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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 1 November 2019, the Group entered into the 2020/21 Medical and Dental Insurance Arrangement with SHKI, a wholly-owned subsidiary of SHKP, pursuant to which SHKI will provide medical and dental insurance coverage and services to the Group. The insurance policy entered into pursuant to the 2020/21 Medical and Dental Insurance Arrangement will take effect from 1 January 2020 to 31 December 2021.

As at the date of this announcement, SHKP is a substantial shareholder holding 38.61% 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 2020/21 Medical and Dental Insurance Arrangement 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 2020/21 Medical and Dental Insurance Arrangement, as each of the applicable percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules is on an annual basis more than 0.1% but less than 5%, the transactions contemplated under the 2020/21 Medical and Dental Insurance Arrangement are only subject to the reporting, announcement and annual review requirements but exempt from the circular and independent shareholders' approval requirements pursuant to Chapter 14A of the Listing Rules.

Details of the 2020/21 Medical and Dental Insurance Arrangement 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. Information on the 2020/21 Medical and Dental Insurance Arrangement

Reference is made to the announcement of the Company dated 1 November 2017. The Group entered into an insurance policy with SHKI as insurer, pursuant to which the Group maintained medical and dental insurance coverage with SHKI for a period of 24 months from 1 January 2018 to 31 December 2019 (the “**2018/19 Medical and Dental Insurance Arrangement**”).

On 1 November 2019, the Group entered into an insurance policy with SHKI as insurer, pursuant to which the Group will maintain medical and dental insurance coverage with SHKI and such insurance policy shall take effect for a period of 24 months from 1 January 2020 to 31 December 2021 (the “**2020/21 Medical and Dental Insurance Arrangement**”). The first and second premium payments for the policy will be due on 1 January 2020 and 1 January 2021 respectively.

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

The insurance premiums paid by the Group to SHKI in respect of similar medical and dental insurance coverage under the 2018/19 Medical and Dental Insurance Arrangement for the year ended 31 December 2018 and the nine months ended 30 September 2019 were HK\$21,206,000 and HK\$21,131,000 respectively.

It is estimated that the total insurance premiums for the 2020/21 Medical and Dental Insurance Arrangement payable by the Group to SHKI for the two years ending 31 December 2020 and 31 December 2021 will not exceed HK\$22,090,000 and HK\$22,090,000 respectively. Such annual cap amounts are determined with reference to the estimated medical and dental needs of the Group’s employees for such period, the insurance premium rates as specified under the 2020/21 Medical and Dental Insurance Arrangement and the historical transaction amount under the 2018/19 Medical and Dental Insurance Arrangement. As the policy under the 2020/21 Medical and Dental Insurance Arrangement was awarded through open tender, 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 party insurers in respect of similar type of risks 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 risks insured. The insurance premiums payable by the Group under the 2020/21 Medical and Dental Insurance Arrangement will be satisfied from its internal resources.

REASONS AND BENEFITS FOR ENTERING INTO THE INSURANCE ARRANGEMENT

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 2020/21 Medical and Dental Insurance Arrangement. The policy under the 2020/21 Medical and Dental Insurance Arrangement was awarded through 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 2020/21 Medical and Dental Insurance Arrangement 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 interests 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 terms of the 2020/21 Medical and Dental Insurance Arrangement are on normal commercial terms or better and in the ordinary and usual course of business of the Group, fair and reasonable, and in the interests of the Group and the shareholders of the Company as a whole.

INFORMATION OF THE GROUP AND SHKI

The principal activities of the Group are the operation of both franchised and non-franchised public transportation, property holdings and development.

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

LISTING RULES IMPLICATIONS

As at the date of this announcement, SHKP is a substantial shareholder holding 38.61% 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 2020/21 Medical and Dental Insurance Arrangement 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 2020/21 Medical and Dental Insurance Arrangement, as each of the applicable percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules is on an annual basis more than 0.1% but less than 5%, the transactions contemplated under the 2020/21 Medical and Dental Insurance Arrangement are only subject to the reporting, announcement and annual review requirements but exempt from the circular and independent shareholders' approval requirements pursuant to Chapter 14A of the Listing Rules.

Details of the 2020/21 Medical and Dental Insurance Arrangement will be included in the Company's next annual report in accordance with Rule 14A.71 of the Listing Rules.

As Mr. Raymond KWOK Ping Luen (a director of the Company) is considered to be materially interested in the 2020/21 Medical and Dental Insurance Arrangement 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 2020/21 Medical and Dental Insurance Arrangement. In addition, as Dr. Norman LEUNG Nai Pang, Dr. Eric LI Ka Cheung and Mr. Allen FUNG Yuk Lun are directors of both the Company and SHKP, Dr. CHEUNG Wing Yui is a director of both the Company and SHKI, Mr. LEE Luen Fai and Mr. LUNG Po Kwan are employees of SHKP and directors of the Company, they also abstained from voting on the Board resolution in relation to the 2020/21 Medical and Dental Insurance Arrangement. Save as disclosed above, none of the other Directors has any material interests in the 2020/21 Medical and Dental Insurance Arrangement.

DEFINITIONS

“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 person(s)”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	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
“2018/19 Medical and Dental Insurance Arrangement”	the insurance policy entered into by the Group with SHKI on 1 November 2017, details of which are set out in the first paragraph with the section headed “Details of the Insurance Arrangements” in this announcement
“2020/21 Medical and Dental Insurance Arrangement”	the insurance policy entered into by the Group with SHKI on 1 November 2019, details of which are set out in the second paragraph with the section headed “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
“%”	per cent

By order of the Board
Lana Woo
Company Secretary

Hong Kong, 1 November 2019

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*