

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to the accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.

WINDMILL GROUP LIMITED

(海鑫集團有限公司)

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1850)

RESULTS OF THE RIGHTS ISSUE ON THE BASIS OF TWO (2) RIGHTS SHARES FOR EVERY ONE (1) SHARE HELD AT THE CLOSE OF BUSINESS ON THE RECORD DATE ON A NON-UNDERWRITTEN BASIS

Reference is made to the prospectus (the “**Prospectus**”) of WINDMILL Group Limited Holdings Limited (the “**Company**”) dated 19 May 2023 and the announcement of the Company dated 9 June 2023 in relation to, among other things, the Rights Issue and the Placing. Unless otherwise defined herein, capitalised terms used herein shall have the same meanings as those defined in the Prospectus.

RESULTS OF THE RIGHTS ISSUE AND THE PLACING

As disclosed in the Announcement, as at 4:00 p.m. on Monday, 5 June 2023, being the Latest Time for Acceptance, a total of 12 valid acceptances and applications had been received for a total of 2,181,829 Rights Shares, representing approximately 2.27% of the total number of Rights Shares offered under the Rights Issue. As at the Record Date, there were no Excluded Shareholders and the number of the NQS Unsold Shares is nil. Based on the above results of valid acceptances and applications, the total number of Unsubscribed Rights Shares subject to the Compensatory Arrangements shall be 93,818,171 Rights Shares. The Company has, pursuant to Rule 7.21(1)(b), made the Compensatory Arrangements by entering into the Placing Agreement with the Placing Agent pursuant to which the Company conditionally appointed the Placing Agent and the Placing Agent conditionally agreed to act as the placing agent for the Company to procure, on a best effort basis, places to subscribe for the Unsubscribed Rights Shares in accordance with the terms of the Placing Agreement.

The Board wishes to announce that at 6:00 p.m. on Monday, 19 June 2023, being the Placing End Date, all the 93,818,171 Unsubscribed Rights Shares were successfully placed at the price of HK\$1.36 per Share, which is equal to the Subscription Price, under the Placing. Therefore, there is no Net Gain available for distribution to the No Action Shareholders under the Placing.

As all the conditions with respect to the Rights Issue and the Placing as set out in the Prospectus have been fulfilled, the Rights Issue and the Placing became unconditional at 4:10 p.m. on Tuesday, 20 June 2023.

Based on the results of acceptance of the Rights Issue and the results of the Placing, the Rights Shares to be allotted and issued amounted to 96,000,000 Rights Shares, representing 100% of the total number of Rights Shares offered for subscription under the Rights Issue.

To the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, (i) each of the placees and where appropriate, their respective ultimate beneficial owner(s), is an Independent Third Party; and (ii) save and except for Mr. Li Junheng and Mr. Li Yintao, none of the placees has become a substantial Shareholder immediately upon completion of the Placing.

Accordingly, the gross proceeds raised from the Rights Issue were approximately HK\$130.56 million and the net proceeds (after deduction of expenses) from the Rights Issue were approximately HK\$128.24 million. As disclosed in the Prospectus, the Company intends to apply the net proceeds from the Rights Issue as follows:

- (i) approximately HK\$109.00 million to support the Group's forthcoming fire safety systems projects and its ancillary services, of which approximately HK\$24.44 million (representing approximately 19.06% of the net proceeds) for the prepayment to the subcontractors and/or suppliers ranging from approximately HK\$0.10 million to approximately HK\$11.4 million for each project and approximately HK\$84.56 million (representing approximately 65.94% of the net proceeds) for the initial start-up costs of the abovementioned projects ranging from approximately HK\$0.10 million to approximately HK\$49.75 million for each project; and
- (ii) the remaining of the net proceeds from the Rights Issue for the general working capital of the Group, of which approximately HK\$15.22 million (representing approximately 11.87% of the net proceeds) for the staff cost, approximately HK\$2.84 million (representing approximately 2.21% of the net proceeds) for the rental expenses and approximately HK\$1.18 million (representing approximately 0.92% of the net proceeds) for other office overhead.

SHAREHOLDING STRUCTURE OF THE COMPANY

To the best of the Directors' knowledge, information and belief after having made all reasonable enquiries, set out below is the shareholding structure of the Company immediately before and after the completion of the Rights Issue and the Placing:

Name of the Shareholder	Immediately before completion of the Rights Issue and the Placing		Immediately after completion of the Rights Issue and the Placing	
	Number of Shares	Approximate %	Number of Shares	Approximate %
Garden Wealth Investment Limited (<i>Note 1</i>)	10,683,000	22.26	10,683,000	7.42
Great Season Ventures Limited (<i>Note 2</i>)	6,183,000	12.88	6,183,000	4.29
Public Shareholders (<i>Note 3</i>)	31,134,000	64.86	33,315,829	23.14
Places				
– Li Junheng (<i>Note 4</i>)	–	–	41,760,000	29.00
– Li Yintao (<i>Note 5</i>)	–	–	36,000,000	25.00
– Other places	–	–	16,058,171	11.15
Total	<u>48,000,000</u>	<u>100.00</u>	<u>144,000,000</u>	<u>100.00</u>

Notes:

- Garden Wealth Investment Limited is wholly and beneficially owned by Ms. Li Minying. By virtue of the SFO, Ms. Li Minying is deemed to be interested in all the shares in which Garden Wealth Investment Limited is interested or deemed to be interested under the SFO. Ms. Li Minying is also the sole director of Garden Wealth Investment Limited.
- Great Season Ventures Limited is wholly and beneficially owned by Mr. Jiang Jianhui. By virtue of the SFO, Mr. Jiang Jianhui is deemed to be interested in all the shares in which Great Season Ventures Limited is interested or deemed to be interested under the SFO. Mr. Jiang Jianhui is also the sole director of Great Season Ventures Limited.
- As at the date of this announcement, the Company has no controlling Shareholder as defined under the Listing Rules and none of the Directors and their respective associates is interested in any Shares.
- Mr. Li Junheng has about 25 years' experience in corporate investment and business management, particularly comprehensive logistics, port cargo internet and large-sale commodity trading digital platforms solid experience in China, Asia and Europe. Mr. Li was an executive director of International Genius Company (stock code:33) between November 2019 and January 2020.
- Mr. Li Yintao is a businessman in China. He is currently the sales general manager of Wanxiangjinlai Investment Consulting (Zhuhai) Co., Ltd. (萬向金來投資諮詢(珠海)有限公司) since 2017 and was a sales director of Zhengtongyun Trading (Zhuhai) Co., Ltd. (正通運貿易(珠海)有限公司) between 2013 and 2017.

DESPATCH OF SHARE CERTIFICATES FOR THE RIGHTS SHARES

Share certificates for the fully-paid Rights Shares are expected to be posted on or before Wednesday, 28 June 2023 to those entitled thereto at their registered addresses by ordinary post at their own risk.

COMMENCEMENT OF DEALINGS IN FULLY-PAID RIGHTS SHARES

Dealings in the Rights Shares, in their fully-paid form, are expected to commence on the Stock Exchange at 9:00 a.m. on Thursday, 29 June 2023.

By order of the Board
WINDMILL Group Limited
Liu Shihao
Chairman

Hong Kong, 27 June 2023

As at the date of this announcement, the executive Directors are Mr. Liu Shihao, Mr. Li Shing Kuen Alexander and Ms. Wang Ya; and the independent non-executive Directors are Mr. Yu Wai Chun, Mr. Li Ka Chun Gordon and Mr. Xian Gonghua.