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TRANSPORT INTERNATIONAL HOLDINGS LIMITED

(載通國際控股有限公司)*

(Incorporated in Bermuda with limited liability)

(Stock Code: 62)

DISCLOSEABLE TRANSACTION IN RELATION TO CONTRACTS WITH ADL ASIA

KMB, a wholly-owned subsidiary of the Company, entered into the Retrofit Contract with ADL Asia on 23 October 2020 for retrofitting of seatbelted seats on the upper deck of eligible buses at the total consideration of approximately HKD121.2 million.

As one or more of the applicable percentage ratios in respect of the transactions contemplated under the Retrofit Contract and the Previous Contracts, on an aggregate basis, exceed 5% but are less than 25%, such transactions constitute a discloseable transaction of the Company and is therefore subject to the reporting and announcement requirements under Chapter 14 of the Listing Rules.

THE RETROFIT CONTRACT AND THE PREVIOUS CONTRACTS

The Company announces that on 23 October 2020, KMB, a wholly-owned subsidiary of the Company, entered into the Retrofit Contract with ADL Asia for acquiring and retrofitting seatbelted seats on the upper deck of approximately 790 units of eligible buses at the total consideration of approximately HKD121.2 million, which was arrived at through tender selection.

As at the date of this announcement, KMB and LWB, both wholly-owned subsidiaries of the Company, have entered into the Previous Contracts with ADL Asia for an aggregate consideration of approximately GBP 28.9 million, details of which are set out below:-

	Date of contract	Subject matter and consideration
1.	14 July 2020	The purchase of 24 units of 11.3-Metre Enviro 500 Double-deck CBU Buses at the same unit price for a consideration of approximately GBP 6.5 million and 51 units of 12.8-Metre Enviro 500 Double-deck CBU Buses at the same unit price for a consideration of approximately GBP 14.1 million (inclusive of all carriage and insurance charges) by KMB, which was arrived at through tender selection.

	Date of contract	Subject matter and consideration
2.	13 December 2019	The purchase of 30 units of 12.8-Metre Enviro 500 Double-deck CBU Buses at the same unit price for a total consideration of approximately GBP 8.3 million (inclusive of all carriage and insurance charges) by LWB, which was arrived at through tender selection.

Payment terms

The consideration in respect of the Retrofit Contract is payable in cash in two instalments, with (a) 10% of which being payable as deposit within fifteen (15) calendar days from the signing of the Retrofit Contract; and (b) the balance being payable on a per bus basis after work completion for such bus(es) as confirmed by KMB every two (2) weeks (subject to adjustments and deductions, for instance, in respect of delays in completion) until final completion of works, which is currently expected to be on or about 30 September 2022.

The consideration in respect of Item 1 of the Previous Contracts is payable in cash in three instalments, with (a) 10% of which being payable as deposit within fourteen (14) business days from the signing of Item 1 of the Previous Contracts; (b) half of the unit price being payable as further deposit within fourteen (14) business days from the date of delivery of each of the assembled unit; and (c) the balance in respect of an assembled unit being payable within fourteen (14) business days after the completion of quality audit, satisfactory inspection and issuance of fitness certification in respect of each assembled unit in accordance with the applicable laws and regulations.

The consideration in respect of Item 2 of the Previous Contracts is payable in cash in three instalments, with (a) 10% of which being payable as deposit within fourteen (14) business days from the signing of Item 2 of the Previous Contracts ; (b) half of the unit price being payable as further deposit within fourteen (14) business days from the date of shipment of each of the assembled unit; and (c) the balance in respect of an assembled unit being payable (i) within fourteen (14) business days after the completion of quality audit, satisfactory inspection and issuance of fitness certification in respect of each assembled unit in accordance with the applicable laws and regulations, or (ii) within three (3) calendar months after such assembled unit (subject to quality audit) is made available for motor vehicle examination, whichever is the earlier.

All above payments are being funded by the general working capital and banking facilities of KMB and LWB.

Performance guarantee by ADL Asia and ADL

ADL Asia has provided a performance credit note in favour of KMB of approximately HKD12.1 million (representing approximately 10% of the contract sum) to guarantee its performance under the Retrofit Contract.

ADL has guaranteed in favour of KMB and LWB the due performance by ADL Asia of its obligations under the Previous Contracts as may be amended or supplemented from time to time.

REASONS FOR AND BENEFITS OF THE TRANSACTION

The transactions under the Retrofit Contract and the Previous Contracts were entered into in the ordinary and usual course of business of the Group and as part of its continuing initiative to replace retiring buses and to enhance the service quality of KMB and LWB.

The Directors believe that the terms of the Retrofit Contract and the Previous Contracts are fair and reasonable and in the interests of the Company and its shareholders as a whole.

IMPLICATIONS UNDER THE LISTING RULES

As one or more of the applicable percentage ratios in respect of the transactions contemplated under the Retrofit Contract and the Previous Contracts, on an aggregate basis, exceed 5% but are less than 25%, such transactions constitute a discloseable transaction of the Company and is therefore subject the reporting and announcement requirements under Chapter 14 of the Listing Rules.

GENERAL INFORMATION

The principal activities of the Group are the operation of both franchised and non-franchised public transportation, property holdings and development. KMB and LWB are principally engaged in franchised public bus services in Hong Kong.

ADL Asia is the sales and support arm of ADL (a major British bus manufacturer) and also a major supplier of double-deck buses in the Hong Kong bus market. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, ADL Asia and its ultimate beneficial owner(s) are third parties independent of the Company and its connected persons.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise: -

“11.3-Metre Enviro 500 Double-deck CBU Bus(es)”	set(s) of Enviro 500 Double-deck CBU Bus, each comprising a unit of ADL Trident 11.3-Metre Euro 6 3-Axle Bus Chassis with Enviro 500 Air Conditioned Body
“12.8-Metre Enviro 500 Double-deck CBU Bus(es)”	set(s) of Enviro 500 Double-deck CBU Bus, each comprising a unit of ADL Trident 12.8-Metre Euro 6 3-Axle Bus Chassis and with Enviro 500 Air Conditioned Body
“ADL”	Alexander Dennis Limited, a company incorporated in Scotland with limited liability

“ADL Asia”	Alexander Dennis (Asia Pacific) Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of ADL
“Board”	the board of Director(s)
“business day(s)”	Hong Kong business day(s)
“CBU”	Completely Built Up
“Company”	Transport International Holdings Limited, a company incorporated in Bermuda with limited liability and the shares of which are listed on the Stock Exchange (Stock Code: 62)
“Director(s)”	the director(s) of the Company
“discloseable transaction”	mean a discloseable transaction under Chapter 14 of the Listing Rules
“GBP”	British Pound Sterling, the lawful currency of the United Kingdom of Great Britain and Northern Ireland
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“KMB”	The Kowloon Motor Bus Company (1933) Limited, a wholly-owned subsidiary of the Company
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“LWB”	Long Win Bus Company Limited, a wholly-owned subsidiary of the Company
“Previous Contract(s)”	collectively, (i) the purchase contract dated 14 July 2020 entered into between KMB and ADL Asia for the purchase of 24 units of 11.3-Metre Enviro 500 Double-deck CBU Buses and 51 units of 12.8-Metre Enviro 500 Double-deck CBU Buses from ADL Asia; and (ii) the purchase contract dated 13 December 2019 entered into between LWB and ADL Asia for the purchase of 30 units of 12.8-Metre Enviro 500 Double-deck CBU Buses from ADL Asia

“Retrofit Contract”	the retrofit contract dated 23 October 2020 entered into between KMB and ADL Asia for the deliverables and services from ADL Asia in relation to the retrofitting of seatbelted seats on the upper deck of eligible buses
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent.

By order of the Board
Lana Woo
Company Secretary

Hong Kong, 23 October 2020

The Directors as at the date of this announcement are: -

Independent Non-executive Directors:

Dr. Norman LEUNG Nai Pang, *GBS, JP* (Chairman)
 Dr. John CHAN Cho Chak, *GBS, JP* (Deputy Chairman)
 Dr. Eric LI Ka Cheung, *GBS, OBE, JP*
 Professor LIU Pak Wai, *SBS, JP*
 Mr. TSANG Wai Hung, *GBS, PDSM, JP*

Non-executive Directors:

Mr. Raymond KWOK Ping Luen, *JP* (Ms. Susanna WONG Sze Lai as his alternate)
 Mr. NG Siu Chan (Ms. Winnie NG as his alternate)
 Mr. Charles LUI Chung Yuen, *M.H.*
 Mr. William LOUEY Lai Kuen (Mr. GAO Feng as his alternate)
 Ms. Winnie NG, *JP*
 Mr. Allen FUNG Yuk Lun
 Dr. CHEUNG Wing Yui, *BBS*
 Mr. LEE Luen Fai, *JP*
 Mr. LUNG Po Kwan

Executive Director:

Mr. Roger LEE Chak Cheong (Managing Director)

** for identification purpose only*