

At the 2019 Annual General Meeting of Transport International Holdings Limited (“TIH”) held today (21 May 2020), the Group’s Chairman, Dr. Norman Leung Nai Pang, reported the financial results for 2019. The Board has recommended an ordinary final dividend of HK\$0.70 per share payable on 30 June 2020. Together with the ordinary interim dividend of HK\$0.30 per share paid on 15 October 2019, the total dividend for the year will be HK\$1.00 per share.

For the year ended 31 December 2019, the Group’s profit attributable to equity shareholders was HK\$605.3 million, a decreased of HK\$114.8 million, or 15.9%, compared to 2018.

In 2019, The Kowloon Motor Bus Company (1933) Limited (“KMB”) recorded a profit after taxation of HK\$314.9 million, representing a decrease of HK\$119.4 million compared to 2018. The enhancement of staff remuneration and benefits led to an increase in staff costs, which, together with the additional investment in safety measures for the bus fleet, contributed to an increase in operational costs. In 2019, the Hong Kong Government launched the Public Transport Fare Subsidy Scheme to ease the financial burden on citizens and encourage them to commute. We believe the Scheme has brought us an increment in passenger volume. In the second half of 2019, even though Hong Kong’s transport system was severely affected by social events, KMB did its best to maintain services. Passenger numbers remained stable and on a par with 2018.

As for Long Win Bus Company Limited (“LWB”), profit after taxation for 2019 was HK\$53.7 million, representing an increase of HK\$16.9 million, or 45.9%, compared to 2018. Passenger growth continues to improve, recording a year-on-year increase of 10.4% in 2019.

The Group’s non-franchised Transport Division, with Sun Bus Limited as its flagship company, recorded a profit after taxation of HK\$39.8 million. Our China Mainland Transport Operations Division, which is comprised of our joint ventures in Shenzhen and Beijing, continued to record positive overall results in 2019.

The KMB Monthly Pass has been well-received since its launch. In addition to expanding the KMB Monthly Pass kiosk network by increasing the number of kiosks to 111, passengers can purchase the Monthly Pass through our mobile app, App1933. We also launched various “Buy KMB Monthly Pass to enjoy rewards” programmes for passengers to enjoy convenient, flexible and value-for-money bus services anytime and anywhere. In addition, passengers can enjoy a fare rebate of up to HK\$4 through the Fare Saver kiosks located at 17 campuses of higher education institutions. KMB and LWB continued to work with different banks on credit card rebate solutions with a maximum fare rebate of 20%, enabling more passengers to enjoy fare discounts. These schemes helped increase the passenger volume of the Group.

The Group has always put safety as its top priority. We will continue to enhance safety in services through bus captain recruitment, training, performance management and salary remuneration packages. To maintain high quality maintenance services and keep the fleet in tiptop shape, a professional team of engineering staff is essential. A two-year “Technical

Trainee Programme” was launched last year to train well-rounded and professional engineering talents for our business development and operational needs.

Since the middle of 2019, social incidents have been affecting the city. The COVID-19 pandemic has also had a significant impact on the transport industry as well as the people of Hong Kong. To deal with this, the Group took a series of measures to step up protection for passengers and staff members, including setting up its own production line of face masks, sterilising bus compartment with photocatalyst technology, enhancing the promotion of public health and requesting all bus captains to face wear masks when performing their duties. However, the suspension of schools, the work-from-home arrangements adopted by government departments and private companies, and the significant contraction across most industries have led to a dramatic decrease in travel demand.

As a socially responsible corporation, the Group has to maintain a balance between service quality and safeguarding the employment of its staff members, and there are no plans for retrenchments or wage reductions. Despite responding by adjusting trip frequencies and saving resources, an extremely significant decrease in ridership has been recorded in the last few months. The government has stated that the application for a fare adjustment by franchised bus companies would be suspended. Since the Group’s financial results in 2020 are expected to be disappointing, a profit warning was announced on 19 May 2020.

Facing the risks of a local and global recession, we anticipate a challenging operating environment for the rest of the year. We will focus on raising revenue by seizing the opportunity to launch new routes and special routes to expand our service network.

Dr. Leung concluded, “The Group’s continuing development depends on everyone working together as a team, and demonstrating their commitment to their work and duties in serving passengers with a caring and 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 2020 Annual General Meeting
(21 May 2020)