



**hmvod Limited**  
**hmvod 視頻有限公司**

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

**(Stock Code: 8103)**

**INTERIM RESULTS ANNOUNCEMENT**  
**FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2022**

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

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**Given 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 and no assurance is given that there will be a liquid market in the securities traded on GEM.**

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## **HIGHLIGHTS**

- Turnover for the six months ended 30 September 2022 amounted to approximately HK\$14.1 million representing a decrease of approximately 26.2% over the corresponding period in 2021 amounting to approximately HK\$19.1 million.
- Loss for the period for the six months ended 30 September 2022 amounted to approximately HK\$6.5 million (2021: loss of HK\$5.8 million).
- Basic loss per share for the six months ended 30 September 2022 was approximately HK6.07 cents (2021: basic loss per share of HK6.24 cents).
- The Board does not recommend the payment of any interim dividend for the six months ended 30 September 2022 (2021: Nil).

The board of Directors (“**Board**”) of the Company is pleased to present the unaudited condensed consolidated financial statements of the Company and its subsidiaries (collectively the “**Group**”) for the three months and six months ended 30 September 2022, together with the unaudited comparative figures for the corresponding periods in 2021, are as follows:

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME**

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

	Notes	Unaudited Three months ended 30 September		Unaudited Six months ended 30 September	
		2022	2021	2022	2021
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
Revenue	3	<b>6,948</b>	10,166	<b>14,085</b>	19,099
Other income and gains	5	<b>224</b>	5	<b>466</b>	211
Subcontractor costs		<b>(4,921)</b>	(7,006)	<b>(9,770)</b>	(12,899)
Operating and administrative expenses		<b>(3,996)</b>	(3,608)	<b>(7,964)</b>	(7,121)
Amortisation of intangible assets		–	(1,722)	<b>(1,722)</b>	(3,444)
Finance costs	6	<b>(613)</b>	(1,300)	<b>(1,960)</b>	(2,210)
Loss before income tax		<b>(2,358)</b>	(3,465)	<b>(6,865)</b>	(6,364)
Income tax credit	7	–	284	<b>283</b>	567
Loss for the period	8	<b>(2,358)</b>	(3,181)	<b>(6,582)</b>	(5,797)
Other comprehensive expense					
Item that may be reclassified subsequently to profit or loss:					
Exchange difference arising on translation of foreign operations		–	(56)	<b>11</b>	(19)
Total comprehensive expense for the period		<b>(2,358)</b>	(3,237)	<b>(6,571)</b>	(5,816)

	Notes	Unaudited		Unaudited	
		Three months ended		Six months ended	
		30 September		30 September	
		2022	2021	2022	2021
		HK\$'000	HK\$'000	HK\$'000	HK\$'000
Loss for the period attributable to:					
Owners of the Company	10	(2,308)	(3,159)	(6,552)	(5,832)
Non-controlling interest		<u>(50)</u>	<u>(22)</u>	<u>(30)</u>	<u>35</u>
		<u><b>(2,358)</b></u>	<u><b>(3,181)</b></u>	<u><b>(6,582)</b></u>	<u><b>(5,797)</b></u>
Total comprehensive expense for					
the period attributable to:					
Owners of the Company		(2,308)	(3,215)	(6,541)	(5,851)
Non-controlling interest		<u>(50)</u>	<u>(22)</u>	<u>(30)</u>	<u>35</u>
		<u><b>(2,358)</b></u>	<u><b>(3,237)</b></u>	<u><b>(6,571)</b></u>	<u><b>(5,816)</b></u>
Loss per share					
– Basic ( <i>HK cents</i> )	10	<u><b>(2.14)</b></u>	<u><b>(3.29)</b></u>	<u><b>(6.07)</b></u>	<u><b>(6.24)</b></u>

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION***As at 30 September 2022*

		<b>Unaudited</b>	Audited
		<b>30 September</b>	31 March
		<b>2022</b>	2022
	<i>Notes</i>	<b>HK\$'000</b>	<b>HK\$'000</b>
<b>Non-current assets</b>			
Property, plant and equipment		<b>619</b>	800
Goodwill		<b>9,470</b>	9,470
Intangible assets		<b>–</b>	1,723
		<b>10,089</b>	11,993
<b>Current assets</b>			
Trade and other receivables	<i>11</i>	<b>4,062</b>	6,052
Deposits and prepayments		<b>2,746</b>	4,869
Cash and cash equivalents		<b>1,415</b>	1,875
		<b>8,223</b>	12,796
<b>Current liabilities</b>			
Trade and other payables	<i>12</i>	<b>27,651</b>	27,214
Borrowings	<i>13</i>	<b>12,533</b>	14,247
Bonds		<b>10,715</b>	10,402
Tax liabilities		<b>377</b>	377
		<b>51,276</b>	52,240
<b>Net current liabilities</b>		<b>(43,053)</b>	(39,444)
<b>Total assets less current liabilities</b>		<b>(32,964)</b>	(27,451)

		<b>Unaudited</b> <b>30 September</b> <b>2022</b> <b>HK\$'000</b>	Audited 31 March 2022 HK\$'000
	<i>Notes</i>		
<b>Capital and reserves</b>			
Share capital	<i>14</i>	<b>1,079</b>	1,079
Share premium and reserves	<i>15</i>	<u><b>(62,391)</b></u>	<u>(55,850)</u>
Deficit attributable to owners of the Company		<b>(61,312)</b>	(54,771)
Non-controlling interests		<u><b>(8,009)</b></u>	<u>(7,979)</u>
<b>Total deficit</b>		<u><b>(69,321)</b></u>	<u>(62,750)</u>
<b>Non-current liabilities</b>			
Other payables	<i>12</i>	<b>7,154</b>	6,373
Borrowings	<i>13</i>	<b>19,375</b>	18,813
Deferred tax liabilities		-	285
Provision		<u><b>9,828</b></u>	<u>9,828</u>
		<u><b>36,357</b></u>	<u>35,299</u>
		<u><b>(32,964)</b></u>	<u>(27,451)</u>

## UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 September 2022

	Attributable to owners of the Company							
	Share Capital	Share premium	Capital reserve	Exchange translation reserve	Accumulated losses	Sub-total	Non- controlling interest	Total
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
At 1 April 2021 (audited)	909	582,364	1,200	(626)	(642,751)	(58,904)	(8,253)	(67,157)
Loss for the period	-	-	-	-	(5,832)	(5,832)	35	(5,797)
Exchange difference arising on translation of foreign operations	-	-	-	(19)	-	(19)	-	(19)
Total comprehensive expense for the period	-	-	-	(19)	(5,832)	(5,851)	35	(5,816)
Issue of shares upon placing	170	33,826	-	-	-	33,996	-	33,996
Transaction cost attributable to issue of shares	-	(1,703)	-	-	-	(1,703)	-	(1,703)
At 30 September 2021 (unaudited)	<u>1,079</u>	<u>614,487</u>	<u>1,200</u>	<u>(645)</u>	<u>(648,583)</u>	<u>(32,462)</u>	<u>(8,218)</u>	<u>(40,680)</u>
At 1 April 2022 (audited)	<b>1,079</b>	<b>614,487</b>	<b>1,200</b>	<b>(642)</b>	<b>(670,895)</b>	<b>(54,771)</b>	<b>(7,979)</b>	<b>(62,750)</b>
Loss for the period	-	-	-	-	(6,552)	(6,552)	(30)	(6,582)
Exchange difference arising on translation of foreign operations	-	-	-	11	-	11	-	11
Total comprehensive expense for the period	-	-	-	11	(6,552)	(6,541)	(30)	(6,571)
At 30 September 2022 (unaudited)	<u><b>1,079</b></u>	<u><b>614,487</b></u>	<u><b>1,200</b></u>	<u><b>(631)</b></u>	<u><b>(677,447)</b></u>	<u><b>(61,312)</b></u>	<u><b>(8,009)</b></u>	<u><b>(69,321)</b></u>

## UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 September 2022

	Unaudited	
	Six months ended	
	30 September	
	2022	2021
	HK\$'000	HK\$'000
Net cash inflow from operating activities	2,448	7,294
Net cash outflow from investing activities	(109)	–
Net cash outflow from financing activities	<u>(2,799)</u>	<u>(3,600)</u>
Net (decrease) increase in cash and cash equivalents	(460)	3,694
Cash and cash equivalents at 1 April	<u>1,875</u>	<u>1,112</u>
Cash and cash equivalents at 30 September	<u><u>1,415</u></u>	<u><u>4,806</u></u>



# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

## 1. GENERAL INFORMATION

The Company is a limited company incorporated in the Cayman Islands and its shares are listed on GEM of the Stock Exchange. The address of its registered office is Cricket Square Hutchins Drive P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands. The address of its principal place of business is Unit 02, 11/F, Eastmark, 21 Sheung Yuet Road, Kowloon Bay, Kowloon, Hong Kong.

The Company acts as an investment holding company. The Company and its subsidiaries (the “**Group**”) are principally engaged in the following activities:

- |   |   |
|---|---|
| (i) Provision of over-the-top (“ <b>OTT</b> ”) services | Distribution of films, television programmes and music concerts on OTT platforms  |
| (ii) Provision of professional services                 | Provision of information technology engineering and technical support services including financial valuation and IT service |

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 nearest thousands of Hong Kong dollars (“**HK\$’000**”) except when otherwise indicated.

## 2. BASIS OF PREPARATION

The unaudited condensed consolidated financial statements for the six months ended 30 September 2022 have been prepared in accordance with Hong Kong Accounting Standard 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) and the applicable disclosure requirements of the GEM Listing Rules.

Other than the changes in accounting policies resulting from application of new and amendments to HKFRSs, the accounting policies and methods of computation used in the unaudited condensed consolidated financial statements for the six months ended 30 September 2022 are consistent with those applied in the audited consolidated financial statements for the year ended 31 March 2022.

The unaudited condensed consolidated financial statements have been prepared under the historical cost convention.

The unaudited condensed consolidated financial statements have not been reviewed by the Company’s auditor, but have been reviewed by the Company’s audit committee.

## Going concern assessment

The Group incurred a net loss of HK\$6,582,000 for the six months ended 30 September 2022 and, as of that date, the Group's current liabilities exceeded its current assets by HK\$43,053,000 and total liabilities exceeded its total assets by HK\$69,321,000. The Group's borrowings and bonds amounted to HK\$42,623,000, out of which borrowings of HK\$12,533,000 and bonds of HK\$10,715,000 are due for repayment in the next twelve months from the date of approval of these unaudited condensed consolidated financial statements. These conditions may cast a significant doubt about the ability of the Group to continue as a going concern.

In view of the above, the directors of the Company have given careful consideration to the future liquidity requirements and operating performance of the Group and its available sources of financing to assess whether the Group would have sufficient financial resources to fulfill its financial obligations to continue as a going concern. The Group has taken measures to improve its financial position and to alleviate its liquidity pressure, which include but not limited to the following:

- (i) Subsequent to the end of the year ended 31 March 2022, the Group successfully obtained new borrowings of HK\$39,365,000 from certain financial institutions in Hong Kong. Pursuant to loan agreements, those borrowings are unsecured, interest-bearing ranging from 10% to 24% per annum and repayable between July and December 2024.
- (ii) The Group has been actively negotiating with several financial institutions on the renewal of certain borrowings. Subsequent to the end of the reporting period and up to the date of these unaudited condensed consolidated financial statements, the Group successfully extended the due date of certain borrowings of HK\$854,000 to December 2024.
- (iii) The Group has credit facilities granted by certain financial institutions and a non-controlling shareholder of a subsidiary. As at the approval date of these unaudited condensed consolidated financial statements, the credit facilities available to the Group amounted to HK\$29,377,000.
- (iv) The Company is in negotiation with potential investors to raise additional funds through issue of new shares. Pursuant to a memorandum of understanding entered into between the Company and an independent third party (the "placing agent") on 3 February 2023, which is not legally binding on both parties thereto, the placing agent shall procure (a) investors to subscribe for listed or unlisted securities of the Company consisting of shares in the Company and/or bonds to be issued by the Company; and/or (b) lenders for the provision of unsecured loans to the Company, for such sum up to HK\$25,000,000. The directors of the Company expect that formal agreements will be entered into in the near future.
- (v) The Group continues to improve the operating efficiency by implementing measures to tighten cost controls, over various operating expenses in order to enhance its profitability and to improve the cash flow from its operation in future.

### 3. REVENUE

Revenue represents income from OTT services and professional services rendered, net of sales related taxes if any.

An analysis of the revenue by principal activities of the operations of the Group during the reporting periods is as follows:

	Unaudited			
	Three months ended		Six months ended	
	30 September		30 September	
	2022	2021	2022	2021
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Revenue from provision of				
– OTT services	6,948	10,166	14,085	18,992
– Professional services fees	–	–	–	107
	<u>6,948</u>	<u>10,166</u>	<u>14,085</u>	<u>19,099</u>

### 4. SEGMENT INFORMATION

#### (a) Operating segments

The Group satisfied its performance obligation for provision of OTT services and provision of professional services when the services are rendered.

Information reported to the executive directors of the Group, being the chief operating decision maker (“CODM”), for the purposes of resource allocation and assessment of segment performance focuses on the types of services rendered.

During the current period, the Group’s operations have diversified to the following operating segments.

An analysis of the Group’s revenue and results for the six months ended 30 September 2022 and 2021 by operating segment is as follows:

	OTT services		Professional services		Consolidated	
	2022	2021	2022	2021	2022	2021
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
REVENUE						
External revenue	<u>14,085</u>	<u>18,992</u>	<u>–</u>	<u>107</u>	<u>14,085</u>	<u>19,099</u>
RESULT						
Segment profit/(loss)	<u>1,040</u>	<u>493</u>	<u>–</u>	<u>(40)</u>	<u>1,040</u>	<u>453</u>
Unallocated income and gains					43	211
Unallocated expenses and losses					(5,988)	(4,818)
Finance costs					<u>(1,960)</u>	<u>(2,210)</u>
Loss before income tax					<u>(6,865)</u>	<u>(6,364)</u>

(b) **Segment assets and liabilities**

The following is an analysis of the Group's assets and liabilities by its operating and reportable segments.

	OTT services		Professional services		Consolidated	
	30 September	31 March	30 September	31 March	30 September	31 March
	2022	2022	2022	2022	2022	2022
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
<b>ASSETS</b>						
Segment assets	<u>4,004</u>	<u>5,944</u>	<u>-</u>	<u>-</u>	<u>4,004</u>	<u>5,944</u>
Unallocated corporate assets						
– Property, plant and equipment					619	800
– Goodwill					9,470	9,470
– Intangible assets					-	1,723
– Other receivables					58	108
– Deposits and prepayments					2,746	4,869
– Cash and cash equivalent					<u>1,415</u>	<u>1,875</u>
Total assets					<u>18,312</u>	<u>24,789</u>
<b>LIABILITIES</b>						
Segment liabilities	<u>(8,121)</u>	<u>(11,817)</u>	<u>(931)</u>	<u>(931)</u>	<u>(9,052)</u>	<u>(12,748)</u>
Unallocated corporate liabilities						
– Other payables					(25,753)	(20,839)
– Borrowings					(31,908)	(33,060)
– Bonds					(10,715)	(10,402)
– Deferred tax liabilities					-	(285)
– Tax liabilities					(377)	(377)
– Provisions					<u>(9,828)</u>	<u>(9,828)</u>
Total liabilities					<u>(87,633)</u>	<u>(87,539)</u>

5. OTHER INCOME AND GAINS

	Unaudited			
	Three months ended		Six months ended	
	30 September		30 September	
	2022	2021	2022	2021
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Government grants	197	–	313	–
Others	27	5	153	211
	<u>224</u>	<u>5</u>	<u>466</u>	<u>211</u>

Government grants during the six months ended 30 September 2022 related to the Employment Support Scheme provided by the Government of the Hong Kong Special Administrative Region in respect of COVID-19 related subsidies.

6. FINANCE COSTS

	Unaudited			
	Three months ended		Six months ended	
	30 September		30 September	
	2022	2021	2022	2021
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Interest on borrowings	430	1,009	1,637	1,694
Interest on bonds	183	248	313	473
Others	–	43	10	43
	<u>613</u>	<u>1,300</u>	<u>1,960</u>	<u>2,210</u>

## 7. INCOME TAX CREDIT

Hong Kong profit tax has not been provided for in the unaudited condensed consolidated financial statements as there was no estimated assessable profit derived from Hong Kong during the six months ended 30 September 2022 and 2021.

## 8. LOSS FOR THE PERIOD

Loss for the period has been arrived at after charging:

	Unaudited			
	Three months ended 30 September		Six months ended 30 September	
	2022	2021	2022	2021
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Staff costs, including directors' remuneration				
Salaries and other benefits	2,452	1,741	5,188	4,009
Retirement benefits scheme contributions	<u>83</u>	<u>53</u>	<u>166</u>	<u>107</u>
	<u>2,535</u>	<u>1,794</u>	<u>5,354</u>	<u>4,116</u>
Amortisation of intangible assets	-	1,722	1,722	3,444
Depreciation of property, plant and equipment	146	142	290	284
Expense relating to short-term leases	<u>-</u>	<u>-</u>	<u>2</u>	<u>2</u>

## 9. DIVIDEND

The Board does not recommend the payment of any dividend for the six months ended 30 September 2022 (2021: Nil).

## 10. LOSS PER SHARE

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

### Loss per share

	Unaudited			
	Three months ended		Six months ended	
	30 September		30 September	
	2022	2021	2022	2021
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Loss for the period attributable to owners of the Company	<u>(2,308)</u>	<u>(3,159)</u>	<u>(6,552)</u>	<u>(5,832)</u>

	Unaudited			
	Three months ended		Six months ended	
	30 September		30 September	
	2022	2021	2022	2021
	'000	'000	'000	'000
	<u>107,873</u>	<u>96,049</u>	<u>107,873</u>	<u>93,476</u>

### Number of shares

Weighted average number of ordinary shares for the purpose of basic loss per share

	<u>107,873</u>	<u>96,049</u>	<u>107,873</u>	<u>93,476</u>
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No diluted loss per share for both periods were presented as there were no potential ordinary shares in issue for both periods.

## 11. TRADE AND OTHER RECEIVABLES

	Unaudited		Audited
	At		At
	30 September		31 March
	2022	2021	2022
	HK\$'000	HK\$'000	HK\$'000
Trade receivables	4,022		5,962
Less: allowance for credit losses	<u>(18)</u>		<u>(18)</u>
	<u>4,004</u>		<u>5,944</u>
Other receivables	<u>58</u>		<u>108</u>
	<u>4,062</u>		<u>6,052</u>

- (a) Trade receivables are due for settlement in accordance with the terms of the underlying agreements with the customers. Trade receivables with balances that are more than 9 months' overdue are requested to settle all outstanding balances before any further credit is granted.

- (b) The following is an aging analysis of trade receivables, net of allowance for credit losses, presented based on invoice date:

	<b>Unaudited</b>	Audited
	At	At
	<b>30 September</b>	31 March
	<b>2022</b>	2022
	<b><i>HK\$'000</i></b>	<i>HK\$'000</i>
0–30 days	2,457	3,243
31–90 days	740	2,328
Over 90 days	807	373
	<u>4,004</u>	<u>5,944</u>

## 12. TRADE AND OTHER PAYABLES

	<b>Unaudited</b>	Audited
	At	At
	<b>30 September</b>	31 March
	<b>2022</b>	2022
	<b><i>HK\$'000</i></b>	<i>HK\$'000</i>
Trade payables	8,005	11,610
Accruals and other payables	25,754	20,839
Contract liabilities	1,046	1,138
	<u>34,805</u>	<u>33,587</u>

The following is an aging analysis of trade payables presented based on the invoice date:

	<b>Unaudited</b>	Audited
	At	At
	<b>30 September</b>	31 March
	<b>2022</b>	2022
	<b><i>HK\$'000</i></b>	<i>HK\$'000</i>
0–30 days	410	156
31–90 days	745	768
Over 90 days	6,850	10,686
	<u>8,005</u>	<u>11,610</u>



**13. BORROWINGS**

	<b>Unaudited</b>	Audited
	<b>At</b>	At
	<b>30 September</b>	31 March
	<b>2022</b>	2022
	<b>HK\$'000</b>	<b>HK\$'000</b>
Borrowings	<b><u>31,908</u></b>	<u>33,060</u>

**14. SHARE CAPITAL**

	<b>Number of</b>	<b>Nominal</b>
	<b>shares</b>	<b>amount</b>
		<b>HK\$'000</b>
Authorised:		
Ordinary shares of HK\$0.01 each at 31 March 2022 and 30 September 2022	<u>20,000,000,000</u>	<u>200,000</u>
Issued and fully paid:		
Ordinary shares of HK\$0.01 each at 31 March 2022 and 30 September 2022	<u>107,873,248</u>	<u>1,079</u>

**15. SHARE PREMIUM AND RESERVES**

Movements in reserves for the Group during the period are set out in the unaudited condensed consolidated statement of changes in equity.

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **BUSINESS PERFORMANCE AND PROSPECT**

#### **OTT services**

OTT services is providing multi-media related services and contents in the Hong Kong via different platforms. In view of the growing penetration and expansion of multi-media segment, the Group is about optimistic such business segment. In addition, consumers are moving beyond traditional media, the multi-media platform is an option used by many companies to brand and market their products. As such, the multi-media platform is playing an increasingly vital role in business marketing strategy. We considered that our OTT services is equipped with experience in the industry with diversified clientele and being specialized in the provision of OTT services of video-on-demand in Hong Kong and Macau via its own digital video rental platform.

The revenue in OTT services recorded approximately HK\$14.1 million for the six months ended 30 September 2022 (2021: HK\$19.0 million), represents a decrease of approximately 25.8% as compared with the corresponding period in 2021. Such decrease was due to a drop in subscription of the OTT services attributable mainly to (i) the overall decrease in content output in the OTT services of the Group due to (a) reduction in film productions by major media content suppliers such as major Hollywood movie studios which production schedules were interrupted due to COVID-19 pandemic; and (b) the closure of cinemas during COVID-19 pandemic which delayed the releases of films on OTT platform as films will only be released on OTT platform after release in cinema; (ii) the cessation of work from home arrangement of enterprises and the relaxation of social distancing measures promoted social activities outside home and encouraged international travelling, which resulted in a decrease in home entertainment and OTT view rate; (iii) strict social distancing measures during the peak of fifth wave COVID-19 pandemic in Hong Kong restricted on ground promotion activities (such as live streaming concert) being carried out; and (iv) increased competition from other OTT service providers.

#### **Professional services**

Our professional service team can provide services and solutions in cyber security, including ramp up model advisory, physical and cyber security assessments, build and design of secured IT architecture, implementation of security devices and IT business policy controls.

Our professional service team specializes in enterprise cyber security solutions and risk management, providing a full range of security services and solutions to corporations in the Greater China and Asia Pacific region.

Our professional service team also provides a series of highly skilled services including all level Penetration testing, complete coverage of Vulnerability management as well as DDoS protection.

Our Managed Security Services team can provide a full scale MSS security, from Firewall healthiness, critical patch management, attack and alert, incident management and change management, to endpoint management in order to cover the end-user machines.

Our professional service team mainly provides four major information security services which are summarized as follows:

**1. *IT Security General Control Review and Security Risk Assessment***

We adopt a proven, four-phase security methodology to conduct IT security general control review and security risk assessment services. This methodology has proved itself through many global case studies and offers a repeatable solution with predictable results time after time. Below is an illustration of the methodology:

- a) Discovery – The objective of this phase is to ‘footprint’ the current security status of the scoped IT systems components;
- b) Analysis – The objectives of this phase are to determine the risk level of identified loophole, and to determine the possible attack scenarios;
- c) Exploitation – Upon discovery of any loophole that could further be penetrated, exploitation will be carried out to determine the penetration depth of the loophole;
- d) Remediation and Auditing – Upon completion of the security risk assessment and analysis, we will provide a complete report listing.

**2. *External and Internal Penetration Tests***

Our network security assessment is conducted through Internet targeting towards the customer’s Internet facing external network (e.g. public domain or sub-domains) and from internal network to all internal servers. The focus of this test is to simulate an attack from a skillful black-hat attacker, in order to dig out the vulnerabilities.

**3. *Risk-based Cyber Security Protection Safeguard and Implementation***

Our risk-based cyber security approach will evaluate best practices and technology solutions or services to address the top priority security risks of the client through:

- a) Gathering and verifying requirement;
- b) Design system Architecture;
- c) Procure the best-fit technology solutions or services;
- d) Implement, configure and strengthen the technology solutions or services;
- e) To assist our client to reengineer IT and business processes based on best practices.

#### **4. 24x7 Managed IT and Security Services Outsourcing**

We aim to assist our clients to maintain a healthy IT environment by monitoring, managing, operating IT assets such as:

- a) General IT assets: desktops, servers, network devices;
- b) IT security assets: firewall, IPS, malware protection;
- c) Provide a dedicated client single point of contact (SPOC) for IT and cyber security related services, problem and incidents enquiries;
- d) Incident and problem response and management.

#### **FUTURE PROSPECTS**

The Group continues to be optimistic about the business prospects of its OTT services business. The Group expects to benefit from the increase in the number of users under the bundle of offers of 5G plan. The Directors are of the view that the broadcasting market in Hong Kong from a traditional free-licensed television broadcasting will be substituted by OTT broadcasting. The Group intends to exploit the OTT platforms, which customers be offered with a wide variety of films, pop songs and TV series, etc. over the Internet. In view of the rapid global development in media contents and the rising popularity of new media platforms among the mobile and internet users, the Group hopes to continue developing the quality media contents with the advantages of the existing platform resources and to thrive in the cultural and entertainment business.

Going forward, the Group will continue exploring other opportunities to acquire other media contents to enrich its media content library so as to attract more customers in Hong Kong and Macau.

#### **FINANCIAL PERFORMANCE**

During the six months ended 30 September 2022, the Group recorded a revenue of approximately HK\$14.1 million (2021: approximately HK\$19.1 million) representing a decrease of approximately 26.2% as compared to that of the corresponding period in 2021. The decrease in revenue was due to decrease in revenue from OTT services. Subcontractor costs decreased to approximately HK\$9.8 million as compared to approximately HK\$12.9 million of corresponding period in 2021. The decrease in subcontractor costs was due to the decrease in revenue. Operating and administrative expenses increased to approximately HK\$8.0 million as compared to approximately HK\$7.1 million of corresponding period in 2021. Finance costs decreased to approximately HK\$2.0 million as compared to approximately HK\$2.2 million of the corresponding period in 2021, representing a decrease of approximately 9.1% as compared to that of the corresponding period in 2021. The decrease in finance costs was due to the repayment of certain borrowings by use of new loans with lower interest rate during the period. Loss attributable to the owners of the Company was approximately HK\$6.6 million for the six months ended 30 September 2022 (2021: loss of approximately HK\$5.8 million).

## **LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE**

During the six months ended 30 September 2022, the Company has not made any issue for cash of equity securities.

The Board continues to look for opportunities to attract more investors, extend the shareholders base, reduce the accumulated loss and improve the flexibility of fund raising.

## **GEARING RATIO**

The gearing ratio calculated on the basis of total liabilities over shareholders' equity. Since the Group recorded a deficit attributable to owners of the Company as at 30 September 2022 and 31 March 2022, the gearing ratio was not applicable for the both reporting periods.

## **FOREIGN CURRENCY EXPOSURE**

During the six months ended 30 September 2022, the Group experienced only immaterial exchange rate fluctuations as the functional currency of the Group's operations was mainly Hong Kong dollars. As the risk on exchange rate difference was considered to be minimal, the Group did not employ any financial instruments for hedging purposes.

## **SIGNIFICANT INVESTMENTS, MATERIAL ACQUISITIONS AND DISPOSAL OF SUBSIDIARIES AND AFFILIATED COMPANIES**

No significant investments, material acquisition and disposal was completed during the six month ended 30 September 2022.

## **UPDATE ON LISTING STATUS**

Trading in the shares of the Company has been suspended at the request of the Company since 4 July 2022 as a result of the delay in publication of the financial results of the Group for the year ended 31 March 2022 and will remain suspended until further notice.

The Company received a letter (the "**Letter**") from the Stock Exchange dated 19 September 2022, in which the Stock Exchange set out the following resumption guidance for the Company:

- publish all outstanding financial results required under the GEM Listing Rules and address any audit modifications;
- demonstrate the Company's compliance with Rule 17.26 of the GEM Listing Rules; and
- inform the market of all material information for the Company's shareholders and other investors to appraise the Company's position.

The Letter also states that the Company must remedy the issue(s) causing its trading suspension and fully comply with the GEM Listing Rules to the Stock Exchange's satisfaction before trading in its securities is allowed to resume.

On 4 November 2022, the Company received a letter from the Stock Exchange, in which, the Stock Exchange set out the following additional resumption guidance for the Company:

- re-comply with Rules 5.05(1) and 5.28 of the GEM Listing Rules.

As disclosed in the announcement of the Company dated 14 November 2022, the Company has appointed Mr. Chan Chi Ching as the independent non-executive director of the Company with effect from 14 November 2022. Upon his appointment becoming effective on 14 November 2022, the Company fulfilled the requirements under Rules 5.05(1) and 5.28 of the GEM Listing Rules.

As disclosed in the announcement of the Company dated 7 February 2023, the Company has published the audited annual results announcement of the Group for the year ended 31 March 2022 on 7 February 2023.

As disclosed in the announcement of the Company dated 28 February 2023, the Company has published (i) the unaudited first quarterly results of the Group for the three months ended 30 June 2022; (ii) the unaudited interim results of the Group for the six months ended 30 September 2022; and (iii) the unaudited third quarterly results of the Group for the nine months ended 31 December 2022 on 28 February 2023, respectively.

The Company is taking appropriate steps to remedy the issues causing its trading suspension and will use its best endeavours to resume trading as soon as practicable. Further announcement(s) will be made by the Company as and when appropriate to keep the shareholders and potential investors informed.

## **EMPLOYEES AND REMUNERATION POLICIES**

As at 30 September 2022, the Group hired 26 employees including the executive Directors (31 March 2022: 25). Total staff costs including Directors' remuneration for the six months period under review amounting to approximately HK\$5.4 million (2021: HK\$4.1 million). The Group's remuneration policies are in line with the prevailing market practices and are determined on the basis of performance and experience of individual employees. The Group provides mandatory provident fund scheme for the employees employed under the jurisdiction of the Hong Kong Employment Ordinance.

## **CHARGES ON ASSETS AND CONTINGENT LIABILITIES**

The Group did not have any material charges on assets and contingent liabilities as at 30 September 2022.

## **DIVIDEND**

The Board does not recommend the payment of dividend for the six months ended 30 September 2022 (2021: Nil).

## SHARE OPTION SCHEME

Pursuant to an ordinary resolution passed at an annual general meeting of the Company held on 12 November 2014, the Company approved and adopted a share option scheme (the “**Scheme**”). There were no movement in the share options during the six months ended 30 September 2022 and there were no outstanding share options as at 30 September 2022. Summary of the Scheme are set out below:

### (a) Purpose of the Scheme

The purpose of the Scheme is to provide participants with the opportunity to acquire proprietary interests in the Company and to encourage participants to work towards enhancing the value of the Company and its shares for the benefit of the Company and its Shareholders as a whole.

### (b) Participants

The categories of the participant under the Scheme include any directors (including executive directors, non-executive directors and independent non-executive directors) and employees of the Group or any entity in which any member of the Group holds an equity interest (an “**Invested Entity**”) and any advisors, consultants, distributors, contractors, suppliers, agents, customers, business partners, joint venture business partners, promoters, service providers, shareholders, co-investors, lenders of or to, and persons who have business relationships with, any member of the Group or any Invested Entity (including the employees thereof) who the Board considers, in its sole discretion, have contributed or will contribute to the Group.

The scope of participants under the Scheme is with an aim to attract, retain and maintain on-going business relationship with the other participants whose contributions are or will be beneficial to the long-term growth of the Group which would enhance the value of the Company and its shares based on the Board’s discretion with reference to their history, business relationship and contributions with/to the Group.

### (c) Maximum number of shares

The maximum number of shares to be issued upon exercise of all outstanding options granted and yet to be exercised under the Scheme and any other share option schemes of the Company must not in aggregate exceed 30 per cent. in nominal amount of the issued share capital of the Company from time to time (“**Scheme Limit**”).

- (i) The maximum number of shares in respect of which options may be granted under the Scheme shall not (when aggregated with any shares subject to any other share option scheme(s) of the Company) exceed 10 per cent. in nominal amount of the issued share capital of the Company on the adoption date (the “**Scheme Mandate Limit**”). Option lapsed in accordance with the terms of the Scheme will not be counted for the purpose of calculating the Scheme Mandate Limit.

- (ii) The Scheme Mandate Limit referred to in paragraph (c)(i) may be renewed at any time subject to prior shareholders' approval but in any event shall not exceed 10 per cent. of the issued share capital of the Company as at the date of approval of the renewal of the Scheme Mandate Limit. Option previously granted under the Scheme or any other share option schemes (including those outstanding, cancelled, lapsed in accordance with the terms or exercised options) will not be counted for the purpose of calculating the refreshed Scheme Mandate Limit.
- (iii) The Company may grant options beyond the Scheme Mandate Limit to Participants if:
  - (a) the Company has first sent a circular to shareholders containing a generic description of the specified participants in question, the number and terms of the options to be granted, the purpose of granting options to the specified participants with an explanation as to how the terms of the options serve such purpose; and
  - (b) separate shareholder's approval has been obtained.

**(d) Maximum entitlement of each participant**

The maximum number of shares in respect of which options may be granted to a specifically identified single grantee under the Scheme shall not (when aggregated with any shares subject to any other share option scheme(s) of the Company) in any 12-month period exceed 1 per cent. of the shares in issue (the "**Individual Limit**"). The Company may grant options beyond the Individual Limit to a participant at any time if:

- (i) the Company has first sent a circular to Shareholders containing the identity of the participant in question, the number and terms of the options to be granted (and options previously granted to such participant); and
- (ii) separate shareholder's approval has been obtained in general meeting with the proposed relevant grantee (as the case may be) and his associates abstaining from voting.

**(e) Subscription price for shares**

The subscription price shall be determined by the Board in its absolute discretion but in any event shall not be less than the greater of:

- (i) the closing price of the shares as stated in the daily quotations sheets issued by the Stock Exchange on date of grant;
- (ii) the average closing price of the shares as stated in the daily quotations sheets issued by the Stock Exchange for the five business days immediately preceding date of grant; and
- (iii) the nominal value of a share.



**(f) Duration of the Scheme**

Subject to the provisions of the Scheme, the Scheme shall be valid and effective for a period of 10 years commencing on the Adoption Date (the “**ten-year**” period), after which period no further options shall be offered or granted but the provisions of the Scheme shall remain in full force and effect in all other respects. Options granted during the life of the Scheme shall continue to be exercisable in accordance with their terms of grant after the end of the ten-year period.

**(g) Exercise of options**

An option may be exercised in whole or in part in accordance with the terms of the Scheme by the grantee (or his legal personal representative(s)) by giving notice in writing to the Company stating that the option is thereby exercised and the number of shares in respect of which it is exercised. Each such notice must be accompanied by a remittance for the full amount of the subscription price multiplied by the number of shares in respect of which the notice is given. Within 28 days after receipt of the notice and, where appropriate, receipt of the Auditors’ certificate or the certificate from the independent financial adviser to the Company, the Company shall accordingly allot and issue the relevant number of Shares to the grantee (or his legal personal representative(s)) credited as fully paid and issue to the grantee (or his legal personal representative(s)) share certificates in respect of the Shares so allotted.

**(h) Minimum period**

There are no minimum holding period for which an Option must be held before it can be exercised nor performance targets that need to be met before a grantee is entitled to exercise an Option duly granted under the Scheme.

**(i) Time of acceptance and payment on acceptance**

An Offer shall be deemed to have been accepted and an Option shall be deemed to have been granted and accepted and shall take effect when the duplicate letter comprising acceptance of the Offer duly signed by the Grantee with the number of Shares in respect of which the Offer is accepted clearly stated therein together with a remittance in favour of the Company of HK\$1.00 by way of consideration for the grant thereof is received by the Company. Such remittance shall in no circumstances be refundable.

**DIRECTORS’ AND CHIEF EXECUTIVE’S INTERESTS IN SECURITIES**

As at 30 September 2022, none of the Directors and chief executive of the Company were interested 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, the Laws of Hong Kong) (“**SFO**”)) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they have taken or deemed to have under such provisions of the SFO), or which are required, pursuant to section 352 of the SFO, to be entered in the register maintained by the Company referred to therein, or which are required, pursuant to the required standard of dealing by the Directors under the GEM Listing Rules relating to securities transactions by the Directors, to be notified to the Company and the Stock Exchange.

## SUBSTANTIAL SHAREHOLDERS INTERESTS IN SECURITIES

So far as is known to the Directors, as at 30 September 2022, the persons (other than a director or chief executive of the Company) who have interests or short position in the shares, underlying shares and debentures of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or who are, directly or indirectly, to be interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group, were as follows:

### Long position in shares of the Company:

<b>Name</b>	<b>Capacity</b>	<b>Number of shares held</b>	<b>Approximate percentage of the issued share capital of the Company</b> <i>(Note 1)</i>
Masan Multi Strategy Fund SPC – Masan HK Equity Fund SP <i>(Note 2)</i>	Beneficiary Owner	8,139,000	7.54%

#### Notes:

1. As at 30 September 2022, the issued share capital of the Company was 107,873,248 shares.
2. According to the information disclosed in the notices of disclosure of interest.

Save as disclosed above, as at 30 September 2022, no long positions and short positions of other persons or chief executive of the Company in the shares, underlying shares and debentures of the Company and its associated corporations were recorded in the register required to be kept under section 336 of the SFO.

## **DIRECTORS' AND CONTROLLING SHAREHOLDERS' INTERESTS IN CONTRACTS**

No contracts of significance in relation to the Group's business to which the Group was a party and in which a Director had a material interest, whether directly or indirectly, subsisted at the six months ended 30 September 2022 or at any time during such period.

## **DIRECTORS' COMPETING INTERESTS**

As at 30 September 2022, none of the Directors or their respective associates (as defined under the GEM Listing Rules) had any business or interest in a business which competes or may compete with the business of the Group.

## **AUDIT COMMITTEE**

The Company has established an audit committee with written terms of reference in compliance with the GEM Listing Rules and the Corporate Governance Code (the "Code").

The audit committee of the Company reviews the internal accounting procedures, considers and reports to the Board with respect to other auditing and accounting matters, including selection of independent auditors, fees to be paid to the independent auditors and the performance of the independent auditors.

As at the date of this announcement, the audit committee consists of three independent non-executive Directors namely Mr. Tsang Hing Bun, Mr. Chan Chi Ching and Mr. Chong Tung Yan Benedict.

The unaudited condensed consolidated financial statements of the Group for the six months ended 30 September 2022 have been reviewed by the audit committee of the Company.

## **CODE ON CORPORATE GOVERNANCE PRACTICES**

The Company has adopted the code provisions of the Code contained in Appendix 15 of the GEM Listing Rules as its own code on corporate governance practices. In the opinion of the Directors, the Company has complied with the code provisions as set out in the Code and there have been no material deviations from the Code during the period.

## **DIRECTORS' 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 as the code of conduct regarding Directors' securities transactions in securities of the Company.

Having made specific enquiry, all Directors have confirmed that they have complied with the required standard of dealings and there is no event of non-compliance throughout the six months ended 30 September 2022.

## **PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES**

During the six months period under review, neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities.

By order of the Board of  
**hmvod Limited**  
**Ho Chi Na**  
*Executive Director*

Hong Kong, 28 February 2023

As at the date of this announcement, the Board comprises the following Directors:

**Executive Directors:**

Ms. Ho Chi Na

Ms. Wong Tsz Ki

**Independent non-executive Directors:**

Mr. Chan Chi Ching

Mr. Chong Tung Yan Benedict

Mr. Tsang Hing Bun

*This announcement will remain on the Stock Exchange's website at [www.hkexnews.hk](http://www.hkexnews.hk) on the "Latest Listing Company Information" page for at least 7 days from the date of its posting and on the Company's website at [www.hmvod.com.hk](http://www.hmvod.com.hk).*