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If you are in any doubt as to any aspect of this circular or as to the action you should take, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in HM International Holdings Limited, you should at once hand this circular to the purchaser or the transferee, or to the bank, stockbroker or other agent through whom the sale was effected for transmission to the purchaser or transferee.

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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**

All capitalised terms used in this circular have the meaning set out in the section headed “Definitions” of this circular. A letter from the Board is set out on pages 3 to 7 of this circular.

Pursuant to Rule 19.44 of the GEM Listing Rules, in lieu of a resolution to be passed at a general meeting of the Company, written Shareholder’s approval for the New Tenancy Agreement and the Licence Agreement had been obtained from HM Ultimate, being a Controlling Shareholder holding 55.69% of the total number of the issued Shares as at the Latest Practicable Date. No general meeting will be convened for approving the New Tenancy Agreement and the Licence Agreement and this circular is for information only.

29 July 2022

CHARACTERISTICS OF GEM

GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.

Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the main board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

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DEFINITIONS

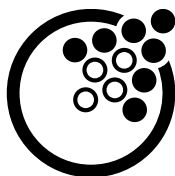
In this circular, unless the context otherwise requires, the following expressions have the following meanings:

“Announcement”	the announcement of the Company dated 11 July 2022 in relation to the New Tenancy Agreement and the Licence Agreement
“associates”	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 company incorporated in the Cayman Islands whose Shares are listed on GEM
“connected person(s)”	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)”	the director(s) of the Company
“FIL”	Foxhill Investments Limited, a company incorporated in Hong Kong with limited liability on 25 March 2003 and the landlord of the Premises and the licensor of the Storeroom
“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
“HM Ultimate”	HM Ultimate Holdings Limited, a company incorporated with limited liability in the British Virgin Islands on 13 November 2015 and a Controlling Shareholder of the Company
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“HSL”	HeterMedia Services Limited, a company incorporated in Hong Kong with limited liability on 13 March 2000 and a wholly-owned subsidiary of the Company

DEFINITIONS

“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
“Latest Practicable Date”	28 July 2022, being the latest practicable date prior to the printing of this circular for the purpose of ascertaining certain information contained in this circular
“Licence Agreement”	the licence agreement dated 11 July 2022 and entered into between HSL and FIL in respect of the non-exclusive right to use 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
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws in Hong Kong)
“Share(s)”	the ordinary share(s) of par value of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	the 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

LETTER FROM THE BOARD



HM International Holdings Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8416)

Executive Directors:

Mr. Yu Chi Ming

Mr. Chan Wai Lin

Ms. Chan Wai Chung Caroline

Independent non-executive Directors:

Mr. Choi Hon Ting Derek

Mr. Ng Jack Ho Wan

Mr. Wan Chi Wai Anthony

Registered office:

Windward 3

Regatta Office Park

PO Box 1350

Grand Cayman KY1-1108

Cayman Islands

*Headquarters and principal place
of business in Hong Kong:*

9/F., Infinitus Plaza

199 Des Voeux Road Central

Hong Kong

29 July 2022

To the Shareholders

Dear Sir/Madam,

MAJOR TRANSACTION IN RELATION TO RENEWAL OF TENANCY AGREEMENT

INTRODUCTION

Reference is made to the Announcement in relation to the New Tenancy Agreement and the Licence Agreement.

The purpose of this circular is to provide you, among other things, further information in relation to the New Tenancy Agreement and the Licence Agreement.

THE NEW TENANCY AGREEMENT

The Board announces that the Group has renewed the tenancy agreement of the Premises and 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).

LETTER FROM THE BOARD

The terms of the New Tenancy Agreement are as follows:

Date	11 July 2022
Parties	(1) Foxhill Investments Limited as landlord; and (2) HeterMedia Services Limited as tenant
Premises	The whole of 9th 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	Two years commencing from 1 August 2022 and expiring on 31 July 2024 (both days inclusive)
Monthly rental	HK\$589,000.50 (exclusive of rates, management fee and air-conditioning charge and other outgoings)
Monthly management fee and air-conditioning charge	HK\$88,052.60 (subject to review by the landlord)
Total aggregate value of consideration payment	Approximately HK\$16.25 million in aggregate (exclusive of government rates) during the term from 1 August 2022 to 31 July 2024
Deposit	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

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 Storeroom has previously been used by the Group for the same purpose(s) pursuant to a licence granted by FIL to HSL in August 2019.

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

Date	11 July 2022
Parties	(1) Foxhill Investments Limited as licensor; and (2) HeterMedia Services Limited as licensee
Licensed premises	The storeroom on 9th Floor, Infinitus Plaza, 199 Des Voeux Road Central, Hong Kong

LETTER FROM THE BOARD

Use of the licensed premises	For the purpose of office and/or storage of goods in relation to HSL's business only
Licence Term	From 1 August 2022 and coterminous with the term of the New Tenancy Agreement, subject to the right of FIL to terminate the licence by giving one month's prior notice in writing to HSL
Licence fee	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 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 which amounted to approximately HK\$0.8 million per month for the three years from 1 August 2019 to 31 July 2022 (the "**Previous Rent**") and the open market rent of comparable properties in the vicinity of the Premises. The Group has approached a real estate agent for its assistance in identifying a number of commercial properties available in the leasing market, which are in the vicinity of the Premises and are suitable to replace the Premises to be the headquarters of the Group (the "**Comparable Properties**"). The details of the Comparable Properties including their floor area, rent and operating charges were also provided by the agent for the Group's negotiation with FIL. Accordingly, the monthly rental under the New Tenancy Agreement was determined with reference to, among others, (i) the previous rental payment made by the Group with a discount offered by FIL due to the COVID-19 pandemic and the global economic recession; and (ii) the FIL's concession in rental payment in view of the average rental costs of the Comparable Properties, which is approximately 30% lower than the Previous Rent.

Having considered (i) the significant reduction in rental costs of the Premises; (ii) the importance of continuing the operation and business of the Group without interruption; (iii) the removal and renovation expenses and time costs that would have incurred by the Group for relocation and refurbishment, the Directors are of the view that the entering into of the New Tenancy Agreement is beneficial to the Group.

LETTER FROM THE BOARD

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 thereunder 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

FIL is a company incorporated in Hong Kong with limited liability on 25 March 2003 and is principally engaged in investment holding business. To the best knowledge, information and belief of the Directors having made all reasonable enquiries and based on public information available, FIL is ultimately and beneficially owned by the Lee Kum Kee Group, which is a private group engaging in the manufacture and supply of various sauces worldwide, and FIL and the Lee Kum Kee Group are Independent Third Parties.

EFFECTS OF THE NEW TENANCY AGREEMENT AND THE LICENCE AGREEMENT ON THE CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND CONSOLIDATION STATEMENT OF FINANCIAL POSITION OF THE GROUP

In accordance with HKFRS 16 *Leases*, the value of the right-of-use asset recognised by the Group 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. The Group will depreciate the right-of-use assets over the estimated useful life of 24 months on a straight line-basis and a monthly depreciation amounting to approximately HK\$0.6 million will be charged to the consolidated statement of profit or loss. Lease liabilities amounting to approximately HK\$13.3 million is recognised by the Group in the consolidated statement of financial position and will decrease upon the settlement of lease payments to the landlord accordingly. There would be no change in net assets on the consolidated statement of financial position of the Group immediately after the entering into the New Tenancy Agreement and the Licence Agreement.

GEM LISTING RULES IMPLICATION

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 an acquisition of capital asset for the purpose of the GEM Listing Rules.

LETTER FROM THE BOARD

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 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 the Announcement and the Latest Practicable Date, 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.

RECOMMENDATION

The Board (including the independent non-executive Directors) considers that the entering into of the New Tenancy Agreement and the Licence Agreement, the terms of the New Tenancy Agreement and the Licence Agreement and the transactions contemplated thereunder are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Although a general meeting will not be convened by the Company to approve the New Tenancy Agreement and the Licence Agreement, if such a general meeting were to be convened by the Company, the Board would recommend the Shareholders to vote in favour of the resolutions to approve the New Tenancy Agreement and the Licence Agreement.

GENERAL

Your attention is also drawn to the additional information set out in the appendices to this circular.

Yours faithfully
For and on behalf of the Board
HM International Holdings Limited
Yu Chi Ming
Chairman and Executive Director

1. CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP

The audited consolidated financial statements of the Group for the last three financial years are disclosed in the following documents which have been published on the websites of the Stock Exchange at www.hkexnews.hk and the Company at www.hetermedia.com:

- (a) the audited consolidated financial statements of the Group for the year ended 31 December 2021 are set out in pages 52 to 145 of the 2021 annual report of the Company which was published on 29 March 2022;

<https://www1.hkexnews.hk/listedco/listconews/gem/2022/0329/2022032900730.pdf>

- (b) the audited consolidated financial statements of the Group for the year ended 31 December 2020 are set out in pages 53 to 141 of the 2020 annual report of the Company which was published on 29 March 2021; and

<https://www1.hkexnews.hk/listedco/listconews/gem/2021/0329/2021032900620.pdf>

- (c) the audited consolidated financial statements of the Group for the year ended 31 December 2019 are set out in pages 51 to 119 of the 2019 annual report of the Company which was published on 30 March 2020.

<https://www1.hkexnews.hk/listedco/listconews/gem/2020/0330/2020033000714.pdf>

2. STATEMENT OF INDEBTEDNESS

(a) Borrowings

As at 31 May 2022, being the latest practicable date for the purpose of this indebtedness statement, the Group had unsecured and guaranteed bank borrowings of approximately HK\$0.3 million.

(b) Lease liabilities

As at 31 May 2022, the Group had lease liabilities of approximately HK\$3.1 million.

(c) Contingent liabilities

As at 31 May 2022, the Group did not have any contingent liabilities.

Save as aforesaid or as otherwise disclosed herein, and apart from intra-group liabilities and normal trade payables in the normal course of business, the Group did not, at the close of business on 31 May 2022, have any loan capital issued and outstanding or agreed to be issued, bank overdrafts, loans or other similar indebtedness, liabilities under acceptances or acceptance credits, debentures, mortgages, charges, hire purchases commitments, guarantees or other material contingent liabilities.

3. WORKING CAPITAL

The Directors are of the opinion that, after taking into account the financial resources of the Group and considering the effect of the New Tenancy Agreement and the Licence Agreement, the working capital available to the Group is sufficient for the Group's requirements for at least twelve months from the date of publication of this circular.

4. MATERIAL ADVERSE CHANGES

As at the Latest Practicable Date, the Directors are not aware of any material adverse change in the financial or trading position of the Group since 31 December 2021, being the date to which the latest published audited financial statements of the Company were made up.

5. FINANCIAL AND BUSINESS PROSPECT OF THE GROUP

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.

For the year ended 31 December 2021, the Group recorded a revenue of approximately HK\$172.8 million which represents an increase of approximately HK\$53.3 million or 44.6% when compared to the Group's revenue for the year ended 31 December 2020. Such increase is attributable to (i) the organic business growth and the contribution of the revenue of i.Link Group Limited, a subsidiary acquired by the Group on 31 July 2020; and (ii) the increase in revenue from both financial printing projects and marketing collateral printing projects. Due to the increase in revenue, the Group's gross profit increased by approximately HK\$20.3 million, or 46.5%, from approximately HK\$43.6 million for the year ended 31 December 2020 to approximately HK\$63.9 million for the year ended 31 December 2021. The gross profit margin of the Group for the years ended 31 December 2021 and 2020 were largely the same, being approximately 37.0% and 36.5% respectively.

The short-term outlook for the global and Hong Kong economies remains uncertain and will be highly dependent on the duration of the COVID-19 outbreak. In particular, Hong Kong, in where the Group's revenue is substantially generated, has recently experienced a resurgence of COVID-19 pandemic due to the highly infectious Omicron Variant of the COVID-19. The number of confirmed cases has increased, and the Hong Kong government has implemented various measures on social distancing, which caused a material impact on the local economy. Nevertheless, the Group is actively assessing and managing these potential business risks and taking all necessary measures to overcome these challenges. As part of its business strategy, the Group has continued to invest in its technological development with a primary focus on its IT infrastructure in order to enhance the Group's overall operating platform. With the well-established operating platform, the Group is able to offer one-stop solution to its clients for the best quality at competitive costs. Such capability is of particular importance in the current economic and social environments where digitalisation has proved its value in facilitating business and communications. Looking ahead, the Group will continue to identify potential business partners for a sustainable future of continued growth so that it can maintain its position as an integrated solution provider for both financial and corporate marketing clients.

1. RESPONSIBILITY STATEMENT

This circular, 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 circular 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 circular misleading.

2. DISCLOSURE OF INTERESTS

(a) Interests and short positions of directors and the chief executives in the Shares,

As at the Latest Practicable Date, the interests and short positions of the Directors and the 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 SFO, which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such provisions of the SFO) or as recorded in the register of the Company required to be kept under Section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, were as follows:

Long positions in ordinary shares of the Company

Name of Directors	Capacity/ Nature of interest	Number of Shares held/ interested	Approximate percentage of shareholding (Note 2)
Mr. Yu Chi Ming ("Mr. Yu")	Interest held jointly with another person; interest held by a controlled corporation (Note 1)	222,760,000	55.69%
Mr. Chan Wai Lin ("Mr. Chan")	Interest held jointly with another person; interest held by controlled corporation (Note 1)	222,760,000	55.69%
Ms. Chan Wai Chung Caroline	Beneficial owner	1,700,000	0.43%

Notes:

- As at the Latest Practicable Date, 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.

2. These percentages are calculated on the basis of 400,000,000 Shares in issue as at the Latest Practicable Date.

Long position in shares of associated corporation

Name of Directors	Name of associated corporation	Capacity/ Nature of interests	Approximate percentage of shareholding (Note)
Mr. Yu	HM Ultimate	Beneficial owner	70.2%
Mr. Chan	HM Ultimate	Beneficial owner	29.8%

Note: These percentages are calculated on the basis of 400,000,000 Shares in issue as at the Latest Practicable Date.

Save as disclosed above and so far as is known to the Directors, as at the Latest Practicable Date, none of the Directors and the chief executive of the Company had any interests or short positions in the Shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO, which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO) or as recorded in the register of the Company required to be kept under Section 352 of the SFO, or which were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers set out in Rules 5.46 to 5.67 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange.

(b) Interests and short positions of substantial shareholders and other persons in the shares and underlying shares of the Company

As at the Latest Practicable Date, the following persons/entities (other than the Directors or chief executive of the Company) had or were deemed to have interests or short positions in the shares, the underlying shares and debentures of the Company which would be required to be disclosed to the Company and the Stock Exchange under the provisions of Division 2 and 3 of Part XV of the SFO, or which were recorded in the register of the Company required to be kept under Section 336 of the SFO, or who were directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meeting of the Company or any other member of the Group:

Long positions in ordinary shares of the Company

Name of substantial shareholders	Capacity/ Nature of interest	Number of Shares held/ interested	Approximate percentage of shareholding (Note 5)
HM Ultimate (Note 1)	Beneficial owner	222,760,000	55.69%
Wong Mee Che Lilian	Interest of spouse (Note 2)	222,760,000	55.69%
Tang Wai Kwan May	Interest of spouse (Note 3)	222,760,000	55.69%
Tse Kam Wing Walter ("Mr. Tse")	Beneficial owner	72,285,000	18.07%
Wong Yuk Sim Kathy	Interest of spouse (Note 4)	72,285,000	18.07%

Notes:

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. Also, Mr. Yu and Mr. Chan are the directors of HM Ultimate.
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.
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.
4. Ms. Wong Yuk Sim Kathy is the spouse of Mr. Tse. Ms. Wong Yuk Sim Kathy is deemed to be interested in the same number of Shares in which Mr. Tse is interested by virtue of the SFO. Mr. Tse resigned as a director of the Company on 31 December 2020.
5. These percentages are calculated on the basis of 400,000,000 Shares in issue as at the Latest Practicable Date.

Save as disclosed above, as at the Latest Practicable Date, the Directors are not aware of any other persons who had or were deemed to have an interest or a short position in the shares or the underlying shares of the Company which would be required to be disclosed to the Company and the Stock Exchange under the provisions of Division 2 and 3 of Part XV of the SFO, or which were recorded in the register of the Company required to be kept under Section 336 of the SFO, or who were directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company or any other member of the Group.

3. DIRECTORS' AND CONTROLLING SHAREHOLDER'S INTEREST IN COMPETING INTERESTS

As at the Latest Practicable Date, none of the Directors, controlling shareholders of the Company and their respective close associates (as defined under the GEM Listing Rules), was interested in any business which competes or is likely to compete either directly or indirectly with the business of the Group (as would be required to be disclosed under the GEM Listing Rules if each of them were a controlling shareholder).

4. LITIGATION

As stated in the 2021 annual report of the Company, in July 2017, a writ of summons was issued against HSL as a defendant by a customer (the “**Plaintiff**”) for the claims of loss and damage by the allegation that HSL had issued certain notices since 6 June 2016 without authority from the Plaintiff which contained untrue information, of which HSL emphatically denied. The Directors are in the view that there was a Court order dated 14 June 2016, which showed that the change of the Plaintiff’s board of directors had not effectively taken place until and after 16 June 2016. Accordingly, HSL had authority from the Plaintiff (controlled by the previous board of directors) to issue the alleged notices until 16 June 2016. HSL has ceased to render further services to the Plaintiff after the change of her board of directors on and/or after 16 June 2016.

The Plaintiff is claiming loss and damage in an unknown amount caused by the above. It is estimated that if the claim was successful, the amount of loss/damage would be about HK\$200,000 to HK\$300,000. In the same action, HSL was counter-claiming a sum of approximately HK\$163,000 plus interest amounted to approximately HK\$33,000 thereon, being fees for services already rendered to the Plaintiff. For further details, please refer to the 2021 annual report of the Company.

Save as disclosed above, as at the Latest Practicable Date, no member of the Group was engaged in any litigation or claims of material importance and no litigation or claim of material importance was known to the Directors to be pending or threatened against any member of the Group.

5. SERVICE CONTRACTS OF DIRECTORS

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contract with the Company or any other member of the Group which is not determinable within one year without payment of compensation (other than statutory compensation).

6. DIRECTORS’ INTERESTS IN ASSETS, CONTRACTS AND ARRANGEMENT OF THE GROUP

As at the Latest Practicable Date, there was no contract or arrangement subsisting in which any Director was materially interested and which was significant in relation to any business of the Group.

As at the Latest Practicable Date, none of the Directors had any direct or indirect interest in any assets which had been acquired or disposed of by or leased to any member of the Group, or were proposed to be acquired or disposed of by or leased to any member of the Group since 31 December 2021 (being the date to which the latest published audited consolidated financial statements of the Group were made up).

7. MATERIAL CONTRACTS

On 31 July 2020, HM Investment Limited (as purchaser), an indirectly wholly-owned subsidiary of the Company, entered into a sales and purchase agreement with Mr. Chan Wing Kin (as vendor), an Independent Third Party, in relation to the sale and purchase of 3,500 shares (representing 70% of the entire issued share capital) in i.Link Group Limited for a consideration of HK\$5 million. For further details of the sale and purchase agreement, please refer to the announcement of the Company dated 31 July 2020.

Save for the contract set out above, there was no material contract (not being contracts entered into in the ordinary course of business of the Group) entered into by any member of the Group within the two years immediately preceding the date of this circular and up to the Latest Practicable Date which are, or may be, material to the Group.

8. GENERAL

- (a) The company secretary of the Company is Mr. Lau Fai Lawrence, who is a certified public accountant (practising) in Hong Kong.
- (b) The compliance officer of the Company is Mr. Chan Wai Lin, who is also the chief executive officer and an executive Director of the Company.
- (c) The registered office of the Company is situated at Windward 3, Regatta Office Park, PO Box 1350, Grand Cayman KY1-1108, Cayman Islands.
- (d) The principal share registrar and transfer office of the Company is Ocorian Trust (Cayman) Limited, Windward 3, Regatta Office Park, PO Box 1350, Grand Cayman KY1-1108, Cayman Islands. The branch share registrar and transfer office of the Company in Hong Kong is Tricor Investor Services Limited, 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong.
- (e) The principal place of business in Hong Kong of the Company is situated at 9/F, Infinitus Plaza, 199 Des Voeux Road Central, Hong Kong.
- (f) The audit committee of the Company was established on 15 December 2016 with written terms of reference in accordance with Rule 5.28 of the GEM Listing Rules and in compliance with paragraphs D.3.1 to D.3.7 of the Corporate Governance Code as set out in Appendix 15 to the GEM Listing Rules. The primary duties of the audit committee include, among others, to make recommendations to the Board on the appointment, reappointment and removal of the external auditors, and handling any questions of their resignation or dismissal of that auditor, to review the Group's financial statements and the annual, interim and quarterly financial reports, to review the Group's financial and accounting policies and practices and to review the Group's financial controls, and risk management and internal control system. The audit committee currently consists of three INEDs, namely Mr. Ng Jack Ho Wan ("**Mr. Ng**"), Mr. Choi Hon Ting Derek ("**Mr. Choi**") and Mr. Wan Chi Wai Anthony ("**Mr. Wan**"). The audit committee is chaired by Mr. Ng.

Mr. Ng (formerly known as Ng Ho Wan), aged 45, was appointed as an independent non-executive Director of the Company on 15 December 2016. Mr. Ng has over 23 years of experience in accounting, auditing, asset management and fund administration. Mr. Ng has been the managing director of Jack H.W. Ng CPA Limited since June 2013. In addition, Mr. Ng has held several directorships in various listed companies. Mr. Ng has been appointed as an independent non-executive director of Cheshi Holdings Limited (stock code: 1490) since 8 December 2020, which is listed on the Main Board of the Stock Exchange. Prior to that, he was appointed as an independent non-executive director of Zhejiang Cangnan Instrument Group Company Limited (previous stock code: 1743) on 21 June 2018, the company was

formerly listed on the Main Board of the Stock Exchange but has withdrawn from listing on 5 July 2021. Mr. Ng has been a fellow of the Hong Kong Institute of Certified Public Accountants since May 2010 and a chartered accountant in British Columbia, Canada since February 2001. He was accredited as a certified information systems auditor in January 2007 and was certified as chartered financial analyst by the CFA Institute in September 2007. Mr. Ng obtained his bachelor's degree in Business Administration from Simon Fraser University, Canada in May 2000.

Mr. Choi (formerly known as Choi Kwan Wai Derek), aged 53, was appointed as an independent non-executive Director of the Company on 15 December 2016. Mr. Choi has over 30 years of experience in the trading of specialized engineering equipment. Mr. Choi is the co-founder of Symbior Energy Limited, whose principal business activities are mainly investing in energy ventures, where he has been its president, responsible for China business operations since August 2010. Mr. Choi has also worked as the managing director of Balama Prima Engineering Co., Ltd. Since December 1991, the core business of which includes infrastructure environmental conservation and agricultural-related business. In addition, Mr. Choi has held several directorships in various listed companies. Mr. Choi has been appointed as an executive director of D&G Technology Holding Company Limited (stock code: 1301) since 11 September 2014, which is listed on the Main Board of the Stock Exchange. Mr. Choi also served as an independent non-executive director of IPE Group Limited (Hong Kong stock code: 929) from June 2004 to June 2017. Mr. Choi obtained his bachelor's degree in agricultural engineering from Purdue University, USA in May 1991.

Mr. Wan, aged 46, was appointed as an independent non-executive Director on 15 December 2016. Mr. Wan possesses professional experience in both the accounting and legal fields. Mr. Wan is currently a partner in the corporate, private equity, M&A and commercial practice of King & Wood Mallesons, Hong Kong. In addition, Mr. Wan has held several directorships in various listed companies. Mr. Wan has been appointed as an independent non-executive director of (i) Charmacy Pharmaceutical Co., Ltd. (formerly known as Chuangmei Pharmaceutical Co., Ltd.) (stock code: 2289) since 1 December 2015, the shares of which are listed on the Main Board of the Stock Exchange; and (ii) Steering Holdings Limited (stock code: 1826) since 12 January 2018, the shares of which are also listed on the Main Board of the Stock Exchange. Mr. Wan is a practicing solicitor in Hong Kong and an associate of the Hong Kong Institute of Certified Public Accountants since January 2002. Mr. Wan obtained his bachelor's degree in accounting from The Hong Kong University of Science and Technology in November 1997. He subsequently obtained his bachelor's degree in laws from the University of London, United Kingdom through distance learning in August 2003 and a Postgraduate Certificate in Laws from The University of Hong Kong in June 2004.

- (g) Should there be any inconsistencies between the English text and the Chinese text of this circular, the English text of this circular shall prevail over the Chinese text.

9. DOCUMENTS ON DISPLAY

Copies of the following documents will be published on the website of the Stock Exchange at www.hkexnews.hk and the Company's website at www.hetermedia.com for a period of not less than 14 days from the date of this circular (inclusive):

- (a) the New Tenancy Agreement;
- (b) the Licence Agreement; and
- (c) this circular.