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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)

DISCLOSEABLE AND CONNECTED TRANSACTION - ASSIGNMENT OF LOANS

Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders

Minerva Advisory
贏環球融資顧問

THE ASSIGNMENT

On 23 September 2025 (after trading hours of the Stock Exchange), the Assignor, being a wholly- owned subsidiary of the Company, entered into the Sale and Purchase Agreement with the Assignee, pursuant to which the Assignor has agreed to assign, and the Assignee has agreed to purchase from the Assignor all of the Assignor's legal and beneficial right in the Loan Agreements (including but not limited to the Assigned Debt).

LISTING RULES IMPLICATION

As one or more of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the Assignment exceed 5% but are less than 25%, the Assignment constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

As at the date of this announcement, the Assignee is a connected person of the Company under Chapter 14A of the Listing Rules by virtue of being an executive Director and the sole director of the Assignor. Therefore, the Assignment also constitutes a connected transaction for the Company and is subject to the reporting, announcement, circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

An Independent Board Committee comprising all the independent non-executive Directors has been established to advise the Independent Shareholders on the Assignment, the terms of the Sale and Purchase Agreement and the transactions contemplated thereunder. Minerva Advisory Global Capital Limited has been appointed by the Company as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

An EGM will be convened and held for the purpose of considering and, if thought fit, approving the Assignment, the Sale and Purchase Agreement and the transactions contemplated thereunder. The Assignee and her associates are required to abstain from voting on the resolution(s) approving the Assignment, the Sale and Purchase Agreement and the transactions contemplated thereunder at the EGM. Save for the aforementioned and to the best knowledge, information and belief of the Directors, no other Shareholder has a material interest in the Assignment and the Sale and Purchase Agreement and is required to abstain from voting on the resolution(s) approving the Assignment, the Sale and Purchase Agreement and the transactions contemplated thereunder at the EGM.

A circular containing, among other things, (i) details of the Sale and Purchase Agreement; (ii) the recommendation from the Independent Board Committee to the Independent Shareholders in respect of the Assignment and the Sale and Purchase Agreement; (iii) the letter of advice from Minerva Advisory Global Capital Limited to the Independent Board Committee and the Independent Shareholders in respect of the Assignment and the Sale and Purchase Agreement; and (iv) the notice of EGM and the proxy forms will be despatched to the Shareholders on or before 31 October 2025 as additional time is required to finalise certain information to be included in the circular.

Completion is subject to and conditional upon the fulfillment of the terms and conditions precedent set out in the Sale and Purchase Agreement and the Assignment may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.

THE ASSIGNMENT

On 23 September 2025 (after trading hours of the Stock Exchange), the Assignor, being a wholly- owned subsidiary of the Company, entered into the Sale and Purchase Agreement with the Assignee, pursuant to which the Assignor has agreed to assign, and the Assignee has agreed to purchase from the Assignor all of the Assignor's legal and beneficial right in the Loan Agreements (including but not limited to the Assigned Debt).

SALE AND PURCHASE AGREEMENT

The principal terms of the Sale and Purchase Agreement are set out as follows:

Date 23 September 2025

Parties Assignor: Delta Wealth Finance Limited, a wholly owned subsidiary of the Company

Assignee: Ms. Tin Yat Yu Carol, an executive Director and the sole director of the Assignor

Subject matter The Assignor has agreed to assign, and the Assignee has agreed to purchase from the Assignor all of the legal and beneficial right in the Loan Agreements (including but not limited to the Assigned Debt).

Consideration The Consideration is HK$11,399,686, which shall be paid by the Assignee to the Assignor by cash in the following manner:

(i) as to HK$1,099,686 shall be paid by the Assignee to the Assignor as down payment (the "**Deposit**") upon signing of the Sale and Purchase Agreement (or such later date as the Assignor and the Assignee may agree); and

(ii) the remaining sum of HK$10,300,000 (the "**Remaining Sum**") shall be paid by the Assignee to the Assignor in 12 monthly installments (with the first 11 installments being HK$860,000 each and the last installment being HK$840,000), while the first instalment shall be payable on 1 October 2025 or the Completion Date (whichever is later) (or such later date as the Assignor and the Assignee may agree) and the remaining instalments be payable by the Assignee to the Assignor by the end of each subsequent calendar month. Notwithstanding of the above, the Assignee may prepay all or part of the Remaining Sum at any time by giving the Assignor not less than three (3) Business Days' prior written notice.

In the event of a partial prepayment of the Remaining Sum, the sum so prepaid shall be applied in inverse order of maturity and the Assignee shall continue to make all remaining installments in accordance with the original payment schedule until the Remaining Sum is fully repaid.

Notwithstanding the above, the Assignee undertakes to use her best endeavour to liaise with the Borrowers to recover the Assigned Debt, and shall use the net amount so successfully recovered to settle the outstanding Consideration as soon as possible within 10 Business Days upon receipt of the same, and settle the Consideration in entirety within one year from the date of Completion in any event.

The Consideration represents the difference of the original aggregated principal amount of the Assigned Debt of HK$20,500,000 and all repayment (including interest payments) previously made by the Borrowers up to 30 June 2025 of HK$9,100,314.

The Consideration was determined after arm's length negotiations between the Assignor and the Assignee, having considered (i) the outstanding principal and interests owed by the Borrowers under the Loan Agreements; (ii) the possibility of the recovery of the Assigned Debt and the interests thereon, taking into account, among others, the indication from the Borrowers of their respective inability to repay the Assigned Debt fully and punctually; (iii) the time and costs that are expected to be incurred by the Group if the Assignor takes legal action against the Borrowers to enforce the Loan Agreements; and (iv) the current global circumstances and uncertainties in the economic outlook.

The Board (excluding the independent non-executive Directors who will give their opinion based on the recommendations from the independent financial adviser and Ms. Tin who has abstained from voting due to her material interest in the Sale and Purchase Agreement and the transactions contemplated thereunder) is of the view that the Consideration is fair and reasonable and on normal commercial terms and that the entering into of the Sale and Purchase Agreement is in the interests of the Company and the Shareholders as a whole.

Conditions Precedent

Completion shall be conditional upon and subject to:

(a) the passing by the Independent Shareholders at the EGM of all necessary resolution(s) to approve the Sale and Purchase Agreement and the transactions contemplated thereunder and all other consents and acts required under the Listing Rules having been obtained and completed or, as the case may be, the relevant waiver from compliance with any of such rules having been obtained from the Stock Exchange;

(b) all Assignor's representations and warranties stated in the Sale and Purchase Agreement remaining true and correct in all respects and not misleading; and

(c) all Assignee's representations and warranties stated in the Sale and Purchase Agreement remaining true and correct in all respects and not misleading.

The Assignor shall have the absolute discretion to waive the condition set out in (c) above and the Assignee shall have the absolute discretion to waive the condition set out in (b) above. Neither the Assignor nor the Assignee may waive condition (a) above.

If the above conditions precedent have not been satisfied (or as the case may be, waived by the Assignee or the Assignor) on or before 5:00 p.m. on the Long Stop Date, the Sale and Purchase Agreement shall cease and determine and in which event any amount of the Deposit (without interest) received by the Assignor shall be refunded to the Assignee forthwith and thereafter neither party shall have any obligations and liabilities towards each other thereunder save for any antecedent breaches of the terms thereof.

Completion

Upon fulfilment or waiver of all the conditions precedent, Completion shall take place on the Completion Date.

Upon Completion, the Assignor and the Assignee shall execute a deed of assignment, pursuant to which the Assignor shall assign all the rights and interests under the Loan Agreements to the Assignee.

REASONS FOR AND BENEFITS OF THE ASSIGNMENT AND USE OF PROCEEDS

Money lending is one of the original course of businesses of the Group. As at 30 June 2025, (i) the aggregate amount owed by Borrower A to the Assignor under Loan Agreement A, including the outstanding principal and interest was HK$7,396,192; (ii) the aggregate amount owed by Borrower B to the Assignor under Loan Agreement B, including the outstanding principal and interest was HK$6,794,000; and (iii) the aggregate amount owed by Borrower C to the Assignor under Loan Agreement C, including the outstanding principal and interest was HK$2,892,698. Since the Borrowers' default, the Group has been in various discussions with the Borrowers as to the repayment of the principal amount and the payment of the interest under the Loan Agreements. The outstanding balances were long-outstanding and despite previous efforts, were deemed increasingly irrevocable through standard collection processes. Pursuing formal legal recovery was assessed to be a lengthy and costly process with an

uncertain outcome, likely resulting in significant legal expenses and a deep discount on the recovery value.

In light of the above, the Assignee, an executive Director who is the director of the Assignor, has agreed to assume the Assigned Debt on an arm's length basis. The Assignee will take full responsibility to recover the outstanding loan balances from the Borrowers by assignment of the rights, titles and benefits of the Assigned Debt to her at the Consideration of HK$11,399,686, representing the original aggregated principal amount of the Assigned Debt less all amounts previously repaid (including interest payments) made by the Borrowers respectively, ensuring full recovery of the principal.

The Assignment provides a definitive, one-off solution to the Group to recover a substantial portion of these long outstanding amounts owed under the Loan Agreements within a foreseeable timeframe. This immediate and certain settlement conclusively eliminates the Group's credit risks exposure to the Assigned Debt. Further, it enables the Group to mitigate losses, protect its financial interests, and strengthen its overall performance. All future collection risk, including the time, cost, and effort of recovery and the risk of further default by the Borrowers is fully transferred to the Assignee. As a result, the Group has no further obligation or financial exposure related to the Assigned Debt. It is intended that the net proceeds from the Assignment of HK$11,129,686 will be used as general working capital of the Group.

Having regard to the reasons for and benefits of the Assignment, the Board (excluding the independent non-executive Directors who will give their opinion based on the recommendations from the independent financial adviser and Ms. Tin who has abstained from voting due to her material interest in the Sale and Purchase Agreement and the transactions contemplated thereunder) is of the view that the Assignment and the terms of the Sale and Purchase Agreement, which have been reached after arm's length negotiations between the parties, and the transactions contemplated thereunder are fair and reasonable and in the best interests of the Company and the Shareholders as a whole.

FINANCIAL EFFECTS OF THE ASSIGNMENT

Upon Completion, the deemed consideration transferred pertaining the Assignment would be HK$6,404,958, representing the receivable (the "**Receivable**") from the Group of approximately HK$17,082,890 (being the aggregate outstanding principal amount of the Assigned Debt of HK$14,005,000 and the outstanding interests accrued thereon up to 30 June 2025 of HK$3,077,890) after provision for an unaudited impairment loss on the Assigned Debt of HK$12,088,000 as of 30 June 2025.

Based on, among other things, the Consideration of HK$11,399,686 and the related expenses, a gain of HK$6,405,000 is expected to be recorded for the Assignment, being the difference between (i) the Consideration; and (ii) the book value of the Assigned Debt as at 30 June 2025 of HK$4,994,728 and the amount of the related expenses. There will also be an increase in net asset of HK$6,404,958, resulting from the reversal of the impairment allowance made on the Assigned Debt of HK$12,088,162 as of 30 June 2025 less HK$5,683,204 to be written off over the Receivable.

The aforesaid estimation is for illustrative purpose only and does not purport to represent how the financial position of the Group will be after the Assignment.

INFORMATION OF THE GROUP AND THE ASSIGNOR

The Group principally engages in (i) apparel operation; (ii) money lending operation; and (iii) IP application and products operation. The Assignor is a company incorporated in Hong Kong and a wholly-owned subsidiary of the Company. Its principal activity is the provision of money lending business mainly to individual consumers and small businesses in Hong Kong.

INFORMATION OF THE ASSIGNEE

The Assignee is the executive Director and the sole director of the Assignor since 2015 and remains as its sole director after the Company's completion in the acquisition of the Assignor in November 2016. The Assignee has more than 15 years of experience in financial management, corporate finance, money lending business and fine dining business.

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios calculated under Rule 14.07 of the Listing Rules in respect of the Assignment exceed 5% but are less than 25%, the Assignment constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

As at the date of this announcement, the Assignee is a connected person of the Company under Chapter 14A of the Listing Rules by virtue of being an executive Director and the sole director of the Assignor. Therefore, the Assignment also constitutes a connected transaction for the Company and is subject to the reporting, announcement, circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

An Independent Board Committee comprising all the independent non-executive Directors has been established to advise the Independent Shareholders on the Assignment, the terms of the Sale and Purchase Agreement and the transactions contemplated thereunder. Minerva Advisory Global Capital Limited has been appointed by the Company as the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

An EGM will be convened and held for the purpose of considering and, if thought fit, approving the Assignment, the Sale and Purchase Agreement and the transactions contemplated thereunder. The Assignee and her associates are required to abstain from voting on the resolution(s) approving the Assignment, the Sale and Purchase Agreement and the transactions contemplated thereunder at the EGM. Save for the aforementioned and to the best knowledge, information and belief of the Directors, no other Shareholder has a material interest in the Assignment and the Sale and Purchase Agreement and is required to abstain from voting on the resolution(s) approving the Assignment, the Sale and Purchase Agreement and the transactions contemplated thereunder at the EGM.

A circular containing, among other things, (i) details of the Sale and Purchase Agreement; (ii) the recommendation from the Independent Board Committee to the Independent Shareholders in respect of the Assignment and the Sale and Purchase Agreement; (iii) the letter of advice from Minerva Advisory Global Capital Limited to the Independent Board Committee and the Independent Shareholders in respect of the Assignment and the Sale and Purchase Agreement; and (iv) the notice of EGM and the proxy forms will be despatched to the Shareholders on or before 31 October 2025 as additional time is required to finalise certain information to be included in the circular.

Completion is subject to and conditional upon the fulfillment of the terms and conditions precedent set out in the Sale and Purchase Agreement and the Assignment may or may not proceed. Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions have the following meanings when used herein:

"Assignee" or "Ms. Tin"	Ms. Tin Yat Yu Carol, an executive Director and the sole director of the Assignor
"Assigned Debt"	all loans, obligations, liabilities and debts owing or incurred by the Borrowers to the Assignor from time to time under the Loan Agreements, including but not limited to the aggregate outstanding principal of and the outstanding interest accrued thereon, which as at 30 June 2025, amounted to approximately HK$14,005,000 and HK$3,077,890 respectively
"Assignment"	the assignment of the Assigned Debt pursuant to the Sale and Purchase Agreement
"Assignor"	Delta Wealth Finance Limited, a company incorporated in Hong Kong and a wholly-owned subsidiary of the Company

"associate(s)"	has the meaning ascribed to this term under the Listing Rules
"Board"	the board of Directors
"Borrowers"	Borrower A, Borrower B and Borrower C
"Borrower A"	Mr. Chan Chun Kuen, the borrower under the Loan Agreement A, being an individual and an Independent Third Party
"Borrower B"	Mr. Leung Man Kit, the borrower under the Loan Agreement B, being an Independent Third Party
"Borrower C"	Mr. Chen Man Lok, the borrower under the Loan Agreement C, being an Independent Third Party
"Business Day"	a day (other than a Saturday or Sunday) on which banks are normally open in Hong Kong for the transaction of business
"Company"	Virtual Mind Holding Company Limited, a company incorporated in the Cayman Islands with limited liability and the shares of which are listed on the Main Board of the Stock Exchange (stock code: 1520)
"Completion"	completion of the Assignment in accordance with the Sale and Purchase Agreement
"Completion Date"	any Business Day within 5 Business Days following the date on which the conditions precedent are fulfilled or such other date as the Assignor and the Assignee may agree
"Consideration"	HK$11,399,686 being the total consideration to be satisfied by the Assignee to the Assignor for the Assignment
"connected person(s)"	has the meaning ascribed to it under the Listing Rules
"Director(s)"	director(s) of the Company

"EGM"	the extraordinary general meeting of the Company to be convened for the purpose of considering, and if thought fit, approving, among other matters, the Assignment, the Sale and Purchase Agreement and the transactions contemplated thereunder
"Group"	the Company and its subsidiaries
"HK$"	Hong Kong dollar(s), the lawful currency of Hong Kong
"Hong Kong"	Hong Kong Special Administrative Region of the People's Republic of China
"Independent Board Committee"	an independent board committee of the Company established by the Board, comprising all the independent non-executive Directors, to advise the Independent Shareholders on the Assignment, the terms of the Sale and Purchase Agreement and the transactions contemplated thereunder
"Independent Shareholders"	the Shareholders and/or their respective associates who are not required under the Listing Rules to abstain from voting at the EGM, other than those persons who have material interest in the Assignment (if any)
"Independent Third Party(ies)"	any person(s) or company(ies) and their respective ultimate beneficial owner(s) whom, to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, are third party(ies) independent of the Company and its connected persons in accordance with the Listing Rules
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"Loan Agreements"	Loan Agreement A, Loan Agreement B and Loan Agreement C
"Loan Agreement A"	the loan agreement dated 20 November 2017 (as supplemented by the supplemental loan agreements dated 20 November 2019 and 2020, respectively) entered into between the Assignor as lender and Borrower A as the borrower, pursuant to which the Assignor has agreed to make available to Borrower A a loan in the aggregate principal amount of HK$12,000,000 subject to the terms and conditions therein

"Loan Agreement B"	the loan agreement dated 9 May 2017 entered into between the Assignor as the lender and Borrower B as the borrower, pursuant to which the Assignor has agreed to make available to Borrower B a loan in the aggregate principal amount of HK$5,000,000 subject to the terms and conditions therein
"Loan Agreement C"	the loan agreement dated 6 January 2020 entered into between the Assignor as the lender and Borrower C as the borrower, pursuant to which the Assignor has agreed to make available to Borrower C a loan in the aggregate principal amount of HK$3,500,000 subject to the terms and conditions therein
"Long Stop Date"	31 December 2025 (or such later date as the Assignee and Assignor may agree)
"Sale and Purchase Agreement"	a sale and purchase agreement dated 23 September 2025 entered into between the Assignor and the Assignee in relation to the Assignment, pursuant to which the Assignor agreed to sell to the Assignee and the Assignee agreed to purchase from the Assignor the Assigned Debt
"Share(s)"	ordinary share(s) of HK$0.04 each in the share capital of the Company
"Shareholder(s)"	holder(s) of the issued Shares
"Stock Exchange"	The Stock Exchange of Hong Kong Limited

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

Hong Kong, 23 September 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; the non-executive Director is Mr. Zheng Kaixin and the independent non-executive Directors are Mr. Tang Shu Pui Simon, Mr. Hon Ming Sang and Ms. Yeung Riviera.