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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

THE AGREEMENT

On 28 September 2023, KMB, a wholly-owned subsidiary of the Company, entered into the Agreement with Nixon (as contractor), an indirect wholly-owned subsidiary of SHKP, pursuant to which KMB will obtain the Cleaning Services from Nixon and Nixon will provide Cleaning Services to KMB.

LISTING RULES IMPLICATIONS

As at the date of this announcement, SHKP is a controlling shareholder holding approximately 42.14% interest in the Company. Since Nixon is an indirect wholly-owned subsidiary of SHKP, Nixon is therefore an associate of SHKP and a connected person of the Company under the Listing Rules. The transactions contemplated under the Agreement will therefore constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios in respect of the estimated annual caps for the continuing connected transactions under the Agreement are more than 0.1% but less than 5%, the transactions contemplated under the Agreement 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.

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The principal terms of the Agreement are summarised as follows:

Date of Agreement

28 September 2023

Parties

- (1) KMB (a wholly-owned subsidiary of the Company)
- (2) Nixon (an indirect wholly-owned subsidiary of SHKP) (as contractor)

Term

The initial term of the Agreement shall be two years commencing on 1 October 2023 and ending on 30 September 2025 (“**Initial Term**”).

KMB shall be entitled but not obliged, at its sole and absolute discretion, to exercise an option to extend the Agreement for a further year, whereby the extended term shall be one year commencing on 1 October 2025 and ending on 30 September 2026 (“**Extended Term**”).

Subject matter

Nixon will provide Cleaning Services to service locations designated by KMB, including premises, offices and depots.

Payment terms

The Service Fees for Cleaning Services performed during each calendar month shall be payable monthly within 45 days from the date of receipt of properly made out invoices.

Basis of consideration and Annual Caps

The Agreement was awarded to Nixon through open tender. The Service Fees are determined in accordance with the bid price and the terms set out in the Agreement, after taking into account factors such as the area of the designated service locations, manpower required for provision of cleaning services under the Agreement, frequency of cleaning services required and the prevailing market rates for provision of cleaning services as a price indicator. The Service Fees payable by KMB under the Agreement will be satisfied by internal resources of the Group.

On the assumption that KMB exercises the option to extend the Agreement to cover the Extended Term, the annual caps regarding the service fees payable under Agreement (for 36 months) over the four years ending 31 December 2023, 31 December 2024, 31 December 2025 and 31 December 2026 are estimated to be no more than HK\$3,481,872, HK\$13,927,488, HK\$13,962,561 and HK\$10,550,835 respectively. Such annual caps are determined with reference to the agreed rates specified in the Agreement and the expected possible ad hoc demand for cleaning services. Since the structure and operation model of cleaning services for KMB's premises, offices and depots in the past is not the same, there is no historical transaction amount available.

REASONS AND BENEFITS FOR ENTERING INTO THE AGREEMENTS

The Group is principally engaged in the operation of both franchised and non-franchised public transportation, property holdings and development with the need to acquire cleaning services for its premises, offices and depots, while Nixon is principally engaged in the provision of cleaning services. As the principal business of the Group is not in provision of cleaning services, it is in the interests of the Group to outsource cleaning services to Nixon, a qualified cleaning services provider, in order to better manage and maintain KMB's premises, offices and depots as well as to ensure its hygiene and cleanliness.

The Directors (including the independent non-executive Directors) consider that the entering into of the Agreement is in the ordinary and usual course of business of the Group and the terms of the Agreement are on normal commercial terms which were arrived at after arm's length negotiations between the parties concerned. The Directors consider that the terms of the Agreement, 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.

IMPLICATIONS UNDER THE LISTING RULES

As at the date of this announcement, SHKP is a controlling shareholder holding approximately 42.14% interest in the Company. Since Nixon is an indirect wholly-owned subsidiary of SHKP, Nixon is thus an associate of SHKP and a connected person of the Company under the Listing Rules. The transactions contemplated under the Agreement will therefore constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As one or more of the applicable percentage ratios in respect of the estimated annual caps for the continuing connected transactions under the Agreement are more than 0.1% but less than 5%, the transactions contemplated under the Agreement 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.

As (i) Mr. Raymond KWOK Ping Luen, Mr. Christopher Kwok Kai-wang, Dr. Norman LEUNG Nai Pang and Dr. Eric LI Ka Cheung, all being Directors, are directors of SHKP and have interests in and/or are deemed to be interested in certain shares of SHKP for the purpose of Part XV of the Securities and Futures Ordinance; (ii) Mr. Allen FUNG Yuk Lun, being a Director, is also a director of SHKP, (iii) Mr. LUNG Po Kwan, being a Director, is an employee of Sun Hung Kai Real Estate Agency Limited, being a wholly-owned subsidiary of SHKP, and (iv) Mr. LEE Luen Fai, being a Director, is an employee of Sun Hung Kai Real Estate Agency Limited and is deemed to be interested in certain shares of SHKP for the purpose of Part XV of the Securities and Futures Ordinance, each of them abstained from voting on the relevant Board resolution to approve and confirm the Agreement and the transactions contemplated thereunder. Save as disclosed above, none of the Directors is considered to have any material interests in such transactions.

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 holdings and development.

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

Nixon is principally engaged in provision of cleaning services and the trading of environmental products.

DEFINITIONS

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

“Agreement”	an agreement dated 28 September 2023 entered into between KMB and Nixon for the provision of Cleaning Services by Nixon to KMB
“Board”	the board of Directors
“Cleaning Services”	cleaning services to be provided by Nixon at designated service locations (including premises, offices and depots)
“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
“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
“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

“Nixon”	Nixon Cleaning Company Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of SHKP
“percentage ratio(s)”	has the meaning ascribed to it under the Listing Rules
“Service Fees”	the service fees payable by KMB to Nixon under the 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)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent.

By order of the Board
Lana Woo
Company Secretary

Hong Kong, 28 September 2023

The Directors of the Company 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* (Mr. WONG Hong Kit 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
Mr. Christopher KWOK Kai-wang, *JP*

Executive Director:

Mr. Roger LEE Chak Cheong (Managing Director)

* *For identification purpose only*