

## DIRECTORS' REPORT

The Directors submit herewith their Annual Report together with the audited financial statements for Transport International Holdings Limited ("the Company") and its subsidiaries (collectively referred to as "the Group") for the year ended 31 December 2024.

### Principal place of business

The Company was incorporated in Bermuda and is domiciled in Hong Kong and has its registered office at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda and principal place of business at 15/F, 9 Po Lun Street, Lai Chi Kok, Kowloon, Hong Kong.

### Principal activities and business review

The principal activity of the Company is investment holding and the principal activities of the Group are the operation of both franchised and non-franchised public transportation and property holdings and development.

Particulars of the Company's principal subsidiaries are set out in note 17 to the consolidated financial statements.

The analysis of the principal activities of the Group during the financial year is set out in note 12 to the consolidated financial statements. Further discussion and analysis of these activities as required by Schedule 5 to the Hong Kong Companies Ordinance, including a discussion of the principal risks and uncertainties facing the Group, an indication of likely future developments in the Group's business, a discussion of the Group's environmental policies and performance, and its compliance with the relevant laws and regulations that have a significant impact on the Group and an account of the Group's key relationships with its employees, customers and suppliers that have a significant impact on the Group can be found in the Management Discussion and Analysis set out on pages 20 to 155 of this Annual Report. This discussion forms part of this Directors' Report.

### Recommended dividend

No interim dividend was paid to the shareholders (2023: HK\$0.30 per share). The Directors now recommend that a final dividend of HK\$0.50 per share (2023: HK\$0.50 per share) in respect of the year ended 31 December 2024 be paid to shareholders on 26 June 2025.

### Charitable donations

Charitable donations made by the Group during the year amounted to HK\$486,000 (2023: HK\$208,000).

### Share capital

Details of the movements in share capital of the Company during the year are set out in note 31(b) to the consolidated financial statements. Shares were issued during the year relating to the scrip dividend scheme. Details about the issue of shares are also set out in note 31(b) to the consolidated financial statements.

### Distributability of reserves

At 31 December 2024, the aggregate amount of reserves available for distribution to equity shareholders of the Company was HK\$2,300,027,000 (2023: HK\$2,300,049,000). After the end of the reporting period, the Directors proposed a final dividend of HK\$0.50 per share (2023: HK\$0.50 per share), amounting to HK\$254,451,000 (2023: HK\$247,172,000) (note 11(a)). This dividend has not been recognised as a liability at the end of the reporting period.

## DIRECTORS' REPORT

### Directors

The Directors during the financial year and up to the date of this report were:

Dr Norman LEUNG Nai Pang*, <i>GBS, JP</i>	(Chairman)
Dr John CHAN Cho Chak*, <i>GBS, JP</i>	(Deputy Chairman)
Raymond KWOK Ping Luen, <i>JP</i>	
William LOUEY Lai Kuen	
Charles LUI Chung Yuen, <i>M.H.</i>	
Winnie NG, <i>JP</i>	
Dr Eric LI Ka Cheung*, <i>GBS, OBE, JP</i>	
Professor LIU Pak Wai*, <i>SBS, JP</i>	
Allen FUNG Yuk Lun	
Roger LEE Chak Cheong	(Managing Director)
TSANG Wai Hung*, <i>GBS, PDSM, JP</i>	
Dr CHEUNG Wing Yui, <i>BBS</i>	
LEE Luen Fai, <i>BBS, JP</i>	
LUNG Po Kwan	
Christopher KWOK Kai-wang, <i>JP</i>	
WANG Xiao Bin*	(Appointed on 1 November 2024)
WONG Hong Kit	(Alternate Director to Mr Raymond KWOK Ping Luen, <i>JP</i> )
LAU Man-Kwan, Julia	(Appointed as Alternate Director to Mr William LOUEY Lai Kuen on 20 June 2024)
GAO Feng	(Resigned as Alternate Director to Mr William LOUEY Lai Kuen on 20 June 2024)

\* Independent Non-executive Director

In accordance with Company's Bye-Laws 84(1), Dr Norman Leung Nai Pang, Dr John Chan Cho Chak, Mr William Louey Lai Kuen, Mr Allen Fung Yuk Lun, Mr Roger Lee Chak Cheong and Mr Lung Po Kwan will retire from the Board at the forthcoming Annual General Meeting of the Company and, being eligible, offer themselves for re-election.

In accordance with Company's Bye-Laws 83(2), Ms Wang Xiao Bin, who was appointed as an Independent Non-executive Director by the Board after the 2024 annual general meeting of the Company, will hold office until the Annual General Meeting and, subject to authorization by the Shareholders, being eligible, will offer herself for re-election.

Brief biographical details of the Directors of the Company are set out on pages 156 to 166 of this Annual Report.

### Indemnity provision

The Bye-laws of the Company provides that every Director shall be indemnified out of the assets and profits of the Company from and against actions and liability which he/she may incur or sustain in or about the execution of the duties of his/her office.

The Company has taken out insurance against the liabilities and costs associated with defending any proceedings which may be brought against the Directors of the Group.

## DIRECTORS' REPORT

### Directors' interests and short positions in shares, underlying shares and debentures

The Directors of the Company who held office as at 31 December 2024 had the following interests in the shares of the Company, subsidiaries and other associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) at that date as recorded in the register of Directors' and chief executives' interests and short positions required to be kept under Section 352 of the SFO:

#### (i) Interests in issued shares of the Company

	Ordinary shares of HK\$1 each					Total number of shares held	Percentage of total issued shares
	Personal interests	Family interests	Corporate interests	Trustee interests	Other interests		
Dr Norman LEUNG Nai Pang*	644,774	–	–	–	–	644,774	0.127%
Dr John CHAN Cho Chak*	2,000	–	–	–	–	2,000	–
Raymond KWOK Ping Luen	625,107 (note 1)	–	–	–	–	625,107	0.123%
William LOUEY Lai Kuen	9,816,161	11,383	–	–	14,780,137 (note 2)	24,607,681	4.835%
Charles LUI Chung Yuen	14,271	–	–	3,484,915 (note 3)	–	3,499,186	0.688%
Winnie NG	305,416	–	–	28,079,613 (note 4)	–	28,385,029	5.578%
Dr Eric LI Ka Cheung*	17,600	–	–	–	–	17,600	0.003%
Professor LIU Pak Wai*	–	–	–	–	–	–	–
Allen FUNG Yuk Lun	–	–	–	–	–	–	–
Roger LEE Chak Cheong (Managing Director)	157,072	–	–	–	–	157,072	0.031%
TSANG Wai Hung*	–	–	–	–	–	–	–
Dr CHEUNG Wing Yui	–	–	–	–	–	–	–
LEE Luen Fai	–	30,000	–	–	–	30,000	0.006%
LUNG Po Kwan	–	–	–	–	–	–	–
Christopher KWOK Kai-wang	–	–	–	–	–	–	–
WANG Xiao Bin*	–	–	–	–	–	–	–
WONG Hong Kit (Alternate Director to Mr Raymond KWOK Ping Luen)	–	–	–	–	–	–	–
LAU Man-Kwan, Julia (Alternate Director to Mr William LOUEY Lai Kuen)	1,576,971	–	–	–	23,019,327 (note 5)	24,596,298	4.833%

\* Independent Non-executive Director

Notes:

- (1) Of these shares in the Company, Mr Raymond Kwok Ping Luen held 620,148 shares jointly with his spouse.
- (2) Mr William Louey Lai Kuen, Ms Kwok Won Carol Wilma Yu Louey and Ms Lau Man Kwan Julia entered into a shareholders voting agreement to which section 317(1)(a) of the SFO applies. As such, Mr William Louey Lai Kuen is deemed to be interested in 14,780,137 shares in the Company as a result of being a concert party to the agreement.
- (3) Mr Charles Lui Chung Yuen and members of his family together had interests in certain private trusts which beneficially held 3,484,915 shares in the Company.
- (4) Ms Winnie Ng had an interest in 28,079,613 shares in the Company as a beneficiary in certain private trusts which beneficially held the aforesaid block of shares.
- (5) Mr William Louey Lai Kuen, Ms Kwok Won Carol Wilma Yu Louey and Ms Lau Man Kwan Julia entered into a shareholders voting agreement to which section 317(1)(a) of the SFO applies. As such, Ms Lau Man Kwan Julia is deemed to be interested in 23,019,327 issued shares of the Company as a result of being a concert party to the agreement. For the avoidance of doubt, this amount excludes the 830,000 share options granted to Mr William Louey Lai Kuen.

## DIRECTORS' REPORT

### Directors' interests and short positions in shares, underlying shares and debentures (continued)

#### (ii) Interests in underlying shares

Directors of the Company have been granted options under the Company's share option scheme, details of which are set out in the section "Equity-linked agreement – Share option scheme" below.

As at 31 December 2024, none of the Directors had any non-beneficial interest in the share capital of the Company.

Apart from the foregoing, none of the Directors of the Company or any of their spouses or children under eighteen years of age has interests or short positions in the shares, underlying shares or debentures of the Company or any of its subsidiaries or other associated corporations, as recorded in the register of directors' interests and short positions required to be kept under Section 352 of the SFO or as otherwise notified to the Company pursuant to the Model Code for Securities Transactions by Directors of Listed Companies.

### Equity-linked agreement

#### Share option scheme

The Company has a share option scheme which was adopted on 26 May 2016 whereby the Directors of the Company are authorised, at their discretion, to invite employees of the Group, including directors of any company in the Group, to take up options at a consideration of HK\$1 to subscribe for ordinary shares of the Company. The purpose of the scheme is to provide an opportunity for employees of the Group to acquire an equity participation in the Company and to encourage them to work towards enhancing the value of the Company and its shares for the benefit of the Company and its shareholders as a whole. The share option scheme shall be valid and effective for a period of ten years ending on 25 May 2026, after which no further options will be granted.

The exercise price of options is the highest of (i) the nominal value of the shares on the date of grant, (ii) the closing price of the shares on The Stock Exchange of Hong Kong Limited on the date of grant and (iii) the average closing price of the shares on The Stock Exchange of Hong Kong Limited for the five business days immediately preceding the date of grant.

On 30 October 2016, a total of 5,560,000 share options were granted by the Company, of which, 860,000 share options were granted to 1 Director and 4,700,000 share options were granted to certain employees of the Group. Such share options were exercisable during the period from 31 October 2017 to 30 October 2021.

On 19 November 2020, a total of 13,925,000 share options were granted by the Company, of which, 6,525,000 share options were granted to 15 Directors and 7,400,000 share options were granted to certain employees of the Group.

On 31 March 2023, a total of 16,350,000 share options were granted by the Company, of which, 6,980,000 share options were granted to 15 Directors and 9,370,000 share options were granted to certain employees of the Group and subsequently 15,970,000 share options were accepted by the grantees.

The total number of securities which may be issued under the share option scheme was 40,363,941 shares (including options for 21,115,000 shares that have been granted but not yet lapsed or exercised) which represented 7.9% of the ordinary shares of the Company in issue at 31 December 2024. The number of securities issued and to be issued upon exercise of the options granted to each participant in any 12-month period is limited to 1% of the Company's ordinary shares in issue.

At 31 December 2024, certain Directors of the Company and certain employees of the Group had the following interests in options to subscribe for shares of the Company (market value per share at 31 December 2024 was HK\$8.25) granted for a consideration of HK\$1 under the share option scheme of the Company. As at 31 December 2024, the total grant date fair value of unexercised vested and unvested options, measured in accordance with the accounting policy set out in note 1(x)(iii) to the consolidated financial statements, amounted to HK\$9,137,471 and HK\$6,224,912, respectively. The options are unlisted. Once vested, each option gives the holder the right to subscribe for one ordinary share of the Company. Assuming that all the options outstanding as at 31 December 2024 are exercised, the Company will receive proceeds of HK\$265,001,000.

## DIRECTORS' REPORT

### Equity-linked agreement (continued)

#### Share option scheme (continued)

	Number of share options					Outstanding as at 31 December 2024	Date granted	Period during which options are exercisable	Exercise price per share	Market value per share at date of grant of options*
	Outstanding as at 1 January 2024	Granted during the year	Exercised during the year	Cancelled during the year	Lapsed during the year					
Directors										
Roger LEE Chak Cheong	400,000	–	–	–	–	400,000	19 November 2020	19 November 2021 to 18 November 2025 (note 1)	HK\$15.32	HK\$15.32
	450,000	–	–	–	–	450,000	19 November 2020	19 November 2021 to 18 November 2025 (note 2)	HK\$15.32	HK\$15.32
	430,000	–	–	–	–	430,000	31 March 2023	31 March 2024 to 30 March 2028 (note 3)	HK\$10.60	HK\$10.60
	470,000	–	–	–	–	470,000	31 March 2023	31 March 2024 to 30 March 2028 (note 4)	HK\$10.60	HK\$10.60
Norman LEUNG Nai Pang	450,000	–	–	–	–	450,000	19 November 2020	19 November 2021 to 18 November 2025 (note 1)	HK\$15.32	HK\$15.32
	470,000	–	–	–	–	470,000	31 March 2023	31 March 2024 to 30 March 2028 (note 3)	HK\$10.60	HK\$10.60
John CHAN Cho Chak	425,000	–	–	–	–	425,000	19 November 2020	19 November 2021 to 18 November 2025 (note 1)	HK\$15.32	HK\$15.32
	450,000	–	–	–	–	450,000	31 March 2023	31 March 2024 to 30 March 2028 (note 3)	HK\$10.60	HK\$10.60
Raymond KWOK Ping Luen	400,000	–	–	–	–	400,000	19 November 2020	19 November 2021 to 18 November 2025 (note 1)	HK\$15.32	HK\$15.32
	430,000	–	–	–	–	430,000	31 March 2023	31 March 2024 to 30 March 2028 (note 3)	HK\$10.60	HK\$10.60

## DIRECTORS' REPORT

### Equity-linked agreement (continued)

#### Share option scheme (continued)

	Number of share options					Outstanding as at 31 December 2024	Date granted	Period during which options are exercisable	Exercise price per share	Market value per share at date of grant of options*
	Outstanding as at 1 January 2024	Granted during the year	Exercised during the year	Cancelled during the year	Lapsed during the year					
Directors (continued)										
NG Siu Chan	400,000	–	–	–	(400,000)	–	19 November 2020	19 November 2021 to 18 November 2025 (notes 1 & 5)	HK\$15.32	HK\$15.32
	430,000	–	–	–	(430,000)	–	31 March 2023	31 March 2024 to 30 March 2028 (notes 3 & 5)	HK\$10.60	HK\$10.60
William LOUEY Lai Kuen	400,000	–	–	–	–	400,000	19 November 2020	19 November 2021 to 18 November 2025 (note 1)	HK\$15.32	HK\$15.32
	430,000	–	–	–	–	430,000	31 March 2023	31 March 2024 to 30 March 2028 (note 3)	HK\$10.60	HK\$10.60
Charles LUI Chung Yuen	400,000	–	–	–	–	400,000	19 November 2020	19 November 2021 to 18 November 2025 (note 1)	HK\$15.32	HK\$15.32
	430,000	–	–	–	–	430,000	31 March 2023	31 March 2024 to 30 March 2028 (note 3)	HK\$10.60	HK\$10.60
Winnie NG	400,000	–	–	–	–	400,000	19 November 2020	19 November 2021 to 18 November 2025 (note 1)	HK\$15.32	HK\$15.32
	430,000	–	–	–	–	430,000	31 March 2023	31 March 2024 to 30 March 2028 (note 3)	HK\$10.60	HK\$10.60
Allen FUNG Yuk Lun	400,000	–	–	–	–	400,000	19 November 2020	19 November 2021 to 18 November 2025 (note 1)	HK\$15.32	HK\$15.32
	430,000	–	–	–	–	430,000	31 March 2023	31 March 2024 to 30 March 2028 (note 3)	HK\$10.60	HK\$10.60

## DIRECTORS' REPORT

## Equity-linked agreement (continued)

## Share option scheme (continued)

	Number of share options						Date granted	Period during which options are exercisable	Exercise price per share	Market value per share at date of grant of options*
	Outstanding as at 1 January 2024	Granted during the year	Exercised during the year	Cancelled during the year	Lapsed during the year	Outstanding as at 31 December 2024				
<b>Directors (continued)</b>										
CHEUNG Wing Yui	400,000	-	-	-	-	400,000	19 November 2020	19 November 2021 to 18 November 2025 (note 1)	HK\$15.32	HK\$15.32
	430,000	-	-	-	-	430,000	31 March 2023	31 March 2024 to 30 March 2028 (note 3)	HK\$10.60	HK\$10.60
LEE Luen Fai	400,000	-	-	-	-	400,000	19 November 2020	19 November 2021 to 18 November 2025 (note 1)	HK\$15.32	HK\$15.32
	430,000	-	-	-	-	430,000	31 March 2023	31 March 2024 to 30 March 2028 (note 3)	HK\$10.60	HK\$10.60
LUNG Po Kwan	400,000	-	-	-	-	400,000	19 November 2020	19 November 2021 to 18 November 2025 (note 1)	HK\$15.32	HK\$15.32
	430,000	-	-	-	-	430,000	31 March 2023	31 March 2024 to 30 March 2028 (note 3)	HK\$10.60	HK\$10.60
Eric LI Ka Cheung	400,000	-	-	-	-	400,000	19 November 2020	19 November 2021 to 18 November 2025 (note 1)	HK\$15.32	HK\$15.32
	430,000	-	-	-	-	430,000	31 March 2023	31 March 2024 to 30 March 2028 (note 3)	HK\$10.60	HK\$10.60
LIU Pak Wai	400,000	-	-	-	-	400,000	19 November 2020	19 November 2021 to 18 November 2025 (note 1)	HK\$15.32	HK\$15.32
	430,000	-	-	-	-	430,000	31 March 2023	31 March 2024 to 30 March 2028 (note 3)	HK\$10.60	HK\$10.60

## DIRECTORS' REPORT

### Equity-linked agreement (continued)

#### Share option scheme (continued)

	Number of share options					Outstanding as at 31 December 2024	Date granted	Period during which options are exercisable	Exercise price per share	Market value per share at date of grant of options*
	Outstanding as at 1 January 2024	Granted during the year	Exercised during the year	Cancelled during the year	Lapsed during the year					
<b>Directors (continued)</b>										
TSANG Wai Hung	400,000	-	-	-	-	400,000	19 November 2020	19 November 2021 to 18 November 2025 (note 1)	HK\$15.32	HK\$15.32
	430,000	-	-	-	-	430,000	31 March 2023	31 March 2024 to 30 March 2028 (note 3)	HK\$10.60	HK\$10.60
<b>Employees</b>	3,300,000	-	-	(700,000)	-	2,600,000	19 November 2020	19 November 2021 to 18 November 2025 (note 2)	HK\$15.32	HK\$15.32
	7,630,000	-	-	(1,790,000)	-	5,840,000	31 March 2023	31 March 2024 to 30 March 2028 (note 4)	HK\$10.60	HK\$10.60
<b>Total</b>	<b>24,435,000</b>	<b>-</b>	<b>-</b>	<b>(2,490,000)</b>	<b>(830,000)</b>	<b>21,115,000</b>				

\* being the closing price of the Company's ordinary shares on the date of grant.

Note 1: All the options are vested and exercisable progressively and the maximum percentage of the options which may be exercised is determined in stages as follows:

#### Percentage of options granted

On or after 19 November 2021	50%
On or after 19 November 2022	100%

Note 2: All the options are vested and exercisable progressively and the maximum percentage of the options which may be exercised is determined in stages as follows:

#### Percentage of options granted

On or after 19 November 2021	30%
On or after 19 November 2022	60%
On or after 19 November 2023	100%

Note 3: All the options are vested and exercisable progressively and the maximum percentage of the options which may be exercised is determined in stages as follows:

#### Percentage of options granted

On or after 31 March 2024	50%
On or after 31 March 2025	100%



## DIRECTORS' REPORT

### Equity-linked agreement (continued)

#### Share option scheme (continued)

Note 4: All the options are vested and exercisable progressively and the maximum percentage of the options which may be exercised is determined in stages as follows:

	<i>Percentage of options granted</i>
On or after 31 March 2024	30%
On or after 31 March 2025	60%
On or after 31 March 2026	100%

Note 5: Mr NG Siu Chan passed away in May 2023, his personal representative(s) may exercise the share options (to the extent which has become exercisable and not already exercised) in whole or in part within a period of 12 months, following the date of death or such longer period as the Board may determine. Mr. NG Siu Chan's personal representative(s) did not exercise the share options in whole or in part within such period of 12 months and the share options were therefore lapsed.

Information on the accounting policy for share options granted and the fair value per option is provided in note 1(x)(iii) and note 22 to the consolidated financial statements respectively.

Apart from the foregoing, at no time during the year was the Company or any of its subsidiaries a party to any arrangement to enable the Directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

The number of share options available for grant under the Scheme was 4,528,941 on both 1 January 2024 and 31 December 2024.

The number of shares that may be issued in respect of share options granted under the Scheme during the year ended 31 December 2024 was 21,115,000 shares, representing 4.2% of the weighted average number of shares in issue of 501,781,379 shares for the year.

The total number of shares available for issue under the Scheme was 25,643,941 shares, representing 5.0% of the issued shares of the Company of 508,901,425 shares as at 20 March 2025.

Save as disclosed above, there were no other share options granted, exercised, cancelled or lapsed under the Scheme during the year ended 31 December 2024.

### Directors' service contracts

No Director proposed for re-election at the forthcoming Annual General Meeting has an unexpired service contract which is not determinable by the Company or any of its subsidiaries within one year without payment of compensation, other than normal statutory obligations.

## DIRECTORS' REPORT

### Directors' interests in transactions, arrangements or contracts

As disclosed in note 35(a) to the consolidated financial statements, certain subsidiaries of the Group entered into transactions with certain subsidiaries of a substantial shareholder, Sun Hung Kai Properties Limited ("SHKP"). Certain Directors, namely Dr Norman Leung Nai Pang, Dr Eric Li Ka Cheung, Mr Raymond Kwok Ping Luen, Mr Allen Fung Yuk Lun, Dr Cheung Wing Yui and Mr Christopher Kwok Kai-wang are also directors of SHKP and/or Sun Hung Kai Properties Insurance Limited, and Mr Lee Luen Fai and Mr Lung Po Kwan are employees of subsidiary of SHKP. Among them, Mr Raymond Kwok Ping Luen and Mr Christopher Kwok Kai-wang are directors of SHKP and are materially interested in these transactions by virtue of their interest and deemed interest under Part XV of the SFO in more than 5% of the issued shares of SHKP.

Save as disclosed above, no transaction, arrangement or contract of significance to which the Company or any of its subsidiaries was a party, and in which a Director of the Company had a material interest, subsisted at the end of the year or at any time during the year.

### Discloseable interests of shareholders in shares and short positions in shares, underlying shares and debentures

As at 31 December 2024, the interests or short positions of the persons, other than Directors and the chief executive of the Company, being 5% or more in the interest in the shares and underlying shares of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were notified to the Company and The Stock Exchange of Hong Kong Limited pursuant to Divisions 2 and 3 of Part XV of the SFO and required to be entered in the register maintained by the Company pursuant to Section 336 of the SFO, were as follows:

	Ordinary shares of HK\$1 each				Percentage of total issued shares
	Registered shareholders	Corporate interests	Trustee interests	Total number of shares held	
HSBC Trustee (C. I.) Limited	–	–	223,076,240	223,076,240	43.8%
Sun Hung Kai Properties Limited (Note 1)	–	223,076,240	–	223,076,240	43.8%
Arklake Limited (Note 1)	122,875,644	–	–	122,875,644	24.1%
Hung Fat (Hop Kee) General Contractors Limited (Note 1)	36,783,598	–	–	36,783,598	7.2%
Wister Investment Limited (Note 1)	32,630,832	–	–	32,630,832	6.4%
Kwong Tai Holdings (PTC) Limited (Note 2)	28,079,613	–	–	28,079,613	5.5%

Notes:

- The interest disclosed by Sun Hung Kai Properties Limited ("SHKP") includes 192,290,074 shares disclosed by Arklake Limited, Hung Fat (Hop Kee) General Contractors Limited and Wister Investment Limited.
- The interest disclosed by Kwong Tai Holdings (PTC) Limited includes 28,079,613 shares disclosed by Ms Winnie Ng, who is a Director of the Company.

## DIRECTORS' REPORT

### Purchase, sale or redemption of the Company's shares

During the year, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's own shares.

### Pre-emptive rights

There is no provision for pre-emptive rights under either the Company's Bye-laws or the laws in Bermuda.

### Senior management

The Executive Director of the Company, Mr Roger Lee Chak Cheong, is a member of the senior management of the Group whose brief particulars are set out on page 161 of this Annual Report.

### Staff retirement schemes

The Group operates two separate non-contributory defined benefit retirement schemes, The Kowloon Motor Bus Company (1933) Limited Monthly Rated Employees Provident Fund Scheme ("The KMB Monthly Rated Employees Scheme") and The Kowloon Motor Bus Company (1933) Limited Daily Rated Employees Retirement Fund Scheme ("The KMB Daily Rated Employees Scheme"), and participates in a defined contribution retirement scheme, SHKP MPF Employer Sponsored Scheme. The employees employed under the Hong Kong Employment Ordinance are also entitled to long service payment if the eligibility criteria are met. Particulars of these post-employment benefits are set out in notes 21 and 30 to the consolidated financial statements.

#### (a) Defined benefit retirement schemes

The Group makes contributions to two defined benefit retirement schemes that provide pension benefits for employees upon retirement. The schemes are administered by an independent trustee and the assets are held separately from those of the Group. Both schemes are formally established under trust and are registered under the Occupational Retirement Schemes Ordinance. The members' benefits are determined based on the employees' final remuneration and length of service. Contributions to the defined benefit retirement schemes are made in accordance with the recommendations of independent actuaries who value the retirement schemes at regular intervals.

The most recent actuarial valuations of the two schemes were at 31 December 2024 which showed that there were sufficient assets in the schemes to cover both the solvency and ongoing liabilities of the schemes. Other relevant information extracted from the valuation pertaining to the two schemes is set out below:

#### The KMB Monthly Rated Employees Scheme

- (i) The scheme was established with effect from 15 February 1978.
- (ii) The actuary of the scheme is Ms Wing Lui, Fellow of the Society of Actuaries of the United States of America. In the actuarial valuation, the attained age valuation method was used (see note below) for calculation of contributions paid to the scheme. Other major assumptions used in the valuation were: salary escalation at 3.0% per annum; mortality rates 2023 Hong Kong Life Tables; and normal retirement age of 65.
- (iii) The market value of the scheme assets at 31 December 2024 was HK\$846,148,000 (2023: HK\$876,184,000).
- (iv) On the basis of the assumptions made as to the future economic and demographic experience of the scheme, and assuming the past service surplus is to be utilised faster to offset the Group's contribution requirement, the Group took a contribution holiday for the years ended 31 December 2024 and 2023.
- (v) The ongoing funding surplus in the scheme was HK\$523,906,000 (2023: HK\$501,802,000) and the solvency surplus was HK\$523,906,000 (2023: HK\$506,705,000) at 31 December 2024.

## DIRECTORS' REPORT

### Staff retirement schemes (continued)

#### (a) Defined benefit retirement schemes (continued)

##### The KMB Daily Rated Employees Scheme

- (i) The scheme was established with effect from 1 July 1983.
- (ii) The actuary of the scheme is Ms Wing Lui, Fellow of the Society of Actuaries of the United States of America. In the actuarial valuation, the attained age valuation method was used (see note below) for calculation of contributions paid to the scheme. Other major assumptions used in the valuation were: salary escalation at 3.0% per annum; mortality rates 2023 Hong Kong Life Tables; and normal retirement age of 60.
- (iii) The market value of the scheme assets at 31 December 2024 was HK\$1,725,555,000 (2023: HK\$1,728,880,000).
- (iv) On the basis of the assumptions made as to the future economic and demographic experience of the scheme, and assuming the past service surplus is to be utilised faster to offset the Group's contribution requirement, the Group took a contribution holiday for the years ended 31 December 2024 and 2023.
- (v) The ongoing funding surplus in the scheme was HK\$1,210,303,000 (2023: HK\$1,166,179,000) and the solvency surplus was HK\$1,210,500,000 (2023: HK\$1,168,388,000) at 31 December 2024.

Note: The obligations in respect of defined benefit retirement schemes included in the consolidated financial statements are calculated using the projected unit credit method under different actuarial assumptions (see notes 1(x)(ii) and 21 to the consolidated financial statements).

#### (b) Defined contribution retirement scheme

##### SHKP MPF Employer Sponsored Scheme ("the SHKP Scheme")

The Group is also a participating member of the SHKP Scheme, which is a defined contribution retirement scheme. A majority of those employees who do not participate in the defined benefit retirement schemes are covered by the SHKP Scheme which is administered by an independent trustee. The assets of the SHKP Scheme are held separately from those of the Group in independently administered funds. The Group is required to make contributions to the SHKP Scheme at rates ranging from 5% to 12% of the relevant employees' salaries, depending on their length of service with the Group. The employees are required to make contributions to the SHKP Scheme at 5% of the employees' relevant income as defined by the Hong Kong Mandatory Provident Fund Schemes Ordinance, subject to a cap of monthly relevant income of HK\$30,000 (HK\$25,000 prior to 1 June 2014). Contributions to the SHKP Scheme during the year are charged to profit or loss as incurred. Forfeited amounts due to resignation prior to the vesting of the benefits will be used to reduce the Group's contributions made in that corresponding financial year. The amount of forfeited contributions utilised during the year and the amount available for use as at 31 December 2024 were insignificant to the Group.

### Bank loans

Particulars of bank loans of the Group as at 31 December 2024 are set out in note 25 to the consolidated financial statements.

### Major customers and suppliers

Total income attributable to the five largest customers of the Group accounted for less than 30% of the Group's total income for the year. Total purchases from the five largest suppliers of the Group accounted for 59% of the Group's total purchases, with purchases from the largest supplier accounting for 39% of the total purchases for the year.

Other than the continuing connected transactions with Sun Hung Kai Properties Insurance Limited, as disclosed in the section headed "Continuing Connected Transactions" of this annual report, none of the Directors, their close associates or any shareholder of the Company (which to the knowledge of the Directors owns more than 5% of the issued share capital of the Company) had any interest in the major suppliers mentioned above.

## DIRECTORS' REPORT

### Financial summary

A summary of the results and of the assets and liabilities of the Group for the last ten financial years is set out on pages 267 to 268 of this Annual Report.

### Model code for securities transactions by Directors

The Company has adopted the code of conduct regarding securities transactions by Directors as set out in Appendix C3 to the Listing Rules and all Directors have complied with the required standard of dealings set out therein throughout the year.

### Corporate governance

The Company has complied with the applicable code provisions in the Corporate Governance Code set out in Appendix C1 to the Listing Rules throughout the year ended 31 December 2024, except that three Directors of the Company were unable to attend the Annual General Meeting of the Company held on 16 May 2024 as provided for in code provision C.1.6 due to other engagements. A report on the principal corporate governance practices adopted by the Company is set out on pages 128 to 151 of this Annual Report.

### Properties

Particulars of the investment properties of the Group are shown on page 122 of this Annual Report.

### Audit and Risk Management Committee

The Audit and Risk Management Committee of the Company, together with management, has reviewed the accounting principles and policies adopted by the Group, discussed auditing, internal control, risk management and financial reporting matters, and also reviewed the consolidated financial statements for the year ended 31 December 2024.

### Confirmation of independence

The Company has received from each of the Independent Non-executive Directors an annual confirmation of independence pursuant to Rule 3.13 of the Listing Rules and considers all the Independent Non-executive Directors to be independent.

### Sufficiency of public float

Based on information that is publicly available to the Company and within the knowledge of the Directors of the Company as at the date of this Annual Report, the Company has maintained the prescribed public float under the Listing Rules.

### Auditors

KPMG retire and, being eligible, offer themselves for re-appointment. A resolution for the re-appointment of KPMG as auditors of the Company is to be proposed at the forthcoming Annual General Meeting.

By Order of the Board

**Norman LEUNG Nai Pang**

Chairman

Hong Kong, 20 March 2025