



HM International Holdings Limited
(Incorporated in the Cayman Islands with limited liability)
(Stock Code: 8416)

**ANNUAL RESULTS ANNOUNCEMENT
FOR THE YEAR ENDED 31 DECEMBER 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 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 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.*

ANNUAL RESULTS

The board of Directors (the “**Board**”) of the Company is pleased to announce the audited consolidated financial results of the Group for the year ended 31 December 2023 (the “**Reporting Period**”), together with the comparative audited figures for the year ended 31 December 2022. The financial information has been approved by the Board.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2023

	<i>Notes</i>	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Revenue	4	178,624	190,286
Cost of sales		<u>(115,867)</u>	<u>(121,749)</u>
Gross profit		62,757	68,537
Other income, gains and losses		4,556	1,308
Selling expenses		(11,998)	(14,413)
Administrative expenses		(48,431)	(47,833)
Share of profit/(loss) of an associate		60	(535)
Share of profit of a joint venture		296	1,000
Finance costs		<u>(695)</u>	<u>(696)</u>
Profit before tax		6,545	7,368
Income tax expense	6	<u>(61)</u>	<u>(230)</u>
Profit for the year	7	<u>6,484</u>	<u>7,138</u>

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONTINUED)

For the year ended 31 December 2023

	<i>Note</i>	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Profit for the year	7	<u>6,484</u>	<u>7,138</u>
Other comprehensive (expense)/income			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Exchange differences arising on translating of foreign operations		(203)	(136)
Reclassification of cumulative translation reserve upon disposal of an associate		(147)	–
Share of other comprehensive expense of an associate		<u>18</u>	<u>–*</u>
Other comprehensive expense for the year, net of income tax		<u>(332)</u>	<u>(136)</u>
Total comprehensive income for the year		<u><u>6,152</u></u>	<u><u>7,002</u></u>
Profit for the year attributable to:			
Owners of the Company		6,265	7,103
Non-controlling interests		<u>219</u>	<u>35</u>
		<u><u>6,484</u></u>	<u><u>7,138</u></u>
Total comprehensive income for the year attributable to:			
Owners of the Company		6,032	6,913
Non-controlling interests		<u>120</u>	<u>89</u>
		<u><u>6,152</u></u>	<u><u>7,002</u></u>
		<i>HK cents</i>	<i>HK cents</i>
Earnings per share			
Basic	9	<u>1.56</u>	<u>1.78</u>
Diluted	9	<u>1.52</u>	<u>1.78</u>

* Less than HK\$1,000

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2023

	<i>Notes</i>	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Non-current assets			
Property, plant and equipment		1,659	2,201
Right-of-use assets		6,331	15,256
Intangible assets		3,583	4,933
Interest in an associate		–	8,934
Interest in a joint venture		–	1,102
Deferred tax assets		23	16
		11,596	32,442
Current assets			
Contract assets		3,354	1,386
Trade and other receivables	<i>10</i>	35,142	39,234
Current tax assets		481	42
Pledged bank deposits		–	1,507
Cash and bank balances		90,576	58,585
		129,553	100,754
Total assets		141,149	133,196
Current liabilities			
Contract liabilities		19,437	5,051
Trade and other payables	<i>11</i>	23,745	19,689
Amount due to a joint venture		–	2,262
Bank borrowings		1,065	530
Lease liabilities		6,088	9,954
Current tax liabilities		258	272
		50,593	37,758
Net current assets		78,960	62,996
Total assets less current liabilities		90,556	95,438

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

At 31 December 2023

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Non-current liabilities		
Lease liabilities	422	5,883
Deferred tax liabilities	<u>290</u>	<u>307</u>
	<u>712</u>	<u>6,190</u>
Net assets	<u>89,844</u>	<u>89,248</u>
Capital and reserves		
Share capital	4,214	4,000
Reserves	<u>87,647</u>	<u>87,385</u>
Equity attributable to owners of the Company	91,861	91,385
Non-controlling interests	<u>(2,017)</u>	<u>(2,137)</u>
Total equity	<u>89,844</u>	<u>89,248</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2023

1. GENERAL

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

The address of the registered office of the Company is Windward 3, Regatta Office Park, PO Box 1350, Grand Cayman KY1-1108, Cayman Islands and the principal place of business 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 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.

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

New and amendments to HKFRSs that are mandatorily effective for the current year

In the current year, the Group has applied the following new and amendments to HKFRSs issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) for the first time, which are mandatorily effective for the annual period beginning on or after 1 January 2023 for the preparation of the consolidated financial statements:

HKFRS 17 (including the October 2020 and February 2022 Amendments to HKFRS 17)	Insurance Contracts
Amendments to HKAS 8	Definition of Accounting Estimates
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Amendments to HKAS 12	International Tax Reform – Pillar Two model Rules
Amendments to HKAS 1 and HKFRS Practice Statement 2	Disclosure of Accounting Policies

Except for the new and amendments to HKFRSs mentioned below, the application of the new and 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.

Impacts on application of Amendments to HKAS 12 – Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The Group has applied the amendments for the first time in the current year. The amendments narrow the scope of the recognition exemption of deferred tax liabilities and deferred tax assets in paragraphs 15 and 24 of HKAS 12 so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences.

In accordance with the transition provision:

- (i) the Group has applied the new accounting policy retrospectively to leasing transactions that occurred on or after 1 January 2022;
- (ii) the Group also, as at 1 January 2022, recognised a deferred tax asset (to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised) and a deferred tax liability for all deductible and taxable temporary difference associated with right-of-use-assets and lease liabilities.

The application of the amendments has had no material impact on the Group's financial position and performance, except that the Group discloses the related deferred tax assets of approximately HK\$1,172,000 and deferred tax liabilities of approximately HK\$1,172,000 on a gross basis but it has no impact on the retained earnings at the earliest period presented.

Change in accounting policy as a result of application of the HKICPA guidance on the accounting implications of the abolition of the Mandatory Provident Fund (“MPF”) – Long Service Payment (“LSP”) offsetting mechanism in Hong Kong

The Group has several subsidiaries operating in Hong Kong which are obliged to pay LSP to employees under certain circumstances. Meanwhile, the Group makes mandatory MPF contributions to the trustee who administers the assets held in a trust solely for the retirement benefits of each individual employee. Offsetting of LSP against an employee's accrued retirement benefits derived from employers' MPF contributions was allowed under the Employment Ordinance (Cap.57). In June 2022, the Government of the HKSAR gazetted the Employment and Retirement Schemes Legislation (Offsetting Arrangement) (Amendment) Ordinance 2022 (the “**Amendment Ordinance**”) which abolishes the use of the accrued benefits derived from employers' mandatory MPF contributions to offset severance payment and LSP (the “**Abolition**”). The Abolition will officially take effect on 1 May 2025 (the “**Transition Date**”). In addition, under the Amendment Ordinance, the last month's salary immediately preceding the Transition Date (instead of the date of termination of employment) is used to calculate the portion of LSP in respect of the employment period before the Transition Date.

In July 2023, the HKICPA published “Accounting implications of the abolition of the MPF-LSP offsetting mechanism in Hong Kong” which provides guidance for the accounting for the offsetting mechanism and the impact arising from abolition of the MPF-LSP offsetting mechanism in Hong Kong. In light of this, the Group has implemented the guidance published by the HKICPA in connection with the LSP obligation retrospectively so as to provide more reliable and more relevant information about the effects of the offsetting mechanism and the Abolition.

By following the Guidance, the Group has therefore changed its accounting policy and ceased to apply the practical expedient and reattribute the deemed employee contributions on a straight-line basis from the date when services by employee first lead to their benefits in terms of the LSP legislation in accordance with HKAS 19 paragraph 93(a). The cumulative effect of recognised these adjustments as of 31 December 2022 and for the year ended 31 December 2023 was not material and hence no material impact has had on the retained earnings, or another component of equity for the prior periods and current year.

Amendments to HKFRSs in issue but not yet effective

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

Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ¹
Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback ²
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020) ²
Amendments to HKAS 1	Non-current Liabilities with Covenants ²
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements ²
Amendments to HKAS 21	Lack of Exchangeability ³

¹ Effective for annual periods beginning on or after a date to be determined.

² Effective for annual periods beginning on or after 1 January 2024.

³ Effective for annual periods beginning on or after 1 January 2025.

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

3. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements have been prepared in accordance with HKFRSs issued by the HKICPA. In addition, the consolidated financial statements include applicable disclosures required by the GEM Listing Rules and by the Hong Kong Companies Ordinance.

4. REVENUE

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Recognised over time:		
– Provision of financial printing services	132,778	143,328
– Provision of marketing collateral printing services	27,033	28,754
– Provision of other services	18,813	18,204
	<u>178,624</u>	<u>190,286</u>

5. 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.

Geographical information

In addition, the Group's revenue is substantially generated in Hong Kong and 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 Reporting Period and the year ended 31 December 2022.

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Customer A	<u>N/A¹</u>	<u>26,366</u>

¹ The corresponding revenue did not contribute over 10% of the total revenue of the Group.

No individual customer of the Group contribute over 10% of the Group's revenue for the year ended 31 December 2023.

6. INCOME TAX EXPENSE

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Hong Kong Profits Tax		
Current tax		
– Current year	69	275
The People's Republic of China (the "PRC") Enterprise Income Tax		
Current tax		
– Current year	16	40
Overprovision in prior year	–	(40)
Deferred tax		
– Current year	<u>(24)</u>	<u>(45)</u>
Total income tax recognised in profit or loss	<u>61</u>	<u>230</u>

7. PROFIT FOR THE YEAR

Profit for the year has been arrived at after charging/(crediting):

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Employee benefits expense (including directors' emoluments):		
Salaries, allowances and other benefits in kind	67,319	66,441
Contributions to retirement benefits schemes	<u>3,791</u>	<u>3,336</u>
Total employee benefits expense	<u><u>71,110</u></u>	<u><u>69,777</u></u>
Auditors' remuneration	700	800
Amortisation of intangible assets (included in cost of sales on the consolidated statement of profit or loss and other comprehensive income)	1,125	1,139
Depreciation of property, plant and equipment	1,541	1,804
Depreciation of right-of-use assets	9,787	10,839
Donation	66	62
Provision/(Reversal) for impairment losses on trade receivables	371	(375)
Impairment losses on goodwill	3,431	1,790
Rental expense from short-term leases	<u><u>855</u></u>	<u><u>642</u></u>

8. DIVIDENDS

A final dividend of HK2.0 cents (2022: HK1.5 cents) per share of the Company for the Reporting Period have been proposed by the directors and is subject to approval by shareholders in the forthcoming annual general meeting. The proposed final dividend for the Reporting Period will be distributed on or about 19 June 2024 (Wednesday) to shareholders whose names appear on the Company's register of members on 22 May 2024 (Saturday) (the record date).

9. EARNINGS PER SHARE

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

	2023	2022
Earnings		
Profit attributable to owners of the Company (<i>HK\$'000</i>)	<u>6,265</u>	<u>7,103</u>
Number of Shares		
Weighted average number of ordinary shares for the purpose of calculating basic earnings per share (<i>in thousand</i>)	400,000	400,000
Effect of dilutive potential ordinary shares:		
Share awards (<i>in thousand</i>)	<u>13,377</u>	<u>–</u>
Weighted average number of ordinary shares for the purpose of calculating diluted earnings per share (<i>in thousand</i>)	<u>413,377</u>	<u>400,000</u>
Basic earnings per share (<i>HK cents</i>)	<u>1.56</u>	<u>1.78</u>
Diluted earnings per share (<i>HK cents</i>)	<u>1.52</u>	<u>1.78</u>

For the years ended 31 December 2023 and 2022, 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 year.

For the years ended 31 December 2022, the computation of diluted earnings per share 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.

10. TRADE AND OTHER RECEIVABLES

	2023	2022
	<i>HK\$'000</i>	<i>HK\$'000</i>
Trade receivables	26,926	33,367
Less: Provision for impairment losses	<u>(681)</u>	<u>(310)</u>
	26,245	33,057
Other receivables and prepayments	<u>8,897</u>	<u>6,177</u>
	<u>35,142</u>	<u>39,234</u>

The following is an aged analysis of trade receivables presented based on the invoice date:

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
0 – 30 days	15,431	15,080
31 – 60 days	4,616	10,376
61 – 90 days	1,188	3,746
91 – 365 days	5,462	3,558
Over 365 days	229	607
	<u>26,926</u>	<u>33,367</u>

The credit terms granted to customers are varied and are generally the result of negotiations between individual customers and the Group. The credit period was ranging from 30 days to 90 days (2022: 30 days to 90 days).

11. TRADE AND OTHER PAYABLES

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
Trade payables	12,822	12,379
Other payables and accruals	10,923	7,310
	<u>23,745</u>	<u>19,689</u>

The trade payables are non-interest bearing. The credit period was ranging from 30 days to 90 days (2022: 30 days to 90 days). The following is an aged analysis of trade payables presented based on the invoice date:

	2023 <i>HK\$'000</i>	2022 <i>HK\$'000</i>
0 – 30 days	6,054	6,802
31 – 60 days	2,304	3,563
61 – 90 days	3,228	1,778
91 – 365 days	1,034	24
Over 365 days	202	212
	<u>12,822</u>	<u>12,379</u>

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

During the Reporting Period, we continued to offer a wide range of services, including financial printing services for corporations listed on the Stock Exchange and potential listing applicants to marketing collateral printing services for fund houses and insurance companies. During the Reporting Period, the Group's revenue was approximately HK\$178.6 million, down approximately 6.1% from the previous year. In 2023 and 2022, 8,822 and 9,334 jobs were completed, respectively, contributing to our revenue. Compared to the year ended 31 December 2022, this represented a 5.5% decrease in jobs.

A 51% equity share in into23 Limited was acquired in May 2023. The company has developed a business model combining AI-enabled technology, a large network of in-country translation partners, and a dedicated team of project managers. Approximately 22.85% of the issued shares of Wordbee S.à r.l., an associate of our company, were sold in October 2023. We are consolidating our internal resources after several acquisitions and disposals to ensure our long-term success. These entities can be brought together to create greater opportunities and sustainability by combining their strengths, expertise, and market presence. The consolidation aims to maximize efficiency, capitalize on synergies, and improve our market competitiveness.

FUTURE PROSPECTS

Going forward, the economic environment remains uncertain and difficult. Through the strengthening of our existing business strategies, we are consolidating our resources to be flexible and are prepared for future uncertainties. We are committed to strengthening our core competencies in order to stay abreast of the latest trends, analyse the situation, and explore other business opportunities related to the latest trends.

FINANCIAL REVIEW

Revenue

The Group's revenue for the Reporting Period was approximately HK\$178.6 million compared to approximately HK\$190.3 million for the year ended 31 December 2022, representing a decrease of approximately 6.1%. The decrease primarily stemmed from the decrease in revenue from (i) financial printing projects, which decreased by approximately HK\$10.6 million, or 7.4%, from approximately HK\$143.3 million for 2022, to approximately HK\$132.8 million for 2023; (ii) the marketing collateral printing projects, which decrease by approximately HK\$1.7 million, or 6.0% from approximately HK\$28.8 million for 2022 to approximately HK\$27.0 million for 2023; and (iii) other projects increased by approximately HK\$0.6 million, or 3.3% from approximately HK\$18.2 million for 2022 to approximately HK\$18.8 million for 2023.

Gross Profit and Gross Profit Margin

The Group's gross profit decreased by approximately HK\$5.8 million, or 8.4%, from approximately HK\$68.5 million for the year ended 31 December 2022 to approximately HK\$62.8 million for the Reporting Period. It was mainly due to the decrease in revenue. The Group's gross profit margin for the Reporting Period and the year ended 31 December 2022 were approximately 35.1% and 36.0% respectively.

Other Income, Gains and Losses

The Group's other income, gains and losses increased by approximately HK\$3.2 million from approximately HK\$1.3 million for the year ended 31 December 2022 to approximately HK\$4.6 million for the Reporting Period. Such increase was mainly attributable to the gain on disposal of an associate, partially offset by the impairment losses on goodwill recognised during the Reporting Period.

Selling Expenses

The Group's selling expenses decreased by approximately HK\$2.4 million, or 16.8%, from approximately HK\$14.4 million for the year ended 31 December 2022 to approximately HK\$12.0 million for the Reporting Period. The decrease was mainly attributable to the decrease in employee benefits expense which is directly related to the revenue.

Administrative Expenses

The Group's administrative expenses increased by approximately HK\$0.6 million, or 1.3%, from approximately HK\$47.8 million for the year ended 31 December 2022 to approximately HK\$48.4 million for the Reporting Period.

Finance Costs

Finance costs decreased by approximately HK\$1,000 from approximately HK\$696,000 for the year ended 31 December 2022 to approximately HK\$695,000 for the Reporting Period. Such decrease was mainly due to the decrease in interest on lease liabilities.

Taxation

The Group's income tax expense decreased by approximately HK\$169,000 from approximately HK\$230,000 for the year ended 31 December 2022 to approximately HK\$61,000 for the Reporting Period.

Profit for the year and Net Profit Margin

Profit after tax of the Group decreased by approximately HK\$0.6 million, from approximately HK\$7.1 million for the year ended 31 December 2022 to approximately HK\$6.5 million for the Reporting Period. Such decrease was mainly due to the decrease in Group's revenue as compared to the year ended 31 December 2022. The net profit margins for the Reporting Period and the year ended 31 December 2022 were approximately 3.6% and 3.8% respectively.

FINANCIAL RESOURCES, LIQUIDITY AND GEARING RATIO

As at 31 December 2023,

- (a) the Group's total assets increased to approximately HK\$141.1 million (2022: approximately HK\$133.2 million) while the total equity increased to approximately HK\$89.8 million (2022: approximately HK\$89.2 million);
- (b) the Group's current assets increased to approximately HK\$129.6 million (2022: approximately HK\$100.8 million) while the current liabilities increased to approximately HK\$50.6 million (2022: approximately HK\$37.8 million);
- (c) the Group had approximately HK\$90.6 million in cash and bank balances (2022: approximately HK\$58.6 million), which included cash and bank balances in Renminbi (“**RMB**”) of approximately RMB7.2 million, in US dollars (“**USD**”) of approximately USD0.5 million, in Taiwan dollars (“**TWD**”) of approximately TWD0.7 million, in Singapore dollars (“**SGD**”) of approximately SGD0.2 million, in Euro dollars (“**EUR**”) of approximately EUR1.8 million, and approximately HK\$61.5 million, and the current ratio of the Group was approximately 2.6 times (2022: approximately 2.7 times);
- (d) the Group had total leases liabilities of approximately HK\$6.5 million (2022: approximately HK\$15.8 million); and
- (e) the gearing ratio (calculated based on debts including payables incurred not in the ordinary course of business divided by total equity as at the respective period end and multiplied by 100%) of the Group was 8.4% (2022: 18.3%).

FUTURE PROSPECTS

We remain reasonably optimistic about sustaining our core business throughout the rest of the year, despite the uncertainties created by the COVID-19 pandemic. Given the Hong Kong Government has lifted most of the COVID-19 containment measures by early March 2023, it is expected that the economy is going to revive and is likely to boost the Group's business performance in the coming year.

We will also continue to explore potential opportunities to develop our core and related businesses, and, if appropriate, explore selective acquisition and partnership in order to strengthen our revenue base and maximise both returns to shareholders and the value of the Group.

CAPITAL EXPENDITURE

As at 31 December 2023, the Group had approximately HK\$2.0 million of capital expenditure (2022: approximately HK\$1.6 million).

SIGNIFICANT INVESTMENTS

As at 31 December 2023, the Group did not hold any significant investments (2022: nil).

CONTINGENT LIABILITIES

As at 31 December 2023, the Group did not have any significant contingent liabilities (2022: nil).

EMPLOYEES AND REMUNERATION POLICIES

As at 31 December 2023, the Group had 130 employees (2022: 142) in Hong Kong, 9 employees (2022: 8) in PRC, 18 employees (2022: 10) in Taiwan, and 13 employees (2022: 13) in Singapore. We believe that hiring, motivating and retaining qualified employees are crucial to our success as a reliable financial printer. Total staff costs (including Directors' emoluments) were approximately HK\$71.1 million for the Reporting Period (2022: approximately HK\$69.8 million). The remuneration packages of the Group's employees include fees, salaries, retirement benefit scheme contributions and other benefits. The remuneration policies of the Group, including promotion, bonus, salary increment and other benefits, are formulated based on the Group's operating results, employees' individual performance, working experience, respective responsibilities, merit, qualifications and competence, as well as comparable to the prevailing market practice, standards and statistics. The remuneration policies of the Group are reviewed by the management of the Group regularly. The dedication and hard work of the Group's staff during the Reporting Period are generally appreciated and recognised.

In addition, the Group adopted a share option scheme (the “**Scheme**”) on 15 December 2016 to provide incentives to the Directors and eligible employees. No options were exercised during the Reporting Period (2022: nil). For details of the share option scheme, please refer to the section headed “SHARE OPTION SCHEME” below.

The Group adopted a share award scheme on 4 July 2022 with the purposes and objectives to (i) recognise and reward the contributions of eligible participants to the growth and development of the Group and 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 further development of the Group.

For details of the share award scheme, please refer to the section headed “SHARE AWARD SCHEME” below.

SHARE OPTION SCHEME

The Company conditionally adopted 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 eligible participants (the “**Scheme Eligible Participant**”) of the Scheme include employee, adviser, consultant, service provider, agent, client, partner or joint venture partner of the Company or any subsidiary (including any Director of the Company or any subsidiary) who is in full-time or part-time employment with or otherwise engaged by the Company or any subsidiary at the time when an option is granted to such person. The Board may at its discretion grant options to the Scheme Eligible Participants who have contributed or may contribute to the Group as incentive or reward for their contribution to the Group.

The maximum number of Shares in respect of the options to be granted at any time under the Scheme together with options which may be granted under any other share option schemes must not exceed 10% of all the Shares in issue as at the listing date of the Company (the “**Scheme Mandate Limit**”). The Company may seek approval by the Shareholders in general meeting to refresh the 10% limit provided that the total number of Shares available for issue under options which may be granted under the Scheme and any other schemes of the Group in these circumstances must not exceed 10% of the issued share capital of the Company at the date of approval of refreshing of the limit. No options may be granted under the Scheme or any other share option schemes of the Group if this will result in the Scheme Mandate Limit being exceeded.

The total number of Shares issued and to be issued upon exercise of the options granted to each participant (including both exercised and outstanding options) in any 12-month period must not exceed 1% of the Shares in issue. Where any further grant of options to an Eligible Participant would result in the Shares issued and to be issued upon exercise of all options granted and to be granted to such person (including exercised, cancelled and outstanding options) in the 12-month period up to and including the date of such further grant representing in aggregate over 1% of the Shares in issue, such further grant must be separately approved by the Shareholders in general meeting with such Eligible Participant and his/her close associates abstaining from voting.

An option under the Scheme may be exercised at any time during the period to be determined and identified by the Board to each Scheme Eligible Participants at the time of making an offer for the grant of option, but in any event no later 10 years from the date of grant.

The subscription price under the Scheme shall be determined at the discretion of the Directors but in any event will not be less than the highest of (a) the closing price of the Shares on the Stock Exchange as shown in the daily quotations sheet of the Stock Exchange on the offer date of the particular option, which must be a business day; (b) the average of the closing prices of the Shares as shown in the daily quotations sheets of the Stock Exchange for the five business days immediately preceding the offer date of that particular option; and (c) the nominal value of a Share on the offer date of the particular option.

The Scheme shall be valid and effective commencing from the adoption date of the Scheme (i.e. 15 December 2016) until the termination date as provided therein (which being the close of business of the Company on the date which falls 10 years from the date of the adoption of the Scheme), after which period no further options will be granted but the provisions of the Scheme shall remain in force to the extent necessary to give effect to the exercise of any options granted or exercised prior thereto or otherwise as may be required in accordance with the provisions of the Scheme.

On 16 March 2018 (the “**Date of Grant**”), share options were granted to employees of the Group (excluding any Directors, chief executive or substantial shareholders of the Company) under the Scheme, entitling them to subscribe for up to a total of 1,560,000 Shares from 16 March 2019 to 15 March 2022 (Group A) or 16 March 2020 to 15 March 2023 (Group B) at an exercise price of HK\$0.70 per Share, being the average closing price of the Shares for the five trading days immediately before the Date of Grant. The closing price of the Shares immediately before the Date of Grant is HK\$0.69. The grant for Groups A and B under the Scheme was expired on 15 March 2023. For details of the grant of share options under the Scheme, please refer to the announcement of the Company dated 16 March 2018.

During the Reporting Period, no share option was granted or exercised and there is no outstanding share option under the Scheme.

Details of movement of the share options granted under the Scheme for the Reporting Period are as follows:

Category of option holders	Date of grant (Note 1)	Exercise price per Share Exercise period		Outstanding as at 1 January 2023	Granted during the Reporting Period	Number of share options			Outstanding as at 31 December 2023
						Exercised during the Reporting Period (Note 2)	Lapsed during the Reporting Period	Cancelled during the Reporting Period	
Employees of the Group in aggregate									
Group A	16 March 2018	HK\$0.70	16 March 2019 to 15 March 2022	-	-	-	-	-	-
Group B	16 March 2018	HK\$0.70	16 March 2020 to 15 March 2023	900,000	-	-	(900,000)	-	-
Total				<u>900,000</u>	<u>-</u>	<u>-</u>	<u>(900,000)</u>	<u>-</u>	<u>-</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.

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 (the “**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. The Eligible Participants cover any employee (full time and part time staff, including any executive Director but excluding any non-executive Director) of the Group or any invested entity held by the Group. Unless terminated earlier, the Share Award Scheme shall remain valid and effective for a period of 10 years commencing from 4 July 2022 (the “**Adoption Date**”). The Share Award Scheme is subject to the administration of the Board or a subcommittee of the Board (the “**Committee**”) without prejudice to the powers of the trustee (the “**Trustee**”) as provided under the trust deed (the “**Trust Deed**”) in accordance with the rules relating to the Share Award Scheme and the terms of the Trust Deed.

The Board or the Committee may, from time to time and at its absolute discretion, select any Eligible Participant for participation in the Share Award Scheme. The remuneration committee of the Company shall have powers on recommending and/or deciding the selection of the selected participants (the “**Selected Participants**”) and the number of the awarded shares (the “**Awarded Shares**”) to be awarded to the respective Selected Participants. Pursuant to the terms of the Share Award Scheme, the Awarded Shares may be acquired by the Trustee from (i) the existing market at the prevailing market price or (ii) new shares to 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. The Trustee shall transfer the Awarded Shares to the Selected Participants as soon as practicable subject to such lock-up periods or restrictions on disposal as determined by the Board or the Committee after the latest of (i) the earliest vesting date to which such Awarded Shares relates; (ii) the receipt by the Trustee of the requisite information and documents stipulated by the Trustee; and (iii) where applicable, the date on which the condition(s) and/or performance target(s) (if any) to be attained or paid by the Selected Participants have been attained or paid and notified to the Trustee by the Board or the Committee in writing.

The aggregate number of shares awarded under the Share Award Scheme by the Board shall not exceed 10% of the total number of issued shares of the Company as at the Adoption Date and the maximum number of shares which may be awarded to a Selected Participant under the Share Award Scheme shall not exceed 1% of the issued share capital of the Company as at the Adoption Date. The total issued share capital of the Company as at the Adoption Date was 400,000,000 Shares.

The Share Award Scheme constitutes a share scheme under the new Chapter 23 of the GEM Listing Rules (effective on 1 January 2023). For details of the Share Award Scheme, please refer to the announcement of the Company dated 4 July 2022.

During the year ended 31 December 2023, the Trustee has not purchased any awarded shares. On 1 April 2023, the Board has resolved to award an aggregate of 21,415,000 shares (“**Awarded Shares**”) to 15 Eligible Participants (the “**Awardees**”) under the Share Award Scheme which shall be satisfied by the proposed issue and allotment of 21,415,000 new ordinary shares (“**Shares**”) to the Trustee to be held on trust for the Awardees pursuant to the general mandate (“**2022 General Mandate**”) granted by the shareholders of the Company at the annual general meeting of the Company held on 10 May 2022.

Pursuant to the Share Award Scheme, the new Shares to be issued will be held on trust for the Awardees until the end of each vesting period which may differ among the Awardees and be transferred to the Awardees upon satisfaction of the relevant vesting condition as determined by the Board. The new Shares shall rank *pari passu* among themselves and with the Shares in issue upon allotment of the new Shares.

Out of 21,415,000 Awarded Shares, 17,415,000 Awarded Shares are awarded to 14 Eligible Participants, who are employees of the Group (whom, to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, are not connected persons of the Group) and shall be satisfied by the issue and allotment of new Shares to the Trustee under the Share Award Scheme.

Connected Transaction

Out of 21,415,000 Awarded Shares, 4,000,000 Awarded Shares are awarded to Ms. Chan Wai Chung Caroline, an executive Director of the Company (the “**Connected Awardee**”). Pursuant to Rule 20.07 of the GEM Listing Rules, as the Connected Awardee is an executive Director and a Shareholder of the Company and is therefore a connected person of the Company. The award to the Connected Awardee constitutes a connected transaction and shall be subject to the reporting, announcement, circular and the Independent Shareholders’ approval requirements under the GEM Listing Rules. On the extraordinary general meeting (“**EGM**”) of the Company held on 9 May 2023, the ordinary resolution relating to the award to the Connected Awardee was duly passed by the independent Shareholders.

With the approval of the GEM Listing Committee of the Stock Exchange, a total of 21,415,000 Awarded Shares were issued and allotted on 18 May 2023 pursuant to the Share Award Scheme to the Trustee of the Connected Awardee and other non-connected Awardees under the 2022 General Mandate. For details of the above-mentioned award, please refer to the announcements of the Company dated 3 April 2023 and 12 April 2023, respectively, the circular of the Company dated 24 April 2023, the poll results announcement of the EGM of the Company dated 9 May 2023 and the next day disclosure return of the Company dated 19 May 2023.

Number and category of participant	Date of award of the Awarded Shares	Number of Awarded Shares unvested as at 1 January 2023	Number of Awarded Shares granted during the Reporting Period	Number of Awarded Shares vested during the Reporting Period	Number of Awarded Shares cancelled during the Reporting Period	Number of Awarded Shares lapsed during the Reporting Period	Number of Awarded Shares unvested as at 31 December 2023
Executive Director							
Ms. Chan Wai Chung Caroline	1 April 2023 (Notes 1 and 3)	-	4,000,000 (Note 4)	-	-	-	4,000,000
Other employees							
14 employees	1 April 2023 (Notes 2 and 3)	-	17,415,000 (Note 4)	-	-	-	17,415,000
Total		-	21,415,000	-	-	-	21,415,000

Note 1: The Awarded Shares shall, subject to the satisfaction of the vesting conditions and performance targets, be vested in accordance with the following schedule:

- (i) approximately 34% of the Awarded Shares shall be vested on 31 March 2024; and
- (ii) approximately 66% of the Awarded Shares shall be vested on 31 March 2025

Vesting conditions: Continue to contribute to the Group's business and continuous performance in her role as an executive Director and discharge her role of governance during the vesting period.

Performance targets: Achievement of targets and goals that benefit the Group's operation and development, namely (i) improving the environmental, social and governance aspects of the Group's business operation; (ii) retaining talented staff that contribute to the growth of the Group; (iii) enhancing workflow efficiency by making use of information technology; (iv) identifying potential acquisition targets that are fit for the Group's business expansion; (v) nurturing relationship with existing subcontractors and forging new partnerships with new subcontractors; and (vi) improving corporate image.

Note 2: The Awarded Shares shall, subject to the satisfaction of the vesting conditions, be vested in accordance with the following schedule:

- (i) approximately 34% of the Awarded Shares shall be vested on 31 March 2024; and
- (ii) approximately 66% of the Awarded Shares shall be vested on 31 March 2025

Vesting conditions: Remain employment with the Group and satisfactory performance.

Note 3: The grant price was nil.

Note 4: The closing price immediately before the date on which the Awarded Shares were granted on 1 April 2023 was HK\$0.129 per Share.

INDEBTEDNESS AND CHARGES ON GROUP'S ASSETS

As at 31 December 2023, the Group did not pledge its assets to secure general banking facilities (2022: HK\$1.5 million).

MATERIAL ACQUISITIONS OR DISPOSALS OF SUBSIDIARIES AND ASSOCIATED COMPANIES

Please refer to the sections headed below on "DISCLOSEABLE TRANSACTION DURING THE REPORTING PERIOD" and "MAJOR TRANSACTION DURING THE REPORTING PERIOD" for the material acquisition or disposals of subsidiaries and associated companies during the Reporting Period.

FOREIGN CURRENCY EXPOSURE

The Group's businesses are mainly operated in Hong Kong. The sales and purchases are mainly denominated in HK\$ and customers rarely request to settle our billing by other foreign currencies such as USD and 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 USD, SGD and TWD (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 Reporting Period. 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.

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 Reporting Period, the Company has complied with all the code provisions as set out in the CG Code.

COMPLIANCE WITH LAWS AND REGULATIONS

During the Reporting Period, the Group was in compliance with all the laws and regulations applicable to the business operations of the Group.

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

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the listed securities of the Company during the Reporting Period.

SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the required standard of dealings in securities (the "**Required Standard of Dealings**") as contained in Rules 5.48 to 5.67 of the GEM Listing Rules as its own code of conduct governing Directors' dealings in the Company's securities. Following a specific enquiry made by the Company on the Directors, all of the Directors confirmed that they had complied with the Required Standard of Dealings during the Reporting Period and up to the date of this announcement.

CHANGES IN THE ISSUED SHARE CAPITAL OF THE COMPANY DURING THE REPORTING PERIOD

As disclosed in the section headed “SHARE AWARD SCHEME”, with the approval of the GEM Listing Committee of the Stock Exchange, a total of 21,415,000 Awarded Shares were issued and allotted on 18 May 2023 pursuant to the Share Award Scheme to the Trustee of the Connected Awardee and other non-connected Awardees under the 2022 General Mandate. The number of issued Shares as at 31 December 2023 was 421,415,000 Shares.

DISCLOSEABLE TRANSACTION DURING THE REPORTING PERIOD

On 20 April 2023, Richard Liam Paul DELANTY (the “**Vendor**”), an independent third party, and HM Investment Limited, a company incorporated in the BVI with limited liability, and an indirect wholly-owned subsidiary of the Company (the “**Purchaser**”), entered into a sale and purchase agreement, pursuant to which the Vendor has agreed to sell and the Purchaser has agreed to purchase, 10,200 shares, representing 51% of the issued share capital of into23 Limited (the “**Target Company**”), at the consideration of HK\$6,375,000. Upon completion on 2 May 2023 (the “**Completion**”), the Company indirectly holds 51% of the issued share capital of the Target Company. On Completion, the Target Company became an indirect non wholly-owned subsidiary of the Company and the financial position and operating results of the Target Company are consolidated into the financial statements of the Group.

The Target Company has developed an operational business model, combining AI-enabled technology, an extensive network of in-country translation partners, and a dedicated project management team. This innovative approach allows the Target Company to provide high-quality translations in all major languages with unmatched speed and accuracy. With a global network of translation partners, the Target Company handles all aspects of project management and account management internally, ensuring seamless and efficient service delivery. The Target Company offers top-tier localisation and translation services, including software/app translation and localisation, website translation, general business content translation, e-learning translation, e-commerce translation, legal and finance translation, subtitling translation, crypto & blockchain translation and marketing translation. In addition to these core offerings, the Target Company also provides multilingual voiceovers and transcription services to cater to clients’ diverse needs. The Target Company’s commitment to quality and innovation has made it a trusted partner for businesses operating in today’s ever-evolving global marketplace.

In light of the above, the Board believes that the acquisition of the Target Company (the “**Acquisition**”) represents an opportunity for the Group to invest in the Target Company and align itself with the Group’s future development strategy and focus. This will increase the Group’s revenue sources and customer base, benefit the Group’s growth, and benefit the Company and the Shareholders as a whole. The Directors also believe that the Acquisition would further strengthen and complements the Group’s core business of financial printing in light of the growing financial and capital market. The Directors are of the opinion that the Group will gain additional exposure to the financial and capital markets through the Acquisition and strengthen its service solutions for its existing and potential clients as a result.

In view of the above, the Board is optimistic on the business prospects of the Target Company and considers that the Acquisition would further enhance the profitability of the Group. The Directors consider that the terms and conditions of the agreement for the Acquisition are fair and reasonable and are on normal commercial terms and are in the interests of the Company and the Shareholders as a whole.

For details of the Acquisition, please refer to the announcements of the Company dated 20 April 2023 and 2 May 2023, respectively.

MAJOR TRANSACTION DURING THE REPORTING PERIOD

On 31 July 2023, HM Investment Limited (an indirect wholly-owned subsidiary of the Company) (“**HM Investment**”) together with the other vendors (the “**Wordbee Vendors**”) interested in the equity shares of Wordbee S.à r.l. (a company incorporated on 19 March 2008 in Luxembourg with limited liability) (the “**Disposal Company**”) and the purchasers, each being an independent third party, entered into a sale and purchase agreement (the “**Sale and Purchase Agreement**”), pursuant to which (i) the Wordbee Vendors had conditionally agreed to sell and Semantix USA, LLC (a company incorporated in the United States) had conditionally agreed to acquire the entire issued share capital of the Disposal Company, comprising the sale shares (the “**Sale Shares**”); and (ii) Mr. Andre Hemker, being the sole shareholder of Wordcraft GmbH had conditionally agreed to sell and Transperfect Translations GmbH (a company incorporated in Germany with limited liability) had conditionally agreed to acquire the entire issued share capital of Wordcraft GmbH.

Among the Sale Shares of the Disposal Company to be disposed of by the Wordbee Vendors, the Sale Shares to be disposed of by HM Investment represented approximately 22.85% of the entire issued share capital of the Disposal Company (the “**Disposal**”). As at the date of the Sale and Purchase Agreement, the Disposal Company was an associate of the Company. The Group did not hold any interests in Wordcraft.

As one or more of the applicable percentage ratios (as calculated in accordance with Rule 19.07 of GEM Listing Rules) were more than 25% but less than 75%, the Disposal constituted a major transaction of the Company under the GEM Listing Rules and was therefore subject to the reporting, announcement and shareholders’ approval requirements under Chapter 19 of the GEM Listing Rules. However, the Company obtained the written shareholder’s approval for the Sale and Purchase Agreement and the transactions contemplated thereunder in accordance with Rule 19.44 of the GEM Listing Rules from HM Ultimate Holdings Limited, which is the beneficial owner of 222,760,000 Shares (representing approximately 52.86% of the entire issued share capital of the Company). As such, no general meeting was required to be convened for the approval of the Sale and Purchase Agreement and the transactions contemplated thereunder as is permitted under Rule 19.44 of the GEM Listing Rules.

For details of the Disposal including but not limited to the terms and conditions of the Sale and Purchase Agreement (including basis of determination of the consideration and payment terms), financial impact of the Disposal and use of proceeds, reasons and benefits of the Disposal and information of the parties to the Sale and Purchase Agreement, please refer to the announcements of the Company dated 1 and 25 August 2023, respectively and the circular of the Company dated 15 September 2023.

As disclosed in the announcement of the Company dated 5 October 2023, all the terms and conditions under the Sale and Purchase Agreement have been fulfilled, pursuant to which the Disposal was completed on 4 October 2023. Upon completion of the Disposal, the Company ceases to hold any interest in the Disposal Company and the Disposal Company is no longer an associate company of the Group.

PROPOSED AMENDMENTS TO THE AMENDED AND RESTATED MEMORANDUM AND ARTICLES OF ASSOCIATION DURING THE REPORTING PERIOD

With effect from 1 January 2022, the Stock Exchange has amended Appendix 3 of the GEM Listing Rules to adopt a uniform set of 14 Core Standards (the “**Core Standards**”) for shareholder protection for issuers. The Board thus has proposed to amend the memorandum and articles of association of the Company to adopt the second amended and restated memorandum and articles of association of the Company (the “**New M&A**”) in order to (i) conform to the Core Standards set out in Appendix 3 of the GEM Listing Rules which took effect from 1 January 2022; (ii) allow the Company to hold hybrid and electronic meetings; and (iii) reflect certain updates in relation to the applicable laws of the Cayman Islands and the GEM Listing Rules and make other housekeeping amendments (collectively, the “**Proposed Amendments**”). The proposed adoption of the New M&A was subject to the approval of the Shareholders by way of a special resolution at the annual general meeting of the Company held on 9 May 2023 (“**AGM**”). The special resolution relating to the Proposed Amendments was duly passed at the AGM and the New M&A came into effect on the conclusion of the AGM. For details of the New M&A, please refer to the announcement of the Company dated 17 March 2023, the circular of the Company dated 29 March 2023 and the poll results announcement of the AGM of the Company dated 9 May 2023.

EVENTS AFTER THE REPORTING PERIOD

Subsequent to 31 December 2023 and up to the date of this announcement, save as disclosed in this announcement, the Board is not aware of any significant events requiring disclosure that have occurred.

FINAL DIVIDEND

The Board recommends a final dividend of HK2.0 cents per share of the Company for the Reporting Period (2022: HK1.5 cents).

ANNUAL GENERAL MEETING (“AGM”)

The forthcoming AGM will be held on 9 May 2024 (Thursday). A notice convening the AGM will be published on the Company’s website at www.hetermedia.com and the GEM website at www.hkgem.com in due course.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from 3 May 2024 (Friday) to 9 May 2024 (Thursday), both days inclusive, during which period no transfer of shares of the Company will be registered. For determining the entitlement of members of the Company to attend and vote at the AGM, all share transfer documents accompanied by the relevant share certificates must be lodged with the Company’s branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, no later than 4:30 p.m. on 2 May 2024 (Thursday) for registration.

In order to determine the entitlement to the proposed final dividend for the Reporting Period (subject to the approval by the shareholders at the forthcoming annual general meeting to be held on 9 May 2024), the Company’s register of members will be closed from 17 May 2024 (Friday) to 22 May 2024 (Wednesday), both dates inclusive, during which period no transfer of shares of the Company will be registered. In order to qualify for the proposed final dividend for Reporting Period, all share transfer documents accompanied by the relevant share certificates must be lodged with the Company’s branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong, no later than 4:30 p.m. on 16 May 2024 (Thursday) for registration. The proposed final dividend is expected to be distributed on or about 19 June 2024 (Wednesday).

AUDIT COMMITTEE

The Company had established the audit committee (the “**Audit Committee**”) 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, reappointment 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 audited consolidated financial statements of the Group for the Reporting Period.

SCOPE OF WORK OF AUDITOR

The figures in respect of the Group’s consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the Reporting Period as set out in the preliminary announcement have been agreed by the Group’s auditor, HLB Hodgson Impey Cheng Limited, to the amounts set out in the Group’s audited consolidated financial statements for the Reporting Period. The work performed by the Group’s auditor in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the HKICPA and consequently no assurance has been expressed by HLB Hodgson Impey Cheng Limited on this announcement.

By order of the Board
HM International Holdings Limited
Yu Chi Ming
Chairman

Hong Kong, 15 March 2024

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 will remain on the “Latest Listed Company Information” page of the GEM website at www.hkgem.com for at least 7 days from the date of its publication. This announcement will also be published on the Company’s website at www.hetermedia.com.