THEME INTERNATIONAL HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 990)

ANNOUNCEMENT OF ANNUAL RESULTS FOR THE YEAR ENDED 31 DECEMBER 2018

The board (the "**Board**") of directors (the "**Directors**") of Theme International Holdings Limited (the "**Company**") is pleased to announce the audited consolidated financial results of the Company and its subsidiaries (collectively referred to as the "**Group**") for the year ended 31 December 2018 together with the comparative figures for the corresponding period in 2017 as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2018

	Notes	2018 HK$'000	2017 HK$'000
Revenue	3	**4,330,171**	5,389,307
Cost of sales		**(4,141,309)**	(5,321,420)
Gross profit		**188,862**	67,887
Other income, gain and loss	4	**(22,995)**	(6,281)
Selling and distribution expenses		**(20,204)**	(592)
Administrative expenses		**(58,242)**	(25,691)
Profit from operations		**87,421**	35,323
Finance costs	5	**(4,774)**	(8,319)
Share of profits of an associate		**1,487**	—
Profit before taxation		**84,134**	27,004
Income tax	6	**(16,997)**	(5,655)
Profit for the year	7	**67,137**	21,349

	Notes	**2018** *HK$'000*	2017 *HK$'000*
Attributable to:			
Owners of the Company		**61,893**	21,349
Non-controlling interests		**5,244**	—
		67,137	21,349
Other comprehensive loss:			
Item that may be reclassified to profit or loss:			
Exchange differences on translating foreign operations		**(1,567)**	(163)
Other comprehensive loss for the year, net of tax		**(1,567)**	(163)
Total comprehensive income for the year		**65,570**	21,186
Attributable to:			
Owners of the Company		**60,326**	21,186
Non-controlling interests		**5,244**	—
		65,570	21,186
Earnings per share			
— Basic (HK cents per share)	*9*	**0.78**	0.31
— Diluted (HK cents per share)	*9*	**0.78**	0.31

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2018

	Notes	2018 HK$'000	2017 HK$'000
Non-current assets			
Property, plant and equipment		**2,896**	3,659
Investment in an associate	*10*	**39,707**	—
		42,603	3,659
Current assets			
Inventories	*11*	**365,724**	1,325
Loans to customers	*12*	**15,000**	—
Trade and bills receivables and interest receivables	*13*	**595,030**	858,809
Accounts receivables	*14*	**434,415**	1,961
Financial assets at fair value through profit or loss		**1,446**	—
Prepayments, deposits and other receivables	*15*	**76,445**	2,493
Current tax recoverable		**—**	328
Cash and bank balances		**286,407**	92,904
		1,774,467	957,820
Current liabilities			
Trade and bills payables	*16*	**349,815**	290,207
Trust receipt loans	*17*	**225,670**	37,796
Accounts payables	*18*	**415,306**	780
Contract liabilities		**31,491**	6,138
Accruals and other payables		**53,246**	3,430
Current tax payable		**16,380**	5,696
		1,091,908	344,047
Net current assets		**682,559**	613,773
NET ASSETS		**725,162**	617,432
Capital and reserves			
Share capital		**19,736**	19,736
Reserves		**660,687**	597,696
Equity attributable to owners of the Company		**680,423**	617,432
Non-controlling interests		**44,739**	—
TOTAL EQUITY		**725,162**	617,432

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2018

1. GENERAL INFORMATION

Theme International Holdings Limited (the "**Company**") is a limited liability company incorporated in Bermuda. The address of its registered office is Clarendon House, 2 Church Street, Hamilton HM11, Bermuda. The address of its principal place of business is Unit 3401–03, 34/F., China Merchants Tower, Shun Tak Centre, 168–200 Connaught Road Central, Sheung Wan, Hong Kong. The Company's shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**").

The Company is an investment holding company. The principal activities of its principal subsidiaries are (i) Distribution and trading business — trading of bulk commodities and related products in Hong Kong, Singapore and the People's Republic of China (the "**PRC**"); and (ii) Financial services business — provision of loan financing services, securities and derivatives financial services, market making and margin financing in Hong Kong and Singapore.

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

In the current year, the Group has adopted all the new and revised Hong Kong Financial Reporting Standards ("**HKFRSs**") issued by the Hong Kong Institute of Certified Public Accountants (the "**HKICPA**") that are relevant to its operations and effective for its accounting year beginning on 1 January 2018. HKFRSs comprise Hong Kong Financial Reporting Standards; Hong Kong Accounting Standards ("**HKAS**"); and Interpretations. The adoption of these new and revised HKFRSs did not result in significant changes to the Group's accounting policies, presentation of the Group's financial statements and amounts reported for the current year and prior years except as stated below:

(i) HKFRS 9 (2014) "Financial Instruments"

HKFRS 9 supersedes HKAS 39 Financial Instruments: Recognition and Measurement and covers classification and measurement of financial assets and financial liabilities, impairment for financial assets and hedge accounting. HKFRS 9 requires the Group to use an expected credit loss model for its loans to customers, trade and bills receivables and interest receivables, and accounts receivables measured at amortised cost, either on a 12-month or lifetime basis. The Group applied the simplified approach and recorded lifetime expected losses on all these loans to customers, trade and bills receivables and interest receivables, and accounts receivables measured at amortised cost. Given the short term nature of these receivables, there was no significant impact to the consolidated financial statements.

(ii) HKFRS 15 "Revenue from Contracts with Customers"

HKFRS 15 applies to revenue from contracts with customers and replaces all of the revenue standards and interpretations in HKFRS. The standard outlines the principles an entity must apply to measure and recognise revenue and the related cash flows. The Group has undertaken a comprehensive analysis of the impact of the new standard based on a review of the contractual terms of its principal revenue streams with the primary focus being to understand whether the timing and amount of revenue recognised could differ under HKFRS 15. As the majority of the Group's revenue is derived from arrangements in which the transfer of risks and rewards coincides with the fulfilment of performance obligations and transfer of control as defined by HKFRS 15, there is no material changes in respect of timing and amount of revenue previously recognised by the Group. The Group's revenue in respect of its distribution and trading and financial services is recognised at a point in time when control of the products is transferred to or the services is rendered to the corresponding customers.

The Group has not applied the new HKFRSs that have been issued but are not yet effective. The Group has already commenced an assessment of the impact of these new HKFRSs but is not yet in a position to state whether these new HKFRSs would have a material impact on its results of operations and financial position.

3. REVENUE AND SEGMENT INFORMATION

(a) Revenue

	2018	2017
	HK$'000	*HK$'000*
Sales from trading of goods	**4,272,362**	5,388,915
Commission income and brokerage fees from the provision of financial services	**17,518**	15
Less: Sales taxes and levies	**(669)**	—
Revenue from contracts with customers	**4,289,211**	5,388,930
Gain from derivative trading	**40,257**	—
Interest income from loans to customers	**552**	377
Interest income from customers' segregated accounts	**151**	—
	40,960	377
Total revenue	**4,330,171**	5,389,307

Sales from trading of goods

The Group trades the bulk commodities and related products — iron ore to the customers. Sales are recognised when control of the products has transferred, being when the products are delivered to a customer, there is no unfulfilled obligation that could affect the customer's acceptance of the products and the customer has obtained legal titles to the products.

Revenue from these sales is recognised based on the prices specified in the contracts, net of sales taxes and levies as well as commodities price index change between the dates of contracts and goods delivery.

Sales to customers are normally made with credit terms of Nil to 90 days. For those customers in the PRC, deposits are regularly required and these deposits received are recognised as the contract liabilities.

The trade and bills receivables are recognised when the products are delivered to the customers as these are the point in time that the considerations are unconditional because only the passage of time is required before the payment is due.

Commission income and brokerage fees from the provision of financial services

The Group provides a wide range of financial services to its customers. Amongst them, the commission income and brokerage fees from the provision of futures and derivatives products for global exchange services is recognised when the services are rendered and there is no unfulfilled obligation that could affect the customer's acceptance of the services.

Disaggregation of revenue from contracts with customers:

Segments	**Distribution and trading** *HK$'000*	**Financial services** *HK$'000*	**2018 Total** *HK$'000*
Geographical markets			
Hong Kong	**257,101**	**14,612**	**271,713**
Singapore	**2,818,305**	**2,906**	**2,821,211**
The PRC	**1,196,287**	**—**	**1,196,287**
Total	**4,271,693**	**17,518**	**4,289,211**
Major products/services			
Trading of bulk commodities	**4,271,693**	**—**	**4,271,693**
Commission income and brokerage fees	**—**	**17,518**	**17,518**
Total	**4,271,693**	**17,518**	**4,289,211**
Time of revenue recognition			
At a point in time	**4,271,693**	**17,518**	**4,289,211**

Disaggregation of revenue from contracts with customers:

Segments	Distribution and trading *HK$'000*	Financial services *HK$'000*	2017 Total *HK$'000*
Geographical markets			
Hong Kong	—	—	—
Singapore	5,388,915	15	5,388,930
Total	5,388,915	15	5,388,930
Major products/services			
Trading of bulk commodities	5,388,915	—	5,388,915
Commission income and brokerage fees	—	15	15
Total	5,388,915	15	5,388,930
Time of revenue recognition			
At a point in time	5,388,915	15	5,388,930

(b) Segment information

The Group determines its operating segment and measurement of segment profit based on the internal reports to executive directors, the Group's chief operating decision makers, for the purposes of resource allocation and making strategic decision.

During the year ended 31 December 2018, the Group's reportable and operating segments are as follows:

(i) Distribution and trading business — trading of bulk commodities and related products in Hong Kong, Singapore and the People's Republic of China (the "**PRC**"); and

(ii) Financial services business — provision of loan financing services, securities and derivatives financial services, market making and margin financing in Hong Kong and Singapore.

Segment information and results:

The following is an analysis of the Group's revenue and results by reportable segments:

Year ended 31 December 2018

	Distribution and trading *HK$'000*	**Financial services** *HK$'000*	**Total** *HK$'000*
Revenue	**4,271,693**	**58,478**	**4,330,171**
Segment profit	**92,056**	**2,336**	**94,392**
Finance costs	**(3,410)**	**(1,364)**	**(4,774)**
Unallocated other income, gain and loss			**629**
Corporate expenses			**(7,600)**
Share of profits of an associate			**1,487**
Profit before taxation			**84,134**

Year ended 31 December 2017

	Distribution and trading *HK$'000*	Financial services *HK$'000*	Total *HK$'000*
Revenue	5,388,915	392	5,389,307
Segment profit/(loss)	58,560	(17,447)	41,113
Finance costs	(8,319)	—	(8,319)
Unallocated other income, gain and loss			(80)
Corporate expenses			(5,710)
Loss before taxation			27,004

The accounting policies of the reportable and operating segments are the same as the Group's accounting policies. Segment result represents the profit earned by each segment without allocation of, certain other income, certain other gains and losses, finance costs and taxation. This is the measure reporting to the executive directors for the purposes of resource allocation and making strategic decision.

Segment assets and liabilities:

The following is an analysis of the Group's assets and liabilities by reportable segments:

As at 31 December 2018

	Distribution and trading *HK$'000*	**Financial services** *HK$'000*	**Total** *HK$'000*
Segment assets	**1,153,553**	**612,291**	**1,765,844**
Unallocated property, plant and equipment			**2**
Unallocated prepayments, deposits and other receivables			**2,626**
Investment in an associate			**39,707**
Unallocated cash and bank balances			**8,891**
Consolidated assets			**1,817,070**
Segment liabilities	**385,300**	**459,212**	**844,512**
Trust receipt loans	**225,670**	**—**	**225,670**
Current tax payable	**14,063**	**2,317**	**16,380**
Unallocated trade payables			**3,665**
Unallocated accruals and other payables			**1,681**
Consolidated liabilities			**1,091,908**

As at 31 December 2017

	Distribution and trading *HK$'000*	Financial services *HK$'000*	Total *HK$'000*
Segment assets	909,891	40,880	950,771
Unallocated property, plant and equipment			3
Unallocated prepayments, deposits and other receivables			2,230
Current tax recoverable			328
Unallocated cash and bank balances			8,147
Consolidated assets			961,479
Segment liabilities	293,362	1,673	295,035
Trust receipt loans	37,796	—	37,796
Current tax payable	5,696	—	5,696
Unallocated trade and bills payables			3,768
Unallocated accruals and other payables			1,752
Consolidated liabilities			344,047

Other segment information:

	Distribution and trading *HK$'000*	**Financial services** *HK$'000*	**Total** *HK$'000*
Year ended 31 December 2018			
Amounts included in the measure of segment results or segment assets:			
Additions of property, plant and equipment	**269**	**411**	**680**
Depreciation of property, plant and equipment	**2**	**1,433**	**1,435**

	Distribution and trading *HK$'000*	Financial services *HK$'000*	Total *HK$'000*
Year ended 31 December 2017			
Amounts included in the measure of segment results or segment assets:			
Additions of property, plant and equipment	4	3,982	3,986
Depreciation of property, plant and equipment	1	899	900

Geographical information:

	Revenue		**Non-current assets**	
	2018 *HK$'000*	2017 *HK$'000*	**2018** *HK$'000*	2017 *HK$'000*
Hong Kong	**272,265**	377	**1,991**	3,249
Singapore	**2,861,619**	5,388,930	**40,408**	406
The PRC	**1,196,287**	—	**204**	4
	4,330,171	5,389,307	**42,603**	3,659

In presenting the geographical information, revenue is based on the location where the business activities were carried out.

Information about major customers:

Revenue from one (2017: four) customer(s) from the Group's distribution and trading business segment contributing over 10% of the total revenue of the Group represents approximately HK$632,925,000 (2017: approximately HK$3,967,800,000) of the Group's total revenue.

4. OTHER INCOME, GAIN AND LOSS

	2018	2017
	HK$'000	*HK$'000*
Interest income on bank deposits	**1,181**	15
Investment income	**1,299**	—
Loss on disposal of property, plant and equipment	**—**	(2)
Net foreign exchange loss	**(22,297)**	(102)
Impairment loss		
— Loan to a customer and interest receivables	**—**	(6,199)
— Trade and bills receivables	**(3,319)**	—
Others	**141**	7
	(22,995)	(6,281)

5. FINANCE COSTS

	2018	2017
	HK$'000	*HK$'000*
Bills discounting interest expenses and interest expenses on trust receipt loans	**3,410**	8,319
Interest expenses on promissory notes	**1,364**	—
	4,774	8,319

6. INCOME TAX

	2018	2017
	HK$'000	*HK$'000*
Current tax		
— Hong Kong Profits Tax		
— Provision for the year	**—**	—
— PRC Corporate Income Tax		
— Provision for the year	**8,265**	—
— Singapore Corporate Income Tax		
— Provision for the year	**8,677**	5,696
— Under/(Over)-provision for prior year	**55**	(41)
	16,997	5,655

Hong Kong Profits Tax is calculated at 16.5% (2017: 16.5%) of the estimated assessable profits in respect of the Group's operating entities in Hong Kong for the year. No Hong Kong Profits Tax was provided for the year ended 31 December 2018 as the Company and its subsidiaries have no assessable profit arising from Hong Kong during the reporting period.

Singapore Corporate Income Tax is provided using the Singapore standard rate of income tax of 17% or the concession rate of 10% for the year ended 31 December 2018. With the Global Trader Programme ("**GTP**") incentive awarded to Bright Point Trading Pte. Ltd., a wholly-owned subsidiary of the Company by the Inland Revenue Authority of Singapore with effect from 1 January 2017, certain qualified income generated during the year ended 31 December 2018 from the distribution and trading business of the Group has been charged at a tax concessionary rate of 10%. Any other income not qualified for the GTP incentive has been charged at the standard rate of 17% during the year ended 31 December 2018.

The income tax provision in respect of operations in the PRC is calculated at 25% on the estimated assessable profits for the year based on existing legislation, interpretations and practices in respect thereof.

The reconciliation between the income tax and profit before taxation is as follows:

	2018	2017
	HK$'000	*HK$'000*
Profit before taxation	**84,134**	27,004
Notional tax on profit before taxation, calculated at the rates applicable in the jurisdiction concerned	**17,121**	4,690
Tax effect on income that is not taxable	**(22)**	(51)
Tax effect of expenses that are not deductible	**1,565**	752
Under/(Over) provision in respect of prior years	**55**	(41)
Utilisation of tax losses previously not recognised	**(46)**	—
Effect of GTP incentive award	**(3,833)**	(3,544)
One-off tax reduction	**(206)**	(78)
Tax losses not recognised	**2,190**	3,927
Others	**173**	—
	16,997	5,655

At the end of the reporting period, subject to agreement with tax authorities, the Group has unused tax losses of approximately HK$422,191,000 (2017: approximately HK$408,136,000) available for offsetting against future profits. No deferred tax asset has been recognised due to the unpredictability of future profit streams. Included in unused tax losses are losses of approximately HK$38,543,000 (2017: approximately HK$39,628,000) that will expire on or before 2025 (2017: expire on or before 2025), other tax losses may be carried forward indefinitely.

7. PROFIT FOR THE YEAR

The Group's profit for the year is stated after charging the following:

	Note	2018 HK$'000	2017 HK$'000
Cost of inventories recognised as expenses		**4,109,667**	5,321,380
Depreciation of property, plant and equipment		**1,435**	900
Auditors' remuneration			
— audit services		**790**	580
— non-audit services	*(a)*	**186**	110
		976	690
Operating lease rentals in respect of rented premises		**3,722**	3,266
Directors' remuneration		**11,531**	6,212
Consultancy fees		**—**	463
Other staff costs			
— salaries, discretionary bonuses and allowances		**31,231**	6,960
— retirement benefits scheme contributions		**189**	356
		31,420	7,316

Note:

(a) The remuneration in respect of non-audit service provided by the Company's auditors in the year ended 31 December 2018 was HK$186,000 (2017: HK$190,000), in which HK$186,000 (2017: HK$110,000) was charged to profit or loss for the year ended 31 December 2018 and HK$Nil (2017: HK$80,000) relating to the professional services in connection with the rights issue was charged to equity for the year ended 31 December 2018.

8. DIVIDEND

The Directors do not recommend the payment of any dividend in respect of the year ended 31 December 2018 (2017: Nil).

9. EARNINGS PER SHARE

(a) Basic earnings per share

The calculation of basic earnings per share attributable to owners of the Company was based on the profit for the year attributable to owners of the Company, and the weighted average number of ordinary shares in issue during the year, as adjusted to reflect the rights issue during the year as further detailed in note below.

	2018	2017
	HK$'000	*HK$'000*
Profit:		
Profit for the year attributable to owners of the Company for the purpose of basic earnings per share	**61,893**	21,349

	2018	2017
	'000	*'000*
Number of shares:		
Weighted average number of ordinary shares for the purpose of basic earnings per share	**7,894,230**	6,981,797

Note: During the year ended 31 December 2017, a total 2,631,409,918 new ordinary shares of par value of HK$0.0025 each of the Company were issued under a rights issue at HK$0.15 per rights share with an aggregate consideration of approximately HK$394,711,000, of which approximately HK$6,579,000 was credited to share capital and the remaining balance of approximately HK$387,435,000 (net of issuing expenses of approximately HK$697,000) was credited to the share premium account. The rights issue was completed on 21 June 2017. Details of the rights issue are disclosed in the Company's announcements dated 4 May 2017, 18 May 2017 and 20 June 2017 and the Company's prospectus dated 29 May 2017.

(b) Diluted earnings per share

No diluted earnings per share are presented as the Company did not have any dilutive potential ordinary sharing during the two years ended 31 December 2018.

10. INVESTMENT IN AN ASSOCIATE

	2018	2017
	HK$'000	*HK$'000*
Unlisted investments in Singapore:		
Share of net assets	**39,707**	—

The following table shows the Group's share of the amounts of an immaterial associate that are accounted for using the equity method.

	2018	2017
	HK$'000	*HK$'000*
At 31 December:		
Carrying amounts of interests	**39,707**	—
Year ended 31 December:		
Profit from continuing operations	**1,487**	—
Profit after tax from discontinued operations	**—**	—
Other comprehensive income	**—**	—
Total comprehensive income	**1,487**	—

11. INVENTORIES

	2018	2017
	HK$'000	*HK$'000*
Finished goods	**365,724**	1,325

12. LOANS TO CUSTOMERS

	2018	2017
	HK$'000	*HK$'000*
Loans to customers	**20,390**	5,390
Provision for impairment	**(5,390)**	(5,390)
	15,000	—

Movements in the provision for impairment of loans to customers are as follows:

	2018	2017
	HK$'000	*HK$'000*
At 1 January	**5,390**	—
Provision for impairment recognised during the year	**—**	5,390
At 31 December	**5,390**	5,390

The fixed-rate loans to customers of HK$20,390,000 (2017: HK$5,390,000) as at the end of reporting period under the Group's loan financing services operation represent loan advances to two (2017: one) independent third parties which are secured by personal guarantee. The interest rates for the loans to customers were ranging from 8% to 12% (2017: 12%) per annum.

The loans made available to customers depend on management's assessment of credit risk on the customers by evaluation on background check and repayment abilities. The Group determines the allowance of impaired debts based on the evaluation of collectability and aging analysis of accounts and on the management's judgment, including assessment of change of credit quality and the past collection history of each customer. At the end of reporting period, one the loans had been past due and no collection was probable despite the series of chasing actions conducted by the Group. Accordingly, an allowance had been made for estimated irrecoverable loan of HK$5,390,000 since the year ended 31 December 2017.

Aging analysis

Aging analysis of loans to customers prepared based on loan commencement or renewal date set out in the relevant contracts, and net of impairment allowances, is as follows:

	2018	2017
	HK$'000	*HK$'000*
Less than 1 year	**15,000**	—

13. TRADE AND BILLS RECEIVABLES AND INTEREST RECEIVABLES

	2018	2017
	HK$'000	*HK$'000*
Trade and bills receivables	**598,349**	858,809
Interest receivables	**—**	809
Allowance for bad and doubtful debts	**(3,319)**	(809)
	595,030	858,809

Trade and bills receivables as at the end of reporting period mainly represent receivables from trading customers and relevant bills issued by banks in relation to the sale of commodities. The majority of the Group's sales are on letter of credit or document against payment. The remaining sales are with average credit period of 5 to 90 days (2017: 5 to 90 days).

The aging analysis of trade and bills receivables and interest receivables, based on the invoice or bills due date or interest due date, and net of impairment allowance, is as follows:

	2018	2017
	HK$'000	*HK$'000*
Not yet due or within 90 days	**594,746**	854,547
91–180 days	**284**	4,262
	595,030	858,809

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

In determining the recoverability of the trade and bills receivables and interest receivables, the Group considers any changes in the credit quality of the trade and bills receivables and interest receivables from the date credit was initially granted up to the end of the reporting period. Save as the interest receivables due from the loan to a customer as mentioned on note 12 to the consolidated financial statements, the Directors consider that no allowance for bad and doubtful debts is required. No allowance for bad and doubtful debts are provided for trade receivables and bills receivables during the year and at the end of the reporting period.

Reconciliation of loss allowance for trade and bills receivables and interest receivables:

	2018	2017
	HK$'000	*HK$'000*
At 1 January	**809**	—
Increase in loss allowance for the year	**3,319**	809
Amounts written off	**(809)**	—
At 31 December	**3,319**	809

14. ACCOUNTS RECEIVABLES

	2018	2017
	HK$'000	*HK$'000*
Arising from the business of dealing in futures contracts:		
— Brokers and dealers		
— representing customer balances	**415,984**	780
— representing house balances	**18,191**	1,169
	434,175	1,949
Arising from financial services provided:		
— Customers	**240**	12
	434,415	1,961

Accounts receivables from brokers and dealers are all current and repayable on demand. No aging analysis is disclosed as in the opinion of Directors, the aging analysis does not give additional value in view of the nature of broking business.

The Group has a policy for determining the allowance for impairment based on the evaluation of collectability and management's judgement, including the creditworthiness, collateral and past collection history of the counter-parties.

15. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

	2018	2017
	HK$'000	*HK$'000*
Trade deposits	**13**	—
Prepayments	**25,044**	918
Deposit and other receivables	**51,388**	1,575
	76,445	2,493

16. TRADE AND BILLS PAYABLES

	2018	2017
	HK$'000	*HK$'000*
Trade and bills payables	**349,815**	290,207

The aging analysis of trade and bills payables, based on the date of receipt of goods, is as follows:

	2018	2017
	HK$'000	*HK$'000*
Within 90 days	**344,753**	273,103
90–180 days	**1,280**	13,336
Over 1 year	**3,782**	3,768
	349,815	290,207

17. TRUST RECEIPT LOANS

	2018	2017
	HK$'000	*HK$'000*
Trust receipt loans — secured	**225,670**	37,796

The maturity of trust receipt loans is as follows:

	2018	2017
	HK$'000	*HK$'000*
Repayable on demand or within 1 year	**225,670**	37,796

Trust receipt loans at 31 December 2018 are secured by:

(i) guarantee by the beneficial owner of the Group; and

(ii) deed of charge and assignment.

The average effective interest rate per annum at 31 December 2018 is as follows:

	2018	2017
Trust receipt loans	**3.61%**	2.56%

The trust receipt loans are denominated in US$ and their carrying values approximate their fair values.

18. ACCOUNTS PAYABLES

	2018	2017
	HK$'000	*HK$'000*
Arising from the business of dealing in futures contracts	**415,306**	780

Accounts payables arising from business of dealing in futures contracts are margin deposits received from clients for their trading of these contracts. The required margin deposits are repayable upon the closure of the corresponding futures contracts position. The excess of the outstanding amounts over the required margin deposits stipulated are repayable to clients on demand.

19. TRANSACTIONS WITH NON-CONTROLLING INTERESTS

On 4 January 2018, the Company has entered into a shareholders agreement with four independent parties to establish an one stop platform for the provision of derivatives financial services to customers in Asia Pacific. According to the shareholders' agreement, the then wholly-owned subsidiary of the Group, BPI Financial Group Limited issued 99,999,999 new shares to subscribers to increase its issued share capital from 1 share of HK$1 each to 100,000,000 shares where the Company and the four independent parties subscribed for 74,999,999 new shares and 25,000,000 new shares at an issuance price of HK$1 each respectively. As a result of the new share placement, the Company's interest in BPI Financial Group Limited has decreased from 100% to 75% on 4 January 2018.

Having obtained approval from the Securities and Futures Commission of Hong Kong, the Company transferred its entire interest in Bright Point International Futures Limited, a company holding a licence granted by the Securities and Futures Commission to carry out type 2 (dealing in futures contracts) regulated activities under the Securities and Futures Ordinance (Chapter 571) of the Laws of Hong Kong to provide futures contract brokerage services, to BPI Financial Group Limited on 29 June 2018 at a consideration of HK$50,000,000. As a result of the transfer, the Company's effective interest in Bright Point International Futures Limited has decreased from 100% to 75% and the transfer was deemed as a disposal of 25% interest in Bright Point International Futures Limited to the non-controlling shareholders of BPI Financial Group Limited.

	2018 ***HK$'000***
Consideration received from non-controlling interests	**25,000**
Carrying amount of non-controlling interests increase	**22,335**
Gain on deemed disposal with equity	**2,665**

There were no transactions with non-controlling interests in the year ended 31 December 2017.

VICE CHAIRMAN'S STATEMENT

On behalf of the Board (the "**Board**") of Directors (the "**Director(s)**") of Theme International Holdings Limited (the "**Company**") and its subsidiaries (collectively as the "**Group**"), I am delighted to announce that, for the year ended 31 December 2018 (the "**Year**"), the Group's profit attributable to owners of the Company was approximately Hong Kong dollars ("**HK$**") 61,893,000, as compared to the profit attributable to owners of the Company of approximately HK$21,349,000 for the year ended 31 December 2017 (the "**Corresponding Year**").

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

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

The PRC is the largest iron ore importer in the world. According to the PRC custom statistic, it has imported 1,064 million tonnes of iron ore in 2018, surpassing 1,000 million tonnes for the third consecutive year. With the domestic iron ore reserves being low in grade and high in impurity, to fulfil the huge demand for medium to high grade iron ore, it has to rely heavily on imports from overseas. The Group targets to grow its iron ore trading business, in line with the large volume of iron ore imports into the PRC.

The Group continuously explores new business opportunities that can deliver synergistic advantages to its physical commodities trading operations. Since the end of 2017, the Group successfully operationalised its commodity derivative related financial services, including but not limited to, trading and clearing of derivatives contracts in global markets, inter-dealer broking services for over-the-counter commodities and structured trade finance operations, and the market making of iron ore derivative market. In 2018, the financial services segment of our Group has recorded a segment profit before interest and tax of approximately HK$2,336,000 in the Year, as compared to loss of HK$17,447,000 in the Corresponding Year. It is expected that the financial performance will continue to improve in 2019 and we are optimistic of its future development.

As both distribution and trading and financial services are people-oriented businesses, the Group continued to invest heavily in human capital. The Group's headcount has increased from 34 as at 31 December 2017 to 49 as at 31 December 2018 and they are located across Hong Kong, Singapore and the PRC. The Group believes that best people can bring value to the Group and thus we will continue to invest in human capital in future.

At last, 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.

Kang Jian
Executive Director and Vice Chairman

Hong Kong, 22 March 2019

MANAGEMENT DISCUSSION AND ANALYSIS

Theme International Holdings Limited and its subsidiaries are 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.

Financial and Business Review

Revenue, profit for the year and basic earnings per share of the Group for the year ended 31 December 2018 and 2017 are summarized as follows:

	Revenue		**Profit for the year**		**Basic earnings per share**	
	2018	2017	**2018**	2017	**2018**	2017
	HK$'000	*HK$'000*	***HK$'000***	*HK$'000*		
From operations	**4,330,171**	5,389,307	**67,137**	21,349	**HK0.78 cents**	HK0.31 cents

The Group recorded a total revenue of approximately HK$4,330,171,000 (2017: approximately HK$5,389,307,000) for the Year, representing a decrease of approximately 19.7% over the Corresponding Year. Further analysis of the Group's revenue in the Year and the Corresponding Year is as follows:

	2018		2017	
	Revenue	**Sales Volume**	Revenue	Sales Volume
	HK$'000	***Tonnes ('000)***	*HK$'000*	*Tonnes ('000)*
Product				
Iron Ore	**4,271,693**	**8,173**	4,933,586	12,403
Deformed Steel Bar	**—**	**—**	455,329	127
Distribution and trading	**4,271,693**		5,388,915	
Financial Services	**58,478**		392	
	4,330,171		5,389,307	

The distribution and trading business contributed to the majority of the Group's revenue in the Year. The volume of iron ore traded in the Year decreased from approximately 12,403,000 tonnes in the Corresponding Year to approximately 8,173,000 tonnes in the Year. Together with the decrease in the average iron ore price index, revenue from iron ore trading decreased from approximately HK$4,933,586,000 in the Corresponding Year to approximately HK$4,271,693,000 in the Year.

At the same time, due to the poor trading performance in 2017, the Group did not have any trading of prime deformed steel bar in the Year while the Group recorded revenue of approximately HK$455,329,000 and trading volume of approximately 127,000 tonnes of deformed steel bar in the Corresponding Year.

During the Year, the Group recorded revenue from the provision of financial services totaling HK$58,478,000 (2017: HK$392,000), mainly attributable to the market making of iron ore derivative market and other financial services such as clearing and inter-dealer broking services.

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

Other loss of approximately HK$22,995,000 (2017: approximately HK$6,281,000) was recorded during the Year, mainly due to the exchange loss arising from the depreciation of Renminbi ("**RMB**"). Cargoes sold by Shanghai trading desk were denominated in RMB.

Selling and distribution expenses of approximately HK$20,204,000 (2017: approximately HK$592,000) were incurred during the Year, mainly attributable to more freight charges being paid to shipping companies for cargoes under the term of Free on Board ("**FOB**") in the Year than in the Corresponding Year.

Administrative expenses have increased from approximately HK$25,691,000 in the Corresponding Year to approximately HK$58,242,000 in the Year. It was mainly attributable to the increase in staff cost, arising from the full trading operations in China and the expansion of the Group's financial service segment.

Finance costs of approximately HK$4,774,000 (2017: approximately HK$8,319,000) was incurred during the Year, mainly arose from the discounting of banks' bill of exchange and the settlement of interests arising from outstanding trust receipt loans and the interest expenses on promissory notes. Trading volume in the Year has decreased considerably from the Corresponding Year, hence less trust receipt loans were borrowed from the banks, resulting in a decrease in finance costs.

Income tax expense increased from approximately HK$5,655,000 in the Corresponding Year to approximately HK$16,997,000 in the Year, which was in line with the improved performance of the Group's businesses.

The profit for the Year attributable to owners of the Company increased from approximately HK$21,349,000 in the Corresponding Year to approximately HK$61,893,000 in the Year. The increase in profit was mainly attributable to the increase in the gross profits aforementioned, which was partially set off by the increases in other loss, selling and distribution expenses and administrative expenses.

The Group recorded basic earnings per share of approximately HK0.78 cents in the Year as compared to basic earnings per share of approximately HK0.31 cents in the Corresponding Year.

Future Prospects

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

(i) Financial services business

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

— *Money Lending*

The Group carried out money lending business in Hong Kong through Asia Develop Limited, a company incorporated in Hong Kong and a wholly-owned subsidiary of the Company, which has a money lenders licence in Hong Kong under the Money Lenders Ordinance (Chapter 163 of the Laws of Hong Kong). Target customers include corporate customers in Hong Kong, with target loans denominated in Hong Kong dollars and for a period of one year in general but could be extended to mutual agreement. The loans are usually secured by collaterals or backed by guarantee.

— *Securities, Futures Contracts and Derivatives Dealing*

As announced in the Company's announcement on 24 July 2017, the Securities and Futures Commission of Hong Kong has granted to the Group licences to carry out Type 1 (dealing in securities) and Type 2 (dealing in futures contracts) regulated activity under the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The derivatives arm of the Group has commenced its operations to establish a financial services platform in derivatives facilitating international trade in commodities with combined access to both physical and derivatives market. Besides the Type 2 licence, the Group has exemption from Monetary Authority of Singapore licensing in Singapore to offer inter-dealer broking services in Singapore and global markets.

Over the last decade, the financial services space has changed structurally creating opportunities for both existing participants and new entrants. Capitalising on the opportunities and filling the void created as a result of receding participation from traditional financial market participants, the Group aims to deliver a range of products and services to better serve commodity market participants.

Combining the strengths stemming from powerful suite of products and services and experienced and proven management team, the Group is positioned to deliver strong financial results and return to its stakeholders.

The Group's product and service portfolio is deliberately designed to be broad and diversified. This benefits the Group in two key ways — (i) to offer an end to end coverage to its global clientele and (ii) to weather proof the business and manage varying seasonal cycles which strengthens its revenue streams and therefore the firm's financials over the long run.

Its business lines comprise (1) global clearing services, (2) inter-dealer broking in over-the-counter markets, (3) structured trade finance, (4) China access products and (5) market making in iron ore derivative market. The Group's aspiration is to extend its five pillars of business across all key asset classes comprising of commodities, foreign exchange and interest rates as part of its product roadmap.

The Board considers that entering into the new businesses will provide good business opportunities to the Group and will diversify its business scope with a view to achieve better returns to the Company and its shareholders.

(ii) Distribution and Trading

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

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

SIGNIFICANT EVENTS

On 4 January 2018, the Company has entered into a shareholders agreement with four independent parties to establish an one stop platform for the provision of derivatives financial services to customers in Asia Pacific. According to the shareholders' agreement, the then wholly-owned subsidiary of the Group, BPI Financial Group Limited issued 99,999,999 new shares to subscribers to increase its issued share capital from 1 share of HK$1 each to 100,000,000 shares where the Company and the four independent parties subscribed for 74,999,999 new shares and 25,000,000 new shares at an issuance price of HK$1 each respectively. As a result of the new share placement, the Company's interest in BPI Financial Group Limited has decreased from 100% to 75% on 4 January 2018.

Having obtained approval from the Securities and Futures Commission of Hong Kong, the Company transferred its entire interest in Bright Point International Futures Limited, a company holding a licence granted by the Securities and Futures Commission to carry out type 2 (dealing in futures contracts) regulated activities under the Securities and Futures Ordinance (Chapter 571) of the Laws of Hong Kong to provide futures contract brokerage services, to BPI Financial Group Limited on 29 June 2018 at a consideration of HK$50,000,000. As a result of the transfer, the Company's effective interest in Bright Point International Futures Limited has decreased from 100% to 75% and the transfer was deemed as a disposal of 25% interest in Bright Point International Futures Limited to the non-controlling shareholders of BPI Financial Group Limited.

EVENTS AFTER THE REPORTING PERIOD

On 22 February 2019, the Company entered into the service agreement with E&F Resources Pte Limited ("**E&F Resources**"), pursuant to which the Company shall, through its subsidiaries, provide the execution and clearing services for derivative products and the inter-dealer brokerage services to E&F Resources.

E&F Resources is a 30%-controlled company held indirectly by Mr. Gao Feng, who is a director of a subsidiary of the Company. Therefore, E&F Resources is a connected person of the Company at the subsidiary level. As such, the transaction contemplated by the Service Agreement constitutes continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

The Group proposes that the annual caps for the revenue generated from the provision of the services to E&F Resources and its close associates for each of the three financial years ending 31 December 2021 are to be HK$25,000,000, HK$35,000,000 and HK$45,000,000, respectively. For details, please refer to the announcement of the Company dated 22 February 2019.

Saved as disclosed above, the Directors are not aware of any significant events requiring disclosure that has taken place subsequent to 31 December 2018 and up to the date of this announcement.

CHARGES ON ASSETS

As at 31 December 2018, none of the Group's assets was charged or subject to encumbrance.

CONTINGENT LIABILITIES

As at 31 December 2018, the Group had no material contingent liabilities.

MATERIAL ACQUISITIONS AND DISPOSALS

Saved as disclosed in note 19 to the condensed consolidated financial statements, there is no material acquisition or disposal of subsidiaries, associates and joint ventures during the year ended 31 December 2018.

PRINCIPAL RISKS AND UNCERTAINTIES

Commodities price risk

The Group's revenue and profit for the year were affected by fluctuations in the commodities price as our goods are sold at the market prices and such fluctuation is beyond our control. The considerable fluctuation of commodities price would lead to the Group's instability in operating results, especially in the event of a significant drop in commodities price which would have an adverse impact to the Group's operating results.

Exposure to fluctuation in exchange rates

The Group conducts its distribution and trading business in United States Dollars ("**US$**") and Renminbi ("**RMB**"). Foreign currency exposure to US$ is minimal, as the Hong Kong Dollars ("**HK$**") is pegged to the US$. The Group is exposed to fluctuation of transactions denominated in RMB. The Group monitors its exposure to foreign currency exchange risk on an ongoing basis.

Counterparty credit and performance risk

The Group continuously monitors the credit quality of our counterparties and seeks to reduce the risk of customer non-performance by requiring credit support from creditworthy financial institutions including making extensive use of credit enhancement products, such as letter of credit.

Interest rate risk

The Group is exposed to various risks associated with the effects of fluctuations in the prevailing levels of market interest rates on its assets and liabilities and cash flows. Floating rate debt which is predominantly used to fund fast turning working capital is primarily based on US$ LIBOR plus an appropriate premium. Accordingly, prevailing market interest rates are continuously factored into transactional pricing and terms.

Legal, regulatory and compliance risk

Legal, regulatory and compliance risk includes the risk of legal or regulatory sanctions, material financial loss including fines, penalties, judgments, damages and/or settlements, or loss to reputation the Group may suffer as a result of our failure to comply with laws, regulations, rules, related self-regulatory organisation standards and codes of conduct applicable to our business activities. This risk also includes contractual and commercial risk such as the risk that a counterparty's performance obligations will be unenforceable. In today's environment of rapid and possibly transformational regulatory change, the Group also view regulatory change as a component of legal, regulatory and compliance risk.

The financial services industry is subject to extensive regulation, which is undergoing major changes that will impact our business.

The Group oversees potential compliance risks, such as insider dealing, money laundering, on a regular basis. With the support of external professional advisers where appropriate, the Group monitors whether and the extent to which additional regulatory requirements apply as a result of the growth or expansion of our operations in financial services business.

Like other major financial services firms, the Group is subject to extensive regulations, which significantly affect the way the Group do business and can restrict the scope of our existing businesses and limit our ability to expand our product offerings and pursue certain investments. The Group is and will continue to be subject to a more complex regulatory framework, and will incur costs to comply with new requirements as well as to monitor for compliance in the future.

LIQUIDITY AND FINANCIAL RESOURCES

As at 31 December 2018, the Group's net current assets were approximately HK$682,559,000 (2017: approximately HK$613,773,000), and its net assets were approximately HK$725,162,000 (2017: approximately HK$617,432,000). As at 31 December 2018, the Group's total loans and other borrowings were approximately HK$225,670,000 (2017: HK$37,796,000).

As at 31 December 2018, the current ratio (as defined as current assets divided by current liabilities) was approximately 1.63 (2017: approximately 2.78) and the gearing ratio (as defined as loans and other borrowings divided by net assets) was approximately 0.31 (2017: 0.06).

As at 31 December 2018, the Group had an undrawn banking letter of credit limit totalling approximately US$268,453,000, equivalent to approximately HK$2,093,933,000 (2017: US$362,250,000, equivalent to approximately HK$2,825,552,000).

CAPITAL EXPENDITURE

The total capital expenditure of the Group for the Year was approximately HK$Nil (2017: approximately HK$2,183,000) for addition of leasehold improvements and approximately HK$680,000 (2017: approximately HK$1,803,000) for addition of furniture, fixtures and other equipment.

As at 31 December 2018, the Group had no material capital expenditure commitments.

FUTURE PLAN FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

Except as disclosed in this announcement, as at 31 December 2018, the Group does not have any other plans for material investments or capital assets.

HUMAN RESOURCES

As at 31 December 2018, the Group had 49 employees in total, consisting of 9 employees in Hong Kong, 26 employees in Singapore and 14 employees in the PRC. The remuneration committee of the Company and the Directors reviewed remuneration policies regularly. The structure of the remuneration packages would take into account the level and composition of pay and the general market conditions in the respective countries and businesses. Other than the competitive remuneration package offered to the employees, share options may also be granted to selected employees based on the Group's performance.

EQUITY FUND RAISING

During the year ended 31 December 2018 and up to the date of this announcement, the Company did not carry out any equity fund raising activities.

DIVIDEND

The Board does not recommend the payment of a dividend for the year ended 31 December 2018 (2017: Nil).

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

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the year ended 31 December 2018.

COMPLIANCE WITH CODE ON CORPORATE GOVERNANCE PRACTICES

The Company is committed to maintain a high standard of corporate governance, holding the beliefs of transparency, independence, honesty and accountability, with a view to enhance investors' confidence. The Company therefore strives to attain and maintain effective corporate governance practices and procedures. Save and except for Code Provisions E.1.2 and A.2.1 (details of which are set out below), the Company has complied with all the Code Provisions and to a certain extent of the recommended best practices set out in the CG Code throughout the year ended 31 December 2018.

Under Code Provision E.1.2 of the CG Code, the Chairman of the Board should attend the annual general meeting. Since the resignation of the Chairman of the Company on 1 April 2016, the role of Chairman has been vacant and temporarily acted by Mr. Ng Chi Lung, the Vice Chairman of the Company to fill the casual vacancy of the position of Chairman. Mr. Ng Chi Lung has attended the annual general meeting held on 26 June 2018.

Under Code Provision A.2.1 of the CG Code, the role of chairman and chief executive officer ("**CEO**") should be separated and should not be performed by the same individual. Since the resignation of CEO of the Company in 2013 and the resignation of the Chairman of the Company on 1 April 2016, the roles of CEO and Chairman have been vacant and temporarily acted by Mr. Ng Chi Lung (until his cessation on 31 July 2018) and Mr. Kang Jian to fill the casual vacancy of the positions of CEO and Chairman. Given the then corporate structure, the roles of CEO and Chairman are temporarily handled by Mr. Ng Chi Lung (until his cessation on 31 July 2018) and Mr. Kang Jian as the Board has not identified suitable candidates to be appointed as CEO and Chairman. However, before any suitable candidates have been appointed as CEO and Chairman, the Board considers that it is appropriate and in the best interests of the Company to maintain the current arrangement as all major decisions are made in consultation with the Board members and the senior management of the Company. Mr. Ng Chi Lung has resigned from the positions of executive director and vice chairman of the Company on 31 July 2018 and the Company has appointed Mr. Kang Jian as vice chairman and CEO of the Company on 8 August 2018 and on 17 August 2018.

The Board believes that Mr. Ng Chi Lung (until his cessation on 31 July 2018) and Mr. Kang Jian are able to maintain the continuity of the Company's policies and the stability of the Company's operations. The effectiveness of the corporate planning and implementation of corporate strategies and decisions will not be affected. The Board would segregate the roles of the Chairman and CEO when a suitable candidate is appointed as Chairman.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix 10 of the Listing Rules as its own code of conduct regarding securities transactions by Directors. The Company has made specific enquiries with all directors of the Company and each of them confirmed that they have complied with the Model Code throughout the year ended 31 December 2018.

AUDIT COMMITTEE

As at 31 December 2018, the audit committee of the Company comprises three independent non-executive directors of the Company, namely Mr. Chan Chi Ming, Tony (Chairman of the audit committee), Mr. Wu Shiming and Mr. Liu Song. The Audit Committee has adopted terms of reference which are in line with the CG Code. The Audit Committee has reviewed the Group's annual results for the year ended 31 December 2018.

SCOPE OF WORK OF EXTERNAL AUDITOR

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and other comprehensive income, and the related notes thereto for the year ended 31 December 2018 as set out in the preliminary announcement have been agreed by the Group's auditor, ZHONGHUI ANDA CPA Limited, to the amounts set out in the Group's audited consolidated financial statements for the year ended 31 December 2018. The work performed by ZHONGHUI ANDA CPA Limited in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by ZHONGHUI ANDA CPA Limited on the preliminary announcement.

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 (www.hkexnews.hk).

The 2018 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
Kang Jian
Executive Director and Vice Chairman

Hong Kong, 22 March 2019

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