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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)

CONTINUING CONNECTED TRANSACTIONS

SUMMARY

On 5 November 2021, the Group entered into the 2022 Supplemental Motor Insurance Arrangements with SHKI, a wholly-owned subsidiary of SHKP, pursuant to which SHKI will provide insurance coverage and services to the Group. The insurance policies entered into pursuant to the 2022 Supplemental Motor Insurance Arrangements will take effect from 1 January 2022 to 31 December 2022.

As at the date of this announcement, SHKP is a substantial shareholder holding approximately 40.31% interest in the Company. Since SHKI is a wholly-owned subsidiary of SHKP, SHKI is an associate of SHKP and thus a connected person of the Company under the Listing Rules. The transactions contemplated under the 2022 Supplemental Motor Insurance Arrangements will therefore constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules. In respect of the annual insurance premium expected to be payable under the 2022 Supplemental Motor Insurance Arrangements, as all the applicable percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules are, on an annual basis, more than 0.1% but less than 5%, the transactions contemplated under the 2022 Supplemental Motor Insurance Arrangements are only subject to the reporting, announcement and annual review requirements but are exempt from the circular and independent shareholders' approval requirements pursuant to Chapter 14A of the Listing Rules.

Details of the 2022 Supplemental Motor Insurance Arrangements will be included in the Company's next annual report in accordance with Rule 14A.71 of the Listing Rules.

DETAILS OF THE INSURANCE ARRANGEMENTS

1. Background and information on the 2022 Supplemental Motor Insurance Arrangements

On 3 November 2020, the Group entered into various policies with SHKI as insurer pursuant to which the Group maintained insurance coverage with SHKI, including a motor vehicle third party and passengers' liability insurance and an employees' compensation insurance for a period of 24 months from 1 January 2021 to 31 December 2022 (the "**2021/22 Insurance Arrangements**"). The transactions contemplated under the 2021/22 Insurance Arrangements constituted continuing connected transactions of the Company, details of such transactions as well as the estimated annual insurance premiums payable by the Group for the aforesaid period were disclosed in the announcement of the Company dated 3 November 2020.

On 5 November 2021, the Group entered into certain supplemental insurance policies with SHKI as insurer, pursuant to which the type of insurance covered or to be covered is motor vehicle third party and passengers' liability insurance for a period of 12 months from 1 January 2022 to 31 December 2022 (the "**2022 Supplemental Motor Insurance Arrangements**").

2. Historical transaction amounts, the annual caps and premiums for the continuing connected transactions

The annual insurance premiums for the 2019/20 Insurance Arrangements paid by the Group to SHKI for the two years ended 31 December 2019 and 31 December 2020 were HK\$86,030,000 and HK\$90,454,000 respectively.

It is estimated that the total insurance premiums for the 2021/22 Insurance Arrangements payable by the Group to SHKI for the two years ending 31 December 2021 and 31 December 2022 will not exceed HK\$132,500,000 and HK\$99,500,000 respectively. Such annual cap amounts are determined mainly with reference to the historical transaction amounts, the estimated business requirements of the Group (including the estimated vehicles, staffing and fixed assets requirements) and the insurance premium rates as specified under the 2021/22 Insurance Arrangements.

The total insurance premiums payable by the Group to SHKI for the 2022 Supplemental Motor Insurance Arrangements will be approximately HK\$36,500,000 in two equal instalments due on 1 January 2022 and 1 July 2022. As the policies under the 2022 Supplemental Motor Insurance Arrangements were awarded through open tender, the terms and conditions of insurance policies maintained by the Group with SHKI as insurer will be no less favourable to the Group than those offered by third party insurers in respect of similar type of risks insured if such comparison is available; or will be comparable to the terms and conditions of the insurance policies maintained by other third parties with SHKI as insurer in respect of similar type of risks insured. The insurance premiums payable by the Group under the 2022 Supplemental Motor Insurance Arrangements will be satisfied from internal resources.

REASONS AND BENEFITS FOR ENTERING INTO THE INSURANCE ARRANGEMENTS

The Group is principally engaged in operation of both franchised and non-franchised public transportation, property holding and development, while SHKI is engaged in provision of insurance coverage and services. The Directors consider that SHKI is familiar with the Group's operations and its experience in dealing with the Group will enhance the efficiency and effectiveness of the 2022 Supplemental Motor Insurance Arrangements. The policies under the 2022 Supplemental Motor Insurance Arrangements were awarded through open tender and entered into in the ordinary and usual course of business of the Group. The Directors consider that due to the aforesaid reasons and on the basis that the 2022 Supplemental Motor Insurance Arrangements will be conducted on normal commercial terms or better and the insurance premiums payable by the Group will be on market rates, it is in the interest of the Group to rely on the expertise of SHKI in the area of provision of insurance coverage and services.

The Directors (including the independent non-executive Directors) consider that (i) the transactions contemplated under the 2022 Supplemental Motor Insurance Arrangements are in the ordinary and usual course of business of the Group; (ii) the terms of the 2022 Supplemental Motor Insurance Arrangements are on normal commercial terms or better; and (iii) the terms of the 2022 Supplemental Motor Insurance Arrangements and the transactions contemplated thereunder are fair and reasonable and are in the interest of the Group and the shareholders of the Company as a whole.

INFORMATION OF THE PARTIES

The principal activity of the Company is investment holding and the principal activities of the Group are operation of both franchised and non-franchised public transportation, property holding and development.

SHKI is principally engaged in provision of insurance coverage and services in Hong Kong.

The principal activity of SHKP is investment holding. The principal activities of SHKP and its subsidiaries are development of and investment in properties for sale and rent, hotel operations, telecommunications, transport infrastructure and logistics, and data centre operations.

LISTING RULES IMPLICATIONS

As at the date of this announcement, SHKP is a substantial shareholder holding approximately 40.31% interest in the Company. Since SHKI is a wholly-owned subsidiary of SHKP, SHKI is an associate of SHKP and thus a connected person of the Company under the Listing Rules. The transactions contemplated under the 2022 Supplemental Motor Insurance Arrangements will therefore constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules. In respect of the annual insurance premium expected to be payable under the 2022 Supplemental Motor Insurance Arrangements, as all the applicable percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules are on an annual basis more than 0.1% but less than 5%, the transactions contemplated under the 2022 Supplemental Motor Insurance Arrangements are only subject to the reporting, announcement and annual review requirements but are exempt from the circular and independent shareholders' approval requirements pursuant to Chapter 14A of the Listing Rules.

Details of the 2022 Supplemental Motor Insurance Arrangements will be included in the Company's next annual report in accordance with Rule 14A.71 of the Listing Rules.

As Mr. KWOK Ping Luen, Raymond (a director of the Company) is considered to be materially interested in the 2022 Supplemental Motor Insurance Arrangements by virtue of his interest in certain issued shares of SHKP, his alternate director who attended the relevant Board meeting in his absence abstained from voting on the Board resolution approving the 2022 Supplemental Motor Insurance Arrangements. In addition, since (i) Dr. Norman LEUNG Nai Pang and Dr. Eric LI Ka Cheung are directors of both the Company and SHKP, (ii) Mr. Allen FUNG Yuk Lun and Dr. CHEUNG Wing Yui are directors of both the Company and SHKI, and (iii) Mr. LEE Luen Fai and Mr. LUNG Po Kwan are employees of SHKP and directors of the Company, each of them also abstained from voting on the Board resolution in relation to the 2022 Supplemental Motor Insurance Arrangements. Save as disclosed above, none of the Directors has any material interests in the 2022 Supplemental Motor Insurance Arrangements.

DEFINITIONS

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

“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors

“Company”	Transport International Holdings Limited, a company incorporated in Bermuda with limited liability and the shares of which are listed on the Stock Exchange
“connected persons”	has the meaning ascribed to it under the Listing Rules
“Directors”	the directors 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
“2019/20 Insurance Arrangements”	the various insurance policies entered into by the Group with SHKI on 1 November 2018, details of which are set out in the announcement of the Company dated 1 November 2018
“2021/22 Insurance Arrangements”	the various insurance policies entered into by the Group with SHKI on 3 November 2020, details of which are set out in the announcement of the Company dated 3 November 2020 and in the first paragraph under the section headed “Details of the Insurance Arrangements” in this announcement
“2022 Supplemental Motor Insurance Arrangements”	the insurance policies entered into by the Group with SHKI on 5 November 2021, details of which are set out in the second paragraph under the section headed “Details of the Insurance Arrangements” in this announcement
“Listing Rules”	Rules Governing the Listing of Securities on The Stock Exchange
“SHKI”	Sun Hung Kai Properties Insurance Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of SHKP

“SHKP”	Sun Hung Kai Properties Limited, a company incorporated in Hong Kong with limited liability and the shares of which are listed on the Stock Exchange
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed to it under the Listing Rules
“%”	per cent

By order of the Board
Lana Woo
Company Secretary

Hong Kong, 5 November 2021

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*