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

**DISCLOSEABLE TRANSACTION
IN RELATION TO THE LEASE AGREEMENT**

The Board is pleased to announce that on 25 March 2019, the Lessee (a wholly-owned subsidiary of the Company) and the Lessor entered into the Lease Agreement in respect of the lease renewal of the Premises commencing from 1 August 2019 to 31 July 2022.

In accordance with HKFRS 16 “Leases”, the Company will recognise a right-of-use asset in its financial statements if it enters into a lease transaction as lessee, such transaction will be regarded as acquisition of capital asset for the purpose of the GEM Listing Rules.

As one or more applicable percentage ratios (as defined under the GEM Listing Rules) in respect of transaction contemplated under the Lease Agreement based on the value of the right-of-use asset recognised by the Group exceed 5% but are below 25%, the transaction contemplated thereunder constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements under Chapter 19 of the GEM Listing Rules.

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RENEWAL OF LEASE AGREEMENT

The table below sets forth a summary of the principal terms of the Lease Agreement:

Date	25 March 2019
Parties	(a) the Lessor, as lessor; and

(b) the Lessee (a wholly-owned subsidiary of the Company), as lessee.

To the best knowledge, information and belief of the Directors having made all reasonable enquiries, the Lessor and its ultimate beneficial owners are Independent Third Parties.

Premises	The whole of 9 th Floor of the Commercial Development of Infinitus Plaza, No. 199 Des Voeux Road Central, Hong Kong.
Use of the Premises	For the purpose of office only.
Term	Three years commencing from 1 August 2019 and expiring on 31 July 2022 (both days inclusive).
Rental payment	The monthly rent payable by the Lessee to the Lessor under the Lease Agreement shall be HK\$826,980.50, exclusive of rates, management fee, air-conditioning charge and other outgoings.
Deposit	The deposit payable by the Lessee is HK\$2,806,272, which has already been paid.

The rent under the Lease Agreement was determined after arm's length negotiations between the Lessor and the Lessee, after taking into consideration the prevailing market price for comparable premises in the vicinity of the Premises.

CONSIDERATION AND RIGHT-OF-USE ASSET RECORDED FOLLOWING THE SIGNING OF THIS LEASE AGREEMENT

Pursuant to the HKFRS 16 "Leases", the total consideration under the Lease Agreement represents the aggregate amount of rental payments to be made over the Term of the Lease Agreement measured at present value basis, which amounts to approximately HK\$24.2 million as of the date of the Lease Agreement. The amount of rental payments over the Term will be settled out of the internal financial resources of the Group.

REASONS FOR AND BENEFITS OF RENEWING THE LEASE AGREEMENT

The Group has been leasing the Premises as its headquarters and principal place of business since 2016 pursuant to the previous lease agreement which was due to expire on 31 July 2019. In evaluating the options of renewal of the existing tenancy or leasing a new office, the Directors consider that the Premises are located in the commercial zone in Central, Hong Kong, which is easily accessible by various transportation and will facilitate the future expansion and growth of the businesses of the Group.

The terms of the Lease Agreement, including the rental payments, were determined after arm's length negotiations between the Lessor and the Lessee upon normal commercial terms taking into consideration the prevailing market price for comparable premises in the vicinity of the Premises. The Lease Agreement is necessary for continuing the operation of business of the Group for use as office premises and is in the ordinary and usual course of business of the Group. Having taken into account the above reasons and benefits, the Board therefore considers that the terms of the Lease Agreement are on normal commercial terms, fair and reasonable and the transaction contemplated thereunder is in the interests of the Company and its shareholders as a whole.

INFORMATION OF THE PARTIES

The Group is principally engaged in the financial printing services, marketing collateral printing projects, as well as value-added new media services and provides integrated printing services for various corporate clients in the financial and capital market in Hong Kong. The Lessee is a wholly-owned subsidiary of the Company and its principal business is the provision of financial printing services in Hong Kong.

To the best knowledge, information and belief of the Directors having made all reasonable enquiries, the Lessor is a company limited by shares incorporated under the laws of Hong Kong and is principally engaged in investment holding. The Lessor and its ultimate beneficial owners are Independent Third Parties.

THE GEM LISTING RULES IMPLICATIONS

In accordance with HKFRS 16 "Leases", the Company will recognise a right-of-use asset in its financial statements if it enters into a lease transaction as lessee, such transaction will be regarded as acquisition of capital asset for the purpose of the GEM Listing Rules.

As one or more applicable percentage ratios (as defined under the GEM Listing Rules) in respect of the transaction contemplated under the Lease Agreement based on the value of the right-of-use asset recognised by the Group exceed 5% but are below 25%, the transaction contemplated thereunder constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements under Chapter 19 of the GEM Listing Rules.

The Board understood that the management of the Company believed that the renewal of the existing tenancy was part of the Group's ordinary and usual course of business, and did not aware that under the new requirement under HKFRS 16, the transaction contemplated under the Lease Agreement could potentially constitute a notifiable transaction under Chapter 19 of the GEM Listing Rules. Having seek advice from the Group's advisers and after making all reasonable enquiries, the Company understood that the transaction contemplated under the Lease Agreement constituted a discloseable transaction of the Company.

DEFINITIONS

The following terms shall have the following meanings ascribed to them respectively in this announcement unless the context otherwise requires:

“Board”	the board of Directors from time to time
“Company”	HM International Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the issued shares of which are listed on GEM of the Stock Exchange (Stock Code: 8416)
“connected person(s)”	has the meaning ascribed to it under the GEM Listing Rules
“Director(s)”	the director(s) of the Company from time to time
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM of the Stock Exchange
“Group”	the Company and its subsidiaries
“HKFRS”	Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	person(s) or company(ies) who is(are) independent of and not connected (within the meaning of the GEM Listing Rules) with the Company and its connected persons
“Lease Agreement”	the lease agreement entered into between the Lessee and the Lessor on 25 March 2019 in relation to the lease renewal of the Premises
“Lessee”	HeterMedia Services Limited (軒達資訊服務有限公司), a wholly-owned subsidiary of the Company
“Lessor”	Foxhill Investments Limited (惠晉投資有限公司), an Independent Third Party
“Premises”	the whole of 9 th Floor of the Commercial Development of Infinitus Plaza, No. 199 Des Voeux Road Central, Hong Kong

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Term”	the fixed terms of three (3) years commencing on 1 August 2019 and expiring on 31 July 2022 under the Lease Agreement
“%”	per cent.

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

Hong Kong, 17 December 2019

As at the date of this announcement, the executive Directors are Mr. Yu Chi Ming, Mr. Tse Kam Wing Walter and Mr. Chan Wai Lin; and the independent non-executive Directors 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, 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 and will remain on its “Latest Company Announcements” 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.