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Volcano Spring International Holdings Limited

火山邑動國際控股有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 1715)

SUPPLEMENTAL ANNOUNCEMENT IN RELATION TO PLACING OF NEW SHARES UNDER GENERAL MANDATE

Placing Agent



Reference is made to the announcements of Volcano Spring International Holdings Limited (the “**Company**”) dated 21 August 2023 and 25 August 2023 in relation to the Placing (the “**Announcements**”). Capitalised terms used herein shall have the same meanings as those defined in the Announcements unless otherwise stated herein.

On 31 August 2023 (after trading hours), the Placing Agent has informed the Company that only one Placee has agreed to subscribe for the Placing Shares at the Placing Price of HK\$0.075 per Placing Share. As the number of Placees is less than six and in accordance with Rule 13.28(7) of the Listing Rules, the Company is required to disclose the name of the Placee. This Placee is Mr. Dong Jianxin (“**Mr. Dong**”), subscribing for 55,300,000 Placing Shares. Assuming there will be no change in the issued share capital of the Company between the date of this announcement and the completion of the Placing, the number of Placing Shares that Mr. Dong has agreed to subscribe represents (i) approximately 3.01% of the issued share capital of the Company as at the date of this announcement; and (ii) approximately 2.93% of the issued share capital of the Company as enlarged by the allotment and issue of the Placing Shares to Mr. Dong. The Placing Shares will be allotted and issued pursuant to the General Mandate.

To the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, Mr. Dong is an individual investor holding 2,770,000 Shares (representing approximately 0.15% of the issued share capital of the Company as at the date of this announcement) and he is independent of, and not connected with, the Company and its connected persons and he will not become a substantial Shareholder immediately following the Completion.

The estimated gross proceeds and net proceeds (after deducting the placing commission and other related expenses and professional fees) from the Placing to Mr. Dong will amount to approximately HK\$4.15 million and approximately HK\$4.11 million, respectively.

The Company intends to apply the entire net proceeds from the Placing towards the repayment of debts of the Group. The Board is of the view that the terms of the Placing Agreement and the transactions contemplated thereunder (including the Placing, the Placing Price and the placing commission) are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

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 the Placing may or may not proceed, Shareholders and potential investors of the Company are reminded to exercise caution when dealing in the Shares.

By order of the Board
Volcano Spring International Holdings Limited
Madam Maeck Can Yue
Chairperson

Hong Kong, 31 August 2023

As at the date of this announcement, the executive Directors of the Company are Madam Maeck Can Yue and Mr. Wu Huizhang, and the independent non-executive Directors of the Company are Mr. Wang Shih-fang, Mr. Yan Chi Ming, Mr. Hooi Hing Lee and Mr. Li Wei.