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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 TRANSACTIONS PURCHASE OF VOLVO DOUBLE-DECK CBU BUSES**

KMB, a wholly-owned subsidiary of the Company, entered into the Purchase Contract with Volvo on 17 October 2019 for the purchase of 110 units of 12.8-metre Euro VI 3-axle double-deck CBU buses at the total consideration of approximately GBP29.32 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 aggregated basis, exceed 5% but are less than 25%, the transactions contemplated thereunder, on an aggregated basis, constitute discloseable transactions of the Company and are 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 17 October 2019, KMB, a wholly-owned subsidiary of the Company, entered into the Purchase Contract with Volvo for the purchase of 110 units of 12.8-metre Euro VI 3-axle double-deck CBU buses at the aggregate unit price for a total consideration of approximately GBP29.32 million (inclusive of all carriage and insurance charges) was arrived at through tendering selection.

As at the date of this announcement, KMB and LWB, both wholly-owned subsidiaries of the Company, entered into the Previous Contracts with Volvo at the aggregate unit price for a total consideration of approximately GBP16 million, details of which are set out below: -

<b>No.</b>	<b>Date of contract</b>	<b>Subject matter and consideration</b>
1.	28 March 2019	The purchase of 50 units of 12-metre Euro VI 3-axle double-deck CBU buses by KMB from Volvo through tendering selection.

No.	Date of contract	Subject matter and consideration
2.	18 October 2018	The purchase of 10 units of 12-metre Euro VI 3-axle double-deck CBU buses by LWB from Volvo through tendering selection.
3.	30 July 2018	<p>The purchase of 2 prototype units of 12-metre Euro VI 3-axle double-deck CBU buses by KMB from Volvo.</p> <p>KMB, Volvo and Volvo Bus Hong Kong Limited entered into a novation agreement dated 24 September 2018, pursuant to which Volvo novated its rights and obligations in and under this previous contract to Volvo Bus Hong Kong Limited.</p>

### **Payment terms**

The consideration in respect of each of the Purchase Contract and the Previous Contracts no. 1 and 2 is payable in cash in three instalments, with (i) 10% of which being payable as deposit within fourteen business days from the signing of the Purchase Contract, the Previous Contracts no. 1 or 2 (as the case may be); (ii) half of the unit price being payable as further deposit within fourteen business days from the date of shipment of each of the assembled unit; and (iii) the balance being payable within fourteen business days after the 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.

The consideration in respect of the Previous Contract no. 3 is payable in cash in two instalments, with (i) down payment upon execution of the contract; and (ii) upon the expiry of the test period, either return to Volvo the CBU bus or finalise the purchase of the CBU bus by paying the remaining balance of the contract price for each CBU bus to Volvo.

Such payments are being funded by the general working capital and banking facilities of KMB and LWB (in respect of Previous Contract no. 2).

### **Payment guarantee**

In respect of each of the Purchase Contract and the Previous Contracts nos. 1 and 2, a guarantee was given in favour of KMB and LWB (in respect of Previous Contract no. 2) up to but not exceeding an aggregate of 10% of the total consideration under the Purchase Contract or the Previous Contracts no. 1 or 2 (as the case may be).

### **REASONS FOR AND BENEFITS OF THE TRANSACTIONS**

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 initiative 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 aggregated basis, exceed 5% but are less than 25%, the transactions contemplated thereunder, on an aggregated basis, constitute discloseable transactions of the Company and are therefore subject to 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.

Volvo is a major Swedish 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, Volvo and its ultimate beneficial owners 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: -

“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 PRC
“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”	The Long Win Bus Company Limited, a wholly-owned subsidiary of the Company
“PRC”	the People’s Republic of China
“Previous Contract(s)”	collectively, (i) the purchase contract dated 30 July 2018 entered into between KMB and Volvo for the purchase of 2 prototype units of 12-metre Euro VI 3-axle double-deck CBU buses; (ii) the purchase contract dated 18 October 2018 entered into between LWB and Volvo for the purchase of 10 units of 12-metre Euro VI 3-axle double-deck CBU buses; and (iii) the purchase contract dated 28 March 2019 entered into between KMB and Volvo for the purchase of 50 units of 12-metre Euro VI 3-axle double-deck CBU buses and “Previous Contract” means any one of them
“Purchase Contract”	the purchase contract dated 17 October 2019 entered into between KMB and Volvo for the purchase of 110 units of 12.8-metre Euro VI 3-axle double-deck CBU buses from Volvo
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Volvo”	Volvo Bus Corporation, a company incorporated in Sweden with limited liability
“%”	per cent

By order of the Board  
**Lana Woo**  
*Company Secretary*

Hong Kong, 17 October 2019

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, *JP*

Mr. LUNG Po Kwan

Executive Director:

Mr. Roger LEE Chak Cheong (Managing Director)

*\* For identification purpose only*