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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)

SUPPLEMENTAL ANNOUNCEMENT IN RELATION TO THE ANNUAL REPORT FOR THE YEAR ENDED 31 DECEMBER 2022

Reference is made to the annual report of Virtual Mind Holding Company Limited (the “**Company**”) for the year ended 31 December 2022 published by the Company on 28 April 2023. The directors of the Company wish to provide the following supplemental information in relation to disclosure of the money lending businesses.

As at 31 December 2022, the Group’s loans and interest receivables balance (net of loss allowance) amounted to approximately HK\$98,163,000 (2021: HK\$114,667,000), out of which an aggregate sum of approximately HK\$44,586,000 (2021: HK\$37,425,000), representing 45.4% (2021: 32.6%) of the total loans and interest receivables of the Group, was due from the five largest borrowers of the Group. The interest rate charged on all loans receivables ranged from 2.3% to 24% (2021: 2.3% to 30%) per annum. As at 31 December 2022, the loan receivables had a fixed term ranging from 3 months to 60 months (2021: 3 months to 60 months).

As at 31 December 2022, loans and interest receivables of carrying amount of approximately HK\$73,769,000 (2021: HK\$81,420,000) were unsecured while remaining loans and interest receivables of carrying amount of approximately HK\$24,394,000 (2021: HK\$33,247,000) were secured by charges over certain properties in Hong Kong and personal properties such as diamonds and jewellery, and guaranteed by certain independent third parties.

As at 31 December 2022, there were 24 borrowers comprising 18 individual borrowers and 6 corporate borrowers (2021: 28 borrowers comprising 22 individual borrowers and 6 corporate borrowers) for the outstanding loans and interest receivables (net of loss allowance). Loans and interest receivables carrying amount of approximately HK\$72,731,000 (2021: HK\$83,662,000) were due from individual borrowers while remaining loans and interest receivables of carrying amount of approximately HK\$25,432,000 (2021: HK\$31,005,000) were due from corporate borrowers.

As at 31 December 2022, the loan and interest receivables (net of loss allowance) amounted to approximately HK\$98,163,000 (2021: HK\$114,667,000), the ageing analysis of which based on the remaining contractual maturity date and net of loss allowance is set out below:

	2022 <i>HK\$'000</i>	2021 <i>HK\$'000</i>
Overdue	73,026	51,085
Due within 3 months	13,345	21,973
Due after 3 months but within 6 months	11,334	33,881
Due after 6 months but within 12 months	458	5,925
Due after 12 months	<u>–</u>	<u>1,803</u>
Total	<u>98,163</u>	<u>114,667</u>

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

Hong Kong, 1 August 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.