



*Staff of Transport International are committed to premium service.*

## Franchised Bus Operation

Transport International Holdings Limited (TIH) is a publicly-listed company engaged primarily in franchised public bus operations in Hong Kong. It has faced a challenging operating environment in Hong Kong with wage increases, higher fuel prices and intense competition from railways exerting pressure on franchised bus operations, and its mainland joint ventures have also been affected by fuel prices and rising operating costs. On a positive note, revenue and earnings from its non-franchised transport operations in Hong Kong have shown healthy growth, and good sales of the Manhattan Hill residential development in West Kowloon have enhanced the company's financial position. The Group owns 33.3 per cent of TIH.

TIH also owns 73 per cent of RoadShow Holdings Limited, which is mainly engaged in the media sales business in Hong Kong and on the mainland.



*Route 3 (CPS) has the most advanced monitoring system to ensure smooth traffic flow.*

## Toll Road

The Group has a 70 per cent interest in the Route 3 (CPS) Company Limited, which operates the north-south expressway between Yuen Long and Ting Kau under a 30-year build-operate-transfer franchise running from 1995 to 2025.

The dual three-lane expressway consists of the 3.8-kilometre Tai Lam Tunnel and 6.3-kilometre Tsing Long Highway. It provides a direct link from Lok Ma Chau and northwest New Territories to the container ports in Kwai Chung, Hong Kong International Airport, Disney theme park and the urban areas. The route reduces congestion on Tuen Mun Road and the Tolo Highway and offers a faster, safer and more convenient link for commuters.

The traffic flow remained steady during the year. Revenue has increased slightly after the toll increase in August 2007.

## Transport Infrastructure Management

The **Wilson Group** is a wholly-owned subsidiary of the Group engaged in the parking, tunnel, bridge and toll road management business. It is recognized for superb service and was named an Outstanding Transport Infrastructure Services Provider in Hong Kong by Capital magazine this year.

Its subsidiary Wilson Parking continued to lead the local car parking industry with value-added solutions and an extensive branding campaign. It secured major contracts with the Hong Kong International Airport, Link REIT, Hong Kong Housing Authority and Hong Kong Housing Society, and now manages 274 car parks with 87,000 bays. The company developed the AutoPark payment-on-the-go system with Autotoll, which is 50 per cent owned by Wilson, and its operations support centre continues to enhance productivity. Autotoll started its Autotoll Club customer loyalty initiative during the year, and it won a government tender to develop a truck location tracking system for the logistics industry.

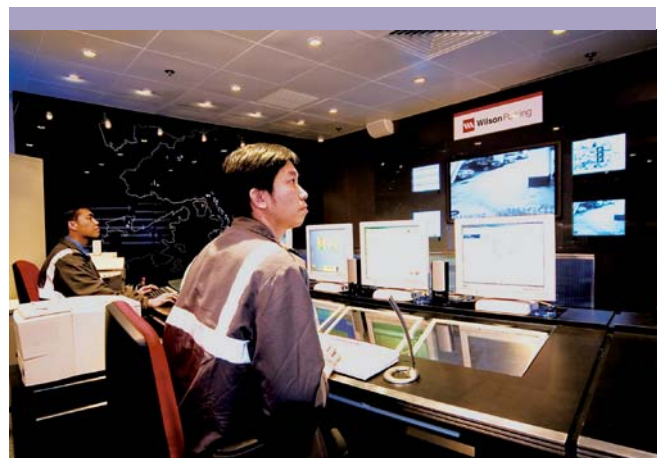
The Wilson Group supplies a full range of leading-edge equipment for the parking industry through Parking Systems and SkiData Parking Systems. Business continued to grow during the year with the use of new technology enhancing safety, security and convenience. Tsing Ma Management, another subsidiary of the Wilson Group, secured its third successive management, operation and maintenance contract for the Tsing Ma Control Area, which links the city and the airport. Other key toll ways administered by the Wilson Group include the Tai Lam Tunnel and Tsing Long Highway (under Wilson Tunnel Management), which form the 10.1 km Route 3 Country Park Section connecting the northwest New Territories with the downtown area.

The Wilson Group extended the geographical scope of its business during the year, when it was awarded car park management and related contracts for the Venetian Macao Resort in Macau. It also has a mainland presence, supplying the latest car parking systems in Beijing, Guangzhou and Shenzhen.

## Port Business

The Group owns 50 per cent of the River Trade Terminal Company Limited. The facility occupies a 65-hectare site in Tuen Mun with 3,000 metres of quay front, and provides container handling, storage and other port-related services. It handled over two million TEUs in 2006. The company has been steadily expanding its market share, and has become an important hub for river trade vessels in the region.

The Group increased its stakes in the Hoi Kong Container Services Company Limited and Faith and Safe Transportation Company Limited to 100 per cent in the year under review. The two companies provide comprehensive midstream and related container terminal handling service, and handled over one million TEUs in 2006. They are among the major midstream operators in Hong Kong.



*Wilson Group is the industry leader with state-of-the art equipment to manage its transport infrastructural business.*

# Transportation, Infrastructure and Logistics



The Hong Kong Business Aviation Centre opened a second hangar in September 2007 to meet the increasing demand from private aviation.



The revenue of the Airport Freight Forwarding increased during the Year.

## Air Transport & Logistics Business

The Airport Freight Forwarding Centre Company Limited operates a world-class air freight facility at Hong Kong International Airport with over 1.3 million square feet of warehouse space for tenants. Its prime location near the two air cargo terminals attracts leading freight forwarders and logistics companies. The company recorded growth in both rental and profitability during the year.

Sun Hung Kai Logistics Holdings Limited and Expresslink Logistics Limited are Group subsidiaries offering comprehensive air cargo support services like storage, loading and unloading, collection and delivery, palletization and containerization.

The Hong Kong Business Aviation Centre Limited holds the franchise to serve private aircraft flying in or out of Hong Kong. The use of private aircraft has been increasing, and the centre handled over 2,800 flights last year. It opened a second hangar in September 2007 to meet the rising demand. The Group owns 35 per cent of the company.

## Waste Management

The Group is committed to protecting the environment through its 20 per cent ownership in both Green Valley Landfill Limited and South China Transfer Limited, which are actively working to accomplish a better and greener environment.

Green Valley operates the 100-hectare South East New Territories Landfill in Tseung Kwan O with a capacity to handle 43 million tonnes of waste. It signed a deal with the Hong Kong China Gas Company in March 2007 to explore the use of landfill gas generated through waste decomposition for energy, thus reducing the landfill gas flared on site. It is expected that the project will be commissioned in 2011. South China operates the West Kowloon Transfer Station in the reclaimed area adjacent to Stonecutters Island. It is currently processing 2,600 tonnes of waste per day, making it Hong Kong's largest transfer station in terms of capacity.

## Other Investment Holdings

The Group has a 14.6 per cent interest in USI Holdings Limited, a publicly-listed company in the property and apparel businesses. The company's net profit achieved a record high of HK\$738.3 million in 2006. The strong results were mainly derived from the company's property business, including HK\$212.7 million in revaluation gains on investment properties.