



KWOON CHUNG BUS HOLDINGS LIMITED

(Incorporated in Bermuda with Limited Liability)

(Stock Code: 306)

INTERIM REPORT
2024/2025



KWON 冠忠巴士
CHUNG





The board (the “Board”) of directors (the “Directors”) of Kwoon Chung Bus Holdings Limited (the “Company”) is pleased to announce the unaudited condensed consolidated results of the Company and its subsidiaries (collectively the “Group”) for the six months ended 30 September 2024 together with the comparative figures for the corresponding period in 2023. The interim condensed consolidated financial information has not been audited, but has been reviewed by the Company’s audit committee.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

		Six months ended	
		30 September	
	<i>Notes</i>	2024	2023
		(Unaudited)	(Unaudited)
		HK\$'000	HK\$'000
REVENUE	4	1,112,211	893,308
Cost of services rendered		(901,079)	(712,860)
Gross profit		211,132	180,448
Other income and gains, net		59,186	54,591
Administrative expenses		(204,283)	(139,106)
Other expenses, net		(7,929)	(10,522)
Finance costs		(58,116)	(59,829)
Share of profits and losses of:			
A joint venture		(1,675)	(4,607)
Associates		12,092	(1,329)
PROFIT BEFORE TAX	5	10,407	19,646
Income tax expense	6	(1,041)	(10,191)
PROFIT FOR THE PERIOD		9,366	9,455
Attributable to:			
Owners of the parent		6,374	5,514
Non-controlling interests		2,992	3,941
		9,366	9,455
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	8		
Basic		HK1.34 cents	HK1.16 cents
Diluted		HK1.34 cents	HK1.16 cents

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Six months ended 30 September	
	2024 (Unaudited) HK\$'000	2023 (Unaudited) HK\$'000
PROFIT FOR THE PERIOD	9,366	9,455
OTHER COMPREHENSIVE INCOME/(LOSS)		
Other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	8,479	(15,957)
TOTAL COMPREHENSIVE INCOME/(LOSS) FOR THE PERIOD	17,845	(6,502)
Attributable to:		
Owners of the parent	13,353	(6,143)
Non-controlling interests	4,492	(359)
	17,845	(6,502)



INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	30 September 2024 (Unaudited) HK\$'000	31 March 2024 (Audited) HK\$'000
NON-CURRENT ASSETS			
Property, plant and equipment	9	1,239,748	1,294,535
Investment properties		253,613	246,509
Right-of-use assets		343,114	316,618
Goodwill		201,801	201,801
Passenger service licences		1,128,889	1,128,889
Other intangible assets		286,567	293,024
Interest in a joint venture		2,402	1,259
Interests in associates		60,354	56,619
Equity investments designated at fair value through other comprehensive income		4,849	4,849
Financial assets at fair value through profit or loss		35,078	34,613
Prepayments, deposits and other receivables		87,317	66,938
Deferred tax assets		9,750	9,709
Total non-current assets		3,653,482	3,655,363
CURRENT ASSETS			
Inventories		40,446	37,555
Trade receivables	10	301,600	272,076
Prepayments, deposits and other receivables		225,149	217,659
Tax recoverable		60	301
Pledged time deposits and restricted cash		61,172	57,827
Cash and cash equivalents		444,671	304,102
		1,073,098	889,520
Investment property held for sale		32,566	32,566
Total current assets		1,105,664	922,086

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

	Notes	30 September 2024 (Unaudited) HK\$'000	31 March 2024 (Audited) HK\$'000
CURRENT LIABILITIES			
Trade payables	11	70,507	57,502
Other payables and accruals		620,289	557,712
Interest-bearing bank borrowings		129,072	84,715
Lease liabilities		47,503	39,200
Tax payable		39,262	45,602
Total current liabilities		906,633	784,731
NET CURRENT ASSETS		199,031	137,355
TOTAL ASSETS LESS CURRENT LIABILITIES		3,852,513	3,792,718
NON-CURRENT LIABILITIES			
Accruals		22,322	20,782
Interest-bearing bank borrowings		1,519,490	1,459,966
Lease liabilities		60,924	59,194
Other long-term liabilities		29,776	34,498
Deferred tax liabilities		205,778	205,220
Total non-current liabilities		1,838,290	1,779,660
Net assets		2,014,223	2,013,058
EQUITY			
Equity attributable to owners of the parent			
Issued capital		47,678	47,678
Reserves		1,881,185	1,872,822
		1,928,863	1,920,500
Non-controlling interests		85,360	92,558
Total equity		2,014,223	2,013,058



INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 September 2024 (Unaudited)

	Attributable to owners of the parent										Non-controlling interests HK\$'000	Total equity HK\$'000
	Issued capital HK\$'000	Share premium account HK\$'000	Contributed surplus HK\$'000	Capital reserve HK\$'000	Share option reserve HK\$'000	Asset revaluation reserve HK\$'000	Reserve fund HK\$'000	Exchange equalisation reserve HK\$'000	Retained profits HK\$'000	Total HK\$'000		
At 1 April 2024	47,678	676,246	10,648	(1,855)	7,991	250,357	14,029	(27,739)	943,145	1,920,500	92,558	2,013,058
Profit for the period	-	-	-	-	-	-	-	-	6,374	6,374	2,992	9,366
Other comprehensive income for the period:												
Exchange differences on translation of foreign operations	-	-	-	-	-	-	-	6,979	-	6,979	1,500	8,479
Total comprehensive income for the period	-	-	-	-	-	-	-	6,979	6,374	13,353	4,492	17,845
Dividend paid to non-controlling shareholders of a subsidiary	-	-	-	-	-	-	-	-	-	-	(11,690)	(11,690)
Transfer of depreciation on buildings	-	-	-	-	-	(1,418)	-	-	1,418	-	-	-
Equity-settled share option arrangements	-	-	-	-	4,546	-	-	-	-	4,546	-	4,546
Final 2024 dividend	-	-	-	-	-	-	-	-	(9,536)	(9,536)	-	(9,536)
At 30 September 2024 (unaudited)	47,678	676,246*	10,648*	(1,855)*	12,537*	248,939*	14,029*	(20,760)*	941,401*	1,928,863	85,360	2,014,223

For the six months ended 30 September 2023 (Unaudited)

	Attributable to owners of the parent										Non-controlling interests HK\$'000	Total equity HK\$'000
	Issued capital HK\$'000	Share premium account HK\$'000	Contributed surplus HK\$'000	Capital reserve HK\$'000	Share option reserve HK\$'000	Asset revaluation reserve HK\$'000	Reserve fund HK\$'000	Exchange equalisation reserve HK\$'000	Retained profits HK\$'000	Total HK\$'000		
At 1 April 2023	47,678	676,246	10,648	(1,855)	6,511	252,930	8,849	(7,640)	918,457	1,911,824	75,644	1,987,468
Profit for the period	-	-	-	-	-	-	-	-	5,514	5,514	3,941	9,455
Other comprehensive loss for the period:												
Exchange differences on translation of foreign operations	-	-	-	-	-	-	-	(11,657)	-	(11,657)	(4,300)	(15,957)
Total comprehensive loss for the period	-	-	-	-	-	-	-	(11,657)	5,514	(6,143)	(359)	(6,502)
Transfer of depreciation on buildings	-	-	-	-	-	(1,387)	-	-	1,387	-	-	-
Acquisition of non-controlling interests	-	-	-	-	-	-	-	-	(5,056)	(5,056)	686	(4,370)
At 30 September 2023 (unaudited)	47,678	676,246	10,648	(1,855)	6,511	251,543	8,849	(19,297)	920,302	1,900,625	75,971	1,976,596

* These reserve accounts comprise the consolidated reserves of HK\$1,185,185,000 (31 March 2024: HK\$1,872,822,000) in the interim condensed consolidated statement of financial position as at 30 September 2024.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Six months ended 30 September	
	2024 (Unaudited) HK\$'000	2023 (Unaudited) HK\$'000
Net cash flows from operating activities	169,128	110,162
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of items of property, plant and equipment	(42,114)	(31,778)
Increase in deposits paid for purchases of items of property, plant and equipment	(23,334)	(3,401)
Proceeds from disposal of items of property, plant and equipment	1,997	5,406
Additions to right-of-use assets	(12,560)	–
Investments in associates	–	(7,704)
Repayment from associates	257	–
Dividends received from associates	8,100	–
Acquisition of non-controlling interests	–	(4,370)
Increase in pledged time deposits and restricted cash	(3,345)	(12,720)
Decrease in non-pledged time deposits with original maturity of more than three months when acquired	34,402	1,094
Net cash flows used in investing activities	(36,597)	(53,473)
CASH FLOWS FROM FINANCING ACTIVITIES		
New bank borrowings, net of debt establishment costs	114,954	13,204
Repayment of bank borrowings	(14,511)	(141,029)
Principal portion of lease payments	(30,089)	(17,853)
Dividend paid	(9,536)	–
Dividend paid to non-controlling shareholders of a subsidiary	(11,690)	–
Net cash flows from/(used in) financing activities	49,128	(145,678)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	181,659	(88,989)
Cash and cash equivalents at beginning of period	269,459	496,721
Effect of foreign exchange rate changes, net	(6,688)	(4,238)
CASH AND CASH EQUIVALENTS AT END OF PERIOD	444,430	403,494
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS		
Cash and bank balances	304,013	289,090
Non-pledged time deposits with original maturity of less than three months when acquired	140,417	114,404
Non-pledged time deposits with original maturity of more than three months when acquired	241	1,335
Cash and cash equivalents as stated in the interim condensed consolidated statement of financial position	444,671	404,829
Non-pledged time deposits with original maturity of more than three months when acquired	(241)	(1,335)
Cash and cash equivalents as stated in the interim condensed consolidated statement of cash flows	444,430	403,494



NOTES TO INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

1. CORPORATE INFORMATION

Kwoon Chung Bus Holdings Limited is a limited liability company incorporated in Bermuda. The principal place of business of the Company is located at 3rd Floor, 8 Chong Fu Road, Chai Wan, Hong Kong.

During the period, the Company and its subsidiaries (collectively referred to as the “Group”) were engaged in the following principal activities:

- provision of non-franchised bus, franchised bus and public light bus (“PLB”) and Chinese Mainland bus services
- provision of limousine services
- provision of hotel and tourism services
- provision of other transportation services

In the opinion of the directors, the immediate holding company of the Company is Basic Faith Company Limited, a company incorporated in the British Virgin Islands, and the ultimate holding company of the Company is Infinity Faith International Company Limited, a company also incorporated in the British Virgin Islands.

2.1 BASIS OF PREPARATION

The interim condensed consolidated financial information of the Group for the six months ended 30 September 2024 has been prepared in accordance with Hong Kong Accounting Standard (“HKAS”) 34 *Interim Financial Reporting* issued by the Hong Kong Institute of Certified Public Accountants.

The interim condensed consolidated financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group’s annual consolidated financial statements for the year ended 31 March 2024.

The interim condensed consolidated financial information has been prepared under the historical cost convention, except for buildings classified as property, plant and equipment, investment properties, investment property held for sale, equity investments designated at fair value through other comprehensive income and financial assets at fair value through profit or loss which have been measured at fair value. The financial information is presented in Hong Kong dollars (“HK\$”) and all values are rounded to the nearest thousand except when otherwise indicated.

2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those applied in the preparation of the Group's annual consolidated financial statements for the year ended 31 March 2024, except for the adoption of the following revised Hong Kong Financial Reporting Standards ("HKFRSs") for the first time for the current period's financial information.

Amendments to HKFRS 16	<i>Lease Liability in a Sale and Leaseback</i>
Amendments to HKAS 1	<i>Classification of Liabilities as Current or Non-current</i> (the "2020 Amendments")
Amendments to HKAS 1	<i>Non-current Liabilities with Covenants</i> (the "2022 Amendments")
Amendments to HKAS 7 and HKFRS 7	<i>Supplier Finance Arrangements</i>

The nature and impact of the revised HKFRSs are described below:

- (a) Amendments to HKFRS 16 specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains. Since the Group has no sale and leaseback transactions with variable lease payments that do not depend on an index or a rate occurring from the date of initial application of HKFRS 16, the amendments did not have any impact on the financial position or performance of the Group.
- (b) The 2020 Amendments clarify the requirements for classifying liabilities as current or non-current, including what is meant by a right to defer settlement and that a right to defer must exist at the end of the reporting period. Classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement. The amendments also clarify that a liability can be settled in its own equity instruments, and that only if a conversion option in a convertible liability is itself accounted for as an equity instrument would the terms of a liability not impact its classification. The 2022 Amendments further clarify that, among covenants of a liability arising from a loan arrangement, only those with which an entity must comply on or before the reporting date affect the classification of that liability as current or non-current. Additional disclosures are required for non-current liabilities that are subject to the entity complying with future covenants within 12 months after the reporting period.

The Group has reassessed the terms and conditions of its liabilities as at 1 April 2023 and 2024 and concluded that the classification of its liabilities as current or non-current remained unchanged upon initial application of the amendments. Accordingly, the amendments did not have any impact on the financial position or performance of the Group.

- (c) Amendments to HKAS 7 and HKFRS 7 clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk. The disclosure of relevant information for supplier finance arrangements is not required for any interim reporting period during the first annual reporting period in which an entity applies the amendments. As the Group does not have supplier finance arrangements, the amendments did not have any impact on the interim condensed consolidated financial information.



3. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their services and has five reportable operating segments as follows:

- (a) the non-franchised bus segment includes the provision of non-franchised bus hire services in Hong Kong, cross-boundary passenger transportation services (other than limousine hire services) between Hong Kong and Chinese Mainland and other related services;
- (b) the limousine segment includes the provision of limousine hire services in Hong Kong and cross-boundary limousine hire services between Chinese Mainland, Hong Kong and Macau;
- (c) the franchised bus and PLB segment includes the provision of franchised bus and PLB services in Hong Kong;
- (d) the Chinese Mainland business segment includes the provision of hotel services, the operation of a scenic area, and the provision of bus services by designated routes as approved by various local governments/transport authorities in Chinese Mainland; and
- (e) the “others” segment comprises, principally, the provision of travel agency, tour and other services in Hong Kong and the provision of other transportation services.

Management monitors the results of the Group’s operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on reportable segment profit/loss, which is a measure of adjusted profit/loss before tax. The adjusted profit/loss before tax is measured consistently with the Group’s profit/(loss) before tax except that non-lease-related finance costs are excluded from such measurement.

Intersegment sales and transfers are transacted with reference to the selling prices used for sales made to third parties at the then prevailing market prices.

3. OPERATING SEGMENT INFORMATION (CONTINUED)

Six months ended 30 September 2024 (Unaudited)

	Non-franchised bus HK\$'000	Limousine HK\$'000	Franchised bus and PLB HK\$'000	Chinese Mainland business HK\$'000	Others HK\$'000	Intersegment eliminations HK\$'000	Total HK\$'000
Segment revenue:							
External sales	797,951	140,780	104,949	67,834	697	-	1,112,211
Intersegment sales	11,137	51,585	-	-	-	(62,722)	-
Other revenue	54,687	4,328	7,646	14,106	103	(21,684)	59,186
Total	863,775	196,693	112,595	81,940	800	(84,406)	1,171,397
Segment results	59,481	9,314	(4,214)	1,598	(1,187)	-	64,992
Reconciliation:							
Finance costs (other than interest on lease liabilities)							(54,585)
Profit before tax							10,407

Six months ended 30 September 2023 (Unaudited)

	Non-franchised bus HK\$'000	Limousine HK\$'000	Franchised bus and PLB HK\$'000	Chinese Mainland business HK\$'000	Others HK\$'000	Intersegment eliminations HK\$'000	Total HK\$'000
Segment revenue:							
External sales	631,462	91,763	93,525	75,893	665	-	893,308
Intersegment sales	15,777	11,027	2	-	19	(26,825)	-
Other revenue	41,359	3,351	4,614	5,267	-	-	54,591
Total	688,598	106,141	98,141	81,160	684	(26,825)	947,899
Segment results	84,166	(12,091)	14,935	(8,122)	(1,342)	-	77,546
Reconciliation:							
Finance costs (other than interest on lease liabilities)							(57,900)
Profit before tax							19,646



4. REVENUE

An analysis of revenue is as follows:

	Six months ended	
	30 September	
	2024	2023
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
<i>Revenue from contracts with customers</i>	1,110,332	891,349
<i>Revenue from other sources</i>		
Gross rental income from certain investment property operating leases:		
Lease payments, including fixed payments	1,879	1,959
Total	1,112,211	893,308

Disaggregated revenue information

For the six months ended 30 September 2024 (Unaudited)

Segments	Non-franchised	Limousine	Franchised	Chinese	Others	Total
	bus		bus and	Mainland		
	HK\$'000	HK\$'000	PLB	business	HK\$'000	HK\$'000
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Types of services						
Provision of transportation services	797,951	140,780	104,949	2,143	-	1,045,823
Provision of hotel and tourism services	-	-	-	63,812	-	63,812
Provision of other services	-	-	-	-	697	697
Total revenue from contracts with customers	797,951	140,780	104,949	65,955	697	1,110,332
Timing of revenue recognition						
Services transferred over time	797,951	140,780	104,949	65,955	697	1,110,332

4. REVENUE (CONTINUED)

Disaggregated revenue information (Continued)

For the six months ended 30 September 2023 (Unaudited)

Segments	Non-franchised bus HK\$'000	Limousine HK\$'000	Franchised bus and PLB HK\$'000	Chinese Mainland business HK\$'000	Others HK\$'000	Total HK\$'000
Types of services						
Provision of transportation services	631,462	91,763	93,525	4,797	-	821,547
Provision of hotel and tourism services	-	-	-	69,137	-	69,137
Provision of other services	-	-	-	-	665	665
Total revenue from contracts with customers	631,462	91,763	93,525	73,934	665	891,349
Timing of revenue recognition						
Services transferred over time	631,462	91,763	93,525	73,934	665	891,349

5. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging/(crediting):

	Six months ended 30 September 2024 (Unaudited) HK\$'000		2023 (Unaudited) HK\$'000
Depreciation of property, plant and equipment	106,434		112,225
Depreciation of right-of-use assets	24,527		17,031
Amortisation of other intangible assets	6,473		6,294
Government subsidies	(19,684)		(19,608)
Fair value gain on financial assets at fair value through profit or loss	(465)		(484)
Fair value loss/(gain) on investment properties	(2,216)		5,968
Impairment of trade receivables, net	5,545		3,277
Loss/(gain) on disposal of items of property, plant and equipment, net	1,098		(583)
Loss on deregistration of an associate	1,248		-
Equity-settled share option expense	4,546		-



6. INCOME TAX

Hong Kong profits tax has been provided at the rate of 16.5% (six months ended 30 September 2023: 16.5%) on the estimated assessable profits arising in Hong Kong during the period, except for one subsidiary of the Group which is a qualifying entity under the two-tiered profits tax rates regime. The first HK\$2,000,000 (2023: HK\$2,000,000) of assessable profits of this subsidiary are taxed at 8.25% (2023: 8.25%) and the remaining assessable profits are taxed at 16.5% (2023: 16.5%).

	Six months ended 30 September	
	2024 (Unaudited) HK\$'000	2023 (Unaudited) HK\$'000
Current:		
Hong Kong		
Charge for the period	3,212	9,979
Overprovision in prior periods	(3,472)	–
Chinese Mainland		
Underprovision in prior periods	1,746	713
Deferred	(445)	(501)
Total tax charge for the period	1,041	10,191

7. DIVIDENDS

	Six months ended 30 September	
	2024 (Unaudited) HK\$'000	2023 (Unaudited) HK\$'000
Dividend recognised as distribution during the period:		
Final 2024 – HK2 cents (2023: Nil) per ordinary share	9,536	–

The board of directors of the Company does not recommend the payment of an interim dividend in respect of the six months ended 30 September 2024 (six months ended 30 September 2023: Nil).

8. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic earnings per share amount is based on the profit for the period attributable to ordinary equity holders of the parent of HK\$6,374,000 (six months ended 30 September 2023: HK\$5,514,000), and the weighted average number of ordinary shares of 476,776,842 (six months ended 30 September 2023: 476,776,842) in issue during the period.

No adjustment has been made to the basic earnings per share amount presented for the six months ended 30 September 2024 and 2023 in respect of a dilution as the impact of the share options outstanding had no dilutive effect on the basic earnings per share amount presented.

9. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 September 2024, the Group acquired property, plant and equipment with an aggregate cost of HK\$42,799,000 (six months ended 30 September 2023: HK\$33,102,000).

10. TRADE RECEIVABLES

	30 September 2024 (Unaudited) HK\$'000	31 March 2024 (Audited) HK\$'000
Trade receivables	339,520	304,563
Impairment	(37,920)	(32,487)
Net carrying amount	301,600	272,076

The Group allows an average credit period ranging from 30 to 90 days for its trade debtors. The Group seeks to maintain strict control over its outstanding receivables and overdue balances are reviewed regularly by senior management. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

Included in the Group's trade receivables are an amount due from a joint venture of HK\$12,905,000 (31 March 2024: HK\$3,456,000) and amounts due from associates of HK\$18,801,000 (31 March 2024: HK\$36,676,000), which are repayable within 90 days.

An ageing analysis of the trade receivables as at the end of the reporting period, based on the invoice date and net of loss allowance, is as follows:

	30 September 2024 (Unaudited) HK\$'000	31 March 2024 (Audited) HK\$'000
Within 30 days	146,491	104,527
31 to 60 days	58,253	104,991
61 to 90 days	32,608	1,900
Over 90 days	64,248	60,658
Total	301,600	272,076



11. TRADE PAYABLES

An ageing analysis of the Group's trade payables as at the end of the reporting period, based on the invoice date, is as follows:

	30 September 2024 (Unaudited) HK\$'000	31 March 2024 (Audited) HK\$'000
Within 30 days	38,798	34,849
31 to 60 days	7,123	4,970
61 to 90 days	2,094	352
Over 90 days	22,492	17,331
Total	70,507	57,502

The trade payables are non-interest-bearing and are normally settled on 60-day terms.

12. COMMITMENTS

The Group had the following contractual commitments at the end of the reporting period:

	30 September 2024 (Unaudited) HK\$'000	31 March 2024 (Audited) HK\$'000
Acquisitions of motor buses, vehicles and other items of property, plant and equipment	319,631	309,537
Acquisition of leasehold land and buildings	73,907	–
Capital contribution to contractual arrangements	22,923	26,052
Construction of bus terminal structures and scenic area establishments	6,962	11,331
Total	423,423	346,920

13. PLEDGE OF ASSETS

As at 30 September 2024, certain of the Group's bank loans and bank guarantees are secured by:

- (i) the pledge of certain property, plant and equipment and right-of-use assets with an aggregate net carrying amount of HK\$117,509,000 (31 March 2024: HK\$108,087,000);
- (ii) the pledge of certain time deposits and restricted cash of HK\$47,384,000 (31 March 2024: HK\$44,511,000) for bank loans;
- (iii) the pledge of a time deposit of HK\$13,788,000 (31 March 2024: HK\$13,315,000) for bank guarantees in lieu of performance guarantees/bonds amounting to HK\$21,145,000 (31 March 2024: HK\$7,746,000); and
- (iv) the pledge of certain investment properties of HK\$35,641,000 (31 March 2024: HK\$72,402,000).

14. RELATED PARTY TRANSACTIONS

- (a) **In addition to the transactions and balances disclosed elsewhere in this financial information, the Group had the following material transactions with related parties during the period:**

	Notes	Six months ended	
		30 September 2024 (Unaudited) HK\$'000	2023 (Unaudited) HK\$'000
Service fee income from a joint venture	(i)	2,817	4,607
Agency service fee paid to a joint venture	(ii)	6,039	3,604
Management fee income from a joint venture	(iii)	870	870
Coach rental income, advertising income and administrative service income from associates	(iv)	17,791	20,744
Coach rental expense paid to a related company	(v)	4,188	4,480

Notes:

- (i) The service fee income was related to the provision of advertising services and customer service support to a joint venture and was determined based on mutually agreed terms.
- (ii) The agency service fee paid was charged by a joint venture in respect of sale of bus tickets based mainly on a certain percentage of the transaction value.
- (iii) The management fee income was related to the provision of administrative services to a joint venture and was determined based on mutually agreed terms.
- (iv) The coach rental income was received according to the prices and conditions similar to those offered by the Group to its customers. The advertising income and administrative service income were received based on mutually agreed terms.
- (v) The coach rental expense was paid to Basic Fame Company Limited, a company controlled by Mr. Wong Leung Pak, Matthew, BBS, an executive director and the controlling shareholder of the Company. The rental expense was charged based on mutually agreed terms.



14. RELATED PARTY TRANSACTIONS (CONTINUED)

(b) Compensation of key management personnel of the Group:

	Six months ended	
	30 September	
	2024	2023
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Short-term employee benefits	10,139	7,972
Post-employment benefits	72	170
Equity-settled share option expense	3,017	–
Total compensation paid to key management personnel	13,228	8,142

(c) Outstanding balances with related parties:

	30 September	31 March
	2024	2024
	(Unaudited)	(Audited)
	HK\$'000	HK\$'000
Due from a joint venture	–	149
Due from associates	14,617	14,874
Loan to an associate	32,040	32,040

Details of the Group's trade balances with a joint venture and associates as at the end of the reporting period are disclosed in note 10 to the interim condensed consolidated financial information.

15. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

Management has assessed that the fair values of cash and cash equivalents, pledged time deposits and restricted cash, trade receivables, the current portion of financial assets included in prepayments, deposits and other receivables, trade payables, financial liabilities included in other payables and accruals, and the current portion of interest-bearing bank borrowings approximate to their carrying amounts largely due to the short term maturities of these instruments.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

The fair values of the amounts due from associates, loan to an associate, the non-current portions of financial assets included in prepayments, deposits and other receivables, and interest-bearing bank borrowings, and financial liabilities included in other long-term liabilities have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities. The changes in fair value as a result of the Group's own non-performance risk for interest-bearing bank borrowings as at 30 September 2024 were assessed to be insignificant. In the opinion of the directors, their carrying amounts are not significantly different from their respective fair values.

The fair values of the unlisted financial assets at fair value through profit or loss have been estimated based on the surrender values, which are calculated and quoted by the issuer. The directors believe that the estimated fair values resulting from the valuation technique, which are recorded in the interim condensed consolidated statement of financial position, and the related changes in fair values, which are recorded in the interim condensed consolidated statement of profit or loss, are reasonable, and that they were the most appropriate values at the end of the reporting period.

The fair values of the unlisted equity investments designated at fair value through other comprehensive income have been estimated using a valuation technique based on the adjusted net asset method and are classified within Level 3 of the fair value hierarchy as the valuation involves significant unobservable inputs. The valuation requires the directors to make estimates about the fair values of the assets and liabilities of the underlying entities. An increase in the net assets of the underlying entities will increase the fair values of the unlisted equity investments.



15. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS (CONTINUED)

Fair value hierarchy

The following tables illustrate the fair value measurement hierarchy of the Group's financial instruments:

Assets measured at fair value:

As at 30 September 2024

	Fair value measurement using			Total (Unaudited) HK\$'000
	Quoted prices in active markets (Level 1) (Unaudited) HK\$'000	Significant observable inputs (Level 2) (Unaudited) HK\$'000	Significant unobservable inputs (Level 3) (Unaudited) HK\$'000	
Equity investments designated at fair value through other comprehensive income	–	–	4,849	4,849
Financial assets at fair value through profit or loss	–	–	35,078	35,078
Total	–	–	39,927	39,927

As at 31 March 2024

	Fair value measurement using			Total (Audited) HK\$'000
	Quoted prices in active markets (Level 1) (Audited) HK\$'000	Significant observable inputs (Level 2) (Audited) HK\$'000	Significant unobservable inputs (Level 3) (Audited) HK\$'000	
Equity investments designated at fair value through other comprehensive income	–	–	4,849	4,849
Financial assets at fair value through profit or loss	–	–	34,613	34,613
Total	–	–	39,462	39,462

During the period, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 for financial assets (six months ended 30 September 2023: Nil).

The Group did not have any financial liabilities measured at fair value as at 30 September 2024 (31 March 2024: Nil).

16. APPROVAL OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL INFORMATION

The interim condensed consolidated financial information was approved and authorised for issue by the board of directors on 27 November 2024.

DIVIDEND

At a meeting of the Board held on 27 November 2024, the Directors resolved not to pay an interim dividend to shareholders for the six months ended 30 September 2024 (six months ended 30 September 2023: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

RESULTS

For the six months ended 30 September 2024 (the “Reporting Period”), the Group recorded unaudited consolidated profit attributable to owners of the parent of approximately HK\$6.4 million, remained relatively stable compared with unaudited consolidated profit attributable to owners of the parent of approximately HK\$5.5 million for the corresponding period in 2023 (the “Last Period”). Revenue of the Group for the Reporting Period was approximately HK\$1,112.2 million, representing an increase of 24.5% as compared to approximately HK\$893.3 million for the Last Period. Gross profit of the Group for the Reporting Period was approximately HK\$211.1 million, representing an increase of 17.0% as compared to approximately HK\$180.4 million for the Last Period. The gross profit margin remained relatively stable at 19.0% in the Reporting Period as compared to 20.2% in the Last Period.

The overall revenue of the Group continued to increase in the Reporting Period. Such increase was mainly attributable to the growth in core business in Hong Kong. Inbound tourism in Hong Kong continued to recover steadily since the full resumption of normal travel in early 2023, coupled with the recovery of the meetings, incentives, conventions and exhibitions (“MICE”) tourism sector and the continued enthusiasm for cross-border spending of Hong Kong residents. These factors remained the major drivers of revenue growth in cross-boundary services of both the non-franchised bus segment and the limousine segment. Meanwhile, the revenue from local scheduled services of the non-franchised bus segment maintained considerable growth in the Reporting Period. However, the positive effect on the revenue was partially offset by the increase in staff costs arising from the increase in headcount and annual pay adjustments.

REVIEW OF OPERATIONS

1. Non-franchised Bus Segment

Trans-Island Chinalink Bus Company Limited, a wholly-owned subsidiary of the Company, is one of the leading non-franchised cross-boundary bus service operators in Hong Kong. Kwoon Chung Motors Company, Limited is the flagship wholly-owned subsidiary of the Company that provides local non-franchised bus services.

The non-franchised bus services provided by the Group include: (i) cross-boundary transport between Chinese Mainland and Hong Kong and (ii) local transport in Hong Kong, which comprises scheduled service (mainly to student, employee, resident) and non-scheduled service (mainly to tour and contract hire). The Group continues to be the largest non-franchised public bus operator in Hong Kong in terms of the size of bus fleet. The non-franchised bus services continue to be the core business of the Group.

The revenue of non-franchised bus services for the Reporting Period was approximately HK\$798.0 million, representing an increase of 26.4% as compared to approximately HK\$631.5 million for the Last Period. Non-franchised bus segment continued to provide a sound profit-making base for the Group. A steady growth in inbound tourism, the recovery of the MICE tourism sector and the trend of Hong Kong resident travelling northward are driving the growth of the non-franchised bus service demand. To cater for the increasing demand for services, particularly in cross-boundary operation, the Group has applied for the second round of Labour Importation Scheme for Transport Sector in order to maintain the operational capacities of the Group.



REVIEW OF OPERATIONS (CONTINUED)

2. Limousine Segment

Intercontinental Limousine Company Limited and Kwoon Chung Trans-Island Travel Company Limited, both are the wholly-owned subsidiaries of the Company that provide VIP of hotels, corporate clients and leisure travelers with safe, reliable, professional and high quality limousine transfer service between Chinese Mainland, Hong Kong and Macau.

The revenue of limousine services for the Reporting Period was approximately HK\$140.8 million, representing an increase of 53.4% as compared to approximately HK\$91.8 million for the Last Period. The limousine segment achieved the positive results in the Reporting Period. The revenue of cross-boundary limousine services has recorded a significant increase in the Reporting Period, such increase was mainly attributable to the increase of passenger flows in Macau. In the recent year, concerts and other mega events have become one of the primary drivers boosting Macau's visitation. The increasing number of visitor arrivals in Macau boosts the cross-boundary limousine services demand travelling from Hong Kong and Chinese Mainland to Macau.

3. Franchised Bus and PLB Segment

New Lantao Bus Company (1973) Limited ("NLB"), a 99.99%-owned subsidiary of the Company, is a franchised bus service operator based in Lantau Island. NLB also runs the franchised cross-boundary port routes B2, B4 and B6 via Shenzhen Bay Port and Hong Kong-Zhuhai-Macao Bridge Port. Coronet Ray Development Limited, the wholly-owned subsidiary of the Company that operates one green public light bus ("PLB") route, connecting the Hong Kong Port of the Hong Kong-Zhuhai-Macao Bridge and Tung Chung.

Fare revenue of NLB for the Reporting Period was approximately HK\$104.3 million, representing an increase of 12.2% as compared to approximately HK\$93.0 million for the Last Period. Although the revenue in the Reporting Period has recorded a slight increase, such positive impact was offset by the increase in operating costs such as wages and fuel costs. To alleviate the issue of rising costs of operation, NLB has already submitted fare increase application to the Transport Department.

4. Chinese Mainland Business Segment

Revenue of the Chinese Mainland business for the Reporting Period was approximately HK\$67.8 million, representing a decrease of 10.7% as compared to approximately HK\$75.9 million for the Last Period. However, the Chinese Mainland business segment achieved a positive result in the Reporting Period, with a positive contribution from Bipenggou Tourism and CQ Hotel.

(a) Lixian Bipenggou Tourism Development Co., Ltd. ("Bipenggou Tourism")

As at 30 September 2024, the Group owned 67.807% equity interest in Bipenggou Tourism. The scenic area of Bipenggou, Lixian has maintained its popularity in Sichuan Province, Chinese Mainland.

Health and wellness tourism become travel preferences among domestic travelers after pandemic. With the relaxation of pandemic prevention and control measures in Chinese Mainland, the management of the Group believes that Bipenggou will be a sought after destination by travel enthusiasts and become even more popular for domestic travelers due to the growing popularity of domestic tourism after the pandemic.

REVIEW OF OPERATIONS (CONTINUED)

4. Chinese Mainland Business Segment (Continued)

(b) Chongqing Grand Hotel Co., Ltd. (“CQ Hotel”)

As at 30 September 2024, the Group owned 100% equity interest in CQ Hotel which operates a 3-star 26-storey hotel, namely Chongqing Grand Hotel in Chongqing, Chinese Mainland.

CQ Hotel operates as a commercial lease and hotel service. The renovation of the exterior wall and the improvement of internal facilities were completed, which was appreciated by the local government. The management of the Group believes that CQ Hotel will be more attractive to potential corporate clients and tourists. With the increasing possibilities offered by the Internet and the latest cutting-edge technology, CQ Hotel is embracing the current trend for hospitality automation which will bring in the benefits of enhanced flexibility and versatility, lowered costs and improved operational efficiency in relation to its operation.

(c) Hubei Shenzhou Transport Holdings Co., Ltd. (“Hubei Shenzhou”)

As at 30 September 2024, the Group owned 100% equity interest in Hubei Shenzhou. Hubei Shenzhou operates a long-distance bus terminal, a public bus transport company and other transportation related business in Xiangyang City and Nanzhang County, Hubei Province.

With the extension and development of rail transport, the domestic road passenger transportation business in Chinese Mainland has been significantly affected in recent years. The management of the Group is focusing efforts on studying how to utilize the existing resources to adjust the core business and exploring the opportunities of enterprise transformation. The old diesel buses operating in Nanzhang County have all been replaced by electric buses, which have been commended by the local government and appreciated by the public so as to bring both economic and social benefits in the coming future. In order to make better use of resources and create new business opportunities, the management is examining ways to enhance the use of the lands on which the passenger terminals are situated and will engage more actively in seeking collaboration partners to bring more possibilities to the Group.



FUTURE PROSPECTS

Looking ahead, the Group remains cautiously optimistic about the outlook for the second half of the year. The outlook is subject to various external risks and uncertainties. The fluctuations in fuel prices in the global market, the pressure on wages and the future path of interest rates continue to create cost instability to the Group. Meanwhile, the completion of key infrastructures creates a favourable condition to the business growth of the Group. Kai Tak Sport Park is scheduled to be opened in the first quarter of 2025, aiming to boost inbound tourism by holding mega live events. In addition, Shenzhen-Zhongshan Bridge has opened to traffic in July 2024 and Huangmaohai Sea-crossing Channel is expected to be completed by the end of 2024. These infrastructures are crucial to facilitate the passenger flow within the Greater Bay Area. With the continuous enhancement of the transport network covering the Greater Bay Area, the Group will continue to seize the development opportunities in the Greater Bay Area and proactively enrich its diversified portfolio of cross-boundary transport services to drive profitable business growth in the future.

The Group has been actively exploring autonomous electric bus services in recent years. In July 2024, the Group's joint venture, named KCM-PML Joint Venture was honoured to be awarded by the Airport Authority the contract for the development of autonomous vehicles and the associated transportation system for carrying visitors between the Hong Kong Port of the Hong Kong-Zhuhai-Macao Bridge and SKYCITY at the Hong Kong International Airport, which will be the first autonomous mass transportation system in Hong Kong. The Group also participated in "5G-enabled Autonomous People Mover Service in a Residential Park" pilot programme which is launched by The Automotive Platforms and Application Systems (APAS) R&D Centre. Two autonomous shuttle light buses were commenced operations in such pilot programme at Fairview Park in August 2024. In addition, the Group has obtained a service contract for autonomous electric bus operations in the West Kowloon Cultural District. Two autonomous shuttles will link the M+ museum and other stations in the cultural district and it is expected to commence operations in the fourth quarter of 2025. It marks a key milestone of the Group's continued efforts in promoting smart mobility and demonstrates the Group's commitment to become a key operator of autonomous driving technology implementation projects in Hong Kong, injecting new vitality into the city's transportation development.

LIQUIDITY AND FINANCIAL RESOURCES

Funding for the Group's operations during the six months ended 30 September 2024 was sourced mainly from internally generated cash flows, with shortfalls being financed mainly by borrowings from banks. As at 30 September 2024, the total outstanding indebtedness was approximately HK\$1,648.6 million (31 March 2024: HK\$1,544.7 million). The indebtedness comprised mainly term loans from banks in Hong Kong and Chinese Mainland, denominated in Hong Kong dollars ("HKD") and Renminbi ("RMB") respectively, and funds were deployed mainly for the purchase of capital assets and related investments. As at 30 September 2024, the Group's gearing ratio, which is computed based on dividing the total outstanding indebtedness by the total equity, was approximately 81.8% (31 March 2024: 76.7%).

FUNDING AND TREASURY POLICIES, AND FINANCIAL RISK MANAGEMENT

The Group maintains prudent funding and treasury policies towards its overall business operations, with an aim to minimize financial risks. All prospective material investments or capital assets will be financed by internal cash flows from operations, bank facilities or other viable forms of finance in Hong Kong and/or Chinese Mainland.

The investments and related liabilities, income and expenditure of the Group for its Hong Kong and Chinese Mainland operations are mainly denominated in HKD and RMB, respectively. The Group has been watchful of the exchange rates of HKD against RMB, and will formulate plans to hedge against major foreign currency exchange risks if and when necessary.

EMPLOYEES AND REMUNERATION POLICIES

As at 30 September 2024, the Group employed approximately 4,580 employees (31 March 2024: 4,440 employees) in Chinese Mainland, Hong Kong and Macau. The Group recruits, employs, remunerates and promotes its employees based on their qualifications, experience, skills, performance and contributions. Remuneration is offered with reference to market rates. Salary and/or promotion review is conducted upon performance appraisal by management on a regular basis. Discretionary year-end bonus and share options, if applicable, are granted to eligible employees, in accordance with the Group's performance and individual's contribution. In-house orientation and on-the-job training are arranged for the employees all year around. Employees are encouraged to attend job-related seminars, courses and programs organized by professional or educational institutions.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

During the six months ended 30 September 2024, the Group did not have any material acquisitions and disposals of subsidiaries, associates and joint ventures.

SIGNIFICANT INVESTMENTS

During the six months ended 30 September 2024, the Group did not acquire or hold any significant investments.

CHARGES ON GROUP ASSETS

Details of the charges on assets of the Group as at 30 September 2024 are included in note 13 to the interim condensed consolidated financial information.



FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

As at 30 September 2024, the Group did not have any future plans for material investments or capital assets.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY

As at 30 September 2024, the interests and short positions of the Directors and chief executive of the Company in the shares, underlying shares or debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO")), as recorded in the register required to be kept by the Company pursuant to section 352 of the SFO, or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code"), as set out in Appendix C3 to the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") were as follows:

1. Long Positions in Ordinary Shares of the Company

Name of director	Number of shares held, capacity and nature of interest		Total	Percentage of the Company's issued share capital (%)
	Directly beneficially owned	Through controlled corporation		
Mr. Wong Leung Pak, Matthew, BBS	599,665 ⁽¹⁾	241,535,555 ⁽²⁾	242,135,220	50.79
Mr. Wong Cheuk On, James	3,585,611	–	3,585,611	0.75
Mr. Lo Man Po	2,297,130	–	2,297,130	0.48

Notes:

(1) Mr. Wong Leung Pak Matthew, BBS held 599,665 shares jointly with his spouse, Ms. Ng Lai Yee, Christina.

(2) These shares were held directly by Basic Faith Company Limited ("Basic Faith"). Basic Faith was wholly owned by Infinity Faith International Company Limited ("Infinity Faith") which was in turn wholly owned by Mr. Wong Leung Pak, Matthew, BBS. He was deemed to be interested in the 241,535,555 shares held by Basic Faith pursuant to the SFO.

2. Long Positions in Shares of Associated Corporations

Mr. Wong Leung Pak, Matthew, BBS, an executive Director, held the entire equity interest in Guangzhou GoGo TIL Consulting Services Co., Ltd., a subsidiary of the Company, in trust for the benefit of the Company.

Save as disclosed above, as at 30 September 2024, none of the Directors or chief executive of the Company had an interest or short position in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) that was required to be recorded in the register to be kept by the Company pursuant to section 352 of the SFO, or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

At no time during the six months ended 30 September 2024 were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any of the Directors or their respective spouses or minor children, or were any such rights exercised by them; or was the Company, its holding companies, or any of its subsidiaries a party to any arrangement to enable the Directors to acquire such rights in any other body corporate.

SHARE OPTION SCHEME

The Company adopted a share option scheme on 23 August 2012 (the "2012 Share Option Scheme"), which expired on 22 August 2022. After the expiration of the 2012 Share Option Scheme, no further share options could be granted under this scheme but the share options granted during the life of this scheme shall remain valid and exercisable in accordance with its terms of issue and in all other respects the provisions of this scheme shall remain in full force and effect.

Following the expiration of the 2012 Share Option Scheme, a new share option scheme was approved for adoption pursuant to an ordinary resolution passed at the Company's annual general meeting held on 23 August 2022 (the "2022 Share Option Scheme"). The 2022 Share Option Scheme become effective on 23 August 2022.

The following share options were granted and outstanding under the 2012 Share Option Scheme and the 2022 Share Option Scheme during the six months ended 30 September 2024.

Under the 2012 Share Option Scheme

Category of participant	Number of share options					Date of grant of share options	Exercise period of share options	Price of the Company's shares		
	At 1 April 2024	Granted during the period	Exercised during the period	Lapsed/ cancelled during the period	At 30 September 2024			Exercise price of share options*	At grant date of options**	At exercise date of options†
								HK\$ per share	HK\$ per share	HK\$ per share
Employees	13,500,000	-	-	-	13,500,000	23 April 2019	23 April 2019 to 22 April 2029	4.30	4.26	N/A



SHARE OPTION SCHEME (CONTINUED)

Under the 2022 Share Option Scheme

Category of participant	Number of share options					Price of the Company's shares				
	At	Granted	Exercised	Lapsed/ cancelled	At	Date of grant of share options	Exercise period of share options	Exercise price of share options*	At grant date of options**	At exercise date of options#
	1 April 2024	during the period	during the period	during the period	30 September 2024			HK\$ per share	HK\$ per share	HK\$ per share
Directors										
Mr. Lo Man Po	4,500,000	-	-	-	4,500,000	1 February 2024	1 February 2025 to 31 January 2034	1.86	1.83	N/A
Mr. Wong Cheuk On, James	4,500,000	-	-	-	4,500,000	1 February 2024	1 February 2025 to 31 January 2034	1.86	1.83	N/A
	9,000,000	-	-	-	9,000,000					
Employees	19,500,000	-	-	-	19,500,000	1 February 2024	1 February 2025 to 31 January 2034	1.86	1.83	N/A
Total	28,500,000	-	-	-	28,500,000					

* The exercise price of the share options is subject to adjustment in the case of rights or bonus issues, or other similar changes in the Company's share capital.

** The price of the Company's shares disclosed as at the date of the grant of the share options is the Stock Exchange closing price on the trading day immediately prior to the grant of the options.

The price of the Company's shares disclosed as at the date of exercise of the share options is the weighted average closing price of the Company's shares on the trading day immediately prior to the date of exercise of the share options.

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS IN SHARES AND UNDERLYING SHARES

As at 30 September 2024, the interests or short positions of the persons (other than a Director or chief executive of the Company) in the shares or underlying shares of the Company as recorded in the register required to be kept by the Company pursuant to section 336 of the SFO were as follows:

Name	Capacity	Number of ordinary shares of the Company held	Percentage of the Company's issued share capital (%)
Ms. Ng Lai Yee, Christina	Joint interest	599,665 ⁽¹⁾	0.13
	Interest of spouse	241,535,555 ⁽²⁾	50.66
Basic Faith	Beneficial owner	241,535,555 ⁽³⁾	50.66
Infinity Faith	Interest of corporation controlled	241,535,555 ⁽³⁾	50.66
Cathay International Corporation	Beneficial owner	109,558,768	22.98

Notes:

- (1) Ms. Ng Lai Yee, Christina held 599,665 shares jointly with her spouse, Mr. Wong Leung Pak, Matthew, BBS.
- (2) Ms. Ng Lai Yee, Christina, the spouse of Mr. Wong Leung Pak, Matthew, BBS, was deemed to be interested in all the shares in which Mr. Wong Leung Pak, Matthew, BBS was interested by virtue of the SFO.
- (3) These shares were held by Basic Faith, which was wholly owned by Infinity Faith. Infinity Faith was deemed to be interested in all the shares in which Basic Faith was interested by virtue of the SFO.

Save as disclosed above, as at 30 September 2024, no person, other than the Directors or chief executive of the Company, whose interests are set out in the section headed "Directors' and chief executive's interests and short positions in shares, underlying shares and debentures of the Company" above, had registered an interest or short position in the shares or underlying shares of the Company as recorded in the register required to be kept by the Company pursuant to section 336 of the SFO.



COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE AND THE MODEL CODE

The Board is of the view that the Company has complied with the code provisions in the Corporate Governance Code as set out in Appendix C1 to the Listing Rules throughout the six months ended 30 September 2024.

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) as set out in Appendix C3 to the Listing Rules for securities transactions by Directors. Having made specific enquiry of all Directors, all Directors have complied with the required standard set out in the Model Code regarding securities transactions by Directors throughout the six months ended 30 September 2024.

PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY

Neither the Company, nor any of its subsidiaries purchased, redeemed or sold any of the Company’s listed securities during the six months ended 30 September 2024.

DISCLOSURES PURSUANT TO RULES 13.18 AND 13.21 OF THE LISTING RULES

On 24 January 2024, Trans-Island Limousine Service Limited, a wholly-owned subsidiary of the Company, as borrower (the “Borrower”), the Company and certain of its subsidiaries, as joint and several guarantors entered into a facility agreement (the “Facility Agreement”) relating to a term loan facility of up to HK\$1,550,000,000 (the “Facility”) with a syndicate of banks (the “Lenders”) for the term of five years from the initial drawdown date of the Facility with the principal repayment being back-end loaded.

Pursuant to the terms of the Facility Agreement, it shall be a mandatory prepayment event if any of the following events occurs: (i) Mr. Wong Leung Pak, Matthew, BBS and/or his successor ceases to own at least 50.1% of the entire issued share capital of the Company; or (ii) Mr. Wong Leung Pak, Matthew, BBS ceases to be the chairman of the Company or ceases to maintain control over the management of the Group.

If any of the above events occurs, the Lenders shall have no obligation to fund utilisation(s) of the Facility and the agent of the Lenders may, by notice of not less than 14 days to the Borrower, cancel their available commitment and declare all outstanding loans, together with the accrued interest and all other amounts accrued under the Facility Agreement immediately due and payable, whereupon their available commitment will be immediately cancelled and all such outstanding loans and amounts will become immediately due and payable.

Further details of the Facility and the foregoing specific performance obligations are set out in the Company’s announcement dated 24 January 2024.

EVENTS AFTER THE REPORTING PERIOD

There is no material subsequent event undertaken by the Company or by the Group after 30 September 2024 and up to the date of this report.

AUDIT COMMITTEE

The Company has an audit committee (“Audit Committee”) which was established in compliance with Rule 3.21 of the Listing Rules for the purpose of reviewing and providing supervision over the Group’s financial reporting process and internal controls. The Audit Committee comprises three independent non-executive Directors. The interim condensed consolidated financial information of the Group has been reviewed by the Audit Committee.

APPRECIATION

On behalf of the Board, I would like to take this opportunity to express my hearty gratitude to the Group’s business partners, shareholders, and loyal and diligent staff.

On behalf of the Board

Kwoon Chung Bus Holdings Limited

Wong Leung Pak, Matthew, BBS

Chairman

Hong Kong, 27 November 2024