

Individual Business Units

Franchised Public Bus Operations

The Kowloon Motor Bus Company (1933) Limited ("KMB")

	Unit	2024	2023
Revenue	HK\$ million	7,229.8	7,031.3
Other income	HK\$ million	145.6	133.0
Total operating expenses	HK\$ million	(7,150.3)	(7,070.3)
Profit from operations	HK\$ million	225.1	94.0
Finance costs	HK\$ million	(72.5)	(78.8)
Profit before taxation	HK\$ million	152.6	15.2
Income tax expense	HK\$ million	(25.8)	(3.7)
Profit after taxation	HK\$ million	126.8	11.5
Net profit margin		1.8%	0.2%
Passenger volume	Million passenger trips	940.3	923.6
Kilometres operated	Million km	256.2	260.2
Staff number at year-end	Number of staff	11,150	11,598
Fleet size at year-end	Number of buses	4,010	4,055
Total assets	HK\$ million	9,996.6	10,012.5

KMB recorded a profit after taxation of HK\$126.8 million for 2024, compared to the profit after taxation of HK\$11.5 million for 2023.

Fare revenue for 2024 was HK\$6,949.3 million, an increase of HK\$208.6 million or 3.1% compared with HK\$6,740.7 million for 2023. The increase was mainly due to the increase in fare revenue as a result of the increase in bus patronage. KMB's total ridership increased by 1.8% to 940.3 million passenger trips (a daily average of 2.57 million passenger trips) as compared with 923.6 million passenger trips (a daily average of 2.53 million passenger trips) for 2023.

Total operating expenses for 2024 amounted to HK\$7,150.3 million, an increase of HK\$80.0 million or 1.1% compared with HK\$7,070.3 million for 2023. The increase was mainly due to the increase in staff costs due to pay rises, but partly offset by decrease in fuel and oil costs as a result of the decrease in fuel price.

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Long Win Bus Company Limited (“LWB”)

	Unit	2024	2023
Revenue	HK\$ million	630.6	530.5
Other income	HK\$ million	3.5	1.7
Total operating expenses	HK\$ million	(578.2)	(496.5)
Profit from operations	HK\$ million	55.9	35.7
Finance costs	HK\$ million	(6.1)	(8.1)
Profit before taxation	HK\$ million	49.8	27.6
Income tax expense	HK\$ million	(8.1)	(4.5)
Profit after taxation	HK\$ million	41.7	23.1
Net profit margin		6.6%	4.4%
Passenger volume	Million passenger trips	48.3	42.9
Kilometres operated	Million km	33.5	29.1
Staff number at year-end	Number of staff	842	757
Fleet size at year-end	Number of buses	283	285
Total assets	HK\$ million	716.2	649.9

The profit after taxation of LWB for 2024 was HK\$41.7 million, compared to the profit after taxation of HK\$23.1 million for 2023.

LWB’s fare revenue for 2024 was HK\$626.7 million, an increase of HK\$100.0 million or 19.0% compared with HK\$526.7 million for 2023. The increase was mainly due to the growth in bus patronage. LWB recorded a total ridership of 48.3 million passenger trips (a daily average of 132,000 passenger trips) for 2024, as compared with 42.9 million passenger trips (a daily average of 118,000 passenger trips) for 2023.

Total operating expenses for 2024 amounted to HK\$578.2 million, an increase of HK\$81.7 million or 16.5% compared with HK\$496.5 million for 2023. The increase was largely attributed to the increase in staff costs due to pay rises as well as the increase in manpower in response to the increased service levels.

Non-franchised Transport Operations

The Group’s Non-franchised Transport Operations Division reported a profit after taxation of HK\$20.6 million for 2024, compared to HK\$13.9 million for 2023. A review of the operations of the principal business units in this Division is set out as follows:

Sun Bus Holdings Limited and its Subsidiaries (the “SBH Group”)

The SBH Group is one of the leading non-franchised bus operators in Hong Kong, providing customised, premium, safe, reliable, and value-for-money transport services to a wide range of customers, including large residential estates, shopping malls, major employers, travel agents and schools, as well as the general public through chartered hire services.

The revenue of the SBH Group for 2024 increased by 11.5% compared with 2023. The increase was mainly attributable to the business growth from both local business and cross-boundary services. Total operating costs for 2024 also increased as a result of the rise in staff costs and other operating expenses in line with the growth of business.

In 2024, the SBH Group continued to modernise its bus fleet with the latest Euro VI buses. As at 31 December 2024, the SBH Group had a fleet of 409 buses (2023: 421 buses).

New Hong Kong Bus Company Limited (“NHKB”)

NHKB operates a direct, economical, 24-hour cross-boundary shuttle bus service (commonly known as the “Huang Bus” service) serving regular commuters and leisure travellers between Lok Ma Chau in Hong Kong and Huanggang (皇崗) in Shenzhen.

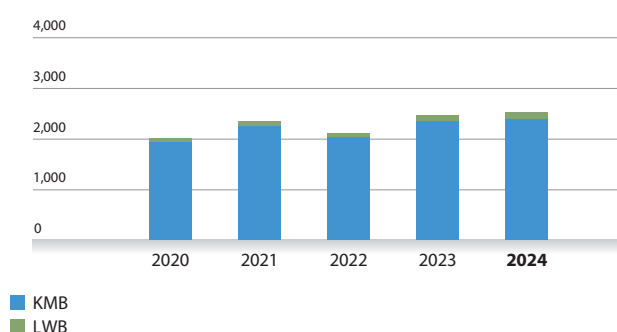
The revenue of the NHKB for 2024 increase by 27.6% compared with 2023. The increase was mainly due to the increase in bus patronage as a result of the recent trend of northbound spending for Hong Kong residents over weekends and holidays. Total operating expenses for the year increased correspondingly as a result of the increase in service level to cater for the increased demand.

As at 31 December 2024, NHKB had a fleet of 15 buses (2023: 15 buses).

Average Number of Passenger Trips per Day

(Franchised public bus operations)

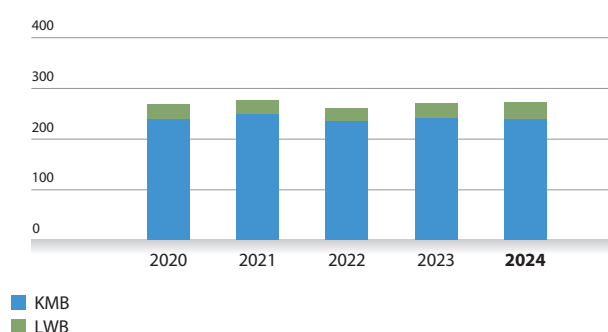
Thousand of passenger trips per day



Bus Kilometres Operated

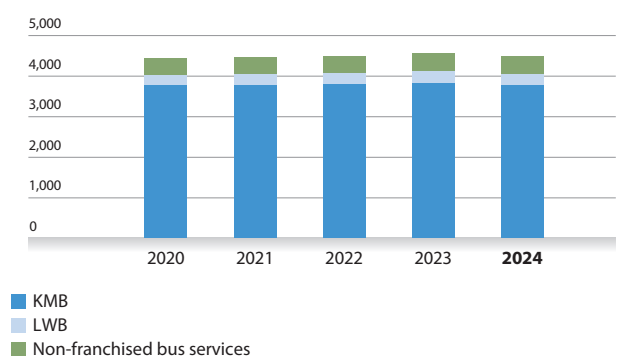
(Franchised public bus operations)

Million kilometres



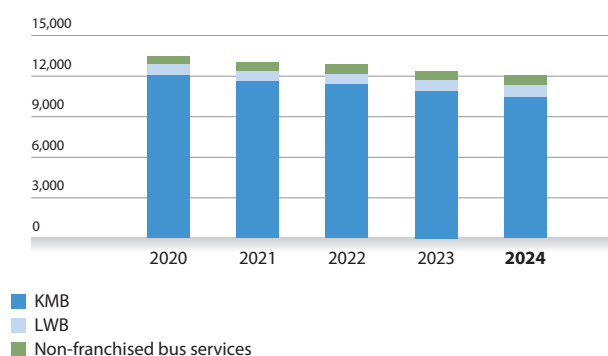
Number of Licensed Buses at 31 December

Number of buses



Number of Staff at 31 December

Number of staff



FINANCIAL REVIEW

Property Holdings and Development

The Group's Property Holdings and Development Division reported a profit after taxation of HK\$60.1 million (excluding a decrease in fair value of HK\$78.2 million on investment properties and investment property under development) for 2024, compared to the profit after taxation of HK\$46.6 million (excluding an increase in fair value of HK\$287.4 million on investment properties and investment property under development) for 2023. A review of the Group's investment properties is set out as follows:

KT Real Estate Limited ("KTRE")

KTRE, a wholly-owned subsidiary of the Group, together with Turbo Result Limited ("TRL"), a subsidiary of Sun Hung Kai Properties Limited ("SHKP"), owns The Millennity situated at 98 How Ming Street, Kwun Tong, Kowloon, Hong Kong in equal shares as tenants in common for long-term investment purpose.

The Millennity, a premium integrated commercial project strategically located in the heart of Kwun Tong, is close to Kwun Tong and Ngau Tau Kok MTR stations.

The Millennity offers Grade-A offices with a total gross floor area of approximately 650,000 square feet under two 20-storey towers and a large shopping mall in a 10-storey podium covering leisurely retail space of approximately 500,000 square feet. Nearly 400 parking spaces will be provided in a 4-storey parking garage in the basement, a number of which will be equipped with electric vehicle charging systems.

Two office towers of The Millennity were completed and certain tenants moved in, commencing their operations since 2023. The podium mall beneath The Millennity is still under construction and is scheduled to be opened in 2025.

As at 31 December 2024, the office portion of The Millennity was classified as investment property, while the remaining portion was classified as investment property under development in the consolidated statement of financial position (31 December 2023: same).

LCK Real Estate Limited ("LCKRE")

LCKRE, a wholly-owned subsidiary of the Group, is the owner of a 17-storey commercial office building at 9 Po Lun Street, Lai Chi Kok, Kowloon, which has a total gross floor area of about 156,700 square feet. The building is situated next to Manhattan Hill. A portion of the lettable area is used by the Group as headquarters with the remaining lettable area predominantly leased out to offices, shops and restaurants, and classified as investment property in the consolidated statement of financial position.

LCK Commercial Properties Limited ("LCKCP")

LCKCP, a wholly-owned subsidiary of the Group, is the owner of "Manhattan Mid-town", the commercial complex of Manhattan Hill. The 50,000 square feet shopping mall provides shoppers with high quality retail facilities since its opening in March 2009. As at 31 December 2024, the entire lettable area of the shopping mall was leased out, generating a stream of recurring rental income for the Group, and classified as investment property in the consolidated statement of financial position.

TM Properties Investment Limited ("TMPI")

TMPI is jointly owned by TM Properties Holdings Limited ("TMPH"), an indirect wholly-owned subsidiary of the Group, and Mega Odyssey Limited ("MOL"), an indirect wholly-owned subsidiary of SHKP subsequent to the disposal of TMPH's 50% equity interest in TMPI to MOL in 2020. TMPI, the owner of the property at Tuen Mun Town Lot No. 80 in the New Territories, has become a 50%-owned joint venture of the Group.

As at 31 December 2024, the entire lettable area of the property has been leased out to generate rental income for the Group.

China Mainland Transport Operations

The Group's China Mainland Transport Operations Division reported a profit after taxation of HK\$0.6 million for 2024, compared to the profit after taxation of HK\$31.1 million for 2023.

As at 31 December 2024, the Group's total interest in associates within the China Mainland Transport Operations Division amounted to HK\$569.7 million (2023: HK\$609.1 million). Such investments are mainly related to the operation of public transport services in Shenzhen, as well as taxi and car rental services in Beijing.

Summary of Investments in China Mainland Transport Operations as at 31 December 2024

	Shenzhen	Beijing
Nature of business	Bus and taxi hire services	Taxi and car rental services
Form of business structure	Sino-foreign joint stock company	Sino-foreign joint stock company
Operation commenced	January 2005	April 2003
The Group's investment cost (RMB million)	387	80
The Group's effective interest	35%	31.38%
Fleet size at year-end 2024 (Number of vehicles)	11,380	6,054
Bus passenger volume (Million trips)	330	N/A
Bus kilometres travelled (Million km)	265	N/A
Staff number at year-end 2024	22,044	1,698

Shenzhen Bus Group Company Limited (深圳巴士集團股份有限公司) ("SZBG")

SZBG, which commenced operations in January 2005, is a Sino-foreign joint stock company formed by KMB (Shenzhen) Transport Investment Limited (九巴(深圳)交通投資有限公司), a wholly-owned subsidiary of the Group, and four other China Mainland investors. The Group has invested RMB387.1 million (equivalent to HK\$363.9 million at the investment date) in SZBG, representing a stake of 35%. SZBG mainly provides public bus, minibus and taxi services in Shenzhen City, Guangdong Province, operating a fleet of over 5,000 buses running on more than 330 routes and over 6,000 taxis. As a result of significant competition from various modes of transportation, including metro services and app-based taxi ride hailing platforms, the patronage of SZBG including both its bus and taxi operations decreased by 11.3% to 408.0 million in 2024 as compared to 460.0 million in 2023.

Beijing Beiqi Kowloon Taxi Company Limited (北京北汽九龍出租汽車股份有限公司) ("BBKT")

BBKT, a Sino-foreign joint stock company, was established in Beijing in March 2003. BBKT's shareholders include KMB (Beijing) Taxi Investment Limited (九巴(北京)出租汽車投資有限公司), a wholly-owned subsidiary of the Group, and four other China Mainland investors. The Group has invested RMB80.0 million (equivalent to HK\$75.5 million at the investment date) in BBKT, representing an equity interest of 31.38%. BBKT operated both taxi hire and car rental businesses in Beijing until April 2013, when, to sharpen its focus on the business opportunities provided by the booming but challenging car rental market, BBKT spun off its car rental business to another Sino-foreign joint stock company, namely Beijing Beiqi First Company Limited (北京北汽福斯特股份有限公司), which has the same shareholding structure as BBKT. As at 31 December 2024, BBKT had a fleet of over 4,900 taxis and around 1,700 employees.

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Beijing Beiqi First Company Limited

(北京北汽福斯特股份有限公司) (“BBF”)

Established in April 2013 as a Sino-foreign joint stock company with the same shareholding structure as BBKT, BBF operates the car rental business formerly undertaken by BBKT. In respect of the provision of car rental services, BBF is well placed to take advantage of the business opportunities afforded by business commuters as well as by the wide variety of events, conferences and exhibitions that are held in the capital. As at 31 December 2024, BBF had over 1,000 vehicles available for charter mainly in Beijing and Tianjin.

Continuing Connected Transactions

Particulars of the following continuing connected transactions of the Group are set out below in compliance with the reporting requirements of Chapter 14A of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”):

(a) THE GROUP

Transactions with Sun Hung Kai Properties Insurance Limited (“SHKPI”)

As described in note 35(a) to the financial statements on pages 262 to 263 of this Annual Report, on 29 December 2022, the Group entered into various insurance policies with SHKPI, a wholly-owned subsidiary of SHKP, which is a substantial shareholder of the Company, pursuant to which SHKPI agreed to provide to the Group insurance coverage, including a motor vehicle third party and passengers’ liability insurance and an employees’ compensation insurance coverage from 1 January 2023 to 31 December 2024 (the “**2023/24 Insurance Arrangements**”). On 19 December 2024, the Group entered into various insurance policies with SHKPI, pursuant to which SHKPI agreed to provide to the Group insurance coverage, including a motor vehicle third party and passengers’ liability insurance and an employees’ compensation insurance coverage from 1 January 2025 to 31 December 2026 (the “**2025/26 Insurance Arrangements**”). The transactions contemplated under the 2023/24 Insurance Arrangements and 2025/26 Insurance Arrangements constitute continuing connected transactions of the Company, particulars of which were disclosed in the announcements of the Company dated 29 December 2022 and 19 December 2024 respectively.

The cap amounts of the insurance premium payable by the Group to SHKPI under the 2023/24 Insurance Arrangements for the years ended 31 December 2023 and 2024, as disclosed in the announcement dated 29 December 2022, were HK\$102,500,000 and HK\$105,500,000 respectively. Such annual cap amounts were determined mainly with reference to the historical transaction amounts, the estimated business requirements of the Group (including the estimated vehicles, staffing and fixed assets requirements), and the insurance premium rates as specified under the 2023/24 Insurance Arrangements. For the year ended 31 December 2024, the insurance premium paid and payable to SHKPI under the 2023/24 Insurance Arrangements was HK\$100,568,000 (2023: HK\$93,279,000).

The cap amounts of the insurance premium payable by the Group to SHKPI under the 2025/26 Insurance Arrangements for the years ending 31 December 2025 and 2026, as disclosed in the announcement dated 19 December 2024, were HK\$40,500,000 and HK\$41,500,000 respectively. Such annual cap amounts were determined mainly with reference to the historical transaction amounts, the number of vehicles and total payroll of employees and the insurance structure and the premium rates as specified under the 2025/26 Insurance Arrangements.

The insurance premium paid and payable by the Group under the 2023/24 Insurance Arrangements and 2025/26 Insurance Arrangements were and will be satisfied by internal resources of the Group. The transactions under the 2023/24 Insurance Arrangements and 2025/26 Insurance Arrangements are only subject to the applicable reporting, announcement and annual review requirements of the Listing Rules but are exempt from the independent shareholders’ approval requirement.