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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)**

**PLACING OF NEW SHARES UNDER GENERAL MANDATE**

**Placing Agent**



**VC BROKERAGE LIMITED**

**滙盈證券有限公司**

**VC Brokerage Limited**

**THE PLACING**

On 30 June 2023 (after trading hours), the Placing Agent and the Company entered into the Placing Agreement, pursuant to which the Company has conditionally agreed to place, through the Placing Agent, on a best effort basis, maximum of 390,000,000 Placing Shares to Placees who and whose ultimate beneficial owners will be third parties independent of the Company and not connected with the Company and its connected persons.

As at the date of this announcement, the Company has 2,024,774,324 Shares in issue. Assuming there will be no change in the issued share capital of the Company between the date of this announcement and the Completion Date, maximum of 390,000,000 Placing Shares represent (i) approximately 19.26% of the existing issued share capital of the Company as at the date of this announcement; and (ii) approximately 16.15% of the issued share capital of the Company as enlarged by the allotment and issue of the 390,000,000 Placing Shares. The Placing Shares will be allotted and issued pursuant to the General Mandate and therefore the allotment and issue of the Placing Shares will not be subject to any Shareholders' approval.

The Placing Price of HK\$0.155 (i) is the same as the closing price of HK\$0.155 per Share as quoted on the Stock Exchange on the date of the Placing Agreement; and (ii) represents a discount of approximately 13.41% to the average closing price of approximately HK\$0.179 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately prior to the date of the Placing Agreement.

The maximum gross proceeds from the Placing will be approximately HK\$60 million. The maximum net proceeds from the Placing (after deducting the placing commission for the Placing and other relevant expenses) will amount to approximately HK\$59 million which is intended to be used for the purposes as further disclosed under the section “**USE OF PROCEEDS FROM THE PLACING**” in this announcement.

The Placing is conditional upon, among other things, the Listing Committee granting approval for the listing of, and permission to deal in, the Placing Shares.

**As the completion of the Placing is subject to satisfaction of the conditions in the Placing Agreement, the Placing may or may not proceed. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares.**

## **THE PLACING**

On 30 June 2023 (after trading hours), the Placing Agent and the Company entered into the Placing Agreement, pursuant to which the Company has conditionally agreed to place, through the Placing Agent, on a best effort basis, maximum of 390,000,000 Placing Shares to Placees who and whose ultimate beneficial owners will be third parties independent of the Company and not connected with the Company and its connected persons.

## **THE PLACING AGREEMENT**

### **Date**

30 June 2023 (after trading hours)

### **Issuer**

The Company

## **Placing Agent**

As at the date of this announcement, to the best of the Director's knowledge, the Placing Agent is an indirect wholly-owned subsidiary of VCH and is also the sole legal and beneficial owner of 11,658,000 Shares, representing approximately 0.58% of the existing total number of issued Shares and VCH is the sole legal and beneficial owner of 155,334,000 Shares and convertible bonds in the principal amount of HK\$10 million convertible into 66,844,919 Shares, representing approximately 7.67% and 3.30% of the existing total number of issued Shares respectively. VCIAM, an indirect wholly-owned subsidiary of VCH, is the investment manager of Anli Investment Fund SPC-Anli Greater China Opportunity Fund Segregated Portfolio which is interested in 265,650,887 Shares, representing approximately 13.12% of the existing total number of issued Shares.

## **Placees**

The Placing Agent will act as agent of the Company to procure not less than six (6) Placee(s) to subscribe for the Placing Shares at the Placing Price during the Placing Period on terms and conditions set out in the Placing Agreement on a best effort basis. The Placee(s) shall be any investor who is an individual, institutional or professional investor selected and/or procured by or on behalf of the Placing Agent as contemplated by the Placing Agreement and is (i) an Independent Third Party, and (ii) independent of and not parties acting in concert with any persons, other Placee(s) or Shareholders to the effect that any Placing to such investor shall not trigger any mandatory offer obligation under Rule 26.1 of the Takeovers Code, procured by the Placing Agent to subscribe for the Placing Shares pursuant to the Placing Agent's obligations under the Placing Agreement. The Placing Agent shall use its best endeavours to ensure that each and every Placee is an Independent Third Party and no Placee shall become a substantial shareholder (as defined in the Listing Rules) of the Company forthwith upon completion of the Placing.

## **Number of Placing Shares**

As at the date of this announcement, the Company has 2,024,774,324 Shares in issue. Assuming there will be no change in the issued share capital of the Company between the date of this announcement and the Completion Date, maximum of 390,000,000 Placing Shares represent (i) approximately 19.26% of the existing issued share capital of the Company as at the date of this announcement; and (ii) approximately 16.15% of the issued share capital of the Company as enlarged by the allotment and issue of the 390,000,000 Placing Shares. The aggregate nominal value of the maximum number of Placing Shares under the Placing will be HK\$3,900,000.

## **Ranking of Placing Shares**

The Placing Shares shall rank *pari passu* in all respects with the Shares then in issue, including the right to receive all dividends and/or distributions declared, made or paid on or after completion of the Placing.

## **Placing Price**

The Placing Price of HK\$0.155 (i) is the same as the closing price of HK\$0.155 per Share as quoted on the Stock Exchange on the date of the Placing Agreement; and (ii) represents a discount of approximately 13.41% to the average closing price of approximately HK\$0.179 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately prior to the date of the Placing Agreement.

The Placing Price was determined with reference to the prevailing market price of the Shares and was negotiated on an arm's length basis between the Company and the Placing Agent. The Directors consider that the terms of the Placing Agreement (including the Placing Price) are fair and reasonable based on the current market conditions and are in the interests of the Company and the Shareholders as a whole.

## **Placing Commission**

The Placing Agent has conditionally agreed to place a maximum of 390,000,000 Placing Shares on a best effort basis and the Company shall pay to the Placing Agent a placing commission, in HKD, which shall be equivalent to 2% of the aggregate amount of the Placing Price multiplied by the number of Placing Shares placed by the Placing Agent during the Placing Period. Having considered the Placing Price, the number of Placing Shares, the terms of the Placing Agreement and the current market conditions, the Directors are of the view that the placing commission of 2% is fair and reasonable.

## **General Mandate**

The maximum of 390,000,000 Placing Shares will be allotted and issued under the General Mandate. Accordingly, the allotment and issue of the Placing Shares will not be subject to the approval of the Shareholders. Under the General Mandate, the Directors were granted authority to issue up to 404,954,864 Shares, representing 20% of the issued share capital of the Company as at the date of the AGM. Up to the date of this announcement, no Shares have been issued under the General Mandate. Therefore, the General Mandate is sufficient for the issue and allotment of the Placing Shares and the allotment and issue of the Placing Shares is not subject to Shareholders' approval.

## **Conditions precedent of the Placing**

Completion of the Placing shall be conditional upon the satisfaction or fulfilment of the conditions precedent below:

- (a) the Company having complied with, and procured for the compliance with, all law as well as all conditions (if any) imposed by the Stock Exchange or by any other competent authority for issuance and allotment of the Placing Shares as well as the listing of and permission to deal in the Placing Shares and ensure the continued compliance thereof;

- (b) the Listing Committee having granted approval for the listing of, and permission to deal in, the Placing Shares, and such approval not having been revoked, suspended, withdrawn or cancelled, or threatened with any revocation, suspension, withdrawal or cancellation at any time prior to the Closing Date; and
- (c) the Company's representations and warranties made pursuant to the Placing Agreement being true and accurate in all material respects and not misleading up to the completion of the Placing.

The conditions precedent (a) to (b) above cannot be waived by the Company and the Placing Agent. The Placing Agent (but not the Company) may at any time prior to the Closing Date unilaterally waive the condition precedent (c) above. As soon as practicable after the execution of the Placing Agreement and in any event by the Closing Date, the Company shall use its best endeavours to procure the satisfaction of the conditions precedent (a) to (b) as well as the condition precedent (c) above (in case the condition precedent (c) above has not been waived by the Placing Agent).

If any one or more of the conditions precedent (save and except the condition precedent (c) above if it has been waived by the Placing Agent) shall not have been satisfied or fulfilled by the Closing Date or any of the event as set out in the section headed "**Force majeure**" below shall have occurred, subject to the Placing Agreement, all obligations and responsibilities of the Placing Agent and those of the Company thereunder shall cease and determine forthwith and none of the Company and the Placing Agent shall have any claim whatsoever against each other in relation thereto save for any antecedent breach of the Placing Agreement and without prejudice to the accrued rights and liabilities of each of the Company and the Placing Agent.

### **Force majeure**

If at any time between the execution of the Placing Agreement and at 5:00 p.m. on the Business Day immediately prior to the Completion Date, there occurs:

1. the introduction of any new law or regulation or any change in existing laws or regulations (or the judicial interpretation thereof) or other occurrence of any nature whatsoever which may, in the reasonable opinion of the Placing Agent, materially and adversely affect the business or the financial or trading position or prospects of the Company;
2. the occurrence of any local, national or international event or change occurring after the date of the Placing Agreement of a political, military, financial, economic, currency (including a change in the system under which the value of the Hong Kong currency is linked to the currency of the United States of America) or other nature (whether or not sui generis with any of the foregoing), or in the nature of any local, national, international outbreak or escalation of hostilities or armed conflict, or affecting local securities market or the occurrence of any combination of circumstances which may, in the reasonable opinion of the Placing Agent, materially and adversely affect the business or the financial or trading position or prospects of

the Company or adversely prejudices the success of the Placing (such success being the completion of the placing of the Placing Shares to potential investor(s)) or otherwise makes it inexpedient or inadvisable for the Company or the Placing Agent to proceed with the Placing;

3. any change in market conditions or combination of circumstances in Hong Kong (including without limitation suspension or material restriction on trading in securities) occurs after the date of the Placing Agreement which materially and adversely affects the success of the Placing (such success being the completion of the placing of the Placing Shares to potential investor(s)) or otherwise in the reasonable opinion of the Placing Agent make it inexpedient or inadvisable or inappropriate for the Company or the Placing Agent to proceed with the Placing;
4. the Company commits any material breach of or omits or fails to observe any of its obligations or undertakings under the Placing Agreement; or
5. any of the representations or warranties contained in the Placing Agreement was, when given or deemed to be repeated under the Placing Agreement, untrue or inaccurate in any material respect or would in any material respect be untrue or inaccurate, or if repeated the Placing Agent shall determine in its reasonable opinion that any such untrue representation or warranty represents or is likely to represent a material adverse change in the financial or trading position or prospects of the Company or will otherwise likely to have a material prejudicial effect on the Placing,

then the Placing Agent may upon giving written notice to the Company terminate the Placing Agreement with immediate effect. If the Placing Agreement shall be terminated pursuant to the above, the obligations of the Placing Agent shall cease and determine, and the Company shall not be liable to pay any commission, and the Placing Agreement shall forthwith cease and determine and none of the Company and the Placing Agent shall, save as provided in this section, have any claim against each other for compensation, costs, damages or otherwise.

### **Completion of the Placing**

Completion of the Placing shall take place on the Completion Date.

### **REASONS FOR AND BENEFITS OF THE PLACING**

The Directors consider that the Placing represents a good opportunity for the Company to raise additional capital for the Group's operation and business development. In particular, it is expected that the proceeds from the Placing will be used for the purposes as set out in the section headed "**USE OF PROCEEDS FROM THE PLACING**" below.

The Directors (including all the independent non-executive Directors) consider that the terms of the Placing Agreement, which were arrived at after arm's length negotiations between the Company and the Placing Agent, are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

## **USE OF PROCEEDS FROM THE PLACING**

The maximum gross proceeds from the Placing will be approximately HK\$60 million. The maximum net proceeds (after deducting the placing commission for the Placing and other relevant expenses) from the Placing will amount to approximately HK\$59 million. The maximum net price raised per Placing Share upon completion of the Placing will be approximately HK\$0.152 per Placing Share. The Group proposes to use the net proceeds of approximately HK\$12 million for (i) repayment of outstanding liabilities; (ii) approximately HK\$25 million for provision of general working capital; and (iii) approximately HK\$22 million for possible investment in entertainment project(s).

## **INFORMATION ON THE GROUP**

The Group principally engages in (i) design, manufacture and trading of apparel, namely apparel operation; (ii) provision of money lending business, namely money lending operation; and (iii) selling of gaming and animated characters related products, namely IP application and products operation.

## **EQUITY FUND RAISING ACTIVITY IN THE PAST TWELVE MONTHS**

Set out below is a summary of the equity fund raising activity of the Company during the past 12 months immediately before the date of this announcement:

<b>Date of announcement</b>	<b>Fund raising activity</b>	<b>Net proceeds raised</b>	<b>Intended use of the net proceeds</b>	<b>Actual use of proceeds</b>
27 July 2022	Placing of convertible bonds under general mandate	HK\$14,850,000	For general working capital of the Group	Used as intended

Save as disclosed above, the Company has not carried out any equity fund raising activities in the past 12 months immediately before the date of this announcement.

## EFFECTS ON SHAREHOLDING STRUCTURE

To the best knowledge of the Directors, the shareholding structure of the Company (i) as at the date of this announcement; and (ii) immediately upon completion of the Placing:

	(i) As at the date of this announcement		(ii) Immediately upon completion of the Placing	
	No. of Shares	Approximate	No. of Shares	Approximate
<b>Directors</b>				
Tang Shu Pui Simon ( <i>Note 1</i> )	5,000,000	0.25%	5,000,000	0.21%
Chan Ming Leung Terence ( <i>Note 2</i> )	14,400,000	0.71%	14,400,000	0.60%
<b>Substantial Shareholders</b>				
World Field Industries Limited ( <i>Note 3</i> )	283,994,000	14.03%	283,994,000	11.76%
Anli Investment Fund SPC-Anli Greater China Opportunity Fund Segregated Portfolio ( <i>Note 4</i> )	265,650,887	13.12%	265,650,887	11.00%
<b>Public Shareholders</b>				
Placees	–	–	390,000,000	16.15%
Other public Shareholders	1,455,729,437	71.90%	1,455,729,437	60.28%
<b>Total</b>	<u>2,024,774,324</u>	<u>100.00%</u>	<u>2,414,774,324</u>	<u>100.00%</u>

### Notes:

- These 5,000,000 Shares are beneficially owned by Tang Shu Pui Simon, an independent non-executive Director. He is also the beneficial owner of 2,000,000 options of the Company.
- These 14,400,000 Shares are beneficially owned by Chan Ming Leung Terence (“**Mr. Chan**”), an executive Director. He was granted 2,000,000 options and 15,900,000 options of the Company on 8 December 2021 and 19 April 2022 respectively. On 27 April 2023, he exercised 7,200,000 options of the Company. On 31 May 2023, he exercised another 7,200,000 options of the Company. Hence, a total of 14,400,000 Shares were issued to Mr. Chan. Based on his disclosure of interests forms filed on 19 May 2023 and 20 June 2023 respectively, Mr. Chan has provided an interest in the 14,400,000 Shares as security to a person other than a qualified lender. He continues to be the beneficial owner of the remaining balance of 3,500,000 of options of the Company.
- Based on the disclosure of interests forms filed on 19 July 2022, World Field Industries Limited is owned as to 100% by Green Astute Limited, which is in turn owned as to 100% by Hao Tian Media & Culture Holdings Limited, which is in turn owned as to 100% by Aceso Life Science Group Limited (“**Aceso**”), the shares of which are listed on the Main Board of the Stock Exchange (stock code: 474.HK). Based on the disclosure of interest forms in relation to Aceso filed on 25 March 2022 and 24

August 2021 respectively, Aceso is owned as to 49.19% by Asia Link Capital Investment Holdings Ltd. (“**Asia Link**”) and as to 10.83% by Century Golden Resources Investment Co., Ltd (“**Century Golden**”). Asia Link is owned as to 100% by Li Shao Yu (李少宇). Century Golden is owned as to 50% by Huang Tao (黃濤) and as to 40% by Huang Shiying (黃世熒).

4. For details, please refer to paragraph headed “**Placing Agent**” of this announcement.

**As the completion of the Placing is subject to satisfaction of the conditions in the Placing Agreement, the Placing may or may not proceed. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares.**

## **TERMS AND DEFINITIONS**

The following terms have the following meanings in this announcement unless the context otherwise requires.

“acting in concert”	has the meaning ascribed thereto in the Takeovers Code
“AGM”	the annual general meeting of the Company held on 9 June 2023
“Board”	the board of Directors
“Business Day(s)”	any day (excluding Saturdays, Sundays, public holidays and days on which a tropical cyclone warning No. 8 or above or a “black rainstorm warning signal” is hoisted in Hong Kong at any time between 9:00 a.m. and 5:00 p.m.) on which licensed banks generally are open for general banking business in Hong Kong
“Closing Date”	any Business Day not later than 21 July 2023, being the date on which all the conditions precedent to the Placing Agreement have been satisfied or fulfilled, and the Company and the Placing Agent may agree in writing to have the Closing Date postponed to any subsequent date which shall be a Business Day
“Company”	Virtual Mind Holding Company Limited, a company incorporated in the Cayman Islands, the Shares of which are listed on the Stock Exchange
“Completion Date”	the date of completion of the Placing, which shall be any Business Day falling within five (5) Business Days of the Closing Date
“connected person(s)”	shall have the meaning ascribed thereto in the Listing Rules
“Director(s)”	director(s) of the Company

“General Mandate”	the general mandate granted by the Shareholders at the AGM held on 9 June 2023 to the Board to allot, issue and deal with up to 404,954,864 new Shares to be issued and allotted by the Company
“Group”	the Company and its subsidiaries
“HK\$ or HKD”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party”	a party which is not a connected person (as defined in the Listing Rules) of the Company
“Listing Committee”	the listing committee appointed by the Stock Exchange for considering applications for listing and approving the listing of and dealing with securities on the Stock Exchange
“Listing Rules”	the Rules Governing the Listing of Securities on the Main Board of the Stock Exchange
“Placee(s)”	any investor who is an individual, institutional or professional investor selected and/or procured by or on behalf of the Placing Agent as contemplated by the Placing Agreement and is (i) an Independent Third Party, and (ii) independent of and not parties acting in concert with any persons, other placee(s) or Shareholders to the effect that the Placing to such investor shall not trigger any mandatory offer obligation under Rule 26.1 of the Takeovers Code, procured by the Placing Agent to subscribe for the Placing Shares pursuant to the Placing Agent’s obligations thereunder
“Placing”	the placing of the Placing Shares under and in accordance with the Placing Agreement
“Placing Agent”	VC Brokerage Limited, a licensed corporation to carry on business in Type 1 (dealing in securities) and Type 4 (advising on securities) regulated activities under the SFO
“Placing Agreement”	the conditional placing agreement entered into between the Company and the Placing Agent dated 30 June 2023 in relation to the Placing

“Placing Period”	the period commencing forthwith upon the execution of the Placing Agreement and expiring at 5:00 p.m. on 14 July 2023, or on such later date as the Company and the Placing Agent may agree in writing
“Placing Price”	HK\$0.155 per Placing Share
“Placing Share(s)”	up to 390,000,000 new Shares to be allotted and issued by the Company under the General Mandate and pursuant to the Placing Agreement on the Completion Date, and the Placing Shares shall rank <i>pari passu</i> in all respects with the existing Shares then in issue
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	the ordinary share(s) of the Company
“Shareholder(s)”	holder(s) of the Share(s) from time to time
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“substantial shareholder(s)”	has the meaning ascribed thereto under the Listing Rules
“Takeovers Code”	the Codes on Takeovers and Mergers and Share Buy-backs issued by the SFC
“VCIAM”	VC International Asset Management Limited (formerly known as Anli Asset Management Limited), a company incorporated in Hong Kong with limited liability and licensed by the Securities and Futures Commission of Hong Kong to carry on regulated activity type 9 (asset management), which is a wholly-owned subsidiary of VCH

“VCH” Value Convergence Holdings Limited, a company incorporated in Hong Kong with limited liability and having its issued ordinary shares listed on the Main Board of the Stock Exchange (Stock Code: 821), and the holding company of the Placing Agent

“%” per cent

By Order of the Board  
**Virtual Mind Holding Company Limited**  
**Li Yang**  
*Chairman & Executive Director*

Hong Kong, 30 June 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.*