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THEME INTERNATIONAL HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 990)

REVISION OF EXISTING ANNUAL CAPS OF CONTINUING CONNECTED TRANSACTIONS UNDER THE MASTER SALE AND PURCHASE AGREEMENT II

THE SUPPLEMENTAL MASTER SALE AND PURCHASE AGREEMENT II

Reference is made to the Announcement in relation to, among other matters, the Master Sale and Purchase Agreement II entered into between the Company and Mr. ZW You in relation to the purchase and supply of iron ore, steel products and nickel ore between the ZWY Group and the Group and the provision of the Processing Services by the Group to the ZWY Group in the PRC for three years ending 31 December 2023. On 29 October 2021, the Company and Mr. ZW You entered into the Supplemental Master Sale and Purchase Agreement II to amend the existing annual caps to the revised annual caps. Save for the revision of the existing annual caps to the revised annual caps, all other terms and conditions under the Agreement remain the same.

IMPLICATIONS UNDER THE LISTING RULES

Mr. ZH You is the Controlling Shareholder, and hence a connected person of the Company. Mr. ZW You is the brother of Mr. ZH You, and an associate of Mr. ZH You. Mr. ZW You is hence a connected person of the Company. Therefore, the transactions under the Supplemental Master Sale and Purchase Agreement II constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

Pursuant to the Listing Rules, if any listed issuer proposes to revise its annual caps for continuing connected transactions, such listed issuer has to re-comply with the provisions of Chapter 14A of the Listing Rules applicable to the relevant continuing connected transactions.

As one of the applicable percentage ratios (other than profit ratio) (within the meaning of Rule 14.07 of the Listing Rules) for the revised annual caps under the Supplemental Master Sale and Purchase Agreement II exceeds 0.1% but does not exceed 5%, the transactions contemplated under the Supplemental Master Sale and Purchase Agreement II constitute continuing connected transactions of the Company and are therefore subject to the reporting, announcement and annual review requirements under chapter 14A of the Listing Rules.

THE SUPPLEMENTAL MASTER SALE AND PURCHASE AGREEMENT II

Reference is made to the Announcement in relation to, among other matters, the Master Sale and Purchase Agreement II entered into between the Company and Mr. ZW You in relation to the purchase and supply of iron ore, steel products and nickel ore between the ZWY Group and the Group and the provision of the Processing Services by the Group to the ZWY Group in the PRC for three years ending 31 December 2023. On 29 October 2021, the Company and Mr. ZW You entered into the Supplemental Master Sale and Purchase Agreement II to amend the existing annual caps to the revised annual caps. Save for the revision of the existing annual caps to the revised annual caps, all other terms and conditions under the Agreement remain the same.

Set out below are the principal terms of the Supplemental Master Sale and Purchase Agreement II:

Date:

29 October 2021

Parties:

- (i) the Company; and
- (ii) Mr. ZW You, the brother of Mr. ZH You, an associate of Mr. ZH You and a connected person of the Company

Revision of the existing annual caps:

Pursuant to the Supplemental Master Sale and Purchase Agreement II, the maximum annual caps of transactions contemplated under the Master Sale and Purchase Agreement II for the three years ending 31 December 2021, 31 December 2022 and 31 December 2023 are amended as follows:

	For the year ending 31 December 2021 <i>million</i>	For the year ending 31 December 2022 <i>million</i>	For the year ending 31 December 2023 <i>million</i>
Existing annual caps	HK\$240.0 (approximately RMB197.2)	HK\$240.0 (approximately RMB197.2)	HK\$240.0 (approximately RMB197.2)
Revised annual caps	HK\$440.0 (approximately RMB361.6)	HK\$440.0 (approximately RMB361.6)	HK\$440.0 (approximately RMB361.6)

REASONS FOR REVISING THE EXISTING ANNUAL CAPS AND THE BASIS FOR DETERMINING THE REVISED ANNUAL CAPS

Pursuant to the Master Sale and Purchase Agreement II, the existing annual caps for the transactions for the three years ending 31 December 2021, 31 December 2022 and 31 December 2023 were HK\$240.0 million (approximately RMB197.2 million) each year.

The Board has been carefully monitoring the transaction amounts under the Master Sale and Purchase Sale Agreement II. In the current financial year, the aggregate transaction amounts up to the date of this announcement totalled HK\$165.7 million (approximately RMB136.2 million). As a result, the forecast transaction amounts in respect of the three years ending 31 December 2021, 31 December 2022 and 31 December 2023 are expected to be higher than previously projected. The Company therefore entered into the Supplemental Master Sale and Purchase Agreement II with Mr. ZW You on 29 October 2021, pursuant to which the existing annual caps contemplated under the Master Sale and Purchase Agreement II are revised upwards in order to satisfy the increasing demand.

The revised annual caps have been determined with reference to different factors, including:

- (a) the transaction amounts in the current financial year up to the date of the announcement; and
- (b) the expected revised demand for the three years ending 31 December 2021, 31 December 2022 and 31 December 2023.

The Directors (including the independent non-executive Directors) consider that the transactions are and will continue to be conducted in the ordinary and usual course of business of the Group and on arm's length basis, the terms of the Supplemental Master Sale and Purchase Agreement II have been negotiated on an arm's length basis and are on normal commercial terms, and the terms of the Supplemental Master Sale and Purchase Agreement II and the revised annual caps are fair and reasonable and are in the interests of the Group and the shareholders of the Company taken as a whole.

INTERNAL CONTROL MEASURES FOR THE CONTINUING CONNECTED TRANSACTIONS

The Company will continue to adopt the following internal control measures as set out in the Announcement in connection with the transactions contemplated under the Supplemental Master Sale and Purchase Agreement II:

- (i) for the purchase of iron ore, steel products and nickel ore from the ZWY Group, the Group will make reference to different commonly recognised industrial websites for the iron ore, steel and nickel ore industries, and at its reasonable endeavours to obtain contemporaneous price quotation(s) from Independent Third Parties supplier(s) or trading house(s) supplier(s) for the same type of materials of similar quantities and quality, for the purpose of ensuring that the prices and terms for the iron ore, steel products and nickel ore to be offered by the ZWY Group to the Company will be based on prevailing market terms and no less favourable to the Company than those offered by other Independent Third Parties supplier(s) or trading house(s) to the Company;
- (ii) for the sale of iron ore, steel products and nickel ore by the Company, the Group will make reference to different commonly recognised industrial websites for the iron ore, steel and nickel ore industries, for the purpose of ensuring that the prices and terms for the said products will be comparable to, or no less favourable than the fair market prices and terms for the same type of materials of similar quantities and quality offered to Independent Third Parties purchasers by the Group; and
- (iii) for the Processing Services, the Group will keep track of its transaction records on the provision of similar services to other Independent Third-Parties, to ensure that the prices and terms of the Processing Services will be comparable to, or no less favourable than the fair market prices and terms of similar services offered to other Independent Third Parties. Designated personnel of the Group will be responsible for updating and maintaining such transaction records.

GENERAL INFORMATION

1. Principal Business Activities

a) The Group

The Group 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.

b) Mr. ZH You

Mr. ZH You is the Controlling Shareholder and a connected person of the Company.

c) Mr. ZW You

Mr. ZW You is Mr. ZH You's brother and an associate of Mr. ZH You, and hence a connected person. He is the majority shareholder of RGL, a commodities trading company established in the PRC.

IMPLICATIONS UNDER THE LISTING RULES

Mr. ZH You is the Controlling Shareholder, and hence a connected person of the Company. Mr. ZW You is the brother of Mr. ZH You, and an associate of Mr. ZH You. Mr. ZW You is hence a connected person of the Company. Therefore, the transactions under the Supplemental Master Sale and Purchase Agreement II constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

Pursuant to the Listing Rules, if any listed issuer proposes to revise its annual caps for continuing connected transactions, such listed issuer has to re-comply with the provisions of Chapter 14A of the Listing Rules applicable to the relevant continuing connected transactions.

As one of the applicable percentage ratios (other than profit ratio) (within the meaning of Rule 14.07 of the Listing Rules) for the revised annual caps under the Supplemental Master Sale and Purchase Agreement II exceeds 0.1% but does not exceed 5%, the transactions contemplated under the Supplemental Master Sale and Purchase Agreement II constitute continuing connected transactions of the Company and are therefore subject to the reporting, announcement and annual review requirements under chapter 14A of the Listing Rules.

No Director had a material interest in relation to the aforesaid matters and therefore none of them was required to abstain from voting on the relevant resolutions of the Board.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms shall have the following meanings:

“Announcement”	the continuing connected transactions announcement of the Company dated 12 August 2021
“associate”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“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
“connected person(s)”	has the same meaning as ascribed to it under the Listing Rules
“Controlling Shareholder(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Parties”	third party or parties whose ultimate beneficial owner(s) are independent of the Company and connected persons of the Company
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Master Sale and Purchase Agreement II”	the master sale and purchase agreement dated 12 August 2021 entered into between the Company and Mr. ZW You for the sale and purchase of iron ore, steel products and nickel ore between the ZWY Group and the Group, and the provision of the Processing Services by the Group to the ZWY Group, in the PRC
“Mr. ZH You”	Mr. You Zhenhua (游振華), being the controlling shareholder of the Company and a connected person
“Mr. ZW You”	Mr. You Zhenwu (游振武), being Mr. ZH You’s brother, an associate of Mr. ZH You and a connected person of the Company

“PRC”	the People’s Republic of China, which for the purpose of this announcement, excludes Hong Kong, the Macau Special Administrative Region of the PRC and Taiwan
“Processing Services”	means the processing of iron ore
“RGL”	瑞鋼聯集團有限公司 (RGL Group Co., Ltd.*), a company established in the PRC and is majority-owned by Mr. ZW You. It is part of the ZWY Group
“RMB”	Renminbi, the lawful currency of the PRC
“SFC”	the Securities and Futures Commission of Hong Kong
“Shareholder(s)”	holder(s) of the Share(s)
“Shares”	shares of HK\$0.0025 each in the share capital of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Supplemental Master Sale and Purchase Agreement II”	the supplemental agreement to the Master Sale and Purchase Agreement dated 29 October 2021 entered into between the Company and Mr. ZW You to amend and supplement the Master Sale and Purchase Agreement
“US\$”	the lawful currency for the time being of the United States of America
“ZWY Group”	Mr. ZW You and his associates from time to time
“%”	per cent

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

Hong Kong, 29 October 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, Ms. Kent Shun Ming and Mr. Wu Shiming.

For illustrative purposes, the exchange rates of HK\$1=RMB0.8218 are adopted in this announcement.

* *For identification purposes only*