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HM International Holdings Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8416)

DISCLOSEABLE TRANSACTION ACQUISITION OF 22.85% EQUITY INTEREST IN WORDBEE S.A.

THE AGREEMENT

The Board is pleased to announce that, on 23 August 2019 (after trading hours), HM Investment, an indirectly wholly-owned subsidiary of the Company entered into the Agreement with the Existing Shareholders, pursuant to which HM Investment has agreed to subscribe the Subscription Shares and the Existing Shareholders have agreed to procure the allotment and issue of the Subscription Shares to HM Investment at the consideration of one million Euros (equivalent to approximately HK\$8,726,000), representing approximately 22.85% of the enlarged share capital of the Target Company.

THE LISTING RULES IMPLICATIONS

As the relevant percentage ratios in respect of the Subscription calculated pursuant to Rule 19.07 of the GEM Listing Rules exceed 5% but less than 25%, the Subscription constitutes a discloseable transaction for the Company and is subject to the notification and announcement requirements under Chapter 19 of the GEM Listing Rules.

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The principal terms of the Agreement are summarised as follows:–

THE AGREEMENT

Date: 23 August 2019

Parties:

- (1) HM Investment Holdings Limited as the subscriber;
- (2) Existing Shareholders:
 - (i) Jose VEGA;
 - (ii) Stephan BOHMIG;
 - (iii) Anita SEMPELS;
 - (iv) Maxime APPOLONIA;
 - (v) ACTIVOS LINGUISTICOS SL; and
 - (vi) Daniel JOHNSON.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Existing Shareholders and their respective associates, are not connected persons of the Company and are Independent Third Parties.

Subscription Shares

Pursuant to the Agreement, HM Investment has agreed to subscribe and the Existing Shareholders have agreed to procure the Target Company to allot and issue 8,156 ordinary shares with a nominal value of 3.10 Euros each, representing approximately 22.85% of the enlarged issued share capital of the Target Company, of which:

1. HM Investment shall subscribe for 4,078 ordinary shares with a nominal value of 3.10 Euros each at the consideration of 500,000 Euros on or before 30 September 2019; and
2. HM Investment shall subscribe for 4,078 ordinary shares with a nominal value of 3.10 Euros each at the consideration of 500,000 Euros on or before 31 May 2020.

Consideration

The amount of Consideration for the Subscription Shares is one million Euros (equivalent to approximately HK\$8,726,000) and shall be paid by HM Investment in the following manner:

1. First payment of 500,000 Euros for 4,078 ordinary shares with a nominal value of 3.10 Euros each, will be paid on or before 30 September 2019; and
2. Second payment of 500,000 Euros for 4,078 ordinary shares with a nominal value of 3.10 Euros each, will be paid on or before 31 May 2020.

Determination of the Consideration

The Consideration for the Subscription Shares was determined after arm's length negotiations between HM Investment and the Existing Shareholders with reference to the par value and share premium of the Subscription Shares. The Directors (including the independent non-executive Directors) believe that the Consideration is fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Completion

Subject to the terms and conditions of the Agreement, HM Investment and the Existing Shareholders expect that the completion of the Subscription shall take place on or before 31 May 2020.

Rights and obligations as shareholders of the Target Company

The principal rights and obligations of HM Investment and the Existing Shareholders as shareholders of the Target Company are summarised below:

Board composition and management of the Target Company

The board of directors of the Target Company will consist of four directors, including one to be appointed by ACTIVOS LINGUISTICOS SL, one to be appointed by HM Investment and the other two to be appointed by the Founders.

One of the directors appointed by the Founders will exercise the presidency of the Board and will be in charge of the daily management of the Target Company.

Transfer of shares

Any shareholder who wishes to transfer all or part of his/her/its shares in the Target Company to any non-shareholder person shall first of all notify all the other shareholders with the details of the proposed transfer. The other shareholders upon receipt of such notification, will be entitled to exercise a pre-emption right within 30 days to acquire the shares under the same terms and conditions contained in such notification.

Drag along

In the event that a shareholder or a group of shareholders owning at least half of the shares of the Target Company wishes to transfer all the shares of the Target Company he/she/it/they own(s) to one or more persons, the other shareholder(s) will be required to sell his/her/its/their shares to the proposed purchaser under the same terms and conditions.

Tag along

In the event that a shareholder or a group of shareholders owning at least half of the shares of the Target Company wishes to transfer at least half of the shares of the Target Company through one transaction to one or more persons, the other shareholder(s) may, exercise a tag-along right to sell his/her/its/their shares to the proposed purchaser under the same terms and conditions.

Majority consent

The following matters shall require the consent of the shareholders holding at least 80% of the issued share capital of the Target Company:

- (i) increase, consolidate, sub-divide, purchase, cancel or convert the share capital of the Target Company, or reduce the Target Company's share capital or share premium account or reserves;
- (ii) allot or issue any shares or any other class of shares in the share capital of the Target Company or any securities convertible into or carrying a right of subscription in respect of shares or any other class of shares in the share capital of the Target Company or any share warrants or issue or grant any options or other rights over or in respect of any shares or any other class of shares in the share capital of the Target Company or which may require the issue of shares or any other class of shares in the share capital of the Target Company in the future;
- (iii) the alteration of the articles of association of the Target Company;
- (iv) the passing of any resolutions, in each case inconsistent with the provision of the Agreement;
- (v) the winding-up or liquidation of the Target Company;

- (vi) change of business of the Target Company; and
- (vii) the alteration of the rights attaching to any of the shares of the Target Company.

Duration

The Agreement shall be valid upon execution and binds each signing party as long as he/she/it is a shareholder of the Target Company, regardless of the number of shares held. It will expire on the day of the seventh anniversary of execution.

Each of the shareholders shall be entitled to terminate forthwith the Agreement if HM Investment fails to subscribe 4,078 ordinary shares on or before 30 September 2019.

GENERAL INFORMATION

Information of the Target Company and the Existing Shareholders

The Target Company is a company incorporated with limited liabilities in Luxembourg. It is a software technology company in Luxembourg which has developed a collaborative platform for the management of translation projects and a computer assisted translation tool for the editing of texts. It has a long experience in developing software technologies.

Below are the Existing Shareholders of the Target Company as at the date of this announcement:

Existing Shareholder	No. of shares held	% of issued share capital
Jose VEGA	10,111	36.71%
Stephan BOHMIG	10,111	36.71%
ACTIVOS LINGUISTICOS SL	6,121	22.23%
Daniel JOHNSON	569	2.07%
Maxime APPOLONIA	418	1.52%
Anita SEMPLS	210	0.76%
TOTAL	27,540	100%

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Target Company, the Existing Shareholders, the ultimate beneficial owners and their respective associates, are not connected persons of the Company and are Independent Third Parties.

Information of HM Investment and the Group

HM Investment is a company incorporated under the laws of the British Virgin Islands and is an indirectly wholly-owned subsidiary of the Company. The Group is principally engaged in the financial printing services and marketing collateral printing projects in Hong Kong.

REASONS FOR AND BENEFITS OF ENTERING INTO THE AGREEMENT

The Group is principally engaged in the financial printing services, marketing collateral printing projects, and provides integrated printing services for various corporate clients in the financial and capital market in Hong Kong. The Group mainly offers a wide spectrum of services from financial printing services for corporations which are listed on the Stock Exchange and potential listing applicants to, fund houses and insurance companies to marketing collateral printing services and is actively seeking to upgrade its products and services for the purpose of enhancing its overall competitiveness.

The Target Company is a software technology company in Luxembourg which has developed a collaborative platform for the management of translation projects and a computer assisted translation tool for the editing of texts. It has a long experience in training and consulting in tools and language technologies in the context of large-scale projects.

In view of the aforesaid, the Board considers that the Subscription represents an opportunity for the Group to invest in the Target Company and to align with the focus and future development strategies of the Group, which will enhance the translation process and development by way of computer assisted translation tool, and benefit the Group's business development and the interests of the Company and the Shareholders of the Company as a whole in the future. The Directors also believe that the Subscription would further strengthen and complement the Group's core business of financial printing in light of the growing financial and capital market. Through the Subscription and with the existing know-how of the Group, the Directors are of the view that the Group will gain additional exposure to the financial and capital market and strengthen the Group's service solutions to its existing and potential clients.

In view of the above, the Board is optimistic on the business prospects of the Target Company and considers that the Subscription would further enhance the profitability of the Group. After taking into account the above factors, the Directors consider that the terms and conditions of the Agreement are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

THE LISTING RULES IMPLICATIONS

As the relevant percentage ratios, in respect of the Subscription calculated pursuant to Rule 19.07 of the GEM Listing Rules exceeded 5% but less than 25%, the Subscription constituted a discloseable transaction for the Company and was subject to the notification and announcement requirements under Chapter 19 of the GEM Listing Rules.

DEFINITIONS

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

“Agreement”	the shareholders agreement dated 23 August 2019 entered into between HM Investment and the Existing Shareholders in respect of the Subscription and the Target Company
“associate(s)”	has the meaning ascribed to it under GEM Listing Rules
“Board”	the board of Directors from time to time
“Company”	HM International Holdings Limited, a company incorporated in the Cayman Islands with limited liability, the Shares of which are listed on the GEM of the Stock Exchange (Stock Code: 8416)
“Completion”	completion of the Subscription in accordance with the terms and conditions of the Agreement
“Completion Date”	on or before 31 May 2020
“connected person(s)”	has the meaning ascribed to it under the GEM Listing Rules
“Consideration”	the consideration for the Subscription in the amount of one million Euros (equivalent to approximately HK\$8,726,000). For details, please refer to the section headed “Consideration” in this announcement
“Director(s)”	the director(s) of the Company from time to time
“Existing Shareholders”	the existing shareholders of the Target Company, including Jose VEGA, Stephan BOHMIG, Anita SEMPELS, Maxime APPOLONIA, ACTIVOS LINGUISTICOS SL and Daniel JOHNSON
“Euro”	the official currency of the European Union member countries
“Founders”	Jose VEGA and Stephan BOHMIG, founders of the Target Company
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM of the Stock Exchange
“Group”	the Company and its subsidiaries

“HM Investment”	HM Investment Holdings Limited, a company incorporated with limited liability under the laws of the British Virgin Islands and is an indirectly wholly-owned subsidiary of the Company
“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“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, are not connected persons of the Company and are third parties independent of the Company and its connected persons in accordance with the GEM Listing Rules
“Share(s)”	ordinary share(s) of the Company
“Shareholder(s)”	holder(s) of the issued Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription”	the subscription of the Subscription Shares by HM Investment pursuant to the Agreement
“Subscription Shares”	the 8,156 shares with a nominal value of 3.10 Euros each to be allotted and issued by the Target Company, representing approximately 22.85% of the enlarged share capital of the Target Company
“Target Company”	Wordbee S.A., a company incorporated with limited liability under the laws of Luxembourg
“%”	per cent.

Unless otherwise stated, the exchange rate adopted in this announcement is based on the exchange rate of Euro 1.00 = HK\$8.726 and is provided for identification purpose only.

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

Hong Kong, 23 August 2019

As at the date of this announcement, the executive directors of the Company are Mr. Yu Chi Ming, Mr. Tse Kam Wing Walter and Mr. Chan Wai Lin; and the independent non-executive directors of the Company are Mr. Choi Hon Ting Derek, Mr. Ng Jack Ho Wan and Mr. Wan Chi Wai Anthony.

This announcement, for which the directors of the Company collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited for the purpose of giving information with regard to the Company. The directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

This announcement is published on the GEM website at www.hkgem.com and will remain on its "Latest Company Announcements" page for at least seven days from the date of publication. This announcement will also be published on the Company's website at www.hetermedia.com.