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## THIS PROSPECTUS IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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If you are in any doubt as to any aspect of this prospectus or as to the action to be taken, you should consult your stockbroker, a licensed dealer in securities or registered institution in securities, bank manager, solicitor, professional accountant or other professional advisers.

If you have sold or transferred all your Shares, you should at once hand the Prospectus Documents to the purchaser(s) or transferee(s) or to the bank, or licensed securities dealer or registered institution in securities or other agent through whom the sale or transfer was effected for transmission to the purchaser(s) or transferee(s). The Prospectus Documents should not, however, be distributed, forwarded or transmitted to, into or from any jurisdiction where to do so might constitute a violation of the relevant local securities laws or regulations.

Subject to the granting of listing of, and permission to deal in, the Rights Shares in both 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 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 their nil-paid and fully-paid forms on the Stock Exchange or such other dates as determined by HKSCC and you should consult your stockbroker, a licensed dealer in securities, bank manager, solicitor, professional accountant or other professional adviser for details of those settlement arrangements and how such arrangements may affect your rights and interests. Settlement of transactions between participants of the Stock Exchange on any trading day is required to take place in CCASS on the second settlement day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time.

A copy of each of the Prospectus Documents, together with the other document(s) specified in the paragraph headed “15. Documents delivered to the Registrar of Companies” in Appendix III to this prospectus, have been registered with the Registrar of Companies in Hong Kong as required by section 342C of the Companies Ordinance. The Registrar of Companies in Hong Kong, The Stock Exchange of Hong Kong Limited and the Securities and Futures Commission of Hong Kong take no responsibility as to the contents of any of the Prospectus Documents or any other document(s) referred to above.

You should read the whole of the Prospectus Documents including the discussions of certain risks and other factors as set out in the section headed “Warning of the Risks of Dealing in the Shares and nil-paid Rights Shares” in the “Letter from the Board” on page 23 of this prospectus.

Hong Kong Exchanges and Clearing Limited, The Stock Exchange of Hong Kong Limited and HKSCC take no responsibility for the contents of this prospectus, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this prospectus.

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# Theme

## THEME INTERNATIONAL HOLDINGS LIMITED

榮暉國際集團有限公司  
(Incorporated in Bermuda with limited liability)  
(Stock Code: 990)

### RIGHTS ISSUE ON THE BASIS OF ONE (1) RIGHTS SHARE FOR EVERY TWO (2) SHARES HELD ON THE RECORD DATE ON A NON-UNDERWRITTEN BASIS

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Capitalised terms used on this cover shall have the same meanings as those defined in this prospectus.

The Rights Issue is on a non-underwritten basis. Pursuant to the Company’s constitutional document, the Companies Act, the Companies Ordinance and the Listing Rules, there is no requirement for a minimum level of subscription in the Rights Issue. The Rights Issue is subject to fulfillment or (where applicable) waiver of the conditions of the Rights Issue as set out in the section headed “Conditions of the Rights Issue” in the “Letter from the Board” on pages 20 to 22 of this prospectus at or prior to the latest time for the Rights Issue to become unconditional (which is currently expected to be 4:30 p.m. on Wednesday, 5 June 2019). The conditions include non-occurrence of force majeure events.

If the conditions of the Rights Issue are not fulfilled or (where applicable) waived on or prior to the latest time for the Rights Issue to become unconditional, the Rights Issue will not proceed.

Dealings in the Shares have been on an ex-rights basis from Thursday, 9 May 2019. Dealings in the Rights Shares in their nil-paid form will take place from Thursday, 23 May 2019 to Monday, 27 May 2019 (both dates inclusive).

Any Shareholders or other persons contemplating selling or purchasing Shares and/or Rights Shares in their nil-paid form up to the latest time when the conditions of the Rights Issue are fulfilled or (where applicable) waived (which is expected to be 4:30 p.m. on Wednesday, 5 June 2019) will accordingly bear the risk that the Rights Issue may not become unconditional and may not proceed. Shareholders and potential investors should therefore exercise caution when dealing in the Shares and/or the nil-paid Rights Shares, and if they are in any doubt about their position, they are recommended to consult their professional advisers.

The latest time for acceptance and payment for the Rights Shares and application for excess Rights Shares is 4:00 p.m. on Tuesday, 4 June 2019.

The procedures for acceptance and transfer of the Rights Shares are set out in the section headed “Procedures for acceptance and payment or transfer” in the “Letter from the Board” on pages 14 to 15 of this prospectus.

21 May 2019

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## DEFINITIONS

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*In this prospectus, 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;
“Companies Act”	Bermuda Companies Act 1981;
“Companies Ordinance”	Companies (Winding Up and Miscellaneous Provisions) Ordinance (Chapter 32 of the Laws of Hong Kong);
“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);
“Controlling Shareholder(s)”	has the same 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 of their pro-rata 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 pursuant to the Listing Rules;
“Final Acceptance Date”	Tuesday, 4 June 2019 (or such other date the Company may determine), being the last day for acceptance of and payment for the Rights Shares and for application and payment for excess Rights Shares;
“Group”	the Company and its subsidiaries;
“HKSCC”	Hong Kong Securities Clearing Company Limited;
“HK\$”	Hong Kong dollar, the lawful currency of Hong Kong;

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## DEFINITIONS

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“Hong Kong”	the Hong Kong Special Administrative Region of the PRC;
“Intermediary”	in relation to a beneficial owner whose Shares are deposited in CCASS and registered in the name of HKSCC Nominees Limited, means the beneficial owner’s broker, custodian, nominee or other relevant person who is a CCASS participant or who has deposited the beneficial owner’s shares with a CCASS participant;
“Irrevocable Undertaking”	the irrevocable undertaking 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 the Company’s announcement dated 3 May 2019 on the Rights Issue;
“Latest Practicable Date”	15 May 2019, being the latest practicable date prior to the printing of this prospectus for ascertaining certain information contained in this prospectus;
“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 Shareholder(s)”	the Shareholder(s) (whose name(s) appear(s) on the register of members of the Company as at the Record Date) with registered address(es) outside of Hong Kong;
“PAL(s)”	the provisional allotment letter(s) to be issued to the Qualifying Shareholders under 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” or “China”	the People’s Republic of China, which, for the purpose of this prospectus, excludes Hong Kong, the Macau Special Administrative Region and Taiwan;
“Prospectus Documents”	this prospectus, the PAL and the EAF;
“Qualifying Shareholder(s)”	Shareholders, other than the Excluded Shareholders, whose names appear on the register of members of the Company as at the Record Date;

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## DEFINITIONS

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“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 held by each Qualifying Shareholder on the Record Date at the Subscription Price;
“Rights Share(s)”	up to 3,947,114,877 new Shares to be allotted and issued under the Rights Issue;
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws 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;
“Taiwan”	the Republic of China (Taiwan);
“Takeovers Code”	the Hong Kong Code on Takeovers and Mergers and Share Buy-backs;
“US\$”	United States dollars, the lawful currency of the United States;
“Wide Bridge”	Wide Bridge Limited, a company incorporated in the British Virgin Islands with limited liability and a Controlling Shareholder of the Company; and
“%”	per cent.

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## EXPECTED TIMETABLE

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*Set out below is the expected timetable for the Rights Issue. Dates or deadlines specified below and in other parts of this prospectus are indicative only and may be varied by the Company. In the event that any special circumstances arise, the Board may extend, or make adjustments to, the timetable if it considers appropriate. The Company will notify Shareholders by way of announcement(s) of a change to the expected timetable as and when appropriate.*

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

First day of dealings 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 dealings in nil-paid Rights Shares . . . . . Thursday, 30 May 2019

Latest time for 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 . . . . . 9:00 a.m. on Friday,  
14 June 2019

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## EXPECTED TIMETABLE

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### **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 as set out on page 4 of this prospectus 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 re-scheduled 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 Tuesday, 4 June 2019, the dates mentioned in this section may be affected. An announcement will be made by the Company in such event.

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## SUMMARY OF THE RIGHTS ISSUE

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The following information is derived from, and should be read in conjunction with, the full text of this prospectus:

Basis of Rights Issue:	One (1) Rights Share for every two (2) Shares held on the Record Date
Number of Shares in issue as at the Latest Practicable Date:	7,894,229,754 Shares
Subscription Price:	HK\$0.10 per Rights Share
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)
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 and no new Shares (other than the Rights Shares) will be allotted and issued on or before completion of the Rights Issue)
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 to be provisionally allotted by the Company)
Funds raised before expenses:	Up to approximately HK\$395 million (assuming all the Rights Shares will be taken up)
Right to make excess applications:	Qualifying Shareholders may apply, by way of excess application, for Rights Shares in excess of their provisional allotments

The 3,947,114,877 Rights Shares proposed to be issued pursuant to the terms of the Rights Issue represent: (i) 50% of the existing issued share capital of the Company as at the Latest Practicable Date; and (ii) 33.3% of the issued share capital of the Company as enlarged by the allotment and issue of the Rights Shares, assuming no new Shares (other than the Rights Shares) will be allotted and issued on or before completion of the Rights Issue.



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## SUMMARY OF THE RIGHTS ISSUE

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

The Rights Issue is subject to the fulfilment or (where applicable) waiver of the conditions set out in the section headed “Conditions of the Rights Issue” in the “Letter from the Board” on pages 20 to 22 of this prospectus. The conditions include the Stock Exchange granting the listing of, and permission to deal in, the Rights Shares in their nil-paid and fully-paid forms.

Shareholders and investors should also note that the Rights Issue may not proceed upon the occurrence of certain events (as specifically set out in the section headed “Conditions of the Rights Issue” in the “Letter from the Board” on pages 20 to 22 of this prospectus) at or prior to the latest time for the Rights Issue to become unconditional, which is currently expected to be 4:30 p.m. on Wednesday, 5 June 2019. These include force majeure events, and/or any change in the market conditions or combination of circumstances in Hong Kong which in the absolute opinion of the Company will in any material respect affect the success of the Rights Issue or will otherwise make it inadvisable or inappropriate for the Company to proceed with the Rights Issue.

If any of the conditions of the Rights Issue is not fulfilled or (where applicable) waived at or prior to the latest time for the Rights Issue to become unconditional (which is currently expected to be 4:30 p.m. on Wednesday, 5 June 2019), the Rights Issue will not proceed.

Any Shareholder or investor dealing in the Shares and/or the Rights Shares in their nil-paid form up to the latest time for the Rights Issue to become unconditional will accordingly bear the risk that the Rights Issue may not become unconditional and may not proceed. Any Shareholder or investor contemplating any dealings in the Shares and/or the Right Shares in their nil-paid form are recommended to consult their professional advisers.

The Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptances of the provisionally allotted Rights Shares. In the event the Rights Issue is not fully subscribed, any Rights Shares not taken up by the Qualifying Shareholders or transferees of nil-paid Rights Shares will not be issued by the Company and the size of the Rights Issue will be reduced accordingly. Investors are advised to exercise caution when dealing in the Shares.



**THEME INTERNATIONAL HOLDINGS LIMITED**

**榮暉國際集團有限公司**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 990)**

*Executive Directors:*

Mr. Kang Jian

*(Vice Chairman & Chief Executive Officer)*

Mr. Wu Lei *(Chief Financial Officer)*

Ms. Chen Jing

Ms. Wu Aiping

Mr. Hu Yong

*Independent Non-executive Directors:*

Mr. Chan Chi Ming, Tony

Mr. Wu Shiming

Mr. Liu Song

*Registered Office:*

Clarendon House

2 Church Street

Hamilton HM11

Bermuda

*Head Office and Principal Place of  
Business in Hong Kong:*

Unit 3401–03, 34/F.

China Merchant Tower

Shun Tak Centre

168–200 Connaught Road Central

Sheung Wan

Hong Kong

21 May 2019

*To the Qualifying Shareholders*

Dear Sirs and Madams,

**RIGHTS ISSUE ON THE BASIS OF  
ONE (1) RIGHTS SHARE FOR EVERY TWO (2) SHARES  
HELD ON THE RECORD DATE ON A NON-UNDERWRITTEN BASIS**

**INTRODUCTION**

Reference is made to the Company's announcement dated 3 May 2019 whereby the Board announced that the Company proposed to conduct the Rights Issue to raise up to approximately HK\$395 million before expenses by issuing up to 3,947,114,877 Rights Shares at the Subscription Price of HK\$0.10 per Rights Share 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) (if any).

The purpose of this prospectus is to provide you with, among other things, further details on the Rights Issue and the relevant financial information and other general information in respect of the Group.

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## LETTER FROM THE BOARD

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### RIGHTS ISSUE

The terms of the Rights Issue are set out as follows:

#### Issue statistics

Basis of Rights Issue:	One (1) Rights Share for every two (2) Shares held by a Qualifying Shareholder on the Record Date
Subscription Price:	HK\$0.10 per Rights Share
Number of Shares in issue as at Latest Practicable Date:	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 and that no new Shares (other than the Rights Shares) will be allotted and issued on or before completion of the Rights Issue)
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 to be provisionally allotted by the Company)
Funds raised before expenses:	Up to approximately HK\$395 million (assuming all the Rights Shares will be taken up)
Right to make excess applications:	Qualifying Shareholders may apply, by way of excess application, for the Rights Shares in excess of their provisional allotments

The 3,947,114,877 Rights Shares to be issued pursuant to the terms of the Rights Issue will represent: (i) 50% of the existing issued share capital of the Company as at the Latest Practicable Date; and (ii) 33.3% of the issued share capital of the Company as enlarged by the allotment and issue of the Rights Shares, assuming no new Shares will be issued on or before the Record Date and that no new Shares (other than the Rights Shares) will be allotted and issued on or before completion of the Rights Issue.

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## LETTER FROM THE BOARD

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As at the Latest Practicable Date, the Company had no outstanding convertible debt securities, derivatives, options, warrants, conversion securities or other similar securities which are convertible or exchangeable into Shares, and the Company had 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 any of his/her/its provisional allotment of Rights Shares or applies for excess Rights Shares or when a transferee of nil-paid Rights Shares subscribes for the relevant Rights Shares.

The Subscription Price:

- (i) represents 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) represents 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) represents 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) represents 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) represents a premium of approximately 8.7% to the unaudited consolidated net asset value per Share of approximately HK\$0.092 (based on the latest published consolidated net asset value of the Group of HK\$725,162,000 as at 31 December 2018 as disclosed in the Company's annual report for the twelve months ended 31 December 2018 and 7,894,229,754 Shares in issue as at the Latest Practicable Date).

The Subscription Price was determined with reference to the recent market prices of the Shares, the current market conditions, the financial conditions of the Company, and the amount of funds the Company intends to raise under the Rights Issue. The Directors have considered all possible discount ranges to the prevailing market price in order to be attractive enough to the existing Shareholders. Having considered the level of valid acceptance of provisional allotments of the recent comparable rights issue transactions in the market together with the funds which can be raised by means of EAFs for Rights Shares by Wide Bridge and Mr. You, the Board believes that a discount of approximately 14.5% to the closing price of the Shares on the Last Trading Day would be sufficiently attractive to the Shareholders.

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## LETTER FROM THE BOARD

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Given that (i) the Rights Shares are offered to all Qualifying Shareholders and each Qualifying Shareholders is entitled to subscribe for the Rights Shares at the same price in proportion to their respective shareholdings in the Company held on the Record Date; (ii) the Subscription Price is at a discount to the recent closing prices of the Shares with a view to encouraging the existing Shareholders to participate in the Rights Issue; and (iii) the proceeds from the Rights Issue will provide the Group with a substantial amount of funds required as set out under the section headed “Reasons for the Rights Issue and the use of proceeds” in this prospectus, the Directors consider that the Subscription Price is fair and reasonable and in the interest of the Company and the Shareholders as a whole.

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 are 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 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 full amount payable for acceptance of the Rights Shares 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 as at the Record Date and not be an Excluded Shareholder on the Record Date.

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 have not been registered or filed under the applicable securities legislation of any jurisdiction other than Hong Kong. According to the register of members of the Company as at the Latest Practicable Date, there were two Overseas Shareholders whose registered address were located in Macau and Taiwan, holding 1,600 Shares and 800 Shares, respectively. The Company has, in compliance with Rule 13.36(2)(a) of the Listing Rules, made enquiries regarding the legal restrictions under the laws of Macau and Taiwan with respect to extending the Rights Issue to the Overseas Shareholders. The Company has been advised by its legal advisers as to the laws of Macau and Taiwan that either (1) there is no regulatory restriction or requirement of any regulatory body or stock exchange with respect of

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## LETTER FROM THE BOARD

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extending the Rights Issue to the Overseas Shareholders in the relevant jurisdictions; or (2) the Company meets the relevant exemption requirements under the relevant jurisdictions so that it would be exempt from obtaining approval from and/or registration of the Prospectus Documents with the relevant regulatory authorities under the applicable laws and regulations of the relevant jurisdictions be required to be registered with any regulatory authorities or the stock exchanges in these jurisdictions. There is no Excluded Shareholder.

Based on the relevant legal advice obtained, your attention is drawn to the following statements in respect of Taiwan:

“This Prospectus is not for general circulation in Taiwan. Addressed specifically to, and to be opened only by the addressee(s). The offer of the Rights Shares under the proposed Rights Issue are offered to the Qualifying Shareholders of the Company without having registration in Taiwan and may not be publicly offered, sold or resold, privately placed, transferred or distributed in Taiwan. No person or entity in Taiwan has been authorized to offer, sell, re-sell, make privately placement, transfer, distribute, give advice or services regarding or otherwise intermediate the offering and sale of the Rights Shares under the proposed Rights Issue.”

The Rights Issue does not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to acquire, nil-paid Rights Shares or fully-paid Rights Shares or to take up any entitlements to nil-paid Rights Shares or fully-paid Rights Shares in any jurisdiction in which such an offer or solicitation is unlawful.

It is the responsibility of any person (including but not limited to Shareholders and beneficial owners of the Shares, any agent, custodian, nominee or trustee) outside Hong Kong wishing to make an application for the Rights Shares to satisfy himself/herself/itself as to the full observance of the laws and regulations of the relevant territory or jurisdiction, including obtaining any governmental or other consents and to pay any taxes, duties and other amounts required to be paid in such territory or jurisdiction in connection therewith.

Any acceptance of the offer of the Rights Shares by any person by way of completion or return to the Registrar of a PAL and/or an EAF will be deemed to constitute a representation and warranty from such person to the Company that the applicable local laws and requirements have been fully complied with. Such persons should consult their professional advisers if in doubt.

For the avoidance of doubt, neither HKSCC nor HKSCC Nominees Limited is subject to the representations and warranties provisions above.

The Company reserves the right to refuse to accept any application for Rights Shares where it believes that doing so may violate applicable legal or regulatory requirements.

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## LETTER FROM THE BOARD

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Notwithstanding any other provision in this prospectus or the PAL or the EAF, the Company reserves the right to permit any Shareholder to take up his/her/its rights if the Company, in its absolute discretion, is satisfied that the transaction in question is exempt from or not subject to the legislation or regulations giving rise to the restrictions in question.

### **Distribution of the Prospectus Documents**

The Company will only send this prospectus accompanied by the other Prospectus Documents to the Qualifying Shareholders on the Posting Date. However, to the extent reasonably practicable and legally permitted, the Company will send this prospectus, for information purposes only, to the Excluded Shareholders (if any). The Company will not send any PALs or EAFs to the Excluded Shareholders (if any).

Distribution of this prospectus and the other Prospectus Documents into jurisdictions other than Hong Kong may be restricted by law. Persons who come into possession of the Prospectus Documents (including, without limitation, Shareholders and beneficial owners of the Shares, agents, custodians, nominees and trustees) should inform themselves of and observe any such restriction. Any failure to comply with such restriction may constitute a violation of the securities laws of any such jurisdiction. Any Shareholder or beneficial owner of the Shares who is in any doubt as to his/her/its position should consult an appropriate professional adviser without delay.

Receipt of this prospectus and/or a PAL and/or an EAF or the crediting of nil-paid Rights Shares to a stock account in CCASS does not and will not constitute an offer in any jurisdiction in which it would be illegal to make an offer and, in those circumstances, this prospectus and/or a PAL and/or an EAF must be treated as sent for information only and should not be copied or redistributed. Persons (including, without limitation, agents, custodians, nominees and trustees) who receive a copy of this prospectus and/or a PAL and/or an EAF or whose stock account in CCASS is credited with nil-paid Rights Shares should not, in connection with the Rights Issue, distribute or send the same in, into or from, or transfer the nil-paid Rights Shares to any person in, into or from, any such jurisdiction. If a PAL or an EAF or a credit of nil-paid Rights Shares in CCASS is received by any person in any such territory, or by his/her/its agent or nominee, he/she/it should not seek to take up the rights referred to in the PAL or transfer the PAL (or apply for any excess Rights Shares under the EAF) or transfer the nil-paid Rights Shares in CCASS unless the Company determines that such action would not violate any applicable legal or regulatory requirements.

Any person (including, without limitation, agents, custodians, nominees and trustees) who does forward this prospectus or a PAL or an EAF in, into or from any such jurisdiction (whether under a contractual or legal obligation or otherwise) should draw the recipient's attention to the contents of this section.

No part of the Prospectus Documents should be published, reproduced, distributed or otherwise made available in whole or in part to any other person without the prior written consent of the Company.



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## LETTER FROM THE BOARD

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Beneficial owners of the Shares who reside outside Hong Kong should note that the Rights Issue does not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to acquire, nil-paid Rights Shares or fully-paid Rights Shares or to take up any entitlements to nil-paid Rights Shares or fully-paid Rights Shares in any jurisdiction in which such an offer or solicitation is unlawful.

It is the responsibility of the relevant beneficial owners and/or their respective agents, custodians, nominees or trustees wishing to make an application for the Rights Shares to satisfy himself/herself/itself as to the full observance of the laws and regulations of the relevant territory or jurisdiction, including obtaining any governmental or other consents and to pay any taxes, duties and other amounts required to be paid in such territory or jurisdiction in connection therewith.

### **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.

### **Procedures for acceptance and payment or transfer**

A PAL is enclosed with this prospectus which entitles the Qualifying Shareholder(s) to whom it is addressed to subscribe for the number of the Rights Shares shown therein. If the Qualifying Shareholders wish to accept all the Rights Shares provisionally allotted to them as specified in the PAL, they must lodge the PAL in accordance with the instructions printed thereon, together with a remittance for the full amount payable on acceptance, with the Registrar at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong by not later than 4:00 p.m. on Tuesday, 4 June 2019 (or, under bad weather conditions, such later time and/or date as mentioned in the section headed "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" in "Expected Timetable" on page 5 in this prospectus). All remittances must be made in Hong Kong dollars by cheques which must be drawn on an account with, or by cashier's orders which must be issued by, a licensed bank in Hong Kong and made payable to "**Theme International Holdings Limited — Rights Issue Account**" and crossed "**Account Payee Only**". It should be noted that unless the PAL, together with the appropriate remittance, have been lodged with the Registrar by not later than 4:00 p.m. on Tuesday, 4 June 2019, whether by the original allottee or



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## LETTER FROM THE BOARD

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any person in whose favour the rights have been validly transferred, that provisional allotment and all rights thereunder will be deemed to have been declined and will be cancelled. The Company may, at its sole absolute discretion, treat a PAL as valid and binding on the person(s) by whom or on whose behalf it is lodged even if the PAL is not completed in accordance with the relevant instructions. The Company may require the relevant person(s) to complete the incomplete PAL at a later stage.

If the Qualifying Shareholders wish to accept only part of their provisional allotment or transfer part of their rights to subscribe for the Rights Shares provisionally allotted to them under the PAL or to transfer part or all of their rights to more than one person, the entire PAL must be surrendered and lodged for cancellation by not later than 4:30 p.m. on Monday, 27 May 2019 to the Registrar, who will cancel the original PAL and issue new PALs in the denominations required which will be available for collection from the Registrar at Shops 1712–1716, 17th Floor, Hopewell Centre, 183 Queen’s Road East, Wanchai, Hong Kong, after 9:00 a.m. on the second Business Day following the surrender of the original PAL. This process is commonly referred to as “splitting” of nil-paid Rights Shares. It should be noted that stamp duty is payable in connection with a transfer of rights to subscribe for the Rights Shares.

The PAL contains the full information regarding the procedures to be followed for Qualifying Shareholders who wish to: (i) accept their provisional allotment in full; (ii) accept only part of their provisional allotment; or (iii) renounce/transfer all or part of their provisional allotment to other party/parties. Shareholders are advised to study the procedures set out in the PAL carefully.

If any of the conditions of the Rights Issue as set out in the section headed “Conditions of the Rights Issue” in this “Letter from the Board” on pages 20 to 22 of this prospectus is not fulfilled or, where applicable, waived at or before 4:30 p.m. on Wednesday, 5 June 2019 (or such later time and/or date as the Company may determine), the Rights Issue will not proceed. Under such circumstances, the monies received in respect of application for the Rights Shares will be returned to the Qualifying Shareholders or, in the case of joint applicants, to the first-named person without interest, by means of cheques despatched by ordinary post at the risk of such Qualifying Shareholders to their registered addresses by the Registrar on or before Thursday, 13 June 2019.

### **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

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## LETTER FROM THE BOARD

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- (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**”.

Application for excess Rights Shares may be made by completing and signing the enclosed EAF in accordance with the instructions printed thereon and lodging it, together with a separate remittance for the full amount payable for application for the excess Rights Shares, with the Registrar by not later than 4:00 p.m. on Tuesday, 4 June 2019 (or, under bad weather conditions, such later time and/or date as mentioned in the section headed “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” in “Expected Timetable” on page 5 in this prospectus). All remittances must be made in Hong Kong dollars. Cheques must be drawn on an account with, and cashier’s orders must be issued by, a licensed bank in Hong Kong and made payable to “**Theme International Holdings limited — Excess Application Account**” and crossed “**Account Payee Only**”.

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 as far as practicable 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.

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## LETTER FROM THE BOARD

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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 as at the Record Date. Accordingly, the Investors should note that the aforesaid arrangement in relation to the allocation of excess Rights Shares will not be extended to individual beneficial owners whose Shares are held by any such nominee company. 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 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 Company reserves the right to refuse to accept any application for the excess Rights Shares where it believes that doing so would violate the applicable securities or other laws or regulations of any jurisdiction.

If no excess Rights Shares are allotted to a Qualifying Shareholder, the amount tendered on his application is expected to be returned to him in full without interest on or before Thursday, 13 June 2019 by means of cheques despatched by the Registrar by ordinary post at the risk of the Qualifying Shareholder to his registered address. If the number of excess Rights Shares allotted to a Qualifying Shareholder is less than what is applied for, the surplus application monies are also expected to be returned to him without interest on or before Thursday, 13 June 2019.

If any of the conditions of the Rights Issue as set out in the section headed “Conditions of the Rights Issue” in the “Letter from the Board” on pages 20 to 22 of this prospectus is not fulfilled or, where applicable, waived at or before 4:30 p.m. on Wednesday, 5 June 2019 (or such later time and/or date as the Company may determine), the Rights Issue will not proceed. Under such circumstances, the monies received in respect of application for excess Rights Shares will be returned to the Qualifying Shareholders or, in the case of joint applicants, to the first-named person without interest, by means of cheques despatched by ordinary post at the risk of such Qualifying Shareholders to their registered addresses by the Registrar on or before Thursday, 13 June 2019.

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## LETTER FROM THE BOARD

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The EAF is for use only by the person(s) named therein and is not transferable. No receipt will be issued in respect of any application monies received.

### **Cheques and banker's cashier orders**

All cheques and banker's cashier orders will be presented for payment upon receipt and all interests earned on such monies (if any) will be retained for the benefit of the Company. Completion and lodgement of a PAL or an EAF together with a cheque or banker's cashier order in payment of the Rights Shares applied for will constitute a warranty that the cheque or banker's cashier order will be honoured upon first presentation. If any cheque or banker's cashier order is not honoured upon first presentation, the PAL or EAF (as the case may be) is liable to be rejected and/or deemed invalid by the Company in its absolute discretion, and in the case of an acceptance of a Qualifying Shareholder's assured entitlement all such assured entitlement and all rights thereunder will be deemed to have been declined and will be cancelled.

### **Beneficial owners' instructions to their Intermediary**

For beneficial owners whose Shares are deposited in CCASS and registered in the name of HKSCC Nominees Limited, if they wish to subscribe for the Rights Shares provisionally allotted to them, or sell their nil-paid Rights Shares or "split" their nil-paid Rights Shares by accepting part of their provisional allotment and selling/transferring the remaining part, they should contact their Intermediary and provide their Intermediary with instructions or make arrangements with their Intermediary in relation to the acceptance, transfer and/or "splitting" of the rights to subscribe for the Rights Shares which have been provisionally allotted to them in respect of the Shares in which they are beneficially interested. Such instructions and the relevant arrangements should be given or made in advance of the relevant dates stated in the "Expected Timetable" on page 4 of this prospectus and otherwise in accordance with the requirements of their Intermediary in order to allow their Intermediary sufficient time to ensure that their instructions are given effect. The procedures for acceptance, transfer and/or "splitting" in these cases shall be in accordance with the General Rules of CCASS, the CCASS Operational Procedures and any other applicable requirements of CCASS.

### **Application for listing**

The Company has applied 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.

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## LETTER FROM THE BOARD

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### **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 settlement 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 pursuant to the Stamp Duty Ordinance (Chapter 117 of the Laws of Hong Kong), Stock Exchange trading fee, Securities and Futures Commission 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 in the section headed “Conditions of the Rights Issue” in this “Letter from the Board” on pages 20 to 22 of this prospectus, 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 is on a non-underwritten basis**

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 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

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## LETTER FROM THE BOARD

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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 the “Letter from the Board” on pages 20 to 22 of this prospectus. 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 Undertaking 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.

For the avoidance of doubt, the above provision shall not apply to HKSCC Nominees Limited.

### **Conditions of the Rights Issue**

The Rights Issue is conditional upon the fulfilment, non-occurrence or waiver (as applicable) 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 the Posting Date, each of the Prospectus Documents each duly certified in compliance with section 342C of the Companies Ordinance (and all other



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## LETTER FROM THE BOARD

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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 on 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 members of the Company) 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 affects 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

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## LETTER FROM THE BOARD

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- (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 conditions (f) and (g) above 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 is not fulfilled and/or not waived (where applicable) at or before 4:30 p.m. on Wednesday, 5 June 2019 or such later time and/or date as the Company may determine, 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 Latest Practicable Date, Wide Bridge (a company wholly-owned by Mr. You) and Mr. You respectively held 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 approximately 58.2% of the issued share capital of the Company as at the Latest Practicable Date).

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), Wide Bridge and Mr. You 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 Undertaking, the Company has not received any



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information or irrevocable undertaking from any substantial shareholder (as defined in the Listing Rules) of the Company of its intention in relation to the Rights Shares to be allotted to it 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 or (where applicable) waiver of the conditions set out in the section headed “Conditions of the Rights Issue” in the “Letter from the Board” on pages 20 to 22 of this prospectus. The conditions include the Stock Exchange granting the listing of, and permission to deal in, the Rights Shares in their nil-paid and fully-paid forms.

Shareholders and investors should also note that the Rights Issue may not proceed upon the occurrence of certain events (as specifically set out in the section headed “Conditions of the Rights Issue” in the “Letter from the Board” on pages 20 to 22 of this prospectus) at or prior to the latest time for the Rights Issue to become unconditional, which is currently expected to be 4:30 p.m. on Wednesday, 5 June 2019. These include force majeure events, and/or any change in the market conditions or combination of circumstances in Hong Kong which in the absolute opinion of the Company will in any material respect affect the success of the Rights Issue or will otherwise make it inadvisable or inappropriate for the Company to proceed with the Rights Issue.

If any of the conditions of the Rights Issue is not fulfilled or (where applicable) waived at or prior to the latest time for the Rights Issue to become unconditional (which is currently expected to be 4:30 p.m. on Wednesday, 5 June 2019), the Rights Issue will not proceed.

Any Shareholder or investor dealing in the Shares and/or the Rights Shares in their nil-paid form up to the latest time for the Rights Issue to become unconditional will accordingly bear the risk that the Rights Issue may not become unconditional and may not proceed. Any Shareholder or investor contemplating any dealings in the Shares and/or the Rights Shares in their nil-paid form are recommended to consult their professional advisers.

The Rights Issue will proceed on a non-underwritten basis irrespective of the level of acceptances of the provisionally allotted Rights Shares. In the event the Rights Issue is not fully subscribed, any Rights Shares not taken up by the Qualifying Shareholders or transferees of nil-paid Rights Shares will not be issued by the Company and the size of the Rights Issue will be reduced accordingly. Investors are advised to exercise caution when dealing in the Shares.

## LETTER FROM THE BOARD

### SHAREHOLDING STRUCTURE

Set out below is the shareholding structure of the Company: (i) as at the Latest Practicable Date; (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 from the Latest Practicable Date to the date of completion of the Rights Issue:

Shareholders	As at the Latest Practicable Date		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 (Note 1)	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>7,894,229,754</u>	<u>100.00</u>	<u>11,841,344,631</u>	<u>100.00</u>	<u>11,841,344,631</u>	<u>100.00</u>

Notes:

- 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 believes 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

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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 into 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 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 contract would be entered into with the same trader in late June 2019.

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\$400 million, trade and bills payables balance of approximately HK\$143 million and bank trust receipt loans of HK\$490 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. Under the circumstance that only a minimum amount of HK\$229.7 million committed by Wide Bridge and Mr. You is raised, the Company will seek for bank borrowings and internal funding to settle the remaining balance required by the five contracts.

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 funds if opportunities arise and it considers appropriate, and any further proceeds are expected to be used in the further development of the trading business. As at the Latest Practicable Date, the Company has no intention or plan of further fund raising in the forthcoming twelve months for its funding needs.

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## LETTER FROM THE BOARD

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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 prorated 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:

	<b>Assuming full acceptance by the Qualifying Shareholders HK\$ (approximately)</b>	<b>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)</b>
Gross proceeds	395,000,000	395,000,000
Net proceeds	394,000,000	394,000,000
Net price per Rights Share	0.10	0.10

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. In the event of any change in the use of net proceeds, the Company will publish announcement on the change as and when appropriate and in accordance with the requirements of the Listing Rules.

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.

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## LETTER FROM THE BOARD

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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 that it is in the interest of the Company to proceed with the Rights Issue on a non-underwritten basis.

### FUND RAISING ACTIVITIES IN THE PAST 12 MONTHS

The Company had not conducted any equity fund raising activities in the 12 months immediately preceding the Latest Practicable Date.

### TAXATION

Qualifying Shareholders are recommended to consult their professional advisers if they are in doubt as to the taxation implications of subscribing for the Rights Shares, or about purchasing, holding or disposals of, or dealings in or exercising any rights in relation to the Shares or the Rights Shares, and similarly, the Excluded Shareholders (if any) as regards their receipt of the net proceeds of sale of the Rights Shares otherwise falling to be issued to them under the Rights Issue under the laws of jurisdictions in which they are liable to taxation. It is emphasised that none of the Company, the Directors nor any other parties involved in the Rights Issue accepts responsibility for any tax effects on, or liabilities of, any person resulting from subscribing for, purchasing, holding, disposal of, dealings in or exercising any rights in relation to the Shares or the Rights Shares.

### ADDITIONAL INFORMATION

Your attention is drawn to the additional information as set out in the appendices to this prospectus.

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

## 1. FINANCIAL INFORMATION

The audited financial information of the Group for each of the three years ended 31 December 2016, 2017 and 2018 can be found in the annual reports of the Company for the financial years ended 31 December 2016 (pages 51 to 95 of the annual report dated 22 March 2017), 31 December 2017 (pages 51 to 101 of the annual report dated 16 March 2018), and 31 December 2018 (pages 55 to 115 of the annual report dated 22 March 2019) respectively.

The abovementioned financial information has been published on both the websites of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and the website of the Company ([www.990.com.hk](http://www.990.com.hk)).

2016 annual report:

<http://www3.hkexnews.hk/listedco/listconews/SEHK/2017/0424/LTN201704241097.pdf>

2017 annual report:

<http://www3.hkexnews.hk/listedco/listconews/SEHK/2018/0419/LTN20180419978.pdf>

2018 annual report:

<http://www3.hkexnews.hk/listedco/listconews/SEHK/2019/0429/LTN201904291118.pdf>

## 2. STATEMENT OF INDEBTEDNESS

As at the close of business on 31 March 2019, being the latest practicable date for the purpose of this statement of indebtedness prior to the printing of this prospectus, the total indebtedness of the Group amounted to approximately HK\$490,000,000, details of which are set out below:

	<i>HK\$'000</i>
Secured trust receipt loans	<u>490,000</u>

Trust receipt loans at 31 March 2019 are secured by (i) guarantee by the beneficial owner of the Group; and (ii) deed of charge and assignment.

Save as abovementioned and apart from intra-group liabilities and normal payables in the ordinary course of business, as at the close of business on 31 March 2019, the Group did not have any outstanding mortgages, charges, debentures, or other loan capital or bank overdrafts, loans, debts securities or other similar indebtedness, liabilities under acceptances or acceptances credits or hire purchase commitments, or any guarantees or other material commitment or any material contingent liabilities.

### 3. WORKING CAPITAL

The Directors are of the opinion that, after taking into account the cash flows generated from the operating activities of the Group, the financial resources presently available to the Group including available bank facilities, and the estimated net proceeds from the Rights Issue, the Group has sufficient working capital to meet its requirements for at least the next 12 months from the date of this prospectus in the absence of unforeseen circumstances.

### 4. MATERIAL ADVERSE CHANGES

The Directors confirm that there are no other material changes in the financial or trading position or outlook of the Group subsequent to 31 December 2018, being the date to which the latest published audited financial statements of the Group was made up to.

### 5. INDUSTRY TREND AND BUSINESS OF THE GROUP

Set out below is a summary of the financial information of the Group for each of the three financial years ended 31 December 2016, 2017 and 2018, as extracted from the relevant published annual reports of the Company for the three years ended 31 December 2018. For each of the three years ended 31 December 2016, 2017 and 2018, no dividend was declared or paid.

#### (a) Operating results

	For the year ended 31 December		
	2016	2017	2018
	HK\$'000	HK\$'000	HK\$'000
Revenue	<u>1,581,947</u>	<u>5,389,307</u>	<u>4,330,171</u>
(Loss)/profit before taxation	(25,556)	27,004	84,134
Income tax	<u>(381)</u>	<u>(5,655)</u>	<u>(16,997)</u>
(Loss)/profit for the year	(25,937)	21,349	67,137
Other comprehensive income/(loss)	<u>197</u>	<u>(163)</u>	<u>(1,567)</u>
Total comprehensive (loss)/income for the year	<u>(25,740)</u>	<u>21,186</u>	<u>65,570</u>
Attributable to:			
Owners of the Company	(25,740)	21,186	60,326
Non-controlling interests	<u>—</u>	<u>—</u>	<u>5,244</u>
	<u>(25,740)</u>	<u>21,186</u>	<u>65,570</u>
(Loss)/earnings per share			
— Basic and diluted (HK cents per share)	<u>(0.44)</u>	<u>0.31</u>	<u>0.78</u>

**(b) Assets and liabilities**

	<b>As at 31 December</b>		
	<b>2016</b>	<b>2017</b>	<b>2018</b>
	<i>HK\$'000</i>	<i>HK\$'000</i>	<i>HK\$'000</i>
Non-current assets	575	3,659	42,603
Current assets	<u>663,887</u>	<u>957,820</u>	<u>1,774,467</u>
Total assets	<u>664,462</u>	<u>961,479</u>	<u>1,817,070</u>
Current liabilities	<u>462,230</u>	<u>344,047</u>	<u>1,091,908</u>
Total liabilities	<u>462,230</u>	<u>344,047</u>	<u>1,091,908</u>
Net assets	<u>202,232</u>	<u>617,432</u>	<u>725,162</u>
Total equity	<u>202,232</u>	<u>617,432</u>	<u>725,162</u>

For the year ended 31 December 2018, the Group's net profit was approximately HK\$67,137,000, as compared to the net profit of approximately HK\$21,349,000 for the year ended 31 December 2017.

The Group's increase in profit for the year ended 31 December 2018 was mainly due to the excellent performance of the distribution and trading business, in particular the trading of iron ore during the year ended 31 December 2018. The distribution and trading business has recorded a segment profit before interest and tax of approximately HK\$92,056,000 in the year ended 31 December 2018, representing an increase of approximately 57.2%, as compared to approximately HK\$58,560,000 in the year ended 31 December 2017.

Gross profit margin of the Group increased to approximately 4.4% in the year ended 31 December 2018 from approximately 1.3% in the year ended 31 December 2017. Gross profit in the year ended 31 December 2018 was mainly contributed by the distribution and trading segment. The increase in gross profit was primarily attributable to the rise in gross profit from the Group's distribution and trading segment in the year ended 31 December 2018 as a result of: (i) the Group has established excellent track record in the past few years, hence was able to onboard several new suppliers in the year ended 31 December 2018. These suppliers offered the Group with iron ore at competitive prices; and (ii) the full operation of the Group's Shanghai trading desk in the PRC, with a closer location to customers and this enabled the Group to sell iron ore at smaller lots with higher premiums. The Group was also able to store the inventory at China ports for a longer period of time, hence more flexibility in selling the inventory.



The PRC is the largest iron ore importer in the world. 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. With the domestic iron ore reserves being low in grade and high in impurity, to fulfil the huge demand for medium to high grade iron ore, it has to rely heavily on imports from overseas. The Group targets to grow its iron ore trading business, in line with the large volume of iron ore imports into the PRC.

Going forward, the Group will focus on the continuing development of the financial services business and the distribution and trading business in 2019.

***(i) Distribution and Trading***

In the past two years, the PRC government has placed more emphasis on the structural reform of the supply side of the steel industry, to increase the quality and efficiency of the supply system. This led to higher profitability of the steel mills in China. In order to maximise their production output, they demanded for more higher quality iron ore imports from overseas. In addition, the property sector in the PRC is growing and the demand for construction materials has been increasing continuously in the PRC.

According to the PRC custom statistics, imports of iron ore reached 1,064 million tonnes in 2018, surpassing 1,000 million tonnes for the third consecutive year. The Group believes that there will still be strong demand for iron ore in 2019 and there is a huge potential for iron ore trading in the PRC, which provides a good opportunity for the Group to further expand in this aspect.

***(ii) Financial services business***

The Company is extending the scope of its principal activities to include the provision of a wide range of financial services, including securities and derivatives financial services (including access to global market), provision of futures and derivatives products, provision of market making services for global exchanges, provision of margin financing and money lending business in Hong Kong and Singapore.

**A. STATEMENT OF UNAUDITED PRO FORMA ADJUSTED CONSOLIDATED  
NET TANGIBLE ASSETS**

The statement of unaudited pro forma adjusted consolidated net tangible assets of the Group prepared in accordance with Paragraph 13 of Appendix 1B and Paragraph 29 of Chapter 4 of the Listing Rules is set out below to illustrate the effects of the Rights Issues on the consolidated net tangible assets of the Group as if the Rights Issue had taken place on 31 December 2018.

The statement of unaudited pro forma adjusted consolidated net tangible assets of the Group has been prepared for illustrative purposes only, based on the judgements and assumptions of the Directors of the Company, and because of its hypothetical nature, may not give a true picture of the financial position of the Group following the Rights Issue.

The following statement of unaudited pro forma adjusted consolidated net tangible assets of the Group is based on the audited consolidated net tangible assets of the Group as at 31 December 2018, adjusted as described below:

<b>Audited consolidated net tangible assets of the Group attributable to owners of the Company as at 31 December 2018 (Note 1) HK\$'000</b>	<b>Estimated net proceeds from the Rights Issue (Note 2) HK\$'000</b>	<b>Unaudited pro forma adjusted consolidated net tangible assets of the Group as at 31 December 2018 HK\$'000</b>
<u>680,423</u>	<u>393,861</u>	<u>1,074,284</u>
Audited consolidated net tangible assets per existing Share before completion of the Rights Issue (Note 3)		<u>HK\$0.086</u>
Unaudited pro forma adjusted consolidated net tangible assets per Share immediately after completion of the Rights Issue (Note 4)		<u>HK\$0.091</u>

*Notes:*

1. The audited consolidated net tangible assets of the Group attributable to the owners of the Company as at 31 December 2018 are based on the consolidated net assets in the audited consolidated statement of financial position of the Group as at 31 December 2018.
2. The estimated net proceeds from the Rights Issue are based on 3,947,114,877 Right Shares at the Subscription Price of HK\$0.10 per Rights Share, after deduction of the professional fees and other share issue related expenses payable by the Company of approximately HK\$850,000.
3. Based on 7,894,229,754 existing Shares in issue as at 31 December 2018 before completion of the Rights Issue.
4. Based on 11,841,344,631 Shares, on which 3,947,114,877 Rights Shares were in issue as at 31 December 2018, assuming that the Rights Issue had been completed on 31 December 2018.

**B. ACCOUNTANT'S REPORT ON UNAUDITED PRO FORMA FINANCIAL INFORMATION**

The following is the text of a report, prepared for the sole purpose of inclusion in this prospectus, from the independent reporting accountant, ZHONGHUI ANDA CPA Limited, Certified Public Accountants, Hong Kong.



21 May 2019

The Board of Directors  
**Theme International Holdings Limited**

Dear Sirs,

We have completed our assurance engagement to report on the compilation of pro forma financial information of Theme International Holdings Limited (the “**Company**”) and its subsidiaries (hereinafter collectively referred to as the “**Group**”) by the directors of the Company (the “**Directors**”) for illustrative purposes only. The pro forma financial information consists of the pro forma adjusted consolidated net tangible assets as at 31 December 2018 as set out on pages II-1 to II-2 of the prospectus issued by the Company (the “**Prospectus**”). The applicable criteria on the basis of which the Directors have compiled the pro forma financial information are described in Appendix II of the Prospectus.

The pro forma financial information has been compiled by the Directors to illustrate the impact of the Rights Issue on the Group’s net tangible assets as at 31 December 2018 as if the transaction had been taken place at 31 December 2018. As part of this process, information about the Group’s net tangible assets has been extracted by the Directors from the Group’s consolidated financial statements as included in the annual report for the year ended 31 December 2018, on which an audit report has been published.

**Directors’ Responsibility for the Pro Forma Financial Information**

The Directors are responsible for compiling the pro forma financial information in accordance with paragraph 13 of Appendix 1B and paragraph 29 of Chapter 4 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and with reference to Accounting Guideline (“**AG**”) 7 “Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars” issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”).

**Our Independence and Quality Control**

We have complied with the independence and other ethical requirement of the Code of Ethics for Professional Accountants issued by the HKICPA, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

The firm applies Hong Kong Standard on Quality Control 1 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

**Reporting Accountant's Responsibilities**

Our responsibility is to express an opinion, as required by paragraph 29(7) of Chapter 4 of the Listing Rules, on the pro forma financial information and to report our opinion to you. We do not accept any responsibility for any reports previously given by us on any financial information used in the compilation of the pro forma financial information beyond that owed to those to whom those reports were addressed by us at the dates of their issue.

We conducted our engagement in accordance with Hong Kong Standard on Assurance Engagements 3420 "Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus" issued by the HKICPA. This standard requires that the reporting accountant plan and perform procedures to obtain reasonable assurance about whether the Directors have compiled the pro forma financial information in accordance with paragraph 29 of Chapter 4 of the Listing Rules and with reference to AG 7 "Preparation of Pro Forma Financial Information for Inclusion in Investment Circulars" issued by the HKICPA.

For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the pro forma financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used in compiling the pro forma financial information.

The purpose of pro forma financial information included in the Prospectus is solely to illustrate the impact of a significant event or transaction on unadjusted financial information of the Group as if the event had occurred or the transaction had been undertaken at an earlier date selected for purposes of the illustration. Accordingly, we do not provide any assurance that the actual outcome of the event or transaction at 31 December 2018 would have been as presented.

A reasonable assurance engagement to report on whether the pro forma financial information has been properly compiled on the basis of the applicable criteria involves performing procedures to assess whether the applicable criteria used by the Directors in the

compilation of the pro forma financial information provide a reasonable basis for presenting the significant effects directly attributable to the event or transaction, and to obtain sufficient appropriate evidence about whether:

- The related pro forma adjustments give appropriate effect to those criteria; and
- The pro forma financial information reflects the proper application of those adjustments to the unadjusted financial information.

The procedures selected depend on the reporting accountant's judgment, having regard to the reporting accountant's understanding of the nature of the Group, the event or transaction in respect of which the pro forma financial information has been compiled, and other relevant engagement circumstances.

The engagement also involves evaluating the overall presentation of the pro forma financial information.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

We make no comments regarding the reasonableness of the amount of net proceeds from the Rights Issue, the application of those net proceeds, or whether such use will actually take place as described under "Reasons for the Rights Issue and the use of proceeds" set out on pages 24 to 27 of the Prospectus.

### **Opinion**

In our opinion:

- (a) the pro forma financial information has been properly compiled on the basis stated;
- (b) such basis is consistent with the accounting policies of the Group; and
- (c) the adjustments are appropriate for the purposes of the pro forma financial information as disclosed pursuant to paragraph 29(1) of Chapter 4 of the Listing Rules.

Yours faithfully,

**ZHONGHUI ANDA CPA Limited**

*Certified Public Accountants*

**Pang Hon Chung**

Practising Certificate Number P05988

Hong Kong

## 1. RESPONSIBILITY STATEMENT

This prospectus, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief, the information contained in this prospectus 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 prospectus misleading.

## 2. SHARE CAPITAL

				Rights Share to be issued pursuant to the Rights Issue (assuming nil acceptance by the Qualifying Shareholders)		Shares in issue upon completion of the Rights Issue (assuming nil acceptance by the Qualifying Shareholders)	
				Rights Shares to be issued pursuant to the Rights Issue (assuming full 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)	Shares in issue upon completion of the Rights Issue (assuming full 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)
	Authorised shares	Shares in issue as at the Latest Practicable Date					
Total number of Shares/Rights Shares (as applicable)	200,000,000,000	7,894,229,754	3,947,114,877	3,947,114,877	11,841,344,631	11,841,344,631	
Aggregate nominal value ( <i>HK\$</i> )	500,000,000.00	19,735,574.39	9,867,787.19	9,867,787.19	29,603,361.58	29,603,361.58	

All the Shares in issue are fully-paid and rank *pari passu* in all respects including as regards to dividends, voting rights and return of capital. All Rights Shares to be issued will rank *pari passu* with the then existing Shares in issue in all respects. Holders of fully-paid Rights Shares will be entitled to receive all future dividends and distributions which may be declared, made or paid on or after the date of allotment of the Rights Shares.

The Company has applied to the Listing Committee for the listing of and permission to deal in the Rights Shares (in both their nil-paid and fully-paid forms). No part of the share capital or any other securities of the Company is listed or dealt in on any stock exchange other than the Stock Exchange and no application is being made or is currently proposed or sought for the Shares or the Rights Shares or any other securities of the Company to be listed or dealt in on any other stock exchange.

As at the Latest Practicable Date, the Group had no outstanding debt securities, derivatives, options, warrants, conversion securities or other similar securities which are convertible or exchangeable into Shares, and there was no arrangement under which dividends are/will be waived or agreed to be waived.

### 3. DISCLOSURE OF INTERESTS

As at the Latest Practicable Date, interests of the Directors and the chief executive of the Company and their respective associates in the Shares, underlying Shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which were required to be notified to the Company and the Stock Exchange pursuant to the Divisions 7 and 8 of Part XV of the SFO (including interests and short positions in which they are deemed or taken 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 referred to therein or which were required pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Listing Rules (the “**Model Code**”) to be notified to the Company and the Stock Exchange were as follows:

**(a) Directors’ and chief executive’s interest and short positions in the securities of the Company and its associated corporations**

As at the Latest Practicable Date, none of the Directors and the chief executive of the Company or any of their spouses or children under eighteen years of age had or was deemed to have any interests or short positions in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) which were required: (i) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) to be notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Listing Rules.



**(b) Interest of the substantial Shareholders**

As at the Latest Practicable Date, according to the register kept by the Company pursuant to section 336 of SFO, and so far as was known to the Directors or chief executive of the Company, the following persons (other than a Director or a chief executive of the Company) had, or was deemed or taken to have, an interest or short position in the Shares or underlying Shares which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO or who were directly or indirectly interested in 10% or more of the issued voting shares capital of any other member of the Group:

Name of holder of Shares/ underlying Shares	Capacity	Number of Shares held as at the Latest Practicable Date	Approximate % of total interests in the Shares in issue as at the Latest Practicable Date
Mr. You ( <i>Notes 1 and 2</i> )	Beneficial owner	4,759,849 (Long)	0.04%
	Interest of controlled corporation	8,535,676,678 (Long)	72.08%

*Notes:*

1. Mr. You has a direct interest in 2,560,000 Shares. He is interested in the 2,199,849 Rights Shares which he has undertaken to subscribe pursuant to the Irrevocable Undertaking.
2. In addition, Mr. You indirectly holds 100% interests in Wide Bridge and accordingly, Mr. You is deemed to have the same long position as Wide Bridge. As at the Latest Practicable Date, Wide Bridge directly holds 4,590,761,650 Shares and is interested in the 3,944,915,028 Rights Shares which it has undertaken to subscribe pursuant to the Irrevocable Undertaking. As such, Mr. You is deemed to be interested in a total of 8,535,676,678 Shares.

**4. LITIGATION**

As at the Latest Practicable Date, none of the members of the Group was engaged in any litigation or arbitration of material importance and there was no litigation or arbitration of material importance known to the Directors to be pending or threatened by or against any members of the Group.

**5. MATERIAL CONTRACTS**

As at the Latest Practicable Date, the following contracts (not being contracts entered into in the ordinary course of business carried on or intended to be carried on by the Company or any of its subsidiaries) had been entered into by the Company or any of its subsidiaries within two years preceding the issue date of this prospectus and ending on the Latest Practicable Date, which are or may be material in relation to the business of the Group as a whole:

- (a) the service agreement dated 22 February 2019 entered into between the Company and E&F Resources Pte Limited in relation to the provision of execution and clearing services for derivative products and the inter-dealer brokerage services provided by the Group to E&F Resources; and
- (b) the service agreement dated 7 September 2018 entered into between the Company and Prosperity Steel United Singapore Pte Ltd in relation to the provision of execution and clearing services for derivative products and the inter-dealer brokerage services provided by the Group to PSU.

**6. DIRECTOR'S INTEREST IN CONTRACTS AND ASSETS**

- (i) None of the Directors had any direct or indirect interest in any assets which had been, since 31 December 2018 (being the date to which the latest published annual results announcement for the audited consolidated financial statements of the Company were made up), acquired, disposed of by, or leased to, or were proposed to be acquired, disposed of by, or leased to any member of the Group; and
- (ii) none of the Directors was materially interested in any contract or arrangement subsisting as at the date of this prospectus which is significant in relation to the business of the Group.

**7. QUALIFICATION AND CONSENT OF THE EXPERT**

The following is the qualification of the professional adviser who has given opinion or advice contained in this prospectus:

<b>Name</b>	<b>Qualification</b>
ZHONGHUI ANDA CPA Limited	Certified Public Accountants

ZHONGHUI ANDA CPA Limited has given and has not withdrawn its written consent to the issue of this prospectus with the inclusion of its letter/report and/or references to its name in the form and context in which they respectively appear in this prospectus.

ZHONGHUI ANDA CPA Limited does not have any shareholding in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group.

ZHONGHUI ANDA CPA Limited does not and did not have any direct or indirect interest in any assets acquired or disposed of by or leased to or proposed to be acquired or disposed of by or leased to any member of the Group since 31 December 2018, being the date to which the latest published audited accounts of the Group were made up.

## 8. CORPORATE INFORMATION AND THE PARTIES INVOLVED IN THE RIGHTS ISSUE

Registered Office	Clarendon House 2 Church Street Hamilton HM11 Bermuda
Principal Office in Hong Kong	Unit 3401-03, 34/F. China Merchants Tower Shun Tak Centre 168-200 Connaught Road Central Sheung Wan Hong Kong
Authorised Representatives	Mr. Wu Lei Ms. Chen Jing
Company Secretary	Mr. Ho Yui Pang ( <i>CPA, ACS</i> )
Auditor and Reporting Accountant	<b>ZHONGHUI ANDA CPA Limited</b> Unit 701, Citicorp Centre 18 Whitfield Road Causeway Bay Hong Kong
Principal Bankers	<b>Bank of China (Hong Kong) Limited</b> Bank of China Tower 1 Garden Road, Central Hong Kong  <b>The Hongkong and Shanghai Banking Corporation Limited</b> 1 Queen's Road Central Hong Kong  <b>Chiyu Banking Corporation Limited</b> 78 Des Voeux Road Central Hong Kong

**Industrial Bank Co. Ltd.**

No.154, Hudong Rd  
Fuzhou, Fujian Province  
China

**Oversea-Chinese Banking Corporation Limited**

65 Chulia Street  
#07-00 OCBC Centre  
Singapore 049513

**United Overseas Bank Limited**

80 Raffles Place #09-00 UOB Plaza 1  
Singapore 048624

**ING Bank N.V.**

9 Raffles Place  
#19-02, Republic Plaza  
Singapore 048619

**ABN AMRO BANK N.V.**

Level 25, One Raffles Quay South Tower  
Singapore 048583

**Industrial and Commercial Bank of China Limited**

No.55 FuXingMenNei Street  
Xicheng District  
Beijing, P.R.C

**Shanghai Pudong Development Bank  
Company Limited**

No. 12, Zhongshang Dong Yi Road  
Shanghai, 200002  
China

Hong Kong Branch Share  
Registrar and Transfer Office

**Computershare Hong Kong Investor Services Limited**

Shops 1712–1716  
17th Floor Hopewell Centre  
183 Queen's Road East  
Wanchai, Hong Kong

Legal Adviser to the Company  
as to the Rights Issue

**Robertsons**

57th Floor, The Center  
99 Queen's Road Central  
Hong Kong

**9. PARTICULARS OF DIRECTORS****(a) Name and address of the Directors**

<b>Name</b>	<b>Business Address</b>
<i>Executive Directors</i>	
Mr. Kang Jian	Unit 3401-03, 34/F. China Merchants Tower Shun Tak Centre 168-200 Connaught Road Central Sheung Wan Hong Kong
Mr. Wu Lei	Unit 3401-03, 34/F. China Merchants Tower Shun Tak Centre 168-200 Connaught Road Central Sheung Wan Hong Kong
Ms. Chen Jing	Unit 3401-03, 34/F. China Merchants Tower Shun Tak Centre 168-200 Connaught Road Central Sheung Wan Hong Kong
Ms. Wu Aiping	Unit 3401-03, 34/F. China Merchants Tower Shun Tak Centre 168-200 Connaught Road Central Sheung Wan Hong Kong
Mr. Hu Yong	Unit 3401-03, 34/F. China Merchants Tower Shun Tak Centre 168-200 Connaught Road Central Sheung Wan Hong Kong

Name	Business Address
<i>Independent Non-executive Directors</i>	
Mr. Liu Song	Unit 3401–03, 34/F. China Merchants Tower Shun Tak Centre 168–200 Connaught Road Central Sheung Wan Hong Kong
Mr. Chan Chi Ming, Tony	Unit 3401–03, 34/F. China Merchants Tower Shun Tak Centre 168–200 Connaught Road Central Sheung Wan Hong Kong
Mr. Wu Shiming	Unit 3401–03, 34/F. China Merchants Tower Shun Tak Centre 168–200 Connaught Road Central Sheung Wan Hong Kong

**(b) Name and address of the senior management**

The business address of the senior management disclosed in section 9(d) below is the same as the address of the Company's principal office in Hong Kong located at Unit 3401–03, 34/F., China Merchants Tower, Shun Tak Centre, 168–200 Connaught Road Central, Sheung Wan, Hong Kong.

**(c) Profiles of the Directors**

*Executive Directors*

**Mr. Kang Jian (“Mr. Kang”)**, aged 33, was appointed as executive director of the Company on 8 August 2018. He is also a director of subsidiaries of the Company. Mr. Kang obtained both his master and bachelor degrees in law from Renmin University of China. Mr. Kang has over 7 years of experience in risk management and corporate credit approval in Bank of China Limited. Prior to joining the Group, Mr. Kang was the vice president and fund manager of a private equity fund in PRC since April 2017, where he gained ample experience in commodity and derivative trading.

**Mr. Wu Lei (“Mr. Wu”)**, aged 32, was appointed as executive director of the Company on 1 October 2016. He is also a director of subsidiaries of the Company. Mr. Wu held a Bachelor of Business Administration (Accountancy) with Honours from The National University of Singapore and has more than 7 years of experiences in accountancy and commodities trading and hedging. Mr. Wu used to work in one of the big four international accounting firms. Before joining the Company, Mr. Wu was a trader of an international commodity house, where he gained ample experience in commodity trading, futures trading, international hedging and financial management.

**Ms. Chen Jing (“Ms. Chen”)**, aged 39, was appointed as a non-executive director of the Company on 1 October 2016 and was re-designated as an executive director of the Company since 1 October 2017. She is also a director of subsidiaries of the Company. Ms. Chen obtained her Bachelor degree in English Language and Literature from Xiamen University in the PRC and Master degree in Law from Shandong University in the PRC and she holds a PRC Legal Professional Qualification Certificate. Ms. Chen has over 10 years of experience in the trading of metallurgical bulk commodities, seaborne logistics operations and risk management.

**Ms. Wu Aiping (“Ms. Wu”)**, aged 43, was appointed as executive director of the Company on 1 October 2017. Ms. Wu obtained her Bachelor Degree in Arts (Major in English) from the University of International Business and Economics in the PRC. Ms. Wu has over 10 years of experiences in the trading of physical iron ore and seaborne logistics operations. She was previously a general manager of a multinational resources trading firm from 2009 to 2016.

**Mr. Hu Yong (“Mr. Hu”)**, aged 40, was appointed as executive director of the Company on 8 August 2018. Mr. Hu holds a bachelor degree in convention management from Henan Normal University in the PRC. Mr. Hu has over 14 years of experience in trading of physical rebar, metalloid, iron ore and coal. Prior to joining the Group, he was the general manager of the coal trading department in a large trading house in China.

#### ***Independent Non-executive Directors***

**Mr. Chan Chi Ming, Tony (“Mr. Chan”)**, aged 51, was appointed as independent non-executive director of the Company on 22 May 2015 and is currently the chairman of the audit committee, remuneration committee and nomination committee of the Company. Mr. Chan graduated from Australian National University, with a Bachelor Degree in Commerce (Major in Accounting). Mr. Chan is a member of the Hong Kong Institute of Certified Public Accountants and CPA Australia and has about 20 years’ experience in the field of business advisory, accounting and auditing. Mr. Chan was formerly a senior manager of an international accounting firm. He is currently an independent non-executive director of Dominate Group Holdings Company Limited (stock code: 8537), whose shares are listed on GEM of the Stock



Exchange. During the periods from November 2016 to July 2018 and from July 2018 to January 2019, Mr. Chan was a non-executive director and then re-designated as an executive director of Good Fellow Healthcare Holdings Limited (previously known as Hua Xia Healthcare Holdings Limited) (stock code: 8143), whose shares are listed on GEM of the Stock Exchange. During the period from November 2016 to July 2018, he was the executive director of Wan Kei Group Holdings Limited (stock code: 1718), whose shares are listed on the Main Board of the Stock Exchange. Also, during the period from September 2007 to May 2017, he was also the company secretary and authorised representative of Good Resources Holdings Limited (stock code: 109), whose shares are listed on the Main Board of the Stock Exchange.

**Mr. Wu Shiming**, aged 43, was appointed as independent non-executive director of the Company on 22 May 2015 and is currently a member of the audit committee, remuneration committee and nomination committee of the Company. He is currently an independent non-executive director of China Putian Food Holding Limited (stock code: 1699) and an independent non-executive director of Miko International Holdings Limited (stock code: 1247). He was an independent non-executive director of China Gem Holdings Limited (previously known as Yueshou Environmental Holdings Limited, stock code: 1191) from July 2014 to May 2018. Also, he was an executive director of Leyou Technologies Holdings Limited (stock code: 1089) from October 2010 to September 2017 and was an independent non-executive director of Pak Tak International Limited (stock code: 2668) from September 2014 to August 2016. All of these shares are listed on the Main Board of the Stock Exchange. Mr. Wu Shiming has over 20 years of experiences in accounting and financial management. He is a qualified intermediate accountant and he obtained such qualification after he has passed the national examination jointly organised by the Ministry of Finance and the Ministry of Personnel of the PRC. Mr. Wu Shiming graduated from a course in foreign economic enterprise financial accounting at Jimei University in the PRC in 1995.

**Mr. Liu Song (“Mr. Liu”)**, aged 46, was appointed as independent non-executive director of the Company on 8 August 2018 and is currently a member of the audit committee, remuneration committee and nomination committee of the Company. Mr. Liu obtained his bachelor degree in transport and communications management engineering from the Shanghai Maritime University. Mr. Liu has over 23 years of experience in marine transportation management. Prior to joining the Group, Mr. Liu held different senior management positions in various companies in PRC engaged in the marine transportation.

**(d) Profile of senior management**

**Mr. Ho Yui Pang (“Mr. Ho”)**, aged 33, was appointed as company secretary of the Company with effect from 7 September 2018. Mr. Ho has over ten years of auditing, accounting and company secretarial experiences in international reputable accounting firms and listed companies. Mr. Ho worked in several international accounting firms for approximately 5 years. Since then, he worked in several listed companies where he served in various positions including accounting manager, finance director and company secretary.

None of the Directors or senior management had held any directorship in other publicly listed companies whether in Hong Kong or overseas in the past three years preceding the Latest Practicable Date. None of the management has any relationship with any directors, the other members of the senior management, substantial shareholders or controlling shareholders of the Company as at the Latest Practicable Date.

**10. DIRECTOR’S SERVICE CONTRACTS**

As at the Latest Practicable Date, none of the Directors had any existing or proposed service contracts with the Company or any member of the Group which were not expiring or determinable by the Group within one year without payment of compensation (other than statutory compensation).

**11. EXPENSES**

The expenses in connection with the Rights Issue, including the fees of legal and financial advisers and auditors, printing, registration, translation, legal and accountancy charges are estimated to be approximately HK\$850,000, which are payable by the Company.

**12. GENERAL**

The English language text of this prospectus and the other Prospectus Documents shall prevail over its Chinese language text, in case of any inconsistency.

**13. LEGAL EFFECT**

This prospectus, the PAL and the EAF, and all acceptances of any offer or application contained in such documents, are governed by and shall be construed in accordance with the laws of Hong Kong.

**14. BINDING EFFECT**

This prospectus shall have the effect, if an application is made in pursuance hereof, of rendering all persons concerned bound by all of the provisions (other than the penal provisions) of sections 44A and 44B of the Companies Ordinance so far as applicable.

**15. DOCUMENTS DELIVERED TO THE REGISTRAR OF COMPANIES**

A copy of this prospectus, together with copies of the PAL and EAF and the written consent referred to in the paragraph headed “7. Qualification and Consent of the Expert” in this Appendix III, has been registered with the Registrar of Companies in Hong Kong for registration pursuant to section 342C of the Companies Ordinance.

**16. DOCUMENTS AVAILABLE FOR INSPECTION**

Copies of the following will be available for inspection during normal business hours (other than Saturdays, Sundays and public holidays) at Unit 3401-03, 34/F., China Merchants Tower, Shun Tak Centre, 168-200 Connaught Road Central, Sheung Wan, Hong Kong from the date of this prospectus up to and including 4 June 2019:

- (i) the memorandum of association and bye-laws of the Company;
- (ii) the annual reports of the Company for the three years ended 31 December 2016, 31 December 2017 and 31 December 2018;
- (iii) the accountant’s report on the unaudited pro forma financial information of the Group from ZHONGHUI ANDA CPA Limited set out in Appendix II to this prospectus;
- (iv) the material contracts as referred to in the paragraph headed “5. Material Contracts” in this appendix; and
- (v) the written consent referred to in the paragraph headed “7. Qualification and Consent of the Expert” in this Appendix III.