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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)

CONNECTED TRANSACTIONS

On 16 April 2008, LCKCP, a wholly-owned subsidiary of the Company, entered into the following Agreements :-

1. the Project Management and Design Services Agreement with SHKAE, whereby SHKAE will provide to LCKCP services of project management, statutory submissions and interior design in relation to the retail podium of Manhattan Hill; and
2. the Prime Cost Agreement with CFCCL, whereby CFCCL will act as the management contractor and be responsible for carrying out and complete the alteration and addition works to the retail podium of Manhattan Hill.

As at the date of this announcement, SHKP is a substantial shareholder holding approximately 33% interest in the Company. Since SHKAE and CFCCL are wholly-owned subsidiaries of SHKP, they are associates of SHKP and thus connected persons of the Company under the Listing Rules. Accordingly, the transaction contemplated by each of the Agreements constitutes a connected transaction for the Company under the Listing Rules. As each of the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) in respect of the aggregation of the two transactions contemplated by the Agreements is less than 2.5%, the transactions contemplated by the Agreements are only subject to the reporting and announcement requirements set out in Rules 14A.45 to 14A.47 of the Listing Rules and are exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules. Details of the Agreements will be included in the Company's next annual report in accordance with Rule 14A.45 of the Listing Rules.

THE PROJECT MANAGEMENT AND DESIGN SERVICES AGREEMENT

Date: 16 April 2008

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

Subject matter: SHKAE will provide to LCKCP services of project management, statutory submissions and interior design in relation to the retail podium of Manhattan Hill in accordance with the Project Management and Design Services Agreement.

Consideration: A lump sum service fee of HK\$2,670,000 payable in the following manner:

1. HK\$800,000 payable after design is accepted by LCKCP;
2. HK\$1,000,000 payable upon 60% completion of the relevant works;
3. HK\$500,000 payable upon 100% completion of the relevant works; and
4. HK\$370,000 payable upon rectification of defects.

The terms of the Project Management and Design Services Agreement, including the lump sum service fee, were negotiated on an arm's length basis between LCKCP and SHKAE on normal commercial terms. The lump sum service fee chargeable by SHKAE on LCKCP under the Project Management and Design Services Agreement is comparable with the market rate chargeable by third party service providers and is no less favourable than the rates chargeable by SHKAE to independent third parties. The Directors (including the independent non-executive Directors) consider that the Agreement is fair and reasonable and in the interests of the Group and the shareholders of the Company as a whole.

According to the working programme included in the Project Management and Design Services Agreement, it is expected that the project may require 12 months to complete.

THE PRIME COST AGREEMENT

Date: 16 April 2008

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

Subject matter: CFCCL shall as the management contractor be responsible for carrying out and complete the alteration and addition works to the retail podium of Manhattan Hill in accordance with the Prime Cost Agreement.

Consideration: The consideration of the Prime Cost Agreement is based on the prime cost plus a percentage fee/incentive fee. The estimated total prime cost of the works under the Prime Cost Agreement is HK\$34,000,000, plus the following fees payable to CFCCL :-

- a percentage fee of 10% of the estimated total prime cost, subject to a maximum of HK\$3,400,000; and
- an incentive fee of 15% of the savings from the estimated total prime cost as ascertained by the final prime cost of the works, subject to a maximum of HK\$510,000.

Based on the above items, the maximum aggregated amount of the consideration is capped at HK\$37,400,000.

The progress payment of the total prime cost will be paid to CFCCL against the various interim certificates issued by architect, an independent third party, for settlement of various costs of the works, subject to retention by LCKCP of such amounts shown in the architect's certificates. CFCCL is required to compile statements summarising the receipts of amount paid by it to each sub-contractor, supplier and other recipients in relation to the works.

The percentage fee will be paid to CFCCL against the various interim certificates issued by the architect, subject to adjustment in the final certificate issued by the architect. The incentive fee will be paid to CFCCL pursuant to the final certificate issued by the architect if the final prime cost of the works ascertained does not exceed the estimated total prime cost.

The terms of the Prime Cost Agreement, including the consideration stated therein, were negotiated on an arm's length basis between LCKCP and CFCCL on normal commercial terms. The consideration stated in the Prime Cost Agreement was agreed between the parties with reference to (i) the construction costs chargeable by third party contractors in the open market; and (ii) the estimates of construction costs, both provided by independent quantity surveyors. The management fee chargeable by CFCCL is comparable with the market rates chargeable by third party contractors.

According to the working programme included in the Prime Cost Agreement, it is expected that the alteration and additions works will require 12 months to finish.

REASONS FOR ENTERING INTO THE AGREEMENTS

LCKCP is the owner of the retail podium of Manhattan Hill and will arrange to carry out the necessary alteration and addition works to convert the retail podium to a shopping mall that will provide the residents of Manhattan Hill and the surrounding neighbourhood with high quality retail facilities. The shopping mall will be built to an up-market standard to complement the prestigious image of Manhattan Hill and to provide a new shopping experience in the district.

The Group is principally engaged in the business of provision of public bus transport services and media sales services in Hong Kong and Mainland China while the SHKP Group is principally engaged in the business of, among other things, development of and investment in properties for sale and letting in Hong Kong. The Directors consider that it is in the interests of the Group to leverage on the expertise of the SHKP Group in the area of property development (including design, construction, housing estate management, sales and marketing of commercial properties) by appointing members of the SHKP Group, and in particular CFCCL, who has been the management contractor in respect of the construction and completion of the sub-structure and super-structure of Manhattan Hill. Hence, LCKCP has appointed SHKAE as the project manager and CFCCL as management contractor of the retail podium of Manhattan Hill. The Directors consider that the appointment of SHKAE and CFCCL to carry out the relevant works for the retail podium of Manhattan Hill will enhance the co-ordination and cost effectiveness of the construction process.

The Directors (including the independent non-executive Directors) consider that the terms of each of the Agreements are on normal commercial terms which are arrived at after arm's length negotiations between the parties concerned and are fair and reasonable. The Directors (including the independent non-executive Directors) also consider that the entering into each of the Agreements is in the ordinary and usual course of the business of the Group and in the interests of the Group and the shareholders of the Company as a whole.

INFORMATION ABOUT THE COMPANY, SHKAE AND CFCCL

The principal activity of the Company is investment holdings. 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 on the Mainland.

The principal activity of SHKAE is the provision of architectural and engineering consultancy.

The principal activity of CFCCL is construction management of development projects.

CONNECTED TRANSACTIONS

As at the date of this announcement, SHKP is a substantial shareholder holding approximately 33% interest in the Company. Since SHKAE and CFCCL are wholly-owned subsidiaries of SHKP, they are associates of SHKP and thus connected persons of the Company under the Listing Rules. Accordingly, the transaction contemplated by each of the Agreements constitutes connected transaction for the Company under the Listing Rules respectively.

The connected transaction contemplated by the Project Management and Design Services Agreement is a de minimis transaction and is exempted from the reporting, announcement and independent shareholders' approval requirements, since each of the applicable percentage ratios is less than 0.1%. The connected transaction contemplated by the Prime Cost Agreement is only subject to the reporting and announcement requirements and is exempt from the independent shareholders' approval requirement, as each of the applicable percentage ratios (as defined in Rule 14.07 of the Listing Rules) is less than 2.5%.

However, pursuant to Rule 14A.25 of the Listing Rules, the Stock Exchange will aggregate a series of connected transactions and treat them as if they were one transaction if they were all completed within a 12-month period or are otherwise related. In such cases, the listed issuer must comply with the requirements for the relevant classification of the connected transactions when aggregated. The two connected transactions contemplated by the Agreements fall under Rule 14A.25 of the Listing Rules because they are expected to be completed within a 12-month period and are related. Since the applicable percentage ratios in respect of the aggregation of the two connected transactions contemplated by the Agreements is less than 2.5%, the two connected transactions contemplated by the Agreements are only subject to the reporting and announcement requirements set out in Rules 14A.45 to 14A.47 of the Listing Rules and are exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

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

DEFINITIONS

“Agreements”	the Project Management and Design Services Agreement and the Prime Cost Agreement
“Board”	the board of Directors
“CFCCL”	Chun Fai Construction Company Limited, a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of SHKP
“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
“LCKCP”	LCK Commercial Properties Limited, a company incorporated in Hong Kong and a wholly-owned subsidiary of the Company
“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 five multi-storey residential towers and a two-level retail podium of approximately 50,000 square feet
“prime cost”	payment of the cost of labour and materials for carrying out the works under the Prime Cost Agreement
“Prime Cost Agreement”	a prime cost agreement dated 16 April 2008 entered into between LCKCP and CFCCL for the provision of management contractor services in relation to the retail podium of Manhattan Hill

“Project Management and Design Services Agreement”	a project management and design services agreement dated 16 April 2008 entered into between LCKCP and SHKAE for the provision of project management, statutory submissions and interior design services in relation to the retail podium of Manhattan Hill
“SHKAE”	Sun Hung Kai Architects and Engineers 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
“SHKP Group”	SHKP and its subsidiaries
“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, 17 April 2008

As at the date of this announcement, the Directors of the Company are The Hon. Sir Sze-yuen CHUNG, GBM, 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. Edmond HO Tat Man as Managing Director; Mr. Charles LUI Chung Yuen, M.H. and Ms. Winnie NG as Executive Directors; and 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, Mr. George CHIEN Yuan Hwei, Mr. John Anthony MILLER, OBE, JP and Mr. John CHAN Cho Chak, GBS, JP as Non-executive Directors.

** For identification purpose only.*