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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 INSURANCE ARRANGEMENTS

SUMMARY

On 19 December 2024, the Group entered into the 2025/26 Insurance Arrangements with SHKI, a wholly-owned subsidiary of SHKP, pursuant to which SHKI will provide insurance coverage and services to the Group. The insurance policies entered into pursuant to the 2025/26 Insurance Arrangements will take effect from 1 January 2025 to 31 December 2026.

As at the date of this announcement, SHKP is a substantial shareholder holding approximately 43.83% 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 2025/26 Insurance Arrangements 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 insurance premium expected to be payable under the 2025/26 Insurance Arrangements are more than 0.1% but less than 5%, the transactions contemplated thereunder are only 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.

Details of the 2025/26 Insurance Arrangements 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. Background

On 29 December 2022, the Group entered into various policies with SHKI as insurer, pursuant to which the types of insurance covered were motor vehicle third party and passengers' liability insurance and an employees' compensation insurance for a period of 24 months from 1 January 2023 to 31 December 2024 (the "2023/24 Insurance Arrangements").

The transactions under the 2023/24 Insurance Arrangements constituted continuing connected transactions of the Company, details of such transactions as well as the estimated annual insurance premiums payable by the Group for the relevant period was disclosed in the announcement of the Company dated 29 December 2022.

2. Information on the 2025/26 Insurance Arrangements

On 19 December 2024, the Group entered into various policies with SHKI as insurer, pursuant to which the types of insurance covered or to be covered are motor vehicle third party and passengers' liability insurance and an employees' compensation insurance for a period of 24 months from 1 January 2025 to 31 December 2026 (the "2025/26 Insurance Arrangements").

The premium for the aforesaid insurance policies will be paid as follows:-

<i>Insurance</i>	<i>Premium payment date(s)</i>
i) motor vehicle third party and passengers' liability insurance	To be paid in 4 equal instalments due on 1 January 2025, 1 July 2025, 1 January 2026 and 1 July 2026
ii) employees' compensation insurance	To be paid in 4 equal instalments due on 1 January 2025, 1 July 2025, 1 January 2026 and 1 July 2026

3. Historical transaction amounts, the annual caps and premiums for the continuing connected transactions

The annual insurance premiums paid by the Group to SHKI under the 2023/24 Insurance Arrangements for the year ended 31 December 2023 was HK\$93,279,000 as disclosed in the 2023 annual report of the Company, and it is estimated that the insurance premium paid and payable by the Group to SHKI under the 2023/24 Insurance Arrangements for the year ending 31 December 2024 will amount to approximately HK\$105,500,000.

To enhance management of claims, risk portfolios and financial optimization of the Group, both the motor third party and passengers' liability insurance and employees' compensation insurance policy terms of the Group under the 2025/26 Insurance Arrangements have been modified.

It is estimated that the total insurance premiums for the 2025/26 Insurance Arrangements payable by the Group to SHKI for the two years ending 31 December 2025 and 31 December 2026 will not exceed HK\$40,500,000 and HK\$41,500,000 respectively. Such annual cap amounts are determined mainly with reference to the historical transaction amounts, the number of vehicles and total payroll of employees and the insurance structure and the premium rates specified under the 2025/26 Insurance Arrangements.

As the policies under the 2025/26 Insurance Arrangements were awarded through open tender, the terms and conditions of insurance policies maintained by the Group with SHKI as insurer will be no less favourable to the Group than those offered by third party insurers in respect of similar type of risks insured if such comparison is available; or will 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 2025/26 Insurance Arrangements will be satisfied by internal resources of the Group.

REASONS AND BENEFITS FOR ENTERING INTO THE INSURANCE ARRANGEMENTS

The Group is principally engaged in operation of both franchised and non-franchised public transportation, property holding and development, while SHKI is engaged in the underwriting of general insurance business except those of a long-term nature. The Directors consider that SHKI's familiarity with the Group's operations and its experience in dealing with the Group will enhance the efficiency and effectiveness of the 2025/26 Insurance Arrangements. The policies under the 2025/26 Insurance Arrangements were awarded through open tender and entered into in the ordinary and usual course of business of the Group. The Directors consider that due to the aforesaid reasons and on the basis that the 2025/26 Insurance Arrangements will be conducted on normal commercial terms or better and the insurance premiums payable by the Group will be on market rates, 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) consider that (i) the transactions contemplated under the 2025/26 Insurance Arrangements are in the ordinary and usual course of business of the Group; (ii) the terms of the 2025/26 Insurance Arrangements are on normal commercial terms or better; and (iii) the terms of the 2025/26 Insurance Arrangements and the transactions contemplated thereunder are fair and reasonable and are in the interest of the Group and the shareholders of the Company as a whole.

INFORMATION OF THE PARTIES

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

SHKI is principally engaged in the underwriting of general insurance business except those of a long-term nature.

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

LISTING RULES IMPLICATIONS

As at the date of this announcement, SHKP is a substantial shareholder holding approximately 43.83% 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 2025/26 Insurance Arrangements 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 insurance premium expected to be payable under the 2025/26 Insurance Arrangements are more than 0.1% but less than 5%, the transactions contemplated thereunder are only 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, Dr. Eric LI Ka Cheung and Mr. Allen FUNG Yuk Lun, 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. Raymond KWOK Ping Luen, a Director, is also a director of SHKI; (iii) Mr. Allen FUNG Yuk Lun, a Director, is also a director of SHKI; (iv) Mr. LUNG Po Kwan, a Director, is also an employee of a wholly-owned subsidiary of SHKP; (v) Mr. LEE Luen Fai, a Director, is also an employee of a wholly-owned subsidiary of SHKP; and (vi) Dr. CHEUNG Wing Yui, a Director, is also a director of SHKI, each of them (and in the case of Mr. Raymond KWOK Ping Luen, his alternate director) abstained from voting on the relevant Board resolution in relation to the 2025/26 Insurance Arrangements. Save as disclosed above, none of the Directors has any material interests in the 2025/26 Insurance Arrangements.

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
“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
“continuing connected transactions”	has the meaning ascribed thereto under the Listing Rules
“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
“2023/24 Insurance Arrangements”	the insurance policies entered into by the Group with SHKI on 29 December 2022, details of which are set out in the announcement of the Company dated 29 December 2022
2025/26 Insurance Arrangements	the insurance policies entered into by the Group with SHKI on 19 December 2024, details of which are set out in the first paragraph under the section headed “Details of the Insurance Arrangements” in this announcement
“Listing Rules”	Rules Governing the Listing of Securities on The Stock Exchange
“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 Codes: 16 (HKD counter) and 80016 (RMB counter))
“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
Transport International Holdings Limited
 Yu Wai Cheung
Company Secretary

Hong Kong, 19 December 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*
 Ms. WANG Xiao Bin

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 (Ms. LAU Man-Kwan, Julia 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*