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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)

COMPLETION OF THE CONNECTED TRANSACTION IN RELATION TO SUBSCRIPTION OF NEW SHARES UNDER SPECIFIC MANDATE

References are made to the announcements of Virtual Mind Holding Company Limited (the “**Company**”) dated 2 February 2024, 27 February 2024 and 16 May 2024, the circular of the Company dated 15 March 2024 (the “**Circular**”) and the poll results announcement of the Company dated 8 April 2024 in relation to, among others, the Subscriptions. Unless the context requires otherwise, capitalised terms used in this announcement shall have the same meanings as those defined in the Circular.

The Board is pleased to announce that the completion of the Second Subscription took place on 30 May 2024 in accordance with the terms and conditions of the Second Subscription Agreement.

Pursuant to the Second Subscription Agreement, the Second Subscriber has conditionally agreed to subscribe for up to 400,000,000 Second Subscription Shares. As at the date of this announcement, a total of 330,000,000 Second Subscription Shares have been successfully allotted and issued to the Second Subscriber at the Second Subscription Price of HK\$0.10 per Second Subscription Share. As informed by the First Subscriber, the First Subscription will not be completed on or before the First Subscription Completion Date.

The gross proceeds from the Second Subscription are HK\$33,000,000. The net proceeds from the Second Subscription, after deduction of relevant expenses in connection with the Subscriptions, will amount to approximately HK\$32.4 million. Given that the First Subscription has not completed and the Second Subscription was under subscribed, the proceeds raised from the Subscriptions were below than that expected. The net proceeds raised from the Second Subscription was reduced by approximately HK\$7.3 million, the Company re-allocated the proportion of usage of the net proceeds in order not to deteriorate the working capital requirement of the Group and the existing projects, business development. The net proceeds from the Second Subscription will be re-allocated as follows: (i) approximately HK\$5.4 million for repayment of outstanding liabilities; (ii) approximately HK\$10.6 million for provision of general working capital; and (iii) approximately HK\$16.4 million for existing projects' business development.

EFFECT ON SHAREHOLDING STRUCTURE OF THE COMPANY

The 330,000,000 Second Subscription Shares represent (i) approximately 15.24% of the issued share capital of the Company before the completion of the Second Subscription; and (ii) approximately 13.22% of the issued share capital of the Company as enlarged by the allotment and issue of 330,000,000 Second Subscription Shares immediately after the completion of the Second Subscription.

Set out below is the shareholding structure of the Company (i) immediately before the completion of the Second Subscription; and (ii) immediately after the completion of the Second Subscription.

	(i) Immediately before the completion of the Second Subscription		(ii) Immediately after the completion of the Second Subscription	
	<i>No. of Shares</i>	<i>Approximate</i>	<i>No. of Shares</i>	<i>Approximate</i>
Directors				
Tang Shu Pui Simon (<i>Note 1</i>)	5,000,000	0.23%	5,000,000	0.20%
Chan Ming Leung Terence (<i>Note 2</i>)	15,840,000	0.73%	15,840,000	0.63%
Substantial Shareholder				
World Field Industries Limited (<i>Note 3</i>)	283,994,000	13.12%	283,994,000	11.38%
Subscriber				
The Second Subscriber	–	–	330,000,000	13.22%
Public Shareholders				
	<u>1,860,442,324</u>	<u>85.92%</u>	<u>1,860,442,324</u>	<u>74.57%</u>
Total	<u><u>2,165,276,324</u></u>	<u><u>100.00%</u></u>	<u><u>2,495,276,324</u></u>	<u><u>100.00%</u></u>

Notes:

1. 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.
2. 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 interim report for the six months ended 30 September 2023 of Aceso, as at 30 September 2023, Aceso was owned as to approximately 58.98% by Ms. Li Shao Yu (李少宇) and as to 10.83% by Century Golden Resources Investment Co., Ltd (“**Century Golden**”). Based on the disclosure of interest forms in relation to Aceso filed on 25 August 2021, Century Golden is owned as to 50% by Huang Tao (黄涛) and as to 40% by Huang Shiying (黄世熒).

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

Hong Kong, 30 May 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.