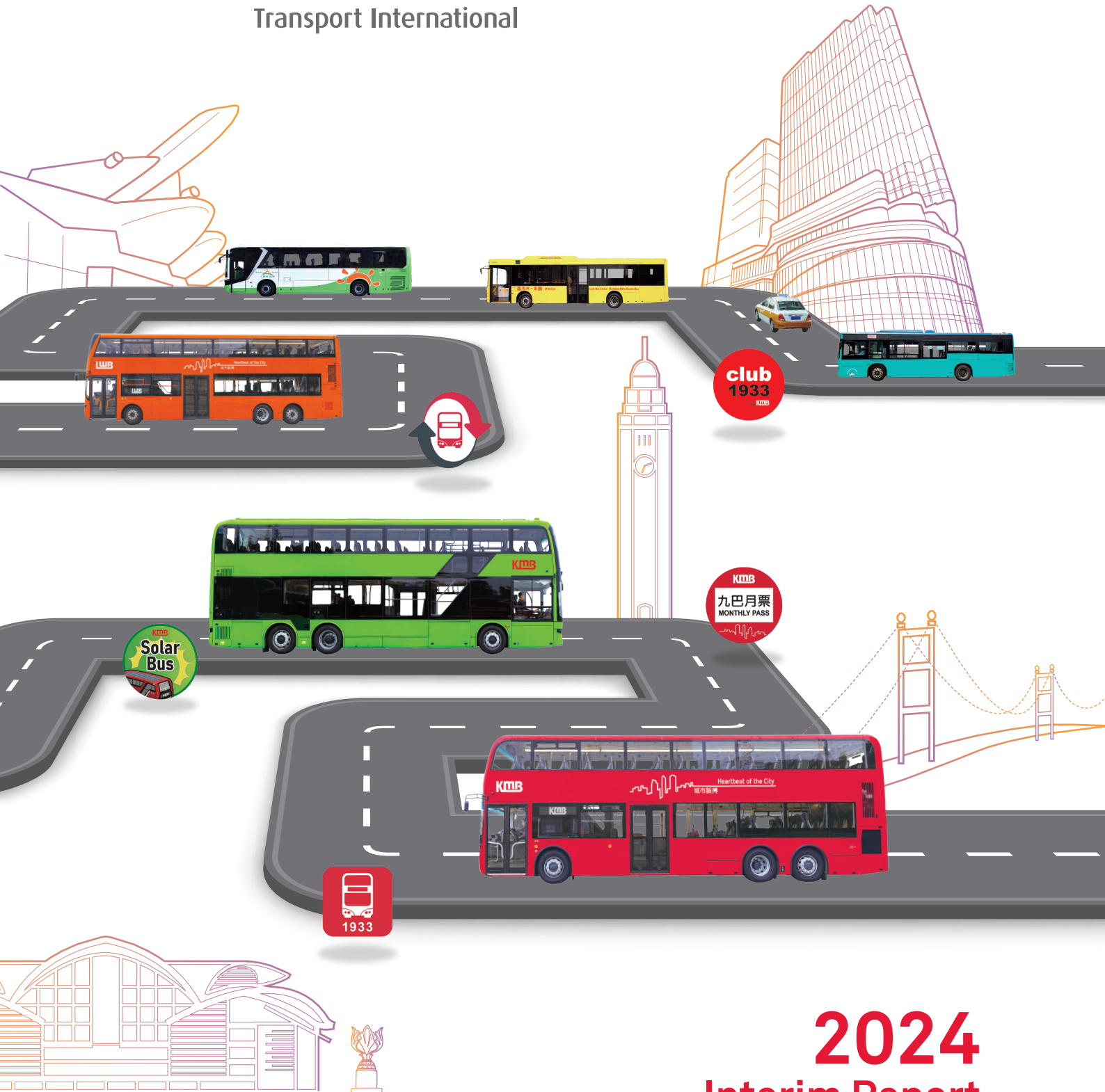




載通國際

Transport International



2024 Interim Report

Transport International Holdings Limited

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INTERIM RESULTS

The Group's unaudited profit attributable to equity shareholders of the Company for the six months ended 30 June 2024 was HK\$120.3 million (six months ended 30 June 2023: HK\$133.7 million). The slight decline was mainly because the positive change in fair value on investment properties and investment property under development reported in 2023 had not recurred in 2024. Earnings per share for the six months ended 30 June 2024 was HK\$0.24 (six months ended 30 June 2023: HK\$0.28).

INTERIM DIVIDEND

After careful considerations of the ongoing challenges and uncertainties ahead, the Board does not recommend the declaration of an interim dividend for the six months ended 30 June 2024 (six months ended 30 June 2023: HK\$0.30 per share).

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\$21.9 million for the six months ended 30 June 2024, compared to the loss after taxation of HK\$48.2 million for the six months ended 30 June 2023. The improvement was mainly due to the increase in fare revenue but was partly offset by the increase in staff costs. Nevertheless, KMB continues to face several headwinds including rising staff costs and the instability of international fuel price which could have significant financial impact.
- Fare revenue for the six months ended 30 June 2024 was HK\$3,439.9 million, an increase of HK\$185.7 million or 5.7% compared with HK\$3,254.2 million for the corresponding period in 2023. The increase was mainly due to the increase in fare revenue as a result of the increase in bus patronage.
- Total operating expenses for the six months ended 30 June 2024 amounted to HK\$3,590.5 million, an increase of 2.1% compared with HK\$3,517.7 million for the corresponding period in 2023. The increase was mainly attributable to the increase in staff costs, fuel costs and depreciation resulting from pay rises, high international fuel prices and fleet replacement, respectively.
- As at 30 June 2024, KMB operated a total of 440 routes (31 December 2023: 438 routes) covering Kowloon, the New Territories and Hong Kong Island. KMB completed the set-up of 31 Bus-Bus Interchanges ("BBI") in major locations across Hong Kong in 2023, and continues to review the efficiency of its bus network. The BBI hubs encouraged more passengers to take KMB/LWB bus routes by providing more choices and value-for-money services. A new BBI page was also introduced in App1933 to show locations covered by the BBI network. Routes involving the BBIs are listed by destinations, showing information such as platform numbers, location of the platforms, estimated travelling time, and interchange discounts.
- During the first half of 2024, a total of 20 Euro VI buses with the latest safety, environmental and design features were added to the fleet. As at 30 June 2024, KMB operated 4,020 buses (31 December 2023: 4,055 buses), comprising 3,877 double-deck (44 of which are electric double-deck buses) and 143 single-deck buses (26 of which are electric single-deck buses). In addition, a total of 8 electric buses and 110 Euro VI double-deck buses were awaiting licensing in the second half of 2024.

Long Win Bus Company Limited (“LWB”)

- The profit after taxation of LWB for the six months ended 30 June 2024 was HK\$21.5 million, compared to the profit after taxation of HK\$3.2 million for the six months ended 30 June 2023, representing an increase of HK\$18.3 million compared with the corresponding period in 2023.
- Fare revenue for the six months ended 30 June 2024 increased by HK\$62.3 million or 25.9% to HK\$303.3 million compared with HK\$241.0 million for the corresponding period in 2023. The increase was mainly due to the growth in bus patronage.
- Total operating expenses for the six months ended 30 June 2024 amounted to HK\$278.5 million, an increase of HK\$41.4 million or 17.5% compared with HK\$237.1 million for the corresponding period in 2023. The increase was mainly due to the increase in staff costs and fuel costs.
- As at 30 June 2024, LWB had 30 BBI schemes covering 42 regular bus routes, operating both within LWB’s bus network and on joint inter-modal schemes run with other public transport operators. These BBI schemes provide passengers with interchange fare discounts and allow LWB to deploy its resources more effectively.
- As at 30 June 2024, LWB operated 53 regular routes with a fleet of 283 buses (31 December 2023: 285 buses), comprising 279 double-deck buses and 4 single-deck electric buses.

Non-franchised Transport Operations

The Group’s Non-franchised Transport Operations Division reported a profit after taxation of HK\$6.2 million for the six months ended 30 June 2024, compared to HK\$1.0 million for the six months ended 30 June 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 results of the SBH Group for the six months ended 30 June 2024 had improved compared to the corresponding period in 2023 mainly due to the growth in demand for cross-boundary services and the decrease in operating expenses, resulting from the implementation of various cost control measures by management to streamline the business.
- As at 30 June 2024, the SBH Group had a fleet of 429 licensed buses (31 December 2023: 421 licensed buses). During the first half of 2024, 26 new coaches were purchased for fleet replacement and service enhancement purposes.

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 the six months ended 30 June 2024 increase by 57.3% compared with the corresponding period in 2023. The increase was mainly due to the increase in bus patronage as a result of full resumption of the Huang Bus services coupled with the recent trend of northbound spending for Hong Kong residents over weekends and holidays. Total operating expenses for the period increased correspondingly as a result of the full resumption of services compared with the first half of 2023.
- As at 30 June 2024, NHKB had a fleet of 15 super-low floor single-deck buses, the same number as at 31 December 2023.

Property Holdings and Development

The Group’s Property Holdings and Development Division reported a profit after taxation of HK\$29.1 million for the six months ended 30 June 2024, compared to the profit after taxation of HK\$18.8 million (excluding a fair value gain of HK\$140.1 million) for the corresponding period in 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 Company, together with Turbo Result Limited, a subsidiary of Sun Hung Kai Properties Limited (“SHKP”), owns The Millennity situated at No. 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 gross floor area of approximately 650,000 square feet in 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 and commencing their operations since 2023. The podium mall beneath The Millennity is still under construction and scheduled to have its opening later.
- As at 30 June 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 Company, owns the 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 for office use and rental purposes. A portion of the gross floor area is used by the Group as headquarters with the remaining gross floor area leased out to shops, offices 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 Company, owns the Manhattan Mid-town shopping mall, a two-level retail podium at Manhattan Hill. The 50,000 square feet shopping mall provides Manhattan Hill residents and other shoppers with high quality retail facilities. The shopping mall was leased out to a mix of shops and restaurants, generating a stream of recurring 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 on 29 December 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 30 June 2024, the entire lettable area of the property has been leased out to generate rental income for the Group.

China Mainland Transport Operations

As at 30 June 2024, the Group’s total interests in associates within the China Mainland Transport Operations Division amounted to HK\$588.7 million (31 December 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. The Group’s China Mainland Transport Operations Division reported similar results for the six months ended 30 June 2024, compared to the corresponding period in 2023.

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

- SZBG, which commenced operations in 2005, is a Sino-foreign joint stock company formed by a wholly-owned subsidiary of the Company and four other 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 (廣東省深圳市). As at 30 June 2024, it had a fleet of over 5,000 buses running on more than 330 routes and over 5,500 taxi.

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 2003. 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%. Until April 2013, BBKT operated both taxi hire and car rental businesses in Beijing. To provide greater focus on the business opportunities in 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). As at 30 June 2024, BBKT had a fleet of over 4,500 taxis.

Beijing Beiqi First Company Limited (北京北汽福斯特股份有限公司) (“BBF”)

- BBF is a Sino-foreign joint stock company, which was established in April 2013 with the same shareholding structure as BBKT to carry on the car rental business formerly operated by BBKT. BBF had over 1,000 vehicles available for hire as at 30 June 2024.

FINANCIAL POSITION

Capital Expenditure

As at 30 June 2024, the carrying values of 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\$15,919.7 million (31 December 2023: HK\$16,038.7 million), none of which was pledged or charged.

During the six months ended 30 June 2024, the Group incurred capital expenditure of HK\$487.2 million (six months ended 30 June 2023: HK\$1,040.5 million), which was mainly used for the purchase of new buses by the Group for fleet replacement and the development of The Millennity.

FUNDING AND FINANCING

Liquidity and financial resources

The Group closely monitors its liquidity requirements 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 daily operational needs, loan repayments and capital expenditure as well as potential business expansion and development. The Group’s operations are mainly financed by shareholders’ funds and bank loans.

TRANSPORT INTERNATIONAL HOLDINGS LIMITED

As at 30 June 2024, the Group's net borrowing (i.e. total borrowings less cash and deposits at banks) amounted to HK\$2,995.4 million (31 December 2023: HK\$2,984.3 million). The details of the Group's net cash/net borrowing position by currency are set out below:

Currency	Cash and deposits at bank in foreign currency million	Cash and deposits at bank HK\$ million	Bank loans HK\$ million	(Net borrowing)/ Net cash HK\$ million
<i>At 30 June 2024</i>				
Hong Kong dollars		925.0	(4,564.1)	(3,639.1)
United States dollars	81.5	636.6	–	636.6
Other currencies		7.1	–	7.1
Total		1,568.7	(4,564.1)	(2,995.4)
<i>At 31 December 2023</i>				
Hong Kong dollars		1,039.2	(4,639.6)	(3,600.4)
United States dollars	77.6	605.8	–	605.8
Other currencies		10.3	–	10.3
Total		1,655.3	(4,639.6)	(2,984.3)

As at 30 June 2024, bank loans, all unsecured, amounted to HK\$4,564.1 million (31 December 2023: HK\$4,639.6 million). The maturity profile of the bank loans of the Group is set out below:

	At 30 June 2024 HK\$ million	At 31 December 2023 HK\$ million
Within 1 year	1,152.5	1,262.1
After 1 year but within 2 years	1,224.0	12.5
After 2 years but within 5 years	2,187.6	3,365.0
	4,564.1	4,639.6

As at 30 June 2024, the Group had undrawn banking facilities totalling HK\$2,515.0 million (31 December 2023: HK\$2,450.0 million).

The finance costs incurred by the Group for the six months ended 30 June 2024 were HK\$53.8 million, an increase of HK\$4.7 million compared with HK\$49.1 million for the six months ended 30 June 2023. The increase was mainly due to the increase in average interest rate in respect of the Group's borrowings from 3.26% per annum for the six months ended 30 June 2023 to 4.53% per annum for the six months ended 30 June 2024, but partly offset with the decrease in average bank borrowings.

As at 30 June 2024, the Group's cash and deposits at banks (mainly denominated in Hong Kong dollars and United States dollars) amounted to HK\$1,568.7 million (31 December 2023: HK\$1,655.3 million).

FUNDING AND TREASURY POLICIES

In general, the Group's major operating companies arrange their own financing to meet their operational and specific needs. The Group's other subsidiaries are mainly financed from the capital base of their parent company. The Group reviews its funding policy from time to time to ensure that cost-efficient and flexible funding is available to meet the unique operating environment of each subsidiary.

The impact of fuel price movements on the results of the Group's core franchised public bus operations can be significant. Although exposure to fluctuations in the fuel price might be managed by the use of fuel derivatives, the Group has carefully evaluated the pros and cons of entering into fuel price hedging arrangements and concluded that fuel price hedging would be as risky as not hedging, and would not necessarily result in a better financial position for the Group in the long term. Alternatively, the Group enters into contracts with diesel suppliers from time to time for the supply of diesel. It is expected that the fuel price will continue to be volatile, and management will continue to closely monitor fuel price movements and constantly review its strategy in respect of fuel price risk management in the light of prevailing market conditions.

The Group is exposed to foreign currency risk primarily through purchases of new buses and motor vehicle components from overseas, investments in financial assets measured at FVOCI (recycling) and deposits placed at banks that are denominated in a foreign currency. The currencies giving rise to this risk are primarily British Pounds Sterling (GBP) and United States dollars (USD). In respect of the exposure in GBP used for bus purchases, the Group's treasury team will enter into forward foreign exchange contracts in a strategic manner when appropriate.

In view of the volatile financial markets and the prospect of interest rate hikes, the Group will continue to closely monitor the market conditions and devise suitable strategies to manage its exposure to interest rate risk in a prudent manner with different techniques and instruments, including natural hedges achieved by spreading loans over different rollover periods and maturity dates. Derivative financial instruments such as interest rate swaps, will be used when appropriate. As at 30 June 2024, all of the Group's borrowings were denominated in Hong Kong dollars and on a floating interest rate basis. The Group regularly reviews its strategy on interest rate risk management in the light of the prevailing market conditions.

The Group's credit risk is primarily attributable to trade and other receivables and debt investments. Management has a credit policy in place under which exposure to credit risk is monitored on an ongoing basis. The Group has established treasury management guidelines for investment of surplus cash reserves in debt securities for yield enhancement purposes. Limits are set for the total portfolio size and individual debt securities to minimise the overall risk as well as the concentration risk. The credit ratings of the debt issuers and market news relating to them, as available, are closely monitored over the life of the transactions. In addition, investment portfolio and investment strategies will be monitored and reviewed on a regular basis to minimise the risk of default on the investments in debt securities. Cash at bank and bank deposits are placed with licensed financial institutions with high credit ratings and the Group monitors the exposure to each financial institution. The Group does not provide guarantees to third parties which would expose the Group to credit risk.

CAPITAL COMMITMENTS

The Group's capital commitments as at 30 June 2024 amounted to HK\$217.3 million (31 December 2023: HK\$343.2 million). These commitments were mainly in respect of the purchases of buses and other motor vehicles and the development of The Millennity, which are to be financed by bank borrowings and from the Group's internal resources.

EMPLOYEES AND REMUNERATION POLICIES

Transport operations are labour intensive. For the six months ended 30 June 2024, total remuneration excluding retirement costs and equity-settled share-based payment expenses amounted to HK\$2,128.0 million (six months ended 30 June 2023: HK\$2,002.1 million), accounting for about 53% of the total operating costs of the Group. The Group closely monitors its headcount and staff remuneration in line with productivity and the prevailing market trends. Employee compensation, including salaries and retirement and medical benefits, is determined based on the principles of performance, fairness, transparency and market competitiveness. As at 30 June 2024, the Group employed about 12,800 staff (31 December 2023: over 13,000 staff).

OUTLOOK

The Hong Kong economy is gradually picking up speed amidst global economic recovery. As the boundaries have fully reopened and the exchange of people between China Mainland and Hong Kong has improved, the Group observes a prominent conversion in the spending behaviour and travel habits of local residents, which includes the outflow of passengers at weekends, the reduction of outgoing activities in late hours and the gradual recovery of inbound tourists, resulting in challenges to bus patronage. However, the Group remains steadfast in its commitment to delivering high-quality service to passengers through the two fully owned franchised bus companies, KMB and LWB. Of particular note is the Group's ongoing efforts to enhance transportation connectivity in new development areas. In this regard, KMB has dedicated significant resources towards establishing relevant infrastructure and new routes to provide enhanced convenience and accessibility for passengers in Sai Sha, Tai Po and other areas. These are expected to have a paramount impact on improving the daily livelihood and mobility of residents in these growing communities. As the Group continues to adapt and respond to evolving passenger needs, we anticipate these connectivity enhancements will play a crucial role in strengthening the Group's service offerings and solidifying its position as a trusted major public transport operator.

In respect of raising travellers' awareness of bus services and incentivising the adoption of bus services as their transportation of choice, KMB has rolled out the first-ever "Tourist Day Pass". It is expected to play a pivotal role in driving increased ridership on bus services among travellers to Hong Kong. By offering unlimited trips on over 450 KMB and LWB routes within a 24-hour period, the Pass provides tourists with a seamless, convenient, and comfortable travel experience. Importantly, the scheme also aims to cultivate a "hop on, hop off" culture, empowering travellers to explore the city's attractions through a more immersive, up-close experience on the double-decker buses. Meanwhile, LWB has introduced enhancements to selected Airport Routes, including the introduction of services that now traverse the Hong Kong-Zhuhai-Macao Bridge – Hong Kong Port. This has provided travellers with a more convenient commuting option when accessing the Bridge and other parts of the city. This strategic move by KMB and LWB aligns well with the HKSAR Government's latest focus on tourism enhancement, and is anticipated to help reinvigorate the momentum of Hong Kong's tourism industry in the coming period.

Green transportation has been in the heart of the Group's operations. As the city's foremost advocate for carbon emissions reduction, the Group continues to proactively demonstrate the merits of electric buses. The deployment of electric buses on nearly 40 bus routes across Hong Kong in our fleets exemplifies the profound significance of the new energy transformation underway in the city.

The Group has always been keen on the betterment of services to passengers in need. In collaboration with non-government organisations, KMB has introduced “Audio Bus Stops” equipped with wireless radio frequency identification system devices. This initiative has been rolled out at 15 frequently used bus stops in Sham Shui Po, catering to the needs of visually impaired passengers. This solution not only offers greater convenience to individuals with visual impairments, but also fosters a more inclusive and compassionate community.

Diversified development has been the strategy of the Group for sustainable growth. The two grade-A office towers of The Millennity, a premium commercial project in Kwun Tong, have been substantially rented to a number of large organisations and enterprises. The 500,000-square-foot megamall at the podium is also expected to open later. These will provide a steady return for our shareholders.

Looking ahead, the Group is well-positioned to play a pivotal role in bolstering Hong Kong’s transportation infrastructure and driving greater adoption of zero-emission buses with the backing of the HKSAR Government. The Group eagerly anticipates building upon these strategic priorities, leveraging the expertise and dedication of our staff as well as the support of the general public.

By Order of the Board

Norman LEUNG Nai Pang
Chairman

Hong Kong, 15 August 2024

SUPPLEMENTARY INFORMATION

CHANGES IN THE COMPOSITION OF THE BOARD

The changes in the composition of the Board since the date of the 2023 Annual Report of the Company are set out below:

With effect from 20 June 2024, Ms LAU Man-Kwan, Julia has been appointed, in place of Mr GAO Feng, as alternate director to Mr William LOUEY Lai Kuen, a Non-executive Director of the Company.

Further details of the above was set out in the Company's announcement dated 20 June 2024.

CHANGES IN DIRECTORS' BIOGRAPHICAL DETAILS

The changes in Directors' biographical details since the date of the 2023 Annual Report of the Company which are required to be disclosed pursuant to Rule 13.51B(1) of The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") are set out below:

Dr John CHAN Cho Chak* GBS, JP, DBA(Hon), DSocSc(Hon), BA, DipMS, CCMI, FCILT, FHKIoD

Dr Chan ceased to be a member of the Board of Directors and Chairman of the Executive Committee of the Community Chest of Hong Kong.

Winnie NG[^] JP, BA, MBA(Chicago), MPA(Harvard), FCIM, CMILT, MHKIoD

Ms Ng ceased to be a member of Town Planning Board.

Andy TSANG Wai Hung* GBS, PDSM, JP, MBA

Mr Tsang ceased to be the strategist for Chen Hsong Holdings Limited.

Dr CHEUNG Wing Yui[^] BBS, BCom, Hon DBA, CPA(Aust.)

Dr Cheung ceased to be a Non-executive Director of Tianjin Development Holdings Limited.

Christopher KWOK Kai-wang[^] JP, MBA, BSc

Mr Kwok is currently a council member of Hong Kong Chronicles Institute Limited.

(* Independent Non-executive Director)

([^] Non-executive Director)

Other than the information disclosed above, there is no other information that is required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules.

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

The Directors of the Company who held office as at 30 June 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 (the "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	-	-	-	-	625,107	0.123%
	<i>(note 1)</i>						
William LOUEY Lai Kuen	9,816,161	11,383	-	-	14,780,137	24,607,681	4.835%
					<i>(note 2)</i>		
Charles LUI Chung Yuen	14,271	-	-	3,484,915	-	3,499,186	0.688%
				<i>(note 3)</i>			
Winnie NG	305,416	-	-	28,079,613	-	28,385,029	5.578%
				<i>(note 4)</i>			
Dr Eric LI Ka Cheung*	17,600	-	-	-	-	17,600	0.003%
Professor LIU Pak Wai*	-	-	-	-	-	-	-
Allen FUNG Yuk Lun	-	-	-	-	-	-	-
Roger LEE Chak Cheong	157,072	-	-	-	-	157,072	0.031%
	<i>(Managing Director)</i>						
TSANG Wai Hung*	-	-	-	-	-	-	-
Dr CHEUNG Wing Yui	-	-	-	-	-	-	-
LEE Luen Fai	-	30,000	-	-	-	30,000	0.006%
LUNG Po Kwan	-	-	-	-	-	-	-
Christopher KWOK Kai-wang	-	-	-	-	-	-	-
WONG Hong Kit	-	-	-	-	-	-	-
	<i>(Alternate Director to Mr Raymond KWOK Ping Luen)</i>						
LAU Man Kwan Julia	1,576,971	-	-	-	23,019,327	24,596,298	4.833%
	<i>(Alternate Director to Mr William LOUEY Lai Kuen)</i>				<i>(note 5)</i>		

* Independent Non-executive Director

Notes:

1. Of these shares in the Company, Mr Raymond Kwok Ping Luen held 620,148 shares of the Company 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.

As at 30 June 2024, none of the Directors had any non-beneficial interest in the share capital of the Company.

II. Interests in Underlying Shares

Apart from the foregoing, none of the Directors 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.

SHARE OPTION SCHEMES

On 26 May 2016, the Company adopted a Share Option Scheme (the "Scheme"). Under the Scheme, the Board of Directors of the Company shall be entitled at any time within ten years commencing on 26 May 2016 to make an offer for the grant of a share option of the Company to any employees, including directors of the Company and its subsidiaries, as the Board may in its absolute discretion select. The options cannot be exercised under the Scheme before the first anniversary of 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.

Particulars of the outstanding share options granted under the Scheme and the movements during the six months ended 30 June 2024 were as follows:

	Number of share option					Outstanding as at 30 June 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 period	Exercised during the period	Cancelled during the period	Lapsed during the period					
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

TRANSPORT INTERNATIONAL HOLDINGS LIMITED

	Number of share option					Outstanding as at 30 June 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 period	Exercised during the period	Cancelled during the period	Lapsed during the period					
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
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

	Number of share option					Outstanding as at 30 June 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 period	Exercised during the period	Cancelled during the period	Lapsed during the period					
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

TRANSPORT INTERNATIONAL HOLDINGS LIMITED

	Number of share option					Outstanding as at 30 June 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 period	Exercised during the period	Cancelled during the period	Lapsed during the period					
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
Employees	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
Employees	7,630,000	-	-	(1,490,000)	-	6,140,000	31 March 2023	31 March 2024 to 30 March 2028 (note 4)	HK\$10.60	HK\$10.60
Others	400,000	-	-	-	(400,000)	-	19 November 2020	19 November 2021 to 18 November 2025 (note 5)	HK\$15.32	HK\$15.32
	430,000	-	-	-	(430,000)	-	31 March 2023	31 March 2024 to 30 March 2028 (note 5)	HK\$10.60	HK\$10.60
Total	24,435,000	-	-	(2,190,000)	(830,000)	21,415,000				

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

Notes:

- 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%

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%

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%

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:

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

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 lapsed.

The number of share options available for grant under the Scheme were 20,878,941 on 1 January 2023 and 4,528,941 on 31 December 2023, respectively. The number of share options available for grant under the Scheme was 4,528,941 on both 1 January 2024 and 30 June 2024.

The number of shares that may be issued in respect of share options granted under the Scheme during the year ended 31 December 2023 was 24,435,000 shares, representing 5.1% of the weighted average number of shares in issue of 482,535,740 shares for the year.

The number of shares that may be issued in respect of share options granted under the Scheme during the six months ended 30 June 2024 was 21,415,000 shares, representing 4.3% of the weighted average number of shares in issue of 494,583,090 for the period.

The number of shares available for issue under the Scheme was 28,963,941 shares, representing 5.9% of the issued shares of the Company of 494,343,118 shares as at 21 March 2024.

The total number of shares available for issue under the Scheme was 25,943,941 shares, representing 5.1% of the issued shares of the Company of 508,901,425 shares as at 15 August 2024.

Save as disclosed above, there were no other share options granted, exercised, cancelled or lapsed under the Scheme during the six months ended 30 June 2024.

DIRECTORS' INTERESTS IN CONTRACTS

As disclosed in note 18 to the interim financial report, certain subsidiaries of the Group entered into transactions with certain subsidiaries of a 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 SHKP. Among them, Mr Raymond Kwok Ping Luen is a director of SHKP, SUNeVision Holdings Limited and SmarTone Telecommunications Holdings Limited and is materially interested in these transactions by virtue of his interest and deemed interest under Part XV of the SFO in more than 5% of the issued shares of SHKP; and his son, Mr Christopher Kwok Kai-wang is a director of SHKP and SUNeVision Holdings Limited and is materially interested in these transactions by virtue of his 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 contract of significance to which the Company, its subsidiaries or fellow subsidiaries were a party and in which a Director of the Company had a material interest, subsisted at 30 June 2024 or at any time during the six months ended 30 June 2024.

DISCLOSEABLE INTERESTS OF SHAREHOLDERS IN SHARES AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 June 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			Total number of shares held	Percentage of total issued shares
	Registered shareholders	Corporate interests	Trustee interests		
HSBC Trustee (C. I.) Limited	–	–	223,076,240	223,076,240	43.8%
SHKP (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 SHKP includes the 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.

ISSUE OF SHARES

On 28 June 2024, the Company issued 14,558,307 shares in lieu of the final dividend for the year ended 31 December 2023 at an issue price of HK\$8.99 per share under the scrip dividend scheme as set out in the circular of the Company dated 31 May 2024.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S SHARES

Except for the aforesaid issue of shares on 28 June 2024, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the period under review.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company adopted the code of conduct regarding securities transactions by Directors as set out in Appendix C3 to the Listing Rules during the interim period under review, and, following specific enquiry by the Company, it is noted that all Directors complied with the required standard of dealings set out therein.

CORPORATE GOVERNANCE

The Company complied with the applicable code provisions in the Corporate Governance Code set out in Appendix C1 to the Listing Rules for the six months ended 30 June 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.

REVIEW OF INTERIM FINANCIAL REPORT

The interim financial report for the six months ended 30 June 2024 is unaudited, but has been reviewed in accordance with Hong Kong Standard on Review Engagements 2410, *Review of interim financial information performed by the independent auditor of the entity*, issued by the Hong Kong Institute of Certified Public Accountants, by the Company's external auditors, KPMG, whose review report is set out on page 48 of this interim report.

The Audit and Risk Management Committee of the Company, together with management and 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 unaudited interim financial report for the six months ended 30 June 2024.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

FOR THE SIX MONTHS ENDED 30 JUNE 2024 – UNAUDITED

(Expressed in Hong Kong dollars)

	Note	Six months ended 30 June	
		2024 \$'million	2023 \$'million
Revenue	3 & 4	4,064.4	3,805.4
Other income	5	115.1	98.2
Staff costs	6(b)	(2,220.6)	(2,084.3)
Depreciation		(605.4)	(593.6)
Fuel and oil		(504.5)	(487.9)
Spare parts		(110.0)	(106.7)
Toll charges		(109.2)	(144.9)
Other operating expenses		(443.5)	(452.1)
Profit from operations		186.3	34.1
Change in fair value of investment properties and investment property under development	11(a)	–	140.1
Finance costs	6(a)	(53.8)	(49.1)
Share of profits of associates		0.1	–*
Share of profit of joint venture		4.1	4.0
Profit before taxation	6	136.7	129.1
Income tax (expense)/credit	7	(16.4)	4.6
Profit for the period		120.3	133.7
Earnings per share	8		
Basic and diluted		\$0.24	\$0.28

* The amount represents amount less than \$0.1 million.

The notes on pages 29 to 47 form part of this interim financial report.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE SIX MONTHS ENDED 30 JUNE 2024 – UNAUDITED

(Expressed in Hong Kong dollars)

	Six months ended 30 June	
	2024 \$'million	2023 \$'million
Profit for the period	120.3	133.7
Other comprehensive income for the period (after tax and reclassification adjustments):		
<i>Item that will not be reclassified to profit or loss:</i>		
Equity investment at fair value through other comprehensive income ("FVOCI"): net movement in fair value reserve (non-recycling), net of nil tax	(63.9)	8.6
<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	(14.1)	(26.4)
Investments in financial assets measured at FVOCI (recycling): net movement in fair value reserve (recycling), net of nil tax	(4.7)	(91.6)
Share of other comprehensive income of an associate, net of nil tax	(6.4)	(0.4)
Other comprehensive income for the period	(89.1)	(109.8)
Total comprehensive income for the period	31.2	23.9

The notes on pages 29 to 47 form part of this interim financial report.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 30 JUNE 2024 – UNAUDITED

(Expressed in Hong Kong dollars)

	Note	At 30 June 2024 \$'million	At 31 December 2023 \$'million
Non-current assets			
Investment properties	11	5,406.5	5,406.5
Investment property under development	11	2,875.0	2,805.0
Interest in leasehold land		45.5	46.5
Other property, plant and equipment	10	7,592.7	7,780.7
		15,919.7	16,038.7
Intangible assets		529.1	529.1
Goodwill		84.1	84.1
Interest in associates		588.7	609.1
Interest in joint venture		748.7	748.6
Other financial assets	12	1,325.8	1,267.0
Employee benefit assets		1,615.6	1,609.3
Deferred tax assets		1.3	2.0
		20,813.0	20,887.9
Current assets			
Spare parts		115.4	109.7
Accounts receivable	13	932.1	1,025.1
Other financial assets	12	328.9	463.7
Deposits and prepayments		103.4	43.5
Current tax recoverable		3.1	1.9
Restricted bank deposits	14	410.4	447.6
Bank deposits and cash	14	1,158.3	1,207.7
		3,051.6	3,299.2
Current liabilities			
Accounts payable and accruals	15	1,626.3	1,804.1
Contingency provision – insurance		93.7	91.8
Bank loans		1,152.5	1,262.1
Lease liabilities		2.8	3.6
Current tax payable		9.3	7.4
		2,884.6	3,169.0

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AT 30 JUNE 2024 – UNAUDITED *(continued)*

(Expressed in Hong Kong dollars)

Note	At 30 June 2024 \$'million	At 31 December 2023 \$'million
Net current assets	167.0	130.2
Total assets less current liabilities	20,980.0	21,018.1
Non-current liabilities		
Bank loans	3,411.6	3,377.5
Lease liabilities	1.7	2.0
Deferred tax liabilities	1,020.0	1,010.1
Contingency provision – insurance	143.1	142.5
Provision for long service payments	81.2	80.5
	4,657.6	4,612.6
NET ASSETS	16,322.4	16,405.5
CAPITAL AND RESERVES		
Share capital	508.9	494.3
Reserves	15,813.5	15,911.2
TOTAL EQUITY	16,322.4	16,405.5

Approved and authorised for issue by the Board of Directors on 15 August 2024

Norman LEUNG Nai Pang
Chairman

Roger LEE Chak Cheong
Managing Director

The notes on pages 29 to 47 form part of this interim financial report.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED 30 JUNE 2024 – UNAUDITED

(Expressed in Hong Kong dollars)

	Note	Attributable to equity shareholders of the Company								
		Share capital \$'million	Share premium \$'million	Capital reserve \$'million	Other reserves \$'million	Exchange reserve \$'million	Fair value reserve (recycling) \$'million	Fair value reserve (non-recycling) \$'million	Retained profits \$'million	Total equity \$'million
Balance at 1 January 2023		474.9	1,318.7	5.7	1,102.6	92.4	(279.4)	966.7	12,405.4	16,087.0
Changes in equity for the six months ended 30 June 2023:										
Profit for the period		-	-	-	-	-	-	-	133.7	133.7
Other comprehensive income		-	-	-	-	(26.4)	(91.6)	8.2	-	(109.8)
Total comprehensive income		-	-	-	-	(26.4)	(91.6)	8.2	133.7	23.9
Shares issued in respect of scrip dividend – 2022 final dividend	9(b)	12.0	106.7	-	-	-	-	-	-	118.7
Forfeiture of share options		-	-	(0.1)	-	-	-	-	0.1	-
Equity-settled share-based transactions	6(b)	-	-	1.8	-	-	-	-	-	1.8
Dividends approved in respect of the previous year	9(b)	-	-	-	-	-	-	-	(237.5)	(237.5)
		12.0	106.7	1.7	-	-	-	-	(237.4)	(117.0)
Balance at 30 June 2023 and 1 July 2023		486.9	1,425.4	7.4	1,102.6	66.0	(371.0)	974.9	12,301.7	15,993.9
Changes in equity for the six months ended 31 December 2023:										
Profit for the period		-	-	-	-	-	-	-	268.0	268.0
Other comprehensive income		-	-	-	-	9.7	163.2	8.9	29.1	210.9
Total comprehensive income		-	-	-	-	9.7	163.2	8.9	297.1	478.9
Shares issued in respect of scrip dividend – 2023 interim dividend	9(a)	7.4	66.9	-	-	-	-	-	-	74.3
Forfeiture of share options		-	-	(0.2)	-	-	-	-	0.2	-
Equity-settled share-based transactions		-	-	4.5	-	-	-	-	-	4.5
Dividends declared in respect of the current year	9(a)	-	-	-	-	-	-	-	(146.1)	(146.1)
		7.4	66.9	4.3	-	-	-	-	(145.9)	(67.3)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE SIX MONTHS ENDED 30 JUNE 2024 – UNAUDITED *(continued)*

(Expressed in Hong Kong dollars)

	Note	Attributable to equity shareholders of the Company								
		Share capital \$'million	Share premium \$'million	Capital reserve \$'million	Other reserves \$'million	Exchange reserve \$'million	Fair value reserve (recycling) \$'million	Fair value reserve (non-recycling) \$'million	Retained profits \$'million	Total equity \$'million
Balance at 31 December 2023 and 1 January 2024		494.3	1,492.3	11.7	1,102.6	75.7	(207.8)	983.8	12,452.9	16,405.5
Changes in equity for the six months ended 30 June 2024:										
Profit for the period		-	-	-	-	-	-	-	120.3	120.3
Other comprehensive income		-	-	-	-	(14.1)	(4.7)	(70.3)	-	(89.1)
Total comprehensive income		-	-	-	-	(14.1)	(4.7)	(70.3)	120.3	31.2
Shares issued in respect of scrip dividend – 2023 final dividend	9(b)	14.6	116.3	-	-	-	-	-	-	130.9
Forfeiture of share options		-	-	(0.7)	-	-	-	-	0.7	-
Equity-settled share-based transactions	6(b)	-	-	2.0	-	-	-	-	-	2.0
Dividends approved in respect of the previous year	9(b)	-	-	-	-	-	-	-	(247.2)	(247.2)
		14.6	116.3	1.3	-	-	-	-	(246.5)	(114.3)
Balance at 30 June 2024		508.9	1,608.6	13.0	1,102.6	61.6	(212.5)	913.5	12,326.7	16,322.4

The notes on pages 29 to 47 form part of this interim financial report.

CONDENSED CONSOLIDATED CASH FLOW STATEMENT
FOR THE SIX MONTHS ENDED 30 JUNE 2024 – UNAUDITED
(Expressed in Hong Kong dollars)

	Six months ended 30 June	
	2024 \$'million	2023 \$'million
Operating activities		
Cash generated from operations	709.7	529.2
Tax paid		
– Hong Kong Profits Tax	(5.1)	(8.0)
Net cash generated from operating activities	704.6	521.2
Investing activities		
Decrease/(increase) in restricted bank deposits	37.2	(23.3)
Increase in bank deposits with original maturities of over three months	(78.4)	(291.6)
Payment for the purchase of investment properties and investment property under development	(104.1)	(197.5)
Payment for the purchase of other property, plant and equipment	(508.2)	(414.7)
Receipt of government grant for the purchase of other property, plant and equipment	53.4	–
Receipt of government grant for the disposal of other property, plant and equipment	7.6	3.7
Proceeds from the disposal of other property, plant and equipment	4.3	4.8
Finance costs paid and capitalised into investment property under development	(55.1)	(28.9)
Payment for the purchase of other financial assets	(169.9)	–
Proceeds on the maturity of debt securities	173.6	85.9
Net cash used in investing activities	(639.6)	(861.6)

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

FOR THE SIX MONTHS ENDED 30 JUNE 2024 – UNAUDITED *(continued)*

(Expressed in Hong Kong dollars)

	Note	Six months ended 30 June	
		2024 \$'million	2023 \$'million
Financing activities			
Proceeds from new bank loans		1,510.0	4,310.0
Repayment of bank loans		(1,587.5)	(4,270.0)
Loan repaid by a joint venture		4.0	5.9
Capital element of lease rentals paid		(2.2)	(1.1)
Interest element of lease rentals paid		(0.1)	(0.1)
Dividends paid to equity shareholders of the Company		(116.3)	(118.8)
Net cash used in financing activities		(192.1)	(74.1)
Net decrease in cash and cash equivalents		(127.1)	(414.5)
Cash and cash equivalents at 1 January		497.0	1,356.8
Effect of foreign exchange rate changes		(0.7)	2.3
Cash and cash equivalents at 30 June		369.2	944.6
Analysis of cash and cash equivalents:			
Bank deposits and cash in the consolidated statement of financial position	14	1,158.3	1,679.0
Less: bank deposits with original maturities of over three months	14	(789.1)	(734.4)
Cash and cash equivalents in the condensed consolidated cash flow statement		369.2	944.6

The notes on pages 29 to 47 form part of this interim financial report.

Notes to the unaudited interim financial report

(Expressed in Hong Kong dollars)

1 Basis of preparation

This interim financial report has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, including compliance with Hong Kong Accounting Standard (“HKAS”) 34, *Interim financial reporting*, issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”). It was authorised for issue on 15 August 2024.

The interim financial report has been prepared in accordance with the same accounting policies adopted in the 2023 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2024 annual financial statements. Details of any changes in accounting policies are set out in note 2.

The preparation of an interim financial report in conformity with HKAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

This interim financial report contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2023 annual financial statements. The condensed consolidated interim financial statements and notes thereon do not include all of the information required for a full set of financial statements prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”).

This interim financial report is unaudited, but has been reviewed by KPMG in accordance with Hong Kong Standard on Review Engagements 2410, *Review of interim financial information performed by the independent auditor of the entity*, issued by the HKICPA. KPMG’s independent review report to the Board of Directors is included on page 48. This interim financial report has also been reviewed by the Audit and Risk Management Committee of the Company.

The financial information relating to the financial year ended 31 December 2023 that is included in the interim financial report as comparative information does not constitute the Company’s statutory annual consolidated financial statements for that financial year but is derived from those financial statements.

2 Changes in accounting policies

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 in this interim financial report. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

3 Segment reporting

The Group manages its business by business lines. In a manner consistent with the way in which information is reported internally to the Group's chief operating decision maker ("CODM") for the purposes of resources allocation and performance assessment, the Group has presented the following two reportable segments:

- Franchised bus operation : The provision of franchised public transport services in Hong Kong.
- Property holdings and development : The holding and development of non-residential properties for the use as investment properties.
- All other segments : The provision of non-franchised transport services, provision of cross-boundary shuttle bus services between Lok Ma Chau (Hong Kong) and Huanggang (Shenzhen) and investment holding.

(a) Segment results, assets and liabilities

Information regarding the Group's reportable segments as provided to the Group's CODM for the purposes of resources allocation and assessment of segment performance for the period is set out below:

	Franchised bus operation		Property holdings and development		All other segments (note)		Total	
	Six months ended 30 June		Six months ended 30 June		Six months ended 30 June		Six months ended 30 June	
	2024 \$'million	2023 \$'million	2024 \$'million	2023 \$'million	2024 \$'million	2023 \$'million	2024 \$'million	2023 \$'million
Revenue from external customers	3,887.2	3,643.8	46.9	39.5	130.3	122.1	4,064.4	3,805.4
Inter-segment revenue	0.9	0.5	2.2	2.2	1.8	0.5	4.9	3.2
Reportable segment revenue	3,888.1	3,644.3	49.1	41.7	132.1	122.6	4,069.3	3,808.6
Reportable segment profit/(loss)	43.3	(45.0)	29.1	158.9	5.9	0.5	78.3	114.4
As at 30 June/31 December								
Reportable segment assets	10,574.9	10,665.1	9,117.0	9,020.7	1,531.5	1,550.1	21,223.4	21,235.9
Reportable segment liabilities	4,550.1	4,617.4	2,854.9	3,051.5	93.0	87.2	7,498.0	7,756.1

Note: Results of all other segments mainly represented non-franchised transport operations and interest in associates.

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.

3 Segment reporting (continued)

(b) Reconciliation of reportable segment revenue and profit

	Six months ended 30 June	
	2024 \$'million	2023 \$'million
Revenue		
Reportable segment revenue	3,937.2	3,686.0
Revenue from all other segments	132.1	122.6
Elimination of inter-segment revenue	(4.9)	(3.2)
Consolidated revenue	4,064.4	3,805.4
Profit		
Reportable segment profit	72.4	113.9
Profit from all other segments	5.9	0.5
Unallocated profits	42.0	19.3
Consolidated profit for the period	120.3	133.7

4 Revenue

The principal activities of the Group are the operation of both franchised and non-franchised public transportation and property holdings and development.

The amount of each significant category of revenue is as follows:

	Six months ended 30 June	
	2024 \$'million	2023 \$'million
Fare revenue from franchised public bus services	3,742.3	3,494.8
Revenue from non-franchised transport services	132.1	122.3
Licence fee income	117.2	117.2
Media sales revenue	23.0	29.0
Gross rentals from investment properties	49.8	42.1
	4,064.4	3,805.4

5 Other income

	Six months ended 30 June	
	2024 \$'million	2023 \$'million
Interest income	45.3	54.2
Net foreign exchange (loss)/gain	(0.4)	5.7
Expected credit loss on other financial assets	–	(32.5)
	44.9	27.4
Claims received	14.2	10.0
Net miscellaneous business receipts	10.8	7.3
Net gain on disposal of other property, plant and equipment	16.8	5.1
Sundry income	28.4	48.4
	115.1	98.2

6 Profit before taxation

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

	Six months ended 30 June	
	2024 \$'million	2023 \$'million
(a) Finance costs		
Interest on bank loans	116.2	84.8
Interest on lease liabilities	0.1	0.1
	116.3	84.9
Total interest expense on financial liabilities not at fair value through profit or loss	116.3	84.9
Less: interest expense capitalised	(62.5)	(35.8)
	53.8	49.1

6 Profit before taxation (continued)

	Six months ended 30 June	
	2024 \$'million	2023 \$'million
(b) Staff costs		
Contributions to defined contribution retirement plan (Income)/expenses recognised in respect of defined benefit plans:	91.3	87.4
– Employee benefit assets	(6.3)	(9.0)
– Long service payments	5.8	2.6
Total retirement cost	90.8	81.0
Equity-settled share-based payment expenses	2.0	1.8
Salaries, wages and other benefits	2,128.0	2,002.1
	2,220.8	2,084.9
Less: staff costs included in cost of mask production	(0.2)	(0.6)
	2,220.6	2,084.3
(c) Other item		
Insurance expenses (including the contingency provision for insurance)	99.6	88.8
Provision for toll exemption fund (note)	70.8	63.0

Note: The Government of the Hong Kong Special Administrative Region 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 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 30 June 2024, included in accounts payable and accruals (note 15), was \$394.7 million (31 December 2023: \$420.8 million).

7 Income tax

	Six months ended 30 June	
	2024 \$'million	2023 \$'million
Current tax – Hong Kong Profits Tax		
Provision for the period	5.7	5.0
Under-provision in respect of prior year	–	0.7
	5.7	5.7
The People's Republic of China withholding tax	0.1	0.3
	5.8	6.0
Deferred tax		
Origination and reversal of temporary differences	10.6	(10.6)
Actual tax expense/(credit)	16.4	(4.6)

The provision for Hong Kong Profits Tax is calculated by applying the estimated annual effective tax rate of 16.5% (2023: 16.5%) to the estimated assessable profits for the six months ended 30 June 2024, 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 \$2 million of assessable profits are taxed at 8.25% and the remaining assessable profits are taxed at 16.5%. The provision for Hong Kong Profits Tax for this subsidiary was calculated using the same basis in 2023.

8 Earnings per share

(a) Basic earnings per share

The calculation of basic earnings per share is based on the profit attributable to equity shareholders of the Company of \$120.3 million (six months ended 30 June 2023: \$133.7 million) and the weighted average number of shares in issue during the interim period, calculated as follows:

(i) Profit attributable to equity shareholders of the Company

	Six months ended 30 June	
	2024 \$'million	2023 \$'million
Profit attributable to equity shareholders of the Company	120.3	133.7

8 Earnings per share *(continued)*

(a) Basic earnings per share *(continued)*

(ii) *Weighted average number of ordinary shares*

	Six months ended 30 June	
	2024	2023
Issued ordinary shares at 1 January	494,343,118	474,940,075
Effect of shares issued in respect of scrip dividend	239,972	66,157
Weighted average number of ordinary shares at 30 June	494,583,090	475,006,232

(b) Diluted earnings per share

The diluted earnings per share for both the six months ended 30 June 2024 and 2023 are the same as basic earnings per share as the effect of deemed issue of shares under the Company's share option scheme is anti-dilutive.

9 Capital, reserves and dividends

Dividends

(a) *Dividend payable to equity shareholders of the Company attributable to the interim period*

	Six months ended 30 June			
	2024		2023	
	Per share		Per share	
	\$	\$'million	\$	\$'million
Interim dividend declared after the interim period end	–	–	0.30	146.1

The Board does not recommend the declaration of 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 \$74.3 million was settled by the issuance of 7,428,592 shares at an issue price of \$10.01 per share under the scrip dividend scheme.

9 Capital, reserves and dividends *(continued)*

Dividends *(continued)*

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

	Six months ended 30 June			
	2024		2023	
	Per share \$	\$'million	Per share \$	\$'million
Final dividend in respect of the previous financial year, approved and paid during the period	0.50	247.2	0.50	237.5

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 \$130.9 million was settled by the issuance of 14,558,307 shares at an issue price of \$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 \$118.7 million was settled by the issuance of 11,974,451 shares at an issue price of \$9.91 per share under the scrip dividend scheme.

10 Other property, plant and equipment

(a) Right-of-use assets

During the six months ended 30 June 2024, the Group entered into a number of lease agreements for use as staff rest kiosks and bus regulators' offices, and therefore recognised additions to right-of-use assets of \$1.1 million (six months ended 30 June 2023: \$1.6 million).

(b) Acquisitions and disposals of owned assets

During the six months ended 30 June 2024, the Group acquired items of other property, plant and equipment with a cost of \$417.2 million (six months ended 30 June 2023: \$498.4 million). Items of plant and equipment with a net book value of \$1.7 million were disposed of during the six months ended 30 June 2024 (six months ended 30 June 2023: \$3.4 million), resulting in a net gain on disposal of \$16.8 million (six months ended 30 June 2023: \$5.1 million).

11 Investment properties and investment property under development

(a) Movements during the period

	Investment properties \$'million	Investment property under development \$'million	Total \$'million
Valuation:			
At 1 January 2024	5,406.5	2,805.0	8,211.5
Additions	–	70.0	70.0
At 30 June 2024	5,406.5	2,875.0	8,281.5

(b) Fair value measurement

The following table presents the fair value of the Group's investment properties and investment property under development disclosed at the end of the reporting period on a recurring basis, categorised into the three-level fair value hierarchy as defined in HKFRS 13, *Fair value measurement*. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

- Level 1 valuations: Fair value measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date.
- Level 2 valuations: Fair value measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available.
- Level 3 valuations: Fair value measured using significant unobservable inputs.

11 Investment properties and investment property under development *(continued)*

(b) Fair value measurement *(continued)*

The Group's investment property under development is valued using the residual method by estimating the value of the property when completed using income capitalisation method with reference to comparable sales transactions assuming that the property had been completed in accordance with the current development plan on the valuation date less the costs that will be incurred to complete the development with appropriate allowance for profit and risk.

Set out below are the significant unobservable inputs used for fair value measurements:

	Unobservable inputs	Range
Investment properties in Hong Kong – commercial properties and industrial property	Capitalisation rate	3.50% to 4.75% (31 December 2023: 3.50% to 4.75%)
Investment property under development in Hong Kong	Capitalisation rate	3.50% (31 December 2023: 3.50%)

The fair values of the Group's investment properties and investment property under development are inversely related to capitalisation rates, which are determined by reference to investors' expectations on investment yields, rental growth and the risk profile of the properties being valued. A lower (higher) capitalisation rate would imply a higher (lower) property value.

Fair value adjustment of investment properties and investment property under development is recognised in the line item "Change in fair value of investment properties and investment property under development" on the face of the consolidated statement of profit or loss.

12 Other financial assets

	At 30 June 2024 \$'million	At 31 December 2023 \$'million
Equity securities designated at FVOCI (non-recycling)		
– Unlisted equity securities	969.8	1,033.7
Financial assets measured at FVOCI (recycling)		
– Debt securities listed outside Hong Kong (note)	619.4	627.4
Financial assets measured at amortised cost		
– Loan receivables	59.9	64.4
Other financial assets measured at FVPL	5.6	5.2
	1,654.7	1,730.7
Less: debt securities listed outside Hong Kong classified as current assets	(301.3)	(445.0)
loan receivables classified as current assets	(22.0)	(13.5)
other financial assets measured at FVPL classified as current assets	(5.6)	(5.2)
Other financial assets classified as current assets	(328.9)	(463.7)
Other financial assets classified as non-current assets	1,325.8	1,267.0

Note: During the current period, expected credit loss of \$Nil million (six months ended 30 June 2023: \$32.5 million) was recognised to reflect increase in credit risk for the investments in financial assets measured at FVOCI (recycling).

13 Accounts receivable

	At 30 June 2024 \$'million	At 31 December 2023 \$'million
Trade and other receivables	875.7	967.1
Interest receivable	56.8	58.4
Less: loss allowance	(0.4)	(0.4)
	932.1	1,025.1

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:

	At 30 June 2024 \$'million	At 31 December 2023 \$'million
Current	160.4	161.0
Less than 1 month past due	33.2	69.1
1 to 3 months past due	54.8	54.5
More than 3 months past due	196.2	177.3
	444.6	461.9

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.

14 Bank deposits and cash

	At 30 June 2024 \$'million	At 31 December 2023 \$'million
Cash at bank and on hand	38.7	197.4
Bank deposits	1,530.0	1,457.9
	1,568.7	1,655.3
Less: restricted bank deposits	(410.4)	(447.6)
Bank deposits and cash in the consolidated statement of financial position	1,158.3	1,207.7
Less: bank deposits with original maturities of over three months	(789.1)	(710.7)
Cash and cash equivalents in the condensed consolidated cash flow statement	369.2	497.0

15 Accounts payable and accruals

As of the end of the reporting period, the ageing analysis of trade payables (which are included in accounts payable and accruals), based on the due date, is as follows:

	At 30 June 2024 \$'million	At 31 December 2023 \$'million
Due within 1 month or on demand	156.8	142.4
Due after 1 month but within 3 months	0.7	1.5
Due after more than 3 months	0.8	0.9
Trade payables	158.3	144.8
Balance of toll exemption fund (note 6(c))	394.7	420.8
Retention payables	51.8	72.9
Other payables and accruals	1,016.6	1,160.7
Amount due to an associate	4.9	4.9
	1,626.3	1,804.1

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.

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

16 Fair value measurement of financial instruments

(a) Financial instruments measured at fair value

The following table presents the fair value of the Group's financial instruments measured at the end of the reporting period on a recurring basis, categorised into the three-level fair value hierarchy as defined in HKFRS 13, Fair value measurement. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

- Level 1 valuations: Fair value measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date.
- Level 2 valuations: Fair value measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available.
- Level 3 valuations: Fair value measured using significant unobservable inputs.

	30 June 2024				31 December 2023			
	Fair value measurements categorised into				Fair value measurements categorised into			
	Fair value \$'million	Level 1 \$'million	Level 2 \$'million	Level 3 \$'million	Fair value \$'million	Level 1 \$'million	Level 2 \$'million	Level 3 \$'million
Recurring fair value measurements								
<i>Assets:</i>								
Investments in financial assets measured at FVOCI (recycling)	619.4	619.4	–	–	627.4	627.4	–	–
Other financial assets measured at FVPL	5.6	5.6	–	–	5.2	5.2	–	–
Unlisted equity securities	969.8	–	–	969.8	1,033.7	–	–	1,033.7
Derivative financial instruments – other forward foreign exchange contracts	–	–	–	–	0.2	–	0.2	–

During the six months ended 30 June 2024, there was no transfer between instruments in Level 1 and Level 2, or transfers into or out of Level 3 (six months ended 30 June 2023: Nil). The Group's policy is to recognise transfers between levels of fair value hierarchy as at the end of the reporting period in which they occur.

16 Fair value measurement of financial instruments *(continued)*

(b) Valuation techniques and inputs used in Level 2 fair value measurements

The fair values of forward foreign exchange contracts in Level 2 were marked to market using quoted market prices from financial institutions.

(c) Information about Level 3 fair value measurement

	Valuation technique	Significant unobservable inputs	Percentage
Unlisted equity securities	Market comparable companies	Discount for lack of marketability	35% (31 December 2023: 35%)

The fair value of unlisted equity securities is determined using the market approach of comparable companies adjusted for lack of marketability discount. The fair value measurement is negatively correlated to the discount for lack of marketability. As at 30 June 2024, it is estimated that with all other variables held constant, a decrease/increase in the discount for lack of marketability by 5 percentage points would have increased/decreased the Group's other comprehensive income by \$74.6 million (2023: \$79.5 million).

The movement during the period in the balance of Level 3 fair value measurements is as follows:

	2024 \$'million	2023 \$'million
Unlisted equity securities:		
At 1 January	1,033.7	1,017.2
Net unrealised (losses)/gains recognised in other comprehensive income during the period	(63.9)	8.6
At 30 June	969.8	1,025.8

Any gains or losses arising from the remeasurement of the Group's unlisted equity securities held for strategic purposes are recognised in the fair value reserve (non-recycling) in other comprehensive income.

(d) Fair values of financial instruments carried at other than fair value

All financial instruments carried at cost or amortised cost were not materially different from their fair values as at 30 June 2024 and 31 December 2023 except for the amounts due from/to associates and loan to joint venture of the Group which are unsecured, interest-free and have no fixed terms of repayment/settlement. Given these terms, it is not meaningful to disclose their fair values.

17 Commitments

Capital commitments

- (i) At 30 June 2024, the Group had the following capital commitments in relation to the purchase of other property, plant and equipment not provided for in the interim financial report:

	At 30 June 2024 \$'million	At 31 December 2023 \$'million
Contracted for	181.7	305.6

- (ii) At 30 June 2024, the Group's share of capital commitments of the joint operation in respect of investment property under development not provided for in the interim financial report is as follows:

	At 30 June 2024 \$'million	At 31 December 2023 \$'million
Contracted for	35.6	37.6

18 Transactions with related companies

	Note	Income/(expense) Six months ended 30 June	
		2024 \$'million	2023 \$'million
Nature of transactions			
Service fees for provision of coach services	(a) & (b)	19.1	23.3
Insurance premium paid	(c)	(51.1)	(47.2)
Amount paid and accrued for acquisition of hardware equipment and maintenance services	(d)	–	–
Amount paid and accrued for a building contract	(e)	–	–
Amount paid and accrued for property management service	(f)	(0.5)	(0.4)
Amount paid and accrued for property manager's remuneration and other expenses	(g) & (h)	(8.5)	(3.3)
Amount paid and accrued for leasing management services	(i)	(1.4)	(2.4)
Amount paid and accrued for cleaning services	(j)	(7.0)	–

18 Transactions with related companies *(continued)*

Notes:

- (a) During the period, the Group provided coach services (“Shuttle Bus Service Contracts”) to certain subsidiaries of Sun Hung Kai Properties Limited (“SHKP”), a substantial shareholder of the Company. The amounts received and receivable under the Shuttle Bus Service Contracts amounted to \$3.2 million (six months ended 30 June 2023: \$2.7 million). During the six months ended 30 June 2023, the Group also provided coach services to certain subsidiaries of SHKP (“Other Shuttle Bus Service Contracts”). The amounts received and receivable under the Other Shuttle Bus Service Contracts for the six months ended 30 June 2023 amounted to \$4.1 million. Outstanding balances due from these companies at 30 June 2024 amounted to \$1.2 million (31 December 2023: \$1.1 million).
- (b) The Group also provided coach services to residents of certain residential property developments managed by certain members of SHKP and its subsidiaries (“SHKP Group”) where the SHKP Group acts as agent for collection of the service fees (“Coach Service Arrangements”). The amounts received and receivable for these Coach Service Arrangements amounted to \$15.9 million (six months ended 30 June 2023: \$16.5 million). Outstanding balances due from these companies at 30 June 2024 amounted to \$8.2 million (31 December 2023: \$8.6 million).
- (c) In 2022, the Group entered into contracts with a subsidiary of SHKP, Sun Hung Kai Properties Insurance Limited (“SHKPI”), for the provision of various kind of insurance services to the Group for the period from 1 January 2023 to 31 December 2024 (the “2023/24 Insurance Arrangements”). The amount paid and payable under the 2023/24 Insurance Arrangements for the six months ended 30 June 2024 amounted to \$51.1 million (six months ended 30 June 2023: \$47.2 million). There was no outstanding balance payable under these contracts at 30 June 2024 and 31 December 2023.
- (d) On 25 May 2023, The Kowloon Motor Bus Company (1933) Limited (“KMB”), a wholly-owned subsidiary of the Company, as purchaser and SmarTone Mobile Communications Limited (“SmarTone Mobile”), a subsidiary of SHKP, as vendor entered into a purchase contract, pursuant to which KMB agreed to purchase and SmarTone Mobile agreed to supply the hardware, software and documentation for people counting system (“PCS”) and Wi-Fi system and provide a suite of one-stop solutions for the design, management, implementation, installation, maintenance, training and after-sale support associated with PCS. The total consideration under the purchase contract amounted to HK\$46.3 million, comprising the initial purchase price for all PCS units and Wi-Fi systems units and the subsequent maintenance fees for periods up to 31 October 2025. Outstanding balance payable for this contract at 30 June 2024 amounted to \$11.9 million (31 December 2023: \$11.9 million).
- (e) On 20 December 2018, KT Real Estate Limited (“KTRE”), a wholly-owned subsidiary of the Company, Turbo Result Limited (“TRL”) and Yee Fai Construction Limited (“Yee Fai”) (both subsidiaries of SHKP) entered into a building contract (the “Building Contract”) in which KTRE and TRL have engaged Yee Fai to carry out and complete the building works involving the construction of commercial properties in Kwun Tong (“The Millennity”). KTRE and TRL shall pay Yee Fai, in equal shares, the contract sum of \$4,436.1 million (i.e. \$2,218.0 million each), subject to adjustments in accordance with the Building Contract. Outstanding balance accrued for this contract as at 30 June 2024 amounted to \$91.7 million (31 December 2023: \$174.3 million).
- (f) On 3 July 2007, Lai Chi Kok Properties Investment Limited, Royal Elite Service Company Limited (“Royal Elite”), a subsidiary of SHKP, and the first assignee of a residential unit of Manhattan Hill entered into a deed of mutual covenant (the “Deed”) pursuant to which the parties agreed that Royal Elite would act as the manager of Manhattan Hill. The amount paid and payable under the Deed during the six months ended 30 June 2024 amounted to \$0.5 million (six months ended 30 June 2023: \$0.4 million). Outstanding balance payable for this contract at 30 June 2024 amounted to \$0.1 million (31 December 2023: \$0.1 million).

18 Transactions with related companies *(continued)*

Notes: (continued)

- (g) On 29 December 2022, KTRE and TRL entered into the Property Management Agreement (the “Property Management Agreement”) with Kai Shing Management Services Limited (“KSMS”), a subsidiary of SHKP, pursuant to which KSMS was appointed as the property manager for the units in the office and/or retail premises in The Millennity. The amount paid and payable under the Property Management Agreement for the property manager’s remuneration and other expenses during the six months ended 30 June 2024 amounted to \$3.2 million (six months ended 30 June 2023: \$1.0 million). Outstanding balance payable for this contract at 30 June 2024 amounted to \$7.6 million (31 December 2023: \$4.4 million).
- (h) KSMS also incurred other fees on behalf of KTRE and TRL in relation to The Millennity, where KSMS acts as an agent for the collection of fees and payments (“Management Arrangements”) on behalf of other independent vendors/contractors for their work. The amounts paid and payable for these Management Arrangements during the six months ended 30 June 2024 amounted to \$5.3 million (30 June 2023: \$2.3 million). Outstanding balances payable at 30 June 2024 amounted to \$16.1 million (31 December 2023: \$10.8 million).
- (i) On 29 December 2022, KTRE and TRL entered into the Office Premises Leasing Management Agreement and Retail Premises Leasing Management Agreement (collectively, the “Leasing Management Agreements”) with Sun Hung Kai Real Estate (Sales and Leasing) Agency Limited (“SHKRE(SL)”), a subsidiary of SHKP, pursuant to which SHKRE(SL) was appointed as the exclusive marketing and leasing agent and administrator for the units in the office and retail premises and parking spaces in The Millennity. The amount paid and payable under the Leasing Management Agreements for the leasing management fees and other expense during the six months ended 30 June 2024 amounted to \$1.4 million (six months ended 30 June 2023: \$2.4 million). Outstanding balance payable for these contracts at 30 June 2024 amounted to \$0.2 million (31 December 2023: \$0.4 million).
- (j) On 28 September 2023, KMB entered into the agreement (the “Cleaning Services Agreement”) with Nixon Cleaning Company Limited (“Nixon”), a subsidiary of SHKP, pursuant to which Nixon agreed to provide cleaning services to KMB at designated service locations, including premises, offices and depots. The amount paid and payable under the Cleaning Services Agreement for the six months ended 30 June 2024 amounted to \$7.0 million (six months ended 30 June 2023: \$Nil). Outstanding balance payable for this contract at 30 June 2024 amounted to \$5.0 million (31 December 2023: \$3.5 million).



REVIEW REPORT TO THE BOARD OF DIRECTORS OF TRANSPORT INTERNATIONAL HOLDINGS LIMITED

(Incorporated in Bermuda with limited liability)

Introduction

We have reviewed the interim financial report set out on pages 21 to 47 which comprises the consolidated statement of financial position of Transport International Holdings Limited as of 30 June 2024 and the related consolidated statement of profit or loss, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the condensed consolidated cash flow statement for the six-month period then ended and explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of an interim financial report to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34, *Interim financial reporting*, issued by the Hong Kong Institute of Certified Public Accountants. The directors are responsible for the preparation and presentation of the interim financial report in accordance with Hong Kong Accounting Standard 34.

Our responsibility is to form a conclusion, based on our review, on the interim financial report and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Scope of review

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410, *Review of interim financial information performed by the independent auditor of the entity*, issued by the Hong Kong Institute of Certified Public Accountants. A review of the interim financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim financial report as at 30 June 2024 is not prepared, in all material respects, in accordance with Hong Kong Accounting Standard 34, *Interim financial reporting*.

KPMG

Certified Public Accountants

8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong

15 August 2024

CORPORATE DIRECTORY

BOARD OF DIRECTORS

Dr Norman LEUNG Nai Pang*
GBS, JP, LLD, DSSc, BA
Chairman

Dr John CHAN Cho Chak*
GBS, JP, DBA(Hon), DSocSc(Hon),
BA, DipMS, CCMI, FCILT, FHKIoD
Deputy Chairman

Raymond KWOK Ping Luen^
JP, MA(Cantab), MBA, Hon DBA,
Hon LLD

William LOUEY Lai Kuen^
BSc(Econ)

Charles LUI Chung Yuen^
M.H., BEC, AASA, FCILT

Winnie NG^
JP, BA, MBA(Chicago), MPA(Harvard),
FCIM, CMILT, MHKIoD

Dr Eric LI Ka Cheung*
GBS, OBE, JP, LLD, DSocSc,
Hon DSocSc(EdUHK), BA,
FCPA, FCA, FCPA(Aust.)

Professor LIU Pak Wai*
SBS, JP

Allen FUNG Yuk Lun^
BA, Ph.D.

Roger LEE Chak Cheong
BSc, MSc, MICE, CEng
Managing Director

TSANG Wai Hung*
GBS, PDSM, JP, MBA

Dr CHEUNG Wing Yui^
BBS, BCom, Hon DBA, CPA(Aust.)

LEE Luen Fai^
BBS, JP, BA

LUNG Po Kwan^
BSocSc, MSocSc(Economics), MBA, CFA

Christopher KWOK Kai-wang^
JP, MBA, BSc

WONG Hong Kit
(Alternate Director to
Mr Raymond KWOK Ping Luen, JP^)

LAU Man-Kwan, Julia
(Alternate Director to
Mr William LOUEY Lai Kuen^)

(* Independent Non-executive Director of the Company)
(^ Non-executive Director of the Company)

BOARD COMMITTEES

Audit and Risk Management Committee

Dr Eric LI Ka Cheung#
Professor LIU Pak Wai
Allen FUNG Yuk Lun
TSANG Wai Hung

Nomination Committee

Dr John CHAN Cho Chak#
Dr Eric LI Ka Cheung
Allen FUNG Yuk Lun

Remuneration Committee

Dr John CHAN Cho Chak#
Dr Eric LI Ka Cheung
Professor LIU Pak Wai
Winnie NG
LUNG Po Kwan

Standing Committee

Dr Norman LEUNG Nai Pang#
Dr John CHAN Cho Chak
Raymond KWOK Ping Luen
Charles LUI Chung Yuen
Winnie NG
Roger LEE Chak Cheong
William LOUEY Lai Kuen
TSANG Wai Hung

(# Committee Chairman)

COMPANY SECRETARY

YU Wai Cheung
B.Soc.Sc., CPA, FCCA

REGISTERED OFFICE

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183 Queen's Road East
Wan Chai, Hong Kong

Bermuda
MUFG Fund Services (Bermuda) Limited
4th Floor North Cedar House
41 Cedar Avenue
Hamilton HM 12
Bermuda

AUDITOR

KPMG
Certified Public Accountants
Public Interest Entity Auditor registered
in accordance with the Accounting and
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8/F, Prince's Building
10 Chater Road Central
Hong Kong

STOCK CODE

The Stock Exchange of Hong Kong: 62
Bloomberg: 62HK
Reuters: 0062.HK



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Stock Code: 62