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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 Purchase Contract with ADL Asia on 6 December 2021 for the purchase of 46 units of 12.8-Metre Enviro 500 Double-deck CBU Buses and 26 units of 11.3-Metre Enviro 500 Double-deck CBU Buses at the total consideration of approximately GBP20.28 million.

As one or more of the applicable percentage ratios in respect of the transactions contemplated under the Purchase 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 PURCHASE CONTRACT AND THE PREVIOUS CONTRACTS**

The Company announces that on 6 December 2021, KMB, a wholly-owned subsidiary of the Company, entered into the Purchase Contract with ADL Asia for the purchase of 46 units of 12.8-Metre Enviro 500 Double-deck CBU Buses at the same unit price and 26 units of 11.3-Metre Enviro 500 Double-deck CBU Buses at the same unit price, collectively for a total consideration of approximately GBP20.28 million (inclusive of all carriage and insurance charges), which was arrived at through tender selection.

As at the date of this announcement, KMB and LWB, both wholly-owned subsidiaries of the Company, respectively entered into the following Previous Contracts with ADL Asia for an aggregate consideration of approximately HKD249.23 million, which was arrived at through tender selection:-

	<b>Date of contract</b>	<b>Subject matter and consideration</b>
1.	2 November 2020	Supply and installation of seatbelted seats at the upper deck of 116 units of eligible LWB buses by ADL Asia at the consideration of approximately HKD25.26 million.

	<b>Date of contract</b>	<b>Subject matter and consideration</b>
2.	20 November 2020	Supply and installation of ESC and SLR for 116 units of LWB buses by ADL Asia at the consideration of approximately HKD5.34 million.
3.	20 November 2020	Supply and installation of ESC and SLR for 1,242 units of KMB buses by ADL Asia at the consideration of approximately HKD57.18 million.
4.	30 December 2020	The purchase of 56 units of 12.8-Metre Enviro 500 Double-deck CBU Buses at the same unit price for a total consideration of approximately GBP15.53 million (inclusive of all carriage and insurance charges) by KMB.

## **PAYMENT TERMS**

The consideration in respect of the Purchase Contract is payable by KMB in cash in three instalments:

- (a) 10% of the aggregate purchase price being payable as deposit within fourteen (14) business days from the signing of the Purchase Contract;
- (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 earlier of:
  - (i) 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 two (2) calendar months after such assembled unit (subject to quality audit) is made available for motor vehicle examination.

The consideration in respect of Item 1 of the Previous Contracts is payable in cash in two instalments:

- (a) 10% of the contract price being payable as deposit within fifteen (15) calendar days from the signing of Item 1 of the Previous Contracts; and
- (b) the balance being payable on a per bus basis after work completion for such bus(es) as confirmed by LWB 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 completed on or about 30 September 2022.

The respective considerations in respect of Items 2 and 3 of the Previous Contracts are payable in cash on a per-bus basis after work completion for such bus(es) as confirmed by LWB and KMB respectively every two (2) weeks (subject to adjustments and deductions, for instance, in respect of delays in completion) until final completion of the respective works, which are currently expected to be on or about 30 September 2022.

The consideration in respect of Item 4 of the Previous Contracts is payable by KMB in cash in three instalments:

- (a) 10% of the aggregate purchase price being payable as deposit within fourteen (14) business days from the signing of Item 4 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 within fourteen (14) business days after the earlier of:
  - (i) 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 two (2) calendar months after such assembled unit (subject to quality audit) is made available for motor vehicle examination.

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

#### **PERFORMANCE GUARANTEE BY ADL ASIA AND ADL**

ADL Asia has provided:

- (i) a performance credit note in favour of KMB of approximately GBP2.03 million (representing approximately 10% of the contract sum) to guarantee its performance under the Purchase Contract;
- (ii) a performance credit note in favour of LWB of approximately HKD2.5 million (representing approximately 10% of the contract sum) to guarantee its performance under Item 1 of the Previous Contracts; and
- (iii) a performance credit note in favour of KMB of approximately GBP1.6 million (representing approximately 10% of the contract sum) to guarantee its performance under Item 4 of the Previous Contracts.

ADL has guaranteed in favour of KMB the due performance by ADL Asia of its obligations under the Purchase Contract and Item 4 of the Previous Contracts as may be amended or supplemented from time to time.

#### **REASONS FOR AND BENEFITS OF THE TRANSACTION**

The transactions under the Purchase 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 Purchase 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 Purchase 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 and 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”	a discloseable transaction under Chapter 14 of the Listing Rules
“ESC”	Electronic Stability Control System
“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
“HKD”	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: <ul style="list-style-type: none"> <li>(i) the contract dated 2 November 2020 entered into between LWB and ADL Asia for the supply and installation of seatbelted seats on the upper deck of 116 units of LWB buses;</li> <li>(ii) the contract dated 20 November 2020 entered into between LWB and ADL Asia for the supply and installation of ESC and SLR for 116 units of LWB buses;</li> <li>(iii) the contract dated 20 November 2020 entered into between KMB and ADL Asia for the supply and installation of ESC and SLR for 1,242 units of KMB buses; and</li> <li>(iv) the purchase contract dated 30 December 2020 entered into between KMB and ADL Asia for the purchase of 56 units of 12.8-Metre Enviro 500 Double-deck CBU Buses from ADL Asia</li> </ul>

“Purchase Contract”	the purchase contract dated 6 December 2021 entered into between KMB and ADL Asia for the purchase of 46 units of 12.8-Metre Enviro 500 Double-deck CBU Buses and 26 units of 11.3-Metre Enviro 500 Double-deck CBU Buses from ADL Asia
“SLR”	Speed Limiting Retarder System
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent.

By order of the Board  
**Lana Woo**  
*Company Secretary*

Hong Kong, 6 December 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*