
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

If you have sold or transferred all your shares in HM International Holdings Limited, you should at once forward 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 the 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 THE LEASE**

Capitalised terms used in this cover page shall have the same meanings as those defined in the section headed “Definitions” in this circular.

A letter from the board is set out on pages 3 to 7 of this circular.

The transaction being the subject matter of this circular has been approved by written Shareholder’s approval pursuant to the GEM Listing Rules and this circular is being despatched to the Shareholders for information only.

25 March 2024

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

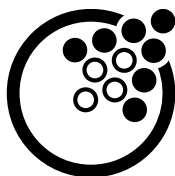
In this circular, unless the context otherwise requires, the following expressions have the following meanings:

“Announcement”	the announcement of the Company dated 4 March 2024 in relation to the Lease
“Board”	the Board of Directors
“Company”	HM International Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on GEM (stock code: 8416)
“connected person(s)”	has the meaning ascribed thereto under the GEM Listing Rules
“Director(s)”	the director(s) of the Company
“GEM”	GEM of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollar(s), the lawful currency of Hong Kong
“HKFRS(s)”	Hong Kong Financial Reporting Standards issued by the Hong Kong Institute of Certified Public Accountants
“HM Ultimate”	HM Ultimate Holdings Limited, the controlling Shareholder of the Company holding 222,760,000 Shares (representing approximately 52.9% of the total issued Shares) as at the date of this circular, and is beneficially owned as to 70.2% by Mr. Yu Chi Ming and 29.8% by Mr. Chan Wai Lin, both of whom are executive Directors
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“HSL” or “Lessee”	HeterMedia Services Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Company
“Independent Third Party(ies)”	third party(ies) independent of and not connected with the Company and its connected person(s)
“Jetwise” or “Lessor”	Jetwise Investment Limited, a company incorporated in Hong Kong with limited liability who and whose ultimate beneficial owner(s) are Independent Third Parties

DEFINITIONS

“Latest Practicable Date”	22 March 2024, being the latest practicable date for the purpose of ascertaining certain information contained in this circular prior to its publication
“Lease”	the lease dated 4 March 2024 entered into by HSL as lessee, and Jetwise as lessor in relation to the lease of the Premises
“Premises”	the whole of 35th Floor of Dah Sing Financial Centre, No. 248 Queen’s Road East, Wan Chai, Hong Kong
“SFC”	The Securities and Futures Commission of Hong Kong
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Shareholder(s)”	holder(s) of the Share(s)
“Share(s)”	ordinary share(s) of HK\$0.01 par value each in the issued share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	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

*Head office and principal place
of business in Hong Kong:*

9/F, Infinitus Plaza

199 Des Voeux Road Central

Hong Kong

25 March 2024

To the Shareholders,

Dear Sir or Madam,

MAJOR TRANSACTION IN RELATION TO THE LEASE

INTRODUCTION

Reference is made to the Announcement whereby the Board announced that the Lessee (a wholly-owned subsidiary of the Company) as lessee, entered into the Lease with the Lessor as lessor in relation to the lease of the Premises.

The Company has obtained written Shareholder's approval for the Lease and the transactions contemplated thereunder in accordance with Rule 19.44 of the GEM Listing Rules from HM Ultimate, which is the beneficial owner of 222,760,000 Shares (representing approximately 52.86% of the entire issued share capital of the Company) as at the date of the Announcement. As such, no general meeting will be convened for the approval of the Lease and the transactions contemplated thereunder as is permitted under Rule 19.44 of the GEM Listing Rules.

LETTER FROM THE BOARD

The purpose of this circular is to provide you with, among other things, (i) further information of the Lease and the transactions contemplated thereunder; and (ii) other information required to be included in this circular under the GEM Listing Rules.

THE LEASE

On 4 March 2024, the Lessee (a wholly-owned subsidiary of the Company) as lessee and the Lessor (an Independent Third Party) as lessor entered into the Lease in relation to the lease of the Premises for a term of five (5) years commencing from 1 April 2024 and expiring on 31 March 2029 (both days inclusive).

The principal terms of the Lease are as follows:

Date : 4 March 2024

Parties : (1) Jetwise (an Independent Third Party) as Lessor; and
(2) HSL (a wholly-owned subsidiary of the Company) as Lessee

To the best knowledge, information and belief of the Directors having made all reasonable enquiries, the Lessor and its ultimate beneficial owner(s) are Independent Third Parties.

Premises : The whole of 35th Floor of Dah Sing Financial Centre, No. 248 Queen's Road East, Wan Chai, Hong Kong

Term : Five years commencing from 1 April 2024 and expiring on 31 March 2029 (both days inclusive)

Monthly rent : The monthly rent is as follows:

(a) from 1 April 2024 to 31 March 2027: HK\$333,554; and

(b) from 1 April 2027 to 31 March 2029: HK\$370,615.

The monthly rent is payable by the Lessee on the 1st day of each and every calendar month during the term of the Lease.

The Lessee shall enjoy a rent-free period for four (4) months from 1 April 2024 to 31 July 2024.

The monthly rent is exclusive of the relevant rates, management fees, air-conditioning charges and other utility charges, which shall be paid and discharged punctually by the Lessee during the term of the lease of the Premises, including the said rent-free period.

LETTER FROM THE BOARD

The monthly rent was determined after arm's length negotiations between the parties with reference to the prevailing market rent for comparable premises in the vicinity of the Premises. In light of the conclusion of the COVID-19 pandemic and the gradual resurgence of the Hong Kong economy, it is expected that office rental rates in Hong Kong will gradually rise to align with the growth in demand. The Board anticipates that the rent will moderately increase compared to the current rate after three years. Following the arm's length negotiations with the Lessor, the monthly rent starting from 1 April 2027 has been determined to be HK\$370,615. The Board considers this rental increment to be fair and reasonable.

- Rental deposit** : HK\$1,111,845
- Use of the Premises** : For the purpose of office only
- Option to renew** : The Lessee shall have an option to renew the tenancy for a further term of three (3) years commencing on 1 April 2029 to 31 March 2032 (both days inclusive) from the expiry of the current term at the then prevailing market rent which shall not be less than HK\$370,615 per month and shall not be more than HK\$444,738 per month (exclusive of rates, air-conditioning charges, management fees and other utility charges).

THE RIGHT-OF-USE ASSETS

The unaudited value of the right-of-use asset recognised by the Company under the Lease amounted to approximately HK\$16,954,000 which is calculated with reference to the aggregate lease payment and discounted by a discounted rate.

As up-to-date information on rental levels is readily accessible by the public and the factors taken into consideration in determining the commercial value of the Lease, being an office premises located in a prime location in Hong Kong, is straight-forward, the Company did not engage any valuer to determine the commercial value of the Lease. The Board believes that this decision aligns with the purposes of streamlining the leasing process and achieving greater efficiency. The availability of reliable market data allows the Board to make informed decisions regarding the commercial value of the Lease without the need for additional valuation services.

INFORMATION ON THE PARTIES

The Lessee is a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of the Company. It principally engages in provision of integrated printing services in Hong Kong.

The Lessor is a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of Sunlight Real Estate Investment Trust, a real estate investment trust authorised by the SFC and listed on the Stock Exchange (stock code: 435). The Lessor principally engages in property investment.

LETTER FROM THE BOARD

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Lessor and its ultimate beneficial owner(s) are Independent Third Parties.

FINANCIAL EFFECT OF THE ACQUISITION OF RIGHT-OF-USE ASSETS

The unaudited value of the right-of-use asset recognised by the Company under the Lease amounted to approximately HK\$16.95 million which is calculated with reference to the aggregate lease payment and discounted by a discounted rate.

It is expected that upon the completion of the transaction contemplated under the Lease, there will be an increase in total assets of approximately HK\$16.95 million, comprising an increase in right-of-use assets of approximately HK\$16.95 million, increase in deposits of approximately HK\$1.11 million and netted-off by a decrease in bank balances and cash of approximately HK\$1.11 million. There will be an increase in lease liabilities of approximately HK\$16.95 million.

The Group expects the transaction contemplated under the Lease will increase the annual depreciation charges of right-of-use assets by approximately HK\$3.9 million and finance costs by approximately HK\$2.6 million throughout the term of the Lease on the basis of interest rate of 6% per annum.

REASONS AND BENEFITS OF THE LEASE

The Company is an investment holding company. The Group principally engages in provision of integrated printing services, concept creation and artwork design, IT and languages services.

The Group's current headquarters and principal place of business in Hong Kong is located at the whole of 9th Floor of the Commercial Development of Infinitus Plaza, No. 199 Des Voeux Road Central, Hong Kong, with a monthly rent of HK\$589,000.50 (exclusive of rates, management fees and air-conditioning charges and other outgoings), and the lease of which is expiring on 31 July 2024. The Board is of the view that entering into the Lease provides the Group with an opportunity to relocate its headquarters in Hong Kong, while benefiting from a lower rental rate. The Company will publish an announcement in relation to the change of principal place of business in Hong Kong in due course.

The Lease was entered into on normal commercial terms after arm's length negotiations between the parties with reference to the prevailing market rent for comparable premises in the vicinity of the Premises. The Company had inspected a total of eight comparable premises, with one located in Wan Chai District (which is the Premises) and the rest situated in the Eastern District of Hong Kong Island. The Board took various factors and criteria into account when selecting the premises, including but not limited to location, leased area, conditions, rental rates, and accessibility from public transportation. Among the shortlisted comparable premises, the Premises is located on the highest floor, offering an expansive view and a comfortable working environment for the employees of the Group. Additionally, the prime location of the Premises is expected to enhance the Company's accessibility, facilitating potential networking opportunities and overall business operations. Based on these reasons, considering that the size of leased area of the Premises is similar to that of other shortlisted comparable premises, the Board reached a decision to rent the Premises.

In light of the above, the Board considers that the terms of the Lease were fair and reasonable and in the interests of the Company and the Shareholders as a whole.

LETTER FROM THE BOARD

IMPLICATIONS UNDER THE GEM LISTING RULES

Pursuant to HKFRS 16, the entering into of the Lease by HSL as a lessee will require the Group to recognise the right-of-use asset in its consolidated statement of financial position. Therefore, the entering into of the Lease will be regarded as an acquisition of asset by the Group under the definition of transaction set out in Rule 19.04(1)(a) of the GEM Listing Rules. The unaudited value of the right-of-use asset recognised by the Company under the Lease amounted to approximately HK\$16,954,000.

As one or more of the applicable percentage ratios (as defined in the GEM Listing Rules) in respect of the acquisition of right-of-use assets of the Premises recognised by the Group pursuant to HKFRS 16 under the Lease is 25% or more but is less than 100%, the entering into of the Lease constitutes a major transaction for the Company and is subject to the reporting, announcement, circular and Shareholders' approval requirements under Chapter 19 of the GEM Listing Rules.

To the best of the knowledge of the Directors, no Shareholder has a material interest in the Lease and the transactions contemplated thereunder, and no Shareholder would be required to abstain from voting at a general meeting of the Company for approving the same if the Company were to convene such a general meeting. As at the date of this circular, the Company has obtained a written approval for the Lease and the transactions contemplated thereunder from its controlling Shareholder HM Ultimate, which holds 222,760,000 Shares, representing approximately 52.9% of the total issued Shares as at the date of this circular. Accordingly, the Lease and the transactions contemplated thereunder have been approved by way of written Shareholders' approval in lieu of holding a general meeting of the Company pursuant to Rule 19.44 of the GEM Listing Rules.

RECOMMENDATION

The Directors (including the independent non-executive Directors) consider that the terms of the Lease are fair and reasonable and the entering into of the Lease is in the interests of the Company and the Shareholders as a whole. Accordingly, if it had been necessary to hold a general meeting to obtain the approval of the entering into of the Lease, the Board would recommend the Shareholders to vote in favour of the resolution to approve the same at such general meeting.

ADDITIONAL INFORMATION

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

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Shares, and are recommended to consult their professional advisers if they are in any doubt about their position and as to actions that they should take.

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

1. FINANCIAL INFORMATION OF THE GROUP

The published audited consolidated financial statements of the Group for each of the three years ended 31 December 2020, 2021 and 2022 and the unaudited consolidated financial statements of the Group for the six months ended 30 June 2023 are disclosed in the following documents, which can be accessed on both the websites of the Stock Exchange (<http://www.hkexnews.hk>) and the Company (<http://www.hetermedia.com>), respectively. Please refer to the hyperlinks as stated below:

- (i) Annual report of the Company for the year ended 31 December 2020 (pages 53 to 141):
<https://www1.hkexnews.hk/listedco/listconews/gem/2021/0329/2021032900620.pdf>
- (ii) Annual report of the Company for the year ended 31 December 2021 (pages 52 to 145):
<https://www1.hkexnews.hk/listedco/listconews/gem/2022/0329/2022032900730.pdf>
- (iii) Annual report of the Company for the year ended 31 December 2022 (pages 56 to 143):
<https://www1.hkexnews.hk/listedco/listconews/gem/2023/0328/2023032800785.pdf>
- (iv) Interim report of the Company for the six months ended 30 June 2023 (pages 1-14):
<https://www1.hkexnews.hk/listedco/listconews/gem/2023/0810/2023081000884.pdf>

2. INDEBTEDNESS STATEMENT

As at the close of business on 29 February 2024 (being the latest practicable date for ascertaining information regarding this indebtedness statement), the Group had outstanding indebtedness of approximately HK\$5.7 million, consisting of current bank borrowings (unsecured and guaranteed) of approximately HK\$0.2 million, current lease liabilities (unsecured and unguaranteed) of approximately HK\$4.5 million and non-current lease liabilities (unsecured and unguaranteed) of approximately HK\$1.2 million.

Save as aforesaid and apart from intra-group liabilities, the Group did not have any debt securities issued and outstanding, and authorised or otherwise created but unissued, or any material outstanding loan capital, bank overdrafts, loans, mortgages, charges or other similar indebtedness, liabilities under acceptances (other than normal trade bills) or acceptance credits, hire purchase commitments, guarantees or any other actual or material contingent liabilities outstanding at the close of business on 29 February 2024, being the latest practicable date for ascertaining information regarding this indebtedness statement.

The Directors confirm that there has been no material change to the indebtedness and contingent liabilities of the Group since 29 February 2024 up to and including the Latest Practicable Date.

3. WORKING CAPITAL

The Directors, after due and careful consideration, are of the opinion that in the absence of unforeseeable circumstances, taking into account the financial resources available to the Group and the estimated expenses arising from the Lease, the Group will have sufficient working capital for its present requirements and for at least twelve (12) months from the date of this circular.

4. FINANCIAL AND TRADING PROSPECTS OF THE GROUP

The Group is principally engaged in the provision of integrated printing services, concept creation and artwork design, IT and languages services. There is no change in the Group's activities since 31 December 2022, being the date on which the latest published audited consolidated financial statement of the Group were made up, and it is not expected to be any change to the Group's principal business as a result of the entering into of the Lease.

Looking ahead, the Group is optimistic to its business prospect as (i) all of the COVID-19 pandemic containment measures are lifted; and (ii) commute between Hong Kong and the PRC, and commute between Hong Kong and other cities are gradually resumed, it is believed that the Group will benefit from the economic revival. The Group will continue to monitor the market changes closely and focusing its efforts in the development of its existing business while exploring other opportunities with a view to providing steady and favourite returns for its shareholders and strengthen every segment of its business.

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with GEM Listing Rules for the purpose of giving information with regard to the Group. 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) Directors and Chief Executive

As at the Latest Practicable Date, the interests and short positions, if any, of each Director and chief executive of the Company in the shares, underlying shares and debentures of the Company and 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 the Directors and chief executive were deemed or taken to have under provisions of the SFO), or which were required to be recorded in the register required to be kept by the Company pursuant to Section 352 of the SFO, or as otherwise required to be notified to the Company and the Stock Exchange pursuant to Rule 5.46 to 5.67 of the GEM Listing Rules relating to securities transactions by directors to be notified to the Company and the Stock Exchange as follows:

i. Long position in the Shares of the Company

Name of Director	Nature of Interests	Number of Shares held	Approximate percentage of shareholding as at the Latest Practicable Date
Mr. Yu Chi Ming ("Mr. Yu") ^(Note)	Interest in a controlled corporation	222,760,000	52.86%
Mr. Chan Wai Lin ("Mr. Chan") ^(Note)	Interest in a controlled corporation	222,760,000	52.86%
Ms. Chan Wai Chung Caroline	Beneficial interest	1,700,000	0.40%

ii. *Long positions in the Company's associated corporations (within the meaning of Part XV of SFO)*

Name of Director	Name of associated corporation	Nature of interest	Approximate percentage of shareholding as at the Latest Practicable Date
Mr. Yu ^(Note)	HM Ultimate Holdings Limited (“ HM Ultimate ”)	Beneficial Interest	70.20%
Mr. Chan ^(Note)	HM Ultimate	Beneficial Interest	29.80%

Note:

HM Ultimate is beneficially owned as to 70.20% by Mr. Yu and 29.80% by Mr. Chan. Mr. Yu and Mr. Chan together control all the shares held by HM Ultimate.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or chief executives of the Company and their respective associates had interests or short positions in the shares, underlying shares and/or debentures (as the case may be) of the Company or its associated corporations (within the meaning of Part XV of the SFO) which were 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 are taken or deemed to have under such provisions of the SFO), or recorded in the register maintained by the Company pursuant to Section 352 of the SFO or which were notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules relating to securities transactions by directors to be notified to the Company and the Stock Exchange.

(b) Substantial Shareholders

So far as is known to any Director or the chief executive of the Company, as at the Latest Practicable Date, Shareholders who had interests or short positions in the Shares and underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO were as follows:

Name	Capacity/Nature of interests	Number of Shares held	Approximate percentage of shareholding as of the Latest Practicable Date
HM Ultimate ^(Note 1)	Beneficial owner	222,760,000	52.86%
Ms. Wong Mee Che Lilian ^(Note 1,2)	Interest of Spouse	222,760,000	52.86%
Ms. Tang Wai Kwan May ^(Note 1,3)	Interest of Spouse	222,760,000	52.86%
Mr. Tse Kam Wing (“Mr. Tse”)	Beneficial owner	72,285,000	17.15%
Ms. Wong Yuk Sim Kathy ^(Note 4)	Interest of Spouse	72,285,000	17.15%
Tricor Trust (Hong Kong) Limited ^(Note 5)	Trustee	21,415,000	5.08%

Note:

- 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.
- 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.
- 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.
- 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 was a former Director of and he resigned as a Director on 31 December 2020.

5. Tricor Trust (Hong Kong) Limited is holding the Shares on trust for the awardees of the share award scheme adopted by the Company on 4 July 2022, which were issued and allotted to Tricor Trust (Hong Kong) Limited on 18 May 2023 (the “Award”). For details of the Award, please refer to the announcements of the Company dated 3 April 2023 and 12 April 2023, respectively, the circular of the Company dated 24 April 2023 and the poll results announcement of the extraordinary general meeting of the Company dated 9 May 2023.

Save as disclosed above, so far as is known to the Directors and the chief executive of the Company, as at the Latest Practicable Date, no other person (other than a Director or chief executive of the Company) had, or was deemed or taken to have, an interest or short position in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who was, 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 any other member of the Group or held any option in respect of such capital.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors is a director or employee of a company which has an interest or short position in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

3. DIRECTORS’ SERVICE CONTRACTS

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

4. COMPETING BUSINESS INTEREST OF DIRECTORS

As at the Latest Practicable Date, none of the Directors or their respective close associates was interested in any business which competes or is likely to compete, either directly or indirectly, with the business of the Group as required to be disclosed pursuant to GEM Listing Rules.

As at the Latest Practicable Date, no Director was materially interested in any subsisting contract or arrangement which was significant in relation to the business of the Group, and no Director was interested in any assets which had been acquired or disposed of by or leased to (or are proposed to be acquired or disposed of by or leased to) any member of the Group since the date of the latest published audited accounts of the Company.

As at the Latest Practicable Date, no Director was a director or employee of the Company’s substantial Shareholders.

5. DIRECTORS' INTEREST IN ASSETS, CONTRACTS OR ARRANGEMENT SIGNIFICANT TO THE GROUP

As at the Latest Practicable Date:

- (a) none of the Directors was materially interested, directly or indirectly, in any contract or arrangement subsisting, which was significant in relation to the business of the Group; and
- (b) none of the Directors was interested, directly or indirectly, in any assets which have been (or were proposed to be) acquired or disposed of by or leased to any member of the Group since 31 December 2022 (being the date to which the latest published audited consolidated financial statements of the Group were made up of).

6. MATERIAL ADVERSE CHANGE

The Directors confirm that, as at the Latest Practicable Date, there was no material adverse change in the financial or trading position or prospects of the Group since 31 December 2022, being the date to which the latest published audited accounts of the Company were made up.

7. MATERIAL CONTRACTS

The following contract (not being contract entered into in the ordinary course of business of the Group) have been entered into by the Group within two years immediately preceding the Latest Practicable Date which are or may be material:

- (a) the Lease

8. LITIGATION

As at the Latest Practicable Date, neither the Company nor any of its subsidiaries was engaged in any litigation or arbitration proceedings of material importance or no litigation or claim of material importance was known to the Directors to be pending or threatened by or against any member of the Group.

9. AUDIT COMMITTEE

As at the Latest Practicable Date, the audit committee of the Board comprises three independent non-executive Directors, namely Mr. Ng Jack Ho Wan, Mr. Choi Hon Ting Derek and Mr. Wan Chi Wai Anthony. The audit committee is responsible for assisting the Board in reviewing the financial information and reporting process, risk management and internal control systems, effectiveness of the internal audit function, scope of audit and relationship with external auditors, and arrangements to enable employees of the Company to raise concerns, in confidence, about possible improprieties in financial reporting, internal control or other matters of the Company.

Biographical information of each of the member of the audit committee of the Board are set out below:

Mr. Ng Jack Ho Wan (吳浩雲)

Mr. Ng, aged 47, was appointed as an independent non-executive Director on 15 December 2016. He is also the chairman of the audit committee and a member of the nomination committee of the Company. He is mainly responsible for overseeing the management independently and providing independent judgment on the issues of strategy, performance, resources and standard of conduct of our Company. He has over 26 years of experience in accounting, auditing, asset management and fund administration. He worked in PricewaterhouseCoopers LLP, Canada from September 1997 until February 2001. He then joined KPMG in Hong Kong and was an audit partner during July 2008 and October 2012, where he was responsible for overseeing audit and advisory projects in the wealth and fund management sectors both in China and Hong Kong. He has been the managing director of Jack H.W. Ng CPA Limited since June 2013. In May 2000, Mr. Ng graduated from Simon Fraser University, Canada with a degree of Bachelor of Business Administration.

Mr. Ng has been a fellow of the Hong Kong Institute of Certified Public Accountants since May 2010 and also a Chartered Accountant in British Columbia, Canada since February 2001. He was accredited as certified information systems auditor in January 2007. In September 2007, he was certified as chartered financial analyst by the CFA Institute. He was awarded with a specialist certificate in asset management in February 2005. Mr. Ng 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 appointed as an independent non-executive director of Cheshi Technology Inc. (stock code: 1490) since 8 December 2020, the issued shares of which is listed on the Main Board of the Stock Exchange.

Mr. Choi Hon Ting Derek (蔡翰霆)

Mr. Choi, aged 55, is an independent non-executive Director, the chairman of the remuneration committee and a member of the audit committee of the Company. He is mainly responsible for overseeing the management independently and providing independent judgment on the issues of strategy, performance, resources and standard of conduct of our Company. He joined our Group on 15 December 2016. Mr. Choi has over 30 years of experience in the trading of specialised 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. Since December 1991, Mr. Choi has worked at Balama Prima Engineering Co., Ltd., the core business of which includes infrastructure environmental conservation and agricultural-related business and he is currently its managing director, responsible for its overall management.

Mr. Choi graduated with a degree of Bachelor of Science in Agricultural Engineering from Purdue University, USA in May 1991. Mr. Choi has been appointed as an executive director of D& G Technology Holding Company Limited (stock code: 1301) since 11 September 2014, the issued share of which is listed on the Main Board of the Stock Exchange. Mr. Choi served as an independent non-

executive director of IPE Group Limited (stock code: 929) from June 2004 to June 2017, the issued shares of which is listed on the Main Board of the Stock Exchange. Mr. Choi served as the managing director of Pure Technologies (China) Limited, a company engaged in the development and application of innovative technologies for inspection, monitoring and management of physical infrastructure from May 2010 to September 2018.

Mr. Wan Chi Wai Anthony (尹智偉)

Mr. Wan, aged 48, was appointed as an independent non-executive Director on 15 December 2016. He is also the chairman of the nomination committee and a member of each of the audit committee and remuneration committee of the Company. He is mainly responsible for overseeing the management independently and providing independent judgment on the issues of strategy, performance, resources and standard of conduct of our Company. Mr. Wan possesses professional experience in both the accounting and legal fields. In November 1997, Mr. Wan graduated from The Hong Kong University of Science and Technology with a degree of Bachelor of Business Administration in Accounting. He subsequently obtained a degree of Bachelor of Laws in August 2003 from the University of London, United Kingdom through distance learning and obtained a Postgraduate Certificate in Laws from The University of Hong Kong in June 2004. He was admitted as a solicitor in Hong Kong in September 2006.

Mr. Wan was an associate in the assurance and business advisory services department of PricewaterhouseCoopers Ltd. from August 1997 to May 2001 with his last position held there as senior associate. He was mainly responsible for auditing and accountancy in Hong Kong companies. In October 2001, he joined Wellink Services Limited as accounting manager and resigned in January 2002. He was mainly responsible for handling accounting and financing matters of the company. From April 2002 to September 2003, Mr. Wan worked as an assistant manager of finance in the business services division of MLC (Hong Kong) Limited, and was mainly responsible for accounting and finance matters of the company.

Mr. Wan is an associate of the Hong Kong Institute of Certified Public Accountants since January 2002 and was admitted as a fellow of The Association of Chartered Certified Accountants in May 2006. Mr. Wan is currently a partner in the corporate, private equity, M&A and commercial practice of King & Wood Mallesons, Hong Kong.

Since 1 December 2015, he has been an independent non-executive director of Charmacy Pharmaceutical Co., Ltd. (formerly known as Chuangmei Pharmaceutical Co., Ltd.) (stock code: 2289), the issued shares of which are listed on the Main Board of the Stock Exchange. Since 12 January 2018, he has been appointed as independent non-executive director of FDB Holdings Limited (stock code: 1826), the issued shares of which are also listed on the Main Board of the Stock Exchange.

10. DOCUMENTS ON DISPLAY

Copy of the following document will be published on the website of the Stock Exchange (<http://www.hkexnews.hk>) and the website of the Company (<https://www.hetermedia.com>) for the period of 14 days commencing from the date of this circular:

1. the material contract referred to under paragraph headed “7. Material Contract” in this Appendix II to this circular ; and
2. this circular.

11. GENERAL

1. The registered office of the Company is situated at Windward 3, Regatta Office Park, P.O. Box 1350, Grand Cayman, KY1-1108, Cayman Islands.
2. The principal place of business of the Company in Hong Kong is 9/F, Infinitus Plaza, 199 Des Voeux Road Central, Hong Kong.
3. The share registrar and transfer office of the Company in Hong Kong is Tricor Investor Services Limited.
4. The company secretary of the Company is Mr. Lau Fai Lawrence. He is currently a certified public accountant (practising) in Hong Kong. He graduated from The University of Hong Kong with a bachelor’s degree in Business Administration and obtained a master’s degree in Corporate Finance from Hong Kong Polytechnic University.
5. The compliance officer of the Company is Mr. Chan Wai Lin, an executive Director of the Company and the Chief Executive Officer of the Group. He has over 15 years of experience in the financial printing industry. He obtained a degree of Bachelor of Arts in Economics from the University of Missouri, the United States in December 1998, and the degree of Master of Arts in Finance from Webster University, the United States in December 2000, respectively. He further obtained a degree of Master of Business Administration from Webster University, the United States in August 2001.
6. The audit committee of the Company comprises three independent non-executive Directors, namely Mr. Ng Jack Ho Wan (chairman of the audit committee), Mr. Choi Hon Ting Derek and Mr. Wan Chi Wai Anthony.
7. The English text of this circular shall prevail over the Chinese text in case of an inconsistency.