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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 25 November 2008, PITC, a wholly-owned subsidiary of the Company, and SHKMW, a wholly-owned subsidiary of SHKP, entered into the Supplemental Letter to amend certain terms and conditions of the Transport Agreement.

As at the date of this announcement, SHKP is a substantial shareholder holding approximately 33% interest in the Company. Since SHKMW is a wholly-owned subsidiary of SHKP, SHKMW is an associate of SHKP and thus a connected person of the Company under the Listing Rules. The transactions contemplated under the Transport Agreement, as amended by the Supplemental Letter, therefore constitute continuing connected transactions of the Company under the Listing Rules. As each of the applicable percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules is on an annual basis less than 2.5%, under Rule 14A.34 of the Listing Rules, the transactions contemplated under the Transport Agreement, as amended by the Supplemental Letter, are only subject to the annual review requirements as set out in Rules 14A.37 to 14A.40 of the Listing Rules, and the reporting and announcement requirements as set out in Rules 14A.45 to 14A.47 of the Listing Rules and are exempt from the independent shareholders' approval requirement.

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

BACKGROUND

Pursuant to the Transport Agreement dated 23 May 2001, SHKMW engaged PITC as the operator for providing bus and ferry services for Ma Wan Island (as defined in the Transport Agreement) and PITC would provide such services pursuant to the terms and conditions of the Transport Agreement. Details of the major terms of the Transport Agreement dated 23 May 2001 were disclosed in the announcement of the Company dated 25 May 2001. The Transport Agreement dated 23 May 2001 was subsequently amended and supplemented by six supplemental letters dated 4 December 2002, 1 August 2003, 29 February 2004, 6 December 2005, 28 November 2006 and 6 December 2007, with the operating term extended

further to 13 December 2008 by the supplemental letter dated 6 December 2007. Details of the supplemental letter dated 6 December 2007 were disclosed in an announcement of the Company dated 10 December 2007.

On 25 November 2008, PITC and SHKMW entered into the Supplemental Letter to further extend the operating term of the Transport Agreement for a period of one year, commencing on 14 December 2008 and expiring on 13 December 2009 (both dates inclusive), and amend certain terms and conditions of the Transport Agreement.

THE SUPPLEMENTAL LETTER

1. Date: 25 November 2008

2. The Parties:

- (i) PITC, a wholly-owned subsidiary of the Company
- (ii) SHKMW, a wholly-owned subsidiary of SHKP

3. Major terms of the Supplemental Letter

The Supplemental Letter made amendments to certain terms and conditions of the Transport Agreement including the following:

- (i) the operating term of the Transport Agreement has been extended for a period of one year, commencing on 14 December 2008 and expiring on 13 December 2009 (both dates inclusive);
- (ii) the agreed actual lives of certain fixed assets of PITC have been changed and the depreciation life of those fixed assets of PITC have been changed accordingly;
- (iii) the schedule of the Transport Agreement relating to the calculation of the permitted return entitled by PITC for each accounting year of the Transport Agreement has been updated to include the extended one-year period; and
- (iv) the schedules relating to the number of buses and vessels in service, the operating schedules of the bus and ferry services, and the fare of the bus and ferry services of the Transport Agreement have been replaced by the updated schedules relating to the same.

Subject to the terms of and save and except as amended by the Supplemental Letter, the Transport Agreement shall remain in full force and effect.

4. Permitted Return

In consideration of PITC agreeing to operate the bus and ferry services for Ma Wan Island and perform the obligations under the Transport Agreement, as amended by the Supplemental Letter, for a further period of one year commencing on 14 December 2008 and expiring on 13 December 2009 (both dates inclusive), PITC shall be entitled to a permitted return which shall (i) in respect of the period from 14 December 2008 to 31 December 2008, lie within the range

of 6% and 15% per annum of the simple arithmetic average of the opening balance and the closing balance of the net book value of the fixed assets (“ANFA”) of PITC for the accounting year ending 31 December 2008; and (ii) in respect of the period from 1 January 2009 to 13 December 2009, lie within the range of 6% and 15% per annum of the ANFA of PITC for the accounting year ending 31 December 2009.

The amount of permitted return will depend on the actual net revenue (revenue less operating expenditure, depreciation and taxation) generated by PITC in connection with the provision of the bus and ferry services in the particular accounting year during the extended one-year period. If the actual net revenue derived from the bus and ferry services in an accounting year concerned falls within the range of 6% and 15% per annum of the ANFA, then PITC will be entitled to the actual net revenue. If the actual net revenue in an accounting year concerned exceeds 15% per annum of the ANFA, then the excess will be paid by PITC to SHKMW. If the actual net revenue in an accounting year concerned is lower than 6% per annum of the ANFA, then the shortfall will be paid by SHKMW to PITC.

The actual permitted return will be settled between SHKMW and PITC on a yearly basis upon PITC’s delivery to SHKMW of the net return statement duly certified by PITC’s auditors for each accounting year concerned which shows, among other things, the amount of permitted return.

5. Proposed cap for the continuing connected transactions

The permitted returns for the three financial years ended 31 December 2005, 2006 and 2007 which PITC was entitled under the Transport Agreement were HK\$11,777,000, HK\$9,681,000 and HK\$8,054,000 respectively as disclosed in the annual report of the Company for the respective financial years. It is estimated that the unaudited permitted return for the period from 1 January 2008 to 31 December 2008 is approximately HK\$7,854,000. The Directors consider that the annual caps in relation to the permitted return that PITC will be entitled to receive under the Transport Agreement, as amended by the Supplemental Letter, for the periods from 14 December 2008 to 31 December 2008 and from 1 January 2009 to 13 December 2009 will not exceed HK\$828,000 and HK\$16,000,000 respectively. These proposed annual caps are calculated based on 15% of the estimated ANFA of PITC as at 31 December 2008.

REASONS FOR ENTERING INTO THE SUPPLEMENTAL LETTER

The Directors consider that the entering into the Supplemental Letter will allow PITC to continue to provide bus and ferry passenger services to Ma Wan Island and thereby facilitate the Group to continue to implement its business strategy of diversifying into other field of public passenger transport. It is therefore in the commercial interest of the Company to enter into the Supplemental Letter.

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

INFORMATION OF THE COMPANY, PITC AND SHKMW

The principal activity of the Company is investment holding. 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 PITC is the provision of non-franchised bus and ferry services for Ma Wan Island.

SHKMW is principally engaged in the provision of transportation services in Ma Wan Island.

CONTINUING CONNECTED TRANSACTIONS

SHKP is a substantial shareholder holding approximately 33% interest in the Company. Since SHKMW is a wholly-owned subsidiary of SHKP, SHKMW is an associate of SHKP and thus a connected person of the Company under the Listing Rules. The transactions contemplated under the Transport Agreement, as amended by the Supplemental Letter, therefore constitute continuing connected transactions of the Company under the Listing Rules. As each of the applicable percentage ratios calculated pursuant to Rule 14.07 of the Listing Rules is on annual basis less than 2.5%, under Rule 14A.34 of the Listing Rules, the transactions contemplated under Transport Agreement, as amended by the Supplemental Letter, are only subject to the annual review requirements as set out in Rules 14A.37 to 14A.40 of the Listing Rules, and the reporting and announcement requirements as set out in Rules 14A.45 to 14A.47 of the Listing Rules and are exempt from the independent shareholders' approval requirement.

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

DEFINITIONS

“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

“Listing Rules”	The Rules Governing the Listing of Securities on the Stock Exchange
“PITC”	Park Island Transport Company Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company
“SHKMW”	Sun Hung Kai (Ma Wan) Transport Company 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
“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)
“Supplemental Letter”	the supplemental letter agreement dated 25 November 2008 entered into between PITC and SHKMW amending certain terms and conditions of the Transport Agreement, details of which are set out in the paragraph with the heading “The Supplemental Letter” in this announcement
“Transport Agreement”	the agreement dated 23 May 2001 entered into between PITC and SHKMW (details of which were disclosed in the announcement of the Company dated 25 May 2001), as amended and supplemented by six supplemental letter agreements dated 4 December 2002, 1 August 2003, 29 February 2004, 6 December 2005, 28 November 2006 and 6 December 2007 for the provision of bus and ferry services for Ma Wan Island. Accordingly, the term “Transport Agreement dated 23 May 2001” in this announcement shall be construed as to refer to the agreement dated 23 May 2001 only.

By Order of the Board
Lana Woo
Company Secretary

Hong Kong, 26 November 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. as Executive Director; 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, Ms. Winnie NG, Mr. George CHIEN Yuan Hwei and Mr. John Anthony MILLER, SBS, OBE as Non-executive Directors.

** For identification purpose only*