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## **THEME INTERNATIONAL HOLDINGS LIMITED**

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 990)**

### **SUPPLEMENTAL ANNOUNCEMENT — RENEWAL OF CONTINUING CONNECTED TRANSACTIONS — 2024–2026 MASTER SALE AND PURCHASE AGREEMENT I, 2024–2026 MASTER SALE AND PURCHASE AGREEMENT II AND 2024–2026 LOGISTIC SERVICES FRAMEWORK AGREEMENT**

Reference is made to the announcement of the Company dated 22 December 2023 in relation to the renewal of continuing connected transactions contemplated under the 2024–2026 Master Sale and Purchase Agreement I, the 2024–2026 Master Sale and Purchase Agreement II and the 2024–2026 Logistic Services Framework Agreement (the “**Announcement**”). Unless otherwise defined, capitalized terms used herein shall have the same meanings as those defined in the Announcement.

In addition to the information disclosed in the Announcement, the Company would like to supplement the following information. Save as disclosed below, the content of the Announcement remains unchanged.

#### **2024–2026 MASTER SALE AND PURCHASE AGREEMENT I**

In arriving at the proposed annual caps of HK\$330.0 million for each of the years ending 31 December 2024, 2025 and 2026, the Directors have taken into account different factors, including the expected increasing demand for iron ore, steel products and nickel ore in Singapore.

Although the Company did not record any transactions with ZHY Group in the consolidated statement of profit or loss of the Group for the two years ended 31 December 2022 and the eleven months ending 30 November 2023, the Company is recently actively exploring the potential business cooperation with ZHY Group (in particular PSU) in the coming years. To the best knowledge of the Company, PSU, being part of Mr. You Group, is one of the largest iron ore traders in the world and is also very active in trading of commodities. It is expected that the Company and PSU will sign agreements in

relation to the purchase or sale of iron ore, steel products and nickel ore of approximately HK\$100,000,000 to HK\$150,000,000 in the first half of the year ending 31 December 2024, after which the Company and PSU will continue to strengthen the cooperation. Thus, the proposed annual caps for the years ending 31 December 2024, 2025 and 2026 were based on the estimates of the management of the demand of the Group, in view of the recent forecast of the quantities and prices of iron ore, steel products and nickel ore from/to the ZHY Group.

## **2024–2026 MASTER SALE AND PURCHASE AGREEMENTS I AND II**

Under the terms of 2024–2026 Master Sale and Purchase Agreement I, the Company agrees to purchase and/or supply iron ore, steel products and nickel ore and Mr. ZH You agrees to supply and/or purchase and/or procure the purchase and/or supply of iron ore, steel products and nickel ore in Singapore.

Under the terms of the 2024–2026 Master Sale and Purchase Agreement II, the Company agrees to purchase and/or supply iron ore, steel products and nickel ore and Mr. ZW You agrees to supply and/or purchase and/or procure the purchase and/or supply of iron ore, steel products and nickel ore in the PRC and the Company agrees to provide or procure its subsidiary(ies) to provide the Processing Services to the ZWY Group in the PRC.

The Group has a wide range of suppliers and customers, including ZHY Group and ZWY Group. The Group will purchase and sell iron ore, steel products and nickel ore from suppliers and to customers, as and when the prices are favourable to the Group. Generally speaking, the Company will carry out the transactions with ZHY Group and ZWY Group in the following ways. The Company will purchase iron ore, steel products and nickel ore from ZHY Group in Singapore or ZWY Group in PRC, and then sell such commodities to other Independent Third Parties. Alternatively, the Company will purchase iron ore, steel products and nickel ore from other Independent Third Parties, and then sell such commodities to ZHY Group in Singapore or ZWY Group in the PRC. Regarding the Processing Services, the Company will only provide or procure its subsidiary(ies) to provide the Processing Services to the ZWY Group in the PRC.

By entering into the 2024–2026 Master Sale and Purchase Agreement I and the 2024–2026 Master Sale and Purchase Agreement II, the Group would be provided with the flexibility to purchase from, or supply iron ore, steel products and nickel ore through PSU and RGL, as and when the prices are favourable to the Group. Pursuant to the said agreements, the prices of the iron ore, steel products and nickel ore should be on normal commercial terms and no less favourable than those obtained from, or offered to, other Independent Third Parties. Further, as the Group has the servicing capability and capacity for carrying out the Processing Services in the PRC, it will be beneficial for the Group to provide such services to the ZWY Group.

The Group will also adopt the internal control measures as disclosed, to ensure that the prices and terms for the purchase or sale of iron ore, steel products and nickel ore from/to the ZHY Group and ZWY Group will be based on prevailing market terms and no less favourable to the Company than those offered through other Independent Third Parties, and 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.

To monitor the relevant annual caps under the under the 2024–2026 Master Sale and Purchase Agreement I and the 2024–2026 Master Sale and Purchase Agreement II, please refer to the internal control measures below.

### **INTERNAL CONTROL MEASURES FOR THE CONTINUING CONNECTED TRANSACTIONS**

In order to ensure that the pricing policies as contained in the 2024–2026 Master Sale and Purchase Agreement I, the 2024–2026 Master Sale and Purchase Agreement II and the 2024–2026 Logistic Services Framework Agreement and the proposed annual caps under each of the aforesaid agreement are complied with, the Company has adopted the following internal control measures:

- (i) for the purchase of iron ore, steel products and nickel ore from the ZHY Group and the ZWY Group, the purchase department of the Group will make reference to different commonly recognised industrial websites and published indexes 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 ZHY Group and 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 sales department of the Group will make reference to different commonly recognised industrial websites and published indexes 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;

- (iii) for the Processing Services, the sales department of 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; and
- (iv) for the Logistic Services, the logistics department of 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.

The sales departments of the Group will regularly monitor and review the prices and terms under which the iron ore, steel products or nickel ore are offered to or purchased from the ZHY Group or the ZWY Group, and the Processing Services and Logistic Services are charged, in order to ensure that the transactions under the 2024–2026 Master Sale and Purchase Agreement I, the 2024–2026 Master Sale and Purchase Agreement II and the 2024–2026 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.

To monitor the relevant annual caps, the Company assigned the business integrated management department and the finance department to record the respective actual transactions amounts in relation to the purchase of commodities, sales of commodities, the Processing Services and the Logistic Services from/to ZHY Group and ZWY Group. They will co-ordinate among the Group and record the transactions amounts into different categories, aggregate the total amounts against the relevant annual caps and report to the senior management to regularly monitor the transactions under the said agreements.

The Company will assign the finance department to regularly monitor the transactions under the 2024–2026 Master Sale and Purchase Agreement I, the 2024–2026 Master Sale and Purchase Agreement II and the 2024–2026 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.

The Company's auditors will review the transactions under the 2024–2026 Master Sale and Purchase Agreement I, the 2024–2026 Master Sale and Purchase Agreement II and the 2024–2026 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.

The independent non-executive Directors will review the transactions under the 2024–2026 Master Sale and Purchase Agreement I, the 2024–2026 Master Sale and Purchase Agreement II and the 2024–2026 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 2024–2026 Master Sale and Purchase Agreement I, the 2024–2026 Master Sale and Purchase Agreement II and the 2024–2026 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.

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

Hong Kong, 29 December 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.*