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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult a stockbroker or other licensed securities dealer, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Transport International Holdings Limited, you should at once hand this circular, together with the enclosed form of proxy to the purchaser or transferee or to the bank, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

**TRANSPORT INTERNATIONAL HOLDINGS LIMITED**

(incorporated in Bermuda with limited liability)

(Stock code: 062)

**GENERAL MANDATES TO ISSUE SHARES AND
TO REPURCHASE SHARES,
RE-ELECTION OF DIRECTORS,
AMENDMENTS TO THE BYE-LAWS
AND
NOTICE OF ANNUAL GENERAL MEETING**

A letter from the Board is set out on pages 1 to 4 of this circular.

A notice convening the Annual General Meeting of Transport International Holdings Limited (the “Company”) to be held at The Royal Plaza Hotel, Grand Ballroom, 193 Prince Edward Road West, Kowloon, Hong Kong at 3:00 p.m. on Thursday, 18 May 2006 (the “Annual General Meeting”) to consider and, if thought fit, to approve the ordinary resolutions and the special resolution, is set out on pages 15 to 19 of this circular. Whether or not you are able to attend the Annual General Meeting, you are requested to complete the enclosed form of proxy in accordance with the instructions printed thereon and return the same to the Company’s principal office at No. 1, Po Lun Street, Lai Chi Kok, Kowloon, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding the Annual General Meeting or any adjournment thereof. Completion and return of the form of proxy shall not preclude you from attending and voting in person at the Annual General Meeting or any adjournment thereof should you so desire.

26 April 2006

LETTER FROM THE BOARD



TRANSPORT INTERNATIONAL HOLDINGS LIMITED

(incorporated in Bermuda with limited liability)

(Stock code: 062)

Directors:

The Hon Sir Sze-yuen CHUNG*, *GBM, GBE, PhD, FREng, JP*

Chairman

Dr Norman LEUNG Nai Pang*, *GBS, JP*

Deputy Chairman

KWOK Ping-luen, Raymond, *JP*

KWOK Ping-sheung, Walter, *JP*

YU Shu Chuen

Honorary Executive Director

NG Siu Chan

William LOUEY Lai Kuen

John CHAN Cho Chak, *GBS, JP*

Managing Director

Charles LUI Chung Yuen, *M.H.*

Executive Director

Winnie NG

Executive Director

Dr KUNG Ziang Mien, James*, *GBS, OBE*

George CHIEN Yuan Hwei

Dr Eric LI Ka Cheung*, *GBS, OBE, JP*

LUI Pochiu

Executive Director

Edmond HO Tat Man

Deputy Managing Director

SIU Kwing-chue, Gordon*, *GBS, CBE, JP*

Susanna LAU Shung Oi

(Alternate Director to Mr KWOK Ping-sheung, Walter, JP)

KUNG Lin Cheng, Leo

(Alternate Director to Dr KUNG Ziang Mien, James, GBS, OBE)*

YUNG Wing Chung

(Alternate Director to Mr KWOK Ping-luen, Raymond, JP)

(Independent Non-executive Directors)*

Registered Office:

Clarendon House

2 Church Street

Hamilton HM11

Bermuda

Hong Kong Principal Office:

No. 1, Po Lun Street

Lai Chi Kok

Kowloon

Hong Kong

LETTER FROM THE BOARD

26 April 2006

To the shareholders

Dear Sir or Madam,

GENERAL MANDATES TO ISSUE SHARES AND TO REPURCHASE SHARES, RE-ELECTION OF DIRECTORS, AMENDMENTS TO THE BYE-LAWS AND NOTICE OF ANNUAL GENERAL MEETING

INTRODUCTION

At the annual general meeting of the Company to be held on Thursday, 18 May 2006 (the “Annual General Meeting”), resolutions will be proposed to, inter alia, (i) grant to the directors of the Company (the “Directors”) general mandates to issue shares of HK\$1.00 each in the capital of the Company (“Shares”) and to repurchase Shares, since the previous general mandates granted to the Directors on 19 May 2005 to issue Shares and to repurchase Shares will expire at the Annual General Meeting, (ii) extend the general mandates to issue Shares by adding to the aggregate number of Shares which may be allotted or agreed conditionally or unconditionally to be allotted by the Directors pursuant to the general mandates to issue Shares the number of Shares repurchased pursuant to the general mandate to repurchase Shares, (iii) re-elect the Directors, and (iv) amend the Bye-laws of the Company (the “Bye-laws”). This circular contains the explanatory statement in compliance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”), to give all the information reasonably necessary to enable the shareholders of the Company (the “Shareholders”) to make an informed decision on whether to vote for or against the resolutions to approve the issue and allotment of new Shares, the repurchase by the Company of its own Shares, and the amendment to the Bye-laws. This circular also contains biographies of the Directors who will retire at the Annual General Meeting and, being eligible, will offer themselves for re-election.

1. GENERAL MANDATE TO ISSUE SHARES

At the Annual General Meeting, an ordinary resolution will be proposed for the Shareholders to consider and, if thought fit, grant a general mandate to the Directors to exercise all powers of the Company to allot, issue and deal with the Shares (the “Share Issue Mandate”). The Shares which may be allotted and issued pursuant to the Share Issue Mandate shall not exceed 20% of the issued share capital of the Company in issue as at the date of passing of the resolution approving the Share Issue Mandate. The Share Issue Mandate shall expire upon whichever is the earliest of (i) the date of the next annual general meeting of the Company, (ii) the date by which the next annual general meeting of the Company is required to be held by law or the Memorandum of Association and Bye-laws of the Company, and (iii) the date upon which such authority given under the Share Issue Mandate is revoked or varied by an ordinary resolution of the Shareholders. Details of the Share Issue Mandate are set out in Resolution 5 in the Notice of Annual General Meeting on pages 15 to 16 of this circular.

LETTER FROM THE BOARD

In addition, an ordinary resolution will also be proposed for the Shareholders to consider and, if thought fit, approve the extension of the Share Issue Mandate by adding to the aggregate number of Shares which may be allotted or agreed conditionally or unconditionally to be allotted by the Directors pursuant to the Share Issue Mandate the number of Shares repurchased pursuant to the Share Repurchase Mandate (as hereinafter defined) (the “Extension of Share Issue Mandate”), if granted.

2. GENERAL MANDATE TO REPURCHASE SHARES

At the Annual General Meeting, an ordinary resolution will be proposed for the Shareholders to consider and, if thought fit, grant a general mandate to the Directors to exercise all powers of the Company to repurchase issued and fully paid Shares (the “Share Repurchase Mandate”). Under the Share Repurchase Mandate, the number of Shares that the Company may repurchase shall not exceed 10% of the issued share capital of the Company on the date of passing of the resolution approving the Share Repurchase Mandate. The Company’s authority is restricted to repurchase made on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

On 20 April 2006, being the latest practicable date prior to printing of this circular (the “Latest Practicable Date”), the issued share capital of the Company comprised 403,639,413 Shares. Exercise in full of the Share Repurchase Mandate, on the basis that no further Shares are issued or repurchased between the period from the Latest Practicable Date to the date of the Annual General Meeting, could accordingly result in up to 40,363,941 Shares being repurchased by the Company. An explanatory statement as required under the Listing Rules, giving certain information regarding the Share Repurchase Mandate together with the details of the repurchases of the Shares made by the Company during the six months preceding the Latest Practicable Date, is set out in Appendix I to this circular. The Share Repurchase Mandate allows the Company to make repurchases only during the period ending on the earliest of (i) the date of the next annual general meeting of the Company, (ii) the date by which the next annual general meeting of the Company is required to be held by law or the Memorandum of Association and Bye-laws of the Company, and (iii) the date upon which such authority given under the Share Repurchase Mandate is revoked or varied by an ordinary resolution of the Shareholders. Details of the Share Repurchase Mandate are set out in Resolution 6 in the Notice of Annual General Meeting on page 17 of this circular.

3. RE-ELECTION OF DIRECTORS

To comply with Paragraph A.4.2 of the Code on Corporate Governance Practices as set out in Appendix 14 of the Listing Rules, as at the Latest Practicable Date, the following Directors will retire at the Annual General Meeting and, being eligible, will offer themselves for re-election:–

KWOK Ping-luen, Raymond, *JP*
Charles LUI Chung Yuen, *M.H.*
Winnie NG
Dr Eric LI Ka Cheung*, *GBS, OBE, JP*
Edmond HO Tat Man

(* *Independent Non-executive Director*)

Biographies of the above Directors are set out in Appendix II to this circular.

LETTER FROM THE BOARD

4. AMENDMENTS TO THE BYE-LAWS

In order to comply with the Code on Corporate Governance Practices as set out in Appendix 14 of the Listing Rules, the Directors propose to amend the Bye-laws relating to the retirement of Directors by rotation. The amended Bye-laws will provide that every Director is subject to retirement by rotation at least once every three years.

Details of the proposed amendments to the Bye-laws are set out in Appendix III to this circular.

5. ANNUAL GENERAL MEETING

A notice convening the Annual General Meeting to be held at The Royal Plaza Hotel, Grand Ballroom, 193 Prince Edward Road West, Kowloon, Hong Kong on Thursday, 18 May 2006 at 3:00 p.m. is set out on pages 15 to 19 of this circular. At the Annual General Meeting, resolutions will be proposed to approve, inter alia, the Share Issue Mandate, the Share Repurchase Mandate, the Extension of Share Issue Mandate, the re-election of Directors, and the amendments to the Bye-laws.

The procedure by which Shareholders may demand a poll at any general meeting of the Company is set out in Appendix IV to this circular.

A proxy form for use at the Annual General Meeting is enclosed. Whether or not you are able to attend the Annual General Meeting, you are requested to complete the accompanying proxy form in accordance with the instructions printed thereon and return the same to the Company's principal office at No. 1, Po Lun Street, Lai Chi Kok, Kowloon, Hong Kong as soon as possible and in any event not later than 48 hours before the time appointed for the holding of the meeting or any adjournment thereof. Completion and return of the proxy form will not preclude the Shareholders from attending and voting in person at the Annual General Meeting if they so wish.

6. RECOMMENDATION

The Directors consider that the grant of the Share Issue Mandate, the Share Repurchase Mandate, the Extension of Share Issue Mandate, the re-election of Directors, and the amendments to the Bye-laws to be proposed at the Annual General Meeting are in the interest of the Company and the Shareholders and so recommend all Shareholders to vote in favour of the resolutions at the Annual General Meeting. The Directors will vote all their shareholdings in favour of those resolutions at the Annual General Meeting.

By Order of the Board
John CHAN Cho Chak
Managing Director

The following is the Explanatory Statement required to be sent to the Shareholders under the Listing Rules in connection with the proposed Share Repurchase Mandate.

1. LISTING RULES

The Listing Rules permit companies with a primary listing on the Stock Exchange to repurchase their fully-paid up shares traded on the Stock Exchange or any other stock exchange on which the shares of the Company may be listed and recognised by the Securities and Futures Commission and the Stock Exchange for this purpose subject to certain restrictions.

2. SHARE CAPITAL OF THE COMPANY

As at the Latest Practicable Date, the issued share capital of the Company comprised 403,639,413 Shares. Subject to the passing of the ordinary resolution approving the Share Repurchase Mandate and on the basis that no further Shares will be issued or repurchased between the period from the Latest Practicable Date to the date of the Annual General Meeting, the Company would be allowed under the Share Repurchase Mandate to repurchase a maximum of 40,363,941 Shares.

3. REASONS FOR REPURCHASE OF SHARES

The Directors consider that the Share Repurchase Mandate is in the interest of the Company and the Shareholders as a whole and will provide the Company the flexibility to make repurchases of Shares when appropriate and beneficial to the Company. Such repurchases may, depending on the circumstances, enhance the net asset value of the Company and/or earnings per Share. The Directors intend that repurchases will only be made when they believe that a repurchase of Shares will benefit the Company and the Shareholders.

4. DIRECTORS, THEIR ASSOCIATES AND OTHER CONNECTED PERSONS

None of the Directors nor, to the best of the knowledge of the Directors having made all reasonable enquiries, any associates (as defined in the Listing Rules) of any of the Directors has any present intention, in the event that the Share Repurchase Mandate is approved by the Shareholders, to sell Shares to the Company.

No other connected persons (as defined in the Listing Rules) of the Company has notified the Company that he/she/it has a present intention to sell Shares to the Company nor has undertaken not to sell any of the Shares held by him/her/it to the Company in the event that the Company is authorised to make repurchase of Shares.

5. UNDERTAKING OF THE DIRECTORS

The Directors have undertaken to the Stock Exchange to exercise the power of the Company to make repurchases pursuant to the Share Repurchase Mandate and in accordance with the Listing Rules, the laws of Hong Kong, all applicable laws of Bermuda, and the regulations set out in the Memorandum of Association and Bye-laws of the Company.

6. EFFECT OF THE TAKEOVERS CODE

Under The Code on Takeovers and Mergers (the “Takeovers Code”), a person will be subject to mandatory offer obligations if such person acquires, whether by a series of transactions over a period of time or not, 30% or more of the voting rights of a company. Such threshold was reduced from 35% to 30% with effect from 19 October 2001. However, transitional provisions apply where a person, or two or more persons acting in concert, holds 30% or more of the voting rights of a company but less than 35% of such voting rights immediately prior to 19 October 2001. For so long as such holding remains in this range and until 10 years after that date, the Takeovers Code shall be interpreted and applied as if the 30% trigger in Rule 26.1(a) and (b) of the Takeovers Code was 35% for such person or persons and such person or persons are not subject to the 2% creeper under Rule 26.1(c) and (d) of the Takeovers Code. In this regard, as Sun Hung Kai Properties Limited (“SHKP”) has been holding 30% or more of the voting rights of the Company but less than 35% of such voting rights immediately prior to 19 October 2001, the above transitional provisions apply to SHKP for so long as its holding remains within the range of 30% and 35% for a period of 10 years after 19 October 2001.

As at the Latest Practicable Date, to the best of the knowledge and belief of the Directors, SHKP was the single largest Shareholder, and it held or beneficially owned approximately 33.0% of the issued share capital of the Company. In the event that the Directors should exercise in full the power to repurchase Shares which is proposed to be granted pursuant to the Share Repurchase Mandate, SHKP would hold approximately 36.7% of the issued share capital of the Company and such increase would result in an increase in the proportionate interests of SHKP in the voting rights of the Company and be treated as an acquisition of voting rights for the purpose of the Takeovers Code. As a result, a shareholder, or group of shareholders acting in concert, could obtain or consolidate control of a repurchasing company and thereby become obliged to make a general offer in accordance with Rules 26 and 32 of the Takeovers Code.

Since SHKP would hold more than 35% of the issued share capital in the event the Directors should exercise in full the power to repurchase Shares pursuant to the Share Repurchase Mandate, the above transitional provisions under the Takeovers Code will not apply, and mandatory offer obligations under Rules 26 and 32 of the Takeovers Code will arise on the part of SHKP.

The Directors have no present intention to exercise the power to repurchase Shares to the extent that SHKP would have the obligation to make the mandatory offer as aforementioned.

7. SOURCE OF FUNDS

The Company is empowered by its Memorandum of Association and Bye-laws and the laws of Bermuda to repurchase its Shares. Repurchases will be funded entirely from the funds legally available for that purpose.

As compared with the financial position of the Company as at 31 December 2005, the Directors consider that there may be a material adverse impact on the working capital and on the gearing position of the Company in the event that the proposed share repurchases were to be carried out in full during the proposed repurchase period. However, the Directors propose that no repurchase would be made in the circumstances that would have a material adverse impact on the working capital or gearing ratio of the Company.

8. SHARE PURCHASE MADE BY THE COMPANY

No purchase has been made by the Company of its Shares on the Stock Exchange or otherwise during the six months period immediately prior to the Latest Practicable Date.

9. SHARE PRICES

During each of the twelve months preceding the Latest Practicable Date, the highest and lowest traded prices for the Shares on the Stock Exchange were as follows:-

Month	Shares	
	Highest	Lowest
	Traded Price	Traded Price
	<i>HK\$</i>	<i>HK\$</i>
April 2005	42.90	40.30
May 2005	44.00	41.30
June 2005	45.00	42.00
July 2005	47.55	43.55
August 2005	49.90	47.00
September 2005	49.10	47.10
October 2005	47.40	44.20
November 2005	45.75	41.90
December 2005	47.10	43.90
January 2006	46.25	45.15
February 2006	45.80	44.10
March 2006	48.00	42.95

The following are the particulars of the Directors proposed to be re-elected at the Annual General Meeting. Save as disclosed herein, there is no other information necessary to be disclosed by the Directors proposed to be re-elected at the Annual General Meeting pursuant to Rule 13.51(2)(h) to (v) of the Listing Rules and there are no other matters relating to the re-elections that need to be brought to the attention of the Shareholders.

1. KWOK Ping-luen, Raymond, JP, MA(Cantab), MBA, Hon DBA, Hon LLD

Director, aged 52. Mr Kwok has been a Director of Transport International Holdings Limited (the “Company”) since 4 September 1997. He has also been a Director of The Kowloon Motor Bus Company (1933) Limited and Long Win Bus Company Limited since 1 September 1981 and 8 May 1997 respectively. Mr Kwok holds a Master of Arts Degree in Law from Cambridge University, a Master Degree in Business Administration from Harvard University, an Honorary Doctorate degree in Business Administration from The Open University of Hong Kong and an Honorary Doctorate degree in Laws from The Chinese University of Hong Kong. He is the Vice Chairman and Managing Director of Sun Hung Kai Properties Limited, a substantial shareholder of the Company as defined in the Rules Governing the Listing of Securities (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). He is also Chairman of SUNeVision Holdings Ltd., Chairman of SmarTone Telecommunications Holdings Limited and an Independent Non-executive Director of Standard Chartered Bank (Hong Kong) Limited.

In civic activities, Mr Kwok is a Non-executive Director of the Securities and Futures Commission, a Director of The Real Estate Developers Association of Hong Kong, a Member of the General Committee of The Hong Kong General Chamber of Commerce, a Member of the Hong Kong Port Development Council and Vice Chairman of the Council of The Chinese University of Hong Kong. He is also Chairman of the Management Committees of the Police Children’s Education Trust and the Police Education and Welfare Trust. Mr Kwok is the younger brother of Mr Kwok Ping-sheung, Walter, who is a Director of the Company.

Save as disclosed above, Mr Kwok does not have any relationship with any other Directors, senior management, substantial shareholders or controlling shareholders of the Company. As at the Latest Practicable Date, Mr Kwok holds personal interests in 393,350 shares of the Company and 37,400 shares of RoadShow Holdings Limited, an indirect subsidiary of the Company listed on the Stock Exchange, within the meaning of Part XV of the Securities and Futures Ordinance. There is no director’s service contract between Mr Kwok and the Company. Mr Kwok is subject to retirement by rotation and re-election at annual general meetings of the Company in accordance with the Listing Rules. His emoluments are determined by the Board of Directors of the Company with reference to his duties, responsibilities and the prevailing market practice and his contribution in the Company, and shall be subject to the Shareholders’ approval at the annual general meetings of the Company. The total Director’s fee of Mr Kwok was HK\$259,200 for the financial year ended 31 December 2005 and there is no other emolument. Subject to the Shareholders’ approval for his re-election as a Director of the Company at the forthcoming Annual General Meeting, his period of service as Director of the Company in accordance with the Bye-laws of the Company and the Listing Rules will be for a specific term of three years.

2. Charles LUI Chung Yuen, M.H., BEc, AASA, FCILT

Executive Director, aged 71. Mr Lui has been a Director of Transport International Holdings Limited (the “Company”) since 4 September 1997. He has also been a Director of The Kowloon Motor Bus Company (1933) Limited (“KMB”) and Long Win Bus Company Limited since 17 September 1993 and 24 August 1994 respectively. Joined KMB in 1960 as Accountant and promoted to Chief Accountant, Assistant General Manager and appointed as General Manager on 1 March 1989. Retired as General Manager on 21 July 1999 on reaching the retirement age of 65 years. Mr Lui was appointed the Deputy Managing Director of KMB (China) Holdings Limited (“KMB (China)”) on 1 September 1999. Relinquished the post of Deputy Managing Director to assume the post of Chairman of KMB (China) on 13 August 2003.

Mr Lui is a cousin of Mr Lui Pochiu, who is a Director of the Company. Save as disclosed above, Mr Lui does not have any relationship with any other Directors, senior management, substantial shareholders or controlling shareholders of the Company. As at the Latest Practicable Date, Mr Lui holds personal interests in 12,427 shares and trustee interests in 2,651,750 shares of the Company, and a trustee interests in 209,131 shares of RoadShow Holdings Limited, an indirect subsidiary of the Company listed on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”), within the meaning of Part XV of the Securities and Futures Ordinance. There is no director’s service contract between Mr Lui and the Company. Mr Lui is subject to retirement by rotation and re-election at annual general meetings of the Company in accordance with the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”). His emoluments are determined by the Board of Directors of the Company with reference to his duties, responsibilities and the prevailing market practice and his contribution in the Company, and shall be subject to the Shareholders’ approval at the annual general meetings of the Company. The total Director’s fee and other emoluments of Mr Lui were HK\$259,200 and HK\$1,000,000 respectively for the financial year ended 31 December 2005. Subject to the Shareholders’ approval for his re-election as a Director of the Company at the forthcoming Annual General Meeting, his period of service as Director of the Company in accordance with the Bye-laws of the Company and the Listing Rules will be for a specific term of three years.

3. Winnie NG, BA, MBA(Chicago)

Executive Director, aged 42. Ms Ng has been a Director of Transport International Holdings Limited (the “Company”) since 4 September 1997. She has also been a Director of The Kowloon Motor Bus Company (1933) Limited (“KMB”), Long Win Bus Company Limited (“LWB”) and KMB (China) Holdings Limited (“KMB (China)”) since 12 October 1995, 8 May 1997 and 1 September 1997 respectively. She has been the Group Managing Director of RoadShow Holdings Limited since its inception in 2001. She joined KMB in 1990 and was appointed as Commercial Director in 1999 and then appointed as Executive Director of the Company, KMB, LWB and KMB (China) in 2001. In December 2003, she won the Yazhou Zhoukan Young Chinese Entrepreneur Award 2003. Ms Ng is active in public service, having served the community in her capacities as Council Member of Hong Kong Council for Academic Accreditation, Board Member of Agency for Volunteer Service, Public Relations Committee Member of The Community Chest, Member of Zonta Club of Hong Kong East, Council Member of the Hong Kong Digestive Foundation, Steering Committee Member on Promotion of Volunteer Service of the Social Welfare Department, and President of Little Chair Foundation. Ms Ng is also the Vice Chairman of Council of China’s Foreign Trade, China Council for the Promotion of International Trade and the Vice Board Chairman of Council of World Market, Shanghai Foreign Economic Relation & Trade Commission. Ms Ng is the daughter of Mr Ng Siu Chan, who is a Director of the Company. Ms Ng holds an MBA degree from the University of Chicago.

Save as disclosed above, Ms Ng does not have any relationship with any other Directors, senior management, substantial shareholders or controlling shareholders of the Company. As at the Latest Practicable Date, Ms Ng holds personal interests in 41,416 shares and trustee interests in 21,000,609 shares of the Company, and personal interests in 1,000,000 shares and trustee interests in 123,743 shares of RoadShow Holdings Limited, an indirect subsidiary of the Company listed on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”), within the meaning of Part XV of the Securities and Futures Ordinance. There is no director’s service contract between Ms Ng and the Company. Ms Ng is subject to retirement by rotation and re-election at annual general meetings of the Company in accordance with the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”). Her emoluments are determined by the Board of Directors of the Company with reference to her duties, responsibilities and the prevailing market practice and her contribution in the Company, and shall be subject to the Shareholders’ approval at the annual general meetings of the Company. The total Director’s fee and other emoluments of Ms Ng were HK\$309,200 and HK\$3,000,816 respectively for the financial year ended 31 December 2005. Subject to the Shareholders’ approval for her re-election as a Director of the Company at the forthcoming Annual General Meeting, her period of service as Director of the Company in accordance with the Bye-laws of the Company and the Listing Rules will be for a specific term of three years.

4. Dr Eric LI Ka Cheung* *GBS, OBE, JP, LLD, DSocSc, BA, FCPA(Practising), FCA, FCPA(Aust.), FCIS*

Independent Non-executive Director, aged 52. Dr Li has been a Director of Transport International Holdings Limited (the “Company”), The Kowloon Motor Bus Company (1933) Limited and Long Win Bus Company Limited since 10 December 1998. Dr Li was appointed an Independent Non-executive Director of RoadShow Holdings Limited since 16 September 2004. He is the Senior Partner of Li, Tang, Chen & Co., Certified Public Accountants. Dr Li is an independent non-executive director of SmarTone Telecommunications Holdings Limited, Wong’s International (Holdings) Limited, CATIC International Holdings Limited, Hang Seng Bank Limited, China Resources Enterprise, Limited and Sinochem Hong Kong Holdings Limited, all of which are listed on The Stock Exchange of Hong Kong Limited. Dr Li is also an independent non-executive director of Strategic Global Investments plc, a company listed on the Alternative Investment Market (AIM) of the London Stock Exchange. He was formerly an independent non-executive director of China Vanke Co., Ltd. and SIIC Medical Science & Technology (Group) Limited. He is a Board Member of the International Federation of Accountants and a member of the 10th National Committee of the Chinese People’s Political Consultative Conference. He was also a former member of the Legislative Council of Hong Kong and a past president of the Hong Kong Institute of Certified Public Accountants. Dr Li is the Chairman of the Audit Committee of the Company.

Save for the fact that Dr Li is also a non-executive director of Sun Hung Kai Properties Limited, a substantial shareholder of the Company as defined in the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”), he does not have any other relationship with any other Directors, senior management, substantial shareholders or controlling shareholders of the Company. As at the Latest Practicable Date, Dr Li did not have any interest in shares of the Company and its subsidiaries within the meaning of Part XV of the Securities and Futures Ordinance. There is no director’s service contract between Dr Li and the Company. Dr Li is subject to retirement by rotation and re-election at annual general meetings of the Company in accordance with the Listing Rules. His emoluments are determined by the Board of Directors of the Company with reference to his duties, responsibilities and the prevailing market practice and his contribution in the Company, and shall be subject to the Shareholders’ approval at the annual general meetings of the Company. The total Director’s fee of Dr Li was HK\$373,200 for the financial year ended 31 December 2005 and there is no other emolument. Subject to the Shareholders’ approval for his re-election as a Director of the Company at the forthcoming Annual General Meeting, his period of service as Director of the Company in accordance with the Bye-laws of the Company and the Listing Rules will be for a specific term of three years.

(* *Independent Non-executive Directors*)

5. Edmond HO Tat Man, MA(Cantab), MBA, CMILT, MHKIoD

Deputy Managing Director, aged 44. Mr Ho has been a Director of Transport International Holdings Limited (the “Company”), The Kowloon Motor Bus Company (1933) Limited (“KMB”) and Long Win Bus Company Limited (“LWB”) since 1 January 2001. After joining KMB in September 1998 and having served as Finance and Administration Director from January 1999 to April 2003, he was appointed as Deputy Managing Director of the Company, KMB and LWB with effect from 10 January 2002. Posts previously held by him included Investment Director of a merchant bank and executive director of a number of transport infrastructure management and investment companies in Hong Kong and on the Mainland. He was also former director of four Sino-foreign joint venture companies of an international leading soft drink brand. Mr Ho holds a master’s degree in engineering from Cambridge University and an MBA degree from The University of Hong Kong.

Mr Ho does not have any relationship with any other Directors, senior management, substantial shareholders or controlling shareholders of the Company. As at the Latest Practicable Date, Mr Ho did not have any interest in shares of the Company and its subsidiaries within the meaning of Part XV of the Securities and Futures Ordinance. There is no director’s service contract between Mr Ho and the Company. Mr Ho is subject to retirement by rotation and re-election at annual general meetings of the Company in accordance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”). His emoluments are determined by the Board of Directors of the Company with reference to his duties, responsibilities and the prevailing market practice and his contribution in the Company, and shall be subject to the Shareholders’ approval at the annual general meetings of the Company. The total Director’s fee and other emoluments of Mr Ho were HK\$259,200 and HK\$3,558,614 respectively for the financial year ended 31 December 2005. Subject to the Shareholders’ approval for his re-election as a Director of the Company at the forthcoming Annual General Meeting, his period of service as Director of the Company in accordance with the Bye-laws of the Company and the Listing Rules will be for a specific term of three years.

Details of the proposed amendments to the Bye-laws are set out as follows:

Bye-law 87 of the existing Bye-laws be amended by:

- (i) deleting Bye-law 87(1) of the existing Bye-laws in its entirety which is set out below:

“Notwithstanding any other provisions in the Bye-laws, at each annual general meeting one-third of the Directors for the time being (or, if their number is not a multiple of three (3), the number nearest to but not greater than one-third) shall retire from office by rotation provided that notwithstanding anything herein, the chairman of the Board and/or the managing director of the Company shall not, whilst holding such office, be subject to retirement by rotation or be taken into account in determining the number of Directors to retire in each year.”;

- (ii) replacing Bye-law 87(1) of the existing Bye-laws with the following:

“Every Director, including those appointed for a specific term, shall be subject to retirement by rotation at least once every three years.”; and

- (iii) deleting Bye-law 87(2) of the existing Bye-laws in its entirety other than the first sentence, which is set out below:

“A retiring Director shall be eligible for re-election. The Directors to retire by rotation shall include (so far as necessary to ascertain the number of directors to retire by rotation) any Director who wishes to retire and not to offer himself for re-election. Any further Directors so to retire shall be those of the other Directors subject to retirement by rotation who have been longest in office since their last re-election or appointment and so that as between persons who became or were last re-elected Directors on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot. Any Director appointed pursuant to Bye-law 86(2) shall not be taken into account in determining which particular Directors or the number of Directors who are to retire by rotation.”

Pursuant to Bye-law 66 of the Bye-laws:-

A resolution put to vote at a general meeting shall be decided on a show of hands unless (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) a poll is demanded:

- (a) by the chairman of such meeting; or
- (b) by at least three members of the Company present in person (or in the case of a member of the Company being a corporation by its duly authorised representative) or by proxy for the time being entitled to vote at the meeting; or
- (c) by a member or members of the Company present in person (or in the case of a member of the Company being a corporation by its duly authorised representative) or by proxy and representing not less than one-tenth of the total voting rights of all the members of the Company having the right to vote at the meeting; or
- (d) by a member or members of the Company present in person (or in the case of a member of the Company being a corporation by its duly authorised representative) or by proxy and holding shares in the Company conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the shares conferring that right.

A demand by a person as proxy for member of the Company or in the case of a member of the Company being a corporation by its duly authorised representative shall be deemed to be the same as a demand by a member of the Company.

NOTICE OF ANNUAL GENERAL MEETING



TRANSPORT INTERNATIONAL HOLDINGS LIMITED

(incorporated in Bermuda with limited liability)

(Stock code: 062)

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Transport International Holdings Limited (the “Company”) will be held at The Royal Plaza Hotel, Grand Ballroom, 193 Prince Edward Road West, Kowloon, Hong Kong on Thursday, 18 May 2006 at 3:00 p.m. to transact the following business:–

1. to receive and consider the Audited Financial Statements and the Reports of the Directors and Auditors for the year ended 31 December 2005;
2. to declare a final dividend;
3. to re-elect directors of the Company and fix their remuneration; and
4. to appoint auditors and to authorise the directors of the Company to fix their remuneration.

As special business, to consider and, if thought fit, pass with or without modifications the following resolutions as ordinary resolutions:

Ordinary Resolutions:–

5. **“THAT:–**
 - (i) subject to paragraph 5(iii) of this Resolution, pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”), the exercise by the directors of the Company (the “Directors”) during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional shares in the capital of the Company and to make or grant offers, agreements and options which might require the exercise of such powers be and is hereby generally and unconditionally approved;
 - (ii) the approval in paragraph 5(i) of this Resolution shall authorise the Directors during the Relevant Period to make or grant offers, agreements and options which might require the exercise of such powers after the expiry of the Relevant Period;
 - (iii) the aggregate nominal value of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the Directors pursuant to the approval in paragraph 5(i) of this Resolution, otherwise than pursuant to:–

NOTICE OF ANNUAL GENERAL MEETING

- (a) a Rights Issue (as hereinafter defined);
- (b) an issue of shares of the Company upon the exercise of the subscription rights under any option scheme or similar arrangement for the time being adopted for the grant or issue to Directors and/or employees of the Company and/or any of its subsidiaries of shares or rights to acquire shares of the Company; or
- (c) any scrip dividend scheme or similar arrangement providing for issue of shares of the Company in lieu of the whole or part of the dividend on shares of the Company in accordance with the Bye-laws of the Company;

shall not exceed 20 per cent of the aggregate nominal value of the share capital of the Company in issue as at the date of the passing of this Resolution and the said approval shall be limited accordingly; and

- (iv) for the purposes of this Resolution:–

“Relevant Period” means the period from the passing of this Resolution until whichever is the earliest of:–

- (a) the conclusion of the next annual general meeting of the Company;
- (b) the expiration of the period within which the next annual general meeting of the Company is required by the Bye-laws of the Company or the laws of Bermuda or any applicable laws to be held; or
- (c) the time when such mandate is revoked or varied by an ordinary resolution by shareholders of the Company in general meeting; and

“Rights Issue” means an offer of shares of the Company open for a period fixed by the Directors to holders of shares of the Company or any class thereof whose names appear on the register of members of the Company on a fixed record date in proportion to their then holdings of such shares (subject to such exclusion or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or legal or practical problems having regard to any restrictions or obligations under the laws of, or the requirements of any recognised regulatory body or any stock exchange in, any territory applicable to the Company).”

NOTICE OF ANNUAL GENERAL MEETING

6. **“THAT:–**

- (i) subject to paragraph 6(ii) of this Resolution, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all powers of the Company to repurchase shares of the Company on the Stock Exchange or any other stock exchange on which the shares of the Company may be listed and recognised by the Securities and Futures Commission and the Stock Exchange for this purpose, subject to and in accordance with all applicable laws and/or the requirements of the Rules Governing the Listing of Securities on the Stock Exchange or of any other stock exchange as amended from time to time, be and is hereby generally and unconditionally approved;
- (ii) the aggregate nominal value of shares of the Company which the Company is authorised to repurchase pursuant to the approval in paragraph 6(i) of this Resolution during the Relevant Period shall not exceed 10 per cent of the aggregate nominal value of the share capital of the Company in issue as at the date of the passing of this Resolution and the authority pursuant to paragraph 6(i) of this Resolution shall be limited accordingly; and
- (iii) for the purposes of this Resolution:–

“Relevant Period” means the period from the passing of this Resolution until whichever is the earliest of:–

- (a) the conclusion of the next annual general meeting of the Company;
- (b) the expiration of the period within which the next annual general meeting of the Company is required by the Bye-laws of the Company or the laws of Bermuda or any applicable laws to be held; or
- (c) the time when such mandate is revoked or varied by an ordinary resolution by shareholders of the Company in general meeting.”

7. **“THAT:–**

conditional upon the passing of Resolutions 5 and 6 set out in the Notice of this Meeting, the general unconditional mandate granted to the Directors of the Company and for the time being in force to exercise the powers of the Company to allot, issue and deal with additional shares of the Company pursuant to Resolution 5 be and is hereby extended by the addition to the aggregate nominal value of the share capital of the Company which may be allotted or agreed conditionally or unconditionally to be allotted by the Directors pursuant to such general mandate of an amount representing the aggregate nominal value of the share capital of the Company repurchased by the Company pursuant to the general unconditional mandate to repurchase shares referred in Resolution 6 provided that such extended amount shall not exceed 10 per cent of the aggregate nominal value of the share capital of the Company in issue as at the date of the passing of this Resolution.”

NOTICE OF ANNUAL GENERAL MEETING

As special business, to consider and, if thought fit, pass the following resolution as special resolution:

Special Resolution:–

8. **“THAT:–**

Bye-law 87 of the existing Bye-laws of the Company be amended by:

- (i) deleting Bye-law 87(1) of the existing Bye-laws in its entirety which is set out below:

“Notwithstanding any other provisions in the Bye-laws, at each annual general meeting one-third of the Directors for the time being (or, if their number is not a multiple of three (3), the number nearest to but not greater than one-third) shall retire from office by rotation provided that notwithstanding anything herein, the chairman of the Board and/or the managing director of the Company shall not, whilst holding such office, be subject to retirement by rotation or be taken into account in determining the number of Directors to retire in each year.”;

- (ii) replacing Bye-law 87(1) of the existing Bye-laws of the Company with the following:

“Every Director, including those appointed for a specific term, shall be subject to retirement by rotation at least once every three years.”; and

- (iii) deleting Bye-law 87(2) of the existing Bye-laws in its entirety other than the first sentence, which is set out below:

“A retiring Director shall be eligible for re-election. The Directors to retire by rotation shall include (so far as necessary to ascertain the number of directors to retire by rotation) any Director who wishes to retire and not to offer himself for re-election. Any further Directors so to retire shall be those of the other Directors subject to retirement by rotation who have been longest in office since their last re-election or appointment and so that as between persons who became or were last re-elected Directors on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot. Any Director appointed pursuant to Bye-law 86(2) shall not be taken into account in determining which particular Directors or the number of Directors who are to retire by rotation.”

By Order of the Board
Lana WOO
Company Secretary

Hong Kong, 26 April 2006

NOTICE OF ANNUAL GENERAL MEETING

Notes:

- (1) Any member of the Company entitled to attend and vote at the Annual General Meeting of the Company shall be entitled to appoint another person as his proxy to attend and vote in his stead. On a poll, votes may be given either personally or by proxy. A proxy need not be a member of the Company. A member who is a holder of two or more shares may appoint more than one proxy to represent him and vote on his behalf at the Annual General Meeting.
- (2) The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority must be delivered to the Company's principal office at No. 1, Po Lun Street, Lai Chi Kok, Kowloon, Hong Kong not less than 48 hours before the time appointed for holding the Annual General Meeting or adjourned meeting.
- (3) The Register of Members will be closed from Tuesday, 9 May 2006 to Thursday, 18 May 2006 both days inclusive, during which period no transfer of shares will be effected. To rank for the final dividend, all transfers accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:00 p.m. on Monday, 8 May 2006.
- (4) Regarding Resolution 3 above, Mr KWOK Ping-luen, Raymond, *JP*, Mr Charles LUI Chung Yuen, *M.H.*, Ms Winnie NG, Dr Eric LI Ka Cheung, *GBS, OBE, JP* and Mr Edmond HO Tat Man will retire by rotation and, being eligible, offer themselves for re-election at the Annual General Meeting. Biographies of these Directors are set out in Appendix II to the circular dated 26 April 2006.
- (5) Regarding Resolutions 5, 6 and 7 above, the Directors wish to state that they have no immediate plans to repurchase any existing shares of the Company or issue any new shares pursuant to the relevant mandate.



TRANSPORT INTERNATIONAL HOLDINGS LIMITED

(incorporated in Bermuda with limited liability)
(Stock code: 062)

Hong Kong Principal Office:
No. 1, Po Lun Street, Lai Chi Kok, Kowloon, Hong Kong

Proxy Form

Proxy Form for the Annual General Meeting of Transport International Holdings Limited to be held at The Royal Plaza Hotel, Grand Ballroom, 193 Prince Edward Road West, Kowloon, Hong Kong on Thursday, 18 May 2006 at 3:00 p.m.

I/We ^(Note 1) _____
of _____
being the holder(s) of ^(Note 2) _____
shares of HK\$1.00 each of **TRANSPORT INTERNATIONAL HOLDINGS LIMITED** (the "Company")
hereby appoint ^(Note 3) _____
of _____
or failing him/her _____
of _____
or failing him/her the Chairman of the meeting as my/our proxy to vote for me/us and on my/our behalf at the Annual General Meeting of the Company to be held on Thursday, 18 May 2006 at 3:00 p.m. and at any adjournment thereof in connection with the following resolutions:-

	RESOLUTIONS	INSTRUCTION ^(Note 4)	
		FOR	AGAINST
1.	Ordinary Resolution to adopt the Audited Financial Statements and the Reports of the Directors and Auditors for the year ended 31 December 2005.		
2.	Ordinary Resolution to declare a final dividend of HK\$1.58 per share.		
3.	(a) Ordinary Resolutions to re-elect the following persons as directors:-		
	(i) Mr. KWOK Ping-luen, Raymond, JP		
	(ii) Mr. Charles LUI Chung Yuen, M.H.		
	(iii) Ms. Winnie NG		
	(iv) Dr Eric LI Ka Cheung*, GBS, OBE, JP		
	(v) Mr. Edmond HO Tat Man		
	(b) Ordinary Resolution to fix the Directors' remuneration for the year ended 31 December 2005.		
4.	Ordinary Resolution to re-appoint KPMG as Auditors of the Company and to authorise the Directors of the Company to fix their remuneration.		
5.	Ordinary Resolution to give a general mandate to the Directors to issue shares.		
6.	Ordinary Resolution to give a general mandate to the Directors to exercise powers of the Company to purchase its own shares.		
7.	Ordinary Resolution to extend the share issue mandate granted to the Directors.		
8.	Special Resolution to amend the Bye-laws of the Company.		

(* Independent Non-executive Director)

As witness my/our hand(s) this _____ day of _____ 2006.

Member's Signature: _____

Notes:

- Full name(s) and address(es) to be inserted in **BLOCK CAPITALS**.
- Please insert the number of shares registered in your name(s); if no number is inserted, this form of proxy will be deemed to relate to all the shares in the capital of the Company registered in your name(s).
- Insert in **BLOCK CAPITALS** the name(s) and address(es) of the proxy or proxies desired in the space provided. **ANY ALTERATION TO THIS FORM OF PROXY MUST BE INITIALED BY THE PERSON WHO SIGNS IT.** A proxy need not be a member of the Company.
- IMPORTANT: IF YOU WISH TO VOTE FOR A RESOLUTION, PLACE A "✓" IN THE BOX MARKED "FOR". IF YOU WISH TO VOTE AGAINST A RESOLUTION, PLACE A "✓" IN THE BOX MARKED "AGAINST".** Failure to complete the boxes will entitle your proxy to cast his/her vote at his/her discretion.
- To be valid, this form of proxy must be completed and deposited at the Hong Kong principal office of the Company, No.1, Po Lun Street, Lai Chi Kok, Kowloon, Hong Kong, together with the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of that power of authority, not less than 48 hours before the time appointed for holding the Annual General Meeting.