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## **HSC Resources Group Limited**

### **鴻盛昌資源集團有限公司**

*(Formerly known as WINDMILL Group Limited 海鑫集團有限公司)*

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 1850)**

## **SUPPLEMENTAL ANNOUNCEMENT PLACING OF NEW SHARES UNDER GENERAL MANDATE**

**Placing Agent  
Matrix Securities Limited**

Reference is made to the announcement of the Company dated 17 April 2024 (“**Placing Announcement**”) in relation to the entering into of the Placing Agreement between the Company and the Placing Agent whereby the Company has conditionally agreed to place, through the Placing Agent, up to an aggregate of 28,800,000 Placing Shares on a best effort basis to not less than six Places at a price of HK\$0.56 per Placing Share.

Reference is also made to the supplemental announcement of the Company dated 18 April 2024 (“**Supplemental Announcement**”) in relation to the entering into of the Supplemental Agreement between the Company and the Placing Agent whereby the Company and the Placing Agent mutually agreed to amend the Placing Price (as defined in the Placing Agreement) from HK\$0.56 per Placing Share to HK\$0.63 per Placing Share.

Terms and expressions used in this supplemental announcement shall bear the same meaning as used in the Placing Announcement, unless the context requires otherwise.

On 30 April 2024, the Company and the Placing Agent have agreed in writing to further amend the Placing Price to HK\$0.67 per Placing Share.

On 30 April 2024, the Company and the Placing Agent entered into a Second Supplemental Agreement to (i) further amend the Placing Price to HK\$0.67 per Placing Share; and (ii) extend the long stop date for fulfilling the conditions precedent to the completion of the Placing under the Placing Agreement from 30 April 2024 to 16 May 2024 as more time is required to satisfy the conditions. All other terms of the Placing Agreement shall remain unchanged, save as amended by the Second Supplemental Agreement.

Accordingly, assuming the maximum 28,800,000 Placing Shares are fully placed, the gross proceeds and net proceeds (after deducting the placing commission and other related expenses) are estimated to be approximately HK\$19,296,000 and HK\$18,517,000 respectively.

Other than the Placing Price (as further amended) and the extension of the long stop date for the fulfillment of the Conditions to Completion of the Placing, there is no amendment or variation to the number of Placing Shares, the Placing Condition or other terms in the Placing Agreement. For ease of reference, this supplemental announcement sets out the contents of the Placing Announcement with the appropriate amendments.

**Shareholders and potential investors of the Shares should note that the Placing is subject to the fulfillment of the condition precedent to completion of the Placing and may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the Shares.**

Details of the Placing Agreement (as further amended) are set out as follows:

## **THE PLACING AGREEMENT (AS FURTHER AMENDED)**

### **Date**

17 April 2024 (after trading hours) (amended on 18 April 2024 and further amended on 30 April 2024)

### **Parties**

Issuer: The Company

Placing Agent: Matrix Securities Limited

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, as at the date of this announcement, the Placing Agent and its ultimate beneficial owners are Independent Third Parties.

The Placing Agent has conditionally agreed with the Company to place a maximum of 28,800,000 Placing Shares on best effort on a best effort basis to not less than six Placees who and whose ultimate beneficial owners will be Independent Third Parties. The Placees shall be individual, institutional or professional investors. Upon Completion, it is expected that none of the Placees will become a substantial Shareholder. If any of the Placees will become a substantial Shareholder after Completion, further announcement will be made by the Company.

### **Placing Shares**

As at the date of this announcement, the Company has 144,000,000 Shares in issue. Assuming there will be no change in the number of issued Shares between the date of this announcement and the date of Completion, the maximum number of 28,800,000 Placing Shares represent (i) 20% of the existing issued share capital of the Company as at the date of this announcement; and (ii) approximately 16.67% of the issued share capital of the Company as enlarged by the allotment and issue of the Placing Shares. Assuming all 28,800,000 Placing Shares are successfully placed by the Placing Agent, the aggregate nominal value of the maximum number of Placing Shares is HK\$5,760,000.

### **Placing Price (as further amended)**

The Placing Price (as further amended) of HK\$0.67 represents:

- (i) a discount of approximately 16.25% to the closing price of HK\$0.80 per Share as quoted on the Stock Exchange on the date of the Second Supplemental Agreement; and
- (ii) a discount of approximately 15% to the average closing price per Share of approximately HK\$0.79 as quoted on the Stock Exchange for the last five consecutive trading days immediately prior to the date of the Second Supplemental Agreement.

The Placing Price (as further amended) was determined with reference to the prevailing market price and was negotiated on an arm's length basis between the Company and the Placing Agent. The Directors consider that the Placing Price (as further amended) is fair and reasonable and is in the interests of the Company and the Shareholders as a whole.

### **General Mandate**

The Placing Shares will be allotted and issued under the General Mandate granted to the Board pursuant to which the Board is authorised to allot, issue and deal with up to 28,800,000 Shares, being 20% of the then issued share capital of the Company. As at the date of this announcement, no Shares has been allotted and issued pursuant to the General Mandate and therefore the allotment and issue of the Placing Shares is not subject to the approval by the Shareholders.

## **Commission**

The Placing Agent will be entitled to a commission of 3% of the aggregate Placing Price (as further amended) for the Placing Shares successfully placed by the Placing Agent in accordance with the Placing Agreement (as further amended). The placing commission was negotiated on an arm's length basis between the Company and the Placing Agent.

## **Ranking of the Placing Shares**

The Placing Shares, when issued and fully paid, will rank *pari passu* in all respects among themselves and with the existing Shares in issue on the date of allotment and issue of the Placing Shares.

## **Conditions of the Placing**

Completion of the Placing is conditional upon the fulfillment of all of the following:

- (i) there shall not have occurred any material breach or any event rendering materially untrue or inaccurate, any of the representations, warranties or undertakings by the Company under the Placing Agreement (as further amended);
- (ii) the granting by the Listing Committee of listing of, and permission to deal in, all of the Placing Shares being obtained and not being subsequently revoked; and
- (iii) the Placing Agreement (as further amended) not being terminated by the Placing Agent pursuant to the terms of the Placing Agreement (as further amended).

If any of the conditions are not fulfilled on or before 16 May 2024 or such later date as the parties of the Placing Agreement (as further amended) may agree in writing, the Placing Agreement (as further amended) shall terminate and none of the parties to the Placing Agreement (as further amended) shall have any claim against the other for any costs or losses.

## **Application for Listing**

The Company will apply to the Listing Committee for the listing of, and permission to deal in, the Placing Shares.

## **Completion**

The Completion shall take place on the Completion Date after the fulfillment of the conditions set out above are satisfied (or such later date as may be agreed between the parties to the Placing Agreement (as further amended) in writing).

## Termination

If at any time between the execution of the Placing Agreement (as further amended) and at 8:00 a.m. on the Completion Date, there occurs:

- (i) any new law or regulation or any change or development involving a prospective change in existing laws or regulations (or the judicial interpretation thereof) which is or is likely to be materially adverse to the financial position, business affairs, prospects, profits, losses or the financial or trading position or performance of any member of the Group and the success of the Placing, or makes or is likely to make it impracticable to proceed therewith; or
- (ii) any event, or series of events in the nature of force majeure (including, without limitation, any calamity, act of government, strike, labour dispute, lock-out, fire, explosion, flooding, earthquake, civil commotion, economic sanctions, epidemic, pandemic, outbreak of infectious disease, outbreak or escalation of hostilities, act of terrorism and act of God) involving Hong Kong, PRC, the United Kingdom, the European Union or the United States, or the declaration by Hong Kong, PRC, the United Kingdom, the European Union or the United States of war or a state of emergency or calamity or crisis; or
- (iii) any change or development in local, national or international financial, political, military, industrial, fiscal, regulatory, currency or market conditions (including, without limitation, conditions in the stock and bond markets, money and foreign exchange markets, interbank markets and credit markets) which is or is likely to be materially adverse to the success of the Placing, or makes or is likely to make it impracticable to proceed therewith; or
- (iv) any moratorium, suspension or material restriction on trading in shares or securities generally on the Stock Exchange due to exceptional financial circumstances or otherwise at any time prior to the Completion Date; or
- (v) any temporary suspension of the Shares on the Stock Exchange (but excluding any suspension pending the approval of the Press Announcement or any other announcement relating to the transactions contemplated by the Placing Agreement (as further amended)) before the Completion Date; or

there has come to the notice of the Placing Agent:

- (i) any material breach of the representations, warranties and undertakings set out in the Placing Agreement (as further amended) by the Company (or, in the case of any such representations, warranties and undertakings which are not qualified by materiality, any breach of any of such representations, warranties and undertakings in any material respect); or

- (ii) any material breach of the obligations imposed upon the Company; or
- (iii) any of the representations, warranties and undertakings set out in the Placing Agreement (as further amended) would be untrue or inaccurate or misleading in any material respect if given at that time; or
- (iv) any material adverse change in the business or in the financial or trading position or prospects of any member of the Group taken as a whole which is material in the context of the Placing;

then and in any such case, the Placing Agent may terminate the Placing Agreement (as further amended) without liability to the Company by giving notice in writing to the Company, which notice may be given at any time prior to 8:00 a.m. (Hong Kong time) on the Completion Date.

### **REASONS FOR THE PLACING AND USE OF PROCEEDS**

The Group is a registered fire service installation contractor engaged in installation, maintenance, repair or inspection of fire safety systems for more than 30 years in Hong Kong.

Assuming the maximum 28,800,000 Placing Shares are fully placed, the gross proceeds and net proceeds (after deducting the placing commission and other related expenses) are estimated to be approximately HK\$19,296,000 and HK\$18,517,000 respectively. The Company intends to apply the net proceeds from the Placing as to approximately HK\$3,000,000 for repayment of shareholders loan(s), approximately HK\$11,000,000 for business expansion and the remainder for general working capital of the Group.

In light of the prevailing financial conditions of the Group, the Board considers that the Placing to be a suitable financial option as compared to other means of financing as it enables the Group to raise capital in an efficient manner without increasing interest burden on the Group, strengthen the financial position of the Company and represents a good opportunity to broaden the Shareholders' base and capital base of the Company.

The Board considers that the terms of the Placing Agreement (as further amended) and the transactions contemplated thereunder (including the Placing, the Placing Price (as further amended) and the placing commission) are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

## FUND-RAISING ACTIVITIES BY THE COMPANY IN THE PAST TWELVE MONTHS

The Company has conducted the following equity fund-raising activities in the past 12 months immediately preceding the date of this announcement:

<b>Date of announcements</b>	<b>Fund-raising activity</b>	<b>Net proceeds (approximate)</b>	<b>Intended use of proceeds as announced</b>	<b>Actual use of proceeds as at the date of this announcement</b>
28/6/2023, 27/6/2023, 9/6/2023, 19/5/2023, 12/5/2023, 3/5/2023, 28/4/2023, 3/4/2023, 13/3/2023, 6/3/2023 and 10/2/2023	Rights Issue	HK\$128.24 million	(a) approximately HK\$109 million to support the Group's fire safety systems projects and its ancillary services; and  (b) the remaining of the net proceeds from the Rights Issue for general working capital.	applied as intended          applied as intended

Save as disclosed above, the Company has not conducted any fund-raising activities in the past twelve months immediately prior to the date of this announcement.

## EFFECTS ON SHAREHOLDING STRUCTURE

The shareholding structure of the Company (i) as at the date of this announcement; and (ii) immediately after the Completion, assuming that there is no change in the issued share capital of the Company between the date of this announcement and the Completion:

<b>Shareholders</b>	<b>As at the date of this announcement</b>		<b>Immediately after Completion</b>	
	<i>Number of Shares</i>	<i>Approximate %</i>	<i>Number of Shares</i>	<i>Approximate %</i>
Li Junheng	14,390,000	9.90	14,390,000	8.33
The Placees	–	–	28,800,000	16.67
Other public Shareholders	<u>129,610,000</u>	<u>90.10</u>	<u>129,610,000</u>	<u>75.00</u>
<b>Total</b>	<u><u>144,000,000</u></u>	<u><u>100.00</u></u>	<u><u>172,800,000</u></u>	<u><u>100.00</u></u>

**Shareholders and potential investors of the Company shall be aware that the Placing is on a best effort basis and Completion is subject to fulfillment of the conditions set out in the Placing Agreement (as further amended). As the Placing may or may not proceed, Shareholders and potential investors of the Company are reminded to exercise caution when dealing in the Shares.**

## **DEFINITIONS**

In this announcement, unless the context otherwise requires, the following words and expressions shall have the following meanings ascribed to them respectively:

“AGM”	the annual general meeting of the Company held on 20 October 2023
“Board”	the board of Directors
“Business Day”	a day (other than Saturday, Sunday and public holiday) on which licensed banks in Hong Kong are open for business
“Company”	HSC Resources Group Limited, a company incorporated in Cayman Islands with limited liability, the issued Shares of which are listed on the main board of the Stock Exchange
“Completion”	the completion of the Placing in accordance with the terms and conditions set out in the Placing Agreement (as further amended)
“Completion Date”	the date of Completion, after the conditions of the Placing are fulfilled, but in any event no later than 16 May 2024, or such other date as the Company and the Placing Agent may agree in writing
“Conditions of the Placing”	the conditions of the Placing referred to in P.4 of this Announcement
“Connected persons”	has the meanings as ascribed thereto under the Listing Rules
“Director(s)”	the director(s) of the Company
“General Mandate”	the general mandate granted to the Directors by the Shareholders pursuant to an ordinary resolution passed at the AGM, to allot and issue up to 28,800,000 Shares, being 20% of the total number of Shares in issue as at the date of the annual general meeting



“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	any person or company and their respective ultimate beneficial owners (if applicable) who, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, are third parties independent of the Company and its connected persons
“Listing Committee”	the listing committee of the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Placee(s)”	any individuals, corporate, institutional investors or other investors who are Independent Third Parties, procured by or on behalf of the Placing Agent to subscribe for any of the Placing Shares
“Placing”	the placing of the Placing Shares, on a best effort basis, procured by the Placing Agent to the Placees, on and subject to the terms and condition set out in the Placing Agreement (as further amended)
“Placing Agent”	Matrix Securities Limited, a licensed corporation to carry out Type 1 (dealing in securities) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Placing Agreement (as further amended)”	the conditional placing agreement dated 17 April 2024 entered into between the Company and the Placing Agent in relation to the Placing as amended by the parties thereto from time to time
“Placing Price (as further amended)”	the placing price of HK\$0.67 per Placing Share
“Placing Share(s)”	a maximum up to 28,800,000 new Shares to be placed pursuant to the Placing Agreement (as further amended)
“PRC”	the People’s Republic of China

“Second Supplemental Agreement”	the second agreement supplemental to the Placing Agreement dated 17 April 2024 entered into between the Company and the Placing Agent on 30 April 2024 in respect of the Placing
“Share(s)”	ordinary share(s) of HK\$0.2 each in the share capital of the Company
“Shareholder(s)”	the holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent.

By order of the Board  
**HSC Resources Group Limited**  
**Li Junheng**  
*Chairman*

Hong Kong, 30 April 2024

*As at the date of this announcement, the Executive Directors are Mr. Li Junheng, Mr. Li Shing Kuen Alexander and Ms. Chau Ngai Mo; the Independent Non-executive Directors are Mr. Li Ka Chun Gordon, Ms. Mak Suet Man and Mr. Fu Wing Kwok Ewing.*