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## **HM International Holdings Limited**

*(Incorporated in the Cayman Islands with limited liability)*

**(Stock Code: 8416)**

### **2022 THIRD QUARTERLY RESULTS ANNOUNCEMENT**

The board of directors (the “**Board**”) of HM International Holdings Limited (the “**Company**”) is pleased to announce the unaudited consolidated results of the Company and its subsidiaries for the three months and nine months ended 30 September 2022. This announcement, containing the full text of the 2022 third quarterly report of the Company, complies with the relevant requirements of the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited in relation to information to accompany preliminary announcement of the 2022 third quarterly results. The printed version of the Company’s 2022 third quarterly report will be delivered to shareholders of the Company and will be available for viewing on the GEM website and the Company’s website in due course.

By order of the Board  
**HM International Holdings Limited**  
**Yu Chi Ming**  
*Chairman and Executive Director*

Hong Kong, 8 November 2022

*As at the date of this announcement, the executive directors of the Company are Mr. Yu Chi Ming, Mr. Chan Wai Lin and Ms. Chan Wai Chung Caroline; and the independent non-executive directors of the Company are Mr. Choi Hon Ting Derek, Mr. Ng Jack Ho Wan and Mr. Wan Chi Wai Anthony.*

*This announcement, for which the directors of the Company collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to the Company. The directors of the Company, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.*

*This announcement is published on the GEM website at “[www.hkgem.com](http://www.hkgem.com)” and will remain on its “Latest Listed Company Information” page for at least seven days from the date of publication. This announcement will also be published on the Company’s website at “[www.hetermedia.com](http://www.hetermedia.com)”.*

## CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

**GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.**

**Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the main board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.**

*Hong Kong Exchanges and Clearing Limited and the Stock Exchange take no responsibility for the contents of this report, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this report.*

*This report, for which the directors of HM International Holdings Limited (the “**Company**” and the “**Directors**”, respectively) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the “**GEM Listing Rules**”) for the purpose of giving information with regard to the Company and its subsidiaries (collectively, the “**Group**”). The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this report is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this report misleading.*

## THIRD QUARTERLY RESULTS

The board of Directors (the “**Board**”) is pleased to announce the unaudited condensed consolidated financial results of the Company and its subsidiaries for the three months and nine months ended 30 September 2022, together with the comparative unaudited figures for the corresponding periods in 2021, as follows.

### UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

*For the three months and nine months ended 30 September 2022*

	Notes	For the three months ended 30 September		For the nine months ended 30 September	
		2022 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)
Revenue	3	50,563	41,530	151,265	131,059
Cost of sales		<u>(31,886)</u>	<u>(25,218)</u>	<u>(91,524)</u>	<u>(78,365)</u>
Gross profit		18,677	16,312	59,741	52,694
Other income and net gains/(losses)		491	33	2,823	(322)
Selling expenses		(3,856)	(3,427)	(10,981)	(10,553)
Administrative expenses		(12,325)	(10,200)	(33,585)	(30,835)
Share of profit of an associate		332	9	305	476
Share of profit of a joint venture		468	–	1,265	–
Finance costs		<u>(173)</u>	<u>(378)</u>	<u>(451)</u>	<u>(1,399)</u>
Profit before tax		3,614	2,349	19,117	10,061
Income tax (expense)/credit	5	<u>(382)</u>	<u>48</u>	<u>(1,001)</u>	<u>(553)</u>
Profit for the period	6	3,232	2,397	18,116	9,508
Other comprehensive expenses					
<i>Items that may be reclassified subsequently to profit or loss:</i>					
Exchange differences arising on translating foreign operations		<u>(213)</u>	<u>–</u>	<u>(224)</u>	<u>(42)</u>
Total comprehensive income for the period		<u>3,019</u>	<u>2,397</u>	<u>17,892</u>	<u>9,466</u>

		For the three months ended 30 September		For the nine months ended 30 September	
		2022	2021	2022	2021
<i>Note</i>		<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
		(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Profit for the period attributable to:					
	Owners of the Company	<b>2,763</b>	2,218	<b>16,615</b>	9,298
	Non-controlling interest	<b>469</b>	179	<b>1,501</b>	210
		<u><b>3,232</b></u>	<u>2,397</u>	<u><b>18,116</b></u>	<u>9,508</u>
Total comprehensive income attributable to:					
	Owners of the Company	<b>2,550</b>	2,218	<b>16,391</b>	9,256
	Non-controlling interest	<b>469</b>	179	<b>1,501</b>	210
		<u><b>3,019</b></u>	<u>2,397</u>	<u><b>17,892</b></u>	<u>9,466</u>
Earnings per share attributable to the owners of the Company during the period					
	Basic and diluted ( <i>HK cents</i> )	<b>0.69</b>	0.55	<b>4.15</b>	2.32

# UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the nine months ended 30 September 2022

	Attributable to owners of the Company						Sub-total HK\$'000	Non- controlling interest ("NCI") HK\$'000	Total equity HK\$'000
	Share capital HK\$'000	Share premium HK\$'000	Special reserve HK\$'000	Share- based payments reserve HK\$'000	Translation reserve HK\$'000	Retained earnings HK\$'000			
Balance at 1 January 2022 (audited)	4,000	39,009	138	245	220	43,697	87,309	(2,063)	85,246
Profit and total comprehensive (expense)/income for the period	-	-	-	-	(224)	16,615	16,391	1,501	17,892
Payment of final dividends for the year ended 31 December 2021	-	-	-	-	-	(3,000)	(3,000)	-	(3,000)
Recognition of equity-settled share- based payment	-	-	-	(6)	-	6	-	-	-
Balance at 30 September 2022 (unaudited)	<u>4,000</u>	<u>39,009</u>	<u>138</u>	<u>239</u>	<u>(4)</u>	<u>57,318</u>	<u>100,700</u>	<u>(562)</u>	<u>100,318</u>
Balance at 1 January 2021 (audited)	4,000	39,009	138	245	247	39,813	83,452	(2,654)	80,798
NCI share of post-acquisition Profit and total comprehensive (expense)/income for the period	-	-	-	-	(42)	9,298	9,256	210	9,466
Recognition of equity-settled share- based payment	-	-	-	(12)	-	12	-	-	-
Balance at 30 September 2021 (unaudited)	<u>4,000</u>	<u>39,009</u>	<u>138</u>	<u>233</u>	<u>205</u>	<u>49,123</u>	<u>92,708</u>	<u>(1,885)</u>	<u>90,823</u>

*Note:* Special reserve represents the difference between the nominal value of the shares issued by the Company in exchange for the nominal value of the share capital of its subsidiaries arising from the reorganisation in prior years.

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 1. GENERAL

The Company was incorporated in the Cayman Islands on 13 January 2016 as an exempted company with limited liability. The Company's parent and ultimate holding company is HM Ultimate Holdings Limited, a company incorporated in the British Virgin Islands and owned by Mr. Yu Chi Ming and Mr. Chan Wai Lin. The Company has been registered as a non-Hong Kong company under Part 16 of the Companies Ordinance (Cap. 622) and its shares have been listed on GEM of the Stock Exchange since 11 January 2017.

The address of the registered office of the Company is Windward 3, Regatta Office Park, PO Box 1350, Clifton House, 75 Fort Street, Grand Cayman KY1-1108, Cayman Islands and its principal place of business in Hong Kong is 9/F, Infinitus Plaza, 199 Des Voeux Road Central, Hong Kong. The Company is an investment holding company. The Group is principally engaged in the provision of integrated printing services (including provision of financial printing services, marketing collateral printing services and other services).

The unaudited condensed consolidated financial statements for the nine months ended 30 September 2022 have been prepared in accordance with applicable Hong Kong Accounting Standard 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA") and the applicable disclosure requirements of Chapter 18 of the GEM Listing Rules. The accounting policies and methods of computation used in the preparation of the unaudited condensed consolidated financial statements are consistent with those adopted in preparing the audited financial statements for the year ended 31 December 2021.

The unaudited condensed consolidated financial statements are presented in Hong Kong dollars ("HK\$"), which is also the functional currency of the Company and all values are rounded to the nearest thousand ("HK\$'000") unless otherwise stated.

The condensed consolidated financial statements have not been audited by the Company's auditor, but have been reviewed by the audit committee of the Company.

## 2. APPLICATION OF NEW AND AMENDMENTS TO HONG KONG FINANCIAL REPORTING STANDARDS (“HKFRSs”)

### Amendments to HKFRSs that are mandatorily effective for the current period

Amendments to HKFRS 3	Reference to the Conceptual Framework
Amendments to HKFRSs	Annual Improvements to HKFRSs 2018-2020
Amendments to HKAS 16	Property, Plant and Equipment – Proceeds before Intended Use

The application of the amendments to HKFRSs in the current year had no material impact on the Group’s financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

### New and amendments to HKFRSs in issue but not yet effective

The Group has not early applied the following new and amendments to HKFRSs that have been issued but are not yet effective:

HKFRS 17	Insurance Contracts and the related Amendments <sup>1</sup>
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>2</sup>
Amendments to HKFRS 16	Covid-19-Related Rent Concessions beyond 30 June 2021
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020) <sup>1</sup>
Amendments to HKAS 1 and HKFRS Practice Statements 2	Disclosure of Accounting Policies <sup>1</sup>
Amendments to HKAS 8	Disclosure of Accounting Estimates <sup>1</sup>
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction <sup>1</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2023.

<sup>2</sup> Effective for annual periods beginning on or after a date to be determined.

The directors of the Company anticipate that the application of all other new and amendments to HKFRSs will have no material impact on the consolidated financial statements in the foreseeable future.

### 3. REVENUE

	For the three months ended 30 September		For the nine months ended 30 September	
	2022	2021	2022	2021
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Recognised over time				
– Provision of financial printing services	38,546	36,793	122,994	115,819
– Provision of marketing collateral printing services	7,352	2,917	16,965	10,944
– Provision of other services	4,665	1,808	11,306	4,296
	<u>50,563</u>	<u>41,518</u>	<u>151,265</u>	<u>131,059</u>

### 4. SEGMENT INFORMATION

HKFRS 8 *Operating Segments*, requires identification and disclosure of operating segment information based on internal financial reports that are regularly reviewed by the executive directors of the Company, being the chief operating decision maker, for the purpose of resources allocation and performance assessment. On this basis, the Group has determined that it only has one operating segment which is the provision of integrated printing services.

In addition, all of the Group's revenue is substantially generated in Hong Kong and all of the Group's assets and liabilities are also substantially located in Hong Kong. Accordingly, the Group does not present separately segment information.

#### Information about major customers

Revenue from Customer contributed over 10% of the total revenue of the Group during the periods ended 30 September 2022 and 2021.

	For the three months ended 30 September		For the nine months ended 30 September	
	2022	2021	2022	2021
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Customer A	<u>7,605</u>	<u>–</u>	<u>18,004</u>	<u>–</u>



## 5. INCOME TAX EXPENSE

	For the three months ended 30 September		For the nine months ended 30 September	
	2022	2021	2022	2021
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Hong Kong Profits Tax				
Current tax				
– Current period	339	43	976	333
The People's Republic of China (the “PRC”) Enterprise Income Tax				
Current tax				
– Current period	64	(87)	64	221
Deferred tax credit				
– Current period	(21)	(4)	(39)	(1)
Total income tax (credit)/expense recognised in profit or loss	<u>382</u>	<u>(48)</u>	<u>1,001</u>	<u>553</u>

Hong Kong Profits Tax has been provided at the rate of 8.25% on the first HK\$2,000,000 of the estimated assessable profits and 16.5% on the remaining amount of the estimated assessable profits for the nine months ended 30 September 2022 and 2021.

The Group is not subject to any income tax in the Cayman Islands and the BVI pursuant to the rules and regulations in those jurisdictions.

The PRC corporate income tax in respect of operations in Mainland China is calculated at the applicable tax rates on the estimated assessable profits for the period based on existing legislation, interpretations and practices in respect thereof.

## 6. PROFIT FOR THE PERIOD

Profit for the period has been arrived at after charging:

	For the three months ended 30 September		For the nine months ended 30 September	
	2022 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)
Employee benefits expense (including directors' emoluments):				
Salaries, allowances and other benefits in kind	15,956	14,603	47,058	44,193
Contributions to retirement benefits schemes	832	740	2,454	2,197
Total employee benefits expense	<u>16,788</u>	<u>15,343</u>	<u>49,512</u>	<u>46,390</u>
Auditor's remuneration	200	222	600	666
Amortisation of intangible assets (included in cost of sales on the unaudited condensed consolidated statement of profit or loss and other comprehensive income)	292	240	838	676
Depreciation of property, plant and equipment	462	756	1,620	2,313
Depreciation of right-of-use assets	2,658	3,518	8,202	8,445
Provision for impairment losses on trade receivables	818	–	818	–
Donation	11	25	17	27
Rental expense from short-term leases	<u>229</u>	<u>322</u>	<u>667</u>	<u>723</u>

## 7. DIVIDENDS

The Board did not recommend a payment of dividend for the nine months ended 30 September 2022 (nine months ended 30 September 2021: nil).

## 8. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share attributable to the owners of the Company is based on the following data:

	For the three months ended 30 September		For the nine months ended 30 September	
	2022 (Unaudited)	2021 (Unaudited)	2022 (Unaudited)	2021 (Unaudited)
Profit attributable to owners of the Company (HK\$'000)	<u>2,763</u>	<u>2,218</u>	<u>16,615</u>	<u>9,298</u>
Weighted average number of ordinary shares for the purpose of calculating basic earnings per share (in thousand)	<u>400,000</u>	<u>400,000</u>	<u>400,000</u>	<u>400,000</u>
Basic and diluted earnings per share (HK cents)	<u>0.69</u>	<u>0.55</u>	<u>4.15</u>	<u>2.32</u>

For the nine months ended 30 September 2022 and 2021, the calculation of the basic earnings per share is based on the profit attributable to owners of the Company and the weighted average number of ordinary shares issued during the periods.

No diluted earnings per share is presented for the nine months ended 30 September 2022 and 2021, as there was no dilutive potential ordinary share outstanding. The computation of diluted earnings per share for the current period does not assume the exercise of the share options because the exercise price of those share options was higher than the average market price of shares.

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **BUSINESS REVIEW**

During the period under review, we are continuously engaged in providing integrated printing services for corporate clients, mainly for the financial and capital markets in Hong Kong. Our revenue increased to approximately HK\$151.3 million during the period under review, which represents an increase of approximately 15.4% as compared to the same period last year. This increase is attributable to the number of jobs increased as compared with the same period last year. The COVID-19 pandemic still continued to affect business performance and operation of the Group as some potential clients delayed or halted their listing and corporate exercises in Hong Kong. However, we still maintain a solid portfolio of recurring clients, demonstrating their recognition of the quality service provided by us.

### **OUTLOOK**

Moving forward, the prolonged outbreak of COVID-19 continues to bring uncertainties to the financial and capital market. The business environment remains difficult and challenging. However, as more people got vaccinated and the pandemic is slowly stabilizing, it is hoped that the economy in Hong Kong would gradually recover in the rest of the year. We will closely monitor the development of COVID-19 to ensure the safety of our employees and stable operations and to mitigate the adverse impact of COVID-19. To maintain competitive advantage in the market we will continue to leverage our strong and healthy financial position, our solid portfolio of recurring clients, and the extensive network of our management to expand our present business and explore other related business opportunities to weather the situation.

## FINANCIAL REVIEW

### Revenue

	For the three months ended 30 September		For the nine months ended 30 September	
	2022	2021	2022	2021
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Financial printing projects	38,546	36,793	122,994	115,819
Marketing collateral printing projects	7,352	2,917	16,965	10,944
Other projects	4,665	1,808	11,306	4,296
	<u>50,563</u>	<u>41,518</u>	<u>151,265</u>	<u>131,059</u>

The Group's revenue increased by approximately HK\$20.2 million, or 15.4%, from approximately HK\$131.1 million for the nine months ended 30 September 2021 to approximately HK\$151.3 million for the nine months ended 30 September 2022. Such increase was mainly due to the increase in revenue generated from i) financial printing projects by approximately HK\$7.2 million to approximately HK\$123.0 million; ii) marketing collateral projects by approximately HK\$6.0 million and iii) others projects by approximately HK\$7.0 million.

### Gross Profit and Gross Profit Margin

The Group's gross profit increased by approximately HK\$7.0 million, or 13.3%, from approximately HK\$52.7 million for the nine months ended 30 September 2021 to approximately HK\$59.7 million for the nine months ended 30 September 2022. Such increase was mainly due to the increase in revenue. Our gross profit margins for the nine months ended 30 September 2022 and 2021 were approximately 39.5% and 40.2% respectively.

### Other Income and Net Gains/(Losses)

The Group's other income increased by approximately HK\$3.1 million from a loss of approximately HK\$0.3 million for the nine months ended 30 September 2021 to approximately HK\$2.8 million for the nine months ended 30 September 2022. Such increase was mainly attributable to the Hong Kong Government's subsidy received under the Employment Support Scheme in current period.

## **Selling Expenses**

The Group's selling expenses increased by approximately HK\$0.5 million, or 4.8%, from approximately HK\$10.5 million for the nine months ended 30 September 2021 to approximately HK\$11.0 million for the nine months ended 30 September 2022. Such increase was mainly attributable to the increase in staff cost in relation to sales staff.

## **Administrative Expenses**

The Group's administrative expenses increased by approximately HK\$2.8 million, or 9.1%, from approximately HK\$30.8 million for the nine months ended 30 September 2021 to approximately HK\$33.6 million for the nine months ended 30 September 2022.

## **Finance Costs**

Finance costs decreased by approximately HK\$0.9 million from approximately HK\$1.4 million for the nine months ended 30 September 2021 to approximately HK\$0.5 million for the nine months ended 30 September 2022. Such decrease was mainly due to the decrease in interest on lease liabilities.

## **Taxation**

Income tax expense increased by approximately HK\$0.5 million, or 100.0%, from approximately HK\$0.5 million for the nine months ended 30 September 2021 to approximately HK\$1.0 million for the nine months ended 30 September 2022. The increase was primarily attributable to the increase in profit before tax.

## **Profit for the Period**

Profit after tax of the Group increased by approximately HK\$8.6 million, from approximately HK\$9.5 million for the nine months ended 30 September 2021 to approximately HK\$18.1 million for the nine months ended 30 September 2022. The increase was mainly due to the increase in gross profit. The net profit margins for the nine months ended 30 September 2022 and 2021 were approximately 12.0% and 7.3% respectively.

## **CONTINGENT LIABILITIES**

As at 30 September 2022, the Group did not have any significant contingent liabilities.

## **DIVIDENDS**

The Board did not recommend a payment of dividend for the nine months ended 30 September 2022 (for the nine months ended 30 September 2021: nil).

## **FOREIGN CURRENCY EXPOSURE**

The Group's businesses are mainly operated in Hong Kong. The sales and purchases are mainly denominated in Hong Kong dollars and customers rarely request to settle our billing by other foreign currencies such as United States dollars ("USD") and Renminbi ("RMB").

The Group's assets, liabilities and transactions are mainly denominated in HK\$. Only a little portion of the Group's deposits with bank are denominated in Singapore dollars, Taiwan new dollars and USD (which are freely convertible into HK\$), and RMB (which is not freely convertible currency in the international market). The Directors are of the view that the Group's operating cash flow and liquidity are not subject to significant foreign exchange rate risks and, therefore, no hedging arrangements were made during the nine months ended 30 September 2022. However, the Group will review and monitor the relevant foreign exchange risk from time to time based on its business development requirements and may enter into foreign exchange hedging arrangements when applicable.

## **EVENTS AFTER THE REPORTING PERIOD**

After 30 September 2022 and up to the date of this report, save as disclosed in this report, the Board is not aware of any significant events requiring disclosure that have occurred.

## OTHER INFORMATION

### DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at 30 September 2022, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "SFO"), as recorded in the register required to be kept under section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the required standard of dealings by Directors as referred to in Rule 5.46 of the GEM Listing Rules, were as follows:

#### Long Position in the Shares of the Company (the "Shares")

*As at 30 September 2022*

Name of Director	Nature of interests	Number of ordinary Shares interested	Approximate percentage* of shareholding
Yu Chi Ming	Interests held jointly with another person; interest held by a controlled corporation ( <i>Note</i> )	222,760,000	55.69%
Chan Wai Lin	Interests held jointly with another person; interest held by a controlled corporation ( <i>Note</i> )	222,760,000	55.69%
Chan Wai Chung Caroline	Beneficial owner	1,700,000	0.43%

*Note:* HM Ultimate Holdings Limited ("HM Ultimate") is beneficially owned as to 70.2% by Mr. Yu and 29.8% by Mr. Chan. Mr. Yu and Mr. Chan together control all the 222,760,000 Shares held by HM Ultimate.

\* The percentage represents the number of ordinary Shares involved divided by the total number of issued Shares as at 30 September 2022.



## Long Position in the Shares of the Associated Corporation of the Company

As at 30 September 2022

<b>Name of Director</b>	<b>Name of associated corporation</b>	<b>Nature of interests</b>	<b>Number of ordinary shares interested</b>	<b>Percentage** of shareholding</b>
Yu Chi Ming	HM Ultimate	Beneficial owner	702	70.2%
Chan Wai Lin	HM Ultimate	Beneficial owner	298	29.8%

\*\* The percentage represents the number of ordinary shares involved divided by the total number of issued shares of the associated corporation as at 30 September 2022.

Save as disclosed above, as at 30 September 2022, none of the Directors or the chief executive of the Company had any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations within the meaning of Part XV of the SFO as recorded in the register required to be kept under section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the required standard of dealings by Directors as referred to in Rule 5.46 of the GEM Listing Rules.

### **SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY**

So far as the Directors are aware, as at 30 September 2022, the following persons/entities other than a Director or chief executive of the Company had interests or short positions in the Shares or underlying Shares as recorded in the register of the Company required to be kept under section 336 of the SFO:

## Long Position in the Shares of the Company

As at 30 September 2022

Name of shareholder	Nature of interests	Number of ordinary Shares interested	Approximate percentage*** of shareholding
HM Ultimate ( <i>Note 1</i> )	Beneficial owner	222,760,000	55.69%
Wong Mee Che Lilian	Interest of spouse ( <i>Note 2</i> )	222,760,000	55.69%
Tang Wai Kwan May	Interest of spouse ( <i>Note 3</i> )	222,760,000	55.69%
Tse Kam Wing Walter (“Mr. Tse”)	Beneficial owner	72,285,000	18.07%
Wong Yuk Sim Kathy	Interest of spouse ( <i>Note 4</i> )	72,285,000	18.07%

*Note 1:* HM Ultimate is beneficially owned as to 70.2% by Mr. Yu and 29.8% by Mr. Chan. Mr. Yu and Mr. Chan together control all the Shares held by HM Ultimate. This interest of HM Ultimate is also disclosed as the interest of Mr. Yu and Mr. Chan in the above section headed “Directors’ and chief executive’s interests and short positions in the shares, underlying shares and debentures of the Company and its associated corporations”.

*Note 2:* Ms. Wong Mee Che Lilian is the spouse of Mr. Yu. Ms. Wong Mee Che Lilian is deemed to be interested in the same number of Shares in which Mr. Yu is interested by virtue of the SFO.

*Note 3:* Ms. Tang Wai Kwan May is the spouse of Mr. Chan. Ms. Tang Wai Kwan May is deemed to be interested in the same number of Shares in which Mr. Chan is interested by virtue of the SFO.

*Note 4:* Ms. Wong Yuk Sim Kathy is the spouse of Mr. Tse. Ms. Wong Yuk Sim Kathy is deemed to be interested in the same number of Shares in which Mr. Tse is interested by virtue of the SFO.

\*\*\* The percentage represents the number of ordinary Shares involved divided by the total number of issued Shares as at 30 September 2022.

Save as disclosed above, as at 30 September 2022, other than the Directors whose interests are set out in the above paragraph headed “Directors’ and chief executive’s interests and short positions in the shares, underlying shares and debentures of the Company and its associated corporations”, no person had any interest or short position in the Shares or underlying Shares recorded in the register required to be kept under section 336 of the SFO.

## SHARE OPTION SCHEME

The Company conditionally adopted a share option scheme (the “Scheme”) on 15 December 2016 which became unconditional upon the listing of the Company on 11 January 2017. Under the terms of the Scheme, the Board may, at its discretion, grant options to eligible participants to subscribe for Shares.

Details of movement of the share options granted under the Scheme for the nine months ended 30 September 2022 are as follows:

Category of option holders	Date of grant (Note 1)	Exercise price per Share	Exercise period	Number of share options					Outstanding as at 30 September 2022
				Outstanding as at 1 January 2022	Granted during the period	Exercised during the period (Note 2)	Lapsed during the period	Cancelled during the period	
Employees of the Group in aggregate									
Group A	16 March 2018	HKS0.70	16 March 2019 to 15 March 2022	25,000	-	-	(25,000)	-	-
Group B	16 March 2018	HKS0.70	16 March 2020 to 15 March 2023	950,000	-	-	(50,000)	-	900,000
Total				<u>975,000</u>	<u>-</u>	<u>-</u>	<u>(75,000)</u>	<u>-</u>	<u>900,000</u>

*Notes:*

1. The vesting period of the share options is from the date of grant until the commencement of the exercise period.
2. The number and/or exercise price of the share options may be subject to adjustment in the case of rights or bonus issues, or other changes in the Company's share capital.

**PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY**

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the nine months ended 30 September 2022.

## SHARE AWARD SCHEME

On 4 July 2022, the Board has resolved to adopt the share award scheme (“**Share Award Scheme**”) with the purposes and objectives to (i) recognise and reward the contributions of certain eligible participants to the growth and development of the Group and to give incentives to them in order to retain them for the continual operation and development of the Group; and (ii) to attract suitable personnel for the further development of the Group.

Pursuant to the Share Award Scheme, shares may be acquired by the trustee at the cost of the Company or new shares may be allotted and issued to the trustee under general mandates or specific mandates granted or to be granted by the shareholders at general meetings from time to time. Such shares will be held on trust for the selected participants until the vesting criteria and conditions (if any) have been satisfied.

Upon adoption of the Share Award Scheme and up to the date of this report, the trustee has not purchased any awarded shares nor the Company has issued any awarded shares for the Share Award Scheme, thus, no shares have been awarded to any eligible participants.

For details of the Share Award Scheme, please refer to the announcement of the Company dated 4 July 2022.

## MAJOR TRANSACTION DURING THE REPORTING PERIOD

On 11 July 2022, the Group (as tenant) has entered the new tenancy agreement (“**New Tenancy Agreement**”) with Foxhill Investments Limited (“**FIL**”) (as landlord) for the renewal of the tenancy agreement in respect of the premises located at the whole of 9th Floor of the Commercial Development of Infinitus Plaza, No. 199 Des Voeux Road Central, Hong Kong (the “**Premises**”) for a term of two years commencing from 1 August 2022 and expiring on 31 July 2024 (both days inclusive). Alongside the New Tenancy Agreement, the Group (as licensee) and FIL (as licensor) also entered into the licence agreement (“**Licence Agreement**”), pursuant to which FIL granted the Group a free licence to use the storeroom located at the Premises for office and/or storage of goods in relation to the Group’s business. The Licence Agreement has the same term as the New Tenancy Agreement subject to the FIL’s right to early terminate the licence by giving one month’s prior notice in writing to the Group.

Pursuant to HKFRS 16 Leases, the Company if entering into lease transaction as lessee will recognise a right-of-use asset in its consolidated financial statements. Such transaction will be regarded as acquisition of capital asset for the purpose of the GEM Listing Rules. As one or more of the applicable percentage ratios (as defined in the GEM Listing Rules) in respect of the New Tenancy Agreement and the Licence Agreement based on the value of the right-of-use asset recognised by the Group is more than 25% but below 100%, the New Tenancy Agreement and the Licence Agreement constitute a major transaction of the Company.

Under Rule 19.44 of the GEM Listing Rules, shareholders' approval for a major transaction may be obtained by way of written Shareholders' approval in lieu of holding a general meeting if (a) no shareholder is required to abstain from voting if the Company were to convene a general meeting for the approval of the transaction; and (b) the written shareholders' approval has been obtained from a shareholder or a closely allied group of shareholders who together hold more than 50% of the voting rights at that general meeting to approve the transaction.

As FIL is an independent third party and therefore no shareholder is required to abstain from voting if the Company were to convene a general meeting for the approval of the New Tenancy Agreement and the Licence Agreement. HM Ultimate Holdings Limited, being a controlling shareholder of the Company, is beneficially interested in 222,760,000 shares, representing 55.69% of the total number of issued shares of the Company, has given written approval to the Company to approve the New Tenancy Agreement and the Licence Agreement in lieu of a general meeting pursuant to Rule 19.44 of the GEM Listing Rules. Therefore, no general meeting of the Company for the approval of the New Tenancy Agreement and the Licence Agreement will be held. HM Ultimate Holdings Limited has also confirmed that neither it nor any of its associates have any material interest in the New Tenancy Agreement and the Licence Agreement.

Please refer to the announcement of the Company dated 11 July 2022 and the circular of the Company dated 29 July 2022 for further details of the major transaction relating to the New Tenancy Agreement and the Licence Agreement.

## **CORPORATE GOVERNANCE**

The Company has applied the principles and adopted all code provisions, where applicable, of the Corporate Governance Code and Corporate Governance Report (the “**CG Code**”) as contained in Appendix 15 to the GEM Listing Rules as its own code of corporate governance.

The Directors consider that during the nine months ended 30 September 2022, the Company complied with all the code provisions as set out in the CG Code.

## **DIRECTORS’ AND CONTROLLING SHAREHOLDERS’ INTEREST IN COMPETING BUSINESS**

None of the Directors or controlling shareholders of the Company or any of their respective close associates as defined in the GEM Listing Rules engaged in any business that competes or may compete, either directly or indirectly, with the businesses of the Group, or had any other conflict of interests with the Group during the nine months ended 30 September 2022.

## **DIRECTORS’ AND RELEVANT EMPLOYEES’ SECURITIES TRANSACTIONS**

The Company has adopted the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules (the “**Required Standard of Dealings**”) as the code of conduct regarding Directors’ dealings in the Company’s securities.

Specific enquiry has been made of all the Directors and the Directors confirmed that they had complied with the Required Standard of Dealings during the nine months ended 30 September 2022.

The Company has also established written guidelines (the “**Employees Written Guidelines**”) on terms no less exacting than the Required Standard of Dealings for dealings in the Company’s securities by relevant employees (as defined in code provision A.6.4 set out in the CG Code as contained in Appendix 15 to the GEM Listing Rules) who, because of their office or employment, are likely to possess inside information in relation to the Company or its securities. During the nine months ended 30 September 2022, no incident of non-compliance of the Employees Written Guidelines by the employees was noted by the Company.

## AUDIT COMMITTEE

The Company had established the audit committee (the “**Audit Committee**”) on 15 December 2016 with written terms of reference in compliance with the GEM Listing Rules. The primary duties of the Audit Committee are to review and supervise the financial reporting process and risk management and internal control systems of the Company, make recommendations to the Board on the appointment, re-appointment and removal of the independent auditors, and review the Company’s financial information.

The Audit Committee comprises three members, all being independent non-executive Directors, namely Mr. Ng Jack Ho Wan (chairman of the Audit Committee), Mr. Choi Hon Ting Derek and Mr. Wan Chi Wai Anthony. It has reviewed with the management the accounting principles and practices adopted by the Group and discussed the auditing, risk management, internal control and financial reporting matters, including review of the unaudited condensed consolidated financial statements of the Group for the nine months ended 30 September 2022.

By Order of the Board  
**HM International Holdings Limited**  
**Yu Chi Ming**  
*Chairman and Executive Director*

Hong Kong, 8 November 2022

*As at the date of this report, the executive Directors are Mr. Yu Chi Ming (Chairman), Mr. Chan Wai Lin and Ms. Chan Wai Chung Caroline; and the independent non-executive Directors are Mr. Choi Hon Ting Derek, Mr. Ng Jack Ho Wan and Mr. Wan Chi Wai Anthony.*