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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)

PLACING OF NEW SHARES UNDER GENERAL MANDATE

Placing Agent



萬海證券(香港)有限公司
WANHAI SECURITIES (HK) LIMITED

Wanhai Securities (HK) Limited

THE PLACING

After trading hours of the Stock Exchange on 1 April 2025, the Company entered into the Placing Agreement with the Placing Agent, pursuant to which the Placing Agent has conditionally agreed, as agent of the Company, to procure, on a best effort basis, not less than six Placees who and whose ultimate beneficial owners shall be Independent Third Parties to subscribe for up to 124,763,816 Placing Shares at the Placing Price of HK\$0.40 per Placing Share.

The Placing Shares represents: (a) approximately 18.61% of the total existing issued Shares as at the date of this announcement; and (b) approximately 15.69% of the total issued Shares as enlarged by the allotment and issue of the Placing Shares (assuming there will be no change to the total number of Shares in issue from the date of this announcement to the Completion Date other than the issue of the Placing Shares).

The Placing Price of HK\$0.40 per Placing Share represents (i) a discount of 18.37% to the closing price of HK\$0.490 per Share as quoted on the Stock Exchange on the date of the Placing Agreement; and (ii) a discount of approximately 7.41% to the average closing price of HK\$0.432 per Share as quoted on the Stock Exchange for the five consecutive trading days immediately prior to the date of the Placing Agreement.

Assuming that all Placing Shares are placed, the maximum gross proceeds from the Placing are expected to be approximately HK\$49.9 million, and the maximum net proceeds from the Placing (after deduction of the placing commission and other related costs and expenses) are expected to be approximately HK\$48.3 million, representing a net issue price of approximately HK\$0.387 per Placing Share.

The Company intends to apply the entire net proceeds from the Placing for repayment of outstanding liabilities, development of businesses and provision of general working capital of the Group. Details of which have been set out in the section headed “REASONS FOR THE PLACING AND USE OF PROCEEDS” in this announcement.

WARNING

As Completion is conditional upon fulfilment of the conditions precedent set out in the Placing Agreement, the Placing may or may not proceed. Shareholders and potential investors should exercise caution when dealing in the Shares.

THE PLACING AGREEMENT

On 1 April 2025 (after trading hours of the Stock Exchange), the Company entered into the Placing Agreement with the Placing Agent in relation to the Placing.

The principal terms and conditions of the Placing Agreement are as follows:

Date

1 April 2025 (after trading hours of the Stock Exchange)

Parties

- (1) The Company as issuer; and
- (2) The Placing Agent as placing agent

The Placing Agent

To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, the Placing Agent and its ultimate beneficial owners are Independent Third Parties.

Pursuant to the terms of the Placing Agreement, the Placing Agent will receive a placing commission of 3.0% of the aggregate amount of the Placing Price multiplied by the actual number of the Placing Shares placed by the Placing Agent.

The placing commission was negotiated on arm's length basis between the Company and the Placing Agent, and was determined with reference to, among other things, the prevailing commission rate charged by other placing agents, the size of the Placing and the price performance of the Shares. The Directors consider that the terms of the Placing, including the placing commission, are fair and reasonable based on the current market conditions and the Placing is in the interests of the Company and the Shareholders as a whole.

Number of the Placing Shares

The Placing Agent has conditionally agreed to act as agent of the Company to procure, on a best effort basis, not less than six Placees who and whose ultimate beneficial owners shall be Independent Third Parties to subscribe for up to 124,763,816 new Shares at the Placing Price (excluding the Stock Exchange trading fee, SFC transaction levy, CCASS stock settlement fee and brokerage as may be payable by the Placees), upon the terms and subject to the conditions set out in the Placing Agreement.

The Placing Shares represents: (a) approximately 18.61% of the total existing issued Shares as at the date of this announcement; and (b) approximately 15.69% of the total issued Shares as enlarged by the allotment and issue of the Placing Shares (assuming there will be no change to the total number of Shares in issue from the date of this announcement to the Completion Date other than the issue by the Company of the Placing Shares).

Ranking of the Placing Shares

The Placing Shares will rank *pari passu* in all respects among themselves and with the other existing Shares upon issuance.

Placees

The Placing Shares are expected to be placed to not less than six Placees, who and whose respective ultimate beneficial owners are Independent Third Parties.

Placing Price

The Placing Price is HK\$0.40 per Placing Share and represents:

- (i) a discount of approximately 18.37% to the closing price of HK\$0.490 per Share as quoted on the Stock Exchange on the date of the Placing Agreement; and
- (ii) a discount of approximately 7.41% to the average closing price of approximately HK\$0.432 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately prior to the date of the Placing Agreement.

The net Placing Price (after deducting the placing commission and other related costs and expenses) is approximately HK\$0.387 per Placing Share. Based on the nominal value of HK\$0.04 per Share, the maximum aggregate nominal value of the Placing Shares is approximately HK\$4,990,552.64.

The Placing Price was negotiated on an arm's length basis between the Company and the Placing Agent after taking into account factors including the recent market price of the Shares and the current market conditions.

Conditions of the Placing

The Completion of the Placing is conditional upon the satisfaction of the following conditions:

- (a) the Listing Committee of the Stock Exchange having granted the approval for the listing of, and permission to deal in, the Placing Shares on the Stock Exchange (and such listing approval not subsequently being revoked prior to Completion);
- (b) all necessary consents and approvals to be obtained on the part of each of the Placing Agent and the Company in respect of the Placing Agreement and the transactions contemplated hereunder having been obtained; and
- (c) the Placing Agreement not having been terminated in accordance with the terms of the Placing Agreement.

If any of the conditions precedent above is not fulfilled at or before 25 April 2025 (or such other date the Company and the Placing Agent may agree in writing), the Placing Agreement shall lapse and become null and void and the Company and the Placing Agent shall be released from all obligations thereunder, save the liabilities for any antecedent breaches thereof.

Application for listing

Application will be made by the Company to the Listing Committee of the Stock Exchange for the grant of the listing of, and the permission to deal in, the Placing Shares.

Completion

Completion of the Placing shall take place at 4:00 p.m. on the Completion Date after the fulfilment of the conditions as set out in paragraph headed "Conditions of the Placing" above are satisfied.

Termination

The Placing Agent may, by giving a written notice to the Company, at any time prior to the Completion Date provided that such notice is received prior to 8:00 a.m. on the Completion Date if there develops, occurs or comes into force:

- (a) the occurrence of any event, development or change (whether or not local, national or international or forming part of a series of events, developments or changes occurring or continuing before, on and/or after the date of the Placing Agreement) and including an event or change in relation to or a development of an existing state of affairs of a political, military, industrial, financial, economic, fiscal, regulatory or other nature, resulting in a change in, or which may result in a change in, political, economic, fiscal, financial, regulatory or stock market conditions and which in the Placing Agent's absolute opinion would adversely affect the success of the Placing; or
- (b) the imposition of any moratorium, suspension (for more than seven (7) trading days) or restriction on trading in the securities generally on the Stock Exchange occurring due to exceptional financial circumstances or otherwise and which in the Placing Agent's absolute opinion, would adversely affect the success of the Placing; or
- (c) any new law or regulation or change in existing laws or regulations or any change in the interpretation or application thereof by any court or other competent authority in Hong Kong or any other jurisdiction relevant to the Group and if in the Placing Agent's absolute opinion any such new law or change may adversely affect the business or financial prospects of the Group and/or the success of the Placing; or
- (d) any litigation or claim being instigated against any member of the Group, which has or may have an adverse effect on the business or financial position of the Group and which in the Placing Agent's absolute opinion would adversely affect the success of the Placing; or
- (e) any material adverse change in the business or in the financial or trading position or prospects of the Group as a whole; or
- (f) any breach of any of the representations and warranties set out in the Placing Agreement comes to the knowledge of the Placing Agent or any event occurs or any matter arises on or after the date of the Placing Agreement and prior to the Completion Date which if had occurred or arisen before the date of the Placing Agreement would have rendered any of such representations and warranties untrue or incorrect or there has been a breach by the Company of any other provision of the Placing Agreement; or
- (g) there is any material change (whether or not forming part of a series of changes) in market conditions which in the absolute opinion of the Placing Agent would materially and prejudicially affect the Placing or makes it inadvisable or inexpedient for the Placing to proceed.

Upon termination of the Placing Agreement, the Placing Agreement shall thereupon cease to have effect and none of the parties shall have any rights or claims by reason thereof save for any rights or obligations which may accrue under the Placing Agreement prior to such termination.

GENERAL MANDATE TO ISSUE THE PLACING SHARES

The Placing Shares will be allotted and issued under the General Mandate granted to the Directors by resolution of the Shareholders passed at the AGM subject to the limit up to 20% of the total number of issued Shares as at the date of the AGM. Under the General Mandate, the Company is authorised to issue up to 124,763,816 new Shares (as adjusted upon the consolidation of every four shares of par value HK\$0.01 into one share of par value HK\$0.04 became effective on 20 November 2024). Up to the date of this announcement, no new Shares have been issued under the General Mandate. Accordingly, the allotment and issue of the Placing Shares are not subject to the approval of the Shareholders.

REASONS FOR THE PLACING AND USE OF PROCEEDS

The Group is principally engaged in (i) apparel operation; (ii) money lending operation; and (iii) IP application and products operation.

Upon Completion, the maximum aggregate gross proceeds from the Placing are expected to be approximately HK\$49.90 million. The maximum net proceeds from the Placing (after deduction of the placing commission and other related costs and expenses) are estimated to be approximately HK\$48.30 million, representing a net issue price of approximately HK\$0.387 per Placing Share. The Group intends to apply the net proceeds as to (i) approximately HK\$12.0 million, equivalent to approximately 24.8% of the net proceeds from the Placing for repayment of outstanding liabilities; (ii) the net proceeds of approximately HK\$21.3 million, equivalent to approximately 44.1% of the net proceeds from the Placing for provision of general working capital; and (iii) the remaining net proceeds of approximately HK\$15.0 million, equivalent to approximately 31.1% of the net proceeds from the Placing for development of businesses.

The Directors consider that the Placing represents an opportunity to raise capital for the Company while broadening its Shareholder and capital base. The Directors are of the view that the Placing will strengthen the financial position and liquidity of the Group and provide funding to the Group for working capital without incurring interest costs.

In light of the above, the Directors consider that the Placing Agreement is entered into upon normal commercial terms following arm's length negotiations between the Company and the Placing Agent and the terms of the Placing Agreement (including the Placing Price and the placing commission) are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

EFFECTS ON SHAREHOLDING STRUCTURE OF THE COMPANY

Assuming all the Placing Shares are fully placed and there are no other changes in the share capital of the Company from the date of this announcement up to the date of issue of the Placing Shares, to the best knowledge and belief of the Directors and based on the disclosure of interest filed by the substantial shareholder, set out below is the shareholding structure of the Company (i) as at the date of this announcement; and (ii) immediately after the issue of the Placing Shares:

Shareholders	As at the date of this announcement		Immediately upon Completion	
	Number of Shares	Approximate %	Number of Shares	Approximate %
Directors				
Mei Weiyl	3,750,000	0.56%	3,750,000	0.47%
Chan Ming Leung Terence	3,960,000	0.59%	3,960,000	0.50%
Tang Shu Pui Simon	1,250,000	0.19%	1,250,000	0.16%
Substantial Shareholders				
King Castle Enterprises Limited (Note 1)	122,500,000	18.27%	122,500,000	15.40%
World Field Industries Limited (Note 2)	70,988,500	10.59%	–	–
Others				
Placees	–	–	124,763,816	15.69%
World Field Industries Limited (Note 2)	–	–	70,988,500	8.93%
Other Public Shareholders	<u>468,096,428</u>	<u>69.80%</u>	<u>468,096,428</u>	<u>58.85%</u>
Total	<u>670,544,928</u>	<u>100.00%</u>	<u>795,308,744</u>	<u>100.00%</u>

Notes:

- King Castle Enterprises Limited is wholly and beneficially owned by Mr. Wong Kin Ting, the father of Mr. Wong Wai Kai Richard, an executive Director.
- Based on the disclosure of interest 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, the shares of which are listed on the Main Board of the Stock Exchange (stock code: 474). Upon the completion of Placing, World Field Industries Limited will hold less than 10% of the total issued Shares and cease to be a substantial Shareholder and therefore the Shares held by it will be counted towards public float.
- The approximate percentage figures as shown above are rounded to the nearest two decimal places and therefore may not add up to 100% due to rounding.

EQUITY FUND RAISING ACTIVITIES IN THE PAST TWELVE MONTHS

Save as disclosed below, the Company has not conducted any equity fund raising activities in the past 12 months immediately preceding the date of this announcement.

Date of announcement	Fund raising activities	Net proceeds raised	Intended use of net proceeds	Actual use of net proceeds
2 February 2024, 27 February 2024, 8 April 2024, 16 May 2024 and 30 May 2024	(I) Issue of new shares under specific mandate by way of subscription; and	Nil	(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 conditions precedent of the subscription agreement were not fulfilled, satisfied and/or waived, and the subscription was not completed on 30 May 2024
	(II) Connected transaction in relation to the issue of new shares under specific mandate by way of subscription	approximately HK\$32.4 million	(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	Used the net proceeds of (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
10 October 2024, 23 October 2024, 18 November 2024 and 12 December 2024	Connected transaction in relation to the issue of new shares under specific mandate by way of subscription	approximately HK\$9.85 million	approximately HK\$9.85 million for provision of general working capital of the Group	Used the net proceeds of approximately HK\$9.85 million for provision of general working capital of the Group.

WARNING

As Completion is conditional upon fulfilment of the conditions precedent set out in the Placing Agreement, the Placing may or may not proceed. Shareholders and potential investors should exercise caution when dealing in the Shares.

DEFINITIONS

Unless the context requires otherwise, the capitalised terms used herein shall have the same meanings as set forth below:

“AGM”	the annual general meeting of the Company held on 26 June 2024
“Board”	the board of Directors
“Business Day(s)”	a day (other than a Saturday, Sunday or statutory holiday and days on which a typical cyclone warning signal no. 8 or above or a black rainstorm warning signal is hoisted in Hong Kong at any time between 9:00 a.m. and 5:00 p.m.) on which licensed banks in Hong Kong are generally open for ordinary banking 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
“Completion”	completion of the Placing in accordance with the terms and conditions of the Placing Agreement
“Completion Date”	within three Business Days after the fulfillment of all the conditions precedent of the Placing Agreement (or such other date and place as the Company and the Placing Agent may agree in writing)
“connected person(s)”	has the same meaning as ascribed to it under the Listing Rules
“Director(s)”	director(s) of the Company from time to time
“General Mandate”	the general mandate granted to the Directors pursuant to an ordinary resolution of the Company passed at the Company’s AGM to allot, issue and deal with up to 20% of the then issued shares of the Company as at the date of the AGM
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	third party(ies) independent of and not connected with the Company and its connected persons
“Listing Committee”	has the meaning ascribed to it under the Listing Rules
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Placee(s)”	any professional, institutional or other investor(s) procured by the Placing Agent or its agent(s) to subscribe for any Placing Shares pursuant to the Placing Agreement
“Placing”	the placing, on a best effort basis, of up to 124,763,816 Placing Shares on and subject to the terms and conditions set out in the Placing Agreement
“Placing Agent”	Wanhai Securities (HK) Limited, being a corporation licensed to conduct Type 1 (dealing in securities) and Type 4 (advising on securities,) regulated activities under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Placing Agreement”	the conditional placing agreement dated 1 April 2025 entered into between the Company and the Placing Agent in relation to the Placing
“Placing Price”	HK\$0.40 per Placing Share (exclusive of any brokerage, SFC transaction levy and Stock Exchange trading fee as may be payable)
“Placing Share(s)”	a total of up to 124,763,816 new Shares to be placed pursuant to the Placing Agreement and to be issued under the General Mandate, each a “Placing Share”
“SFC”	the Securities and Futures Commission of Hong Kong
“Share(s)”	ordinary share(s) of HK\$0.04 each in the share capital of the Company

“Shareholder(s)”	shareholder(s) of the Company
“Substantial Shareholder(s)”	has the same meaning as ascribed to it under the Listing Rules
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent.

By order of the Board
Virtual Mind Holding Company Limited
Mei Weiyi
Chairman and Executive Director

Hong Kong, 1 April 2025

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.