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Theme

THEME INTERNATIONAL HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 990)

SUBSCRIPTION OF NEW SHARES UNDER GENERAL MANDATE

The Board is pleased to announce that on 20 January 2021, the Company and no fewer than six Subscribers entered into the Subscription Agreements, pursuant to which the Subscribers have agreed to subscribe for, and the Company has agreed to issue to the Subscribers, an aggregate of 815,000,000 new Shares at the Subscription Price on the terms and subject to the conditions set out in the Subscription Agreements.

The Subscribers are independent professional corporate and/or individual investors. To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, the Subscribers (and the ultimate beneficial owner of the Subscribers, where applicable) are third parties independent of the Company and its connected persons.

The number of the Subscription Shares represents: (a) approximately 6.88% of the total number of Shares in issue as at the date of this announcement; and (b) approximately 6.44% of the enlarged total number of Shares in issue upon the completion of the Subscription (assuming there will be no change to the total number of Shares in issue from the date of this announcement to the completion of the Subscription other than the issue by the Company of the Subscription Shares).

The Subscription Price is HK\$0.241, which:

- (i) a discount of approximately 19.7% to the closing price of HK\$0.30 per Share as quoted on the Stock Exchange on 20 January 2021, being the closing price on the date of the Subscription Agreements; and
- (ii) a discount of approximately 17.2% to the average closing price of approximately HK\$0.291 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately prior to the date of the Subscription Agreements.

The Subscription is not subject to Shareholders' approval as the Subscription Shares will be issued under the General Mandate. Application will be made to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Subscription Shares.

The Subscription Agreements may be terminated pursuant to the termination provisions contained therein. In addition, completion of the Subscription is subject to fulfillment of the condition under the Subscription Agreements. As the Subscription may or may not proceed, Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.

THE SUBSCRIPTION

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THE SUBSCRIPTION AGREEMENTS

Date

20 January 2021

Parties

The Company and the Subscribers

The Subscribers

There are no fewer than six Subscribers and they are independent professional corporate and/or individual investors. As at the date of this announcement, the Subscribers are interested in 33,264,872 Shares in aggregate. None of the Subscribers (and the ultimate beneficial owner of the Subscribers, where applicable) will become a substantial Shareholder as a result of the Subscription.

To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, the Subscribers (and the ultimate beneficial owner of the Subscribers, where applicable) are third parties independent of the Company and its connected persons.

Details of the Subscription are set out below.

THE SUBSCRIPTION

Subscription Shares

The Subscribers have agreed to subscribe as principal for, and the Company has agreed to issue to the Subscribers, an aggregate of 815,000,000 new Shares at the Subscription Price free from all charge, mortgage, pledge, security, option, lien, assignment, hypothecation, security agreement or interest of any kind, in consideration for the payment of the Subscription Monies by the Subscribers to the Company, subject to the terms and conditions of the Subscription Agreements.

The number of the Subscription Shares represents: (a) approximately 6.88% of the total number of Shares in issue as at the date of this announcement; and (b) approximately 6.44% of the enlarged total number of Shares in issue upon completion of the Subscription (assuming there will be no change to the total number of Shares in issue from the date of this announcement to the date of completion of the Subscription other than the issue by the Company of the Subscription Shares).

Ranking of the Subscription Shares

The Subscription Shares shall, when fully paid, rank *pari passu* in all respects with all the other Shares in issue or to be issued by the Company on or prior to the date of allotment of the Subscription Shares.

Lock-up Undertaking

Pursuant to the Subscription Agreements, Subscribers undertake that they will not, without the prior written consent from the Company, sell, transfer or otherwise dispose of the Subscription Shares for a period of three (3) months from the completion of the Subscription.

General Mandate to issue the Subscription Shares

The Subscription Shares will be issued under the General Mandate granted to the Directors by a resolution of the Shareholders passed at the 2020 AGM to allot, issue and otherwise deal with securities of the Company not exceeding 20% of the issued share capital of the Company as at the date of the 2020 AGM. Under the General Mandate, the Company is authorised to issue up to 2,368,268,926 new Shares. As at the date of this announcement, no securities of the Company have been issued under the General Mandate.

Subscription Price

The Subscription Price is HK\$0.241, which represents:

- (i) a discount of approximately 19.7% to the closing price of HK\$0.30 per Share as quoted on the Stock Exchange on 20 January 2021, being the closing price on the date of the Subscription Agreements; and
- (ii) a discount of approximately 17.2% to the average closing price of approximately HK\$0.291 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately prior to the date of the Subscription Agreements.

The Subscription Price was determined with reference to the prevailing market price of the Shares and was negotiated on an arm's length basis among the Company and the Subscribers. The Directors consider that the Subscription Price and the terms and conditions of the Subscription Agreements are fair and reasonable and are in the interests of the Company and the Shareholders as a whole.

The aggregate nominal value of the Subscription Shares is HK\$2,037,500.

Condition of the Subscription

Completion of the Subscription is conditional upon the listing of, and permission to deal in, all the new Shares to be issued by the Company under the Subscription Agreements being granted by the Stock Exchange (and such listing and permission not subsequently revoked prior to completion of the Subscription).

Application will be made by the Company to the Listing Committee for the listing of, and the permission to deal in, the Subscription Shares. The Subscription Agreements has not provided for the right of the parties to waive the above conditions.

Completion of the Subscription

Completion of the Subscription will take place within 7 Business Days after fulfilment of the condition described above (or such other time, date or place as the Company and the Subscribers may agree in writing).

If the condition is not fulfilled on or before 26 February 2021 (or such later date as may be agreed between the Company and the Subscribers), the Subscription Agreements shall be terminated and the Company and the Subscribers will automatically be released from all obligations under the Subscription Agreements, save and except any liability for antecedent breaches by the Company and/or the Subscribers).

REASONS FOR THE SUBSCRIPTION AND 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. Iron ore represents the majority of the distribution and trading business of the Group.

The gross proceeds from the Subscription are expected to be approximately HK\$196.4 million. The net proceeds from the Subscription (after deducting all fees, costs and expenses properly incurred by the Subscribers to be borne by the Company, and other expenses incurred by the Company, in connection with the Subscription) are expected to be approximately HK\$196.3 million. The net Subscription Price, after deducting such fees, costs and expenses, is therefore approximately HK\$0.241 per Subscription Share.

Over the past year, the price of iron ore has risen drastically and the Group signed a long term purchase contract with a supplier in Australia to purchase iron ore in 2020. The Company intends to use the net proceeds from the Subscription for the settlement of some of the payment for the purchase of iron ore which will be due in the first quarter of 2021.

The Board has resolved to approve the Subscription. The Directors (including the independent non-executive Directors) are of the view that the Subscription is in the best interests of the Group and its Shareholders to raise additional funds for trading iron ore. The Directors are of the view that the terms of the Subscription Agreements are fair and reasonable and are in the interests of the Company and the Shareholders as a whole. Depending on the performance of the distribution and trading business, market conditions, volume of customer's orders and the management's ability to secure further contracts, the Company will continue to review its funding needs. The Board may raise further fund if opportunities arise and it considers appropriate, and any further proceeds are expected to be used in the further development of the businesses of the Group.

FUND RAISING ACTIVITY DURING THE PAST TWELVE MONTHS

The Company has not conducted any fund raising exercises in the past twelve months immediately before the date of this announcement.

EFFECT ON SHAREHOLDING STRUCTURE OF THE COMPANY

Assuming that there will be no change to the total number of Shares in issue and the number of Shares held by each of the Directors, substantial Shareholder and Subscribers from the date of this announcement to the date of completion of the Subscription other than the issue by the Company of the Subscription Shares, the shareholdings in the Company (a) as at the date of this announcement; and (b) immediately after the completion of the Subscription are and will be as follows:

Name of shareholder	As at the date of this announcement		Immediately after the completion of the Subscription	
	Number of Shares	Approximate % (Note 1)	Number of Shares	Approximate % (Note 1)
You Zhenhua (Note 1)	8,445,367,176	71.32	8,445,367,176	66.73
Subscribers	33,264,872	0.28	848,264,872	6.70
Other public shareholders	3,362,712,583	28.40	3,362,712,583	26.57
Total:	11,841,344,631	100	12,656,344,631	100

Notes:

1. According to the disclosure of interests published on the website of the Stock Exchange:

These 8,445,367,176 Shares comprise (i) 8,441,527,176 Shares held and owned by Wide Bridge Limited (“**Wide Bridge**”); and (ii) 3,840,000 Shares directly held and owned by Mr. You Zhenhua (“**Mr. You**”). 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.

GENERAL

The Subscription is not subject to Shareholders’ approval as the Subscription Shares will be issued under the General Mandate. Application will be made to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Subscription Shares.

The Subscription Agreements may be terminated pursuant to the termination provisions contained therein. In addition, completion of the Subscription is subject to fulfillment of the condition under the Subscription Agreements. As the Subscription may or may not proceed, Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.

DEFINITIONS

Unless the context requires otherwise, the following expressions shall have the following meanings in this announcement:

“2020 AGM”	the annual general meeting of the Company held on 26 June 2020 at which, among other things, a resolution for the grant of the General Mandate to the Directors was duly passed by the Shareholders
“associate”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Business Day”	a day (other than a Saturday or Sunday or public holidays or days on which a tropical cyclone warning No. 8 or above or a “black rainstorm warning signal” is hoisted in Hong Kong at any time between 9:00 a.m. and 5:00 p.m.) on which banks in Hong Kong are generally open for banking business
“Company”	Theme International Holdings Limited (Stock Code: 990), a company incorporated in the Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange
“connected person(s)”	has the same meaning as ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“General Mandate”	the general mandate granted to the Directors by a resolution of the Shareholders passed at the 2020 AGM to allot, issue and otherwise deal with securities of the Company not exceeding 20% of the issued share capital of the Company as at the date of the 2020 AGM
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange

“PRC”	the People’s Republic of China
“SFC”	the Securities and Futures Commission of Hong Kong
“Shareholder(s)”	holder(s) of the Share(s)
“Shares”	shares of HK\$0.0025 each in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscribers”	the subscribers of the Subscription Shares
“Subscription”	the subscription of the Subscription Shares by the Subscribers at the Subscription Price pursuant to the terms and conditions of the Subscription Agreements
“Subscription Agreements”	the subscription agreements entered into by the Company and each of the Subscribers respectively, each dated 20 January 2021 in respect of the Subscription
“Subscription Monies”	such sum as is the aggregate of the Subscription Price multiplied by the number of Subscription Shares less the relevant expenses pursuant to the terms of the Subscription Agreements
“Subscription Price”	the price per Subscription Share payable by the Subscribers, being HK\$0.241 per Subscription Share
“Subscription Shares”	815,000,000 new Shares in aggregate to be issued to the Subscribers by the Company under the Subscription
“%”	per cent

By order of the Board
Theme International Holdings Limited
Wu Lei
Executive Director

Hong Kong, 20 January 2021

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