Theme

THEME INTERNATIONAL HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock code: 990)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2013

The board of directors (the "Directors") of Theme International Holdings Limited (the "Company") announces the audited consolidated results of the Company and its subsidiaries (collectively as the "Group") for the year ended 31 December 2013 together with the comparative figures for the corresponding period in 2012 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2013

		2013	2012
	NOTES	***HK$'000***	*HK$'000*
Revenue	*3*	**87,274**	89,762
Cost of sales		**(37,880)**	(45,133)
Gross profit		**49,394**	44,629
Other income, gain and loss		**(263)**	990
Selling and distribution expenses		**(48,506)**	(48,473)
Administrative expenses		**(15,881)**	(31,160)
Share of loss of a joint venture		**(33)**	(9,220)
Loss before taxation		**(15,289)**	(43,234)
Income tax expense	*6*	**(52)**	(52)
Loss for the year attributable to owners of the Company	*5*	**(15,341)**	(43,286)
Other comprehensive income			
Item that will not be reclassified subsequently to profit or loss:			
Remeasurement of defined benefit retirement plans		**178**	–
Item that may be reclassified subsequently to profit or loss:			
Exchange differences arising on translating foreign operations		**137**	135
Total other comprehensive income		**315**	135
Total comprehensive expense for the year attributable to owners of the Company		**(15,026)**	(43,151)
Loss per share	*8*		
Basic and diluted		**HK(0.42) cents**	HK(1.18) cents

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 31 DECEMBER 2013

	NOTES	**2013** **HK$'000**	2012 HK$'000
Non-current assets			
Property, plant and equipment		**4,209**	4,024
Interest in a joint venture		**–**	–
Loan to a joint venture		**–**	9,993
		4,209	14,017
Current assets			
Inventories		**9,395**	16,178
Trade receivables	*9*	**7,807**	9,644
Deposits, prepayments and other receivables		**4,764**	4,795
Bank balances and cash		**29,712**	25,978
		51,678	56,595
Current liabilities			
Trade payables	*10*	**19,022**	19,726
Other payables and accrued charges		**24,439**	23,424
Dividend payable		**7**	7
Tax payable		**26**	36
		43,494	43,193
Net current assets		**8,184**	13,402
Total assets less current liabilities		**12,393**	27,419
Capital and reserves			
Share capital		**9,140**	9,140
Reserves		**3,253**	18,279
Equity attributable to owners of the Company		**12,393**	27,419

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2013

1. BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") and by the Hong Kong Companies Ordinance.

As at 31 December 2013, the Group's major operating subsidiary (Taiwan Vision Company Ltd. ("TVCL")) is in net liabilities and net current liabilities position, including trade payables of HK$17,622,000 and other payables of HK$16,661,000 due to a supplier, which were overdue or are repayable on demand.

Furthermore, TVCL's exclusive use of the "Theme" trademark and related intellectual properties in Taiwan region (collectively the "Trademark") will end on 27 October 2014 as stipulated in the licence agreement entered into between TVCL and a third party on 28 October 2009 (the "Licence Agreement"). Pursuant to the Licence Agreement, TVCL has the right for the use of the Trademark on a non-exclusive basis for a further five years from 28 October 2014 to 27 October 2019. TVCL's revenue was solely generated from the sale of products under the "Theme" brand. Upon the expiry of the exclusive licence right, TVCL may need to compete with other suppliers to distribute these products in the future.

In view of the above, the directors of the Company have therefore given careful consideration to the future liquidity of the Group including TVCL's future liquidity needs and trading prospects when preparing the consolidated financial statements. The consolidated financial statements have been prepared on a going concern basis, due to the following reasons:

(i) On 17 March 2014, the Company, TVCL and the supplier entered into a settlement agreement, pursuant to this agreement, the Group agreed to settle TVCL's payables due by three instalments in 2014.

(ii) A shareholder of the Company has agreed to provide financial support to enable the Group to meet in full its financial obligations as they fall due for the foreseeable future;

(iii) Pursuant to the Licence Agreement, TVCL has the right for the use of the Trademark on a non-exclusive basis for five years upon the expiry of the right for the use of Trademark on an exclusive basis, i.e. from 28 October 2014 to 27 October 2019, the directors of the Company intend to continue the TVCL's operation under the Trademark on a non-exclusive basis after 27 October 2014. In addition, the Group's supply agreement with the supplier of the goods under the Trademark is effective until 27 October 2015, accordingly it is anticipated that the Group shall continue to obtain adequate supply of goods in the foreseeable future; and

(iv) The Group will continue to negotiate with the existing suppliers to ensure a stable supply of goods, identify new suppliers as well as search for opportunities of acquiring other brand names and cooperating with other brands to enhance TVCL's operations.

As a result of the measures described above, the directors of the Company are satisfied that the Group will be able to meet in full its financial obligations as and when they fall due for the foreseeable future and continue in operational existence. Accordingly, the consolidated financial statements have been prepared on a going concern basis.

2. APPLICATION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS

The Group has applied the following new and revised HKFRSs issued by HKICPA for the first time in the current year:

Amendments to HKFRSs	Annual improvements to HKFRSs 2009-2011 cycle
Amendments to HKFRS 7	Disclosures-Offsetting financial assets and financial liabilities
Amendments to HKFRS 10, HKFRS 11 and HKFRS 12	Consolidated financial statements, joint arrangements and Disclosure of interests in other entities: Transition guidance
HKFRS 10	Consolidated financial statements
HKFRS 11	Joint arrangements
HKFRS 12	Disclosure of interests in other entities
HKFRS 13	Fair value measurement
HKAS 19 (as revised in 2011)	Employee benefits
HKAS 27 (as revised in 2011)	Separate financial statements
HKAS 28 (as revised in 2011)	Investments in associates and joint ventures
Amendments to HKAS 1	Presentation of items of other comprehensive income
HK(IFRIC)-INT 20	Stripping costs in the production phase of a surface mine

Except as described below, the application of the new and revised HKFRSs in the current year has had no material impact on the Group's financial performance and positions for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

Amendments to HKAS 1 Presentation of items of other comprehensive income

The Group has applied the amendments to HKAS 1 "Presentation of items of other comprehensive income". Upon the adoption of the amendments to HKAS 1, the Group's 'statement of comprehensive income' is renamed as the 'statement of profit or loss and other comprehensive income'. The amendments to HKAS 1 retain the option to present profit or loss and other comprehensive income in either a single statement or in two separate but consecutive statements. Furthermore, the amendments to HKAS 1 require additional disclosures to be made in the other comprehensive income section such that items of other comprehensive income are grouped into two categories: (a) items that will not be reclassified subsequently to profit or loss and (b) items that may be reclassified subsequently to profit or loss when specific conditions are met. Income tax on items of other comprehensive income is required to be allocated on the same basis-the amendments do not change the option to present items of other comprehensive income either before tax or net of tax. The amendments have been applied retrospectively, and hence the presentation of items of other comprehensive income has been modified to reflect the changes. Other than the above mentioned presentation changes, the application of the amendments to HKAS 1 does not result in any impact on profit or loss, other comprehensive income and total comprehensive income.

New and revised Standards on consolidation, joint arrangements, associates and disclosures

In the current year, the Group has applied for the first time the package of five standards on consolidation, joint arrangements, associates and disclosures comprising HKFRS 10 "Consolidated financial statements", HKFRS 11 Joint Arrangements, HKFRS 12 "Disclosure of interests in other entities", HKAS 27 (as revised in 2011) "Separate financial statements" and HKAS 28 (as revised in 2011) "Investments in associates and joint ventures", together with the amendments to HKFRS 10, HKFRS 11 and HKFRS 12 regarding transitional guidance.

HKAS 27 (as revised in 2011) is not applicable to the Group as it deals only with separate financial statements.

The impact of the application of these standards is set out below.

Impact of the application of HKFRS 11

HKFRS 11 replaces HKAS 31 "Interests in joint ventures", and the guidance contained in a related interpretation, HK(SIC)-Int 13 "Jointly controlled entities-Non-monetary contributions by venturers", has been incorporated in HKAS 28 (as revised in 2011). HKFRS 11 deals with how a joint arrangement of which two or more parties have joint control should be classified and accounted for. Under HKFRS 11, there are only two types of joint arrangements-joint operations and joint ventures. The classification of joint arrangements under HKFRS 11 is determined based on the rights and obligations of parties to the joint arrangements by considering the structure, the legal form of the arrangements, the contractual terms agreed by the parties to the arrangement, and, when relevant, other facts and circumstances. A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement (i.e. joint operators) have rights to the assets, and obligations for the liabilities, relating to the arrangement. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement (i.e. joint venturers) have rights to the net assets of the arrangement. Previously, HKAS 31 contemplated three types of joint arrangements-jointly controlled entities, jointly controlled operations and jointly controlled assets. The classification of joint arrangements under HKAS 31 was primarily determined based on the legal form of the arrangement (e.g. a joint arrangement that was established through a separate entity was accounted for as a jointly controlled entity).

The initial and subsequent accounting of joint ventures and joint operations is different. Investments in joint ventures are accounted for using the equity method (proportionate consolidation is no longer allowed).

The directors of the Company reviewed and assessed the classification of the Group's investments in joint arrangements in accordance with the requirements of HKFRS 11. The directors concluded that the Group's investment in Crown Age Investment Limited, which was classified as a jointly controlled entity under HKAS 31 and was accounted for using the equity method, should be classified as a joint venture under HKFRS 11 and accounted for using the equity method, accordingly, no material impact on the Group's financial performance and positions for the current and prior years.

Impact of the application of HKFRS 12

HKFRS 12 is a new disclosure standard and is applicable to entities that have interests in subsidiaries, joint arrangements, associates and/or unconsolidated structured entities. In general, the application of HKFRS 12 has resulted in more extensive disclosures regarding the interest in a joint venture in the consolidated financial statements.

HKAS 19 Employee benefits (as revised in 2011)

In the current year, the Group has applied HKAS 19 "Employee benefits" (as revised in 2011) and the related consequential amendments for the first time.

HKAS 19 (as revised in 2011) changes the accounting for defined benefit plans and termination benefits. The most significant change relates to the accounting for changes in defined benefit obligations and plan assets. The amendments require the recognition of changes in defined benefit obligations and in the fair value of plan assets when they occur, and hence eliminate the 'corridor approach' permitted under the previous version of HKAS 19 and accelerate the recognition of past service costs. All actuarial gains and losses are recognised immediately through other comprehensive income in order for the net pension asset or liability recognised in the consolidated statement of financial position to reflect the full value of the plan deficit or surplus. Furthermore, the interest cost and expected return on plan assets used in the previous version of HKAS 19 are replaced with a 'net interest' amount under HKAS 19 (as revised in 2011), which is calculated by applying the discount rate to the net defined benefit liability or asset.

Specific transitional provisions are applicable to first-time application of HKAS 19 (as revised in 2011). The application of this new accounting policy has insignificant impact to the Group's profit or loss, other comprehensive income and loss per share for years ended 31 December 2013 and 2012, except a gain of HK$178,000 is recognised in other comprehensive income for the year ended 31 December 2013 upon remeasurement of the net defined benefit asset. Accordingly, the consolidated statement of financial position as at 31 December 2012 and the consolidated statement of profit or loss and other comprehensive income for the year then ended are not restated.

The Group has not early applied the following new and revised HKFRSs that have been issued but are not yet effective:

Amendments to HKFRS	Annual improvements to HKFRSs 2010-2012 cycle[4]
Amendments to HKFRS	Annual improvements to HKFRSs 2011-2013 cycle[2]
Amendments to HKFRS 9 and HKFRS 7	Mandatory effective date of HKFRS 9 and transition disclosures[3]
Amendments to HKFRS 10, HKFRS 12 and HKAS 27	Investment entities[1]
HKFRS 9	Financial instruments[3]
Amendments to HKAS 19	Defined benefit plans: Employee contributions[2]
Amendments to HKAS 32	Offsetting financial assets and financial liabilities[1]
Amendments to HKAS 36	Recoverable amount disclosures for non-financial assets[1]
Amendments to HKAS 39	Novation of derivatives and continuation of hedge accounting[1]
HK(IFRIC)-INT 21	Levies[1]

1 Effective for annual periods beginning on or after 1 January 2014.
2 Effective for annual periods beginning on or after 1 July 2014.
3 Available for application-the mandatory effective date will be determined when the outstanding phases of HKFRS 9 are finalised.
4 Effective for annual periods beginning on or after 1 July 2014, with limited exceptions.

The directors of the Company anticipate that the application of these new and revised HKFRSs will have no material impact on the consolidated financial statements.

3. REVENUE

Revenue represents the amounts received and receivable for goods sold by the Group to external customers, less discounts and sales related tax, for the year.

4. SEGMENT INFORMATION

Information reported to the executive directors of the Company, being the chief operating decision maker, for the purpose of resource allocation and assessment of segment performance focuses. The Group currently has only one segment, i.e. retailing of garments.

The segment revenue of HK$87,274,000 (2012: HK$89,762,000) represents the consolidated revenue of the Group for the year. The segment loss is reported as HK$7,484,000 (2012: HK$10,931,000) which represented loss before taxation excluding corporate administrative expenses incurred by the Group amounting to HK$7,772,000 (2012: HK$23,083,000) and share of loss of a joint venture of HK$33,000 (2012: HK$9,220,000).

Revenue was derived from external customers of Taiwan for both years.

5. LOSS FOR THE YEAR

	2013	2012
	HK$'000	*HK$'000*
Loss for the year has been arrived at after charging:		
Cost of inventories recognised as expenses (included net reversal of allowance of HK$3,652,000 (2012: included net provision for allowance of HK$1,784,000) for obsolete inventories (note a))	**37,880**	45,133
Depreciation of property, plant and equipment	**2,839**	3,259
Auditor's remuneration	**880**	889
Operating lease rentals in respect of rented premises	**9,189**	9,844
Contingent rents (note b)	**12,931**	13,393
Loss on disposal of property, plant and equipment	**9**	220
Directors' remuneration	**2,672**	7,382
Other staff costs		
Salaries and allowances	**16,708**	14,450
Retirement benefits scheme contributions	**1,012**	920
Share-based compensation expenses	**–**	2,305
	17,720	17,675

Notes:

(a) Excess obsolete inventory provisions were reversed when the relevant inventories were sold.

(b) The contingent rents are determined based on a certain percentage of the gross sales of the relevant shops when the sales meet certain specified levels.

6. INCOME TAX EXPENSE

	2013	2012
	HK$'000	*HK$'000*
Tax charge comprises:		
Current tax charge	**52**	52

No provision for Hong Kong Profits Tax has been made for both years as the Company and its subsidiaries have no assessable profit arising in Hong Kong.

The profit tax rate prevailing in Taiwan is 17% for both years.

7. DIVIDENDS

No dividend was proposed during the year ended 31 December 2013, nor has any dividend been proposed since the end of the reporting period (2012: nil).

8. LOSS PER SHARE

The calculation of basic and diluted loss per share attributable to the owners of the Company is based on the following data:

	2013	2012
	HK$'000	*HK$'000*
Loss for the purpose of basic and diluted loss per share (Loss for the year attributable to owners of the Company)	**(15,341)**	(43,286)

	2013	2012
	'000	*'000*
Weighted average number of ordinary shares for the purpose of basic and diluted loss per share	**3,655,820**	3,655,820

Diluted loss per share does not assume the exercise of the Company's share options as the exercise of the Company's share options would result in a decrease in loss per share.

9. TRADE RECEIVABLES

	2013	2012
	HK$'000	*HK$'000*
Trade receivables	**7,807**	9,644

Trade receivables from third parties mainly represent receivables from department stores in relation to the collection of sales proceeds from concessionaire sales of merchandise to customers. The average credit period granted to the department stores is 60 days (2012: 60 days).

The following aging analysis of trade receivables, net of allowance for bad and doubtful debts, presented based on the invoice date at the end of the reporting period which approximated the respective revenue recognition dates:

	2013	2012
	HK$'000	*HK$'000*
Within 60 days	**7,807**	9,644

The Group has policy of providing allowance for bad and doubtful debts which is based on the evaluation of collectability and age of accounts and on management's judgement including credit worthiness and past collection history of each debtor.

10. TRADE PAYABLES

The following is an aging analysis of the trade payables presented based on the invoice date at the end of the reporting period:

	2013	2012
	HK$'000	*HK$'000*
Within 90 days	**5,033**	8,846
91 to 180 days	**6,376**	7,711
181 to 360 days	**7,236**	3,169
Over 360 days	**377**	–
	19,022	19,726

CHAIRMAN'S STATEMENT

During the year of 2013, the global economy continues to grow slowly, the economy of Taiwan as a whole was still lacking power to grow, the financial performance was below our expectation. As a result of slowdown in the domestic demand and fierce price competition, we are suffered from the operating of garment retailing business, the revenue of the Group for the year ended 31 December 2013 was amounted to HK$87,274,000 and was in the same level as previous year. Benefited by the cost reduction measures of the group, the gross profit margin had increased from 49.7% in 2012 to 56.6% in 2013. The segment result of the Taiwan operation had recorded a loss of HK$7,484,000 for the year ended 31 December 2013 as decreased from in the same period in 2012 with a loss of HK$10,931,000.

In 2014, the Group will strive to improve the financial performance of the retailing garment business in Taiwan by reviewing, planning and restructuring of the distribution channels and applying the appropriate cost controlling measures. By levering the expertise and experience obtained from running the brand name of "Theme", and having considered the use of the trademark of 'Theme' and related intellectual properties in Taiwan region on an exclusive basis which will end on 27 October 2014 and will then change to a non-exclusive basis for a period of five years. Accordingly, the Group will start searching for opportunities to acquire or co-operate with other brand names as well as looking for the upstream and downstream business operations in order to improve the profitability.

On the other hand, in order to cope with the demands from the real estate market and the premium decorative market in Mainland China and providing convenience services to our customers from various locations, the Group established a wholly-owned subsidiary on 26 December 2013 and engaged in the production and processing of the new type of building materials. The subsidiary located in Zhongshan City and named 中山市合萬石材科技有限公司, is responsible for the markets of southern china region such as Guangdong Province in China, it will operate its business in parallel with the joint venture company already developed for the markets of northern china region which is principally engaged in the market of premium wedge-shaped synthetic jade stone floor panels and related premium decoration products with the new type of building materials.

The Group will start studying, adapting to the needs and preferences of local customers of different locations in a strategic way, building up the sales network in a more flexible way and dealing with the fierce competition in a more responsive way in order to strengthen the garment retailing business in Taiwan. The Group will also expand the premium decoration products with the new type of building materials business with a more personalized and characteristic design and processing in order to attract the valuable customers in the PRC.

Furthermore, the Group will try its best effort to diversify its business profile and achieve a substantial and sustainable financial growth for the Group to maximize shareholders' value. As mentioned in the announcement published by the Company on 16 March 2014, the Company had signed a Memorandum of Understanding ("MOU") with an American vendor on 11 March 2014 in respect of a proposed acquisition of a company with working interests in certain oil and gas mineral reserves and with the oil service business, the proposed acquisition is under further discussion and expected that it is a valuable business project.

I would like to take this opportunity to express my deepest gratitude to all the shareholders, my fellow directors, management team and staff to the Group for their support and contributions to the Group throughout the year.

MANAGEMENT DISCUSSION AND ANALYSIS

Business Review

The principal activity of the Group is retailing garments through the operation of retail outlets and department store counters in Taiwan. Taiwan Vision Company Ltd. ("TVCL"), a wholly owned subsidiary of the Group, has an exclusive right to use of the trademark of "Theme" and related intellectual properties in Taiwan region (collectively the "Trademark") which will end on 27 October 2014 as stipulated in the licence agreement entered into between TVCL and a third party on 28 October 2009 (the "Licence Agreement"). Pursuant to the Licence Agreement, TVCL has the right for the use of the Trademark on a non-exclusive basis for five years when the expiry of the right for the use of Trademark on an exclusive basis, i.e. from 28 October 2014 to 27 October 2019, the Company will continue the TVCL's operation under the Trademark on a non-exclusive basis after 27 October 2014.

As at 31 December 2013, TVCL is in net liabilities and net current liabilities position, including trade payables and other payables due to a supplier, which were overdue or are repayable on demand.

In view of the above, the directors of the Company have carefully considered the future liquidity of the Group including TVCL's future liquidity needs and trading prospects. After discussion with a shareholder of the Company, he agreed to provide financial support to enable the Group to meet in full its financial obligations as they fall due for the foreseeable future.

As a result, the directors of the Company are satisfied that the Group will be able to meet in full its financial obligations as and when they fall due for the foreseeable future and continue in operational existence.

In addition, the Group has established a joint venture company in 2011 with principal business of design, assembling, processing and sales of premium wedge-shaped synthetic jade stone floor panels and related premium decoration products with the new type of building materials to provide services in the northern china region and commenced the business operation in the second quarter of 2013. In addition, a new subsidiary company was established in December 2013 with the same business targeted to provide services in the southern china region. The plant is currently under contruction and is scheduled to commence the business operation in 2014.

Financial Review

Revenue, loss for the year and loss per share of the Group for the year ended 31 December 2013 and 2012 were summarized as follows:

	Revenue		**Loss for the year**		**Loss per share**	
	2013	2012	**2013**	2012	**2013**	2012
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*		
From operations	**87,274**	89,762	**(15,341)**	(43,286)	**HK(0.42)cents**	HK(1.18)cents

The global economy continues to grow slowly. There is no sign for the economy recovery in Taiwan. The revenue was in the same level of previous year and has dropped by 2.8% this year. However, the gross profit margin has been increased to 56.6% in 2013 from 49.7% in 2012.

During the year ended 31 December 2013, the joint venture company has commenced its operation and the Group shared the loss of a joint venture of HK$33,000 (2012: HK$9.2 million).

Benefited by the cost reduction measures carried out by the Group and the absence of the share-based compensation expense of HK$14.9 million for the year ended 31 December 2012, the loss of the Group has been reduced to HK$15.3 million for year ended 31 December 2013 from HK$43.3 million for 2012.

The basic loss per share decreased from HK1.18 cents for the year ended 31 December 2012 to HK0.42 cents for the year ended 31 December 2013.

Charges on Assets

As at 31 December 2013, none of the Group's assets was charged or subject to any encumbrance.

Contingent Liabilities

As at 31 December 2013, the Group had no material contingent liabilities.

Exposure to Fluctuations in Exchange Rates

As at 31 December 2013, the Group's major assets and liabilities were denominated in the functional currencies of the respective group entities. The Group had no material exposure to foreign exchange fluctuation.

Liquidity and Financial Resources

As at 31 December 2013, the Group had no bank and other borrowings.

As at 31 December 2013, the current ratio was 1.2. As at 31 December 2013, TVCL is in net liabilities and net current liabilities position, including trade payables and other payables due to a supplier, which were overdue or are repayable on demand.

Due to the reason that a shareholder of the Company has agreed to provide financial support to enable the Group to meet in full its financial obligations as they fall due for the foreseeable future, the directors of the Company are satisfied that the Group will be able to meet in full its financial obligations as and when they fall due for the foreseeable future and have sufficient liquidity to meet its operational needs.

Capital Expenditure

The total capital expenditure of the Group for 2013 was approximately HK$3.1 million for addition of furniture, fixtures and other equipment (2012:HK$1.2 million comprising the addition of furniture, fixtures and other equipment).

As at 31 December 2013, the Group has no material capital expenditure commitments.

Human Resources

As at 31 December 2013, the Group had 7 employees in Hong Kong and 127 permanent employees in Taiwan. Other than the competitive remuneration package offered to the employees, share options may also be granted to the selected employees based on the Group's performance.

DIVIDEND

No dividend was proposed during the year ended 31 December 2013, nor has any dividend been proposed since the end of the reporting period (2012: nil).

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from 14 May 2014 to 16 May 2014 (both days inclusive), during which period no transfer of shares in the Company will be effected. In order to qualify for entitlement to attend and vote at the forthcoming annual general meeting, all transfer documents, accompanied by the relevant share certificates, must be lodged with Company's branch share registrars in Hong Kong, Computershare Hong Kong Investor Services Limited at Rooms 1712-16, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, not later than 4:30 p.m. on 13 May 2014.

FUTURE PROSPECTS

The Group will strive to improve the financial performance of retailing garment business in Taiwan by reviewing, planning and restructuring the distribution channels and applying the appropriate cost controlling measures, the Group also considered the use of the trademark of 'Theme' and related intellectual properties in Taiwan region on an exclusive basis which will end on 27 October 2014 and will then change to a non-exclusive basis for a period of five years. Accordingly, the Group will start searching for opportunities to acquire or co-operate with other brand names as well as looking for the upstream and downstream business operations in order to improve the profitability. Besides, the Group will continue and expand the business of design, assembling, processing and sales of premium wedge-shaped synthetic jade stone floor panels and related premium decoration products with new type of building materials in PRC through the joint venture and the newly set up subsidiary company. The Group will try its best effort to diversify its business profile and achieve a substantial and sustainable financial growth for the Group to maximize shareholders' value. As mentioned in the announcement published by the Company on 16 March 2014, the Company had signed a MOU with an American vendor in respect of a proposed acquisition of a company with working interests in certain oil and gas mineral reserves and with the oil service business, the proposed acquisition is under further discussion and expected that it is a valuable business project.

PURCHASE, SALE OR REDEMPTION OF THE LISTED SECURITIES OF THE COMPANY

Neither the Company nor any of its subsidiaries had purchased, sold or redeemed any of the Company's listed securities during the year.

COMPLIANCE WITH CODE ON CORPORATE GOVERNANCE PRACTICES

Save and except for code provisions A.2.1, A.6.7 and E.1.2, the Company has complied with all the code provisions and to certain extent of the recommended best practices set out in the Code on Corporate Governance Practices contained in Appendix 14 (the "CG Code") of the Listing Rules throughout the accounting year ended 31 December 2013.

AUDIT COMMITTEE AND FINANCIAL INFORMATION

The audit committee of the Company, which comprises four independent non-executive directors of the Company, has reviewed the audited consolidated financial statements of the Group for the year ended 31 December 2013.

EVENTS SUBSEQUENT TO THE END OF THE REPORTING PERIOD

(i) Reference is made to the announcement of the Company dated 16 March 2014 (the "Announcement"), the Company entered into a non-legally binding MOU on 11 March 2014 with Everest Hill Group Inc. ("Vendor") to acquire the entire issued share capital of Everest Hill Energy Group Ltd. (the "Target Company") at a purchase price of not more than US$1.0 billion equivalent (equivalent to approximately HK$7.76 billion), with (1) US$250 million (equivalent to approximately HK$1.94 billion) in cash from the placing of the new shares of the Company to placees at an issue price to be determined by the Company and the placing agent with reference to the then market price of the shares of the Company at the time when the placing agreement is signed; and (2) new shares in an amount equal to US$750 million (equivalent to approximately HK$5.82 billion). The Target Company through its subsidiaries is (i) engaged in offshore oilfield services in the West Africa region; and (ii) has rights, subject to appropriate regulatory approvals, to a 50% working interest in certain oil and gas reserves in the Bolivar Contract Area located in Columbia. No payment is required to be made by the Company upon the signing of the MOU.

If the proposed transaction materialises, it may result in a change in control of the Company as the consideration will be satisfied partially by cash and partially by the issue of the new shares and may constitute a very substantial acquisition and reverse takeover, and is expected to be deemed as a new listing application under the Rules Governing the Listing of Securities on the Stock Exchange. Moreover, as a result of the possible change in control of the Company, the Vendor would be required to make a mandatory offer to the shareholders of the Company in accordance with Hong Kong Code on Takeovers and Mergers.

As at the date of approval of these consolidated financial statements by the board of directors of the Company, the proposed transaction is still subject to further negotiations between the Company and the Vendor, has yet to be finalised and may deviate from that set out in the MOU. Details of the MOU are set out in the Announcement.

(ii) On 17 March 2014, the Company, TVCL and the supplier entered into a settlement agreement, pursuant to this agreement, the Group agreed to settle TVCL's payables due by three installments in 2014.

PUBLICATION OF RESULTS ANNOUNCEMENT AND ANNUAL REPORT

This announcement is published on the website of the Company (www.990.com.hk) and the designated issuer website of The Stock Exchange of Hong Kong Limited (www.hkexnews.hk).

The 2013 annual report of the Company will be despatched to the shareholders of the Company and available on the above websites in due course.

By Order of the Board
Theme International Holdings Limited
LIU BING
Executive Director

Hong Kong, 24 March 2014

As at the date of this announcement, the Board comprises (i) Mr. Wong Lik Ping and Mr. Liu Bing as executive directors; (ii) Mr. Huang Bin as non-executive director; and (iii) Mr. Kee Wah Sze, Mr. Chan Pat Lam, Mr. To Yan Ming Edmond and Mr. Goh Choo Hwee as independent non-executive directors.