



hmvod Limited

hmvod 視頻有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8103)

**FIRST QUARTERLY RESULTS ANNOUNCEMENT
FOR THE THREE MONTHS ENDED 30 JUNE 2023**

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.

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*This announcement, for which the directors (the “**Director(s)**”) of hmvod Limited (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 (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.*

HIGHLIGHTS

- Revenue for the three months ended 30 June 2023 amounted to approximately HK\$4.5 million representing a decrease of approximately 37.4% as compared to the corresponding period in 2022 amounting to approximately HK\$7.1 million.
- Loss attributable to the owners of the Company for the three months ended 30 June 2023 amounted to approximately HK\$2.8 million (2022: loss of approximately HK\$4.2 million).
- Basic loss per share from continuing and discontinued operations for the three months ended 30 June 2023 was approximately HK2.45 cents (2022: basic loss per share of HK3.93 cents).
- The Board does not recommend the payment of any interim dividend for the three months ended 30 June 2023 (2022: Nil).

The board of Directors (the “**Board**”) of the Company presents the unaudited condensed consolidated financial information of the Company and its subsidiaries (collectively the “**Group**”) for the three months ended 30 June 2023, together with the unaudited comparative figures for the corresponding period in 2022 as follows:

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

For the three months ended 30 June 2023

		Unaudited	
		Three months ended 30 June	
		2023	2022
	<i>Notes</i>	HK\$'000	<i>HK\$'000</i>
			(Re-presented)
Continuing operations			
Revenue	3	4,471	7,137
Other income and gains	4	430	242
Subcontractor costs		(4,322)	(4,849)
Operating and administrative expenses		(2,525)	(3,968)
Amortisation of intangible assets		–	(1,722)
Finance costs	5	(883)	(1,337)
		<hr/>	<hr/>
Loss before income tax		(2,829)	(4,497)
Income tax credit	6	–	283
		<hr/>	<hr/>
Loss for the period from the continuing operations	7	(2,829)	(4,214)
Discontinued operation			
Loss for the period from the discontinued operation	10	–	(10)
		<hr/>	<hr/>
Loss for the period		(2,829)	(4,224)
Other comprehensive income			
Item that will not be reclassified subsequently to profit or loss:			
Exchange difference arising on translation of foreign operations		9	11
		<hr/>	<hr/>
Total comprehensive expense for the period		(2,820)	(4,213)
		<hr/> <hr/>	<hr/> <hr/>
(Loss)/profit for the period attributable to:			
Owners of the Company	9	(2,646)	(4,244)
Non-controlling interests		(183)	20
		<hr/>	<hr/>
		(2,829)	(4,224)
		<hr/> <hr/>	<hr/> <hr/>

		Unaudited	
		Three months ended 30 June	
		2023	2022
<i>Note</i>		HK\$'000	HK\$'000
		(Re-presented)	
Loss for the period attributable to owners of the Company arises from:			
	Continuing operations	(2,646)	(4,239)
	Discontinued operation	–	(5)
		<u> </u>	<u> </u>
		(2,646)	(4,244)
		<u> </u>	<u> </u>
(Loss)/profit for the period attributable to the non-controlling interests arises from:			
	Continuing operations	(183)	25
	Discontinued operation	–	(5)
		<u> </u>	<u> </u>
		(183)	20
		<u> </u>	<u> </u>
Total comprehensive (expense)/income for the period attributable to:			
	Owners of the Company	(2,829)	(4,233)
	Non-controlling interests	9	20
		<u> </u>	<u> </u>
		(2,820)	(4,213)
		<u> </u>	<u> </u>
Total comprehensive expense attributable to owners of the Company arises from:			
	Continuing operations	(2,829)	(4,228)
	Discontinued operation	–	(5)
		<u> </u>	<u> </u>
		(2,829)	(4,233)
		<u> </u>	<u> </u>
Loss per share (<i>HK cents</i>)	<i>9</i>		
From continuing and discontinued operations			
– Basic		(2.45)	(3.93)
From continuing operations			
– Basic		(2.45)	(3.93)
From discontinued operation			
– Basic		–	(0.00)
		<u> </u>	<u> </u>

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the three months ended 30 June 2023

	Attributable to owners of the Company							Non- controlling interests HK\$'000	Total HK\$'000
	Share capital HK\$'000	Share premium HK\$'000	Capital reserve HK\$'000	Exchange translation reserve HK\$'000	Accumulated losses HK\$'000	Sub-total HK\$'000	Total		
At 1 April 2022 (audited)	1,079	614,487	1,200	(642)	(670,895)	(54,771)	(7,979)	(62,750)	
Loss for the period	-	-	-	-	(4,244)	(4,244)	20	(4,224)	
Exchange difference arising on translation of foreign operations	-	-	-	11	-	11	-	11	
Total comprehensive income/(expense) for the period	-	-	-	11	(4,244)	(4,233)	20	(4,213)	
At 30 June 2022 (unaudited)	<u>1,079</u>	<u>614,487</u>	<u>1,200</u>	<u>(631)</u>	<u>(675,139)</u>	<u>(59,004)</u>	<u>(7,959)</u>	<u>(66,963)</u>	
At 1 April 2023 (audited)	1,079	614,487	1,200	(652)	(683,226)	(67,112)	(4,829)	(71,941)	
Loss for the period	-	-	-	-	(2,646)	(2,646)	(183)	(2,829)	
Exchange difference arising on translation of foreign operations	-	-	-	8	-	8	1	9	
Total comprehensive income/(expense) for the period	-	-	-	8	(2,646)	(2,638)	(182)	(2,820)	
At 30 June 2023 (unaudited)	<u>1,079</u>	<u>614,487</u>	<u>1,200</u>	<u>(644)</u>	<u>(685,872)</u>	<u>(69,750)</u>	<u>(5,011)</u>	<u>(74,761)</u>	

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL INFORMATION

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 in Hong Kong is 9/F, E-Trade Plaza, No. 24 Lee Chung Street, Chai Wan, 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 (“OTT”) 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 Group’s unaudited condensed consolidated financial statements for the three months ended 30 June 2023 have been prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”). In addition, the consolidated financial statements include applicable disclosures required by 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 three months ended 30 June 2023 are consistent with those applied in the audited consolidated financial statements for the year ended 31 March 2023.

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\$2,829,000 for the three months ended 30 June 2023 and, as of that date, the Group’s current liabilities exceeded its current assets by HK\$10,217,000 and total liabilities exceeded its total assets by HK\$74,761,000. The Group’s borrowings amounted to HK\$56,367,000, out of which borrowings of HK\$1,658,000 is 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) The Group has been actively negotiating with potential investors to raise additional fund through different means. Subsequent to the end of the reporting period, the Group successfully obtained new borrowings and loan facilities in an aggregate amount of HK\$15,000,000 from a financial institution in Hong Kong and an individual. Pursuant to the agreements, the borrowings are unsecured, interest-bearing ranging from 5% to 6% per annum and repayable in June 2025.
- (ii) On 8 August 2023, the Company entered into a subscription agreement with subscribers in relation to the issue of convertible bonds in an aggregate principal amount of HK\$12,000,000 at the conversion price of HK\$0.6 per conversion share. The convertible bonds carry interest at 3% per annum and become mature at the date falling on the first anniversary of the issue of the convertible bonds.
- (iii) 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 the amounts arising 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 30 June	
	2023	2022
	HK\$'000	HK\$'000
Type of services, recognised over time:		
– OTT services (Continuing operations)	4,471	7,137
– Professional services (Discontinued operation)	–	–
	<u>4,471</u>	<u>7,137</u>
Revenue from contracts with customers	<u><u>4,471</u></u>	<u><u>7,137</u></u>

4. OTHER INCOME AND GAINS

	Unaudited	
	Three months ended 30 June	
	2023	2022
	HK\$'000	HK\$'000
Continuing operations		
Bank interest income	2	–
Government grants	–	116
Others	428	126
	<u>430</u>	<u>242</u>
	<u><u>430</u></u>	<u><u>242</u></u>

Government grants during the three months ended 30 June 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.

5. FINANCE COSTS

	Unaudited	
	Three months ended 30 June	
	2023	2022
	HK\$'000	HK\$'000
Continuing operations		
Interest on borrowings	883	1,217
Interest on bonds	–	120
	<hr/>	<hr/>
	883	1,337
	<hr/> <hr/>	<hr/> <hr/>

6. INCOME TAX CREDIT

	Unaudited	
	Three months ended 30 June	
	2023	2022
	HK\$'000	HK\$'000
Continuing operations		
Current tax		
– Hong Kong Profits Tax	–	–
Deferred tax	–	(283)
	<hr/>	<hr/>
	–	(283)
	<hr/> <hr/>	<hr/> <hr/>

In March 2018, the Hong Kong Government introduced a two-tiered profits tax rate regime by enacting the Inland Revenue (Amendment) (No. 3) Ordinance 2018 (the “**Ordinance**”). Under the two-tiered profits tax rate regime, the first \$2 million of assessable profits of qualifying corporations is taxed at 8.25% and the remaining assessable profits at 16.5%. The Ordinance is effective from the year of assessment 2018 – 2019.

The directors considered the amount involved upon implementation of the two-tiered profits tax rates regime as insignificant to the condensed consolidated financial statements. Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit.

7. LOSS FOR THE PERIOD

Loss for the period has been arrived after charging:

	Unaudited	
	Three months ended 30 June	
	2023	2022
	HK\$'000	HK\$'000
Continuing operations		
Staff costs, including directors' remuneration		
Salaries and other benefits	1,276	2,736
Retirement benefits scheme contribution	65	83
	<u>1,341</u>	<u>2,819</u>
Amortisation of intangible assets	–	1,722
Depreciation of property, plant and equipment	76	143
Expense relating to short-term leases	2	2
	<u>2</u>	<u>2</u>

8. DIVIDEND

The Board did not recommend the payment of any interim dividend for the three months ended 30 June 2023 (2022: Nil).

9. LOSS PER SHARE

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

	Unaudited	
	Three months ended 30 June	
	2023	2022
	HK\$'000	HK\$'000
Loss:		
Loss for the period attributable to owners of the Company	(2,646)	(4,244)
Less:		
Loss for the period from discontinued operation	–	(5)
	<u>(2,646)</u>	<u>(4,239)</u>

Number of shares

	Three months ended 30 June	
	2023	2022
	'000	'000
Weighted average ordinary shares for the purpose of basic and diluted loss per share	<u>107,873</u>	<u>107,873</u>

For discontinued operation

Basic loss per share for the discontinued operation is nil per share (2022: HK0.003 cents per share), based on the loss for the year from the discontinued operation of nil (2022: HK\$5,000) and the denominators detailed above for basic loss per share.

No diluted loss per share for both periods were presented as there were no potential ordinary shares in issue for both periods.

10. LOSS FOR THE PERIOD FROM DISCONTINUED OPERATION

On 30 March 2023, the Group has disposed of its entire equity interest in Zero Effort Limited and its subsidiaries, which are engaged in the provision of professional services at cash consideration of HK\$1.

	Unaudited	
	Three months ended 30 June	
	2023	2022
	HK\$'000	HK\$'000
Revenue	-	-
Other income and gains	-	-
Operating and administrative expenses	-	-
Finance costs	-	(10)
	<hr/>	<hr/>
Loss before taxation	-	(10)
Income tax expenses	-	-
	<hr/>	<hr/>
Loss and other comprehensive loss for the period from discontinued operation	-	(10)
Loss and other comprehensive loss for the period attributable to:		
Owners of the Company	-	(5)
Non-controlling interests	-	(5)
	<hr/>	<hr/>
	-	(10)
	<hr/> <hr/>	<hr/> <hr/>

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS PERFORMANCE AND PROSPECT

OTT services

OTT services is providing multi-media related services and content in the Hong Kong via different platforms. In view of the growing penetration and expansion of multi-media segment, the Group is optimistic to 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 believe that our Group is beneficial from the world-wide trend given 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\$4.5 million for the three months ended 30 June 2023 (2022: approximately HK\$7.1 million), represents a decrease of approximately 37.4% as compared with the corresponding period in 2022. Such decrease was due to a drop in subscription of the OTT services attributable mainly to 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 and 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.

The professional services segment was disposed on 30 March 2023. Accordingly, certain comparative information are re-presented in these consolidated financial statements. Details are shown in the note 10.

FUTURE PROSPECTS

The Group expects to benefit from the increase in the number of users under the bundle of offers of 5G plan. The broadcasting market in Hong Kong is gradually switching from traditional free-licensed television broadcasting to 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 three months ended 30 June 2023, the Group recorded a revenue of approximately HK\$4.5 million (2022: approximately HK\$7.1 million) representing a decrease of approximately 37.4% as compared to that of the corresponding period in 2022. The decrease in revenue was due to decrease in revenue from OTT services. Subcontractor costs decreased to approximately HK\$4.3 million as compared to approximately HK\$4.8 million of corresponding period in 2022. The decrease in subcontractor costs was due to decrease in revenue. Operating and administrative expenses decreased to approximately HK\$2.5 million as compared to approximately HK\$4.0 million of corresponding period in 2022. Finance costs decreased to approximately HK\$0.9 million as compared to approximately HK\$1.4 million of the corresponding period in 2022, representing a decrease of approximately 34.0% as compared to that of the corresponding period in 2022. The decrease in finance costs was due to lower borrowing costs during the period ended 30 June 2023 as compared to that of the corresponding period in 2022. Loss attributable to the owners of the Company was approximately HK\$2.6 million for the three months ended 30 June 2023 (2022: loss of approximately HK\$4.2 million).

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

During the three months ended 30 June 2023, 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.

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

The Group did not make any material investment, acquisition and/or disposal during the three months ended 30 June 2023.

DIVIDEND

The Board does not recommend the payment of dividend for the three months ended 30 June 2023 (2022: 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. There were no movement in the share options during the three months ended 30 June 2023 and there were no outstanding share options as at 30 June 2023.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS IN SECURITIES

As at 30 June 2023, 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 of 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 Rules 5.46 of 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 June 2023, 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:

Name	Capacity	Number of shares held	Approximate percentage of the issued share capital the Company (note 1)
Masan Multi Strategy Fund SPC – Masan HK Equity Fund SP (note 2)	Beneficial owner	8,139,000	7.54%

Notes:

1. As at 30 June 2023, the total issued share capital of the Company is 107,873,248 shares.
2. According to the information disclosed in the notices of disclosure of interest.

Save as disclosed above, as at 30 June 2023, so far as was known to the Directors and chief executive of the Company, no person (other than a Director or chief executive of the Company), had, or were deemed or taken to have interests or short positions in the Shares or underlying Shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO and required to be entered into the register maintained by the Company pursuant to Section 336 of the SFO.

DIRECTORS' 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 of the Group had a material interest, whether directly or indirectly, subsisted at the three months ended 30 June 2023 or at any time during such period.

DIRECTORS' COMPETING INTERESTS

As at 30 June 2023, 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 primary duties of the audit committee includes reviewing 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. Hung Cho Sing *B.B.S.*

The unaudited condensed consolidated financial information of the Group for the three month ended 30 June 2023 have been reviewed by the audit committee of the Company and is of the opinion that the preparation of such statements comply with the applicable accounting standards and the GEM Listing Rules and that adequate disclosures have been made.

CODE ON CORPORATE GOVERNANCE PRACTICES (THE "CODE")

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 reporting 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 three months ended 30 June 2023.

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

During the three 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, 14 August 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 will remain on the Stock Exchange's website at 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.