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

**MAJOR TRANSACTION  
IN RELATION TO RENEWAL OF TENANCY AGREEMENT**

**THE NEW TENANCY AGREEMENT AND THE LICENCE AGREEMENT**

The Board announces that the New Tenancy Agreement dated 11 July 2022 was entered into between HSL (a wholly-owned subsidiary of the Company) as tenant, and FIL (an Independent Third Party) as landlord, for renewal of the tenancy agreement in respect of the Premises for a term of two years commencing from 1 August 2022 and expiring on 31 July 2024 (both days inclusive).

Alongside the New Tenancy Agreement, HSL as licensee and FIL as licensor entered into the Licence Agreement on 11 July 2022, pursuant to which FIL grants to HSL a free licence to use the Storeroom for office and/or storage of goods in relation to HSL's business. The Licence Agreement has the same term as the New Tenancy Agreement subject to FIL's right to early terminate the licence by giving one month's prior notice in writing to HSL.

**GEM LISTING RULES IMPLICATIONS**

Pursuant to HKFRS 16 *Leases*, the Company if entering into lease transaction as lessee will recognise a right-of-use asset in its consolidated financial statements. Such transaction will be regarded as acquisition of capital asset for the purpose of the GEM Listing Rules.

As one or more of the applicable percentage ratios (as defined in the GEM Listing Rules) in respect of the New Tenancy Agreement and the Licence Agreement based on the value of the right-of-use asset recognised by the Group is more than 25% but below 100%, the New Tenancy Agreement and the Licence Agreement constitute a major transaction of the Company, and is therefore subject to the reporting, announcement and Shareholders' approval requirements pursuant to Chapter 19 of the GEM Listing Rules.

Under Rule 19.44 of the GEM Listing Rules, Shareholders' approval for a major transaction may be obtained by way of written Shareholders' approval in lieu of holding a general meeting if (a) no Shareholder is required to abstain from voting if the Company were to convene a general meeting for the approval of the transaction; and (b) the written Shareholders' approval has been obtained from a Shareholder or a closely allied group of Shareholders who together hold more than 50% of the voting rights at that general meeting to approve the transaction.

The Directors confirm that, to the best of their knowledge, information and belief after having made all reasonable enquiries, FIL is an Independent Third Party and therefore no Shareholder is required to abstain from voting if the Company were to convene a general meeting for the approval of the New Tenancy Agreement and the Licence Agreement. HM Ultimate, being a Controlling Shareholder of the Company, is beneficially interested in 222,760,000 Shares, representing 55.69% of the total number of issued Shares of the Company as at the date of this announcement, has given written approval to the Company to approve the New Tenancy Agreement and the Licence Agreement in lieu of a general meeting pursuant to Rule 19.44 of the GEM Listing Rules. Therefore, no general meeting of the Company for the approval of the New Tenancy Agreement and the Licence Agreement will be held. HM Ultimate has also confirmed that neither it nor any of its associates have any material interest in the New Tenancy Agreement and the Licence Agreement.

A circular containing, among other things, details of the New Tenancy Agreement and the Licence Agreement will be despatched to the Shareholders in accordance with the GEM Listing Rules in due course. The Company currently expects to despatch the circular on or before 1 August 2022.

## **BACKGROUND**

The Board announces that the New Tenancy Agreement dated 11 July 2022 was entered into between HSL (a wholly-owned subsidiary of the Company) as tenant, and FIL (an Independent Third Party) as landlord, for renewal of the tenancy agreement in respect of the Premises for a term of two years commencing from 1 August 2022 and expiring on 31 July 2024 (both days inclusive).

Alongside the New Tenancy Agreement, HSL as licensee and FIL as licensor entered into the Licence Agreement on 11 July 2022, pursuant to which FIL grants to HSL a free licence to use the Storeroom for office and/or storage of goods in relation to HSL's business.

## **THE NEW TENANCY AGREEMENT**

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

<b>Date</b>	11 July 2022
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<b>Parties</b>	(1) Foxhill Investments Limited as landlord; and  (2) HeterMedia Services Limited as tenant
<b>Premises</b>	The whole of 9th Floor of the Commercial Development of Infinitus Plaza, No. 199 Des Voeux Road Central, Hong Kong
<b>Use of the Premises</b>	For the purpose of office only
<b>Term</b>	Two years commencing from 1 August 2022 and expiring on 31 July 2024 (both days inclusive)
<b>Monthly rental</b>	HK\$589,000.50 (exclusive of rates, management fee and air-conditioning charge and other outgoings)
<b>Monthly management fee and air-conditioning charge</b>	HK\$88,052.60 (subject to review)
<b>Total aggregate value of consideration payment</b>	Approximately HK\$16.25 million in aggregate (exclusive of government rates) during the term from 1 August 2022 to 31 July 2024
<b>Deposit</b>	HK\$2,123,709.30 (equivalent to the aggregate of three months' rent, management fee and air-conditioning charge as well as one quarter's rates currently payable in respect of the Premises)

## **THE LICENCE AGREEMENT**

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

<b>Date</b>	11 July 2022
<b>Parties</b>	(1) Foxhill Investments Limited as licensor; and  (2) HeterMedia Services Limited as licensee
<b>Licensed premises</b>	The storeroom on 9th Floor, Infinitus Plaza, 199 Des Voeux Road Central, Hong Kong
<b>Use of the licensed premises</b>	For the purpose of office and/or storage of goods in relation to HSL's business only

<b>Licence Term</b>	From 1 August 2022 and coterminous with the term of the New Tenancy Agreement, subject to the rights of FIL to terminate the licence by giving one month's prior notice in writing to HSL
<b>Licence fee</b>	Nil (but HSL is liable to pay all outgoings such as government rates in respect of the licensed premises)

## **THE RIGHT-OF-USE ASSET**

The value of the right-of-use asset recognised by the Company under the New Tenancy Agreement and the Licence Agreement amounted to approximately HK\$13.3 million, which is calculated with reference to the present value of the aggregated lease payments to be made under the New Tenancy Agreement and the Licence Agreement in accordance with HKFRS 16 *Leases*.

## **REASONS FOR AND BENEFITS OF ENTERING INTO THE NEW TENANCY AGREEMENT**

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 markets in Hong Kong. The Premises has been used as the Group's headquarters and principal place of business since 2016. The term of the existing tenancy agreement of the Premises will expire on 31 July 2022.

The Directors are of the view that the entering into of the New Tenancy Agreement (i) is necessary for continuing the operation and business of the Group without interruption; and (ii) would save the removal and renovation expenses and time costs that would have incurred by the Group for relocation and looking for replacement premises to lease, and is therefore beneficial to the Group.

The terms of the New Tenancy Agreement (including the rental payment) and the Licence Agreement were determined after arm's length negotiations between the parties and with reference to the previous rental payment made by the Group and the open market rent of comparable properties in the vicinity of the Premises.

The Directors, including the independent non-executive Directors, considered that the transactions contemplated under the New Tenancy Agreement and the Licence Agreement were entered into in the ordinary and usual course of business of the Group, and the New Tenancy Agreement and the Licence Agreement were entered into on normal commercial terms after arm's length negotiations between the parties, and the terms of the transactions contemplated under the New Tenancy Agreement and the Licence Agreement were fair and reasonable and in the interests of the Company and the Shareholders as a whole.

## **INFORMATION OF THE PARTIES**

### **HSL**

HSL is a company incorporated in Hong Kong with limited liability on 13 March 2000 and is a wholly-owned subsidiary of the Company. HSL is principally engaged in the business of providing financial printing services in Hong Kong.

### **FIL**

To the best knowledge, information and belief of the Directors having made all reasonable enquiries, FIL is a company incorporated in Hong Kong with limited liability on 25 March 2003 and is principally engaged in investment holding business. FIL and its ultimate beneficial owners are Independent Third Parties.

## **THE GEM LISTING RULES IMPLICATIONS**

Pursuant to HKFRS 16 *Leases*, the Company if entering into lease transaction as lessee will recognise a right-of-use asset in its consolidated financial statements. Such transaction will be regarded as acquisition of capital asset for the purpose of the GEM Listing Rules.

As one or more of the applicable percentage ratios (as defined in the GEM Listing Rules) in respect of the New Tenancy Agreement and the Licence Agreement based on the value of the right-of-use asset recognised by the Group is more than 25% but below 100%, the New Tenancy Agreement and the Licence Agreement constitute a major transaction of the Company, and is therefore subject to the reporting, announcement and Shareholders' approval requirements pursuant to Chapter 19 of the GEM Listing Rules.

Under Rule 19.44 of the GEM Listing Rules, Shareholders' approval for a major transaction may be obtained by way of written Shareholders' approval in lieu of holding a general meeting if (a) no Shareholder is required to abstain from voting if the Company were to convene a general meeting for the approval of the transaction; and (b) the written Shareholders' approval has been obtained from a Shareholder or a closely allied group of Shareholders who together hold more than 50% of the voting rights at that general meeting to approve the transaction.

The Directors confirm that, to the best of their knowledge, information and belief after having made all reasonable enquiries, FIL is an Independent Third Party and no Shareholder has any material interest in the transaction, and therefore no Shareholder is required to abstain from voting if the Company were to convene a general meeting for the approval of the New Tenancy Agreement and the Licence Agreement. HM Ultimate, being a Controlling Shareholder of the Company, is beneficially interested in 222,760,000 Shares, representing 55.69% of the total number of issued Shares of the Company as at the date of this announcement, has given written approval to the Company to approve the New Tenancy Agreement and the Licence Agreement in lieu of a general meeting pursuant to Rule 19.44 of the GEM Listing Rules. Therefore, no general meeting of the Company for the

approval of the New Tenancy Agreement and the Licence Agreement will be held. HM Ultimate has also confirmed that neither it nor any of its associates have any material interest in the New Tenancy Agreement or the Licence Agreement.

A circular containing, among other things, details of the New Tenancy Agreement and the Licence Agreement will be despatched to the Shareholders in accordance with the GEM Listing Rules. The Company currently expects to despatch the circular on or before 1 August 2022.

## **DEFINITIONS**

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

“associate”	has the meaning ascribed to it under the GEM Listing Rules
“Board”	the board of Directors of the Company
“Company”	HM International Holdings Limited, a limited company incorporated in the Cayman Islands whose shares are listed on GEM
“connected person”	has the meaning ascribed to it under the GEM Listing Rules
“Controlling Shareholder(s)”	has the meaning ascribed to it under the GEM Listing Rules
“Director(s)”	director(s) of the Company
“FIL”	Foxhill Investments Limited, a company incorporated in Hong Kong with limited liability on 25 March 2003, the landlord of the Premises and the licensor of the Storeroom
“HM Ultimate”	HM Ultimate Holdings Limited, a company incorporated with limited liability in the British Virgin Islands on 13 November 2015 and being a Controlling Shareholder of the Company
“HSL”	HeterMedia Services Limited, a company incorporated in Hong Kong with limited liability on 13 March 2000 and is a wholly-owned subsidiary of the Company
“GEM”	GEM of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM, as amended, modified, and supplemented from time to time

“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“HKFRS(s)”	Hong Kong Financial Reporting Standard(s) issued by the Hong Kong Institute of Certified Public Accountants
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	any person(s) or company(ies) and their respective ultimate beneficial owner(s), to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, is/are not connected persons of the Company and is/are third party(ies) independent of the Company and its connected person(s) in accordance with the GEM Listing Rules
“Licence Agreement”	the licence agreement dated 11 July 2022 and entered into between HSL and FIL in respect of the Storeroom
“New Tenancy Agreement”	the new tenancy agreement dated 11 July 2022 and entered into between HSL and FIL for the renewal of the tenancy agreement in respect of the Premises
“Premises”	the whole of 9th Floor of the Commercial Development of Infinitus Plaza, No. 199 Des Voeux Road Central, Hong Kong as more particularly identified and shown on the plan attached to the New Tenancy Agreement
“Share(s)”	ordinary share(s) with a nominal value of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Storeroom”	the storeroom on 9th Floor of Infinitus Plaza, 199 Des Voeux Road Central, Hong Kong as more particularly identified and shown on the plan attached to the Licence Agreement

“%”

per cent

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

Hong Kong, 11 July 2022

*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, 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 “Latest Listed Company Information” page of the Stock Exchange’s website at [www.hkexnews.hk](http://www.hkexnews.hk) for at least seven days from the date of its publication and on the Company’s website at [www.hetermedia.com](http://www.hetermedia.com).*