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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)

VOLUNTARY ANNOUNCEMENT STRATEGIC COOPERATION FRAMEWORK AGREEMENT

This is a voluntary announcement made by Volcano Spring International Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”).

THE STRATEGIC COOPERATION FRAMEWORK AGREEMENT

The board (the “**Board**”) of the directors (the “**Directors**”) of the Company is pleased to announce that on 22 December 2023, 上海米逸及科技有限公司 (Shanghai Miyiji Keji Company Limited*) (“**Shanghai Miyiji**”), an indirect wholly-owned subsidiary of the Company has entered into a strategic cooperation framework agreement with 深水灣控股(深圳)集團有限公司 (Deep Water Bay Holding (Shenzhen) Group Co., Ltd.*) (“**Deep Water Bay Holding**”) in relation to the sale and distribution of healthcare products (the “**Strategic Framework Cooperation Agreement**”).

Pursuant to the Strategic Cooperation Framework Agreement, Shanghai Miyiji intends to establish strategic cooperation with Deep Water Bay Holding to expand the market share in healthcare industry in China by setting up an online sales platform and offline retail shops.

Both Shanghai Miyiji and Deep Water Bay Holding will conduct due diligence reviews before entering into a formal cooperation agreement. Each party shall use its reasonable endeavours to assist the other party in connection with such reviews so as to enable the reviews to be completed as soon as possible.

NON LEGALLY-BINDING EFFECT

The Strategic Cooperation Framework Agreement does not constitute a commitment or binding obligation on the parties in relation to the strategic cooperation. The strategic cooperation under the Strategic Cooperation Framework Agreement will be subject to execution and completion of binding agreement(s).

EFFECTIVE PERIOD OF THE STRATEGIC COOPERATION FRAMEWORK AGREEMENT

The Strategic Cooperation Framework Agreement has an effective period of 180 working days commencing from the date of the Strategic Cooperation Framework Agreement.

BACKGROUND OF DEEP WATER BAY HOLDING

Deep Water Bay Holding is a company incorporated in China with limited liability. It is principally engaged in the provision of supply chain management services and information technology services in China.

ADVANTAGES AND BENEFITS OF THE STRATEGIC COOPERATION AGREEMENT

The Group is principally engaged in the sales and distribution of kitchen appliances and healthcare products in China.

The Company considers that the demand for healthcare products in China remains strong. It believes that the strategic cooperation with Deep Water Bay Holding is an opportunity for business growth and it can also expand and diversify the Company's customer base. Accordingly, the Board is of the view that this strategic cooperation is in the interests of the Company and its shareholders as a whole.

To the best of the Directors' knowledge, information and belief, and after making all reasonable enquiries, Deep Water Bay Holding and its ultimate beneficial owners are independent of and not connected with the Company or its connected persons.

GENERAL

As the Strategic Cooperation Framework Agreement may or may not lead to the entering into any binding agreement(s), the aforesaid proposed cooperation may or may not proceed. Shareholders of the Company and potential investors are advised to exercise caution when dealing in the shares of the Company.

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

Hong Kong, 22 December 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.

* *For identification purpose only*