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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)

**VOLUNTARY ANNOUNCEMENT -
MEMORANDUM OF UNDERSTANDING
IN RELATION TO POTENTIAL ACQUISITION**

This announcement is made by the board (the “**Board**”) of directors (the “**Directors**”) of Virtual Mind Holding Company Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) on a voluntary basis.

MEMORANDUM OF UNDERSTANDING

The Board announces that on 9 August 2024, the Company entered into a non-legally binding memorandum of understanding (“**MOU**”) with Golden Source Securities Holdings Limited (the “**Vendor**”), pursuant to which the Company intends to acquire not less than 20% of the entire issued share capital in Tonwell Security Limited (the “**Target Company**”) which is beneficially owned by the Vendor (the “**Potential Acquisition**”).

The principal terms of the MOU are as follows:

Date : 9 August 2024

Parties : (1) the Company; and

(2) Golden Source Securities Holdings Limited

To the best of the Directors’ knowledge, information and belief, having made all reasonable enquiries, as at the date of this announcement, the Target Company, the Vendor and its ultimate beneficial owners are independent of and not connected with the Company and its connected persons (as defined in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

Equity Interest to be Acquired and the Consideration

The equity interest of the Target Company to be acquired and the consideration for the Potential Acquisition are subject to further negotiation between the parties to the MOU prior to the entering into of any formal sale and purchase agreement.

Due Diligence Review

Pursuant to the MOU, the Group shall be entitled to conduct due diligence review on the Target Company upon signing of the MOU. The Target Company shall use their best endeavours to assist the Group in completing the due diligence review on the Target Company.

Exclusivity of the MOU

On or before 9 October 2024 or any period agreed to be extended by both parties, both parties shall, on a best endeavour basis, reach mutual consent, implement all the terms and execute a formal sale and purchase agreement.

Non-legally Binding Effect

Save for the provisions as to exclusivity and confidentiality, the MOU does not constitute a legally binding agreement on the parties to the MOU.

Information of the Target Company

The Target Company was incorporated in Hong Kong in 2000, registered as a member of The Hong Kong Security Association in 2005, became a founding member of The Chamber of Securities Industry in 2011, and holds the license of Type 1 and Type 3 security work issued by Security and Guarding Services Industry Authority, providing security services to wide range of customers in private and public residential areas, corporations, governmental and non-governmental organizations, commercial buildings and various events.

Reasons for and Benefits of the Potential Acquisition

The Group has been actively pursuing to expand the Group's business. The Target Company has extensive experience in security and guarding services industry. Security services are closely related to our lives, which includes the most common guarding services and security management. Security service industry is the first line of defence against crimes and accidents, creates a safe environment in various fields, prevents crimes, safeguards personal safety and properties. With society's development, there is an increase in demand for security and guarding services from various industries. Accordingly, the Group considers the Potential Acquisition will enable the Group to broaden its business scope.

In light of the above, the Board considers that the MOU and the Potential Acquisition to be contemplated thereunder are in line with the Company's development strategy, the relevant terms and conditions are fair and reasonable and such transactions are in the interests of the Company and its shareholders as a whole.

GENERAL

The MOU represents a preliminary mutual understanding of the parties regarding the Potential Acquisition. Save for the provisions as to exclusivity and confidentiality, the MOU will not create any legal liability to any of the parties in any respect. The Potential Acquisition, if materializes, may or may not constitute a notifiable transaction of the Company under the Listing Rules. If the parties enter into a formal sale and purchase agreement or decide to terminate the MOU, or if there are any material developments with respect to the Potential Acquisition, the Company will make further announcement(s) in accordance with the Listing Rules as and when appropriate.

Shareholders of the Company and/or potential investors should note that the Potential Acquisition may or may not materialise as no formal binding documentation has been executed between the parties and negotiations are still in progress. Shareholders of the Company and/or potential investors are reminded to exercise caution when dealing in the securities of the Company.

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

Hong Kong, 9 August 2024

As at the date of this announcement, the executive Directors are Mr. Mei Weiyi, 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.