



HM International Holdings Limited

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8416)

FIRST QUARTERLY RESULTS ANNOUNCEMENT FOR THE THREE MONTHS ENDED 31 MARCH 2019

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

FIRST QUARTERLY RESULTS

The board of Directors (the “**Board**”) is pleased to announce the unaudited condensed consolidated financial results of the Company and its subsidiaries (the “**Group**”) for the three months ended 31 March 2019, together with the comparative unaudited figures for the three months ended 31 March 2018. The financial information is as follows:

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the three months ended 31 March 2019

	Notes	For the three months ended 31 March	
		2019 HK\$'000 (Unaudited)	2018 HK\$'000 (Unaudited)
Revenue	3	26,568	24,124
Cost of sales		<u>(15,161)</u>	<u>(14,364)</u>
Gross profit		11,407	9,760
Other income and (losses)/gains		(17)	126
Selling expenses		(3,325)	(2,558)
Administrative expenses		(10,276)	(10,002)
Finance costs		<u>(11)</u>	<u>(2)</u>
(Loss) before tax		(2,222)	(2,676)
Income tax expense	5	<u>(95)</u>	<u>(60)</u>
(Loss) for the period	6	<u><u>(2,317)</u></u>	<u><u>(2,736)</u></u>
Loss for the period attributable to:			
Owners of the Company		(2,273)	(2,736)
Non-controlling interest		<u>(44)</u>	<u>–</u>
		<u><u>(2,317)</u></u>	<u><u>(2,736)</u></u>
Other comprehensive expenses			
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Exchange differences arising on translating foreign subsidiary		<u>(7)</u>	<u>–</u>
Total comprehensive income for the period		<u><u>(7)</u></u>	<u><u>–</u></u>
Total comprehensive income attributable to:			
Owners of the Company		(2,280)	(2,736)
Non-controlling interest		<u>(44)</u>	<u>–</u>
		<u><u>(2,324)</u></u>	<u><u>(2,736)</u></u>
(Loss) per share attributable to the owners of the Company during the period			
		<i>HK cents</i>	<i>HK cents</i>
Basic and diluted		<u><u>(0.57)</u></u>	<u><u>(0.68)</u></u>

UNAUDITED CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the three months ended 31 March 2019

	Attributable to owners of the Company							Non- controlling interest	Total equity
	Share capital	Share premium	Special reserve	Share option reserve	Translation reserve	Retained earnings	Sub-total		
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Balance at 1 January 2019 (audited)	4,000	39,009	138	128	(35)	41,691	84,931	5	84,936
(Loss) and total comprehensive income for the period	-	-	-	-	(7)	(2,273)	(2,280)	(44)	(2,324)
Recognition of equity-settled share- based payment	-	-	-	33	-	-	33	-	33
Balance at 31 March 2019 (unaudited)	<u>4,000</u>	<u>39,009</u>	<u>138</u>	<u>161</u>	<u>(42)</u>	<u>39,418</u>	<u>82,684</u>	<u>(39)</u>	<u>82,645</u>
Balance at 1 January 2018 (audited)	4,000	49,009	138	-	-	34,708	87,855	-	87,855
(Loss) and total comprehensive income for the period	-	-	-	-	-	(2,736)	(2,736)	-	(2,736)
Recognition of equity-settled share- based payment	-	-	-	8	-	-	8	-	8
Balance at 31 March 2018 (unaudited)	<u>4,000</u>	<u>49,009</u>	<u>138</u>	<u>8</u>	<u>-</u>	<u>(2,736)</u>	<u>85,127</u>	<u>-</u>	<u>85,127</u>

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three months ended 31 March 2019

1. BASIS OF PREPARATION

The Company was incorporated in the Cayman Islands on 13 January 2016 as an exempted company with limited liability. Its parent and ultimate holding company is HM Ultimate Holdings Limited, a company incorporated in the British Virgin Islands and owned by Mr. Yu Chi Ming, Mr. Tse Kam Wing Walter and Mr. Chan Wai Lin. The Company has been registered as a non-Hong Kong company under Part 16 of the Companies Ordinance (Cap. 622). Its shares were initially listed on GEM of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

The address of the registered office of the Company is PO Box 1350, Clifton House, 75 Fort Street, Grand Cayman KY1-1108, Cayman Islands and the principal place of business in Hong Kong is 9/F, Infinitus Plaza, 199 Des Voeux Road Central, Hong Kong. The Company is an investment holding company. 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 unaudited condensed consolidated financial statements for the three months ended 31 March 2019 have been prepared in accordance with applicable Hong Kong Accounting Standard 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”) and the applicable disclosure requirements of Chapter 18 of the GEM of Stock Exchange. The accounting policies and methods of computation used in the preparation of the unaudited condensed consolidated financial statements are consistent with those adopted in preparing the audited financial statements for the year ended 31 December 2018.

The unaudited condensed consolidated financial statements are presented in Hong Kong Dollars (“**HK\$**”), which is also the functional currency of the Company and all values are rounded to the nearest thousand (“**HK\$’000**”) unless otherwise stated.

2. APPLICATION OF NEW AND AMENDED HONG KONG FINANCIAL REPORTING STANDARDS (“**HKFRSs**”)

New and Amendments to HKFRSs that are mandatorily effective for the current period

The Group has applied the following new and amendments to HKFRSs issued by the HKICPA for the first time in the current period:

HKFRS 16	Lease
HK(IFRIC) – Int 23	Uncertainty over Income Tax Treatments
Amendments to HKFRS 9	Prepayment Features with Negative Compensation
Amendments to HKAS 19	Plan Amendment, Curtailment or Settlement
Amendments to HKAS 28	Long-term Interests in Associates and Joint Ventures
Amendments to HKFRSs	Annual Improvements to HKFRSs 2015-2017 Cycles

Except as described below, the application of the new and amendments to HKFRSs in the current period has had no material impact on the Group’s financial performance and positions for the current and prior periods and/or on the disclosures set out in these unaudited condensed consolidated financial statements.

2.1 HKFRS 16 Lease

The Group has applied HKFRS 16 for the first time in the current period. HKFRS 16 superseded HKAS 17 *Lease* and the related interpretations.

The Group has applied HKFRS 16 retrospectively with the cumulative effect of initially applying this standard recognised at the date of initial application, 1 January 2019. Any difference at the date of initial application is recognised in the opening retained earnings (or other components of equity, as appropriate) and comparative information has not been restated. Accordingly, certain comparative information may not be comparable as comparative information was prepared under HKAS 17 *Lease* and the related interpretations.

Before the adoption of HKFRS 16, commitments under operating leases for future periods were not recognised by the Groups as liabilities. Operating lease rental expenses were recognised in the consolidated income statement over the lease period on a straight-line basis.

Under HKFRS 16, the Group measures a leased liability based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial adoption; and the unpaid rent payables provided based on the accrual basis under the original standards on leases will be included in the remaining lease payments. The Group measures right-of-use assets based on each lease option using one of the following:

- assuming that the New Standards on Leases are adopted to measure right-of-use assets once the lease term is commenced, the carrying amount discounted using the incremental borrowing rate at the date of initial adoption;
- an amount equals to the leased liability and necessary adjustments will be made based on the prepaid rents.

3. REVENUE

	For the three months ended 31 March	
	2019	2018
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Recognised over time		
– Provision of financial printing services	23,389	20,689
– Provision of marketing collateral printing services	2,121	3,380
– Provision of other services	1,058	55
	<u>26,568</u>	<u>24,124</u>

4. SEGMENT INFORMATION

HKFRS 8 *Operating Segments*, requires identification and disclosure of operating segment information based on internal financial reports that are regularly reviewed by the executive directors of the Company, being the chief operating decision maker, for the purpose of resources allocation and performance assessment. On this basis, the Group has determined that it only has one operating segment which is the provision of integrated printing services.

In addition, the Group's revenue is substantially generated in Hong Kong and the Group's assets and liabilities are also substantially located in Hong Kong. Accordingly, the Group does not present separately segment information.

Information about major customers

Revenue from customer contributing over 10% of the total revenue of the Group during the relevant periods are as follows:

	For the three months ended 31 March	
	2019	2018
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Customer A	3,633	–
Customer B	3,199	–
	<u>6,832</u>	<u>–</u>

5. INCOME TAX EXPENSE

	For the three months ended 31 March	
	2019 <i>HK\$'000</i> (Unaudited)	2018 <i>HK\$'000</i> (Unaudited)
Hong Kong Profits Tax		
Current tax		
– Current period	147	125
The People’s Republic of China (the “PRC”)		
Enterprise Income Tax		
– Current period	7	–
Deferred tax credit		
– Current period	(59)	(65)
Total income tax expense recognised in profit or loss	<u>95</u>	<u>60</u>

Hong Kong Profits Tax is calculated at 16.5% of the estimated assessable profit for the three months ended 31 March 2019 and 2018.

In 2019, the Hong Kong Profits Tax is calculated under the two-tiered profits tax rates regime, the first HK\$2 million of profits of the qualifying group entity will be taxed at 8.25%, and profits above HK\$2 million will be taxed at 16.5%. The profits of group entities not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5% (2018: 16.5%).

Under the Law of the PRC on Enterprise Income Tax (the “**EIT Law**”) and Implementation Regulation of the EIT Law, the tax rate of the PRC subsidiary is 25% for both periods.

6. LOSS FOR THE PERIOD

Loss for the period has been arrived at after charging:

	For the three months ended 31 March	
	2019	2018
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Employee benefits expense (including directors' emoluments):		
Salaries, allowances and other benefits in kind	10,815	10,051
Contributions to retirement benefits schemes	441	391
Equity-settled share-based payments	33	8
	<u>11,289</u>	<u>10,450</u>
Total employee benefits expense		
	<u>11,289</u>	<u>10,450</u>
Amortisation of intangible assets (included in cost of sales on the unaudited condensed consolidated statement of profit or loss and other comprehensive income)	18	61
Depreciation of property, plant and equipment	998	1,052
Depreciation of right-of-use assets	134	–
Donation	14	32
Operating lease rentals in respect of:		
– rental premises	2,689	2,680
– equipment	6	6
	<u>2,695</u>	<u>2,686</u>

7. SHARE-BASED PAYMENT

During the three months ended 31 March 2019, total share-based payment of approximately HK\$33,000 (three months ended 31 March 2018: approximately HK\$8,000) has been recognised in the profit or loss. The corresponding net amount of approximately HK\$33,000 (three months ended 31 March 2018: approximately HK\$8,000) has been credited to share option reserve.

8. DIVIDENDS

The Board did not recommend a payment of any dividend for the three months ended 31 March 2019 and 2018.

9. (LOSS) PER SHARE

The calculation of the basic and diluted (loss) per share attributable to the owners of the Company is based on the following data:

	For the three months ended 31 March	
	2019 (Unaudited)	2018 (Unaudited)
(Loss) attributable to owners of the Company (<i>HK\$'000</i>)	<u>(2,273)</u>	<u>(2,736)</u>
Weighted average number of ordinary shares for the purpose of calculating basic loss per share (in thousand)	<u>400,000</u>	<u>400,000</u>
Basic and diluted (loss) per share (<i>HK cents</i>)	<u>(0.57)</u>	<u>(0.68)</u>

For the three months ended 31 March 2019 and 2018, the calculation of the basic loss per share is based on the loss attributable to owners of the Company and the weighted average number of ordinary shares issued during the periods.

No diluted loss per share is presented for the three months ended 31 March 2019 and 2018, as there was no potential ordinary share outstanding. The computation of diluted loss per share for the current period does not assume the exercise of the share options because the exercise price of those share options was higher than the average market price of shares.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

We provide integrated printing services for corporate clients mainly in the financial and capital market in Hong Kong. We mainly offer a wide spectrum of services from financial printing services for corporations which are listed on the Stock Exchange and potential listing applicants to, fund houses and insurance companies to marketing collateral printing services.

With years of presence and development in the market, we have successfully built up a broad client base including blue chips, state-owned enterprises, global fund houses and major insurance companies. We believe that our ability to maintain recurring clients demonstrates their recognitions of its quality service and we consider these recognitions as one of the key factors leading to its success in the industry.

During the three months ended 31 March 2019, the Group recorded a revenue of approximately HK\$26.6 million which represents an increase of approximately 10.1% as compared to the same period of last year. Such increase was generated from financial printing projects of approximately HK\$2.6 million.

OUTLOOK

Looking forward, we are still reasonably optimistic to sustain the core business given all the economic uncertainties in 2019. However, we remain committed to the strategies and will continue to seek for the best possible opportunities to grow our business by leveraging our current client base or expanding our business cooperation. With the emergence of competition and rising concern of information security, we have meticulously scrutinised our internal workflow and procedures to enhance our core structure by taking advantage of information technology.

FINANCIAL REVIEW

Revenue

	For the three months ended	
	31 March	
	2019	2018
	<i>HK\$'000</i>	<i>HK\$'000</i>
	(Unaudited)	(Unaudited)
Financial printing projects	23,289	20,689
Marketing collateral printing projects	2,121	3,380
Other projects	1,058	55
	<u>26,568</u>	<u>24,124</u>

The Group's revenue increased by approximately HK\$2.4 million, or 10.1%, from approximately HK\$24.1 million for the three months ended 31 March 2018 to approximately HK\$26.6 million for the three months ended 31 March 2019.

Gross Profit and Gross Profit Margin

The Group's gross profit increased by approximately HK\$1.6 million, or 16.9%, from approximately HK\$9.8 million for the three months ended 31 March 2018 to approximately HK\$11.4 million for the three months ended 31 March 2019, which was due to the increase in the revenue of financial printing projects. Our gross profit margins for the three months ended 31 March 2018 and the three months ended 31 March 2019 were approximately 40.5% and 42.9% respectively.

Selling Expenses

The Group's selling expenses increased by approximately HK\$0.8 million, or 30.0%, from approximately HK\$2.6 million for the three months ended 31 March 2018 to approximately HK\$3.3 million for the three months ended 31 March 2019. Such increase was mainly attributable to the increase in staff cost in relation to sales staff.

Administrative Expenses

The Group's administrative expenses increased by approximately HK\$0.3 million, or 2.7%, from approximately HK\$10.0 million for the three months ended 31 March 2018 to approximately HK\$10.3 million for the three months ended 31 March 2019, which was mainly attributable to the increase in salaries and wages for the three months ended.

Taxation

Income tax expense increased by approximately HK\$35,000, or 58.3%, from income tax expense approximately HK\$60,000 for the three months ended 31 March 2018 to approximately HK\$95,000 for the three months ended 31 March 2019. Such increase was mainly attributable to the increase in profit before tax.

Loss for the period

Loss for the Group decreased by approximately 15.3% or approximately HK\$0.4 million from approximately HK\$2.7 million for the three months ended 31 March 2018 to approximately HK\$2.3 million for the three months ended 31 March 2019, which was mainly due to the increase in gross profit for the three months ended.

DIVIDENDS

The Board did not recommend a payment of any dividend for the three months ended 31 March 2019 and 2018.

OTHER INFORMATION

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at 31 March 2019, the interests and short positions of the Directors and the chief executive of the Company in the Company's shares (the "**Shares**"), underlying Shares and debentures of the Company or any of its associated corporations within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "**SFO**"), which were required: (a) 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 they are taken or deemed to have under such provisions of the SFO); or (b) pursuant to section 352 of the SFO, to be entered in the register referred therein (the "**Register**"); or (c) pursuant to Rules 5.48 to 5.67 of the GEM Listing Rules relating to securities transactions by the Directors, to be notified to the Company and the Stock Exchange were as follows:

Long Position in the Shares of the Company

Name of Director	Nature of interests	Number of ordinary Shares held	Percentage of shareholding
Mr. Yu Chi Ming ("Mr. Yu")	Interests held jointly with another person; interest in a controlled corporation (Note)	297,000,000	74.25%
Mr. Tse Kam Wing Walter ("Mr. Tse")	Interests held jointly with another person; interest in a controlled corporation (Note)	297,000,000	74.25%
Mr. Chan Wai Lin ("Mr. Chan")	Interests held jointly with another person; interest in a controlled corporation (Note)	297,000,000	74.25%

Note: HM Ultimate Holdings Limited ("HM Ultimate") is beneficially owned as to 53.0% by Mr. Yu, 24.5% by Mr. Tse and 22.5% by Mr. Chan. Mr. Yu, Mr. Tse and Mr. Chan together control all the Shares held by HM Ultimate.

Long Position in the Shares of the Associated Corporations of the Company

Name of Director	Name of associated corporation	Nature of interests	Number of ordinary Shares held	Percentage of shareholding
Mr. Yu	HM Ultimate	Beneficial owner	530	53.0%
Mr. Tse	HM Ultimate	Beneficial owner	245	24.5%
Mr. Chan	HM Ultimate	Beneficial owner	225	22.5%

Save as disclosed above, as at 31 March 2019, none of the Directors and the chief executive of the Company had any interests or short positions in any Shares, underlying Shares and debentures of the Company or any of its associated corporations within the meaning of Part XV of the SFO which would have 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 they are taken or deemed to have under such provisions of the SFO), or which were required, pursuant to section 352 of the SFO, to be entered in the Register, or which were required, pursuant to Rules 5.48 to 5.67 of the GEM Listing Rules relating to securities transactions by the Directors, to be notified to the Company and the Stock Exchange.

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY

So far as the Directors are aware, as at 31 March 2019, the following persons/entities other than a Director or the chief executive of the Company had interests or short positions in the Shares and underlying Shares, which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register of the Company required to be kept under section 336 of the SFO, or who were directly or indirectly interested in 5% or more of the issued voting Shares:

Long Position in the Shares of the Company

Name of shareholder	Nature of interests	Number of ordinary Shares held	Percentage of shareholding
HM Ultimate (<i>Note 1</i>)	Beneficial owner	297,000,000	74.25%
Ms. Wong Mee Che Lilian	Interest of spouse (<i>Note 2</i>)	297,000,000	74.25%
Ms. Wong Yuk Sim Kathy	Interest of spouse (<i>Note 3</i>)	297,000,000	74.25%
Ms. Tang Wai Kwan May	Interest of spouse (<i>Note 4</i>)	297,000,000	74.25%

Note 1: HM Ultimate is beneficially owned as to 53.0% by Mr. Yu, 24.5% by Mr. Tse and 22.5% by Mr. Chan. Mr. Yu, Mr. Tse and Mr. Chan together control all the Shares held by HM Ultimate.

Note 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.

Note 3: 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.

Note 4: 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.

Save as disclosed above, as at 31 March 2019, the Directors were not aware of any persons who/entities which had any interest or short position in the Shares or underlying Shares that would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which would be recorded in the substantial shareholders' register required to be kept under section 336 of the SFO.

SHARE OPTION SCHEME

The Company conditionally adopted a share option scheme (the “**Scheme**”) on 15 December 2016 which became unconditional upon the listing of the Company on 11 January 2017. Under the terms of the Scheme, the Board may, at its discretion, grant options to eligible participants to subscribe for Shares.

During the three months ended 31 March 2019, no share options were granted. On 16 March 2018 (the “**Date of Grant**”), 1,560,000 share options were granted for HK\$1.00 consideration to employees under the Scheme. Each option gives the holder the right to subscribe for one ordinary Share. These share options will be vested after one or two year(s) from the Date of Grant, and then be exercisable until 15 March 2022 and 15 March 2023 respectively. The exercise price is HK\$0.70, being the weighted average closing price for the five trading days of the ordinary Shares immediately before the Date of Grant. The closing price of the shares immediately before the Date of Grant is HK\$0.69.

50,000 share options lapsed during the three months ended 31 March 2019 (three months ended 31 March 2018: nil). No options were exercised and cancelled during the three months ended 31 March 2019 (three months ended 31 March 2018: nil).

PURCHASE, SALE OR REDEMPTION OF LISTED SHARES OF THE COMPANY

Neither the Company nor any of its subsidiaries have purchased, sold or redeemed any of the Company’s listed securities during the three months ended 31 March 2019.

CORPORATE GOVERNANCE

The Company has applied the principles and adopted all code provisions, where applicable, of the Corporate Governance Code and Corporate Governance Report (the “**CG Code**”) as contained in Appendix 15 to the GEM Listing Rules as its own code of corporate governance.

The Directors consider that during the three months ended 31 March 2019, the Company has complied with all the code provisions as set out in the CG Code.

DIRECTORS’ AND CONTROLLING SHAREHOLDERS’ INTEREST IN COMPETING BUSINESS

None of the Directors, the management and controlling shareholders of the Company or any of their respective close associates as defined in the GEM Listing Rules has engaged in any business that competes or may compete, either directly or indirectly, with the businesses of the Group, or had any other conflict of interests with the Group during the three months ended 31 March 2019.

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the required standard of dealings set out in Rules 5.48 to 5.67 of the GEM Listing Rules (the “**Required Standard of Dealings**”) as the code of conduct regarding Directors’ securities transactions.

Specific enquiry has been made of all the Directors and the Directors have confirmed that they have complied with the Required Standard of Dealings during the three months ended 31 March 2019.

The Company has also established written guidelines (the “**Employees Written Guidelines**”) no less exacting than the Required Standard of Dealings for securities transactions by employees who are likely to be in possession of unpublished price-sensitive information of the Company. During the three months ended 31 March 2019, no incident of non-compliance of the Employees Written Guidelines by the employees was noted by the Company.

INTERESTS OF COMPLIANCE ADVISER

As notified by Messis Capital Limited (“**Messis**”), the Company’s compliance adviser, except for the compliance adviser agreement dated 6 September 2016 entered into between the Company and Messis, neither Messis nor any of its directors or employees or close associates had any interest in the securities of the Company or any member of the Group as at the date of this announcement which is required to be notified to the Company pursuant to Rule 6A.32 of the GEM Listing Rules.

AUDIT COMMITTEE

The Company had established the audit committee (the “**Audit Committee**”) on 15 December 2016 with written terms of reference in compliance with the GEM Listing Rules. The primary duties of the Audit Committee are to review and supervise the financial reporting process and risk management and internal control systems of the Company, make recommendations to the Board on the appointment, reappointment and removal of the independent auditors, and review the Company’s financial information.

The Audit Committee comprises three members, all being independent non-executive Directors, namely Mr. Ng Jack Ho Wan (chairman of the Audit Committee), Mr. Choi Hon Ting Derek and Mr. Wan Chi Wai Anthony. It has reviewed with the management the accounting principles and practices adopted by the Group and discussed the auditing, risk management, internal control and financial reporting matters, including review of the unaudited condensed consolidated financial statements of the Group for the three months ended 31 March 2019.

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

Hong Kong, 8 May 2019

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

This announcement will remain on the “Latest Company Announcements” page of the GEM website at www.hkgem.com for at least 7 days from the date of its publication. This announcement will also be published on the Company’s website at www.hetermedia.com.