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THEME INTERNATIONAL HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 990)

CONNECTED TRANSACTION DEEMED DISPOSAL IN RELATION TO THE CAPITAL CONTRIBUTION OF THE SEGREGATED PORTFOLIO

THE AGREEMENT

The Board is pleased to announce that, on 29 September 2022, the Investor and the Fund entered into the Agreement, pursuant to which the Investor agreed to subscribe for a maximum of 901 units Class A Shares attributable to the Segregated Portfolio, a segregated portfolio of the Fund, at a total subscription amount of US\$15,000,000 (*subject to adjustment with the maximum amount capped at US\$15,000,000*).

LISTING RULES IMPLICATIONS

As Mr. You is a controlling shareholder of the Company, Mr. You is a connected person of the Company. The Investor is also a majority-controlled company by Mr. You, directly and indirectly through Advance Venture. The Segregated Portfolio of the Fund is managed by Bright Point Capital Pte. Ltd., which is a wholly-owned subsidiary of the Company. Accordingly, the entering of the Agreement between the Investor and the Fund constitutes a connected transaction of the Company.

Prior to the Capital Contribution, the Company held 1,931 Class A Shares, representing 35.0% of the aggregate Class A Shares. Pursuant to the Agreement, as a result of the Capital Contribution, the Company's interest in the Class A Shares will decrease, which constitutes a deemed disposal under Rule 14.29 of the Listing Rules.

As one or more of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the Deemed Disposal in relation to the Capital Contribution exceed 0.1% but all are less than 5%, the Deemed Disposal in relation to the Capital Contribution is subject to the reporting and announcement requirements but exempt from the independent shareholders' approval requirement Pursuant to Rule 14A.76(2) of the Listing Rules.

THE DEEMED DISPOSAL

The Board is pleased to announce that, on 29 September 2022, the Investor and the Fund entered into the Agreement, pursuant to which the Investor agreed to subscribe for a maximum of 901 units Class A Shares attributable to the Segregated Portfolio, a segregated portfolio of the Fund, at a total subscription amount of US\$15,000,000 (*subject to adjustment with the maximum amount capped at US\$15,000,000*).

The principal terms of the Agreement are set out below:–

Date : 29 September 2022

Parties : (i) The Investor; and
(ii) The Fund

Subject matter : The Investor has agreed to make a Capital Contribution of US\$15,000,000 (*subject to adjustment with the maximum amount capped at US\$15,000,000*) in cash to subscribe for a maximum of 901 units Class A Shares attributable to the Segregated Portfolio, a segregated portfolio of the Fund.

Consideration : The Consideration (being the amount of the Capital Contribution) will be payable by the Investor in cash in one lump sum or by installments within 5 business days from the date on which all conditions precedent below are fulfilled or waived.

The Consideration was determined after arm's length negotiation between the parties to the Agreement with reference to the net asset value of the Segregated Portfolio. The Consideration will be adjusted in accordance with the net asset value of the Segregated Portfolio on the valuation date.

The Segregated Portfolio will apply for and handle the registration of change in the registered capital of the Segregated Portfolio and the Investor as a shareholder of the Segregated Portfolio with the relevant department of administration for industry and commerce within 7 working days after the Investor's payment of the Capital Contribution and complete the registration of change within 3 months of the payment of the amount of the Capital Contribution in full.

Completion : Completion of the making of the Capital Contribution will take place on the Completion Date.

Completion of the Deemed Disposal shall take place on the date the registration of change in the registered capital of the Segregated Portfolio as a result of the Capital Contribution and the Investor as a shareholder of the Segregated Portfolio with the relevant department of administration for industry and commerce is completed.

INFORMATION OF THE INVESTOR

Esteel is an investment holding company. Its major investments include approximately a 61% interest in BRC Asia Limited, a listed company in Singapore (SGX:BEC), a 100% interest in Antara Steel Mills Sdn Bhd and a 100% interest in Eden Flame Sdn. Bhd. BRC Asia Limited is mainly engaged in the prefabrication, trading and manufacturing and sales of steel products. Antara Steel Mills Sdn Bhd is mainly engaged in production of hot briquetted iron. Eden Flame Sdn. Bhd. is mainly engaged in manufacture and sales of steel and related products. As at the date of this announcement, Esteel is owned as to 55.3% by Advance Venture, 38.1% by Mr. You and 6.6% by the Company. Advance Venture is an investment holding company and is wholly-owned by Mr. You.

INFORMATION OF THE MANAGER OF THE FUND

The Manager is Bright Point Capital Pte. Ltd., a company incorporated in the Singapore with limited liability and is principally engaged in asset management. The Manager is a wholly-owned subsidiary of the Company. Mr. Kang Jian, non-executive director of Company, is the sole director of the Fund. It is a registered fund management company in Singapore with the Monetary Authority of Singapore.

INFORMATION OF THE FUND AND THE SEGREGATED PORTFOLIO

The Fund is a segregated portfolio company incorporated in Singapore in July 2020 with limited liability. The investment objective of the Segregated Portfolio is to make liquid investments targeting high risk adjusted returns. The Fund issued one management share to the Manager which representing 100% shareholding of the Fund.

The Segregated Portfolio was formed in July 2020. As at the date of this announcement, the number of units in issue of the Segregated Portfolio is 5,521.7 Class A Shares, of which 1,931 Class A Shares are subscribed by the Company and the remaining 3,590.7 Class A Shares are subscribed by Other Investors, representing 35.0% and 65.0% of the aggregate Class A shares. Upon completion of the Capital Contribution, the maximum aggregate Class A Shares of the Segregated Portfolio will increase to 6,422.7 units. The interests of Class A shares of the Company, the Investor and Other Investors in the Segregated Portfolio will be 30.1%, 14.0% and 55.9% respectively.

CERTAIN FINANCIAL INFORMATION OF THE SEGREGATED PORTFOLIO AND FINANCIAL EFFECT OF THE DEEMED DISPOSAL ON THE GROUP

The Segregated Portfolio was formed in July 2020. Based on its audited financial statements as of 31 December 2021, the profits before and after taxation of the Segregated Portfolio for the period from the date of formation to 31 December 2021 were set out below:

	From the date of formation to 31 December 2021 <i>US\$'000</i>
Profit before taxation	24,130
Profit after taxation	24,130

Based on the audited financial statements of the Segregated Portfolio, its net asset value as at 31 December 2021 was approximately US\$59.4 million. Based on the unaudited financial statements of the Segregated Portfolio, its net asset value as at 30 June 2022 was approximately US\$91.9 million. There is no expected gain or loss for the Deemed Disposal. The Segregated Portfolio will continue to be consolidated into the financial statements of the Company after the Capital Contribution.

REASONS FOR AND BENEFITS OF THE DEEMED DISPOSAL AND THE USE OF PROCEEDS

The Company is an investment holding company. The Company and its subsidiaries are principally engaged in (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.

The Capital Contribution will increase the investor base of the Segregated Portfolio. It will enhance the capital structure of the Segregated Portfolio, as well as providing additional working capital and greater financial flexibility to its operating and financial structure.

The net maximum proceeds from the Deemed Disposal are estimated to be US\$15,000,000 and are intended to be applied to enhance the working capital of the Segregated Portfolio.

Taking into account the above-mentioned factors, the Directors consider that the terms and the conditions of the Agreement (including the Consideration) are fair and reasonable and the Capital Contribution and the Deemed Disposal are in the interests of the Company and the Shareholders as a whole.

As none of the Directors have a material interest in the Agreement, no Director was required to abstain from voting on the relevant Board resolutions approving the Agreement and the transactions contemplated thereunder.

LISTING RULES IMPLICATIONS

As Mr. You is a controlling shareholder of the Company, Mr. You is a connected person of the Company. The Investor is also a majority-controlled company by Mr. You, directly and indirectly through Advance Venture. The Segregated Portfolio of the Fund is managed by Bright Point Capital Pte. Ltd., which is a wholly-owned subsidiary of the Company. Accordingly, the entering of the Agreement between the Investor and the Fund constitutes a connected transaction of the Company.

Prior to the Capital Contribution, the Company held 1,931 Class A Shares, representing 35.0% of the aggregate Class A Shares. Pursuant to the Agreement, as a result of the Capital Contribution, the Company's interest in the Class A Shares will decrease, which constitutes a deemed disposal under Rule 14.29 of the Listing Rules.

As one or more of the applicable percentage ratios under Rule 14.07 of the Listing Rules in respect of the Deemed Disposal in relation to the Capital Contribution exceed 0.1% but all are less than 5%, the Deemed Disposal in relation to the Capital Contribution is subject to the reporting and announcement requirements but exempt from the independent shareholders' approval requirement pursuant to Rule 14A.76(2) of the Listing Rules.

DEFINITIONS

In this announcement, the following terms have the following meanings:

“Advance Venture”	Advance Venture Investments Limited, a company established in British Virgin Islands and is an associate of Mr. You
“Agreement”	the investment agreement dated 29 September 2022 entered into between the Investor and the Fund in relation to the Capital Contribution
“Capital Contribution”	the capital contribution of US\$15,000,000 (<i>subject to adjustment with the maximum amount capped at US\$15,000,000</i>) in cash by the Investor to the Segregated Portfolio pursuant to the Agreement
“Class A Share”	a Participating Share designated as Class A Share attributable to the Segregated Portfolio

“Company”	Theme International Holdings Limited (Stock Code: 990), a company incorporated in the Bermuda with limited liability, the shares of which are listed on the Main Board of the Stock Exchange
“Completion of the Deemed Disposal”	the completion of the registration of change in the registered capital of the Segregated Portfolio as a result of the Capital Contribution of the Segregated Portfolio with the relevant department of administration for industry and commerce
“Completion Date”	the date on which the Investor makes the Capital Contribution in full
“Consideration”	the Capital Contribution of US\$15,000,000 (<i>subject to adjustment with the maximum amount capped at US\$15,000,000</i>)
“Deemed Disposal”	the deemed disposal through the dilution of the Class A Share interests in the Segregated Portfolio from 35.0% to 30.1% as a result of the Capital Contribution by the Investor pursuant to the Agreement
“Directors”	the directors of the Company
“Fund”	Theme International VCC, a variable capital company incorporated with limited liability and registered as a segregated portfolio company in Singapore
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administration Region of the PRC
“Investor”	Estel Enterprise Pte. Ltd., a company established in Singapore, and is controlled by Mr. You
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Manager”	Bright Point Capital Pte. Ltd., a company incorporated in Singapore with limited liability, a fund management company in Singapore registered with the Monetary Authority of Singapore

“Mr. You”	Mr. You Zhenhua (游振華), being the controlling shareholder of the Company and a connected person
“Other Investors”	Other investors in the Segregated Portfolio
“Participating Share”	a participating, redeemable, non-voting share in the capital of the Fund attributable to the Segregated Portfolio
“Segregated Portfolio”	THEME INTERNATIONAL VCC – THEME INTERNATIONAL TRADING, a segregated portfolio of the Fund
“Shareholder(s)”	holder(s) of the Share(s)
“US\$”	United States dollars, the lawful currency of the United States of America

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

Hong Kong, 29 September 2022

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