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## **HM International Holdings Limited**

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

**(Stock Code: 8416)**

### **2023 FIRST QUARTERLY RESULTS ANNOUNCEMENT**

The board of directors (the “**Board**”) of HM International Holdings Limited (the “**Company**”) is pleased to announce the unaudited consolidated results of the Company and its subsidiaries for the three months ended 31 March 2023. This announcement, containing the full text of the 2023 first quarterly report of the Company, complies with the relevant requirements of the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited in relation to information to accompany preliminary announcement of quarterly results. The printed version of the Company’s 2023 first quarterly report will be delivered to shareholders of the Company in due course and will be available for viewing on the GEM website and the Company’s website.

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

Hong Kong, 9 May 2023

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

*This announcement, for which the directors of 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 of Hong Kong Limited for the purpose of giving information with regard to the Company. The directors of the Company, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.*

*This announcement is published on the GEM website at “[www.hkgem.com](http://www.hkgem.com)” and will remain on its “Latest Listed Company Information” page for at least seven days from the date of publication. This announcement will also be published on the Company’s website at “[www.hetermedia.com](http://www.hetermedia.com)”.*

## CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

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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 2023, together with the comparative unaudited figures for the three months ended 31 March 2022. 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 2023*

	Notes	For the three months ended 31 March	
		2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)
Revenue	3	26,850	29,853
Cost of sales		(21,163)	(21,463)
Gross profit		5,687	8,390
Other income and gains		944	53
Selling expenses		(2,721)	(2,946)
Administrative expenses		(11,374)	(10,607)
Share profit of an associate		224	139
Share of loss of a joint venture		(181)	(34)
Finance costs		(207)	(186)
Loss before tax		(7,628)	(5,191)
Income tax expense	5	(20)	(53)
Loss for the period	6	(7,648)	(5,244)
Total comprehensive loss for the period		<u>(7,648)</u>	<u>(5,244)</u>
Loss for the period attributable to:			
Owners of the Company		(6,677)	(4,621)
Non-controlling interest		(971)	(623)
		<u>(7,648)</u>	<u>(5,244)</u>
Total comprehensive loss attributable to:			
Owners of the Company		(6,677)	(4,621)
Non-controlling interest		(971)	(623)
		<u>(7,648)</u>	<u>(5,244)</u>
Loss per share attributable to the owners of the Company during the period			
		HK cents	HK cents
Basic and diluted	8	<u>(1.67)</u>	<u>(1.16)</u>

# UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

*For the three months ended 31 March 2023*

	Attributable to owners of the Company								Total equity
	Share capital	Share premium	Special reserve	Share			Non-controlling interest		
				option reserve	Translation reserve	Retained earnings			
	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	HKS'000	
Balance at 1 January 2023 (audited)	4,000	36,009	138	211	30	50,997	91,385	(2,137)	89,248
(Loss) and total comprehensive (expense) for the period	-	-	-	-	-	(6,677)	(6,677)	(971)	(7,648)
Partial disposal of equity interest in a subsidiary	-	-	-	-	-	(154)	(154)	154	-
Lapse of share options	-	-	-	(211)	-	211	-	-	-
<b>Balance at 31 March 2023 (unaudited)</b>	<b><u>4,000</u></b>	<b><u>36,009</u></b>	<b><u>138</u></b>	<b><u>-</u></b>	<b><u>30</u></b>	<b><u>44,377</u></b>	<b><u>84,554</u></b>	<b><u>(2,954)</u></b>	<b><u>81,600</u></b>
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)
<b>Balance at 31 March 2022 (unaudited)</b>	<b><u>4,000</u></b>	<b><u>39,009</u></b>	<b><u>138</u></b>	<b><u>245</u></b>	<b><u>220</u></b>	<b><u>39,076</u></b>	<b><u>82,688</u></b>	<b><u>(2,686)</u></b>	<b><u>80,002</u></b>

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

*For the three months ended 31 March 2023*

## 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 2023 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 2022.

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 period

Amendments to HKFRS 3	Reference to the Conceptual Framework
Amendments to HKFRS 16	COVID-19-Related Rent Concessions beyond 30 June 2021
HKFRS 17	Insurance Contracts and the related Amendments
Amendments to HKAS 16	Property, Plant and Equipment – Proceeds before Intended Use
Amendments to HKAS 1 and HKFRS Practice Statements 2	Disclosure of Accounting Policies
Amendments to HKAS 8	Definition of Accounting Estimates
Amendments to HKAS 12	Deferred Tax related to Assets and Liabilities arising from a Single Transaction <sup>1</sup>
Amendments to HKAS 37	Onerous Contracts – Cost of Fulfilling a Contract
Amendments to HKFRSs	Annual Improvements to HKFRSs 2018-2020

### 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:

Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture <sup>1</sup>
Amendments to HKFRS 16	Lease Liability in a Sale and Leaseback <sup>2</sup>
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020) <sup>2</sup>
Amendments to HKAS 1	Non-current Liabilities with Covenants <sup>2</sup>

<sup>1</sup> Effective for annual periods beginning on or after a date to be determined.

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2024.

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>2023</b>	2022
	<b>HK\$'000</b>	HK\$'000
	<b>(Unaudited)</b>	(Unaudited)
Recognised over time		
– Provision of financial printing services	<b>19,376</b>	22,638
– Provision of marketing collateral printing services	<b>3,519</b>	4,266
– Provision of other services	<b>3,955</b>	2,949
	<b>26,850</b>	29,853

### 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>2023</b>	2022
	<b>HK\$'000</b>	HK\$'000
	<b>(Unaudited)</b>	(Unaudited)
Customer A	<b>N/A<sup>1</sup></b>	4,249

<sup>1</sup> The corresponding revenue did not contribute over 10% of the total revenue of the Group.

No individual customer of the Group contributed over 10% of the Group's revenue for the period ended 31 March 2023.

## 6. INCOME TAX EXPENSE

	For the three months ended	
	31 March	
	2023	2022
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
<b>Hong Kong Profits Tax</b>		
<b>Current tax</b>		
– Current period	20	60
<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)
Total income tax expense recognised in profit or loss	<u>20</u>	<u>53</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 2023 (three months ended 31 March 2022: 16.5%).

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

The PRC Enterprise 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.



## 7. 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>2023</b>	2022
	<b>HK\$'000</b>	HK\$'000
	<b>(Unaudited)</b>	(Unaudited)
Employee benefits expense (including directors' emoluments):		
Salaries, allowances and other benefits in kind	<b>16,642</b>	14,703
Contributions to retirement benefits schemes	<b>892</b>	793
Total employee benefits expense	<b>17,534</b>	15,496
Amortisation of intangible assets (included in cost of sales on the unaudited condensed consolidated statement of profit or loss and other comprehensive income)	<b>291</b>	267
Depreciation of property, plant and equipment	<b>392</b>	567
Depreciation of right-of-use assets	<b>2,436</b>	2,772
Rental expense from short term leases	<b>113</b>	229

## 8. DIVIDENDS

The Board did not recommend a payment of any dividend for the three months ended 31 March 2023 (three months ended 31 March 2022: nil).

## 9. 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>2023</b>	2022
	<b>(Unaudited)</b>	(Unaudited)
Loss attributable to owners of the Company ( <i>HK\$'000</i> )	<u><b>(6,677)</b></u>	<u>(4,621)</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>(1.67)</b></u>	<u>(1.16)</u>

For the three months ended 31 March 2023 and 2022, 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 2023 and 2022, 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 has been continuously engaged in providing integrated printing services for corporate clients, mainly for the financial and capital markets in Hong Kong. Compared to the same period last year, the Group's revenue decreased by approximately HK\$3.0 million, or about 10.1%. This decrease is primarily due to the reduction of the billing amounts for one recurring customer by approximately HK\$2.4 million. However, the Group still maintains a solid portfolio of recurring clients, demonstrating the maintenance of good client relationships as well as clients' recognition of the Group's high-quality service. The Group considers this recognition as one of the key factors leading to success in the market.

### **OUTLOOK**

Looking forward, we are still reasonably optimistic about sustaining the core business, even with all the economic uncertainties. We remain committed to our strategies and will continue to seek the best possible opportunities to grow our business by leveraging our current client base. The acquisition of 51% equity interest in into23 Limited, as detailed in the Company's announcement on 24 April 2023, represents an opportunity for the Group to align with its focus and future development strategies, which will broaden the Group's revenue sources and expand its customer bases, benefiting both the Group's business development and the interests of the Company and its shareholders as a whole. Moreover, we shall continue to explore potential opportunities to develop our core and related business and, if appropriate, explore selective acquisition and partnership to strengthen our revenue base and maximise both the return to the shareholders and the value of the Group.

## FINANCIAL REVIEW

### Revenue

	For the three months ended 31 March	
	2023 HK\$'000 (Unaudited)	2022 HK\$'000 (Unaudited)
Financial printing projects	19,376	22,638
Marketing collateral printing projects	3,519	4,266
Other projects	3,955	2,949
	<u>26,850</u>	<u>29,853</u>

The Group's revenue decreased by approximately HK\$3.0 million, or 10.1%, from approximately HK\$29.9 million for the three months ended 31 March 2022 to approximately HK\$26.9 million for the three months ended 31 March 2023. Such decrease was mainly due to the decrease in the revenue of financial printing projects and marketing collateral printing projects, which partly offset, the increase in the revenue of other projects by approximately 34.1%.

### Gross Profit and Gross Profit Margin

The Group's gross profit decreased by approximately HK\$2.7 million, or 32.2%, from approximately HK\$8.4 million for the three months ended 31 March 2022 to approximately HK\$5.7 million for the three months ended 31 March 2023. Our gross profit margins for the three months ended 31 March 2022 and the three months ended 31 March 2023 were approximately 28.1% and 21.2% respectively.

### Other Income and Gains

Other income and gains for the Group increased were mainly due to gross receipt of MPF funds, it represents offsetting the long service payment, and the motor vehicle sale gain in the current period.

## **Selling Expenses**

The Group's selling expenses decreased by approximately HK\$0.2 million, or 7.6%, from approximately HK\$2.9 million for the three months ended 31 March 2022 to approximately HK\$2.7 million for the three months ended 31 March 2023. The decrease was generally in line with decrease in the Group's revenue during the period.

## **Administrative Expenses**

The Group's administrative expenses increased by approximately HK\$0.8 million, or 7.2%, from approximately HK\$10.6 million for the three months ended 31 March 2022 to approximately HK\$11.4 million for the three months ended 31 March 2023. The increase was mainly due to the increase in staff costs.

## **Finance Costs**

Finance costs for the Group for the period was HK\$0.2 million, which was almost the same in the previous period.

## **Taxation**

Income tax expense decreased by approximately HK\$33,000 from approximately HK\$53,000 for the three months ended 31 March 2022 to approximately HK\$20,000 for the three months ended 31 March 2023. Such decrease was mainly attributable to the decrease in profit before tax.

## **Loss for the Period**

Loss for the Group increase by approximately HK\$2.4 million, or 45.8% from approximately HK\$5.2 million for the three months ended 31 March 2022 to approximately HK\$7.6 million for the three months ended 31 March 2023, which was mainly due to the decrease in revenue.

## **DIVIDENDS**

The Board did not recommend a payment of any dividend for the three months ended 31 March 2023 (three months ended 31 March 2022: 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 2023, 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 2023

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 2023.

## 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 2023.

Save as disclosed above, as at 31 March 2023, 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 2023, 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 2023*

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 2023.

Save as disclosed above, as at 31 March 2023, 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 2023. The grant for Groups A and B under the Scheme was expired on 15 March 2023.



## SHARE AWARD SCHEME

On 4 July 2022, the Board has resolved to adopt the share award scheme (“**Share Award Scheme**”) with the purposes and objectives to (i) recognise and reward the contributions of certain eligible participants (the “**Eligible Participants**”) to the growth and development of the Group and to give incentives to them in order to retain them for the continual operation and development of the Group; and (ii) to attract suitable personnel for the further development of the Group.

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

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

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

Upon adoption of the Share Award Scheme and up to 31 March 2023, the Trustee has not purchased any awarded shares nor has the Company issued any Awarded Shares for the Share Award Scheme, thus, no shares have been awarded to any Eligible Participants.

The Share Award Scheme constitutes a share scheme under the new Chapter 23 of the GEM Listing Rules (effective on 1 January 2023).

For details of the Share Award Scheme, please refer to the announcement of the Company dated 4 July 2022.

## **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 2023.

## **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 2023, 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 2023.

## **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 2023.

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 2023, 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, re-appointment 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 2023.

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

Hong Kong, 9 May 2023

*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.*