

Transport International Holdings Limited 2014 Annual General Meeting

At the 2014 Annual General Meeting of Transport International Holdings Limited (“TIH”) today, the Group’s Chairman, Dr. Norman Leung Nai Pang, reported the financial results for 2013. 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 17 October 2013, total dividends for the year will amount to HK\$0.60 per share.

Dr. Leung said, “For the year ended 31 December 2013 the Group’s profit attributable to equity shareholders was HK\$371.3 million as compared with the restated profit of HK\$165.8 million for 2012. The restatement of the 2012 profit from the previously reported amount of HK\$309.2 million to HK\$165.8 million was due to the adoption of the revised Hong Kong Accounting Standard 19, Employee Benefits (the “Revised HKAS 19”), which became effective on 1 January 2013.”

The Group’s franchised public bus business operated by The Kowloon Motor Bus Company (1933) Limited (“KMB”) and Long Win Bus Company Limited (“LWB”) saw very different results in 2013. In spite of having been granted a fare increase of 4.9% with effect from 17 March 2013, KMB recorded a loss after taxation of HK\$21.2 million for 2013. This was the second consecutive year in which KMB has incurred a loss from its franchised bus operations.

KMB has been working hard to implement stringent cost control and revenue improvement measures but its operating environment has been made increasingly more difficult by an outdated bus network after rapid expansion of the rail system, high fuel prices and annual wage increase pressures. In order to help restore its financial viability, KMB had, after careful consideration, submitted to the Transport Department on 29 November 2013 an application for a fare increase of 4.3%, which is in line with the prevailing inflation rate. KMB hopes that the application will be approved and come into effect as soon as possible so that sufficient resources can be made available for service improvements and purchase of the latest environment-friendly buses in the coming years.

LWB recorded a profit after taxation of HK\$35.4 million for 2013, an increase of HK\$11.7 million or 49.4% compared with 2012. The increase in LWB’s

profit was mainly due to the year-on-year growth in ridership of 6.1% as a result of increasing transport demand from international travellers and from construction workers involved in various infrastructural projects at the Airport and in the expanding Hong Kong Disneyland.

The Group's Non-franchised Transport Division, spearheaded by Sun Bus Limited, reported a profit after taxation of HK\$30.6 million for 2013, a slight increase of 0.3% compared with 2012. Turnover for the year increased by 7.8% compared with 2012. The increase in turnover was mainly attributed to business growth and additional turnover generated by two cross-boundary non-franchised bus operators which were acquired in the second half of 2012. In respect of the Group's China Mainland Transport Operations Division, its joint ventures in Beijing and Shenzhen were stable in 2013.

The media sales businesses operated by the RoadShow Group reported a profit attributable to equity shareholders of HK\$104.8 million for 2013, an increase of HK\$30 million compared with HK\$74.8 million for 2012. The improvement in the results was mainly due to business growth and the reversal of an impairment loss of HK\$25.6 million on a portion of the loans to an investee in China Mainland.

The development of the Kwun Tong Site at No. 98 How Ming Street, Kwun Tong, Kowloon, is ongoing. The site, in which the Group has a 50% stake, is planned for development into non-residential (excluding hotel) uses, and once completed will be held by the Group for long-term investment purposes. The Group's Manhattan Mid-town shopping mall with a total area of 50,000 square feet and the shops in its adjacent headquarters building in Lai Chi Kok, along with the industrial property at 1 Kin Fung Circuit, Tuen Mun, are set to continue to provide steady rental revenue for the Group.

Dr. Leung concluded, "Besides the celebration of KMB's 80th Anniversary, 2013 witnessed several important milestones, including the introduction of route reorganisation on an Area Approach basis according to sound transport planning principles, the full commissioning of the Tuen Mun Road Bus-Bus Interchange, and the introduction of Hong Kong's first battery-electric bus on trial for franchised service. We will continue to work with the HKSAR Government and relevant parties to reorganise obsolete and lowly-utilised routes with the aim of launching route reorganisation programmes at a faster pace in multiple districts simultaneously in 2014. The ongoing development of

our portfolio of businesses owes a great deal to the commitment and hard work of the Group's staff members who strive to deliver the highest quality services. I would like to express my gratitude to staff at all levels, as well as to our dedicated management team and my fellow Directors."



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(22 May 2014)