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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)

GRANT OF SHARE OPTIONS

This announcement is made pursuant to Rule 17.06A of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

The board (the “**Board**”) of directors (the “**Directors**”, and each a “**Director**”) of Virtual Mind Holding Company Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) hereby announces that on 17 January 2023, the Company offered to grant 168,850,000 share options (the “**Options**”) to 20 eligible participants (the “**Grantees**”) to subscribe for ordinary shares of HK\$0.01 each in the share capital of the Company (the “**Shares**”) under the share option scheme adopted by the Company on 22 November 2013 (the “**Share Option Scheme**”) and the scheme mandate limit under the Share Option Scheme as refreshed on 21 June 2022, subject to the acceptance of the Options by the Grantees.

A summary of such grant is set out below:

Date of grant	:	17 January 2023 (the “ Date of Grant ”)
Number of Options granted	:	168,850,000 Options (each Option shall entitle the Grantees to subscribe for one Share)
Exercise price of the Options granted	:	HK\$0.23 per Share, which is the highest of (i) the closing price of the Shares as stated in the daily quotations sheet issued by the Stock Exchange on the Date of Grant, being HK\$0.23);

(ii) the average of the closing prices of the Shares as stated in the daily quotations sheet issued by the Stock Exchange for the five business days immediately preceding the Date of Grant, being HK\$0.2256;

and

(iii) the nominal value of the Share.

- Validity period of the Options : The Options shall be valid for 10 years commencing from the Date of Grant, subject to the vesting conditions as stated in the offer letter and the provisions for early termination contained in the Share Option Scheme.
- Vesting period of the Options : 100% of Options granted shall be vested to the Grantees on 17 January 2024.
- Performance target and clawback mechanism : There is no performance target nor clawback mechanism attached to the Options.

The purpose of the Share Option Scheme is to motivate and retain the grantees by allowing them to enjoy the results of the Group attained through their efforts and contributions to the Group.

Having considered that (i) the Grantees are either Directors, employees or the company secretary of the Group who will contribute directly to the overall business performance, sustainable development and/or good corporate governance of the Group, and (ii) the Options are subject to certain vesting conditions and terms of the Share Option Scheme, which already covers situations where the Options will lapse in the event that the Grantees cease to be Directors or employees of the Group, the remuneration committee of the Company and the Board believe that without additional performance target and clawback mechanism, the grant of the Options could align the interests of the Grantees with that of the Company and the Shareholders, provide incentive to the Grantees to devote to the future continuous competitiveness, results of operation and growth of the Company, and reinforce their commitment to long term services of the Company, which is in line with the purpose of the Share Option Scheme.

- Financial assistance : The Group has not provided any financial assistance to the Grantees to facilitate the purchase of Shares under the Share Option Scheme.

All the Grantees are either Directors, employees or the company secretary of the Group. Among the Options granted above, 65,400,000 Options were granted to the following Directors:

Name of Director	Position	Number of Options granted
Li Yang	Executive Director	19,800,000
Tin Yat Yu Carol	Executive Director	19,800,000
Cheung Ka Lung	Executive Director	3,000,000
Gong Xiaohan	Executive Director	19,800,000
Tang Shu Pui Simon	Independent non-executive Director	1,000,000
Hon Ming Sang	Independent non-executive Director	1,000,000
Lo Wing Sze	Independent non-executive Director	1,000,000

The grant of the Options to the above Directors has been approved by the independent non-executive Directors in accordance with Rule 17.04(1) of the Listing Rules (excluding the independent non-executive Director who is a Grantee). Each of the abovementioned Directors has abstained from voting in the grant of Options to him/her.

Save as disclosed above, none of the Grantees is (i) a Director, chief executive or substantial shareholder of the Company or an associate (as defined under the Listing Rules) of any of them; (ii) a participant with options granted and to be granted exceeding the 1% individual limit under Rule 17.03D of the Listing Rules; or (iii) a related entity participant or service provider with options granted and to be granted in any 12-month period exceeding 0.1% of the issued Shares, as at the date of this announcement.

After the grant of the Options, the number of Shares available for future grant under the Share Option Scheme is 157,276,737.

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

Hong Kong, 17 January 2023

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.