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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 TRANSACTIONS PURCHASE OF VOLVO DOUBLE-DECK CBU BUSES

KMB, a wholly-owned subsidiary of the Company, entered into the Purchase Contract with Volvo on 9 February 2021 for the purchase of 40 units of 12.8-metre Euro VI 3-axle double-deck CBU buses at the total consideration of approximately GBP11.16 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 aggregated basis, exceed 5% but are less than 25%, the transactions contemplated thereunder, on an aggregated basis, constitute discloseable transactions of the Company and are 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 9 February 2021, KMB, a wholly-owned subsidiary of the Company, entered into the Purchase Contract with Volvo for the purchase of 40 units of 12.8-metre Euro VI 3-axle double-deck CBU buses at the aggregate unit price for a total consideration of approximately GBP11.16 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, entered into the following Previous Contracts with Volvo or Volvo Bus HK at the aggregate unit price for a total consideration of approximately GBP21.04 million, which was arrived at through tender selection:-

no.	Date of contract	Subject matter and consideration
1.	13 December 2019	Purchase of 65 units of 12.8-metre Euro VI 3-axle double-deck CBU buses at the same unit price for a consideration of approximately GBP18.53 million (inclusive of all carriage and insurance charges) by LWB from Volvo.

no.	Date of contract	Subject matter and consideration
2.	6 November 2020	Supply and installation of ESC and SLR for 795 units of KMB buses by Volvo Bus HK at the consideration of approximately HKD25.1 million.
3.	19 January 2021	Bus body conversion project for 10 units of LWB buses by Volvo Bus HK at the consideration of HKD1.68 million.

Payment terms

The consideration in respect of the Purchase Contract is payable in cash in three instalments, with (i) 10% of which being payable as deposit within 14 business days from the signing of the Purchase Contract; (ii) half of the unit price being payable as further deposit within 14 business days from the date of shipment of each of the assembled unit; and (iii) the balance being payable (a) within 14 business days after the 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 (b) within 45 days after satisfactory inspection of such assembled unit (subject to quality audit), whichever is the earlier.

The consideration in respect of the Previous Contract no. 1 is payable in cash in three instalments, with (i) 10% of which being payable as deposit within 14 business days from the signing of the Previous Contract no. 1; (ii) half of the unit price being payable as further deposit within 14 business days from the date of shipment of each of the assembled unit; and (iii) the balance being payable within 14 business days after the 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.

The consideration in respect of the Previous Contract no. 2 is payable in cash on a per-bus basis within 45 calendar days' upon receipt of the invoice issued by Volvo Bus HK after work completion as confirmed by KMB.

The consideration in respect of the Previous Contract no. 3 is payable in cash in two instalments, with (i) 20% of which being payable as deposit within 14 business days from the signing of the Previous Contract no. 3; and (ii) the balance being payable on a per-bus basis within 14 business days after work completion as confirmed by LWB and passing of motor vehicle examination for such bus(es).

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

Performance guarantee

Volvo's banker had guaranteed as a primary obligor in favour of KMB in respect of the Purchase Contract and in favour of LWB in respect of the Previous Contract no.1 up to but not exceeding an aggregate of 10% of the total consideration under the Purchase Contract and the Previous Contract no.1 respectively.

REASONS FOR AND BENEFITS OF THE TRANSACTIONS

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 aggregated basis, exceed 5% but are less than 25%, the transactions contemplated thereunder, on an aggregated basis, constitute discloseable transactions of the Company and are therefore subject to 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.

Volvo is a major Swedish bus manufacturer and also a major supplier of double-deck buses in the Hong Kong bus market. Volvo Bus HK is the sales and support arm of Volvo in Hong Kong. Both Volvo and Volvo Bus HK are ultimately owned by AB Volvo.

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, Volvo, Volvo Bus HK and their ultimate beneficial owners 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: -

“AB Volvo”	Aktiebolaget Volvo, a company incorporated in Sweden with limited liability and the ultimate parent company of Volvo and Volvo Bus HK
“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
“HKD”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“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”	The Long Win Bus Company Limited, a wholly-owned subsidiary of the Company
“PRC”	the People’s Republic of China
“Previous Contract(s)”	collectively, (i) the purchase contract dated 13 December 2019 entered into between LWB and Volvo for the purchase of 65 units of 12.8-metre Euro VI 3-axle double-deck CBU buses; and (ii) the contract dated 6 November 2020 entered into between KMB and Volvo Bus HK for the supply and installation of ESC and SLR for 795 units of KMB buses; and (iii) the purchase order dated 19 January 2021 entered into between LWB and Volvo Bus HK for the bus body conversion project for 10 units of LWB buses, and “Previous Contract” means any one of them
“Purchase Contract”	the purchase contract dated 9 February 2021 entered into between KMB and Volvo for the purchase of 40 units of 12.8-metre Euro VI 3-axle double-deck CBU buses from Volvo

“SLR”	Speed Limiting Retarder System
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Volvo”	Volvo Bus Corporation, a company incorporated in Sweden with limited liability
“Volvo Bus HK”	Volvo Bus Hong Kong Limited, a company incorporated in Hong Kong with limited liability
“%”	per cent

By order of the Board
Lana Woo
Company Secretary

Hong Kong, 9 February 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*