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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

SUMMARY

On 1 November 2017, the Group entered into the 2018/19 Medical and Dental Insurance Arrangement with SHKI, a wholly-owned subsidiary of SHKP, pursuant to which SHKI will provide medical and dental insurance coverage and services to the Group. The insurance policy entered into pursuant to the 2018/19 Medical and Dental Insurance Arrangement will take effect from 1 January 2018 to 31 December 2019.

As at the date of this announcement, SHKP is a substantial shareholder holding 36.66% interest in the Company. Since SHKI is a wholly-owned subsidiary of SHKP, SHKI is an associate of SHKP and thus a connected person of the Company under the Listing Rules. The transactions contemplated under the 2018/19 Medical and Dental Insurance Arrangement will therefore constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules. As the applicable percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules in respect of the transactions contemplated under the 2018/19 Medical and Dental Insurance Arrangement, whether on a standalone basis or aggregated with the Previous Insurance Arrangements, exceed 0.1% but less than 5%, the transactions contemplated under the 2018/19 Medical and Dental Insurance Arrangement is only subject to the reporting, announcement and annual review requirements but exempt from the circular and independent shareholders' approval requirements pursuant to Chapter 14A of the Listing Rules.

Details of the 2018/19 Medical and Dental Insurance Arrangement will be included in the Company's next annual report in accordance with Rule 14A.71 of the Listing Rules.

DETAILS OF THE INSURANCE ARRANGEMENTS

1. Information on the 2018/19 Medical and Dental Insurance Arrangement

On 1 November 2017, the Group entered into an insurance policy with SHKI as insurer, pursuant to which the Group will maintain medical and dental insurance coverage with SHKI and such insurance policy shall take effect for a period of 24 months from 1 January 2018 to 31 December 2019 (the “**2018/19 Medical and Dental Insurance Arrangement**”). The first and second premiums payments for the policy will be due on 1 January 2018 and 1 January 2019 respectively.

2. Historical transaction amounts and the proposed annual caps for the continuing connected transactions

The annual insurance premium paid by the Group to an independent third party insurer in respect of similar medical and dental insurance coverage for the two years ended 31 December 2016 and 2017 were HK\$16,033,692 and HK\$15,592,268 respectively.

It is estimated that the total insurance premium for the 2018/19 Medical and Dental Insurance Arrangement payable by the Group to SHKI for the two years ending 31 December 2018 and 2019 will not exceed HK\$22,944,545 and HK\$22,944,545 respectively. Such annual cap amounts are determined with reference to the estimated medical and dental needs of the Group’s employees for such period, the insurance premium rates as specified under the 2018/19 Medical and Dental Insurance Arrangement and the historical transaction with another insurer in respect of similar medical and dental insurance coverage provided to the Group. As the policies under the 2018/19 Medical and Dental Insurance Arrangement was awarded through open tender, the terms and conditions of insurance policies maintained by the Group with SHKI as insurer shall be no less favourable to the Group than those offered by third parties insurers in respect of similar type of risk insured if such comparison is available; or shall be comparable to the terms and conditions of the insurance policies maintained by other third parties with SHKI as insurer in respect of similar type of risks insured. The insurance premiums payable by the Group under the 2018/19 Medical and Dental Insurance Arrangement will be satisfied from its internal resources.

REASONS AND BENEFITS FOR ENTERING INTO THE INSURANCE ARRANGEMENTS

The Directors (including the independent non-executive Directors but excluding the Abstaining Directors) consider that SHKI is familiar with the previous insurance arrangements of the Group and its experience in dealing with the Group will enhance the efficiency and effectiveness of the 2018/19 Medical and Dental Insurance Arrangement and it is in the interest of the Group to rely on the expertise of SHKI in the area of provision of insurance coverage and services.

The Directors (including the independent non-executive Directors but excluding the Abstaining Directors) consider that the terms of the 2018/19 Medical and Dental Insurance Arrangement is on normal commercial terms or better and in the ordinary and usual course of business of the Group, fair and reasonable, and in the interests of the Group and the shareholders of the Company as a whole.

INFORMATION OF THE GROUP AND SHKI

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 services in Hong Kong and Mainland China.

SHKI is principally engaged in the provision of insurance coverage and services in Hong Kong.

LISTING RULES IMPLICATIONS

As at the date of this announcement, SHKP is a substantial shareholder holding 36.66% interest in the Company. Since SHKI is a wholly-owned subsidiary of SHKP, SHKI is an associate of SHKP and thus a connected person of the Company under the Listing Rules. The transactions contemplated under the 2018/19 Medical and Dental Insurance Arrangement will therefore constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules. As the applicable percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules in respect of the transactions contemplated under the 2018/19 Medical and Dental Insurance Arrangement, whether on a standalone basis or aggregated with the Previous Insurance Arrangements, exceed 0.1% but less than 5%, the transactions contemplated under the 2018/19 Medical and Dental Insurance Arrangement is only subject to the reporting, announcement and annual review requirements but exempt from the circular and independent shareholders' approval requirements pursuant to Chapter 14A of the Listing Rules.

Details of the 2018/19 Medical and Dental Insurance Arrangement will be included in the Company's next annual report in accordance with Rule 14A.71 of the Listing Rules.

As Mr. KWOK Ping Luen, Raymond (a director of the Company) is considered to be materially interested in the 2018/19 Medical and Dental Insurance Arrangement by virtue of his interest in certain issued shares of SHKP, his alternate director who attended the relevant Board meeting in his absence abstained from voting on the Board resolution approving the 2018/19 Medical and Dental Insurance Arrangement. In addition, Dr. Norman LEUNG Nai Pang and Dr. Eric LI Ka Cheung are directors of both the Company and SHKP, also abstained from voting on the Board resolution in relation to the 2018/19 Medical and Dental Insurance Arrangements. Save as disclosed above, none of the other Directors has any material interests in the 2018/19 Medical and Dental Insurance Arrangement.

DEFINITIONS

“Abstaining Directors”	Mr. Raymond KWOK Ping Luen, Dr. Norman LEUNG Nai Pang and Dr. Eric LI Ka Cheung
“associate(s)”	has the meaning ascribed to it under the Listing Rules
“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 meaning ascribed to it under the Listing Rules
“Director(s)”	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
“2018/19 Medical and Dental Insurance Arrangement”	the insurance policy entered into by the Group with SHKI on 1 November 2017, details of which are set out in the second paragraph with the section headed “Details of the Insurance Arrangements” in this announcement

“Listing Rules”	The Rules Governing the Listing of Securities on The Stock Exchange
“Previous Insurance Arrangements”	the various insurance policies entered into by the Group with SHKI on 2 November 2016, details of which are disclosed in the announcement of the Company dated 2 November 2016
“SHKI”	Sun Hung Kai Properties Insurance Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of SHKP
“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 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, 1 November 2017

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

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. Edmond HO Tat Man
 Mr. Allen FUNG Yuk Lun

Executive Director:

Mr. Roger LEE Chak Cheong (Managing Director)

** For identification purpose only*