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THEME INTERNATIONAL HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 990)

PROPOSED RIGHTS ISSUE ON THE BASIS OF ONE (1) RIGHTS SHARE FOR EVERY TWO (2) EXISTING SHARES HELD ON THE RECORD DATE AT THE SUBSCRIPTION PRICE OF HK\$0.10 PER RIGHTS SHARE

PROPOSED RIGHTS ISSUE

The Company proposes to raise approximately HK\$395 million (before deducting professional fees and other related expenses) by way of the Rights Issue, whereby 3,947,114,877 Rights Shares shall be allotted and issued on the basis of one (1) Rights Share for every two (2) existing Shares held on the Record Date.

The Subscription Price of HK\$0.10 per Rights Share, is payable in full upon application for the Rights Shares under the Rights Issue by Qualifying Shareholders.

Assuming no new Shares are issued and/or repurchased by the Company on or before the Record Date, a total number of Rights Shares of 3,947,114,877 will be allotted and issued representing:

- (i) approximately 50.0% of the Company's existing issued shares as at the date of this announcement; and
- (ii) approximately 33.3% of the Company's existing issued shares as enlarged by the issue of the Rights Shares.

The aggregate nominal value of the Rights Shares, of nominal value of HK\$0.0025 each, will be approximately HK\$9.9 million.

Subject to the fulfilment and/or waiver (where applicable) of the conditions of the Rights Issue, the Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptances of the provisionally allotted Rights Shares. However, in the event that there is an under-subscription of the Rights Issue as a result of Untaken Rights and such are not taken up by Qualifying Shareholders (excluding Wide Bridge and Mr. You), Wide Bridge and Mr. You have indicated that they will make excess application by means of EAFs for Rights Shares as are not taken up by Qualifying Shareholders under their assured entitlements or excess applications up to a maximum of 1,650,454,052 Rights Shares. If they do not subscribe for all of the outstanding Rights Shares available by way of EAFs and the Rights Issue is under-subscribed, the size of the Rights Issue will be reduced accordingly. Subject to the Irrevocable Undertakings as more particularly described in the section headed “Irrevocable Undertakings” in this announcement, a minimum amount of HK\$229,666,082.5 in respect of 2,296,660,825 Rights Shares undertaken by Wide Bridge and Mr. You will be raised under the Rights Issue.

THE IRREVOCABLE UNDERTAKING

On 3 May 2019 (after trading hours), Wide Bridge and Mr. You provided an Irrevocable Undertaking, pursuant to which Wide Bridge and Mr. You have irrevocably and unconditionally covenanted with, and undertaken to, the Company, *inter alia*, that:

- (i) they will subscribe for and pay for in full or procure the taking up and payment for in full, on the terms and conditions of the Prospectus Documents, the 2,296,660,825 Rights Shares at the Subscription Price of HK\$0.10 per Rights Share (or any other subscription price as announced by the Company pursuant to the Rights Issue) which will constitute all the provisional allotment of Rights Shares in respect of the Shares beneficially owned by them pursuant to the terms of the Rights Issue, prior to 4:00 p.m. on the Final Acceptance Date;
- (ii) they will not transfer, dispose of, or agree to transfer or dispose of the 4,590,761,650 Shares and 2,560,000 Shares owned by each of their respective selves at any time from the date of this announcement up to the close of business on the Record Date.

As at the date of this announcement, Mr. You is beneficially interested in 4,593,321,650 Shares, representing approximately 58.2% of the existing issued share capital of the Company. In summary, Wide Bridge and Mr. You are committed to accept 2,296,660,825 Rights Shares.

Wide Bridge and Mr. You have indicated that, in the event there is an under-subscription of the Rights Issue as a result of Untaken Rights and such are not taken up by the Qualifying Shareholders (excluding Wide Bridge and Mr. You), they have the intention to make excess application by means of EAFs for Rights Shares as are not taken up by Qualifying Shareholders under their assured entitlements or excess applications up to a maximum of 1,650,454,052 Rights Shares. If they do not subscribe for all the outstanding Rights Shares available by way of EAFs and the Rights Issue is under-subscribed, the size of the Rights Issue will be reduced accordingly.

QUALIFYING SHAREHOLDERS

To qualify for the Rights Issue, a Shareholder must be registered as a member of the Company and not be an Excluded Shareholder as at the close of business on the Record Date. In order to be registered as members of the Company on the Record Date, all transfers of Shares (together with the relevant share certificate(s)) must be lodged with the Registrar at Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong by 4:30 p.m. on Friday, 10 May 2019.

The last day of dealing in the Shares on a cum-rights basis is Wednesday, 8 May 2019. The Shares will be dealt with on an ex-rights basis from Thursday, 9 May 2019.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Tuesday, 14 May 2019 to Monday, 20 May 2019 (both dates inclusive) for the purpose of determining the Shareholders' entitlements to the Rights Issue. During this period, no transfer of Shares will be registered.

LISTING RULES IMPLICATIONS

The Rights Issue is not subject to Shareholders' approval under the Listing Rules and will be carried out in compliance with Rule 7.21(1) of the Listing Rules.

WARNING OF THE RISKS OF DEALINGS IN THE SHARES AND NIL-PAID RIGHTS SHARES

The Rights Issue is subject to the fulfilment and/or waiver (where applicable) of conditions including, among other things, the Stock Exchange granting the listing of, and permission to deal in, the Rights Shares in their nil-paid and fully-paid forms. Please refer to the section headed "Conditions of the Rights Issue" in this announcement. Shareholders and potential investors of the Company should note that if the conditions to the Rights Issue are not satisfied and/or waived (where applicable), the Rights Issue will not proceed.

Any dealings in the Shares from the date of this announcement up to the date on which all the conditions of the Rights Issue are fulfilled and/or waived (where applicable), and any Shareholders dealing in the Rights Shares in nil-paid form will accordingly bear the risk that the Rights Issue may not become unconditional or may not proceed. Any Shareholders or other persons contemplating any dealings in the Shares or Rights Shares in their nil-paid form are recommended to consult their professional advisers.

PROPOSED RIGHTS ISSUE

The Company proposes to raise up to approximately HK\$395 million before expenses by way of a rights issue of 3,947,114,877 Rights Shares at the Subscription Price of HK\$0.10 each and on the basis of one (1) Rights Share for every two (2) Shares held by the Qualifying Shareholders on the Record Date.

The Rights Issue will not be extended to the Excluded Shareholder(s). The terms of the Rights Issue are set out below:

Issue statistics

Basis of Rights Issue	:	One (1) Rights Share for every two (2) Shares held on the Record Date
Subscription Price	:	HK\$0.10 per Rights Share
Number of Shares in issue as at the date of this announcement	:	7,894,229,754 Shares
Number of Rights Shares to be issued under the Rights Issue	:	Up to 3,947,114,877 Rights Shares (assuming no change in the number of Shares in issue on or before the Record Date)
Aggregate nominal value of the Rights Shares	:	Up to HK\$9,867,787.2
Enlarged issue share capital upon completion of the Rights Issue	:	Up to 11,841,344,631 Shares (assuming no change in the number of Shares in issue on or before the Record Date)
Number of Rights Shares undertaken to be taken up	:	Wide Bridge and Mr. You have undertaken to take up an aggregate of 2,296,660,825 Rights Shares (representing approximately 58.2% of the total Rights Shares proposed to be provisionally allotted by the Company)

Funds raised before : Up to approximately HK\$395 million
expenses (assuming all the
Rights Shares will be
taken up)

Assuming no change in the number of issued Shares on or before the Record Date, the 3,947,114,877 Rights Shares proposed to be issued pursuant to the terms of the Rights Issue represent: (i) 50.0% of the existing issued share capital of the Company as at the date of this announcement; and (ii) 33.3% of the issued share capital of the Company as enlarged by the allotment and issue of the Rights Shares.

As at the date of this announcement, the Company has no outstanding derivatives, options, warrants, conversion securities or other similar securities which are convertible or exchangeable into Shares. The Company has no intention to issue or grant any Shares, convertible securities, warranties and/or options on or before the Record Date.

Subscription Price

The Subscription Price of HK\$0.10 per Rights Share is payable in full when a Qualifying Shareholder accepts the relevant provisional allotment of Rights Shares or applies for excess Rights Shares or when a transferee of nil-paid Rights Shares accepts the provisional allotment of the relevant Rights Shares.

The Subscription Price represents:

- (i) a discount of approximately 14.53% to the closing price of HK\$0.117 per Share as quoted on the Stock Exchange on the Last Trading Day;
- (ii) a discount of approximately 15.97% to the average of the closing prices of Shares for the five consecutive trading days ended on the Last Trading Day of approximately HK\$0.119 per Share;
- (iii) a discount of approximately 15.97% to the average of the closing prices of Shares for the ten consecutive trading days ended on the Last Trading Day of approximately HK\$0.119 per Share;
- (iv) a discount of approximately 9.91% to the theoretical ex-rights price of approximately HK\$0.111 per Share based on the closing price per Share as quoted on the Stock Exchange on the Last Trading Day; and
- (v) a premium of approximately 8.70% to the net asset value per Share of approximately HK\$0.092 (based on the latest audited net asset value of the Group of HK\$725,162,000 as at 31 December 2018 as disclosed in the annual report of the Company for the twelve months ended 31 December 2018 and 7,894,229,754 Shares in issue as at the date of this announcement).

The Subscription Price was determined with reference to, among other things, the recent market prices of the Shares, the current market conditions, and the amount of funds the Company intends to raise under the Rights Issue.

The Directors (including the independent non-executive Directors) consider that the terms of the Rights Issue, including the Subscription Price, are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Basis of provisional allotment

The basis of the provisional allotment shall be one (1) Rights Share for every two (2) Shares held by a Qualifying Shareholder as at the close of business on the Record Date.

Application for all or any part of a Qualifying Shareholder's provisional allotment should be made by completing a PAL and lodging the same with a remittance for the Rights Shares being applied for with the Registrar on or before 4:00 p.m. on the Final Acceptance Date.

Qualifying Shareholders

To qualify for the Rights Issue, a Shareholder must be registered as a member of the Company and not be an Excluded Shareholder on the Record Date.

In order to be registered as a member of the Company on the Record Date, a Shareholder must lodge the relevant transfer(s) of Share(s) (with the relevant share certificates) with the Registrar at Computershare Hong Kong Investor Services Limited at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong by 4:30 p.m. on Friday, 10 May 2019.

The last day of dealings in the Shares on a cum-rights basis is Wednesday, 8 May 2019. The Shares will be dealt with on an ex-rights basis from Thursday, 9 May 2019.

Qualifying Shareholders who take up their pro rata entitlement in full will not suffer any dilution to their interests in the Company (except in relation to any dilution resulting from the taking up by third parties of any Rights Shares arising from the aggregation of fractional entitlements).

Excluded Shareholder(s) (if any)

The Prospectus Documents will not be registered or filed under the applicable securities legislation of any jurisdiction other than Hong Kong. Overseas Shareholders may not be eligible to take part in the Rights Issue as explained below.

Pursuant to Rule 13.36(2)(a) of the Listing Rules, the Directors will make enquiries regarding the feasibility of extending the Rights Issue to the Overseas Shareholder(s) under the laws of the relevant overseas jurisdictions and the requirements of the relevant regulatory bodies or stock exchanges. If, after making such enquiries, the Directors are of

the opinion that it would be necessary or expedient on account either of the legal restrictions under the laws of the relevant place or the requirements of the relevant regulatory body or stock exchange in that place to exclude such Overseas Shareholder(s) from the Rights Issue, no Rights Shares (whether in nil-paid or fully-paid form) will be offered to such Overseas Shareholder(s). In such circumstances, the Rights Issue will not be extended to the Excluded Shareholder(s). The basis for excluding the Excluded Shareholders(s), if any, from the Rights Issue will be set out in the Prospectus. The Company will send the Prospectus and the Overseas Letter to the Excluded Shareholders for their information only.

Arrangements will be made for the Rights Shares, which would otherwise have been provisionally allotted to the Excluded Shareholders in their nil-paid form, to be sold in the market as soon as practicable after dealings in the nil-paid Rights Shares commence, and in any event before the last day for dealings in nil-paid Rights Shares if a premium (net of expenses) can be obtained. Proceeds of each sale, less expenses and stamp duty, of not less than HK\$100 will be paid pro-rata (rounded down to the nearest cent) to the relevant Excluded Shareholder(s) in Hong Kong dollars. The Company will retain individual amount of less than HK\$100 for its own benefit. Any unsold entitlements of the Excluded Shareholders will be made available for excess application by the Qualifying Shareholders.

Status of the Rights Shares

The Rights Shares, when allotted, issued and fully paid, will rank *pari passu* in all respects with the Shares in issue at the time. Holders of fully-paid Rights Shares will be entitled to receive all future dividends and distributions which may be declared, made or paid by the Company after the date of allotment and issue of the Rights Shares.

Fractional entitlements to the Rights Shares

The Company will not provisionally allot and will not accept application for any fractions of the Rights Shares. All fractions of the Rights Shares will be aggregated and sold by the Company in the open market if a premium (net of expenses) can be obtained. Any unsold fractions of the Rights Shares will be made available for excess application by the Qualifying Shareholders. No odd-lot matching services will be provided.

Application for excess Rights Shares

Qualifying Shareholders are entitled to apply for, by way of excess application:

- (i) any unsold entitlements to the Rights Shares of the Excluded Shareholder(s) (if any);
- (ii) any unsold Rights Shares created by aggregating fractions of the Rights Shares; and

(iii) any nil-paid Rights Shares provisionally allotted but not accepted by the Qualifying Shareholders or otherwise not subscribed for by renouncees or transferees of nil-paid Rights Shares.

(i) to (iii) shall collectively be referred to as “**Untaken Rights**”.

Applications for excess Rights Shares may be made by completing an EAF and lodging the same with a separate remittance for the excess Rights Shares being applied for. The Directors will allocate any excess Rights Shares at their discretion on a fair and equitable basis on the following principles:

- (i) any excess Rights Shares will be allocated to Qualifying Shareholders who apply for them on a pro rata basis by reference to the number of the excess Rights Shares applied for under each application;
- (ii) no reference will be made to the Rights Shares subscribed through applications by PALs or the existing number of Shares held by Qualifying Shareholders;
- (iii) no preference will be given to applications for topping up odd-lot holdings to whole lot holdings; and
- (iv) pursuant to Rule 7.21(3)(b) of the Listing Rules, the Company will also take steps to identify the applications for excess Rights Shares made by any Controlling Shareholder or its associates (together, the “**Relevant Shareholders**”), whether in their own names or through nominees. The Company shall disregard the Relevant Shareholders’ applications for excess Rights Shares to the extent that the total number of excess Right Shares they have applied for exceeds a maximum number equivalent to the total number of Rights Shares offered under the Rights Issue minus the number of Rights Shares taken up by the Relevant Shareholders under their assured entitlement to the Rights Shares.

If the aggregate number of Rights Shares not taken up by the Qualifying Shareholders and/or transferees of nil-paid Rights Shares under PALs is greater than the aggregate number of excess Rights Shares being applied for under EAFs, the Directors will allocate to each Qualifying Shareholder who applies for excess Rights Shares the actual number of excess Rights Shares being applied for.

It is noted that Wide Bridge and Mr. You have indicated that they will make excess application by means of EAFs for Rights Shares as are not taken up by Qualifying Shareholders (excluding Wide Bridge and Mr. You) up to a maximum of 1,650,454,052 Rights Shares.

Investors whose Shares are held by a nominee company (including HKSCC Nominees Limited) should note that for the purpose of the Rights Issue, the Board will regard the nominee company as a single Shareholder according to the register of members of the Company. Accordingly, the Investors should note that the aforesaid arrangement in

relation to the allocation of excess Rights Shares will not be extended to beneficial owners individually. Investors whose Shares are held by a nominee company are advised to consider whether they would like to arrange for the registration of the relevant Shares in the name of the beneficial owner(s) prior to the Record Date. For those investors who would like to have their names registered on the register of members of the Company, all necessary documents must be lodged with the Registrar at Computershare Hong Kong Investor Services Limited at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong by 4:30 p.m. on Friday, 10 May 2019.

Application for listing

The Company will apply to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Rights Shares in both nil-paid and fully-paid forms. No part of the share capital of the Company is listed or dealt in or on which listing or permission to deal in is being or is proposed to be sought on any other stock exchange.

The board lot size of the nil-paid Rights Shares shall be the same as that of the fully-paid Rights Shares, i.e. 10,000 Shares in one board lot.

Rights Shares will be eligible for admission into CCASS

Subject to the granting of the listing of, and permission to deal in, the Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange as well as compliance with the stock admission requirements of HKSCC, the Rights Shares in both their nil-paid and fully-paid forms will be accepted as eligible securities by HKSCC for deposit, clearance and settlement in CCASS with effect from the respective commencement dates of dealings in the Rights Shares in both their nil-paid and fully-paid forms on the Stock Exchange or such other dates as determined by HKSCC.

Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second trading day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. Shareholders should seek advice from their licensed securities dealer(s) or other professional adviser(s) for details of those settlement arrangements and how such arrangements will affect their rights and interests.

Stamp duty and other applicable fees

Dealings in the Rights Shares in both their nil-paid and fully-paid forms will be subject to the payment of stamp duty, Stock Exchange trading fee, SFC transaction levy or any other applicable fees and charges in Hong Kong.

Share certificates and refund cheques for Rights Issues

Subject to the fulfilment and/or waiver (where applicable) of the conditions of the Rights Issue as set out below, share certificates for all fully-paid Rights Shares are expected to be posted to those entitled thereto by ordinary post to their registered address, at their own risks, on or before Thursday, 13 June 2019.

Refund cheques in respect of wholly or partially unsuccessful applications for excess Rights Shares (if any) are expected to be posted on or before Thursday, 13 June 2019 by ordinary post to the applicants' registered address, at their own risk.

The Rights Issue on a non-underwritten basis

Subject to the fulfilment and/or waiver (where applicable) for the conditions of the Rights Issue, the Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptance of the provisionally allotted Rights Shares. However, in the event that there is an under-subscription of the Rights Issue as a result of Untaken Rights and such are not taken up by the Qualifying Shareholders (excluding Wide Bridge and Mr. You), Wide Bridge and Mr. You have indicated that they will make excess application by means of EAFs for Rights Shares as are not taken up by Qualifying Shareholders under their assured entitlement or excess applications up to a maximum of 1,650,454,052 Rights Shares. If they do not subscribe for all of the outstanding Rights Shares available by ways of EAFs and the Rights Issue is under-subscribed, the size of the Rights Issue will be reduced accordingly.

Wide Bridge and Mr. You have given the Irrevocable Undertaking to undertake to maintain their respective current beneficial shareholding in 4,593,321,650 Shares up to and including the Record Date and to lodge acceptance for all the 2,296,660,825 Rights Shares provisionally allotted to each of them with full payment by the Final Acceptance Day. In addition, the Rights Issue is conditional upon the conditions set out in the section headed "Conditions of the Rights Issue" in this announcement. As the proposed Rights Issue is subject to conditions, it may or may not proceed.

Subject to the commitment of Wide Bridge and Mr. You under the Irrevocable Undertakings as well as the satisfaction of the conditions, a minimum amount of HK\$229,666,082.5 in respect of 2,296,660,825 Rights Shares undertaken by Wide Bridge and Mr. You will be raised under the Rights Issue. The legal advisers of the Company have confirmed that there are no applicable statutory requirements regarding minimum subscription levels in respect of the Rights Issue.

Besides, a Shareholder who applies to take up all or part of its entitlement under PAL or apply for excess Rights Shares under EAF may unwittingly incur an obligation to make a general offer under the Takeovers Code, unless a waiver from the Executive (as defined in the Takeovers Code) has been obtained.

The Rights Issue will be made on the term that the Company will, pursuant to Rule 7.19(5) of the Listing Rules, provide for Shareholders to apply on the basis that if the Rights Shares are not fully taken up, the applications of any Shareholder for its entitlement under the PAL or for excess Rights Shares under the EAF can be scaled down to a level which does not trigger an obligation on part of the relevant Shareholder to make a general offer under the Takeovers Code.

Conditions of the Rights Issue

The Rights Issue is conditional upon the fulfilment, non-occurrence or waiver (as appropriate) of each of the following conditions:

- (a) the meeting(s) of the Board properly and validly convened to approve and implement the Rights Issue;
- (b) the Stock Exchange having authorised the registration of, and the Companies Registry in Hong Kong having registered, respectively, not later than one Business Day prior to the Posting Date, each of the Prospectus Documents is duly certified in compliance with section 342C of the Companies Ordinance (and all other documents required to be attached thereto or otherwise filed or delivered) and otherwise complying with the requirements of the Companies Ordinance and the Listing Rules;
- (c) the posting of the Prospectus Documents to the Qualifying Shareholders and the posting of the Prospectus to the Excluded Shareholder(s), if any, and for information purposes only, on or before the Posting Date;
- (d) the Listing Committee granting and not having revoked, listing of, and permission to deal in, the Rights Shares in their nil-paid and fully-paid forms either unconditionally or subject to such conditions which the Company accepts and the satisfaction of such conditions (if any and where relevant) by no later than the Posting Date and such listings and permission to deal not having been withdrawn or revoked;
- (e) each condition to enable the Rights Shares in their nil-paid or fully-paid forms to be admitted as eligible securities for deposit, clearance and settlement in CCASS having been satisfied on or before the Business Day prior to the commencement of trading of the Rights Shares (in their nil paid and fully-paid forms, respectively) and no notification having been received by the Company from the HKSCC by such time that such admission or facility for holding and settlement has been or is to be refused;
- (f) compliance with and performance of all undertakings and obligations of Wide Bridge and Mr. You under the Irrevocable Undertaking in all material respects; and
- (g) there shall not have occurred and be continuing any of the following:

- (i) any change in market conditions or combination of circumstances in Hong Kong (including without limitation suspension or material restriction or trading in securities) occurs which in the absolute opinion of the Company in any material respect affect the success of the Rights Issue (such success being the taking up of the Rights Shares by the Shareholders or the transferees of the nil-paid rights) or otherwise in the absolute opinion of the Company makes it inexpedient or inadvisable or inappropriate for the Company to proceed with the Rights Issue; or
- (ii) any event of force majeure including, without limiting the generality thereof, any act of God, war, fire, flood, explosion, epidemic, terrorism, which in any material respect adversely affect the business or the financial or trading position or prospects of the Company or the Rights Issue; or
- (iii) any other material adverse change in relation to the business or the financial or trading position or prospects of the Company occurs, whether or not of the same kind with any of the foregoing; or
- (iv) any suspension in the trading of the securities generally or the Company's securities on the Stock Exchange for a period of more than 30 consecutive trading days occurs, excluding any halt or suspension in connection with the clearance of the announcement or circular or prospectus of the Company for the Rights Issue or other announcements or circulars in connection with the Rights Issue.

Save for condition (f) and (g) which can be waived (conditionally or unconditionally) by the Company, none of the above conditions can be waived. If any of the conditions referred to above are not fulfilled, or occurs and/or not waived (where applicable) at or before 4:30 p.m. on Wednesday, 5 June 2019, the Rights Issue will not proceed.

As the proposed Rights Issue is subject to the above conditions, it may or may not proceed.

IRREVOCABLE UNDERTAKINGS

As at the date of this announcement, Wide Bridge (a company wholly-owned by Mr. You) and Mr. You respectively hold 4,590,761,650 Shares and 2,560,000 Shares. Mr. You's aggregate beneficial shareholding interest in the Company amounts to 4,593,321,650 Shares (representing 58.2% of the issued share capital of the Company as at the date of this announcement).

On 3 May 2019 (after trading hour), the Company received from Wide Bridge and Mr. You the Irrevocable Undertaking, which provides, among other things, that (i) Wide Bridge and Mr. You will in aggregate take up the maximum of 2,296,660,825 Rights Shares, being the assured entitlements to the Rights Shares in respect of 4,593,321,650 Shares beneficially owned by Mr. You as at the date of the Irrevocable Undertaking pursuant to the terms of the Rights Issue provided that the total number of Rights Shares

to be subscribed by Wide Bridge and Mr. You under the Rights Issue will be scaled down to the extent that its percentage shareholding in the Company will be the same immediately before and after completion of the Rights Issue; (ii) Wide Bridge and Mr. You will not sell, transfer or dispose of 4,593,321,650 Shares owned by them as at the date of the Irrevocable Undertaking from the date of the Irrevocable Undertaking up to and including the date on which the Rights Issue has become unconditional or the date on which the Company announces that the Rights Issue will not proceed, whichever is earlier. Consequently, no general offer obligation will be triggered by the Irrevocable Undertaking in accordance to the note to Rule 7.19(5)(b) of the Listing Rules and no waiver will be applied for.

In the event there is an under-subscription of the Rights Issue as a result of Untaken Rights and such are not taken up by the Qualifying Shareholders (excluding Wide Bridge and Mr. You), they have the intention to make excess application by means of EAFs for Rights Shares as are not taken up by Qualifying Shareholders under their assured entitlements or excess applications up to a maximum of 1,650,454,052 Rights Shares.

Save for the Irrevocable Undertakings, the Company has not received any information or irrevocable undertaking from any substantial shareholders (as defined in the Listing Rules) of the Company of their intention in relation to the Rights Shares to be allotted to them under the Rights Issue as at the date of this announcement.

WARNING OF THE RISKS OF DEALING IN THE SHARES AND NIL-PAID RIGHTS SHARES

The Rights Issue is subject to the fulfilment and/or waiver (where applicable) of conditions including, among other things, the Stock Exchange granting the listing of, and permission to deal in, the Rights Shares in their nil-paid and fully-paid forms. Please refer to the section headed “Conditions of the Rights Issue” in this announcement. Shareholders and potential investors of the Company should note that if the conditions to the Rights Issue are not satisfied and/or waived (where applicable), the Rights Issue will not proceed.

The Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptances of the provisionally allotted Rights Shares. However, in the event that there is a under-subscription of the Rights Issue as a result of Untaken Rights and such are not taken up by Qualifying Shareholders (excluding Wide Bridge and Mr. You), Wide Bridge and Mr. You have indicated that they may make excess application by means of EAFs for Rights Shares as are not taken up by Qualifying Shareholders under their assured entitlements or excess applications up to a maximum of 1,650,454,052 Rights Shares. If Wide Bridge and Mr. You do not subscribe for all the outstanding Rights Shares available by way of EAFs and the Rights Issue is under subscribed, the size of the Rights Issue will be reduced accordingly. Investors are advised to exercise caution when dealing in the Shares.

Any dealings in the Shares from the date of this announcement up to the date on which all the conditions of the Rights Issue are fulfilled and/or waived (where applicable), and any Shareholders dealing in the Rights Shares in nil-paid form will accordingly bear the risk that the Rights Issue may not become unconditional or may not proceed. Any Shareholders or other persons contemplating any dealings in the Shares or Rights Shares in their nil-paid form are recommended to consult their professional advisers.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from Tuesday, 14 May 2019 to Monday, 20 May 2019 (both dates inclusive) for the purpose of determining entitlements to the Rights Issue. During this period, no transfer of Shares will be registered.

EXPECTED TIMETABLE

Date of Rights Issue announcement	Friday, 3 May 2019
Last day of dealing in the Shares on a cum-rights basis	Wednesday, 8 May 2019
First day of dealing in the Shares on an ex-rights basis.	Thursday, 9 May 2019
Latest time for lodging transfers of Shares to be entitled for the Rights Issue	4:30 p.m. on Friday, 10 May 2019
Book close period to determine the entitlements to the Rights Issue (both dates inclusive).	Tuesday, 14 May 2019 to Monday, 20 May 2019
Record Date	Monday, 20 May 2019
Register of members re-opens	Tuesday, 21 May 2019
Prospectus Documents to be posted	Tuesday, 21 May 2019
First day of dealing in nil-paid Rights Shares	Thursday, 23 May 2019
Latest time for splitting nil-paid Rights Shares	4:30 p.m. on Monday, 27 May 2019
Last day of dealing in nil-paid Rights Shares.	Thursday, 30 May 2019
Latest time of acceptance of and payment for the Rights Shares and for application and payment for excess Rights Shares	4:00 p.m. on Tuesday, 4 June 2019

Latest time for the Rights Issue to become
unconditional 4:30 p.m. on
Wednesday, 5 June 2019

Announcement of the results of the Rights Issue
to be published Wednesday, 12 June 2019

Refund cheques for wholly and partially unsuccessful
excess applications to be posted Thursday, 13 June 2019

Share certificates of fully-paid Rights Shares
to be posted Thursday, 13 June 2019

Dealings in fully-paid Rights Shares commence Friday, 14 June 2019

All times and dates in this announcement refer to Hong Kong local times and dates.

Dates or deadlines specified in the expected timetable above or in other parts of this announcement are indicative only and may be extended or varied by the Company. Any changes to the expected timetable will be published or notified to the Shareholders and the Stock Exchange as and when appropriate.

**EFFECT OF BAD WEATHER ON THE LATEST TIME FOR ACCEPTANCE OF
AND PAYMENT FOR THE RIGHTS SHARES AND FOR APPLICATION AND
PAYMENT FOR EXCESS RIGHTS SHARES**

The latest time for acceptance of and payment for the Rights Shares and for application and payment for excess Rights Shares will not take place if there is a tropical cyclone warning signal no. 8 or above, or a “black” rainstorm warning:

- (i) in force in Hong Kong at any local time before 12:00 noon and no longer in force after 12:00 noon on Tuesday, 4 June 2019. Instead the latest time for acceptance of and payment for the Rights Shares and for application and payment for excess Rights Shares will be extended to 5:00 p.m. on the same Business Day; or
- (ii) in force in Hong Kong at any local time between 12:00 noon and 4:00 p.m. on Tuesday, 4 June 2019. Instead the latest time for acceptance of and payment for the Rights Shares and for application and payment for excess Rights Shares will be rescheduled to 4:00 p.m. on the following Business Day which does not have either of those warnings in force in Hong Kong at any time between 9:00 a.m. and 4:00 p.m.

If the latest time for acceptance of and payment for the Rights Shares and for application and payment for excess Rights Shares does not take place on or before 4:00 p.m. on Tuesday, 4 June 2019, the dates mentioned in this section may be affected. An announcement will be made by the Company in such event.

SHAREHOLDING STRUCTURE

Set out below is the shareholding structure of the Company (i) as at the date of this announcement; (ii) immediately after completion of the Rights Issue assuming full acceptance by the Qualifying Shareholders; and (iii) immediately after completion of the Rights Issue assuming nil acceptance by the Qualifying Shareholders other than Wide Bridge and Mr. You who will take up the Rights Shares in accordance with the terms of the Irrevocable Undertaking, assuming there is no other change in the shareholding structure of the Company since the date of this announcement:

Shareholders	At the date of this announcement		Immediately after completion of the Rights Issue (assuming full acceptance by the Qualifying Shareholders)		Immediately after completion of the Rights Issue (assuming nil acceptance by the Qualifying Shareholders other than Wide Bridge and Mr. You who will take up the Rights Shares in accordance with the Irrevocable Undertaking)	
	Number of Shares	%	Number of Shares	%	Number of Shares	%
Wide Bridge (<i>Note 1</i>)	4,590,761,650	58.15	6,886,142,475	58.15	8,535,676,678	72.08
Mr. You	2,560,000	0.03	3,840,000	0.03	4,759,849	0.04
Public Shareholders	<u>3,300,908,104</u>	<u>41.82</u>	<u>4,951,362,156</u>	<u>41.82</u>	<u>3,300,908,104</u>	<u>27.88</u>
Total	<u><u>7,894,229,754</u></u>	<u><u>100</u></u>	<u><u>11,841,344,631</u></u>	<u><u>100</u></u>	<u><u>11,841,344,631</u></u>	<u><u>100</u></u>

Note:

1. Mr. You indirectly holds 100% interest in Wide Bridge. According to SFO, Mr. You is deemed to be interested in the Shares held by Wide Bridge.

REASONS FOR THE RIGHTS ISSUE AND THE USE OF PROCEEDS

The Group is principally engaged in (i) trading of bulk commodities and related products in Hong Kong, Singapore and the PRC; and (ii) provision of loan financing services, securities and derivatives financial services, market making and margin financing in Hong Kong and Singapore.

In 2018, 98.6% of the total revenue was derived from trading of bulk commodities, mainly iron ore. The Group also started the full operation of its Shanghai trading desk in the PRC, whose location is much closer to the customers and this enabled the Group to sell iron ore at smaller lots with higher premiums. The Group executed its trading strategy well and segment profit increased by 57% from HK\$58.6 million in 2017 to HK\$92.1 million in 2018.

In 2019, the monthly average price of iron ore (62% Fe) has increased by 32.4% from US\$72.35 per tonne on 2 January to US\$95.8 per tonne on 15 April. The Group believed that the iron ore price will continue to remain strong. On the supply side, in January a

fatal dam spill accident happened in Vale's mines in Brazil, leaving more than 300 people dead or missing and polluting waterways. Vale is the largest iron ore producer in the world and this accident significantly affected its iron ore productions in 2019 and created many social and political aftermaths. On the other side, demand for iron ore remained strong, according to the PRC custom statistic, it has imported 1,064 million tonnes of iron ore in 2018, surpassing 1,000 million tonnes for the third consecutive year. The PRC is the largest iron ore importer in the world.

Hence, the Group believed that it is right time to expand its inventory. As at the latest practicable date, in addition to the regular iron ore contracts entered previously, the Group entered in to five additional iron ore purchase contracts with a commodity trader in Asia, whose ultimate beneficial owners are Independent Third Parties, with payment due in July 2019. The Group intends to sell these additional inventories through its Shanghai trading desk, as this strategy was proved successful in 2018. The total amount of these additional five contracts is estimated to be approximately US\$61 million, equivalent to approximately HK\$476 million. It is also anticipated that a further 1 iron ore and 1 coking coal purchase contracts would be entered into with the same trader in late June.

The Company intends to apply the proceeds from the sales of the said iron ore contracts for the operation of its iron ore trading business in the foreseeable future until there is a material change in circumstances to the global iron ore trading environment, or better business opportunities arise.

As at the Latest Practicable Date, based on the unaudited management accounts, the Group has a cash position (excluding cash at bank placed in trust and segregated accounts) of approximately HK\$360 million, trade and bills payables balance of approximately HK\$308 million and bank trust receipt loans of HK\$207 million. With a view to further expand its iron ore trading business and for the settlement of the payables of the additional iron ore contracts as mentioned above, the Directors consider that the Group is in imminent funding need to conduct fund raising activities now.

The Company proposes to raise from the Rights Issue of approximately HK\$395 million (before deducting professional fees and other relevant expenses), with net proceeds of approximately HK\$394 million, representing a net Subscription Price of approximately HK\$0.1 per Rights Share. The net proceeds from the Rights Issue are intended to be used for settlement of the payment for the said iron ore shipment contracts due in July 2019 as mentioned above.

Depending on the performance of the distribution and trading business, market conditions, volume of customer's orders and the management's ability to secure further contracts, the Company will continue to review its funding needs. The Board may raise further fund if opportunities arise and it considers appropriate, and any further proceeds are expected to be used in the further development of the trading business.

Apart from the Rights Issue, the Directors have considered other debt/equity fund raising alternatives such as bank borrowings, placing or an open offer. The Directors noted that bank borrowings, if available, carry interest costs and creditors rank before shareholders, and placings dilute the interests of Shareholders without giving them the opportunity to take part in the exercise. As opposed to an open offer, the Rights Issue also enables the Shareholders to sell the nil-paid rights in the market. The Rights Issue will give the Qualifying Shareholders the opportunity to maintain their respective pro-rata shareholding interests in the Company and to continue to participate in the future development of the Group.

Having considered the alternatives mentioned above, the Directors consider raising funds by way of the Rights Issue is more attractive in the current market condition, and thus, in the interests of the Company and the Shareholders as a whole.

The expected gross proceeds, net proceeds and net price per Rights Share from the Rights Issue are set out below:

	Assuming full acceptance by the Qualifying Shareholders HK\$ (approximately)	Assuming nil acceptance by the Qualifying Shareholders other than Wide Bridge and Mr. You who will take up the Rights Shares in accordance with the Irrevocable Undertaking HK\$ (approximately)
Gross proceeds	395,000,000	395,000,000
Net proceeds	394,000,000	394,000,000
Net price per Rights Share	0.1	0.1

The Company intends to apply the net proceeds from the Rights Issue as follows:

The net proceeds from the Rights Issue are intended to be used for settlement of the payment for the said iron ore shipment contracts due in July 2019 as mentioned above.

The use of net proceeds may be adjusted based upon the development of the Group's business and its needs.

The Board believes that the Rights Issue will also enable the Group to strengthen its capital base and to enhance its financial position, and allow the Qualifying Shareholders to maintain their proportional shareholdings in the Company.

Based on the above, the Board considers that raising capital through the Rights Issue is in the interests of the Company and the Shareholders as a whole. In addition, having considered the needs of the Group, and the proposed terms of the Rights Issue and the Subscription Price, the Board also considers it in the interests of the Company to proceed with the Rights Issue on a non-underwritten basis.

FUND RAISING ACTIVITIES IN THE PAST 12 MONTHS

The Company has not conducted any equity fund raising activities in the 12 months immediately prior to the date of this announcement.

LISTING RULES IMPLICATIONS

The Rights Issue is not subject to Shareholders' approval under the Listing Rules and will be carried out in compliance with Rule 7.21(1) of the Listing Rules.

GENERAL

The Prospectus Documents setting out details of the Rights Issue will be despatched to the Qualifying Shareholders on Tuesday, 21 May 2019 and the Prospectus with the Overseas Letter will be despatched to the Excluded Shareholder(s) (if any) for information only.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms shall have the following meanings:

“Board”	the board of Directors;
“Business Day”	a day (other than a Saturday, Sunday and public holiday) on which banks are open for general banking business in Hong Kong;
“CCASS”	the Central Clearing and Settlement System established and operated by HKSCC;
“Company”	Theme International Holdings Limited, a company incorporated in Bermuda with limited liability, the issued shares of which are listed and traded on the Main Board of the Stock Exchange (Stock Code: 990);

“Companies Ordinance”	Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong);
“Controlling Shareholder(s)”	having the meaning ascribed thereto under the Listing Rules;
“Director(s)”	director(s) of the Company;
“EAF(s)”	the excess application form(s) for use by the Qualifying Shareholders who wish to apply for Rights Shares in excess for their entitlements under the Rights Issue;
“Excluded Shareholder(s)”	Overseas Shareholder(s) whom the Directors, after making enquiries regarding the legal restrictions under the laws of the relevant places or the requirements of the relevant overseas regulatory bodies or stock exchanges, consider it necessary or expedient to exclude them from the Rights Issue;
“Final Acceptance Date”	Tuesday, 4 June 2019, being the last day for acceptance of and payment for the Rights Shares and for application and payment for excess Rights Shares or such other time or date as the Company may determine;
“Group”	the Company and its subsidiaries;
“HKSCC”	Hong Kong Securities Clearing Company Limited;
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Irrevocable Undertakings”	the deed of irrevocable undertakings entered into on 3 May 2019 (after trading hour) by Wide Bridge and Mr. You in favour of the Company;
“Last Trading Day”	Friday, 3 May 2019, being the last full trading day before the release of this announcement;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Mr. You”	Mr. You Zhenhua, a Controlling Shareholder of the Company;
“Overseas Letter”	a letter from the Company to the Excluded Shareholder(s) (if any) explaining the circumstances in which the Excluded Shareholder(s) (if any) is/are not permitted to participate in the Rights Issue;

“Overseas Shareholder(s)”	the Shareholder(s) (whose names appear on the register of members of the Company at the close of business on the Record Date) with registered address(es) outside Hong Kong;
“PAL(s)”	the provisional allotment letter(s) to be issued to the Qualifying Shareholders in connection with the Rights Issue;
“Posting Date”	Tuesday, 21 May 2019 or such other date as the Company may determine, being the date on which the Prospectus Documents are posted to the Qualifying Shareholders;
“PRC”	the People’s Republic of China, which, for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region and Taiwan;
“Prospectus”	the prospectus to be issued to the Shareholders containing, among other things, details of the Rights Issues;
“Prospectus Documents”	the Prospectus, the PAL and the EAF;
“Qualifying Shareholders”	Shareholders, other than the Excluded Shareholders, whose names appear on the register of members of the Company at the close of business on the Record Date;
“Record Date”	Monday, 20 May 2019 or on such other date as the Company may determine, being the date by reference to which the Shareholders’ entitlements to the Rights Issue are to be determined;
“Registrar”	Computershare Hong Kong Investor Services Limited, the Hong Kong branch share registrar and transfer office of the Company;
“Remaining Rights Shares”	the Rights Shares which constitute part of Wide Bridge and Mr. You’s assured entitlements under the Rights Issue;
“Rights Issue”	the issue by way of rights of one (1) Rights Share for every two (2) Shares in issue on the Record Date at the Subscription Price;
“Rights Share(s)”	up to 3,947,114,877 new Shares proposed to be allotted and issued under the Rights Issue;
“SFC”	the Securities and Futures Commission of Hong Kong;
“Share(s)”	ordinary share(s) of HK\$0.0025 each in the share capital of the Company;

“Shareholder(s)”	holder(s) of Share(s);
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Subscription Price”	the subscription price of HK\$0.10 per Rights Share under the Rights Issue;
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers;
“US\$”	the United States dollars, being the lawful currency of the United States;
“Wide Bridge”	Wide Bridge Limited, a company incorporated in the British Virgin Islands with limited liability and the Controlling Shareholder of the Company; and
“%”	per cent.

By Order of the Board
Theme International Holdings Limited
Kang Jian
Executive Director & Vice Chairman

Hong Kong, 3 May 2019

As at the date of this announcement, there are (i) five Executive Directors, namely Mr. Kang Jian, Mr. Wu Lei, Ms. Chen Jing, Ms. Wu Aiping and Mr. Hu Yong; and (ii) three Independent Non-executive Directors, namely Mr. Liu Song, Mr. Chan Chi Ming, Tony and Mr. Wu Shiming.