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Acme International Holdings Limited

益美國際控股有限公司

(incorporated in Cayman Islands with limited liability)

(Stock Code: 1870)

DISCLOSEABLE TRANSACTION DISPOSAL OF LISTED SECURITIES

On 13 March 2020, the Company, through its wholly-owned subsidiary, disposed of a total of 465,451 HSBC Shares on the open market for an aggregate gross sale proceeds of approximately HK\$20.7 million (excluding transaction costs).

As certain applicable percentage ratios (as defined in the Listing Rules) exceed 5% but are less than 25%, the Disposals constitute a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is therefore subject to reporting and announcement requirements under the Listing Rules.

DISPOSALS OF LISTED SECURITIES

On 13 March 2020, the Company, through its wholly-owned subsidiary, disposed of a total of 465,451 HSBC Shares, representing approximately of 0.002% of the issued share capital of HSBC based on the public available information, for an aggregate gross sale proceeds of approximately HK\$20.7 million (excluding transaction costs).

As the Disposals were conducted on the open market, the Company is not aware of the identities of the purchasers of the HSBC Shares. To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, each of the purchasers of the HSBC Shares and their ultimate beneficial owners are Independent Third Parties.

FINANCIAL IMPACT OF THE DISPOSALS AND THE USE OF PROCEEDS

The aggregate gross sale proceeds of the Disposals were approximately HK\$20.7 million (excluding transaction costs), which is receivable in cash on settlement. The price for the Disposals represented the market price of the HSBC Shares at the time of the Disposals.

The book value of the HSBC Shares disposed of by the Group as at 31 December 2019 was approximately HK\$28.3 million. The Group expected to record a loss of approximately HK\$7.6 million as the other comprehensive income of the Group for the year ending 31 December 2020, being the difference between the aggregation consideration for the Disposals net of transaction costs and the carrying value of the HSBC Shares under the Disposal. The Group intends to use the proceeds of the Disposals for the general working capital of the Group.

REASONS FOR AND BENEFITS OF THE DISPOSALS

The Company is an investment holding company and the Group is principally engaged in the provision of design and build solutions for façade works and provision of design and build solutions for building maintenance unit systems in Hong Kong

As part of the Group's investment strategy, the Group purchased the HSBC Shares at an aggregate cost of approximately HK\$19.9 million back in 2016 with a view to earn a stable dividend income. Since the acquisition of the HSBC Shares, the Group has received a total of 91,851 HSBC Shares as script dividends and approximately HK\$0.6 million as cash dividends.

In view of the current performance of HSBC, the recent decreasing trend of the trading price of HSBC Shares and that the proceeds from the Disposal were more than the purchase costs of the HSBC Shares paid by the Group in 2016, the Group considered it appropriate to sell the HSBC shares and retain cash for its general working capital purpose or better investment opportunities in the future.

As the Disposals were made through the open market on the Stock Exchange and at market price, the Directors are of the view that the terms of the Disposals are fair and reasonable, on normal commercial terms and in the interests of the Company and the shareholders of the Company as a whole.

INFORMATION ON HSBC

HSBC is a company incorporated in England with limited liability and its shares are listed on the London, Hong Kong, New York, Paris and Bermuda stock exchanges. Based on HSBC's profile on the website of the Stock Exchange, HSBC is the banking and financial services company. HSBC operates across various geographical regions, which include Europe, Asia, Middle East and North Africa, North America and Latin America.

The following information is extracted from the latest annual report of HSBC:

	For the year ended	
	31 December	
	2019	2018
	<i>US\$ million</i>	<i>US\$ million</i>
Revenue	56,098	53,780
Profit before taxation	13,347	19,890
Profit after taxation	8,708	15,025
Net profit after taxation attributable to ordinary shareholders of HSBC	5,969	12,608

	As at 31 December	
	2019	2018
	<i>US\$ million</i>	<i>US\$ million</i>
Total assets	<u>2,715,152</u>	<u>2,558,124</u>

LISTING RULES IMPLICATIONS

As certain applicable percentage ratios exceeds 5% but are less than 25%, the Disposals constitute a discloseable transaction of the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting and announcement requirements under the Listing Rules.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms have the following meanings:

“Board”	the board of Directors
“Company”	Acme International Holdings Limited, an exempted company incorporated in Cayman Island with limited liability, the shares of which are listed on the main board of Stock Exchange (stock code: 1870)
“Director(s)”	director(s) of the Company
“discloseable transaction”	as defined in the Listing Rules
“Disposals”	The disposal by the Company, through its wholly-owned subsidiary, of a total of 465,451 HSBC shares on 13 March 2020 on the open market
“Group”	the Company and its subsidiaries

“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“HSBC”	HSBC Holdings plc, whose shares are listed on the main board of the Stock Exchange (stock code: 00005)
“HSBC Share(s)”	the ordinary shares of US\$0.50 each in the share capital of HSBC
“Independent Third Party(ies)”	Independent third party(ies) who is/are independent of the Company and its connected persons of the Company in accordance with the Listing Rules
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“percentage ratios”	as defined in the Listing Rules
“PRC”	the People’s Republic of China
“Shareholder(s)”	holder(s) of shares of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“US\$”	United States dollar, the lawful currency for the time being of the United States
“%”	per cent

By Order of the Board
Acme International Holdings Limited
Kwan Kam Tim
Chairman and Executive Director

Hong Kong, 13 March 2020

As at the date of this announcement, the Board comprises six members, of which Mr. Kwan Kam Tim, Mr. Mak Kim Hung and Ms. Leung Ng Mui May are the executive directors of the Company; and the Mr. Keung Kwok Hung, Mr. Tse Wai Kit and Prof. Lau Chi Pang, J.P. are the independent non-executive directors of the Company.