



載通國際  
Transport International

Transport International Holdings Limited

## 2022 Interim Report



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## INTERIM RESULTS

The Group's unaudited loss attributable to equity shareholders of the Company for the six months ended 30 June 2022 was HK\$94.5 million, representing an unfavourable variance of HK\$114.7 million compared to the profit attributable to equity shareholders of HK\$20.2 million for the six months ended 30 June 2021. Such unfavourable variance was mainly due to the outbreak of the fifth wave of COVID-19. Loss per share for the six months ended 30 June 2022 was HK\$0.20 per share (six months ended 30 June 2021: earnings per share of HK\$0.04 per share), representing an unfavourable variance of HK\$0.24 per share compared with the corresponding period in 2021.

## INTERIM DIVIDEND

The Board does not recommend the declaration of an interim dividend for the six months ended 30 June 2022 (six months ended 30 June 2021: Nil).

## MANAGEMENT REVIEW AND OUTLOOK

### REVIEW OF OPERATIONS AND RESULTS OF INDIVIDUAL BUSINESS UNITS

#### Franchised Public Bus Operations

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

- KMB recorded a loss after taxation of HK\$139.1 million for the six months ended 30 June 2022 (six months ended 30 June 2021: loss after taxation of HK\$36.9 million), representing an unfavourable variance of HK\$102.2 million compared with the corresponding period in 2021.
- Fare revenue for the six months ended 30 June 2022 was HK\$2,572.3 million, a decrease of HK\$403.8 million or 13.6% compared with HK\$2,976.1 million for the corresponding period in 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. Non-fare revenue for the six months ended 30 June 2022 decreased by HK\$32.3 million to HK\$117.5 million from HK\$149.8 million for the six months ended 30 June 2021. Government subsidies of HK\$236.6 million from various support schemes under the Anti-epidemic Fund were recorded in the first half of 2022.
- Total operating expenses for the six months ended 30 June 2022 amounted to HK\$3,182.9 million, a decrease of 1.7% compared with HK\$3,237.4 million for the corresponding period in 2021.

- As at 30 June 2022, KMB operated a total of 422 routes (31 December 2021: 423 routes) covering Kowloon, the New Territories and Hong Kong Island. 287 Bus-bus Interchange (“BBI”) schemes covering 422 bus routes operated both within the KMB route network and on joint schemes run with other public transport operators. These BBI schemes not only provide fare discounts to passengers on the second leg of journeys and broaden KMB’s network coverage without the need to operate extra buses, but they also contribute towards a cleaner environment by improving bus utilisation and reducing traffic congestion on busy corridors.
- During the first half of 2022, a total of 118 Euro VI buses and 16 electric buses, all with the latest safety, environmental and design features, were added to the fleet. As at 30 June 2022, KMB operated 4,030 buses (31 December 2021: 4,013 buses), comprising 3,879 double-deck and 151 single-deck buses. In addition, a total of 208 Euro VI double-deck buses were awaiting licensing in the second half of 2022.

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

- The loss after taxation of LWB for the six months ended 30 June 2022 was HK\$25.4 million, representing an unfavourable variance of HK\$28.1 million compared with profit after taxation of HK\$2.7 million for the six months ended 30 June 2021.
- Fare revenue for the six months ended 30 June 2022 decreased by HK\$17.9 million or 11.4% to HK\$139.4 million compared with HK\$157.3 million for the corresponding period in 2021. The decline was mainly due to the decrease in ridership as a result of the outbreak of the fifth wave of COVID-19.
- Total operating expenses for the six months ended 30 June 2022 amounted to HK\$203.9 million, a decrease of HK\$18.4 million or 8.3% compared with HK\$222.3 million for the corresponding period in 2021. The decrease was primarily due to the improvement in operating efficiencies.
- As at 30 June 2022, LWB had 44 BBI schemes covering 40 regular bus routes, operating both within LWB’s bus network and on joint inter-modal schemes run with other public transport operators. These BBI schemes provide passengers with interchange fare discounts and allow LWB to deploy its resources more effectively.
- As at 30 June 2022, LWB operated 40 regular routes with a fleet of 259 buses (31 December 2021: 256 buses), comprising 255 double-deck buses and 4 single-deck electric buses.

## Non-franchised Transport Operations

The Group's Non-franchised Transport Operations Division reported a profit after taxation of HK\$2.7 million for the six months ended 30 June 2022 (six months ended 30 June 2021: profit after taxation of HK\$2.2 million). 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 the six months ended 30 June 2022 decreased by 7.7% compared with the corresponding period in 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 the period under review increased by 12.2% compared with the first half of 2021 was mainly due to the increase in fuel cost as a result of the increase in international fuel price. The unfavourable variance was partly offset by government subsidies.
- As at 30 June 2022, the SBH Group had a fleet of 399 licensed buses (31 December 2021: 397 buses). During the first half of 2022, 2 new coaches were purchased for fleet replacement and service enhancement purposes.

### *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 30 June 2022, NHKB had a fleet of 15 super-low floor single-deck buses, the same number as at 31 December 2021.

## Property Holdings and Development

The Group's Property Holdings and Development Division reported a profit after taxation of HK\$26.6 million for the six months ended 30 June 2022, representing an increase of HK\$3.2 million or 13.7% compared with HK\$23.4 million for the corresponding period in 2021. A review of the Group's investment properties is set out as follows:

### *LCK Commercial Properties Limited ("LCKCP")*

- LCKCP, a wholly-owned subsidiary of the Company, owns the upscale Manhattan Mid-town shopping mall, a two-level retail podium at Manhattan Hill. The 50,000 square feet shopping mall provides Manhattan Hill residents and other shoppers with high quality retail facilities. The shopping mall was leased out to a mix of shops and restaurants, generating a stream of recurring income for the Group.
- As at 30 June 2022, the carrying value of the shopping mall (classified as investment property on the consolidated statement of financial position), which was stated at cost less accumulated depreciation, amounted to HK\$69.9 million (31 December 2021: HK\$71.0 million).

### *LCK Real Estate Limited ("LCKRE")*

- LCKRE, a wholly-owned subsidiary of the Company, owns the 17-storey commercial office building at 9 Po Lun Street, Lai Chi Kok, Kowloon, which has a total gross floor area of about 156,700 square feet for office use and rental purposes. A portion of the gross floor area is used by the Group as headquarters with the remaining gross floor area leased out to shops, offices and restaurants.
- As at 30 June 2022, the building was stated on the consolidated statement of financial position at cost less accumulated depreciation in the amount of HK\$21.1 million (31 December 2021: HK\$23.1 million).

### *KT Real Estate Limited ("KTRE")*

- KTRE, a wholly-owned subsidiary of the Company, and Turbo Result Limited ("TRL"), a wholly-owned subsidiary of Sun Hung Kai Properties Limited ("SHKP"), own Kwun Tong Inland Lot No. 240 (the "Kwun Tong Site") at 98 How Ming Street, Kowloon, Hong Kong, as tenants in common in equal shares.
- Sun Hung Kai Real Estate Agency Limited, a wholly-owned subsidiary of SHKP, has been appointed as the project manager to oversee the development of the Kwun Tong Site. In August 2016, KTRE and TRL accepted the offer from the Lands Department for the grant of lease modification from industrial to non-residential use (excluding hotel, petrol filling station and residential care home) at a land premium of HK\$4,305.0 million. 50% of such land premium, which amounted to HK\$2,152.5 million, was borne by KTRE.

- In December 2018, KTRE, TRL and Yee Fai Construction Company Limited, a wholly-owned subsidiary of SHKP (the “Contractor”), entered into a building contract (the “Building Contract”) under which KTRE and TRL have engaged the Contractor to carry out and complete the construction works for the Kwun Tong Site at a contract sum of HK\$4,436.0 million (to be borne by KTRE and TRL in equal shares), subject to adjustments in accordance with the Building Contract, which was approved by independent shareholders in February 2019. The two office towers have been topped out and the occupation permit is expected to be obtained by end of 2022.
- As at 30 June 2022, the carrying value of the Kwun Tong Site (classified as investment property under development on the consolidated statement of financial position), which was stated at cost, amounted to HK\$4,163.5 million (31 December 2021: HK\$3,844.6 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 on 29 December 2020. TMPI, the owner of the property at Tuen Mun Town Lot No. 80 in the New Territories, has become a 50%-owned joint venture of the Group.
- 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 approval for a change of use from the existing industrial use to office, shop and services uses. As at 30 June 2022, the entire lettable area of the property has been leased out to generate rental income for the Group.

### China Mainland Transport Operations

As at 30 June 2022, the Group’s total interests in associates within the China Mainland Transport Operations Division amounted to HK\$652.8 million (31 December 2021: HK\$681.7 million). Such investments are mainly related to the operation of passenger transport services in Shenzhen, and taxi and car rental services in Beijing. For the six months ended 30 June 2022, the Group’s China Mainland Transport Operations Division reported an after-tax profit of HK\$2.9 million compared to an after-tax profit of HK\$6.4 million for the corresponding period in 2021.

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

- SZBG, which commenced operations in 2005, is a Sino-foreign joint stock company formed by a wholly-owned subsidiary of the Company and four other Mainland investors. The Group has invested RMB387.1 million (equivalent to HK\$363.9 million at the investment date) in SZBG, representing a stake of 35%. SZBG mainly provides public bus and taxi services in Shenzhen City. As at 30 June 2022, it had 4,673 taxis (including 4,111 electric taxis, which are operated by an associate) and 5,686 buses serving some 330 routes.

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

- BBKT, a Sino-foreign joint stock company, was established in Beijing in 2003. The Group has invested RMB80.0 million (equivalent to HK\$75.5 million at the investment date) in BBKT, representing an equity interest of 31.38%. Until April 2013, BBKT operated both taxi hire and car rental businesses in Beijing. To provide greater focus on the business opportunities in the booming but challenging car rental market, BBKT spun off its car rental business to another Sino-foreign joint stock company, namely Beijing Beiqi First Company Limited (北京北汽福斯特股份有限公司). As at 30 June 2022, BBKT had a fleet of 3,147 taxis.

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

- BBF is a Sino-foreign joint stock company, which was established in April 2013 with the same shareholding structure as BBKT to carry on the car rental business formerly operated by BBKT. BBF had 1,073 vehicles available for hire as at 30 June 2022.

## FINANCIAL POSITION

### Capital Expenditure

As at 30 June 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\$12,104.9 million (31 December 2021: HK\$11,976.1 million), none of which was pledged or charged.

During the six months ended 30 June 2022, the Group incurred capital expenditure of HK\$668.7 million (six months ended 30 June 2021: HK\$978.4 million), which was mainly used for the development of the Kwun Tong Site and the purchase of new buses.

## FUNDING AND FINANCING

### Liquidity and financial resources

The Group closely monitors its liquidity requirements and financial resources to ensure that a healthy financial position is maintained such that cash inflows from operating activities together with the Group’s reserves of cash and liquid assets and undrawn banking facilities are sufficient to meet daily operational needs, loan repayments and capital expenditure as well as potential business expansion and development. The Group’s operations are mainly financed by shareholders’ funds and bank loans.



As at 30 June 2022, the Group's net borrowing (i.e. total borrowings less cash and deposits at banks) amounted to HK\$2,739.1 million (31 December 2021: HK\$1,895.0 million). The details of the Group's net cash/net borrowing position by currency are set out below:

<b>Currency</b>	<b>Cash and deposits at bank in foreign currency million</b>	<b>Cash and deposits at bank HK\$ million</b>	<b>Bank loans HK\$ million</b>	<b>Net cash/ (Net borrowing) HK\$ million</b>
<i>At 30 June 2022</i>				
Hong Kong dollars		<b>1,021.1</b>	<b>(4,121.3)</b>	<b>(3,100.2)</b>
United States dollars	<b>44.6</b>	<b>349.7</b>	–	<b>349.7</b>
Other currencies		<b>11.4</b>	–	<b>11.4</b>
<b>Total</b>		<b>1,382.2</b>	<b>(4,121.3)</b>	<b>(2,739.1)</b>
<i>At 31 December 2021</i>				
Hong Kong dollars		1,004.7	(3,132.5)	(2,127.8)
United States dollars	29.0	226.3	–	226.3
Other currencies		6.5	–	6.5
<b>Total</b>		<b>1,237.5</b>	<b>(3,132.5)</b>	<b>(1,895.0)</b>

As at 30 June 2022, bank loans, all unsecured, amounted to HK\$4,121.3 million (31 December 2021: HK\$3,132.5 million). The maturity profile of the bank loans of the Group is set out below:

	<b>At 30 June 2022 HK\$ million</b>	At 31 December 2021 HK\$ million
Within 1 year	<b>799.2</b>	994.0
After 1 year but within 2 years	<b>674.7</b>	1,173.4
After 2 years but within 5 years	<b>2,647.4</b>	965.1
	<b>4,121.3</b>	3,132.5

As at 30 June 2022, the Group had undrawn banking facilities totalling HK\$865.0 million (31 December 2021: HK\$1,555.0 million).

The finance costs incurred by the Group for the six months ended 30 June 2022 were HK\$9.0 million, an increase of HK\$0.5 million compared with HK\$8.5 million for the six months ended 30 June 2021. The increase was mainly due to the increase in average bank borrowings but was partly offset by the decrease in average interest rate in respect of the Group's borrowings from 0.97% per annum for the six months ended 30 June 2021 to 0.89% per annum for the six months ended 30 June 2022.

As at 30 June 2022, the Group's cash and deposits at banks (mainly denominated in Hong Kong dollars and United States dollars) amounted to HK\$1,382.2 million (31 December 2021: HK\$1,237.5 million).

## FUNDING AND TREASURY POLICIES

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

The impact of fuel price movements on the results of the Group's core franchised public bus operations can be significant. Although exposure to fluctuations in the fuel price might be managed by the use of fuel derivatives, the Group has carefully evaluated the pros and cons of entering into fuel price hedging arrangements and concluded that fuel price hedging would be as risky as not hedging, and would not necessarily result in a better financial position for the Group in the long term. Therefore the Group did not enter into any fuel oil swap contract during the period under review. Alternatively, the Group has entered into contracts with diesel suppliers for the supply of diesel. A price cap arrangement, which enables the Group to benefit from the fall in international fuel oil prices while limiting risk exposure in the event that oil prices rise above the cap level, has been introduced in these contracts. It is expected that the fuel price will continue to be volatile as a result of the Russia-Ukraine crisis. The management will continue to closely monitor fuel price movements and constantly review its strategy in respect of fuel price risk management in the light of prevailing market conditions.

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

In view of the volatile financial markets and the prospect of interest rate hikes, the Group will continue to closely monitor the market conditions and devise suitable strategies to manage its exposure to interest rate risk in a prudent manner with different techniques and instruments, including natural hedges achieved by spreading loans over different rollover periods and maturity dates. Derivative financial instruments such as interest rate swaps will be used when appropriate. As at 30 June 2022, all of the Group's borrowings were denominated in Hong Kong dollars and on a floating interest rate basis. The Group regularly reviews its strategy on interest rate risk management in the light of the prevailing market conditions.

## CAPITAL COMMITMENTS

The Group's capital commitments as at 30 June 2022 amounted to HK\$1,251.4 million (31 December 2021: HK\$1,605.2 million). These commitments were mainly in respect of the development of the Kwun Tong Site and the purchases of buses and other motor vehicles, which are to be financed by bank borrowings and from the Group's internal resources.

## EMPLOYEES AND REMUNERATION POLICIES

Transport operations are labour intensive. For the six months ended 30 June 2022, total remuneration excluding retirement costs and equity-settled share-based payment expenses amounted to HK\$1,872.6 million (six months ended 30 June 2021: HK\$1,941.9 million), accounting for about 54% of the total operating costs of the Group. The Group closely monitors its headcount and staff remuneration in line with productivity and the prevailing market trends. Employee compensation, including salaries and retirement and medical benefits, is determined based on the principles of performance, fairness, transparency and market competitiveness. As at 30 June 2022, the Group employed over 13,000 staff (31 December 2021: over 13,000 staff).

## OUTLOOK

The bus patronage has yet to fully recover amid the unstable COVID-19 epidemic situation. In addition, the commencement of MTR Tuen Ma Line and Shatin to Central Link has caused some KMB routes to overlap with the railway, leading to a sharp drop in the passenger number. The soaring oil price has also caused the operational cost to increase dramatically and is a huge challenge to the Group's operation.

Under this challenging operating environment, the Group seizes every development opportunity by providing services in areas with no railway coverage, including new development areas and places with transitional housing to expand our service coverage. The inclusion of the Greater Bay Area also brings an enormous cross-border demand. KMB will strengthen its cooperation with Shenzhen Bus Group Company Limited to grasp new business opportunities.

The Group has laid out a clear roadmap for "zero-emission" to fulfil its commitment to environmental protection. KMB has purchased 52 double-deck electric buses. Together with single-deck electric buses put into service this year, over 80 electric buses of KMB and LWB will be put in service as early as late 2022, while one-eighth of the fleet will be electrified as soon as 2025. KMB has planned to build two new bus depots for electric buses that could substantially support the upgrading of a quarter of the fleet to electric buses. At the same time, the Group has also been installing solar photovoltaic panels since last year and targets to install 30,000 panels on bus depots, bus stops and bus roofs to promote the application of renewable energy by the end of 2023.

Safety has always been the Group's top priority. The establishment of the KMB Academy early this year has set new standards of professionalism and safety for Hong Kong's bus industry. With the motto "Mission Safety • Act with Self-discipline", the Academy is the first organisation providing bus captains and maintenance workers with professional training courses accredited under the Qualification Framework in Hong Kong. In addition, the Academy has also provided internship programmes for college students. Students of various disciplines from local universities are able to join the short-term career-oriented courses and workshops with internship opportunities offered by the Academy this summer.

The Group is pleased to announce that the Government has granted a new ten-year bus franchise to LWB effective from 1 May 2023. LWB will continue to provide quality services to the public. The KMB Monthly Pass will be applicable to LWB routes under the new franchise to show the synergy of both franchised bus companies.

## TRANSPORT INTERNATIONAL HOLDINGS LIMITED

The COVID-19 pandemic has also brought impacts to the SBH Group, NHKB and even the Group's China Mainland Transport Operations. The Group is expecting that border control measures will be eased and patronage will recover when the epidemic situation in Hong Kong and Mainland China is defused.

The project in Kwun Tong is expected to be completed next year. Preliminary marketing of the two grade-A office towers at the site has commenced while a premium mall of over 500,000 square feet is expected to be launched in 2024 to provide a steady return for our shareholders. The Group had decided to redevelop the properties in Tuen Mun last year, which will create a long-term and continuous income through leasing office and retail spaces. The Group will continue to seek new recurrent income sources as its business strategy.

In the challenging operating environment, the Group relies on the professionalism and unity of staff members. We express our heartfelt gratitude for our employees' strong commitment. We also sincerely thank every passenger who chooses our bus service.

By Order of the Board

**Norman LEUNG Nai Pang**  
*Chairman*

Hong Kong, 18 August 2022

## SUPPLEMENTARY INFORMATION

### CHANGES IN DIRECTORS' BIOGRAPHICAL DETAILS

The changes in Directors' biographical details since the date of the 2021 Annual Report of the Company which are required to be disclosed pursuant to Rule 13.51B(1) of The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules") are set out below:

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

Dr Chan was an Independent Non-Executive Director of Hang Seng Bank Limited from 8 August 1995 to 5 May 2022. He is currently the First Vice-President and Chairman of the Executive Committee of the Community Chest of Hong Kong.

*(\* Independent Non-executive Director)*

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

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

The Directors of the Company who held office as at 30 June 2022 had the following interests in the shares of the Company, subsidiaries and other associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) at that date as recorded in the register of Directors' and chief executives' interests and short positions required to be kept under Section 352 of the SFO:

### I. Interests in Issued Shares of the Company

	Ordinary shares of HK\$1 each						Percentage of total issued shares
	Personal interests	Family interests	Corporate interests	Trustee interests	Other interests	Total number of shares held	
Dr Norman LEUNG Nai Pang*	278,956	–	–	–	–	278,956	0.059%
Dr John CHAN Cho Chak*	2,000	–	–	–	–	2,000	–
Raymond KWOK Ping Luen	547,329	–	–	–	–	547,329	0.115%
	<i>(note 1)</i>						
NG Siu Chan	–	26,699,308	–	–	–	26,699,308	5.622%
William LOUEY Lai Kuen	8,360,870	–	–	–	26,821,148	35,182,018	7.408%
					<i>(note 2)</i>		
Charles LUI Chung Yuen	14,271	–	–	3,317,532	–	3,331,803	0.702%
				<i>(note 3)</i>			
Winnie NG	181,416	–	–	26,699,308	–	26,880,724	5.660%
(Director and Alternate Director to Mr NG Siu Chan)				<i>(note 4)</i>			
Dr Eric LI Ka Cheung*	17,600	–	–	–	–	17,600	0.004%
Professor LIU Pak Wai*	–	–	–	–	–	–	–
Allen FUNG Yuk Lun	–	–	–	–	–	–	–
Roger LEE Chak Cheong	137,530	–	–	–	–	137,530	0.029%
(Managing Director)							
TSANG Wai Hung*	–	–	–	–	–	–	–
Dr CHEUNG Wing Yui	–	–	–	–	–	–	–
LEE Luen Fai	–	30,000	–	–	–	30,000	0.006%
LUNG Po Kwan	–	–	–	–	–	–	–
Susanna WONG Sze Lai	–	–	–	–	–	–	–
(Alternate Director to Mr Raymond KWOK Ping Luen)							
GAO Feng	–	–	–	–	–	–	–
(Alternate Director to Mr William LOUEY Lai Kuen)							

\* Independent Non-executive Director

*Notes:*

1. Of these shares in the Company, Mr Raymond Kwok Ping Luen held 542,986 shares jointly with his spouse.
2. Mr William Louey Lai Kuen, Ms Phyllis Louey and Ms Carol Wilma Louey entered into a shareholders voting agreement and together have interests in 35,182,018 shares of the Company.
3. Mr Charles Lui Chung Yuen and members of his family together had interests in certain private trusts which beneficially held 3,317,532 shares in the Company.
4. Ms Winnie Ng had an interest in 26,699,308 shares in the Company as a beneficiary in certain private trusts which beneficially held the aforesaid block of shares.

As at 30 June 2022, none of the Directors had any non-beneficial interest in the share capital of the Company.

## II. Interests in Underlying Shares

Apart from the foregoing, none of the Directors or any of their spouses or children under eighteen years of age has interests or short positions in the shares, underlying shares or debentures of the Company or any of its subsidiaries or other associated corporations, as recorded in the register of directors' interests and short positions required to be kept under Section 352 of the SFO or as otherwise notified to the Company pursuant to the Model Code for Securities Transactions by Directors of Listed Companies.

## SHARE OPTION SCHEMES

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

During the six months ended 30 June 2022, no share options were granted under the Share Option Scheme. Particulars of the outstanding share options granted under the Share Option Scheme and the movements during the six months ended 30 June 2022 were as follows:

	Number of share option			Date granted	Period during which options are exercisable	Exercise price per share	Market value per share at date of grant of options*
	Balance as at 1 January 2022	Forfeited during the period	Balance as at 30 June 2022				
<b>Directors</b>							
Roger LEE Chak Cheong	400,000	–	400,000	19 November 2020	19 November 2021 to 18 November 2025 (note 1)	HK\$15.32	HK\$15.32
	450,000	–	450,000	19 November 2020	19 November 2021 to 18 November 2025 (note 2)	HK\$15.32	HK\$15.32
Norman LEUNG Nai Pang	450,000	–	450,000	19 November 2020	19 November 2021 to 18 November 2025 (note 1)	HK\$15.32	HK\$15.32
John CHAN Cho Chak	425,000	–	425,000	19 November 2020	19 November 2021 to 18 November 2025 (note 1)	HK\$15.32	HK\$15.32
Raymond KWOK Ping Luen	400,000	–	400,000	19 November 2020	19 November 2021 to 18 November 2025 (note 1)	HK\$15.32	HK\$15.32
NG Siu Chan	400,000	–	400,000	19 November 2020	19 November 2021 to 18 November 2025 (note 1)	HK\$15.32	HK\$15.32
William LOUEY Lai Kuen	400,000	–	400,000	19 November 2020	19 November 2021 to 18 November 2025 (note 1)	HK\$15.32	HK\$15.32
Charles LUI Chung Yuen	400,000	–	400,000	19 November 2020	19 November 2021 to 18 November 2025 (note 1)	HK\$15.32	HK\$15.32
Winnie NG	400,000	–	400,000	19 November 2020	19 November 2021 to 18 November 2025 (note 1)	HK\$15.32	HK\$15.32



	Number of share option			Date granted	Period during which options are exercisable	Exercise price per share	Market value per share at date of grant of options*
	Balance as at 1 January 2022	Forfeited during the period	Balance as at 30 June 2022				
Allen FUNG Yuk Lun	400,000	–	400,000	19 November 2020	19 November 2021 to 18 November 2025 (note 1)	HK\$15.32	HK\$15.32
CHEUNG Wing Yui	400,000	–	400,000	19 November 2020	19 November 2021 to 18 November 2025 (note 1)	HK\$15.32	HK\$15.32
LEE Luen Fai	400,000	–	400,000	19 November 2020	19 November 2021 to 18 November 2025 (note 1)	HK\$15.32	HK\$15.32
LUNG Po Kwan	400,000	–	400,000	19 November 2020	19 November 2021 to 18 November 2025 (note 1)	HK\$15.32	HK\$15.32
Eric LI Ka Cheung	400,000	–	400,000	19 November 2020	19 November 2021 to 18 November 2025 (note 1)	HK\$15.32	HK\$15.32
LIU Pak Wai	400,000	–	400,000	19 November 2020	19 November 2021 to 18 November 2025 (note 1)	HK\$15.32	HK\$15.32
TSANG Wai Hung	400,000	–	400,000	19 November 2020	19 November 2021 to 18 November 2025 (note 1)	HK\$15.32	HK\$15.32
<b>Employees</b>	5,200,000	(400,000)	4,800,000	19 November 2020	19 November 2021 to 18 November 2025 (note 2)	HK\$15.32	HK\$15.32

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

Notes:

1. All the options are vested and exercisable progressively and the maximum percentage of the options which may be exercised is determined in stages as follows:

	<b>Percentage of options granted</b>
On or after 19 November 2021	50%
On or after 19 November 2022	100%

2. All the options are vested and exercisable progressively and the maximum percentage of the options which may be exercised is determined in stages as follows:

	<b>Percentage of options granted</b>
On or after 19 November 2021	30%
On or after 19 November 2022	60%
On or after 19 November 2023	100%

Save as disclosed above, there were no outstanding share options granted under the Scheme during the six months ended 30 June 2022.

## DIRECTORS' INTERESTS IN CONTRACTS

As disclosed in note 17 to the interim financial report, certain subsidiaries of the Group entered into transactions with certain subsidiaries of a shareholder, Sun Hung Kai Properties Limited ("SHKP"). Certain Directors, namely Dr Norman Leung Nai Pang, Dr Eric Li Ka Cheung, Mr Raymond Kwok Ping Luen, Mr Allen Fung Yuk Lun and Dr Cheung Wing Yui are also directors of SHKP and/or Sun Hung Kai Properties Insurance Limited, and Mr Lee Luen Fai and Mr Lung Po Kwan are employees of SHKP. Among them, Mr Raymond Kwok Ping Luen is a director of SHKP and is materially interested in these transactions by virtue of his interest and deemed interest under Part XV of the SFO in more than 5% of the issued shares of SHKP.

Save as disclosed above, no contract of significance to which the Company, its subsidiaries or fellow subsidiaries were a party and in which a Director of the Company had a material interest, subsisted at 30 June 2022 or at any time during the six months ended 30 June 2022.

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

As at 30 June 2022, the interests or short positions of the persons, other than Directors and the chief executive of the Company, being 5% or more in the interest in the shares and underlying shares of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were notified to the Company and The Stock Exchange of Hong Kong Limited pursuant to Divisions 2 and 3 of Part XV of the SFO and required to be entered in the register maintained by the Company pursuant to Section 336 of the SFO, were as follows:

	Ordinary shares of HK\$1 each			Total number of shares held	Percentage of total issued shares
	Registered shareholders	Corporate interests	Trustee interests		
HSBC Trustee (C.I.) Limited	–	–	195,319,298	195,319,298	41.1%
Sun Hung Kai Properties Limited (notes 1 and 2)	–	195,319,298	–	195,319,298	41.1%
Arklake Limited (note 1)	107,586,466	–	–	107,586,466	22.7%
Hung Fat (Hop Kee) General Contractors Limited (note 1)	32,206,685	–	–	32,206,685	6.8%
Wister Investment Limited (note 1)	28,570,642	–	–	28,570,642	6.0%
HSBC International Trustee Limited	37,805,269	–	–	37,805,269	8.0%
Kwong Tai Holdings (PTC) Limited (note 3)	26,699,308	–	–	26,699,308	5.6%

*Notes:*

- The interest disclosed by Sun Hung Kai Properties Limited (“SHKP”) includes the 168,363,793 shares disclosed by Arklake Limited, Hung Fat (Hop Kee) General Contractors Limited and Wister Investment Limited.
- Under The Code on Takeovers and Mergers (the “Takeovers Code”), a person will be subject to mandatory offer obligations if such person acquires, whether by a series of transactions over a period of time or not, 30% or more of the voting rights of a company. Such threshold was reduced from 35% to 30% with effect from 19 October 2001. However, transitional provisions apply where a person, or two or more persons acting in concert, holds 30% or more of the voting rights of a company but less than 35% of such voting rights immediately prior to 19 October 2001. For so long as such holding remains in this range and until ten years after that date, the Takeovers Code shall be interpreted and applied as if the 30% trigger in Rule 26.1(a) and (b) of the Takeovers Code was 35% for such person or persons and such person or persons are not subject to the 2% creeper under Rule 26.1(c) and (d) of the Takeovers Code. In this regard, SHKP held 30% or more of the voting rights of the Company but less than 35% of such voting rights immediately prior to 19 October 2001, and the above transitional provisions apply to SHKP for so long as its holding remains within the range of 30% and 35% for a period of ten years after 19 October 2001. With effect from 19 October 2011, the above transitional provisions expired and SHKP is subject to the 2% creeper under Rules 26.1(c) and (d) of the Takeovers Code.
- The interest disclosed by Kwong Tai Holdings (PTC) Limited includes 26,699,308 shares disclosed by Mr Ng Siu Chan and Ms Winnie Ng, both of whom are Directors of the Company.

## ISSUE OF SHARES

On 30 June 2022, the Company issued 9,470,661 shares in lieu of the final dividend for the year ended 31 December 2021 at an issue price of HK\$12.23 per share under the scrip dividend scheme as set out in the circular of the Company dated 2 June 2022.

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

Except for the aforesaid issue of shares on 30 June 2022, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the period under review.

## MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company adopted the code of conduct regarding securities transactions by Directors as set out in Appendix 10 to the Listing Rules during the interim period under review, and, following specific enquiry by the Company, it is noted that all Directors complied with the required standard of dealings set out therein.

## CORPORATE GOVERNANCE

The Company complied with the applicable code provisions in the Corporate Governance Code set out in Appendix 14 of the Listing Rules in the six months ended 30 June 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 A.6.7 due to other engagements.

## REVIEW OF INTERIM FINANCIAL REPORT

The interim financial report for the six months ended 30 June 2022 is unaudited, but has been reviewed in accordance with Hong Kong Standard on Review Engagements 2410, *Review of interim financial information performed by the independent auditor of the entity*, issued by the Hong Kong Institute of Certified Public Accountants, by the Company's external auditors, KPMG, whose review report is set out on page 43 of this interim report.

The Audit and Risk Management Committee of the Company, together with management and KPMG, has reviewed the accounting principles and policies adopted by the Group, discussed auditing, internal control, risk management and financial reporting matters, and also reviewed the unaudited interim financial report for the six months ended 30 June 2022.

## CONSOLIDATED STATEMENT OF PROFIT OR LOSS

### FOR THE SIX MONTHS ENDED 30 JUNE 2022 – UNAUDITED

(Expressed in Hong Kong dollars)

	Note	Six months ended 30 June	
		2022 \$'million	2021 \$'million
<b>Revenue</b>	3 & 4	<b>2,946.7</b>	3,408.8
Other income	5	<b>359.6</b>	135.1
Staff costs	6(b)	<b>(1,973.2)</b>	(2,043.1)
Depreciation		<b>(543.0)</b>	(501.4)
Fuel and oil		<b>(342.7)</b>	(358.8)
Spare parts		<b>(98.9)</b>	(104.6)
Toll charges		<b>(126.2)</b>	(134.7)
Other operating expenses		<b>(395.8)</b>	(384.3)
<b>(Loss)/profit from operations</b>		<b>(173.5)</b>	17.0
Finance costs	6(a)	<b>(9.0)</b>	(8.5)
Share of profits of associates		<b>2.9</b>	6.4
Share of profit of a joint venture		<b>3.3</b>	4.0
<b>(Loss)/profit before taxation</b>	6	<b>(176.3)</b>	18.9
Income tax credit	7	<b>81.8</b>	1.3
<b>(Loss)/profit for the period</b>		<b>(94.5)</b>	20.2
<b>(Loss)/earnings per share</b>	8		
Basic and diluted		<b>\$(0.20)</b>	\$0.04

The notes on pages 28 to 42 form part of this interim financial report.

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND  
OTHER COMPREHENSIVE INCOME**
**FOR THE SIX MONTHS ENDED 30 JUNE 2022 – UNAUDITED**

(Expressed in Hong Kong dollars)

	Six months ended 30 June	
	2022 \$'million	2021 \$'million
<b>(Loss)/profit for the period</b>	<b>(94.5)</b>	20.2
<b>Other comprehensive income for the period (after tax and reclassification adjustments):</b>		
<i>Item that will not be reclassified to profit or loss:</i>		
Equity investment at fair value through other comprehensive income – net movement in fair value reserve (non-recycling), net of nil tax	–	60.9
<i>Items that are or 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>(31.0)</b>	4.3
Investments in debt securities: net movement in fair value reserve (recycling), net of nil tax	<b>(297.1)</b>	(10.6)
Share of other comprehensive income of an associate, net of nil tax	–	3.1
<b>Other comprehensive income for the period</b>	<b>(328.1)</b>	57.7
<b>Total comprehensive income for the period</b>	<b>(422.6)</b>	77.9

The notes on pages 28 to 42 form part of this interim financial report.

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

### AT 30 JUNE 2022 – UNAUDITED

(Expressed in Hong Kong dollars)

	Note	At 30 June 2022 \$'million	At 31 December 2021 \$'million
<b>Non-current assets</b>			
Investment properties		92.2	95.4
Investment property under development		4,163.5	3,844.6
Interest in leasehold land		49.5	50.5
Other property, plant and equipment	10	7,799.7	7,985.6
		<b>12,104.9</b>	11,976.1
Intangible assets		465.2	419.7
Goodwill		84.1	84.1
Interest in associates		652.8	681.7
Interest in a joint venture		749.2	750.8
Other financial assets	11	1,454.9	1,353.7
Employee benefit assets		1,947.4	1,959.5
Deferred tax assets		0.9	0.5
		<b>17,459.4</b>	17,226.1
<b>Current assets</b>			
Spare parts		109.9	103.4
Accounts receivable	12	689.7	605.1
Other financial assets	11	337.9	741.1
Deposits and prepayments		104.7	26.9
Current tax recoverable		5.8	5.9
Restricted bank deposits	13	422.0	411.7
Bank deposits and cash	13	960.2	825.8
		<b>2,630.2</b>	2,719.9
<b>Current liabilities</b>			
Accounts payable and accruals	14	1,454.0	1,665.5
Contingency provision – insurance		90.0	93.8
Bank loans		799.2	994.0
Lease liabilities		4.2	3.5
Current tax payable		6.9	2.7
		<b>2,354.3</b>	2,759.5

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**
**AT 30 JUNE 2022 – UNAUDITED** *(continued)*
*(Expressed in Hong Kong dollars)*

	<b>At 30 June 2022 \$'million</b>	At 31 December 2021 \$'million
<b>Net current assets/(liabilities)</b>	<b>275.9</b>	(39.6)
<b>Total assets less current liabilities</b>	<b>17,735.3</b>	17,186.5
<b>Non-current liabilities</b>		
Bank loans	<b>3,322.1</b>	2,138.5
Lease liabilities	<b>4.0</b>	3.3
Deferred tax liabilities	<b>1,100.7</b>	1,187.5
Contingency provision – insurance	<b>164.6</b>	177.6
Provision for long service payments	<b>3.9</b>	0.9
	<b>4,595.3</b>	3,507.8
<b>NET ASSETS</b>	<b>13,140.0</b>	13,678.7
<b>CAPITAL AND RESERVES</b>		
Share capital	<b>474.9</b>	465.4
Reserves	<b>12,665.1</b>	13,213.3
<b>TOTAL EQUITY</b>	<b>13,140.0</b>	13,678.7

Approved and authorised for issue by the Board of Directors on 18 August 2022

**Norman LEUNG Nai Pang**  
*Chairman*
**Roger LEE Chak Cheong**  
*Managing Director*

The notes on pages 28 to 42 form part of this interim financial report.



## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

### FOR THE SIX MONTHS ENDED 30 JUNE 2022 – UNAUDITED

(Expressed in Hong Kong dollars)

	Attributable to equity shareholders of the Company									
	Note	Share capital \$'million	Share premium \$'million	Capital reserve \$'million	Other reserves \$'million	Exchange reserve \$'million	Fair value	Fair value	Retained profits \$'million	Total equity \$'million
							reserve (recycling) \$'million	reserve (non-recycling) \$'million		
<b>Balance at 1 January 2021</b>		457.8	1,100.5	3.3	1,102.6	130.3	10.0	545.3	9,836.5	13,186.3
<b>Changes in equity for the six months ended 30 June 2021:</b>										
Profit for the period		-	-	-	-	-	-	-	20.2	20.2
Other comprehensive income		-	-	-	-	4.3	(10.6)	64.0	-	57.7
Total comprehensive income		-	-	-	-	4.3	(10.6)	64.0	20.2	77.9
Shares issued in respect of scrip dividend – 2020 final dividend	9(ii)	7.6	111.9	-	-	-	-	-	-	119.5
Equity-settled share-based transactions	6(b)	-	-	2.4	-	-	-	-	-	2.4
Dividends approved in respect of the previous year	9(ii)	-	-	-	-	-	-	-	(228.9)	(228.9)
		7.6	111.9	2.4	-	-	-	-	(228.9)	(107.0)
<b>Balance at 30 June 2021 and 1 July 2021</b>		465.4	1,212.4	5.7	1,102.6	134.6	(0.6)	609.3	9,627.8	13,157.2
<b>Changes in equity for the six months ended 31 December 2021:</b>										
Profit for the period		-	-	-	-	-	-	-	224.8	224.8
Other comprehensive income		-	-	-	-	14.2	(109.8)	130.3	260.3	295.0
Total comprehensive income		-	-	-	-	14.2	(109.8)	130.3	485.1	519.8
Forfeiture of share options		-	-	(0.7)	-	-	-	-	-	(0.7)
Equity-settled share-based transactions		-	-	2.4	-	-	-	-	-	2.4
Lapse of share options		-	-	(2.7)	-	-	-	-	2.7	-
		-	-	(1.0)	-	-	-	-	2.7	1.7

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**
**FOR THE SIX MONTHS ENDED 30 JUNE 2022 – UNAUDITED** *(continued)*
*(Expressed in Hong Kong dollars)*

	Attributable to equity shareholders of the Company									
	Note	Share capital \$'million	Share premium \$'million	Capital reserve \$'million	Other reserves \$'million	Exchange reserve \$'million	Fair value	Fair value	Retained profits \$'million	Total equity \$'million
							reserve (recycling) \$'million	reserve (non-recycling) \$'million		
<b>Balance at 31 December 2021 and 1 January 2022</b>		465.4	1,212.4	4.7	1,102.6	148.8	(110.4)	739.6	10,115.6	13,678.7
<b>Changes in equity for the six months ended 30 June 2022:</b>										
Loss for the period		-	-	-	-	-	-	-	(94.5)	(94.5)
Other comprehensive income		-	-	-	-	(31.0)	(297.1)	-	-	(328.1)
Total comprehensive income		-	-	-	-	(31.0)	(297.1)	-	(94.5)	(422.6)
Shares issued in respect of scrip dividend – 2021 final dividend	9(ii)	9.5	106.3	-	-	-	-	-	-	115.8
Forfeiture of share options	6(b)	-	-	(0.1)	-	-	-	-	-	(0.1)
Equity-settled share-based transactions	6(b)	-	-	0.8	-	-	-	-	-	0.8
Dividends approved in respect of the previous year	9(ii)	-	-	-	-	-	-	-	(232.6)	(232.6)
		9.5	106.3	0.7	-	-	-	-	(232.6)	(116.1)
<b>Balance at 30 June 2022</b>		474.9	1,318.7	5.4	1,102.6	117.8	(407.5)	739.6	9,788.5	13,140.0

The notes on pages 28 to 42 form part of this interim financial report.

## CONDENSED CONSOLIDATED CASH FLOW STATEMENT

### FOR THE SIX MONTHS ENDED 30 JUNE 2022 – UNAUDITED

(Expressed in Hong Kong dollars)

	Six months ended 30 June	
	2022 \$'million	2021 \$'million
<b>Operating activities</b>		
Cash (used in)/generated from operations	(181.5)	221.2
Tax paid		
– Hong Kong Profits Tax	(1.1)	(6.1)
<b>Net cash (used in)/generated from operating activities</b>	<b>(182.6)</b>	215.1
<b>Investing activities</b>		
Increase in restricted bank deposits	(10.3)	(40.6)
(Increase)/decrease in bank deposits with original maturities of over three months	(657.1)	708.2
Payment for the purchase of investment properties	(0.3)	(0.1)
Payment for the purchase of investment property under development	(229.8)	(345.9)
Payment for the purchase of other property, plant and equipment	(325.4)	(590.7)
Payment for the purchase of intangible assets	(45.5)	(16.5)
Receipt of government grant for the purchase of other property, plant and equipment	54.4	48.3
Receipt of government grant for the disposal of other property, plant and equipment	–	0.1
Proceeds from disposal of other property, plant and equipment	2.8	6.4
Finance costs paid and capitalised into investment property under development	(8.9)	(6.4)
Dividend received from associates	0.9	–
Payment for the purchase of debt securities	(319.7)	(624.0)
Purchase of equity securities	(97.5)	–
Proceeds on the maturity of debt securities	418.5	379.6
<b>Net cash used in investing activities</b>	<b>(1,217.9)</b>	(481.6)

**CONDENSED CONSOLIDATED CASH FLOW STATEMENT**
**FOR THE SIX MONTHS ENDED 30 JUNE 2022 – UNAUDITED** *(continued)*
*(Expressed in Hong Kong dollars)*

	Note	Six months ended 30 June	
		2022 \$'million	2021 \$'million
<b>Financing activities</b>			
Proceeds from new bank loans		<b>3,190.0</b>	1,500.0
Repayment of bank loans		<b>(2,200.0)</b>	(1,465.0)
Loan repaid by a joint venture		<b>4.9</b>	5.0
Capital element of lease rentals paid		<b>(1.2)</b>	(1.2)
Interest element of lease rentals paid		<b>(0.1)</b>	(0.1)
Dividends paid to equity shareholders of the Company		<b>(116.8)</b>	(109.4)
<b>Net cash generated from/(used in) financing activities</b>		<b>876.8</b>	(70.7)
<b>Net decrease in cash and cash equivalents</b>		<b>(523.7)</b>	(337.2)
<b>Cash and cash equivalents at 1 January</b>		<b>825.8</b>	1,133.1
<b>Effect of foreign exchange rate changes</b>		<b>1.0</b>	0.4
<b>Cash and cash equivalents at 30 June</b>		<b>303.1</b>	796.3
<b>Analysis of cash and cash equivalents:</b>			
Cash and cash equivalents in the consolidated statement of financial position	13	<b>960.2</b>	898.3
Less: bank deposits with original maturities of over three months	13	<b>(657.1)</b>	(102.0)
Cash and cash equivalents in the condensed consolidated cash flow statement		<b>303.1</b>	796.3

The notes on pages 28 to 42 form part of this interim financial report.

## NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in Hong Kong dollars)

### 1 Basis of preparation

This interim financial report has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, including compliance with Hong Kong Accounting Standard (“HKAS”) 34, *Interim financial reporting*, issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”). It was authorised for issue on 18 August 2022.

The interim financial report has been prepared in accordance with the same accounting policies adopted in the 2021 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2022 annual financial statements. Details of any changes in accounting policies are set out in note 2.

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

This interim financial report contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2021 annual financial statements. The condensed consolidated interim financial statements and notes thereon do not include all of the information required for a full set of financial statements prepared in accordance with Hong Kong Financial Reporting Standards (“HKFRSs”).

This interim financial report is unaudited, but has been reviewed by KPMG in accordance with Hong Kong Standard on Review Engagements 2410, *Review of interim financial information performed by the independent auditor of the entity*, issued by the HKICPA. KPMG’s independent review report to the Board of Directors is included on page 43. This interim financial report has also been reviewed by the Audit and Risk Management Committee of the Company.

The financial information relating to the financial year ended 31 December 2021 that is included in the interim financial report as comparative information does not constitute the Company’s statutory annual consolidated financial statements for that financial year but is derived from those financial statements.

## 2 Changes in accounting policies

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

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

## 3 Segment reporting

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

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

### 3 Segment reporting (continued)

#### (a) Segment results, assets and liabilities

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

	Franchised bus operation		Property holdings and development		All other segments (note)		Total	
	Six months ended 30 June		Six months ended 30 June		Six months ended 30 June		Six months ended 30 June	
	2022 \$'million	2021 \$'million	2022 \$'million	2021 \$'million	2022 \$'million	2021 \$'million	2022 \$'million	2021 \$'million
Revenue from external customers	2,832.0	3,287.0	25.4	23.8	89.3	98.0	2,946.7	3,408.8
Inter-segment revenue	0.4	3.9	2.7	2.7	1.4	1.8	4.5	8.4
<b>Reportable segment revenue</b>	<b>2,832.4</b>	<b>3,290.9</b>	<b>28.1</b>	<b>26.5</b>	<b>90.7</b>	<b>99.8</b>	<b>2,951.2</b>	<b>3,417.2</b>
<b>Reportable segment (loss)/profit</b>	<b>(164.8)</b>	<b>(34.4)</b>	<b>26.6</b>	<b>23.4</b>	<b>3.3</b>	<b>0.0</b>	<b>(134.9)</b>	<b>(11.0)</b>
As at 30 June/31 December								
Reportable segment assets	11,002.0	10,931.7	5,016.4	4,698.8	1,865.7	1,847.1	17,884.1	17,477.6
Reportable segment liabilities	4,684.1	4,382.0	2,116.6	1,758.5	95.2	83.0	6,895.9	6,223.5

Note: Results of all other segments arose mainly from the provision of non-franchised transport services and interest in associates. The share of profits of associates for the period amounted to \$2.9 million (six months ended 30 June 2021: share of profits of \$6.4 million).

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 (loss)/profit is net (loss)/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 prices charged to external parties for similar transactions.

3 Segment reporting (continued)

(b) Reconciliation of reportable segment revenue and (loss)/profit

	Six months ended 30 June	
	2022 \$'million	2021 \$'million
<b>Revenue</b>		
Reportable segment revenue	2,860.5	3,317.4
Revenue from all other segments	90.7	99.8
Elimination of inter-segment revenue	(4.5)	(8.4)
Consolidated revenue	2,946.7	3,408.8
<b>(Loss)/profit</b>		
Reportable segment loss	(138.2)	(11.0)
Profit from all other segments	3.3	–
Unallocated profits	40.4	31.2
Consolidated (loss)/profit for the period	(94.5)	20.2

4 Revenue

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

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

	Six months ended 30 June	
	2022 \$'million	2021 \$'million
Fare revenue from franchised public bus services	2,711.3	3,133.0
Revenue from non-franchised transport services	89.5	97.8
Licence fee income	97.0	125.5
Media sales revenue	21.3	28.0
Gross rentals from investment properties	27.6	24.5
	2,946.7	3,408.8



## 5 Other income

	Six months ended 30 June	
	2022 \$'million	2021 \$'million
Interest income	41.7	30.0
Claims received	5.8	13.9
Net miscellaneous business receipts	5.9	4.7
Net gain on disposal of other property, plant and equipment	2.3	6.0
Net loss on derecognition of investments in debt securities	–	(3.1)
Net foreign exchange gain	3.1	3.0
Government subsidies (note)	280.3	–
Drawdown from toll exemption fund (note 6(c))	–	49.4
Sundry income	20.5	31.2
	<b>359.6</b>	<b>135.1</b>

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

## 6 (Loss)/profit before taxation

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

	Six months ended 30 June	
	2022 \$'million	2021 \$'million
<b>(a) Finance costs</b>		
Interest on bank loans	19.2	14.8
Interest on lease liabilities	0.1	0.1
Total interest expense on financial liabilities not at fair value through profit or loss	19.3	14.9
Less: interest expense capitalised	(10.3)	(6.4)
	<b>9.0</b>	<b>8.5</b>

## 6 (Loss)/profit before taxation (continued)

	Six months ended 30 June	
	2022 \$'million	2021 \$'million
<b>(b) Staff costs</b>		
Defined benefit retirement plan expense	12.1	26.3
Contributions to defined contribution retirement plan	80.2	73.6
Movements in provision for long service payments	8.7	0.2
Total retirement cost	101.0	100.1
Equity-settled share-based payment expenses	0.7	2.4
Salaries, wages and other benefits	1,872.6	1,941.9
	1,974.3	2,044.4
Less: staff costs included in cost of mask production	(1.1)	(1.3)
	1,973.2	2,043.1
<b>(c) Other item</b>		
Provision for toll exemption fund (note)	61.8	77.2

*Note:* The HKSAR Government announced that with effect from 17 February 2019, all franchised buses are exempted from paying tolls when using the Government tunnels and roads. However, each franchised bus operator is required to spend an equivalent amount of the toll saved to set up its own dedicated account known as the "Toll Exemption Fund" which will normally be used to lower the magnitude of future fare increases. In addition, any additional fare revenue resulting from the increase of bus fare on the jointly operated routes with other franchised bus operators arising from a fare adjustment is required to be paid into the Toll Exemption Fund. The balance of the Toll Exemption Fund of the Group as at 30 June 2022, included in accounts payable and accruals (note 14), was \$429.0 million (31 December 2021: \$417.3 million). The drawdown from the Toll Exemption Fund of \$49.4 million was recognised in the consolidated statement of profit or loss in 2021.

## 7 Income tax

	Six months ended 30 June	
	2022 \$'million	2021 \$'million
<b>Current tax – Hong Kong Profits Tax</b>		
Provision for the period	4.5	6.0
<b>The People's Republic of China ("PRC") withholding tax</b>	0.9	–
	5.4	6.0
<b>Deferred tax</b>		
Origination and reversal of temporary differences	(87.2)	(7.3)
Income tax credit	(81.8)	(1.3)

The provision for Hong Kong Profits Tax is calculated by applying the estimated annual effective tax rate of 16.5% (2021: 16.5%) to the six months ended 30 June 2022, 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%. The provision for Hong Kong Profits Tax for this subsidiary was calculated using the same basis in 2021.

## 8 (Loss)/earnings per share

### (a) Basic (loss)/earnings per share

The calculation of basic (loss)/earnings per share is based on the loss attributable to equity shareholders of the Company of \$94.5 million (six months ended 30 June 2021: profit attributable to equity shareholders of the Company of \$20.2 million) and the weighted average number of shares in issue during the interim period, calculated as follows:

(i) (Loss)/profit attributable to equity shareholders of the Company

	Six months ended 30 June	
	2022 \$'million	2021 \$'million
(Loss)/profit attributable to equity shareholders of the Company	(94.5)	20.2

## 8 (Loss)/earnings per share *(continued)*

### (a) Basic (loss)/earnings per share *(continued)*

#### (ii) *Weighted average number of ordinary shares*

	Six months ended 30 June	
	2022	2021
Issued ordinary shares at 1 January	465,469,414	457,820,696
Effect of shares issued in respect of scrip dividend	52,324	42,026
Weighted average number of ordinary shares at 30 June	465,521,738	457,862,722

### (b) Diluted (loss)/earnings per share

The diluted (loss)/earnings per share for both the six months ended 30 June 2022 and 2021 are the same as basic (loss)/earnings per share as the effect of deemed issue of shares under the Company's share option scheme is anti-dilutive.

## 9 Capital, reserves and dividends

### Dividends

#### (i) *Dividend payable to equity shareholders attributable to the interim period*

The Board does not recommend the declaration of an interim dividend for the six months ended 30 June 2022 (six months ended 30 June 2021: Nil).

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

	Six months ended 30 June			
	2022		2021	
	Per share \$	\$'million	Per share \$	\$'million
Final dividend in respect of the previous financial year, approved and paid during the period	0.50	232.6	0.50	228.9

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 \$115.8 million was settled by the issuance of 9,470,661 shares at an issue price of \$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 \$119.5 million was settled by the issuance of 7,648,718 shares at an issue price of \$15.62 per share under the scrip dividend scheme.

## 10 Other property, plant and equipment

### (a) Right-of-use assets

During the six months ended 30 June 2022, the Group entered into a number of lease agreements for use as staff rest kiosks and bus regulators' office, and therefore recognised additions to right-of-use assets of \$3.8 million (six months ended 30 June 2021: \$1.2 million).

During the six months ended 30 June 2022, Covid-19-related rent concessions of \$1.2 million (six months ended 30 June 2021: \$1.2 million) were recognised in "Other income" accordingly.

### (b) Acquisitions and disposals of owned assets

During the six months ended 30 June 2022, the Group acquired items of other property, plant and equipment with a cost of \$349.5 million (six months ended 30 June 2021: \$615.7 million). Items of plant and equipment with a net book value of \$0.5 million were disposed of during the six months ended 30 June 2022 (six months ended 30 June 2021: \$0.4 million), resulting in a net gain on disposal of \$2.3 million (six months ended 30 June 2021: \$6.0 million).

## 11 Other financial assets

	At 30 June 2022 \$'million	At 31 December 2021 \$'million
Debt securities listed outside Hong Kong (note)	956.5	1,351.5
Loan receivables	34.5	34.5
Listed equity securities	11.3	–
Unlisted equity securities	790.5	708.8
	<b>1,792.8</b>	2,094.8
Less: debt securities listed outside Hong Kong classified as current assets	<b>(322.0)</b>	(731.0)
listed equity securities classified as current assets	<b>(11.3)</b>	–
loan receivables classified as current assets	<b>(4.6)</b>	(10.1)
	<b>(337.9)</b>	(741.1)
Other financial assets classified as non-current assets	<b>1,454.9</b>	1,353.7

*Note:* Debt securities are issued by corporate entities with credit rating ranging from BB- to A as at 30 June 2022 and 31 December 2021. At 30 June 2022 and 31 December 2021, the Group's investments in debt securities were neither past due nor impaired. Debt securities that will mature within one year are classified as current assets.

## 12 Accounts receivable

	<b>At 30 June 2022 \$'million</b>	At 31 December 2021 \$'million
Trade and other receivables	<b>671.1</b>	584.1
Interest receivable	<b>19.0</b>	21.4
Less: loss allowance	<b>(0.4)</b>	(0.4)
	<b>689.7</b>	605.1

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

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

	<b>At 30 June 2022 \$'million</b>	At 31 December 2021 \$'million
Current	<b>46.5</b>	62.7
Less than 1 month past due	<b>107.3</b>	60.3
1 to 3 months past due	<b>37.8</b>	52.1
More than 3 months past due	<b>79.0</b>	89.4
	<b>270.6</b>	264.5

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.

### 13 Bank deposits and cash

	<b>At 30 June 2022 \$'million</b>	At 31 December 2021 \$'million
Cash at bank and on hand	77.7	149.5
Bank deposits	<b>1,304.5</b>	1,088.0
	<b>1,382.2</b>	1,237.5
Less: restricted bank deposits	<b>(422.0)</b>	(411.7)
Bank deposits and cash in the consolidated statement of financial position	<b>960.2</b>	825.8
Less: bank deposits with original maturities of over three months	<b>(657.1)</b>	–
Cash and cash equivalents in the condensed consolidated cash flow statement	<b>303.1</b>	825.8

### 14 Accounts payable and accruals

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

	<b>At 30 June 2022 \$'million</b>	At 31 December 2021 \$'million
Due within 1 month or on demand	<b>146.9</b>	190.0
Due after 1 month but within 3 months	<b>0.4</b>	8.8
Due after more than 3 months	<b>1.3</b>	1.3
Trade payables	<b>148.6</b>	200.1
Balance of toll exemption fund (note 6(c))	<b>429.0</b>	417.3
Other payables and accruals	<b>871.5</b>	1,043.2
Amount due to an associate	<b>4.9</b>	4.9
	<b>1,454.0</b>	1,665.5

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

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

## 15 Fair value measurement of financial instruments

### (a) Financial assets and liabilities measured at fair value

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

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

	30 June 2022				31 December 2021			
	Fair value \$'million	Level 1 \$'million	Level 2 \$'million	Level 3 \$'million	Fair value \$'million	Level 1 \$'million	Level 2 \$'million	Level 3 \$'million
<b>Recurring fair value measurements</b>								
<i>Assets:</i>								
Investments in debt securities – listed	956.5	956.5	–	–	1,351.5	1,351.5	–	–
Listed equity securities	11.3	11.3	–	–	–	–	–	–
Unlisted equity securities	790.5	–	790.5	–	708.8	–	708.8	–
Derivative financial instruments – forward foreign exchange contracts	–	–	–	–	0.2	–	0.2	–
<i>Liabilities:</i>								
Derivative financial instruments – forward foreign exchange contracts	(0.8)	–	(0.8)	–	–	–	–	–

During the six months ended 30 June 2022, there was no transfer between instruments in Level 1 and Level 2, or transfers into or out of Level 3 (six months ended 30 June 2021: Nil). The Group's policy is to recognise transfers between levels of fair value hierarchy as at the end of the reporting period in which they occur.



## 15 Fair value measurement of financial instruments *(continued)*

### (b) Information about Level 2 fair value measurement

The fair value of unlisted equity instruments is determined with reference to the pricing of a recent transaction.

### (c) Fair values of financial assets and liabilities carried at other than fair value

All financial instruments carried at cost or amortised cost were not materially different from their fair values as at 30 June 2022 and 31 December 2021 except for the amounts due from/to associates and loan to joint venture of the Group which are unsecured, interest-free and have no fixed terms of repayment/settlement. Given these terms, it is not meaningful to disclose their fair values.

## 16 Commitments

### Capital commitments

- (i) At 30 June 2022, the Group had the following capital commitments in relation to the purchase of other property, plant and equipment not provided for in the interim financial report:

	<b>At 30 June 2022 \$'million</b>	At 31 December 2021 \$'million
Contracted for	<b>603.1</b>	654.4

- (ii) At 30 June 2022, the Group's share of capital commitments of a joint operation in respect of investment property under development not provided for in the interim financial report is as follows:

	<b>At 30 June 2022 \$'million</b>	At 31 December 2021 \$'million
Contracted for	<b>648.3</b>	951.0

## 17 Transactions with related companies

	Note	Six months ended 30 June	
		2022 \$'million	2021 \$'million
<b>Nature of transactions</b>			
Service fees for provision of coach services	(a) & (b)	20.2	23.1
Insurance premium paid	(c)	58.0	67.5
Amount paid and accrued for building management services	(d)	0.4	0.6
Amount paid and accrued for project management service and lease modification	(e)	–	–
Amount paid and accrued for a building contract	(f)	–	–
Advertising income	(g)	0.1	0.3

## Notes:

- (a) During the period, the Group provided coach services (“Shuttle Bus Service Agreements”) to certain subsidiaries of Sun Hung Kai Properties Limited (“SHKP”), a substantial shareholder of the Company. The amounts received and receivable under the Shuttle Bus Service Agreements amounted to \$2.9 million (six months ended 30 June 2021: \$3.5 million). Outstanding balances due from these companies at 30 June 2022 amounted to \$1.4 million (31 December 2021: \$1.8 million).
- (b) The Group also provided coach services to residents of certain residential property developments managed by certain members of SHKP and its subsidiaries (“SHKP Group”) where the SHKP Group acts as agent for collection of the service fees (“Coach Service Arrangement”). The amounts received and receivable for these Coach Service Arrangements amounted to \$17.3 million (six months ended 30 June 2021: \$19.6 million). Outstanding balances due from these companies at 30 June 2022 amounted to \$9.3 million (31 December 2021: \$8.3 million).
- (c) In 2020 and 2021, the Group entered into contracts with a subsidiary of SHKP, Sun Hung Kai Properties Insurance Limited (“SHKPI”), for the provision of insurance services to the Group for the period from 1 January 2021 to 31 December 2022 (the “2021/22 Insurance Arrangements”) and for the period from 1 January 2022 to 31 December 2022 (the “2022 Supplemental Motor Insurance Arrangements”) respectively. The amount paid and payable under the 2021/22 Insurance Arrangements and 2022 Supplemental Motor Insurance Arrangements for the six months ended 30 June 2022 amounted to \$58.0 million (six months ended 30 June 2021: \$67.5 million). There was no outstanding balance payable under these contracts at 30 June 2022 and 31 December 2021.
- (d) On 3 July 2007, Lai Chi Kok Properties Investment Limited, Royal Elite Service Company Limited (“Royal Elite”), a subsidiary of SHKP, and the first assignee of a residential unit of Manhattan Hill entered into a deed of mutual covenant (the “Deed”) pursuant to which the parties agreed that Royal Elite would act as the manager of Manhattan Hill. The amount paid and payable under the Deed during the six months ended 30 June 2022 amounted to \$0.4 million (six months ended 30 June 2021: \$0.6 million). Outstanding balance payable for this contract at 30 June 2022 amounted to \$0.1 million (31 December 2021: \$0.1 million).

## 17 Transactions with related companies *(continued)*

Notes: *(continued)*

- (e) On 26 April 2010, KT Real Estate Limited (“KTRE”), a wholly-owned subsidiary of the Company, and Turbo Result Limited (“TRL”) a subsidiary of SHKP, entered into an agreement with Sun Hung Kai Real Estate Agency Limited (“SHKRE”), pursuant to which KTRE and TRL agreed to appoint SHKRE as the project manager for the management, supervision and control of the application for planning permission, the surrender and regrant of an industrial site at Kwun Tong (the “Kwun Tong Site”) and the construction of the Kwun Tong Site.

The amount payable for project management services shall be a sum equivalent to whichever is the higher of (1) \$20 million; and (2) the lower of (a) 1% of the project cost and (b) \$25 million. The amount payable for lease modification services shall be in the sum of the lower of (1) \$3.2 for each square foot of the permitted maximum gross floor area as approved under the lease modification; and (2) \$3.8 million. Outstanding balance payable for this contract at 30 June 2022 amounted to \$2.0 million (31 December 2021: \$2.0 million).

- (f) On 20 December 2018, KTRE, TRL and Yee Fai Construction Limited (“Yee Fai”) (a wholly-owned subsidiary of SHKP) entered into a building contract in which KTRE and TRL have engaged Yee Fai to carry out and complete the building works involving the construction of a commercial building at the Kwun Tong Site (the “Building Contract”). KTRE and TRL shall pay to Yee Fai, in equal shares, the contract sum of \$4,436.1 million (i.e. \$2,218.0 million each), subject to adjustments in accordance with the Building Contract. Outstanding balance payable for this contract as at 30 June 2022 amounted to \$118.8 million (31 December 2021: \$235.1 million).
- (g) During the period, the Group provided advertising services to certain subsidiaries of SHKP. The amounts received and receivable for these advertising services amounted to \$0.1 million (six months ended 30 June 2021: \$0.3 million). There was no outstanding balance payable under these contracts at 30 June 2022 and 31 December 2021.



## REVIEW REPORT TO THE BOARD OF DIRECTORS OF

### TRANSPORT INTERNATIONAL HOLDINGS LIMITED

*(Incorporated in Bermuda with limited liability)*

#### Introduction

We have reviewed the interim financial report set out on pages 20 to 42 which comprises the consolidated statement of financial position of Transport International Holdings Limited as of 30 June 2022 and the related consolidated statement of profit or loss, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the condensed consolidated cash flow statement for the six-month period then ended and explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of an interim financial report to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34, *Interim financial reporting*, issued by the Hong Kong Institute of Certified Public Accountants. The directors are responsible for the preparation and presentation of the interim financial report in accordance with Hong Kong Accounting Standard 34.

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

#### Scope of review

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

#### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim financial report as at 30 June 2022 is not prepared, in all material respects, in accordance with Hong Kong Accounting Standard 34, *Interim financial reporting*.

#### KPMG

*Certified Public Accountants*

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

18 August 2022

## CORPORATE DIRECTORY

### BOARD OF DIRECTORS

**Dr Norman LEUNG Nai Pang\***

GBS, JP, LLD, BA  
Chairman

**Dr John CHAN Cho Chak\***

GBS, JP, DBA(Hon), DSocSc(Hon),  
BA, DipMS, CCMI, FCILT, FHKIoD  
Deputy Chairman

**Raymond KWOK Ping Luen^**

JP, MA(Cantab), MBA, Hon DBA,  
Hon LLD

**NG Siu Chan^**

**William LOUEY Lai Kuen^**

BSc(Econ)

**Charles LUI Chung Yuen^**

M.H., BEc, AASA, FCILT

**Winnie NG^**

JP, BA, MBA(Chicago), MPA(Harvard),  
FCIM, CMILT, MHKIoD  
(Non-executive Director and Alternate  
Director to Mr NG Siu Chan^)

**Dr Eric LI Ka Cheung\***

GBS, OBE, JP, LLD, DSocSc,  
Hon DSocSc(EdUHK), BA,  
FCPA, FCA, FCPA(Aust.)

**Professor LIU Pak Wai\***

SBS, JP

**Allen FUNG Yuk Lun^**

BA, Ph.D.

**Roger LEE Chak Cheong**

BSc, MSc, MICE, CEng  
Managing Director

**TSANG Wai Hung\***

GBS, PDSM, JP, MBA

**Dr CHEUNG Wing Yui^**

BBS, BCom, Hon DBA, CPA(Aust.)

**LEE Luen Fai^**

BBS, JP, BA

**LUNG Po Kwan^**

BSocSc, MSocSc(Economics), MBA, CFA

**Susanna WONG Sze Lai**

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

**GAO Feng**

(Alternate Director to  
Mr William LOUEY Lai Kuen^)

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

(^ Non-executive Director of the Company)

### BOARD COMMITTEES

**Audit and Risk Management Committee**

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

**Nomination Committee**

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

**Remuneration Committee**

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

**Standing Committee**

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

(# Committee Chairman)

### COMPANY SECRETARY

**Lana WOO**

BA, MBA, FCG, HKFCG(PE),  
CPA(Canada), CGA

### REGISTERED OFFICE

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### PRINCIPAL OFFICE

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**Bermuda**

**MUFG Fund Services (Bermuda) Limited**

4th Floor North Cedar House  
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Bermuda

### AUDITOR

**KPMG**

Certified Public Accountants  
Public Interest Entity Auditor registered in  
accordance with the Financial Reporting  
Council Ordinance  
8/F, Prince's Building  
10 Chater Road Central  
Hong Kong

### STOCK CODE

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



**載通國際**  
Transport International

## **Transport International Holdings Limited**

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