Transport International Holdings Limited 2015 Annual General Meeting

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At the 2015 Annual General Meeting of Transport International Holdings Limited ("TIH") held today, the Group's Chairman, Dr. Norman Leung Nai Pang, reported the financial results for 2014. The Board has recommended an ordinary final dividend of HK$0.75 per share payable on 9 June 2015. Together with the ordinary interim dividend of HK$0.15 per share paid on 16 October 2014, the total dividend for the year will be HK$0.90 per share, an increase of 50% compared with 2013.

Dr. Leung said, "For the year ended 31 December 2014 the Group's profit attributable to equity shareholders of the Company for the 2014 financial year was HK$415.1 million, compared with HK$371.3 million for 2013."

The Group's franchised public bus business operated by The Kowloon Motor Bus Company (1933) Limited ("KMB") reported a profit after taxation of HK$196.6 million, representing a favourable variance of HK$217.8 million as compared with a loss after taxation of HK$21.2 million for 2013. The improvement in results was mainly due to the fare increase of 3.9% which took effect on 6 July 2014, improvement in bus operating efficiency arising from KMB's route reorganisation programme and reduction in fuel costs resulting from the lower international fuel prices in the latter half of the year.

"By the end of 2014," Dr. Leung continued, "KMB had successfully carried out bus route reorganisation programmes in North District, Tuen Mun, Yuen Long, Tai Po, Sha Tin and Tsing Yi. This has been one of our most important initiatives during the past two years, as it brings benefits to our passengers in the shape of improved connectivity and greater network efficiency. By progressively phasing out obsolete and underutilised routes and introducing faster and more direct services, we are able to bring benefits not only to our customers but also to the environment by relieving traffic congestion and improving roadside air quality."

Benefitting from the increased transport demand from international travellers and from construction workers involved in the expansion programme of Hong Kong Disneyland and in the various infrastructure projects at and around the Airport, Long Win Bus Company Limited ("LWB") recorded year-on-year passenger growth of 5.0% in 2014. Although fare revenue increased along with the increase in passenger trips, this was largely offset by increases in staff costs, depreciation, insurance and other operating expenses arising from service enhancements and inflation, resulting in LWB's profit after taxation showing only a slight increase of 1.1% as compared with 2013.

The performance of the Non-franchised Transport Division, with Sun Bus Limited as flagship company, reported a profit after taxation of HK$34.9 million for 2014, an increase of 14.1% over 2013. The increase was mainly due to business growth in respect of new and existing customers seeking premium services. In respect of the China Mainland Transport Operations Division, the joint ventures in Beijing and Shenzhen continued to operate smoothly and recorded a profit in 2014.

The media sales businesses operated by the RoadShow Group reported a profit attributable to equity shareholders for 2014 of HK$70.6 million as compared with HK$104.8 million for 2013. This decrease in profit was mainly attributable to sluggish demand in the market, particularly in the retail sector.

The development of the Kwun Tong Site at No. 98 How Ming Street, Kowloon is ongoing. The site, in which the Group has a 50% stake, is designated for development into non-residential (excluding hotel) uses. The Group's Manhattan Mid-town shopping mall and the shops in our headquarters building in Lai Chi Kok, as well as the industrial property at 1 Kin Fung Circuit, Tuen Mun, will continue to generate recurring rental revenue for the Group.

Dr. Leung concluded, "The Group's continuing success depends on the concerted efforts of staff at all levels. I would therefore like to express my heartfelt thanks to each and every member of the Group."

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(21 May 2015)