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THEME INTERNATIONAL HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 990)

DISCLOSEABLE TRANSACTION FORMATION OF JOINT VENTURE

The Board of the Company is pleased to announce that on 20 August 2021, King Topwell, a wholly-owned subsidiary of the Company, entered into a Joint Venture Agreement with Zenith Steel, Shanxi Jinnan and Yongfeng Group for the formation of the Joint Venture.

Pursuant to the Joint Venture Agreement, the Joint Venture shall be, after its formation, owned as to 51% by the Company, 20% by Zenith Steel, and 20% by Shanxi Jinnan and 9% by Yongfeng Group. The registered capital of the Joint Venture is expected to be RMB1,000 million. King Topwell will contribute a total amount of RMB510 million, Zenith Steel will contribute a total amount of RMB200 million, Shanxi Jinnan will contribute a total amount of RMB200 million and Yongfeng Group will contribute a total amount of RMB90 million. All the contributions will be in the form of cash.

THE IMPLICATION OF LISTING RULES

As one of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the total commitment of the Company to the Joint Venture pursuant to the Joint Venture Agreement exceeds 5% but is less than 25%, the entering into the Joint Venture Agreement constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules, and is therefore subject to the reporting and announcement requirements of the Listing Rules.

The Board is pleased to announce that on 20 August 2021, King Topwell, a wholly-owned subsidiary of the Company, entered into the Joint Venture Agreement with Zenith Steel, Shanxi Jinnan, Yongfeng Group for the establishment of the Joint Venture. The salient terms of the Joint Venture Agreement are as follows:

THE JOINT VENTURE AGREEMENT

Date

20 August 2021

Parties

- (1) King Topwell, a wholly-owned subsidiary of the Company;
- (2) Zenith Steel;
- (3) Shanxi Jinnan; and
- (4) Yongfeng Group.

Establishment of the Joint Venture

The parties agreed to establish the Joint Venture to mainly engage in the investments in ferroalloy-related projects in the PRC.

Capital Structure of the Joint Venture

The Joint Venture will have a registered capital of RMB1,000 million, which has been determined by the parties after arm's length negotiations by reference to the expected capital requirement of the Joint Venture. The registered capital will be contributed by the parties as follows:

	Amount to be contributed <i>RMB million</i>	Percentage interest in the Joint Venture
King Topwell	510	51%
Zenith Steel	200	20%
Shanxi Jinnan	200	20%
Yongfeng Group	90	9%
Total	<u>1,000</u>	<u>100%</u>

The amount to be contributed by the Company is expected to be financed by the internal resources of the Group.

Management of the Joint Venture

The Joint Venture will establish a board of directors comprising one member, who will be nominated by the Company. The Joint Venture will also establish its own management team to manage the daily operation of the Joint Venture.

As the Group will have control of the board, the Joint Venture will become a subsidiary of the Company and its financial results will be consolidated in the financial statement of the Company.

REASONS FOR THE ESTABLISHMENT OF THE JOINT VENTURE

The Group is principally engaged in the (i) trading and processing of bulk commodities and related products in Hong Kong, Singapore and the PRC; and (ii) provision of securities and derivatives financial services, margin financing and fund management in Hong Kong and Singapore.

Other than focusing on its existing businesses, the Group has been exploring viable investment opportunities from time to time to diversify its business and broaden its source of revenue to ensure sustainable growth, especially in the PRC, where the demand for bulk commodities continues to be high with abundant opportunity for business growth. Joint Venture was established by the Group to uphold the principle of “Carbon reduction and efficiency enhancement” and the concept of “Data-driven and intelligent infrastructure”. Working towards the future ESG direction of the iron and steel processing industry, the Group will establish an operation platform, invest in ferroalloy enterprises in Mainland China, promote the intelligent and automated development of the ferroalloy industry, and carry out futures-and-spot combined trade of ferroalloy products (including silicon, manganese and chromium, etc.) to strive to become one of the most competitive enterprises in the ferroalloy industry in Mainland China in the future. The Joint Venture may complement the existing and future businesses of the Group in the PRC.

Besides, through the formation of the Joint Venture, the parties to the Joint Venture will be able to complement the strength of each other and share resources, which is beneficial to the development of the business of the Joint Venture. The Board expects that the Joint Venture will enhance future earning capability of the Group.

The Board considered that the Joint Venture Agreement has been entered into on normal commercial terms, such terms are fair and reasonable so far as the Company and the Shareholders are concerned and that the establishment of the Joint venture is in the interests of the Company and the Shareholders as a whole.

INFORMATION ON THE PARTIES

King Topwell is a company established in Hong Kong with limited liability and a wholly-owned subsidiary of the Company. It is mainly engaged in the trading of bulk commodities and related products in Hong Kong.

Zenith Steel is a company incorporated in China, mainly engaged in manufacturing fine and high-quality iron and steel, and its business covers logistics, hotels, education, foreign trade, ports, research and development, sports and other diversified industries. It is owned as to 57.2% by 董才平 (Dong Caiping). The remaining 42.8% shareholdings are owned by 13 individuals, each of them owning less than 10% of shares.

Shanxi Jinnan is a company incorporated in China, which is a full recycling and full utilization comprehensive group company integrating iron and steel, coking, casting, high-end chemical industry, e-commerce cloud platform, international trade, photovoltaic agriculture demonstration, etc.. It is wholly owned by 山西立恒鋼鐵集團股份有限公司 (Shanxi Liheng Iron and Steel Group Co., Ltd.*), which is owned as to 45% by 上海昆弘投資控股有限公司 (Shanghai Kunhong Investment Holdings Co., Ltd.*), as to 10.45% by 侯馬經濟開發區平福貿易有限公司 (Houma Economic Development Zone Pingfu Trading Co., Ltd.*), as to 10.45% by 張天福 (Zhang Tianfu) and as to the remaining 34.1% by 8 individuals (each of them owns less than 10% of shares). 上海昆弘投資控股有限公司 (Shanghai Kunhong Investment Holdings Co., Ltd.*) is owned as to 70% by 劉俊義 (Liu Junyi) and as to 30% by 毛朝陽 (Mao Chaoyang). 侯馬經濟開發區平福貿易有限公司 (Houma Economic Development Zone Pingfu Trading Co., Ltd.*) is owned as to 60% by 王娟娟 (Wang Juanjuan) and as to 40% by 張小雲 (Zhang Xiaoyun).

Yongfeng Group is a company incorporated in China. Yongfeng Group is a comprehensive group. Its principal business includes iron and steel smelting, real estate, municipal services, financial investment, trade logistics, cultural tourism, health care, education, etc.. Its products include hot-rolled ribbed steel bars, high-speed wire rods, coke, slag powder, etc.. It is owned as to 69.4% by 齊河眾鑫投資有限公司 (Qihe Zhongxin Investment Co., Ltd.*), as to 20.4% by 劉鋒 (Liu Feng) and as to 10.2% by 林旭燕 (Lin Xuyan). 齊河眾鑫投資有限公司 (Qihe Zhongxin Investment Co., Ltd.*) is owned as to 51.8% by 劉鋒 (Liu Feng) and 48.2% by 林旭燕 (Lin Xuyan).

To the best of the knowledge, information and belief of the Board, having made all reasonable enquiries, Zenith Steel, Shanxi Jinnan and Yongfeng Group and their respective ultimate beneficial owners are third parties independent of the Company and its connected persons.

IMPLICATIONS UNDER THE LISTING RULES

As one of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the total commitment of the Company to the Joint Venture pursuant to the Joint Venture Agreement exceeds 5% but is less than 25%, the entering into the Joint Venture Agreement constitutes a discloseable transaction for the Company under Chapter 14 of the Listing Rules, and is therefore subject to the reporting and announcement requirements of the Listing Rules.

DEFINITIONS

In this announcement, the following expressions have the following meanings unless otherwise requires:

“Board”	the board of directors of the Company;
“Company”	Theme International Holdings Limited, a company incorporated in Bermuda, the shares of which are listed on the Stock Exchange;
“connected person”	has the meaning ascribed to it under the Listing Rules;
“Director(s)”	the director(s) of the Company;
“Group”	the Company and its subsidiaries;
“Joint Venture”	the proposed joint venture company to be named 福建競點合金有限公司 (Fujian Jingdian Alloy Co., Ltd.*) to be established by King Topwell, Zenith Steel, Shanxi Jinnan and Yongfeng Group;
“Joint Venture Agreement”	the agreement dated 20 August 2021 between King Topwell, Zenith Steel, Shanxi Jinnan and Yongfeng Group in relation to the establishment of the Joint Venture;
“King Topwell”	億皇國際有限公司 (King Topwell International Limited*), a company incorporated in Hong Kong and a wholly-owned subsidiary of the Company
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“PRC”	the People’s Republic of China;
“RMB”	Renminbi, the lawful currency of the PRC;

“Shanxi Jinnan”	山西晉南鋼鐵集團有限公司 (Shanxi Jinnan Iron and Steel Group Co., Ltd.*), a limited liability company established in the PRC;
“Shareholders”	shareholders of the Company;
“Yongfeng Group”	永鋒集團有限公司 (Yongfeng Group Co., Ltd.*), a limited liability company established in the PRC;
“Zenith Steel”	中天鋼鐵集團有限公司 (Zenith Steel Group Co., Ltd.*), a limited liability company established in the PRC;
“%”	per cent.

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

Hong Kong, 20 August 2021

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

* For identification purpose only