

23 May 2013

TRANSPORT INTERNATIONAL HOLDINGS LIMITED  
2013 ANNUAL GENERAL MEETING

At the 2013 Annual General Meeting of Transport International Holdings Limited (TIH) today, the Group's Chairman, Dr. Norman Leung Nai Pang, reported the financial results for 2012. The Board has proposed an ordinary final dividend of HK\$0.45 per share. Together with the ordinary interim dividend of HK\$0.15 per share paid on 16 October 2012, total dividends for the year will amount to HK\$0.60 per share.

Dr. Norman Leung Nai Pang said, "For the year ended 31 December 2012, the Group's profit attributable to equity shareholders was HK\$309.2 million, an increase of HK\$66.8 million compared to HK\$242.4 million for 2011. The increase in profit was mainly due to the fact that no further provision for impairment loss was made by the RoadShow Group on an investment in China Mainland in 2012 following the provision of HK\$109.6 million which was made in 2011."

When excluding the aforesaid impairment loss provision, the Group's profit attributable to equity shareholders for 2012 represents a 4.1% decrease compared with 2011. The decrease was mainly due to the deterioration in the financial performance of the Group's core franchised public bus business operated by The Kowloon Motor Bus Company (1933) Limited ("KMB") in 2012. KMB continued to face a very challenging operating environment in 2012. Despite the fact that its fare revenue for 2012 increased by 2.1% compared to 2011 as a result of the full year effect of the 3.6% fare increase which took effect on 15 May 2011 and a slight year-on-year increase in ridership of 0.7%, these increases were insufficient to offset the high operating costs generated by surging fuel prices, wages, toll charges and other operating expenses arising from inflation, resulting in KMB reporting a post-tax loss of HK\$51.5 million for 2012.

"In view of the losses incurred by KMB due to factors beyond its control and for the purpose of restoring its financial viability, on 29 November 2012, KMB submitted to the Transport Department an application for a fare increase of 8.5%. On 19 February 2013, the HKSAR Government announced that an approved average rate of increase of 4.9% would come into effect on 17 March 2013. Given the tough operating conditions currently faced by KMB, such a rate of increase is insufficient to offset the rising operating costs, and therefore bus route reorganisation must be implemented on a large scale and at a faster pace. We welcome the

Chief Executive's words in his 2013 Policy Address about the importance of bus route reorganisation. We hope that, with the support of the Government, we will be better positioned to communicate our plans for consultation with the District Councils so that bus route reorganisation can be successfully implemented." Dr. Norman Leung Nai Pang said.

As for Long Win Bus Company Limited ("LWB"), its fare revenue for 2012 increased by 5.1% compared to 2011. This increase was mainly due to the full year effect of the fare increase of 3.2%, which took effect on 15 May 2011, and an increase in the average daily ridership of 3.3% as compared with 2011. These positive factors were partially offset by the increase in staff costs resulting from the annual pay rise, and the increase in international fuel prices and other operating expenses. LWB reported a post-tax profit of HK\$26.3 million for 2012, an increase of 48.6% compared to 2011.

The Group's non-franchised transport businesses performed strongly in 2012 with turnover and profit after taxation rising by 13.8% and 74.3% year-on-year, respectively. These increases were mainly due to business growth, in particular on cross-boundary passenger services. In respect of the Group's China Mainland Transport Operations Division, the performance of the Group's joint ventures in Beijing and Shenzhen was stable in 2012.

The Group's Manhattan Mid-town shopping mall at 1 Po Lun Street, Lai Chi Kok, with a total area of 50,000 square feet, and the shops in the Group's headquarters building at 9 Po Lun Street, Lai Chi Kok, together with the industrial property at 1 Kin Fung Circuit, Tuen Mun, have been leased out and will continue to provide steady rental income for the Group.

Dr. Norman Leung Nai Pang added, "This year is KMB's 80th Anniversary. KMB has been contributing to the growth of Hong Kong for 80 years, and our constant quest for innovation and service excellence means that we will continue the pursuit of excellence in all the business that we operate. Finally, I would like to thank my fellow Board members, our management team and staff at all levels for their dedication and contributions to the Group over the years. With their continued support, I am confident that we will be able to ride out the challenges that face us today, and continue to maintain our leadership position in the Hong Kong public transport industry."

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