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

HIGH CONCENTRATION OF SHAREHOLDING

This announcement is made at the request of the Stock Exchange in respect of the high concentration of shareholding of the Company in the hands of a limited number of Shareholders as at 6 April 2017.

In view of the high concentration of shareholding in a small number of Shareholders, Shareholders and prospective investors should be aware that the price of the Shares could fluctuate substantially even with a small number of Shares traded, and should exercise extreme caution when dealing in the Shares.

This announcement is made at the request of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) in respect of the high concentration of shareholding of HM International Holdings Limited (the “**Company**”) in the hands of a limited number of shareholders of the Company (the “**Shareholders**”) as at 6 April 2017.

HIGH CONCENTRATION OF SHAREHOLDING

The Company noted that an announcement (the “**SFC Announcement**”) was published by the Securities and Futures Commission (the “**SFC**”) on 26 April 2017.

As disclosed in the SFC Announcement, the SFC has recently completed an enquiry into the shareholding of the Company. The SFC’s findings suggested that as at 6 April 2017, a group of 20 Shareholders held an aggregate of 84,615,000 shares of the Company (the “**Shares**”), representing 21.15% of the issued Shares. Such shareholding, together with 300,000,000 Shares (representing 75.00% of the issued Shares) held by the substantial Shareholders of the Company, represented 96.15% of the issued Shares as at 6 April 2017. Therefore, only 15,385,000 Shares (representing 3.85% of the issued Shares) were held by other Shareholders. To the best knowledge of the board

(the “**Board**”) of the directors (the “**Directors**”) of the Company after making all reasonable enquiries, the Board confirmed that it has no further knowledge of the identities of the 20 Shareholders referred to above other than the information provided in the SFC Announcement.

According to the SFC Announcement, as at 6 April 2017, the shareholding structure of the Company was as follows:

	Number of Shares held <i>(Shares)</i>	% of total number of issued Shares <i>(%)</i>
HM Ultimate Holdings Limited <i>(Note 1)</i>	300,000,000	75.00
A group of 20 Shareholders <i>(Note 2)</i>	84,615,000	21.15
Other Shareholders	<u>15,385,000</u>	<u>3.85</u>
Total	<u>400,000,000</u>	<u>100.00</u>

Note 1: HM Ultimate Holdings Limited is owned as to 53% by Mr. Yu Chi Ming, 24.5% by Mr. Tse Kam Wing Walter and 22.5% by Mr. Chan Wai Lin, who are all executive Directors of the Company. Mr. Yu Chi Ming is also the Chairman of the Company.

Note 2: 72,960,000 Shares (representing 18.24% of the issued Shares) were held by 15 Shareholders who initially obtained 77,725,000 Shares in the placing of the Company for GEM Board listing in January 2017.

As stated in the SFC Announcement:

- The Shares were listed on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (“**GEM**”) on 11 January 2017 by way of placing of 100,000,000 Shares, equivalent to 25% of the issued Shares, at HK\$0.6 per Share.
- On the first day of listing, the Shares closed at HK\$3.7, which was 5.2 times higher than the placing price. Since then, the closing price of the Shares eased gradually to HK\$2.71 on 21 February 2017. The price of the Shares started to increase substantially since 22 February 2017. On 6 April 2017, the Shares closed at HK\$7, which was 1.6 times higher than the closing price of HK\$2.71 on 21 February 2017. During this period, the Company announced on 20 March 2017 its annual results for the year ended 31 December 2016, which reported a profit attributable to Shareholders of approximately HK\$15.0 million as compared with the profit of approximately HK\$13.9 million for the year ended 31 December 2015.

- On 18 April 2017, the Company announced a Profit Warning stating that it was expected to record a net loss for the three months ended 31 March 2017, which was mainly attributable to (i) the non-recurring listing expenses in connection with the listing of the Company in January 2017; and (ii) the decrease in turnover as compared to the corresponding period in 2016.
- As at 25 April 2017, the Shares closed at HK\$6.88, which was 10.5 times higher than the initial placing price of HK\$0.6.

The information above is extracted from the SFC Announcement and the Board has not independently verified such information other than the shareholding held by HM Ultimate Holdings Limited based on disclosure of interests filing with the Company. Please refer to the SFC Announcement for further details.

PUBLIC FLOAT

Based on the information available and to the best knowledge of the Board after making all reasonable enquiries, the Company confirms that as at 6 April 2017 and the date of this announcement, not less than 25% of the issued Shares were held in the public hands, and the Company has maintained a sufficient public float as required under the Rules Governing the Listing of Securities on GEM (the “**GEM Listing Rules**”).

In view of the high concentration of shareholding in a small number of Shareholders, Shareholders and prospective investors should be aware that the price of the Shares could fluctuate substantially even with a small number of Shares traded, and should exercise extreme caution when dealing in the Shares.

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

Hong Kong, 26 April 2017

As at the date of this announcement, the executive Directors are Mr. Yu Chi Ming (Chairman), 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 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 will remain on the “Latest Company Announcements” page of the GEM website at www.hkgem.com for at least 7 days from the date of its publication. This announcement will also be published on the Company’s website at www.hetermedia.com.