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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 TRANSACTION IN RELATION TO CONTRACTS WITH ADL ASIA

LWB, a wholly-owned subsidiary of the Company, entered into the Purchase Contract with ADL Asia on 27 March 2024 for the purchase of 20 units of 12.8-Metre Enviro 500 Double-deck CBU Buses at the total consideration of approximately GBP6.2 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 aggregate basis, exceed 5% but are less than 25%, such transactions constitute a discloseable transaction of the Company and is 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 27 March 2024, LWB, a wholly-owned subsidiary of the Company, entered into the Purchase Contract with ADL Asia for the purchase of 20 units of 12.8-Metre Enviro 500 Double-deck CBU Buses at the same unit price for a total consideration of approximately GBP6.2 million (equivalent to approximately HKD61.8 million) (inclusive of all carriage and insurance charges), which was arrived at through tender selection and the consideration amount was determined with reference to the bid price.

As at the date of this announcement, KMB, a wholly-owned subsidiary of the Company, entered into the following Previous Contracts with ADL Asia for an aggregate consideration of approximately HKD214.1 million, which were all arrived at through tender selection:-

Date of contract	Subject matter and consideration
1. 4 April 2023	Supply and installation of the Electronic Stability Control System and the Speed Limiting Retarder System for 706 units of KMB buses by ADL Asia at the consideration of approximately HKD39.4 million.
2. 17 April 2023	The purchase of 50 units of 12.8-Metre Enviro 500 Double-deck CBU Bus(es) from ADL Asia at the same unit price for a total consideration of approximately GBP14.7 million (equivalent to approximately HKD 145.6million) by KMB.
3. 13 July 2023	The purchase of 10 units of 12.8-Metre Enviro 500 Double-deck CBU Bus(es) from ADL Asia at the same unit price for a total consideration of approximately GBP2.9 million (equivalent to approximately HKD 29.1million)by KMB.

PAYMENT TERMS

The consideration in respect of the Purchase Contract is payable by LWB in cash in three instalments:

- (a) 10% of the contract price being payable as initial deposit within fourteen (14) business days from the signing of the Purchase Contract;
- (b) half of the unit price being payable as further deposit within fourteen (14) business days from the date of delivery of each of the assembled unit; and
- (c) the balance in respect of an assembled unit (being 40% of the unit price) being payable within fourteen (14) business days after the earlier of:
 - (i) 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
 - (ii) within two (2) calendar months after such assembled unit (subject to quality audit) is made available for motor vehicle examination.

The consideration in respect of Item 1 of the Previous Contracts is payable by KMB in cash on a per-bus basis after work completion for such bus(es) as confirmed by KMB every two (2) weeks (subject to adjustments and deductions, for instance, in respect of delays in completion) until final completion of the respective works.

The consideration in respect of Items 2 and 3 of the Previous Contracts is payable by KMB in cash in three instalments:

- (a) 10% of the aggregate purchase price being payable as deposit within fourteen (14) business days from the signing of Items 2 and 3 of the Previous Contracts respectively;
- (b) half of the unit price being payable as further deposit within fourteen (14) business days from the date of delivery of each of the assembled unit; and
- (c) the balance in respect of an assembled unit (being 40% of the unit price) being payable within fourteen (14) business days after the earlier of:
 - (i) 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
 - (ii) within two (2) calendar months after such assembled unit (subject to quality audit) is made available for motor vehicle examination.

All consideration amounts set out above were arrived at through tender selection and were determined with reference to the respective bid prices. All above payments are being satisfied by the general working capital and banking facilities of KMB and LWB respectively.

PERFORMANCE GUARANTEE BY ADL ASIA AND ADL

ADL Asia has provided:

- (i) a performance credit note in favour of LWB of approximately GBP0.6 million (equivalent to approximately HKD 6.2 million) (representing approximately 10% of the contract sum) to guarantee its performance under the Purchase Contract;
- (ii) a performance credit note in favour of KMB of approximately GBP1.5 million (equivalent to approximately HKD 14.6 million) (representing approximately 10% of the contract sum) to guarantee its performance under Item 2 of the Previous Contracts; and
- (iii) a performance credit note in favour of KMB of approximately GBP0.3 million (equivalent to approximately HKD 2.9 million) (representing approximately 10% of the contract sum) to guarantee its performance under Item 3 of the Previous Contracts.

ADL has guaranteed in favour of LWB the due performance by ADL Asia of its obligations under the Purchase Contract as may be amended or supplemented from time to time. ADL has also guaranteed in favour of KMB the due performance by ADL Asia of its obligations under Items 2 and 3 of the Previous Contracts as may be amended or supplemented from time to time.

REASONS FOR AND BENEFITS OF THE TRANSACTION

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 initiatives 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 aggregate basis, exceed 5% but are less than 25%, such transactions constitute a discloseable transaction of the Company and is therefore subject 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.

ADL Asia is the sales and support arm of ADL (a major British bus manufacturer) and also a major supplier of double-deck buses in the Hong Kong bus market. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, ADL Asia and its ultimate beneficial owner(s) 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: -

“12.8-Metre Enviro 500 Double-deck CBU Bus(es)”	set(s) of CBU Enviro 500 Double-deck Bus, each comprising a unit of ADL Trident 12.8-Metre Euro 6 3-Axle Double Deck Buses with Enviro 500 Air Conditioned Body
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“ADL”	Alexander Dennis Limited, a company incorporated in Scotland with limited liability
“ADL Asia”	Alexander Dennis (Asia Pacific) Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of ADL
“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
“GBP”	British Pound Sterling, the lawful currency of the United Kingdom of Great Britain and Northern Ireland
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“HKD”	Hong Kong dollars, the lawful currency of Hong Kong
“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”	Long Win Bus Company Limited, a wholly-owned subsidiary of the Company

“Previous Contract(s)”	collectively: (i) the contract dated 7 April 2023 entered into between KMB and ADL Asia for the supply and installation of the Electronic Stability Control System and the Speed Limiting Retarder System for 706 units of KMB buses; (ii) the purchase contract dated 17 April 2023 entered into between KMB and ADL Asia for the purchase of 50 units of 12.8-Metre Enviro 500 Double-deck CBU Buses; and (iii) the purchase contract dated 13 July 2023 entered into between KMB and ADL Asia for the purchase of 10 units of 12.8-Metre Enviro 500 Double-deck CBU Buses
“Purchase Contract”	the purchase contract dated 27 March 2024 entered into between LWB and ADL Asia for the purchase of 20 units of 12.8-Metre Enviro 500 Double-deck CBU Buses from ADL Asia
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent.

For the purpose of this announcement, conversion of GBP into HKD is based on the approximate exchange rate of GBP1.00 to HKD9.94. Such an exchange rate is for illustrative purpose only and does not constitute representations that any amounts in GBP or HKD have been, could have been or may be converted at such a rate.

By order of the Board
Henry Leung
Company Secretary

Hong Kong, 27 March 2024

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* (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*