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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)

FURTHER ANNOUNCEMENT IN RESPECT OF 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

Reference is made to the announcement of Virtual Mind Holding Company Limited (the "**Company**") dated 15 July 2025 in respect of placing of new shares under general mandate (the "**Announcement**"). Unless otherwise defined, capitalized terms used in this announcement shall bear the same meanings as those defined in the Announcement.

The Board would like to provide further information on the use of proceeds from the Placing.

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

The maximum net proceeds from the Placing (after deduction of the placing commission in respect of the Placing and other related expenses including, among others, the professional fees, are estimated to be approximately HK$79.92 million.

Among which, approximately HK$38.00 million, equivalent to approximately 47.55% of the net proceeds from the Placing will be used for development of businesses. It includes:

(1) Sports IP New Consumption Business (estimated investment of approximately HK$20.00 million in this phase)

1. Business background

The Company has certain experience in IP asset operation and has also tried product innovation of sports IP clothing in its existing apparel and IP operation business. In order to enhance the existing businesses, considering the advantages of sports IP such as high user stickiness and high turnover, the Company actively explores high-quality sports IP resources (covering events, celebrities and sports brands, etc.), aiming to create a new sports IP consumption ecosystem through the "sports IP + scene operation" model.

2. Specific uses

It is expected that HK$20.00 million of the funds raised will be invested in the business resources of the new sports IP consumption business at this stage, including but not limited to IP licensing fees, Wangfujing IP commercial theme block experience project venue and materials costs, offline theme park carnival venues and material costs, smart terminal equipment deployment, online traffic deployment and other business resource expenditures:

- Offline scene operation: Carry out Wangfujing IP commercial theme block experience project (including IP derivative sales and interactive experience projects), sports theme park carnival and deploy smart terminal equipment (covering shopping malls, parking lots and other traffic scenes, and the equipment functions include IP content display, consumption payment and user data collection); and

- Online and offline linkage: Through the linkage of "big screen (smart terminal) + small screen (mobile phone)", users can participate in IP interactive games, purchase IP derivatives or make reservations for offline activities, etc., thereby achieving traffic conversion.

(2) Construction of Procurement Supply Chain Platform for IP New Consumption System (estimated investment of HK$5.00 million to HK$8.00 million)

1. Business background

Based on the high requirements of internationally renowned IPs for IP application restrictions, product quality control, product supply chain traceability, etc., and considering the diversity of international IP authorized regions and business fields around the world, in order to protect and safeguard the Company's rights and interests

in the reasonable use of IP resources in possible regions and business fields, the Company will combine the web3 platform technology obtained through technology licensing earlier to build a procurement supply chain platform for the new IP consumption system, which will be used for global supply chain transaction management for authorized IPs, and realize transparency, efficiency and traceability of the supply chain.

2. Specific uses

In order to complete the construction of the new IP consumption system as soon as possible, the funds raised this time are expected to be invested HK$5.00 million to HK$8.00 million in the construction of the supply chain platform and the implementation of services, including but not limited to platform technology research and development expansion, technology and operation and maintenance team personnel recruitment, global IP and technology protection, supply chain cooperation channel construction, industry resource expansion, etc.

(3) IP New Consumption System: AI-enabled Scenarios and Intelligent Settlement Function Construction (estimated investment of HK$10.00 million to HK$13.00 million)

1. Business background

Relying on the business experience accumulated over the years in consumer fields such as apparel and IP operations, combined with the newly acquired blockchain technology authorization advantages, the Company is actively expanding sales channels and consumer-end customers under the existing market environment. It hopes to use AI algorithm models to build a precise marketing system for sports IP (including event ticket payment, surrounding consumption) consumption scenarios and precise groups of IP fans; and by optimizing stablecoin settlement technology, solve problems such as exchange rate conversion, arrival time, and transaction compliance for customers in different regions and types, forming a business empowerment of “technical support + scenario implementation + transaction service”.

2. Specific uses

It is estimated that HK$10.00 million to HK$13.00 million of the funds raised will be invested in the construction of AI-enabled scenarios and intelligent settlement functions, including but not limited to the technical investment and personnel recruitment required for the construction of AI algorithm models, the technical investment and personnel recruitment required for the access of stablecoin settlement technology, data collection and procurement, anti-money laundering and transaction compliance technology investment and personnel recruitment, etc.

The Company hopes to use sports IP (including event IP, athlete IP, venue IP, etc.) as an experiment to build an open IP new consumption system including procurement supply chain traceability, data collection and product development, sales terminal intelligent settlement and other functions, open the ecological entrance to IP holders, brand partners (such as IP product supply chain), distributors and end consumers, and carry out IP management, IP product development and sales, IP theme park carnival interactive projects, IP co-branding and customized operations, and other businesses. Through the linkage of large and small screens of smart terminal devices, the diversified commercial implementation of IP games, derivatives and interactive projects is realized, and the updated technical tools are used to promote the efficiency improvement and maximize the benefits of existing businesses.

The IP business has achieved commercial success by combining new web3 technologies, the Company will also appropriately expand its customer base in other industries based on its understanding of different business formats and resource allocation, in order to enhance the commercial conversion of technology investment and seize more business opportunities in the web3 era.

The allocation of the net proceeds raised of HK$39.42 million for provision of general working capital as follows:

		HK$' million
1.	Salaries (including directors' fees)	21.00
2.	Existing business uses	3.00
3.	Repayment of payables	2.50
4.	Professional fees	4.00
5.	Office expenses	5.00
6.	Reserves for others	3.92
Total:		39.42

In addition, the Company has no plan to downsizing the scale of its existing apparel operation. Given the change in the industry environment, the Company will pay attention to the actual market conditions and adapt to such changes where necessary.

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

Hong Kong, 28 July 2025

As at the date of this announcement, the executive Directors are Mr. Mei Weiyi, Mr. Li Yang, Ms. Tin Yat Yu Carol and Mr. Wong Wai Kai Richard; and the independent non-executive Directors are Mr. Tang Shu Pui Simon, Mr. Hon Ming Sang and Ms. Yeung Riviera.