

**hmvOD**

**hmvod Limited**

**hmvod 視頻有限公司**

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

**(Stock Code: 8103)**

**INTERIM REPORT**

**FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2024**

## 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.

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*This report, for which the directors (the “**Director(s)**”) of hmvod Limited (the “**Company**”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the “**GEM Listing Rules**”) for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquires, confirm that to the best of their knowledge and belief, the information contained in this report 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 report misleading.*

## **HIGHLIGHTS**

- Turnover for the six months ended 30 September 2024 amounted to approximately HK\$8.8 million representing a decrease of approximately 1.7% over the corresponding period in 2023 amounting to approximately HK\$9.0 million.
- Loss for the period for the six months ended 30 September 2024 amounted to approximately HK\$5.5 million (2023: loss of HK\$6.2 million).
- Basic loss per share for the six months ended 30 September 2024 was approximately HK3.94 cents (2023: basic loss per share of HK5.46 cents).
- The Board does not recommend the payment of any interim dividend for the six months ended 30 September 2024 (2023: Nil).

The board of Directors (“**Board**”) of the Company is pleased to present the unaudited condensed consolidated financial statements of the Company and its subsidiaries (collectively the “**Group**”) for the six months ended 30 September 2024, together with the unaudited comparative figures for the corresponding periods in 2023, are as follows:

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

*For the six months ended 30 September 2024*

		Unaudited	
		Six months ended 30 September	
		2024	2023
	Notes	<i>HK\$'000</i>	<i>HK\$'000</i>
Revenue	3	8,812	8,967
Other income and gains	5	38	1,240
Subcontractor costs		(8,234)	(8,493)
Operating and administrative expenses		(4,815)	(5,886)
Finance costs	6	(1,261)	(2,033)
		<hr/>	<hr/>
Loss before income tax		(5,460)	(6,205)
Income tax credit	7	–	–
		<hr/>	<hr/>
Loss for the period	8	(5,460)	(6,205)
		<hr/>	<hr/>
Other comprehensive expense			
Item that may be reclassified subsequently to profit or loss:			
Exchange difference arising on translation of foreign operations		6	9
		<hr/>	<hr/>
Total comprehensive expense for the period		(5,454)	(6,196)
		<hr/> <hr/>	<hr/> <hr/>
Loss for the period attributable to:			
Owners of the Company		(5,106)	(5,895)
Non-controlling interest		(354)	(310)
		<hr/>	<hr/>
		(5,460)	(6,205)
		<hr/>	<hr/>

		<b>Unaudited</b>	
		<b>Six months ended 30 September</b>	
		<b>2024</b>	2023
<i>Notes</i>		<b><i>HK\$'000</i></b>	<i>HK\$'000</i>
Total comprehensive expense for the period attributable to:			
Owners of the Company		<b>(5,100)</b>	(5,887)
Non-controlling interest		<b>(354)</b>	(309)
		<u><b>(5,454)</b></u>	<u>(6,196)</u>
Loss per share attributable to owners of the Company			
<i>(HK cents)</i>	<i>10</i>		
– Basic and diluted		<u><b>(3.94)</b></u>	<u>(5.46)</u>

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2024

		Unaudited 30 September 2024 <i>HK\$'000</i>	Audited 31 March 2024 <i>HK\$'000</i>
<b>Non-current assets</b>			
Property, plant and equipment		203	271
Goodwill		6,270	6,270
		6,473	6,541
<b>Current assets</b>			
Trade and other receivables	11	752	2,533
Deposits and prepayments		1,144	2,051
Cash and cash equivalents		1,619	13,860
		3,515	18,444
<b>Current liabilities</b>			
Trade and other payables	12	18,680	28,999
Borrowings	13	17,941	13,343
		36,621	42,342
<b>Net current liabilities</b>		(33,106)	(23,898)
<b>Total assets less current liabilities</b>		(26,633)	(17,357)
<b>Capital and reserves</b>			
Share capital	14	1,294	1,294
Share premium and reserves	15	(57,250)	(52,150)
Deficit attributable to owners of the Company		(55,956)	(50,856)
Non-controlling interests		(4,348)	(3,994)
<b>Total deficit</b>		(60,304)	(54,850)
<b>Non-current liabilities</b>			
Other payables	12	7,872	7,872
Borrowings	13	14,000	17,822
Provision		11,799	11,799
		33,671	37,493
		(26,633)	(17,357)

## UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

*For the six months ended 30 September 2024*

	Attributable to owners of the Company							Non- controlling interest	Total
	Share Capital <i>HK\$'000</i>	Share premium <i>HK\$'000</i>	Capital reserve <i>HK\$'000</i>	Exchange translation reserve <i>HK\$'000</i>	Accumulated losses <i>HK\$'000</i>	Sub-total <i>HK\$'000</i>	<i>HK\$'000</i>		
At 1 April 2023 (audited)	1,079	614,487	1,200	(652)	(683,226)	(67,112)	(4,829)	(71,941)	
Loss for the period	–	–	–	–	(5,895)	(5,895)	(310)	(6,205)	
Exchange difference arising on translation of foreign operations	–	–	–	8	–	8	1	9	
Total comprehensive expense for the period	–	–	–	8	(5,895)	(5,887)	(309)	(6,196)	
At 30 September 2023 (unaudited)	<u>1,079</u>	<u>614,487</u>	<u>1,200</u>	<u>(644)</u>	<u>(689,121)</u>	<u>(72,999)</u>	<u>(5,138)</u>	<u>(78,137)</u>	
At 1 April 2024 (audited)	<b>1,294</b>	<b>637,279</b>	<b>1,200</b>	<b>(640)</b>	<b>(689,989)</b>	<b>(50,856)</b>	<b>(3,994)</b>	<b>(54,850)</b>	
Loss for the period	–	–	–	–	(5,106)	(5,106)	(354)	(5,460)	
Exchange difference arising on translation of foreign operations	–	–	–	6	–	6	–	6	
Total comprehensive expense for the period	–	–	–	6	(5,106)	(5,100)	(354)	(5,454)	
At 30 September 2024 (unaudited)	<u><b>1,294</b></u>	<u><b>637,279</b></u>	<u><b>1,200</b></u>	<u><b>(634)</b></u>	<u><b>(695,095)</b></u>	<u><b>(55,956)</b></u>	<u><b>(4,348)</b></u>	<u><b>(60,304)</b></u>	

**UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS***For the six months ended 30 September 2024*

	<b>Unaudited</b>	
	<b>Six months ended 30 September</b>	
	<b>2024</b>	2023
	<b>HK\$'000</b>	HK\$'000
Net cash (outflow)/inflow from operating activities	<b>(11,800)</b>	(2,639)
Net cash inflow/(outflow) from investing activities	<b>38</b>	(89)
Net cash inflow/(outflow) from financing activities	<b>(485)</b>	1,220
	<hr/>	<hr/>
Net decrease in cash and cash equivalents	<b>(12,247)</b>	(1,508)
Cash and cash equivalents at 1 April	<b>13,860</b>	2,392
Effect of foreign exchange rate changes	<b>6</b>	–
	<hr/>	<hr/>
Cash and cash equivalents at 30 September	<b>1,619</b>	884
	<hr/> <hr/>	<hr/> <hr/>



## NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

### 1. GENERAL INFORMATION

The Company is a limited company incorporated in the Cayman Islands and its shares are listed on GEM of the Stock Exchange. The address of its registered office is Cricket Square Hutchins Drive P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands. The address of its principal place of business is Room 8, 12/F, Fook Hong Industrial Building, No. 19 Sheung Yuet Road, Kowloon Bay, Kowloon, Hong Kong.

The Company acts as an investment holding company. The Company and its subsidiaries (the “**Group**”) are principally engaged in provision of over-the-top (“**OTT**”) services (distribution and production of films, television programmes and music production on OTT platforms).

The unaudited condensed consolidated financial statements are presented in Hong Kong dollars (“**HK\$**”), which is also the functional currency of the Company and all values are rounded to nearest thousands of Hong Kong dollars (“**HK\$’000**”) except when otherwise indicated.

### 2. BASIS OF PREPARATION

The unaudited condensed consolidated financial statements for the six months ended 30 September 2024 have been prepared in accordance with Hong Kong Accounting Standard 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (“**HKICPA**”) and the applicable disclosure requirements of the GEM Listing Rules.

Other than the changes in accounting policies resulting from application of new and amendments to HKFRSs, the accounting policies and methods of computation used in the unaudited condensed consolidated financial statements for the six months ended 30 September 2024 are consistent with those applied in the audited consolidated financial statements for the year ended 31 March 2024.

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

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

#### **Going concern assessment**

The Group incurred a net loss of HK\$5,460,000 for the six months ended 30 September 2024 and, as of that date, the Group’s current liabilities exceeded its current assets by HK\$33,106,000 and total liabilities exceeded its total assets by HK\$60,304,000. The Group’s borrowings amounted to HK\$17,941,000 is due for repayment in the next twelve months from the date of approval of these unaudited condensed consolidated financial statements. These conditions may cast a significant doubt about the ability of the Group to continue as a going concern.

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

The Group continues to improve the operating efficiency by implementing measures to tighten cost controls, over various operating expenses in order to enhance its profitability and to improve the cash flow from its operation in future.

### 3. REVENUE

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

	Unaudited	
	Six months ended 30 September	
	2024	2023
	HK\$'000	HK\$'000
OTT services	<u>8,812</u>	<u>8,967</u>

### 4. SEGMENT INFORMATION

#### Operating segments

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

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

### 5. OTHER INCOME AND GAINS

	Unaudited	
	Six months ended 30 September	
	2024	2023
	HK\$'000	HK\$'000
Interest income	38	6
Others	<u>-</u>	<u>1,234</u>
	<u>38</u>	<u>1,240</u>

### 6. FINANCE COSTS

	Unaudited	
	Six months ended 30 September	
	2024	2023
	HK\$'000	HK\$'000
Interest on borrowings	1,006	1,778
Interest on bonds	<u>255</u>	<u>255</u>
	<u>1,261</u>	<u>2,033</u>

### 7. INCOME TAX CREDIT

Hong Kong profit tax has not been provided for in the unaudited condensed consolidated financial statements as there was no estimated assessable profit derived from Hong Kong during the six months ended 30 September 2024 and 2023.



## 11. TRADE AND OTHER RECEIVABLES

	Unaudited At 30 September 2024 HK\$'000	Audited At 31 March 2024 HK\$'000
Trade receivables	754	2,537
Less: allowance for credit losses	(2)	(7)
	<u>752</u>	<u>2,530</u>
Other receivables	-	3
	<u>752</u>	<u>2,533</u>

- (a) Trade receivables are due for settlement in accordance with the terms of the underlying agreements with the customers. Trade receivables with balances that are more than 9 months' overdue are requested to settle all outstanding balances before any further credit is granted.
- (b) The following is an aging analysis of trade receivables, net of allowance for credit losses, presented based on invoice date:

	Unaudited At 30 September 2024 HK\$'000	Audited At 31 March 2024 HK\$'000
0-30 days	719	2,162
31-90 days	33	368
Over 90 days	-	-
	<u>752</u>	<u>2,530</u>

## 12. TRADE AND OTHER PAYABLES

	Unaudited At 30 September 2024 HK\$'000	Audited At 31 March 2024 HK\$'000
Trade payables	4,199	4,130
Accruals and other payables (Note)	21,931	31,813
Contract liabilities	422	928
	<u>26,552</u>	<u>36,871</u>

Note: Included in the non-current portion of accruals and other payables was the amount due to a non-controlling shareholder of a subsidiary of HK\$7,872,000 (For the year ended 31 March 2024: HK\$7,872,000). The balance was unsecured, interest free and repayable over 1 year.

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

	<b>Unaudited</b> <b>At 30 September</b> <b>2024</b> <i>HK\$'000</i>	Audited At 31 March 2024 <i>HK\$'000</i>
0–30 days	70	294
31–90 days	103	665
Over 90 days	<u>4,026</u>	<u>3,171</u>
	<u><b>4,199</b></u>	<u><b>4,130</b></u>

### 13. BORROWINGS

	<b>Unaudited</b> <b>At 30 September</b> <b>2024</b> <i>HK\$'000</i>	Audited At 31 March 2024 <i>HK\$'000</i>
Borrowings	31,941	31,165
Less: Amounts included under current liabilities	<u>(17,941)</u>	<u>(13,343)</u>
	<u><b>14,000</b></u>	<u><b>17,822</b></u>

### 14. SHARE CAPITAL

	<b>Number of shares</b>	<b>Nominal amount</b> <i>HK\$'000</i>
Authorised:		
Ordinary shares of HK\$0.01 each at 31 March 2024 and 30 September 2024	<u>20,000,000,000</u>	<u>200,000</u>
Issued and fully paid:		
Ordinary shares of HK\$0.01 each at 31 March 2024 and 30 September 2024	<u>129,447,897</u>	<u>1,294</u>

### 15. SHARE PREMIUM AND RESERVES

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

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **BUSINESS PERFORMANCE AND PROSPECT**

#### **OTT services**

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

The revenue in OTT services recorded approximately HK\$8.8 million for the six months ended 30 September 2024 (2023: HK\$9.0 million), represents a decrease of approximately 1.7% as compared with the corresponding period in 2023. Such decrease was due to a drop in subscription of the OTT services attributable mainly to (a) relaxation of COVID-19 restrictions which led to (i) cessation of work from home arrangement of enterprises; (ii) relaxation of social distancing measures promoted social activities outside home; and (iii) international travelling, which resulted in a decrease in home entertainment and OTT view rate; and (b) the increased competition from other OTT service providers with price advantages.

#### **FUTURE PROSPECTS**

The broadcasting market in Hong Kong is gradually switching from traditional free-licensed television broadcasting to OTT broadcasting. The Group intends to exploit the OTT platforms, which customers be offered with a wide variety of films, pop songs and TV series, etc. over the Internet. In view of the rapid global development in media contents and the rising popularity of new media platforms among the mobile and internet users, the Group hopes to continue developing the quality media contents with the advantages of the existing platform resources and to thrive in the cultural and entertainment business.

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

## **FINANCIAL PERFORMANCE**

During the six months ended 30 September 2024, the Group recorded a revenue of approximately HK\$8.8 million (2023: approximately HK\$9.0 million) representing a decrease of approximately 1.7% as compared to that of the corresponding period in 2023. The decrease in revenue was due to decrease in revenue from OTT services. Subcontractor costs decreased to approximately HK\$8.2 million as compared to approximately HK\$8.5 million of corresponding period in 2023. The decrease in subcontractor costs was due to the decrease in revenue. Operating and administrative expenses decreased to approximately HK\$4.7 million as compared to approximately HK\$5.7 million of corresponding period in 2023. Finance costs was approximately HK\$1.3 million as compared to approximately HK\$2.0 million of the corresponding period in 2023. Loss attributable to the owners of the Company was approximately HK\$5.1 million for the six months ended 30 September 2024 (2023: loss of approximately HK\$5.9 million).

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

During the six months ended 30 September 2024, the Company has not made any issue for cash of equity securities.

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

## **GEARING RATIO**

The gearing ratio calculated on the basis of total liabilities over shareholders' equity. Since the Group recorded a deficit attributable to owners of the Company as at 30 September 2024 and 31 March 2024, the gearing ratio was not applicable for the both reporting periods.

## **FOREIGN CURRENCY EXPOSURE**

During the six months ended 30 September 2024, the Group experienced only immaterial exchange rate fluctuations as the functional currency of the Group's operations was mainly Hong Kong dollars. As the risk on exchange rate difference was considered to be minimal, the Group did not employ any financial instruments for hedging purposes.

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

No significant investments, material acquisition and disposal was completed during the six month ended 30 September 2024.

## EMPLOYEES AND REMUNERATION POLICIES

As at 30 September 2024, the Group hired 17 employees including the executive Directors (30 September 2023: 18). Total staff costs including Directors' remuneration for the six months period under review amounting to approximately HK\$3.2 million (2023: HK\$3.6 million). The Group's remuneration policies are in line with the prevailing market practices and are determined on the basis of performance and experience of individual employees. The Group provides mandatory provident fund scheme for the employees employed under the jurisdiction of the Hong Kong Employment Ordinance.

## USE OF PROCEEDS

The Group completed the Placing on 24 October 2023 resulting in net proceeds of approximately HK\$23,010,000. Details of the use of proceeds is as follows:

	Original allocation of the net proceeds as at 24 October 2023	Utilised amount of the net proceeds as at 31 March 2024	Revised allocation of unutilised amount of the net proceeds as at 31 March 2024	Utilised amount of the net proceeds as at 30 September 2024	Unutilised amount of the net proceeds as at 30 September 2024	Expected timeline of full utilisation of the balance as at 30 September 2024 (Note)
	HK\$ million	HK\$ million	HK\$ million	HK\$ million	HK\$ million	
Use of net proceeds from the Placing						
Purchase of contents for OTT services	5	2	1	2.5	0.5	End of 2024
Production of concerts	7	–	–	–	–	–
General working capital	11	7.2	10.8	17.5	0.5	End of 2024
Paying staff costs and administrative expenses of the Group	–	0.6	1.4	1.8	0.2	End of 2024
Total	<u>23</u>	<u>9.8</u>	<u>13.2</u>	<u>21.8</u>	<u>1.2</u>	

In light of uncertain market conditions currently, the Board considers that it will be essential for the Group to cautiously control the expenses given the uncertainties casted by the global economic and financial markets.

*Note:* The expected timelines for utilising the remaining net proceeds is based on the best estimation of the present and future business market situations made by the Group. It may be subject to further change based on the future development of the market conditions.

## CHARGES ON ASSETS AND CONTINGENT LIABILITIES

The Group did not have any material charges on assets and contingent liabilities as at 30 September 2024.



## **DIVIDEND**

The Board does not recommend the payment of dividend for the six months ended 30 September 2024 (2023: Nil).

## **SHARE OPTION SCHEME**

Pursuant to an ordinary resolution passed at an annual general meeting of the Company held on 12 November 2014, the Company approved and adopted a share option scheme (the “**Scheme**”). There were no movement in the share options during the six months ended 30 September 2024 and there were no outstanding share options as at 30 September 2024. Summary of the Scheme are set out below:

### **(a) Purpose of the Scheme**

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

### **(b) Participants**

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

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

(c) **Maximum number of shares**

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

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

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

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

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

**(e) Subscription price for shares**

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

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

**(f) Duration of the Scheme**

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

**(g) Exercise of options**

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

**(h) Minimum period**

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

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

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

## DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS IN SECURITIES

As at 30 September 2024, none of the Directors and chief executive of the Company were interested in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571, the Laws of Hong Kong) (“SFO”)) which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they have taken or deemed to have under such provisions of the SFO), or which are required, pursuant to section 352 of the SFO, to be entered in the register maintained by the Company referred to therein, or which are required, pursuant to the required standard of dealing by the Directors under the GEM Listing Rules relating to securities transactions by the Directors, to be notified to the Company and the Stock Exchange.

## SUBSTANTIAL SHAREHOLDERS INTERESTS IN SECURITIES

So far as is known to the Directors, as at 30 September 2024, the persons (other than a director or chief executive of the Company) who have interests or short position in the shares, underlying shares and debentures of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO or who are, directly or indirectly, to be interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of any other member of the Group, were as follows:

### Long position in shares of the Company:

Name of Substantial Shareholders	Capacity	Number of shares/underlying Shares held	Approximate percentage of total number of issued shares of the Company (Note 1)
Lui Yu Kin	Beneficial Owner	22,376,000	17.29%
Cheng Chi Heng	Beneficial Owner	8,628,500	6.67%
Chan Chui Ping	Beneficial Owner	6,472,500	5.00%

Note:

- As at 30 September 2024, the issued share capital of the Company was 129,447,897 shares.

Save as disclosed above, as at 30 September 2024, no long positions and short positions of other persons or chief executive of the Company in the shares, underlying shares and debentures of the Company and its associated corporations were recorded in the register required to be kept under section 336 of the SFO.

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

No contracts of significance in relation to the Group's business to which the Group was a party and in which a Director had a material interest, whether directly or indirectly, subsisted at the six months ended 30 September 2024 or at any time during such period.

## **DIRECTORS' COMPETING INTERESTS**

As at 30 September 2024, none of the Directors or their respective associates (as defined under the GEM Listing Rules) had any business or interest in a business which competes or may compete with the business of the Group.

## **AUDIT COMMITTEE**

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

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

As at the date of this report, the audit committee consists of three independent non-executive Directors namely Mr. Leung Tze Wai, Mr. Ip Chi Ching and Mr. Ko Chi Kiu Robert.

The unaudited condensed consolidated financial statements of the Group for the six months ended 30 September 2024 have been reviewed by the audit committee of the Company.

## **CODE ON CORPORATE GOVERNANCE PRACTICES**

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

## **DIRECTORS' SECURITIES TRANSACTIONS**

The Company has adopted the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules as the code of conduct regarding Directors' securities transactions in securities of the Company.

Having made specific enquiry, all Directors have confirmed that they have complied with the required standard of dealings and there is no event of non-compliance throughout the six months ended 30 September 2024.

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

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

By order of the Board of  
**hmvod Limited**  
**Wong Tsz Ki**  
*Executive Director*

Hong Kong, 28 November 2024

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

*Executive Directors:*

Ms. Wong Tsz Ki

Mr. Chong Tung Yan Benedict

*Independent non-executive Directors:*

Mr. Ko Chi Kiu Robert

Mr. Ip Chi Ching

Mr. Leung Tze Wai

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