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

**MAJOR TRANSACTION IN RELATION
TO THE DISPOSAL OF THE SALE SHARES
OF THE DISPOSAL COMPANY TO AN INDEPENDENT THIRD PARTY**

INTRODUCTION

The Board is pleased to announce that on 31 July 2023 (after trading hours), the Vendors, including HM Investment, an indirect wholly-owned subsidiary of the Company, and the Purchasers, each being an Independent Third Party, entered into the Sale and Purchase Agreement, pursuant to which (i) the Wordbee Vendors have conditionally agreed to sell and the Wordbee Purchaser has conditionally agreed to acquire the entire issued share capital of the Disposal Company, comprising the Sale Shares; and (ii) the Wordcraft Vendor has conditionally agreed to sell and the Wordcraft Purchaser has conditionally agreed to acquire the entire issued share capital of Wordcraft.

Among the Disposal Company Shares to be disposed of by the Wordbee Vendors, the Sale Shares to be disposed of by HM Investment represent approximately 22.85% of the entire issued share capital of the Disposal Company. The Disposal Company is an associate of the Company. The Group does not hold any interests in Wordcraft.

GEM LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios (as calculated in accordance with Rule 19.07 of GEM Listing Rules) are more than 25% but less than 75%, the Disposal constitutes a major transaction of the Company under the GEM Listing Rules and is therefore subject to the reporting, announcement and shareholders' approval requirements under Chapter 19 of the GEM Listing Rules.

Under Rule 19.44 of the GEM Listing Rules, written shareholders' approval for the Sale and Purchase Agreement and the transactions contemplated thereunder may be obtained by way of shareholders' approval in lieu of holding a general meeting if (a) no shareholder is required to abstain from voting if the issuer were to convene a general meeting for the approval of the transaction; and (b) the written shareholders' approval has been obtained from a shareholder or a closely allied group of shareholders who together hold more than 50% of the voting rights at that general meeting to approve in confidence to solicit the written shareholders' approval, the listed issuer must be satisfied that such shareholders is aware that he must not deal in the listed issuer's securities before such information has been made available to the public.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no Shareholder has a material interest in the Disposal, no Shareholder is required to abstain from voting on the relevant ordinary resolution approving the Disposal if the Company were to convene a general meeting. As such, no general meeting will be convened for the approval of the Sale and Purchase Agreement and the transactions contemplated thereunder as is permitted under Rule 19.44 of GEM Listing Rules.

Under Rule 19.41 of GEM Listing Rules, if the transaction is approved by way of written shareholders' approval from a shareholder or a closely allied group of shareholders under Rule 19.44 of GEM Listing Rules, a circular must be despatched to the shareholders of the listed issuer within fifteen (15) business days after publication of the announcement.

THE DISPOSAL

The Board is pleased to announce that on 31 July 2023 (after trading hours), the Vendors, including HM Investment, an indirect wholly-owned subsidiary of the Company, and the Purchasers, each being an Independent Third Party, entered into the Sale and Purchase Agreement, pursuant to which (i) the Wordbee Vendors have conditionally agreed to sell and the Wordbee Purchaser has conditionally agreed to acquire the entire issued share capital of the Disposal Company, comprising the Sale Shares; and (ii) the Wordcraft Vendor has conditionally agreed to sell and the Wordcraft Purchaser has conditionally agreed to acquire the entire issued share capital of Wordcraft.

Among the Disposal Company Shares to be disposed of by the Wordbee Vendors, the Sale Shares to be disposed of by HM Investment represent approximately 22.85% of the entire issued share capital of the Disposal Company. The Disposal Company is an associate of the Company. The Group does not hold any interests in Wordcraft.

PRINCIPAL TERMS OF THE SALE AND PURCHASE AGREEMENT

Below is a summary of the principal terms of the Sale and Purchase Agreement relating to the Disposal Company:

Date: 31 July 2023 (after trading hours)

Parties:

Vendors: Mr. José Vega
Dr. Stephan Dädalus Böhmig
HM Investment
Activos Linguisticos SL
Mr. Daniel Johnson
Mr. Maxime Appolonia
Ms. Anita Sempels

Purchaser: Transperfect Luxembourg S.à r.l.

Disposal Company: Wordbee S.à r.l.

Assets to be disposed of by HM Investment

Pursuant to the Sale and Purchase Agreement, amongst others, the Wordbee Vendors have conditionally agreed to sell, and the Wordbee Purchaser has conditionally agreed to purchase, free from all encumbrance, the entire issued share capital of the Disposal Company, comprising the Sale Shares.

The Sale Shares represent approximately 22.85% of the entire issued share capital of the Disposal Company as at the date of this announcement.

The table below sets out the issued share capital of the Disposal Company, and the shareholding of the shareholders of the Disposal Company (i) as at the date of this announcement; and (ii) immediately upon Completion:

Shareholder	As at the date of this announcement		Immediately upon Completion	
	<i>Number of Shares</i>	<i>%</i>	<i>Number of Shares</i>	<i>%</i>
The First Wordbee Vendor	10,111	28.33	–	–
The Second Wordbee Vendor	10,111	28.33	–	–
HM Investment	8,156	22.85	–	–
The Fourth Wordbee Vendor	6,121	17.15	–	–
The Fifth Wordbee Vendor	569	1.59	–	–
The Sixth Wordbee Vendor	418	1.17	–	–
The Seventh Wordbee Vendor	210	0.59	–	–
The Purchaser	<u>–</u>	<u>–</u>	<u>35,696</u>	<u>100.00</u>
Total	<u>35,696</u>	<u>100.00</u>	<u>35,696</u>	<u>100.00</u>

Upon Completion, the Disposal Company will cease to be an associate company of the Company.

Upon Completion, the Wordbee Vendors will cease to hold any issued share capital of the Disposal Company and the Disposal Group will be disposed of as a whole to the Wordbee Purchaser.

Consideration and payment terms

The Consideration for the sale and purchase of the Disposal Company Shares comprises (i) the Initial Consideration; and (ii) the Earn-out Consideration.

The Initial Consideration of €7,947,826.09 (equivalent to approximately HK\$69,146,086.98) for the disposal of the entire issued share capital of the Disposal Company shall be paid in cash to the Wordbee Vendors (or nominee as directed by the respective Wordbee Vendor) at Completion on a pro rata basis in accordance with their respective shareholding in the Disposal Company, subject to the following adjustments to be made based on the Completion Accounts:

- (i) adding an amount equal to the (a) cash on hand; (b) cash standing to the credit of any account with a bank or other financial institution; and (c) undeposited checks or other client payments not reflected in the bank cash balances to the extent they were applied against and reduced the related accounts receivable with respect to the Disposal Company as at the Completion Date;
- (ii) deducting an amount equal to the indebtedness with respect to the Disposal Company as at the Completion Date; and
- (iii) adding, with respect to the Disposal Company, the amount by which the working capital as at the Completion Date exceeds the Target Working Capital as agreed between the Wordbee Vendors and the Wordbee Purchaser, or deducting the amount by which the relevant working capital is less than the relevant Target Working Capital.

As such, the pro rata portion of the Initial Consideration payable to HM Investment by the Wordbee Purchaser shall be €1,815,958.92 (equivalent to approximately HK\$15,798,842.60) based on the Sale Shares held by HM Investment in the Disposal Company.

The Initial Consideration is adjusted following Completion in the following manner:

1. The Wordbee Vendors and the Wordbee Purchaser shall procure that the Completion Accounts and the Completion Statements for each company of the Disposal Group are prepared and agreed or determined in accordance with the applicable law and generally accepted accounting standards, principles and practices in the jurisdiction of incorporation of the Disposal Group, and in each case as in force for the accounting period ending on the Accounts Date;
2. With respect to each of the company of the Disposal Group, the following payments shall be made on or before the Adjustment Date:
 - (i) If the amount of the relevant adjusted Initial Consideration as set out in the relevant Completion Statement exceeds the relevant Initial Consideration paid at Completion, the Wordbee Purchaser shall pay to the Wordbee Vendors an amount equal to the excess; or
 - (ii) If the amount of the relevant adjusted Initial Consideration as set out in the relevant Completion Statement is less than the relevant Initial Consideration paid at Completion, the Wordbee Vendors shall pay to the Wordbee Purchaser an amount equal to the shortfall.

The Wordbee Purchaser shall prepare and deliver to the Wordbee Vendors for reviewing the drafts of the Completion Accounts and the Completion Statement of each of the companies of the Disposal Group as soon as practicable, and in any event no later than ninety (90) calendar days after the Completion Date.

The Wordbee Vendors shall serve a written notice on the Wordbee Purchaser confirming their agreement with draft Completion Accounts and draft Completion Statement during the Review Period (i.e. the period of ten (10) Business Days commencing on the first (1st) Business Day after the day on which the Wordbee Vendors receive the draft Completion Accounts and draft Completion Statement from the Wordbee Purchaser), and the draft Completion Accounts and draft Completion Statement shall be treated as final and binding on the Wordbee Vendors and the Wordbee Purchaser with effect from the date of service of such written notice.

Should the Wordbee Vendors fail to serve a written notice on the Wordbee Purchaser, the draft Completion Accounts and draft Completion Statement shall be final and binding on the Wordbee Vendors and the Wordbee Purchaser with effect from the expiry of the Review Period.

The Earn-out Consideration shall be shall be determined and become payable with reference to the following provisions:

1. within ninety (90) days after each of the twelve (12) quarters following the date of Completion (the “**Earn-out Period**”), so long as none of the Vendors (i) either terminates or fails to fulfill their respective employment or consulting/services agreements, (ii) and in the case of any Vendor that is an entity, its parent company(ies), its subsidiary(ies) and affiliates, fails to act in good faith with the Purchasers and does not disparage nor compete with nor poach employees from the Purchasers (or any of its affiliate(s)) or from any company of the Disposal Group or Wordcraft in accordance with the clauses in relation to employees and competing business as stated in the Sale and Purchase Agreement, the relevant Purchaser will pay or cause to be paid to the Vendors a percentage of the Disposal Company collected revenue (the “**Revenue Earn-out**”) calculated as follows:
 - (i) twenty-four percent (24%) of all revenue actually collected by the Disposal Company until such time as the total Revenue Earn-out received by the Vendors is €2,300,000 (equivalent to approximately HK\$20,010,000);
 - (ii) nine percent (9%) of all revenue actually collected by the Disposal Company following such time as the total Revenue Earn-out received by the Vendors exceeds €2,300,000 (equivalent to approximately HK\$20,010,000); and
 - (iii) four point five percent (4.5%) of all revenue actually collected by any Purchaser, or any of their affiliate(s), on any referrals from the Vendors or any of the companies of the Disposal Group or Wordcraft to such entity (“**Referrals**”), provided that to be entitled to a Referral, the Vendor or the company (as applicable) actively arranges a meeting with such prospect; provided further that such Referral amount is subject to sales commission rules

of the relevant entity of the Purchasers or any of their affiliate(s) and shall not be payable in the event any representative of the Purchasers or any of their affiliate(s) has a then-current relationship with such potential client, which means having an existing contact or has made outreach to such prospect within one (1) year of the date of such Referral, in the following proportions:

- 86.9565% of the Revenue Earn-out (regardless of the source of any Referral paid under subsection (iii) above) shall be paid to the Wordbee Vendors in proportion to their respective ownership interest in the Disposal Company as of the day immediately preceding the date of Completion; and
 - 13.0435% of the Revenue Earn-out (regardless of the source of any Referral paid under subsection (iii) above) shall be paid to the Wordcraft Vendor.
2. The Vendors and the Purchasers agree that (i) no more Revenue Earn-out shall be due by the Purchasers to any of the Vendors after the Earn-out Period; and (ii) the Revenue Earn-out shall be calculated with respect to the collected revenue of the Disposal Company only (i.e. excluding any Wordcraft collected revenue).
 3. the Revenue Earn-out set forth in 1(i) and 1(ii) above shall be payable only on collected sales that come in through either of the companies of the Disposal Group's or Wordcraft's sales channels, and not through the sales channels of the Purchasers or any of its affiliate(s) or any of their respective divisions or personnel;
 4. the approval of the grant of any corporate licence (the "**Grant**") by the Disposal Company which is priced below US\$30,000 (equivalent to approximately HK\$234,000) annually is subject to the sole discretion of the pricing committee, the members of which have been agreed by the Purchasers and the Vendors (the "**Pricing Committee**"), and any such rejection to the Grant by the Pricing Committee shall not count towards the Revenue Earn-out;
 5. notwithstanding the foregoing, any Revenue Earn-out payment to which the Vendors are entitled to shall be calculated but held for future payment to the Vendors upon satisfaction of both of the following conditions (the "**Earn-out Conditions**"):
 - (i) the transfer of the remaining ten percent (10%) share capital of Wordbee Egypt to the Disposal Company has been approved by the Egyptian government authorities; and
 - (ii) adoption into the Wordbee Purchaser's internal finance/accounting system has been signed off on by a representative of the Purchasers.

6. Notwithstanding anything to the contrary contained above, in the event that the Wordbee Vendors' licenses to PPD, which is a current client of the Disposal Company, fall below €35,000 (equivalent to approximately HK\$304,500) in any quarter during the Earn-out Period, the Vendors agree to forfeit any right to any Revenue Earn-out for such quarter. This forfeiture shall be applicable for up to six (6) quarters over the Earn-out Period; and
7. The Vendors Representative shall have the right to review the financial information underlying the calculation of the Revenue Earn-out;

The pro rata portion of the consideration for the Sale Shares payable to HM Investment (inclusive of the pro rata portion of the Initial Consideration in the sum of €1,815,958.92 (equivalent to approximately HK\$15,798,842.60), and the pro rata portion of the Earn-out Consideration) is subject to a maximum cap of €3,000,000 (equivalent to approximately HK\$26,100,000), which will be payable by the Wordbee Purchaser to HM Investment in accordance with the abovementioned payment terms.

Basis for the Consideration

The Consideration for the Disposal Company Shares (including the consideration for the Sale Shares) was determined after arm's length negotiations between the Wordbee Vendors and the Wordbee Purchaser with reference to (i) the prevailing market conditions; and (ii) the synergy to be created between the Wordbee Purchaser and the Disposal Company. Given the Wordbee Purchaser is a subsidiary of a worldwide language service provider, the Board believes that the Disposal Company's expertise in software and web collaborative spaces for content management, translation flow management and globalisation will enhance the business profile of the Wordbee Purchaser and in return contribute to the further success of the Wordbee Purchaser in the translation and language services sectors.

Conditions Precedent

Completion is conditional on the Sale and Purchase Agreement and the transactions contemplated thereunder having been approved by the Shareholders at a general meeting of the Company convened or by way of written resolutions in accordance with GEM Listing Rules. Such condition is not capable of being waived by any party to the Sale and Purchase Agreement.

Completion

Subject to the satisfaction of conditions precedent, Completion shall take place on any date as agreed by the Purchasers and the Vendors, within five (5) Business Days after the conditions precedent has been fulfilled, or such other date as may be agreed in writing between the Purchasers and the Vendors Representative.

INFORMATION OF THE DISPOSAL GROUP

The Disposal Group comprises the Disposal Company and its subsidiaries, namely Wordbee LLC and Wordbee Egypt.

The Disposal Company is a technology company incorporated in Luxembourg with limited liability. It is principally engaged in the business development of software and web collaborative spaces for content management, translation flow management and globalisation/content localisation, rental of web space for translation and localisation, provisioning translation services, localisation and globalisation of content technology company in Luxembourg. It has a long experience in training and consulting in tools and language technologies in the context of large-scale projects.

Wordbee LLC is a company incorporated in the United States of America with limited liability and is wholly-owned by the Disposal Company.

Wordbee Egypt is a company incorporated in Egypt with limited liability and is owned as to 90% by the Disposal Company and 10% by Mr. Andre Hemker, respectively.

Both Wordbee LLC and Wordbee Egypt are principally engaged in the provision of translation technology and content strategies and solutions.

The table below sets forth the audited consolidated financial information after taxation of the Disposal Company for the two financial years ended 31 December 2022 based on the information of the Disposal Company prepared in accordance with accounting principles generally accepted in Hong Kong.

	For the year ended 31 December	
	2022	2021
	<i>HK\$'000</i>	<i>HK\$'000</i>
Revenue	14,743	19,557
Net profit/(loss) after taxation	(2,337)	4,939
	As at	As at
	31 December	31 December
	2022	2021
	<i>HK\$'000</i>	<i>HK\$'000</i>
Total assets	20,458	21,573
Net assets	9,911	13,014

FINANCIAL IMPACT OF THE DISPOSAL AND USE OF PROCEEDS

It is expected that the Group will record a maximum estimated net gain of approximately €1,911,189 (equivalent to approximately HK\$16,627,344.30) as a result of the Disposal, which is arrived at after taking into account the difference between (i) the consideration with a maximum cap of €3,000,000 (equivalent to approximately HK\$26,100,000) to be received; and (ii) the equity method investment carrying amount in an associated company together with the estimated costs incurred in connection with the Disposal estimated to be in the amount of approximately €1,088,811 (equivalent to approximately HK\$9,472,655.70).

The actual gain will be determined based on the actual consideration (after adjustment) received by the Group and may be different from the above estimation; and such gain is subject to final audit to be performed by the Company's auditors.

Upon Completion, the Group will cease to hold any interest in the Disposal Company and the Disposal Company will cease to be an associate company of the Group.

The Directors of the Company are of the view that the Disposal represents a good opportunity for the Group to realise its investment in the Disposal Company and enable the Group to deploy its resources in a more efficient manner. The Board considers that the Disposal allows the Group to dispose of its investment in exchange of proceeds for general working capital and further expansion of the business of the Group when such opportunities arise. In addition, the Disposal will provide the Group will immediate cash inflow which could increase its cash position and improve the overall liquidity of the Group.

The Group intends to utilise the net proceeds from the Disposal for general working capital and further expansion of the business of the Group. The Company may also consider declaring special dividends towards to the end of 2023 taking into account the net proceeds from the Disposal and the financial position of the Group at that time.

REASONS AND BENEFITS OF THE DISPOSAL

The Disposal Company is a technology company incorporated in Luxembourg with limited liability and is principally engaged in the business development of software and web collaborative spaces for content management, translation flow management and globalisation/content localisation, rental of web space for translation and localisation, provisioning translation services, localisation and globalisation of content technology company in Luxembourg. It has a long experience in training and consulting in tools and language technologies in the context of large-scale projects. The Disposal Company has been providing content management solutions to translators/publishers worldwide, including the Company.

The Company invested in the Disposal Company in August 2019 as it was of the view that the subscription of the shares in the Disposal Company would align with the focus and future development strategies of the Group at that time. The Company believed that the services provided by

the Disposal Company would enhance the translation process and development by way of computer assisted translation tool and benefit the Group's business development, thereby enhancing the profitability of the Group. Since the subscription, the Disposal Group has been continuously providing services to and receiving services from the Group in an increasing trend. However, according to the Company's 2022 annual report, the service fees receivable from the Disposal Group for the provision of services by Group to the Disposal Group was approximately HK\$8,000, representing a significant decrease of 98.99%, as compared to the service fees payable to the Disposal Group of approximately HK\$795,000 for year ended 31 December 2021 for the provision of services by the Disposal Group to the Group. The drastic decrease in service fees whether receivable from or payable to the Disposal Group indicates that the business activities between the Group and the Disposal Group may not be as fit and suitable as that of initially intended when the Company invested in the Disposal Company in 2019.

Considering the above situation and the fact that the Wordbee Purchaser intends to acquire the Disposal Company Shares for its business expansion, the Directors believe that it is a good opportunity to realise its investment in the Disposal Company and will enhance the overall liquidity of the Group.

Taking into consideration of the above factors, the Board is of the view that the Disposal is carried out on normal commercial terms, fair and reasonable and the Disposal is in the interests of the Company and the Shareholders as a whole.

INFORMATION OF THE PARTIES

The Company

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

The First Wordbee Vendor

The First Wordbee Vendor is an individual holding approximately 28.33% of the entire issued share capital of the Disposal Company, and being one of the controlling shareholders of the Disposal Company.

The Second Wordbee Vendor

The Second Wordbee Vendor is an individual holding approximately 28.33% of the entire issued share capital of the Disposal Company, and being one of the controlling shareholders of the Disposal Company.

The First Wordbee Vendor and the Second Wordbee Vendor are the controlling shareholders of the Disposal Company.

HM Investment

HM Investment is the Third Wordbee Vendor, holding approximately 22.85% of the entire issued share capital of the Disposal Company. HM Investment is incorporated in the BVI with limited liability. It is an investment-holding company and is an indirect wholly-owned subsidiary of the Company.

The Fourth Wordbee Vendor

The Fourth Wordbee Vendor is a company incorporated in Spain, holding approximately 17.15 % of the entire issued share capital of the Disposal Company. The Fourth Wordbee Vendor is principally engaged in the provision of translation services and interpreting activities.

The Fifth Wordbee Vendor

The Fifth Wordbee Vendor is an individual holding approximately 1.59% of the entire issued share capital of the Disposal Company.

The Sixth Wordbee Vendor

The Sixth Wordbee Vendor is an individual holding approximately 1.17% of the entire issued share capital of the Disposal Company.

The Seventh Wordbee Vendor

The Seventh Wordbee Vendor is an individual holding approximately 0.59% of the entire issued share capital of the Disposal Company.

INFORMATION OF THE WORDBEE PURCHASER

The Wordbee Purchaser (the “**Wordbee Purchaser Group**”) is a subsidiary of one of the largest language service providers in the world that aims at offering the highest quality language services to its customers in various industries, ranging from life science, retail and e-commerce, finance and banking to technology. The Wordbee Purchaser Group is home to over 50 offices worldwide and provide professional solutions in over 150 languages. The services provided by the Wordbee Purchaser Group include translation, interpretation, transcription, multilingual typesetting, graphic services, website globalisation, software localisation and litigation support.

To the best knowledge, information and belief of the Directors of the Company, having made all reasonable enquiries, the Wordbee Purchaser, its ultimate beneficial owners and their respective associates are Independent Third Parties.

GEM LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratio(s) (as defined under the GEM Listing Rules) in relation to the Sale and Purchase Agreement and the Disposal contemplated thereunder exceed 25% but are below 75%, the Disposal constitutes a major transaction of the Company and is subject to the reporting, announcement and shareholders' approval requirements under Chapter 19 of GEM Listing Rules.

Under Rule 19.44 of GEM Listing Rules, written shareholders' approval for the Sale and Purchase Agreement and the transactions contemplated thereunder may be obtained by way of shareholders' approval in lieu of holding a general meeting if (a) no shareholder is required to abstain from voting if the issuer were to convene a general meeting for the approval of the transaction; and (b) the written shareholders' approval has been obtained from a shareholder or a closely allied group of shareholders who together hold more than 50% of the voting rights at that general meeting to approve in confidence to solicit the written shareholders' approval, the listed issuer must be satisfied that such shareholder is aware that he must not deal in the listed issuer's securities before such information has been made available to the public.

To the best of the Directors' knowledge and belief having made all reasonable enquiries, as no Shareholder has a material interest in the Disposal, no Shareholder is required to abstain from voting on the relevant ordinary resolution approving the Disposal if the Company were to convene a general meeting. As such, no general meeting will be convened for the approval of the Sale and Purchase Agreement and the transactions contemplated thereunder as is permitted under Rule 19.44 of GEM Listing Rules.

Under Rule 19.41 of GEM Listing Rules, if the transaction is approved by way of written shareholders' approval from a shareholder or a closely allied group of shareholders under Rule 19.44 of GEM Listing Rules, a circular must be despatched to the shareholders of the listed issuer within fifteen (15) business days after publication of the announcement.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meaning:

“Accounts Date”	31 December 2022
“Adjustment Date”	the fifth Business Day following the date on which the Completion Accounts and Completion Statements are agreed and determined in accordance with the Sale and Purchase Agreement
“associate(s)”	has the meaning ascribed thereto under GEM Listing Rules
“Board”	board of directors

“Business Day”	any day (other than a Saturday, Sunday or public holiday) on which commercial banks are open for general business in the Grand Duchy of Luxembourg, Germany and the United States of America
“BVI”	the British Virgin Islands
“Company”	HM International Holdings Limited, a company incorporated in the Cayman Islands with limited liability, whose shares are listed on GEM of the Stock Exchange (stock code: 8416)
“Completion”	completion of the disposal of the Disposal Company and Wordcraft in accordance with the terms and conditions of the Sale and Purchase Agreement
“Completion Accounts”	the consolidated statement of financial position of each of company of the Disposal Group as at the date of Completion as prepared and agreed or determined in accordance with the Sale and Purchase Agreement
“Completion Date”	any date as agreed by Purchaser and the Vendors, within five (5) Business Days after the conditions precedent has been fulfilled on which Completion is to take place, or such other date as may be agreed in writing between Purchasers and the Vendors Representative
“Completion Statements”	the statement setting out the amount of the cash, indebtedness and working capital, as shown in, or derived from, the Completion Accounts, together with the resulting calculation of the Initial Consideration, and as prepared and agreed or determined in accordance with the Sale and Purchase Agreement
“Consideration”	the consideration for the sale and purchase of the Disposal Company Shares, which includes (i) the Initial Consideration; and (ii) the Earn-out Consideration
“Director(s)”	the director(s) of the Company
“Disposal”	the disposal of the Sale Shares by HM Investment to the Wordbee Purchaser pursuant to the terms of the Sale and Purchase Agreement

“Disposal Company”	Wordbee S.à r.l., a company incorporated on 19 March 2008 in Luxembourg with limited liability and owned as to approximately 28.33%, 28.33%, 22.85%, 17.15%, 1.59%, 1.17% and 0.59% by the First Wordbee Vendor, the Second Wordbee Vendor, HM Investment, the Fourth Wordbee Vendor, the Fifth Wordbee Vendor, the Sixth Wordbee Vendor and the Seventh Wordbee Vendor, respectively
“Disposal Company Shares”	a total of 35,696 shares in the Disposal Company, including the Sale Shares
“Disposal Group”	the Disposal Company and its subsidiaries, Wordbee LLC and Wordbee Egypt
“Earn-out Consideration”	the consideration to be paid in cash by the Purchasers to the Vendors to be determined based on revenue collected by the Disposal Company after each of the twelve (12) quarters following Completion
“Fifth Wordbee Vendor”	Mr. Daniel Johnson, holding approximately 1.59% of the entire issued share capital of the Disposal Company
“First Wordbee Vendor”	Mr. José Vega, holding approximately 28.33%, of the entire issued share capital of the Disposal Company
“Fourth Wordbee Vendor”	Activos Lingüísticos SL, a company incorporated in Spain with limited liability, holding approximately 17.15% of the entire issued share capital of the Disposal Company
“GEM”	GEM of the Stock Exchange
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM of the Stock Exchange
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region
“HM Investment/Third Wordbee Vendor”	HM Investment Limited, a company incorporated in the BVI and an indirect wholly-owned subsidiary of the Company, and holding approximately 22.85% of entire issued share capital of the Disposal Company
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong

“Independent Third Party(ies)”	a person, or in the case of a company, the company or its ultimate beneficial owner(s), who is independent of and not connected with the Company and its subsidiaries and its connected person(s) and its ultimate beneficial owner(s) or their respective associate(s)
“Initial Consideration”	the initial consideration of €7,947,826.09 (equivalent to approximately HK\$69,146,086.98) (subject to adjustments) to be paid in cash by the Wordbee Purchaser to the Wordbee Vendors at Completion, and the amount to be paid to each Wordbee Vendor is calculated on a pro rata basis in accordance with their respective shareholding in the Disposal Company
“Long Stop Date”	30 September 2023, or such other date as may be agreed between the Vendors and the Purchasers
“PRC”	the People’s Republic of China
“Purchasers”	the Wordbee Purchaser and the Wordcraft Purchaser
“Sale and Purchase Agreement”	the conditional sale and purchase agreement dated 31 July 2023 entered into between (i) the Wordbee Vendors and the Wordbee Purchaser in relation to the disposal of the Disposal Company Shares, comprising the Sale Shares; and (ii) the Wordcraft Vendor and the Wordcraft Purchaser in relation to the disposal of the entire issued share capital of Wordcraft
“Sale Shares”	8,156 shares in the Disposal Company, representing approximately 22.85% of the entire issued share capital of the Disposal Company
“Shares”	ordinary shares of HK\$0.01 par value each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Shares
“Second Wordbee Vendor”	Dr. Stephan Dädalus Böhmig, holding approximately 28.33%, of the entire issued share capital of the Disposal Company
“Seventh Wordbee Vendor”	Ms. Anita Sempels, holding approximately 0.59% of the entire issued share capital of the Disposal Company
“Sixth Wordbee Vendor”	Mr. Maxime Appolonia, holding approximately 1.17% of the entire issued share capital of the Disposal Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited

“Target Working Capital”	€330,000 (equivalent to approximately HK\$2,871,000) with respect to the Disposal Group
“US\$”	United States dollars, the lawful currency in the United States of America
“Vendors”	the Wordbee Vendors and the Wordcraft Vendor
“Vendors Representative”	the Second Wordbee Vendor
“Wordbee Egypt”	Wordbee Egypt for Information Technology LLC, a company incorporated in Egypt with limited liability and a subsidiary of the Disposal Company owned as to 90% and 10% by the Disposal Company and Mr. Andre Hemker, respectively
“Wordbee LLC”	Wordbee LLC, a company incorporated in the United States of America with limited liability and a wholly-owned subsidiary of the Disposal Company
“Wordbee Purchaser”	Transperfect Luxembourg S.à r.l., a company incorporated in Luxembourg with limited liability
“Wordbee Vendors”	the First Wordbee Vendor, the Second Wordbee Vendor, HM Investment, the Fourth Wordbee Vendor, the Fifth Wordbee Vendor, the Sixth Wordbee Vendor and the Seventh Wordbee Vendor, each a “Wordbee Vendor”
“Wordcraft”	Wordcraft GmbH, a company incorporated on 6 June 2016 in Germany with limited liability which is wholly-owned by Mr. Andre Hemker
“Wordcraft Purchaser”	Transperfect Translations GmbH, a company incorporated in Germany with limited liability
“Wordcraft Vendor”	Mr. Andre Hemker, being the sole shareholder of Wordcraft
“€/EUR”	Euro, the lawful currency in the European Union
%	per cent.

Unless otherwise stated, the exchange rate adopted in this announcement is based on the exchange rate of EUR1.00 = HK\$8.70 and US\$1.00 = HK\$7.8, and is provided for identification purpose only.

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

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

Hong Kong, 1 August 2023

As at the date of this announcement, 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 announcement, 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 of the Company, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

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