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THEME INTERNATIONAL HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

(Stock Code: 990)

REVISION OF EXISTING ANNUAL CAP OF CONTINUING CONNECTED TRANSACTIONS UNDER THE LOGISTIC SERVICES FRAMEWORK AGREEMENT

THE SUPPLEMENTAL LOGISTIC SERVICES FRAMEWORK AGREEMENT

Reference is made to the Announcement in relation to, among other matters, the Logistic Services Framework Agreement entered into between the Company and Mr. ZW You in relation to the provision of the Logistic Services by the ZWY Group to the Group in the PRC for three years ending 31 December 2023. On 31 August 2023, the Company and Mr. ZW You entered into the Supplemental Logistic Services Framework Agreement to amend the existing annual cap to the revised annual cap for the year ending 31 December 2023. Save for the revision of the existing annual cap of HK\$240.0 million (approximately RMB222.8 million) to the revised annual cap of HK\$440.0 million (approximately RMB408.5 million) for the year ending 31 December 2023, 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 Logistic Services Framework Agreement 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 Logistic Services Framework Agreement exceeds 0.1% but does not exceed 5%, the transactions contemplated under the Supplemental Logistic Services Framework Agreement 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 LOGISTIC SERVICES FRAMEWORK AGREEMENT

Reference is made to the Announcement in relation to, among other matters, the provision of the Logistic Services by the ZWY Group to the Group in the PRC for three years ending 31 December 2023. On 31 August 2023, the Company and Mr. ZW You entered into the Supplemental Logistic Services Framework Agreement to amend the existing annual cap to the revised annual cap for the year ending 31 December 2023. Save for the revision of the existing annual cap of HK\$240.0 million (approximately RMB222.8 million) to the revised annual cap of HK\$440.0 million (approximately RMB408.5 million) for the year ending 31 December 2023, all other terms and conditions under the Agreement remain the same.

Set out below are the principal terms of the Supplemental Logistic Services Framework Agreement:

Date:

31 August 2023

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 cap for the year ending 31 December 2023:

Pursuant to the Supplemental Logistic Services Framework Agreement, the maximum annual cap of transactions contemplated under the Logistic Services Framework Agreement for the year ending 31 December 2023 is amended as follows:

	For the year ended 31 December 2021 million	For the year ended 31 December 2022 million	For the year ending 31 December 2023 million
Existing annual caps	HK\$240.0	HK\$240.0	HK\$240.0 (approximately RMB222.8 million)
Revised annual caps	N/A	N/A	HK\$440.0 (approximately RMB408.5 million)
	(audited) million	(audited) million	(unaudited) million (up to the end of August 2023)
Actual transaction amounts	HK\$16.9	HK\$182.9	HK\$209.3 (approximately RMB194.3 million)

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

Pursuant to the Logistic Services Framework Agreement, 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 RMB222.8 million) each year.

The Board has been carefully monitoring the transaction amounts under the Logistic Services Framework Agreement. In the current financial year, the aggregate transaction amounts up to the end of August 2023 totalled HK\$209.3 million (approximately RMB194.3 million) accounting for approximately 87% of the existing cap. As a result, the forecast transaction amounts in respect of the year ending 31 December 2023 are expected to be higher than previously projected. The Company therefore entered into the Supplemental Logistic Services Framework Agreement with Mr. ZW You on 31 August 2023, pursuant to which the existing annual cap for the year ending 31 December 2023 contemplated under the Logistic Services Framework Agreement is revised upwards in order to satisfy the increasing demand.

The revised annual cap for the year ending 31 December 2023 has been determined with reference to different factors, including:

- (a) the actual transaction amounts for the years ended 31 December 2021 and 2022 and in the current financial year up to the end of August 2023; and

- (b) the expected revised increase in demand for the year ending 31 December 2023, due to the continuous development of the distribution and trading business in the PRC.

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 Logistic Services Framework Agreement have been negotiated on an arm's length basis and are on normal commercial terms, and the terms of the Supplemental Logistic Services Framework Agreement and the revised annual cap 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 Logistic Services Framework Agreement:

- (i) For the Logistic Services, the Group will use its reasonable endeavours to obtain price quotation(s) from other Independent Third Parties service providers for comparable services, for the purpose of ensuring that the prices and terms for the said services 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 service providers;
- (ii) The sales departments of the Group will regularly monitor and review the prices and terms under which the Logistic Services are charged, in order to ensure that the transactions under the Supplemental Logistic Services Framework Agreement are conducted on normal commercial terms, in accordance with the proposed annual caps set by the Company, and the terms are no less favourable to the Group than those available to or from Independent Third Parties;
- (iii) The Company will assign the finance department to regularly monitor the transactions under Supplemental Logistic Services Framework Agreement and any irregularities in respect of the transactions under the said agreements will be reported to the senior management of the Group in a timely manner;
- (iv) The Company's auditors will review the transactions under the Supplemental Logistic Services Framework Agreement annually to check and confirm (among others) whether the pricing policies have been adhered to, whether the transactions were conducted in accordance with the said agreements and whether the relevant proposed annual caps have been exceeded; and

- (v) The independent non-executive Directors will review the transactions under the Supplemental Logistic Services Framework Agreement annually to check and confirm whether such transactions have been conducted in the ordinary and usual course of business of the Company, on normal commercial terms, in accordance with the Supplemental Logistic Services Framework Agreement governing them on terms that are fair and reasonable and in the interests of the Shareholders as a whole, and whether the internal control procedures put in place by the Company are adequate and effective to ensure that such transactions are conducted in accordance with the pricing policies set out in the said agreements.

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. RGL controls Wubo Technology, a company providing commodity logistics services 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 Logistic Services Framework Agreement 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 Logistic Services Framework Agreement exceeds 0.1% but does not exceed 5%, the transactions contemplated under the Supplemental Logistic Services Framework Agreement 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

“Logistic Services”	means the services of (i) transporting raw iron ore between ports, plants and customer’s places; (ii) transporting processed iron ore between ports, plants and customer’s places; (iii) transporting steel products between ports, plants and customer’s places; and (iv) settling iron ore import custom clearance and related port charges
“Logistic Services Framework Agreement”	the logistic services framework agreement dated 12 August 2021 and entered into between the Company and Mr. ZW You for the provision of Logistic Services to the Group
“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
“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
“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 Logistic Services Framework Agreement”	the supplemental agreement to the logistic services framework agreement dated 12 August 2021 entered into between the Company and Mr. ZW You on 31 August 2023 to amend and supplement the Logistic Services Framework Agreement
“Wubo Technology”	物泊科技有限公司 (Wubo Technology Co., Ltd*), a company established in China, and is controlled by RGL
“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, 31 August 2023

As at the date of this announcement, the executive Directors are Mr. Jiang Jiang and Mr. Wu Lei; 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.

For illustrative purposes, the exchange rates of HK\$1=RMB0.9283 are adopted in this announcement.

* *For identification purposes only*