
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 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 the transferee.

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**HM International Holdings Limited**

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8416)

**CONNECTED TRANSACTION INVOLVING PROPOSED
ISSUE OF NEW SHARES TO THE CONNECTED PERSON
PURSUANT TO THE SHARE AWARD SCHEME UNDER
THE GENERAL MANDATE**

**Independent Financial Adviser to the Independent Board Committee and the
Independent Shareholders**

MESSIS 大有融資

A letter from the Board is set out on pages 4 to 12 of this circular. A letter from the Independent Board Committee containing its recommendation to the Independent Shareholders is set out on pages 13 to 14 of this circular, and a letter of advice from the Independent Financial Adviser containing its advice and recommendation to the Independent Board Committee and the Independent Shareholders is set out on pages 15 to 32 of this circular.

A notice convening the EGM to be held at 9/F, Infinitus Plaza, 199 Des Voeux Road Central, Hong Kong on 9 May 2023 (Tuesday) at 12:30 p.m. is set out on pages EGM-1 to EGM-2 of this circular.

Whether or not you are able to attend the EGM, please complete and sign the enclosed form of proxy for use at the EGM in accordance with the instructions printed thereon and return it to the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the EGM. Completion and return of the form of proxy will not preclude shareholders from attending and voting in person at the EGM if they so wish and, in such event, the delivered form of proxy shall be deemed to be revoked.

This circular together with the form of proxy are also published on the Stock Exchange's website at www.hkgem.com and will remain on its "Latest Listed Company Information" page for at least seven days from the date of publication. The said documents are also published on the Company's website at www.hetermedia.com.

References to time and dates in this circular are to Hong Kong time and dates.

24 April 2023

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:

“2022 General Mandate”	the general mandate granted by the Shareholders to the Directors to issue and allot and otherwise deal with new Shares at the annual general meeting of the Company held on 10 May 2022
“associate(s)”	has the meaning ascribed thereto under the GEM Listing Rules
“Award”	the award of the Awarded Shares to the Awardees under the Share Award Scheme
“Awarded Share(s)”	any Shares that may offered by the Company to any selected Eligible Participant under the Share Award Scheme
“Awardee”	the Eligible Participants granted or proposed to be granted the Awarded Share(s) under the Share Award Scheme, comprising the Non-Connected Awardee and the Connected Awardee
“Board”	board of the Directors
“Company”	HM International Holdings Limited, a company incorporated in the Cayman Islands with limited liability and whose shares are listed on GEM of the Stock Exchange (stock code: 8416)
“Connected Awardee”	the Awardee who is a connected person of the Company
“connected person(s)”	has the meaning ascribed thereto under the GEM Listing Rules
“Director(s)”	the directors of the Company
“EGM”	the extraordinary general meeting to be convened and held by the Company on 9 May 2023 (Tuesday) to consider and if thought fit, approve among other things, the Award to the Connected Awardee and the Proposed Connected Issue and Allotment
“Eligible Participant(s)”	the eligible participant(s) as defined under the Share Award Scheme
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

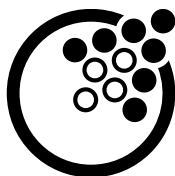
DEFINITIONS

“Hong Kong”	Hong Kong Special Administrative Region of the People’s Republic of China
“i.Link”	i.Link Group Limited, a company incorporated in Hong Kong with limited liability and a non wholly-owned subsidiary of the Company
“Independent Board Committee”	the independent board committee of the Company, comprising the independent non-executive Directors of the Company, namely, Mr. Choi Hon Ting Derek, Mr. Ng Jack Ho Wan and Mr. Wan Chi Wai Anthony
“Independent Financial Adviser”	Messis Capital Limited, a licensed corporation under the SFO to carry our Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO
“Independent Shareholders”	the independent Shareholders other than the Connected Awardee and the respective associates
“Latest Practicable Date”	20 April 2023
“Listing Committee”	the Listing Committee of the Stock Exchange
“Non-Connected Awardee(s)”	the Awardee(s) who are not connected person(s) of the Company
“Original Trustee”	Tricor Trust (Hong Kong) Limited, a company incorporated under the laws of Hong Kong and having its registered office at 5/F, Manulife Place, 348 Kwun Tong Road, Kowloon, Hong Kong
“PRC”	the People’s Republic of China excluding, for the purpose of this circular, Hong Kong, Macau Special Administrative Region of the PRC and Taiwan
“Proposed Connected Issue and Allotment”	the proposed issue and allotment of 4,000,000 Awarded Shares to the Connected Awardee
“Scheme Limit”	the total number of the Awarded Shares underlying all grants made pursuant to the Share Award Scheme shall not exceed in total ten per cent. (10%) of the Company’s total issued share capital (i.e. 40,000,000 Shares) as of 4 July, 2022

DEFINITIONS

“SFO”	Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Returned Shares”	such Awarded Shares which are not vested and/or forfeited in accordance with the terms of the Share Award Scheme (whether as a result of a lapse of an Award or any part thereof or otherwise), or such Shares being deemed to be Returned Shares
“Share(s)”	ordinary shares of HK\$0.01 par value each in the share capital of the Company
“Shareholder(s)”	the holder(s) of the Share(s)
“Share Award Scheme”	the share award scheme adopted by the Board on 4 July 2022, whereby Awarded Shares may be made to the Eligible Participants under the share award scheme (such as Shares being subscribed or purchased by the Trustee)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Trustee”	the Original Trustee or other trustee or trustees (which is or are independent of and not connected to the Company) as shall be appointed pursuant to and in accordance with the terms of the trust deed under the Share Award Scheme
“%”	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

24 April 2023

To the Shareholders

Dear Sir/Madam,

**CONNECTED TRANSACTION INVOLVING PROPOSED
ISSUE OF NEW SHARES TO THE CONNECTED PERSON
PURSUANT TO THE SHARE AWARD SCHEME
UNDER THE GENERAL MANDATE**

INTRODUCTION

References are made to the announcement made by the Company on 3 April 2023 and the supplemental announcement made by the Company on 12 April 2023 in relation to the Award by the Board of an aggregate of 21,415,000 Awarded Shares to 15 Awardees, out of which 4,000,000 Awarded Shares are awarded to the Connected Awardee under the Share Award Scheme which shall be satisfied by the Proposed Connected Issue and Allotment.

The purpose of this circular is to provide the Shareholders with, among other things, (i) further details of the Award to the Connected Awardee and the Proposed Connected Issue and Allotment, together with other transactions contemplated thereunder; (ii) the recommendation from the Independent Board Committee to

LETTER FROM THE BOARD

the Independent Shareholders in relation to the Award to the Connected Awardee and other transactions contemplated thereunder; (iii) a letter of advice of the Independent Financial Adviser to the Independent Shareholders; and (iv) a notice convening the EGM.

The Share Award Scheme is an existing share award scheme adopted by the Board on 4 July 2022 prior to the effective date of the new Chapter 23 (effective on 1 January 2023) of the GEM Listing Rules and constitutes a share scheme pursuant to the new Chapter 23 (effective on 1 January 2023) of the GEM Listing Rules. The Company will comply with the transitional arrangements in accordance with the new Chapter 23 of the GEM Listing Rules for the Share Award Scheme, pursuant to which the Award to the Connected Awardee shall be made under the 2022 General Mandate subject to the Independent Shareholders' approval. Furthermore, the Company will make the Award using the existing Scheme Limit up and until the refreshment or expiry of the existing Share Award Scheme, upon which the Company would seek Shareholders' approval for a new Scheme Limit in accordance with the new Chapter 23 of the GEM Listing Rules. The Award and the Proposed Connected Issue and Allotment will be made pursuant to the 2022 General Mandate in consistent with the transitional arrangements of the new Chapter 23 of the GEM Listing Rules.

PROPOSED ISSUE OF NEW SHARES TO THE CONNECTED AWARDEE PURSUANT TO THE SHARE AWARD SCHEME

On 1 April 2023, the Board has resolved to award an aggregate of 21,415,000 Awarded Shares to 15 Awardees, out of which 4,000,000 Awarded Shares are awarded to the Connected Awardee under the Share Award Scheme which shall be satisfied by the Proposed Connected Issue and Allotment pursuant to the 2022 General Mandate to the Trustee to be held on trust for the Connected Awardee. The Trustee shall not exercise any voting rights in respect of any Awarded Shares held on trust. Under the 2022 General Mandate, the maximum number of new Shares that can be allotted and issued are 80,000,000 Shares (being 20% of the total number of the issued shares of the Company as at the date of the annual general meeting at which the 2022 General Mandate was granted by the Shareholders to the Board). As at the Latest Practicable Date, no new Shares has been issued or allotted under the 2022 General Mandate. After the allotment and issue of 21,415,000 new Shares for satisfaction of the 21,415,000 Awarded Shares, the number of new Shares available for allotment and issue under the 2022 General Mandate shall be 58,585,000 Shares.

The Connected Awardee has abstained from approving the relevant board resolution relating to the Award to herself under the Share Award Scheme and the Proposed Connected Issue and Allotment to the Trustee on trust for herself pursuant to the 2022 General Mandate to satisfy such award.

Details of the award of the Awarded Shares to the Connected Awardees are as follows:

Name of the Connected Awardee:	Chan Wai Chung Caroline (“ Ms. Chan ”)
Date of the award:	1 April 2023
Relationship with the Company:	Executive Director
Number of Awarded Shares awarded:	4,000,000, which does not exceed 1% of the total number of issued Shares as at the Latest Practicable Date

LETTER FROM THE BOARD

Subscription price:	Nil
Market price of the Awarded Shares on the date of the Award:	<p>Based on the closing price of HK\$0.129 per Shares as quoted on the Stock Exchange on 31 March 2023, being the trading date on the Stock Exchange immediately preceding the date of the Award, the market value of 4,000,000 Awarded Shares is HK\$516,000</p> <p>The average closing price of the Shares for the five consecutive trading days immediately preceding the Latest Practicable Date as quoted on the Stock Exchange is HK\$0.122, and the market value of 4,000,000 Awarded Shares is HK\$488,000</p>
Vesting period:	<p>The Awarded Shares shall, subject to the satisfaction of the vesting conditions, be vested in accordance with the following schedule:</p> <ul style="list-style-type: none">(i) approximately 34% of the Awarded Shares shall be vested on 1 April 2024; and(ii) approximately 66% of the Awarded Shares shall be vested on 1 April 2025
Vesting conditions:	Continue to contribute to the Group's business and continuous performance in her role as an executive Director and discharge her role of governance during the vesting period
Performance targets:	Achievement of targets and goals that benefit the Group's operation and development, namely (i) improving the environmental, social and governance aspects of the Group's business operation; (ii) retaining talented staff that contribute to the growth of the Group; (iii) enhancing workflow efficiency by making use of information technology; (iv) identifying potential acquisition targets that are fit for the Group's business expansion;(v) nurturing relationship with existing subcontractors and forging new partnerships with new subcontractors; and (vi) improving corporate image

The 4,000,000 Awarded Shares represent 1% of the Company's issued Shares as at the date of this circular and approximately 0.95% of the Company's issued Shares as enlarged by the issue and allotment of the new Shares pursuant to the proposed issue and allotment of the new Shares (assuming that there is no change in the share capital of the Company from the date of this circular up to the date of the proposed issue and allotment of the new Shares).

Prior to the Award to the Connected Awardee and the Proposed Connected Issue and Allotment, the Connected Awardee holds 1,700,000 ordinary shares of the Company, which represents approximately 0.43% of the Company's issued Shares as at the date of this circular. After the Proposed Connected Issue and Allotment is passed at the EGM and being vested to the Connected Awardee, the Connected Awardee will hold 5,700,000 ordinary shares of the Company, which represents approximately 1.35% of the

LETTER FROM THE BOARD

Company's issued Shares as enlarged by the issue and allotment of the new Shares pursuant to the proposed issue and allotment of the new Shares (assuming there is no change in the share capital of the Company from the date of this circular up to the date of the proposed issue and allotment of the new Shares.)

All the new Shares to be issued pursuant to the Proposed Connected Issue and Allotment will rank *pari passu* in all respects with all existing Shares presently in issue and at the time of issue and allotment of such new Shares.

The Award to the Connected Awardee has been approved by the Board on 1 April 2023, being the date of the Award subject to the acceptance of the Connected Awardee and other conditions as may be determined by the Board, including the Independent Shareholders' approval at the EGM.

Lapse of Award

In the event (i) the Awardee is, prior to the relevant vesting date, found to have ceased to be an employee; (ii) the subsidiary by which the Awardee is employed ceased to be a subsidiary of the Company; (iii) the Board or the Committee shall at its absolute discretion determine that (a) the Awardee or the associate has committed breach of any contract entered into between the Awardee or the associate on one part and the relevant member of the Group on the other part; (b) the Awardee has been guilty of misconduct or committed any act of bankruptcy or subject to analogous proceedings or has been convicted any criminal offence involving integrity or honesty; or (c) the Awardee could no longer make any contribution to the growth and development of the Group; or (iv) an order for the winding-up of the Company is made or a resolution is passed for the voluntary winding-up of the Company, the Award shall automatically lapse forthwith and all the Awarded Shares shall not vest on the relevant vesting date but shall become Returned Shares for the purposes of the Share Award Scheme.

Conditions of the Proposed Connected Issue and Allotment

The Proposed Connected Issue and Allotment is conditional upon:

- (i) the passing of an ordinary resolution by the Independent Shareholders to approve the Proposed Connected Issue and Allotment at the EGM; and
- (ii) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the new Shares to be issued and allotted pursuant to the Proposed Connected Issue and Allotment on the Stock Exchange.

The Company shall make an application to the Stock Exchange accordingly.

EFFECTS OF THE PROPOSED CONNECTED ISSUE AND ALLOTMENT

The share capital and shareholding structure of the Company as at the Latest Practicable Date and immediately upon the Proposed Connected Issue and Allotment are as follows (except for the Awarded Shares to the Non-Connected Awardees under the Share Award Scheme as announced on 3 April 2023 and 12 April 2023, respectively, assuming that there is no change in the shareholding structure of the Company from the Latest Practicable Date up to the date of the Proposed Connected Issue and Allotment):

LETTER FROM THE BOARD

Name of Shareholders	Shareholding as at the Latest Practicable Date		Shareholding immediately upon the Proposed Connected Issue and Allotment	
	Number of issued Shares	Approximate percentage %	Number of issued Shares	Approximate percentage %
HM Ultimate Holdings Limited ^(Note 1)	222,760,000	55.69	222,760,000	52.86
Ms. Wong Mee Che Lilian ^(Note 2)	222,760,000	55.69	222,760,000	52.86
Ms. Tang Wai Kwan May ^(Note 3)	222,760,000	55.69	222,760,000	52.86
Mr. Tse Kam Wing (“Mr. Tse”)	72,285,000	18.07	72,285,000	17.15
Ms. Wong Yuk Sim Kathy ^(Note 4)	72,285,000	18.07	72,285,000	17.15
Connected Awardee	1,700,000	0.43	5,700,000	1.35
Non-Connected Awardee	–	–	17,415,000	4.13
Other public Shareholders	103,255,000	25.81	103,255,000	24.51
Total	400,000,000	100.00	421,415,000	100.00

Notes:

- HM Ultimate Holdings Limited is beneficially owned as to 70.2% by Mr. Yu Chi Ming (“Mr. Yu”) and 29.8% by Mr. Chan Wai Lin (“Mr. Chan”), respectively. Mr. Yu and Mr. Chan together control all the shares held by HM Ultimate Holdings Limited. Both Mr. Yu and Mr. Chan are the executive Directors of the Company.
- 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 and he resigned as a Director on 31 December 2020.

LETTER FROM THE BOARD

Assuming that there are no other changes to the shareholding structure of the Company from the Latest Practicable Date up to the date of the Proposed Connected Issue and Allotment, the Company will be able to comply with the public float requirement under the Listing Rules immediately after the Proposed Connected Issue and Allotment.

REASONS FOR AND THE BENEFITS OF THE AWARD TO THE CONNECTED AWARDEE

The Group is principally engaged in the provision of integrated printing services (including provision of financial printing services, marketing collateral printing services and other services).

The Share Award Scheme forms part of the incentive schemes of the Group.

The Board recognises the contributions and efforts made by the Connected Awardee and considers that the Award is an effective incentive for her support to the Group's business operations and development. In particular, the Connected Awardee has been a core member of the Company's executive management and has provided valuable advice to the Group's development throughout the year.

The Connected Awardee first joined the Group in August 2010 and has since January 2015 been the chief operations officer of the Group and since January 2021 been an executive Director of the Company. During her office, the Connected Awardee made significant contributions to the operational efficiency and development of the Group by providing valuable inputs on potential acquisition targets. In August 2020, the Group completed the acquisition of 70% equity interest in i.Link, a financial printing company in Hong Kong, which then became a subsidiary of the Company. Since the acquisition of i.Link, the Connected Awardee has streamlined its operation, including communication, operational decision-making and staff performance, rendering the newly acquired subsidiary more efficient and effective.

The Connected Awardee holds a master's degree in Environmental and Business Management and a master's degree in Corporate Environmental Governance and has since December 2021 become a graduate member of The Institute of Environmental Management and Assessment (the largest professional body for environmental practitioners in the United Kingdom and worldwide). With her background in the environmental, social and governance field, the Connected Awardee has contributed significantly in promoting environmental, social and governance awareness within the Group and cultivating ongoing stakeholder engagement through various communication channels.

The Board does not consider other means of remuneration or incentive payments to the Connected Awardee in the form of cash bonus or salary increase a preferred way of rewarding the Connected Awardee. The Award, together with the vesting conditions and performance targets is an effective way of aligning the interests of the Group to the Connected Awardee in that the Award will incentivise and drive the Connected Awardee to continue to make contributions to the Group in her position as an executive Director and the chief operations officer of the Group. In particular, the performance targets for the Award namely (i) improving the environmental, social and governance aspects of the Group's business operation; (ii) retaining talented staff that contribute to the growth of the Group; (iii) enhancing workflow efficiency by making use of information technology; (iv) identifying potential acquisition targets that are fit for the Group's business expansion; (v) nurturing relationship with existing subcontractors and forging new partnerships with new subcontractors; and (vi) improving corporate image are all core competencies of the Group which the Group would like to achieve. By setting out these clear core competencies together with a vesting period, the

LETTER FROM THE BOARD

Connected Awardee will have a clear roadmap on how the development and interests of the Group is aligned to her contribution. As the Award will be satisfied by the issue and allotment of the new Shares, there will not be any actual cash outflow by the Group. The Board considers that reward in the form of cash, on the other hand, will inevitably impose unnecessary financial outflow for the Group and lacks the ability to align the interests of the Connected Awardee with the core competencies of the Group. In addition, the Board considers that an effective director's compensation package should consist of a combination of cash and equity based incentives. It ensures the alignment of long-term interests between the executive Directors and the Shareholders.

In light of the above, the Board considers that the Award is appropriate and aligns with the purpose of the Share Award Scheme to recognise and reward the contribution of Eligible Participants to the growth and development of the Group and to give incentives to them in order to retain them for the continual operation and development of the Group.

EQUITY FUND RAISING ACTIVITIES OF THE COMPANY IN THE PAST 12 MONTHS

The Company has not conducted any equity fund raising activities in the past 12 months immediately preceding the date of this circular.

LISTING RULES IMPLICATION

The Connected Awardee, being an executive Director and a Shareholder of the Company, is a connected person of the Company pursuant to Rule 20.07 of the GEM Listing Rules. Therefore, the Award to the Connected Awardee and the Proposed Connected Issue and Allotment shall constitute a connected transaction of the Company under Chapter 20 of the GEM Listing Rules and shall be subject to the reporting, announcement, circular and the Independent Shareholders' approval under the GEM Listing Rules.

The EGM will be convened and held to consider, and if thought fit, approve among other things, the Award to the Connected Awardee and the Proposed Connected Issue and Allotment, together with other transactions contemplated thereunder.

Ms. Chan, being the Connected Awardee, and her associates will be required to abstain from voting on the resolution proposed at the EGM to approve the Proposed Connected Issue and Allotment. Save as disclosed above, none of the Directors has material interest in, or is required to abstain from voting on the Award to the Connected Awardee and the Proposed Connected Issue and Allotment. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, save for the Connected Awardee and her associates, no other Shareholder is required to abstain from voting on the resolution to approve, among others, the Proposed Connected Issue and Allotment, together with other transactions contemplated thereunder at the EGM.

The Share Award Scheme is an existing share award scheme adopted by the Board on 4 July 2022 prior to the effective date of the new Chapter 23 (effective on 1 January 2023) of the GEM Listing Rules and constitutes a share scheme pursuant to the new Chapter 23 (effective on 1 January 2023) of the GEM Listing Rules. The Company will comply with the transitional arrangements in accordance with the new Chapter 23 of the GEM Listing Rules for the Share Award Scheme, pursuant to which the Award to the Connected Awardee shall be made under the 2022 General Mandate subject to the Independent Shareholders' approval.

LETTER FROM THE BOARD

Furthermore, the Company will make the Award using the existing Scheme Limit up and until the refreshment or expiry of the existing Share Award Scheme, upon which the Company would seek Shareholders' approval for a new Scheme Limit in accordance with the new Chapter 23 of the GEM Listing Rules.

The Award and the Proposed Connected Issue and Allotment will be made pursuant to the 2022 General Mandate in consistent with the transitional arrangements of the new Chapter 23 of the GEM Listing Rules.

INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

The Independent Board Committee, comprising all the independent non-executive Directors, namely, Mr. Choi Hon Ting Derek, Mr. Ng Jack Ho Wan, and Mr. Wan Chi Wai Anthony, has been established to consider the Award and the Proposed Connected Issue and Allotment together with other transactions contemplated thereunder, and to advise the Independent Shareholders as to whether the aforesaid transactions are on normal commercial terms, fair and reasonable and in the interests of the Company and its Shareholders as a whole.

Messis Capital Limited has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in respect of the proposed Award and the Proposed Connected Issue and Allotment.

The text of the letter from the Independent Board Committee is set out on pages 13 to 14 of this circular and the text of the letter from the Independent Financial Adviser containing its advice to the Independent Board Committee and the Independent Shareholders is set out on pages 15 to 32 of this circular.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from 3 May 2023 (Wednesday) to 9 May 2023 (Tuesday), both days inclusive, in order to determine the identity of the Shareholders who are entitled to attend the EGM, during which no share transfers will be registered. To be eligible to attend the EGM, all properly completed transfer forms accompanied by the relevant share certificates must be lodged for registration with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not later than 4:30 p.m. on 2 May 2023 (Tuesday).

THE EGM

The EGM will be convened and held for the Shareholders to consider, and if thought fit, approve among other things, the Award and the Proposed Connected Issue and Allotment, together with other transactions contemplated thereunder. A notice convening the EGM is expected to be published and despatched to the Shareholders in due course in accordance with the requirements of the GEM Listing Rules.

In compliance with the GEM Listing Rules, the resolution will be voted by way of poll at the EGM.

LETTER FROM THE BOARD

Ms. Chan, being the Connected Awardee, and her associate will be required to abstain from voting on the resolution proposed at the EGM to approve the Proposed Connected Issue and Allotment. Save as disclosed above, none of the Directors has material interest in, or is required to abstain from voting on the Award to the Connected Awardee and the Proposed Connected Issue and Allotment. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, save for the Connected Awardee and her associates, no other Shareholder is required to abstain from voting on the resolution to approve, among others, the Proposed Connected Issue and Allotment, together with other transactions contemplated thereunder at the EGM.

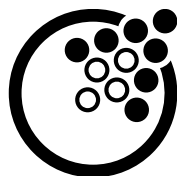
A form of proxy for use at the EGM is enclosed with this circular. Whether or not you are able to attend the EGM, you are requested to complete the accompanying form of proxy in accordance with the instructions printed thereon and return the same to the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for the holding of the EGM or any adjournment thereof. Completion and return of the form of proxy will not preclude you from attending and voting in person at the EGM or any adjourned meeting should you so wish.

RECOMMENDATION

The Board is of the view that the terms of the Award to the Connected Awardee and the Proposed Connected Issue and Allotment are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

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

LETTER FROM THE INDEPENDENT BOARD COMMITTEE



HM International Holdings Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8416)

24 April 2023

To: the Independent Shareholders

Dear Sir or Madam,

**CONNECTED TRANSACTION INVOLVING PROPOSED
ISSUE OF NEW SHARES TO THE CONNECTED PERSON
PURSUANT TO THE SHARE AWARD SCHEME
UNDER THE GENERAL MANDATE**

We refer to the circular of the Company dated 24 April 2023 (the “**Circular**”) of which this letter forms part. Terms defined in the Circular shall have the same meanings when used in this letter unless the context otherwise requires.

We have been appointed by the Board as members of the Independent Board Committee to advise the Independent Shareholders in respect of the proposed of Award to the Connected Awardee. Messis Capital Limited has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

We wish to draw your attention to the letter from the Board on pages 4 to 12 of the Circular, which sets out details of the proposed Award to the Connected Awardee. We also wish to draw your attention to the letter from the Independent Financial Adviser set out on pages 15 to 32 of the Circular, which contains its advice to the Independent Board Committee and the Independent Shareholders in respect of the proposed Award to the Connected Awardee.

Having taken into account (i) the reasons as disclosed in the paragraph headed “Reasons for and the Benefits of the Award to the Connected Awardee” of the Circular; and (ii) the principal factors and reasons considered by the Independent Financial Adviser, and its conclusion and advice, we are of the view and concur with the opinion of the Independent Financial Adviser that the Proposed Connected Issue and Allotment, although not conducted in the ordinary and usual course of business of the Group, are based on normal commercial terms, and the terms thereof are fair and reasonable and in the interests of the Company and the Shareholders as a whole. Accordingly, we recommend the Independent Shareholders to vote in

LETTER FROM THE INDEPENDENT BOARD COMMITTEE

favour of the ordinary resolution to be proposed at the EGM to approve the issue and allotment of the relevant Awarded Shares to the Connected Awardee, particulars of which are set out in the notice of EGM set out on pages EGM-1 to EGM-2 of the Circular.

Yours faithfully,

For and on behalf of the Independent Board Committee,

Mr. Choi Hon Ting Derek

Mr. Ng Jack Ho Wan

Mr. Wan Chi Wai Anthony

Independent non-executive Directors

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The following is the full text of the letter from the Independent Financial Adviser which sets out its advice to the Independent Board Committee and the Independent Shareholders for inclusion in this circular.

MESSIS 大有融資

24 April 2023

*To: The Independent Board Committee and the Independent Shareholders
of HM International Holdings Limited*

Dear Sir/Madam,

CONNECTED TRANSACTION INVOLVING PROPOSED ISSUE OF NEW SHARES TO THE CONNECTED PERSON PURSUANT TO THE SHARE AWARD SCHEME UNDER THE GENERAL MANDATE

INTRODUCTION

We refer to our appointment as the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders in respect of the provisionally award of the 4,000,000 Awarded Shares to the Connected Awardee under the Share Award Scheme and the transactions contemplated thereunder, details of which are set out in the letter from the Board (the “**Letter from the Board**”) contained in the circular of the Company to the Shareholders dated 24 April 2023 (the “**Circular**”), of which this letter forms part. Capitalised terms used in this letter shall have the same meanings as defined in the Circular unless the context otherwise requires.

References are made to the announcement made by the Company on 3 April 2023 and the supplemental announcement made by the Company on 12 April 2023 in relation to the Award by the Board of an aggregate of 21,415,000 Awarded Shares to 15 Awardees, out of which 4,000,000 Awarded Shares are awarded to the Connected Awardee under the Share Award Scheme which shall be satisfied by the Proposed Connected Issue and Allotment.

On 1 April 2023, the Board has resolved to award an aggregate of 21,415,000 Awarded Shares to 15 Awardees, out of which 4,000,000 Awarded Shares are awarded to the Connected Awardee under the Share Award Scheme which shall be satisfied by the Proposed Connected Issue and Allotment pursuant to the 2022 General Mandate to the Trustee to be held on trust for the Connected Awardee. The Trustee shall not exercise any voting rights in respect of any Awarded Shares held on trust. Under the 2022 General Mandate, the maximum number of new Shares that can be allotted and issued are 80,000,000 Shares (being 20% of the total number of the issued shares of the Company as at the date of the annual general meeting at which the 2022 General Mandate was granted by the Shareholders to the Board). As at the Latest Practicable Date, no new Shares has been issued or allotted under the General Mandate. After the allotment and issue of 21,415,000 new Shares for satisfaction of the 21,415,000 Awarded Shares, the number of new Shares available for allotment and issue under the General Mandate shall be 58,585,000 Shares.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The Connected Awardee has abstained from approving the relevant board resolution relating to the Award to herself under the Share Award Scheme and the Proposed Connected Issue and Allotment to the Trustee on trust for herself pursuant to the 2022 General Mandate to satisfy such award.

According to the Letter from the Board, the Connected Awardee, being an executive Director and a Shareholder of the Company, is a connected person of the Company pursuant to Rule 20.07 of the GEM Listing Rules. Therefore the Award to the Connected Awardee and the Proposed Connected Issue and Allotment shall constitute a connected transaction of the Company under Chapter 20 of the GEM Listing Rules and shall be subject to the reporting, announcement, circular and the Independent Shareholders' approval under the GEM Listing Rules.

The Independent Board Committee, comprising all the independent non-executive Directors, namely, Mr. Choi Hon Ting Derek, Mr. Ng Jack Ho Wan, and Mr. Wan Chi Wai Anthony, has been established to advise the Independent Shareholders on (i) whether the terms of the Proposed Connected Issue and Allotment are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned; (ii) whether the Proposed Connected Issue and Allotment is in the interests of the Company and the Shareholders as a whole; and (iii) how the Independent Shareholders should vote in respect of the resolution(s) to approve the Proposed Connected Issue and Allotment at the EGM. We, Messis Capital Limited, has been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this regard.

OUR INDEPENDENCE

We have been appointed as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders in this regard. As at the Latest Practicable Date, we did not have any relationships or interests with the Company or any other parties that could reasonably be regarded as relevant to our independence. In the last two years, we have not acted as the independent financial adviser to the independent board committee and the independent shareholders of the Company. Apart from normal professional fees paid or payable to us, no arrangement exist whereby we have received or will receive any fees or benefits from the Company or any other parties that could reasonably be regarded as relevant to our independence. Accordingly, we consider that we are independent from the Company pursuant to Rule 17.96 of the GEM Listing Rules.

BASIS OF OUR OPINION

In formulating our opinion with regard to the Proposed Connected Issue and Allotment, we have relied on the information and facts supplied, opinions expressed and representations made to us by the management of the Group (including but not limited to those contained or referred to in the Announcement and this Circular). We have assumed that the information and facts supplied, opinions expressed and representations made to us by the management of the Group were true, accurate and complete at the time they were made and continue to be true, accurate and complete in all material aspects until the date of the EGM. We have also assumed that all statements of belief, opinions, expectation and intention made by the management of the Group in this Circular were reasonably made after due enquiry and careful consideration. We have no reason to suspect that any material facts or information have been withheld or to doubt the truth, accuracy and completeness of the information and facts contained in this Circular, or the reasonableness of the opinions expressed by the Group, its management and/or advisers, which have been provided to us.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The Directors have collectively and individually accepted full responsibility for the accuracy of the information contained in this Circular and have confirmed, having made all reasonable enquiries, which to the best of their knowledge and belief, that 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 in this Circular or this Circular misleading. We, as the Independent Financial Adviser, take no responsibility for the contents of any part of this Circular, save and except for this letter.

We consider that we have been provided with sufficient information to reach an informed view and to provide a reasonable basis for our opinion. We have not, however, conducted any independent in-depth investigation into the business and affairs or future prospects of the Group and the Connected Awardee or their respective subsidiaries or associates, nor have we considered the taxation implication on the Group or the Shareholders as a result of the Proposed Connected Issue and Allotment. Our opinion is necessarily based on the market, financial, economic and other conditions in effect and the information made available to us as at the Latest Practicable Date. Shareholders should note that subsequent developments (including material change in market and economic conditions) may affect and/or change our opinion and we have no obligation to update this opinion to take into account events occurring after the Latest Practicable Date or to update, revise or reaffirm our opinion. Nothing contained in this letter should be construed as a recommendation to hold, sell or buy any Shares or any other securities of the Company.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion and recommendation, we have considered the following principal factors and reasons:

1. Information of the Group

1.1 Principal business activities of the Group

According to the 2022 Annual Report and the annual results announcement for the year ended 31 December 2022, the Group's business is principally engaged in the provision of integrated printing services (including provision of financial printing services, marketing collateral printing services and other services).

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

1.2 *Financial information of the Group*

Set out below the summary of segment results of the Group as extracted from the annual results announcement for the year ended 31 December 2022:

	Year ended 31 December	
	2021	2022
	(audited)	(audited)
	HK\$'000	HK\$'000
Revenue	172,804	190,286
Cost of sales	(108,942)	(121,749)
Gross profit	63,862	68,537
Profits for the year	3,920	7,138

According to the 2022 Annual Report, the Group's revenue for the year ended 31 December 2022 was HK\$190.3 million compared to HK\$172.8 million for the year ended 31 December 2021, representing an increase of approximately 10.1%. The increase primarily stemmed from the increases in revenue from (i) financial printing projects, which increased by approximately HK\$4.3 million, or 3.1%, from approximately HK\$139.0 million for 2021, to approximately HK\$143.3 million for 2022; (ii) the marketing collateral printing projects, which increased by approximately HK\$2.1 million, or 8.0% from approximately HK\$26.6 million for 2021 to approximately HK\$28.8 million for 2022; and (iii) other projects by approximately HK\$11.0 million, or 153.1% from approximately HK\$7.2 million for 2021 to approximately HK\$18.2 million for 2022.

The Group's gross profit increased by approximately HK\$4.7 million, or 7.3%, from approximately HK\$63.9 million for the year ended 31 December 2021 to approximately HK\$68.5 million for the year ended 31 December 2022. It was mainly due to the increase in revenue. The Group's gross profit margin for the two years ended 31 December 2022 remained stable at approximately 37.0% and 36.0% respectively.

Profit after tax of the Group increased by approximately HK\$3.2 million, from approximately HK\$3.9 million for the year ended 31 December 2021 to approximately HK\$7.1 million for the year ended 31 December 2022. Such increase was mainly due to the increase in Group's revenue as compared to the year ended 31 December 2021. The net profit margins for the year ended 31 December 2022 and the year ended 31 December 2021 were approximately 3.8% and 2.3% respectively.

2. **Background of the Connected Awardee**

Set out below is the biography and background of Ms. Chan Wai Chung Caroline ("Ms. Chan") (being the Connected Awardee) as extracted from the 2022 Annual Report:

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Ms. Chan Wai Chung Caroline, aged 49, is an executive director of the Company since 11 January 2021 and the chief operations officer of our Group since 1 January 2015 and is responsible for overall business operation and management of our Group. Ms. Chan is primarily responsible for supervising the day-to-day operations of our business units. Ms. Chan joined our Group in August 2010. Ms. Chan graduated from the Deakin University in Australia in 1996, with a degree in Bachelor of Commerce. Ms. Chan obtained a degree of Master of Business Administration jointly issued by the University of Sydney, Australia and the University of New South Wales, Australia, in 2003 and a degree of Master of Environmental and Business Management from the University of Newcastle, Australia, in 2005. In 2010, Ms. Chan earned a degree of Master of Arts in Computer-Aided Translation from The Chinese University of Hong Kong. Ms. Chan was awarded a master degree in Corporate Environmental Governance from The University of Hong Kong in 2020 and has become the IEMA Graduate Members since 14 December 2021. Ms Chan has earned an Executive Diploma in Anti-Money Laundering and Counter Terrorist Financing issued by The University of Hong Kong School of Professional and Continuing Education (HKU SPACE) at November 2021. Between September 1999 and January 2000, Ms. Chan was a customer service supervisor of Roman Financial Press Limited, where she was mainly responsible for the daily operations of the international customer service department. During January 2001 to February 2008, Ms. Chan was employed by RR Donnelley Roman Financial Limited with her last position held as financial services service delivery supervisor in the service delivery department. She was mainly responsible for staff training. Ms. Chan has been appointed as a director of an associate of the Company, Wordbee S.A, since 6 November 2019. Ms. Chan is currently a director of HDH Corporate Services Limited, a wholly-owned subsidiary of the Company

Upon our further enquiry, we also understand from the management of the Company that the Company considers Ms. Chan to be a key personnel for the business development and operations of the Group. In addition, under her leadership and contribution in the role of chief operations officer, the Company achieved the successful listing on the GEM board of the Stock Exchange in 2016.

3. Background of the Share Award Scheme and the Proposed Connected Issue and Allotment

The Share Award Scheme was adopted on 4 July 2022. The purposes and objectives of the Share Award Scheme are to (i) recognise and reward the contribution of certain Eligible Participants to the growth and development of the Group and to give incentives to them in order to retain them for the continual operation and development of the Group and; (ii) attract suitable personnel for further development of the Group.

In determining the number of Awarded Shares, the Company has considered the unique contributions of the Connected Awardee to the Group in the past and her potential contribution to the development of the Group. The Board recognises the contributions and efforts made by the Connected Awardee and considers that the Award is an effective incentive for her support to the Group's business operations and development. In particular, the Connected Awardee has been a core member of the Company's executive management and has provided valuable advice to the Group's development throughout the year. The Award will procure and drive the further support from the Connected Awarded to the Group.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

4. Reasons for the Proposed Connected Issue and Allotment

As set out in the Letter from the Board, the Share Award Scheme forms part of the Group's incentive schemes. The Board recognises the contributions and efforts made by the Connected Awardee and considers that the Award is an effective incentive for her support to the Group's business operations and development. In particular, the Connected Awardee has been a core member of the Company's executive management and has provided valuable advice to the Group's development throughout the year. The Board does not consider other means of remuneration or incentive payments to the Connected Awardee in the form of cash bonus or salary increase a preferred way of rewarding the Connected Awardee. The Award, together with the vesting conditions and performance targets is an effective way of aligning the interests of the Group to the Connected Awardee in that the Award will incentivise and drive the Connected Awardee to continue to make contributions to the Group in her position as an executive Director and the chief operations officer of the Group.

As discussed with the management of the Company, the Company considers the Proposed Connected Issue and Allotment to be a means of aligning the interests of the Connected Awardee and of the Shareholders through the ownership of Shares, effectively incentivising the Connected Awardee to strive for higher returns to the Company. The Company also considers the Proposed Connected Issue and Allotment to be a recognition of the Connected Awardee's industry expertise and her position as key leaders in the management of the Group's business both historically and going forward. In this connection, retaining her involvement is vital to the Group's future development.

We understand from the Company that the Connected Awardee (i) has the expertise in the printing industry which is important to the Group; (ii) has served the Group for over 12 years; and (iii) has been playing significant roles in leading the Group for sustainable development, including the successful listing of the Company on the GEM board of the Stock Exchange in 2016. It is also noted that the Connected Awardee first joined the Group in August 2010 and has since January 2015 been the chief operations officer of the Group and since January 2021 been an executive Director of the Company. During her office, the Connected Awardee made significant contributions to the operational efficiency and development of the Group by providing valuable inputs on potential acquisition targets. In August 2020, the Group completed the acquisition of 70% equity interest in i.Link, a financial printing company in Hong Kong, which then became a subsidiary of the Company. Since the acquisition of i.Link, the Connected Awardee has streamlined its operation, including communication, operational decision-making and staff performance, rendering the newly acquired subsidiary more efficient and effective. We have also made reference to the recent grant of awarded shares as part of the incentive schemes by other listed companies in Hong Kong and noted that there were more than 20 cases of listed companies granting award shares to employees or management in the one-month period prior to the Announcement. Having taken into account (i) the background and working experience of the Connected Awardee and her role in the Company and (ii) it is common for companies listed on the Stock Exchange to grant restricted shares or award shares to their directors and employees, we are of the view that the Proposed Connected Issue and Allotment would be in line with the Board's purpose of retaining necessary talent to support the Company's continuing development.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

The Board is of the view that the proposed issue of a total of 21,415,000 new Shares for the purpose of provisionally awarding a total of 21,415,000 Awarded Shares to 15 Awardees including the Connected Awardee is to recognise and reward the contribution of the awardees to the growth and development of the Group and to retain them for the continual operation and development of the Group. In reviewing the vesting period, the Board was of the view that since the vesting of the Awarded Shares shall be made by two tranches with 66% of the Awarded Shares be vested two years later, that is, on 31 March 2025, there is sufficient safeguard to retain the Connected Awardee even though the vesting of the first tranche of the Awarded Shares (which is 34%) is 12 months from the date of award.

Furthermore, we understand from the information provided by the Company and our phone interview with the Directors that they have considered different incentive schemes to the Connected Awardee, including remuneration increment, the grant of Awarded Shares to be satisfied by way of purchase of issued Shares and the Proposed Connected Issue and Allotment. As compared to remuneration increment, the Proposed Connected Issue and Allotment will not incur any outflow of cash from the Group and will not impose pressure on the Group's cash flow position. In addition, the Proposed Connected Issue and Allotment aligns the interests of the Connected Awardee directly with the performance of the Company and the interests of the Shareholders through the ownership of Shares. According to the Share Award Scheme, in order to satisfy any award to be granted under the Share Award Scheme from time to time, the Trustee shall maintain a shares pool comprising issued Shares obtained by the Trustee through different ways including purchase of issued Shares, the Company considered that the grant of Awarded Shares to be satisfied by way of purchase of issued Shares instead of the Proposed Connected Issue and Allotment would substantially increase the cost to the Group and utilise the Group's working capital. After considering various alternatives in a careful manner, the Company considered the Proposed Connected Issue and Allotment to be appropriate as it enables the Company to recognise the historical performance, encourage contributions of the Connected Awardee to the Group and provide incentives to the Connected Awardee to strive for the development of the Group consistently without incurring cash outflow from the Group.

Having considered the above, we are of the view that the Proposed Connected Issue and Allotment may effectively help to motivate and retain the Connected Awardee for further contribution to the Group and therefore the Proposed Connected Issue and Allotment is in the interests of the Company and the Shareholders as a whole.

5. Principal terms of the Proposed Connected Issue and Allotment

The Proposed Connected Issue and Allotment refers to the proposed allotment and issue of 4,000,000 new Shares pursuant to the General Mandate to the Trustee on trust for the Connected Awardee to satisfy the award of 4,000,000 Awarded Shares to the Connected Awardee under the Share Award Scheme.

The 4,000,000 Awarded Shares represent 1% of the Company's issued Shares as at the Latest Practicable Date and approximately 0.95% of the Company's issued Shares as enlarged by the issue and allotment of the new Shares pursuant to the proposed issue and allotment of the new Shares (assuming that there is no change in the share capital of the Company from the date of this circular up to the date of the proposed issue and allotment of the new Shares).

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Prior to the Award to the Connected Awardee and the Proposed Connected Issue and Allotment, the Connected Awardee holds 1,700,000 ordinary shares of the Company, which represents approximately 0.43% of the Company's issued Shares as at the Latest Practicable Date. After the Proposed Connected Issue and Allotment is passed at the EGM and being vested to the Connected Awardee, the Connected Awardee will hold 5,700,000 ordinary shares of the Company, which represents approximately 1.35% of the Company's issued Shares as enlarged by the issue and allotment of the new Shares pursuant to the proposed issue and allotment of the new Shares (assuming there is no change in the share capital of the Company from the date of this circular up to the date of the proposed issue and allotment of the new Shares.)

Based on the closing price of HK\$0.121 per Share as quoted on the Stock Exchange on the Latest Practicable Date, the aggregate market value of the 4,000,000 Awarded Shares provisionally awarded to the Connected Awardee is HK\$484,000.

As stated in the Letter from the Board, the Proposed Connected Issue and Allotment is conditional upon:

- (i) the passing of an ordinary resolution by the Independent Shareholders to approve the Proposed Connected Issue and Allotment at the EGM; and
- (ii) the Listing Committee of the Stock Exchange granting the listing of, and permission to deal in, the new Shares to be allotted and issued pursuant to the Proposed Connected Issue and Allotment on the Stock Exchange.

All the new Shares to be issued pursuant to the Proposed Connected Issue and Allotment will rank pari passu in all respects with all existing Shares presently in issue and at the time of issue and allotment of such new Shares. Pursuant to the Share Award Scheme, the Trustee however shall not exercise the voting rights in respect of any Shares held in trust. After such allotment, the Trustee will vest the Awarded Shares to the Connected Awardee subject to the terms of the Share Award Scheme by two tranches upon satisfaction of the vesting conditions/performance targets: (1) 34% of the Awarded Shares shall be vested on 31 March 2024; and (2) 66% of the Awarded Shares shall be vested on 31 March 2025.

The vesting conditions for Ms. Chan are continuing to contribute to the Group's business and continuous performance in her role as Executive Director and discharge her role of governance during the vesting period. The performance targets for Ms. Chan are the achievements of targets and goals that benefit the Group's operation and development, namely (i) improving the environmental, social and governance aspects of the Group's business operation; (ii) retaining talented staff that contribute to the growth of the Group; (iii) enhancing workflow efficiency by making use of information technology; (iv) identifying potential acquisition targets that are fit for the Group's business expansion; (v) nurturing relationship with existing subcontractors and forging new partnership with new subcontractors; and (vi) improving corporate image.

Further details in relation to the allotment and issue of the Awarded Shares are set out in the Letter from the Board.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

In order to assess the fairness and reasonableness of the Proposed Connected Issue and Allotment, we have made reference to the recent grant of awarded shares as part of the incentive schemes by other listed companies in Hong Kong.

In our assessment, on an exhaustive basis, we have considered and identified 29 comparable companies (the “**Comparables**”) listed on the Stock Exchange which announced the grant of awarded shares (including restricted share units) to their respective employees and/or directors and/or other eligible participants of share award scheme/plan during the past one-month period preceding and including the date of the Announcement (i.e. period from 3 March 2023 to 3 April 2023 (the “**Review Period**”)) with their terms set out in the table below. We consider that the length of the Review Period is a time span for our analysis which covers sufficient number of comparable companies to reflect the current practice in the market in respect of the grant of awarded shares. We consider that the Comparables are fair and representative as they satisfy our aforesaid selection criteria. Among the Comparables, 18 of which grant award shares/restricted share units solely to non-Connected Awardee (the “**Comparable Non-connected Grants**”), 10 of which grant award shares/restricted share units to connected person(s) only or both connected persons and non-Connected Awardee (the “**Comparable Connected Grants and Independent Grants**”), and one of which did not specify clearly in the announcement whether the awardees include connected persons or not. We consider analysis of merely the Comparable Connected Grants and Independent Grants excluding Comparable Non-connected Grants may produce a biased result given that there were only 10 out of 29 Comparable Connected Grants and Independent Grants during the Review Period. Shareholders should note that the size, businesses, operations and prospects of the Company are not the same as the comparable companies.

Company (Stock code)	Date of announcement	Awardee(s)	Percentage of total number of award shares to total number of shares in issue as at the date of announcement (Approximately)	Vesting date/period	Market value based on the closing price as quoted on the Stock Exchange as at the date of the announcement or the last trading day immediately preceding the date of the announcement in case the date of the announcement is not a trading day or value as stated in respective announcements (Approximately)
Zai Lab Limited (9688.HK)	6-Mar-23	14 Selected Participants who are not connected persons	0.01%	The Restricted Share Units granted shall vest as follows: • 20% shall vest on each anniversary of the Date of Grant for the next five years, in each case, subject to each Grantee’s continued employment relationship with the Company on such vesting dates.	HK\$2,588,242.5
IMAX China Holdings Limited	7-Mar-23	2 Executive Directors	0.48%	(1) 33.33% on 7 March 2024; (2) 33.33% on 7 March 2025; and (3) 33.34% on 7 March 2026.	HK\$15,152,885.12
China Yuhua Education Corporation Limited (6169.HK)	9-Mar-23	102 Selected Participants who are not connected persons	0.21%	The Awards shall vest immediately upon the date of grant	HK\$9,578,721
	10-Mar-23		0.32%		HK\$22,831,481.4

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Company (Stock code)	Date of announcement	Awardee(s)	Percentage of total number of award shares to total number of shares in issue as at the date of announcement (Approximately)	Vesting date/period	Market value based on the closing price as quoted on the Stock Exchange as at the date of the announcement or the last trading day immediately preceding the date of the announcement in case the date of the announcement is not a trading day or value as stated in respective announcements (Approximately)
Productive Technologies Company Limited (650.HK)		45 Selected Participants who are not connected persons		The 24,549,980 Awarded Shares will be held on trust for the Grantees by the Trustee which shall transfer the Awarded Shares to the Grantees in three tranches as follows: (i) 30% shall be vested on 15 July 2023; (ii) 30% shall be vested on 15 July 2024; and (iii) the remaining 40% shall be vested on 15 July 2025. The vesting of the Awarded Shares is subject to the satisfaction of vesting conditions specified by the Board or the Administration Committee in the award notice issued to each of the respective Grantees. There is no specific requirement on the length of the vesting period under the Share Award Scheme. The vesting period for the first tranche of the Awarded Shares is shorter than 12 months in order to provide more incentives for the new Eligible Participants to achieve their respective performance targets and make long-term contribution to the development of the Company.	
Sitoy Group Holdings Limited (1023.HK)	10-Mar-23	12 Selected Participants who are not connected persons	0.34%	24 April 2023 (after the trading hours), subject to the Vesting Condition (as defined below). The vesting of the Award Shares to the Grantees is shorter than 12 months because the grant of the Award Shares forms part of the discretionary bonus of the Grantees for the year 2022. There are no restrictions under the Share Award Scheme in respect of a vesting period of less than 12 months and the remuneration committee of the Company is of the view that such an arrangement aligns with the purpose of the Share Award Scheme which is to recognise the contributions by the eligible participants of the Share Award Scheme.	HK\$2,706,503.84
Standard Chartered PLC (2888.HK)	13-Mar-23	Selected Participants, comprising 2 Directors and certain employees	0.80%	Awards made to directors vest pro rata over years 3 to 7 with an additional retention period of 12 months. Vesting is based on performance measured for the first 3 years after grant. Performance measures include relative total shareholder return, return on tangible equity and strategic measures. Awards for other employees will vest depending on their material risk taker status and the Company's deferral policy. Vesting is subject to continued service.	HK\$1,614,741,870
FIH Mobile Limited (2038.HK)	13-Mar-23	2 Executive Directors	0.04%	The award shares are subject to a lock up of less than one month.	HK\$2,381,396.99
ISDN Holdings Limited (1656.HK)	13-Mar-23	67 Selected Participants who are not connected persons	0.64%	100% of the Awards shall vest on the date of grant. The vesting period of the Awards is less than 12 months as the Awards are granted for the selected employees' contribution based on their past performance in 2021 and who has served the Group for over 10	HK\$8,065,500

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Company (Stock code)	Date of announcement	Awardee(s)	Percentage of total number of award shares to total number of shares in issue as at the date of announcement (Approximately)	Vesting date/period	Market value based on the closing price as quoted on the Stock Exchange as at the date of the announcement or the last trading day immediately preceding the date of the announcement in case the date of the announcement is not a trading day or value as stated in respective announcements (Approximately)
Yixin Group Limited (2858.HK)	14-Mar-23	26 Selected Participants who are not connected persons	0.07%	years. The Awards to the grantees is for the purpose of recognising and rewarding their contribution to the Group in 2021 under such difficult economic environment and fostering a culture of ownership within the Group so as to incentivise the grantees to remain in the Group for the Group's future development. No performance or vesting conditions have been imposed as the Awards are granted for the selected employees' contribution based on their past performance in 2021. There is no clawback mechanism specified under the ISDN PSP 2022 to recover or withhold the remuneration (which may include any Awards granted) to any Participants in the event of serious misconduct, a material misstatement in the Company's financial statements or other circumstances. The Awards granted shall be vested over four years from the date of grant	HK\$4,708,000
Alibaba Health Information Technology Limited (241.HK)	15-Mar-23	8 Selected Participants who are not connected persons	0.00%	The RSUs granted shall be vested over one to four years from the Date of Grant	HK\$2,041,200
HSBC Holdings PLC (5.HK)	20-Mar-23	selected participants, comprising all employees and former employees	0.01%	Under the HSBC Group-wide deferral policy, vesting occurs over a three year period with 33% vesting on the first and second anniversaries of grant and 34% on the third anniversary. Group and local Material Risk Takers may be subject to longer vesting periods of up to seven years, as required under the relevant remuneration regulations. Awards may be subject to a six- or 12-month retention period following vesting. Immediately vested share awards may be subject to a six or 12-month retention period following vesting. The vesting period for buy-out awards for new hires generally mirror those of the forfeited awards from the previous employer. Where the forfeited award was subject to a post vesting retention period, a retention period will be applied to the buy-out award.	HK\$125,431,363
Miniso Group Holding Limited (9896.HK)	20-Mar-23	4 Selected Participants who are not connected persons	0.41%	Subject to the terms of the RSU Grants, the RSUs under the RSU Grants shall vest in according with the following schedule: (i) a portion of the RSUs representing approximately 1.5% of the RSUs under the RSU Grants shall vest in equal portions on March 20, 2024, March 20, 2025 and March 20, 2026, respectively; and (ii)	HK\$181,684,096

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Company (Stock code)	Date of announcement	Awardee(s)	Percentage of total number of award shares to total number of shares in issue as at the date of announcement (Approximately)	Vesting date/period	Market value based on the closing price as quoted on the Stock Exchange as at the date of the announcement or the last trading day immediately preceding the date of the announcement in case the date of the announcement is not a trading day or value as stated in respective announcements (Approximately)
BOE Varitronix Limited (710.HK)	22-Mar-23	Selected Participants, comprising 2 Directors and certain employees	0.08%	<p>the remaining portion of the RSUs under the RSU Grants shall vest in equal portions on March 20, 2024, March 20, 2025, March 20, 2026, March 20, 2027 and March 20, 2028, respectively. The vesting of the performance based RSUs is conditioned upon the achievement of specified performance targets as set out below.</p> <p>(i) the first 30% of the Awarded Shares to be vested on 12 April 2023; (ii) the second 30% of the Awarded Shares to be vested on 12 April 2024; and (iii) the remaining 40% of the Awarded Shares to be vested on 11 April 2025</p>	HK\$9,810,840
Tencent Holdings Limited (700.HK)	23-Mar-23	Selected employee participants who are not connected persons	0.08%	The total vesting period for the Awards granted to employee participants (i.e., the period between the grant date and the last vesting date) ranges from approximately 20 months to 48 months.	HK\$2,787,601,788
Newborn Town Inc. (9911.HK)	23-Mar-23	4 Selected Participants who are not connected persons	0.20%	The RSUs granted shall normally vest in the grantees within three and a half years from the Date of Grant. The RSUs held by the Employee RSU Trustee shall, in accordance with the vesting schedule determined by the Board, be vested to the grantees upon fulfilment of all vesting conditions specified by the Board.	HK\$3,710,578.4
CStone Pharmaceuticals (2616.HK)	23-Mar-23	126 Selected Participants who are not connected persons	0.26%	<p>1,059,180 RSUs granted shall vest as follows:</p> <ul style="list-style-type: none"> • 25% shall vest on the first anniversary of the Vesting Commencement Date (rounding to the nearest whole RSU); • 25% shall vest on the second anniversary of the Vesting Commencement Date (rounding to the nearest whole RSU); • 25% shall vest on the third anniversary of the Vesting Commencement Date (rounding to the nearest whole RSU); and • 25% shall vest on the fourth anniversary of the Vesting Commencement Date (rounding to the nearest whole RSU). <p>1,920,000 RSUs granted shall vest as follows:</p> <ul style="list-style-type: none"> • 25% shall vest on the first anniversary of the Vesting Commencement Date (rounding to the nearest whole RSU); and • 75% shall vest monthly in equal installments over the 36 months (rounding to the nearest whole RSU) immediately following the first anniversary of the Vesting Commencement Date. <p>400,000 RSUs granted shall vest upon satisfaction of the performance target milestone as follows:</p>	HK\$12,063,672.6

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Company (Stock code)	Date of announcement	Awardee(s)	Percentage of total number of award shares to total number of shares in issue as at the date of announcement (Approximately)	Vesting date/period	Market value based on the closing price as quoted on the Stock Exchange as at the date of the announcement or the last trading day immediately preceding the date of the announcement in case the date of the announcement is not a trading day or value as stated in respective announcements (Approximately)
XPeng Inc. (9868.HK)	24-Mar-23	12 Selected Participants who are not connected persons	0.17%	<p>The RSUs shall be subject to a service-based vesting condition. Subject to the terms of Senior Management Grant and the 2019 Equity Incentive Plan, the RSUs granted under the Senior Management Grant shall vest in accordance with the following schedule: 25% of the RSUs granted shall become service-vested on each anniversary of the vesting commencement date, which shall be April 1, 2023, for four (4) years after the grant. Subject to the terms of Employee Grants and the 2019 Equity Incentive Plan, the RSUs granted under the Employee Grants shall vest in accordance with the following schedule: 25% of the RSUs granted shall become service-vested on each anniversary of the vesting commencement date for four (4) years after the grant (of which the vesting commencement date for 98% of the RSUs under the Employee Grants shall be April 1, 2023, and the vesting commencement date for the remaining 2% of the RSUs under the Employee Grants shall be April 1, 2022). According to the 2019 Equity Incentive Plan, the Administrator, in its sole discretion, shall determine the time or times when Awards may be vested. The vesting period for part of the RSUs granted to the employees is</p> <ul style="list-style-type: none"> • 25% shall vest on the first anniversary of the date of satisfaction of the respective performance target milestone (rounding to the nearest whole RSU); • 25% shall vest on the second anniversary of the date of satisfaction of the respective performance target milestone (rounding to the nearest whole RSU); • 25% shall vest on the third anniversary of the date of satisfaction of the respective performance target milestone (rounding to the nearest whole RSU); and • 25% shall vest on the fourth anniversary of the date of satisfaction of the respective performance target milestone (rounding to the nearest whole RSU). <p>In any event, the Board has the discretion to accelerate the above vesting schedule of the RSUs, subject to compliance of the requirements under Rule 17.03F of the Listing Rules as and when appropriate</p>	HK\$113,584,032.1

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Company (Stock code)	Date of announcement	Awardee(s)	Percentage of total number of award shares to total number of shares in issue as at the date of announcement (Approximately)	Vesting date/period	Market value based on the closing price as quoted on the Stock Exchange as at the date of the announcement or the last trading day immediately preceding the date of the announcement in case the date of the announcement is not a trading day or value as stated in respective announcements (Approximately)
Xiaomi Corporation (1810.HK)	27-Mar-23	4,110 Selected Participants who are not connected persons	0.76%	shorter than 12 months because the RSUs granted under the Employee Grants have a mixed vesting schedule, such that the relevant RSUs vest evenly over a period of four years. The Award Shares shall vest between March 28, 2023 and March 27, 2033	HK\$2,277,436,968
Kanzhun Limited (2076.HK)	27-Mar-23	834 selected participants, including an executive Director and 833 employees	1.77%	For the Director Grant, the Share Awards shall vest in equal portions on each of the first, second, third and fourth anniversary of the date of the Grants, respectively, subject to Mr. Zhang's continued employment relationship with the Company on such vesting dates. A portion of the Share Awards representing approximately 0.93% of the Share Awards under the Employee Grants shall vest immediately on the date of the Grants because they are "make-whole" share awards to new employees of the Group to replace the share awards they forfeited when leaving the previous employers, pursuant to the terms of the Post-IPO Share Scheme and Rule 17.03F of the Listing Rules. The remaining portion of the Share Awards under the Employee Grants shall vest in equal portions on each of the first, second, third and fourth anniversary of the date of the Grants, respectively, subject to the Grantee's continued employment relationship with the Company on such vesting dates.	HK\$1,056,060,594
Kingsoft Corporation Limited (3888.HK)	27-Mar-23	17 Selected Participants who are not connected persons	0.01%	The 69,300 Awarded Shares shall be vested according to the following vesting schedule: (a) with respect to the 56,000 Awarded Shares granted to the 2022 Grantees, such Awarded Shares shall be vested upon each anniversary commencing from the date of grant over a period of 5 years in equal portion (i.e. 20% each); and (b) with respect to the 13,300 Awarded Shares granted to the 2020 Grantees, 40% of which shall be vested upon the date of grant (i.e. 5,320 Awarded Shares), and following which, 20% of the Awarded Shares granted to the 2020 Grantees shall be vested on the date falling each anniversary from the date of grant, provided that, the relevant Grantees shall remain as an employee of the Company, its subsidiaries and associates.	HK\$2,616,075
Archosaur Games Inc. (9990.HK)	28-Mar-23		1.13%	Vesting in tranches within 3 years from the date of grant; each 12-month period is an evaluation period commencing from the date on which the RSUs are granted to the Grantee, which is a total of	HK\$57,186,800

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Company (Stock code)	Date of announcement	Awardee(s)	Percentage of total number of award shares to total number of shares in issue as at the date of announcement (Approximately)	Vesting date/period	Market value based on the closing price as quoted on the Stock Exchange as at the date of the announcement or the last trading day immediately preceding the date of the announcement in case the date of the announcement is not a trading day or value as stated in respective announcements (Approximately)
China Yongda Automobiles Services Holdings Limited (3669.HK)	28-Mar-23	55 selected employee participants who are not connected persons 83 selected employee participants who are not connected persons	0.29%	three evaluation periods. The Grantee will receive 40% of the RSUs granted to him/her upon the expiry of the first evaluation period; 30% of the RSUs granted to him/her upon the expiry of the second evaluation period; the remaining 30% of the RSUs granted to him/her upon the expiry of the third evaluation period. Conditional upon the vesting conditions being fully satisfied, 5,660,000 Award Shares are to be vested on March 29, 2024.	HK\$31,299,800
Yeahka Limited (9923.HK)	28-Mar-23	167 selected Participants, comprising 2 executive Directors, 3 directors of its subsidiaries and employees who are not connected	1.83%	The RSUs granted shall be vested over one to four years from the date of grant.	HK\$202,566,390
ISP Global Limited (8487.HK)	29-Mar-23	16 Selected Participants who are not connected persons	5.65%	Twelve months from the date of grant	HK\$6,120,000
AGTech Holdings Limited (8279.HK)	29-Mar-23	23 Selected Participants who are not connected persons	0.10%	The Award Shares granted shall be vested over one to four years from the Date of Grant.	HK\$2,881,500
KE Holdings Inc. (2423.HK)	29-Mar-23	an independent director	0.00%	Subject to the terms of the director service agreement and award agreement entered into between the Company and Mr. Jun Wu and the 2020 Share Incentive Plan, the RSUs granted under the Director Grant shall fully vest on the date of grant.	HK\$668,904
Fosun International Limited (656.HK)	30-Mar-23	113 Directors and employees of the Group, including 5 executive Directors and 5	0.32%	Between two to four years	HK\$147,322,160

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

Company (Stock code)	Date of announcement	Awardee(s)	Percentage of total number of award shares to total number of shares in issue as at the date of announcement (Approximately)	Vesting date/period	Market value based on the closing price as quoted on the Stock Exchange as at the date of the announcement or the last trading day immediately preceding the date of the announcement in case the date of the announcement is not a trading day or value as stated in respective announcements (Approximately)
Manpowergroup Greater China Limited (2180.HK)	30-Mar-23	Independent Non- executive Directors 40 and 34 grantees in two respective schemes, including connected persons	1.20%	Between three to four years	HK\$17,020,360
Innovent Biologics, Inc. (1801.HK)	30-Mar-23	2 executive Directors	0.16%	• 75% shall vest on March 30, 2026; and • 25% shall vest on March 30, 2027.	HK\$93,287,700
Company	3-Apr-23	1 executive Director	1.00%	The Awarded Shares shall, subject to the satisfaction of the vesting conditions, be vested in accordance with the following schedule: (i) approximately 34% of the Awarded Shares shall be vested on 31 January 2024; and (ii) approximately 66% of the Awarded Shares shall be vested on 31 January 2025	HK\$484,000

We consider that the amount of 29 Comparables over the Review Period of one month demonstrates that the alignment of interests of selected employees by way of grant and ownership of award shares is not uncommon and is in line with the market practice.

In order to assess the fairness of the grant size of the Proposed Connected Issue and Allotment, we have discussed with the management of the Company and noted that the number of the Awarded Shares to be granted to the Connected Awardee is determined after taking into account, among others, the Connected Awardee's position, performance and contribution to the Group. The Board is of the view that the Connected Awardee has made significant contribution to the Group's operation. In particular, the Connected Awardee has been a core member of the Company's executive management and has provided valuable advice to the Group's development throughout the year. We also noted from the management that in respect of the bases for determination of the number of Award Shares. We noted that the number of Award Shares was determined with reference to, among other things, (i) the expected cash bonus for the Connected Awardee for the years ending 31 December 2023 and 2024, which was calculated based on historical individual cash bonus for such Connected Awardee and the expected cash bonus for all senior managements for the relevant periods; and (ii) estimated value of each Award Share, which was based on recent closing prices of the Shares. The above bases were applied for the determination of the number of Award Shares to both Connected Awardee and

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

other awardees. For our due diligence purpose, we obtained a calculation of the Connected Awardee's number of Award Shares and noted that such calculation was consistent with the aforesaid bases of determining the Award Shares to be granted to the Connected Awardee. Accordingly, we are of the view that the grant size and amount of the Proposed Connected Issue and Allotment are fair and reasonable.

We noted from the above table that the vesting periods of the awarded shares (including restricted share units) granted by the Comparables, saved for satisfaction of vesting conditions and/or certain vesting based on achievement of performance targets, ranged from immediate vesting for partial award shares on the date of grant to up to 10 years from the date of grant or the vesting commencement date, therefore the vesting period of the Awarded Shares is recognised as a normal market practice. We understand from the Company that there is no difference on the vesting period of the Awarded Shares granted to the Connected Awardee and the Awarded Shares granted to the non-Connected Awardee under the Share Award Scheme as announced by the Company on 3 April 2023. In reviewing the vesting period, the Board was of the view that since the vesting of the Awarded Shares shall be made by two tranches with a larger tranche of approximately 66% of the Awarded Shares be vested two years later, that is, on 31 March 2025, there is sufficient safeguard to retain the Awardees even though the vesting of the first tranche of the Awarded Shares (which is approximately 34%) is 12 months from the date of award. To understand the factors taken into consideration by the Board in forming the above view and determining the Proposed Connected Issue and Allotment, we have conducted phone interviews with the members of the Independent Board Committee who advised that Proposed Connected Issue and Allotment is a means of aligning the interests of the Connected Awardee and of the Shareholders through the ownership of Shares and the Proposed Connected Issue and Allotment would encourage further contributions of the Connected Awardee for the Group's future development. It is also noted that the basis in determining the grants of the Comparables includes the contribution to the group, performance, service provided, years of service and/or seniority of respective grantee, which is generally in line with those as adopted under the Proposed Connected Issue and Allotment. In addition, we have obtained and reviewed the appraisal form for the Connected Awardee, and we noted that the assessment criteria for the Connected Awardee being adopted are in line with the Group guidelines, including (i) group performance; (ii) operational efficiency; (iii) ESG performance of the Group; and (iv) respective individual performance. For performance targets and other criteria in assessing the Proposed Connected Issue, please refer to the Letter from the Board for detail. Thus, we concur with the Directors' view and we are of the view that the terms of the Proposed Connected Issue and Allotment are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned.

6. Possible Financial effects of the Proposed Connected Issue

Save for the administrative and professional expenses relating to the allotment and issue of the new Awarded Shares pursuant to the Share Award Scheme, the Proposed Connected Issue and Allotment will not have any material impact on the Group's cash position and net current assets.

Under the accounting policies of the Company, the fair value of new Awarded Shares is allocated and charged as share-based payment expenses of the Group for the relevant financial year throughout the vesting period.

LETTER FROM THE INDEPENDENT FINANCIAL ADVISER

7. Effect of the issue of the Awarded Shares on the shareholding structure of the Company

The 21,415,000 Awarded Shares, which represent approximately 5.35% of the total number of Shares in issue as at the Latest Practicable Date and approximately 5.08% of the total number of Shares in issue as enlarged by the issue and allotment of the 4,000,000 Awarded Shares to the Connected Awardee and the 17,415,000 Awarded Shares to the non-connected awardees under the Share Award Plan as announced on 3 April 2023 assuming that there is no change in the issued share capital of the Company between the Latest Practicable Date and the date of the Proposed Connected Issue and allotment, will be issued and allotted to the Trustee on trust for the Connected Awardee.

According to the Letter from the Board, immediately upon the Proposed Connected Issue and Allotment, the shareholding of the public Shareholders excluding non-connected awardees under the Share Award Scheme as announced on 3 April 2023 will be diluted from approximately 26.24% to approximately 24.91% assuming that there is no change in the issued share capital and the shareholding structure of the Company from the Latest Practicable Date up to the date of the Proposed Connected Issue and Allotment save for the Awarded Shares to the non-connected awardees under the Share Award Plan as announced on 3 April 2023. Having considered (i) that such dilution effect on the shareholding of the existing public Shareholders is minimal; and (ii) the benefits of the Proposed Connected Issue in providing incentives to the Connected Awardees as elaborated above, we consider such dilution effect on the shareholding of the existing public Shareholders to be acceptable.

RECOMMENDATION

Having taken into account the above principal factors and reasons, we are of the opinion that the terms of the Proposed Connected Issue and Allotment are on normal commercial terms and are fair and reasonable so far as the Independent Shareholders are concerned, and the Proposed Connected Issue and Allotment, although is not conducted in the ordinary and usual course of business of the Group, is in the interests of the Company and the Shareholders as a whole. Therefore, we advise (i) the Independent Board Committee to recommend the Independent Shareholders to vote in favour of the relevant resolution to approve the Proposed Connected Issue and Allotment at the EGM; and (ii) the Independent Shareholders to vote in favour of the relevant resolution to approve the Proposed Connected Issue and Allotment at the EGM.

Yours faithfully,
For and on behalf of
Messis Capital Limited
Thomas Lai
Chief Executive Officer

Mr. Thomas Lai is a licensed person registered with the Securities and Futures Commission of Hong Kong and regarded as a responsible officer of Messis Capital Limited to carry out type 1 (dealing in securities) and type 6 (advising on corporate finance) regulatory activity under the SFO and has over 28 years of experience in corporate finance industry.

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 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 of the Latest Practicable Date
Mr. Yu Chi Ming ^(Note) ("Mr. Yu")	Interest in a controlled corporation	222,760,000	55.69%
Mr. Chan Wai Lin ^(Note) ("Mr. Chan")	Interest in a controlled corporation	222,760,000	55.69%
Ms. Chan Wai Chung Caroline	Beneficial owner	1,700,000	0.43%

- 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 of 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 70.2% by Mr. Yu and 29.8% by Mr. Chan. Mr. Yu and Mr. Chan together control all the shares held by HM Ultimate Holdings Limited.

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 the Model Code.

(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	55.69%

Name	Capacity/Nature of interests	Number of Shares held	Approximate percentage of shareholding as of the Latest Practicable Date
Ms. Wong Mee Che Lilian ^(Note 2)	Interest of Spouse	222,760,000	55.69%
Ms. Tang Wai Kwan May ^(Note 3)	Interest of Spouse	222,760,000	55.69%
Mr. Tse Kam Wing (“Mr. Tse”)	Beneficial owner	72,285,000	18.07%
Ms. Wong Yuk Sim Kathy ^(Note 4)	Interest of Spouse	72,285,000	18.07%

Note:

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

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 the 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 CONTRACTS OR ARRANGEMENT SIGNIFICANT TO THE GROUP

As at the Latest Practicable Date, none of the Directors was materially interested, directly or indirectly, in any contract or arrangement subsisting entered into by any member of the Group subsisting as of the Latest Practicable Date and which is significant in relation to the business of the Group.

6. MATERIAL ADVERSE CHANGE

The Directors are not aware of any 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. 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 and 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.

8. EXPERT AND CONSENT

The following are the qualifications of the expert who has been named in this circular or has given opinion or letter contained in this circular:

Name	Qualifications
Messis Capital Limited	A licensed corporation under the SFO to carry our Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO

As at the Latest Practicable Date, the Independent Financial Adviser does not have any shareholding, direct or indirect, in any member of the Group or any right (whether legally enforceable or not), to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

As at the Latest Practicable Date, the Independent Financial Adviser does not have any interest, direct or indirect, in any assets which have been since 31 December 2022, the date up to which the latest published audited financial statements of the Group were made up, acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group.

The Independent Financial Adviser has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter of advice and/or references to its names in the form and context in which they appear.

9. GENERAL

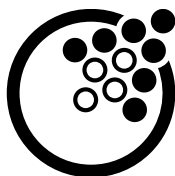
- (a) None of the Directors had any direct or indirect interest in any assets which had been acquired or disposed of by or leased to any member of the Group or proposed to be so acquired, disposed of by or leased to any member of the Group since 31 December 2022, being the date to which the latest published audited accounts of the Company were made up, and up to the Latest Practicable Date.
- (b) The company secretary of the Company is Mr. Lau Fai Lawrence.
- (c) The registered office of the Company is Windward 3, Regatta Office Park, P.O. Box 1350, Grand Cayman, KY1-1108, Cayman Islands.
- (d) The principal place of business of the Company in Hong Kong is 9/F., Infinitus Plaza, 199 Des Voeux Road Central, Hong Kong.
- (e) The share registrar of the Company in Hong Kong is Tricor Investor Services Limited.
- (f) The English text of this circular shall prevail over their respective Chinese text for the purpose of interpretation.

10. DOCUMENTS ON DISPLAY

Copies of the following documents will be published on the website of the Stock Exchange (<https://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:

- (a) the letter from the Independent Board Committee as set out in this circular;
- (b) the letter from the Independent Financial Adviser as set out in this circular;
- (c) the written consent of the expert as referred to in the section headed “Expert and Consent” of this Appendix; and
- (d) this circular.

NOTICE OF EXTRAORDINARY GENERAL MEETING



HM International Holdings Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8416)

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notice is hereby given that an extraordinary general meeting (the “EGM”) of HM International Holdings Limited (the “Company”) will be held at 9/F., Infinitus Plaza, 199 Des Voeux Road Central, Hong Kong on 9 May 2023 (Tuesday) at 12:30 p.m. for the following purpose:

ORDINARY RESOLUTION

1. “**THAT** subject to and conditional upon the Listing Committee of the Stock Exchange granting the listing of, and the permission to deal in, 4,000,000 new Shares:
 - (a) 4,000,000 new Shares be and hereby issued and allotted to the Trustee on trust for Ms. Chan Wai Chung Caroline to satisfy the award of 4,000,000 Awarded Shares to Ms. Chan Wai Chung Caroline pursuant to the Share Award Scheme under the General Mandate and such award be and is hereby approved, confirmed and ratified; and
 - (b) any one Director be and is hereby authorised to do all such acts and things and execute all such documents which he considers necessary, desirable or expedient for the purpose of, or in connection with, the implementation of and giving effect to the aforesaid awards of the Awarded Shares and the transactions contemplated thereunder, including but not limited to the issue and allotment of the new Shares to the Trustee on trust for the Connected Awardee pursuant to the Share Award Scheme.”

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

Hong Kong, 24 April 2023

Notes:

1. All resolutions at the meeting will be taken by poll (except where the chairman decides to allow a resolution relating to a procedural or administrative matter to be voted on by a show of hands) pursuant to the Rules (the “**GEM Listing Rules**”) Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”). The results of the poll will be published on the websites of the Stock Exchange and the Company in accordance with the GEM Listing Rules.

NOTICE OF EXTRAORDINARY GENERAL MEETING

2. Any shareholder of the Company entitled to attend and vote at the meeting is entitled to appoint a proxy or, if a shareholder who is the holder of two or more shares may appoint more than one proxy to attend and vote instead of him. A proxy need not be a shareholder of the Company. If more than one proxy is appointed, the number of share in respect of which each such proxy so appointed must be specified in the relevant form of proxy. Every shareholder present in person or by proxy shall be entitled to one vote for each share held by him.
3. In order to be valid, the form of proxy together with the power of attorney or other authority, if any, under which it is signed or a notorially certified copy of that power of attorney or authority, must be deposited at the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong not less than 48 hours before the time appointed for the holding of the meeting. Completion and return of the form of proxy shall not preclude a shareholder of the Company from attending and voting in person at the meeting and, in such event, the instrument appointing a proxy shall be deemed to be revoked.
4. For determining the entitlement to attend and vote at the meeting, the Register of Members of the Company will be closed from 3 May 2023 (Wednesday) to 9 May 2023 (Tuesday), both days inclusive, during which period no transfer of shares will be registered. In order to be eligible to attend and vote at the EGM, unregistered holders of shares of the Company shall ensure that all transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrar in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m. on 2 May 2023 (Tuesday).
5. References to time and dates in this notice are to Hong Kong time and dates.

As at the date of this Notice, the executive Directors of the Company are Mr. Yu Chi Ming, Mr. Chan Wai Lin and Ms. Chan Wai Chung Caroline; 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 Notice, for which the Directors of the Company 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 Notice 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 Notice misleading.

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