

At the 2021 Annual General Meeting of Transport International Holdings Limited (“TIH”) held today (20 May 2021), the Group’s Chairman, Dr. Norman Leung Nai Pang, reported the financial results for 2020. The Board has recommended an ordinary final dividend of HK\$0.50 per share payable on 30 June 2021. The total dividend for the year will be HK\$0.50 per share.

For the year ended 31 December 2020, the Group’s profit attributable to equity shareholders was HK\$1904.1 million. Excluding the non-recurring net gain amounting to HK\$1495.5 million arising from the revaluation and disposal of 50% equity interest in TM Properties Investment Limited, the profit attributable to shareholders was HK\$408.6 million, a decrease of HK\$196.7 million, compared to 2019.

In 2020, The Kowloon Motor Bus Company (1933) Limited (“KMB”) recorded a profit after taxation of HK\$203.3 million, representing a decrease of HK\$111.6 million compared to 2019. Amid COVID-19, the public demand for bus services remained low and all bus routes were affected. Passenger numbers on all routes in every district of Hong Kong dropped significantly, resulting in a passenger decrease of 24% compared to 2019.

As for Long Win Bus Company Limited (“LWB”), profit after taxation for 2020 was HK\$0.6 million, representing a decrease of HK\$111.6 million compared to 2019. Both visitor arrivals to Hong Kong and the number of departures plunged as an unprecedented severe blow was inflicted on the tourism industry by the pandemic. The passenger numbers of LWB dropped significantly, resulting in a passenger decrease of 38.4% compared to 2019.

The Group’s non-franchised Transport Division, with Sun Bus Limited (“Sun Bus”) as its flagship company, recorded a profit after taxation of HK\$41.5 million. The increase in profit was mainly due to government subsidies and a number of cost control measures implemented. Our China Mainland Transport Operations Division continued to record positive overall results in 2020.

In the face of such an extremely difficult operational environment, the Group strived for the best to safeguard stable employment for staff members and immediately adopted multiple measures to save resources. With the approval of the Transport Department, the Group made temporary and necessary service adjustments in bus frequencies and deployed our manpower and buses in a flexible manner to ensure its sustainability. In the meantime, the government successively launched two tranches of “Employment Support Scheme”. KMB and LWB have also received support to help the companies and employees tide over difficulties. The total amount of wage subsidies has been used to pay employees’ salaries, and the companies express their gratitude to the government for its timely actions.

Last year, the Group decided to invest in setting up its own production line for masks to safeguard the health and safety of its 14,000 employees. These TIH masks were also available to staff family members and passengers. TIH prided itself on being the first local public transport institution to set up its own production line for masks. The Group is also committed to fulfilling its corporate social responsibility. It took the initiative to donate masks to charitable organisations to assist subdivided unit households, the homeless, and the disabled.

The Group adopted multiple measures for cleaning the bus compartments. TIH worked successively with a start-up and a local university to conduct long-lasting sterilisation across the whole fleet. Some of the bus windows were retrofitted to enhance natural ventilation and reduce infection risk.

In spite of the pandemic, the Group continued to enhance service quality and passengers' travelling experience with persevering efforts. KMB launched multiple fare concession programmes, including Hong Kong's first Regional Two-way Sectional Fare Scheme in Tuen Mun, Yuen Long, and Tin Shui Wai. Passengers were able to take the bus routes serving these communities at lower fares. To give back to passengers, KMB also launched various rewarding schemes including the KMB x LWB FUN Redemption Scheme and the KMB Monthly Pass Gift Redemption Plan. KMB Fare Savers were made available at large shopping malls to go in line with the schemes.

Safety has always been our top priority. The recent introduction of the bus captain driving feedback system "GreenRoad" has strengthened bus captains' safe driving technique and nurtured their good driving habits by providing real-time feedback. The Group will continue to enhance safe services through various areas, including bus captain recruitment, advanced training and performance management, and remuneration package.

Our dedication to environmental protection is a long-term commitment. We strive to drive the low-carbon development in Hong Kong. The Board decided to make a purchase of 58 electric buses, including double deck electric buses. These buses are expected to be delivered during the second half of 2021. To tie in with the development of electric buses, KMB plans to build depots for electric buses at Tai Po and Tuen Mun, which are expected to complete in five years. In addition, the Group will install more than 22,000 solar panels in the depots, buses and bus termini. Up to 10 million kilowatt-hours (kWh) of electricity will be generated annually, equivalent to the annual consumption of 2,300 households in Hong Kong, a reduction of about 5,400 tonnes of carbon dioxide emissions for Hong Kong. With the largest solar panel system of franchised bus company in Hong Kong, KMB and LWB aim to lead the public transport industry to move forward to the new green era and drive Hong Kong to achieve carbon neutrality.

Facing the volatile pandemic situation at home and abroad, the continuous downward economic trend, fluctuations in international oil prices and

escalating operating costs, the Group expresses its gratitude to the government's approval for the fare increment taking effect on 4 April. The latest fare adjustment has struck a balance between the public's affordability and the operational cost. The Group will continue to adopt various measures, including cost control, service enhancement and renewal and flexible deployment of the bus fleet in order to seize new opportunities to launch new routes and special routes for expanding the service network.

Last year, the Group initiated a redevelopment plan for its property in Tuen Mun with a view to generating long-term sustainable income by leasing office and retail space. The plan was in line with the Group's business strategy of seeking diversification to create recurring income sources. The superstructure work at the How Ming Street site in downtown Kwun Tong is expected to complete in 2022, which will provide a steady return for our shareholders.

Dr. Leung concluded, "The Group's continuing development depends on everyone demonstrating their commitment to their work and duties and working together as a team in serving passengers with a professional attitude. I would like to express my sincere thanks to every member of the Group and to our shareholders for their support."



Transport International Holdings Limited 2021 Annual General Meeting
(20 May 2021)