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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 23 November 2011, the Group entered into the 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 Insurance Arrangements will commence on 1 January 2012 and will last for one year from the effective date of the policies.

As at the date of this announcement, SHKP is a substantial shareholder holding approximately 33% 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 Insurance Arrangements therefore constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules. In respect of the annual insurance premium payable under the Insurance Arrangements, as each of the applicable percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules is on an annual basis less than 5%, under Rule 14A.34 of the Listing Rules, the transactions contemplated under the Insurance Arrangements are only subject to the annual review requirements as set out in Rules 14A.37 to 14A.40 of the Listing Rules, and the reporting and announcement requirements as set out in Rules 14A.45 and 14A.47 of the Listing Rules and are exempt from the independent shareholders' approval requirement.

Details of the Insurance Arrangements will be included in the Company's next annual report in accordance with Rule 14A.45 of the Listing Rules.

DETAILS OF THE INSURANCE ARRANGEMENTS

1. Background and description of the Insurance Arrangements

On 24 November 2010, the Group entered into various insurance policies with SHKI as insurer. Transactions under such insurance policies constituted continuing connected transactions of the Company, and details of such transactions as well as the estimated annual insurance premium payable by the Group for the year ending 31 December 2011 were disclosed in an announcement of the Company dated 24 November 2010.

On 23 November 2011, the Group entered into various insurance policies of similar nature with SHKI as insurer pursuant to which the Group will maintain insurance coverage with SHKI, and such insurance policies will take effect on 1 January 2012. The types of insurance covered or to be covered include motor vehicles (including third party and passengers' liability), commercial vehicles, private vehicles, motor trade, money, employees' compensation, fidelity guarantee, public liability, marine cargo, fire insurance, etc. The insurance policies will last for one year from the effective date of the policies. The payments of premium under the insurance policies are usually made either in one installment immediately after the relevant policy is entered into; or in two installments, with the first one being made at the beginning of the term of the relevant policy and the second one being made in the middle of such term.

2. Historical amounts and the proposed cap for the continuing connected transactions

The annual insurance premiums paid by the Group to SHKI for the two years ended 31 December 2009 and 31 December 2010 were HK\$67,798,000 and HK\$67,869,000 respectively as disclosed in the annual reports of the Company, and it is estimated that the annual insurance premium paid and payable by the Group to SHKI for the financial year ending 31 December 2011 will amount to approximately HK\$71,500,000.

In respect of the annual insurance premium payable by the Group under the Insurance Arrangements, it is estimated that such annual insurance premium payable by the Group to SHKI for the year ending 31 December 2012 shall not exceed HK\$76,000,000. Such annual cap is determined mainly based on the estimated growth of business of the Group, the estimated number of motor vehicles on which business of the Group will be conducted, the estimated number of staff employed, the estimated value of fixed assets for which insurance coverage will be required and the insurance premium rates as specified under the Insurance Arrangements. The terms and conditions of insurance policies maintained by the Group with SHKI as insurer shall be no less favourable to the Group than those offered by third parties insurers in respect of similar type of risk insured if such comparison is available; or shall 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 risk insured. The annual insurance premium payable by the Group under the Insurance Arrangements will be satisfied by internal resources.

REASONS FOR AND BENEFITS OF THE ENTERING INTO THE INSURANCE ARRANGEMENTS

The Group is principally engaged in the operation of both franchised and non-franchised public transportation, property holdings and development and the provision of media sales services in Hong Kong and Mainland China, while SHKI is engaged in the provision of insurance coverage and services. The Directors (including the independent non-executive 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 Insurance Arrangements. The policies under the Insurance Arrangements were awarded through tendering process. Since the terms offered by SHKI are the best available in such process, the insurance policies were awarded to SHKI. The Directors consider that due to the aforesaid reasons and on the basis that the Insurance Arrangements, which were arrived at after arm's length negotiations between the parties concerned, will be conducted on normal commercial terms 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 the entering into the Insurance Arrangements is in the ordinary and usual course of business of the Group and the terms of the Insurance Arrangements are on normal commercial terms which were arrived at after arm's length negotiations between the parties concerned. The insurance premiums payable by the Group pursuant to the Insurance Arrangements will be determined with reference to the prevailing market rates. The Directors (including the independent non-executive Directors) consider that the terms of the Insurance Arrangements are fair and reasonable and in the interests of the Group and the shareholders of the Company as a whole.

INFORMATION OF THE COMPANY, THE GROUP AND SHKI

The principal activity of the Company is investment holdings. The principal activities of the Group are the operation of both franchised and non-franchised public transportation, property holdings and development and the provision of media sales services in Hong Kong and Mainland China.

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

CONTINUING CONNECTED TRANSACTIONS

SHKP is a substantial shareholder holding approximately 33% 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 Insurance Arrangements therefore constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules. In respect of the annual insurance premium payable under the Insurance Arrangements, as each of the applicable percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules is on an annual basis less than 5%, under Rule 14A.34 of the Listing Rules, the transactions contemplated under the Insurance Arrangements are only subject to the annual review requirements as set out in Rules 14A.37 to 14A.40 of the Listing Rules, and the reporting and announcement requirements as set out in Rules 14A.45 and 14A.47 of the Listing Rules and are exempt from the independent shareholders' approval requirement.

Details of the Insurance Arrangements will be included in the Company's next annual report in accordance with Rule 14A.45 of the Listing Rules.

As Mr. KWOK Ping-luen, Raymond (a director of the Company) is materially interested in the Insurance Arrangements by virtue of his interest and deemed interest under the Securities and Futures Ordinance in more than 5% of the issued shares of SHKP and the interest of Dr. KWOK Ping-sheung, Walter (a director of the Company) in the issued shares of SHKP is pending resolution, both of their respective alternate directors who attended the relevant Board meeting in their absence have abstained from voting on the Board resolution approving the Insurance Arrangements. Save as disclosed above, none of the other Directors has any material interests in the Insurance Arrangements.

DEFINITIONS

“associate”	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
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries

“HK\$”	Hong Kong dollars
“Hong Kong”	The Hong Kong Special Administrative Region of the People’s Republic of China
“Insurance Arrangements”	the various insurance policies entered into by the Group with SHKI on 23 November 2011 which shall take effect on 1 January 2012 and expire on 31 December 2012, details of which are set out in the paragraph with the heading “Details of the Insurance Arrangements” in this announcement
“Listing Rules”	The 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

By order of the Board
Lana Woo
Company Secretary

Hong Kong, 23 November 2011

As at the date of this announcement, the Directors of the Company are The Hon. Sir Sze-yuen CHUNG, GBM, GBE, JP as Chairman and Independent Non-executive Director; Dr. Norman LEUNG Nai Pang, GBS, JP as Deputy Chairman and Independent Non-executive Director; Dr. Eric LI Ka Cheung, GBS, OBE, JP, Mr. SIU Kwing-chue, Gordon, GBS, CBE, JP and Professor LIU Pak-wai, SBS, JP as Independent Non-executive Directors; Mr. Edmond HO Tat Man as Managing Director; Mr. Charles LUI Chung Yuen, M.H. and Mr. Evan AU YANG Chi Chun as Executive Directors; Mr. KWOK Ping-luen, Raymond, JP (with Mr. YUNG Wing Chung as alternate), Dr. KWOK Ping-sheung, Walter, JP (with Mr. SO Wai Kei, Godwin as alternate), Mr. NG Siu Chan (with Ms. Winnie NG as alternate), Mr. William LOUEY Lai Kuen, Dr. John CHAN Cho Chak, GBS, JP, Ms. Winnie NG and Mr. John Anthony MILLER, SBS, OBE as Non-executive Directors.

** For identification purpose only*