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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)

(I) SUBSCRIPTION OF NEW SHARES UNDER SPECIFIC MANDATE;
AND
(II) CONNECTED TRANSACTION IN RELATION TO
SUBSCRIPTION OF NEW SHARES UNDER SPECIFIC MANDATE

(I) THE FIRST SUBSCRIPTION

The Board is pleased to announce that on 2 February 2024 (after trading hours), the Company and the First Subscriber entered into the First Subscription Agreement, pursuant to which the Company contemplates to allot and issue, and the First Subscriber is desirous of subscribing for, up to 400,000,000 First Subscription Shares at the First Subscription Price of HK\$0.10 per First Subscription Share.

As at the date of this announcement, the Company has 2,137,076,324 Shares in issue. The 400,000,000 First Subscription Shares represent (i) approximately 18.72 % of the existing issued share capital of the Company as at the date of this announcement; (ii) approximately 15.77 % of the issued share capital of the Company as enlarged by the allotment and issue of the 400,000,000 First Subscription Shares (assuming no other change in the issued share capital of the Company from the date of this announcement to the First Subscription Completion Date); and (iii) approximately 13.62% of the issued share capital of the Company as enlarged by the allotment and issue of the 400,000,000 First Subscription Shares and the 400,000,000 Second Subscription Shares (assuming no other change in the issued share capital of the Company from the date of this announcement to the Subscription Completion Dates, whichever is later).

The First Subscription Price of HK\$0.10 represents (i) a discount of approximately 23.66% to the closing price of HK\$0.131 per Share as quoted on the Stock Exchange on the date of the First Subscription Agreement; and (ii) a discount of approximately 24.81% to the average closing price of approximately HK\$0.133 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately prior to the date of the First Subscription Agreement.

The gross proceeds from the First Subscription will be up to HK\$40,000,000. The net proceeds from the First Subscription (after deduction of relevant expenses of the First Subscription) will amount to approximately up to HK\$39.72 million. The net price per First Subscription Share upon the completion of the First Subscription will be approximately HK\$0.099 per First Subscription Share. The Company intends to apply the net proceeds of up to (i) approximately HK\$9.79 million for repayment of outstanding liabilities; (ii) approximately HK\$11.88 million for provision of general working capital; and (iii) approximately HK\$18.05 million for existing projects' business development.

The First Subscription Shares will be allotted and issued under the Specific Mandate I to be sought from the Shareholders at the EGM.

(II) CONNECTED TRANSACTION IN RELATION TO THE SECOND SUBSCRIPTION

References are made to the announcements of the Company dated 20 October 2023, 13 November 2023 and 5 January 2024 in relation to, among others, the connected transaction in relation to subscription of new shares under specific mandate (the “**Previous Subscription**”). On 20 October 2023, the Company and the Second Subscriber entered into the subscription agreement of the Previous Subscription (the “**Previous Subscription Agreement**”), pursuant to which the Company contemplated to allot and issue, and the Second Subscriber was desirous of subscribing for, 500,000,000 shares at the subscription price of HK\$0.10 per subscription share. On 31 January 2024, as the conditions precedent as set out in the Previous Subscription Agreement were not fully satisfied or fulfilled, the Previous Subscription Agreement lapsed and the Previous Subscription did not proceed.

The Board is pleased to announce that on 2 February 2024 (after trading hours), the Company and the Second Subscriber entered into the Second Subscription Agreement, pursuant to which the Company contemplates to allot and issue, and the Second Subscriber is desirous of subscribing for, up to 400,000,000 Second Subscription Shares at the Second Subscription Price of HK\$0.10 per Second Subscription Share.

As at the date of this announcement, the Company has 2,137,076,324 Shares in issue. The 400,000,000 Second Subscription Shares represent (i) approximately 18.72 % of the existing issued share capital of the Company as at the date of this announcement; (ii) approximately 15.77 % of the issued share capital of the Company as enlarged by the allotment and issue of the 400,000,000 Second Subscription Shares (assuming no other change in the issued

share capital of the Company from the date of this announcement to the Second Subscription Completion Date); and (iii) approximately 13.62% of the issued share capital of the Company as enlarged by the allotment and issue of the 400,000,000 First Subscription Shares and the 400,000,000 Second Subscription Shares (assuming no other change in the issued share capital of the Company from the date of this announcement to the Subscription Completion Dates, whichever is later).

The Second Subscription Price of HK\$0.10 represents (i) a discount of approximately 23.66% to the closing price of HK\$0.131 per Share as quoted on the Stock Exchange on the date of the Second Subscription Agreement; and (ii) a discount of approximately 24.81% to the average closing price of approximately HK\$0.133 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately prior to the date of the Second Subscription Agreement.

The gross proceeds from the Second Subscription will be up to HK\$40,000,000. The net proceeds from the Second Subscription (after deduction of relevant expenses of the Second Subscription) will amount to approximately up to HK\$39.72 million. The net price per Second Subscription Share upon the completion of the Second Subscription will be approximately HK\$0.099 per Second Subscription Share. The Company intends to apply the net proceeds of (i) approximately HK\$9.79 million for repayment of outstanding liabilities; (ii) approximately HK\$11.88 million for provision of general working capital; and (iii) approximately HK\$18.05 million for existing projects' business development.

The Second Subscription Shares will be allotted and issued under the Specific Mandate II to be sought from the Independent Shareholders at the EGM.

LISTING APPLICATION

An application will be made by the Company to the Listing Committee for the listing of, and permission to deal in, the Subscription Shares on the Stock Exchange.

LISTING RULES IMPLICATIONS OF THE SUBSCRIPTIONS

The First Subscription

The First Subscription and the First Subscription Shares to be allotted and issued under the Specific Mandate I are subject to the Shareholders' approval at the EGM. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, as none of the Shareholders or their associates have a material interest in the First Subscription, no Shareholder will be required to abstain from voting on the resolution relating to the First Subscription at the EGM.

The Second Subscription

As at the date of the Second Subscription Agreement, the Second Subscriber is wholly and beneficially owned by Mr. Wong Kin Ting, the father of Mr. Wong who is an executive Director. As such, the Second Subscriber is an associate of Mr. Wong and hence a connected person of the Company under Chapter 14A of the Listing Rules. Accordingly, the Second Subscription constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules and is subject to Independent Shareholders' approval by way of poll at the EGM. As Mr. Wong is considered to have material interest in the Second Subscription, he had abstained from voting on the Board resolutions of the Company in relation to the Second Subscription Agreement and the transactions contemplated thereunder. Any Shareholder who has a material interest in the Second Subscription must abstain from voting at the EGM on the resolution in respect of the Second Subscription Agreement and the transactions contemplated thereunder.

GENERAL

The EGM will be convened and held for the purpose of considering and, if thought fit, approving the Subscription Agreements and the transactions contemplated thereunder, including the grant of the Specific Mandate I and Specific Mandate II for the allotment and issue of the Subscription Shares.

Shareholders who are interested in the First Subscription will be required to abstain from voting in respect of the resolution(s) to approve the grant of the Specific Mandate I to allot and issue the First Subscription Shares pursuant to the First Subscription Agreement and the transactions contemplated under the First Subscription Agreement at the EGM. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, as at the date of this announcement, no Shareholder is required to abstain from voting on the relevant resolution at the EGM.

The Second Subscriber and its associates (including Mr. Wong) (to the extent they have an existing interest in the Shares) will abstain from voting at the EGM on the resolution in respect of the Second Subscription Agreement and the transactions contemplated thereunder. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, save for the aforementioned, as at the date of this announcement, no other Shareholder is required to abstain from voting on the relevant resolution at the EGM.

The Independent Board Committee will be established to advise the Independent Shareholders on the Second Subscription Agreement and the transactions contemplated thereunder. An Independent Financial Adviser will be appointed to advise the Independent Board Committee and the Independent Shareholders in relation to the Second Subscription Agreement and the transactions contemplated thereunder.

A circular containing, among other things, (i) further details of the Subscription Agreements and the transactions contemplated thereunder; (ii) a letter from the Independent Board Committee containing its advice to the Independent Shareholders in respect of the Second Subscription Agreement and the transactions contemplated thereunder; (iii) a letter from the Independent Financial Adviser containing its advice to the Independent Board Committee and the Independent Shareholders in respect of the Second Subscription Agreement and the transactions contemplated thereunder; and (iv) a notice convening the EGM, will be despatched to the Shareholders on or before 27 February 2024.

As the completion of the Subscriptions is subject to the satisfaction of the conditions precedent set out in the respective Subscription Agreements, the respective Subscriptions may or may not proceed. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

(I) THE FIRST SUBSCRIPTION

The Board is pleased to announce that on 2 February 2024 (after trading hours), the Company and the First Subscriber entered into the First Subscription Agreement, pursuant to which the Company contemplated to allot and issue, and the First Subscriber is desirous of subscribing for, up to 400,000,000 First Subscription Shares at the First Subscription Price of HK\$0.10 per First Subscription Share.

THE FIRST SUBSCRIPTION AGREEMENT

The principal terms of the First Subscription Agreement are as follows:

Date

2 February 2024 (after trading hours)

Issuer

The Company

Subscriber

The First Subscriber

(each a “**First Subscription Party**” and collectively, the “**First Subscription Parties**”)

Number of First Subscription Shares

As at the date of this announcement, the Company has 2,137,076,324 Shares in issue. The 400,000,000 First Subscription Shares represent (i) approximately 18.72 % of the existing issued share capital of the Company as at the date of this announcement; (ii) approximately 15.77 % of the issued share capital of the Company as enlarged by the allotment and issue of the 400,000,000 First Subscription Shares (assuming no other change in the issued share capital of the Company from the date of this announcement to the First Subscription Completion Date); and (iii) approximately 13.62% of the issued share capital of the Company as enlarged by the allotment and issue of the 400,000,000 First Subscription Shares and the 400,000,000 Second Subscription Shares (assuming no other change in the issued share capital of the Company from the date of this announcement to the Subscription Completion Dates, whichever is later). The aggregate nominal value of the maximum number of the First Subscription Shares under the First Subscription will be HK\$4,000,000.

First Subscription Price

The First Subscription Price of HK\$0.10 represents (i) a discount of approximately 23.66% to the closing price of HK\$0.131 per Share as quoted on the Stock Exchange on the date of the First Subscription Agreement; and (ii) a discount of approximately 24.81% to the average closing price of approximately HK\$0.133 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately prior to the date of the First Subscription Agreement.

The First Subscription 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 First Subscriber. The Directors consider that the terms of the First Subscription Agreement (including the First Subscription 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.

Conditions precedent of the First Subscription

Completion of the First Subscription shall be subject to the satisfaction and/or fulfilment of such conditions precedent as set out in the First Subscription Agreement:

- (a) the Company having obtained all necessary consent and approval in respect of the Specific Mandate I and the First Subscription;
- (b) the Company having obtained from the Listing Committee the approval for the listing of, and permission to deal in, the First Subscription Shares, and such permission remaining valid until the completion of the First Subscription;
- (c) the First Subscriber having obtained all necessary consent and approval in respect of the First Subscription;

- (d) listing status of the Shares not having been revoked, cancelled, withdrawn or suspended, or further or in the alternative, threatened with any revocation, cancellation, withdrawal or suspension at any time prior to completion of the First Subscription;
- (e) all the representations and warranties of the Company pursuant to the First Subscription Agreement having remained true, accurate and not misleading in all material aspects, and remaining so until the completion of the First Subscription; and
- (f) all the representations and warranties of the First Subscriber pursuant to the First Subscription Agreement having remained true, accurate and not misleading in all material aspects, and remaining so until the completion of the First Subscription.

Save and except that such conditions precedent as set out in condition precedent (e) above which may be waived by the First Subscriber unilaterally at any time prior to the First Long Stop Date by notice in writing to the Company, and that such condition precedent (f) above which may be waived by the Company unilaterally at any time prior to the First Long Stop Date by notice in writing to the First Subscriber, no other conditions precedent can be waived by any First Subscription Party, and the Company shall use its best endeavour to ensure that the conditions precedent (a), (b), (d) and (e) above (in case such condition precedent (e) above have not been waived by the First Subscriber in accordance with this paragraph) shall be fulfilled and satisfied as soon as possible after the execution of the First Subscription Agreement, and in any event, no later than the First Long Stop Date, and likewise, the First Subscriber shall use its best endeavour to ensure that such conditions precedent (c) and (f) above (in case such condition precedent (f) above have not been waived by the Company in accordance with the First Subscription Agreement) shall be fulfilled and satisfied as soon as possible after the execution of the First Subscription Agreement, and in any event, no later than the First Long Stop Date.

Save as otherwise stated, if any of the conditions precedent set out in conditions precedent (a) to (f) above (save and except such conditions precedent having been waived in accordance with the above paragraph) shall not have been fulfilled and/or satisfied by 5:00 p.m. on the First Long Stop Date, the First Subscription Agreement shall, unless the First Subscription Parties agree in writing to postpone the First Long Stop Date to a subsequent Business Day, automatically terminate and cease to be of any effect except for certain clauses in the First Subscription Agreement which shall remain in force, and none of the First Subscription Parties shall have any claim of any nature or liabilities thereunder whatsoever against the other First Subscription Party save for any antecedent breaches of the terms thereof.

Completion of the First Subscription

Completion of the First Subscription shall take place at 4:00 p.m. on the First Subscription Completion Date (or such other time as the First Subscription Parties may otherwise agree) when each First Subscription Party shall perform its respective obligations pursuant to the First Subscription Agreement.

The First Subscription Parties agree that the First Subscriber may designate nominee(s) to complete the First Subscription without conflicting the First Subscription Agreement.

Specific Mandate

The First Subscription Shares will be allotted and issued under the Specific Mandate I to be sought from the Shareholders at the EGM.

(II) CONNECTED TRANSACTION IN RELATION TO THE SECOND SUBSCRIPTION

References are made to the announcements of the Company dated 20 October 2023, 13 November 2023 and 5 January 2024 in relation to, among others, the connected transaction in relation to subscription of new shares under specific mandate (the “**Previous Subscription**”). On 20 October 2023, the Company and the Second Subscriber entered into the subscription agreement of the Previous Subscription (the “**Previous Subscription Agreement**”), pursuant to which the Company contemplated to allot and issue, and the Second Subscriber was desirous of subscribing for, 500,000,000 subscription shares at the subscription price of HK\$0.10 per subscription share. On 31 January 2024, as the conditions precedent as set out in the Previous Subscription Agreement were not fully satisfied or fulfilled, the Previous Subscription Agreement lapsed and the Previous Subscription did not proceed.

The Board is pleased to announce that on 2 February 2024 (after trading hours), the Company and the Second Subscriber entered into the Second Subscription Agreement, pursuant to which the Company contemplated to allot and issue, and the Second Subscriber is desirous of subscribing for, up to 400,000,000 Second Subscription Shares at the Second Subscription Price of HK\$0.10 per Second Subscription Share.

THE SECOND SUBSCRIPTION AGREEMENT

The principal terms of the Second Subscription Agreement are as follows:

Date

2 February 2024 (after trading hours)

Issuer

The Company

Subscriber

The Second Subscriber

(each a “**Second Subscription Party**” and collectively, the “**Second Subscription Parties**”)

Number of Second Subscription Shares

As at the date of this announcement, the Company has 2,137,076,324 Shares in issue. The 400,000,000 Second Subscription Shares represent (i) approximately 18.72 % of the existing issued share capital of the Company as at the date of this announcement; (ii) approximately 15.77 % of the issued share capital of the Company as enlarged by the allotment and issue of the 400,000,000 Second Subscription Shares (assuming no other change in the issued share capital of the Company from the date of this announcement to the Second Subscription Completion Date); and (iii) approximately 13.62% of the issued share capital of the Company as enlarged by the allotment and issue of the 400,000,000 First Subscription Shares and the 400,000,000 Second Subscription Shares (assuming no other change in the issued share capital of the Company from the date of this announcement to the Subscription Completion Dates, whichever is later). The aggregate nominal value of the maximum number of the Second Subscription Shares under the Second Subscription will be HK\$4,000,000.

Second Subscription Price

The Second Subscription Price of HK\$0.10 represents (i) a discount of approximately 23.66% to the closing price of HK\$0.131 per Share as quoted on the Stock Exchange on the date of the Second Subscription Agreement; and (ii) a discount of approximately 24.81% to the average closing price of approximately HK\$0.133 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately prior to the date of the Second Subscription Agreement.

The Second Subscription 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 Second Subscriber. The Directors (excluding Mr. Wong who abstained since he is considered to have material interest in the Second Subscription as described in the paragraph headed "**INFORMATION ON THE SUBSCRIBERS**") and the independent non-executive Directors who will give their view on the Second Subscription Agreement and the transactions contemplated thereunder after taking into account the advice of the Independent Financial Adviser) consider that the terms of the Second Subscription Agreement (including the Second Subscription 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.

Conditions precedent of the Second Subscription

Completion of the Second Subscription shall be subject to the satisfaction and/or fulfilment of such conditions precedent as set out in the Second Subscription Agreement:

- (a) the Company having obtained all necessary consent and approval in respect of the Specific Mandate II and the Second Subscription;

- (b) the Company having obtained from the Listing Committee the approval for the listing of, and permission to deal in, the Second Subscription Shares, and such permission remaining valid until the completion of the Second Subscription;
- (c) the Second Subscriber having obtained all necessary consent and approval in respect of the Second Subscription;
- (d) listing status of the Shares not having been revoked, cancelled, withdrawn or suspended, or further or in the alternative, threatened with any revocation, cancellation, withdrawal or suspension at any time prior to completion of the Second Subscription;
- (e) all the representations and warranties of the Company pursuant to the Second Subscription Agreement having remained true, accurate and not misleading in all material aspects, and remaining so until the completion of the Second Subscription; and
- (f) all the representations and warranties of the Second Subscriber pursuant to the Second Subscription Agreement having remained true, accurate and not misleading in all material aspects, and remaining so until the completion of the Second Subscription.

Save and except that such conditions precedent as set out in condition precedent (e) above which may be waived by the Second Subscriber unilaterally at any time prior to the Second Long Stop Date by notice in writing to the Company, and that such condition precedent (f) above which may be waived by the Company unilaterally at any time prior to the Second Long Stop Date by notice in writing to the Second Subscriber, no other conditions precedent can be waived by any Second Subscription Party, and the Company shall use its best endeavour to ensure that the conditions precedent (a), (b), (d) and (e) above (in case such condition precedent (e) above have not been waived by the Second Subscriber in accordance with this paragraph) shall be fulfilled and satisfied as soon as possible after the execution of the Second Subscription Agreement, and in any event, no later than the Second Long Stop Date, and likewise, the Second Subscriber shall use its best endeavour to ensure that such conditions precedent (c) and (f) above (in case such condition precedent (f) above have not been waived by the Company in accordance with the Second Subscription Agreement) shall be fulfilled and satisfied as soon as possible after the execution of the Second Subscription Agreement, and in any event, no later than the Second Long Stop Date.

Save as otherwise stated, if any of the conditions precedent set out in conditions precedent (a) to (f) above (save and except such conditions precedent having been waived in accordance with the above paragraph) shall not have been fulfilled by 5:00 p.m. on the Second Long Stop Date, the Second Subscription Agreement shall, unless the Second Subscription Parties agree in writing to postpone the Second Long Stop Date to a subsequent Business Day, automatically terminate and cease to be of any effect except for certain clauses in the Second Subscription Agreement which shall remain in force, and none of the Second Subscription Parties shall have any claim of any nature or liabilities thereunder whatsoever against the other Second Subscription Party save for any antecedent breaches of the terms thereof.

Completion of the Second Subscription

Completion of the Second Subscription shall take place at 4:00 p.m. on the Second Subscription Completion Date (or such other time as the Second Subscription Parties may otherwise agree) when each Second Subscription Party shall perform its respective obligations pursuant to the Second Subscription Agreement.

Specific Mandate

The Second Subscription Shares will be allotted and issued under the Specific Mandate II to be sought from the Independent Shareholders at the EGM.

RANKING OF THE SUBSCRIPTION SHARES

The Subscription Shares will be issued fully paid up and ranking *pari passu* in all respects, including as to the right to receive all dividends and other distributions which may be declared, made or paid after completion of the Subscriptions and will be issued free and clear of all encumbrances.

LISTING APPLICATION

An application will be made by the Company to the Listing Committee for the listing of, and permission to deal in, the Subscription Shares on the Stock Exchange.

INFORMATION ON THE SUBSCRIBERS

The First Subscriber

The First Subscriber is an individual in the People's Republic of China. To the best of the Director's knowledge, information and belief having made all reasonable enquiries, the First Subscriber is a third party independent of and not connected with the Company and its connected persons.

The Second Subscriber

The Second Subscriber is a company incorporated in the British Virgin Islands with limited liability and is an investment holding company. As at the date of the Second Subscription Agreement, the Second Subscriber is wholly and beneficially owned by Mr. Wong Kin Ting, the father of Mr. Wong who is an executive Director, and therefore the Second Subscriber is an associate of Mr. Wong and hence a connected person of the Company under Chapter 14A of the Listing Rules.

REASONS FOR AND BENEFITS OF THE SUBSCRIPTIONS

The Subscriptions reflects the confidence and support for the development of the Company by the Subscribers. The Subscriptions will further strengthen the capital base and financial position of the Company and lay down a more solid foundation for the future business development. In particular, it is expected that the proceeds from the Subscriptions will be used for the purposes as set out in the paragraph headed “**USE OF PROCEEDS FROM THE SUBSCRIPTION**” below.

The Directors (excluding Mr. Wong who abstained since he is considered to have material interest in the Second Subscription as described in the paragraph headed “**INFORMATION ON THE SUBSCRIBER**” and the independent non-executive Directors who will give their view on the Second Subscription Agreement and the transactions contemplated thereunder after taking into account the advice of the Independent Financial Adviser) consider that the Subscription Agreements is on normal commercial terms, the terms of the Subscription Agreements (including the Subscription Prices) are fair and reasonable, and in the interests of the Company and the Shareholders as a whole.

USE OF PROCEEDS FROM THE SUBSCRIPTIONS

The First Subscription

The gross proceeds from the First Subscription will be up to HK\$40,000,000. The net proceeds from the First Subscription (after deduction of relevant expenses of the First Subscription) will amount to approximately up to HK\$39.72 million. The net price per First Subscription Share upon the completion of the First Subscription will be approximately HK\$0.099 per First Subscription Share. The Company intends to apply the net proceeds of (i) approximately HK\$9.79 million for repayment of outstanding liabilities; (ii) approximately HK\$11.88 million for provision of general working capital; and (iii) approximately HK\$18.05 million for existing projects’ business development. In the event that the 400,000,000 First Subscription Shares are not fully subscribed, the net proceeds will be utilised in proportion to the above uses.

The Second Subscription

The gross proceeds from the Second Subscription will be up to HK\$40,000,000. The net proceeds from the Second Subscription (after deduction of relevant expenses of the Second Subscription) will amount to approximately up to HK\$39.72 million. The net price per Second Subscription Share upon the completion of the Second Subscription will be approximately HK\$0.099 per Second Subscription Share. The Company intends to apply the net proceeds of (i) approximately HK\$9.79 million for repayment of outstanding liabilities; (ii) approximately HK\$11.88 million for provision of general working capital; and (iii) approximately HK\$18.05 million for existing projects’ business development. In the event that the 400,000,000 Second Subscription Shares are not fully subscribed, the net proceeds will be utilised in proportion to the above uses.

INFORMATION ON THE GROUP

The Group is principally engaged in (i) design, manufacture and trading of apparel; (ii) provision of money lending business; and (iii) IP application and products business.

EQUITY FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

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

Date of announcement	Fund raising activity	Net proceeds raised	Intended use of the net proceeds	Actual use of proceeds
29 November 2023 and 18 January 2024	Issue of new shares under general mandate by way of subscription	Pending completion	approximately HK\$25.37 million for provision of general working capital of the Group	Pending completion
20 October 2023, 10 November 2023, 13 November 2023, 5 December 2023 and 5 January 2024	(I) Placing of new shares under general mandate; and	approximately HK\$10.9 million	(I) Placing of new shares under general mandate: (a) approximately HK\$19.00 million for repayment of outstanding liabilities; and (b) approximately HK\$20.20 million for provision of general working capital	used the net proceeds of HK\$9.1 million for repayment of outstanding liabilities and the balance of HK\$1.8 million as general working capital.
	(II) Previous Subscription	Nil	(II) Previous Subscription: (a) approximately HK\$37 million for existing projects' business development; and (b) approximately HK\$12.50 million for future possible investment opportunities	The subscription agreement was lapsed on 31 January 2024

Date of announcement	Fund raising activity	Net proceeds raised	Intended use of the net proceeds	Actual use of proceeds
30 June 2023 and 14 July 2023	Placing of new shares under general mandate	Nil	(i) approximately HK\$12 million for 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)	The placing agreement was lapsed as announced by the Company on 14 July 2023

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

EFFECTS ON SHAREHOLDING STRUCTURE

Set out below is the shareholding structure of the Company (i) as at the date of this announcement; (ii) assuming immediately upon the allotment and issue of the maximum of 400,000,000 First Subscription Shares (assuming there is no other change to the number of the issued share capital of the Company from the date of this announcement to the First Subscription Completion Date); (iii) assuming immediately upon the allotment and issue of the maximum of 400,000,000 Second Subscription Shares (assuming there is no other change to the number of the issued share capital of the Company from the date of this announcement to the Second Subscription Completion Date); and (iv) assuming immediately upon the allotment and issue of the maximum of 400,000,000 First Subscription Shares and the maximum of 400,000,000 Second Subscription Shares (assuming there is no other change to the number of the issued share capital of the Company from the date of this announcement to the Subscription Completion Dates, whichever is later).

	(i) As at the date of this announcement		(ii) Assuming immediately upon the allotment and issue of the maximum of 400,000,000 First Subscription Shares (assuming there is no other change to the number of the issued share capital of the Company from the date of this announcement to the First Subscription Completion Date)		(iii) Assuming immediately upon the allotment and issue of the maximum of 400,000,000 Second Subscription Shares (assuming there is no other change to the number of the issued share capital of the Company from the date of this announcement to the Second Subscription Completion Date)		(iv) Assuming immediately upon the allotment and issue of the maximum of 400,000,000 First Subscription Shares and the maximum of 400,000,000 Second Subscription Shares (assuming there is no other change to the number of the issued share capital of the Company from the date of this announcement to the Subscription Completion Dates, whichever is later)	
	No. of Shares	Approx.	No. of Shares	Approx.	No. of Shares	Approx.	No. of Shares	Approx.
Directors								
Tang Shu Pui Simon (Note 1)	5,000,000	0.23%	5,000,000	0.20%	5,000,000	0.20%	5,000,000	0.17%
Chan Ming Leung Terence (Note 2)	15,840,000	0.74%	15,840,000	0.62%	15,840,000	0.62%	15,840,000	0.54%
Substantial Shareholders								
World Field Industries Limited (Note 3)	283,994,000	13.29%	283,994,000	11.19%	283,994,000	11.19%	283,994,000	9.67%
Public Shareholders								
The First Subscriber	-	-	400,000,000	15.77%	-	-	400,000,000	13.62%
The Second Subscriber	-	-	-	-	400,000,000	15.77%	400,000,000	13.62%
Other public Shareholders	<u>1,832,242,324</u>	<u>85.74%</u>	<u>1,832,242,324</u>	<u>72.22%</u>	<u>1,832,242,324</u>	<u>72.22%</u>	<u>1,832,242,324</u>	<u>62.38%</u>
Total	<u><u>2,137,076,324</u></u>	<u><u>100.00%</u></u>	<u><u>2,537,076,324</u></u>	<u><u>100.00%</u></u>	<u><u>2,537,076,324</u></u>	<u><u>100.00%</u></u>	<u><u>2,937,076,324</u></u>	<u><u>100.00%</u></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 15,840,000 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. On 31 August 2023, he exercised another 1,440,000 options of the Company. Hence, a total of 15,840,000 Shares were issued to Mr. Chan. Based on his disclosure of interests forms filed on 19 May 2023, 20 June 2023 and 12 September 2023 respectively, Mr. Chan has provided an interest in the 15,840,000 Shares as security to a person other than a qualified lender. He continues to be the beneficial owner of the remaining balance of 2,060,000 options of the Company.

3. 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 46.19% 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 Shiyong (黃世榮).

LISTING RULES IMPLICATIONS OF THE SUBSCRIPTIONS

The First Subscription

The First Subscription and the First Subscription Shares to be allotted and issued under the Specific Mandate I are subject to the Shareholders’ approval at the EGM. To the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, as none of the Shareholders or their associates have a material interest in the First Subscription, no Shareholder will be required to abstain from voting on the resolution relating to the First Subscription at the EGM.

The Second Subscription

As at the date of the Second Subscription Agreement, the Second Subscriber is wholly and beneficially owned by Mr. Wong Kin Ting, the father of Mr. Wong who is an executive Director. As such, the Second Subscriber is an associate of Mr. Wong and hence a connected person of the Company under Chapter 14A of the Listing Rules. Accordingly, the Second Subscription constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules and is subject to Independent Shareholders’ approval by way of poll at the EGM. As Mr. Wong is considered to have material interest in the Second Subscription, he had abstained from voting on the Board resolutions of the Company in relation to the Second Subscription Agreement and the transactions contemplated thereunder. Any Shareholder who has a material interest in the Second Subscription must abstain from voting at the EGM on the resolution in respect of the Second Subscription Agreement and the transactions contemplated thereunder.

GENERAL

The EGM will be convened and held for the purpose of considering and, if thought fit, approving the Subscription Agreements and the transactions contemplated thereunder, including the grant of the Specific Mandate I and Specific Mandate II for the allotment and issue of the Subscription Shares.

Shareholders who are involved in or interested in the First Subscription will be required to abstain from voting in respect of the resolution(s) to approve the grant of the Specific Mandate I to allot and issue the First Subscription Shares pursuant to the First Subscription Agreement and the transactions contemplated under the First Subscription Agreement at the EGM. To the best of the Directors’

knowledge, information and belief, having made all reasonable enquiries, as at the date of this announcement, no Shareholder is required to abstain from voting on the relevant resolution at the EGM.

The Second Subscriber and its associates (including Mr. Wong) (to the extent they have an existing interest in the Shares) will abstain from voting at the EGM on the resolution in respect of the Second Subscription Agreement and the transactions contemplated thereunder. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, save for the aforementioned, as at the date of this announcement, no other Shareholder is required to abstain from voting on the relevant resolution at the EGM.

The Independent Board Committee will be established to advise the Independent Shareholders on the Second Subscription Agreement and the transactions contemplated thereunder. An Independent Financial Adviser will be appointed to advise the Independent Board Committee and the Independent Shareholders in relation to the Second Subscription Agreement and the transactions contemplated thereunder.

A circular containing, among other things, (i) further details of the Subscription Agreements and the transactions contemplated thereunder; (ii) a letter from the Independent Board Committee containing its advice to the Independent Shareholders in respect of the Second Subscription Agreement and the transactions contemplated thereunder; (iii) a letter from the Independent Financial Adviser containing its advice to the Independent Board Committee and the Independent Shareholders in respect of the Second Subscription Agreement and the transactions contemplated thereunder; and (iv) a notice convening the EGM, will be despatched to the Shareholders on or before 27 February 2024.

As the completion of the Subscriptions is subject to the satisfaction of the conditions precedent set out in the respective Subscription Agreements, the respective Subscriptions may or may not proceed. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

TERMS AND DEFINITIONS

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

“Board”	the board of Directors
“Business Day(s)”	any day (other than a Saturday, Sunday or public holiday or a day on which a typhoon signal no. 8 or above or black rainstorm warning signal is hoisted or the Extreme Conditions is announced in Hong Kong between 9:00 a.m. to 5:00 p.m.) on which licensed banks in Hong Kong are generally open for business throughout their normal business hours

“Company”	Virtual Mind Holding Company Limited, a company incorporated in the Cayman Islands, the Shares of which are listed on the Stock Exchange
“connected person(s)”	the meaning ascribed thereto under the Listing Rules
“Director(s)”	the director(s) of the Company
“EGM”	the extraordinary general meeting to be convened by the Company for the purpose of considering and, if thought fit, approving the Subscription Agreements and the transactions contemplated thereunder, including the grant of the Specific Mandate I and Specific Mandate II
“Extreme Conditions”	the extreme conditions as announced by any Hong Kong Government department or body or otherwise, whether or not under or pursuant to the revised “Code of Practice in Times of Typhoons and Rainstorms” issued by the Labour Department of the Hong Kong Government in June 2019 in the event of serious disruption of public transport services or government services, extensive flooding, major landslides or large-scale power outage after typhoons or incidents similar in seriousness or nature
“First Long Stop Date”	30 April 2024
“First Subscriber”	Yu Chunfeng* (余春風)
“First Subscription”	the issuing by the Company and the subscription by the First Subscriber of the First Subscription Shares pursuant to the First Subscription Agreement
“First Subscription Agreement”	the conditional subscription agreement entered into between the Company and the First Subscriber dated 2 February 2024 in relation to the First Subscription
“First Subscription Completion Date”	any Business Day within a period of ten (10) Business Days after the fulfilment and/or satisfaction (or waiver, as appropriate) of the conditions precedent of the First Subscription Agreement
“First Subscription Price”	HK\$0.10 per First Subscription Share

“First Subscription Share(s)”	the up to 400,000,000 new Shares to be allotted and issued by the Company to the First Subscriber pursuant to the First Subscription Agreement under the Specific Mandate I
“Group”	the Company and its subsidiaries
“HK\$ or HKD”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Board Committee”	the independent board committee of the Company comprising of all the independent non-executive Directors, to be established for the purpose of advising the Independent Shareholders on the Second Subscription Agreement and the transactions contemplated thereunder
“Independent Financial Adviser”	an independent financial adviser to be appointed by the Company to make recommendations to the Independent Board Committee and the Independent Shareholders in respect of the Second Subscription Agreement and the transactions contemplated thereunder
“Independent Shareholders”	Shareholders who are not required under the Listing Rules to abstain from voting at the EGM for the resolution to approve the Second Subscription Agreement and the transactions contemplated thereunder
“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 Stock Exchange
“Mr. Wong”	Mr. Wong Wai Kai Richard, an executive Director
“Second Long Stop Date”	30 April 2024
“Second Subscriber”	King Castle Enterprises Limited, a company incorporated in the British Virgin Islands with limited liability

“Second Subscription”	the issuing by the Company and the subscription by the Second Subscriber of the Second Subscription Shares pursuant to the Second Subscription Agreement
“Second Subscription Agreement”	the conditional subscription agreement entered into between the Company and the Second Subscriber dated 2 February 2024 in relation to the Second Subscription
“Second Subscription Completion Date”	any Business Day within a period of ten (10) Business Days after the fulfilment and/or satisfaction (or waiver, as appropriate) of the conditions precedent of the Second Subscription Agreement
“Second Subscription Price”	HK\$0.10 per Second Subscription Share
“Second Subscription Share(s)”	the up to 400,000,000 new Shares to be allotted and issued by the Company to the Second Subscriber pursuant to the Second Subscription Agreement under the Specific Mandate II
“Share(s)”	the ordinary share(s) of the Company
“Shareholder(s)”	holder(s) of the Share(s) from time to time
“Specific Mandate I”	the specific mandate to be granted to the Board by the Shareholders at the EGM for the allotment and issuance of the First Subscription Shares
“Specific Mandate II”	the specific mandate to be granted to the Board by the Independent Shareholders at the EGM for the allotment and issuance of the Second Subscription Shares
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscribers”	the First Subscriber and the Second Subscriber
“Subscriptions”	the First Subscription and the Second Subscription
“Subscription Agreements”	the First Subscription Agreement and the Second Subscription Agreement
“Subscription Completion Dates”	the First Subscription Completion Date and Second Subscription Completion Date
“Subscription Prices”	the First Subscription Price and the Second Subscription Price

“Subscription Share(s)”	the First Subscription Share(s) and the Second Subscription Share(s)
“substantial shareholder(s)”	has the meaning ascribed thereto under the Listing Rules
“%”	per cent

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

Hong Kong, 2 February 2024

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

** For identification purpose only*