

At the 2016 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 2015. The Board has recommended an ordinary final dividend of HK\$0.90 per share payable on 8 July 2016.

Together with the ordinary interim dividend of HK\$0.30 per share paid on 15 October 2015, the total dividend for the year will be HK\$1.20 per share, an increase of 33.3% compared with 2014. In addition, the Group will provide shareholders with an option to take part in the script dividend scheme.

Dr. Leung said, “The Group’s profit attributable to equity shareholders for the year ended 31 December 2015 was HK\$628.7 million, an increase of 51.5% as compared with 2014.”

The Kowloon Motor Bus Company (1933) Limited (“KMB”), the Group’s flagship subsidiary company, achieved a profit after taxation of HK\$488.2 million, representing an increase of HK\$291.6 million as compared with 2014. The improvement in results was mainly due to the reduction in fuel costs resulting from the fall in international fuel prices, and the full year effect of the 3.9% fare increase which took effect on 6 July 2014. In addition, in spite of the adverse impact of the Government’s phased extension of the Public Transport Fare Concession Scheme for the Elderly and Eligible Persons with Disabilities to green minibus routes from 29 March 2015, with the expansion of the bus fleet and the enhancement of the efficiency and competitiveness of the bus network, as well as the improvement in bus service reliability, KMB’s total ridership increased by 1.5% as compared with 2014. The increase also reflected the fact that the road network remained open throughout the year, as opposed to 2014, when road occupations in the final quarter affected KMB’s ridership.

As for Long Win Bus Company Limited (“LWB”), its profit after taxation for 2015 was HK\$57.0 million, representing an increase of 59.2% as compared with 2014. The increase was mainly due to the year-on-year passenger growth of 5.3%, resulting from increased transport demand from international travellers and construction workers involved in various infrastructural and residential projects at the Airport and Tung Chung, as well as the reduction in

fuel costs which largely offset the increases in operating costs associated with the purchase of new buses, service enhancements, the annual pay rise and inflation.

“The most important service improvement that the Group made in 2015 was the pioneering move by KMB and LWB to provide an Estimated Time of Arrival function for their franchised bus routes,” Dr. Leung continued, “In addition, KMB implemented a series of measures in 2015 that lowered the annual lost trip rate to 1.3%. We will continue to do everything we can to keep the rate at a low level, although it is a fact that our service is subject to the traffic conditions.”

In order to enhance customer service, KMB and LWB continued to make substantial investments in new buses with the latest safety, environmental and design features. In 2015, a total of 612 new super-low floor air-conditioned buses, consisting of 609 Euro V double-deck buses and three Government-sponsored supercapacitor air-conditioned 12-metre single-deck buses (“gBuses”), were added to our franchised bus fleets.

The Group’s Non-franchised Transport Division, with Sun Bus Limited as its flagship company, continued to report an improvement in its financial performance in 2015, with profit after taxation increased to HK\$49.2 million, or 41.0%, over 2014. In respect of our China Mainland Transport Operations Division, our joint ventures in Beijing and Shenzhen continued to record a positive result in 2015. The media sales businesses operated by the RoadShow Group, however, reported a loss attributable to equity shareholders of HK\$47.9 million for 2015 as compared with a profit of HK\$70.6 million for 2014.

The Group employs close to 14,000 staff and is firmly committed to a people-oriented business philosophy. In 2015, KMB opened discount barbershops and convenience stores for employees, and set up scholarships for their children. By boosting morale and fostering unity, these initiatives strengthen the commitment of our entire team to providing the best services for our passengers.

Dr. Leung added, “As for our core business KMB, its 10-year bus franchise will expire in 2017, and we have begun discussions with the Government regarding the new franchise. Our confidence that the franchise will be extended for another ten years is based not only on the service improvement

measures we have adopted but also on our relationship with our customers and employees.”

In addition, the future developments on Lantau Island and the northern New Territories offer a golden growth opportunity for LWB. LWB’s Airbus service will be rebranded, with a new livery, upgraded compartments and redesigned bus captain uniforms accompanying the launch of new routes.

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.”



Transport International Holdings Limited 2016 Annual General Meeting

(26 May 2016)