

*The Stock Exchange of Hong Kong Limited takes no responsibility for the contents of this announcement, makes no representation as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.*



**TRANSPORT INTERNATIONAL HOLDINGS LIMITED**

**(載通國際控股有限公司)\***

*(Incorporated in Bermuda with limited liability)*

(Stock Code : 062)

**ANNOUNCEMENT**

**PROFIT WARNING**

The Board wishes to inform the shareholders of the Company and potential investors that the financial results of the Group for the first half of 2008, when excluding the non-recurrent income arising from the sale of properties, are expected to be disappointing. The Group's financial performance is being negatively affected by the soaring international fuel oil prices which has a material adverse impact on the Company's core franchised public bus business operated under its principal wholly-owned subsidiaries, KMB and LWB.

This announcement is made by Transport International Holdings Limited (the "Company", and together with its subsidiaries, the "Group") pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The board of directors of the Company (the "Board") wishes to inform the shareholders of the Company and potential investors that the financial results of the Group for the first half of 2008, when excluding the non-recurrent income arising from the sale of properties, are expected to be disappointing. The Group's financial performance is being negatively affected by the soaring international fuel oil prices which has a material adverse impact on the Company's core franchised public bus business operated under its principal wholly-owned subsidiaries, The Kowloon Motor Bus Company (1933) Limited ("KMB") and Long Win Bus Company Limited ("LWB").

The prices of Singapore 0.5% Sulphur Gasoil ("Gasoil"), on which the prices of ultra low sulphur diesel used by our franchised buses are based, have risen significantly in the recent years. In particular, the average Gasoil price for the first half of 2008 soared to US\$136 per barrel, which represented an increase of 79% compared with that for the first half of 2007 and an increase of 59% compared with that for the whole year of 2007.

Furthermore, the average Gasoil price for the period between 1 July 2008 and 18 July 2008 was US\$173 per barrel, which is 104% higher than the Gasoil price of US\$85 per barrel at the time KMB and LWB submitted their fare increase applications in September 2007. Given the unprecedented oil price crisis of the current magnitude, KMB and LWB's recently implemented fare increase of 4.5% with effect from 8 June 2008 is grossly insufficient to offset the huge increase in fuel costs. Although the financial statements of the Group for the first half of 2008 have yet to be finalised, it is expected that both KMB and LWB will incur a loss for the first half of 2008. The Board does not have a view as to what extent and how long the current trend of high fuel oil prices will last, and it is therefore not possible to estimate accurately the potential impact of high Gasoil prices on the Group's financial results for the whole year of 2008.

This profit warning announcement is only based on the preliminary assessment by the Company's management. Shareholders of the Company and potential investors are advised to read carefully the interim report of the Company for the six months ended 30 June 2008, which is expected to be published in September 2008.

**Potential investors and shareholders of the Company are advised to exercise caution in dealing in shares of the Company.**

By Order of the Board  
Transport International Holdings Limited  
**Lana Woo**  
*Company Secretary*

Hong Kong, 21 July 2008

*As at the date of this announcement, the Board is comprised of 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; 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. John CHAN Cho Chak, GBS, JP, Mr. George CHIEN Yuan Hwei and Mr. John Anthony MILLER, SBS, OBE as Non-executive Directors.*

*\* For identification purpose only.*