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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)

CONNECTED TRANSACTION ACQUISITION OF PASSENGER COUNTING AND 5G WI-FI SYSTEMS

THE ACQUISITION

On 25 May 2023, KMB (as purchaser), a wholly-owned subsidiary of the Company, entered into the Purchase Contract with SmarTone Mobile (as vendor), a wholly-owned subsidiary of SmarTone Telecommunications, pursuant to which KMB will purchase the PCS and Wi-Fi systems from SmarTone Mobile at a total consideration of HK\$46,316,210.

LISTING RULES IMPLICATIONS

As at the date of this announcement, SHKP is a controlling shareholder holding approximately 41.13% interest in the Company. Since SmarTone Mobile is an indirect wholly-owned subsidiary of SmarTone Telecommunications, which in turn is held as to approximately 72.88% by SHKP, SmarTone Mobile is an associate of SHKP and thus a connected person of the Company under the Listing Rules. The transaction contemplated under the Purchase Contract will therefore constitute a connected transaction of the Company under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules in respect of the Purchase Contract exceeds 0.1% but is less than 5%, the Purchase Contract and the transaction contemplated thereunder are only subject to the reporting and announcement requirements but are exempt from the circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

THE PURCHASE CONTRACT

On 25 May 2023, KMB (as purchaser), a wholly-owned subsidiary of the Company, entered into the Purchase Contract with SmarTone Mobile (as vendor), a wholly-owned subsidiary of SmarTone Telecommunications, pursuant to which KMB will purchase the PCS and Wi-Fi systems from SmarTone Mobile .

The principal terms of the Purchase Contract are summarised below: -

Date:

25 May 2023

Parties:

- (1) KMB (a wholly-owned subsidiary of the Company) (as purchaser)
- (2) SmarTone Mobile (as vendor)

Subject matter:

SmarTone Mobile will supply the hardware, software and documentation for 2,500 units of PCS and 2,300 units of the Wi-Fi system and provide a one-stop solution for the design, management, implementation, installation, maintenance, training and after-sales support associated with the PCS to KMB.

Delivery and timing:

The PCS and the Wi-Fi system are scheduled to be fully installed on the Buses by 31 December 2023 with paid maintenance coverage valid until 31 October 2025 and optional maintenance coverage extension purchasable by KMB upon request.

Basis of consideration and payment:

The total consideration under the Purchase Contract amounted to HK\$46,316,210, comprising (a) the initial purchase price for all PCS units of HK\$21,301,600 (at approximately HK\$8,521 per unit) and Wi-Fi system units of HK\$16,762,400 (at approximately HK\$7,288 per unit); and (b) subsequent maintenance fees of HK\$8,252,210. The maintenance periods will commence from respectively 1 June 2024 and 1 June 2025 for twelve months (for 2340 of the PCS units and 2,140 of the Wi-Fi

system units) and from 1 Jan 2025 to 31 October 2025 (for the remainder of the units).

For the PCS units, 50% of the purchase price will be settled following initial user acceptance of installed units with the balance to be settled upon final user acceptance of the installed units and the subsequent maintenance fees to be settled at the commencement of each maintenance period with HK\$2,962,440, HK\$1,234,350 and HK\$168,800 payable on each of the commencement dates respectively.

For the Wi-Fi system units, the purchase price will be settled upon user acceptance of installed units and the subsequent maintenance fees will be settled at the commencement of each maintenance period with HK\$2,627,920, HK\$1,094,967 and HK\$163,733 payable on each of the commencement dates respectively.

The Purchase Contract was awarded to SmarTone Mobile through open tender. The consideration amount was determined with reference to the bid price. The consideration payable by KMB under the Purchase Contract will be satisfied by internal resources of the Group.

INFORMATION ON THE SYSTEMS

There is no original acquisition cost associated with the PCS units or Wi-Fi system units as they were developed by SmarTone Mobile for KMB and there is no net profits or identifiable income attributable to the units for the purpose of disclosure.

REASONS AND BENEFITS FOR ENTERING INTO THE TRANSACTION

The PCS system would be capable of counting the real-time occupancy of the Buses and provide passengers in the lower deck of the bus compartment with information on the seat vacancy situation on the upper deck to reduce unnecessary passenger movements between the two decks, while the Wi-Fi system will provide 5th generation wireless network connectivity to passengers. It is expected that such systems would provide more comprehensive ancillary facilities to passengers and enhance passengers' on-board experience.

The Group is principally engaged in the operation of both franchised and non-franchised public transportation, property holding and development. SmarTone Telecommunications and its subsidiaries are well-known leading telecommunications operators which provide mobile services and enterprise solution services to their customers. As the principal business of the Group is not telecommunications services and enterprise solution services, the Directors considered that it is in the interest of the Group to leverage on the extensive expertise of third-party providers such as SmarTone

Mobile to provide the telecommunications services and enterprise solution services to the Group, which would include the design, management, implementation, installation, maintenance, training, support and other work in connection with the PCS and Wi-Fi systems and their on-going maintenance.

The Directors (including the independent non-executive Directors) consider that (i) the transaction contemplated under the Purchase Contract are in the ordinary and usual course of business of the Group; (ii) the terms of which are on normal commercial terms, are fair and reasonable and in the interests of the Company and its shareholders as a whole.

LISTING RULES IMPLICATIONS

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As the highest applicable percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules in respect of the Purchase Contract exceeds 0.1% but is less than 5%, the Purchase Contract and the transaction contemplated thereunder are only subject to the reporting and announcement requirements but are exempt from the circular and independent shareholders' approval requirements under Chapter 14A of the Listing Rules.

As (i) Mr. Raymond KWOK Ping Luen and Mr. Allen FUNG Yuk Lun, both being Directors, are interested in certain issued shares of SmarTone Mobile; (ii) Mr. Raymond KWOK Ping Luen, Mr. Allen FUNG Yuk Lun, Dr. Eric LI Ka Cheung and Dr. CHEUNG Wing Yui, all being Directors, are also directors of SmarTone Mobile; (iii) Dr. Norman LEUNG Nai Pang, a Director, is also a director of SHKP; and (iv) Mr. LEE Luen Fai and Mr. LUNG Po Kwan, both being Directors, are employees of a wholly-owned subsidiary of SHKP, each of them (or their alternates) has abstained from voting on the board resolutions to approve the Purchase Contract and the transaction contemplated thereunder. Save as disclosed above, none of the Directors has any material interest in the transaction.

INFORMATION ON THE PARTIES

The principal activity of the Company is investment holding and the principal activities of the Group are the operation of both franchised and non-franchised public transportation, property holding and development.

The principal activity of SHKP and its subsidiaries include the development of and investment in properties for sale and rent, hotel operations, telecommunications, transport infrastructure and logistics, and data centre operations.

The principal activity of SmarTone Telecommunications and its subsidiaries include voice, multimedia and mobile broadband services, as well as fixed fiber broadband services for both consumer and corporate markets. SmarTone Mobile is principally engaged in the provision of mobile services and sales of handsets and accessories in Hong Kong.

DEFINITIONS

In this announcement, the following expressions have the meanings set out below unless the context requires otherwise:-

“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of Directors
“Bus(es)”	means the bus(es) operated by KMB and its associated company designated by KMB for installing the PCS and/or Wi-Fi systems;
“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)
“connected persons”	has the meaning ascribed thereto under the Listing Rules
“Purchase Contract”	the supply and installation contract dated 25 May 2023 in between KMB and SmarTone Mobile in relation to the PCS and Wi-Fi systems
“Directors”	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
“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
“Macau”	the Macau Special Administrative Region of the People’s Republic of China
“PCS”	means the hardware, software, corresponding backend system and configuration for the people counting system to be installed on the Buses by SmarTone Mobile
“SHKP”	Sun Hung Kai Properties Limited (Stock Code: 16), a company incorporated in Hong Kong with limited liability and the shares of which are listed on the Stock Exchange
“SmarTone Mobile”	SmarTone Mobile Communications Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of SmarTone Telecommunications
“SmarTone Telecommunications”	SmarTone Telecommunications Holdings Limited, an exempted company incorporated in Bermuda with limited liability, the shares of which are listed on the Stock Exchange (Stock Code: 315)
“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, 25 May 2023

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*