

At the 2019 Annual General Meeting of Transport International Holdings Limited (“TIH”) held today (16 May 2019), the Group’s Chairman, Dr. Norman Leung Nai Pang, reported the financial results for 2018. The Board has recommended an ordinary final dividend of HK\$0.90 per share payable on 27 June 2019. Together with the ordinary interim dividend of HK\$0.30 per share paid on 16 October 2018, the total dividend for the year will be HK\$1.20 per share.

For the year ended 31 December 2018, the Group’s profit attributable to equity shareholders was HK\$720.1 million. Excluding the one-off gain of HK\$439.6 million in 2017, the Group’s profit attributable to equity shareholders for the year decreased by HK\$135.1 million, or 15.8%, compared with 2017.

In 2018, The Kowloon Motor Bus Company (1933) Limited (“KMB”) recorded a profit after taxation of HK\$434.3 million, representing a decrease of HK\$175.8 million compared with 2017. This was mainly attributable to the increase in fuel and oil costs of 18.1% compared with 2017 as a result of the rise in international fuel prices. The enhancement of staff salaries and benefits led to a substantial increase in staff costs, which together with the depreciation from new bus purchases, contributed to an increase in operational costs. However, the upgrade of KMB’s bus fleet and the enhancement of the efficiency of the bus network strengthened the company’s competitiveness, which together with an improvement in bus services, resulted in a patronage growth of 1.7% compared with 2017.

As for Long Win Bus Company Limited (“LWB”), profit after taxation for 2018 was HK\$36.8 million, representing a decrease of HK\$5.4 million, or 12.8%, compared with HK\$42.2 million for 2017. Passenger growth continues to improve, recording a year-on-year increase of 6.1% in 2018.

The Group’s non-franchised Transport Division, with Sun Bus Limited as its flagship company, recorded an increase in profit after taxation of 6.2%

compared with 2017. Our China Mainland Transport Operations Division continued to record positive overall results in 2018.

The “KMB Monthly Pass” scheme launched in March, was revamped in September with the validity period being changed from a calendar month to 30 consecutive days, offering passengers more flexibility. KMB also introduced the “KMB Fare Saver” scheme with ten tertiary education institutions. Passengers who tap their Octopus card at a Fare Saver kiosk within three hours after taking a KMB bus trip can enjoy a HK\$2.0 fare rebate.

The Group has always been committed to improving the safety of its bus services. During the year, KMB and LWB developed an action plan to effectively implement the Special Committee’s recommendations on improving safety. All buses ordered after March 2018 come equipped with seat belts, while seat belts are being installed in phases on the upper deck of buses that are currently in service and running on long-haul routes or on highways. Newly purchased Euro VI buses will be equipped with an Electronic Stability Programme. Black box data processing will be strengthened and bus captain anti-drowsiness devices are being tested. Earlier this year, Dr. Leung, the Chairman of the Special Committee, led a delegation to Singapore comprising Special Committee member cum Group Deputy Chairman, Dr. John Chan Cho Chak, Special Committee member cum Group Independent Non-Executive Director, Mr. Andy Tsang Wai Hung, and members of the senior management to exchange ideas on various topics, including effective management of franchised buses, applications of advanced technology and improvements to road safety.

Applications of innovative technologies in driving can assist the bus fleet to deliver effective and safe services and support environmental protection. The second generation solar panel double-deck bus can lower the saloon air temperature and reduces energy consumption. KMB has also introduced solar-powered bus shelters and solar bus poles to improve the passenger experience. KMB’s contributions to environmental protection have been broadly recognised and it received the Hong Kong Awards for Environmental Excellence Gold Award in the Transport and Logistics Sector in April.

China-US trade conflicts and uncertainties in the global economy bring challenges to the Group. Expenditure on fuel and human resources, plus the rising investment in driving safety and recruiting talents, increases the

Group's operating costs. KMB has already submitted an application for a fare adjustment to the Government, and will seize every opportunity brought by the Hong Kong-Zhuhai-Macao Bridge, the Guangzhou-Shenzhen-Hong Kong Express Rail Link and the soon-to-be-completed Liantang Boundary Control Point. In addition, superstructure work at the How Ming Street site will soon commence. The Group will continue to identify new opportunities to deliver a return to its shareholders.

Dr. Leung concluded, "The Group's continuing success depends on everyone working together as a team, 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 2019 Annual General Meeting

(16 May 2019)