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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 ENTERING INTO A MEMORANDUM OF UNDERSTANDING FOR POSSIBLE ACQUISITION**

The board (the “**Board**”) of directors (the “**Directors**”) is pleased to announce that, on 16 October 2023 (after trading hours), Virtual Mind Holding Company Limited (the “**Company**”, together with its subsidiaries, collectively the “**Group**”) (the “**Purchaser**”) entered into a memorandum of understanding with Innovest Investment Fund SPC – Innovest HK US Equity Fund SP (the “**Vendor**”) (the “**MOU**”).

#### **THE MEMORANDUM OF UNDERSTANDING**

Date: 16 October 2023 (after trading hours)

Parties: (1) the Purchaser; and

(2) the Vendor.

Pursuant to the MOU, the Purchaser desires to purchase and the Vendor desires to sell the entire issued share capital (the “**Sale Shares**”) of Magical Year Enterprises Limited (the “**Target Company**”) (the “**Possible Acquisition**”).

To the best of the Directors’ knowledge, information and belief, having made all reasonable enquires, as at the date of this announcement, the Vendor is a third party independent of the Company and its connected persons (as defined in the Rules Governing the Listing of Securities on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

The principal terms of the MOU are as follows:

### **Consideration**

The consideration for the Sale Shares shall be subject to negotiation and result of the due diligence.

### **Formal agreement**

The Purchaser and the Vendor (the “**Parties**”) shall endeavor to negotiate and agree on the final terms and conditions of the Possible Acquisition in the formal agreement which shall be executed on or before 31 December 2023 or such other date as may be agreed between the Parties.

### **Right of first refusal**

The Parties agree that the Purchaser shall have right of first refusal up to 31 December 2023 to enter into all necessary documents to purchase the Sale Shares as per the terms and conditions stated above. If the Purchaser fails to enter into all necessary documents according to the stated terms and conditions, the right of first refusal will be rescinded (the “**Rights of First Refusal**”).

### **INFORMATION ON MAGICAL YEAR ENTERPRISES LIMITED**

The Target Company is a limited company incorporated in the British Virgin Islands and will focus on business areas such as entertainment, cultural promotion and marketing through its operating entity. The team has extensive experience in managing, planning, marketing and promoting large-scale trendy cultural and entertainment events such as carnivals, concerts and theme shows. It is planned to create more diverse scenes and trendy culture themes by combining it with various trendy cultural IP elements to provide audiences with excellent entertainment experience and enjoyment.

### **REASONS AND BENEFIT OF THE POSSIBLE ACQUISITION**

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

The Directors believe that the Possible Acquisition, if materialised, can create synergy for the Group’s existing business. By integrating the resources, channels and market advantages of the Target Company and the Group, the Group will further develop the apparel business and the IP application and product business to strengthen its competitiveness and market position in the fields.

## **GENERAL**

The Board wishes to emphasise that the MOU is not legally binding (except for the Rights of First Refusal and applicable law) and the Possible Acquisition may or may not proceed. If the Possible Acquisition materialises, it may constitute a notifiable transaction of the Company (as defined under the Listing Rules). Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company. Further announcement(s) in respect of the Possible Acquisition will be made by the Company as and when appropriate in accordance with the Listing Rules.

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

Hong Kong, 16 October 2023

*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.*