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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult your stockbroker or other registered dealer in securities, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in **Transport International Holdings Limited**, you should at once hand this circular to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

No Shareholder receiving a copy of this circular and/or an Election Form in any territory outside Hong Kong may treat the same as an invitation to elect for New Shares unless in that relevant territory such invitation could lawfully be made to that Shareholder without Transport International Holdings Limited having to comply with any registration or other legal requirements, governmental or regulatory procedures or any other similar formalities. It is the responsibility of any Shareholder outside Hong Kong who wishes to receive New Shares under the Scrip Dividend Scheme to comply with the laws of the relevant jurisdictions including any applicable procedures or any other similar formalities.



TRANSPORT INTERNATIONAL HOLDINGS LIMITED
(載通國際控股有限公司)*

(incorporated in Bermuda with limited liability)

(Stock Code: 62)

**SCRIP DIVIDEND SCHEME IN RELATION TO
THE INTERIM DIVIDEND
FOR THE SIX MONTHS ENDED 30 JUNE 2018**

This circular is made in English and Chinese. In case of any inconsistency, the English version shall prevail.

* For identification purpose only

DEFINITIONS

In this circular, the following expressions shall have the following meanings unless the context otherwise requires:

“Board”	the board of Directors;
“CCASS”	the Central Clearing and Settlement System established and operated by the Hong Kong Securities Clearing Company Limited;
“Company”	Transport International Holdings Limited, a company incorporated in Bermuda with limited liability and the shares of which are listed on the main board of the Stock Exchange (Stock Code: 62);
“Director(s)”	director(s) of the Company;
“Election Form”	the form of election in relation to the Scrip Dividend Scheme;
“Eligible Shareholders”	Shareholders whose names appeared on the register of members of the Company on the Record Date (except Shareholders in the United States);
“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;
“Interim Dividend”	the interim dividend of HK\$0.30 per Share for the six months ended 30 June 2018 payable on Tuesday, 16 October 2018 to Shareholders whose names appeared on the register of members of the Company on the Record Date;
“Latest Practicable Date”	Thursday, 6 September 2018, being the latest practicable date prior to the printing of this circular for ascertaining certain information contained in this circular;
“New Share(s)”	new fully paid Share(s) to be issued under the Scrip Dividend Scheme;
“Record Date”	Tuesday, 4 September 2018, being the date for determining Shareholders who qualify for the Interim Dividend;

DEFINITIONS

“Scrip Dividend Scheme”	the scrip alternative offered to the Shareholders whereby Shareholders may elect to receive their Interim Dividend wholly or partly by the allotment of fully paid New Shares in lieu of cash;
“Share(s)”	share(s) in the share capital of the Company;
“Share Registrar”	Computershare Hong Kong Investor Services Limited;
“Shareholder(s)”	holder(s) of Share(s);
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“United States”	United States of America or any of its territories or possessions; and
“%”	per cent.

EXPECTED TIMETABLE

Set out below is a summary of the events in relation to the Scrip Dividend Scheme in the form of a timetable and is indicative only:

Event	Date
Latest date for dealings in Shares on a cum-entitlement basis	Thursday, 30 August 2018
Commencement of dealings in the Shares on an ex-entitlement basis	Friday, 31 August 2018
Latest time for lodging forms of transfer of Shares to ensure entitlement to the Interim Dividend.	4:30 p.m. on Monday, 3 September 2018
Closure of the register of members of the Company	Tuesday, 4 September 2018
Record Date for determination of entitlements to the Interim Dividend	Tuesday, 4 September 2018
Fix the market value of a New Share (5 trading days average closing price)	Friday, 31 August 2018 to Thursday, 6 September 2018 (both days inclusive)
Announcement setting out the basis of allotment of New Shares	Thursday, 6 September 2018
Despatch of circular with Election Form	Wednesday, 12 September 2018
Latest time for return of the Election Form to the Share Registrar ²	4:30 p.m. on Friday, 28 September 2018
Despatch of certificates for New Shares and cheques for cash dividends	Tuesday, 16 October 2018
Expected first day of dealings in New Shares	Thursday, 18 October 2018

Notes:

1. References to time and dates in this circular are to Hong Kong time and dates.
2. The Election Form should be completed in accordance with the instructions printed thereon and returned, so that it is received by the Company's Share Registrar, **Computershare Hong Kong Investor Services Limited at 17M Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Friday, 28 September 2018**. If there is a tropical cyclone warning signal number 8 or above, or a "black" rainstorm warning in force at or at any time prior to 4:30 p.m. on Friday, 28 September 2018, the deadline for return of the Election Form will be changed. Further information is set out in paragraph 6 headed "Election Form" of the "Letter from the Board".

LETTER FROM THE BOARD



TRANSPORT INTERNATIONAL HOLDINGS LIMITED
(載通國際控股有限公司)*
(incorporated in Bermuda with limited liability)
(Stock Code: 62)

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*

Mr NG Siu Chan

Mr Charles LUI Chung Yuen, *M.H.*

Mr William LOUEY Lai Kuen

Ms Winnie NG, *JP*

Director and Alternate Director to Mr NG Siu Chan

Mr Allen FUNG Yuk Lun

Dr CHEUNG Wing Yui, *BBS*

Mr LEE Luen Fai, *JP*

Mr LUNG Po Kwan

Ms Susanna WONG Sze Lai

Alternate Director to Mr Raymond KWOK Ping Luen, JP

Mr GAO Feng

Alternate Director to Mr William LOUEY Lai Kuen

Executive Director:

Mr Roger LEE Chak Cheong

Managing Director

Registered Office:

Clarendon House

2 Church Street

Hamilton HM11

Bermuda

Hong Kong Principal Office:

15/F., 9 Po Lun Street

Lai Chi Kok

Kowloon, Hong Kong

* For identification purpose only

LETTER FROM THE BOARD

12 September 2018

To the Shareholders

Dear Sir or Madam,

**SCRIP DIVIDEND SCHEME IN RELATION TO
THE INTERIM DIVIDEND
FOR THE SIX MONTHS ENDED 30 JUNE 2018**

1. INTRODUCTION

The Company announced on 16 August 2018 that the Board had declared the Interim Dividend and resolved that the Interim Dividend would be paid to Shareholders whose names appeared on the register of members of the Company on the Record Date. Eligible Shareholders may elect to receive the Interim Dividend in cash, or wholly by the allotment of fully paid New Shares in lieu of cash, or partly in cash and partly in the form of fully paid New Shares under the Scrip Dividend Scheme. In order to establish entitlement to the Interim Dividend, the register of members of the Company was closed on Tuesday, 4 September 2018 and all transfers, accompanied by the relevant share certificates had to be lodged with the Company's Share Registrar for registration by 4:30 p.m. on Monday, 3 September 2018.

The purpose of this circular is to set out the procedures which apply in relation to the Scrip Dividend Scheme and the action which should be taken by the Shareholders in relation thereto.

2. DETAILS OF THE SCRIP DIVIDEND SCHEME

Under the Scrip Dividend Scheme, Eligible Shareholders may elect to receive the Interim Dividend in one of the following ways:

- (a) cash of HK\$0.30 for each Share held on the Record Date; or
- (b) an allotment of fully paid New Shares (the number of which is determined as explained below); or
- (c) partly in cash and partly in the form of fully paid New Shares.

LETTER FROM THE BOARD

For the purpose of calculating the number of New Shares to be allotted pursuant to the Scrip Dividend Scheme, the market value of a New Share has been fixed at HK\$21.14 per Share (the “**Average Closing Price**”), which is calculated as equivalent to the average closing price of one Share as quoted on the Stock Exchange for the five consecutive trading days commencing from Friday, 31 August 2018 to Thursday, 6 September 2018 (both days inclusive). Accordingly, the number of New Shares which the Eligible Shareholders are entitled to receive in respect of the Shares registered in their names as at the Record Date is calculated as follows:

$$\begin{array}{l} \text{Number of} \\ \text{New Shares} \\ \text{to be received} \end{array} = \begin{array}{l} \text{Number of Shares held} \\ \text{on the Record Date and} \\ \text{elected for the New Shares} \end{array} \times \frac{\text{HK\$0.30 (Interim Dividend per Share)}}{\text{HK\$21.14 (Average Closing Price)}}$$

The last day and time one which the Eligible Shareholders will be entitled to select their desired form of the Interim Dividend is 4:30 p.m. on Friday, 28 September 2018. The number of New Shares to be issued to each Eligible Shareholder will be rounded down to the nearest whole number. Fractional entitlements to the New Shares will be disregarded and the benefit thereof will accrue to the Company. The New Shares to be issued pursuant to the Scrip Dividend Scheme will, when they are issued, rank pari passu in all respects with the Shares in issue on the date of the allotment and issue of the New Shares except that they shall not be entitled to the Interim Dividend.

3. ADVANTAGES OF THE SCRIP DIVIDEND SCHEME

The Directors consider that the Scrip Dividend Scheme is beneficial to both the Shareholders and the Company as it gives Shareholders the opportunity to increase their investment in the Company at market value without incurring brokerage fees, stamp duty and related dealing costs and allows the Company to retain cash, which would otherwise have been paid to the Shareholders, for the use by the Company.

4. CONDITIONS OF THE SCRIP DIVIDEND SCHEME

The Scrip Dividend Scheme is conditional upon the Listing Committee of the Stock Exchange granting listing of, and permission to deal in, the New Shares to be issued in respect of the Interim Dividend.

If the condition is not satisfied, the Scrip Dividend Scheme will not become effective and the Election Forms will be void. The Interim Dividend will then be paid wholly in cash.

5. EFFECT OF THE SCRIP DIVIDEND SCHEME

Based on 431,627,499 Shares in issue as at the Record Date, if all Shareholders elect to receive the Interim Dividend in cash, the total cash dividend payable by the Company would be HK\$129,488,249.70. If all Eligible Shareholders elect to receive all of their entitlement to the Interim Dividend in the form of New Shares in lieu of cash and based on the Average Closing Price, the maximum number of New Shares which may fall to be issued under the Scrip Dividend Scheme would be 6,118,040 Shares, representing approximately 1.417% of the existing total number of issued Shares as at the Latest Practicable Date and approximately 1.398% of the total number of issued Shares immediately after the issue of such New Shares.

LETTER FROM THE BOARD

Shareholders should note that the New Shares to be issued under the Scrip Dividend Scheme may give rise to disclosure requirements under Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong). **Shareholders who are in any doubt as to how these provisions may affect them as a result of the issue of the New Shares are recommended to seek their own professional advice. Shareholders who are in any doubt as to their taxation position are also recommended to seek their own professional advice.**

6. ELECTION FORM

An Election Form is enclosed with this circular for use by the Eligible Shareholders who wish to receive the Interim Dividend wholly in the form of New Shares or partly in cash and partly in the form of New Shares in lieu of cash. Please read carefully the instructions below and the instructions printed on the Election Form.

(a) To receive only cash for the Interim Dividend

If you wish to receive only cash for the Interim Dividend, you do not need to take any action. Therefore, please **DO NOT** return the Election Form.

(b) To receive only New Shares for the Interim Dividend

If you wish to receive only New Shares for the Interim Dividend, please just **SIGN, DATE** and **RETURN** the Election Form.

(c) To receive part cash and part New Shares for the Interim Dividend

If you wish to receive your Interim Dividend partly in cash and partly in New Shares, please **ENTER** in Box C of the Election Form the number of Shares which you held on the Record Date for which you require the Interim Dividend to be paid in New Shares. Then **SIGN, DATE** and **RETURN** the Election Form.

If you do not specify the number of Shares in respect of which you wish to receive an allotment of New Shares or if you elect to receive New Shares in respect of a greater number of Shares than your registered holding on the Record Date, you will be deemed to have elected to receive only New Shares in respect of **ALL** the Shares registered in your name on the Record Date. Therefore, you will receive only New Shares for the Interim Dividend.

The Election Form should be completed in accordance with the instructions printed thereon and returned, so that it is received by the Company's Share Registrar no later than 4:30 p.m. on Friday, 28 September 2018 at:

**Computershare Hong Kong Investor Services Limited
17M Floor, Hopewell Centre
183 Queen's Road East, Wanchai
Hong Kong**

LETTER FROM THE BOARD

The latest time for return of the Election Form mentioned above will not be valid if there is a tropical cyclone warning signal number 8 or above, or a “black” rainstorm warning:

- (a) in force in Hong Kong at any local time at or before 12:00 noon and no longer in force after 12:00 noon on Friday, 28 September 2018. Instead, the deadline for the submission of Election Forms will be 5:00 p.m. on the same business day;
- (b) in force in Hong Kong at any local time between 12:00 noon and 4:30 p.m. on Friday, 28 September 2018. Instead, the deadline for the submission of Election Forms will be rescheduled to 4:30 p.m. on the next business day which does not have either of those warnings in force at any time between 9:00 a.m. and 4:30 p.m.

Failure to complete and return the Election Form in accordance with the instructions printed thereon will result in the relevant Eligible Shareholder’s Interim Dividend being paid wholly in the form of cash. No acknowledgement of receipt of the Election Form will be issued. No elections in respect of the Interim Dividend may, after the relevant Election Forms are signed and returned to the Company’s Share Registrar, be in any way withdrawn, revoked, superseded or altered.

7. SHAREHOLDERS RESIDENT OUTSIDE HONG KONG

Shareholders in the United States will not be permitted to participate in the Scrip Dividend Scheme and they will receive the Interim Dividend wholly in cash. Having obtained and taken into consideration a legal opinion in respect of that jurisdiction, the Directors considered such exclusion to be necessary and expedient pursuant to Rule 13.36(2) of the Rules Governing the Listing of Securities on the Stock Exchange. No Election Form is being sent to such Shareholders and this circular will be sent to those Shareholders for information only.

Based on the relevant legal opinions obtained, your attention is drawn to the following statements in respect of Australia, Canada, the Philippines, Singapore, Taiwan and the United Kingdom, respectively:–

Australia

This circular is not a prospectus under Australian law and Shareholders should seek their own professional advice in deciding whether to elect to receive the Interim Dividend wholly or partly in the form of fully paid New Shares under the Scrip Dividend Scheme. **THE COMPANY DOES NOT HAVE AN AUSTRALIAN FINANCIAL SERVICES LICENCE AND IS NOT LICENSED IN AUSTRALIA TO PROVIDE FINANCIAL PRODUCT ADVICE IN RESPECT OF THE NEW SHARES. NO AUSTRALIAN PRODUCT DISCLOSURE STATEMENT OR PROSPECTUS HAS BEEN PREPARED IN RESPECT OF THE NEW SHARES. NO COOLING-OFF PERIOD APPLIES TO THE OFFER OF THE NEW SHARES UNDER THE SCRIP DIVIDEND SCHEME.**

LETTER FROM THE BOARD

Canada

The Directors have been advised by the local legal counsel that in relation to any Shareholders who are resident in Canada (each a “**Canadian Shareholder**”), any New Shares obtained in connection with the Interim Dividend will be restricted securities in Canada. Accordingly, resale of the New Shares acquired by a Canadian Shareholder in connection with the Interim Dividend are required to be made in accordance with Canadian prospectus and registration requirements, a statutory exemption from the prospectus and registration requirements, in a transaction exempt from the prospectus and registration requirements or otherwise under a discretionary exemption from the prospectus and registration requirements granted by the applicable local Canadian securities regulatory authority. These resale restrictions may apply to resales of such New Shares both inside and outside of Canada.

Philippines

Shareholders with registered addresses in the Philippines (the “**Philippine Shareholders**”) should note that issuance outside of the Philippines of the New Shares pursuant to the Scrip Dividend Scheme is not regulated by the Securities Regulation Code of the Philippines (the “**Securities Regulation Code**”) and, in any event, exempted from registration under Subsection 10.1(d) of the Securities Regulation Code. No confirmation needs to be obtained from the Philippine Securities and Exchange Commission that the offer of the New Shares to the Philippine Shareholders pursuant to the Scrip Dividend Scheme qualifies as an exempt transaction. **THE SECURITIES BEING OFFERED OR SOLD HEREIN HAVE NOT BEEN REGISTERED WITH THE PHILIPPINE SECURITIES AND EXCHANGE COMMISSION UNDER THE SECURITIES REGULATION CODE. ANY FUTURE OFFER OR SALE THEREOF IS SUBJECT TO REGISTRATION REQUIREMENTS UNDER THE SECURITIES REGULATION CODE UNLESS SUCH OFFER OR SALE QUALIFIES AS AN EXEMPT TRANSACTION.**

Singapore

This circular has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this circular, the Election Form and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the New Shares may not be circulated or distributed, nor may the New Shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an existing holder of Shares on the Record Date pursuant to Section 273(1)(cd) of the Securities and Futures Act, Chapter 289 of Singapore (the “**SFA**”) or (ii) otherwise pursuant to, and in accordance with, the conditions of an exemption under any provision of Subdivision (4) of Division 1 of Part XIII of the SFA.

LETTER FROM THE BOARD

Taiwan

The offer of the New Shares has not been and will not be registered with the Financial Supervisory Commission of Taiwan pursuant to relevant securities laws and regulations and such New Shares may not be offered or sold within Taiwan through a public offering or in a circumstance which constitutes an offer within the meaning of the Securities and Exchange Act of Taiwan that requires a registration or approval of the Financial Supervisory Commission of Taiwan. No person or entity in Taiwan has been authorised or will be authorised to offer or sell the New Shares issued in Taiwan.

United Kingdom

This circular does not constitute a prospectus for the purposes of the United Kingdom Listing Authority Prospectus Rules, made under Part VI of the Financial Services and Markets Act 2000 pursuant to European Union Directive (2003/71/EC), by virtue of Article 4.1(d) of that Directive and has not been approved by or filed with a competent authority in the United Kingdom.

General

Notwithstanding the above, all Shareholders resident outside Hong Kong should consult their professional advisers as to whether or not they are permitted to participate in the Scrip Dividend Scheme or whether any government or other consents are required or other formalities need to be observed. No Shareholder receiving a copy of this circular and/or an Election Form in any territory outside Hong Kong may treat the same as an invitation to elect for Shares unless in the relevant territory such invitation could lawfully be made to it/him/her without the Company having to comply with any registration or other legal requirements, governmental or regulatory procedures or any other similar formalities. It is the responsibility of any Shareholder outside Hong Kong who wishes to receive New Shares under the Scrip Dividend Scheme to comply with the laws of the relevant jurisdictions including procedures or any other similar formalities. Persons who receive New Shares in lieu of cash dividend must also comply with any restrictions on the resale of Shares which may apply outside Hong Kong.

8. LISTING AND DEALINGS

Application has been made to the Listing Committee of the Stock Exchange for the granting of the listing of, and permission to deal in, the New Shares to be allotted and issued pursuant to the Scrip Dividend Scheme.

It is expected that the certificates for New Shares, and cheques for cash dividends, will be sent by ordinary mail to Shareholders at the risk of those entitled thereto on Tuesday, 16 October 2018, and the first day of dealings in the New Shares on the Stock Exchange is expected to be on Thursday, 18 October 2018.

LETTER FROM THE BOARD

Subject to the granting of the listing of, and permission to deal in, the New Shares to be allotted and issued pursuant to the Scrip Dividend Scheme on the Stock Exchange, such New Shares will be accepted as eligible securities by Hong Kong Securities Clearing Company Limited for deposit, clearance and settlement in the CCASS with effect from the commencement date of dealings in the New Shares on the Stock Exchange or such other date as determined by Hong Kong Securities Clearing Company Limited. Settlement of transactions between participants of the Stock Exchange is required to take place in CCASS on the second business day thereafter. All activities under CCASS are subject to the General Rules of CCASS and CCASS Operational Procedures in effect from time to time. Shareholders should seek the advice of their licensed securities dealer or other professional adviser for details of these settlement arrangements and how such arrangements will affect their rights and interests.

The Shares are listed, and dealt in, on the Stock Exchange. No part of the share capital of the Company is listed or dealt in on any other stock exchange and the Company is not currently seeking to list its securities on any other stock exchange.

9. GENERAL

New Shares issued to the Eligible Shareholders pursuant to an election to receive some or all of their Interim Dividend in New Shares may be allocated in odd lots (of fewer than a board lot of 400 Shares). No special dealing arrangements will be put in place by the Company to facilitate the trading or disposal of New Shares issued in odd lots. Eligible Shareholders should be aware that odd lots usually trade at a discount to the price of board lots.

Whether or not it is to your advantage to receive cash or the New Shares, in whole or in part, depends upon your own individual circumstances, and the decision in this regard and all effects resulting therefrom are the sole responsibility of each Shareholder. If you are in doubt as to what to do, you should consult your professional advisers.

Shareholders who are trustees are recommended to take professional advice as to whether the choice of New Shares is within their powers and as to its effect having regard to the terms of the relevant trust instrument.

Yours faithfully,
By Order of the Board
Roger LEE Chak Cheong
Managing Director