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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 31 May 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(s) 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 6.44% of the total number of Shares in issue as at the date of this announcement; and (b) approximately 6.05% 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 date of completion of the Subscription other than the issue by the Company of the Subscription Shares).

The Subscription Price is HK\$0.75, which represents:

- (i) a discount of approximately 13.8% to the closing price of HK\$0.87 per Share as quoted on the Stock Exchange on 31 May 2021, being the closing price on the date of the Subscription Agreements; and
- (ii) a discount of approximately 6.9% to the average closing price of approximately HK\$0.806 per Share as quoted on the Stock Exchange for the last five (5) consecutive trading days prior to the date of the Subscription Agreements.

The Subscription is not subject to Shareholders' approval and 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 each of the Subscriptions is subject to fulfillment of the condition under each of the relevant Subscription Agreements. As the Subscriptions may or may not proceed, Shareholders and potential investors are reminded to exercise caution when dealing in the Shares.**

## **THE SUBSCRIPTIONS**

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## **THE SUBSCRIPTION AGREEMENTS**

### **Date**

31 May 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 848,820,000 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 their Subscription.

None of the Subscription Agreements are inter-conditional upon other Subscription Agreements.

The names of the Subscribers and their respective numbers of Subscription Shares are as follows:

	<b>Number of Subscription Shares</b>
ZTFO HOLDING PTE. LTD.	215,000,000
TOPTIP HOLDING PTE. LTD.	50,000,000
JIANYOU INTERNATIONAL TRADE CO., LTD (建友國際貿易有限公司)	200,000,000
HONGKONG KUNHONG RESOURCES CO., LIMITED (香港昆宏資源有限公司)	150,000,000
ICH PARTNERS LTD.	10,000,000
Zhang Shiping (張仕平)	30,000,000
Gong Hong (鞏紅)	30,000,000
Zhu Zhongjie (朱忠杰)	30,000,000
Chen Hongqi (陳紅旗)	30,000,000
Wu Hongyi (吳紅宜)	20,000,000
Xie Rong (謝榮)	20,000,000
Tsoi Wing Ying (蔡榮映)	20,000,000
Dong Hao (董浩)	10,000,000
Total	<u>815,000,000</u>

ZTFO HOLDING PTE. LTD. and TOPTIP HOLDING PTE. LTD. are companies incorporated in Singapore. ZTFO HOLDING PTE. LTD. is mainly engaged in investment of securities, instruments, debts securities and other assets. TOPTIP HOLDING PTE. LTD. is mainly engaged in the trading of bulk commodities and investment of securities, instruments, debts securities and other assets. Both companies are wholly-owned by Mr. Liu Bin (劉斌).

JIANYOU INTERNATIONAL TRADE CO., LTD. (建友國際貿易有限公司) is a company incorporated in Hong Kong and is mainly engaged in production and trading of steel and steel-related products. It is wholly-owned by Henan Yaxin Iron and Steel Group Co., Ltd.\* (河南亞新鋼鐵集團有限公司), which is owned as to 34.5% by Li Jingzhong (李景忠), 30.6% by Lin Yiwu (林宜武), 13.3% by Lin Yiqun (林宜群), 10.8% by Lin Yitan (林宜坦) and 10.8% by Lin Yiqin (林宜欽).

HONGKONG KUNHONG RESOURCES CO., LIMITED (香港昆宏資源有限公司) is a company incorporated in Hong Kong and is mainly engaged in the trading of commodities. It is wholly-owned by Zhang Xiaoming (張曉明).

ICH PARTNERS LTD. is a company incorporated in British Virgin Islands and is mainly engaged in the investment of securities, instruments, debts securities and other assets. It is wholly-owned by Mr. Toe Teow Heng (卓僑興).

All of the individuals above are merchants.

To the best of the knowledge, information and belief of the Directors, having made all reasonable enquiries, the Subscribers (and the ultimate beneficial owner(s) 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 SUBSCRIPTIONS**

### **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 6.44% of the total number of Shares in issue as at the date of this announcement; and (b) approximately 6.05% 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 and issue 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, 815,000,000 securities of the Company have been issued upon the completion of subscription of new Shares under the General Mandate in February 2021.

### **Subscription Price**

The Subscription Price is HK\$0.75, which represents:

- (i) a discount of approximately 13.8% to the closing price of HK\$0.87 per Share as quoted on the Stock Exchange on 31 May 2021, being the closing price on the date of the Subscription Agreements; and
- (ii) a discount of approximately 6.9% to the average closing price of approximately HK\$0.806 per Share as quoted on the Stock Exchange for the last five (5) consecutive trading days 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 each of the Subscriptions 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 have not provided for the right of the parties to waive the above condition.

### **Completion of the Subscriptions**

Completion of each 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 relevant Subscriber may agree in writing).

If the condition is not fulfilled on or before 29 June 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 relevant 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) the 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, margin financing and fund management 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\$611.3 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\$611.1 million. The net Subscription Price, after deducting such fees, costs and expenses, is therefore approximately HK\$0.75 per Subscription Share.

On 25 February 2021, the Group completed the previous placement of shares. Since then there have been great changes in China's steel industry. On one side, steel price has peaked in early May 2021 with a more than 30% increase since 25 February 2021. The trading volume has increased as well. On the other side, "peak carbon-dioxide emissions" and "carbon neutrality" concepts have become more popular and main stream and has gradually become the consensus of the industry. The Group has decided to take this opportunity, following the development of the steel industry in China in this low carbon emission era, to expand its business in China.

The Group intends to improve the iron ore resources allocation in China, promoting high grade iron ore. The Group will consider investing in several iron ore concentrating plants along the coastal and river areas in China. Capacity for each plant will be at least ten million tons. The Group targets to provide the steel mills with higher quality raw materials and hence reduce carbon emissions.

The net proceeds from the Subscription will be used as working capital for the Group to expand its business in China, especially steel trading business and concentrating plants investment business.

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 to expand its business in China. 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 funds 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 conducted the following fund raising activity in the past twelve months immediately before the date of this announcement:

Date of announcement	Event	Net proceeds	Intended use of proceeds	Actual use of proceeds as at the date of announcement
20 January 2021	Subscription of 815,000,000 new shares under general mandate granted by the Shareholders at the AGM on 26 June 2020	Approximately HK\$196.3 million	For the settlement of some of the payment for the purchase of iron ore due in the first quarter 2021	used as intended

Save as abovementioned, the Company had not conducted any other fund raising activity 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	
	<i>Number of Shares</i>	<i>Approximate % (Note 1)</i>	<i>Number of Shares</i>	<i>Approximate % (Note 1)</i>
<b>You Zhenhua (Note 1)</b>	8,498,747,176	67.15	8,498,747,176	63.09
<b>Subscribers</b>	848,820,000	6.71	1,663,820,000	12.35
<b>Other public shareholders</b>	3,308,777,455	26.14	3,308,777,455	24.56
<b>Total:</b>	<b>12,656,344,631</b>	<b>100</b>	<b>13,471,344,631</b>	<b>100</b>

*Notes:*

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

These 8,498,747,176 Shares comprise (i) 8,494,907,176 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 the Securities and Futures Ordinance, Mr. You is deemed to be interested in the Shares held by Wide Bridge.

## **GENERAL**

The Subscription is not subject to Shareholders’ approval and 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 each of the Subscriptions is subject to fulfillment of the condition under each of the relevant Subscription Agreements. As the Subscriptions 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
“Shares”	shares of HK\$0.0025 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“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 each of the Subscription Agreements
“Subscription Agreements”	the subscription agreements entered into by the Company and each of the Subscribers respectively, each dated 31 May 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\$0.75 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, 31 May 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) two Non-Executive Directors, namely Mr. Ding Lin and Mr. Kang Jian; and (iii) three Independent Non-Executive Directors, namely Mr. Liu Song, Mr. Chan Chi Ming, Tony and Mr. Wu Shiming.*