

TRANSPORT INTERNATIONAL HOLDINGS LIMITED
2007 ANNUAL GENERAL MEETING

At the Annual General Meeting of Transport International Holdings Limited (TIH) today (Thursday, 17 May 2007), the Group's Chairman, Sir Sze-yuen Chung, reported the financial results for 2006. For the year ended 31 December 2006, the TIH Group's profit attributable to equity shareholders was HK\$1,838.0 million and earnings per share were HK\$4.55, both representing an increase of 214.6 per cent compared to 2005. The increase in profit for 2006 was mainly attributable to the sales of 245 residential units of Manhattan Hill, which is owned and developed by TIH's wholly-owned subsidiary, Lai Chi Kok Properties Investment Limited.

Sir Sze-yuen said, "Under the principle of prudent financial management, the Board has decided that proceeds arising from the sales of residential units of Manhattan Hill should first be applied towards the repayment of bank loans obtained for financing the construction costs of the development. The Directors therefore have proposed to maintain the final dividend for 2006 at the same amount as that for 2005 of HK\$1.58 per share. Together with the interim dividend of HK\$0.45 per share paid on 13 October 2006, total dividends for the year 2006 will amount to HK\$2.03 per share or HK\$819.4 million in total. Barring unforeseen circumstances and taking into account the likely proceeds from further sales of the residential flats of our Manhattan Hill development, the Board will consider proposing a special dividend or dividends for the year ending 31 December 2007.

"2006 was again a very challenging year for the Group. In sharp contrast to the encouraging results of these property sales, the operating environment for our franchised public bus operations was the most difficult that we have experienced in the past decade. The surge in international fuel prices, increased tunnel tolls, staff salaries and interest costs, and the continued loss of patronage due to intense competition from the railways, exerted considerable pressure on the financial performance of our franchised public bus operations. Despite the ongoing rationalisation of our bus network, and the innovative approach to enhancing the quality of our services, the 2006 profit of our major wholly-owned subsidiary, The Kowloon Motor Bus Company (1933) Limited ("KMB"), decreased by 54.5% to HK\$216.3 million compared to HK\$475.5 million for 2005.

"On the positive side, there were several encouraging factors during the year. KMB successfully renewed its franchise for operating franchised public bus services in Hong Kong until 1 July 2017. Long Win Bus Company Limited continued to benefit from the ongoing population growth in Tung Chung New Town, as well as the increasing number of passengers travelling to and from Hong Kong International Airport, the new Asia World-Expo and Hong Kong Disneyland."

Non-franchised operations also continued to perform well in 2006. The Sun Bus Holdings Group showed a steady increase both in revenue and earnings during the year. The extension of the Individual Visit Scheme to additional Mainland cities boosted the performance of our cross-boundary shuttle bus service.

Results of the RoadShow Group's media advertising business showed improved net profits and revenues as a result of business growth in Hong Kong and key Mainland cities. The Mainland Transport Operations Division reported satisfactory growth in patronage and profit in 2006.

The first phase of the sales campaign for the residential flats of the Manhattan Hill development was launched at the end of last year and the second phase of sales started in March 2007. The market response to these residential flats was overwhelming and over 90% of the units have been sold. It is expected that this luxury development will generate considerable profit for the Group in 2007.

Sir Sze-yuen said, "2006 witnessed the further successful implementation of our vision: to be an innovative and international Group seeking opportunities across the Greater China region. That is what our new identity and name represent. This past year, we have been focusing on two aspects of our vision: innovation in order to manage change, and expansion of our operations. As the Group moves forward with strategies at various levels of implementation, I believe that we will continue to meet the challenges of the current operating environment, and become a stronger and more diversified organisation."

Sir Sze-yuen added, "On behalf of the Board, I would like to thank our management team and our highly committed staff within all companies in the Group for their concerted efforts. I look forward to continuing to work with the team to maintain our position as a world-class provider of public transport and related services."

(17 May 2007)