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Virtual Mind Holding Company Limited
天機控股有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 1520)

PROFIT WARNING

This announcement is made by Virtual Mind Holding Company Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09(2)(a) of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Future Ordinance (Chapter 571 of the Laws of Hong Kong).

The board (the “**Board**”) of directors (the “**Directors**”) of the Company wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that, based on the preliminary assessment of the unaudited consolidated management accounts of the Group for the six months ended 30 June 2022 (the “**Period**”), the Group is expected to record a significant increase of not less than 90% in loss attributable to owners of the Company for the Period as compared to the loss of approximately HK\$20,522,000 attributable to owners of the Company for the same period in 2021. The significant increase in loss for the Period was mainly attributable to (i) decline in revenue from our apparel operation as our apparel operation was affected by the spread of Omicron virus and the corresponding preventive and control measures; (ii) increase in the provision of expected credit loss allowance on loans and interest receivables expenses from our money lending operation due to an increase in the loans and interest receivables, and deterioration of the credit status of certain borrowers; and (iii) incurrence of share-based compensation arisen from the Company’s issuance of share options in the Period.

The Company is still in the process of finalising its unaudited consolidated results for the six months ended 30 June 2022. The financial information contained in this announcement is only based on preliminary assessment by the Board with reference to the information currently available as aforementioned, which has neither been reviewed by the Company's independent auditor nor the audit committee of the Company, and is therefore subject to change and adjustment. Shareholders and potential investors are advised to read carefully the results announcement of the Company for the Period, which is expected to be published in late August 2022 in accordance with the requirements of the Listing Rules.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

By order of the Board
Virtual Mind Holding Company Limited
Li Yang
Chairman and Executive Director

Hong Kong, 19 August 2022

As at the date of this announcement, the executive Directors are Mr. Li Yang, Ms. Tin Yat Yu Carol, Mr. Cheung Ka Lung, Mr. Chan Ming Leung Terence and Mr. Gong Xiaohan; and the independent non-executive Directors are Mr. Tang Shu Pui Simon, Mr. Hon Ming Sang and Ms. Lo Wing Sze BBS, JP.