



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

**First Quarterly Report 2022**



## 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 report, for which the directors (the “**Directors**”) of HM International Holdings 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 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 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.*

## FIRST QUARTERLY RESULTS

The board of Directors (the “**Board**”) is pleased to announce the unaudited condensed consolidated financial results of the Group for the three months ended 31 March 2022, together with the comparative unaudited figures for the three months ended 31 March 2021. The financial information is as follows:

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

*For the three months ended 31 March 2022*

	Notes	For the three months ended 31 March	
		2022 HK\$'000 (Unaudited)	2021 HK\$'000 (Unaudited)
Revenue	3	29,853	29,551
Cost of sales		(21,463)	(20,831)
Gross profit		8,390	8,720
Other income and gains/(losses)		53	(19)
Selling expenses		(2,946)	(3,154)
Administrative expenses		(10,607)	(10,193)
Share profit of an associate		139	96
Share of loss of a joint venture		(34)	–
Finance costs		(186)	(552)
Loss before tax		(5,191)	(5,102)
Income tax expense	5	(53)	(71)
Loss for the period	6	(5,244)	(5,173)
Other comprehensive (expenses)/income <i>Items that may be reclassified subsequently to profit or loss:</i>			
Exchange differences arising from translation of foreign operations		–	(8)
Total comprehensive loss for the period		(5,244)	(5,181)
Loss for the period attributable to:			
Owners of the Company		(4,621)	(4,588)
Non-controlling interest		(623)	(585)
		(5,244)	(5,173)
Total comprehensive loss attributable to:			
Owners of the Company		(4,621)	(4,596)
Non-controlling interest		(623)	(585)
		(5,244)	(5,181)
Loss per share attributable to the owners of the Company during the period			
		HK cents	HK cents
Basic and diluted	8	(1.16)	(1.15)

# UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

*For the three months ended 31 March 2022*

	Attributable to owners of the Company							Non- controlling interest	Total equity
	Share capital	Share premium	Special reserve	Share option reserve	Translation reserve	Retained earnings	Sub-total		
	<i>HKS'000</i>	<i>HKS'000</i>	<i>HKS'000</i>	<i>HKS'000</i>	<i>HKS'000</i>	<i>HKS'000</i>	<i>HKS'000</i>		
Balance at 1 January 2022 (audited)	4,000	39,009	138	245	220	43,697	87,309	(2,063)	85,246
(Loss) and total comprehensive (expense) for the period	-	-	-	-	-	(4,621)	(4,621)	(623)	(5,244)
Balance at 31 March 2022 (unaudited)	<u>4,000</u>	<u>39,009</u>	<u>138</u>	<u>245</u>	<u>220</u>	<u>39,076</u>	<u>82,688</u>	<u>(2,686)</u>	<u>80,002</u>
Balance at 1 January 2021 (audited)	4,000	39,009	138	245	247	39,813	83,452	(2,654)	80,798
(Loss) and total comprehensive (expense) for the period	-	-	-	-	(8)	(4,588)	(4,596)	(585)	(5,181)
Reverse upon forfeiture of share options	-	-	-	(12)	-	12	-	-	-
Balance at 31 March 2021 (unaudited)	<u>4,000</u>	<u>39,009</u>	<u>138</u>	<u>233</u>	<u>239</u>	<u>35,237</u>	<u>78,856</u>	<u>(3,239)</u>	<u>75,617</u>

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

*For the three months ended 31 March 2022*

## 1. GENERAL

The Company was incorporated in the Cayman Islands on 13 January 2016 as an exempted company with limited liability. The Company's 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 Hong Kong Companies Ordinance (Cap. 622) and its shares have been listed on GEM of the Stock Exchange since 11 January 2017.

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 its 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 unaudited condensed consolidated financial statements for the three months ended 31 March 2022 have been prepared in accordance with applicable Hong Kong Accounting Standard 34 "Interim Financial Reporting" issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**") and the applicable disclosure requirements of Chapter 18 of the GEM Listing Rules. The accounting policies and methods of computation used in the preparation of these unaudited condensed consolidated financial statements are consistent with those adopted in preparing the audited financial statements for the year ended 31 December 2021.

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 the nearest thousand ("**HK\$'000**") unless otherwise stated.

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

### Amendments to HKFRSs that are mandatorily effective for the current year

Amendments to HKFRS 3	Reference to the Conceptual Framework <sup>2</sup>
Amendments to HKFRSs	Annual Improvements to HKFRSs 2018-2020 <sup>2</sup>
Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16	Interest Rate Benchmark Reform – Phase 2
Amendment to HKFRS 16	Covid-19-Related Rent Concessions
Amendments to HKAS 37	Onerous Contracts – Cost of Fulfilling a Contract <sup>2</sup>

The application of the 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.

### New and amendments to HKFRSs in issue but not yet effective

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

HKFRS 17	Insurance Contracts and the related Amendments <sup>1</sup>
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>3</sup>
Amendments to HKFRS 16	Covid-19-Related Rent Concessions beyond 30 June 2021 <sup>4</sup>
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020) <sup>1</sup>
Amendments to HKAS 1 and HKFRS Practice Statements 2	Disclosure of Accounting Policies <sup>1</sup>
Amendments to HKAS 8	Disclosure of Accounting Estimates <sup>1</sup>
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction <sup>1</sup>
Amendments to HKAS 16	Property, Plant and Equipment – Proceeds before Intended Use <sup>2</sup>

<sup>1</sup> Effective for annual periods beginning on or after 1 January 2023.

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2022.

<sup>3</sup> Effective for annual periods beginning on or after a date to be determined.

<sup>4</sup> Effective for annual periods beginning on or after 1 April 2021.

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

### 3. REVENUE

	<b>For the three months ended 31 March</b>	
	<b>2022</b>	2021
	<b>HK\$'000</b>	HK\$'000
	<b>(Unaudited)</b>	(Unaudited)
Recognised over time		
– Provision of financial printing services	<b>22,638</b>	22,978
– Provision of marketing collateral printing services	<b>4,266</b>	5,680
– Provision of other services	<b>2,949</b>	893
	<b>29,853</b>	29,551

### 4. 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.

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 contributing over 10% of the total revenue of the Group during the relevant periods are as follows:

	<b>For the three months ended 31 March</b>	
	<b>2022</b>	2021
	<b>HK\$'000</b>	HK\$'000
	<b>(Unaudited)</b>	(Unaudited)
Customer A	<b>4,249</b>	3,678

5. INCOME TAX EXPENSE

	<b>For the three months ended</b>	
	<b>31 March</b>	
	<b>2022</b>	2021
	<i>HK\$'000</i>	<i>HK\$'000</i>
	<b>(Unaudited)</b>	(Unaudited)
<b>Hong Kong Profits Tax</b>		
<b>Current tax</b>		
– Current period	<b>60</b>	70
<b>The People’s Republic of China (the “PRC”)</b>		
<b>Enterprise Income Tax</b>		
– Current period	–	–
<b>Deferred tax/(credit)</b>		
– Current period	(7)	1
	<u>          </u>	<u>          </u>
Total income tax expense recognised in profit or loss	<u><b>53</b></u>	<u>71</u>

Hong Kong Profits Tax has been provided at the rate of 8.25% on the first HK\$2,000,000 of the estimated assessable profits and 16.5% on the remaining amount of the estimated assessable profits for the three months ended 31 March 2022 (three months ended 31 March 2021: 16.5%).

The Group is not subject to any income tax in the Cayman Islands and the British Virgin Islands pursuant to the rules and regulations in those jurisdictions.

The PRC corporate income tax in respect of operations in Mainland China is calculated at the applicable tax rates on the estimated assessable profits for the period based on existing legislation, interpretations and practices in respect thereof.

## 6. LOSS FOR THE PERIOD

Loss for the period has been arrived at after charging:

	<b>For the three months ended</b>	
	<b>31 March</b>	
	<b>2022</b>	2021
	<b>HK\$'000</b>	HK\$'000
	<b>(Unaudited)</b>	(Unaudited)
Employee benefits expense (including directors' emoluments):		
Salaries, allowances and other benefits in kind	<b>14,703</b>	14,189
Contributions to retirement benefits schemes	<b>793</b>	710
	<hr/>	<hr/>
Total employee benefits expense	<b>15,496</b>	14,899
	<hr/> <hr/>	<hr/> <hr/>
Amortisation of intangible assets (included in cost of sales on the unaudited condensed consolidated statement of profit or loss and other comprehensive income)	<b>267</b>	209
Depreciation of property, plant and equipment	<b>567</b>	739
Depreciation of right-of-use assets	<b>2,772</b>	2,859
Rental expense from short term leases	<b>229</b>	188
	<hr/> <hr/>	<hr/> <hr/>

## 7. DIVIDENDS

The Board did not recommend a payment of any dividend for the three months ended 31 March 2022 (three months ended 31 March 2021: nil).

## 8. LOSS PER SHARE

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

	<b>For the three months ended 31 March</b>	
	<b>2022</b>	2021
	<b>(Unaudited)</b>	(Unaudited)
Loss attributable to owners of the Company ( <i>HK\$'000</i> )	<u><b>(4,621)</b></u>	<u>(4,588)</u>
Weighted average number of ordinary shares for the purpose of calculating basic loss per share (in thousand)	<u><b>400,000</b></u>	<u>400,000</u>
Basic and diluted loss per share ( <i>HK cents</i> )	<u><b>(1.16)</b></u>	<u>(1.15)</u>

For the three months ended 31 March 2022 and 2021, the calculation of the basic loss per share is based on the loss attributable to owners of the Company and the weighted average number of ordinary shares issued during the periods.

No diluted loss per share is presented for the three months ended 31 March 2022 and 2021, as there was no potential ordinary share outstanding. The computation of diluted loss per share for the current period 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.

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **BUSINESS REVIEW**

During the period under review, the Group is continuously engaged in providing integrated printing services for corporate clients mainly for the financial and capital markets in Hong Kong. The revenue of the Group increased to approximately HK\$29.9 million, which represents an increase of approximately 1.0% as compared to the same period last year.

The number of sales activities also increased as compared with the same period last year. Such an increase may show the business is picking up. However, the COVID-19 pandemic continued to affect the business performance and operation of the Group; some potential clients delayed or halted their listing and corporate exercises in Hong Kong.

The Group still maintains a solid portfolio of recurring clients, demonstrating their recognition of the quality service provided by the Group and the maintenance of a good relationship with the clients. The Group considers this recognition as one of the key factors leading to success in the market.

### **OUTLOOK**

Looking forward, we are optimistic about sustaining the core business given all the economic uncertainties. The prolonged outbreak of COVID-19 continues to bring uncertainties to the market. The business environment remains difficult and challenging. The Group will monitor the development of COVID-19 to ensure the safety of employees and stable operations and to mitigate the adverse impact of COVID-19.

The Group will continue to focus on the integrated printing services for corporate clients. To maintain the competitive advantages in the market, the Group will continue to offer solutions to our clients with an optional mix between both traditional printing and digital services and will continue to seek for business opportunities through business combination so as to generate greater value for the shareholders.

## FINANCIAL REVIEW

### Revenue

	For the three months ended 31 March	
	2022 <i>HK\$'000</i> (Unaudited)	2021 <i>HK\$'000</i> (Unaudited)
Financial printing projects	22,638	22,978
Marketing collateral printing projects	4,266	5,680
Other projects	2,949	893
	<u>29,853</u>	<u>29,551</u>

The Group's revenue increased by approximately HK\$0.3 million, or 1.0%, from approximately HK\$29.6 million for the three months ended 31 March 2021 to approximately HK\$29.9 million for the three months ended 31 March 2022. Such increase was mainly due to the increase in the revenue of other projects by approximately 230.2%, which partly offset the decrease in the revenue of financial printing projects and marketing collateral printing projects.

### Gross Profit and Gross Profit Margin

The Group's gross profit decreased by approximately HK\$0.3 million, or 3.8%, from approximately HK\$8.7 million for the three months ended 31 March 2021 to approximately HK\$8.4 million for the three months ended 31 March 2022, which was due to the increase in materials consumed in project activities. Our gross profit margins for the three months ended 31 March 2021 and the three months ended 31 March 2022 were approximately 29.5% and 28.1% respectively.

### Selling Expenses

The Group's selling expenses decreased by approximately HK\$0.3 million, or 9.7%, from approximately HK\$3.2 million for the three months ended 31 March 2021 to approximately HK\$2.9 million for the three months ended 31 March 2022. The decrease was due to the decrease in entertainment expense during the period.

## **Administrative Expenses**

The Group's administrative expenses increased by approximately HK\$0.4 million, or 4.1%, from approximately HK\$10.2 million for the three months ended 31 March 2021 to approximately HK\$10.6 million for the three months ended 31 March 2022.

## **Finance Costs**

Finance costs decreased by approximately HK\$0.4 million from approximately HK\$0.6 million for the three months ended 31 March 2021 to approximately HK\$0.2 million for the three months ended 31 March 2022. Such decrease was mainly due to the decrease in interest on lease liabilities.

## **Taxation**

Income tax expense decreased by approximately HK\$18,000 from approximately HK\$71,000 for the three months ended 31 March 2021 to approximately HK\$53,000 for the three months ended 31 March 2022. Such decrease was mainly attributable to the provision of current tax of a subsidiary.

## **Loss for the Period**

The loss for the Group for the period was HK\$5.2 million, which was almost the same in the previous period.

## **DIVIDENDS**

The Board did not recommend a payment of any dividend for the three months ended 31 March 2022 (three months ended 31 March 2021: nil).

## OTHER INFORMATION

### DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at 31 March 2022, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "SFO"), as recorded in the register required to be kept under section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the required standard of dealings by Directors as referred to in Rule 5.46 of the GEM Listing Rules, were as follows:

#### Long Position in the Shares of the Company (the "Shares")

As at 31 March 2022

Name of Director	Nature of interests	Number of ordinary Shares interested	Approximate percentage* of shareholding
Yu Chi Ming	Interests held jointly with another person; interest held by a controlled corporation ( <i>Note</i> )	222,760,000	55.69%
Chan Wai Lin	Interests held jointly with another person; interest held by a controlled corporation ( <i>Note</i> )	222,760,000	55.69%
Chan Wai Chung Caroline	Beneficial owner	1,700,000	0.43%

*Note:* HM Ultimate Holdings Limited ("HM Ultimate") is beneficially owned as to 70.2% by Mr. Yu and 29.8% by Mr. Chan. Mr. Yu and Mr. Chan together control all the 222,760,000 Shares held by HM Ultimate.

\* The percentage represents the number of ordinary Shares involved divided by the total number of issued Shares as at 31 March 2022.

## Long Position in the Shares of the Associated Corporations of the Company

Name of Director	Name of associated corporation	Nature of interests	Number of ordinary shares held	Percentage** of shareholding
Yu Chi Ming	HM Ultimate	Beneficial owner	702	70.2%
Chan Wai Lin	HM Ultimate	Beneficial owner	298	29.8%

\*\* The percentage represents the number of ordinary shares involved divided by the total number of issued shares of the associated corporation as at 31 March 2022.

Save as disclosed above, as at 31 March 2022, none of the Directors or the chief executive of the Company had any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations within the meaning of Part XV of the SFO as recorded in the register required to be kept under section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the required standard of dealings by Directors as referred to in Rule 5.46 of the GEM Listing Rules.

## SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY

So far as the Directors are aware, as at 31 March 2022, the following persons/entities other than a Director or chief executive of the Company had interests or short positions in the Shares or underlying Shares, as recorded in the register of the Company required to be kept under section 336 of the SFO:

### Long Position in the Shares of the Company

*As at 31 March 2022*

Name of shareholder	Nature of interests	Number of ordinary Shares interested	Approximate percentage*** of shareholding
HM Ultimate ( <i>Note 1</i> )	Beneficial owner	222,760,000	55.69%
Wong Mee Che Lilian	Interest of spouse ( <i>Note 2</i> )	222,760,000	55.69%
Tang Wai Kwan May	Interest of spouse ( <i>Note 3</i> )	222,760,000	55.69%
Tse Kam Wing Walter	Beneficial owner	72,285,000	18.07%
Wong Yuk Sim Kathy	Interest of spouse ( <i>Note 4</i> )	72,285,000	18.07%

*Note 1:* HM Ultimate is beneficially owned as to 70.2% by Mr. Yu and 29.8% by Mr. Chan. Mr. Yu, and Mr. Chan together control all the Shares held by HM Ultimate. This interest of HM Ultimate is also disclosed as the interest of Mr. Yu, and Mr. Chan in the above section headed “Directors’ and chief executive’s interests and short positions in the shares, underlying shares and debentures of the Company and its associated corporations”.

*Note 2:* Ms. Wong Mee Che Lilian is the spouse of Mr. Yu. Ms. Wong Mee Che Lilian is deemed to be interested in the same number of Shares in which Mr. Yu is interested by virtue of the SFO.

*Note 3:* Ms. Tang Wai Kwan May is the spouse of Mr. Chan. Ms. Tang Wai Kwan May is deemed to be interested in the same number of Shares in which Mr. Chan is interested by virtue of the SFO.

*Note 4:* Ms. Wong Yuk Sim Kathy is the spouse of Mr. Tse Kam Wing Walter. Ms. Wong Yuk Sim Kathy is deemed to be interested in the same number of Shares in which Mr. Tse Kam Wing Walter is interested by virtue of the SFO.

\*\*\* The percentage represents the number of ordinary Shares involved divided by the total number of issued Shares as at 31 March 2022.

Save as disclosed above, as at 31 March 2022, other than the Directors whose interests are set out in the above paragraph headed “Directors’ and chief executive’s interests and short positions in the shares, underlying shares and debentures of the Company and its associated corporations”, no person had any interest or short position in the Shares or underlying Shares recorded in the register required to be kept under section 336 of the SFO.

## SHARE OPTION SCHEME

The Company conditionally adopted a share option scheme (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 Board may, at its discretion, grant options to eligible participants to subscribe for Shares.

On 16 March 2018 (the “**Date of Grant**”), share options were granted to employees 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. No options had been granted or exercised during the three months ended 31 March 2022 and 50,000 of the options were lapsed during the three months ended 31 March 2022. As at 31 March 2022, a total of 925,000 share options were outstanding (25,000 share options for Group A and 900,000 share options for Group B).

## **PURCHASE, SALE OR REDEMPTION OF LISTED SHARES OF THE COMPANY**

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

## **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 three months ended 31 March 2022, the Company has complied with all the code provisions as set out in the CG Code.

## **DIRECTORS' AND CONTROLLING SHAREHOLDERS' INTEREST IN COMPETING BUSINESS**

None of the Directors, the management and controlling shareholders of the Company or any of their respective close associates (as defined in the GEM Listing Rules) has engaged in any business that competes or may compete, either directly or indirectly, with the businesses of the Group, or had any other conflict of interests with the Group during the three months ended 31 March 2022.

## **DIRECTORS' AND EMPLOYEES' 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 (the "**Required Standard of Dealings**") as its own code of conduct regarding Directors' dealings in the securities of the Company.

Specific enquiry has been made of all the Directors and the Directors have confirmed that they have complied with the Required Standard of Dealings during the three months ended 31 March 2022.

The Company has also established written guidelines (the "**Employees Written Guidelines**") on terms no less exacting than the Required Standard of Dealings for securities transactions by employees who are likely to possess inside information of the Company and/or its securities. During the three months ended 31 March 2022, no incident of non-compliance of the Employees Written Guidelines by the employees was noted by the Company.

## AUDIT COMMITTEE

The Company established the audit committee (the “**Audit Committee**”) on 15 December 2016 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 risk management, internal control and financial reporting matters, including review of the unaudited condensed consolidated financial statements of the Group for the three months ended 31 March 2022.

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

Hong Kong, 10 May 2022

*As at the date of this report, the executive Directors are Mr. Yu Chi Ming (Chairman), Mr. Chan Wai Lin and Ms. Chan Wai Chung Caroline; and the independent non-executive Directors are Mr. Choi Hon Ting Derek, Mr. Ng Jack Ho Wan and Mr. Wan Chi Wai Anthony.*