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## **Transport International Holdings Limited**

(載通國際控股有限公司) \*

*(incorporated in Bermuda with limited liability)*

(Stock code: 62)

### **2022 Final Results Announcement**

#### **FINANCIAL HIGHLIGHTS**

- The Group's profit attributable to equity shareholders for the year ended 31 December 2022 was HK\$143.6 million (2021: HK\$245.0 million), representing a decrease of HK\$101.4 million compared with 2021. Such unfavourable variance was mainly due to the outbreak of the fifth wave of Coronavirus Disease ("COVID-19") and increase in depreciation and other operating expenses as a result of bus replacement and inflation.
- The Group's flagship company, The Kowloon Motor Bus Company (1933) Limited ("KMB"), recorded a loss after taxation of HK\$4.7 million for 2022 (2021: profit after taxation of HK\$101.4 million), representing an unfavourable variance of HK\$106.1 million compared with 2021. The decline was primarily due to the significant drop in bus patronage as a result of the outbreak of the fifth wave of COVID-19.
- The Group's earnings per share for 2022 were HK\$0.31 (2021: HK\$0.53).
- An ordinary final dividend of HK\$0.50 per share for 2022 has been declared (2021: HK\$0.50 per share). The total dividend for the year amounted to HK\$0.50 per share (2021: HK\$0.50 per share).

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS  
FOR THE YEAR ENDED 31 DECEMBER 2022**

|  | <i>Note</i> | <b>2022</b><br><i>HK\$'000</i> | 2021<br><i>HK\$'000</i> |
|--|-------------|--------------------------------|-------------------------|
| Fare revenue from franchised public bus services |             | <b>6,090,564</b>               | 6,609,291               |
| Revenue from non-franchised transport services   |             | <b>195,832</b>                 | 212,458                 |
| Licence fee income                               |             | <b>214,868</b>                 | 256,968                 |
| Media sales revenue                              |             | <b>49,652</b>                  | 71,597                  |
| Gross rentals from investment properties         |             | <b>56,255</b>                  | 51,694                  |
| <b>Revenue</b>                                   | 3           | <b>6,607,171</b>               | 7,202,008               |
| Other income                                     | 4           | <b>705,766</b>                 | 253,985                 |
| Staff costs                                      | 5(a)        | <b>(4,003,091)</b>             | (4,054,179)             |
| Depreciation                                     |             | <b>(1,123,053)</b>             | (1,018,161)             |
| Fuel and oil                                     |             | <b>(762,256)</b>               | (815,870)               |
| Spare parts                                      |             | <b>(212,353)</b>               | (216,248)               |
| Toll charges                                     |             | <b>(270,171)</b>               | (275,427)               |
| Other operating expenses                         | 5(b)        | <b>(849,882)</b>               | (817,552)               |
| <b>Profit from operations</b>                    |             | <b>92,131</b>                  | 258,556                 |
| Finance costs                                    | 6           | <b>(37,610)</b>                | (14,350)                |
| Share of (losses)/profits of associates          |             | <b>(6,909)</b>                 | 19,635                  |
| Share of profit of joint venture                 |             | <b>8,249</b>                   | 8,252                   |
| <b>Profit before taxation</b>                    |             | <b>55,861</b>                  | 272,093                 |
| Income tax credit/(expense)                      | 8           | <b>87,779</b>                  | (27,049)                |
| <b>Profit for the year</b>                       |             | <b>143,640</b>                 | 245,044                 |
| <br>   |             |                                |                         |
| <b>Earnings per share – basic and diluted</b>    | 9           | <b>HK\$ 0.31</b>               | HK\$ 0.53               |

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS  
AND OTHER COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2022**

|  | <b>2022</b>      | <b>2021</b>     |
|--|------------------|-----------------|
|  | <i>HK\$'000</i>  | <i>HK\$'000</i> |
| <b>Profit for the year</b>   | <b>143,640</b>   | <b>245,044</b>  |
| <b>Other comprehensive income for the year<br/>(after tax and reclassification adjustments):</b>   |                  |                 |
| <i>Items that will not be reclassified to profit or loss:</i>  |                  |                 |
| - Remeasurements of net defined benefit asset, net of tax credit of HK\$65,308,000 (2021: tax expense of HK\$51,439,000)                           | <b>(330,501)</b> | 260,314         |
| - Equity investment at fair value through other comprehensive income ("FVOCI"): net movement in fair value reserve (non-recycling), net of nil tax | <b>226,659</b>   | 191,234         |
| <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  | <b>(56,317)</b>  | 18,459          |
| - Investments in financial assets measured at FVOCI (recycling): net movement in fair value reserve (recycling), net of nil tax                    | <b>(169,005)</b> | (120,445)       |
| - Share of other comprehensive income of an associate, net of nil tax  | <b>432</b>       | 3,140           |
| Other comprehensive income for the year  | <b>(328,732)</b> | <b>352,702</b>  |
| <b>Total comprehensive income for the year</b>   | <b>(185,092)</b> | <b>597,746</b>  |

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AT 31 DECEMBER 2022**

|  | <i>Note</i> | <b>2022</b><br><i>HK\$'000</i> | 2021<br><i>HK\$'000</i> |
|--|-------------|--------------------------------|-------------------------|
| <b>Non-current assets</b>                    |             |                                |                         |
| Investment properties                        |             | <b>89,849</b>                  | 95,400                  |
| Investment property under development        |             | <b>4,465,199</b>               | 3,844,604               |
| Interest in leasehold land                   |             | <b>48,511</b>                  | 50,491                  |
| Other property, plant and equipment          |             | <b>7,779,247</b>               | 7,985,606               |
|  |             | <b>12,382,806</b>              | 11,976,101              |
| Intangible assets                            |             | <b>529,090</b>                 | 419,729                 |
| Goodwill                                     |             | <b>84,051</b>                  | 84,051                  |
| Interest in associates                       |             | <b>599,796</b>                 | 681,749                 |
| Interest in joint venture                    |             | <b>751,187</b>                 | 750,799                 |
| Other financial assets                       |             | <b>1,716,285</b>               | 1,353,662               |
| Employee benefit assets                      |             | <b>1,540,991</b>               | 1,959,462               |
| Deferred tax assets                          |             | <b>730</b>                     | 528                     |
|  |             | <b>17,604,936</b>              | 17,226,081              |
| <b>Current assets</b>                        |             |                                |                         |
| Spare parts                                  |             | <b>95,503</b>                  | 103,421                 |
| Accounts receivable                          | 10          | <b>957,169</b>                 | 605,137                 |
| Other financial assets                       |             | <b>215,977</b>                 | 741,095                 |
| Deposits and prepayments                     |             | <b>32,057</b>                  | 26,924                  |
| Current tax recoverable                      |             | <b>2,551</b>                   | 5,857                   |
| Restricted bank deposits                     |             | <b>442,891</b>                 | 411,749                 |
| Bank deposits and cash                       |             | <b>1,799,592</b>               | 825,787                 |
|  |             | <b>3,545,740</b>               | 2,719,970               |
| <b>Current liabilities</b>                   |             |                                |                         |
| Accounts payable and accruals                | 11          | <b>1,531,101</b>               | 1,665,467               |
| Contingency provision – insurance            | 12          | <b>88,592</b>                  | 93,800                  |
| Bank loans                                   |             | <b>1,674,567</b>               | 994,032                 |
| Lease liabilities                            |             | <b>4,082</b>                   | 3,513                   |
| Current tax payable                          |             | <b>13,481</b>                  | 2,657                   |
|  |             | <b>3,311,823</b>               | 2,759,469               |
| <b>Net current assets/(liabilities)</b>      |             | <b>233,917</b>                 | (39,499)                |
| <b>Total assets less current liabilities</b> |             | <b>17,838,853</b>              | 17,186,582              |

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AT 31 DECEMBER 2022**  
**(continued)**

|                                     | <i>Note</i> | <b>2022</b><br><i>HK\$'000</i> | 2021<br><i>HK\$'000</i> |
|-------------------------------------|-------------|--------------------------------|-------------------------|
| <b>Non-current liabilities</b>      |             |                                |                         |
| Bank loans                          |             | <b>3,292,961</b>               | 2,138,517               |
| Lease liabilities                   |             | <b>3,231</b>                   | 3,306                   |
| Deferred tax liabilities            |             | <b>1,014,786</b>               | 1,187,522               |
| Contingency provision – insurance   | 12          | <b>148,453</b>                 | 177,590                 |
| Provision for long service payments |             | <b>1,501</b>                   | 919                     |
|                                     |             | <u><b>4,460,932</b></u>        | <u>3,507,854</u>        |
| <b>NET ASSETS</b>                   |             | <u><b>13,377,921</b></u>       | <u>13,678,728</u>       |
| <b>CAPITAL AND RESERVES</b>         |             |                                |                         |
| Share capital                       |             | <b>474,940</b>                 | 465,469                 |
| Reserves                            |             | <b>12,902,981</b>              | 13,213,259              |
| <b>TOTAL EQUITY</b>                 |             | <u><b>13,377,921</b></u>       | <u>13,678,728</u>       |

*Notes:*

## **1. Auditor's report**

The Group's consolidated financial statements for the year ended 31 December 2022 have been audited in accordance with Hong Kong Standards on Auditing, issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), by the Group's auditor, KPMG, Certified Public Accountants, whose unmodified auditor's report is included in the annual report to be sent to shareholders. The results have also been reviewed by the Company's Audit and Risk Management Committee.

The financial figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss and consolidated statement of profit or loss and other comprehensive income and the related notes thereto for the year ended 31 December 2022 as set out in the preliminary announcement have been compared by KPMG to the amounts set out in the Group's audited consolidated financial statements for the year and the amounts were found to be in agreement. The work performed by KPMG in this respect did not constitute an audit, review or other assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the HKICPA and consequently no assurance has been expressed by the auditor on this announcement.

## **2. Basis of preparation**

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

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

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

### 3. Segment reporting

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

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

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

Information regarding the Group's reportable segments for the years ended 31 December 2022 and 2021 is set out below:

|   | Franchised bus operation |                   | Property holdings and development |                  | All other segments (Note) |                  | Total             |                   |
|---|--------------------------|-------------------|-----------------------------------|------------------|---------------------------|------------------|-------------------|-------------------|
|   | 2022                     | 2021              | 2022                              | 2021             | 2022                      | 2021             | 2022              | 2021              |
|   | HK\$'000                 | HK\$'000          | HK\$'000                          | HK\$'000         | HK\$'000                  | HK\$'000         | HK\$'000          | HK\$'000          |
| Revenue from external customers                         | 6,360,023                | 6,940,074         | 51,477                            | 49,337           | 195,671                   | 212,597          | 6,607,171         | 7,202,008         |
| Inter-segment revenue                                   | 823                      | 782               | 5,094                             | 5,477            | 1,890                     | 3,178            | 7,807             | 9,437             |
| <b>Reportable segment revenue</b>                       | <b>6,360,846</b>         | <b>6,940,856</b>  | <b>56,571</b>                     | <b>54,814</b>    | <b>197,561</b>            | <b>215,775</b>   | <b>6,614,978</b>  | <b>7,211,445</b>  |
| <b>Reportable segment (loss)/profit</b>                 | <b>(33,013)</b>          | <b>65,852</b>     | <b>52,419</b>                     | <b>48,103</b>    | <b>5,067</b>              | <b>22,415</b>    | <b>24,473</b>     | <b>136,370</b>    |
| Interest income   | 4,016                    | 28                | -                                 | -                | -                         | 37               | 4,016             | 65                |
| Interest expense  | (37,610)                 | (14,350)          | -                                 | -                | -                         | -                | (37,610)          | (14,350)          |
| Depreciation  | (1,077,761)              | (972,112)         | (6,463)                           | (7,053)          | (38,829)                  | (38,996)         | (1,123,053)       | (1,018,161)       |
| Staff costs   | (3,893,752)              | (3,951,690)       | -                                 | -                | (98,683)                  | (91,838)         | (3,992,435)       | (4,043,528)       |
| Share of (losses)/profits of associates                 | -                        | -                 | -                                 | -                | (6,909)                   | 19,635           | (6,909)           | 19,635            |
| Share of profit of joint venture                        | -                        | -                 | 8,249                             | 8,252            | -                         | -                | 8,249             | 8,252             |
| Income tax credit/(expense)                             | 105,262                  | (14,142)          | (6,785)                           | (7,719)          | (10,698)                  | (5,188)          | 87,779            | (27,049)          |
| <b>Reportable segment assets</b>                        | <b>11,281,358</b>        | <b>10,931,735</b> | <b>5,316,616</b>                  | <b>4,698,759</b> | <b>1,497,166</b>          | <b>1,847,096</b> | <b>18,095,140</b> | <b>17,477,590</b> |
| - including interest in associates                      | -                        | -                 | -                                 | -                | 599,796                   | 681,749          | 599,796           | 681,749           |
| - including interest in joint venture                   | -                        | -                 | 751,187                           | 750,799          | -                         | -                | 751,187           | 750,799           |
| Additions to non-current segment assets during the year | 882,710                  | 1,177,921         | 621,737                           | 840,027          | 135,728                   | 26,363           | 1,640,175         | 2,044,311         |
| <b>Reportable segment liabilities</b>                   | <b>5,211,220</b>         | <b>4,381,960</b>  | <b>2,421,777</b>                  | <b>1,758,496</b> | <b>94,860</b>             | <b>83,013</b>    | <b>7,727,857</b>  | <b>6,223,469</b>  |

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

### 3. Segment reporting (continued)

#### *Reconciliation of reportable segment revenue, profit, assets and liabilities*

|                                      | 2022<br><i>HK\$'000</i> | 2021<br><i>HK\$'000</i> |
|--------------------------------------|-------------------------|-------------------------|
| <b><i>Revenue</i></b>                |                         |                         |
| Reportable segment revenue           | 6,417,417               | 6,995,670               |
| Revenue from all other segments      | 197,561                 | 215,775                 |
| Elimination of inter-segment revenue | (7,807)                 | (9,437)                 |
| Consolidated revenue                 | <u>6,607,171</u>        | <u>7,202,008</u>        |
| <b><i>Profit</i></b>                 |                         |                         |
| Reportable segment profit            | 19,406                  | 113,955                 |
| Profit from all other segments       | 5,067                   | 22,415                  |
| Unallocated profits                  | 119,167                 | 108,674                 |
| Consolidated profit after taxation   | <u>143,640</u>          | <u>245,044</u>          |
| <b><i>Assets</i></b>                 |                         |                         |
| Reportable segment assets            | 16,597,974              | 15,630,494              |
| Assets from all other segments       | 1,497,166               | 1,847,096               |
| Unallocated assets                   | 3,055,536               | 2,468,461               |
| Consolidated total assets            | <u>21,150,676</u>       | <u>19,946,051</u>       |
| <b><i>Liabilities</i></b>            |                         |                         |
| Reportable segment liabilities       | 7,632,997               | 6,140,456               |
| Liabilities from all other segments  | 94,860                  | 83,013                  |
| Unallocated liabilities              | 44,898                  | 43,854                  |
| Consolidated total liabilities       | <u>7,772,755</u>        | <u>6,267,323</u>        |



### 3. Segment reporting (continued)

#### *Geographic information*

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

|  | Specified non-current assets |                          |
|--|------------------------------|--------------------------|
|  | 2022<br><i>HK\$'000</i>      | 2021<br><i>HK\$'000</i>  |
| Hong Kong                              | <b>13,585,437</b>            | 13,062,809               |
| The People's Republic of China ("PRC") | <b>761,493</b>               | 849,620                  |
|  | <b><u>14,346,930</u></b>     | <b><u>13,912,429</u></b> |

#### 4. Other income

|  | 2022<br><i>HK\$'000</i> | 2021<br><i>HK\$'000</i> |
|--|-------------------------|-------------------------|
| Interest income on financial assets measured at FVOCI (recycling)                  | 57,806                  | 54,483                  |
| Interest income on financial assets measured at amortised cost                     | 23,144                  | 6,683                   |
| Dividend income from equity investments  | 64,861                  | 38,539                  |
| Net gain/(loss) on derecognition of financial assets measured at FVOCI (recycling) | 1,161                   | (3,163)                 |
| Net foreign exchange gain  | 12,719                  | 12,772                  |
| Expected credit loss on other financial assets                                     | (92,000)                | -                       |
|  | <b>67,691</b>           | 109,314                 |
| Claims received  | 10,954                  | 24,963                  |
| Net miscellaneous business receipts  | 12,464                  | 12,910                  |
| Net gain on disposal of other property, plant and equipment                        | 5,453                   | 9,233                   |
| Government subsidies (Note)  | 525,566                 | 5,394                   |
| Drawdown from Toll Exemption Fund (Note 5(b))                                      | -                       | 49,428                  |
| Sundry income  | 83,638                  | 42,743                  |
|  | <b>705,766</b>          | 253,985                 |

Note: This mainly represented subsidies from the Government of the Hong Kong Special Administrative Region (“HKSAR”) to relieve the operating pressure on corporates, including franchised and non-franchised bus operators as a result of the outbreak of the fifth wave of COVID-19.

## 5. Profit before taxation

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

### (a) Staff costs

|  | 2022<br><i>HK\$'000</i> | 2021<br><i>HK\$'000</i> |
|--|-------------------------|-------------------------|
| Defined benefit retirement plan expense                | 22,662                  | 53,786                  |
| Contributions to defined contribution retirement plans | 166,868                 | 163,327                 |
| Movements in provision for long service payments       | 8,919                   | 3,280                   |
|  | <hr/>                   | <hr/>                   |
| Total retirement cost                                  | 198,449                 | 220,393                 |
| Equity-settled share-based payment expenses            | 1,194                   | 4,108                   |
| Salaries, wages and other benefits                     | 3,805,601               | 3,832,128               |
|  | <hr/>                   | <hr/>                   |
|  | 4,005,244               | 4,056,629               |
| Less: staff costs included in cost of mask production  | (2,153)                 | (2,450)                 |
|  | <hr/>                   | <hr/>                   |
|  | <b>4,003,091</b>        | <b>4,054,179</b>        |
|  | <hr/> <hr/>             | <hr/> <hr/>             |
| (b) Provision for toll exemption fund (Note)           | <b>130,304</b>          | 149,559                 |
|  | <hr/> <hr/>             | <hr/> <hr/>             |

Note: The HKSAR Government announced that with effect from 17 February 2019, all franchised buses are exempted from paying tolls when using Government tunnels and roads. However, each franchised bus operator is required to spend an equivalent amount of the toll saved to set up its own dedicated account known as the "Toll Exemption Fund" which will normally be used to lower the magnitude of future fare increase. In addition, any additional fare revenue resulting from the increase of the bus fare on the jointly operated routes with other franchised bus operators arising from a fare adjustment is required to be paid into the Toll Exemption Fund. The balance of the Toll Exemption Fund of the Group as at 31 December 2022, included in accounts payable and accruals (Note 11), was HK\$450,374,000 (2021: HK\$417,258,000). The drawdown from the Toll Exemption Fund of HK\$49,428,000 was recognised in the consolidated statement of profit or loss in 2021.

## 6. Finance costs

|   | 2022<br><i>HK\$'000</i> | 2021<br><i>HK\$'000</i> |
|---|-------------------------|-------------------------|
| Interest on bank loans  | 81,164                  | 28,932                  |
| Interest on lease liabilities   | 92                      | 94                      |
| Total interest expense on financial liabilities not<br>at fair value through profit or loss | <u>81,256</u>           | <u>29,026</u>           |
| Less: interest expense capitalised (Note)   | <u>(43,646)</u>         | <u>(14,676)</u>         |
|   | <u><b>37,610</b></u>    | <u><b>14,350</b></u>    |

Note: The borrowing costs have been capitalised at the average interest rate of 1.92% per annum (2021: 0.85% per annum).

## 7. Dividends

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

|   | 2022                     |                          | 2021                     |                          |
|---|--------------------------|--------------------------|--------------------------|--------------------------|
|   | Per share<br><i>HK\$</i> | Total<br><i>HK\$'000</i> | Per share<br><i>HK\$</i> | Total<br><i>HK\$'000</i> |
| Final dividend proposed<br>after the end of the<br>reporting period | <u><b>0.50</b></u>       | <u><b>237,470</b></u>    | <u>0.50</u>              | <u>232,735</u>           |

The Board did not recommend the declaration of an interim dividend for the six months ended 30 June 2022 and 2021.

At the Board meeting held on 23 March 2023, the Directors recommended a final dividend of HK\$0.50 per share for 2022 (2021: HK\$0.50 per share). Such dividend, which will be proposed at the Annual General Meeting of the Company to be held on 18 May 2023, has not been recognised as a liability at the end of the reporting period.

## 7. Dividends (continued)

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

|  | 2022        |                 | 2021        |                 |
|--|-------------|-----------------|-------------|-----------------|
|  | Per share   | Total           | Per share   | Total           |
|  | <i>HK\$</i> | <i>HK\$'000</i> | <i>HK\$</i> | <i>HK\$'000</i> |
| Final dividend in respect of<br>the previous financial year,<br>approved and paid<br>during the year | <b>0.50</b> | <b>232,735</b>  | 0.50        | 228,910         |

The final dividend with a scrip dividend alternative in respect of the year ended 31 December 2021 was paid on 30 June 2022, of which HK\$115,826,000 was settled by the issuance of 9,470,661 shares at an issue price of HK\$12.23 per share under the scrip dividend scheme.

The final dividend with a scrip dividend alternative in respect of the year ended 31 December 2020 was paid on 30 June 2021, of which HK\$119,472,000 was settled by the issuance of 7,648,718 shares at an issue price of HK\$15.62 per share under the scrip dividend scheme.

## 8. Income tax (credit)/expense

|   | 2022<br><i>HK\$'000</i> | 2021<br><i>HK\$'000</i> |
|---|-------------------------|-------------------------|
| <b>Current tax – Hong Kong profits tax</b>        |                         |                         |
| Provision for the year                            | 19,563                  | 13,804                  |
| Over-provision in respect of prior years          | <u>(690)</u>            | <u>(148)</u>            |
|   | <u>18,873</u>           | <u>13,656</u>           |
| <b>PRC withholding tax</b>                        | <u>978</u>              | <u>805</u>              |
|   | <u>19,851</u>           | <u>14,461</u>           |
| <b>Deferred tax</b>                               |                         |                         |
| Origination and reversal of temporary differences | <u>(107,630)</u>        | <u>12,588</u>           |
| Actual tax (credit)/expense                       | <u><b>(87,779)</b></u>  | <u><b>27,049</b></u>    |

The provision for Hong Kong profits tax for 2022 is calculated at 16.5% (2021: 16.5%) of the estimated assessable profits for the year, except for a subsidiary of the Group which is a qualifying corporation under the two-tier profits tax rate regime. For this subsidiary, the first HK\$2 million of assessable profits are taxed at 8.25% and the remaining assessable profits are taxed at 16.5%.

## 9. Earnings per share

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

The calculation of basic earnings per share is based on the profit attributable to ordinary equity shareholders of the Company of HK\$143,640,000 (2021: HK\$245,044,000) and the weighted average number of ordinary shares in issue during the year, calculated as follows:

|  | 2022               | 2021               |
|--|--------------------|--------------------|
| Issued ordinary shares at 1 January                          | 465,469,414        | 457,820,696        |
| Effect of shares issued in respect of scrip dividend         | 4,800,198          | 3,876,747          |
| Weighted average number of ordinary shares<br>at 31 December | <u>470,269,612</u> | <u>461,697,443</u> |

### (b) *Diluted earnings per share*

There were no dilutive potential ordinary shares during the years presented and diluted earnings per share are the same as basic earnings per share.

## 10. Accounts receivable

|                             | 2022<br><i>HK\$'000</i> | 2021<br><i>HK\$'000</i> |
|-----------------------------|-------------------------|-------------------------|
| Trade and other receivables | 924,397                 | 584,076                 |
| Interest receivable         | 33,132                  | 21,421                  |
| Less: loss allowance        | <u>(360)</u>            | <u>(360)</u>            |
|                             | <u><b>957,169</b></u>   | <u><b>605,137</b></u>   |

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

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

|                             | 2022<br><i>HK\$'000</i> | 2021<br><i>HK\$'000</i> |
|-----------------------------|-------------------------|-------------------------|
| Current                     | 59,946                  | 62,636                  |
| Less than 1 month past due  | 96,725                  | 60,320                  |
| 1 to 3 months past due      | 51,964                  | 52,107                  |
| More than 3 months past due | <u>126,903</u>          | <u>89,425</u>           |
|                             | <u><b>335,538</b></u>   | <u><b>264,488</b></u>   |

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



## 11. Accounts payable and accruals

|  | <b>2022</b>             | 2021             |
|--|-------------------------|------------------|
|  | <b><i>HK\$'000</i></b>  | <i>HK\$'000</i>  |
| Trade payables                             | <b>121,700</b>          | 200,132          |
| Balance of passenger reward                | -                       | -                |
| Balance of Toll Exemption Fund (Note 5(b)) | <b>450,374</b>          | 417,258          |
| Other payables and accruals                | <b>954,105</b>          | 1,043,155        |
| Amount due to an associate                 | <b>4,922</b>            | 4,922            |
|  | <b><u>1,531,101</u></b> | <u>1,665,467</u> |

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

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

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

|                                       | <b>2022</b>            | 2021            |
|---------------------------------------|------------------------|-----------------|
|                                       | <b><i>HK\$'000</i></b> | <i>HK\$'000</i> |
| Due within 1 month or on demand       | <b>120,379</b>         | 190,075         |
| Due after 1 month but within 3 months | <b>638</b>             | 8,761           |
| Due after more than 3 months          | <b>683</b>             | 1,296           |
|                                       | <b><u>121,700</u></b>  | <u>200,132</u>  |

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

## 12. Contingency provision – insurance

|                                     | <b>2022</b>     | 2021            |
|-------------------------------------|-----------------|-----------------|
|                                     | <i>HK\$'000</i> | <i>HK\$'000</i> |
| At 1 January                        | <b>271,390</b>  | 308,039         |
| Provision charged to profit or loss | <b>48,840</b>   | 46,776          |
| Payments made during the year       | <b>(83,185)</b> | (83,425)        |
| At 31 December                      | <b>237,045</b>  | 271,390         |
|                                     | <hr/> <hr/>     | <hr/> <hr/>     |
| <b>Representing:</b>                |                 |                 |
| Current portion                     | <b>88,592</b>   | 93,800          |
| Non-current portion                 | <b>148,453</b>  | 177,590         |
|                                     | <b>237,045</b>  | 271,390         |
|                                     | <hr/> <hr/>     | <hr/> <hr/>     |

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

## **RESULTS**

The Group's profit attributable to equity shareholders for the year ended 31 December 2022 was HK\$143.6 million (2021: HK\$245.0 million), representing a decrease of HK\$101.4 million compared with 2021. Such unfavourable variance was mainly due to the outbreak of the fifth wave of Coronavirus Disease ("COVID-19") and the increase in depreciation and other operating expenses as a result of bus replacement and inflation. Earnings per share decreased correspondingly from HK\$0.53 for 2021 to HK\$0.31 for 2022.

## **PROPOSED DIVIDEND**

The Board has proposed the payment to shareholders registered as at 24 May 2023 an ordinary final dividend of HK\$0.50 per share (2021: HK\$0.50 per share) totalling HK\$237.5 million (2021: HK\$232.7 million). As the Board did not declare any interim dividend during 2022 and 2021, total dividends for the year will amount to HK\$0.50 per share (2021: HK\$0.50 per share) and the total dividend payout will amount to HK\$237.5 million (2021: HK\$232.7 million).

The ordinary final dividend will be payable in cash, with an option for the shareholders of the Company to receive new and fully paid ordinary shares in lieu of cash or partly in cash or partly in shares under a scrip dividend scheme (the "Scrip Dividend Scheme"). The new shares will, on issue, not be entitled to the aforesaid ordinary final dividend, but will rank pari passu in all other respects with the existing shares. The circular containing details of the Scrip Dividend Scheme and the election form are expected to be sent to shareholders on or about 2 June 2023.

The Scrip Dividend Scheme is conditional upon the passing of the resolution relating to the payment of ordinary final dividend at the forthcoming Annual General Meeting ("AGM") to be held on 18 May 2023 or at any adjournment thereof and the granting of the listing of and permission to deal in the new shares to be issued under the Scrip Dividend Scheme by the Listing Committee of The Stock Exchange of Hong Kong Limited. The ordinary final dividend and the share certificates to be issued under the Scrip Dividend Scheme are expected to be distributed and sent to shareholders on 30 June 2023.

The Transfer Books of the Company will be closed from 15 May 2023 to 18 May 2023, both dates inclusive. In order to be eligible to attend and vote at the AGM,

all transfer documents accompanied by the relevant share certificates must be lodged with the Company's branch share registrars in Hong Kong, Computershare Hong Kong Investor Services Limited (the "Branch Share Registrars") at 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong for registration not later than 4:30 p.m. on 12 May 2023.

For the purpose of ascertaining shareholders' entitlement to the proposed ordinary final dividend of the Company for the year ended 31 December 2022, the Transfer Books of the Company will be closed on 24 May 2023. In order to qualify for the proposed ordinary final dividend, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's Branch Share Registrars at the aforementioned address for registration not later than 4:30 p.m. on 23 May 2023.

## **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 loss after taxation of HK\$4.7 million for 2022, representing an unfavourable variance of HK\$106.1 million compared with the profit after taxation of HK\$101.4 million for 2021.

Fare revenue for 2022 was HK\$5,774.9 million, a decrease of HK\$514.8 million or 8.2% compared with HK\$6,289.7 million for 2021. The decrease was mainly due to the outbreak of the fifth wave of COVID-19, which resulted in a significant drop in bus patronage. KMB's total ridership decreased by 9.6% to 805.4 million passenger trips (a daily average of 2.21 million passenger trips) as compared with 891.3 million passenger trips (a daily average of 2.44 million passenger trips) for 2021.

Government subsidies of HK\$452.7 million (2021: HK\$2.2 million) from various support schemes were recorded in 2022.

Total operating expenses for 2022 amounted to HK\$6,669.4 million, an increase of HK\$59.2 million compared with HK\$6,610.2 million for 2021. The increase was mainly attributable to the increase in depreciation and other operating expenses as a result of bus replacement and inflation.

*Long Win Bus Company Limited (“LWB”)*

The loss after taxation of LWB for 2022 was HK\$27.8 million, representing a favourable variance of HK\$7.2 million compared with the loss after taxation of HK\$35.0 million for 2021.

LWB’s fare revenue for 2022 was HK\$316.5 million, a decrease of HK\$3.9 million compared with HK\$320.4 million for 2021. The decline was mainly due to the decrease in ridership as a result of the implementation of various anti-epidemic measures since 2021. LWB recorded a total ridership of 28.6 million passenger trips (a daily average of 78,000 passenger trips) for 2022, as compared with 28.9 million passenger trips (a daily average of 79,000 passenger trips) for 2021.

Government subsidies of HK\$45.6 million (2021: HK\$0.1 million) from various support schemes under the Anti-epidemic Fund were recorded in 2022.

Total operating expenses for 2022 amounted to HK\$409.4 million, a decrease of HK\$17.0 million or 4.0% compared with HK\$426.4 million for 2021. The decrease in operating expenses was largely due to the decrease in toll charges as a result of the reduction in number of trips resulting from service reductions as well as bus route diversion arrangements following the commissioning of the Tuen Mun-Chek Lap Kok Tunnel with effect from 20 June 2021.

**Non-franchised Transport Operations**

The Group’s Non-franchised Transport Operations Division reported a profit after taxation of HK\$3.5 million for 2022, representing a decrease of HK\$5.3 million compared with the profit after taxation of HK\$8.8 million for 2021. A review of the operations of the principal business units in this Division is set out as follows:

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

The SBH Group is one of the leading non-franchised bus operators in Hong Kong, providing customised, premium, safe, reliable, and value-for-money transport services to a wide range of customers, including large residential estates, shopping

malls, major employers, travel agents and schools, as well as the general public through chartered hire services.

The revenue of the SBH Group for 2022 decreased by 8.0% compared with 2021. The decrease was mainly due to the decline in local business as a result of the outbreak of the fifth wave of COVID-19. Total operating expenses for 2022 increased by 3.1% compared with 2021 mainly due to the increase in fuel costs as a result of the increase in international fuel prices.

In 2022, the SBH Group continued to modernise its bus fleet with the latest Euro VI buses. As at 31 December 2022, the SBH Group had a fleet of 396 buses (2021: 397 buses).

#### *New Hong Kong Bus Company Limited (“NHKB”)*

NHKB jointly operates with its Shenzhen counterpart 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.

Huang Bus service has been suspended since 4 February 2020 as the immigration clearance service for passengers at Lok Ma Chau Control Point was suspended by the Government as part of its anti-epidemic measures.

As at 31 December 2022, NHKB had a fleet of 15 buses (2021: 15 buses).

### **Property Holdings and Development**

The Group’s Property Holdings and Development Division reported a profit after taxation of HK\$52.4 million for 2022, representing an increase of HK\$4.3 million or 8.9% compared with the profit after taxation of HK\$48.1 million for 2021. A review of the Group’s investment properties is set out as follows:

#### *KT Real Estate Limited (“KTRE”)*

KTRE, a wholly-owned subsidiary of the Group, together with Turbo Result Limited (“TRL”), a subsidiary of Sun Hung Kai Properties Limited (“SHKP”), owns The Millennity situated at 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. An occupation permit was obtained in November 2022.

The Millennity will provide 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.

In December 2022, Sun Hung Kai Real Estate (Sales and Leasing) Agency Limited and Kai Shing Management Services Limited, both subsidiaries of SHKP, were appointed as the marketing and leasing agent and the property manager for The Millennity, respectively.

Preleasing of the office towers is progressing smoothly and some tenants will begin to move in over the next few months. The preparation for the grand opening of the podium mall in the second half of this year is also making good progress.

As at 31 December 2022, the carrying value of The Millennity (classified as investment property under development in the consolidated statement of financial position) amounted to HK\$4,465.2 million (2021: HK\$3,844.6 million).

#### *LCK Real Estate Limited (“LCKRE”)*

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

As at 31 December 2022, the carrying value of the building stated at cost less accumulated depreciation, amounted to HK\$19.5 million (2021: HK\$23.1 million).

### *LCK Commercial Properties Limited (“LCKCP”)*

LCKCP, a wholly-owned subsidiary of the Group, is the owner of “Manhattan Midtown”, the commercial complex of Manhattan Hill. The 50,000 square feet shopping mall has provided Manhattan Hill residents and other shoppers with high quality retail facilities since its opening in March 2009. As at 31 December 2022, the entire lettable area of the shopping mall was leased out, generating a stream of recurring rental income for the Group.

As at 31 December 2022, the carrying value of the shopping mall (classified as investment property in the consolidated statement of financial position), stated at cost less accumulated depreciation, amounted to HK\$69.1 million (2021: HK\$71.0 million).

### *TM Properties Investment Limited (“TMPI”)*

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

TMPI owns an industrial property which is currently designated for industrial use or godown purposes or both. TMPI has applied to the relevant authorities for a change of use from the existing industrial use to office, shop and services uses, subject to the grant of relevant government approvals. As at 31 December 2022, the entire lettable area of the property has been leased out to generate rental income for the Group.

## **China Mainland Transport Operations**

The Group’s China Mainland Transport Operations Division reported a loss after taxation of HK\$6.9 million for 2022, representing an unfavourable variance of HK\$26.5 million compared with the profit after taxation of HK\$19.6 million for 2021.

As at 31 December 2022, the Group’s total interest in associates within the China Mainland Transport Operations Division amounted to HK\$599.8 million (2021: HK\$681.7 million). Such investments are mainly related to the operation of



public transport services in Shenzhen, as well as taxi and car rental services in Beijing.

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

SZBG, which commenced operations in January 2005, is a Sino-foreign joint stock company formed by KMB (Shenzhen) Transport Investment Limited (九巴(深圳)交通投資有限公司), a wholly-owned subsidiary of the Group, and four other China Mainland investors. The Group has invested RMB387.1 million (equivalent to HK\$363.9 million at the investment date) in SZBG, representing a stake of 35%. SZBG mainly provides public bus, minibus and taxi services in Shenzhen City, Guangdong Province (廣東省深圳市), operating a fleet of over 5,600 buses running on more than 320 routes and over 4,800 taxis. As a result of the outbreak of COVID-19 in China, the number of patronage of SZBG including its bus and taxi operations decreased by 28.3% to 389.9 million in 2022 as compared to 544.1 million in 2021.

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

BBKT, a Sino-foreign joint stock company, was established in Beijing in March 2003. BBKT’s shareholders include KMB (Beijing) Taxi Investment Limited (九巴(北京)出租汽車投資有限公司), a wholly-owned subsidiary of the Group, and four other China Mainland investors. The Group has invested RMB80.0 million (equivalent to HK\$75.5 million at the investment date) in BBKT, representing an equity interest of 31.38%. BBKT operated both taxi hire and car rental businesses in Beijing until April 2013, when, to sharpen its focus on the business opportunities provided by the booming but challenging car rental market, BBKT spun off its car rental business to another Sino-foreign joint stock company, namely Beijing Beiqi First Company Limited (北京北汽福斯特股份有限公司), which has the same shareholding structure as BBKT. As at 31 December 2022, BBKT had a fleet of over 3,700 taxis and 2,300 employees.

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

Established in April 2013 as a Sino-foreign joint stock company with the same shareholding structure as BBKT, BBF operates the car rental business formerly undertaken by BBKT. Being ISO 9001:2008 certified for its Quality Management

Systems in the provision of car rental services, BBF is well placed to take advantage of the business opportunities afforded by business commuters as well as by the wide variety of events, conferences and exhibitions that are held in the capital. As at 31 December 2022, BBF had over 900 vehicles available for charter mainly in Beijing and Tianjin.

## **FINANCIAL LIQUIDITY AND RESOURCES**

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

As at 31 December 2022, the Group's net borrowing (i.e. total borrowings less cash and deposits at banks) amounted to HK\$2,725.0 million (2021: HK\$1,895.0 million) with a liquidity ratio (the ratio of current assets to current liabilities) of 1.1 (2021: 1.0).

As at 31 December 2022, the Group had undrawn banking facilities totalling HK\$620.0 million (2021: HK\$1,555.0 million).

The finance costs incurred by the Group for the year ended 31 December 2022 were HK\$37.6 million, an increase of HK\$23.2 million compared with HK\$14.4 million for 2021. The increase was mainly due to the increase in the average interest rate from 0.97% per annum for 2021 to 1.78% per annum for 2022 and the increase in average bank borrowings of the Group.

For the year ended 31 December 2022, the Group's interest income exceeded its total finance costs by HK\$43.3 million (2021: HK\$46.8 million).

## **CAPITAL EXPENDITURE**

As at 31 December 2022, the Group's investment properties, investment property under development, interest in leasehold land and other property, plant and equipment (comprising buildings, buses and other motor vehicles, buses under construction, tools and others) amounted to HK\$12,382.8 million (2021: HK\$11,976.1 million). The increase was mainly due to the development of The Millennity and purchase of new buses by the Group for fleet replacement during the year. None of the assets was pledged or charged as at 31 December 2022.

## **EMPLOYEES AND REMUNERATION POLICIES**

Running a transport operation is a labour intensive business, and staff costs accounted for about 55% (2021: 56%) of the total operating expenses of the Group in 2022. The Group closely monitors its headcount and staff remuneration in line with productivity and the prevailing market trends. The Group's total remuneration excluding retirement costs and equity-settled share-based payment expenses for 2022 amounted to HK\$3,805.6 million (2021: HK\$3,832.1 million). As at 31 December 2022, the Group employed over 13,000 staff (2021: over 13,000 staff).

## **OUTLOOK**

The pandemic has lasted for three years. Amid an uncertain global economic outlook, an expansion of the local railway network, changing public travel patterns and volatile international oil prices, the bus industry is presented with profound challenges. Nevertheless, following the relaxation of anti-pandemic measures and the reopening of borders announced by the HKSAR Government, the Group expects the travelling demands of local citizens and visitors to bounce back, with bus patronage and income gradually recovering to pre-COVID levels. LWB was granted a 10-year franchise by the authority last year, which will come into effect on 1 May 2023. In addition, the Group will grasp the opportunities brought by the Greater Bay Area development and the cooperation with the Shenzhen Bus Group, and actively respond to the future development plans of the Northern Metropolis and other new development areas. Given the flexible deployment and high capacity of the bus service, we believe there are exciting opportunities ahead for the Group.

The Millennity, our project on How Ming Street, Kwun Tong in the prime location of East Kowloon, comprises two buildings, each providing 20 storeys of grade-A offices, with a gross floor area of about 650,000 square feet, and a base comprising a 10-storey megamall of about 500,000 square feet, which has been pre-rented to a number of international brands and multinational corporations. The shopping mall is expected to commence operation by the end of this year. In addition, the Group is planning to make office and retail space leasing the core of our redevelopment property in Tuen Mun to provide a steady return for our shareholders, as well as long-term and continuous income for the Group.

The year 2023 marks the 90th anniversary of KMB. In its 90 years of growth journey in tandem with Hong Kong's society, KMB has always been maintaining its original aspiration of serving the public, come rain or come shine. Along with its valuable experience accumulated over the years and the generations of professional transportation talents that it has groomed, KMB will make unremitting efforts and continue to move forward to provide the public with safe, comfortable and value-for-money bus services in the future.

## **PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S SHARES**

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

## **CORPORATE GOVERNANCE**

The Company has complied with the applicable code provisions in the Corporate Governance Code set out in Appendix 14 of the Listing Rules throughout the year ended 31 December 2022, except that two Directors of the Company were unable to attend the Annual General Meeting of the Company held on 19 May 2022, as provided for in code provision C.1.6, due to other engagements.

## **AUDIT AND RISK MANAGEMENT COMMITTEE**

The Audit and Risk Management Committee of the Company, together with management and the Company's external auditors, KPMG, has reviewed the accounting principles and policies adopted by the Group, discussed auditing, internal control, risk management and financial reporting matters, and also reviewed the financial results for the year ended 31 December 2022.

By Order of the Board  
**Norman LEUNG Nai Pang**  
*Chairman*

Hong Kong, 23 March 2023

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

Independent Non-executive Directors:

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

Non-executive Directors:

Mr. Raymond KWOK Ping Luen, *JP* (Ms. Susanna WONG Sze Lai as his alternate)  
Mr. NG Siu Chan (Ms. Winnie NG as his alternate)  
Mr. Charles LUI Chung Yuen, *M.H.*  
Mr. William LOUEY Lai Kuen (Mr. GAO Feng as his alternate)  
Ms. Winnie NG, *JP*  
Mr. Allen FUNG Yuk Lun  
Dr. CHEUNG Wing Yui, *BBS*  
Mr. LEE Luen Fai, *BBS, JP*  
Mr. LUNG Po Kwan

Executive Director:

Mr. Roger LEE Chak Cheong (Managing Director)

*\* For identification purpose only*