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hmVOD

hmvod Limited

hmvod 視頻有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8103)

**SUPPLEMENTAL ANNOUNCEMENT
TO THE ANNUAL REPORT FOR THE YEAR ENDED 31 MARCH 2024
AND
CHANGE IN USE OF PROCEEDS**

References are made to the announcements of hmvod Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) dated 28 September 2023, 29 September 2023, 18 October 2023, 19 October 2023, 24 October 2023, and 8 February 2024 regarding the placing of new shares under general mandate (the “**Announcements**”), and the annual report of the Company for the year ended 31 March 2024 published on 28 June 2024 (the “**Annual Report**”). Unless otherwise defined, capitalised terms used in this announcement shall have the same meanings as those defined in the Announcements, and the Annual Report.

PREVIOUS CHANGE IN USE OF PROCEEDS PURSUANT TO THE ANNOUNCEMENT

As disclosed in the Announcements, the net proceeds (the “**Net Proceeds**”) from the Placing (after deducting underwriting fees and estimated expenses payable by the Group in connection with the Placing) was approximately HK\$23,010,000. The Company intends to apply the net proceeds from the Placing for the following purposes:

- Approximately HK\$2 million is intended to be allocated to the purchase of contents for OTT services.
- Approximately HK\$7 million is intended to be allocated to the production of concerts.
- Approximately HK\$11 million is intended to be used for general working capital.
- Approximately HK\$3 million is intended to be used to paying staff costs and administrative expenses of the Group.

As of 31 March 2024, a total of approximately HK\$9.8 million of the net proceeds from the Placing had been utilised by the Group according to the allocation as set out in the Announcements and the remaining net proceeds from the Placing amount to approximately HK\$13.2 million (the “**Remaining Net Proceeds**”).

FURTHER CHANGE IN USE OF PROCEEDS

After careful consideration and detailed evaluation of the Group's operations and the business strategies, the Board has resolved to change the use of the Remaining Net Proceeds with an updated expected timeline of full utilisation as follows:

	Planned use of net proceeds as at 31 March 2024 <i>HK\$ million</i>	Utilised amount of the net proceeds as at 31 March 2024 <i>HK\$ million</i>	Unutilised amount of the net proceeds as at 31 March 2024 <i>HK\$ million</i>	Revised allocation of unutilised amount of the net proceeds <i>HK\$ million</i>	Updated expected timeline of full utilisation of the balance
Use of net proceeds from the Placing					
Purchase of contents for OTT services	2	2	–	1	End of 2024
Production of concerts	7	–	7	–	–
General working capital	11	7.2	3.8	10.8	End of 2024
Paying staff costs and administrative expenses of the Group	3	0.6	2.4	1.4	End of 2024
	<u>23</u>	<u>9.8</u>	<u>13.2</u>	<u>13.2</u>	

REASONS FOR AND BENEFITS OF THE CHANGE IN USE OF PROCEEDS

The continual impact of the COVID-19 Pandemic and the slowing economic growth have curtailed the progress of the Group's business scale expansion. After several times of communication and detailed assessment of the benefits, the Board believed that the cost of producing concerts is high, and the return benefits have dropped significantly due to intense competition. The Company should focus on repaying the loan first to reduce the interest expenses and wait for a better economic situation to expand the business. Therefore, regarding the Unutilised Net Proceeds in respect of the production of concerts of approximately HK\$7 million, the Board has resolved to change the allocation of the Unutilised Net Proceeds to be applied towards the general working capital instead, which is expected to be utilised on or before 31 December 2024.

Also, the Company will continue to purchase novel contents for OTT services in order to retain the old and attract more new customers, and the Board expects less staff costs and administrative expenses of the Group will be incurred. Therefore, regarding the Unutilised Net Proceeds in respect of the paying staff costs and administrative expenses of the Group of approximately HK\$2.4 million, the Board has resolved to change approximately HK\$1 million of the Unutilised Net Proceeds to be applied towards the purchase of contents for OTT services instead, which is expected to be utilised on or before 31 December 2024.

The Board believes that the reallocation of the Remaining Net Proceeds will provide higher level of flexibility for the Group to manage its asset and liability against the current unstable business environment and enable the Group to capture other business opportunities for the Group's revenue growth. The Board will continue to assess the impact of the COVID-19 pandemic and the economic trend of Hong Kong, and Macau on the operations of the Group.

The Remaining Net Proceeds is currently placed as interest-bearing deposits in banks in Hong Kong.

The Board considers that the change of use of the Remaining Net Proceeds will allow the Company to deploy its financial resources more effectively and is in the interests of the Company and its shareholders as a whole and will not have any material adverse effect on the existing business and operations of the Group.

Save as disclosed in this announcement, the Board does not anticipate any other change to the plan as to the use of the Remaining Net Proceeds.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company. The Company will make further announcement if and when there is any material development on the matter or otherwise as required by the GEM Listing Rules.

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

Hong Kong, 12 November 2024

As at the date of this announcement, 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 announcement, for which the Directors 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, 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 will remain on the Stock Exchange's website at 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.