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HM International Holdings Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8416)

MEMORANDUM OF UNDERSTANDING IN RELATION TO A PROPOSED ACQUISITION

The Board is pleased to announce that after the trading hours of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) on 6 July 2020, the Purchaser, as the intended purchaser, entered into the MOU with the Vendor, as the intended vendor, pursuant to which the Purchaser intends to acquire, and the Vendor intends to dispose of, the Sale Shares.

The Proposed Acquisition is subject to, among other things, the signing of legally binding agreement(s), the terms and conditions of which are yet to be agreed. Shareholders of the Company and potential investors should note that the Proposed Acquisition may or may not proceed and are advised to exercise caution when dealing in the shares and other securities of the Company.

MEMORANDUM OF UNDERSTANDING

The board (the “**Board**”) of directors (the “**Directors**”) of HM International Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) is pleased to announce that after the trading hours of the Stock Exchange on 6 July 2020, HM Investment Limited, an indirectly wholly-owned subsidiary of the Company (the “**Purchaser**”), as the intended purchaser, entered into a memorandum of understanding (the “**MOU**”) with Mr. Chan Wing Kin (the “**Vendor**”), as the intended vendor, in relation to the proposed sale and purchase of 3,500 shares (the “**Sale Shares**”) of I. Link Group Limited (the “**Target Company**”), representing 70% equity interest in the Target Company, for a proposed consideration of HK\$5,000,000 (the “**Proposed Acquisition**”). To the best knowledge and belief of the Directors having made all reasonable enquiries, the Vendor is independent of and not connected with the Company and its connected persons (as defined under the Rule Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (the “**GEM Listing Rules**”).

PROPOSED ACQUISITION

The Proposed Acquisition is subject to, inter alia, the satisfactory results of the due diligence conducted by the Purchaser on the Target Company and the signing of a formal sale and purchase agreement (the “**Formal Agreement**”) on or before 31 July 2020, or such longer period as extended by mutual agreement between the Purchaser and the Vendor (the “**Exclusivity Period**”). It is a condition of the MOU that the Vendor shall not negotiate or finalise any transaction with any third parties during the Exclusivity Period, which may adversely affect or obstruct the carrying out of the intention recorded under the MOU. Save and except for the clauses regarding the refund of Earnest Money (as defined below), the due diligence, the exclusivity, the confidentiality, the indemnities, the cost and the jurisdiction which are legally binding, all other provisions of the MOU are non-legally binding.

Pursuant to the MOU, the Purchaser has paid a refundable earnest money of HK\$500,000 (the “**Earnest Money**”) to the Vendor upon the signing of the MOU. If the Purchaser and the Vendor do not proceed to the signing of the Formal Agreement within the Exclusivity Period or if the Proposed Acquisition does not proceed to completion for whatever reason, the Vendor shall forthwith fully refund the Earnest Money to the Purchaser.

It is proposed in the MOU that the Vendor shall provide certain guarantee on the profits of the Target Company after completion of the Proposed Acquisition. Detailed terms of such profit guarantee will be subject to the parties’ further negotiation and be provided in the Formal Agreement.

REASONS FOR AND BENEFITS OF THE PROPOSED ACQUISITION

The Group is principally engaged in the provision of integrated printing services for corporate clients mainly in the financial and capital market in Hong Kong. It offers a wide spectrum of services from financial printing services for corporations which are listed on the Stock Exchange and potential listing applicants, to marketing collateral printing services for fund houses and insurance companies.

The Target Company is a limited liability company incorporated in Hong Kong and is mainly engaged in financial printing and provision of design solutions services. The Directors believe that the Proposed Acquisition, if materialises, would further strengthen and complement the Group’s core business of financial printing and enable the Group to further explore favourable business and development opportunities. In view of the above, the Directors consider that the MOU and the Proposed Acquisition contemplated thereunder are in the interests of the Company and the shareholders of the Company as a whole.

GENERAL

The Board wishes to emphasise that the MOU merely sets out the intention of the parties thereto and no binding agreement in relation to the Proposed Acquisition has been entered into as at the date of this announcement.

If the MOU proceeds to the signing of the Formal Agreement, it is currently expected that the Proposed Acquisition may constitute a discloseable transaction of the Company under Chapter 19 of the GEM Listing Rules. The Company will issue further announcement(s) in relation to the Proposed Acquisition as and when appropriate.

The Board wishes to emphasise that the Proposed Acquisition is subject to, among other things, the signing of legally binding agreement(s), the terms and conditions of which are yet to be agreed. Shareholders of the Company and potential investors should note that the Proposed Acquisition may or may not proceed and are advised to exercise caution when dealing in the shares and other securities of the Company.

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

Hong Kong, 6 July 2020

As at the date of this announcement, the Board comprises Mr. Yu Chi Ming, Mr. Tse Kam Wing Walter and Mr. Chan Wai Lin as executive Directors; and Mr. Choi Hon Ting Derek, Mr. Ng Jack Ho Wan and Mr. Wan Chi Wai Anthony as independent non-executive Directors.

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules 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.