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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

On 29 December 2022, KTRE (a wholly-owned subsidiary of the Company) and TRL entered into the following Agreements: -

1. the Office Premises Leasing Management Agreement with SHKRE(SL), whereby SHKRE(SL) is appointed as the exclusive (subject to any sub-agents SHKRE(SL) may engage) marketing and leasing agent and administrator for the units in the office premises in the Development;
2. the Retail Premises Leasing Management Agreement with SHKRE(SL), whereby SHKRE(SL) is appointed as the exclusive (subject to any sub-agents SHKRE(SL) may engage) marketing and leasing agent and administrator for the units in the retail premises and parking space(s) in the Development; and
3. the Property Management Agreement with KSMS, whereby KSMS is appointed as property manager for the units in the office/retail premises in the Development.

As SHKP holds approximately 41.13% interest in the Company, and TRL, SHKRE(SL) and KSMS are wholly-owned subsidiaries of SHKP, TRL, SHKRE(SL) and KSMS are connected persons of the Company under the Listing Rules. Accordingly, the transactions contemplated under each of the Agreements constitute continuing connected transactions of the Company under the Listing Rules.

As one or more of the applicable percentage ratios in respect of the Office Premises Leasing Management Annual Caps, Retail Premises Leasing Management Annual Caps and Property Management Annual Caps as aggregated are more than 0.1% but less than 5%, the transactions contemplated under the Agreements are subject to the applicable reporting, announcement and annual review requirements but exempt from the circular and independent shareholders' approval requirements pursuant to

Chapter 14A of the Listing Rules.

Information on the Agreements will be included in the relevant annual reports of the Company in accordance with Rule 14A.71 of the Listing Rules.

1. THE OFFICE PREMISES LEASING MANAGEMENT AGREEMENT

The principal terms of the Office Premises Leasing Management Agreement are summarised as follows:

Commencement Date

1 January 2023

Parties

- (1) KTRE
- (2) TRL
- (3) SHKRE(SL)

Term

Three years commencing from the commencement date of the Office Premises Leasing Management Agreement.

Appointment of agent

The appointment of SHKRE(SL) as the exclusive (subject to any sub-agents SHKRE(SL) may engage) marketing and leasing agent and administrator for the units in the office premises in the Development.

Remuneration

KTRE and TRL will bear in equal shares and pay SHKRE(SL) the Office Premises Leasing Management Fees as follows:

- (a) a one-time handling fee equal to one month's rent or licence fee for each new or renewed lease or licence, settled in the same month such lease or licence agreement is signed; and
- (b) a recurring administration fee equal to 3% of the monthly rent or licence fee receivable in respect of all leased / licensed office , settled monthly in arrears.

Basis of consideration and Annual Caps

The Office Premises Leasing Management Fees and other expenses payable under the Office Premises Leasing Management Agreement are determined following arm's length negotiations by the parties after taking into account factors such as the type of services required and the leasing management fees charged for similar leasing management services in the market.

It is estimated that the aggregate amount of the Office Premises Leasing Management Fees and other expenses payable by KTRE and TRL to SHKRE(SL) for each of the financial years ending 31 December 2023, 2024 and 2025 pursuant to the Office Premises Leasing Management Agreement will not exceed HK\$373,050,000 each year. As KTRE and TRL will bear the Office Premises Leasing Management Fees and other expenses payable under the Office Premises Leasing Management Agreement in equal shares, it is estimated that the amount of the Office Premises Leasing Management Annual Caps payable by KTRE to SHKRE(SL) for each of the financial years ending 31 December 2023, 2024 and 2025 pursuant to the Office Premises Leasing Management Agreement shall be HK\$186,525,000 each year.

The annual maximum amount of the Office Premises Leasing Management Fees and other expenses payable under the Office Premises Leasing Management Agreement was determined based on the remuneration rates under the Office Premises Leasing Management Agreement and the maximum number of units estimated to be let or licensed in the Development during the respective financial years.

2. THE RETAIL PREMISES LEASING MANAGEMENT AGREEMENT

The principal terms of the Retail Premises Leasing Management Agreement are summarised as follows:

Commencement Date

1 January 2023

Parties

- (1) KTRE
- (2) TRL
- (3) SHKRE(SL)

Term

Three years commencing from the commencement date of the Retail Premises Leasing

Management Agreement.

Appointment of agent

The appointment of SHKRE(SL) as the exclusive (subject to any sub-agents SHKRE(SL) may engage) marketing and leasing agent and administrator for the units in the retail premises and parking space(s) in the Development.

Remuneration

KTRE and TRL will bear in equal shares and pay SHKRE(SL) the Retail Premises Leasing Management Fees as follows:

- (a) a one-time handling fee equal to one month's rent or licence fee for each new or renewed lease or licence or carpark operator's agreement, settled in the same month such lease or licence agreement or carpark operator's agreement is signed; and
- (b) a recurring administration fee equal to 3% of the monthly rent, licence fee or other fees receivable in respect of all leased / licensed retail and/or car parking units, settled monthly in arrears.

Basis of consideration and Annual Caps

The Retail Premises Leasing Management Fees and other expenses payable under the Retail Premises Leasing Management Agreement are determined following arm's length negotiations by the parties after taking into account factors such as the type of services required and the leasing management fees charged for similar leasing management services in the market.

It is estimated that the aggregate amount of the Retail Premises Leasing Management Fees and other expenses payable by KTRE and TRL to SHKRE(SL) for each of the financial years ending 31 December 2023, 2024 and 2025 pursuant to the Retail Premises Leasing Management Agreement will not exceed HK\$108,580,000 each year. As KTRE and TRL will bear the Retail Premises Leasing Management Fees and other expenses payable under the Retail Premises Leasing Management Agreement in equal shares, it is estimated that the amount of the Retail Premises Leasing Management Annual Caps payable by KTRE to SHKRE(SL) for each of the financial years ending 31 December 2023, 2024 and 2025 pursuant to the Retail Premises Leasing Management Agreement shall be HK\$54,290,000 each year.

The annual maximum amount of the Retail Premises Leasing Management Fees and other expenses payable under the Retail Premises Leasing Management Agreement was

determined based on the remuneration rates under the Retail Premises Leasing Management Agreement and the maximum number of units estimated to be let or licensed in the Development during the respective financial years.

3. THE PROPERTY MANAGEMENT AGREEMENT

The principal terms of the Property Management Agreement are summarised as follows:

Commencement Date

1 January 2023

Parties

- (1) KTRE
- (2) TRL
- (3) KSMS

Term

Three years commencing from the commencement date of the Property Management Agreement.

Appointment of Property Manager

The appointment of KSMS as the property manager for the units in the office/retail premises in the Development.

Remuneration

KTRE and TRL will bear in equal shares and pay KSMS the Property Management Fees, which includes the property manager's remuneration (being 10% of the Management Expenses) in accordance with the Property Management Agreement.

Basis of consideration and Annual Caps

The Property Management Fees and other expenses payable under the Property Management Agreement are determined following arm's length negotiations by the parties after taking into account factors such as the type of services required and the property management fees charged for similar property management services in the market.

It is estimated that the aggregate amount of the Property Management Fees and other

expenses payable by KTRE and TRL to KSMS for each of the financial years ending 31 December 2023, 2024 and 2025 pursuant to the Property Management Agreement will not exceed HK\$14,370,000 each year. As KTRE and TRL will bear the Property Management Fees and other expenses payable under the Property Management Agreement in equal shares, it is estimated that the amount of Property Management Annual Caps payable by KTRE to KSMS for each of the financial years ending 31 December 2023, 2024 and 2025 pursuant to the Property Management Agreement shall be HK\$7,185,000 each year.

The annual maximum amount of the Property Management Fees and other expenses payable under the Property Management Agreement was determined based on the remuneration rates under the Property Management Agreement and the number of units in the Development.

REASONS AND BENEFITS FOR ENTERING INTO THE AGREEMENTS

Pursuant to the Development Agreement entered into among KTRE, TRL, the Company and SHKP on 11 December 2009, KTRE and TRL shall appoint a leasing agent and an estate manager for the Development, to be mutually agreed by KTRE and TRL.

SHKP is a long-established and leading property developer in Hong Kong and a joint developer of the Development, which is owned by KTRE and TRL in equal shares as tenants in common. As the principal business of the Group is not in property leasing and management, it is in the interest of the Group to leverage on the extensive expertise of SHKP's subsidiaries in the property market to provide leasing and property management services for the Development, which is expected to be a commercial complex with a maximum allowable gross floor area of approximately 1,150,000 sq.ft. comprising two 22-storey high office towers with one storey of office lobby, one storey of refuge floor, plus one top roof and one upper roof floor on each office tower, 10-storey high retail podium and four levels of basement car parks. Payments by the Group under the Agreements are expected to be settled in cash from the Group's internal resources.

The Directors (including the independent non-executive Directors) consider that the entering into of the Agreements is in the ordinary and usual course of business of the Group and the terms of the Agreements are on normal commercial terms which were arrived at after arm's length negotiations between the parties concerned. The Directors (including the independent non-executive Directors) consider that the terms of the Agreements, including the estimated annual caps, are fair and reasonable and in the interests of the Group and the shareholders of the Company as a whole.

Mr. Raymond KWOK Ping Luen, who is a Director and is interested in certain issued shares of SHKP and Mr. Allen FUNG Yuk Lun, who is a Director and also a director of SHKP, did not vote on the relevant Board resolution to approve and confirm the

Agreements and the transactions contemplated thereunder. In addition, as (i) Dr. Norman LEUNG Nai Pang and Dr. Eric LI Ka Cheung, both being Directors, are also directors of SHKP, and (ii) Mr. LEE Luen Fai and Mr. LUNG Po Kwan, both being Directors, are also employees of a wholly-owned subsidiary of SHKP, each of them abstained from voting on the relevant Board resolution to approve and confirm the Agreements and the transactions contemplated thereunder. Save as disclosed above, none of the Directors is considered to have any material interests in such transactions.

IMPLICATIONS UNDER THE LISTING RULES

As SHKP holds approximately 41.13% interest in the Company, and TRL, SHKRE(SL) and KSMS are wholly-owned subsidiaries of SHKP, TRL, SHKRE(SL) and KSMS are connected persons of the Company under the Listing Rules. Accordingly, the transactions contemplated under each of the Agreements constitute continuing connected transactions of the Company under the Listing Rules.

As one or more of the applicable percentage ratios in respect of the Office Premises Leasing Management Annual Caps, Retail Premises Leasing Management Annual Caps and Property Management Annual Caps as aggregated are more than 0.1% but less than 5%, the transactions contemplated under the Agreements are subject to the applicable reporting, announcement and annual review requirements but exempt from the circular and independent shareholders' approval requirements pursuant to Chapter 14A of the Listing Rules.

Information on the Agreements will be included in the relevant annual reports of the Company in accordance with Rule 14A.71 of the Listing Rules.

INFORMATION ON THE PARTIES

The principal activity of the Company is investment holding. 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 service in Hong Kong and Mainland China.

TRL is principally engaged in the development of and investment in properties. SHKRE(SL) is principally engaged in the provision of property agency services. KSMS is principally engaged in the business of building management and estate agency and investment holdings. SHKP is principally engaged in investment holdings and its subsidiaries are principally engaged in development of and investment in properties for sale and rent, hotel operations, telecommunications, transport infrastructure and logistics, and data centre operations.

DEFINITIONS

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

“Agreements”	the Office Premises Leasing Management Agreement, Retail Premises Leasing Management Agreement and Property Management Agreement
“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 same meaning ascribed thereto under the Listing Rules
“continuing connected transactions”	has the same meaning ascribed thereto under the Listing Rules
“Development”	the development comprising office premises, retail premises and a car park constructed on the Remaining Portion of Kwun Tong Inland Lot No.240, No. 98 How Ming Street, Kwun Tong, Kowloon, Hong Kong
“Development Agreement”	the development agreement dated 11 December 2009 entered into among KTRE, TRL, the Company and SHKP in relation to the Development
“Director(s)”	the director(s) 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

“KSMS”	Kai Shing Management Services Limited, a company incorporated in Hong Kong with limited liability and a direct wholly-owned subsidiary of SHKP
“KTRE”	KT Real Estate Limited, a company incorporated under the laws of the British Virgin Islands with limited liability and a wholly-owned subsidiary of the Company
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange
“Management Expenses”	all expenses properly, necessarily and reasonable incurred by KSMS when carrying out its duties under the Property Management Agreement
“Office Premises Leasing Management Agreement”	an office premises leasing management agreement commencing on 1 January 2023 and entered into between KTRE, TRL and SHKRE(SL) for the provision of leasing management services for the units in the office premises of the Development
“Office Premises Leasing Management Annual Caps”	the annual caps in respect of the Office Premises Leasing Management Agreement
“Office Premises Leasing Management Fees”	the fees payable by KTRE and TRL in equal shares to SHKRE(SL) under the Office Premises Leasing Management Agreement
“percentage ratio(s)”	has the meaning ascribed to it under the Listing Rules
“Property Management Agreement”	a property management agreement commencing on 1 January 2023 and entered into between KTRE, TRL and KSMS for the provision of property management services for the Development
“Property Management Annual Caps”	the annual caps in respect of the Property Management Agreement
“Property Management Fees”	the fees payable by KTRE and TRL in equal shares to KSMS under the Property Management Agreement.

“Retail Premises Leasing Management Agreement”	a retail premises leasing management agreement commencing on 1 January 2023 and entered into between KTRE, TRL and SHKRE(SL) for the provision of leasing management services for the units in the retail premises and parking space(s) of the Development
“Retail Premises Leasing Management Annual Caps”	the annual caps in respect of the Retail Premises Leasing Management Agreement
“Retail Premises Leasing Management Fees”	the fees payable by KTRE and TRL in equal shares to SHKRE(SL) under the Retail Premises Leasing Management Agreement
“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 Code: 16), the principal business of which is investment holding according to public information
“SHKRE(SL)”	Sun Hung Kai Real Estate (Sales and Leasing) Agency Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of SHKP
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“TRL”	Turbo Result Limited, a company incorporated under the laws of British Virgin Islands with limited liability and a wholly-owned subsidiary of SHKP
“%”	per cent.

By order of the Board
Lana Woo
Company Secretary

Hong Kong, 29 December 2022

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, *BBS, JP*

Mr. LUNG Po Kwan

Executive Director:

Mr. Roger LEE Chak Cheong (Managing Director)

** For identification purpose only*