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Transport International Holdings Limited

(載通國際控股有限公司) *

(incorporated in Bermuda with limited liability)

(Stock code: 62)

2024 Final Results Announcement

FINANCIAL HIGHLIGHTS

- The Group's underlying profit attributable to equity shareholders for the year ended 31 December 2024, excluding the effect of the change in fair value of investment properties and investment property under development, amounted to HK\$265.5 million, compared to HK\$114.3 million last year. Underlying earnings per share was HK\$0.53, compared to HK\$0.24 last year. The increase in underlying profit was mainly attributable to the improvement in the financial performance of the franchised public bus operations, but partly offset by expected credit losses on certain listed debt securities.
- Reported profit and reported earnings per share attributable to equity shareholders were HK\$187.3 million and HK\$0.37 respectively, compared to HK\$401.7 million and HK\$0.83 last year. The 2024 reported profit included a decrease in fair value of investment properties and investment property under development of HK\$78.2 million, compared to an increase of HK\$287.4 million last year.
- The Group's flagship company, The Kowloon Motor Bus Company (1933) Limited ("KMB"), recorded a profit after taxation of HK\$126.8 million for 2024 (2023: HK\$11.5 million). The improvement in results was primarily due to the increase in fare revenue and the decrease in fuel and oil costs as a result of the decrease in fuel price, but partly offset by the increase in staff costs due to pay rises.
- An ordinary final dividend of HK\$0.50 per share for 2024 has been declared (2023: HK\$0.50 per share). The total dividend for the year amounted to HK\$0.50 per share (2023: HK\$0.80 per share).

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED 31 DECEMBER 2024**

	<i>Note</i>	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Fare revenue from franchised public bus services		7,574,160	7,266,043
Revenue from non-franchised transport services		269,976	238,717
Licence fee income		214,637	234,395
Media sales revenue		52,261	57,335
Gross rentals from investment properties		104,319	88,263
Revenue	3	8,215,353	7,884,753
Other net income	4	112,399	68,106
Staff costs	5(a)	(4,430,971)	(4,144,457)
Depreciation		(1,196,260)	(1,132,687)
Fuel and oil		(966,132)	(1,054,009)
Spare parts		(227,168)	(228,108)
Toll charges		(210,999)	(255,674)
Other operating expenses	5(b)	(884,566)	(923,372)
Profit from operations		411,656	214,552
Change in fair value of investment properties and investment property under development		(78,200)	287,380
Finance costs	6	(98,343)	(110,064)
Share of profits of associates		637	31,138
Share of profit of joint venture		8,552	8,110
Profit before taxation		244,302	431,116
Income tax expense	8	(57,020)	(29,453)
Profit for the year		187,282	401,663

Earnings per share based on profit attributable to equity shareholders (reported earnings per share)

Basic and diluted	9(a)	<u>HK\$ 0.37</u>	<u>HK\$ 0.83</u>
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Earnings per share excluding the effect of change in fair value of investment properties and investment property under development (underlying earnings per share)

Basic and diluted	9(b)	<u>HK\$ 0.53</u>	<u>HK\$ 0.24</u>
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**CONSOLIDATED STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2024**

	2024	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
Profit for the year	<u>187,282</u>	<u>401,663</u>
Other comprehensive income for the year (after tax and reclassification adjustments):		
<i>Items that will not be reclassified to profit or loss:</i>		
- Remeasurements of employee benefit assets, net of tax expense of HK\$22,037,000 (2023: tax expense of HK\$8,282,000)	111,521	41,911
- Remeasurement of provision for long service payments, net of tax credit of HK\$2,093,000 (2023: tax credit of HK\$2,525,000)	(10,591)	(12,776)
- Equity investment at fair value through other comprehensive income ("FVOCI"): net movement in fair value reserve (non-recycling), net of nil tax	(35,594)	16,482
<i>Items that may be reclassified subsequently to profit or loss:</i>		
- Exchange differences on translation of financial statements of entities outside Hong Kong, net of nil tax	(19,936)	(16,669)
- Investments in financial assets measured at FVOCI (recycling): net movement in fair value reserve (recycling), net of nil tax	200,546	71,652
- Share of other comprehensive income of an associate, net of nil tax	<u>(16,644)</u>	<u>546</u>
Other comprehensive income for the year	<u>229,302</u>	<u>101,146</u>
Total comprehensive income for the year	<u>416,584</u>	<u>502,809</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 31 DECEMBER 2024

	<i>Note</i>	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Non-current assets			
Investment properties		5,361,800	5,406,500
Investment property under development		2,911,500	2,805,000
Interest in leasehold land		44,551	46,531
Other property, plant and equipment		7,361,575	7,780,661
		<u>15,679,426</u>	<u>16,038,692</u>
Intangible assets		529,090	529,090
Goodwill		84,051	84,051
Interest in associates		569,660	609,147
Interest in joint venture		747,792	748,560
Other financial assets		1,354,446	1,267,029
Employee benefit assets		1,755,757	1,609,273
Deferred tax assets		763	2,028
		<u>20,720,985</u>	<u>20,887,870</u>
Current assets			
Spare parts		106,135	109,694
Accounts receivable	10	998,479	1,025,064
Other financial assets		108,190	463,722
Deposits and prepayments		44,895	43,530
Current tax recoverable		836	1,915
Restricted bank deposits		375,520	447,551
Bank deposits and cash		1,554,434	1,207,743
		<u>3,188,489</u>	<u>3,299,219</u>
Current liabilities			
Accounts payable and accruals	11	1,576,416	1,804,116
Contingency provision – insurance	12	91,919	91,823
Bank loans		842,500	1,262,075
Lease liabilities		3,542	3,589
Current tax payable		4,163	7,366
		<u>2,518,540</u>	<u>3,168,969</u>
Net current assets		<u>669,949</u>	<u>130,250</u>
Total assets less current liabilities		<u>21,390,934</u>	<u>21,018,120</u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 31 DECEMBER 2024
(continued)

	<i>Note</i>	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Non-current liabilities			
Bank loans		3,368,433	3,377,539
Lease liabilities		3,760	1,954
Deferred tax liabilities		1,065,950	1,010,093
Contingency provision – insurance	12	146,151	142,455
Provision for long service payments		97,308	80,492
		<u>4,681,602</u>	<u>4,612,533</u>
NET ASSETS		<u>16,709,332</u>	<u>16,405,587</u>
CAPITAL AND RESERVES			
Share capital		508,901	494,343
Reserves		16,200,431	15,911,244
TOTAL EQUITY		<u>16,709,332</u>	<u>16,405,587</u>

Notes:

1. Auditor's report

The Group's consolidated financial statements for the year ended 31 December 2024 have been audited in accordance with Hong Kong Standards on Auditing, issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), by the Group's auditor, KPMG, Certified Public Accountants, whose unmodified auditor's report is included in the annual report to be sent to shareholders. The results have also been reviewed by the Company's Audit and Risk Management Committee.

The financial figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 December 2024 as set out in the preliminary announcement have been compared by KPMG to the amounts set out in the Group's audited consolidated financial statements for the year and the amounts were found to be in agreement. The work performed by KPMG in this respect did not constitute an audit, review or other assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the HKICPA and consequently no assurance has been expressed by the auditor on this announcement.

2. Basis of preparation

The annual results set out in the announcement are extracted from the Group's consolidated financial statements, which have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards ("HKFRSs"), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations issued by the HKICPA, and the disclosure requirements of the Hong Kong Companies Ordinance.

The HKICPA has issued certain amendments to HKFRSs that are first effective or available for early adoption for the current accounting period of the Group.

None of these developments have had a material effect on how the Group's results and financial position for the current or prior periods have been prepared or presented. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

3. Segment reporting

For the purposes of assessing segment performance and allocating resources between segments, the Group's chief operating decision maker monitors the results, assets and liabilities attributable to each reportable segment on the following bases:

Revenue and expenses are allocated to the reportable segments with reference to the revenue generated and expenses incurred by those segments. The measure used for reporting segment profit is net profit after taxation, adjusted for head office or corporate administration costs which are not specifically attributable to individual segments. Inter-segment revenue is priced with reference to the price charged to external parties for similar transactions.

Segment assets and segment liabilities include all current and non-current assets and liabilities, respectively, which are directly managed by the segments.

Information regarding the Group's reportable segments for the years ended 31 December 2024 and 2023 is set out below:

	Franchised bus operations		Property holdings and development		All other segments (Note)		Total	
	2024	2023	2024	2023	2024	2023	2024	2023
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Revenue from external customers	7,849,268	7,563,831	98,618	82,906	267,467	238,016	8,215,353	7,884,753
Inter-segment revenue	1,882	1,355	4,370	4,453	4,455	903	10,707	6,711
Reportable segment revenue	7,851,150	7,565,186	102,988	87,359	271,922	238,919	8,226,060	7,891,464
Reportable segment profit/(loss)	168,462	34,597	(18,108)	333,969	16,924	42,097	167,278	410,663
Interest income	4,952	4,745	-	-	250	318	5,202	5,063
Interest expense	(78,654)	(86,887)	(19,689)	(23,177)	-	-	(98,343)	(110,064)
Depreciation	(1,162,231)	(1,103,472)	(1,180)	(540)	(32,849)	(28,675)	(1,196,260)	(1,132,687)
Staff costs	(4,284,920)	(4,012,799)	-	-	(134,189)	(121,100)	(4,419,109)	(4,133,899)
Change in fair value of investment properties and investment property under development	-	-	(78,200)	287,380	-	-	(78,200)	287,380
Share of profits of associates	-	-	-	-	637	31,138	637	31,138
Share of profit of joint venture	-	-	8,552	8,110	-	-	8,552	8,110
Income tax expense	(33,876)	(8,193)	(10,155)	(7,408)	(12,989)	(13,852)	(57,020)	(29,453)
Reportable segment assets	10,715,561	10,665,139	9,086,175	9,020,713	1,520,886	1,550,081	21,322,622	21,235,933
- including interest in associates	-	-	-	-	569,660	609,147	569,660	609,147
- including interest in joint venture	-	-	747,792	748,560	-	-	747,792	748,560
Additions to non-current segment assets during the year	744,992	1,078,898	142,626	617,248	31,939	55,406	919,557	1,751,552
Reportable segment liabilities	4,411,358	4,617,357	2,683,917	3,051,451	82,988	87,247	7,178,263	7,756,055

Note: Other operating segments which do not meet the quantitative thresholds prescribed by HKFRS 8, *Operating segments*, for determining reportable segments are combined as "all other segments". Such operating segments mainly represented non-franchised transport operations and interest in associates.

3. Segment reporting (continued)

Reconciliation of reportable segment revenue, profit, assets and liabilities

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
<i>Revenue</i>		
Reportable segment revenue	7,954,138	7,652,545
Revenue from all other segments	271,922	238,919
	<u>8,226,060</u>	<u>7,891,464</u>
Elimination of inter-segment revenue	(10,707)	(6,711)
Consolidated revenue	<u>8,215,353</u>	<u>7,884,753</u>
<i>Profit</i>		
Reportable segment profit	150,354	368,566
Profit from all other segments	16,924	42,097
	<u>167,278</u>	<u>410,663</u>
Unallocated profits/(losses)	20,004	(9,000)
Consolidated profit after taxation	<u>187,282</u>	<u>401,663</u>
<i>Assets</i>		
Reportable segment assets	19,801,736	19,685,852
Assets from all other segments	1,520,886	1,550,081
	<u>21,322,622</u>	<u>21,235,933</u>
Unallocated assets	2,586,852	2,951,156
Consolidated total assets	<u>23,909,474</u>	<u>24,187,089</u>
<i>Liabilities</i>		
Reportable segment liabilities	7,095,275	7,668,808
Liabilities from all other segments	82,988	87,247
	<u>7,178,263</u>	<u>7,756,055</u>
Unallocated liabilities	21,879	25,447
Consolidated total liabilities	<u>7,200,142</u>	<u>7,781,502</u>

3. Segment reporting (continued)

Geographic information

Substantially all of the Group's revenue from external customers, based on the location at which the services were provided, is generated in Hong Kong. The following table sets out information about the geographical location of the Group's investment properties, investment property under development, interest in leasehold land, other property, plant and equipment, intangible assets, goodwill, interest in associates and interest in joint venture ("specified non-current assets"). The geographical location of the specified non-current assets is based on the physical location of the asset in the case of investment properties, investment property under development, interest in leasehold land and other property, plant and equipment, the location of the operation to which they are allocated in the case of intangible assets and goodwill, and the location of operations in the case of interest in associates and interest in joint venture.

	Specified non-current assets	
	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Hong Kong	16,879,848	17,239,295
Mainland China	730,171	770,245
	<u>17,610,019</u>	<u>18,009,540</u>

4. Other net income

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Dividend income from equity investments	81,541	91,454
Interest income on financial assets measured at FVOCI (recycling)	25,603	54,202
Interest income on financial assets measured at amortised cost	61,121	59,187
Net loss on derecognition of financial assets measured at FVOCI (recycling)	(3,098)	(7)
Net foreign exchange (loss)/gain	(6,482)	1,748
Expected credit losses on other financial assets	(171,000)	(260,000)
	(12,315)	(53,416)
Claims received	24,116	15,493
Net miscellaneous business receipts	12,885	11,868
Net gain on disposal of other property, plant and equipment	4,162	3,606
Government subsidies	15,744	7,748
Sundry income	67,807	82,807
	112,399	68,106

5. Profit before taxation

Profit before taxation is arrived at after charging/(crediting):

(a) Staff costs

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Contributions to defined contribution retirement plans	185,469	178,599
(Income)/expenses recognised in respect of defined benefit plans:		
- Employee benefit assets	(12,926)	(18,089)
- Long service payments	11,543	9,808
Total retirement cost	184,086	170,318
Equity-settled share-based payment expenses	3,454	6,248
Salaries, wages and other benefits	4,244,209	3,968,844
	4,431,749	4,145,410
Less: staff costs included in cost of mask production	(778)	(953)
	4,430,971	4,144,457
(b) Other items		
Insurance expenses (including the contingency provision for insurance)	198,117	181,506
Provision for toll exemption fund (Note)	129,749	149,723

Note: The HKSAR Government announced that with effect from 17 February 2019, all franchised buses are exempted from paying tolls when using Government tunnels and roads. However, each franchised bus operator is required to spend an equivalent amount of the toll saved to set up its own dedicated account known as the "Toll Exemption Fund" which will normally be used to lower the magnitude of future fare increases. In addition, any additional fare revenue resulting from the increase of the bus fare on the jointly operated routes with other franchised bus operators arising from a fare adjustment is required to be paid into the Toll Exemption Fund. The balance of the Toll Exemption Fund of the Group as at 31 December 2024, included in accounts payable and accruals (Note 11), was HK\$353,784,000 (2023: HK\$420,764,000).

6. Finance costs

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Interest on bank loans	222,772	234,566
Interest on lease liabilities	317	290
Total interest expenses on financial liabilities not measured at fair value through profit or loss	<u>223,089</u>	<u>234,856</u>
Less: interest expense capitalised (Note)	<u>(124,746)</u>	<u>(124,792)</u>
	<u>98,343</u>	<u>110,064</u>

Note: The borrowing costs have been capitalised at the average interest rate of 4.92% per annum (2023: 4.60% per annum).

7. Dividends

(a) *Dividends paid/payable to equity shareholders of the Company attributable to the year*

	2024		2023	
	Per share <i>HK\$</i>	Total <i>HK\$'000</i>	Per share <i>HK\$</i>	Total <i>HK\$'000</i>
Interim dividend declared and paid	-	-	0.30	146,074
Final dividend proposed after the end of the reporting period	<u>0.50</u>	<u>254,451</u>	<u>0.50</u>	<u>247,172</u>
	<u>0.50</u>	<u>254,451</u>	<u>0.80</u>	<u>393,246</u>

The Board decided not to declare an interim dividend for the six months ended 30 June 2024 (six months ended 30 June 2023: HK\$0.30 per share).

The interim dividend with a scrip dividend alternative in respect of the six months ended 30 June 2023 was paid on 18 October 2023, of which HK\$74,360,000 was settled by the issuance of 7,428,592 shares at an issue price of HK\$10.01 per share under the scrip dividend scheme.

At the Board meeting held on 20 March 2025, the Directors recommended a final dividend of HK\$0.50 per share for 2024 (2023: HK\$0.50 per share). Such dividend, which will be proposed at the Annual General Meeting of the Company to be held on 15 May 2025, has not been recognised as a liability at the end of the reporting period.

7. Dividends (continued)

(b) *Dividends payable to equity shareholders of the Company attributable to the previous financial year, approved and paid during the year*

	2024		2023	
	Per share	Total	Per share	Total
	<i>HK\$</i>	<i>HK\$'000</i>	<i>HK\$</i>	<i>HK\$'000</i>
Final dividend in respect of the previous financial year, approved and paid during the year	0.50	247,172	0.50	237,470

The final dividend with a scrip dividend alternative in respect of the year ended 31 December 2023 was paid on 28 June 2024, of which HK\$130,879,000 was settled by the issuance of 14,558,307 shares at an issue price of HK\$8.99 per share under the scrip dividend scheme.

The final dividend with a scrip dividend alternative in respect of the year ended 31 December 2022 was paid on 30 June 2023, of which HK\$118,667,000 was settled by the issuance of 11,974,451 shares at an issue price of HK\$9.91 per share under the scrip dividend scheme.

8. Income tax expense

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Current tax		
Hong Kong Profits tax	19,721	20,521
(Over)/under-provision in respect of prior years	<u>(56)</u>	<u>4,703</u>
	<u>19,665</u>	<u>25,224</u>
Withholding tax outside Hong Kong	<u>177</u>	<u>283</u>
	<u>19,842</u>	<u>25,507</u>
Deferred tax		
Origination and reversal of temporary differences	<u>37,178</u>	<u>3,946</u>
Actual tax expense	<u>57,020</u>	<u>29,453</u>

The provision for Hong Kong Profits tax for 2024 is calculated at 16.5% (2023: 16.5%) of the estimated assessable profits for the year, except for a subsidiary of the Group which is a qualifying corporation under the two-tier profits tax rate regime. For this subsidiary, the first HK\$2 million of assessable profits are taxed at 8.25% (2023: 8.25%) and the remaining assessable profits are taxed at 16.5% (2023: 16.5%).

9. Earnings per share

(a) Reported earnings per share

The calculations of basic and diluted earnings per share are based on the profit attributable to equity shareholders of the Company of HK\$187,282,000 (2023: HK\$401,663,000) and the weighted average number of ordinary shares in issue during the year, calculated as follows:

	2024	2023
Issued ordinary shares at 1 January	494,343,118	474,940,075
Effect of shares issued in respect of scrip dividend	7,438,261	7,595,665
Weighted average number of ordinary shares at 31 December	<u>501,781,379</u>	<u>482,535,740</u>

Diluted earnings per share were the same as the basic earnings per share as there were no dilutive potential ordinary shares during the year. Share options were excluded from the diluted weighted average number of ordinary shares calculation because their effect would have been anti-dilutive.

(b) Underlying earnings per share

For the purpose of assessing the underlying performance of the Group, basic and diluted underlying earnings per share are additionally calculated based on the underlying profit attributable to equity shareholders of the Company of HK\$265,482,000 (2023: HK\$114,283,000), which excluded the effect of the change in fair value of investment properties and investment property under development. A reconciliation of profit is as follows:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Profit attributable to equity shareholders as shown in the consolidated statement of profit or loss	187,282	401,663
Change in fair value of investment properties and investment property under development	78,200	(287,380)
Underlying profit attributable to equity shareholders	<u>265,482</u>	<u>114,283</u>

10. Accounts receivable

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Trade and other receivables	941,445	966,990
Interest receivable	57,394	58,434
Less: loss allowance	(360)	(360)
	<u>998,479</u>	<u>1,025,064</u>

All of the accounts receivable are expected to be recovered within one year.

Included in accounts receivable are trade receivables (net of loss allowance) with the following ageing analysis, based on the due date, as of the end of the reporting period:

	2024 <i>HK\$'000</i>	2023 <i>HK\$'000</i>
Current	167,732	160,997
Less than 1 month past due	15,473	69,151
1 to 3 months past due	10,275	54,469
More than 3 months past due	251,193	177,269
	<u>444,673</u>	<u>461,886</u>

According to the Group's credit policy, the credit period granted to customers is generally between 30 days and 90 days. Therefore, all the balances which are not past due as disclosed above are within three months from the invoice date.

11. Accounts payable and accruals

	2024	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
Trade payables	127,589	144,811
Balance of passenger reward	-	-
Balance of Toll Exemption Fund (Note 5(b))	353,784	420,764
Retention payables	51,814	72,946
Deposits received in advance, other payables and accruals	1,038,307	1,160,673
Amount due to an associate	4,922	4,922
	<u>1,576,416</u>	<u>1,804,116</u>

All of the accounts payable and accruals are expected to be settled within one year.

Amount due to an associate is unsecured, interest-free and has no fixed terms of settlement.

Included in accounts payable and accruals are trade payables with the following ageing analysis, based on the due date, as of the end of the reporting period:

	2024	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
Due within 1 month or on demand	125,622	142,379
Due after 1 month but within 3 months	1,206	1,537
Due after more than 3 months	761	895
	<u>127,589</u>	<u>144,811</u>

The credit period granted to the Group is generally between 30 days and 90 days.

12. Contingency provision – insurance

	2024	2023
	<i>HK\$'000</i>	<i>HK\$'000</i>
At 1 January	234,278	237,045
Provision charged to profit or loss	78,304	66,148
Payments made during the year	(74,512)	(68,915)
At 31 December	238,070	234,278
	<u>238,070</u>	<u>234,278</u>
Representing:		
Current portion	91,919	91,823
Non-current portion	146,151	142,455
	238,070	234,278
	<u>238,070</u>	<u>234,278</u>

The Group is involved from time to time in litigation and claims in connection with its transport operations. Contingency provision – insurance represents amounts set aside annually by the Group to meet liabilities which are expected to arise from third party claims for incidents which have occurred prior to the end of the reporting period in connection with the Group's transport operations.

RESULTS

The Group's underlying profit attributable to equity shareholders for the year ended 31 December 2024, excluding the effect of the change in fair value of investment properties and investment property under development, amounted to HK\$265.5 million, compared to HK\$114.3 million last year. Underlying earnings per share was HK\$0.53, compared to HK\$0.24 last year. The increase in underlying profit was mainly attributable to the improvement in the financial performance of the franchised public bus operations, but partly offset by expected credit losses on certain listed debt securities.

Reported profit and reported earnings per share attributable to equity shareholders were HK\$187.3 million and HK\$0.37 respectively, compared to HK\$401.7 million and HK\$0.83 last year. The 2024 reported profit included a decrease in fair value of investment properties and investment property under development of HK\$78.2 million, compared to an increase of HK\$287.4 million last year.

PROPOSED DIVIDEND

The Board has proposed the payment to shareholders registered as at 21 May 2025 an ordinary final dividend of HK\$0.50 per share (2023: HK\$0.50 per share) totalling HK\$254.5 million (2023: HK\$247.2 million). As the Board did not declare any interim dividend during 2024 (2023: HK\$0.30 per share), total dividends for the year will amount to HK\$0.50 per share (2023: HK\$0.80 per share) and the total dividend payout will amount to HK\$254.5 million (2023: HK\$393.2 million).

The ordinary final dividend will be payable in cash, with an option for the shareholders of the Company to receive new and fully paid ordinary shares in lieu of cash or partly in cash or partly in shares under a scrip dividend scheme (the "Scrip Dividend Scheme"). The new shares will, on issue, not be entitled to the aforesaid ordinary final dividend, but will rank pari passu in all other respects with the existing shares. The circular containing details of the Scrip Dividend Scheme and the election form are expected to be sent to shareholders on or about 30 May 2025.

The Scrip Dividend Scheme is conditional upon the passing of the resolution relating to the payment of ordinary final dividend at the forthcoming Annual General Meeting ("AGM") to be held on 15 May 2025 or at any adjournment

thereof and the granting of the listing of and permission to deal in the new shares to be issued under the Scrip Dividend Scheme by the Listing Committee of The Stock Exchange of Hong Kong Limited. The ordinary final dividend and the share certificates to be issued under the Scrip Dividend Scheme are expected to be distributed and sent to shareholders on 26 June 2025.

The Transfer Books of the Company will be closed from 12 May 2025 to 15 May 2025, both dates inclusive. In order to be eligible to attend and vote at the AGM, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrars in Hong Kong, Computershare Hong Kong Investor Services Limited (the "Branch Share Registrars") at 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on 9 May 2025.

For the purpose of ascertaining shareholders' entitlement to the proposed ordinary final dividend of the Company for the year ended 31 December 2024, the Transfer Books of the Company will be closed on 21 May 2025. In order to qualify for the proposed ordinary final dividend, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's Branch Share Registrars at the aforementioned address for registration not later than 4:30 p.m. on 20 May 2025.

MANAGEMENT REVIEW AND OUTLOOK

REVIEW OF OPERATIONS AND RESULTS OF INDIVIDUAL BUSINESS UNIT

Franchised Public Bus Operations

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

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 11.3% 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.

Long Win Bus Company Limited (“LWB”)

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).

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 Midtown”, 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.

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.

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.

FINANCIAL LIQUIDITY AND RESOURCES

The Group closely monitors its liquidity requirement and financial resources to ensure that a healthy financial position is maintained such that cash inflows from operating activities together with the Group’s reserves of cash and liquid assets and undrawn banking facilities are sufficient to meet the requirements for loan repayments, daily operational needs and capital expenditure as well as potential business expansion and development. The Group’s operations are mainly financed by shareholders’ funds and bank loans. In general, major operating companies of the Group arrange their own financing to meet their operational and specific needs. The Group’s other subsidiaries are mainly financed by the Company’s capital base. The Group reviews its funding policy from time to time to ensure that cost-efficient and flexible funding is available to cater for the unique operating environment of each subsidiary.

As at 31 December 2024, the Group’s net borrowing (i.e. total borrowings less cash and deposits at banks) amounted to HK\$2,281.0 million (2023: HK\$2,984.3 million) with a liquidity ratio (the ratio of current assets to current liabilities) of 1.3 (2023: 1.0).

As at 31 December 2024, the Group had undrawn banking facilities totalling HK\$2,870.0 million (2023: HK\$2,450.0 million).

The finance costs incurred by the Group for the year ended 31 December 2024 were HK\$98.3 million, a decrease of HK\$11.8 million compared with HK\$110.1 million for 2023. The decrease was mainly due to the decrease in average bank borrowings of the Group but partly offset by the increase in average interest rate from 4.24% per annum for 2023 to 4.49% per annum for 2024.

CAPITAL EXPENDITURE

As at 31 December 2024, the Group's investment properties, investment property under development, interest in leasehold land and other property, plant and equipment (comprising buildings, buses and other motor vehicles, buses under construction, tools and others) amounted to HK\$15,679.4 million (2023: HK\$16,038.7 million). The decrease was mainly due to the reduction in fleet replacement. None of the assets was pledged or charged as at 31 December 2024.

EMPLOYEES AND REMUNERATION POLICIES

Running a transport operation is a labour intensive business, and staff costs accounted for about 56% (2023: 54%) of the total operating expenses of the Group in 2024. The Group closely monitors its headcount and staff remuneration in line with productivity and the prevailing market trends. The Group's total remuneration excluding retirement costs and equity-settled share-based payment expenses for 2024 amounted to HK\$4,244.2 million (2023: HK\$3,968.8 million). As at 31 December 2024, the Group employed approximately 12,700 staff (2023: over 13,000 staff).

OUTLOOK

In the face of uncertainties in the global and Hong Kong economies, coupled with the tense geopolitical situation, volatile international oil prices and continuous expansion of the local railway network, the bus operating environment is filled with challenges. With the HKSAR Government's implementation of various development blueprints and measures to boost the economy and people's livelihood, the demand for local travel is expected to rise steadily. Benefiting from the more frequent flow of people between Hong Kong and Mainland China, bus passenger volume and fare-box revenue will grow accordingly.

The Northern Metropolis is one of the key development areas in Hong Kong. The pilot development of three local districts will integrate private residential, industrial and public facilities, with 60,000 residential units to be completed in the next five years. Upon completion, it is expected to add 500,000 housing units. The Group will endeavour to provide services in the new development area, offering residents convenient and comfortable bus trips while also providing momentum for economic development.

Located in the prime area of Kwun Tong in East Kowloon, The Millennity achieved LEED Platinum pre-certification and WELL Platinum pre-certification. It has also been awarded a Platinum pre-certification for new buildings under BEAM Plus by the Hong Kong Green Building Council. These certifications recognise The Millennity's outstanding performance in energy efficiency, environmental sustainability, and emissions reduction, among other aspects. Covering 1.15 million square feet, the project consists of two buildings, including two 20-storey Grade-A office towers and a 10-storey large-scale shopping mall at the podium level. The office towers have already been occupied by several major corporations. The Group believes that The Millennity will generate long-term, sustainable, and stable income.

In addition to local bus services, with its professional experience in transportation, the Group signed a memorandum of understanding for cooperation with the Integrated Transport Centre of Abu Dhabi, United Arab Emirates. Drawing on KMB's extensive experience in operating local public transport, the Group aims to contribute to the transformation of the public transport system in Abu Dhabi, while promoting and participating in the development of green transportation in the region, including diverse travel options, smart travel and green transportation, in alignment with the national "Belt and Road" initiative.

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.

CORPORATE GOVERNANCE

The Company has complied with the applicable code provisions in the Corporate Governance Code set out in Appendix C1 of 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.

AUDIT AND RISK MANAGEMENT COMMITTEE

The Audit and Risk Management Committee of the Company, together with management and the Company's external auditors, KPMG, 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 financial results for the year ended 31 December 2024.

By Order of the Board
Norman LEUNG Nai Pang
Chairman

Hong Kong, 20 March 2025

The Directors of the Company as at the date of this announcement are:

Independent Non-executive Directors:

Dr. Norman LEUNG Nai Pang, *GBS, JP* (Chairman)
Dr. John CHAN Cho Chak, *GBS, JP* (Deputy Chairman)
Dr. Eric LI Ka Cheung, *GBS, OBE, JP*
Professor LIU Pak Wai, *SBS, JP*
Mr. TSANG Wai Hung, *GBS, PDSM, JP*
Ms. WANG Xiao Bin

Non-executive Directors:

Mr. Raymond KWOK Ping Luen, *JP* (Mr. WONG Hong Kit as his alternate)
Mr. Charles LUI Chung Yuen, *M.H.*
Mr. William LOUEY Lai Kuen (Ms. LAU Man-Kwan, Julia as his alternate)
Ms. Winnie NG, *JP*
Mr. Allen FUNG Yuk Lun
Dr. CHEUNG Wing Yui, *BBS*
Mr. LEE Luen Fai, *BBS, JP*
Mr. LUNG Po Kwan
Mr. Christopher KWOK Kai-wang, *JP*

Executive Director:

Mr. Roger LEE Chak Cheong (Managing Director)

** For identification purpose only*