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## **THEME INTERNATIONAL HOLDINGS LIMITED**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 990)**

### **DISCLOSEABLE TRANSACTION IN RELATION TO THE ACQUISITION OF THE TARGET COMPANIES; CONNECTED TRANSACTION IN RELATION TO THE FORMATION OF JOINT VENTURE; AND CONNECTED TRANSACTION IN RELATION TO THE SHARE SUBSCRIPTION AND DEEMED DISPOSAL OF SKS CHEMICAL**

#### **INTRODUCTION**

On 1 April 2022, SKS Chemical (a wholly-owned subsidiary of the Company), the Company, JMK Capital, Mr. Gao, Ms. Xiao and the Vendor entered into the Sale & Purchase and Shareholders Agreement, pursuant to which the Vendor has agreed to sell and SKS Chemical has agreed to acquire the Sale Shares at the Consideration of US\$12,699,089.90 (equivalent to approximately HK\$99.47 million). Further, pursuant to the Sale & Purchase and Shareholders Agreement, (i) the Company, Mr. Gao, Ms. Xiao, have respectively agreed to, on the Bank Account Opening Date, subscribe for 7,799,999 SKSC Shares, 650,000 SKSC Shares and 650,000 SKSC Shares for the respective consideration of US\$7,799,999 (equivalent to approximately HK\$61.10 million), US\$650,000 (equivalent to HK\$5.09 million) and US\$650,000 (equivalent to HK\$5.09 million), as a result, SKS Chemical will become a joint venture owned by the Company, Mr. Gao and Ms. Xiao as to approximately 85.72%, 7.14% and 7.14%, respectively; and (ii) JMK Capital has agreed to, on the Completion Date, subscribe for 3,900,000 SKSC Shares at the consideration of US\$3,900,000 (equivalent to HK\$30.55 million). Immediately upon completion of the Subscription, SKS Chemical will be owned by the Company, JMK Capital, Mr. Gao and Ms. Xiao as to 60%, 30%, 5% and 5%, respectively. SKS Chemical will become a non wholly-owned subsidiary of the Company following completion of the Acquisition and the Subscription.

Completion of the Acquisition and the Subscription are not inter-conditional.

The Sale & Purchase and Shareholders Agreement also sets out, among others, the relationship among the shareholders of SKS Chemical and the management and operation of SKS Chemical.

## **IMPLICATIONS OF THE LISTING RULES**

### **The Acquisition**

As the highest applicable percentage ratio(s) (as defined under the Listing Rules) in respect of the Acquisition is more than 5% but all of them are less than 25%, the Acquisition constitutes a discloseable transaction for the Company and is therefore subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

### **Formation of Joint Venture**

As one of the joint venture partners, Mr. Gao, is a director of BPI Financial Group Limited, a non-wholly-owned subsidiary of the Company, Mr. Gao is a connected person of the Company at the subsidiary level. Accordingly, the subscription of SKSC Shares by Mr. Gao constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules. As the subscription of SKSC Shares by Mr. Gao is on normal commercial terms, all the percentage ratios (other than the profits ratio) in respect of such subscription is less than 1% and the transaction was a connected transaction only because it involved a connected person at the subsidiary level, the subscription of SKSC Shares by Mr. Gao is fully exempt from Shareholders' approval, annual review and all disclosure requirements under Chapter 14A of the Listing Rules.

### **The Subscription and Deemed Disposal**

As at the date of this announcement, SKS Chemical is an insignificant subsidiary of the Company. Upon Completion, SKS Chemical will no longer be regarded as an insignificant subsidiary of the Company. Accordingly, Mr. Tan will become a connected person of the Company at the subsidiary level by virtue of his directorship with SKS Chemical. As JMK Capital is wholly-owned by Mr. Tan, JMK Capital will also become a connected person of the Company at the subsidiary level and the Subscription constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules. The Subscription also constitutes a deemed disposal of the Company's interest in SKS Chemical under Rule 14.29 of the Listing Rules.

As the highest applicable percentage ratio(s) in respect of the Subscription and the Deemed Disposal is more than 0.1% but all of them are less than 5%, the Subscription and the Deemed Disposal do not constitute a notifiable transaction for the Company under Chapter 14 of the Listing Rules but would constitute a connected transaction for the Company which is subject to the reporting and announcement requirements but exempt from the circular (including independent financial advice) and Shareholders' approval requirements pursuant to Rule 14A.76(2) of the Listing Rules.

### **INTRODUCTION**

On 1 April 2022, SKS Chemical (a wholly-owned subsidiary of the Company), the Company, JMK Capital, Mr. Gao, Ms. Xiao and the Vendor entered into the Sale & Purchase and Shareholders Agreement, pursuant to which the Vendor has agreed to sell and SKS Chemical has agreed to acquire the Sale Shares at the Consideration of US\$12,699,089.90 (equivalent to approximately HK\$99.47 million). Further, pursuant to the Sale & Purchase and Shareholders Agreement, (i) the Company, Mr. Gao, Ms. Xiao, have respectively agreed to, on the Bank Account Opening Date, subscribe for 7,799,999 SKSC Shares, 650,000 SKSC Shares and 650,000 SKSC Shares for the respective consideration of US\$7,799,999 (equivalent to approximately HK\$61.10 million), US\$650,000 (equivalent to HK\$5.09 million) and US\$650,000 (equivalent to HK\$5.09 million), as a result, SKS Chemical will become a joint venture owned by the Company, Mr. Gao and Ms. Xiao as to approximately 85.72%, 7.14% and 7.14%, respectively; and (ii) JMK Capital has agreed to, on the Completion Date, subscribe for 3,900,000 SKSC Shares at the consideration of US\$3,900,000 (equivalent to HK\$30.55 million). Immediately upon completion of the Subscription, SKS Chemical will be owned by the Company, JMK Capital, Mr. Gao and Ms. Xiao as to 60%, 30%, 5% and 5%, respectively. SKS Chemical will become a non wholly-owned subsidiary of the Company following completion of the Acquisition and the Subscription.

Completion of the Acquisition and the Subscription are not inter-conditional.

The Sale & Purchase and Shareholders Agreement also sets out, among others, the relationship among the shareholders of SKS Chemical and the management and operation of SKS Chemical.

## **THE SALE & PURCHASE AND SHAREHOLDERS AGREEMENT**

The principal terms of the Sale & Purchase and Shareholders Agreement are as follows:

- Date: 1 April 2022
- Parties:
- (1) SKS Chemical (as purchaser);
  - (2) The Company;
  - (3) JMK Capital;
  - (4) Mr. Gao;
  - (5) Ms. Xiao; and
  - (6) Mr. Tan (as vendor).

Ms. Xiao a substantial shareholder of 競點紅一國際貿易有限公司 (Jingdian Hongyi International Trade Co., Ltd.), a company established in the PRC and owned as to 70% by the Company, which is a non wholly-owned and insignificant subsidiary of the Company. As such, Ms. Xiao is an Independent Third Party.

As at the date of this announcement, SKS Chemical is an insignificant subsidiary of the Company. Upon Completion, SKS Chemical will no longer be regarded as an insignificant subsidiary of the Company. Mr. Tan is a director of SKS Chemical and JMK Capital is wholly-owned by Mr. Tan. Hence, as at the date hereof, Mr. Tan is an Independent Third Party, and upon Completion, Mr. Tan and JMK Capital will become connected persons of the Company.

Mr. Gao is a director of BPI Financial Group Limited, a non-wholly-owned subsidiary of the Company. Hence, Mr. Gao is a connected person of the Company. Mr. Gao is also a director of SKS Chemical, which is an insignificant subsidiary of the Company immediately prior to the Completion

Subject matter of the Acquisition:	The Sale Shares, i.e., (i) 19,500,000 ordinary shares in issue of SK Chemical Trading (HK), representing its entire issued share capital, and (ii) 1,000,000 ordinary shares in issue of Fox-Chem, representing its entire issued share capital.
Consideration and payment terms:	<p>The Consideration is US\$12,699,089.90 (equivalent to approximately HK\$99.47 million), of which:</p> <p>(1) 70% or US\$8,889,362.93 (equivalent to approximately HK\$69.63 million) shall be paid by SKS Chemical to the Vendor in cash on the Completion Date; and</p> <p>(2) 30% or US\$3,809,726.97 (equivalent to approximately HK\$29.84 million), being the balance of the Consideration, shall be paid by SKS Chemical to the Vendor within three calendar months of Completion, upon being satisfied with its due diligence results on the Target Companies.</p> <p>The Consideration was determined after arm's length negotiation between the Vendor and SKS Chemical with reference to the unaudited net asset value of the Target Companies of approximately US\$11.0 million (equivalent to HK\$86.16 million) as at 11 February 2022 plus an additional 15% premium, taking into account the potential benefits of the Acquisition and prospects of the businesses carried on by the Target Companies as set out in the section headed "REASONS FOR AND BENEFITS OF THE ACQUISITION, THE FORMATION OF JOINT VENTURE AND THE SUBSCRIPTION". The Directors consider that the Consideration is fair and reasonable and in the interests of the Company and the Shareholders as a whole. The Consideration will be funded by internal resources of the Group and the proceeds from the subscription of SKSC Shares by Mr. Gao, Ms. Xiao and JMK Capital.</p>
Formation of Joint Venture:	On the Bank Account Opening Date, the Company, Mr. Gao, Ms. Xiao shall respectively subscribe for 7,799,999 SKSC Shares, 650,000 SKSC Shares and 650,000 SKSC Shares for the respective consideration of US\$7,799,999 (equivalent to approximately HK\$61.10 million), US\$650,000 (equivalent to HK\$5.09 million) and US\$650,000 (equivalent to HK\$5.09 million). As a result, SKS Chemical will become a joint venture owned by the Company, Mr. Gao, Ms. Xiao as to approximately 85.72%, 7.14% and 7.14%, respectively.

- Completion: Completion shall take place on the Completion Date, which is expected to be three business days after the Bank Account Opening Date, which is estimated to take around 10 business days (or such other date as the Parties may mutually agree).
- The Subscription: On the Completion Date, JMK Capital shall subscribe for 3,900,000 SKSC Shares at the consideration of US\$3,900,000 (equivalent to HK\$30.55 million). Immediately upon completion of the Subscription, SKS Chemical will be owned by the Company, JMK Capital, Mr. Gao and Ms. Xiao as to 60%, 30%, 5% and 5%, respectively.
- Regulations of SKS Chemical: The Company, JMK Capital, Mr. Gao and Ms. Xiao have agreed, among others, that:
- (1) SKS Chemical shall carry on the businesses undertaken by the Target Companies;
  - (2) The existing management of the Target Companies shall continue to operate and manage the business affairs of SKS Chemical, subject to oversight by the board of directors and shareholders of SKS Chemical;
  - (3) A shareholder of SKS Chemical holding 30% shareholding interest in SKS Chemical shall be entitled to nominate one person for appointment as director of SKS Chemical. The directors of SKS Chemical shall hold meetings as they may decide from time to time and all decisions of the directors shall be determined based on majority votes; and
  - (4) Each of the Company, JMK Capital, Mr. Gao and Ms. Xiao shall not, directly or indirectly, create or permit to subsist any encumbrance over any SKSC Shares or any part of its/his/her interest in such SKSC Shares, without the prior written consent of both the Company and JMK Capital; neither shall they directly or indirectly, transfer all or any part of SKSC Shares held by it/him/her or otherwise sell, dispose of or deal with all or any part of its/his/her interest in such SKSC Shares, without first offering the same to the other shareholders of SKS Chemical.

## INFORMATION ON SKS CHEMICAL, THE COMPANY AND THE GROUP

SKS Chemical is a newly incorporated company incorporated in Singapore. The principal activity of the Company is investment holding and the Group is principally engaged in the (i) trading and processing of bulk commodities and related products in Hong Kong, Singapore and the PRC; and (ii) provision of securities and derivatives financial services, margin financing and fund management in Hong Kong and Singapore.

## INFORMATION ON THE OTHER PARTIES

Each of Mr. Tan, Mr. Gao and Ms. Xiao is a merchant.

The principal activity of JMK Capital is investment holding.

## INFORMATION ON THE TARGET COMPANIES

SK Chemical Trading (HK) is a company incorporated in Hong Kong with limited liability, its principal activities are the wholesale and trading of petrochemicals and investment holding.

Fox-Chem is a company incorporated in Singapore with limited liability. Its principal activity is the wholesale of chemicals and chemical products.

## Financial information of the Target Companies

The following tables summarise the financial information of the Target Companies for the periods indicated below.

### *SK Chemical Trading (HK)*

Set out below is a summary of the financial information of SK Chemical Trading (HK) as extracted from its audited financial statements for the years ended 31 December 2019 and 2020, respectively, which were prepared in accordance with the Hong Kong Financial Reporting Standards:

	For the year ended	
	31 December	
	2020	2019
	US\$'000	US\$'000
	(Approx.)	(Approx.)
Net profit/(Loss) before taxation	2,178	(2,506)
Net profit/(Loss) after taxation	2,177	(2,506)

The audited net asset value of SK Chemical Trading (HK) for the year ended 31 December 2021 was approximately US\$4,833,000.

## ***Fox-Chem***

Set out below is a summary of the financial information of Fox-Chem as extracted from its audited financial statements for the years ended 30 June 2020 and 2021, respectively, which were prepared in accordance with the Singapore Financial Reporting Standards:

	<b>For the year ended</b>	
	<b>30 June</b>	
	<b>2021</b>	<b>2020</b>
	<i>US\$'000</i>	<i>US\$'000</i>
	<i>(Approx.)</i>	<i>(Approx.)</i>
Net profit before taxation	1,477	1,148
Net profit after taxation	1,232	999

The audited consolidated net asset value of Fox-Chem and its subsidiary for the year ended 30 June 2021 was approximately US\$3,554,000.

SKS Chemical become a non wholly-owned subsidiary of the Company following completion of the Acquisition and the Subscription.

### **REASONS FOR AND BENEFITS OF THE ACQUISITION, THE FORMATION OF JOINT VENTURE AND THE SUBSCRIPTION**

The Group is principally engaged in the trading and processing of bulk commodities and related products in Hong Kong, Singapore and PRC. The Group constantly seeks opportunities to expand its trading horizons and diversify its trading products. The Acquisition will be a good addition and supplemental to the existing trading line of the Group. Since the Target Companies are experienced in trading of petrochemicals and chemical products with a well-established network and a customer base, the Acquisition will be a good entry point for the Group to enter the chemical trading market and to diversify its existing trading product lines. The formation of the Joint Venture and the Subscription will also reduce initial capital requirement for the Acquisition. Further, as Mr. Tan will continue to manage and operate the Target Companies, and also manage and operate SKS Chemical, having a shareholding interest in SKS Chemical will align Mr. Tan's interest with that of SKS Chemical and hence provide more incentive for Mr. Tan in enhancing the performance of SKS Chemical and the Target Companies.

Having considered the above, the Directors (including the independent non-executive Directors) consider that the terms of the Sale & Purchase and Shareholders Agreement and the transactions contemplated thereunder are fair and reasonable, on normal commercial terms, in the ordinary and usual course of business of the Group, and in the interests of the Company and the Shareholders as a whole.

None of the Directors has or is deemed to have a material interest in the Sale & Purchase and Shareholders Agreement and the transactions contemplated thereunder, and no Director is required to abstain from voting on the relevant Board resolutions approving the Sale & Purchase and Shareholders Agreement and the transactions contemplated thereunder.

## **IMPLICATIONS OF THE LISTING RULES**

### **The Acquisition**

As the highest applicable percentage ratio(s) (as defined under the Listing Rules) in respect of the Acquisition is more than 5% but all of them are less than 25%, the Acquisition constitutes a discloseable transaction for the Company and is therefore subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

### **Formation of Joint Venture**

As one of the joint venture partners, Mr. Gao, is a director of BPI Financial Group Limited, a non-wholly-owned subsidiary of the Company, Mr. Gao is a connected person of the Company at the subsidiary level. Accordingly, the subscription of SKSC Shares by Mr. Gao constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules. As the subscription of SKSC Shares by Mr. Gao is on normal commercial terms, all the percentage ratios (other than the profits ratio) in respect of such subscription is less than 1% and the transaction was a connected transaction only because it involved a connected person at the subsidiary level, the subscription of SKSC Shares by Mr. Gao is fully exempt from Shareholders' approval, annual review and all disclosure requirements under Chapter 14A of the Listing Rules.

### **The Subscription and the Deemed Disposal**

As at the date of this announcement, SKS Chemical is an insignificant subsidiary of the Company. Upon Completion, SKS Chemical will no longer be regarded as an insignificant subsidiary of the Company. Accordingly, Mr. Tan will become a connected person of the Company at the subsidiary level by virtue of his directorship with SKS Chemical. As JMK Capital is wholly-owned by Mr. Tan, JMK Capital will also become a connected person of the Company at the subsidiary level and the Subscription constitutes a connected transaction for the Company under Chapter 14A of the Listing Rules. The Subscription also constitutes a deemed disposal of the Company's interest in SKS Chemical under Rule 14.29 of the Listing Rules.

As the highest applicable percentage ratio(s) in respect of the Subscription and the Deemed Disposal is more than 0.1% but all of them are less than 5%, the Subscription and the Deemed Disposal do not constitute a notifiable transaction for the Company under Chapter 14 of the Listing Rules but would constitute a connected transaction for the Company

which is subject to the reporting and announcement requirements but exempt from the circular (including independent financial advice) and Shareholders' approval requirements pursuant to Rule 14A.76(2) of the Listing Rules.

## DEFINITIONS

In this announcement, unless the context otherwise required, the following terms and expressions have the following meanings:

“Acquisition”	the acquisition of the Sale Shares by SKS Chemical from the Vendor pursuant to the terms of the Sale & Purchase and Shareholders Agreement
“Bank Account Opening Date”	the date of SKS Chemical opening a bank account with a licensed bank in Singapore
“Board”	the board of Directors
“Company”	Theme International Holdings Limited, a company incorporated in Bermuda with limited liability whose issued shares are listed on the Main Board of the Stock Exchange (stock code: 990)
“Completion”	completion of the Acquisition in accordance with the terms of the Sale & Purchase and Shareholders Agreement
“Completion Date”	the date of Completion, which is expected to be three business days after the Bank Account Opening Date (or such other date as the Parties may mutually agree)
“connected person(s)”	has the meaning ascribed thereto under the Listing Rules
“Consideration”	the consideration for the Acquisition in the amount of US\$12,699,089.90 (equivalent to approximately HK\$99.47 million)
“Deemed Disposal”	the deemed disposal of the Company's interest in SKS Chemical as a result of the completion of the Subscription
“Director(s)”	director(s) of the Company
“Fox-Chem”	Fox-Chem Pte. Ltd., a company incorporated in Singapore with limited liability and one of the Target Companies
“Group”	the Company and its subsidiaries from time to time

“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
Hong Kong	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	third party(ies) independent of the Company and its connected persons
“insignificant subsidiary”	has the meaning ascribed thereto under the Listing Rules
“JMK Capital”	JMK Capital Pte. Ltd., a company incorporated in Singapore with limited liability
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Mr. Gao”	Mr. Gao Feng
“Ms. Xiao”	Ms. Xiao Xia
“Parties”	the parties to the Sale & Purchase and Shareholders Agreement
“PRC”	the People’s Republic of China, for the purpose of this announcement and for geographical reference only, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Sale & Purchase and Shareholders Agreement”	the sale & purchase and shareholders agreement dated 1 April 2022 and entered into among SKS Chemical, the Company, JMK Capital, Mr. Gao and Ms. Xiao in relation to the Acquisition, formation of Joint Venture and the Subscription
“Sale Shares”	19,500,000 ordinary shares in issue of SK Chemical Trading (HK), representing its entire issued share capital, and 1,000,000 ordinary shares in issue of Fox-Chem, representing its entire issued share capital
“Share(s)”	ordinary share(s) of HK\$0.0025 each in the capital of the Company
“Shareholder(s)”	holder(s) of Share(s)

“SK Chemical Trading (HK)”	SK Chemical Trading (HK) Limited, a company incorporated in Hong Kong with limited liability and one of the Target Companies
“SKS Chemical” or “Joint Venture”	SKS Chemical Trading Pte. Ltd., a company incorporated in Singapore with limited liability and a wholly-owned subsidiary of the Company as at the date of this announcement. Immediately upon completion of the Acquisition and the Subscription, SKS Chemical will be owned by the Company, JMK Capital, Mr. Gao and Ms. Xiao as to 60%, 30%, 5% and 5%, respectively
“SKSC Shares”	the ordinary shares in the capital of SKS Chemical
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscription”	the subscription of 3,900,000 SKSC Shares by Mr. Tan pursuant to the terms of the Sale & Purchase and Shareholders Agreement
“substantial shareholder(s)”	has the meaning ascribed thereto under the Listing Rules
“Target Companies”	SK Chemical Trading (HK) and Fox-Chem
“US\$”	United States dollars, the lawful currency of the United States of America
“Vendor” or “Mr. Tan”	Mr. Tan Siew Kiat
“%”	per cent

*For illustrative purposes, sums in US\$ in this announcement are translated to HK\$ at the rate of US\$1 = HK\$7.8330. Such exchange rate has been used, where applicable, for the purpose of illustration only and does not constitute a representation that any amounts were or may have been exchanged at this or any other rates or at all.*

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

Hong Kong, 1 April 2022

*As at the date of this announcement, the executive Directors are Mr. Jiang Jiang, Mr. Wu Lei and Ms. Chen Jing; the non-executive Directors are Mr. Ding Lin, Mr. Wang Zhenhui and Mr. Kang Jian; and the independent non-executive Directors are Mr. Liu Song, Ms. Kent Shun Ming and Mr. Wu Shiming.*