt(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) is/are not in your name, such other documents (e.g. a duly stamped transfer of the relevant Share(s) in blank or in favour of the acceptor executed by the registered holder) in order to establish your right to become the registered holder of the relevant Shares; or

(ii) from a registered Shareholder or his/her personal representative (but only up to the amount of the registered holding and only to the extent that the acceptance relates to the Shares which are not taken into account under another sub-paragraph of this paragraph (f)); or

(iii) certified by the Registrar or the Stock Exchange.

(g) If the Form of Acceptance is executed by a person other than the registered Shareholders, appropriate documentary evidence of authority (e.g. grant of probate or certified copy of a power of attorney) to the satisfaction of the Registrar must be produced.

(h) In Hong Kong, seller's ad valorem stamp duty payable by the Independent Shareholders who accept the Offer and calculated at a rate of 0.1% of the market value of the Offer Shares or consideration payable by the Offeror in respect of the relevant acceptances of the Offer, whichever is the higher, will be deducted from the amount payable by the Offeror to the relevant Shareholders on the acceptance of the Offer. The Offeror will arrange for payment of the seller's ad valorem stamp duty on behalf of the Independent Shareholders who accept the Offer and will pay the buyer's ad valorem stamp duty in connection with the acceptance of the Offer and the transfer of the Offer Shares in accordance with the Stamp Duty Ordinance (Chapter 117 of the Laws of Hong Kong).

(i) No acknowledgement of receipt of any Form of Acceptance, share certificate(s) and/or transfer receipt(s) and/or any other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of your Shares will be given.

2. SETTLEMENT OF THE OFFER

(a) Provided that a valid Form of Acceptance and the relevant certificate(s) and/or transfer receipt(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) in respect of the relevant Shares are complete and in good order in all respects and have been received by the Registrar before the close of the Offer, a cheque for the amount (rounding up to the nearest cent) due to each of the Independent Shareholders who accepts the Offer less seller's ad valorem stamp duty in respect of the Shares tendered by him/her/it under the Offer will be despatched to such Independent Shareholder by ordinary post at his/her/its own risk as soon as possible but in any event no later than seven (7) Business Days after the date of receipt by the Registrar of the duly completed acceptances of the Offer and all relevant documents of title which render such acceptance complete, valid and in compliance with Note 1 to Rule 30.2 of the Takeovers Code.

(b) Settlement of the consideration to which any accepting Independent Shareholder is entitled under the Offer will be implemented in full in accordance with the terms of the Offer (save with respect to the payment of seller's ad valorem stamp duty), without regard to any lien, right of set-off, counterclaim or other analogous right to which the Offeror may otherwise be, or claim to be, entitled against such accepting Independent Shareholder.

(c) Cheque(s) not presented for payment within six months from the date of issue of the relevant cheques will not be honoured and be of no further effect, and in such circumstances cheque holders should contact the Offeror for payment.

3. ACCEPTANCE PERIOD AND REVISIONS

(a) The Offer is made on 17 September 2026, being the date of despatch of this Composite Document, and is capable of acceptance on and from this date until 4:00 p.m. on the Closing Date.

(b) In order to be valid for the Offer, the Form of Acceptance must be received by the Registrar in accordance with the instructions printed thereon by 4:00 p.m. on the Closing Date, unless the Offer is extended or revised with the consent of the Executive.

(c) If the Offer is extended or revised, the Offeror and the Company will jointly publish an announcement on the Stock Exchange's website, and the announcement of such extension or revision will state the next closing date or that the Offer will remain open until further notice. In the latter case, at least fourteen (14) days' notice in writing will be given before the Offer is closed to the Independent Shareholders who have not accepted the Offer.

(d) If, in the course of the Offer, the Offeror revises the terms of the Offer, all Independent Shareholders, whether or not they have already accepted the Offer, will be entitled to accept the revised Offer under the revised terms. The revised Offer will be kept open for at least fourteen (14) days after the date of the revised Offer document.

(e) If the Closing Date is extended, any reference in this Composite Document and in the Form of Acceptance to the Closing Date shall, except where the context otherwise requires, be deemed to refer to the closing date of the Offer as so extended.

4. NOMINEE REGISTRATION

To ensure equality of treatment of all Independent Shareholders, those registered Independent Shareholders who hold Shares as nominees on behalf of more than one beneficial owner should, as far as practicable, treat the holding of such beneficial owner separately. It is essential for the beneficial owners of the Shares whose investments are registered in the names of nominees to provide instructions to their nominees of their intentions with regard to the Offer.

5. ANNOUNCEMENT

(a) By 6:00 p.m. (or such later time as the Executive may in exceptional circumstances permit) on the Closing Date, the Offeror must inform the Executive and the Stock Exchange of its decision in relation to the revision, extension or expiry of the Offer. The Offeror must post an announcement in accordance with the requirements of the Listing Rules on the Stock Exchange's website by 7:00 p.m. on the Closing Date stating, amongst other information required under Rule 19.1 of the Takeovers Code, whether the Offer has been revised, extended, or has expired. The announcement will state the total number of Shares and rights over Shares:

(i) for which acceptances of the Offer have been received;

(ii) held, controlled or directed by the Offeror and/or parties acting in concert with it before the Offer Period; and

(iii) acquired or agreed to be acquired during the Offer Period by the Offeror and/or parties acting in concert with it.

The announcement must include details of any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company which the Offeror or parties acting in concert with it have borrowed or lent, save for any borrowed Shares which have been either on-lent or sold.

The announcement must also specify the percentages of the issued share capital of the Company and the percentages of voting rights of the Company represented by these numbers.

(b) In computing the total number of Shares represented by acceptances as of the Closing Date, only valid acceptances that are in all respects complete, in good order and fulfill the acceptance conditions set out in this Appendix, and which have been received by the Registrar no later than 4:00 p.m. on the Closing Date, unless the Offer is extended or revised with the consent of the Executive, shall be included.

(c) As required under the Takeovers Code, all announcements in relation to the Offer will be made in accordance with the requirements of the Takeovers Code and the Listing Rules, where appropriate.

(d) As required under the Takeovers Code and the Listing Rules, any announcement in relation to the Offer, in respect of which the Executive and the Stock Exchange have confirmed that they have no further comments, will be published on the website of the Stock Exchange (www.hkexnews.hk) and the website of the Company (www.chinacbsintl.com).

6. RIGHT OF WITHDRAWAL

(a) Acceptance of the Offer tendered by the Independent Shareholders shall be irrevocable and cannot be withdrawn, except in the circumstances set out in the sub-paragraph (b) below.

(b) In the circumstances set out in Rule 19.2 of the Takeovers Code (which is to the effect that if the Offeror is unable to comply with any of the requirements of making announcements relating to the Offer as described under the paragraph headed "5. Announcements" above), the Executive may require that acceptors of the Offer be granted a right of withdrawal, on terms acceptable to the Executive, until such requirements can be met.

In such case, when the Independent Shareholders withdraw their acceptance(s), the Offeror shall, as soon as possible but in any event no later than seven (7) Business Days after the Offer is withdrawn, return by ordinary post the share certificate(s) and/or transfer receipt(s) and/or other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) lodged with the Form of Acceptance to the relevant Independent Shareholders at their own risks.

7. OVERSEAS SHAREHOLDERS

The Offeror intends to make the Offer available to all Independent Shareholders, including the Overseas Shareholders. As the Offer to persons with a registered address in a jurisdiction outside Hong Kong may be affected by the laws of the relevant overseas jurisdictions, the Overseas Shareholders and beneficial owners of the Shares who are citizens, residents or nationals of a jurisdiction outside Hong Kong should inform themselves about and observe any applicable legal or regulatory requirements and, where necessary, seek legal advice in respect of the Offer. It is the responsibility of the Overseas Shareholders who wish to accept the Offer to satisfy themselves as to the full observance of the laws and regulations of the relevant jurisdictions in connection with the acceptance of the Offer, including but not limited to the obtaining of any governmental, exchange control or other consents and any registration or filing which may be required or the compliance with other necessary formalities, legal and/or regulatory requirements and the payment of any issue, transfer, cancellation or other taxes and duties due by such Overseas Shareholders in respect of the acceptance of the Offer in such jurisdictions.

The Concert Party Group, the Company, DL Securities, Alpha Financial, Lego Corporate Finance, the Independent Financial Adviser, the Registrar or any of their respective ultimate beneficial owners, directors, officers, agents, advisers and associates and any other person involved in the Offer shall be entitled to be fully indemnified and held harmless by the Overseas Shareholders for any taxes or duties as such persons may be required to pay.

Acceptance of the Offer by any Overseas Shareholder will be deemed to constitute a representation and warranty from such Overseas Shareholder to the Offeror that all applicable laws and requirements have been complied with and such Overseas Shareholder is permitted under all applicable laws and regulations to receive and accept the Offer, and any revision thereof, and such acceptance shall be valid and binding in accordance with all applicable laws and regulations. For the avoidance of doubt, neither HKSCC nor HKSCC Nominees Limited will give, or be subject to, any of the above representation and warranty. The Overseas Shareholders should consult their professional advisers if in doubt.

8. TAXATION ADVICE

Independent Shareholders are recommended to consult their own professional advisers if they are in any doubt as to the taxation implications of accepting or rejecting the Offer. None of the Offeror, the Concert Party Group, the Company, DL Securities, Alpha Financial, Lego Corporate Finance, the Independent Financial Adviser and (as the case may be) their respective ultimate beneficial owners, directors, officers, agents or associates or any other person involved in the Offer accept responsibility for any taxation effects on, or liabilities of, any persons as a result of their acceptance or rejection of the Offer.

9. GENERAL

(a) All communications, notices, Form(s) of Acceptance, share certificate(s), transfer receipt(s), other document(s) of title (and/or any satisfactory indemnity or indemnities required in respect thereof) and remittances to settle the consideration payable under the Offer to be delivered by or sent to or from the Independent Shareholders will be delivered by or sent to or from them, or their designated agents, by ordinary post at their own risk, and none of the Company, the Concert Party Group, DL Securities, Alpha Financial, Lego Corporate Finance, the Independent Financial Adviser and any of their respective directors nor the Registrar or other parties involved in the Offer or any of their respective agents accept any liability for any loss in postage, delay in transmission or any other liabilities that may arise as a result thereof.

(b) The provisions set out in the Form of Acceptance form part of the terms and conditions of the Offer.

(c) The accidental omission to despatch this Composite Document and/or Form of Acceptance or any of them to any person to whom the Offer is made will not invalidate the Offer in any way.

(d) The Offer is, and all acceptances will be, governed by and construed in accordance with the laws of Hong Kong.

(e) Due execution of the Form of Acceptance will constitute an authority to the Offeror, DL Securities, Alpha Financial, Lego Corporate Finance and/or such person or persons as the Offeror may direct to complete, amend and execute any document on behalf of the person or persons accepting the Offer and to do any other act that may be necessary or expedient for the purposes of vesting in the Offeror, or such person or persons as they may direct, the Shares in respect of which such person or persons has/have accepted the Offer.

(f) Acceptance of the Offer by any person or persons will be deemed to constitute a representation and warranty by such person or persons to the Offeror, DL Securities and Alpha Financial that the Offer Shares are sold to the Offeror free from all encumbrances together with all rights attached thereto, including but not limited to all rights to any dividend or other distribution declared, made or paid on or after the date on which the Offer is made, being the date of despatch of this Composite Document. For the avoidance of doubt, neither HKSCC nor HKSCC Nominees Limited will give, or be subject to, any of the above representation and warranty.

(g) Acceptance of the Offer by any nominee will be deemed to constitute a warranty by such nominee to the Offeror that the number of Shares in respect of which as indicated in the Form of Acceptance is the aggregate number of Shares held by such nominee for such beneficial owner who is accepting the Offer.

(h) Any Independent Shareholders accepting the Offer will be responsible for payment of any other transfer or cancellation or other taxes or duties payable in respect of the relevant jurisdiction due by such persons.

(i) Unless otherwise expressly stated in this Composite Document and/or the Form of Acceptance, no person other than the Offeror and the accepting Independent Shareholders may enforce any terms of the Offer that will arise out of complete and valid acceptances under the Contracts (Rights of Third Parties) Ordinance (Chapter 623 of the Laws of Hong Kong).

(j) Reference to the Offer in this Composite Document and in the Form of Acceptance shall include any extension and/or revision thereof.

(k) All acceptance, instructions, authorities and undertakings given by the Independent Shareholders in the Form of Acceptance shall be irrevocable except as permitted under the Takeovers Code.

(l) The English text of this Composite Document and the Form of Acceptance shall prevail over their respective Chinese text for the purpose of interpretation in case of inconsistency.

(m) In making their decisions, the Independent Shareholders must rely on their own examination of the Offeror, the Group and the terms of the Offer, including the merits and risks involved. The contents of this Composite Document, including any general advice or recommendation contained herein together with the Form of Acceptance, shall not be construed as any legal or business advice on the part of the Concert Party Group, the Company, DL Securities, Alpha Financial, Lego Corporate Finance, the Independent Financial Adviser and the Registrar or any of their respective ultimate beneficial owners, directors, officers, agents or associates or any other persons involved in the Offer. The Independent Shareholders should consult their own professional advisers for professional advice.

(n) The Offer is made in accordance with the Takeovers Code.

1. FINANCIAL INFORMATION OF THE GROUP

Financial information of the Group for each of the years ended 31 March 2024, 2025 and 2026 are disclosed in the following documents which have been published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.chinacbsintl.com).

- Annual report of the Group for the year ended 31 March 2024 published on 25 July 2024 (pages 105 to 238) available on:

  https://www1.hkexnews.hk/listedco/listconews/sehk/2024/0725/2024072500818.pdf

- Annual report of the Group for the year ended 31 March 2025 published on 25 July 2025 (pages 106 to 242) available on:

  https://www1.hkexnews.hk/listedco/listconews/sehk/2025/0725/2025072500406.pdf

- Annual report of the Group for the year ended 31 March 2026 published on 29 July 2026 (pages 129 to 270) available on:

  https://www1.hkexnews.hk/listedco/listconews/sehk/2026/0729/2026072900622.pdf

2. FINANCIAL SUMMARY

The following is a summary of the audited consolidated financial results of the Group for the years ended 31 March 2024, 2025 and 2026 as extracted from the relevant annual reports of the Group:

Profit or Loss	**For the year ended 31 March**		
	2026	**2025**	**2024**
	RMB'000	*RMB'000*	*RMB'000*
	(audited)	*(audited)* *(restated)**	*(audited)*
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)
Profit/(loss) for the year attributable to owners of the parent	122,249	(852,906)	(193,330)
Basic earnings/(loss) per share – for profit/(loss) for the year	RMB33.9 cents	RMB(236.8) cents	RMB(53.7) cents
Basic earnings/(loss) per share – for profit/(loss) from continuing operations	RMB35.6 cents	RMB(197.7) cents	N/A**
Diluted earnings/(loss) per share – for profit/(loss) for the year	RMB33.9 cents	RMB(236.8) cents	RMB(53.7) cents
Diluted earnings/(loss) per share – for profit/(loss) from continuing operations	RMB35.6 cents	RMB(197.7) cents	N/A
Total comprehensive income/(loss) for the year attributable to owners of the Company	133,808	(852,175)	(206,767)

	As at 31 March		
	2026	**2025**	**2024**
	RMB'000	*RMB'000*	*RMB'000*
	(audited)	*(audited)*	*(audited)*
Assets and Liabilities			
Non-current assets	4,478	337,963	516,901
Current assets	413,492	914,401	1,751,614
Non-current liabilities	12,461	18,740	396,043
Current liabilities	895,002	1,856,925	1,643,598
Total (deficit)/equity	(489,493)	(623,301)	228,874

* The financial information of the Group for the year ended 31 March 2025 in the 2025/2026 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 5.

** The basic and diluted loss per Share for the year ended 31 March 2024 have been retrospectively restated to account for the effects of the Company's Share consolidation effective on 17 January 2025.

Save for disclosed above, there were no items of income or expenses which are material in respect of the audited consolidated financial statements of the Group for the year ended 31 March 2024, 2025 and 2026.

There has been no change in the Group's accounting policies which would result in the figures in its consolidated financial statements for each of the three years ended 31 March 2024, 2025 and 2026, being not comparable to a material extent.

Pursuant to Rule 11.1(f) of the Takeovers Code, as the book value of the consolidated property assets of the Company exceeded 50% of the book value of its consolidated total assets, and that the Offeror is considered as an interested party under the Takeovers Code, the Company has engaged Colliers Appraisal & Advisory Services (Shanghai) Co., Ltd. ("**Colliers**"), an independent professional valuer, to conduct and report on the valuation of the property interests of the Group as at 31 July 2026. Details of the valuation of the said Group's property interests are set out in the valuation report prepared by Colliers in Appendix III to this Composite Document.

There was no payment of dividends for each the year ended 31 March 2024, 2025 and 2026. Thus, dividends per Share for each the year ended 31 March 2024, 2025 and 2026 was inapplicable.

As disclosed in the annual report of the Company for the year ended 31 March 2024, the following statement regarding material uncertainty related to going concern was given by Mazars CPA Limited, the auditor of the Company:

"MATERIAL UNCERTAINTY RELATED TO GOING CONCERN

We draw attention to the "Going concern basis" section in note 2.1 to the consolidated financial statements concerning the adoption of the going concern basis on which the consolidated financial statements have been prepared, which states that the Group's current portion of bank and other borrowings amounted to RMB420,640,000, while its unrestricted cash and cash equivalent amounted to RMB53,635,000. The Group may take longer time than expected to realise cash from the sales of its properties and/or have cash from external financing to meet its loan repayment obligations. These conditions, along with other matters as set forth in note 2.1 to the consolidated financial statements, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern and, therefore that it may be unable to realise its assets and discharge its liabilities in the normal course of business. The directors, having considered the measures to be taken by the Group as disclosed in note 2.1 to the consolidated financial statements, are of the opinion that the Group would be able to continue as a going concern. Accordingly, the directors have prepared the consolidated financial statements on a going concern basis. The consolidated financial statements do not include any adjustments that would result from a failure of achieving the measures. We consider appropriate disclosures have been made in this respect. Our opinion is not modified in respect of this matter."

As disclosed in the 2024/2025 Annual Report, the following statement regarding material uncertainty related to going concern was given by Forvis Mazars CPA Limited, the auditor of the Company:

"MATERIAL UNCERTAINTY RELATING TO GOING CONCERN

We draw attention to the "Going concern basis" section in note 2.1 to the consolidated financial statements concerning the adoption of the going concern basis on which the consolidated financial statements have been prepared, the Group incurred loss from continuing operations of RMB852.9 million for the year ended 31 March 2025 and, as at that date, the Group had net current liabilities and net liabilities of approximately RMB942.5 million and RMB623.3 million respectively. The Group may take longer time than expected to realise cash from the sales of its properties and/or have cash from external financing to meet its loan repayment obligations. These conditions, along with other matters as set forth in note 2.1 to the consolidated financial statements, indicate that a material uncertainty exists that may cast significant doubt on the Group's ability to continue as a going concern and, therefore that it may be unable to realise its assets and discharge its liabilities in the normal course of business. The directors, having considered the measures to be taken by the Group as disclosed in note 2.1 to the consolidated financial statements, are of the opinion that the Group would be able to continue as a going concern. Accordingly, the directors have prepared the consolidated financial statements on a going concern basis. The consolidated financial statements do not include any adjustments that would result from a failure of achieving the measures. We consider appropriate disclosures have been made in this respect. Our opinion is not modified in respect of this matter."

As disclosed in the 2025/2026 Annual Report, the following statement regarding disclaimer of opinion and material uncertainty related to going concern was given by Forvis Mazars CPA Limited, the auditor of the Company:

"Disclaimer of Opinion

We do not express an opinion on the consolidated financial statements of the Group. Because of the significance of the matter described in the Basis for Disclaimer of Opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these consolidated financial statements. In all other respects, in our opinion, the consolidated financial statements have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

Basis for Disclaimer of Opinion

Material Uncertainty Relating to Going Concern

As explained in Note 2.1 to the consolidated financial statements, the Group had net current liabilities and net liabilities of approximately RMB481.5 million and RMB489.5 million respectively, of which RMB183.4 million represented other borrowings and RMB51.7 million represented liability component of convertible bonds as at 31 March 2026 respectively, while the cash and cash equivalents amounted to approximately 4.2 million only as at 31 March 2026. The Group may take longer time than expected to realise cash from the sales of its properties, and/or have cash from external financing to meet its loan repayment obligations. These conditions, along with other matters as set forth in Note 2.1 to the consolidated financial statements, indicate the existence of a material uncertainty which casts significant doubt on the Group's ability to continue as a going concern and the Group may be unable to realise its assets and discharge its liabilities in the normal course of business.

As explained in Note 2.1 to the consolidated financial statements, the consolidated financial statements have been prepared by the directors of the Company on a going concern basis, the validity of the going concern basis depends on the assumptions that the Group would be successful in the debt restructuring, future cash inflow from ginseng business and obtaining the future fundings. Due to the uncertainty of the Group's ability to maintain adequate future cash flows, we were unable to ascertain whether the assumptions made by the directors of the Company in preparing the consolidated financial statements on a going concern basis are proper and appropriate.

We were unable to obtain sufficient appropriate audit evidence regarding the use of going concern assumption in the preparation of the consolidated financial statements. 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."

3. INDEBTEDNESS STATEMENT

As at the close of business on 30 June 2026, being the latest practicable date for the purpose of this indebtedness statement prior to the publication of this Composite Document, the Group had outstanding indebtedness of approximately RMB652,238,000. The indebtedness of the Group comprises the following:

(a) Other borrowings of approximately RMB182,859,000 which comprised of:

   (i) other loans of RMB37,222,000 that bear interests at a fixed rate of 5% per annum, are unguaranteed, unsecured and repayable within one year and are subject to certain cross default provisions; and

   (ii) other loans of RMB145,637,000 that are interest free, unguaranteed, unsecured and repayable on demand, all of which had been called for immediate repayment;

(b) loans from a substantial shareholder of approximately RMB378,568,000, which are unguaranteed, unsecured, interest-free and repayable within one year or on demand;

(c) loans from related parties of approximately RMB35,707,000, which are unguaranteed, unsecured, interest-free and repayable within one year or on demand;

(d) liability component of the convertible bonds with principal of RMB52,080,000 (HK$60,000,000) that is unsecured and unguaranteed; and

(e) lease liabilities of approximately RMB3,024,000, which are unsecured and unguaranteed.

The Group also had outstanding contingent liabilities which comprised of guarantees amounting to approximately RMB87,621,000 given to banks with respect to mortgage loans procured by purchasers of property units. Such guarantees terminate upon the earlier of (i) issuance of the real estate ownership certificate to the purchasers; and (ii) the full payment of mortgage loans by the purchasers of properties.

Save as aforesaid and apart from intra-group liabilities and normal trade and bill payables, as at the close of business on 30 June 2026, the Group did not have any material: (i) debt securities issued and outstanding, authorised or otherwise created but unissued; (ii) term loans; (iii) borrowings or indebtedness in the nature of borrowing of the Group including bank overdrafts and liabilities under acceptances (other than normal trade bills) or acceptance credits or hire purchase commitments; or (iv) mortgages or charges or contingent liabilities.

4. MATERIAL CHANGE

As at the Latest Practicable Date, save for the Proposed Restructuring, the Directors confirm that there had been no other material change in the financial or trading position or outlook of the Group since 31 March 2026 (being the date to which the latest audited consolidated financial statements of the Group were made up) and up to and including the Latest Practicable Date.

5. ADJUSTED UNAUDITED CONSOLIDATED NET LIABILITIES

Taking into account the effect of the revaluation surplus arising from the valuation of the market value of the property interests attributable to the Shareholders as set out in Appendix III to this Composite Document, the calculation of the adjusted unaudited consolidated net liabilities attributable to the Shareholders is set forth as below:

	RMB'000
Audited consolidated net liabilities attributable to the Shareholders as at 31 March 2026	(489,493)
Adjusted for:	
Revaluation surplus arising from the valuation of the property interests of the Group as at 31 July 2026 based on the valuation report set out in Appendix III to this Composite Document *(note 1)*	41,540
Adjusted unaudited consolidated net liabilities attributable to the Shareholders	(447,953)
Adjusted unaudited consolidated net liabilities attributable to the Shareholders per Share *(note 2)*	HK$(1.41)

Notes:

1. The revaluation surplus represents the difference between the market value of the property interests attributable to the Shareholders of approximately RMB303.0 million as of 31 July 2026 as compared to their corresponding net book value of approximately RMB261.5 million as of 31 March 2026.

2. The adjusted unaudited consolidated net liabilities attributable to the Shareholders per Share is calculated based on the adjusted unaudited consolidated net liabilities attributable to the Shareholders of approximately RMB448.0 million (equivalent to approximately HK$507.5 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.

Colliers Appraisal & Advisory Services (Shanghai) Co., Ltd.

No. 253 Yonghe Road, Jingan District, Shanghai
China

The Board of Directors
China Changbaishan International Holdings Limited

17 September 2026

Dear Sirs,

RE: Unsold portions of Jiuxi Red House Phase 1 & 2 (九溪紅府一、二期), intersection of Jiutai Yinbin Road and Wenti Avenue (extended section), Jiutai District, Changchun, Jilin Province, PRC (the "**Property**")

INSTRUCTIONS

In accordance with the instruction of China Changbaishan International Holdings Limited (the "**Company**", and together with its subsidiaries, the "**Group**") to value the properties held by the Group in the People's Republic of China ("**the PRC**"), we conform that we have carried out inspections, and relevant enquiries and obtained such further information as we consider necessary for the purpose of providing you with our opinion of the market values of the properties as at 31 July 2026 (the "**Date of Valuation**" or "**Valuation Date**") for the purpose of incorporation the Company's circular in accordance with Rule 11 of the Codes on Takeovers and Mergers issued by the Securities & Futures Commission of Hong Kong in the public document.

The Group's remaining property interests subject to Rule 11.1(f) comprise the unsold portions of Jiuxi Red House Phase 1 and Phase 2, being the only material property interests retained by the Group as at the Valuation Date following the disposal of the Fusong, Baishan and Yanji property projects completed in September 2025 and March 2026.

For the purpose of Rule 11.1(f) of Code on Takeovers and Mergers (the" **Takeover Code**"), we understand the book value of the consolidated property assets of the Company exceeded 15% of its consolidated total assets of 31 July 2026. We also understand that there is no other property which held by the associated companies of the Company such that it is subject to a valuation report under Rule 11.1(f) the Takeovers Code.

Our valuations are provided on the basis of Market Value, which we would define as "the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm's-length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion".

Market Value is understood as the value of an asset or liability estimated without regard to costs of sale or purchase (or transaction) and without offset for any associated taxes or potential taxes.

This estimate specifically excludes an estimated price inflated or deflated by special considerations or concessions granted by anyone associated with the sale, or any element of special value.

VALUATION STANDARDS

In valuing the Property, we have fully complied with the HKIS Valuation Standards (2024 Edition) published by The Hong Kong Institute of Surveyors (HKIS), the requirements set out in Chapter 5 of and Practice Note 12 to the Rule Governing the Listing of Securities issued by The Stock Exchange of Hong Kong Limited and Rule 11 of the Code on Takeovers and Mergers issued by Securities and Futures Commission.

QUALIFICATIONS OF THE VALUER

These valuations have been prepared by Kin Ming Woo James (James Woo) (RICS Registration No.: 0837243) and Chin Pang Tsang (Eric Tsang) (RICS Registration No.: 1265711). James Woo is a fellow member of the Royal Institution of Chartered Surveyors.

James Woo is an Executive Director and the Head of China Valuation and Advisory Services, China at Colliers. He is suitably qualified to carry out the valuation and has 30 years' experience in the valuation of properties of this magnitude and type in China.

Eric Tsang, Executive Director and Acting Head of the Valuation and Advisory Services, Hong Kong at Colliers, is an experienced competent valuer and has over 26 years' experience in undertaking valuations of this type in Hong Kong and Mainland China. He is a Member of the Royal Institution of Chartered Surveyors ("**RICS**") and the Hong Kong Institute of Surveyors and a Registered Professional Surveyor under the Surveyors Registration Ordinance (Cap. 417) in the Hong Kong Special Administrative Region, and also a Registered Real Estate Appraiser in the PRC.

We are acting as independent valuer as defined in the latest "RICS Global Valuation Standards", the "HKIS Valuation Standards" published by the RICS and HKIS, which incorporates with the IVS.

Neither the valuer nor Colliers are aware of any pecuniary interest or conflict that could reasonably be regarded as being capable of affecting the ability to give an unbiased and objective, opinion of the value of the Property.

VALUATION APPROACHES

In valuing the Property held by the Group for sale, we have valued such properties by direct comparison approach with reference to comparable transactions in the open market and on the basis of vacant possession.

Our valuation has been made on the assumption that the owner sells the Property on the open market in its existing state without the benefit of a deferred terms contract, leaseback, joint venture, management agreement or any similar arrangement which would serve to increase the values of the Property. In addition, no forced sale situation in any manner is assumed in our valuations.

SOURCES OF INFORMATION

Although we have made independent enquires as much as possible, we have relied to a very considerable extent on the information provided by the Group and its legal advisor in respect of the titles of the Property. We also have accepted such information given to us as being true and correct for valuation purposes. This has included such matters as ownership title, site and floor areas, planning approvals or statutory notices, pre-sales permit, easements, tenure, occupancy, the identification of the Property and all other relevant matters. We have also been advised by the Company that no material factors or information have been omitted or withheld from the information supplied and consider that we have been provided with sufficient information to reach an informed view. We believe that the assumptions used in preparing our valuation are reasonable and have had no reason to doubt the truth and accuracy of the information provided to us by the Company which is material to the valuation.

TITLE DOCUMENTS

We have been provided with copies or extracts of title documents relating to the Property and have made relevant enquires where possible. Due to the nature of the land registration system in the PRC, however, we have not examined the original documents to verify the existing titles to the Property or any material encumbrances that might be attached to the Property or any lease amendments.

We have relied on the advice given by the Company's legal adviser, Commerce & Finance Law Office (通商律師事務所) ("**Client's PRC legal advisor**"), based on their legal opinion dated 24 August 2026 regarding the titles of the Property. We do not accept liability for any interpretation that we have placed on such information, which is more properly placed within the sphere of the legal adviser.

All legal documents disclosed in this letter and the valuation particulars are for reference only. No responsibility is assumed for any legal matters concerning the legal titles to the Property set out in this letter and the valuation particulars.

ASSUMPTIONS AND CAVEATS

Our valuations have been made on the assumption that the owners can sell the Property on the open market without the benefit of deferred terms contracts, leasebacks, joint ventures, management agreements or any similar arrangements which would serve to affect the value of the Property.

No allowance has been made in our valuation for any charges, mortgages or amounts owing on the Property valued nor for any expenses or taxation which may be incurred in effecting a sale.

We have conducted the valuation assuming:

- the information as set out in the section headed "Source of Information" above about the Property provided by the Company and its legal advisor is true and correct;
- the Property are free from contamination and environmental problems or hazards;
- We have assumed that the Property has been constructed, occupied and used in full compliance with, and without contravention of, all relevant laws, ordinances and statutory requirements; and
- We have assumed the Property is in a good state of repair, management and maintenance and fit for the use to which it is put, and will continue to be managed and maintained to this standard in the future.

SITE MEASUREMENT

We have not carried out on-site measurements to verify the correctness of the site areas in respect of the Property but have assumed that the areas shown on the documents and plans provided to us are true and correct in all respects. All documents and contracts have been used as reference only and all dimensions, measurements and areas are approximations.

SITE INSPECTION

The Property was inspected by James Woo, from 24 June 2026 to 26 June 2026. We have inspected the exterior, and where possible, the interiors of the properties, in the course of our inspection, we did not note any serious defects. However, we have not carried out a structural survey nor have we inspected woodwork or other parts of the structures which are covered, unexposed or inaccessible and we are therefore unable to report that any such parts of the property are free from defect though in the course of our inspections we did not note any serious defects. No tests were carried out on any of the services.

Please be advised we have not carried out investigations to determine the suitability of the ground conditions and the services etc. for any future development. Our valuation has been prepared on the assumption that these aspects are satisfactory.

ESG CONSIDERATION

Where our advice is based on International Valuation Standards (IVS), we have had regard to i) those significant environmental, social and governance (ESG) factors which were readily apparent to us from our inspection of the Properties, if undertaken and ii) which we consider significantly impact our advice. This is a requirement of the IVS. In our advice we have endeavoured to analyse whether any significant ESG factors affect the value assessed. For the avoidance of doubt, we are property valuers and that we do not have any expertise in conducting environmental audits or any audits regarding the compliance of any entity associated with the Properties in relation to their social responsibility or corporate governance. Such an assessment is beyond the scope and purpose of our advice. You should seek specific advice in relation to these matters, given that our observations are of a very general nature.

CURRENCY

Unless otherwise stated, all monetary figures stated in this report are in Renminbi (RMB).

We hereby certify that we have neither present nor a prospective interest in the Property or the value reported.

TAXES

For the purpose of compliance with Rule 11.3 of the Code on Takeovers and Mergers and as advised by the Company, the potential tax liabilities which may arise from the sale of the properties include: (i) PRC business tax (equivalent to 5% of sales revenue), (ii) PRC land appreciation tax (equivalent to 30% – 60% of the net appreciation amount) and (iii) PRC corporate income tax (25%). It is unlikely that such tax liability will be crystallized in the recent future as the Group has no intention to dispose of or transfer the relevant Property. According to our established practice, in the course of our valuation, we have neither verified nor taken into account such tax liability.

Our summary of values and valuation summary reports are attached hereto.

Yours faithfully,
For and on behalf of
Colliers Appraisal & Advisory Services (Shanghai) Co., Ltd. ("**Colliers**")

Kin Ming Woo James
FRICS AICFC
Executive Director
Valuation and Advisory Services I China
RICS Registration Number: 0837243

Note:

Mr. James Woo is a Registered Valuer with 30 years' experience in real estate industry and assets valuation sector. His experience on valuation covers Mainland China. Mr. Woo is a fellow member of the Royal Institution of Chartered Surveyors.

Contributing Valuer:

Chin Pang Tsang Eric
BSc (Hons) MRICS MHKIS MCIREA R.P.S. (GP)
Executive Director and Acting Head
Valuation and Advisory Services I Hong Kong
RICS Registration Number: 1265711

Note:

Mr. Eric Tsang is a qualified general practice surveyor and a Registered Valuer with over 26 years' experience in valuation of properties in Hong Kong and Mainland China.

SUMMARY OF VALUATION

	Property interests held by the Group for sale	Market Value in existing state as at 31 July 2026
1	Unsold portions of Jiuxi Red House Phase 1 (九溪紅府一期), Intersection of Jiutai Yinbin Road and Wenti Avenue (extended section), Jiutai District, Changchun, Jilin Province, PRC	RMB35,000,000
2	Unsold portions of Jiuxi Red House Phase 2 (九溪紅府二期), Intersection of Jiutai Yinbin Road and Wenti Avenue (extended section), Jiutai District, Changchun, Jilin Province, PRC	RMB268,000,000
	Total	RMB303,000,000

VALUATION CERTIFICATE

	Property	Description and Tenure	Particulars of Occupancy	Market Value in Existing State as at 31 July 2026
1	Unsold portion of Jiuxi Red House Phase 1 (九溪紅府一期), Intersection of Jiutai Yinbin Road and Wenti Avenue (extended section), Jiutai District, Changchun, Jilin Province, PRC	Jiuxi Red House (the "**Development**") is a residential project developed into two phases erected on irregularly shaped plot with a site area of approximately 58,669.00 sq m. Phase 1 of Jiuxi Red House was completed in 2022. According to the information provided, the Property comprises 45 units of residential, and 6 units of retail. The Property is in frame structure with a total gross floor area (GFA) of approximately 5,940.60 sq m, details of which are listed below: **Portion** — **GFA (sq.m.)** Residential — 4,764.28 Retail — 1,176.32 Total: 5,940.60 Pursuant to the Real Estate Ownership Certificates provided, the land-use rights of the Property have been granted for two concurrent terms expiring on 16 July 2060 for commercial use and 16 July 2090 for residential use respectively.	At the time of our inspection, the Property was vacant.	RMB35,000,000 (RENMINBI THIRTY FIVE MILLION)

Notes:

i) Pursuant to the Business License issued by the Changchun Market Supervision Administration Jiutai Branch, the basic information of Jilin Province Xisheng Real Estate Development Co., Ltd. (吉林省熙盛房地產開發有限公司) (hereinafter referred to as "**Jilin Xisheng**") which is the indirect wholly owned subsidiary of the Company is as follows:

Enterprise Name:	Jilin Xisheng Real Estate Development Co., Ltd.
Social Credit Code	91220100MA17JA1F52
Type	Limited Liability Company (sole proprietorship of a legal entity invested or controlled by a natural person)
Legal Representative	Yin Chuan Xu
Registered Capital	RMB30,000,000
Date of Establishment	3 June 2020
Operating Period	3 June 2020 to 3 June 2040
Address	Yingbin Road (Jiuxi Red House Sales Office), Jiutai District, Changchun City
Scope of Business	Real estate development and operation (projects that require approval by law can only be carried out after approval by relevant departments).

ii) Pursuant to the following Real Estate Ownership Certificates, the ownership of the Property has been granted to Jilin Xisheng. Details are listed below:

No.	Certificate No.	Issue Date	Usage	Site Area
1	Ji (2020) Jiutai Qu Bu Dong Chan Quan Di 0007069 Hao	4 September 2020	Residential	30,641.00
			Total:	30,641.00

iii) Pursuant to the following Construction Land Planning Permit, the planning of the construction land of the Property has been approved to Jilin Xisheng. Details are listed below:

No.	Certificate No.	Issue Date	Usage	Site Area
1	Di Zi Di 220113202010016 Hao	30 July 2020	Commercial and Residential	30,641.00
			Total:	30,641.00

iv) Pursuant to the following Construction Work Planning Permits, the planning of the construction work of the Property has been approved to Jilin Xisheng. Details are listed below:

No.	Certificate No.	Issue Date	Project Name	Construction Scale
1	Jian Zi Di 220113202010019 Hao	4 August 2020	Guangze Jiuxi Red House (Phase 1)	67,400.26
			Total:	67,400.26

v) Pursuant to the following Construction Work Commencement Permits, the construction work of the Property has been approved to commence by Jilin Xisheng. Details are listed below:

No.	Certificate No.	Issue Date	Project Name	Construction Scale
1	220113202008270101	27 August 2020	Guangze Jiuxi Red House (Phase 1)	67,400.26
			Total:	67,400.26

vi) Pursuant to the following Commodity Housing Pre-sale Permits, the commodity housing pre-sale of the Property has been approved to Jilin Xisheng. Details are listed below:

No.	Certificate No.	Project Name	Issue Date	GFA
1	Jiu Fang Shou Zheng (2020) Di 149 Hao	Guangze Jiuxi Red House (Phase 1) 1#	6 November 2020	7,542.94
2	Jiu Fang Shou Zheng (2020) Di 155 Hao	Guangze Jiuxi Red House (Phase 1) 2#	6 November 2020	6,301.66
3	Jiu Fang Shou Zheng (2020) Di 154 Hao	Guangze Jiuxi Red House (Phase 1) 5#	6 November 2020	7,656.72
4	Jiu Fang Shou Zheng (2020) Di 153 Hao	Guangze Jiuxi Red House (Phase 1) 6#	6 November 2020	10,316.45
5	Jiu Fang Shou Zheng (2020) Di 147 Hao	Guangze Jiuxi Red House (Phase 1) 7#	7 September 2020	7,542.94
6	Jiu Fang Shou Zheng (2020) Di 152 Hao	Guangze Jiuxi Red House (Phase 1) 8#	6 November 2020	5,935.31
7	Jiu Fang Shou Zheng (2020) Di 148 Hao	Guangze Jiuxi Red House (Phase 1) 9#	7 September 2020	6,137.53
8	Jiu Fang Shou Zheng (2020) Di 151 Hao	Guangze Jiuxi Red House (Phase 1) 10#	16 October 2021	917.49
9	Jiu Fang Shou Zheng (2020) Di 150 Hao	Guangze Jiuxi Red House (Phase 1) 3#	7 June 2020	6,947.87
			Total:	59,298.91

vii) The general description and market information of the Property are summarized below:

Location	The Property is located at Intersection of Jiutai Yinbin Road and Wenti Avenue (extended section), Jiutai District, Changchun, Jilin Province, PRC.
Transportation	Changchun Longjia International Airport is located approximately 14.2 kilometres away from the Property. Also, taxi and bus are readily available in the locality.
Nature of Surrounding Area	The subject area is a predominately residential and commercial area.

viii) In assessing the market value of the Property, we have made reference to sales prices of similar properties in the vicinity. Comparable properties are located in the same district with similar conditions, size and tenure, etc. Comparable that had been selected include retail (Level 1) ranges from RMB6,400 to RMB11,300 psm; residential ranges from RMB4,600 to RMB4,800 psm. In the course of our valuation, we have considered the relevant adjustment factors such as the location, condition, size, tenure, etc. to determine the unit price of the Property. The summary of the comparables referred to in this approach are presented below:

	Comparable 1	**Comparable 2**	**Comparable 3**
Property Name	Huaheng Nanshan Mansion (華恆南山公館)	Phase III Phoenix City (鳳凰城三期)	Senlin Yujing (佳隆香墅灣)
Detail Address	No. 58 Changtong Road, Jiutai District, Changchun	Xihuan Road, Jiutai District, Changchun	Nanyuan Avenue, Jiutai District, Changchun
Type Mix	Residential	Residential	Residential
Handover Condition	Bareshell	Bareshell	Bareshell
Asking Price *(RMB)*	4,708	4,800	4,593

The major adjustments made to comparables are as follows:

	Comparable 1	**Comparable 2**	**Comparable 3**
Condition	Downward	Downward	Downward
Amenities Factor	Downward	Downward	Upward
Environment	Upward	Upward	Upward
View	Upward	Upward	Upward
Age & Building and Decoration	Downward	Downward	Downward
Management	No adjustment	Downward	Upward
Adjusted Unit Price *(RMB/sq m)*	4,470	4,494	4,648
Weight	33.33%	33.33%	33.33%
Weighted Value *(RMB/sq m)*	1,490	1,498	1,549
Adopted weighted Unit Price *(RMB/sq m)*		4,500	

The adjustments to Comparables are:

(a) Condition: Comparables 1-3 are all asking price which is generally higher than the transaction price.

Hence, downward adjustments have been applied to Comparables 1-3.

(b) Amenities Factor: Amenities factor usually include commercial availability, dining and services, public services, recreational facilities, daily-life convenience and etc. Comparables 1-2 have superior amenities factor, however Comparables 3 has inferior amenities factor. Hence, downward adjustments on Amenities Factor have been applied to Comparables 1-2, upward adjustments on Amenities Factor have been applied to Comparables 3.

(c) Environment: Environment factor usually include noise, air quality, greenery, and external nuisances and etc. Comparable 1-3 have more noise and less air quality than the Property. Hence, upward adjustments on Environment have been applied to Comparables 1-3.

(d) View: View factor usually include orientation, floor level, sightlines and etc. The Property is situated higher up and can enjoy superior view compared to Comparables 1-3. Hence, upward adjustments on View have been applied to Comparables 1-3.

(e) Age & Building and Decoration: Age & Building and Decoration factor usually include building age, maintenance, finishing quality, style and etc. As per our inspection findings and based on the information provided, Comparables 1-3 have superior interior condition than the Property. Hence, downward adjustments on Age & Building and Decoration have been applied to Comparables 1-3.

(f) Management: Management factor usually include management level, security services, cleaning & sanitation common area maintenance and etc. Comparables 1 has the similar management services as the Property. Hence, no adjustments on Management have been applied to Comparable 1. Comparables 2 have superior management, however Comparables 3 has inferior management. Hence, downward adjustments on Management have been applied to Comparable 2, upward adjustments on Management have been applied to Comparable 3.

(g) For the condition factor, we apply -3% for three comparables. For the amenities factor, the adjustment range is -2.2% to1.7% for three comparables. Environmental factors fall within the category of locational factors, we apply 2.6% for three comparables. View, age & building and decoration, management fall within the category of property-specific factors, the overall adjustment range is -1.8% to -3.8% for three comparables.

	Comparable 1	**Comparable 2**	**Comparable 3**
Property Name	Xinda Farmers' Market (新大農貿市場)	Broadway Plaza (百老匯名店廣場)	Longfeng Garden (龍鳳花園)
Detail Address	Intersection of Lekang Street and Minkang Road, Jiutai District, Changchun	No.228 Xinhua Avenue, Jiutai District, Changchun	Minle Road, Jiutai District, Changchun
Level	1	1	1
Type Mix	Retail	Retail	Retail
Handover Condition	Bareshell	Bareshell	Bareshell
Asking Price *(RMB)*	10,900	11,300	6,383

The major adjustments made to comparables are as follows:

	Comparable 1	Comparable 2	Comparable 3
Condition	Downward	Downward	Downward
Established Retail Area	Downward	Downward	No adjustment
Age & Building and Decoration	Downward	Downward	Downward
Accessibility	Downward	Downward	No adjustment
Amenities Factor	No adjustment	Downward	No adjustment
Size	Downward	Downward	Downward
Environment	Downward	Downward	No adjustment
Road Frontage	Downward	Downward	Downward
Adjusted Unit Price *(RMB/sq m)*	8,500	8,670	5,392
Weight	33.33%	33.33%	33.33%
Weighted value *(RMB/sq m)*	2,833	2,890	1,797
Adopted weighted Unit Price *(RMB/sq m)*		7,500	

The adjustments to Comparables are:

(a) Condition: Comparables 1-3 are all asking price which is generally higher than the transaction price.

Hence, downward adjustments have been applied to Comparables 1-3.

(b) Established Retail Area: The effect on property value caused by being located in (or near) a well-established, established/active retail area. Comparables 1-2 have more mature and well-established retail environment than the Property. Comparable 3 has the similar retail environment with the Property. Hence, downward adjustments on Established Retail Area have been applied to Comparables 1-2.

(c) Age & Building and Decoration: Age & Building and Decoration factor usually include building age, maintenance, finishing quality, style and etc. As per our inspection findings and based on the information provided, Comparables 1-3 have superior interior condition than the Property. Hence, downward adjustments on Age & Building and Decoration have been applied to Comparables 1-3.

(d) Accessibility: The effect on property value caused by how easily the location can be reached and how well it is connected to key transport and amenities. Comparables 1-2 have more favorable accessibility with shorter travel times to public transportation and main roads than the Property. Hence, downward adjustments on Accessibility have been applied to Comparables 1-2.

(e) Amenities Factor: Amenities factor usually include commercial availability, dining and services, public services, recreational facilities, daily-life convenience and etc. Comparable 2 has superior amenities factor. Hence, downward adjustments on Amenities Factor have been applied to Comparable 2.

(f) Size: Based on our understanding, a larger area attracts quantum discounts. The sizes of Comparables 1-3 are smaller than that of the Property. Hence, downward adjustments on Size have been applied to Comparables 1-3.

(g) Environment: Environment factor usually include noise, air quality, greenery, and external nuisances and etc. Comparable 1-2 have less noise and less air quality than the Property. Hence, downward adjustments on Environment have been applied to Comparables 1-2.

(h) Road Frontage: For commercial properties, greater road frontage typically translates to higher visibility, increased window display space, and superior accessibility. As per our inspection findings and based on the information provided, Comparables 1-3 have superior Road Frontage than the Property. Hence, downward adjustments on Road Frontage have been applied to Comparables 1-3.

(i) For the condition factor, we apply -3% for three comparables. For the Accessibility factor, the adjustment range is -2.5% to 0% for three comparables. For the amenities factor, the adjustment range is -1.25% to 0% for three comparables. For the size factor, we apply -4.4% for three comparables. Environmental factors and established retail area fall within the category of locational factors, the overall adjustment range is -4% to 0% for three comparables. Age & building and decoration and road frontage fall within the category of building quality factor, we apply -8.1% for three comparables.

All comparables we selected for residential and retail are bare shell which are the same as the Property.

In property valuation practice, the selection of a benchmark floor differs fundamentally between commercial and residential properties due to their distinct market dynamics and value drivers. For commercial properties, the ground floor (first floor) is universally adopted as the benchmark floor. For residential properties, the middle floors typically used as the benchmark.

Residential comparables were selected for valuing the residential portion of the Property, while retail comparables were selected for valuing the retail portion of the Property. We considers this approach appropriate because residential and retail properties are subject to different market dynamics, pricing characteristics and value drivers and are therefore analysed separately under the direct comparison approach.

ix) According to the information provided, as at the Valuation Date, residential portion of the Property with a total GFA of 4,598.25 sq.m. and retail portion of the Property with a total GFA of 59.22 sq.m. have been pre-sold with a total sales amount of approximately RMB26,112,564. As instructed by the Company, we have taken into account the said sales amount (i.e. RMB26,112,564) in our valuation. We consider the pre-sold price is in-line with the market condition, such inclusion is appropriate.

x) Copies of instruments in respect of the status of title and grant of major approvals and licenses of the Property provided to us are as follows:

Document/Approval	**Availability**
Real Estate Ownership Certificate	Yes
Construction Land Planning Permit	Yes
Construction Work Planning Permit	Yes
Construction Work Commencement Permit	Yes
Commodity Housing Pre-sale Permit	Yes
Business License	Yes

xi) We have been provided with a legal opinion on the Property prepared by the Client's PRC legal advisor, which contains, inter alia, the following information:

1. With respect to the land use rights and properties of Phase I, Jilin Xisheng has lawfully acquired the relevant land use rights and property ownership, and the rights and interests thereof are protected by PRC laws. During the term of the said land use rights, Jilin Xisheng shall have the right to lawfully possess, use and develop the land use rights and properties, and shall also have the right to dispose of the relevant land use rights and properties through transfer, lease, mortgage or other lawful means.

2. With respect to the relevant properties (45 units of residential and 6 units of retail with a total gross floor area of approximately 5,940.60 sq m) of Phase I, Jilin Xisheng shall have the right to dispose of them through transfer, lease, mortgage or other lawful means.

3. The full and proper ownership title of the properties in Phase I have been obtained, and all payable land premium or land-use rights fees have been fully settled.

VALUATION CERTIFICATE

	Property	Description and Tenure	Particulars of Occupancy	Market Value in Existing State as at 31 July 2026
2	Unsold portion of Jiuxi Red House Phase 2 (九溪紅府二期), Intersection of Jiutai Yinbin Road and Wenti Avenue (extended section), Jiutai District, Changchun, Jilin Province, PRC	Jiuxi Red House (the "**Development**") is a residential project developed into two phases erected on irregularly shaped plot with a site area of approximately 58,669.00 sq m. Phase 2 of Jiuxi Red House was completed in 2024. According to the information provided, the Property comprises 480 units of residential, and 13 units of retail. The Property is in frame structure with a total gross floor area (GFA) of approximately 55,331.60 sq m, details of which are listed below:	At the time of our inspection, the Property was vacant.	RMB268,000,000 (RENMINBI TWO HUNDRED SIXTY EIGHT MILLION)

Portion	GFA (sq.m.)
Residential	53,622.09
Retail	1,709.51
Total	55,331.60

Pursuant to the land-use rights certificate provided, the land-use rights of the Property have been granted for two concurrent terms expiring on 16 July 2060 for commercial service use and 16 July 2090 for residential respectively.

Notes:

i) Pursuant to the Business License issued by the Changchun Market Supervision Administration Jiutai Branch, the basic information of Jilin Province Xisheng Real Estate Development Co., Ltd. (吉林省熙盛房地產開發有限公司) (hereinafter referred to as "**Jilin Xisheng**") which is the indirect wholly owned subsidiary of the Company is as follows:

Enterprise Name:	Jilin Xisheng Real Estate Development Co., Ltd.
Social Credit Code	91220100MA17JA1F52
Type	Limited Liability Company (sole proprietorship of a legal entity invested or controlled by a natural person)
Legal Representative	Yin Chuan Xu
Registered Capital	RMB30,000,000
Date of Establishment	3 June 2020
Operating Period	3 June 2020 to 3 June 2040
Address	Yingbin Road (Jiuxi Red House Sales Office), Jiutai District, Changchun City
Scope of Business	Real estate development and operation (projects that require approval by law can only be carried out after approval by relevant departments).

ii) Pursuant to the following Real Estate Ownership Certificates, the ownership of the Property has been granted to Jilin Xisheng. The details are listed below:

No.	Certificate No.	GFA	Site Area
1	Ji (2023) Jiutai Qu Bu Dong Chan Quan Di 0009591 Hao	Residential	28,028.00
		Total:	28,028.00

iii) Pursuant to the following Construction Land Planning Permit, the planning of the construction land of the Property has been approved to Jilin Xisheng. Details are listed below:

No.	Certificate No.	Issue Date	Usage	Site Area
1	Di Zi Di 220113202210007 Hao	23 June 2022	Commercial and Residential	28,028.00
			Total:	28,028.00

iv) Pursuant to the following Construction Work Planning Permits, the planning of the construction work of the Property has been approved to Jilin Xisheng. Details are listed below:

No.	Certificate No.	Construction Scale	Construction Scale
1	Jian Zi Di 220113202210021 Hao	7 November 2022	62,824.98
		Total:	62,824.98

v) Pursuant to the following Construction Work Commencement Permits, the construction work of the Property has been approved to commence by Jilin Xisheng. Details are listed below:

No.	Certificate No.	Issue Date	Project Name	Construction Scale
1	No. 220113202305150101	15 May 2023	Guangze Jiuxi Red House (Phase 2) First Section (Y1,Y2,G1,G2,G3)	29,221.07
2	No. 220113202305120101	12 May 2023	Guangze Jiuxi Red House (Phase 2) Second Section	33,603.91
			Total:	62,824.98

vi) Pursuant to the following Commodity Housing Pre-sale Permits, the commodity housing pre-sale of the Property has been approved to Jilin Xisheng. Details are listed below:

No.	Certificate No.	Project Name	Issue Date	GFA
1	Jiu Fang Shou Zheng (2023) Di 017 Hao	Guangze Jiuxi Red House (Phase 2) 1#	11 August 2023	4,325.86
2	Jiu Fang Shou Zheng (2023) Di 018 Hao	Guangze Jiuxi Red House (Phase 2) 2#	11 August 2023	11,285.44
3	Jiu Fang Shou Zheng (2023) Di 019 Hao	Guangze Jiuxi Red House (Phase 2) 3#	11 August 2023	5,983.00
4	Jiu Fang Shou Zheng (2023) Di 020 Hao	Guangze Jiuxi Red House (Phase2) 5#	11 August 2023	3,116.75
5	Jiu Fang Shou Zheng (2023) Di 021 Hao	Guangze Jiuxi Red House (Phase 2) 6#	11 August 2023	10,842.12
6	Jiu Fang Shou Zheng (2023) Di 022 Hao	Guangze Jiuxi Red House (Phase 2) 7#	11 August 2023	2,996.76
7	Jiu Fang Shou Zheng (2023) Di 023 Hao	Guangze Jiuxi Red House (Phase 2) 8#	11 August 2023	4,230.04
8	Jiu Fang Shou Zheng (2023) Di 024 Hao	Guangze Jiuxi Red House (Phase 2) 9#	11 August 2023	10,842.12
9	Jiu Fang Shou Zheng (2023) Di 025 Hao	Guangze Jiuxi Red House (Phase 2) G1#	11 August 2023	1,709.51
			Total:	55,331.60

vii) The general description and market information of the Property are summarized below:

Location	The Property is located Intersection of Jiutai Yinbin Road and Wenti Avenue (extended section), Jiutai District, Changchun, Jilin Province, PRC
Transportation	Changchun Longjia International Airport is located approximately 14.2 kilometres away from the Property. Also, taxi and bus are readily available in the locality
Nature of Surrounding Area	The subject area is a predominately residential and commercial area.

viii) In assessing the market value of the Property, we have made reference to sales prices of similar properties in the vicinity. Comparable properties are located in the same district with similar conditions, size and tenure, etc. Comparable that had been selected include retail (Level 1) ranges from RMB6,400 to RMB11,300 psm; residential ranges from RMB4,600 to RMB4,800 psm. In the course of our valuation, we have considered the relevant adjustment factors such as the location, condition, size, tenure, etc. to determine the unit price of the Property. The summary of the comparables referred to in this approach are presented below:

	Comparable 1	**Comparable 2**	**Comparable 3**
Property Name	Huaheng Nanshan Mansion (華恒南山公館)	Phase III Phoenix City (鳳凰城三期)	Senlin Yujing (佳隆香墅灣)
Detail Address	No. 58 Changtong Road, Jiutai District, Changchun	Xihuan Road, Jiutai District, Changchun	Nanyuan Avenue, Jiutai District, Changchun
Type Mix	Residential	Residential	Residential
Handover Condition	Bareshell	Bareshell	Bareshell
Asking Price *(RMB)*	4,708	4,800	4,593

The major adjustments made to comparables are as follows:

	Comparable 1	**Comparable 2**	**Comparable 3**
Condition	Downward	Downward	Downward
Amenities Factor	Downward	Downward	Upward
Environment	Upward	Upward	Upward
View	Upward	Upward	Upward
Management	No adjustment	Downward	Upward
Adjusted Unit Price *(RMB/sq m)*	4,610	4,664	4,789
Weight	33.33%	33.33%	33.33%
Weighted value *(RMB/sq m)*	1,537	1,555	1,596
Adopted weighted Unit Price *(RMB/sq m)*		4,700	

The adjustments to Comparables are:

(a) Condition: Comparables 1-3 are all asking price which is generally higher than the transaction price.

Hence, downward adjustments have been applied to Comparables 1-3.

(b) Amenities Factor: Amenities factor usually include commercial availability, dining and services, public services, recreational facilities, daily-life convenience and etc. Comparables 1-2 have superior amenities factor, however Comparables 3 has inferior amenities factor. Hence, downward adjustments on Amenities Factor have been applied to Comparables 1–2, upward adjustments on Amenities Factor have been applied to Comparables 3.

(c) Environment: Environment factor usually include noise, air quality, greenery, and external nuisances and etc. Comparable 1-3 have more noise and less air quality than the Property. Hence, upward adjustments on Environment have been applied to Comparables 1-3.

(d) View: View factor usually include orientation, floor level, sightlines and etc. The Property is situated higher up and can enjoy superior view compared to Comparables 1-3. Hence, upward adjustments on View have been applied to Comparables 1–3.

(e) Management: Management factor usually include management level, security services, cleaning & sanitation common area maintenance and etc. Comparables 1 has the similar management services as the Property. Hence, no adjustments on Management have been applied to Comparable 1. Comparables 2 has superior management, however Comparables 3 has inferior management. Hence, downward adjustments on Management have been applied to Comparable 2, upward adjustments on Management have been applied to Comparable 3.

(f) For the condition factor, we apply -3% for three comparables. For the amenities factor, the adjustment range is -2.2% to1.7% for three comparables. Environmental factors fall within the category of locational factors, we apply 2.6% for three comparables. View and management fall within the category of property-specific factors, the overall adjustment range is -0.25% to 1.3% for three comparables.

	Comparable 1	**Comparable 2**	**Comparable 3**
Property Name	Xinda Farmers' Market (新大農貿市場)	Broadway Plaza (百老匯名店廣場)	Longfeng Garden (龍鳳花園)
Detail Address	Intersection of Lekang Street and Minkang Road, Jiutai District, Changchun	No. 228 Xinhua Avenue, Jiutai District, Changchun	Minle Road, Jiutai District, Changchun
Level	1	1	1
Type Mix	Retail	Retail	Retail
Handover Condition	Bareshell	Bareshell	Bareshell
Asking Price *(RMB)*	10,900	11,300	6,383

The major adjustments made to comparables are as follows:

	Comparable 1	Comparable 2	Comparable 3
Condition	Downward	Downward	Downward
Established Retail Area	Downward	Downward	No adjustment
Accessibility	Downward	Downward	No adjustment
Amenities Factor	No adjustment	Downward	No adjustment
Size	Downward	Downward	Downward
Environment	Downward	Downward	No adjustment
Road Frontage	Downward	Downward	Downward
Adjusted Unit Price *(RMB/sq m)*	9,122	9,316	5,757
Weight	33.33%	33.33%	33.33%
Weighted value *(RMB/sq m)*	3,041	3,105	1,919
Adopted weighted Unit Price *(RMB/sq m)*		8,000	

The adjustments to Comparables are:

(a) Condition: Comparables 1-3 are all asking price which is generally higher than the transaction price.

Hence, downward adjustments have been applied to Comparables 1-3.

(b) Established Retail Area: The effect on property value caused by being located in (or near) a well-established, established/active retail area. Comparables 1-2 have more mature and well-established retail environment than the Property. Comparable 3 has the similar retail environment with the Property. Hence, downward adjustments on Established Retail Area have been applied to Comparables 1–2.

(c) Accessibility: The effect on property value caused by how easily the location can be reached and how well it is connected to key transport and amenities. Comparables 1-2 have more favorable accessibility with shorter travel times to public transportation and main roads than the Property. Hence, downward adjustments on Accessibility have been applied to Comparables 1–2.

(d) Amenities Factor: Amenities factor usually include commercial availability, dining and services, public services, recreational facilities, daily-life convenience and etc. Comparable 2 has superior amenities factor. Hence, downward adjustments on Amenities Factor have been applied to Comparable 2.

(e) Size: Based on our understanding, a larger area attracts quantum discounts. The sizes of Comparables 1-3 are smaller than that of the Property. Hence, downward adjustments on Size have been applied to Comparables 1–3.

(f) Environment: Environment factor usually include noise, air quality, greenery, and external nuisances and etc. Comparable 1-2 have less noise and less air quality than the Property. Hence, downward adjustments on Environment have been applied to Comparables 1-2.

(g) Road Frontage: For commercial properties, greater road frontage typically translates to higher visibility, increased window display space, and superior accessibility. As per our inspection findings and based on the information provided, Comparables 1-3 have superior Road Frontage than the Property. Hence, downward adjustments on Road Frontage have been applied to Comparables 1–3.

(h) For the condition factor, we apply -3% for three comparables. For the Accessibility factor, the adjustment range is -2.5% to 0% for three comparables. For the amenities factor, the adjustment range is -1.25% to 0% for three comparables. For the size factor, we apply -4.4% for three comparables. Environmental factors and established retail area fall within the category of locational factors, the overall adjustment range is -4% to 0% for three comparables. Road frontage falls within the category of building quality factor, we apply -2.4% for three comparables.

All comparables we selected for residential and retail are bare shell which are the same as the Property.

In property valuation practice, the selection of a benchmark floor differs fundamentally between commercial and residential properties due to their distinct market dynamics and value drivers. For commercial properties, the ground floor (first floor) is universally adopted as the benchmark floor. For residential properties, the middle floors typically used as the benchmark.

Residential comparables were selected for valuing the residential portion of the Property, while retail comparables were selected for valuing the retail portion of the Property. We consider this approach appropriate because residential and retail properties are subject to different market dynamics, pricing characteristics and value drivers and are therefore analysed separately under the direct comparison approach.

ix) According to the information provided, as at the Valuation Date, residential portion of the Property with a total GFA of 9,796.67 sq.m and retail portion of the Property with a total GFA of 257.38 sq.m. have been pre-sold with a total sales amount of approximately RMB50,391,648. As instructed by the Company, we have taken into account the said sales amount (i.e. RMB50,391,648) in our valuation. We consider the pre-sold price is in-line with the market condition, such inclusion is appropriate.

x) In 2024, Jilin Xisheng had certain construction cost payable to an Independent Third Party contractor, which amounted to approximately RMB3.6 million, being overdue and no subsequent settlement has been made by Jilin Xisheng to the contractor. The contractor has originally taken legal proceeding against Jilin Xisheng to resolve this matter, and the court has ordered to seal off eight residential units of Jilin Xisheng with a total GFA of 1,027.55 sq.m. (the "**Sealed Properties**"). After numerous rounds of discussions between the contractor and Jilin Xisheng, the parties have mutually agreed to enter into an execution settlement agreement dated 4 March 2026 (the "**Execution Settlement Agreement**"), where a settlement plan has been made.

According to the legal opinion on the Property prepared by the Client's PRC legal advisor, as at the Valuation Date, the Sealed Properties were remained sealed with a total valuation amount of approximately RMB4,800,000. We have taken into account and included the said amount (i.e. RMB4,800,000) in our valuation.

xi) Copies of instruments in respect of the status of title and grant of major approvals and licenses of the Property provided to us are as follows:

Document/Approval	**Availability**
Real Estate Ownership Certificate	Yes
Construction Land Planning Permit	Yes
Construction Work Planning Permit	Yes
Construction Work Commencement Permit	Yes
Commodity Housing Pre-sale Permit	Yes
Business License	Yes

xii) We have been provided with a legal opinion on the Property prepared by the Client's PRC legal advisor, which contains, inter alia, the following information:

1. With respect to the land use rights of Phase II, Jilin Xisheng has lawfully acquired the relevant land use rights, and the rights and interests thereof are protected by PRC laws. During the term of the said land use rights, Jilin Xisheng shall have the right to lawfully possess, use and develop the land use rights, and shall also have the right to dispose of the relevant land use rights through transfer, lease, mortgage or other lawful means.

2. With respect to Phase II, according to the Company's confirmation, property registration has been completed and the construction acceptance procedures and related documents are progressing to completion. Upon completion of the construction acceptance procedures and related documents for the Phase II project and the issuance of the property ownership certificates, Jilin Xisheng will be entitled to lawfully possess, use and develop the relevant properties, and to dispose of them by way of transfer, lease, mortgage or any other lawful means.

3. The land use rights in Phase II has been obtained, and all payable land premium or land-use rights fees have been fully settled.

4. With respect to the relevant properties (480 units of residential and 13 units of retail with a total gross floor area of approximately 55,331.60 sq m) of Phase II, Jilin Xisheng shall have the right to dispose of them through transfer, lease, mortgage or other lawful means upon completion of all construction acceptance procedures , the relevant property ownership documents in accordance with the law and the sealed properties are lifted.

5. With respect to the relevant sealed properties, Jilin Xisheng shall not, prior to the lawful release of the seal, dispose of the said sealed properties without authorization through transfer, lease, mortgage or any other means. However, Jilin Xisheng shall have the right to dispose of the relevant properties through transfer, lease, mortgage or other lawful means under any of the following circumstances:

   i) After payment in full is made pursuant to the Execution Settlement Agreement and the People's Court releases the relevant seal; or

   ii) Regardless of whether the Execution Settlement Agreement has been fully performed, after obtaining the consent of the sealing applicant and the People's Court releases the relevant seal.

1. RESPONSIBILITY STATEMENT

This Composite Document includes particulars given in compliance with the Takeovers Code. The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this Composite Document (other than the information relating to the Concert Party Group) and confirm, having made all reasonable inquiries, that to the best of their knowledge, opinions expressed in this Composite Document (other than those expressed by the sole director of the Offeror) have been arrived at after due and careful consideration and there are no other facts not contained in this Composite Document, the omission of which would make any statement in this Composite Document misleading.

2. SHARE CAPITAL

The authorised and issued share capital of the Company as at the Latest Practicable Date are as follows:

(i) Share capital as at the Latest Practicable Date:

Authorised share capital		*HK$*
78,000,000,000	Shares	780,000,000
Authorised unlisted limited voting non-redeemable convertible preference shares		
22,696,764,705	Shares	226,967,647.05
Issued and fully paid or credited as fully paid		
5,362,635,631	Shares	53,626,356.31

The Shares in issue are listed on the Main Board of the Stock Exchange. No part of the equity of debt securities of the Company is listed or dealt in, nor is listing or permission to deal in the Shares or loan capital of the Company being, or proposed to be, sought on any other stock exchange. All issued Shares rank pari passu in all respects with each other, including, in particular, as to dividends, voting rights and return of capital.

As at the Latest Practicable Date, no shares, options, warrants, conversion rights or any equity or debt securities of the Company was outstanding or was proposed to be issued for cash or otherwise and no commissions, discounts, brokerages or other special terms have been granted in connection with the issue or sale of any such capital, except for the Subscription Shares and the Scheme Shares.

Since 31 March 2026, the date to which the latest audited financial statements of the Company were made up, and up to the Latest Practicable Date, except for the Subscription Shares and the Scheme Shares, no Shares have been allotted and issued by the Company.

3. DISCLOSURE OF INTERESTS

(a) Interest of Directors

As at the Latest Practicable Date, the interests and short positions of the Directors and chief executive of the Company in the Shares, underlying Shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) (i) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) which were required to be notified to the Company and the Stock Exchange pursuant to the Listing Rules relating to securities transactions by Directors or (iv) required to be disclosed under the Takeovers Code were as follows:

Long position in Shares and underlying Shares

Name of Director	Capacity	Number of Shares held/ interested	Approximate percentage of holding
Mr. Cui	Interest of spouse	42,500	0.01%
	Interest in controlled corporation	260,000,000 *(Note)*	4.85%
Mr. Cong	Interest in controlled corporation	260,000,000 *(Note)*	4.85%

Note: 260,000,000 Subscription Shares are allotted and issued to Ground Group HK pursuant to the Subscription Agreement. 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.

(b) Interest of substantial Shareholders

As at the Latest Practicable Date, so far as is known to Directors or chief executive of the Company and as required by Divisions 2 and 3 of Part XV of the SFO which were recorded in the register required to be kept by the Company pursuant to section 336 of the SFO were as follows:

Long position in Shares and underlying Shares

Name of Shareholder	Capacity	Number of Shares held/ interested	Approximate percentage of holding
Charm Success	Registered owner	18,356,035 *(Note 2)*	0.34%
Ka Yik	Registered owner	89,739,018 *(Note 2)*	1.67%

Name of Shareholder	Capacity	Number of Shares held/ interested	Approximate percentage of holding
TMF (Cayman) Ltd.	Trustee	108,095,053 *(Note 2)*	2.01%
Deep Wealth Holding Limited ("**Deep Wealth**")	Interest in controlled corporation	108,095,053 *(Note 2)*	2.01%
Ms. Cui Xintong ("**Ms Cui**")	Interest in controlled corporation	108,724,681 *(Note 2)*	2.02%
Mr. Lee Ken-yi Terence ("**Mr. Lee**")	Interest of spouse	108,724,681 *(Notes 2, 3)*	2.02%
Ground Group HK	Registered owner	260,000,000 *(Note 4)*	4.85%
Scheme Company	Registered owner	4,742,453,691 *(Note 5)*	88.44%

Notes:

1. The percentage is calculated on the basis of 5,362,635,631 issued voting Shares as at the Latest Practicable Date.

2. As at the Latest Practicable Date, these 108,724,681 Shares consist of (i) 18,356,035 Shares held by Charm Success; (ii) 89,739,018 Shares held by Ka Yik; and (iii) 629,628 Shares held by Ms. Cui herself. Charm Success and Ka Yik are companies wholly owned by Deep Wealth, 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. By virtue of the SFO, Ms. Cui is deemed to be interested in the securities of the Company held by Charm Success and Ka Yik, and such interest duplicated the interest of Charm Success, Ka Yik, Mr. Lee (Ms. Cui's spouse) for the purpose of SFO.

3. Mr. Lee is the spouse of Ms. Cui, the business development director and directors of certain subsidiaries of the Group. Mr. Lee is deemed to be interested in those securities by virtue of being Ms. Cui's spouse under the SFO and such interest duplicated to Ms. Cui's interest for the purpose of SFO. All of the relevant underlying shares are unlisted and physically settled under SFO.

4. 260,000,000 Subscription Shares are alloted and issued to Ground Group HK pursuant to the Subscription Agreement.

5. The Scheme Company is the company incorporated by the Scheme Administrators in Hong Kong with limited liability, being a special purpose vehicle held and controlled by the Scheme Administrators solely for the purpose as stated in the Scheme. The Scheme Shares are held by the Scheme Company 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. Pursuant to the terms of the Scheme as sanctioned by the Court, the Scheme Company shall not exercise the voting rights attached to the Scheme Shares nor be entitled to the dividend for the Scheme Shares (if any).

Save as disclosed above, as at the Latest Practicable Date, so far as is known to Directors, no other person (other than the Directors and the chief executive of the Company) had an interest or short position in the Shares and underlying Shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or, were, directly or indirectly, interested in 10% or more of the issued share capital of any class of share capital, including options in respect of such capital, carrying rights to vote in all circumstances at general meeting of any other member of the Group or had any option in respect of such capital.

4. DIRECTORS' INTERESTS

As at the Latest Practicable Date, no Director was interested in any business (other than those businesses where the Directors were appointed as directors to represent the interests of the Company and/or any member of the Group) which were considered to compete or were likely to compete, whether directly or indirectly, with the businesses of the Group.

As at the Latest Practicable Date, none of the Directors had any interest, direct or indirect, in any assets which had been acquired or disposed of by, or leased to, any member of the Group or were proposed to be acquired or disposed of by, or leased to, any member of the Group since 31 March 2026, being the date to which the latest published audited consolidated financial statements of the Company were made up.

As at the Latest Practicable Date, there is no contract or arrangement entered into by any member of the Group subsisting at the Latest Practicable Date in which any Director is materially interested and significant to the business of the Group.

5. ADDITIONAL DISCLOSURE OF INTERESTS

The Company confirms that:

(a) as at the Latest Practicable Date, none of the Directors was interested within the meaning of Part XV of the SFO in the Shares or any warrants, options, convertible securities or derivatives in respect of any Shares;

(b) as at the Latest Practicable Date, none of the Directors held any beneficial shareholdings in the Company which would otherwise entitle them to accept or reject the Offer;

(c) during the Relevant Period, none of the subsidiaries of the Company, pension funds of the Company or of a subsidiary of the Company, or any person who is presumed to be acting in concert with the Company by virtue of class (5) of the definition of "acting in concert" in the Takeovers Code or who is an associate of the Company by virtue of class (2) of the definition of "associate" under the Takeovers Code (but excluding any exempt principal trader and exempt fund managers), had owned or controlled or dealt for value in any Shares or any convertible securities, warrants, options or derivatives in respect of any Shares;

(d) during the Offer Period and up to the Latest Practicable Date, save for the Restructuring Framework Agreement, the Subscription Agreement, the Facility Agreement, the Share Charges and the transactions contemplated thereunder, there was no person who had arrangement of the kind referred to in Note 8 to Rule 22 of the Takeovers Code with the Company, or with any person who is presumed to be acting in concert with the Company by virtue of classes (1), (2), (3) and (5) of the definition of "acting in concert" under the Takeovers Code or who is an associate of the Company by virtue of classes (2), (3) or (4) of the definition of "associate" under the Takeovers Code, and no such person had owned, controlled or dealt for value in any Shares or any other convertible securities, warrants, options or derivatives in respect of the Shares;

(e) during the Offer Period and up to the Latest Practicable Date, no Shares or any other convertible securities, warrants, options or derivatives in respect of the Shares were managed on a discretionary basis by fund managers (other than exempt fund managers) connected with the Company and no such person had dealt for value in any Shares or any other convertible securities, warrants, options or derivatives in respect of the Shares;

(f) as at the Latest Practicable Date, none of the Company or the Directors had borrowed or lent any Shares or any convertible securities, warrants, options or derivatives or relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in respect of any Shares;

(g) during the Relevant Period, save for the Restructuring Framework Agreement, the Subscription Agreement, the Facility Agreement, the Share Charges and the transactions contemplated thereunder, neither the Company nor any Directors had dealt for value in any Shares, convertible securities, warrants, options, or derivatives in respect of the relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of the Company; and

(h) during the Relevant Period, none of the Company and the Directors owned, controlled or had dealt in any shares, warrants, share options, derivatives and securities carrying conversion or subscription rights into shares in the Offeror.

6. ARRANGEMENTS AFFECTING AND RELATING TO DIRECTORS

As at the Latest Practicable Date:

(i) no benefit (other than statutory compensation) was or would be given to any Director as compensation for loss of office or otherwise in connection with the Offer;

(ii) there was no agreement or arrangement between any Director and any other person which was conditional on or dependent upon the outcome of the Offer or otherwise connected with the Offer;

(iii) save for the Restructuring Framework Agreement, the Subscription Agreement, the Facility Agreement and the Share Charges, no material contracts had been entered into by the Offeror or members of the Concert Party Group in which any Director had a material personal interest; and

(iv) there is no understanding, arrangement, agreement or special deal (as defined under Rule 25 of the Takeovers Code) between (1) any Shareholder and (2) the Company, its subsidiaries or associated companies.

7. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contract with the Company or any of its subsidiaries or associated companies which (i) (including both continuous and fixed term contracts) had been entered into or amended within 6 months before the date of the commencement of the Offer Period; or (ii) was a continuous contract with a notice period of 12 months or more; or (iii) was a fixed term contract with more than 12 months to run irrespective of the notice period; or (iv) was not determinable by the employer within one year without payment of compensation (other than statutory compensation).

8. MATERIAL CONTRACTS

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, the following material contracts had been entered into by the Group (not being contracts entered into in the ordinary course of business) within the two years immediately before the commencement of the Offer Period up to and including the Latest Practicable Date:

(a) the Restructuring Framework Agreement (as may be amended or supplemented from time to time) relating to the Proposed Restructuring;

(b) the Supplemental Restructuring Framework Agreement;

(c) the Subscription Agreement;

(d) the Funding Agreement;

(e) the conditional equity transfer agreement dated 18 September 2025 entered into between 吉林省融裕投資有限公司 (Jilin Rongyu Investment Co., Ltd*) as seller and 長春市納百利商貿有限公司 (Changchun Nabaili Trading Company Limited*) as purchaser in relation to the disposal of the entire equity interest in 華音國際控股(敦化)有限公司 (Hua Yin International Holdings (Dunhua) Company Limited*) holding a potential property project in Dunhua City, Jilin Province at a consideration of RMB1.0, details of which are set out the announcements 18 September 2025;

(f) the conditional equity transfer agreement dated 28 July 2025 (together with the extension letters dated 10 December 2025) entered into between 吉林省融利投資有限公司(Jilin Province Rongli Investment Company Limited*), 吉林省融裕投資有限公司(Jilin Province Rongyu Investment Company Limited*), 長春市融裕商貿有限公司(Changchun Province Rongyu Commercial Company Limited*) and 吉林省廣物業投資有限公司(Jilin Ground Property Investment Company Limited*) as sellers and 白山市昇達商貿有限公司(Baishan Shengda Commercial Company Limited*) as purchaser in relation to the disposal of the entire equity interest in 長春市築家房地產開發有限公司(Changchun Zhujia Real Estate Development Company Limited*), 延吉市惠澤房地產開發有限公司(Yanji Huize Real Estate Development Company Limited*), 白山市廣澤房地產開發有限公司(Baishan Ground Real Estate Development Company Limited*) and 白山市廣澤商業管理有限公司(Baishan Ground Business Management

Company Limited*) holding the property projects in Baishan City and Yanji City, Jilin Province at a consideration of RMB1.0, details of which are set out the announcement of the Company dated 28 July 2025, 27 August 2025, 12 December 2025, and 31 March 2026 and the circular of the Company dated 16 September 2025, respectively; and

(g) the equity transfer agreement dated 25 October 2024 (together with the extension letters dated 28 March 2025 and 30 June 2025, respectively) entered into between Goodyear International Capital Limited and 長春市融裕商貿有限公司 (Changchun Rongyu Trading Company Limited*) as sellers and 長春市納百利商貿有限公司 (Changchun Nabaili Trading Company Limited*) as purchaser in relation to the disposal of the entire equity interest in 吉林省廣澤旅遊開發有限公司 (Jilin Province Ground Tourism Development Company Limited*) holding the property project in Fusong County, Jilin Province at a consideration of RMB1.0, details of which are set out the announcements of the Company dated 25 October 2024, 28 March 2025 and 30 June 2025 and the circular of the Company dated 29 November 2024, respectively.

9. MATERIAL LITIGATION

As at the Latest Practicable Date, neither the Company nor any other member of the Group was engaged in any litigation, arbitration or claim of material importance and no litigation, arbitration or claim of material importance were known to the Directors to be pending or threatened against any member of the Group.

10. QUALIFICATIONS AND CONSENTS

The following is the name and qualification of the expert whose letter, opinion or advice is contained or referred to in this Composite Document:

Name	Qualification
Colliers Appraisal & Advisory Services (Shanghai) Co., Ltd.	an independent property valuer
Jun Hui International Finance Limited	a licensed corporation permitted to carry out Type 6 (advising on corporate finance) regulated activity under the SFO

Each of the experts has given and has not withdrawn its consent to the issue of this Composite Document with the inclusion herein of its letter, report and/or reference to its name in the form and context in which they respectively appear.

As at the Latest Practicable Date, the experts did not have any shareholding, directly or indirectly, in any member of the Group, nor did they have any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

As at the Latest Practicable Date, the experts did not have any interest, either direct or indirect, in any assets which had been, since 31 March 2026 (being the date to which the latest published audited accounts of the Group were made up) acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group.

11. MISCELLANEOUS

(i) The registered office of the Company is at Richmond House, 12 Par-la-Ville Road, Hamilton HM 08, Bermuda and the principal place of business in Hong Kong of the Company is at Room 1304, 13th Floor, China Resources Building, No. 26 Harbour Road, Wanchai, Hong Kong.

(ii) As at the Latest Practicable Date, the company secretary of the Company was Mr. Ng Man Kit Micky, who has extensive auditing and accounting experience having been with an international professional accounting firm for 15 years and is a fellow member of Hong Kong Institute of Certified Public Accountants.

(iii) The Hong Kong branch share registrar and transfer office of the Company is Tricor Investor Services Limited, at 17/F, Far East Finance Centre,16 Harcourt Road, Hong Kong.

(iv) The Bermuda principal share registrar and transfer office of the Company is Appleby Global Corporate Services (Bermuda) Limited c/o Suntera Corporate Services Limited at 18/F, On Building, 162 Queen's Road Central, Central, Hong Kong.

(v) The Independent Financial Adviser is Jun Hui International Finance Limited and its registered office is situated at Unit 01-02, 16/F, Hing Yip Commercial Centre, 272-284 Des Voeux Road Central, Sheung Wan, Hong Kong.

12. DOCUMENTS ON DISPLAY

Copies of the following documents are available on display (i) on the website of the Company (http://www.chinacbsintl.com/html/index.php); and (ii) on the website of the SFC (www.sfc.hk), from the date of this Composite Document up to and including the Closing Date or the date on which the Offer lapse or is withdrawn (whichever is earlier):

(i) the memorandum of association of the Company and bye-laws of the Company;

(ii) the 2024/2025 Annual Report and 2025/2026 Annual Report;

(iii) the "Valuation Report" as set out in Appendix III as contained in this Composite Document.

(iv) the "Letter from the Board" as set out in this Composite Document;

(v) the "Letter from the TC Independent Board Committee" as set out in this Composite Document;

(vi) the "Letter from the Independent Financial Adviser" as set out in this Composite Document;

(vii) the written consents referred to under the paragraph headed "10. Qualifications and Consents" in this appendix;

(viii) the material contracts as referred to in the paragraph headed "8. Material Contracts" in this appendix;

(ix) this Composite Document and the accompanying Forms of Acceptance.

1. RESPONSIBILITY STATEMENT

The sole director of the Offeror accepts full responsibility for the accuracy of the information contained in this Composite Document (other than those relating to the Group) and confirms, having made all reasonable inquiries, that to the best of his knowledge, opinions expressed in this Composite Document (other than those expressed by the Directors) have been arrived at after due and careful consideration and there are no other facts not contained in this Composite Document, the omission of which would make any statements in this Composite Document misleading.

2. DISCLOSURE OF INTERESTS IN THE COMPANY OF THE OFFEROR

As at the Latest Practicable Date, the Concert Party Group hold 368,767,181 Shares, representing 6.88% of the Enlarged Issued Share Capital.

		As at the Latest Practicable Date	
Name	**Capacity/ Name of Interest**	**Number of ordinary shares/ underlying shares**	**Percentage of Shareholding** (%)
Ground Group HK	Registered owner	260,000,000	4.85
Ms. Cui	Registered owner	629,628	0.01
Ms. Chai	Registered owner	42,500	0.00
Ka Yik	Registered owner	89,739,018	1.67
Charm Success	Registered owner	18,356,035	0.34

Save for the above, the Concert Party Group did not have any other interest in any Shares, warrants, options, derivatives or other securities carrying conversion of subscription rights into Shares.

As at the Latest Practicable Date, save for the 368,767,181 Shares held by the Concert Party Group (representing approximately 6.88% of the issued share capital of the Company) and its entitlement of 2,691,468,186 Scheme Shares (representing approximately 50.20% of the issued share capital of the Company), which represent an aggregate of approximately 57.07% of the issued share capital of the Company, none of the Concert Party Group hold, own, have control or direction over any voting rights, rights over shares, convertible securities, warrants, options of the Company or any other relevant securities (as defined under Note 4 to Rule 22 of the Takeovers Code) of the Company.

3. ADDITIONAL DISCLOSURE OF INTERESTS AND DEALING IN THE COMPANY

The Offeror confirms that, as at the Latest Practicable Date:

(a) save for the Shares set out in the paragraph headed "2. Disclosure of Interests in the Company of the Offeror" in this Appendix V, none of the Offeror, its director, its ultimate beneficial owner, nor the Concert Party Group hold, own or have control or direction over any voting rights or rights over the Shares, convertible securities, options of the Company or any derivatives in respect of such securities;

(b) save for the Restructuring Framework Agreement, the Facility Agreement, the Subscription Agreement and the transactions contemplated thereunder there is no arrangement (whether by way of option, indemnity or otherwise) of the kind referred to in Note 8 to Rule 22 of the Takeovers Code in relation to the relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) of each of the Company and the Offeror which might be material to the Offer;

(c) save for the Restructuring Framework Agreement, the Facility Agreement, the Subscription Agreement and the transactions contemplated thereunder there is no agreement or arrangement to which the Offeror is a party which relates to the circumstances in which it may or may not invoke or seek to invoke a pre-condition or a condition to the Offer;

(d) save for the Irrevocable Undertaking, none of the members of the Concert Party Group has received any irrevocable commitment(s) to accept or reject the Offer;

(e) none of the Offeror and/or parties acting in concert with any of them has borrowed or lent any relevant securities (as defined in Note 4 to Rule 22 of the Takeovers Code) in the Company;

(f) save for the Restructuring Framework Agreement, the Facility Agreement, the Subscription Agreement and the transactions contemplated thereunder there is no understanding, arrangement or agreement between the Offeror and/or parties acting in concert with any of them on the one hand and the Company on the other hand;

(g) save for the set-off of the loan in the principal amount of HK$39,000,000 pursuant to the Funding Agreement entered into among the Offeror, the Company, and Ka Yun against the Subscription Price for the Subscription Shares, there is no other consideration, compensation or benefit in whatever form paid, given or set-off (or to be paid, given or set off) by the Offeror or members of the Concert Party Group to the Company, Ka Yun, or any party acting in concert with them in connection with the Subscription for the Subscription Shares;

(h) there is no other agreement, arrangement or understanding that any securities acquired in pursuance of the Offer or the Offer Shares would be transferred, charged or pledged to any other persons;

(i) save for the Restructuring Framework Agreement, the Facility Agreement, the Subscription Agreement and the transactions contemplated thereunder there is no agreement, arrangement or understanding (including any compensation arrangement) between the Offeror or parties acting in concert with it on one hand, and any Directors, recent Directors, Shareholders or recent Shareholders on the other hand, having any connection with or dependence upon the Offer;

(j) no benefit (other than statutory compensation required under the applicable laws) was or would be given to any Directors as compensation for loss of office or otherwise in connection with the Offer;

(k) save for the Subscription Agreement entered into by the Offeror, none of the Offeror and/or members of the Concert Party Group has dealt for value in nor owned any Shares, options, derivatives, warrants or other securities convertible into Shares or other derivatives in respect of securities in the Company during the Relevant Period; and

(l) save for the Restructuring Framework Agreement, Subscription Agreement, and Funding Agreement, there was no understanding, arrangement, agreement or special deal (as defined under Rule 25 of the Takeovers Code) between the Offeror and the members of the Concert Party Group on the one hand, and any Shareholder on the other hand.

4. QUALIFICATIONS AND CONSENTS

The following are the qualifications of the experts who have given their opinion and advice which are contained in this Composite Document:

Name	Qualification
DL Securities	a corporation licensed by the SFC to carry out Type 1 (dealing in securities), Type 4 (advising on securities) and Type 6 (advising on corporate finance) regulated activities under the SFO, being the agent making the Offer for and on behalf of the Offeror and one of the joint financial advisers to the Offeror in connection with the Offer
Alpha Financial	a licensed corporation to carry out business in Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO, being one of the joint financial advisers to the Offeror in connection with the Offer
Jun Hui International	a licensed corporation permitted to carry out Type 6 (advising on corporate finance) regulated activity under the SFO, being the independent financial adviser appointed by the Company, to 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 this Composite Document

Each of the above experts has given and has not withdrawn its written consent to the issue of this Composite Document with the inclusion of the text of its letter, advice and/or references to its name, in the form and context in which they appear herein.

5. MARKET PRICES

The table below shows the closing prices of the Shares quoted on the Stock Exchange on (a) the last day on which trading took place in each of the calendar months during the six-month period immediately prior to Last Trading Day; (b) the Last Trading Day; and (c) the Latest Practicable Date:

Date	**Closing price per Share** *HK$*
30 January 2026	0.71
27 February 2026	0.79
31 March 2026	0.69
30 April 2026	0.66
29 May 2026	0.62
30 June 2026	0.74
15 July 2026 (Last Trading Day)	0.72
31 July 2026	0.52
31 August 2026	0.595
14 September 2026 (Latest Practicable Date)	0.55

The lowest and highest closing market prices of the Shares recorded on the Stock Exchange during the Relevant Period were HK$0.420 on 19 and 20 May 2026 and HK$0.920 on 24 June 2026 respectively.

6. MISCELLANEOUS

(a) The Offeror is a company incorporated in Hong Kong with limited liability, which is wholly owned by Jilin Ground Group.

(b) The members of the Concert Party Group are the Offeror and the parties acting in concert with it (including 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).

(c) The registered office of the Offeror is situated at the office of Room 1304, 13/F, China Resources Building, No. 26 Harbour Road, Wan Chai, Hong Kong.

(d) The correspondence address of the Offeror is situated at Room 1304, 13/F, China Resources Building, No. 26 Harbour Road, Wan Chai, Hong Kong.

(e) The main business address of DL Securities is situated at 21/F, DL Tower, 92 Wellington Street, Central, Hong Kong.

(f) The main business address of Alpha Financial is situated at Unit B, 15/F, Two Chinachem Plaza, 68 Connaught Road Central, Central, Hong Kong.

(g) The English text of this Composite Document and the accompanying Form of Acceptance shall prevail over their respective Chinese texts, in case of any inconsistency.

7. DOCUMENTS ON DISPLAY

Copies of the following documents are published (i) on the website of the SFC (www.sfc.hk) and (ii) on the website of the Company (http://www.chinacbsintl.com/html/index.php) from the date of this Composite Document up to and including the Closing Date:

(a) the memorandum of association and articles of association of the Offeror;

(b) the letter from DL Securities and Alpha Financial, the text of which is set out in this Composite Document;

(c) the written consents referred to in the paragraph headed "4. Qualifications and Consents" in this appendix;

(d) the Restructuring Framework Agreement; and

(e) the Supplemental Restructuring Framework Agreement.