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WINDMILL GROUP LIMITED

(海鑫集團有限公司)

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1850)

THIRD SUPPLEMENTAL ANNOUNCEMENT ON DISCLOSEABLE TRANSACTION IN RELATION TO THE ACQUISITION OF THE TARGET COMPANY

Reference is made to (1) the announcement of the Company dated 8 December 2022 (the “**Announcement**”); (2) the supplemental announcement of the Company dated 18 January 2023 and (3) the second supplemental announcement of the Company dated 28 April 2023 in relation to the Acquisition by the Purchaser (a wholly-owned subsidiary of the Company) of the Sale Shares pursuant to the Sale and Purchase Agreement. Unless the context requires otherwise, capitalised terms used herein shall have the same meanings as those defined in the Announcement.

The Company would like to provide an update on the Acquisition in this announcement.

THE SUPPLEMENTAL AGREEMENT

The Board announces that on 31 July 2023 (after trading hours), the Purchaser and the Vendor entered into a second supplemental agreement (the “**Second Supplemental Agreement**”) to amend and modify certain terms of the Sale and Purchase Agreement, pursuant to which the period within which the Purchaser may elect (but is not obliged to) to exercise the Option to purchase all or part of the Option Shares was extended from 31 July 2023 to 31 December 2023 (the “**Second Extension**”). Apart from the Second Extension, the other terms and conditions of the Sale and Purchase Agreement shall continue to remain in full force and effect.

On the basis that (i) the Purchaser is not required to pay any consideration for the Second Extension and (ii) the exercise of the Option is a right and not an obligation of the Purchaser, the Directors are of the view that the terms of the Second Supplemental Agreement and the transactions contemplated thereunder, which have been agreed after arm’s length negotiations, are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

LISTING RULES IMPLICATIONS

When the Company exercises the Option, it will comply with the relevant Listing Rules. Further announcement(s) will be made by the Company in this regard as and when necessary.

By Order of the Board
WINDMILL Group Limited
Li Junheng
Chairman

Hong Kong, 31 July 2023

As at the date of this announcement, the executive Director is Mr. Li Junheng, Mr. Li Shing Kuen Alexander and Ms. Wang Ya; and the independent non-executive Directors are Mr. Xian Gonghua, Mr. Li Ka Chun Gordon and Ms. Mak Suet Man.