



KWOON CHUNG BUS HOLDINGS LIMITED

(Incorporated in Bermuda with Limited Liability)

(Stock Code: 306)



INTERIM REPORT
2023/2024



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 2023 together with the comparative figures of the corresponding period in 2022. 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>	2023	2022
		(Unaudited)	(Unaudited)
		HK\$'000	HK\$'000
REVENUE	4	893,308	613,155
Cost of services rendered		(712,860)	(612,836)
Gross profit		180,448	319
Other income and gains, net		54,591	125,084
Administrative expenses		(139,106)	(119,044)
Other expenses, net		(10,522)	(7,942)
Finance costs		(59,829)	(38,218)
Share of profits and losses of:			
A joint venture		(4,607)	–
Associates		(1,329)	(693)
PROFIT/(LOSS) BEFORE TAX	5	19,646	(40,494)
Income tax expense	6	(10,191)	(13,413)
PROFIT/(LOSS) FOR THE PERIOD		9,455	(53,907)
Attributable to:			
Owners of the parent		5,514	(42,681)
Non-controlling interests		3,941	(11,226)
		9,455	(53,907)
EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	8		
Basic		HK1.16 cents	HK(8.95) cents
Diluted		HK1.16 cents	HK(8.95) cents

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Six months ended 30 September	
	2023 (Unaudited) HK\$'000	2022 (Unaudited) HK\$'000
PROFIT/(LOSS) FOR THE PERIOD	9,455	(53,907)
OTHER COMPREHENSIVE LOSS		
Other comprehensive loss that may be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	(15,957)	(66,558)
TOTAL COMPREHENSIVE LOSS FOR THE PERIOD	(6,502)	(120,465)
Attributable to:		
Owners of the parent	(6,143)	(100,939)
Non-controlling interests	(359)	(19,526)
	(6,502)	(120,465)



INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	30 September 2023 (Unaudited) HK\$'000	31 March 2023 (Audited) HK\$'000
NON-CURRENT ASSETS			
Property, plant and equipment	9	1,322,235	1,438,593
Investment properties		292,449	312,655
Right-of-use assets		279,173	264,932
Goodwill		201,801	201,801
Passenger service licences		1,128,889	1,128,889
Other intangible assets		296,863	302,224
Interest in a joint venture		–	–
Interests in associates		59,852	53,477
Equity investments designated at fair value through other comprehensive income		1,233	1,233
Financial assets at fair value through profit or loss		34,009	33,525
Prepayments, deposits and other receivables		84,920	51,751
Deferred tax assets		13,409	13,710
Total non-current assets		3,714,833	3,802,790
CURRENT ASSETS			
Inventories		36,066	34,061
Trade receivables	10	201,447	161,837
Prepayments, deposits and other receivables		211,464	200,458
Tax recoverable		347	2,830
Pledged time deposits and restricted cash		55,862	43,142
Cash and cash equivalents		404,829	499,150
Total current assets		910,015	941,478

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

	Notes	30 September 2023 (Unaudited) HK\$'000	31 March 2023 (Audited) HK\$'000
CURRENT LIABILITIES			
Trade payables	11	63,069	56,823
Other payables and accruals		553,220	557,279
Interest-bearing bank borrowings		1,532,800	312,412
Lease liabilities		35,047	29,359
Tax payable		49,524	36,517
Total current liabilities		2,233,660	992,390
NET CURRENT LIABILITIES		(1,323,645)	(50,912)
TOTAL ASSETS LESS CURRENT LIABILITIES		2,391,188	3,751,878
NON-CURRENT LIABILITIES			
Accrual		18,367	18,314
Interest-bearing bank borrowings		75,360	1,432,792
Lease liabilities		54,929	40,823
Other long-term liabilities		40,954	46,677
Deferred tax liabilities		224,982	225,804
Total non-current liabilities		414,592	1,764,410
Net assets		1,976,596	1,987,468
EQUITY			
Equity attributable to owners of the parent			
Issued capital		47,678	47,678
Reserves		1,852,947	1,864,146
Non-controlling interests		1,900,625	1,911,824
		75,971	75,644
Total equity		1,976,596	1,987,468



INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 September 2023 (Unaudited)

	Attributable to owners of the parent											
	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	Non-controlling interests HK\$'000	Total equity 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

For the six months ended 30 September 2022 (Unaudited)

	Attributable to owners of the parent											
	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	Non-controlling interests HK\$'000	Total equity HK\$'000
At 1 April 2022	47,678	676,246	10,648	(1,855)	6,511	255,479	8,558	48,109	1,046,687	2,098,061	89,111	2,187,172
Loss for the period	-	-	-	-	-	-	-	-	(42,681)	(42,681)	(11,226)	(53,907)
Other comprehensive loss for the period:												
Exchange differences on translation of foreign operations	-	-	-	-	-	-	-	(58,258)	-	(58,258)	(8,300)	(66,558)
Total comprehensive loss for the period	-	-	-	-	-	-	-	(58,258)	(42,681)	(100,939)	(19,526)	(120,465)
Transfer of depreciation on buildings	-	-	-	-	-	(2,174)	-	-	2,174	-	-	-
At 30 September 2022 (unaudited)	47,678	676,246	10,648	(1,855)	6,511	253,305	8,558	(10,149)	1,006,180	1,997,122	69,585	2,066,707

* These reserve accounts comprise the consolidated reserves of HK\$1,852,947,000 (31 March 2023: HK\$1,864,146,000) in the interim condensed consolidated statement of financial position as at 30 September 2023.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Six months ended 30 September	
	2023 (Unaudited) HK\$'000	2022 (Unaudited) HK\$'000
Net cash flows from operating activities	110,162	103,032
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of items of property, plant and equipment	(31,778)	(51,190)
Increase in deposits paid for purchases of items of property, plant and equipment	(3,401)	(2,238)
Proceeds from disposal of items of property, plant and equipment	5,406	9,497
Investments in associates	(7,704)	–
Acquisition of non-controlling interests	(4,370)	–
Increase in pledged time deposits and restricted cash	(12,720)	(813)
Decrease/(increase) in non-pledged time deposits with original maturity of more than three months when acquired	1,094	(100,587)
Net cash flows used in investing activities	(53,473)	(145,331)
CASH FLOWS FROM FINANCING ACTIVITIES		
New bank borrowings, net of debt establishment costs	13,204	15,450
Repayment of bank borrowings	(141,029)	(84,691)
Principal portion of lease payments	(17,853)	(12,644)
Net cash flows used in financing activities	(145,678)	(81,885)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(88,989)	(124,184)
Cash and cash equivalents at beginning of period	496,721	607,579
Effect of foreign exchange rate changes, net	(4,238)	(2,208)
CASH AND CASH EQUIVALENTS AT END OF PERIOD	403,494	481,187
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS		
Cash and bank balances	289,090	414,789
Non-pledged time deposits with original maturity of less than three months when acquired	114,404	66,398
Non-pledged time deposits with original maturity of more than three months when acquired	1,335	101,504
Cash and cash equivalents as stated in the interim condensed consolidated statement of financial position	404,829	582,691
Non-pledged time deposits with original maturity of more than three months when acquired	(1,335)	(101,504)
Cash and cash equivalents as stated in the interim condensed consolidated statement of cash flows	403,494	481,187



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 Mainland China 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 2023 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 2023.

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, 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.

2.1 BASIS OF PREPARATION (CONTINUED)

As at 30 September 2023, the Group's current liabilities exceeded its current assets by HK\$1,323,645,000. The net current liabilities position was mainly due to (i) interest-bearing bank borrowings of HK\$1,532,800,000 repayable within 12 months from the end of the reporting period; and (ii) contract liabilities of HK\$142,199,000 classified under current liabilities as at the end of the reporting period. The directors of the Company monitor the cash flow projections of the Group on a regular basis. They are of the opinion that, taking into account of the potential refinancing arrangements with banks, the financial performance of the Group and its financial obligations in the foreseeable future, the Group will have sufficient working capital to finance its operations and to meet its financial obligations as and when they fall due within the next 12 months from 30 September 2023. Accordingly, the directors of the Company are satisfied that it is appropriate to prepare the interim condensed consolidated financial information on a going concern basis.

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 2023, except for the adoption of the following new and revised Hong Kong Financial Reporting Standards ("HKFRSs") for the first time for the current period's financial information.

HKFRS 17	<i>Insurance Contracts</i>
Amendments to HKFRS 17	<i>Insurance Contracts</i>
Amendment to HKFRS 17	<i>Initial Application of HKFRS 17 and HKFRS 9 – Comparative Information</i>
Amendments to HKAS 1 and HKFRS Practice Statement 2	<i>Disclosure of Accounting Policies</i>
Amendments to HKAS 8	<i>Definition of Accounting Estimates</i>
Amendments to HKAS 12	<i>Deferred Tax related to Assets and Liabilities arising from a Single Transaction</i>
Amendments to HKAS 12	<i>International Tax Reform – Pillar Two Model Rules</i>



2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES (CONTINUED)

The nature and impact of the new and revised HKFRSs that are applicable to the Group are described below:

- (a) Amendments to HKAS 1 require entities to disclose their material accounting policy information rather than their significant accounting policies. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements. Amendments to HKFRS Practice Statement 2 provide non-mandatory guidance on how to apply the concept of materiality to accounting policy disclosures. The Group has applied the amendments since 1 April 2023. The amendments did not have any impact on the Group's interim condensed consolidated financial information but are expected to affect the accounting policy disclosures in the Group's annual consolidated financial statements.
- (b) Amendments to HKAS 8 clarify the distinction between changes in accounting estimates and changes in accounting policies. Accounting estimates are defined as monetary amounts in financial statements that are subject to measurement uncertainty. The amendments also clarify how entities use measurement techniques and inputs to develop accounting estimates. The Group has applied the amendments to changes in accounting policies and changes in accounting estimates that occur on or after 1 April 2023. Since the Group's policy of determining accounting estimates aligns with the amendments, the amendments did not have any impact on the financial position or performance of the Group.
- (c) Amendments to HKAS 12 *Deferred Tax related to Assets and Liabilities arising from a Single Transaction* narrow the scope of the initial recognition exception in HKAS 12 so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences, such as leases and decommissioning obligations. Therefore, entities are required to recognise a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability for temporary differences arising from these transactions. The Group has applied the amendments on temporary differences related to leases as at 1 April 2022, with any cumulative effect recognised as an adjustment to the balance of retained profits or other component of equity as appropriate at that date. In addition, the Group has applied the amendments prospectively to transactions other than leases that occurred on or after 1 April 2022, if any. The amendments did not have any impact on the financial position or performance of the Group.
- (d) Amendments to HKAS 12 *International Tax Reform – Pillar Two Model Rules* introduce a mandatory temporary exception from the recognition and disclosure of deferred taxes arising from the implementation of the Pillar Two model rules published by the Organisation for Economic Co-operation and Development. The amendments also introduce disclosure requirements for the affected entities to help users of the financial statements better understand the entities' exposure to Pillar Two income taxes, including the disclosure of current tax related to Pillar Two income taxes separately in the periods when Pillar Two legislation is effective and the disclosure of known or reasonably estimable information of their exposure to Pillar Two income taxes in periods in which the legislation is enacted or substantively enacted but not yet in effect. Entities are required to disclose the information relating to their exposure to Pillar Two income taxes in annual periods beginning on or after 1 January 2023, but are not required to disclose such information for any interim periods ending on or before 31 December 2023. The Group has applied the amendments retrospectively. Since the Group did not fall within the scope of the Pillar Two model rules, the amendments did not have any impact to the Group.

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 Mainland China 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 Mainland China, 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 Mainland China 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 Mainland China; 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 2023 (Unaudited)

	Non-franchised bus HK\$'000	Limousine HK\$'000	Franchised bus and PLB HK\$'000	Mainland China 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

Six months ended 30 September 2022 (Unaudited)

	Non-franchised bus HK\$'000	Limousine HK\$'000	Franchised bus and PLB HK\$'000	Mainland China business HK\$'000	Others HK\$'000	Intersegment eliminations HK\$'000	Total HK\$'000
Segment revenue:							
External sales	486,849	17,537	61,317	47,226	226	-	613,155
Intersegment sales	15,992	9,233	2	-	13	(25,240)	-
Other revenue	86,965	15,568	17,424	4,910	217	-	125,084
Total	589,806	42,338	78,743	52,136	456	(25,240)	738,239
Segment results	49,251	(19,248)	(3,015)	(28,222)	(1,700)	-	(2,934)
Reconciliation:							
Finance costs (other than interest on lease liabilities)							(37,560)
Loss before tax							(40,494)

4. REVENUE

An analysis of revenue is as follows:

	Six months ended	
	30 September	
	2023	2022
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
<i>Revenue from contracts with customers</i>	891,349	608,886
<i>Revenue from other sources</i>		
Gross rental income from certain investment property operating leases:		
Lease payments, including fixed payments	1,959	4,269
	893,308	613,155

Disaggregated revenue information

For the six months ended 30 September 2023 (Unaudited)

Segments	Non-franchised bus	Limousine	Franchised bus and PLB	Mainland China business	Others	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	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



4. REVENUE (CONTINUED)

Disaggregated revenue information (Continued)

For the six months ended 30 September 2022 (Unaudited)

Segments	Non-franchised bus		Franchised bus and PLB	Mainland China business	Others	Total
	HK\$'000	Limousine HK\$'000				
Types of services						
Provision of transportation services	486,849	17,537	61,317	6,638	–	572,341
Provision of hotel and tourism services	–	–	–	36,319	–	36,319
Provision of other services	–	–	–	–	226	226
Total revenue from contracts with customers	486,849	17,537	61,317	42,957	226	608,886
Timing of revenue recognition						
Services transferred over time	486,849	17,537	61,317	42,957	226	608,886

5. PROFIT/(LOSS) BEFORE TAX

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

	Six months ended	
	2023	2022
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Depreciation of property, plant and equipment	112,225	120,566
Depreciation of right-of-use assets	17,031	13,791
Amortisation of other intangible assets	6,294	7,067
Government subsidies	(19,608)	(107,190)
Fair value gain on financial assets at fair value through profit or loss	(484)	(473)
Fair value loss on investment properties	5,968	–
Impairment of trade receivables, net	3,277	3,947
Loss/(gain) on disposal of items of property, plant and equipment, net	(583)	103

6. INCOME TAX

Hong Kong profits tax has been provided at the rate of 16.5% (six months ended 30 September 2022: 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 (2022: HK\$2,000,000) of assessable profits of this subsidiary are taxed at 8.25% (2022: 8.25%) and the remaining assessable profits are taxed at 16.5% (2022: 16.5%).

	Six months ended	
	30 September	
	2023	2022
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Current:		
Hong Kong		
Charge for the period	9,979	23,232
Mainland China		
Underprovision/(overprovision) in prior periods	713	(6,391)
Deferred	(501)	(3,428)
Total tax charge for the period	10,191	13,413

7. DIVIDEND

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 2023 (six months ended 30 September 2022: Nil).

8. EARNINGS/(LOSS) PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic earnings/(loss) per share amount is based on the profit for the period attributable to ordinary equity holders of the parent of HK\$5,514,000 (six months ended 30 September 2022: loss of HK\$42,681,000), and the weighted average number of ordinary shares of 476,776,842 (six months ended 30 September 2022: 476,776,842) in issue during the period.

No adjustment has been made to the basic earnings/(loss) per share amount presented for the six months ended 30 September 2023 and 2022 in respect of a dilution as the impact of the share options outstanding had no dilutive effect on the basic earnings/(loss) per share amount presented.

9. PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 September 2023, the Group acquired property, plant and equipment with an aggregate cost of HK\$33,102,000 (six months ended 30 September 2022: HK\$57,176,000).



10. TRADE RECEIVABLES

	30 September 2023 (Unaudited) HK\$'000	31 March 2023 (Audited) HK\$'000
Trade receivables	233,664	190,542
Impairment	(32,217)	(28,705)
	201,447	161,837

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\$1,648,000 (31 March 2023: HK\$4,708,000) and amounts due from associates of HK\$10,256,000 (31 March 2023: HK\$12,716,000), 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 2023 (Unaudited) HK\$'000	31 March 2023 (Audited) HK\$'000
Within 30 days	130,389	81,111
31 to 60 days	33,704	61,030
61 to 90 days	18,414	3,302
Over 90 days	18,940	16,394
	201,447	161,837

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 2023 (Unaudited) HK\$'000	31 March 2023 (Audited) HK\$'000
Within 30 days	32,409	28,030
31 to 60 days	7,363	6,919
61 to 90 days	1,079	1,683
Over 90 days	22,218	20,191
	63,069	56,823

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

12. CONTINGENT LIABILITIES

Save as detailed elsewhere in this financial information, the Group had no significant contingent liabilities as at the end of the reporting period (31 March 2023: Nil).

13. COMMITMENTS

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

	30 September 2023 (Unaudited) HK\$'000	31 March 2023 (Audited) HK\$'000
Contracted, but not provided for:		
Acquisitions of motor buses and vehicles	301,064	301,268
Purchases of items of property, plant and equipment	2,210	–
Capital contribution to contractual arrangements	22,369	27,391
Construction of bus terminal structures and scenic area establishments	37,794	5,479
	363,437	334,138



14. PLEDGE OF ASSETS

As at 30 September 2023, 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\$107,090,000 (31 March 2023: HK\$114,023,000);
- (ii) the pledge of certain time deposits and restricted cash of HK\$42,819,000 (31 March 2023: HK\$29,402,000) for bank loans;
- (iii) the pledge of a time deposit of HK\$13,043,000 (31 March 2023: HK\$13,740,000) for bank guarantees in lieu of performance guarantees/bonds amounting to HK\$7,647,000 (31 March 2023: HK\$7,647,000); and
- (iv) the pledge of certain investment properties of HK\$74,268,000 (31 March 2023: HK\$79,076,000).

15. 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	
		2023	2022
		(Unaudited)	(Unaudited)
		HK\$'000	HK\$'000
Service fee income from a joint venture	(i)	4,607	–
Agency service fee paid to a joint venture	(ii)	3,604	–
Coach rental income, advertising income and administrative service income from associates	(iii)	20,744	1,205
Coach rental expense paid to a related company	(iv)	4,480	4,843

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 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.
- (iv) 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.

15. RELATED PARTY TRANSACTIONS (CONTINUED)

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

	Six months ended	
	30 September	
	2023	2022
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Short-term employee benefits	7,972	6,423
Post-employment benefits	170	185
Total compensation paid to key management personnel	8,142	6,608

(c) Outstanding balances with related parties:

	30 September	31 March
	2023	2023
	(Unaudited)	(Audited)
	HK\$'000	HK\$'000
Due from a joint venture	852	1,012
Due from associates	24,060	16,356
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.



16. 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, and the current portions of financial liabilities included in other payables and accruals, and 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, financial liabilities included in other payables and accruals, 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 2023 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.

16. 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 2023

	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	–	–	1,233	1,233
Financial assets at fair value through profit or loss	–	34,009	–	34,009
	–	34,009	1,233	35,242

As at 31 March 2023

	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	–	–	1,233	1,233
Financial assets at fair value through profit or loss	–	33,525	–	33,525
	–	33,525	1,233	34,758



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

Fair value hierarchy (Continued)

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 2022: Nil).

The Group did not have any financial liabilities measured at fair value as at 30 September 2023 (31 March 2023: Nil).

17. 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 28 November 2023.

DIVIDEND

At a meeting of the Board held on 28 November 2023, the Directors resolved not to pay an interim dividend to shareholders for the six months ended 30 September 2023 (six months ended 30 September 2022: Nil).

MANAGEMENT DISCUSSION AND ANALYSIS

RESULTS

For the six months ended 30 September 2023, the Group achieved a turnaround from loss to profit and recorded unaudited consolidated profit attributable to owners of the parent of approximately HK\$5.5 million, as compared to a consolidated loss attributable to owners of the parent of approximately HK\$42.7 million for the corresponding period in 2022. Revenue of the Group for the six months ended 30 September 2023 was approximately HK\$893.3 million, representing an increase of 45.7% as compared to approximately HK\$613.2 million for the corresponding period in 2022.

The turnaround from loss to profit of the Group's results was mainly attributable to (i) the demand for cross-boundary transport services rebounding steadily after the full resumption of normal travel between Mainland China, Hong Kong and Macau since early 2023, resulting in a significant increase in the revenue of the Group's core cross-boundary transport services; (ii) certain suppliers agreeing to waive the payables during the pandemic through friendly negotiation, such adjustments on payables and accruals were recognized in profit and loss for six months ended 30 September 2023; (iii) a strong recovery in the tourism sector in Mainland China after the relaxation of pandemic prevention and control measures in Mainland China, resulting in an increase in the revenue of the Group's Mainland China business; and (iv) the positive results of the implementation of efficient cost control measures by the Group.

Nonetheless, the above positive impact was partly offset by (i) the increase in fuel cost due to the persistently high international fuel price; (ii) the increase in borrowing cost due to the continuously rising Hong Kong Interbank Offered Rate; and (iii) rising labour costs and vehicle maintenance costs from inflationary pressure. The management of the Group shall continue to monitor the current market conditions and taking appropriate measures to mitigate any negative impacts on the business performance of the Group.

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 Mainland China 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 six months ended 30 September 2023 was approximately HK\$631.5 million, representing an increase of 29.7% as compared to approximately HK\$486.8 million for the corresponding period in 2022. The increase was mainly attributable to the rebound in patronage as a result of the resumption of cross-boundary transport services since 8 January 2023 after being suspended for three years due to the pandemic.



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 Mainland China, Hong Kong and Macau.

The revenue of limousine services for the six months ended 30 September 2023 was approximately HK\$91.8 million, representing an increase of 424.6% as compared to approximately HK\$17.5 million for the corresponding period in 2022. The increase was mainly attributable to the rebound in patronage as a result of the resumption of cross-boundary transport services between Mainland China, Hong Kong and Macau, as well as compared to the low base of revenue recorded in the corresponding period in 2022 due to the outbreak of pandemic in Mainland China and 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 six months ended 30 September 2023 was approximately HK\$93.0 million, representing an increase of 51.7% as compared to approximately HK\$61.3 million for the corresponding period in 2022. The increase was mainly attributable to the rebound in patronage of cross-boundary port routes after the resumption of services on 8 January 2023, as well as the implementation of new fares from 18 June 2023.

PLB service was resumed on 29 January 2023 after being suspended for three years due to the pandemic. Fare revenue from PLB service for the six months ended 30 September 2023 was approximately HK\$0.5 million.

4. Mainland China Business Segment

Revenue of the Mainland China business for the six months ended 30 September 2023 was approximately HK\$75.9 million, representing an increase of 60.8% as compared to approximately HK\$47.2 million for the corresponding period in 2022. The increase was mainly attributable to the strong recovery of domestic tourism in Mainland China during the summer travel season in 2023.

(a) Lixian Bipenggou Tourism Development Co., Ltd. (“Bipenggou Tourism”)

As at 30 September 2023, the Group owned 67.807% equity interest in Bipenggou Tourism. The scenic area of Bipenggou, Lixian has maintained its popularity in Sichuan Province, Mainland China.

Health and wellness tourism become travel preferences among domestic travelers after pandemic. With the relaxation of pandemic prevention and control measures in Mainland China, 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 over the past three years.

REVIEW OF OPERATIONS (CONTINUED)

4. Mainland China Business Segment (Continued)

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

As at 30 September 2023, the Group owned 100% equity interest in CQ Hotel which operates a 3-star 26-storey hotel, namely Chongqing Grand Hotel in Chongqing, Mainland China.

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 2023, 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 Mainland China 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 Group 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.

In November 2021, the Group entered into an equity transfer agreement and a supplemental agreement (the “Agreements”) with 湖北康瑞斯商貿有限公司 (Hubei Kang Rui Si Commercial Limited*) (“Hubei KRS”) to (i) dispose of its equity interests in Hubei Shenzhou for a consideration of RMB180,000,000 (equivalent to approximately HK\$221,400,000); and (ii) procure Hubei Shenzhou to sell a property to a company designated by Hubei KRS for a consideration of not more than HK\$30,000,000, subject to further negotiation by the parties to the transaction. For further details, please refer to the announcements of the Company dated 11 November 2021 and 19 November 2021. As disclosed in the announcements of the Company dated 29 November 2022 and 28 June 2023, Hubei KRS had not performed its payment obligations under the Agreements and the Group had taken legal action to terminate the transaction. As at the date of this report, the said legal action has been completed. A final judgement in favour of the Group was issued by 湖北省高級人民法院 (Higher People’s Court of Hubei Provincial*). It was held, amongst others, that the Agreements were terminated on 25 October 2022. The Board considers that the termination of the Agreements will not have any material adverse impact on the business and financial position of the Company and the interests of its shareholders as a whole.

* For identification purposes only



FUTURE PROSPECTS

With the social and economic activities resuming to full normalcy in Hong Kong, the reconnection with Mainland China and overseas, as well as the recovery in the tourism sector in Mainland China were the major factors driving the improvement of the Group's results in each business segment. However, the Group's financial performance will remain susceptible to headwinds in the external environment, including the persistently high borrowing rates, inflationary pressure and continuous expansion of the railway network. On the other hand, the problem of driver shortage is forcing the Group to reduce its operating capacity below the planned levels. The Group has already applied for the Labour Importation Scheme for Transport Sector which was launched by the Government of the Hong Kong Special Administrative Region to alleviate the problem of driver shortage. It is expected that the imported labour can take up their positions in the first quarter of 2024 and that the Group's operating capacity can be increased to meet the service demand in the future accordingly.

The Group is striving to stabilize the business performance of cross-boundary transport services which had been affected by the pandemic in the past three years. Since the resumption of cross-boundary transport services in early 2023, the management of the Group keeps closely monitoring the market conditions and reviews operations actively in order to make timely decisions to optimize the bus routes and schedules, as well as launching special ticket package to stimulate the sales.

With the development of the Greater Bay Area, there is a strong demand for cross-boundary transport services. Hong Kong has an important role as an integrated transport hub in the Greater Bay Area, with many embedded advantages (not least with respect to its extensive cross boundary transport network). As such, 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 future.

LIQUIDITY AND FINANCIAL RESOURCES

Funding for the Group's operations during the six months ended 30 September 2023 was sourced mainly from internally generated cash flows, with shortfalls being financed mainly by borrowings from banks. As at 30 September 2023, the total outstanding indebtedness was approximately HK\$1,608.2 million (31 March 2023: HK\$1,745.2 million). The indebtedness comprised mainly term loans from banks in Hong Kong and Mainland China, 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 2023, the Group's gearing ratio, which is computed based on dividing the total outstanding indebtedness by the total equity, was approximately 81.4% (31 March 2023: 87.8%).

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 Mainland China.

The investments and related liabilities, income and expenditure of the Group for its Hong Kong and Mainland China 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 2023, the Group employed approximately 4,150 employees (31 March 2023: 3,950 employees) in Mainland China, 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 2023, 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 2023, 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 2023 are included in note 14 to the interim condensed consolidated financial information.

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

As at 30 September 2023, 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 2023, 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 10 to the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules") were as follows:



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

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 2023, 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 2023 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 operates a share option scheme for the purpose to provide incentives or rewards to the eligible participants for their contribution to the Group and/or to enable the Group to recruit and retain high-calibre employees and attract human resources that are valuable to the Group and any invested entity of the Group.

1. 2012 Share Option Scheme

A share option scheme which was adopted and became effective on 23 August 2012 (the “2012 Share Option Scheme”). Unless otherwise cancelled or amended, the 2012 Share Option Scheme will remain in force for a period of 10 years from the date of adoption. The 2012 Share Option Scheme had expired on 22 August 2022. No further options shall thereafter be offered under the 2012 Share Option Scheme but the provisions of the 2012 Share Option Scheme shall remain in full force and effect in all other respects. The options which had been granted under the 2012 Share Option Scheme and remain unexercised immediately prior to the expiry shall continue to be exercisable in accordance with the terms of the grant.

The following share options were granted and outstanding under the 2012 Share Option Scheme during the reporting period:

Name or 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 2023	Granted during the period	Exercised during the period	Lapsed/ cancelled during the period	At 30 September 2023			Exercise price of share options ¹	At grant date of options ²	At exercise date of options ³
								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

* 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 date of 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 trading day immediately prior to the date of exercise of the share options.

2. 2022 Share Option Scheme

Following the expiration of the 2012 Share Option Scheme, a new share option scheme (the “2022 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 “Adoption Date”). The 2022 Share Option Scheme become effective on the Adoption Date and, unless otherwise cancelled or amended, the 2022 Share Option Scheme will remain in force for a period of 10 years from the Adoption Date.

No share options under the 2022 Share Option Scheme have been granted, exercised, cancelled or lapsed since the Adoption Date until the date of this report. As at the date of this report, the Company has no outstanding share option under the 2022 Share Option Scheme.



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

As at 30 September 2023, 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 2023, 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 14 to the Listing Rules throughout the six months ended 30 September 2023.

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 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 2023.

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 2023.

DISCLOSURES PURSUANT TO RULES 13.18 AND 13.21 OF THE LISTING RULES

On 25 June 2021, 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\$1,800,000,000 (the “Facility”) with a syndicate of banks (the “Lenders”) for the term of three 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 and to maintain control over the management and business 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 25 June 2021.

EVENTS AFTER THE REPORTING PERIOD

There is no material subsequent event undertaken by the Company or by the Group after 30 September 2023 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, 28 November 2023