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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 : 062)

CONTINUING CONNECTED TRANSACTIONS

On 15 August 2007, LCKPI and SHKRE entered into the Letter Agreement pursuant to which LCKPI has agreed to, inter alia, continue to appoint SHKRE as the exclusive letting and sales agent of the residential units, commercial units and car parking spaces of Manhattan Hill, and to provide marketing services in connection with the letting and sale of the said development.

As at the date of this announcement, SHKP is a substantial shareholder holding approximately 33% interest in the Company. Since SHKRE is a wholly-owned subsidiary of SHKP, SHKRE is an associate of SHKP and thus a connected person of the Company under the Listing Rules. The transactions contemplated under the Letter Agreement therefore constitute continuing connected transactions of the Company under the Listing Rules. In respect of the maximum amount of the Agency Fees of HK\$48,522,000 payable under the Letter Agreement, as each of the applicable percentage ratios (other than the profits ratio) is on an annual basis less than 2.5% under Rule 14A.34 of the Listing Rules, the transactions contemplated under the Letter Agreement are only subject to the annual review requirements as set out in Rules 14A.37 to 14A.40 of the Listing Rules as well as the reporting and announcement requirements as set out in Rules 14A.45 and 14A.47 of the Listing Rules, and are exempt from the independent shareholders' approval requirement.

Details of the Letter Agreement will be published in the Company's next annual report in accordance with Rule 14A.45 of the Listing Rules.

THE LETTER AGREEMENT

Background

Pursuant to the Original Agreement, LCKPI appointed SHKRE (a) as the exclusive letting and sales agent when the residential units, commercial units and the car parking spaces of Manhattan Hill are sold/pre-sold and/or let/pre-let at the first instance; and (b) to provide marketing services in respect of the sale/pre-sale and/or letting/pre-letting of all residential units, commercial units and car parking spaces of Manhattan Hill. Further details of the Original Agreement were disclosed in the Previous Announcement.

Through the entering into the Letter Agreement on 15 August 2007, the Original Agreement was terminated and LCKPI has agreed to continue to appoint SHKRE as the exclusive sales and letting agent subject to the terms of the Letter Agreement.

Details of the Letter Agreement

Date: 15 August 2007

Parties: (1) LCKPI, a wholly-owned subsidiary of the Company
(2) SHKRE, a wholly-owned subsidiary of SHKP

Pursuant to the Letter Agreement, the Original Agreement was terminated with effect from the date of the Letter Agreement. LCKPI continues to appoint SHKRE as the exclusive letting and sales agent when the residential units, commercial units and the car parking spaces of Manhattan Hill are sold/pre-sold and/or let/pre-let at the first instance; and to provide marketing services in respect of the sale/pre-sale and/or letting/pre-letting of all residential units, commercial units and car parking spaces of Manhattan Hill.

The Agency Fees payable by LCKPI to SHKRE under the Letter Agreement refers to (a) the letting agency fees at the rate of one month's rental (excluding any management fees, air-conditioning charges, government rent, rates and other outgoings payable by the lessee) for each residential and commercial unit and car parking space of Manhattan Hill let or pre-let at the first instance; and (b) sales agency fees at the rate of 0.75% of the sale price (excluding the registration fees, stamp duty and legal costs and expenses in relation to the sale and purchase thereof) for each residential and commercial unit and car parking space sold or pre-sold at the first instance.

All the Agency Fees will be satisfied in cash by LCKPI and shall be payable to SHKRE on the last day of the calendar month immediately after the respective calendar month in

which (i) in the case of letting or pre-letting, the relevant tenancy or lease or confirmation of tenancy is entered into by LCKPI in respect of a residential / commercial unit or car parking space; or (ii) in the case of sale or pre-sale, the formal agreement for sale and purchase is entered into by LCKPI in respect of a residential/commercial unit or car parking space.

The appointment of SHKRE under the Letter Agreement shall be for a period of three years commencing from the date of the Letter Agreement, and the aggregate of the Agency Fees payable by LCKPI to SHKRE under the Letter Agreement shall not exceed HK\$48,522,000 so that to the extent if the aggregate of such fees shall exceed HK\$48,522,000 the excess is deemed to have been waived by SHKRE.

The annual Agency Fees paid by LCKPI to SHKRE pursuant to the Original Agreement for the three financial years ended 31 December 2004, 2005 and 2006 were nil. The aggregate amount of Agency Fees paid by LCKPI to SHKRE from 1 January 2007 up to the date of the Letter Agreement was HK\$16,478,000. It is estimated that the aggregate amount of the Agency Fees payable by LCKPI to SHKRE for the financial year ending 31 December 2007 pursuant to the Letter Agreement shall not exceed HK\$48,522,000. It is also estimated that the aggregate amount of the Agency Fees payable by LCKPI to SHKRE for the financial years ending 31 December 2008, 2009 and 2010 shall not exceed HK\$12,426,000, HK\$12,426,000 and HK\$12,426,000 respectively.

The annual maximum amount of the Agency Fees payable under the Letter Agreement was determined based on the rates of the sales agency fees and the letting agency fees chargeable under the Letter Agreement and on the basis that all the remaining residential units, commercial units and car parking spaces of Manhattan Hill will be sold/pre-sold and/or let/pre-let during the respective financial years.

REASONS FOR ENTERING INTO THE LETTER AGREEMENT

After the Original Agreement was entered into between LCKPI and SHKRE in July 2003, in view of the gradual improvements of the property market, LCKPI upgraded Manhattan Hill to a more luxurious quality and standard. As a result of the upgrade, SHKRE has spent additional costs and effort on the sales, marketing and promotion of Manhattan Hill. With such upgrade and the enhanced marketing efforts by SHKRE, the total sales revenue in respect of the residential units and car parking spaces of Manhattan Hill will be higher than that estimated at the time the Original Agreement was entered

into in 2003. Accordingly, the ceiling amount of the Agency Fees payable under the Letter Agreement was set at HK\$48,522,000 pursuant to the Letter Agreement. Hence the amount of the Agency Fees paid under the Original Agreement and the maximum amount of the Agency Fees payable under the Letter Agreement shall, altogether, not exceed HK\$65,000,000, and this maximum amount is higher than the maximum amount payable under the Original Agreement.

The Directors (including the independent non-executive Directors) consider that the entering into the Letter Agreement is in the ordinary and usual course of business of the Group and the terms of the Letter Agreement are on normal commercial terms which were arrived at after arm's length negotiations between the parties concerned. The Agency Fees payable by LCKPI pursuant to the Letter Agreement will be determined with reference to the prevailing market rates. The Directors consider that the terms of the Letter Agreement are fair and reasonable and in the interests of the Group and the shareholders of the Company as a whole.

INFORMATION OF THE GROUP, LCKPI AND SHKRE

The Group is principally engaged in 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 on the Mainland, and LCKPI is the owner of Manhattan Hill.

SHKRE is principally engaged in the business of provision of property agency services and investment holding.

CONTINUING CONNECTED TRANSACTIONS

SHKP is a substantial shareholder holding approximately 33% interest in the Company. Since SHKRE is a wholly-owned subsidiary of SHKP, SHKRE is an associate of SHKP and thus a connected person of the Company under the Listing Rules. The transactions contemplated under the Letter Agreement therefore constitute continuing connected transactions of the Company under the Listing Rules. In respect of the maximum amount of the Agency Fees of HK\$48,522,000 payable under the Letter Agreement, as each of the applicable percentage ratios (other than profits ratio) is on an annual basis less than 2.5% under Rule 14A.34 of the Listing Rules, the transactions contemplated under the Letter Agreement are only subject to the annual review requirements as set out in Rules

14A.37 to 14A.40 of the Listing Rules as well as the reporting and announcement requirements set out in Rules 14A.45 and 14A.47 of the Listing Rules, and are exempt from the independent shareholders' approval requirement.

Details of the Letter Agreement will be published in the Company's next annual report in accordance with Rule 14A.45 of the Listing Rules.

DEFINITIONS

“Agency Fees”	the letting and sales agency fees payable by LCKPI to SHKRE under the Original Agreement and/or the Letter Agreement, as the case may be
“associate”	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
“Directors”	the directors of the Company
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars
“Hong Kong”	The Hong Kong Special Administrative Region of the People's Republic of China
“LCKPI”	Lai Chi Kok Properties Investment Limited, a company incorporated in the British Virgin Islands with limited liability and an indirect wholly-owned subsidiary of the Company
“Letter Agreement”	the letter agreement dated 15 August 2007 entered into between LCKPI and SHKRE
“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“Manhattan Hill”	the residential and commercial complex located at 1 Po Lun Street, Lai Chi Kok, Kowloon, Hong Kong which comprises 1,115 up-scale luxurious residential units with a total gross floor area of

	over one million square feet in five multi-storey prestigious residential towers and a two-level retail podium of about 50,000 square feet
“Original Agreement”	the letting and sales agency agreement dated 17 July 2003 entered into between LCKPI and SHKRE, as amended from time to time
“Previous Announcement”	The announcement of the Company dated 21 July 2003 regarding, inter alia, various arrangements (including the arrangements under the Original Agreement) in relation to Manhattan Hill
“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
“SHKRE”	Sun Hung Kai Real Estate Agency Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of SHKP
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed to it under Section 2 of the Companies Ordinance (Chapter 32 of the Laws of Hong Kong)

By order of the Board
Lana Woo
Company Secretary

Hong Kong, 16 August 2007

As at the date of this announcement, the Directors of the Company are The Hon. Sir Sze-yuen CHUNG, GBS, GBE, JP as Chairman and Independent Non-executive Director; Dr. Norman LEUNG Nai Pang, GBS, JP as Deputy Chairman and Independent Non-executive Director; Dr. KUNG Ziang Mien, James, GBS, OBE (with Mr. KUNG Lin Cheng, Leo as alternate), Dr. Eric LI Ka Cheung, GBS, OBE, JP and Mr. SIU Kwing-chue, Gordon, GBS, CBE, JP as Independent Non-executive Directors; Mr. John CHAN Cho Chak, GBS, JP as Managing Director; Mr. Charles LUI Chung Yuen, M.H., Ms. Winnie NG and Mr. Edmond HO Tat Man as Executive Directors; Mr. KWOK Ping-luen, Raymond, JP (with Mr. YUNG Wing Chung as alternate), Mr. KWOK Ping-sheung, Walter, JP (with Ms. WONG On Ning, Orlena as alternate), Mr. NG Siu Chan (with Ms.

Winnie NG as alternate), Mr. William LOUEY Lai Kuen and Mr. George CHIEN Yuan Hwei as Non-executive Directors.

** For identification purpose only.*