Executive Directors Mr. Xu Yingchuan *(Acting Chairperson)* Mr. Li Junjie Mr. Cong Peifeng	*Registered office in the Bermuda:* Richmond House 12 Par-la-Ville Road Hamilton HM 08
Non-executive Directors: Mr. Cui Mindong Mr. Chiu Sin Nang, Kenny	*Principal Place of Business in Hong Kong:* Room 1304, 13th Floor, China Resources Building, No. 26 Harbour Road, Wan Chai, Hong Kong
Independent non-executive Directors: Mr. Tsang Hung Kei Mr. Wang Xiaochu Ms. Wang Meirong	

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) (restated) *(Note)*	(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)

	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

徐颖川

Xu Yingchuan
Acting Chairperson and Executive Director