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hmvod Limited
hmvod 視頻有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8103)

SUPPLEMENTAL ANNOUNCEMENT IN RELATION TO PLACING OF CONVERTIBLE BONDS UNDER GENERAL MANDATE

Reference is made to the announcement of the Company dated 28 June 2023 in relation to the placing of convertible bonds under general mandate (the “**Announcement**”). Unless otherwise defined, capitalised terms used in this announcement shall have the same meanings given to them in the Announcement.

PRINCIPAL TERMS OF THE CONVERTIBLE BONDS

With reference to the Announcement, the Conversion Price per Conversion Share shall be HK\$0.60. The Conversion Price of HK\$0.60 represents:

- (a) a premium of approximately 27.7% to the closing price of HK\$0.47 per Share quoted on the Stock Exchange on 28 June 2023, being the date of the CB Placing Agreement; and
- (b) a premium of approximately 27.4% to the average closing price of HK\$0.471 per Share as quoted on the Stock Exchange for the five trading days immediately preceding the date of the CB Placing Agreement.

The Conversion Price was arrived at after arm’s length negotiations between the Company and the Placing Agent, taking into account of, among others, (i) the prevailing market price of the Shares; (ii) the recent financial performance and the debt position of the Group; and (iii) the dilution effect of existing Shareholders while at the same time to acquire low cost funding. The Directors consider that the Conversion Price and the terms and conditions of the CB Placing Agreement and the Convertible Bonds are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

With reference to the Announcement, the Long Stop Date is 28 August 2023. The Company and the Placing Agent agreed the Long Stop Date to be revised to 19 July 2023 (the “**Revised Long Stop Date**”). The General Mandate provides the time flexibility to the Directors to raise funds by equity financing with Shareholder’s approval in advance. The Revised Long Stop Date conforms to the intention of General Mandate that allows the Company to be flexible to issue new shares, but meanwhile protects the Shareholders’ interest from the prolonged placing period, during which there could be material volatility.

REASONS FOR THE ISSUE OF CONVERTIBLE BONDS AND USE OF PROCEEDS

Assuming all the Convertible Bonds are successfully placed by the Placing Agent, the net proceeds from the CB Placing will be approximately HK\$12.9 million (the “**Proceeds**”), which will be used by the Company for repayment of loan and general working capital. The use of proceeds would be applied by the Company for the following purposes:

- (i) Approximately HK\$2 million, representing 15.5% of the Proceeds, was intended to be allocated to the repayment of interest and loans;
- (ii) Approximately HK\$7 million, 54.3% of the Proceeds, was intended to be allocated to the payment of staff costs and other administrative expenses; and
- (iii) Approximately HK\$3.9 million, representing 30.2% of the Proceeds, was intended to be allocated to the payment of marketing expense and investment of new projects, if any.

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

Hong Kong, 4 July 2023

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

Executive Directors:

Ms. Ho Chi Na

Ms. Wong Tsz Ki

Mr. Chong Tung Yan Benedict

Independent non-executive Directors:

Mr. Chan Chi Ching

Mr. Tsang Hing Bun

Mr. Hung Cho Sing *B.B.S.*

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, 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 will remain on the GEM website at www.hkgem.com on the “Latest Company Announcements” page for seven days from the day of its posting and on the website of the Company at www.hmvod.com.