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## **HOME CONTROL INTERNATIONAL LIMITED**

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

**(Stock Code: 1747)**

### **ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2022**

The Board is pleased to announce the consolidated results of the Group for the year ended 31 December 2022, together with the comparative figures for the previous financial year.

#### **CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

*Year ended 31 December 2022*

	<i>Note</i>	<b>2022</b> <i>US\$'000</i>	2021 <i>US\$'000</i>
<b>Revenue</b>	3	<b>126,560</b>	126,008
Cost of sales		<u>(98,942)</u>	<u>(97,002)</u>
<b>Gross profit</b>		<b>27,618</b>	29,006
Other income		<b>286</b>	1,708
Selling and distribution expenses		<b>(7,184)</b>	(8,079)
Administrative expenses		<b>(10,869)</b>	(12,765)
(Provision for)/reversal of impairment loss:			
– Trade receivables		<b>(248)</b>	166
– Financial assets at amortised costs		<b>(208)</b>	–
Other expenses		<b>(1,988)</b>	(1,868)
Finance costs – net		<u>(1,272)</u>	<u>(2,471)</u>
<b>Profit before tax</b>	4	<b>6,135</b>	5,697
Income tax expense	5	<u>(1,560)</u>	<u>(1,891)</u>

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (continued)

	<i>Note</i>	<b>2022</b> <i>US\$'000</i>	2021 <i>US\$'000</i>
<b>Profit for the year attributable to owners of the Company</b>		<u>4,575</u>	<u>3,806</u>
<b>Other comprehensive (loss)/income:</b> <i>Items that may be reclassified to profit or loss:</i>			
Exchange differences on translation of foreign operations		<u>(59)</u>	<u>30</u>
<b>Other comprehensive (loss)/income for the year</b>		<u>(59)</u>	<u>30</u>
<b>Total comprehensive income for the year and attributable to owners of the Company</b>		<u><b>4,516</b></u>	<u><b>3,836</b></u>
<b>Earnings per share for profit attributable to owners of the Company:</b>			
Basic	6	<u><b>US0.91 cents</b></u>	<u>US0.76 cents</u>
Diluted	6	<u><b>US0.91 cents</b></u>	<u>US0.75 cents</u>

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 December 2022

	<i>Note</i>	<b>2022</b> <i>US\$'000</i>	2021 <i>US\$'000</i>
<b>Non-current assets</b>			
Property, plant and equipment and right-of-use assets		<b>4,338</b>	5,456
Other intangible assets		<b>31</b>	27
Goodwill		<b>8,877</b>	8,877
Financial assets at amortised costs	<i>11</i>	<b>3,229</b>	5,166
		<hr/>	<hr/>
Total non-current assets		<b>16,475</b>	19,526
<b>Current assets</b>			
Inventories	<i>7</i>	<b>17,466</b>	27,185
Trade receivables	<i>8</i>	<b>30,338</b>	40,761
Prepayments and other receivables		<b>771</b>	788
Cash and cash equivalents	<i>10</i>	<b>15,317</b>	17,630
		<hr/>	<hr/>
Total current assets		<b>63,892</b>	86,364
		<hr/>	<hr/>
<b>Total assets</b>		<b>80,367</b>	105,890
<b>Current liabilities</b>			
Trade payables	<i>9</i>	<b>24,572</b>	50,365
Other payables and accruals		<b>3,772</b>	5,862
Interest-bearing bank loans		<b>8,534</b>	5,434
Lease liabilities		<b>549</b>	408
Provisions		<b>54</b>	52
Tax payable		<b>1,529</b>	1,297
		<hr/>	<hr/>
Total current liabilities		<b>39,010</b>	63,418
		<hr/>	<hr/>
Net current assets		<b>24,882</b>	22,946
		<hr/>	<hr/>
Total assets less current liabilities		<b>41,357</b>	42,472
		<hr/>	<hr/>

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION (continued)**

	<b>2022</b> <i>US\$'000</i>	2021 <i>US\$'000</i>
<b>Non-current liabilities</b>		
Interest-bearing bank loans	<b>16,006</b>	19,540
Lease liabilities	<b>397</b>	436
Provisions	<b>402</b>	454
Deferred tax liabilities	<b>248</b>	471
	<hr/>	<hr/>
Total non-current liabilities	<b>17,053</b>	20,901
	<hr/>	<hr/>
<b>Net assets</b>	<b>24,304</b>	21,571
	<hr/>	<hr/>
<b>Equity</b>		
Share capital	<b>5,042</b>	5,017
Reserves	<b>19,262</b>	16,554
	<hr/>	<hr/>
<b>Total equity</b>	<b>24,304</b>	21,571
	<hr/>	<hr/>

# NOTES TO CONSOLIDATED FINANCIAL INFORMATION

31 December 2022

## 1. CORPORATE AND GROUP INFORMATION

The Company is a limited liability company incorporated in the Cayman Islands. The registered address of the Company is Sertus Chambers, Governors Square, Suite #5-204, 23 Lime Tree Bay Avenue, P.O. Box 2547, Grand Cayman, KY1-1104, Cayman Islands.

The Company is an investment holding company. During the year, the Company and its subsidiaries were principally involved in providing solutions for sensing and control technologies marketed in the smart home automation, consumer electronics and set-top-box segments.

The shares of the Company have been listed on the Main Board of The Stock Exchange of Hong Kong Limited since the listing date on 14 November 2019.

The immediate holding company of the Company is NHPEA IV Home Control Netherlands B.V., which is incorporated in the Netherlands and the ultimate holding company of the Company is Morgan Stanley, which is listed on the New York Stock Exchange and is incorporated in the United States of America.

These consolidated financial information are presented in thousands of unit of United States Dollar (“US\$’000”), unless otherwise stated.

## 2. BASIS OF PREPARATION

The consolidated financial information have been prepared in accordance with International Financial Reporting Standards (“IFRSs”), which comprise all standards and interpretations approved by the International Accounting Standards Board and the disclosure requirements of the Hong Kong Companies Ordinance (Cap. 622).

The consolidated financial information have been prepared on a historical cost basis, except as disclosed in the accounting policies below.

### (a) Amended standards and revised conceptual framework adopted by the Group

The Group has adopted all the revised standards and amendments that are relevant to the Group’s operations and mandatory for annual period beginning 1 January 2022. The effect of the adoption of these revised standards and amendments was not material to the Group’s results or financial position.

The Group has adopted the following amendments for the first time for annual reporting period beginning 1 January 2022:

Amendments to IFRS 16	<i>COVID-19 Related Rent Concessions beyond 30 June 2021</i>
Amendments to IFRS 3 (Revised)	<i>Business Combinations and Business Combinations (Reference to the Conceptual Framework)</i>
Amendments to IAS 16	<i>Property, Plant and Equipment (Proceeds before Intended Use)</i>
Amendments to IAS 37	<i>Provisions, Contingent Liabilities and Contingent Assets (Onerous Contracts – Cost of Fulfilling a Contract)</i>
Annual Improvements to IFRSs 2018-2020 Cycle	<i>Improvements to IFRSs 2018–2020</i>

## NOTES TO CONSOLIDATED FINANCIAL INFORMATION (continued)

### 2. BASIS OF PREPARATION (continued)

**(b) New standards, amendments to existing standards, annual improvements, guideline and interpretation that have been issued but are not yet effective and have not been early adopted by the Group**

The following standards and amendments were in issue but not yet effective and have not been early adopted by the Group:

Amendments to IAS 1 (Revised) <sup>(1)</sup>	<i>Presentation of Financial Statements</i>
Amendments to IAS 1 <sup>(2)</sup>	<i>Classification of Liabilities as Current or Non-current</i>
Amendments to IAS 1 <sup>(2)</sup>	<i>Non-current Liabilities with Covenants</i>
Amendments to IFRS Practice Statement 2 <sup>(1)</sup>	<i>Making Materiality Judgments</i>
Amendments to IAS 8 <sup>(1)</sup>	<i>Accounting Policies, Changes in Accounting Estimates and Errors (Definition of Accounting Estimates)</i>
Amendments to IAS 12 <sup>(1)</sup>	<i>Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i>
Amendments to IFRS 10 and IAS 28 <sup>(3)</sup>	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>
Amendments to IFRS 16 <sup>(2)</sup>	<i>Lease Liability in a Sale and Leaseback</i>
IFRS 17 <sup>(1)</sup>	<i>Insurance Contracts</i>

<sup>(1)</sup> Effective for annual periods beginning 1 January 2023

<sup>(2)</sup> Effective for annual periods beginning 1 January 2024

<sup>(3)</sup> New effective date to be determined

The Group is assessing the full impact of these new and amended standards. Certain of them may lead to changes in presentation, disclosure and measurements of certain items on the Group's results of operations and financial position, but the impacts are not expected to be significant.

## NOTES TO CONSOLIDATED FINANCIAL INFORMATION (continued)

### 3. OPERATING SEGMENT INFORMATION

An operating segment, in part, is a component of an enterprise whose operating results are regularly reviewed by chief operating decision-maker (“CODM”) to make decisions about resources to be allocated to the segment and assess its performance. The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the key management team of the Group. Operating segments may be aggregated only to a limited extent. CODM reviews the financial information about revenues and operating results as a whole for purpose of making operating decisions and assessing financial performance. Accordingly, the Group only has a single operating and reportable segment. Therefore, no further information about the operating segment is presented other than the entity-wide disclosures.

#### Geographical information

##### (a) Revenue from external customers

	2022 US\$'000	2021 US\$'000
North America	38,044	31,805
Europe	46,813	47,608
Asia	23,024	31,140
Latin America	18,679	15,455
	<u>126,560</u>	<u>126,008</u>

The revenue information above is based on the locations of the customers.

##### (b) Non-current assets

	2022 US\$'000	2021 US\$'000
North America	30	33
Europe	183	244
Asia	4,156	5,206
	<u>4,369</u>	<u>5,483</u>

The non-current asset information above is based on the locations of the non-current assets and excludes financial assets at amortised costs and goodwill.

#### Information about major customers

Revenue from each major customer which accounted for 10% or more of the Group’s revenue for year 2022 & 2021 is set out below:

	2022 US\$'000	2021 US\$'000
Customer 1	<u>26,092</u>	<u>21,854</u>

## NOTES TO CONSOLIDATED FINANCIAL INFORMATION (continued)

### 4. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging/(crediting):

	2022 <i>US\$'000</i>	2021 <i>US\$'000</i>
Cost of inventories sold	82,614	78,752
Provision for inventories	314	128
Outsourcing costs	12,236	14,203
Depreciation of property, plant and equipment	2,264	2,687
Depreciation of right-of-use assets	547	561
Amortisation of other intangible assets	27	83
Loss on disposal of property, plant and equipment	4	–
Distribution costs	1,711	2,198
Foreign exchange differences, net	289	189
Withholding tax	76	11
Auditor's remuneration		
– <i>Audit services</i>	398	373
– <i>Non-audit services</i>	68	85
Restructuring and severance costs	11	97
Expenses for short-term leases	241	173
Expenses for low-value leases	3	4
Reversal of IT service accrual*	(1,074)	–
Employee benefits expense		
– <i>Wages and salaries</i>	10,341	11,696
– <i>Pension scheme contributions</i>	2,164	2,255
– <i>Long service award</i>	(3)	55
– <i>Share award scheme</i>	150	177
– <i>Other employee benefits</i>	275	280

During the year ended 31 December 2022, the Group incurred expenses for the purpose of research and development of US\$5,170,000 (2021: US\$6,210,000), which comprised employee benefits expenses of US\$4,570,000 (2021: US\$5,001,000).

\* The reversal of IT service accrual pertains to release of liability which was accrued in the past in relation to services received. Management, after seeking legal advice on the Limitation Act, considered there to be no further payment obligation after the period of the statute of limitation.



## NOTES TO CONSOLIDATED FINANCIAL INFORMATION (continued)

### 5. INCOME TAX

The Group is subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which entities of the Group are domiciled and operate.

Pursuant to the rules and regulations of the Cayman Islands, the Company and HCIL Master Option Limited are not subject to any income tax in this jurisdiction.

The Singapore statutory income tax for Home Control Singapore Pte. Ltd. has been provided at the rate of 17% (2021: 17%) on the estimated assessable profits arising in Singapore during the year.

The federal tax for Premium Home Control Solutions LLC has been provided at the rate of 21% (2021: 21%), and the state tax has been provided at the rate of 4.3% (2021: 4.3%) on the estimated assessable profits arising in the United States of America during the year.

The provision for Mainland China income tax has been provided at the applicable income tax rate of 25% (2021: 25%) on the estimated assessable profits of the PRC subsidiaries of the Group in accordance with the PRC Corporate Income Tax Law. Home Control Solutions (Suzhou) Limited qualified as a Small and Low-profit Enterprise (2021: Micro-sized Enterprise) and was subject to a preferential income tax rate of 2.5% (2021: 5%) until 31 December 2022. HCS (Suzhou) Limited qualified as a Technologically-advanced Service Enterprises and was subject to a preferential income tax rate of 15% (2021: 15%) for the year until November 2024.

The corporate income tax for Home Control Europe NV has been provided at the rate of 25% (2021: 25%) on the estimated assessable profits arising in Belgium during the year.

The corporate income tax for Omni Remotes do Brasil Ltda has been provided at the rate of 24% (2021: 24%) on the estimated assessable profits arising in Brazil during the year.

The Group calculates the period income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense are as follows:

	2022 <i>US\$'000</i>	2021 <i>US\$'000</i>
Current tax – Singapore		
Charge for the year	1,397	871
(Over)/under provision in prior years	(72)	316
Current tax – United States of America		
Charge for the year	175	22
Under provision in prior years	–	3
Current tax – China and Elsewhere		
Charge for the year	283	308
Over provision in prior years	–	(8)
	<u>1,783</u>	<u>1,512</u>
Deferred tax		
(Credit)/charge for the year	(192)	286
(Over)/under provision in prior years	(31)	93
	<u>(223)</u>	<u>379</u>
Total tax charge for the year	<u><b>1,560</b></u>	<u><b>1,891</b></u>

## NOTES TO CONSOLIDATED FINANCIAL INFORMATION (continued)

### 5. INCOME TAX (continued)

A reconciliation of the tax expense applicable to profit before tax at the statutory rates for the countries in which the Company and the majority of its subsidiaries are domiciled to the tax expense at the effective tax rates, and a reconciliation of the applicable statutory rates to the effective tax rates, are as follows:

	2022		2021	
	US\$'000	%	US\$'000	%
Profit before tax	<u>6,135</u>		<u>5,697</u>	
Tax at the domestic rates applicable to profits in the countries where the Group operates	1,428	23.3	1,202	21.1
Effect of partial tax exemption and enhanced deductions	(43)	(0.7)	(22)	(0.4)
Income not subjected to tax	(9)	(0.1)	(315)	(5.5)
(Over)/under provision in respect of prior years	(103)	(1.7)	404	7.1
Expenses not deductible for tax	189	3.1	530	9.3
Others	<u>98</u>	<u>1.5</u>	<u>92</u>	<u>1.6</u>
Income tax expense at the Group's effective rate	<u>1,560</u>	<u>25.4</u>	<u>1,891</u>	<u>33.2</u>

### 6. EARNINGS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

The calculation of the basic earnings per share amounts is based on profit for the year attributable to owners of the Company, and the weighted average number of 502,238,372 ordinary shares in issue during the year (2021: 501,633,663 ordinary shares, which were deemed to have been issued by way of capitalisation throughout the year ended 31 December 2021).

The calculation of the diluted earnings per share amounts is based on the profit for the year attributable to owners of the Company. The weighted average number of ordinary shares used in the calculation is the number of ordinary shares in issue during the period, as used in the basic earnings per share calculation, and the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed exercise of all dilutive potential ordinary shares into ordinary shares.

The calculations of basic and diluted earnings per share are based on:

	2022	2021
	US\$'000	US\$'000
Earnings		
Profit attributable to owners of the Company, used in the basic earnings per share calculation	<u>4,575</u>	<u>3,806</u>

## NOTES TO CONSOLIDATED FINANCIAL INFORMATION (continued)

### 6. EARNINGS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY (continued)

	Number of shares	
	2022	2021
Shares		
Weighted average number of ordinary shares in issue during the year used in the basic earnings per share calculation	<u>502,238,372</u>	<u>501,633,663</u>
Effect of dilution – weighted average number of ordinary shares:		
Share options	–	4,189,660
Share awards	<u>2,508,171</u>	<u>5,016,337</u>
	<u>504,746,543</u>	<u>510,839,660</u>

During the year ended 31 December 2022, the share options scheme expired without exercise and 2,508,166 shares were issued under the share award scheme.

The computation of diluted earnings per share for the year ended 31 December 2022 does not assume the exercise of the Company's outstanding share options before it expired during the year since they would have an anti-dilutive impact to the basic earnings per share.

### 7. INVENTORIES

	2022	2021
	<i>US\$'000</i>	<i>US\$'000</i>
Raw materials – components	8,982	13,941
Work-in-progress	242	797
Finished goods	<u>9,098</u>	<u>13,155</u>
	18,322	27,893
Less: Provision for inventories	<u>(856)</u>	<u>(708)</u>
	<u>17,466</u>	<u>27,185</u>

Inventories recognised as cost of sales during the year ended 31 December 2022 amounted to US\$82,614,000 (2021: US\$78,752,000).

### 8. TRADE RECEIVABLES

	2022	2021
	<i>US\$'000</i>	<i>US\$'000</i>
Trade receivables	30,591	40,953
Impairment	<u>(253)</u>	<u>(192)</u>
	<u>30,338</u>	<u>40,761</u>
Denominated in:		
United States Dollar (“US\$”)	27,376	38,451
Euro	992	1,420
Renminbi (“RMB”)	517	486
British Pound Sterling	<u>1,453</u>	<u>404</u>
	<u>30,338</u>	<u>40,761</u>

## NOTES TO CONSOLIDATED FINANCIAL INFORMATION (continued)

### 8. TRADE RECEIVABLES (continued)

Trade receivables are non-interest bearing and are generally on 30 to 90 days' credit terms. They are recognised at their original invoice amounts on initial recognition.

An ageing analysis of the trade receivables as at the end of the reporting period, based on the invoice date and net of impairment allowance, is as follows:

	2022 <i>US\$'000</i>	2021 <i>US\$'000</i>
0-90 days	23,017	35,854
91-180 days	5,858	3,538
More than 180 days	1,463	1,369
	<u>30,338</u>	<u>40,761</u>

### 9. TRADE PAYABLES

	2022 <i>US\$'000</i>	2021 <i>US\$'000</i>
Trade payables	<u>24,572</u>	<u>50,365</u>
Denominated in:		
United States Dollar ("US\$")	23,799	49,356
Renminbi ("RMB")	724	796
Others	49	213
	<u>24,572</u>	<u>50,365</u>

An ageing analysis of the trade payables as at the end of the reporting period, based on the invoice date, is as follows:

	2022 <i>US\$'000</i>	2021 <i>US\$'000</i>
0-90 days	18,006	30,519
91-180 days	6,561	11,121
More than 180 days	5	8,725
	<u>24,572</u>	<u>50,365</u>

The trade payables are non-interest-bearing and are normally settled on 90-day credit terms.

## NOTES TO CONSOLIDATED FINANCIAL INFORMATION (continued)

### 10. CASH AND CASH EQUIVALENTS

	2022 <i>US\$'000</i>	2021 <i>US\$'000</i>
Cash and cash equivalents	<u>15,317</u>	<u>17,630</u>
Denominated in:		
United States Dollar (“US\$”)	13,425	12,847
Euro	494	202
Singapore Dollar	73	1,343
Renminbi (“RMB”)	961	387
Hong Kong Dollar	164	2,476
Others	<u>200</u>	<u>375</u>
	<u>15,317</u>	<u>17,630</u>

Cash at banks earn interest at floating rates based on daily bank deposit rates. The bank balances are deposited with creditworthy banks with no recent history of default.

The RMB is not freely convertible into other currencies. However, under Mainland China’s Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business. The remittance of funds out of Mainland China is subject to exchange restrictions imposed by the PRC government.

### 11. FINANCIAL ASSETS AT AMORTISED COSTS

	2022 <i>US\$'000</i>	2021 <i>US\$'000</i>
Unlisted investment at amortised cost	<u>3,229</u>	<u>5,166</u>

The above investments were treasury management principal protected products issued by a licensed financial institution. The investments are denominated in Hong Kong Dollar and bear interest of 3.0% per annum. The investment matures initially 1.5 years from inception, and will be rolled over automatically unless the parties mutually agree to terminate it. The financial institution has the right to redeem the investments prior to its termination, and the discretion to determine the interest to be compensated.

These investments are classified as financial assets at amortised cost as their contractual cash flows are solely payments of principal and interest.

## NOTES TO CONSOLIDATED FINANCIAL INFORMATION (continued)

### 11. FINANCIAL ASSETS AT AMORTISED COSTS (continued)

During the financial year ended 31 December 2022, the financial institution partially redeemed HK\$12,760,000 (approximately US\$1,625,000) of the investments and determined that no interest is payable for those amounts. The Group has re-assessed the contractual cash flows of the investments, and determined that US\$104,000 and US\$208,000 should be recorded as modification loss on the financial asset and impairment loss on the accrued interest respectively.

The remaining investments are rolled over in November 2022 and will remain as a non-current asset in accordance with the relevant accounting standards.

### 12. DIVIDENDS

	2022 <i>US\$'000</i>	2021 <i>US\$'000</i>
Ordinary dividends		
Final dividend paid in respect of the previous financial year of US0.38 cents (2021: US0.37 cents) per ordinary share	<u>1,933</u>	<u>1,886</u>

No dividend was proposed in respect of the financial year ended 31 December 2022.

### 13. COMPARATIVES

During the preparation of this announcement, certain comparative financial information has been restated to conform with current year's presentation.

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **OVERVIEW**

The Group is a globally leading home control solution provider headquartered in Singapore with worldwide presence in North America, Europe, Asia and Latin America. Originally established as the home control division of Philips prior to the acquisition of the entire stake of Home Control Singapore Pte. Ltd. by the Company from Philips in April 2015, the Group has been operating in this industry for almost 30 years. Under the brand “Omni Remotes”, the Group develops and offers high quality and bespoke remote controls for a vast array of pay television (TV) operators and consumer electronics brands. The products are shipped to over 40 countries, with a blue-chip customer base that includes AT&T Services Inc. in North America, Sky CP Limited, British Telecommunications PLC, Vodafone Group Services Limited, and Liberty Global Services B.V. in Europe, as well as Reliance Retail Limited, Bharti Airtel Limited, and Hisense Electric Co., Ltd. in Asia.

The Group maintains a strong focus on innovation, with over 200 invention patents and owning one of the most comprehensive Infrared (IR) and code databases in the world. Simple Setup, its intelligent multi-device control solution, has been deployed to dozens of customers in the pay television (TV) operator domain since its inception 5 years ago. The new cloud-enabled Simple Setup Hybrid, having launched with a major pan – European operator, is constantly generating meaningful field data to help improve the user experience. In addition, a new version of Simple Setup Hybrid for deployment with Smart TVs, has gone live with a leading TV brand.

The Company continues to invest in various remote control technologies, including in the areas of advanced user input, recognition and far field voice, filing new inventions in the area of artificial intelligence for personalized experience in various jurisdictions.

### **BUSINESS REVIEW**

With the major part of the world adopting a “living with COVID” policy, the customers of the Group were able to broadly resume their consumer acquisitions. Together with the Group’s ability to manage the component shortage situation, this has translated to its improved shipments year on year for the first half of 2022. The momentum continued into the third quarter of 2022, but took a sharp turn in the fourth quarter of 2022 when the customers of the Group were adjusting their inventory position. The Group’s revenue for the year ended 31 December 2022 came in at approximately US\$126.6 million, representing an increase of approximately 0.5% from approximately US\$126.0 million in the same period in 2021.

The Company has taken and will continue to take steps in cost management for shareholder value, through operation cost control via automation, while lowering finance costs by refinancing the bank loans with lower interest rates. With overall cost control, the Group has turned a higher net profit of approximately US\$4.6 million for the year ended 31 December 2022 as compared to approximately US\$3.8 million for the year ended 31 December 2021.

## PROSPECT AND OUTLOOK

The Group has managed well on the macro situations around the pandemic and component shortage and turned a higher profit attributable to owners of the Company for the year ended 31 December 2022, as compared to that for the year ended 31 December 2021. However, the persistent and heightened worldwide inflation, the instability of the political and economic situation arising from the Russia-Ukraine conflict, and the risk of global recession are impacting the momentum of customer resumptions of new projects and consumer acquisitions. It is difficult to estimate the full impact given the dynamic nature of these circumstances. The Group will pay continuous attention to the situation, adhere to government measures and recommendations, continue to mitigate foreseeable risks with all sites and subsidiaries, and endeavor to operate with minimal impact on any function serving the business and the customers.

The Group will continue with its investments in research & development, sales force expansion into several adjacent spaces of the business, as well as improvements of its supply chain for its existing business. Its new digital automated production site located in the Hunan province of China has started mass production according to plan and is on schedule to run at the planned capacity by spring of 2023.

## FINANCIAL REVIEW

### Revenue

Revenue of the Group for the year ended 31 December 2022 increased by approximately 0.5% (approximately US\$0.6 million) compared to the year ended 31 December 2021 mainly due to the increase in revenue for North America and Latin America regions, which was partially offset by the decrease in revenue for Asia region.

The following table sets forth the breakdown of revenue of the Group by the geographical location of customers for the years ended 31 December 2022 and 31 December 2021, respectively.

	2022		2021		Year-on-year Change	
	US\$'000	% of Revenue	US\$'000	% of Revenue	US\$'000	%
North America	<b>38,044</b>	<b>30.1%</b>	31,805	25.2%	6,239	19.6%
Europe	<b>46,813</b>	<b>37.0%</b>	47,608	37.8%	(795)	-1.7%
Asia	<b>23,024</b>	<b>18.2%</b>	31,140	24.7%	(8,116)	-26.1%
Latin America	<b>18,679</b>	<b>14.7%</b>	15,455	12.3%	3,224	20.9%
Total	<b>126,560</b>	<b>100.0%</b>	126,008	100.0%	552	0.4%



## Cost of sales

The cost of sales of the Group mainly consisted of components including finished goods from ODM (original design manufacturing), outsourcing and overheads. The cost of sales amounted to approximately US\$98.9 million and approximately US\$97.0 million for the year ended 31 December 2022 and the year ended 31 December 2021 respectively, representing approximately 78.1% and approximately 77.0% of the total revenue for the corresponding periods.

The following table sets forth the breakdown of the cost of sales for the year ended 31 December 2022 and the year ended 31 December 2021.

	2022		2021	
	US\$'000	%	US\$'000	%
Cost of components	<b>82,928</b>	<b>83.8%</b>	78,880	81.4%
Outsourcing	<b>12,236</b>	<b>12.4%</b>	14,203	14.6%
Overheads	<b>3,778</b>	<b>3.8%</b>	3,919	4.0%
	<b>98,942</b>	<b>100.0%</b>	97,002	100.0%

## Gross profit

Gross profit decreased by approximately US\$1.4 million from approximately US\$29.0 million for the year ended 31 December 2021 to approximately US\$27.6 million for the year ended 31 December 2022. Gross profit has decreased mainly due to changes in product mix.

## Other income

Other income decreased from approximately US\$1.7 million for the year ended 31 December 2021 to approximately US\$0.3 million for the year ended 31 December 2022. The decrease was primarily because of the decrease of approximately US\$1.0 million in government grants and no gain on disposal of intangible assets for year ended 31 December 2022.

## Selling and distribution expenses

Selling and distribution expenses decreased from approximately US\$8.1 million for the year ended 31 December 2021 to approximately US\$7.2 million for the year ended 31 December 2022. The decrease in selling and distribution expenses was mainly due to approximately US\$0.5 million decrease in distribution expenses and approximately US\$0.4 million decrease in salaries and wages.

## **Administrative expenses**

Administrative expenses decreased by approximately US\$1.9 million, from approximately US\$12.8 million for the year ended 31 December 2021 to approximately US\$10.9 million for the year ended 31 December 2022. The decrease was mainly due to decrease in salaries and wages of approximately US\$0.8 million and reversal of IT service accrual of approximately US\$1.1 million.

## **Provision for impairment loss**

Impairment loss of financial assets was approximately US\$0.5 million for year ended 31 December 2022. There was an approximate US\$0.6 million increase in impairment loss on financial assets due to approximately US\$0.3 million specific doubtful debt provision made for trade receivables and US\$0.2 million impairment loss on financial assets at amortised costs for the year ended 31 December 2022. There was an approximately US\$0.2 million reversal in impairment loss of trade receivables for estimated credit loss provision for the year ended 31 December 2021.

## **Other expenses**

Other expenses increased from approximately US\$1.9 million for the year ended 31 December 2021 to approximately US\$2.0 million for the year ended 31 December 2022. The US\$0.1 million increase was mainly due to approximately US\$0.1 million foreign exchange differences.

## **Finance costs – net**

Comparing to the year ended 31 December 2021, finance cost incurred during the year ended 31 December 2022 decreased by approximately US\$1.2 million. The decrease was mainly because there was no write-off of loan arrangement fee of US\$1.7 million and decrease of approximately US\$0.1 million for the amortization of loan arrangement fee. This is partially offset by the increase of approximately US\$0.3 million in interest on bank loans, an approximately US\$0.1 million of modification loss on financial assets at amortised cost and a decrease of approximately US\$0.3 million in interest income.

## **Profit before tax**

Profit before tax for the year ended 31 December 2022 was approximately US\$6.1 million which was higher than the profit before tax of approximately US\$5.7 million for the year ended 31 December 2021. This was mainly due to the net impact of the reasons stated above.

## **Income tax expense**

The Group's income tax expense decreased from approximately US\$1.9 million for the year ended 31 December 2021 to approximately US\$1.6 million for the year ended 31 December 2022. The income tax expense for the year ended 31 December 2022 was lower mainly because of approximately US\$0.6 million decrease in deferred tax expenses, partially offset by approximately US\$0.3 million increase in corporate tax expenses.

## Profit for the year

As a result of the above, the Group recorded a net profit after tax of approximately US\$4.6 million for the year ended 31 December 2022, representing an increase of approximately US\$0.8 million from the net profit after tax for the year ended 31 December 2021 of approximately US\$3.8 million.

## Earnings per Share

The basic and diluted earnings per Share for year ended 31 December 2022 is US0.91 cents and US0.91 cents (year ended 31 December 2021: US0.76 cents and US0.75 cents).

## LIQUIDITY AND CAPITAL RESOURCES

As at 31 December 2022, the Group had cash and cash equivalents of approximately US\$15.3 million. The Board is of the opinion that the financial position of the Group is strong and healthy, and the Group has sufficient resources to support its operations and meet its foreseeable capital expenditures.

## Cash flow

The following table sets forth a summary of our cash flows of the Group as at 31 December 2022 and 31 December 2021 respectively:

	<b>2022</b> <i>US\$'000</i>	2021 <i>US\$'000</i>
Net cash from operating activities	<b>1,393</b>	3,603
Net cash from/(used in) investing activities	<b>531</b>	(1,469)
Net cash used in financing activities	<b>(4,075)</b>	(6,795)
<b>Net decrease in cash and cash equivalents</b>	<b>(2,151)</b>	(4,661)
Cash and cash equivalents at beginning of the year	<b>17,630</b>	22,328
Effects of exchange rate changes on cash and cash equivalents	<b>(162)</b>	(37)
<b>Cash and cash equivalents at end of the year</b>	<b>15,317</b>	17,630

## **Net cash flow from operating activities**

The Group generates cash from operating activities primarily from sales of goods. Cash flows from operating activities reflects profit before taxation for the year adjusted for (i) non-cash item such as depreciation of property, plant and equipment, and amortization of intangible assets and other items, which lead to the operating profit before changes in working capital; (ii) effects of cash flows arising from changes in working capital, including changes in inventories, trade and other receivables and trade and other payables and other items, which lead to cash generated from operations; and income tax paid, long service awards paid and other item, which result in net cash from operating activities.

For the year ended 31 December 2022, the Group's net cash generated from operating activities was approximately US\$1.4 million, primarily reflected (i) cash generated before working capital changes of approximately US\$10.2 million; (ii) decrease in trade receivables of approximately US\$10.2 million; (iii) decrease in inventories of approximately US\$9.4 million; partially offset by decrease in trade payables of approximately US\$25.8 million, net income tax paid of approximately US\$1.6 million and decrease in other payables and accruals of approximately US\$1.0 million.

## **Net cash flow from investing activities**

Cash flow from investing activities mainly relates to proceeds from redemption of financial assets at amortised cost and purchase of property, plant and equipment. For the year ended 31 December 2022, the Group's net cash from investing activities was approximately US\$0.5 million, which was primarily attributable to US\$1.6 million proceeds from the redemption of financial assets at amortised costs, partially offset by purchases of property, plant and equipment of approximately US\$1.1 million.

## **Net cash flow used in financing activities**

Cash flows used in financing activities mainly includes proceeds from interest-bearing bank loans and repayment of interest-bearing bank loans. For the year ended 31 December 2022, the Group's net cash flow used in financing activities was approximately US\$4.1 million, mainly attributable to approximately US\$3.0 million repayment of interest bearing bank loans, approximately US\$1.1 million interest paid, approximately US\$1.9 million dividends paid and approximately US\$0.5 million repayment of lease obligations. This was partially offset by approximately US\$2.5 million proceeds from interest bearing bank loans.

## **NET CURRENT ASSETS**

The Group's net current assets increased by approximately US\$2.0 million from approximately US\$22.9 million as at 31 December 2021 to approximately US\$24.9 million as at 31 December 2022. The increase was primarily due to (i) a decrease in trade payables of approximately US\$25.8 million, (ii) a decrease in other payables and accruals of approximately US\$2.1 million, which were partially offset by (i) a decrease in trade receivables of approximately US\$10.4 million, (ii) a decrease in inventories of approximately US\$9.7 million, (iii) a decrease in cash and cash equivalents of approximately US\$2.3 million and (iv) an increase in interest-bearing bank loans of approximately US\$3.1 million.

## **CAPITAL EXPENDITURE**

The Group's capital expenditure consisted of purchase costs relating to property, plant and equipment. For the year ended 31 December 2022, the Group's capital expenditure amounted to approximately US\$1.1 million (2021: US\$2.3 million) for the acquisition of property, plant and equipment. The Group funded such capital expenditure primarily with cash generated from operating activities.

### **Capital and investment commitments**

As at 31 December 2022, the Group did not have any capital and investment expenditure contracted for as at the end of the reporting period but not recognised in the consolidated financial statements.

## **BANK LOANS AND CONTINGENT LIABILITIES**

### **Bank loans**

The Group's bank loans primarily consisted of short and long-term trade financing from bank. As at 31 December 2022 and 2021, the Group had approximately US\$24.5 million and approximately US\$25.0 million respectively from bank loans.

As at 31 December 2022, there was a floating charge over bank accounts of Home Control Singapore Pte. Ltd. to secure the Group's bank loans.

### **Contingent liabilities**

As at 31 December 2022, the Group did not have any contingent liabilities and guarantees.

### **Gearing ratio**

Gearing ratio equals total debt divided by the adjusted total assets at the end of the year. Total debt includes all interest-bearing bank loans and lease liabilities. Adjusted total assets excludes goodwill. The gearing ratios as at 31 December 2022 and 31 December 2021 are approximately 35.7% and approximately 26.6% respectively.

## **FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS**

The Group did not have other plans for material investments or capital assets as at 31 December 2022.

## **MATERIAL INVESTMENTS, ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND ASSOCIATED COMPANIES**

There were no other significant investments held, no material acquisitions or disposals of subsidiaries, associates and joint ventures during the year ended 31 December 2022.

## **FOREIGN EXCHANGE RISK MANAGEMENT**

The functional currency of the Group is United States Dollar. The sales of the Group are mainly denominated in U.S. Dollar while purchases are mainly denominated in U.S. Dollar or RMB (only in the case of sales and purchases in the PRC). In addition, the Group has its headquarters in Singapore and operating subsidiaries in the U.S., Belgium, the PRC and Brazil, of which overheads are settled in local currencies and therefore the Group is exposed to foreign exchange risks. Fluctuations in foreign exchange rates may be caused by various factors such as change in government policies, change in domestic and international economic and political conditions, and is always unpredictable. The Group had not entered into any agreements to hedge its exchange rate exposure, as the Group's results of operations has generally been partially mitigated by the natural offset of foreign currency receivables with foreign currency payables. Going forward, the Group expects that exchange rates of SGD, RMB and US\$ will continue to fluctuate. Changes in the foreign exchange rates between the Group's functional currencies and reporting currency may have an adverse impact on the Group's finance costs, sales and product margins, and may reduce the value of, and dividends payable on, the Shares. The Group's business and financial position may be materially and adversely affected. The management of the Group will continue to monitor the Group's foreign currency exchange exposure and will take prudent measures to minimise that currency exchange risk.

## **EMPLOYEES, REMUNERATION POLICY**

As at 31 December 2022, the Group had 178 employees (31 December 2021: 175 employees). The employees benefit expense incurred during the year ended 31 December 2022 was approximately US\$12.9 million (2021: US\$14.5 million). As required by the applicable laws and regulations, the Group participates in various employee social security plans for its employees that are administered by local government. The Group's remuneration policy rewards employees and Directors based on individual's performance, demonstrated capabilities, involvement, market comparable information and the performance of the Group. The Group improves the professional skills and management level of its employees through internal and external training. To ensure that the Group attracts and retains competent staff, remuneration packages are reviewed on a regular basis. Performance bonuses are offered to qualified employees based on individual and the Group's performance. The Group did not experience any material labour disputes during the year ended 31 December 2022. The Company adopted the Scheme on 1 May 2015 as incentive for eligible employees. As at the date of this announcement, the Scheme was terminated upon the expiry of the Scheme period. No new options were granted and exercised thereunder during the year ended 31 December 2022. As at the date of this announcement, all options granted and accepted prior to such termination and not yet exercised under the Scheme were lapsed in accordance with the terms of the Scheme. The Company adopted the Share Award Scheme on 20 August 2020 in order to recognise the contributions of such Selected Grantees and in driving the continuous business operation and development of the Group. The Share Award Scheme shall terminate

on the earlier of (i) the tenth (10th) anniversary date of the 20 August 2020; and (ii) such date of early termination as determined by the Board provided that such termination shall not affect any subsisting rights of any Selected Grantees under the Share Award Scheme. On 5 October 2020, the Board has resolved to award a total of not more than 5,016,337 Award Shares, representing approximately 1.00% of the total issued Shares as at the date of this announcement, to ten Selected Grantees pursuant to the Share Award Scheme. On 5 October 2022, 2,508,166 Award Shares were vested and the Board has resolved to allot and issue a total of 2,508,166 new Shares, representing approximately 0.50% of the total issued Shares as at the date of this announcement, under the general mandate to satisfy the grant of the Award Shares to the ten Selected Grantees on 5 October 2022 pursuant to the Share Award Scheme. During the year ended 31 December 2022, no Share Awards were granted. As at 31 December 2022, of the 5,016,337 Award Shares granted under the Share Award Scheme, 2,508,171 Award Shares remained unvested. The details of the Share Award Scheme are disclosed in the announcements of the Company dated 20 August 2020, 5 October 2020 and 12 November 2020; and the circular of the Company dated 27 October 2020.

## **OFF-BALANCE SHEET COMMITMENTS AND ARRANGEMENTS**

As of the date of this announcement, the Group had not entered into any off-balance sheet transactions.

## **USE OF PROCEEDS FROM LISTING**

The shares of the Company were listed on the Main Board of the Stock Exchange on the Listing Date and the net proceeds raised from this initial public offering after deducting underwriting fees and other related listing expenses amounted to approximately HK\$84.93 million (equivalent to approximately US\$10.83 million) (the “**IPO Proceeds**”).

As disclosed in the Company’s interim report for 2022, the unutilised IPO Proceeds would be applied in the same manner as set out in the prospectus of the Company dated 31 October 2019 (“**Prospectus**”) and were expected to be fully utilised by the end of year 2021 (the “**Original Timeline**”). However, due to the prolonged outbreak of COVID-19, the global economic environment has been unstable and has hindered business discussions and due diligence procedures, the Original Timeline has been delayed.

Based on the Directors' best estimation and assumption of future market conditions, the unutilised IPO Proceeds are expected to be fully utilised by 2024. Set out below is the Group's planned use and actual use of the IPO Proceeds as at 31 December 2022:

	Planned use of IPO Proceeds (adjusted on a pro rata basis on the actual net proceeds) <i>HK\$' million</i>	Planned use of IPO Proceeds (adjusted on a pro rata basis on the actual net proceeds) <i>US\$' million</i>	Unutilised IPO proceeds as at beginning of the financial year i.e. 1 January 2022 <i>US\$' million</i>	Proceeds utilised during the financial year ended 31 December 2022 <i>US\$' million</i>	Utilised IPO Proceeds up to 31 December 2022 <i>US\$' million</i>	Unutilised as at 31 December 2022 <i>US\$' million</i>	Expected timeline for the unutilised IPO Proceeds
1 Strategic investments or acquisitions in the over-the-top ("OTT") system and/or smart home security products	23.01	2.93	2.93	-	-	2.93	The unutilised IPO Proceeds will be used as per the Prospectus.
2 Repayment of bank borrowing	21.12	2.69	-	-	2.69	-	-
3 R&D and develop the products for OTT segment and extend product lines in smart home products	14.27	1.82	1.82	-	-	1.82	The unutilised IPO Proceeds will be used as per the Prospectus.
4 Expansion of professional sales force to support business expansion	13.8	1.76	1.56	0.20	0.40	1.36	The unutilised IPO Proceeds will be used as per the Prospectus.
5 Strengthen the supply chain management and investment by extending beyond the PRC	6.57	0.84	-	-	0.84	-	-
6 Working capital and general corporate purposes	6.16	0.79	0.79	-	-	0.79	The unutilised IPO Proceeds will be used as per the Prospectus.
	<u>84.93</u>	<u>10.83</u>	<u>7.10</u>	<u>0.20</u>	<u>3.93</u>	<u>6.90</u>	

The Directors expect that the use of IPO Proceeds can bring further improvements to the Group's overall business performance.

The Directors will constantly evaluate the Group's business strategies and specific needs from time to time and closely monitor the development of COVID-19. As at the date of this announcement, the Directors are not aware of any material change to the planned use of IPO Proceed as set out in the Prospectus. Further announcement will be made if there are any changes on the use of proceeds as and when appropriate.

The business objectives, future plans and planned use of proceeds as stated in the Prospectus were based on the best estimation and assumption of future market conditions made by the Group at the time of preparing the Prospectus while the proceeds were applied based on the actual development of the Group's business and the industry.



## **FINAL DIVIDEND**

No dividend was proposed in respect of the financial year ended 31 December 2022 (2021: US0.38 cents per Share, equivalent to approximately HK2.98 cents per Share).

## **EVENTS AFTER THE REPORTING PERIOD**

No other significant events that require additional disclosures or adjustments occurred after the financial year ended 31 December 2022.

## **CORPORATE GOVERNANCE CODE**

The Group is committed to the establishment of good corporate governance practices and procedures with a view to being a transparent and responsible organization which is open and accountable to the Shareholders. The Board strives for adhering to the principles of corporate governance and has adopted sound corporate governance practices to meet the legal and commercial standards, focusing on areas such as internal control, fair disclosure and accountability to all Shareholders to ensure the transparency and accountability of all operations of the Company. The Company believes that effective corporate governance is an essential factor to create more value for its Shareholders. The Board will continue to review and improve the corporate governance practices of the Group from time to time to ensure that the Group is led by an effective Board in order to optimise return for Shareholders.

The Company has adopted a corporate governance policy with provisions no less exacting than the Corporate Governance Code and complied with all the applicable code provisions set out in the Corporate Governance Code throughout the year ended 31 December 2022 except for the deviation from code provision C.2.1 as detailed below.

Code provision C.2.1 of the Corporate Governance Code stipulates that the roles of chairman and chief executive should be separate and should not be performed by the same individual. Under the current structure of the Company, Mr. Alain PERROT is the Chairman and CEO. The Board believes that vesting the roles of both the Chairman and the CEO in the same person can facilitate the execution of the Group's business strategies and boost effectiveness of its operation. Therefore, the Board considers that the deviation from code provision C.2.1 of the Corporate Governance Code is acceptable in such circumstance. In addition, under the supervision of the Board which, apart from Mr. Alain PERROT being the executive Director, comprises two non-executive Directors and three independent non-executive Directors, the Board is appropriately structured with balance of power to provide sufficient checks to protect the interests of the Company and the Shareholders.

## **MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUERS**

The Company has adopted the Model Code as its code of conduct regarding securities transactions by the Directors and relevant employees. Upon specific enquiry of all Directors, all Directors confirmed that they have complied with the Model Code during the year ended 31 December 2022.

## **REVIEW OF FINANCIAL INFORMATION BY THE AUDIT COMMITTEE**

The Company has established an audit committee with written terms of reference in compliance with the Corporate Governance Code. As at the date of this announcement, the audit committee of the Company consists of the three independent non-executive Directors, namely, Mr. Shou Kang CHEN (Chairman), Mr. Werner Peter VAN ECK and Ms. Keet Yee LAI.

The audit committee of the Company has reviewed the consolidated financial statements of the Group for the year ended 31 December 2022 and discussed with the management the accounting principles and practices adopted by the Group, risk management and internal controls and financial reporting matters of the Group and results announcement.

## **SCOPE OF WORK OF PRICEWATERHOUSECOOPERS**

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of comprehensive income and the related notes thereto for the year ended 31 December 2022 as set out in the preliminary announcement have been agreed by the Group's auditor, PricewaterhouseCoopers, to the amounts set out in the Group's draft consolidated financial statements for the year. The work performed by PricewaterhouseCoopers in this respect did not constitute an assurance engagement and consequently no opinion or assurance conclusion has been expressed by PricewaterhouseCoopers on the preliminary announcement.

## **ANNUAL GENERAL MEETING**

The forthcoming AGM of the Company will be held on Friday, 23 June 2023 and the notice of the AGM will be published and despatched to the Shareholders in the manner as required by the Listing Rules in due course.

## **CLOSURE OF REGISTER OF MEMBERS**

To ensure the eligibility to attend and vote at the AGM, the register of members of the Company will be closed on the following dates:

### **For ascertaining Shareholders' right to attend and vote at the AGM:**

Latest time to lodge transfers	: 4:30 p.m. on Friday, 16 June 2023
Book closure dates	: Monday, 19 June 2023 to Friday, 23 June 2023 (both days inclusive)
Record date	: Friday, 23 June 2023

To be eligible to attend and vote at the AGM, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's Hong Kong share registrar, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration no later than the aforementioned latest time.

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

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the year ended 31 December 2022.

## **PUBLICATION OF RESULT ANNOUNCEMENT AND ANNUAL REPORT**

This annual result announcement is published on the Stock Exchange's website at [www.hkexnews.hk](http://www.hkexnews.hk) and the Company's website at [www.omniremotes.com](http://www.omniremotes.com). The Company's annual report for the year ended 31 December 2022 containing all the information required by the Listing Rules will be dispatched to the Shareholders and available on the above websites in due course.

## **DEFINITIONS**

“AGM”	the annual general meeting of the Company to be held on Friday, 23 June 2023, or, where the context so admits, any adjournment of such annual general meeting
“Award Shares”	in respect of a Selected Grantee(s), such number of Shares determined by and granted by the Board pursuant to the Share Award Scheme
“Board”	the board of directors of the Company
“CEO”	the chief executive officer of the Company
“Chairman”	the chairman of the Board

“China” or “PRC”	the People’s Republic of China, excluding Hong Kong, Macau and Taiwan
“Company”	Home Control International Limited, a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the Main Board of the Stock Exchange (stock code: 1747)
“Corporate Governance Code”	the Corporate Governance Code as set out in Appendix 14 to the Listing Rules
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“Hong Kong”	The Hong Kong Special Administrative Region of the PRC
“Listing”	the listing of the Shares of the Company on the Main Board of the Stock Exchange
“Listing Date”	14 November 2019
“Listing Rules”	the Rules Governing the Listing of Securities on the Main Board of the Stock Exchange
“Model Code”	the model code for securities transactions by directors of listed issuers as set out in Appendix 10 to the Listing Rules
“Philips”	Koninklijke Philips N.V., one of the largest electronics companies in the world, incorporated under the laws of the Netherlands and headquartered in Amsterdam
“RMB”	Renminbi, the lawful currency of the PRC
“S\$” or “SGD”	Singapore Dollar, the lawful currency of the Republic of Singapore
“Scheme”	the share option plan of the Company as approved by the Board on 1 May 2015
“Selected Grantees”	the eligible participants being selected for participation in the Share Award Scheme and conditionally awarded the Award Shares
“Share(s)”	ordinary share(s) with nominal value of US\$0.01 each in the share capital of the Company

“Share Award Scheme”	the share award scheme adopted by the Company on 20 August 2020, as amended from time to time
“Shareholder(s)”	the holder(s) of Share(s) of the Company
“Singapore”	the Republic of Singapore
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules
“U.S.” or “United States”	the United States of America
“U.S. Dollar” or “US\$”	United States Dollar, the lawful currency of the United States

On behalf of the Board  
**Home Control International Limited**  
**Alain PERROT**  
*Chairman, Chief Executive Officer and  
Executive Director*

Hong Kong, 17 March 2023

*As of the date of this announcement, the Board comprises Mr. Alain PERROT as executive Director; Mr. Wei ZHOU and Mr. Kwok King Kingsley CHAN as non-executive Directors; and Mr. Werner Peter VAN ECK, Mr. Shou Kang CHEN and Ms. Keet Yee LAI as independent non-executive Directors.*