



KWOON CHUNG BUS HOLDINGS LIMITED

(Incorporated in Bermuda with Limited Liability)

(Stock Code: 306)

ANNUAL REPORT
2024/2025



KW6ON 冠忠巴士
CHUNG





CONTENTS

Corporate Information	2
Corporate Profile	3-4
Corporate Structure	5
Biographical Details of Directors and Senior Management	6-9
Chairman's Statement	10
Management Discussion and Analysis	11-16
Financial Highlights	17
Corporate Governance Report	18-28
Report of the Directors	29-40
Independent Auditor's Report	41-45

Audited Financial Statements

Consolidated Statement of Profit or Loss	46
Consolidated Statement of Comprehensive Income	47
Consolidated Statement of Financial Position	48-49
Consolidated Statement of Changes in Equity	50-51
Consolidated Statement of Cash Flows	52-54
Notes to Financial Statements	55-151
Particulars of Properties	152

Note: The English text of this annual report shall prevail over the Chinese text.

CORPORATE INFORMATION

Executive Directors

Mr. Wong Leung Pak, Matthew, BBS (*Chairman*)
Mr. Wong Cheuk On, James (*Chief Executive Officer*)
Mr. Lo Man Po (*Chief Financial Officer*)

Independent Non-Executive Directors

Mr. Chan Bing Woon, SBS, JP
Mr. James Mathew Fong
Mr. Chan Fong Kong, Francis
Ms. Cheung Ka Wan (Appointed on 1 December 2024)

Audit Committee

Mr. Chan Bing Woon, SBS, JP (*Chairman*)
Mr. James Mathew Fong
Mr. Chan Fong Kong, Francis
Ms. Cheung Ka Wan (Appointed on 1 December 2024)

Nomination Committee

Mr. Wong Leung Pak, Matthew, BBS (*Chairman*)
Mr. Chan Bing Woon, SBS, JP
Mr. James Mathew Fong
Mr. Chan Fong Kong, Francis
Ms. Cheung Ka Wan (Appointed on 1 December 2024)

Remuneration Committee

Mr. Chan Bing Woon, SBS, JP (*Chairman*)
Mr. Wong Leung Pak, Matthew, BBS
Mr. James Mathew Fong
Mr. Chan Fong Kong, Francis
Ms. Cheung Ka Wan (Appointed on 1 December 2024)

Senior Management

Mr. Wong Cheuk Tim, Timothy, MH (*Chief Operating Officer*)
Dr. Cheng King Hoi, Andrew, MH
Mr. Feng Weixiang
Mr. Mark Savelli

Company Secretary

Mr. Tung Sze Ho, Dicky

Authorised Representatives Under Part 16 of the Companies Ordinance

Mr. Wong Leung Pak, Matthew, BBS
Mr. Wong Cheuk On, James

Authorised Representatives Under Listing Rules

Mr. Wong Leung Pak, Matthew, BBS
Mr. Wong Cheuk On, James

Auditor

Ernst & Young
Certified Public Accountants
Registered Public Interest Entity Auditor
27/F, One Taikoo Place
979 King's Road
Quarry Bay, Hong Kong

Legal Advisers as to Hong Kong Laws

Angela Ho & Associates
Room 2507, 25/F, Tower 1, Lippo Centre,
89 Queensway, Hong Kong

Principal Bankers

Bank of China (Hong Kong) Limited
DBS Bank (Hong Kong) Limited
The Hongkong and Shanghai Banking Corporation Limited

Principal Registrar and Transfer Office

Conyers Corporate Services (Bermuda) Limited
Clarendon House, 2 Church Street
Hamilton HM 11, Bermuda

Hong Kong Branch Registrar and Transfer Office

Computershare Hong Kong Investor Services Limited
Shops 1712–16, 17th Floor, Hopewell Centre
183 Queen's Road East, Wan Chai, Hong Kong

Registered Office

Clarendon House, 2 Church Street
Hamilton HM 11, Bermuda

Head Office and Principal Place of Business

3rd Floor, 8 Chong Fu Road
Chai Wan, Hong Kong

Share Listing

The Stock Exchange of Hong Kong Limited
(the "Stock Exchange")
Stock code: 306.HK
Board lot: 2,000 shares

Corporate Website Address and Investor Relations Contact

Website: <http://www.kcbh.com.hk>
Email: info@kcm.com.hk
Fax: (852) 2505 6880

Customer Services

Email: info@kcbh.com.hk
Tel: (852) 2578 1178
Fax: (852) 2562 3399



Background

The predecessor of Kwoon Chung Bus Holdings Limited (the “Company”) and its subsidiaries (collectively the “Group”) was founded by the late Mr. Wong Kwoon Chung with a small-sized car cleaning service in 1948. After over half a century of dramatic development, the Group has made its name in the transport history of Hong Kong as the largest non-franchised bus and limousine operator in Hong Kong. The Company has been listed on the Main Board of the Stock Exchange since September 1996. As at 31 March 2025, the Group was operating approximately 1,220 non-franchised public buses and 492 limousines.

Hong Kong Segment

The Company, through its flagship wholly-owned subsidiary, Kwoon Chung Motors Company, Limited (“KCM”), has made its strong presence in student, tour, hotel, resident, employee and cross-boundary non-franchised public bus services. Every day from the edges of the New Territories to Hong Kong Island South, there are buses of the Group carrying passengers to their places of work or study. The acquisitions of 100% equity interests in Tai Fung Coach Company Limited and Trade Travel (Hong Kong) Limited in 1997 have enabled the Group to become the largest tour bus provider in Hong Kong.

New Lantau Bus Company (1973) Limited (“NLB”), a 99.99%-owned subsidiary of the Company, is a franchised bus operator based in Lantau Island. NLB also runs the franchised cross-boundary routes B2, B4 and B6 via Shenzhen Bay Port and Hong Kong-Zhuhai-Macao Bridge Port. Lantau Tours Limited, a wholly-owned subsidiary of the Company, is a tour service provider in Lantau Island, which offers travel packages covering the sceneries of Lantau.

In 2003, when the economy of Hong Kong was at a low ebb, the Group had cast a vote of confidence in Hong Kong and acquired 100% equity interest in Trans-Island Limousine Service Limited (“TIL”). TIL is a transport operator focusing mainly on cross-boundary non-franchised bus and limousine businesses while Intercontinental Limousine Company Limited (“ILC”), a wholly-owned subsidiary of the Company (which has taken up all business of Intercontinental Hire Cars Limited, a wholly-owned subsidiary of TIL) is a local limousine operator. In 2004, a 24-hour cross-boundary shuttle bus network was established by a number of coach operators, with six routes connecting Huanggang Port to designated stations in Hong Kong. China-Hongkong Express Limited, a 52.74%-owned subsidiary of the Company and All China Express Limited, a 46.82%-owned subsidiary of the Company, are running four of these routes.

In 2011, TIL acquired 90% (up to 100% in December 2014) equity interests in Chinalink Express Holdings Limited and Chinalink Transport Group Limited (collectively “Chinalink”) and 100% equity interest in Hin Wan 991 group (“991”), respectively. Chinalink and 991 are renowned cross-boundary bus operators in the market. Chinalink runs various long-distance routes, the routes servicing the Shenzhen Baoan International Airport, and the 24-hour shuttle between Huanggang Port and Tsuen Wan. 991 runs the Zhongshan route, the route between Huanggang Port and Tsuen Wan, and the cross-boundary school bus services. Both entities also hold travel agency licenses. In 2014, the Group further acquired 100% equity interest in Pengyun Transport group (“Pengyun”), which is a cross-boundary bus operator based in Shenzhen.

In 2016 and 2018, the Group acquired 100% equity interest in Associated Tourist Coach Limited group (“ATCL Group”) and Welcome Tourist Bus Company Limited (“Welcome Tourist”) respectively. ATCL Group and Welcome Tourist were medium-sized bus operators, engaging in both local and cross-boundary bus businesses. The acquisitions have further consolidated the Group’s position in the Hong Kong non-franchised bus market.

In 2017, the Group formed Hong Kong-Zhuhai-Macao Bridge Shuttle Bus Company Limited (“HZMBSB”) with four other local operators. HZMBSB became a Hong Kong member of the consortium participated in the tender for the project in respect of the operator of shuttle bus for the boundary crossing facilities of the Hong Kong-Zhuhai-Macao Bridge. The consortium was confirmed as the successful tenderer and became the sole operator of shuttle bus service for the boundary crossing facilities of the Hong Kong-Zhuhai-Macao Bridge. The Group, as a whole, has benefited from the enormous traffic and other business opportunities brought about by the opening of the Hong Kong-Zhuhai-Macao Bridge.

CORPORATE PROFILE

Hong Kong Segment – Continued

In 2023, the Group has broadened its co-operation with overseas markets. The Group's consortium with Hafil Transport Company L.L.C., a leading transportation company in the Kingdom of Saudi Arabia, was awarded a concession contract for intercity bus transportation services across the northern region of the Kingdom of Saudi Arabia. The Group serves as an international technical advisor to provide technical consulting services in the consortium.

KC Smart Mobility Company Limited ("KCSM"), a wholly-owned subsidiary of the Company, was incorporated at the end of 2023. KCSM is dedicated to revitalizing traditional bus services with innovative solutions, spearheading the industry's shift towards electrification, intelligence and diversification. In 2024, the Airport Authority awarded the contract to KCM-PML Joint Venture, a jointly controlled entity of KCSM, for the development of autonomous vehicles and the associated transportation system for carrying visitors between the Hong Kong Port of the Hong Kong-Zhuhai-Macao Bridge and SKYCITY at the Hong Kong International Airport, which will be Hong Kong's first autonomous mass transportation system. It was an important milestone in the Group's progress toward smart mobility.

Chinese Mainland Segment

The Group has been trying to realise its vision in various cities of Chinese Mainland as early as 1992. Most of the past investments had been recovered with reasonable returns.

In 2000, the Group acquired 60% (up to 100% in 2017) equity interest in Chongqing Grand Hotel Co., Ltd. ("CQ Hotel"), which operates a 3-star 26-storey hotel at a prime location in Shapingba District, Chongqing. In recent years, CQ Hotel has partially transformed into a property lessor and the increase in income is notable.

In 2004, the Group acquired 100% equity interest in Hubei Shenzhou Transport Holdings Co., Ltd. ("Hubei Shenzhou"), which operates a long-distance bus terminal, a public bus company and related business at Xiangyang City and Nanzhang County, Hubei Province. The bus terminal, being located at the commercial hub of Xiangyang, is very geographically advantageous and has high potential for development.

In 2006, with a view to further developing the tourism business, the Group acquired 51% (up to 67.8% in 2017) equity interest in Lixian Bipenggou Tourism Development Co., Ltd. ("Bipenggou Tourism"). The local government has granted this equity joint venture ("EJV") the right to develop and operate a vast and distinctive scenic area called Bipenggou, Miyalu in Sichuan Province for 50 years. The total area of Bipenggou is approximately 613.8 square kilometers and it is only about 200 kilometers away from Chengdu. The goal of this EJV is to develop eco-tourism, leisure, and business tours. The major income comes from the fares of sightseeing shuttle buses and electric carts, entrance fee, and hotel room rentals from visitors. Bipenggou has been awarded the "National 4A-class Tourist Attraction" title by the National Tourism Administration since 2012 and the number of visitors has been increasing steadily. The number of visitors has surpassed 1 million for the second year in a row from 2023. In 2024, the number of visitors hit a record high of 1.05 million.

Changes in Shareholdings in the Company

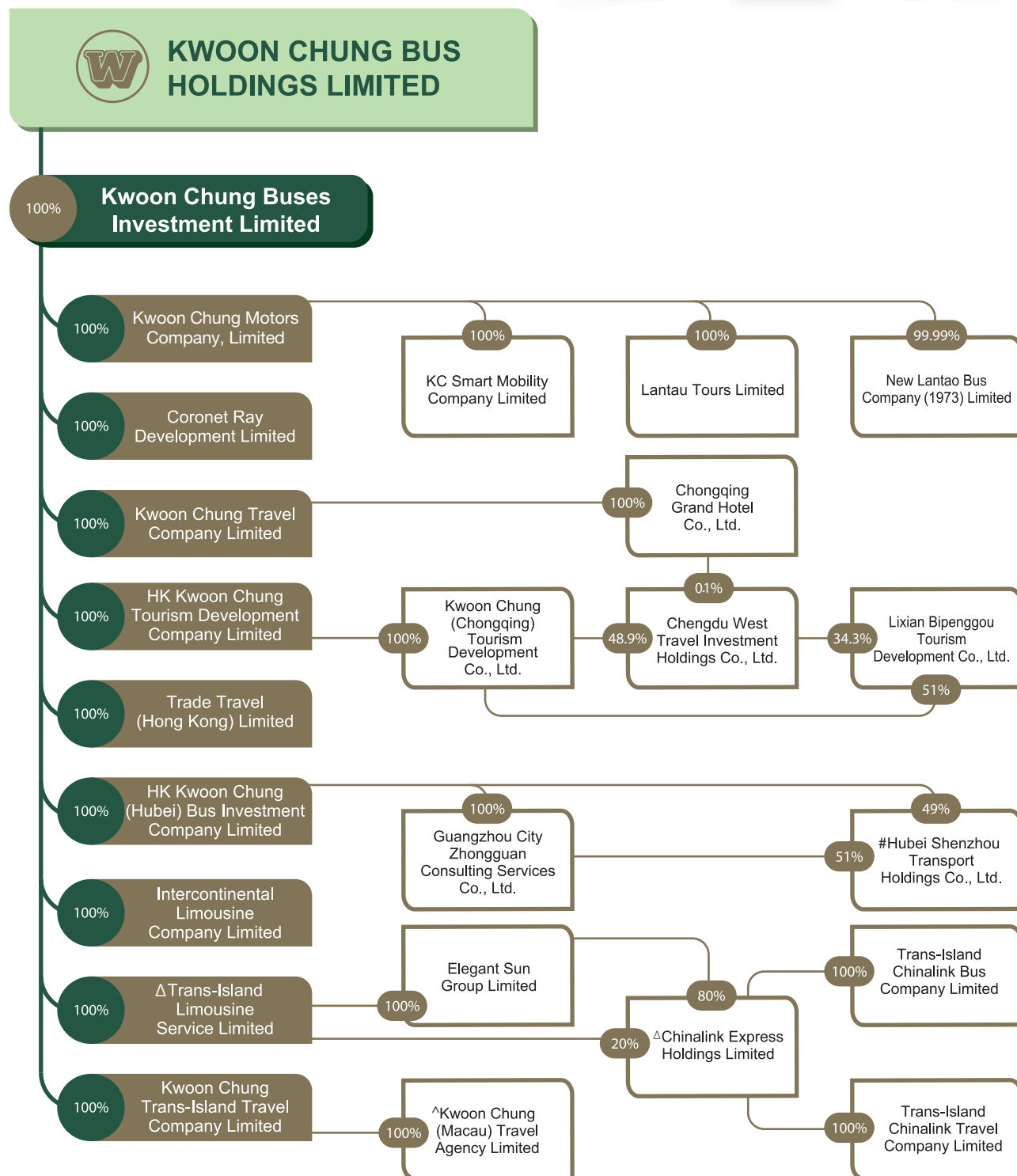
In 1999, First Action Developments Limited ("First Action"), an affiliated company of New World Development Company Limited (Stock code: 17.HK), acquired approximately 20% (up to 29.48% before April 2014) of the issued share capital of the Company. On 2 April 2014, First Action sold all of its 121,593,019 shares of the Company to Basic Faith Company Limited ("Basic Faith"), which is indirectly wholly owned by Mr. Wong Leung Pak, Matthew, BBS, an executive Director and the Chairman of the Company. On the same date, Basic Faith acquired all of the 131,880,981 shares of the Company held by Wong Family Holdings (PTC) Limited, the then controlling shareholder of the Company. Upon completion of the above two acquisitions and the close of the subsequent mandatory unconditional cash offer made by Basic Faith to the Company, Basic Faith became the largest and the controlling shareholder of the Company. The shareholding of Basic Faith in the Company was approximately 50.66% as at the date of this report.

Vision

The Group has consistently maintained its dedication to delivering exceptional transport services. While focusing on developing its core businesses, the Group actively integrates a variety of advantages, follows innovation-driven strategies, welcomes new technologies and constantly expands its business sectors. The Group strives to establish a firm foundation for supporting sustainable development to provide better mobility options for customers with more efficient, intelligent and convenient transport services.

CORPORATE STRUCTURE

As at 31 March 2025



^ Being held in trust for Kwoon Chung Trans-Island Travel Company Limited by Chinalink Express Holdings Limited

Sino-foreign equity joint venture established in Chinese Mainland

Δ Held certain Sino-foreign co-operative joint ventures/joint ventures established in Chinese Mainland

Note: Only major group companies are shown in this chart.

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

Executive Directors

Mr. Wong Leung Pak, Matthew, BBS, aged 69

joined the Group in the early 1970s. Mr. Wong is the Chairman of the Company. He is responsible for providing leadership to, and overseeing the functioning of, the board (the “Board”) of directors (the “Directors”) of the Company. Mr. Wong has nearly 50 years of experience in the bus business. Mr. Wong is currently the chairman of the Public Omnibus Operators Association in Hong Kong, the vice president of China Hong Kong and Macau Boundary Crossing Bus Association and the vice chairman of the board of directors of the Football Association of Hong Kong, China. He was awarded the Honorary University Fellowship by The Open University of Hong Kong in November 2014 and the honour of BBS by the Government of the Hong Kong Special Administrative Region in July 2015. Mr. Wong is the father of Messrs. Wong Cheuk On, James (an executive Director) and Wong Cheuk Tim, Timothy, MH (a member of senior management of the Group), and the father-in-law of Mr. Lo Man Po (an executive Director). He is a director of Basic Faith and Infinity Faith, which are controlling shareholders having an interest in the shares of the Company as disclosed under the provisions of Divisions 2 and 3 of Part XV of the Securities and Futures Ordinance (the “SFO”).

Mr. Wong Cheuk On, James, aged 41

holds a Bachelor’s Degree in Mathematics from the University of California, Berkeley, United States and a Master’s Degree in Economics from The University of Hong Kong. Mr. Wong joined the Group in 2011 and is the Chief Executive Officer of the Company. He is responsible for the general management and operations of the Group. Mr. Wong is the son of Mr. Wong Leung Pak, Matthew, BBS (an executive Director), the brother of Mr. Wong Cheuk Tim, Timothy, MH (a member of senior management of the Group), and the brother-in-law of Mr. Lo Man Po (an executive Director). Mr. Wong is currently a member of the Tourism Strategy Group under Tourism Commission, Culture, Sports and Tourism Bureau of HKSAR. He is also a member of Hong Kong Tourism Board, a member of the board of directors of the Lantau Development Alliance and a member of Advisory Committee on Enhancing Self-Reliance Through District Partnership Programme under the Purview of the Secretary for Home and Youth Affairs.

Mr. Lo Man Po, aged 46

holds a Bachelor’s Degree in Business Administration from the Western Michigan University, United States and is a fellow member of CPA Australia. Mr. Lo joined the Group in 2004 and is the Chief Financial Officer of the Company. He is responsible for the general management and operations of the Group. Mr. Lo is the son-in-law of Mr. Wong Leung Pak, Matthew, BBS (an executive Director), and the brother-in-law of Messrs. Wong Cheuk On, James (an executive Director) and Wong Cheuk Tim, Timothy, MH (a member of senior management of the Group).

Independent Non-Executive Directors

Mr. Chan Bing Woon, SBS, JP, aged 80

has been an independent non-executive Director of the Company since 1996. Mr. Chan is a Consultant Solicitor and Accredited General Mediator of Yung, Yu, Yuen & Co., Solicitors & Notaries. He has nearly 50 years’ experience in the legal profession. Mr. Chan is involved in numerous public duties including being an honorary advisor and founding chairman of the Joint Mediation Helpline Office, a fellow member of the Hong Kong Institute of Directors, a past chairman of the Hong Kong Mediation Council and a council member of the Hong Kong Society of Notaries. He is also an International General Mediator of the Law Society of Hong Kong. In 2025, Mr. Chan was inducted to the Roll of Honour of the Law Society of Hong Kong in recognition of his distinguished contribution to the development of the legal profession in Hong Kong and the practice of law.



Independent Non-Executive Directors – Continued

Mr. James Mathew Fong, aged 49

has been an independent non-executive Director of the Company since 2016. Mr. Fong is a partner of Bird & Bird, one of the largest international law firms in Hong Kong. He obtained a Bachelor of Laws degree from The University of Hong Kong and is a member of The Law Society of Hong Kong. During his over 25 years legal career, Mr. Fong has been advising listed issuers and investment banks clients on capital markets, merger & acquisition and corporate governance matters. He also serves in a number of statutory bodies and committees in Hong Kong. He is currently a member of the Equal Opportunities Commission, a member of the Private Columbia Licensing Board, a member of the Appeal Board Panel of Hong Kong Housing Authority, a member of the Panel of Advisors on Building Management Disputes and a member of Council on Human Reproductive Technology. He is also a Chairman of Appeal Board Panel established under the Urban Renewal Authority Ordinance. Mr. Fong was appointed as an independent non-executive director of AMS Public Transport Holdings Limited (Stock code: 77.HK), the shares of which are listed on the Stock Exchange.

Mr. Chan Fong Kong, Francis, aged 49

has been an independent non-executive Director of the Company since 2016. Mr. Chan obtained a Bachelor's Degree in Commerce, majoring in Accounting and Finance from Deakin University (Melbourne, Australia). He attained Certified Practising Accountant status with CPA Australia, was duly awarded a Fellow Membership of CPA Australia in February 2018 and has been entitled to use the designation of FCPA since then. Mr. Chan has worked in Ernst & Young, a major international accounting firm from 2001 to 2005. From 2005 to 2016, Mr. Chan has been working in a local consultancy firm as a director specializing in providing consultancy services, involving in corporate restructuring and organizing fund-raising activities in Hong Kong and Chinese Mainland. From 2016 to 2019, Mr. Chan has been working for a local technology firm as a finance manager. Currently, he is holding the position of director in a local consultancy firm. Mr. Chan was appointed as an independent non-executive director of Leyou Technologies Holdings Limited (Stock code: 1089.HK) from January 2015 to July 2015, China Best Group Holding Limited (Stock code: 370. HK) from September 2014 to October 2016, Great Wall Belt & Road Holdings Limited (Stock code: 524.HK, now known as Great Wall Terroir Holdings Limited) from June 2015 to May 2017, SingAsia Holdings Limited (Stock code: 8293.HK) from February 2018 to March 2020 and China Baoli Technologies Holdings Limited (Stock code: 164.HK) since August 2018 whose shares are listed on the Main Board/GEM of the Stock Exchange. Mr. Chan also serves in a number of non-governmental organizations in Hong Kong. He is currently a director of New Territories General Chamber of Commerce and the company director, vice president and committee member of Care of Rehabilitated Offenders Association.

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

Independent Non-Executive Directors – Continued

Ms. Cheung Ka Wan, aged 40 (Appointed on 1 December 2024)

has been an independent non-executive Director of the Company since 2024. Ms. Cheung is a partner at the international law firm Holman Fenwick Willan. She is also the Council Member of the Law Society of Hong Kong. Ms. Cheung obtained her Bachelor of Laws with Business with Honours degree from Keele University in the United Kingdom and the Postgraduate Certificate in Laws from the University of Hong Kong. Ms. Cheung began her legal career as a barrister before practising as a solicitor in Hong Kong. She is also qualified as a lawyer in the Guangdong-Hong Kong-Macao Greater Bay Area and as a Foreign Registered Lawyer in England and Wales. She is a China Appointed-Attesting Officer, a fellow member of the Chartered Institute of Arbitrators in the United Kingdom, a fellow member of the Hong Kong Institute of Arbitrators, a fellow member of the Arbitrators' & Mediators' of New Zealand, and an accredited mediator at the Hong Kong International Arbitration Centre. Throughout her 18-year legal career, Ms. Cheung has advised and represented clients on cases involving complex cross-border corporate and commercial litigation, international arbitration, banking and finance, white-collar crime, and regulatory matters. In addition to advising state-owned enterprises and multinational clients, she also advises high-net-worth individuals and families on a wide range of disputes, including contentious probate litigation and matrimonial proceedings. Ms. Cheung is also actively involved in community engagement. She is the vice chairman of the Hong Kong and Mainland Legal Profession Association, founding vice chairman of the Greater Bay Area Union, a member of the Hong Kong Trustees' Association, China Development Subcommittee, and a council member of the Guangdong-Hong Kong-Macao Greater Bay Area Social Organizations Cooperation and Development Centre.

Senior Management

Mr. Wong Cheuk Tim, Timothy, MH, aged 36

holds a Juris Doctor in Law from The Chinese University of Hong Kong and a Bachelor of Science in Economics from University of Bath, United Kingdom. Mr. Wong joined the Group in 2014 and is currently holding the position of Chief Operating Officer of the Group. He is responsible for overseeing daily management, the operation units, and the legal and compliance functions of the Group. Mr. Wong was appointed as a director of KC Smart Mobility Company Limited from November 2023, in charge of all autonomous transportation projects of the Group. Mr. Wong was awarded Medal of Honour (MH) by the Government of the Hong Kong Special Administrative Region in July 2019. Mr. Wong is the son of Mr. Wong Leung Pak, Matthew, BBS (an executive Director), the brother of Mr. Wong Cheuk On, James (an executive Director) and the brother-in-law of Mr. Lo Man Po (an executive Director).

Dr. Cheng King Hoi, Andrew, MH, aged 66

is the Head of China Business of the Group, responsible for the Group's business in the Chinese Mainland, currently focusing on the Group's hotel management in Chongqing, the development and management of tourist attractions in Sichuan Province, the operations of bus terminal and long-distance bus business in Xiangyang City, Hubei Province and the planning of the Group's low altitude economy development projects. He is a fellow member of the Australian Institute of Management, formerly a member of the 8th to 11th of Sichuan Provincial Committee of the Chinese Peoples' Political Consultative Conference, currently a Chairman of Hong Kong Chiu Chow Merchants Mutual Assistance Society (Registered non-profit charitable organization), the co-president of the Overseas Teo Chew Entrepreneurs Association, the vice-president of the Hong Kong Chiu Chow Chamber of Commerce, the supervisor of Chiu Sheung School, Hong Kong, the member of the Home Affairs Department Area Committee (North Point East) and the member of the Xiqu Centre Advisory Panel (West Kowloon Cultural District Authority). He was awarded 10 Most Outstanding Persons of China Transportation Enterprise Management in 2009. Dr. Cheng received an Honorary Doctoral Degree of Business Administration from the Northern University, California, the United States of America and the 13th World Outstanding Chinese Award in 2013. Prior to joining the Group in 1990, Dr. Cheng worked at financial institutions and banks.

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT



Senior Management – Continued

Mr. Feng Weixiang, aged 62

joined the Group in December 2017, and is the General Manager of Tourism and Project Development of the Group, and holds the position of executive director of Trans-Island Chinalink Bus Company Limited, the wholly-owned subsidiary of the Company, is responsible for the management and development of the Group's related cross-boundary and Chinese Mainland businesses. Mr. Feng holds a bachelor's degree from Jinan University and an Executive Master's Degree in Business Administration (EMBA) from Sun Yat-Sen University. In the early years, he worked for consulting firms and government departments. Later, he held positions in the corporate management department of a state-owned tourism group based in Hong Kong, as well as serving as the managing director or CEO of its Hong Kong cross-boundary transportation company, comprehensive tourism network development platform, and the Mainland hot spring hotel and scenic area. Mr. Feng also served as an executive director of a Hong Kong private transportation company and founder of an e-commerce enterprise. He possesses long term, comprehensive management experiences in cross-boundary transportation and the above other types of enterprises. He was the founding chairman of China Hong Kong and Macau Boundary Crossing Bus Association (since 2004) and is currently the honorary chairman. In 2007, he was awarded as one of the Top Ten Innovative People in China's Internet Industry, and was the executive director of Sun Yat-Sen University Entrepreneur Alumni Association. He is also an honorary advisor to the Hong Kong Alumni Association of Jinan University.

Mr. Mark Savelli, aged 58

joined the Group in February 2019 and is the Operations Director of the Group. Mr. Savelli obtained a Bachelor of Science in Transport & Logistics with a First Class Honours from University of Huddersfield. He is an award winning bus industry professional with over 25 years of directorate level experience in both Hong Kong and the United Kingdom (UK). Mr. Savelli served as Managing Director of various large bus operating subsidiaries of FirstGroup plc in the UK before being promoted to Regional Director (Scotland). He has also held senior positions with the three largest franchised bus operators in Hong Kong (including Deputy Managing Director of Citybus Ltd, Chief Operating Officer of New World Services Transport Limited and Transport Development Director of the Kowloon Motor Bus Company (1933) Ltd). Mr. Savelli was awarded "UK Transport Professional of the Year 2009" (PTMA Awards) and is a Fellow Member of Institute of Directors (FloD) and of the Chartered Institute of Transport and Logistics (FCILT). In 2010, he was accredited by the Institute of Directors with Chartered Director status (CDir) after gaining a Master Level qualification (Diploma in Company Direction). In 2017, Mr. Savelli was invited to join the Guangzhou Transportation Commission Expert Advisory Committee for a 3 year term and to sit on the Transport Policy Committee of The Chartered Institute of Logistics and Transport in Hong Kong. During 2017/2018, Mr. Savelli provided interim management/business advisory services for clients in South East Asia, Europe, Africa, Australia and the Middle East. In 2023, Mr. Savelli led the Group's successful joint bid to secure a 10-year intercity bus operating concession in the Kingdom of Saudi Arabia with local partner Hafil Transport Company L.L.C., a subsidiary of the Mohamed Yousuf Naghi Group.

Company Secretary

Mr. Tung Sze Ho, Dicky, aged 42

was appointed as Company Secretary of the Company on 13 January 2020, who is delegated by an external secretarial service provider, Angela Ho & Associates. Mr. Tung is a fellow member of The Hong Kong Chartered Governance Institute (formerly known as The Hong Kong Institute of Chartered Secretaries) and The Chartered Governance Institute (formerly known as The Institute of Chartered Secretaries and Administrators). He has extensive experiences in the company secretarial field.

CHAIRMAN'S STATEMENT

I am pleased to present to the shareholders the Group's annual report for the year ended 31 March 2025.

Results

The Group recorded a consolidated net profit for the year of approximately HK\$147.4 million (2024: consolidated net profit of approximately HK\$52.2 million). Revenue for the year was approximately HK\$2,529.9 million (2024: approximately HK\$2,095.4 million). The earnings per share for the year was HK26.7 cents (2024: earnings per share of HK6.7 cents). Details of the Group's results will be discussed under the section headed "Management Discussion and Analysis" in this annual report.

Proposed Final Dividend

The Board recommends the payment of a final dividend of HK4 cents (2024: HK2 cents) per ordinary share in respect of the year. The proposed final dividend will be paid on or about Monday, 15 September 2025 to the shareholders of the Company whose names appear on the register of members of the Company on Monday, 8 September 2025 if the proposed final dividend is approved by shareholders of the Company at the forthcoming annual general meeting of the Company (the "AGM") to be held on Friday, 29 August 2025.

Closure of Register of Members

For determining the entitlement to attend and vote at the AGM, the register of members of the Company will be closed from Tuesday, 26 August 2025 to Friday, 29 August 2025, both days inclusive, during which period no transfer of shares of the Company will be registered. In order to be eligible to attend and vote at the AGM, unregistered holders of shares of the Company should ensure that all transfers of shares accompanied by the relevant share certificates and appropriate transfer forms must be lodged with the office of the Company's branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712-16, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong for registration not later than 4:30 p.m. on Monday, 25 August 2025.

For determining the entitlement to the proposed final dividend, which is subject to approval by shareholders of the Company at the AGM, the register of members of the Company will be closed from Thursday, 4 September 2025 to Monday, 8 September 2025, both days inclusive, during which period no transfer of shares of the Company will be registered. In order to qualify for the proposed final dividend, unregistered holders of shares of the Company should ensure that all transfers of shares accompanied by the relevant share certificates and appropriate transfer forms must be lodged with the office of the Company's share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712-16, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong for registration not later than 4:30 p.m. on Wednesday, 3 September 2025.

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.

Wong Leung Pak, Matthew, BBS

Chairman

Hong Kong
26 June 2025



Results

For the year ended 31 March 2025 (the “Current Year”), the Group recorded the consolidated profit attributable to owners of the parent of approximately HK\$127.1 million, represent a notable increase of 296.0% compared with the consolidated profit attributable to owners of the parent of approximately HK\$32.1 million for the previous year (the “Previous Year”). Revenue of the Group for the Current Year was approximately HK\$2,529.9 million, representing an increase of 20.7% as compared to approximately HK\$2,095.4 million for the Previous Year. Gross profit of the Group for the Current Year was approximately HK\$661.9 million, representing an increase of 44.9% as compared to approximately HK\$456.8 million for the Previous Year. The gross profit margin of the Group increased from 21.8% in the Previous Year to 26.2% in the Current Year.

The Group’s solid financial performance in the Current Year was mainly attributable to the healthy revenue growth across all business segments. Inbound tourism has progressively increased as a result of various mega events hosted in Hong Kong, combined with the recovery of the meetings, incentives, conferences and exhibitions (MICE) tourism sector. In addition, northward consumerism has become a more frequent leisure activity among Hong Kong residents. These factors fueled the growth of the local and cross-boundary service demand in the Current Year. Furthermore, the business performance of the Bipenggou scenic area remained satisfactory in the Current Year, with the number of tourists setting a new record.

Labour costs increased in the Current Year due to a combination of factors such as inflationary pressures and labour shortages. Nonetheless, the negative impact of increasing labour costs was partially offset by decreasing fuel costs as the international fuel prices steadied during the Current Year. Meanwhile, the finance expenses were decreased as the Hong Kong Interbank Offered Rate (HIBOR) was relatively lower in the Current Year compared to the Previous Year. Furthermore, the Group continues to implement effective cost control measures to increase operational efficiency, resulting in improved overall financial performance in the Current Year.

Review of Operations

1. Non-franchised Bus Segment

Kwoon Chung Motors Company, Limited is the flagship wholly-owned subsidiary of the Company that provides local non-franchised bus services. 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.

The non-franchised bus services provided by the Group include: (i) local transport in Hong Kong, which comprises scheduled service (mainly to student, employee, resident) and non-scheduled service (mainly to tour and contract hire) and (ii) cross-boundary transport between Chinese Mainland and Hong Kong. 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.

During the Current Year, the Group’s non-franchised bus segment maintained a solid competitive edge. The revenue of the non-franchised bus segment for the Current Year was approximately HK\$1,733.0 million, representing a year-on-year increase of 21.7%, driven by an increase in non-franchised cross-boundary bus services to approximately HK\$798.7 million and a strong contribution from non-franchised local bus services of approximately HK\$934.3 million. The non-franchised bus segment remained a profitable base for the Group.

MANAGEMENT DISCUSSION AND ANALYSIS

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 services for hotels, corporate clients and leisure travelers with safe, reliable, professional and high quality limousine transfer service between Chinese Mainland, Hong Kong and Macau.

The revenue of limousine segment for the Current Year was approximately HK\$313.0 million, representing a year-on-year increase of 35.4%. This growth was driven by the robust performance of cross-boundary limousine services, which generated approximately HK\$218.1 million in revenue.

The Group gains a foothold in the taxi market in the Current Year. Big Boss Taxi Co., Limited, a jointly controlled entity of the Group, which was formed by Intercontinental Limousine Company Limited and other transport providers, was issued a Taxi Fleet Licence in late July 2024 with a five-year validity period. The fleet will offer wheelchair-accessible and luxury taxi services to meet a variety of travel needs while also promoting green transportation. The fleet will enter service at the end of July 2025.

3. Franchised Bus and PLB Segment

New Lantau Bus Company (1973) Limited (“NLB”), a 99.99%-owned subsidiary of the Company, is a franchised bus service operator operating on Lantau Island. NLB also runs several franchised cross-boundary port routes between Shenzhen Bay Port and New Territories West and between the Hong Kong-Zhuhai-Macao Bridge Port and Lantau Island. Coronet Ray Development Limited, the wholly-owned subsidiary of the Company that operates one green public light bus (“PLB”) route, between the Hong Kong Port of the Hong Kong-Zhuhai-Macao Bridge and Tung Chung East.

Franchised bus and PLB segment posted an operating loss of about HK\$7.9 million in the Current Year, which was mainly caused by the impairment of PLB licenses. Excluding the effect of the aforementioned impairment of PLB licenses, this segment recorded a positive results in the Current Year.

NLB has implemented a 6.5% fare increase, which took effect in the final quarter of the Current Year on 5 January 2025. NLB’s fares have only been raised three times in the past 16 years. The implementation of the new fares along with continued organic growth and ongoing cost control is projected to provide NLB with sufficient financial resources to upscale its investment in providing innovative, safe, efficient, and reliable bus services to the public.

4. Chinese Mainland Business Segment

The business performance of the Chinese Mainland business segment remained relatively steady on a sequential basis in the Current Year. The revenue of the Chinese Mainland business for the Current Year was approximately HK\$250.5 million, representing an increase of 8.1% as compared to approximately HK\$231.7 million for the Previous Year. The business performance of the Bipenggou Tourism continued to be satisfactory in the Current Year. Since 2023, the number of visitors has surpassed 1 million for two years in a row, and this year it hit a new all-time high of 1.05 million visitors.



Review of Operations – Continued

4. Chinese Mainland Business Segment – continued

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

As at 31 March 2025, the Group owned 67.807% equity interest in Bipenggou Tourism. Bipenggou is located within the Solo Valley in Putou Rural area, Lixian County, Aba Prefecture. With the official opening of the Wenma Expressway in 2020, Bipenggou has developed into one of the most popular destinations for tourists all over the world and the back garden of the people of Chengdu with its inherent geographical advantages and convenient access. It is only 201 kilometers away by car from Chengdu. Bipenggou was titled the World Natural Heritage, the World Network of Biosphere Reserves, the National AAAA Tourist Scenic Spot, and was awarded as the National Ecotourism Demonstration Zone and the Sichuan Provincial Ecotourism Demonstration Zone. Bipenggou is hugely popular among tourists all year round, offering a blooming mountain landscape in spring, an ideal resort in summer, a stunning world of red leaves in autumn and a place of endless fun and excitement for skiing in winter. The Namu Lake Hot Spring Hotel in the scenic area has also earned the praise as the “Little Switzerland of Western Sichuan”. The hotel was fully renovated in 2019 and has entered a new era of luxury hospitality for the hot spring hotel. Applying the design concept of blending modernism and tradition seamlessly, the new guest rooms and suites have a peaceful and leisurely atmosphere everywhere. Each room has an independent hot spring pool which greatly meets the needs of hotel guests.

Health and wellness tourism have become travel preferences among domestic travelers after the pandemic. Meanwhile, the Chinese Mainland has implemented the 240-hour visa-free transit policy in late December 2024 to allow eligible foreign travelers from 54 countries to enter and exit from 60 designated ports to stay at 24 provinces, autonomous regions and municipalities in Chinese Mainland up to 240 hours or 10 days. Chengdu Tianfu International Airport and Chengdu Shuangliu International Airport are two of the designated ports under the policy. The Group believes that Bipenggou will be a sought after destination by travel enthusiasts and become even more popular for both domestic and foreign travelers due to the growing popularity of domestic tourism and the implementation of visa-free transit policy. The management of the Group will strive to enhance and strengthen the attractiveness and competitiveness of various ancillary tourist facilities in Bipenggou scenic area to cater for the increasing leisure tourism demands.

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

As at 31 March 2025, the Group owned 100% equity interest in CQ Hotel which operates a 3-star 26-storey hotel, namely Chongqing Grand Hotel in Chongqing, Chinese Mainland. Chongqing Grand 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 Chongqing Grand 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, Chongqing Grand 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. The management will strive to take advantage of the location of Chongqing Grand Hotel to explore opportunities in the local market and adjust its operational orientation in order to promote business diversification. CQ Hotel will also strengthen the connection with various travel agencies to enhance the publicity of Chongqing Grand Hotel.

MANAGEMENT DISCUSSION AND ANALYSIS

Review of Operations – Continued

4. Chinese Mainland Business Segment – continued

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

As at 31 March 2025, the Group owned 100% equity interest in Hubei Shenzhou. Hubei Shenzhou operates a long-distance bus terminal, a public bus transport company and other transportation related business in Xiangyang City and Nanzhang County, Hubei Province. With the extension and development of rail transport, the domestic road passenger transportation business in Chinese Mainland has been significantly affected in recent years. The management of the Group is focusing efforts on studying how to utilize the existing resources to adjust the core business and exploring the opportunities of enterprise transformation. The old diesel buses operating in Nanzhang County have all been replaced by electric buses, which have been commended by the local government and appreciated by the public so as to bring both economic and social benefits in the coming future. In order to make better use of resources and create new business opportunities, the management is examining ways to enhance the use of the lands on which the passenger terminals are situated and will engage more actively in seeking collaboration partners to bring more possibilities to the Group.

5. Smart Mobility

KC Smart Mobility Company Limited (“KCSM”), a wholly-owned subsidiary of the Company, is dedicated to the field in the smart mobility. The Group places great importance on the dedication to environmental stewardship, which encompasses initiatives such as urban greening, minimizing vehicle emissions, and striving for carbon neutrality. It is anticipated that the unique opportunities will be presented to the Group in this era of swift technological progress, especially with the emergence of autonomous driving and the low-altitude economy.

As a long-standing bus service operator, the Group understands the deep transformative power of technology. The development of self-driving technology is poised to disrupt the traditional bus business, not just by increasing operational efficiency, but also by reinventing service models and optimizing user experience. To maintain the Group’s competitive advantage, KCSM is actively integrating cutting-edge industry technologies to the Hong Kong market.

The objective of KCSM is to develop smart mobility technology as the Group’s next growth driver. It aims to reduce labour costs while increasing operational safety and dependability through the use of cutting-edge autonomous driving technologies. KCSM uses artificial intelligence, data analytics platforms, and intelligent dispatching systems to understand passenger expectations, optimize route planning, and improve service quality and efficiency. This will increase the Group’s market share and bring in more passengers.

The Group is systematically advancing various projects, strategically allocating resources and collaborating closely with leading domestic technical teams and internationally recognized automakers. The focus of the Group is on developing and implementing L4-level fully autonomous driving solutions tailored to Hong Kong’s complex road conditions, continuously refining the technologies and services to build a solid foundation for future large-scale commercial operations.

The Group has already achieved certain progress in autonomous driving buses, with deployments in real-world scenarios. In 2024, the Airport Authority awarded the contract to KCM-PML Joint Venture, a jointly controlled entity of KCSM, for the development of autonomous vehicles and the associated transportation system for carrying visitors between the Hong Kong Port of the Hong Kong-Zhuhai-Macao Bridge and SKYCITY at the Hong Kong International Airport, which will be Hong Kong’s first autonomous mass transportation system.



Review of Operations – Continued

5. Smart Mobility – continued

The Group also took part in the “5G-enabled Autonomous People Mover Service in a Residential Park” pilot programme, which was launched by the Automotive Platforms and Application Systems (APAS) R&D Centre. In August 2024, two autonomous shuttle light buses began operations at Fairview Park as part of a test initiative. In addition, the Group has secured a service contract for autonomous electric bus operations in the West Kowloon Cultural District. Two autonomous shuttles will connect the M+ museum to other stations in the cultural area, with service planned to begin in the fourth quarter of 2025.

Furthermore, public transit demand has become more diverse. The Group anticipates a transition from traditional two-dimensional ground transportation to three-dimensional mobility, with the low-altitude economy offering immense growth opportunities. As a result, the Group’s strategic goal expands beyond autonomous buses and taxis to the skies above. In July 2024, KCSM entered into the Cooperation Agreement with EHang Intelligent for the cooperation plans to promote the deployment and operation of EHang’s EH216-S pilotless electric vertical take-off and landing in Hong Kong, Macau, and the cities of Xiangyang and Shiyan in Hubei Province in Chinese Mainland.

The Group believes that mature drone technology will expand passenger services into the low-altitude area. By improving urban air mobility, it hopes to increase travel efficiency and provide passengers with more personalized, intelligent travel experiences. In the future, passengers will be able to book low-altitude vehicles to reach their destinations quickly and conveniently, bypassing ground traffic congestion and saving valuable time. Recognizing that low-altitude flight involves complex issues like airspace management and safety oversight, the Group understands that establishing and refining the necessary laws, regulations, and standards requires a concerted effort from government, industry, and all societal sectors. To this end, the Group is actively collaborating with Low-Altitude Economy Task Force and the Civil Aviation Department to explore necessary regulatory adaptations.

Future Prospects

For the purposes of enhancing mobility within the Guangdong-Hong Kong-Macau Greater Bay Area, the Central Government approved new measures in late 2024 to further ease travel regulations for residents of Shenzhen and Zhuhai. The measures allow permanent Shenzhen residents and holders of residence permits in Shenzhen to be eligible to apply for “Multiple-Entry” Individual Visit Endorsements to visit Hong Kong, as well as permanent Zhuhai residents being eligible to apply for a “one trip per week” permit to visit Macau. Additionally, residents of the Guangdong-Macao In-Depth Cooperation Zone in Hengqin are able to apply for a “multiple-entry permit” to visit Macau. The aforementioned new measures are expected to increase demand for transportation services, as is the continuous trend of northward consumerism and the ongoing growth in inbound tourism, all of which are beneficial to the Group’s operations. Furthermore, the Group’s established brand and customer base in the public transportation sector over the years have been a reliable source of revenue growth.

The macroeconomic outlook in Hong Kong for the coming year is mixed. While the US Federal Reserve is expected to begin a cycle of interest rate cuts, international fuel prices in 2025 are estimated to be uncertain, with fluctuations due to geopolitical tensions and other factors. The Group remains cautiously optimistic about its business prospects for the coming year. To this end, the Group will continue to optimize operational efficiency by assessing resource allocation across each business segment in order to increase the profitability and create value for all stakeholders.

MANAGEMENT DISCUSSION AND ANALYSIS

Future Prospects – Continued

The Group celebrates its 60th anniversary in 2025. Throughout its history, the Group has faced numerous challenges, from which it has accumulated extensive experience in providing excellent transportation services to the public. Looking ahead, the Group is dedicated to retaining its significant position as a comprehensive transport service provider and further consolidating its position as a technical enabler in the smart mobility sector in Hong Kong.

Liquidity and Financial Resources

Funding for the Group's operations during the year was sourced mainly from internally generated cash flows, with shortfalls being financed mainly by borrowings from banks. As at 31 March 2025, the total outstanding indebtedness was approximately HK\$1,586.3 million (2024: HK\$1,544.7 million). The indebtedness comprised mainly term loans from banks in Hong Kong and Chinese Mainland, denominated in Hong Kong dollars ("HKD") and Renminbi ("RMB") respectively and funds were deployed mainly for the purchase of capital assets and related investments. As at 31 March 2025, the Group's gearing ratio, which is computed based on dividing the total outstanding indebtedness by the total equity, was approximately 73.6% (2024: 76.7%).

Funding and Treasury Policies, and Financial Risk Management

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

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

Employees and Remuneration Policies

As at 31 March 2025, the Group employed approximately 4,640 (2024: 4,440) employees in Hong Kong, Chinese Mainland 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. Ample in-house orientation and on-the-job training are arranged for the employees all year around. Employees are always encouraged to attend job-related seminars, courses and programs organised by professional or educational institutions, no matter in Hong Kong or overseas.

Material Acquisitions and Disposals of Subsidiaries, Associates and Joint Ventures

Save as disclosed in the "Review of Operations" under the "Management Discussion and Analysis" section, during the year, the Group did not have any material acquisitions and disposals of subsidiaries, associates and joint ventures.

Significant Investments

During the year, 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 31 March 2025 are included in note 28 to the financial statements.

Future Plans for Material Investments or Capital Assets

As at 31 March 2025, the Group did not have any future plans for material investments or capital assets.

Contingent Liabilities

As at 31 March 2025, the Group did not have any significant contingent liabilities (2024: Nil).

FINANCIAL HIGHLIGHTS



For the year ended 31 March 2025

		Year ended 31 March			
	2025 HK\$'000	2024 HK\$'000	2023 HK\$'000	2022 HK\$'000	2021 HK\$'000
REVENUE BY BUSINESS SEGMENT					
Non-franchised bus					
Chinese Mainland/Hong Kong cross-boundary service	798,664	594,540	57,921	5,193	10,491
Local service					
– Scheduled	891,339	789,689	806,258	755,920	729,018
– Non-scheduled	43,023	39,990	122,773	61,914	12,718
	1,733,026	1,424,219	986,952	823,027	752,227
Limousine	312,987	231,221	66,056	42,631	30,925
Franchised bus and public light bus	232,375	206,634	140,156	125,935	114,846
Chinese Mainland business	250,450	231,705	116,853	209,734	185,589
Others	1,078	1,638	1,295	724	292
TOTAL REVENUE	2,529,916	2,095,417	1,311,312	1,202,051	1,083,879
PROFIT/(LOSS) FOR THE YEAR	147,380	52,169	(137,879)	(136,000)	(43,744)

		As at 31 March			
	2025	2024	2023	2022	2021
FLEET		Number of vehicles operated			
Non-franchised bus	1,220	1,285	1,334	1,301	1,357
Franchised bus and public light bus	162	154	157	156	156
Limousine (cross-boundary and local)	492	428	417	449	463
	1,874	1,867	1,908	1,906	1,976

CORPORATE GOVERNANCE REPORT

Corporate Governance Practices

Preserving a high level of corporate governance and business ethics is one of the Group's core values. The Group believes that conducting business in an ethical and reliable way will maximise its long term interests and those of its stakeholders. The principles of corporate governance adopted by the Company emphasise a quality board, sound internal controls and accountability to shareholders and these are based upon a long-established ethical corporate culture.

The Board is of the view that throughout the year ended 31 March 2025, the Company has complied with all of the code provisions as set out in the Corporate Governance Code (the "CG Code") contained in Appendix C1 to the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules").

Model Code for Securities Transactions

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix C3 to the Listing Rules as its code of conduct regarding securities transactions by Directors.

Specific enquiry has been made of all the Directors and the Directors have confirmed that they have complied with the Model Code throughout the year ended 31 March 2025.

The Company has also established written guidelines (the "Employees Written Guidelines") on terms no less exacting than the Model Code for securities transactions by employees who are likely to be in possession of unpublished inside information of the Company.

No incident of non-compliance with the Employees Written Guidelines by the employees was noted by the Company during the year under review.

The Board of Directors

The overall management of the Group's business is vested in the Board. Key responsibilities of the Board include the formulation of the Group's overall strategies and policies, the setting of performance targets, the evaluation of business performance and the oversight of management.

As at 31 March 2025, the Board comprised seven Directors, including three executive Directors and four independent non-executive Directors. The list of all Directors during the year and up to the date of this report are set out below:

Executive Directors

Mr. Wong Leung Pak, Matthew, BBS (*Chairman*)
Mr. Wong Cheuk On, James (*Chief Executive Officer*)
Mr. Lo Man Po (*Chief Financial Officer*)

Independent Non-executive Directors

Mr. Chan Bing Woon, SBS, JP
Mr. James Mathew Fong
Mr. Chan Fong Kong, Francis
Ms. Cheung Ka Wan (Appointed on 1 December 2024)

With effect from 1 December 2024, Ms. Cheung Ka Wan has been appointed as independent non-executive Director. On 25 November 2024, Ms. Cheung (i) has obtained the legal advice referred to in Rule 3.09D of the Listing Rules and (ii) has confirmed she understood her obligations as the Director.



The Board of Directors – Continued

In accordance with the Company's bye-laws, all Directors are subject to retirement by rotation at least once every three years and any new Director appointed by the Board to fill a causal vacancy or as an addition to the Board shall submit himself/herself for re-election by shareholders at the next following annual general meeting after appointment. The retiring Directors shall be eligible for re-election. Independent non-executive Directors are appointed for a term of two years. For a Director to be considered independent, the Board must determine the Director does not have any direct or indirect material relationship with the Group. In determining the independence of the Directors, the Board follows the requirements set out in the Listing Rules.

Biographical details and the relationships among the members of the Board are disclosed under "Biographical Details of Directors and Senior Management" on pages 6 to 9.

Chairman and Chief Executive Officer

The Company fully supports the division of responsibility between the Chairman of the Board and the Chief Executive Officer to ensure a balance of power and authority.

The positions of the Chairman and Chief Executive Officer are held by Mr. Wong Leung Pak, Matthew, BBS and Mr. Wong Cheuk On, James, respectively. Their respective responsibilities are clearly defined and set out in writing.

The Chairman is responsible for providing leadership to, and overseeing the functioning of, the Board to ensure that the Board acts in the best interests of the Group and Board meetings are planned and conducted effectively. The Chairman is primarily responsible for approving the agenda for each Board meeting, taking into account, where appropriate, matters proposed by other Directors for inclusion in the agenda. With the support of the Company Secretary and other senior management, the Chairman seeks to ensure that all Directors are properly briefed on issues arising at Board meetings and receive adequate and reliable information in a timely manner. The Chairman also actively encourages Directors to fully engage in the Board's affairs and make contribution to the Board's functions.

The Chief Executive Officer focuses on implementing objectives, policies and strategies approved and delegated by the Board. He is in charge of the Company's day-to-day management and operations. The Chief Executive Officer is also responsible for developing strategic plans and formulating the organisational structure, control systems and internal procedures and processes for the Board's approval.

Independent Non-Executive Directors

During the year ended 31 March 2025, the Board at all times met the requirements of the Listing Rules relating to the appointment of at least three independent non-executive Directors with one of whom possessing appropriate professional qualifications or accounting or related financial management expertise.

The Company has received written annual confirmation from each of the independent non-executive Directors in respect of his/her independence in accordance with the independence guidelines set out in Rule 3.13 of the Listing Rules. Accordingly, the Company considers all independent non-executive Directors are independent.

The Board has established mechanisms to ensure independent views and inputs are available to the Board. The nomination committee will assess the independence of all independent non-executive Directors on an annual basis and confirm that each independent non-executive Director continues to meet the independence standards set out in the Listing Rules and that there are no relationships or circumstances that may affect their independent judgement. No equity-based remuneration with performance-related elements will be granted to independent non-executive Directors. The Company has established various channels for independent non-executive Directors to express their views in an open and honest manner and, if necessary, in a confidential manner. Apart from the regular Board meeting, the Chairman meets annually with independent non-executive Directors without the presence of other Directors so as to ensure independent views and inputs are available to the Board in an effective way.

During the year ended 31 March 2025, the Board has conducted a review of the effectiveness of the above mechanisms and considered that the mechanisms are effectively implemented.

CORPORATE GOVERNANCE REPORT

The Board of Directors – Continued

Responsibilities, Accountabilities and Contributions of the Board and Management

The Board is responsible for leadership and control of the Company and overseeing the Group's businesses, strategic decisions and performance and is collectively responsible for promoting the success of the Company by directing and supervising its affairs. Directors of the Board take decisions objectively in the interests of the Company.

All Directors, including independent non-executive Directors, have brought a wide spectrum of valuable business experience, knowledge and professionalism to the Board for its efficient and effective functioning.

The Board meets regularly and at least four times a year. Between scheduled meetings, senior management of the Group provides the Directors with information on a timely basis on the activities and development in the businesses of the Group and when required, additional Board meetings are held.

All Directors have full and timely access to all the information of the Company as well as the services and advice from the Company Secretary and senior management. The Directors may, upon request, seek independent professional advice in appropriate circumstances, at the Company's expenses for discharging their duties to the Company.

The Directors should disclose to the Company details of other offices held by them and the Board regularly reviews the contribution required from each Director to perform his responsibilities to the Company.

The Board reserves for its decision all major matters relating to policy matters, strategies and budgets, internal control and risk management, material transactions (in particular those that may involve conflict of interests), financial information, appointment of Directors and other significant operational matters of the Company. Responsibilities relating to implementing decisions of the Board, directing and co-ordinating the daily operation and management of the Company are delegated to the management.

Board Committees

As an integral part of good corporate governance practices, the Board has established three committees namely, audit committee, remuneration committee and nomination committee, for overseeing particular aspects of the Group's affairs. Each of these committees comprises mostly independent non-executive Directors who have been invited to serve as members. These committees are governed by the respective written terms of reference approved by the Board. The terms of reference of these committees are posted on the websites of the Company and the Stock Exchange and are available to shareholders upon request.

Audit Committee

As at 31 March 2025, the audit committee consists of four independent non-executive Directors with Mr. Chan Bing Woon, SBS, JP as the chairman. Other members are Mr. James Mathew Fong, Mr. Chan Fong Kong, Francis and Ms. Cheung Ka Wan. At the discretion of the audit committee, executive Directors and/or senior management personnel overseeing the Group's finance or internal audit functions may be invited to attend meetings. The audit committee normally meets, with the management and the external auditor, twice a year. The audit committee also meets the external auditor annually in the absence of the management.



Board Committees – Continued

Audit Committee – continued

The terms of reference of the audit committee are of no less exacting terms than those set out in the CG Code. The duties of the audit committee include, among other things, reviewing and monitoring the financial and internal control aspects, risk management system, audit plan and relationship with external auditor, and arrangements to enable employees of the Company to raise, in confidence, concerns about possible improprieties in financial reporting, internal control or other matters of the Company. The audit committee reviews the truth and fairness of the Group's interim and annual financial statements, discusses with the external auditor the nature and scope of audit before the audit commences as well as the findings and recommendations raised by the auditor during and after completion of the audit. The audit committee conducts an assessment, at least annually, of the effectiveness of the Group's internal controls and financial controls system, risk management system, scope of work and appointment of external auditor and arrangements for employees to raise concerns about possible improprieties. This allows the Board to monitor the Group's overall financial position and to protect its assets. In addition, the audit committee supervises and reviews the effectiveness of the internal audit function performed by the internal audit department, which is headed by a qualified professional. The chairman of the audit committee summarises activities of the audit committee, highlights issues arising therefrom, and provides recommendations for reporting to the Board after each meeting.

The audit committee held two meetings during the year ended 31 March 2025. The attendance record of each member of the audit committee at such meetings is set out under "Attendance Record of Directors and Committee Members" on page 24.

The Company's interim results for the six months ended 30 September 2024 and annual results for the year ended 31 March 2025 have been reviewed by the audit committee.

Nomination Committee

As at 31 March 2025, the nomination committee consists of one executive Director and four independent non-executive Directors with Mr. Wong Leung Pak, Matthew, BBS, executive Director, as the chairman. Other members are Mr. Chan Bing Woon, SBS, JP, Mr. James Mathew Fong, Mr. Chan Fong Kong, Francis and Ms. Cheung Ka Wan, being independent non-executive Directors.

The terms of reference of the nomination committee are of no less exacting terms than those set out in the CG Code. The principal duties of the nomination committee include reviewing the Board composition, developing and formulating relevant procedures for the nomination and appointment of Directors, making recommendations to the Board on the appointment and succession planning of Directors, and assessing the independence of independent non-executive Directors.

In assessing the Board composition, the nomination committee would take into account various aspects as well as factors concerning Board diversity as set out in the Company's board diversity policy. The nomination committee would discuss and agree on measurable objectives for achieving diversity on the Board, where necessary, and recommend them to the Board for adoption.

In identifying and selecting suitable candidates for directorships, the nomination committee would consider the candidate's relevant criteria as set out in the Director Nomination Policy that are necessary to complement the corporate strategy and achieve board diversity, where appropriate, before making recommendation to the Board.

CORPORATE GOVERNANCE REPORT

Board Committees – Continued

Nomination Committee – continued

During the year ended 31 March 2025, the nomination committee held one meeting to review the structure, size and composition of the Board and the independence of the independent non-executive Directors, and to consider the qualifications of the retiring Directors standing for election at the annual general meeting. The nomination committee considered that an appropriate balance of diversity perspectives of the Board is maintained. The attendance record of each member of the nomination committee is set out under “Attendance Record of Directors and Committee Members” on page 24.

Board Diversity Policy

The Company has adopted a Board Diversity Policy which sets out the approach to achieve diversity of the Board. The Company recognizes and embraces the benefits of having a diverse Board and sees increasing diversity at the Board level as an essential element in maintaining the Company’s competitive advantage. In order to enhance the gender diversity among the members of the Board, one female director has been appointed during the year ended 31 March 2025.

Pursuant to the Board Diversity Policy, the nomination committee will review annually the structure, size and composition of the Board and where appropriate, make recommendations on changes to the Board to complement the Company’s corporate strategy and to ensure that the Board maintains a balanced diverse profile. In relation to reviewing and assessing the Board composition, the nomination committee is committed to diversity at all levels and will consider a number of aspects, including but not limited to gender, age, cultural and educational background, professional qualifications, skills, knowledge and regional and industry experience.

The Company aims to maintain an appropriate balance of diversity perspectives that are relevant to the Company’s business growth and is also committed to ensuring that recruitment and selection practices at all levels (from the Board downwards) are appropriately structured so that a diverse range of candidates are considered. The nomination committee will review the Board Diversity Policy, as appropriate, to ensure its effectiveness.

As at 31 March 2025, the male to female ratio of the Group’s employees (including senior management) was approximately 7:3, taking into consideration the industry characteristics of the Group, the Board believes that the Group has achieved gender diversity among employees.

Director Nomination Policy

The Board has delegated its responsibilities and authority for selection and appointment of Directors to the nomination committee.

The Company has adopted a Director Nomination Policy which sets out the selection criteria and process and the Board succession planning considerations in relation to nomination and appointment of Directors and aims to ensure that the Board has a balance of skills, experience and diversity of perspectives appropriate to the Company and the continuity of the Board and appropriate leadership at Board level.



Board Committees – Continued

Director Nomination Policy – continued

The Director Nomination Policy sets out the factors for assessing the suitability and the potential contribution to the Board of a proposed candidate, including but not limited to the following:

- Character and integrity;
- Qualifications including professional qualifications, skills, knowledge and experience that are relevant to the Company's business and corporate strategy;
- Diversity in all aspects, including but not limited to gender, age (18 years or above), cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service;
- Requirements of Independent Non-executive Directors on the Board and independence of the proposed Independent Non-executive Directors in accordance with the Listing Rules; and
- Commitment in respect of available time and relevant interest to discharge duties as a member of the Board and/or Board committee(s) of the Company.

The Director Nomination Policy also sets out the procedures for the selection and appointment of new Directors and re-election of Directors at general meetings.

The nomination committee will review the Director Nomination Policy, as appropriate, to ensure its effectiveness.

Remuneration Committee

As at 31 March 2025, the remuneration committee consists of one executive Director and four independent non-executive Directors with Mr. Chan Bing Woon, SBS, JP, independent non-executive Director, as the chairman. Other members are Mr. James Mathew Fong, Mr. Chan Fong Kong, Francis and Ms Cheung Ka Wan, being independent non-executive Directors, and Mr. Wong Leung Pak, Matthew, BBS, being executive Director. At the discretion of the remuneration committee, executive Directors and/or senior management personnel overseeing the Group's human resources function may be invited to attend meetings.

The terms of reference of the remuneration committee are of no less exacting terms than those set out in the CG Code. The primary functions of the remuneration committee include making recommendations to the Board on and approving the remuneration policy and structure and remuneration packages of the executive Directors and the senior management. The remuneration committee is also responsible for establishing transparent procedures for developing such remuneration policy and structure to ensure that no Director or any of his/her associates will participate in deciding his/her own remuneration. Further, the remuneration committee is responsible for assessing the performance of executive Directors and approving the terms of executive Directors' service contracts. Remuneration will be determined by reference to the performance of the individual and the Company as well as market practice and conditions.

The remuneration committee normally meets annually for reviewing the remuneration policy and structure of the Company and determination of the annual remuneration packages of the executive Directors and the senior management and other related matters. The human resources department is responsible for collection and administration of the human resources data and making recommendations to the remuneration committee for consideration. The remuneration committee shall consult with the Chairman and/or the Chief Executive Officer of the Company about these recommendations on remuneration policy and structure of the Company and remuneration packages.

CORPORATE GOVERNANCE REPORT

Board Committees – Continued

Remuneration Committee – continued

The remuneration committee met once during the year ended 31 March 2025 and reviewed the remuneration policy and structure of the Company and remuneration packages of the executive Directors and the senior management. Details of the remuneration of each Director and five highest paid employees for the year ended 31 March 2025 are set out in notes 8 and 9 to the financial statements, respectively. For the year ended 31 March 2025, the remuneration of the senior management is listed as below by band:

Band of Remuneration	Number of Persons
HK\$1,000,001 to HK\$2,000,000	1
HK\$2,000,001 to HK\$3,000,000	1
HK\$3,000,001 to HK\$4,000,000	1
HK\$4,000,001 to HK\$5,000,000	1

In the prior year, share options were granted to the senior management in respect of their services to the Group, further details of which are set out in note 32 to the financial statements. The fair value of such options, which has been recognised in the statement of profit or loss over the vesting period, was determined as at the date of grant and the amount included in the financial statements for the current year is included in the above remuneration disclosures.

The attendance record of each member of the remuneration committee is set out under “Attendance Record of Directors and Committee Members” below.

Attendance Record of Directors and Committee Members

During the year ended 31 March 2025, four regular Board meetings were held at approximately quarterly intervals for reviewing and approving the financial and operating performance, and considering and approving the overall strategies and policies of the Company.

The attendance record of each Director at the Board and Board committees meetings and the general meetings of the Company held during the year ended 31 March 2025 is set out in the table below:

Name of Directors	Board	Attendance/Number of Meetings			Annual General Meeting
		Audit Committee	Remuneration Committee	Nomination Committee	
Executive Directors					
Mr. Wong Leung Pak, Matthew, BBS	4/4	N/A	1/1	1/1	1/1
Mr. Wong Cheuk On, James	4/4	N/A	N/A	N/A	1/1
Mr. Lo Man Po	4/4	N/A	N/A	N/A	1/1
Independent non-executive Directors					
Mr. Chan Bing Woon, SBS, JP	4/4	2/2	1/1	1/1	1/1
Mr. James Mathew Fong	4/4	2/2	1/1	1/1	1/1
Mr. Chan Fong Kong, Francis	4/4	2/2	1/1	1/1	1/1
Ms. Cheung Ka Wan (Appointed on 1 December 2024)	1/1	N/A	N/A	N/A	N/A

Apart from regular Board meetings, the Chairman also held a meeting with the independent non-executive Directors without the presence of other executive Directors during the year. All the relevant Directors have attended this meeting.



Board Committees – Continued

Corporate Governance

The Board is also responsible for determining the corporate governance policy of the Company and performing the functions set out in the code provision A.2.1 of the CG Code.

The Board reviewed the Company's corporate governance policies and practices, training and continuous professional development of Directors and senior management, the Company's policies and practices on compliance with legal and regulatory requirements, the compliance of the Model Code and Written Employee Guidelines, and the Company's compliance with the CG Code and disclosure in this Corporate Governance Report.

Continuous Professional Development of Directors and Company Secretary

Directors keep abreast of regulatory developments and changes in order to effectively perform their responsibilities and to ensure that their contribution to the Board remains informed and relevant.

Every newly appointed Director will receive formal, comprehensive and tailored induction on the first occasion of his/her appointment to ensure appropriate understanding of the business and operations of the Company and full awareness of Director's responsibilities and obligations under the Listing Rules and relevant statutory requirements. Such induction shall be supplemented by visits to the Company's key plant sites and meetings with senior management of the Company.

Directors should participate in appropriate continuous professional development to develop and refresh their knowledge and skills to ensure that their contribution to the Board remains informed and relevant. Internally-facilitated briefings for Directors will be arranged and reading materials on relevant topics will be provided to Directors where appropriate. All Directors are encouraged to attend relevant training courses at the Company's expenses.

During the year ended 31 March 2025, the Company organised in-house training sessions for all Directors on directors' duties and responsibilities, corporate governance and update on Listing Rules amendments. All the Directors attended training sessions regarding directors' duties and responsibilities, corporate governance and update on Listing Rules amendments.

In addition, all Directors have read various relevant materials including directors' manual, legal and regulatory update, seminar handouts, business journals and financial magazines or attended additional professional seminars on an individual basis during the year. Details of compliance by each of the Directors with code provision C.1.4 are as follows:

Directors	Reading relevant materials	Attending in-house training sessions/ professional seminars
Executive Directors		
Mr. Wong Leung Pak, Matthew, BBS	✓	✓
Mr. Wong Cheuk On, James	✓	✓
Mr. Lo Man Po	✓	✓
Independent non-executive Directors		
Mr. Chan Bing Woon, SBS, JP	✓	✓
Mr. James Mathew Fong	✓	✓
Mr. Chan Fong Kong, Francis	✓	✓
Ms. Cheung Ka Wan (Appointed on 1 December 2024)	✓	✓

Mr. Tung Sze Ho, Dicky, engaged from external service provider, was appointed as Company Secretary of the Company on 13 January 2020. Mr. Lo Man Po, the executive Director, is the primary contact for external company secretary. Mr. Tung undertook not less than 15 hours of relevant professional training during the year ended 31 March 2025.

CORPORATE GOVERNANCE REPORT

Directors' Responsibilities for the Financial Statements

The following statement, which sets out the responsibilities of the Directors in relation to the financial statements, should be read in conjunction with, but distinguished from, the independent auditor's report on pages 41 to 45 which acknowledges the reporting responsibilities of the Group's auditor.

Accounts

The Directors acknowledge their responsibilities for preparing the financial statements of the Company for the year ended 31 March 2025 which give a true and fair view of the financial position of the Group.

Going Concern

The Directors, having made appropriate enquiries, are not aware of any material uncertainties relating to events or conditions that may cast significant doubt upon the Group's ability to continue as a going concern.

Auditor's Remuneration

The audit committee has reviewed and ensured the independence and objectivity of the external auditor, Ernst & Young. Details of the fees paid or payable to Ernst & Young for the year ended 31 March 2025 are as follows:

	HK\$'000
2024/2025 annual audit	4,000
Non-audit related services*	1,008
	5,008

* include tax compliance services of HK\$698,000.

There was no disagreement between the Board and the audit committee on the selection and appointment of the external auditor during the year.

Risks Management and Internal Controls

The Board acknowledges its responsibility for the risk management and internal control systems and reviewing their effectiveness. Such systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

The Board has the overall responsibility for evaluating and determining the nature and extent of the risks it is willing to take in achieving the Company's strategic objectives, and establishing and maintaining appropriate and effective risk management and internal control systems.

The Company has maintained a tailored governance structure with defined lines of responsibility and appropriate delegation of responsibility and authority to the senior management.

The audit committee assists the Board in leading the management and overseeing their design, implementation and monitoring of the risk management and internal control systems.



Risks Management and Internal Controls – Continued

The internal audit department, which is independent of the Company's daily operations and accounting functions, is responsible for establishing the Group's internal control framework, covering all material controls including financial, operational and compliance controls. The internal control framework also provides for identification and management of risks.

The internal audit department also formulates the annual internal audit plan and procedures, conducts periodic independent reviews on the operations of individual divisions to identify any irregularities and risks, develops action plans and recommendations to address the identified risks, and reports to the audit committee on any key findings and progress of the internal audit process. The audit committee, in turn, reports to the Board on any material issues and makes recommendations to the Board. The Board, through the audit committee, reviews the effectiveness and efficiency of risk management and internal control systems annually.

The Company has developed its disclosure policy which provides a general guide to the Company's Directors, officers, senior management and relevant employees in handling confidential information, monitoring information disclosure and responding to enquiries. Meanwhile, the Company handles and disseminates the inside information according to the related policy to ensure that the inside information is kept confidential before being approved for dissemination and the relevant information will be released effectively and conformably.

During the year ended 31 March 2025, the Board, through the audit committee, has conducted a review of the effectiveness of the risk management and internal control systems of the Group (including the adequacy of resources, staff qualifications and experience, training programmes and budget of the Group's accounting and financial reporting function). The Board and the audit committee are satisfied with the adequacy, effectiveness and efficiency of the risk management and internal control systems of the Group.

Communication with Shareholders and Investors

The Company has adopted a Shareholders Communication Policy with the objectives of providing shareholders and other stakeholders of the Company with timely, clear, balanced and accurate information about the Company. The Company believes that effective communication with its shareholders and other stakeholders is essential for enhancing investor relations and investors' understanding of the Group's business performance and strategies. To promote effective communication, the Company maintains a website at www.kcbh.com.hk, where information and updates on the Company's business developments and operations, financial information, corporate governance practices and other information are available for public access.

The Company endeavours to maintain an on-going dialogue with its shareholders and in particular, through annual general meetings and other general meetings. The chairman of the Board, all other members of the Board including independent non-executive Directors, and the chairmen of all Board committees (or their delegates) will make themselves available at the annual general meetings to meet the Company's shareholders and answer their enquiries.

During the year ended 31 March 2025, the Board has conducted a review of the effectiveness of the Shareholders Communication Policy of the Company and considered that the policy is effectively implemented.

CORPORATE GOVERNANCE REPORT

Shareholders' Rights

To safeguard shareholders' interests and rights, a separate resolution is proposed for each substantially separate issue at general meetings, including the election of individual Directors. All resolutions put forward at general meetings will be voted by poll pursuant to the Listing Rules, unless otherwise required by the Listing Rules and poll results will be posted on the websites of the Company and of the Stock Exchange after each general meeting.

1. Convening a Special General Meeting by Shareholders

Pursuant to the Company's bye-law 58, a special general meeting ("SGM") may be convened by the Board on requisition of shareholders holding not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company at the date of deposit of the requisition. Such meeting shall be held within two months after the deposit of such requisition. If the Board fails to proceed to convene such SGM within 21 days from the date of the deposit of the requisition, the requisitionists, or any of them representing more than one half of the total voting rights of all of them, may themselves convene a meeting, but any meeting so convened shall not be held after the expiration of three months from the said date.

The requisitionists must state the objects clearly in the requisition, sign the requisition and deposit the same to the Board or Company Secretary of the Company.

2. Putting Forward Proposals at General Meetings

Shareholders who wish to put forward proposals at general meetings may achieve so by means of convening a special general meeting following the procedures as set out in the paragraph above.

As regards the procedures for shareholders to propose a person for election as a Director, they are available on the Company's website at www.kcbh.com.hk.

3. Putting Forward Enquiries to the Board

For putting forward any enquiries to the Board, shareholders may send written enquiries to the Company.

Note: The Company will not normally deal with verbal or anonymous enquiries.

Primary Contact Person

Shareholders may send their requisitions, proposed resolutions or enquiries as mentioned in (1), (2) and (3) above to the primary contact person of the Company as set out below:

Name: Mr. Lo Man Po, Executive Director
Address: 3rd Floor, 8 Chong Fu Road, Chai Wan, Hong Kong
Fax: (+852) 2505 6880
Email: info@kcm.com.hk

For the avoidance of doubt, shareholders must deposit and send the original duly signed written requisition, notice or statement, or enquiry (as the case may be) to the above address, and provide their full name, contact details and identification in order to give effect thereto. Shareholders' information may be disclosed as required by law.

REPORT OF THE DIRECTORS



The Directors present their report and the audited financial statements of the Group for the year ended 31 March 2025.

Principal Activities and Business Review

The principal activity of the Company is investment holding. Details of the principal activities of the principal subsidiaries are set out in note 1 to the financial statements. There were no significant changes in the nature of the Group's principal activities during the year.

Further discussion and review on the business activities of the Group as required by Schedule 5 to the Hong Kong Companies Ordinance (Cap. 622), including a description of the principal risks and uncertainties facing the Group and an indication of likely future development in the Group's business are contained in the preceding "Management Discussion and Analysis" set out on pages 11 to 16 of this annual report. This discussion forms part of this Report of the Directors. In addition, details of the Group's financial risk management are disclosed in note 44 to the financial statements.

Results and Dividends

The Group's results for the year ended 31 March 2025 and the Group's financial position at that date are set out in the financial statements on pages 48 to 49.

Any declaration of dividends will depend upon a number of factors including the earnings and financial conditions, operating requirements, capital requirements and any other conditions that our Directors consider relevant and will be subject to the approval of our shareholders. There is no assurance that dividends of any amount will be declared or distributed in any given year.

The Board recommends the payment of a final dividend of HK4 cents per ordinary share in respect of the year to the shareholders of the Company whose names appear on the register of members of the Company on Monday, 8 September 2025 (subject to approval by shareholders of the Company at the AGM to be held on Friday, 29 August 2025).

Summary Financial Information

A summary of the published results, and assets, liabilities and non-controlling interests of the Group for the last five financial years, as extracted from the audited financial statements is set out below. This summary does not form part of the audited financial statements.

REPORT OF THE DIRECTORS

Results

	Year ended 31 March				
	2025 HK\$'000	2024 HK\$'000	2023 HK\$'000	2022 HK\$'000	2021 HK\$'000
REVENUE	2,529,916	2,095,417	1,311,312	1,202,051	1,083,879
OPERATING PROFIT/(LOSS)	145,813	71,064	(136,651)	(136,497)	(61,467)
Share of profits and losses of associates and a joint venture	14,881	(2,832)	(4,860)	(2,322)	(1,926)
PROFIT/(LOSS) BEFORE TAX	160,694	68,232	(141,511)	(138,819)	(63,393)
Income tax credit/(expense)	(13,314)	(16,063)	3,632	2,819	19,649
PROFIT/(LOSS) FOR THE YEAR	147,380	52,169	(137,879)	(136,000)	(43,744)
Attributable to:					
Owners of the parent	127,132	32,087	(130,713)	(139,935)	(46,891)
Non-controlling interests	20,248	20,082	(7,166)	3,935	3,147
	147,380	52,169	(137,879)	(136,000)	(43,744)

Assets, Liabilities and Non-Controlling Interests

	As at 31 March				
	2025 HK\$'000	2024 HK\$'000	2023 HK\$'000	2022 HK\$'000	2021 HK\$'000
TOTAL ASSETS	4,872,202	4,577,449	4,744,268	5,112,795	5,126,868
TOTAL LIABILITIES	(2,715,830)	(2,564,391)	(2,756,800)	(2,925,623)	(2,863,374)
NON-CONTROLLING INTERESTS	(93,894)	(92,558)	(75,644)	(89,111)	(81,894)
	2,062,478	1,920,500	1,911,824	2,098,061	2,181,600

Share Capital and Share Options

Details of movements in the Company's share capital and share options during the year are set out in notes 31 and 32 to the financial statements, respectively.

Pre-Emptive Rights

There are no provisions for pre-emptive rights under the Company's bye-laws or the laws of Bermuda which would oblige the Company to offer new shares on a pro rata basis to existing shareholders.

Purchase, Redemption or Sale 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 year.



Disclosures Pursuant to Rules 13.18 and 13.21 of the Listing Rules

On 24 January 2024, the Borrower, the Company and certain of its subsidiaries, as joint and several guarantors entered into a facility agreement (the “2024 Facility Agreement”) relating to a term loan facility of up to HK\$1,550,000,000 (the “2024 Facility”) with a syndicate of banks (the “2024 Lenders”) for the term of five years from the initial drawdown date of the 2024 Facility with the principal repayment being back-end loaded. Pursuant to the terms of the 2024 Facility Agreement, it shall be a mandatory prepayment event if any of the following events occurs: (i) Mr. Wong Leung Pak, Matthew, BBS and/or his successor ceases to own at least 50.1% of the entire issued share capital of the Company; or (ii) Mr. Wong Leung Pak, Matthew, BBS ceases to be the chairman of the Company or ceases to maintain control over the management of the Group. If any of the above events occurs, the 2024 Lenders shall have no obligation to fund utilisation(s) of the 2024 Facility and the agent of the 2024 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 2024 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 2024 Facility and the foregoing specific performance obligations are set out in the Company’s announcement dated 24 January 2024.

Distributable Reserves

As at 31 March 2025, the Company’s reserves available for distribution, calculated in accordance with the Bermuda Companies Act 1981 (as amended), amounted to approximately HK\$71,676,000. The reserves available for distribution include the Company’s contributed surplus of approximately HK\$70,770,000, which is available for distribution under certain circumstances in accordance with the Bermuda Companies Act 1981 (as amended). In addition, the reserves in the Company’s share premium account, in the amount of approximately HK\$676,246,000, may be distributed in the form of fully-paid bonus shares.

Charitable Contributions

During the year, the Group made charitable and other donations amounting to HK\$7,380,000 (2024: HK\$1,560,000).

REPORT OF THE DIRECTORS

Major Customers and Suppliers

The turnover attributable to the five largest customers and the largest customer of the Group accounted for less than 16% and approximately 7% of the Group's total turnover for the year respectively.

Purchases from the Group's five largest suppliers accounted for approximately 14% of the Group's total purchases for the year and purchases from the largest supplier included therein amounted to approximately 7%.

None of the Directors or any of their close associates or any shareholders (which, to the best knowledge of the Directors, own more than 5% of the Company's issued shares) had any beneficial interest in the Group's five largest customers or suppliers.

Directors

The Directors during the year and up to the date of this report were:

Executive Directors:

Mr. Wong Leung Pak, Matthew, BBS

Mr. Wong Cheuk On, James

Mr. Lo Man Po

Independent Non-executive Directors:

Mr. Chan Bing Woon, SBS, JP

Mr. James Mathew Fong

Mr. Chan Fong Kong, Francis

Ms. Cheung Ka Wan (Appointed on 1 December 2024)

According to bye-law 87 of the Company's bye-laws, Messrs. Wong Cheuk On, James and Chan Bing Woon, SBS, JP, shall retire by rotation at the AGM and, being eligible, may offer themselves for re-election at the AGM. Mr. Chan Bing Woon, SBS, JP has informed the Company that he would not offer himself for re-election and accordingly will retire as independent non-executive Director after the conclusion of the AGM. Mr. Wong Cheuk On, James will offer himself for re-election at the AGM.

According to bye-law 86(2) of the Company's bye-laws, Ms. Cheung Ka Wan (who was appointed as an independent non-executive Director with effect from 1 December 2024 by the Board on 27 November 2024) shall hold office only until the AGM and shall then be eligible for re-election at that meeting. Ms. Cheung Ka Wan, being eligible, will offer herself for re-election at the AGM.

The Company has received written annual confirmations of independence from Messrs. Chan Bing Woon, SBS, JP, James Mathew Fong, Chan Fong Kong, Francis and Ms. Cheung Ka Wan, all being independent non-executive Directors, and as at the date of this report still considers them to be independent.

Directors' and Senior Management's Biographies

Biographical details of the Directors and senior management of the Company are set out on pages 6 to 9 of the annual report.

Directors' Service Contracts

No Director proposed for re-election at the AGM has a service contract with the Company which is not determinable by the Company within one year without payment of compensation, other than statutory compensation.



Directors' Remuneration

The Directors' fees are subject to shareholders' approval at general meetings. Other emoluments are determined by the Board with reference to directors' duties, responsibilities and performance and the results of the Group.

Details of the remuneration of the Directors for the year ended 31 March 2025 are set out in note 8 to the financial statements.

Permitted Indemnity Provision

A permitted indemnity provision for the benefit of the Directors is currently in force and was in force throughout the year. The Company has taken out and maintained directors' liability insurance that provides appropriate cover for the Directors.

Directors' Interests in Transactions, Arrangements or Contracts

No Director nor a connected entity of a Director had a material interest, either directly or indirectly, in any transactions, arrangements or contracts of significance to the business of the Group to which the Company, the holding companies of the Company, or any of the Company's subsidiaries was a party as at 31 March 2025 or during the year ended 31 March 2025.

Directors' Interests in Competing Businesses

As at 31 March 2025, none of the Directors are considered to be interested in businesses which compete or are likely to compete, either directly or indirectly, with the businesses of the Group.

Directors' and Chief Executive's Interests and Short Positions in Shares, Underlying Shares and Debentures of the Company

As at 31 March 2025, 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 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 pursuant to the Model Code, as set out in Appendix C3 to the Listing Rules, were as follows:

1. Long Positions in Ordinary Shares of the Company

Name of Directors	Number of ordinary shares held, capacity and nature of interest			Percentage of the Company's issued share capital (%)
	Directly beneficially owned	Through controlled corporation	Total	
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. 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.

REPORT OF THE DIRECTORS

Directors' and Chief Executive's Interests and Short Positions in Shares, Underlying Shares and Debentures of the Company – Continued

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 31 March 2025, none of the Directors and chief executive of the Company had registered 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 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

Save as disclosed in the section headed "Share Option Scheme" below, at no time during the year 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.

Debentures in Issue

The Company did not have any debentures in issue during the year ended 31 March 2025.

Share Option Scheme

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

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

The following is a summary of the principal terms of the 2012 Share Option Scheme and the 2022 Share Option Scheme (collectively the "Schemes"):

(i) Purpose of the Schemes

To provide incentives or rewards to eligible participants thereunder 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.



Share Option Scheme – Continued

(ii) Participants of the Schemes

Under the 2012 Share Option Scheme, eligible participants include (a) any eligible employee; (b) any non-executive director (including independent non-executive directors) of the Company, any of its subsidiaries or any invested entity; (c) any supplier of goods or services to any member of the Group or any invested entity; (d) any customer of the Group or any invested entity; (e) any person or entity that provides research, development or other technological support to the Group or any invested entity; and (f) any shareholder of any member of the Group or any invested entity or any holder of any securities issued by any member of the Group or any invested entity.

Under the 2022 Share Option Scheme, eligible participants include (a) any eligible Employee; (b) any non-executive director (including independent non-executive directors) of the Group; and (c) non-employee participant including any individual or entity that is either (i) a consultant or adviser of any member of the Group or any invested entity or (ii) an employee (whether full time or part time employee(s), including any executive director, non-executive director and independent non-executive director) of any invested entity, who, in the sole opinion of the Board, have contributed or will contribute to the development and growth of the Group or any invested entity.

(iii) Total number of shares available for issue and percentage of issued shares as at the date of this annual report under the Schemes

The total number of shares which may be issued upon exercise of all share options to be granted under the 2012 Share Option Scheme and the 2022 Share Option Scheme and any other schemes of the Company (if any) must not in aggregate exceed 10% of the shares in issue on the respective dates of approval of each of the Schemes. The 10% limit may only be refreshed with the approval of the Company's shareholders.

Under the 2012 Share Option Scheme, a total of 46,168,600 shares (representing approximately 9.68% of the shares in issue as at the date of this report), as refreshed by shareholders at the annual general meeting held on 20 August 2019, might be granted until the date of expiry of the 2012 Share Option Scheme on 22 August 2022 and a total of 13,500,000 shares (representing approximately 2.83% of the shares in issue as at the date of this report) may be issued upon exercise of all options which had been granted and yet to be exercised under the 2012 Share Option Scheme. Following the expiration of the 2012 Share Option Scheme on 22 August 2022, no further share options could be granted thereunder.

Under the 2022 Share Option Scheme, the total of 47,677,684 shares (representing approximately 10% of the shares in issue as at the date of this report) might be granted until the date of expiry of the 2022 Share Option Scheme on 22 August 2032 and a total of 28,500,000 shares (representing approximately 5.98% of the shares in issue as at the date of this report) may be issued upon exercise of all options which had been granted and yet to be exercised under the 2022 Share Option Scheme.

(iv) Maximum entitlement of each participant under the Schemes

The total number of shares issued and to be issued upon exercise of the share options granted or to be granted to each participant (including exercised, cancelled and outstanding options) in any 12-month period must not exceed 1% of the shares in issue unless the same is approved by the Company's shareholders in general meeting.

REPORT OF THE DIRECTORS

Share Option Scheme – Continued

(v) The period within which the option may be exercised under the Schemes

The period during which an option may be exercised is determined by the Board in its absolute discretion, save that such period shall not be longer than 10 years from the date of offer of the grant of share options.

(vi) The vesting period of options granted under the Schemes

Any period as determined by the Board upon the grant of an option.

(vii) The amount payable on application or acceptance of the option and the period within which payments or calls must or may be made or loans for such purposes must be repaid under the Schemes

The acceptance of an offer of the grant of the share options must be made within 28 days from the date of grant and HK\$1.00 is payable to the Company by way of consideration on acceptance of the grant of an option.

(viii) The basis of determining the exercise price of options granted under the Schemes

The exercise price of the share options is determined by the Board which may not be lower than the highest of (i) the closing price of the Company's shares as stated in the Stock Exchange's daily quotations sheet on the date of offer of the grant, which must be a trading day; (ii) the average closing price of the Company's shares as stated in the Stock Exchange's daily quotations sheets for the five trading days immediately preceding the date of offer of the grant; and (iii) the nominal value of the Company's shares.

(ix) The remaining life of the Schemes

Unless otherwise cancelled or amended, the Schemes shall be valid and effective for a period of 10 years from the respective dates of adoption. The 2012 Share Option Scheme has expired on 22 August 2022. The 2022 Share Option Scheme, which was adopted on 23 August 2022, will expire on 22 August 2032.

The following share options were granted and outstanding under the 2012 Share Option Scheme and the 2022 Share Option Scheme during the year.

Under the 2012 Share Option Scheme

Category of participant	Number of share options					Price of the Company's shares				
	At	Granted	Exercised	Lapsed/	At	Date of	Exercise price of share options*	At grant date of options**	At exercise date of options†	
	1 April	during	during	cancelled	31 March	grant of				
	2024	the year	the year	during the year	2025	share options				
						Exercise period of share options	HK\$ per share	HK\$ per share	HK\$ per share	
Employees	13,500,000	-	-	-	13,500,000	23 April 2019 to 22 April 2029	4.30	4.26	N/A	

REPORT OF THE DIRECTORS



Share Option Scheme – Continued

Under the 2022 Share Option Scheme

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

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

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

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

Equity-Linked Agreement

Save for the share option scheme, details of which are disclosed in note 32 to the financial statements which forms part of this Report of the Directors, the Company did not enter into any equity-linked agreement during the year ended 31 March 2025 and no equity-linked agreement existed during the year ended 31 March 2025.

REPORT OF THE DIRECTORS

Substantial Shareholders' and Other Persons' Interests in Shares and Underlying Shares

As at 31 March 2025, the interests or short positions of the persons (other than a Director or the chief executive of the Company) in the shares or underlying shares of the Company as recorded in the register of interests 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 controlled corporation	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 is the spouse of Mr. Wong Leung Pak, Matthew, BBS and she 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 31 March 2025, no person, other than the Directors and 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" on pages 33 to 34, had registered an interest or short position in the shares or underlying shares of the Company that was required to be recorded pursuant to section 336 of the SFO.

Connected Transaction

During the year, the Company had the following continuing connected transaction, details of which had already been disclosed in the announcement of the Company dated 2 April 2024 in compliance with the requirements of Chapter 14A of the Listing Rules:

On 1 April 2024, the Company entered into a master lease agreement with Mr. Wong Leung Pak, Matthew, BBS, an executive Director and the Chairman of the Company, together with his spouse, Ms. Ng Lai Yee, Christina (collectively the "Wong Couple", connected persons of the Company), for the lease of buses from the Wong Couple and/or companies owned or controlled by the Wong Couple (the "Wong Couple Companies") to the Group for the period commencing from 1 April 2024 and ending on 31 March 2027.



Connected Transaction – Continued

The monthly bus lease fees were determined with reference to prevailing market rates. The total bus lease expenses paid by the Group to the Wong Couple Company for the year amounted to HK\$8,415,000 (2024: HK\$8,821,000).

The independent non-executive Directors have reviewed the continuing connected transaction set out above and have confirmed that this continuing connected transaction was entered into (i) in the ordinary and usual course of business of the Group; (ii) on normal commercial terms or on terms no less favourable to the Group than terms available to or from independent third parties; and (iii) in accordance with the relevant agreements governing them on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole.

The auditor of the Company has reviewed the continuing connected transaction during the year set out above and confirmed that this transaction: (i) was approved by the Board; (ii) had been entered into in accordance with the relevant agreements governing the transaction; and (iii) has not exceeded the cap stated in the relevant announcement.

Management Contracts

No contracts concerning management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the reporting period and up to the date of this annual report.

Contract of Significance

Save as disclosed in this annual report, at no time during the year had the Company or any of its subsidiaries entered into any contract of significance with the controlling shareholder or any of its subsidiaries, nor had any contract of significance been entered into for the services provided by the controlling shareholder or any of its subsidiaries to the Company or any of its subsidiaries.

Key Relationships with Employees, Customers, Suppliers and Others

The Group fully understands that employees, customers and suppliers are the key to our sustainable and stable development. We are committed to establishing a close relationship with our employees, enhancing cooperation with our suppliers and providing high-quality services to our customers so as to ensure the Group's sustainable development.

Environmental Policies and Performance

The Group recognises the importance of environmental protection and has adopted stringent measures for environmental protection in order to ensure our compliance with the prevailing environmental protection laws and regulations. Adhering to the concept of green environmental protection, the Group has also promoted green operation and advocated the concept of green office. Environmental protection, energy conservation and emissions reduction and reasonable and efficient utilisation of resources have been consistently implemented in the daily operation activities of the Group. The Group has also been working on reducing its energy use, consumption and wastage by actively promoting recycling concepts, using less paper and saving electricity and water. The Group not only develops sustainable policies and designs to reduce its environmental impact internally within its offices but also externally in the bus operation by using cleaner fuel and procuring up-to-date technologies that could alleviate the negative impact of pollution.

REPORT OF THE DIRECTORS

Environmental Policies and Performance – Continued

Detailed information regarding the environmental, social and governance practices adopted by the Group is set out in the Environmental, Social and Governance Report which will be published at the same time as the publication of this annual report. The English and Chinese versions of the ESG Report are available to be viewed and/or downloaded on the Company's website at www.kcbh.com.hk (by clicking "Financial Reports" on the home page) and the Stock Exchange's website at www.hkexnews.hk.

Compliance with Laws and Regulations

The Group continues to comply with the relevant laws and regulations, such as the Bermuda Companies Act 1981, the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), the SFO, the Listing Rules and other rules and regulations implemented in relevant jurisdictions. As far as the Board is concerned, the Group has complied in material respects with the relevant laws and regulations that have a significant impact on the business and operation of the Group during the year ended 31 March 2025.

Tax Relief and Exemption

The Company is not aware of any relief and exemption from taxation available to the Shareholders by reason of their holding of the Company's securities.

Sufficiency of Public Float

Based on information that is publicly available to the Company and within the knowledge of the Directors, as at the latest practicable date prior to the issue of this annual report, at least 25% of the issued shares of the Company were held by the public.

Event after the Reporting Period

Save as disclosed in the "Review of Operations" under the "Management Discussion and Analysis" section, there is no material subsequent event undertaken by the Company or by the Group after 31 March 2025 and up to the date of the publishing of this report.

Auditor

Ernst & Young will retire and a resolution for their reappointment as auditor of the Company will be proposed at the AGM.

ON BEHALF OF THE BOARD

Wong Leung Pak, Matthew, BBS
Chairman

Hong Kong
26 June 2025

INDEPENDENT AUDITOR'S REPORT



To the shareholders of Kwoon Chung Bus Holdings Limited

(Incorporated in Bermuda with limited liability)

Opinion

We have audited the consolidated financial statements of Kwoon Chung Bus Holdings Limited (the “Company”) and its subsidiaries (the “Group”) set out on pages 46 to 151, which comprise the consolidated statement of financial position as at 31 March 2025, and the consolidated statement of profit or loss, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 March 2025, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with HKFRS Accounting Standards as issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

Basis for opinion

We conducted our audit in accordance with Hong Kong Standards on Auditing (“HKSAs”) as issued by the HKICPA. Our responsibilities under those standards are further described in the *Auditor’s responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Group in accordance with the HKICPA’s *Code of Ethics for Professional Accountants* (the “Code”), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor’s responsibilities for the audit of the consolidated financial statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

INDEPENDENT AUDITOR'S REPORT

Key audit matters – continued

Key audit matter	How our audit addressed the key audit matter
<i>Assessment of recoverable amounts of the non-franchised bus cash-generating units ("Non-franchised Bus CGUs"), limousine cash-generating units ("Limousine CGUs") and franchised bus cash-generating unit ("Franchised Bus CGU")</i>	
<p>As at 31 March 2025, the Group had goodwill, passenger service licences, other intangible assets, property, plant and equipment and right-of-use assets in aggregate of HK\$2,608.3 million, which were related to the Non-franchised Bus CGUs, Limousine CGUs and Franchised Bus CGU, representing 53.5% of total assets.</p> <p>The Group's management performed an annual impairment assessment by assessing the recoverable amounts of the Non-franchised Bus CGUs, Limousine CGUs and Franchised Bus CGU based on value in use calculations, with the assistance from an independent external valuer.</p> <p>Significant judgement was involved in the assessment of the recoverable amounts, including the assumptions on budgeted revenue, discount rates, growth rates and general price inflation. The outcome is sensitive to the expected future market conditions and the actual performance of the Non-franchised Bus CGUs, Limousine CGUs and Franchised Bus CGU.</p> <p>The accounting policies, significant accounting judgements and estimates and disclosures for impairment assessment are disclosed in notes 2.4, 3 and 16 to the financial statements.</p>	<p>We involved our internal valuation specialists to assist us in evaluating the methodologies, assumptions and estimates used in the impairment assessment. We tested the assumptions used in the value in use calculations by: (i) comparing the budgeted revenue and expected growth rates with historical results of the Non-franchised Bus CGUs, Limousine CGUs and Franchised Bus CGU, and market data; (ii) benchmarking the discount rates against market data; (iii) comparing the general price inflation rate to the current market condition; and (iv) assessing the sensitivity of management's estimates and assumptions used in evaluating whether a reasonably possible change in assumptions could cause the carrying amounts to exceed their recoverable amounts.</p> <p>In addition, we assessed the independence, objectivity and competence of the external valuer engaged by management and evaluated the adequacy of related disclosures in the financial statements.</p>

INDEPENDENT AUDITOR'S REPORT

Other information included in the Annual Report

The directors of the Company are responsible for the other information. The other information comprises the information included in the Annual Report, other than the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the consolidated financial statements

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRS Accounting Standards as issued by the HKICPA and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors of the Company are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors of the Company either intend to liquidate the Group or to cease operations or have no realistic alternative but to do so.

The directors of the Company are assisted by the Audit Committee in discharging their responsibilities for overseeing the Group's financial reporting process.

INDEPENDENT AUDITOR'S REPORT

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Our report is made solely to you, as a body, in accordance with section 90 of the Bermuda Companies Act 1981, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSA's will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HKSA's, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

INDEPENDENT AUDITOR'S REPORT

Auditor's responsibilities for the audit of the consolidated financial statements – continued

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Wong Tsz Tat (practising certificate number: P07060).

Ernst & Young

Certified Public Accountants

27/F, One Taikoo Place

979 King's Road

Quarry Bay, Hong Kong

26 June 2025

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

Year ended 31 March 2025

	Notes	2025 HK\$'000	2024 HK\$'000
REVENUE	5	2,529,916	2,095,417
Cost of services rendered		(1,868,029)	(1,638,622)
Gross profit		661,887	456,795
Other income and gains, net	5	128,347	113,090
Administrative expenses		(453,387)	(368,887)
Other expenses, net		(76,090)	(8,395)
Finance costs	6	(114,944)	(121,539)
Share of profits and losses of:			
Joint ventures		(6,894)	(7,956)
Associates		21,775	5,124
PROFIT BEFORE TAX	7	160,694	68,232
Income tax expense	10	(13,314)	(16,063)
PROFIT FOR THE YEAR		147,380	52,169
Attributable to:			
Owners of the parent		127,132	32,087
Non-controlling interests		20,248	20,082
		147,380	52,169
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	12		
Basic		HK26.7 cents	HK6.7 cents
Diluted		HK26.7 cents	HK6.7 cents

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 March 2025



	Notes	2025 HK\$'000	2024 HK\$'000
PROFIT FOR THE YEAR		147,380	52,169
OTHER COMPREHENSIVE INCOME/(LOSS)			
Other comprehensive loss that may be reclassified to profit or loss in subsequent periods:			
Exchange differences on translation of foreign operations		(7,890)	(23,953)
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods:			
Changes in fair values of equity investments designated at fair value through other comprehensive income		8,257	—
Gains on property revaluation	13, 15(a)	20,808	263
Income tax effect	30	(5,348)	—
Net other comprehensive income that will not be reclassified to profit or loss in subsequent periods		23,717	263
OTHER COMPREHENSIVE INCOME/(LOSS) FOR THE YEAR, NET OF TAX		15,827	(23,690)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		163,207	28,479
Attributable to:			
Owners of the parent		143,939	12,251
Non-controlling interests		19,268	16,228
		163,207	28,479

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 March 2025

	Notes	2025 HK\$'000	2024 HK\$'000
NON-CURRENT ASSETS			
Property, plant and equipment	13	1,208,833	1,294,535
Investment properties	14	215,454	246,509
Right-of-use assets	15(a)	463,711	316,618
Goodwill	16	201,801	201,801
Passenger service licences	17	1,115,389	1,128,889
Other intangible assets	18	313,882	293,024
Interests in joint ventures	19	2,000	1,259
Interests in associates	20	67,341	56,619
Equity investments designated at fair value through other comprehensive income	21	13,106	4,849
Financial assets at fair value through profit or loss	22	35,656	34,613
Prepayments, deposits and other receivables	24	130,707	66,938
Deferred tax assets	30	12,523	9,709
Total non-current assets		3,780,403	3,655,363
CURRENT ASSETS			
Inventories		43,465	37,555
Trade receivables	23	338,912	272,076
Prepayments, deposits and other receivables	24	206,920	217,659
Tax recoverable		72	301
Pledged time deposits and restricted cash	25	65,475	57,827
Cash and cash equivalents	25	436,955	304,102
Investment property held for sale	34	1,091,799 –	889,520 32,566
Total current assets		1,091,799	922,086

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

31 March 2025



	Notes	2025 HK\$'000	2024 HK\$'000
CURRENT LIABILITIES			
Trade payables	26	67,383	57,502
Other payables and accruals	27	595,043	557,712
Interest-bearing bank borrowings	28	127,840	84,715
Lease liabilities	15(b)	68,458	39,200
Tax payable		45,627	45,602
Total current liabilities		904,351	784,731
NET CURRENT ASSETS		187,448	137,355
TOTAL ASSETS LESS CURRENT LIABILITIES		3,967,851	3,792,718
NON-CURRENT LIABILITIES			
Accruals	27	27,488	20,782
Interest-bearing bank borrowings	28	1,458,439	1,459,966
Lease liabilities	15(b)	102,571	59,194
Other long-term liabilities	29	25,798	34,498
Deferred tax liabilities	30	197,183	205,220
Total non-current liabilities		1,811,479	1,779,660
Net assets		2,156,372	2,013,058
EQUITY			
Equity attributable to owners of the parent			
Issued capital	31	47,678	47,678
Reserves	33	2,014,800	1,872,822
		2,062,478	1,920,500
Non-controlling interests		93,894	92,558
Total equity		2,156,372	2,013,058

Wong Leung Pak, Matthew, BBS
Director

Wong Cheuk On, James
Director

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 31 March 2025

Note	Attributable to owners of the parent										Non-controlling interests HK\$'000	Total equity HK\$'000
	Issued capital HK\$'000	Share premium account HK\$'000	Contributed surplus HK\$'000 (note 33)	Capital reserve HK\$'000	Share option reserve HK\$'000 (note 33)	Asset revaluation reserve HK\$'000	Reserve fund HK\$'000 (note 33)	Exchange equalisation reserve HK\$'000	Retained profits HK\$'000	Total HK\$'000		
At 1 April 2023	47,678	676,246	10,648	(1,855)	6,511	252,930	8,849	(7,640)	918,457	1,911,824	75,644	1,987,468
Profit for the year	-	-	-	-	-	-	-	-	32,087	32,087	20,082	52,169
Other comprehensive income/(loss) for the year:												
Exchange differences on translation of foreign operations	-	-	-	-	-	-	-	(20,099)	-	(20,099)	(3,854)	(23,953)
Gains on property revaluation, net of tax	-	-	-	-	-	263	-	-	-	263	-	263
Total comprehensive income for the year	-	-	-	-	-	263	-	(20,099)	32,087	12,251	16,228	28,479
Acquisition of non-controlling interests	-	-	-	-	-	-	-	-	(5,055)	(5,055)	686	(4,369)
Transfer of depreciation on buildings	-	-	-	-	-	(2,836)	-	-	2,836	-	-	-
Equity-settled share option arrangements	32	-	-	-	1,480	-	-	-	-	1,480	-	1,480
Transfer from retained profits	-	-	-	-	-	-	5,180	-	(5,180)	-	-	-
At 31 March 2024	47,678	676,246	10,648	(1,855)	7,991	250,357	14,029	(27,739)	943,145	1,920,500	92,558	2,013,058

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 31 March 2025



Attributable to owners of the parent													
Notes	Issued capital HK\$'000	Share premium account HK\$'000	Contributed surplus HK\$'000 (note 33)	Capital reserve HK\$'000	Share option reserve HK\$'000 (note 33)	Asset revaluation reserve HK\$'000	Fair value reserve of equity investments		Exchange Reserve fund HK\$'000 (note 33)	equalisation reserve HK\$'000	Retained profits HK\$'000	Non-controlling interests Total HK\$'000	Total equity HK\$'000
							designated at fair value through other comprehensive income	HK\$'000					
At 1 April 2024	47,678	676,246	10,648	(1,855)	7,991	250,357	-	14,029	(27,739)	943,145	1,920,500	92,558	2,013,058
Profit for the year	-	-	-	-	-	-	-	-	-	127,132	127,132	20,248	147,380
Other comprehensive income/(loss) for the year:													
Exchange differences on translation of foreign operations	-	-	-	-	-	-	-	-	(6,910)	-	(6,910)	(980)	(7,890)
Changes in fair values of equity investments designated at fair value through other comprehensive income	-	-	-	-	-	-	8,257	-	-	-	8,257	-	8,257
Gains on property revaluation, net of tax	-	-	-	-	-	15,460	-	-	-	-	15,460	-	15,460
Total comprehensive income for the year	-	-	-	-	-	15,460	8,257	-	(6,910)	127,132	143,939	19,268	163,207
Acquisition of a subsidiary	36	-	-	-	-	-	-	-	-	-	-	355	355
Dividends paid to non-controlling shareholders of a subsidiary	-	-	-	-	-	-	-	-	-	-	-	(18,287)	(18,287)
Transfer of depreciation on buildings	-	-	-	-	-	(3,093)	-	-	-	3,093	-	-	-
Equity-settled share option arrangements	32	-	-	-	7,575	-	-	-	-	-	7,575	-	7,575
Final 2024 dividend	11	-	-	-	-	-	-	-	-	(9,536)	(9,536)	-	(9,536)
Transfer from retained profits	-	-	-	-	-	-	-	8,442	-	(8,442)	-	-	-
At 31 March 2025	47,678	676,246*	10,648*	(1,855)*	15,566*	262,724*	8,257*	22,471*	(34,649)*	1,055,392*	2,062,478	93,894	2,156,372

* These reserve accounts comprise the consolidated reserves of HK\$2,014,800,000 (2024: HK\$1,872,822,000) in the consolidated statement of financial position.

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 March 2025

	Notes	2025 HK\$'000	2024 HK\$'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		160,694	68,232
Adjustments for:			
Share of losses of joint ventures		6,894	7,956
Share of profits and losses of associates		(21,775)	(5,124)
Bank interest income	5	(5,326)	(6,881)
Non-cash service fee income from a joint venture		(5,635)	(9,215)
Recognition of deferred income		(10,796)	(14,277)
Fair value gain on financial assets at fair value through profit or loss	5	(1,043)	(1,088)
Gain on bargain purchase	5	(312)	–
Finance costs	6	114,944	121,539
Depreciation of property, plant and equipment	7	211,014	223,150
Depreciation of right-of-use assets	7	54,927	37,441
Amortisation of other intangible assets	7	14,333	12,851
Fair value loss/(gain) on investment properties, net	7	35,755	(4,837)
Impairment of passenger service licences	7	13,500	–
Impairment of trade receivables, net	7	18	3,849
Impairment of financial assets included in prepayments, deposits and other receivables, net	7	19,605	474
Loss on disposal of items of property, plant and equipment, net	7	726	1,027
Equity-settled share option expense	32	7,575	1,480
		595,098	436,577
Increase in inventories		(5,921)	(3,544)
Increase in trade receivables		(66,442)	(114,219)
Decrease/(increase) in prepayments, deposits and other receivables		30,629	(23,488)
Increase in trade payables		9,726	1,337
Increase/(decrease) in other payables and accruals		(1,066)	29,512
Increase/(decrease) in other long-term liabilities		(3)	20
Cash generated from operations		562,021	326,195
Bank interest received		5,326	6,881
Interest paid		(113,607)	(116,990)
Hong Kong profits tax paid		(21,439)	(13,163)
Chinese Mainland taxes paid		(6,548)	(1,266)
Net cash flows from operating activities		425,753	201,657

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 March 2025



	Notes	2025 HK\$'000	2024 HK\$'000
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchases of items of property, plant and equipment		(109,227)	(123,322)
Increase in deposits paid for purchases of items of property, plant and equipment		(81,431)	(14,673)
Proceeds from disposal of items of property, plant and equipment		16,295	7,351
Additions to right-of-use assets		(67,911)	–
Addition to other intangible assets		–	(4,000)
Acquisition of a subsidiary	36	3,394	–
Investment in a joint venture		(2,000)	–
Investment in an associate		(291)	–
Repayment from associates		1,432	1,482
Dividend received from associates		8,100	500
Investments in equity investments designated at fair value through other comprehensive income		–	(3,616)
Increase in pledged time deposits and restricted cash		(7,648)	(14,685)
Decrease/(increase) in non-pledged time deposits with original maturity of more than three months when acquired		7,989	(32,214)
Net cash flows used in investing activities		(231,298)	(183,177)
CASH FLOWS FROM FINANCING ACTIVITIES			
New bank borrowings, net of debt establishment costs	37(b)	136,179	1,464,863
Repayment of bank borrowings	37(b)	(95,748)	(1,663,330)
Principal portion of lease payments	37(b)	(64,049)	(41,740)
Acquisition of non-controlling interest		–	(4,369)
Dividend paid		(9,536)	–
Dividends paid to non-controlling shareholders of a subsidiary		(18,287)	–
Net cash flows used in financing activities		(51,441)	(244,576)

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 March 2025

	Notes	2025 HK\$'000	2024 HK\$'000
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS			
		143,014	(226,096)
Cash and cash equivalents at beginning of year		269,459	496,721
Effect of foreign exchange rate changes, net		(2,172)	(1,166)
CASH AND CASH EQUIVALENTS AT END OF YEAR			
		410,301	269,459
ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS			
Cash and bank balances	25	365,301	249,459
Non-pledged time deposits with original maturity of less than three months when acquired		45,000	20,000
Non-pledged time deposits with original maturity of more than three months when acquired		26,654	34,643
Cash and cash equivalents as stated in the consolidated statement of financial position		436,955	304,102
Non-pledged time deposits with original maturity of more than three months when acquired		(26,654)	(34,643)
Cash and cash equivalents as stated in the consolidated statement of cash flows		410,301	269,459

NOTES TO FINANCIAL STATEMENTS

31 March 2025



1. Corporate and Group 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 year, the Company and its subsidiaries (collectively referred to as the “Group”) were engaged in the following principal activities:

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

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

Information about subsidiaries

Particulars of the Company’s principal subsidiaries are as follows:

Name	Place of incorporation/ registration and business	Issued ordinary share/registered paid-up capital	Percentage of equity interest attributable to the Company [#]		Principal activities
			2025	2024	
Kwoon Chung Buses Investment Limited	British Virgin Islands/ Hong Kong	US\$6,000	100	100	Investment holding
China-Hongkong Express Limited	Hong Kong	HK\$455,000	52.7	52.7	Provision of bus services
Chinalink Express Holdings Limited	Hong Kong	HK\$35,000,000	100	100	Investment holding
Chongqing Grand Hotel Co., Ltd. 重慶大酒店有限公司 [®]	PRC/ Chinese Mainland	Renminbi (“RMB”) 35,000,000	100	100	Provision of hotel services
Coronet Ray Development Limited	Hong Kong	HK\$1	100	100	Provision of public light bus services
Elegant Sun Group Limited	British Virgin Islands/ Hong Kong	US\$1	100	100	Investment holding
Gallic Limited	Hong Kong	HK\$900	100	100	Holding of properties

NOTES TO FINANCIAL STATEMENTS

31 March 2025

1. Corporate and Group Information – Continued

Information about subsidiaries – continued

Name	Place of incorporation/ registration and business	Issued ordinary share/registered paid-up capital	Percentage of equity interest attributable to the Company [#]		Principal activities
			2025	2024	
Guangzhou City Zhongguan Consulting Services Company Limited 廣州市中貫諮詢服務有限公司**	PRC/ Chinese Mainland	RMB5,000,000	100	100	Investment holding
Guangzhou Gogo TIL Consulting Services Company Limited 廣州通寶環島諮詢服務有限公司^	PRC/ Chinese Mainland	RMB5,000,000	100	100	Investment holding
HK Kwoon Chung (Hubei) Bus Investment Company Limited	Hong Kong	HK\$2	100	100	Investment holding
HK Kwoon Chung Tourism Development Company Limited	Hong Kong	HK\$1	100	100	Investment holding
Hubei Shenzhou Transport Holdings Co., Ltd. 湖北神州運業集團有限公司*	PRC/ Chinese Mainland	RMB131,843,807	100	100	Provision of bus and bus-related services
Intercontinental Limousine Company Limited	Hong Kong	HK\$5,000,000	100	100	Provision of limousine hire services and investment holding
KC Smart Mobility Company Limited	Hong Kong	HK\$10,000,000	100	100	Provision of autonomous transportation services
Kwoon Chung Auto Repair Company Limited	Hong Kong	HK\$1,000,000	100	100	Provision of motor vehicle repairs and maintenance services
Kwoon Chung Autotech Services Limited	Hong Kong	HK\$100,000	100	100	Provision of motor vehicle repairs and maintenance services
Kwoon Chung (Chongqing) Tourism Development Co., Ltd. 冠忠(重慶)旅遊開發有限公司®	PRC/ Chinese Mainland	RMB10,790,680	100	100	Investment holding

NOTES TO FINANCIAL STATEMENTS

31 March 2025



1. Corporate and Group Information – Continued

Information about subsidiaries – continued

Name	Place of incorporation/ registration and business	Issued ordinary share/registered paid-up capital	Percentage of equity interest attributable to the Company [#]		Principal activities
			2025	2024	
Kwoon Chung Motors Company, Limited	Hong Kong	HK\$200 Non-voting deferred HK\$10,000,000	100	100	Provision of bus hire and travel-related services
Kwoon Chung Trans-Island Travel Company Limited	Hong Kong	HK\$500,000	100	100	Provision of limousine hire services
Kwoon Chung Travel Company Limited	Hong Kong	HK\$2	100	100	Investment holding
Lantau Tours Limited	Hong Kong	HK\$750,000	100	100	Provision of tourism services
Lixian Bipenggou Tourism Development Company Limited ("Bipenggou Tourism") 理縣畢棚溝旅遊開發有限公司**	PRC/ Chinese Mainland	RMB213,802,600	67.8	67.8	Development and management of a scenic area
New Lantau Bus Company (1973) Limited	Hong Kong	HK\$100,000,000	99.99	99.99	Provision of franchised bus and travel-related services
Peng Yun Transportation Enterprises Company Limited	Hong Kong	HK\$1,000,000	100	100	Holding of properties and investment holding
Shenzhen Qianhai TIL Management and Consulting Company Limited 深圳市前海環島管理諮詢有限公司®	PRC/ Chinese Mainland	RMB96,000,000	100	100	Holding of properties
Trans-Island Limousine Service Limited	Hong Kong	HK\$1,000 Non-voting deferred HK\$30,000,000	100	100	Provision of hiring services of motor vehicles, passenger service licences and bus route operating rights and investment holding

NOTES TO FINANCIAL STATEMENTS

31 March 2025

1. Corporate and Group Information – Continued

Information about subsidiaries – continued

Name	Place of incorporation/ registration and business	Issued ordinary share/registered paid-up capital	Percentage of equity interest attributable to the Company [#]		Principal activities
			2025	2024	
Trans-Island Chinalink Bus Company Limited	Hong Kong	HK\$500,000	100	100	Provision of bus hire and travel-related services
All China Express Limited ("ACE") ⁻	Hong Kong	HK\$173	46.8	–	Provision of bus and travel-related services

[#] Represents the effective holding of the Group after non-controlling interests therein

^{*} Registered as a Sino-foreign equity joint venture company in the PRC

^{**} Limited companies established in the PRC

[^] The entire equity interest in this subsidiary is held on trust by a director of the Company on the Group's behalf.

[@] Registered as wholly-foreign-owned enterprises under PRC law

⁻ During the year, the Group obtained control over ACE and ACE became a subsidiary of the Group thereafter. Further details of this business combination are included in note 36 to the financial statements.

Except for Kwoon Chung Buses Investment Limited, all principal subsidiaries are indirectly held by the Company.

The above table lists the subsidiaries of the Company which, in the opinion of the directors, principally affected the results for the year or formed a substantial portion of the net assets of the Group. To give details of other subsidiaries would, in the opinion of the directors, result in particulars of excessive length.

2. Accounting Policies

2.1 Basis of Preparation

These financial statements have been prepared in accordance with HKFRS Accounting Standards (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations) as issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, except for buildings classified as property, plant and equipment, investment properties, investment property held for sale, equity investments designated at fair value through other comprehensive income and financial assets at fair value through profit or loss which have been measured at fair value. These financial statements are 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

Basis of consolidation

The consolidated financial statements include the financial statements of the Group for the year ended 31 March 2025. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

Generally, there is a presumption that a majority of voting rights results in control. When the Company has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- (a) the contractual arrangement with the other vote holders of the investee;
- (b) rights arising from other contractual arrangements; and
- (c) the Group's voting rights and potential voting rights.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, any non-controlling interest and exchange equalisation reserve; and recognises the fair value of any investment retained and any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

2.2 Changes in Accounting Policies and Disclosures

The Group has adopted the following revised HKFRS Accounting Standards for the first time for the current year's financial statements.

Amendments to HKFRS 16

Amendments to HKAS 1

Amendments to HKAS 1

Amendments to HKAS 7 and HKFRS 7

Lease Liability in a Sale and Leaseback

Classification of Liabilities as Current or Non-current (the "2020 Amendments")

Non-current Liabilities with Covenants (the "2022 Amendments")

Supplier Finance Arrangements

NOTES TO FINANCIAL STATEMENTS

31 March 2025

2.2 Changes in Accounting Policies and Disclosures – Continued

The nature and the impact of the revised HKFRS Accounting Standards are described below:

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

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

- (c) Amendments to HKAS 7 and HKFRS 7 clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk. As the Group does not have supplier finance arrangements, the amendments did not have any impact on the Group's financial statements.



2.3 Issued But Not Yet Effective HKFRS Accounting Standards

The Group has not applied the following new and revised HKFRS Accounting Standards, that have been issued but are not yet effective, in these financial statements. The Group intends to apply these new and revised HKFRS Accounting Standards, if applicable, when they become effective.

HKFRS 18	<i>Presentation and Disclosure in Financial Statements</i> ³
HKFRS 19	<i>Subsidiaries without Public Accountability: Disclosures</i> ³
Amendments to HKFRS 9 and HKFRS 7	<i>Amendments to the Classification and Measurement of Financial Instruments</i> ²
Amendments to HKFRS 9 and HKFRS 7	<i>Contracts Referencing Nature-dependent Electricity</i> ²
Amendments to HKFRS 10 and HKAS 28	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i> ⁴
Amendments to HKAS 21	<i>Lack of Exchangeability</i> ¹
<i>Annual Improvements to HKFRS Accounting Standards – Volume 11</i>	Amendments to HKFRS 1, HKFRS 7, HKFRS 9, HKFRS 10 and HKAS 7 ²

¹ Effective for annual periods beginning on or after 1 January 2025

² Effective for annual periods beginning on or after 1 January 2026

³ Effective for annual/reporting periods beginning on or after 1 January 2027

⁴ No mandatory effective date yet determined but available for adoption

Further information about those HKFRS Accounting Standards that are expected to be applicable to the Group is described below.

HKFRS 18 replaces HKAS 1 *Presentation of Financial Statements*. While a number of sections have been brought forward from HKAS 1 with limited changes, HKFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Entities are required to classify all income and expenses within the statement of profit or loss into one of the five categories: operating, investing, financing, income taxes and discontinued operations and to present two new defined subtotals. It also requires disclosures about management-defined performance measures in a single note and introduces enhanced requirements on the grouping (aggregation and disaggregation) and the location of information in both the primary financial statements and the notes. Some requirements previously included in HKAS 1 are moved to HKAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*, which is renamed as HKAS 8 *Basis of Preparation of Financial Statements*. As a consequence of the issuance of HKFRS 18, limited, but widely applicable, amendments are made to HKAS 7 *Statement of Cash Flows*, HKAS 33 *Earnings per Share* and HKAS 34 *Interim Financial Reporting*. In addition, there are minor consequential amendments to other HKFRS Accounting Standards. HKFRS 18 and the consequential amendments to other HKFRS Accounting Standards are effective for annual periods beginning on or after 1 January 2027 with earlier application permitted. Retrospective application is required. The Group is currently analysing the new requirements and assessing the impact of HKFRS 18 on the presentation and disclosure of the Group's financial statements.

HKFRS 19 allows eligible entities to elect to apply reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other HKFRS Accounting Standards. To be eligible, at the end of the reporting period, an entity must be a subsidiary as defined in HKFRS 10 *Consolidated Financial Statements*, cannot have public accountability and must have a parent (ultimate or intermediate) that prepares consolidated financial statements available for public use which comply with HKFRS Accounting Standards. Earlier application is permitted. As the Company is a listed company, it is not eligible to elect to apply HKFRS 19. Some of the Company's subsidiaries are considering the application of HKFRS 19 in their specified financial statements.

NOTES TO FINANCIAL STATEMENTS

31 March 2025

2.3 Issued But Not Yet Effective HKFRS Accounting Standards – Continued

Amendments to HKFRS 9 and HKFRS 7 *Amendments to the Classification and Measurement of Financial Instruments* clarify the date on which a financial asset or financial liability is derecognised and introduce an accounting policy option to derecognise a financial liability that is settled through an electronic payment system before the settlement date if specified criteria are met. The amendments clarify how to assess the contractual cash flow characteristics of financial assets with environmental, social and governance and other similar contingent features. Moreover, the amendments clarify the requirements for classifying financial assets with non-recourse features and contractually linked instruments. The amendments also include additional disclosures for investments in equity instruments designated at fair value through other comprehensive income and financial instruments with contingent features. The amendments shall be applied retrospectively with an adjustment to opening retained profits (or other component of equity) at the initial application date. Prior periods are not required to be restated and can only be restated without the use of hindsight. Earlier application of either all the amendments at the same time or only the amendments related to the classification of financial assets is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.

Amendments to HKFRS 9 and HKFRS 7 *Contracts Referencing Nature-dependent Electricity* clarify the application of the “own-use” requirements for in-scope contracts and amend the designation requirements for a hedged item in a cash flow hedging relationship for in-scope contracts. The amendments also include additional disclosures that enable users of financial statements to understand the effect these contracts have on an entity's financial performance and future cash flows. The amendments relating to the own-use exception shall be applied retrospectively. Prior periods are not required to be restated and can only be restated without the use of hindsight. The amendments relating to the hedge accounting shall be applied prospectively to new hedging relationships designated on or after the date of initial application. Earlier application is permitted. The amendments to HKFRS 9 and HKFRS 7 shall be applied at the same time. The amendments are not expected to have any significant impact to the Group's financial statements.

Amendments to HKFRS 10 and HKAS 28 address an inconsistency between the requirements in HKFRS 10 and in HKAS 28 in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The amendments require a full recognition of a gain or loss resulting from a downstream transaction when the sale or contribution of assets constitutes a business. For a transaction involving assets that do not constitute a business, a gain or loss resulting from the transaction is recognised in the investor's profit or loss only to the extent of the unrelated investor's interest in that associate or joint venture. The amendments are to be applied prospectively. The previous mandatory effective date of amendments to HKFRS 10 and HKAS 28 was removed by the HKICPA. However, the amendments are available for adoption now.

Amendments to HKAS 21 specify how an entity shall assess whether a currency is exchangeable into another currency and how it shall estimate a spot exchange rate at a measurement date when exchangeability is lacking. The amendments require disclosures of information that enable users of financial statements to understand the impact of a currency not being exchangeable. Earlier application is permitted. When applying the amendments, an entity cannot restate comparative information. Any cumulative effect of initially applying the amendments shall be recognised as an adjustment to the opening balance of retained profits or to the cumulative amount of translation differences accumulated in a separate component of equity, where appropriate, at the date of initial application. The amendments are not expected to have any significant impact on the Group's financial statements.



2.3 Issued But Not Yet Effective HKFRS Accounting Standards – Continued

Annual Improvements to HKFRS Accounting Standards – Volume 11 set out amendments to HKFRS 1, HKFRS 7 (and the accompanying *Guidance on implementing HKFRS 7*), HKFRS 9, HKFRS 10 and HKAS 7. Details of the amendments that are expected to be applicable to the Group are as follows:

- *HKFRS 7 Financial Instruments: Disclosures*: The amendments have updated certain wording in paragraph B38 of HKFRS 7 and paragraphs IG1, IG14 and IG20B of the *Guidance on implementing HKFRS 7* for the purpose of simplification or achieving consistency with other paragraphs in the standard and/or with the concepts and terminology used in other standards. In addition, the amendments clarify that the *Guidance on implementing HKFRS 7* does not necessarily illustrate all the requirements in the referenced paragraphs of HKFRS 7 nor does it create additional requirements. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.
- *HKFRS 9 Financial Instruments*: The amendments clarify that when a lessee has determined that a lease liability has been extinguished in accordance with HKFRS 9, the lessee is required to apply paragraph 3.3.3 of HKFRS 9 and recognise any resulting gain or loss in profit or loss. In addition, the amendments have updated certain wording in paragraph 5.1.3 of HKFRS 9 and Appendix A of HKFRS 9 to remove potential confusion. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.
- *HKFRS 10 Consolidated Financial Statements*: The amendments clarify that the relationship described in paragraph B74 of HKFRS 10 is just one example of various relationships that might exist between the investor and other parties acting as de facto agents of the investor, which removes the inconsistency with the requirement in paragraph B73 of HKFRS 10. Earlier application is permitted. The amendments are not expected to have any significant impact on the Group's financial statements.
- *HKAS 7 Statement of Cash Flows*: The amendments replace the term "cost method" with "at cost" in paragraph 37 of HKAS 7 following the prior deletion of the definition of "cost method". Earlier application is permitted. The amendments are not expected to have any impact on the Group's financial statements.

NOTES TO FINANCIAL STATEMENTS

31 March 2025

2.4 Material Accounting Policies

Interests in associates and joint ventures

An associate is an entity in which the Group has a long term interest of generally not less than 20% of the equity voting rights and over which it has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

The Group's interests in associates and joint ventures are stated in the consolidated statement of financial position at the Group's share of net assets under the equity method of accounting, less any impairment losses. Adjustments are made to bring into line any dissimilar accounting policies that may exist. The Group's share of the post-acquisition results and other comprehensive income of associates and joint ventures is included in the consolidated statement of profit or loss and consolidated other comprehensive income, respectively. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the consolidated statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and its associates or joint ventures are eliminated to the extent of the Group's interests in the associates or joint ventures, except where unrealised losses provide evidence of an impairment of the assets transferred. Goodwill arising from the acquisition of associates or joint ventures is included as part of the Group's interests in associates or joint ventures.

If an investment in an associate becomes an investment in a joint venture or vice versa, the retained interest is not remeasured. Instead, the investment continues to be accounted for under the equity method. In all other cases, upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.



2.4 Material Accounting Policies – Continued

Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The consideration transferred is measured at the acquisition date fair value which is the sum of the acquisition date fair values of assets transferred by the Group, liabilities assumed by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at fair value. Acquisition-related costs are expensed as incurred.

The Group determines that it has acquired a business when the acquired set of activities and assets includes an input and a substantive process that together significantly contribute to the ability to create outputs.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts of the acquiree.

If the business combination is achieved in stages, the previously held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss or other comprehensive income, as appropriate.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability is measured at fair value with changes in fair value recognised in profit or loss. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred, the amount recognised for non-controlling interests and any fair value of the Group's previously held equity interests in the acquiree over the identifiable assets acquired and liabilities assumed. If the sum of this consideration and other items is lower than the fair value of the net assets acquired, the difference is, after reassessment, recognised in profit or loss as a gain on bargain purchase.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. The Group performs its annual impairment test of goodwill as at 31 March. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

Impairment is determined by assessing the recoverable amount of the cash-generating unit (group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit (group of cash-generating units) is less than the carrying amount, an impairment loss is recognised. An impairment loss recognised for goodwill is not reversed in a subsequent period.

NOTES TO FINANCIAL STATEMENTS

31 March 2025

2.4 Material Accounting Policies – Continued

Business combinations and goodwill – continued

Where goodwill has been allocated to a cash-generating unit (or group of cash-generating units) and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on the disposal. Goodwill disposed of in these circumstances is measured based on the relative value of the operation disposed of and the portion of the cash-generating unit retained.

Fair value measurement

The Group measures its buildings classified as property, plant and equipment, investment properties, investment property held for sale, equity investments designated at fair value through other comprehensive income and financial assets at fair value through profit or loss at fair value at the end of each reporting period. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- | | | |
|---------|---|---|
| Level 1 | – | based on quoted prices (unadjusted) in active markets for identical assets or liabilities |
| Level 2 | – | based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly |
| Level 3 | – | based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable |

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.



2.4 Material Accounting Policies – Continued

Impairment of non-financial assets

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than inventories, deferred tax assets, financial assets, investment properties and investment property held for sale), the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs. In testing a cash-generating unit for impairment, a portion of the carrying amount of a corporate asset is allocated to an individual cash-generating unit if it can be allocated on a reasonable and consistent basis or, otherwise, to the smallest group of cash-generating units.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to the statement of profit or loss in the period in which it arises, unless the asset is carried at a revalued amount, in which case the impairment loss is accounted for in accordance with the relevant accounting policy for that revalued asset.

An assessment is made at the end of each reporting period as to whether there is an indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation) had no impairment loss been recognised for the asset in prior years. A reversal of such an impairment loss is credited to the statement of profit or loss in the period in which it arises, unless the asset is carried at a revalued amount, in which case the reversal of the impairment loss is accounted for in accordance with the relevant accounting policy for that revalued asset.

Related parties

A party is considered to be related to the Group if:

- (a) the party is a person or a close member of that person's family and that person
 - (i) has control or joint control over the Group;
 - (ii) has significant influence over the Group; or
 - (iii) is a member of the key management personnel of the Group or of a parent of the Group;

or

NOTES TO FINANCIAL STATEMENTS

31 March 2025

2.4 Material Accounting Policies – Continued

Related parties – continued

- (b) the party is an entity where any of the following conditions applies:
 - (i) the entity and the Group are members of the same group;
 - (ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);
 - (iii) the entity and the Group are joint ventures of the same third party;
 - (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
 - (v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group;
 - (vi) the entity is controlled or jointly controlled by a person identified in (a);
 - (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and
 - (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

Property, plant and equipment and depreciation

Property, plant and equipment, other than buildings and construction in progress, are stated at cost less accumulated depreciation and any impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to the statement of profit or loss in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly.



2.4 Material Accounting Policies – Continued

Property, plant and equipment and depreciation – continued

Buildings are stated at valuation less accumulated depreciation and any impairment losses. Valuations are performed frequently enough to ensure that the fair value of a revalued asset does not differ materially from its carrying amount. Changes in the values of property, plant and equipment are dealt with as movements in the asset revaluation reserve. If the total of this reserve is insufficient to cover a deficit, on an individual asset basis, the excess of the deficit is charged to the statement of profit or loss. Any subsequent revaluation surplus is credited to the statement of profit or loss to the extent of the deficit previously charged. An annual transfer from the asset revaluation reserve to retained profits is made for the difference between the depreciation based on the revalued carrying amount of an asset and the depreciation based on the asset's original cost. On disposal of a revalued asset, the relevant portion of the asset revaluation reserve realised in respect of previous valuations is transferred to retained profits as a movement in reserves.

Depreciation is calculated on the straight-line basis to write off the cost or valuation of each item of property, plant and equipment to its residual value over its estimated useful life. The estimated useful life of each asset is as follows:

Buildings	Over the shorter of the lease terms of the related land and 30 years
Hotel building	Over the lease term of 50 years
Bus terminal structures	8 to 20 years
Garage and leasehold improvements	5 years
Motor buses and vehicles	5 to 15 years
Furniture, fixtures and office machinery	5 to 8 years
Equipment and tools	6 to 8 years
Scenic area establishments	8 to 37 years

Where parts of an item of property, plant and equipment have different useful lives, the cost or valuation of that item is allocated on a reasonable basis among the parts and each part is depreciated separately. Residual values, useful lives and the depreciation method are reviewed, and adjusted if appropriate, at least at each financial year end.

An item of property, plant and equipment including any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in the statement of profit or loss in the year the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

Construction in progress is stated at cost less any impairment losses, and is not depreciated. It is reclassified to the appropriate category of property, plant and equipment when completed and ready for use.

NOTES TO FINANCIAL STATEMENTS

31 March 2025

2.4 Material Accounting Policies – Continued

Investment properties

Investment properties are interests in land and buildings (including right-of-use assets) held to earn rental income and/or for capital appreciation. Such properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the end of the reporting period.

Gains or losses arising from changes in the fair values of investment properties are included in the statement of profit or loss in the year in which they arise.

Any gains or losses on the retirement or disposal of an investment property are recognised in the statement of profit or loss in the year of the retirement or disposal.

For a transfer from investment properties to owner-occupied properties, the deemed cost of a property for subsequent accounting is its fair value at the date of change in use. If a property occupied by the Group as an owner-occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under “Property, plant and equipment and depreciation” for owned property and/or accounts for such property in accordance with the policy stated under “Right-of-use assets” for property held as a right-of-use asset up to the date of change in use, and any difference at that date between the carrying amount and the fair value of the property is accounted for as a revaluation in accordance with the policy stated under “Property, plant and equipment and depreciation” above.

Non-current assets held for sale

Non-current assets are classified as held for sale if their carrying amounts will be recovered principally through a sales transaction rather than through continuing use. For this to be the case, the asset must be available for immediate sale in its present condition subject only to terms that are usual and customary for the sale of such assets and its sale must be highly probable.

Intangible assets (other than goodwill)

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is the fair value at the date of acquisition. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are subsequently amortised on the straight-line basis over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year end.

Intangible assets with indefinite useful lives are tested for impairment annually either individually or at the cash-generating unit level. Such intangible assets are not amortised. The useful life of an intangible asset with an indefinite life is reviewed annually to determine whether the indefinite life assessment continues to be supportable. If not, the change in the useful life assessment from indefinite to finite is accounted for on a prospective basis.



2.4 Material Accounting Policies – Continued

Intangible assets (other than goodwill) – continued

The Group's intangible assets represent (i) certain bus route operating rights and customer relationships with finite useful lives and are stated at cost, which comprise the purchase prices thereof, less accumulated amortisation and any impairment losses and are amortised on the straight-line basis over 10 to 20 years for certain bus route operating rights and over 3 to 10 years for customer relationships; and (ii) passenger service licences, certain bus route operating rights and trade name with indefinite useful lives, which are stated at cost less any impairment losses.

Passenger service licences, certain bus route operating rights and trade name of the Group are regarded to have indefinite useful lives as they either have no expiration or are renewable on a periodic basis with the appropriate authority and there is no foreseeable limit to the period over which these assets are expected to generate cash flows for the Group.

Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets. At inception or on reassessment of a contract that contains a lease component and non-lease components, the Group adopts the practical expedient not to separate non-lease components and to account for the lease component and the associated non-lease components as a single lease component.

(a) Right-of-use assets

Right-of-use assets are recognised at the commencement date of the lease (that is the date the underlying asset is available for use). Right-of-use assets are measured at cost, less accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease terms and the estimated useful lives of the assets as follows:

Leasehold land	Over the lease terms
Leased properties	Over the lease terms
Motor buses and vehicles	5 to 15 years

If ownership of the leased asset transfers to the Group by the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

When a right-of-use asset meets the definition of investment property, it is included in investment properties. The corresponding right-of-use asset is initially measured at cost, and subsequently measured at fair value, in accordance with the Group's policy for "investment properties".

NOTES TO FINANCIAL STATEMENTS

31 March 2025

2.4 Material Accounting Policies – Continued

Group as a lessee – continued

(b) Lease liabilities

Lease liabilities are recognised at the commencement date of the lease at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for termination of a lease, if the lease term reflects the Group exercising the option to terminate the lease. The variable lease payments that do not depend on an index or a rate are recognised as an expense in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in lease payments (e.g., a change to future lease payments resulting from a change in an index or rate) or a change in assessment of an option to purchase the underlying asset.

(c) Short-term leases

The Group applies the short-term lease recognition exemption to its short-term leases (that is those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). Lease payments on short-term leases are recognised as an expense on a straight-line basis over the lease term.

Group as a lessor

When the Group acts as a lessor, it classifies at lease inception (or when there is a lease modification) each of its leases as either an operating lease or a finance lease.

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. When a contract contains lease and non-lease components, the Group allocates the consideration in the contract to each component on a relative stand-alone selling price basis. Rental income is accounted for on a straight-line basis over the lease term. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised in the period in which they are earned.



2.4 Material Accounting Policies – Continued

Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income, and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient of not adjusting the effect of a significant financing component, the Group initially measures a financial asset at its fair value plus in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under HKFRS 15 in accordance with the policies set out for "Revenue recognition" below.

In order for a financial asset to be classified and measured at amortised cost or fair value through other comprehensive income, it needs to give rise to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows, while financial assets classified and measured at fair value through other comprehensive income are held within a business model with the objective of both holding to collect contractual cash flows and selling. Financial assets which are not held within the aforementioned business models are classified and measured at fair value through profit or loss.

Purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Financial assets at amortised cost (debt instruments)

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in the statement of profit or loss when the asset is derecognised, modified or impaired.

NOTES TO FINANCIAL STATEMENTS

31 March 2025

2.4 Material Accounting Policies – Continued

Financial assets – continued

Subsequent measurement – continued

Financial assets designated at fair value through other comprehensive income (equity investments)

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity investments designated at fair value through other comprehensive income when they meet the definition of equity under HKAS 32 *Financial Instruments: Presentation* and are not held for trading. The classification is determined on an instrument-by-instrument basis.

Gains and losses on these financial assets are never recycled to the statement of profit or loss. Dividends are recognised as other income in the statement of profit or loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in other comprehensive income. Equity investments designated at fair value through other comprehensive income are not subject to impairment assessment.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

A derivative embedded in a hybrid contract, with a financial liability or non-financial host, is separated from the host and accounted for as a separate derivative if the economic characteristics and risks are not closely related to the host; a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured at fair value through profit or loss. Embedded derivatives are measured at fair value with changes in fair value recognised in the statement of profit or loss. Reassessment occurs if there is a change in the terms of the contract that significantly modifies the cash flows.

A derivative embedded within a hybrid contract containing a financial asset host is not accounted for separately. The financial asset host together with the embedded derivative is required to be classified in its entirety as a financial asset at fair value through profit or loss.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- the rights to receive cash flows from the asset have expired; or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.



2.4 Material Accounting Policies – Continued

Derecognition of financial assets – continued

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risk and rewards of ownership of the asset. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets

The Group recognises an allowance for expected credit losses ("ECLs") for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

General approach

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

NOTES TO FINANCIAL STATEMENTS

31 March 2025

2.4 Material Accounting Policies – Continued

Impairment of financial assets – continued

General approach – continued

At each reporting date, the Group assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information that is available without undue cost or effort, including historical and forward-looking information. The Group considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Financial assets at amortised cost are subject to impairment under the general approach and they are classified within the following stages for measurement of ECLs except for trade receivables which apply the simplified approach as detailed below.

- | | | |
|---------|---|--|
| Stage 1 | – | Financial instruments for which credit risk has not increased significantly since initial recognition and for which the loss allowance is measured at an amount equal to 12-month ECLs |
| Stage 2 | – | Financial instruments for which credit risk has increased significantly since initial recognition but that are not credit-impaired financial assets and for which the loss allowance is measured at an amount equal to lifetime ECLs |
| Stage 3 | – | Financial assets that are credit-impaired at the reporting date (but that are not purchased or originated credit-impaired) and for which the loss allowance is measured at an amount equal to lifetime ECLs |

Simplified approach

For trade receivables that do not contain a significant financing component or when the Group applies the practical expedient of not adjusting the effect of a significant financing component, the Group applies the simplified approach in calculating ECLs. Under the simplified approach, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.



2.4 Material Accounting Policies – Continued

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as loans and borrowings and payables.

All financial liabilities are recognised initially at fair value and net of directly attributable transaction costs.

Subsequent measurement of financial liabilities at amortised cost (trade and other payables, and borrowings)

After initial recognition, trade and other payables, and interest-bearing borrowings are subsequently measured at amortised cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in the statement of profit or loss when the liabilities are derecognised as well as through the effective interest rate amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is recognised in the statement of profit or loss.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and a recognition of a new liability, and the difference between the respective carrying amounts is recognised in the statement of profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

Inventories

Inventories, represent spare parts and other consumables, are stated at the lower of cost and net realisable value. Cost is determined on the first-in, first-out basis. Net realisable value is based on the estimated replacement cost.

Cash and cash equivalents

Cash and cash equivalents in the consolidated statement of financial position comprise cash on hand and at banks, and short-term highly liquid deposits with a maturity of generally within three months that are readily convertible into known amounts of cash, subject to an insignificant risk of changes in value and held for the purpose of meeting short-term cash commitments.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and at banks, and short-term deposits as defined above, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

NOTES TO FINANCIAL STATEMENTS

31 March 2025

2.4 Material Accounting Policies – Continued

Provisions

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

When the effect of discounting is material, the amount recognised for a provision is the present value at the end of the reporting period of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is recognised in the statement of profit or loss.

Income tax

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period, taking into consideration interpretations and practices prevailing in the countries/ jurisdictions in which the Group operates.

Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.



2.4 Material Accounting Policies – Continued

Income tax – continued

Deferred tax assets are recognised for all deductible temporary differences, and the carryforward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences, and the carryforward of unused tax credits and unused tax losses can be utilised, except:

- when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and joint ventures, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and future taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset if and only if the Group has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

NOTES TO FINANCIAL STATEMENTS

31 March 2025

2.4 Material Accounting Policies – Continued

Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the costs, for which it is intended to compensate, are expensed.

Where the grant relates to an asset, the fair value is credited to a deferred income account and is released to the statement of profit or loss over the expected useful life of the relevant asset by equal annual instalments.

Revenue recognition

Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of goods or services is transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services.

When the consideration in a contract includes a variable amount, the amount of consideration is estimated to be that which the Group will be entitled in exchange for transferring the goods or services to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

When the contract contains a financing component which provides the customer with a significant benefit of financing the transfer of goods or services to the customer for more than one year, revenue is measured at the present value of the amount receivable, discounted using the discount rate that would be reflected in a separate financing transaction between the Group and the customer at contract inception. When the contract contains a financing component which provides the Group with a significant financial benefit for more than one year, revenue recognised under the contract includes the interest expense accreted on the contract liability under the effective interest method. For a contract where the period between the payment by the customer and the transfer of the promised goods or services is one year or less, the transaction price is not adjusted for the effects of a significant financing component, using the practical expedient in HKFRS 15.

(a) Transportation services

Revenue from the provision of transportation services is recognised when the related services are provided. Given the transportation services are generally completed within a short period of time, the revenue from the provision of these services is recognised over time when the related services have been rendered.

(b) Hotel and tourism services (including travel agency and tour services and the operation of a scenic area)
Revenue from the provision of hotel and tourism services is recognised over the scheduled period on a straight-line basis because the customer simultaneously receives and consumes the benefits provided by the Group.

Revenue from other sources

Rental income is recognised on a time proportion basis over the lease terms.



2.4 Material Accounting Policies – Continued

Revenue recognition – continued

Other income

Advertising income is recognised over the scheduled period on a straight-line basis because the customer simultaneously receives and consumes the benefits provided by the Group.

Government subsidies are recognised where there is reasonable assurance that the government subsidies will be received and all attaching conditions will be complied with, as further explained in the accounting policies for “Government grants” above.

Interest income is recognised on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset.

Contract liabilities

A contract liability is recognised when a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods or services. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer).

Share-based payments

The Company operates share option schemes. Employees (including directors) of the Group receive remuneration in the form of share-based payments, whereby employees render services in exchange for equity instruments (“equity-settled transactions”). The cost of equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value is determined by an external valuer using a binomial model, further details of which are given in note 32 to the financial statements.

The cost of equity-settled transactions is recognised in employee benefit expense, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at the end of each reporting period until the vesting date reflects the extent to which the vesting period has expired and the Group’s best estimate of the number of equity instruments that will ultimately vest. The charge or credit to the statement of profit or loss for a period represents the movement in the cumulative expense recognised as at the beginning and end of that period.

NOTES TO FINANCIAL STATEMENTS

31 March 2025

2.4 Material Accounting Policies – Continued

Share-based payments – continued

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

For awards that do not ultimately vest because non-market performance and/or service conditions have not been met, no expense is recognised. Where awards include a market or non-vesting condition, the transactions are treated as vesting irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

Where the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified, if the original terms of the award are met. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payments, or is otherwise beneficial to the employee as measured at the date of modification. Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. This includes any award where non-vesting conditions within the control of either the Group or the employee are not met. However, if a new award is substituted for the cancelled award, and is designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of earnings per share.

Other employee benefits

Pension schemes

The Group operates a defined contribution Mandatory Provident Fund retirement benefit scheme (the "MPF Scheme") under the Hong Kong Mandatory Provident Fund Schemes Ordinance for those employees who are eligible to participate in the MPF Scheme. Contributions are made based on a percentage of the employees' basic salaries and are charged to the statement of profit or loss as they become payable in accordance with the rules of the MPF Scheme. The assets of the MPF Scheme are held separately from those of the Group in an independently administered fund. The Group's employer contributions vest fully with the employees when contributed into the MPF Scheme, except for the Group's employer voluntary contributions, which are refunded to the Group when the employee leaves employment prior to the contributions vesting fully, in accordance with the rules of the MPF Scheme.



2.4 Material Accounting Policies – Continued

Other employee benefits – continued

Pension schemes – continued

The employees of the Group's subsidiaries which operate in Chinese Mainland are required to participate in a central pension scheme operated by the local municipal government. These subsidiaries are required to contribute a certain percentage of their payroll costs to the central pension scheme. The contributions are charged to the statement of profit or loss as they become payable in accordance with the rules of the central pension scheme.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, i.e., assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets. The capitalisation of such borrowing costs ceases when the assets are substantially ready for their intended use or sale. All other borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Events after the reporting period

If the Group receives information after the reporting period, but prior to the date of authorisation for issue, about conditions that existed at the end of the reporting period, it will assess whether the information affects the amounts that it recognises in its financial statements. The Group will adjust the amounts recognised in its financial statements to reflect any adjusting events after the reporting period and update the disclosures that relate to those conditions in light of the new information. For non-adjusting events after the reporting period, the Group will not change the amounts recognised in its financial statements, but will disclose the nature of the non-adjusting events and an estimate of their financial effects, or a statement that such an estimate cannot be made, if applicable.

Dividends

Final dividends are recognised as a liability when they are approved by the shareholders in a general meeting. Proposed final dividends are disclosed in the notes to the financial statements.

Foreign currencies

These financial statements are presented in Hong Kong dollars, which is the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of the reporting period. Differences arising on settlement or translation of monetary items are recognised in the statement of profit or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. The gain or loss arising on translation of a non-monetary item measured at fair value is treated in line with the recognition of the gain or loss on change in fair value of the item (i.e., translation difference on the item whose fair value gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss, respectively).

NOTES TO FINANCIAL STATEMENTS

31 March 2025

2.4 Material Accounting Policies – Continued

Foreign currencies – continued

In determining the exchange rate on initial recognition of the related asset, expense or income on the derecognition of a non-monetary asset or non-monetary liability relating to an advance consideration, the date of initial transaction is the date on which the Group initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of the advance consideration.

The functional currencies of certain overseas subsidiaries and associates are currencies other than the Hong Kong dollar. As at the end of the reporting period, the assets and liabilities of these entities are translated into Hong Kong dollars at the exchange rates prevailing at the end of the reporting period and their statements of profit or loss are translated into Hong Kong dollars at the exchange rates that approximate to those prevailing at the dates of the transactions. The resulting exchange differences are recognised in other comprehensive income and accumulated in the exchange equalisation reserve, except to the extent that the differences are attributable to non-controlling interests. On disposal of a foreign operation, the cumulative amount in the reserve relating to that particular foreign operation is recognised in the statement of profit or loss.

Any goodwill arising on the acquisition of a foreign operation and any fair value adjustments to the carrying amounts of assets and liabilities arising on acquisition are treated as assets and liabilities of the foreign operation and translated at the closing rate.

For the purpose of the consolidated statement of cash flows, the cash flows of overseas subsidiaries are translated into Hong Kong dollars at the exchange rates ruling at the dates of the cash flows. Frequently recurring cash flows of overseas subsidiaries which arise throughout the year are translated into Hong Kong dollars at the weighted average exchange rates for the year.



3. Significant Accounting Judgements and Estimates

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

The major judgements, estimates and assumptions that have the most significant effect on the amounts recognised in the financial statements are set out below:

(i) Impairment of non-financial assets

The Group assesses whether there are any indicators of impairment for all non-financial assets (including the right-of-use assets) at the end of each reporting period. Non-financial assets with finite useful lives are tested for impairment when there are indicators that the carrying amounts may not be recoverable. An impairment exists when the carrying value of an asset or a cash-generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The calculation of the fair value less costs of disposal is based on available data from binding sales transactions in an arm's length transaction of similar assets or observable market prices less incremental costs for disposing of the asset. When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit using key assumptions such as growth rates, budgeted revenue and general price inflation, and choose a suitable discount rate in order to calculate the present value of those cash flows. The carrying amounts of non-financial assets with finite useful lives are disclosed in notes 13, 15 and 18 to the financial statements.

(ii) Impairment of passenger service licences, other intangible assets with indefinite useful lives and goodwill

The Group determines whether the passenger service licences, other intangible assets with indefinite useful lives and goodwill are impaired at least on an annual basis. This requires an estimation of the value in use of the cash-generating units to which the passenger service licences, other intangible assets with indefinite useful lives and goodwill are allocated. Estimating the value in use requires the Group to make an estimate of the expected future cash flows from the cash-generating units and also to choose a suitable discount rate in order to calculate the present value of those cash flows. Further details are included in notes 16, 17 and 18 to the financial statements.

(iii) Useful lives of other intangible assets

In determining the useful lives of other intangible assets, the Group considers the expected period in which economic benefits can be generated from the other intangible assets. The Group determines the other intangible assets with indefinite useful life if there is no foreseeable limit to the period over which the other intangible assets are expected to generate net cash inflow for the Group. Useful lives are reviewed on an annual basis and future amortisation charges are adjusted where management believes the useful lives differ from previous estimates.

NOTES TO FINANCIAL STATEMENTS

31 March 2025

3. Significant Accounting Judgements and Estimates – Continued

(iv) Estimation of fair value of investment properties and buildings

Investment properties and buildings are stated at their fair values. The fair value at the end of each reporting period was based on a valuation on these properties estimated by the directors or conducted by an independent firm of professionally qualified valuers using property valuation techniques which involve making assumptions on certain market conditions. Favourable or unfavourable changes to these assumptions would result in changes in the fair values of the Group's investment properties and buildings and the corresponding adjustments to the gain or loss recognised in profit or loss or other comprehensive income, as appropriate. Further details are included in notes 13 and 14 to the financial statements.

(v) Income taxes

The Group has exposure to income taxes in different jurisdictions. Significant judgement is involved in determining the provision for income taxes. Determining income tax provisions involves judgement on the future tax treatment of certain transactions and interpretation of tax rules. The Group carefully evaluates tax implications of transactions and tax provisions are set up accordingly. The tax treatment of such transactions is reconsidered periodically to take into account all changes in tax legislation, interpretations and practices in respect thereof.

There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

(vi) Provision for expected credit losses on trade receivables

The Group uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by geography and customer type).

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults, the historical default rates are adjusted. At each reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation among historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of a customer's actual default in the future. The information about the ECLs on the Group's trade receivables is disclosed in note 23 to the financial statements.



4. Operating Segment Information

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

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

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

Segment assets exclude deferred tax assets, tax recoverable, pledged time deposits and restricted cash, and financial assets at fair value through profit or loss as these assets are managed on a group basis.

Segment liabilities exclude interest-bearing bank borrowings, tax payable and deferred tax liabilities as these liabilities are managed on a group basis.

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.

NOTES TO FINANCIAL STATEMENTS

31 March 2025

4. Operating Segment Information – Continued

Year ended 31 March 2025/at 31 March 2025

	Non-franchised bus HK\$'000	Limousine HK\$'000	Franchised bus and PLB HK\$'000	Chinese Mainland business HK\$'000	Others HK\$'000	Intersegment eliminations HK\$'000	Total HK\$'000
Segment revenue:							
External sales	1,733,026	312,987	232,375	250,450	1,078	-	2,529,916
Intersegment sales	26,022	107,962	270	-	-	(134,254)	-
Other revenue	132,745	9,402	17,255	14,981	3,027	(49,063)	128,347
Total segment revenue	1,891,793	430,351	249,900	265,431	4,105	(183,317)	2,658,263
Segment results	223,467	37,878	(7,854)	17,392	(3,410)	-	267,473
Reconciliation:							
Finance costs (other than interest on lease liabilities)							(106,779)
Profit before tax							160,694
Segment assets	3,183,382	329,393	261,621	830,238	153,842	-	4,758,476
Reconciliation:							
Unallocated assets							113,726
Total assets							4,872,202
Segment liabilities	474,047	140,667	74,969	128,060	68,998	-	886,741
Reconciliation:							
Unallocated liabilities							1,829,089
Total liabilities							2,715,830

NOTES TO FINANCIAL STATEMENTS

31 March 2025



4. Operating Segment Information – Continued

Year ended 31 March 2025/at 31 March 2025 – continued

	Non-franchised bus HK\$'000	Limousine HK\$'000	Franchised bus and PLB HK\$'000	Chinese Mainland business HK\$'000	Others HK\$'000	Total HK\$'000
Other segment information:						
Interests in joint ventures	-	2,000	-	-	-	2,000
Interests in associates	64,628	-	-	-	2,713	67,341
Share of losses of joint ventures	6,894	-	-	-	-	6,894
Share of profits of associates	(20,868)	-	-	-	(907)	(21,775)
Capital expenditure*	100,991	16,857	347	62,816	92,298	273,309
Bank interest income	4,274	727	240	85	-	5,326
Depreciation of property, plant and equipment	112,814	26,951	24,188	46,415	646	211,014
Depreciation of right-of-use assets	33,296	7,188	6,316	5,112	3,015	54,927
Amortisation of other intangible assets	11,686	2,320	-	327	-	14,333
Fair value loss on investment properties, net	1,636	-	2,810	31,309	-	35,755
Impairment of passenger service licences	-	-	13,500	-	-	13,500
Impairment/(reversal of impairment) of trade receivables, net	(1,804)	1,912	(19)	(71)	-	18
Impairment of financial assets included in prepayments, deposits and other receivables, net	17,096	2,509	-	-	-	19,605
Loss/(gain) on disposal of items of property, plant and equipment, net	917	(221)	8	22	-	726

* Capital expenditure consists of additions to property, plant and equipment, including those arising from the acquisition of a subsidiary, and leasehold land included in right-of-use assets, and deposits paid for purchases of items of property, plant and equipment.

NOTES TO FINANCIAL STATEMENTS

31 March 2025

4. Operating Segment Information – Continued

Year ended 31 March 2024/at 31 March 2024

	Non- franchised bus HK\$'000	Limousine HK\$'000	Franchised bus and PLB HK\$'000	Chinese Mainland business HK\$'000	Others HK\$'000	Intersegment eliminations HK\$'000	Total HK\$'000
Segment revenue:							
External sales	1,424,219	231,221	206,634	231,705	1,638	–	2,095,417
Intersegment sales	25,121	66,962	23	222	15	(92,343)	–
Other revenue	112,469	9,351	8,353	16,550	694	(34,327)	113,090
Total segment revenue	1,561,809	307,534	215,010	248,477	2,347	(126,670)	2,208,507
Segment results	152,122	(14,387)	17,878	29,856	(315)	–	185,154
Reconciliation:							
Finance costs (other than interest on lease liabilities)							(116,922)
Profit before tax							68,232
Segment assets	3,068,148	276,222	234,263	840,460	55,906	–	4,474,999
Reconciliation:							
Unallocated assets							102,450
Total assets							4,577,449
Segment liabilities	436,592	109,412	46,080	113,856	62,948	–	768,888
Reconciliation:							
Unallocated liabilities							1,795,503
Total liabilities							2,564,391

NOTES TO FINANCIAL STATEMENTS

31 March 2025



4. Operating Segment Information – Continued

Year ended 31 March 2024/at 31 March 2024 – continued

	Non- franchised bus HK\$'000	Limousine HK\$'000	Franchised bus and PLB HK\$'000	Chinese Mainland business HK\$'000	Others HK\$'000	Total HK\$'000
Other segment information:						
Interest in a joint venture	1,259	–	–	–	–	1,259
Interests in associates	54,313	–	–	–	2,306	56,619
Share of loss of a joint venture	7,956	–	–	–	–	7,956
Share of profits of associates	(3,509)	–	–	–	(1,615)	(5,124)
Capital expenditure*	22,090	36,187	8,258	67,424	–	133,959
Bank interest income	6,088	623	6	164	–	6,881
Depreciation of property, plant and equipment	121,509	31,682	26,150	43,457	352	223,150
Depreciation of right-of-use assets	28,646	3,779	12	3,373	1,631	37,441
Amortisation of other intangible assets	10,194	2,320	–	337	–	12,851
Fair value loss/(gain) on investment properties, net	(14,065)	–	1,580	7,648	–	(4,837)
Impairment/(reversal of impairment) of trade receivables, net	3,004	1,186	19	(358)	(2)	3,849
Impairment of financial assets included in prepayments, deposits and other receivables, net	474	–	–	–	–	474
Loss/(gain) on disposal of items of property, plant and equipment, net	(1,159)	229	(53)	2,010	–	1,027

* Capital expenditure consists of additions to property, plant and equipment and other intangible assets, and deposits paid for purchases of items of property, plant and equipment.

NOTES TO FINANCIAL STATEMENTS

31 March 2025

4. Operating Segment Information – Continued

Geographical information

(a) Revenue from external customers

	2025 HK\$'000	2024 HK\$'000
Hong Kong and Macau	2,279,466	1,863,712
Chinese Mainland	250,450	231,705
Total revenue	2,529,916	2,095,417

The revenue information above is based on the locations of the entities from which the revenue is derived.

(b) Non-current assets

	2025 HK\$'000	2024 HK\$'000
Hong Kong and Macau	2,617,110	2,487,817
Chinese Mainland	1,083,728	1,104,440
Total non-current assets	3,700,838	3,592,257

The non-current asset information above is based on the locations of the assets and excludes financial instruments and deferred tax assets.

Information about major customers

No information about major customers is presented as no more than 10% of the Group's revenue was derived from sales to any single customer during the year (2024: Nil).

5. Revenue, Other Income and Gains, Net

An analysis of revenue is as follows:

	2025 HK\$'000	2024 HK\$'000
Revenue from contracts with customers	2,526,477	2,092,808
Revenue from other sources		
Gross rental income from certain investment property operating leases:		
Lease payments, including fixed payments	3,439	2,609
Total	2,529,916	2,095,417

NOTES TO FINANCIAL STATEMENTS

31 March 2025



5. Revenue, Other Income and Gains, Net – Continued

Revenue from contracts with customers

(i) Disaggregated revenue information

For the year ended 31 March 2025

Segments	Non-franchised bus HK\$'000	Limousine HK\$'000	Franchised bus and PLB HK\$'000	Chinese Mainland business HK\$'000	Others HK\$'000	Total HK\$'000
Types of services						
Provision of transportation services	1,733,026	312,987	232,375	13,952	–	2,292,340
Provision of hotel and tourism services	–	–	–	233,059	–	233,059
Provision of other services	–	–	–	–	1,078	1,078
Total	1,733,026	312,987	232,375	247,011	1,078	2,526,477
Timing of revenue recognition						
Services transferred over time	1,733,026	312,987	232,375	247,011	1,078	2,526,477

For the year ended 31 March 2024

Segments	Non-franchised bus HK\$'000	Limousine HK\$'000	Franchised bus and PLB HK\$'000	Chinese Mainland business HK\$'000	Others HK\$'000	Total HK\$'000
Types of services						
Provision of transportation services	1,424,219	231,221	206,634	15,417	–	1,877,491
Provision of hotel and tourism services	–	–	–	213,679	–	213,679
Provision of other services	–	–	–	–	1,638	1,638
Total	1,424,219	231,221	206,634	229,096	1,638	2,092,808
Timing of revenue recognition						
Services transferred over time	1,424,219	231,221	206,634	229,096	1,638	2,092,808

NOTES TO FINANCIAL STATEMENTS

31 March 2025

5. Revenue, Other Income and Gains, Net – Continued

Revenue from contracts with customers – continued

(i) Disaggregated revenue information – continued

The following table shows the amounts of revenue recognised in the current reporting period that were included in the contract liabilities at the beginning of the reporting period:

	2025 HK\$'000	2024 HK\$'000
Revenue recognised that was included in contract liabilities at the beginning of the reporting period:		
Non-franchised bus and limousine services	123,974	119,327
Franchised bus and PLB services	9	70
Chinese Mainland bus services	1,879	1,854
Hotel and tourism services	1,888	2,226
Total	127,750	123,477

(ii) Performance obligations

Information about the Group's performance obligations is summarised below:

Transportation services

The performance obligations are satisfied over time as services are rendered and services are generally completed within a short period of time. Payment of the transaction price is due upon completion of services or within 30 to 90 days from the completion of services.

Hotel and tourism services

The performance obligations are satisfied over time as services are rendered and customers simultaneously receive and consume the benefits. Payment of the transaction price is due upon completion of services or within 30 to 90 days from the completion of services.

At the end of the reporting period, the amounts of transaction prices allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) are expected to be recognised as revenue within one year from contract inception. As permitted under HKFRS 15, the Group has elected the practical expedient of not disclosing the remaining performance obligations for these types of contracts.

NOTES TO FINANCIAL STATEMENTS

31 March 2025



5. Revenue, Other Income and Gains, Net – Continued

An analysis of other income and gains, net is as follows:

	2025 HK\$'000	2024 HK\$'000
Other income		
Bank interest income	5,326	6,881
Other interest income	1,533	1,046
Gross rental income	16,518	15,906
Advertising income	12,395	16,034
Government subsidies (note)	57,864	40,721
Others	33,356	26,577
Total other income	126,992	107,165
Gains, net		
Fair value gain on financial assets at fair value through profit or loss	1,043	1,088
Fair value gain on investment properties, net	–	4,837
Gain on bargain purchase	312	–
Total gains, net	1,355	5,925
Total other income and gains, net	128,347	113,090

Note:

Government subsidies mainly represent subsidies granted by the Government of the Hong Kong Special Administrative Region in connection with the replacement of environmentally friendly commercial vehicles. The subsidies relating to the replacement of environmentally friendly commercial vehicles are credited to a deferred income account and are released to the statement of profit or loss over the expected useful lives of the motor vehicles. There are no unfulfilled conditions or contingencies relating to these subsidies.

NOTES TO FINANCIAL STATEMENTS

31 March 2025

6. Finance Costs

An analysis of finance costs is as follows:

	2025 HK\$'000	2024 HK\$'000
Interests on:		
Bank loans	104,574	112,416
Lease liabilities	8,165	4,617
Amortisation of debt establishment costs	2,205	4,506
Total	114,944	121,539

7. Profit Before Tax

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

	2025 HK\$'000	2024 HK\$'000
Auditor's remuneration	4,000	3,800
Depreciation of property, plant and equipment*	211,014	223,150
Depreciation of right-of-use assets*	54,927	37,441
Amortisation of other intangible assets*	14,333	12,851
Lease payments not included in the measurement of lease liabilities (note 15(c))*	31,364	20,480
Employee benefit expense (including directors' and chief executive's remuneration (note 8))*:		
Wages, salaries, bonuses and other benefits	1,068,223	848,916
Equity-settled share option expense	7,575	1,480
Pension scheme contributions#	44,426	42,025
Total	1,120,224	892,421
Direct operating expenses (including repairs and maintenance) arising from rental-earning investment properties	111	533
Fair value loss/(gain) on investment properties, net	35,755^	(4,837)
Foreign exchange differences, net^	2,740	1,609
Impairment of passenger service licences (note 17)^	13,500	–
Impairment of trade receivables, net (note 23)^	18	3,849
Impairment of financial assets included in prepayments, deposits and other receivables, net (note 24)^	19,605	474
Loss on disposal of items of property, plant and equipment, net^	726	1,027

NOTES TO FINANCIAL STATEMENTS

31 March 2025



7. Profit Before Tax – Continued

Notes:

* The cost of services rendered for the year amounted to HK\$1,868,029,000 (2024: HK\$1,638,622,000) and included depreciation of property, plant and equipment of HK\$189,228,000 (2024: HK\$200,200,000), depreciation of right-of-use assets of HK\$27,698,000 (2024: HK\$13,664,000), amortisation of other intangible assets of HK\$14,333,000 (2024: HK\$12,851,000), employee benefit expense of HK\$835,128,000 (2024: HK\$680,544,000) and lease payments of HK\$26,154,000 (2024: HK\$16,776,000).

As at 31 March 2025, there were no material forfeited contributions available to the Group to reduce its contributions to the pension schemes in future years (2024: Nil).

^ These items were included in “Other expenses, net” in the consolidated statement of profit or loss.

8. Directors’ and Chief Executive’s Remuneration

Directors’ and chief executive’s remuneration for the year, disclosed pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, section 383(1)(a), (b), (c) and (f) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation, is as follows:

	2025 HK\$’000	2024 HK\$’000
Fees	1,045	850
Other emoluments:		
Salaries and other benefits	8,400	7,100
Bonuses	1,800	–
Equity-settled share option expense	2,626	342
Pension scheme contributions	72	72
Subtotal	12,898	7,514
Total	13,943	8,364

In the prior year, certain directors were granted share options, in respect of their services to the Group, under the share option scheme of the Company, further details of which are set out in note 32 to the financial statements. The fair value of such options, which has been recognised in the statement of profit or loss over the vesting period, was determined as at the date of grant and the amount included in the financial statements for the current year is included in the above directors’ and chief executive’s remuneration disclosures.

(a) Independent non-executive directors

The fees paid to independent non-executive directors during the year were as follows:

	2025 HK\$’000	2024 HK\$’000
Mr. Chan Bing Woon, SBS, JP	380	340
Mr. James Mathew Fong	285	255
Mr. Chan Fong Kong, Francis	285	255
Ms. Cheung Ka Wan*	95	–
Total	1,045	850

* Ms. Cheung Ka Wan was appointed as an independent non-executive director of the Company on 1 December 2024.

There were no other emoluments payable to the independent non-executive directors during the year (2024: Nil).

NOTES TO FINANCIAL STATEMENTS

31 March 2025

8. Directors' and Chief Executive's Remuneration – Continued

(b) Executive directors

	Fees HK\$'000	Salaries and other benefits HK\$'000	Bonuses HK\$'000	Equity-settled share option expense HK\$'000	Pension scheme contributions HK\$'000	Total remuneration HK\$'000
2025						
Mr. Wong Leung Pak, Matthew, BBS	-	2,400	600	-	-	3,000
Mr. Wong Cheuk On, James	-	3,000	600	1,313	36	4,949
Mr. Lo Man Po	-	3,000	600	1,313	36	4,949
Total	-	8,400	1,800	2,626	72	12,898
2024						
Mr. Wong Leung Pak, Matthew, BBS	-	1,900	-	-	-	1,900
Mr. Wong Cheuk On, James	-	2,600	-	171	36	2,807
Mr. Lo Man Po	-	2,600	-	171	36	2,807
Total	-	7,100	-	342	72	7,514

During the year, no remuneration was paid or payable by the Group to the directors as an inducement to join or upon joining the Group or as compensation for loss of office (2024: Nil).

There was no arrangement under which a director or the chief executive waived or agreed to waive any remuneration during the year (2024: Nil).

9. Five Highest Paid Employees

The five highest paid employees during the year included two (2024: two) directors, details of whose remuneration are set out in note 8 above. Details of the remuneration for the year of the remaining three (2024: three) highest paid employees who are neither a director nor chief executive of the Company are as follows:

	2025 HK\$'000	2024 HK\$'000
Salaries and other benefits	8,088	6,844
Bonuses	1,416	-
Equity-settled share option expense	2,284	461
Pension scheme contributions	36	134
Total	11,824	7,439

NOTES TO FINANCIAL STATEMENTS

31 March 2025



9. Five Highest Paid Employees – Continued

The number of non-director and non-chief executive highest paid employees whose remuneration fell within the following bands is as follows:

	Number of employees	
	2025	2024
HK\$1,500,001 to HK\$2,000,000	–	1
HK\$2,500,001 to HK\$3,000,000	–	2
HK\$3,000,001 to HK\$3,500,000	1	–
HK\$3,500,001 to HK\$4,000,000	1	–
HK\$4,500,001 to HK\$5,000,000	1	–
Total	3	3

In the prior year, share options were granted to certain non-director and non-chief executive highest paid employees in respect of their services to the Group, further details of which are included in the disclosures in note 32 to the financial statements. The fair value of such options, which has been recognised in the statement of profit or loss over the vesting period, was determined as at the date of grant and the amount included in the financial statements for the current year is included in the above non-director and non-chief executive highest paid employees' remuneration disclosures.

During the year, no remuneration was paid or payable by the Group to the highest paid employees as an inducement to join or upon joining the Group or as compensation for loss of office (2024: Nil).

10. Income Tax

Hong Kong profits tax has been provided at the rate of 16.5% (2024: 16.5%) on the estimated assessable profits arising in Hong Kong during the year, 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 (2024: HK\$2,000,000) of assessable profits of this subsidiary are taxed at 8.25% (2024: 8.25%) and the remaining assessable profits are taxed at 16.5% (2024: 16.5%). Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the jurisdictions in which the Group operates.

	2025 HK\$'000	2024 HK\$'000
Current:		
Hong Kong		
Charge for the year	22,233	25,801
Overprovision in prior years	(3,169)	(1,474)
Chinese Mainland		
Charge for the year	9,126	2,019
Deferred (note 30)	(14,876)	(10,283)
Total tax charge for the year	13,314	16,063

NOTES TO FINANCIAL STATEMENTS

31 March 2025

10. Income Tax – Continued

A reconciliation of the tax expense/(credit) applicable to profit before tax at the statutory rates for the jurisdictions in which the Company and the majority of its subsidiaries are domiciled and/or operate to the tax charge at the Group's effective tax rates is as follows:

2025

	Hong Kong		Chinese Mainland		Total
	HK\$'000	%	HK\$'000	%	HK\$'000
Profit before tax	135,427		25,267		160,694
Tax at the statutory tax rate	22,345	16.5	6,317	25.0	28,662
Lower tax rate under two-tiered profits tax rates regime	(165)		–		(165)
Different tax rates enacted by specific jurisdictions	–		(5,800)		(5,800)
Adjustments in respect of current tax of previous periods	(3,169)		–		(3,169)
Loss attributable to a joint venture	1,138		–		1,138
Profits and losses attributable to associates	(3,593)		–		(3,593)
Income not subject to tax, net	(3,221)		(2,589)		(5,810)
Expenses not deductible for tax	9,708		3,085		12,793
Tax losses utilised from previous periods	(22,095)		(3,245)		(25,340)
Tax losses not recognised	2,269		3,374		5,643
Others	8,955		–		8,955
Tax charge at the Group's effective tax rate	12,172		1,142		13,314

NOTES TO FINANCIAL STATEMENTS

31 March 2025



10. Income Tax – Continued

2024

	Hong Kong		Chinese Mainland		Total
	HK\$'000	%	HK\$'000	%	HK\$'000
Profit before tax	34,283		33,949		68,232
Tax at the statutory tax rate	5,657	16.5	8,487	25.0	14,144
Lower tax rate under two-tiered profits tax rates regime	(165)		–		(165)
Different tax rates enacted by specific jurisdictions	–		(3,946)		(3,946)
Adjustments in respect of current tax of previous periods	(1,474)		–		(1,474)
Loss attributable to a joint venture	1,312		–		1,312
Profits and losses attributable to associates	(845)		–		(845)
Income not subject to tax, net	(9,540)		(1,105)		(10,645)
Expenses not deductible for tax	2,660		8,860		11,520
Tax losses utilised from previous periods	(10,842)		(8,213)		(19,055)
Tax losses not recognised	19,545		834		20,379
Others	4,838		–		4,838
Tax charge at the Group's effective tax rate	11,146		4,917		16,063

The share of tax attributable to associates amounting to HK\$3,593,000 (2024: HK\$1,429,000) is included in "Share of profits and losses of associates" in the consolidated statement of profit or loss.

11. Dividend

	2025 HK\$'000	2024 HK\$'000
Dividend recognised as distribution during the year: Final 2024 – HK2 cents (2023: Nil) per ordinary share	9,536	–
Dividend proposed after the end of the reporting period: Proposed final 2025 – HK4 cents (2024: HK2 cents) per ordinary share	19,071	9,536

The proposed final dividend for the year is subject to the approval of the Company's shareholders at the forthcoming annual general meeting.

NOTES TO FINANCIAL STATEMENTS

31 March 2025

12. Earnings Per Share Attributable to Ordinary Equity Holders of the Parent

The calculation of the basic earnings per share amount is based on the profit for the year attributable to owners of the parent of HK\$127,132,000 (2024: HK\$32,087,000), and the weighted average number of ordinary shares of 476,776,842 (2024: 476,776,842) outstanding during the year.

No adjustment has been made to the basic earnings per share amount in respect of a dilution as the impact of share options outstanding had no dilutive effect on the basic earnings per share amount presented.

13. Property, Plant and Equipment

	Buildings HK\$'000	Hotel building HK\$'000	Bus terminal structures HK\$'000	Garage and leasehold improvements HK\$'000	Motor buses and vehicles HK\$'000	Furniture, fixtures and office machinery HK\$'000	Equipment and tools HK\$'000	Scenic area establishments HK\$'000	Construction in progress HK\$'000	Total HK\$'000
31 March 2025										
At cost or valuation:										
At 1 April 2024	91,709	67,663	54,024	55,157	2,610,101	148,996	120,006	550,041	8,901	3,706,598
Additions	25,069	483	-	4,556	52,446	6,544	6,980	5,033	33,154	134,265
Acquisition of a subsidiary (note 36)	-	-	-	-	-	-	14	-	-	14
Disposals/write-off	(2,761)	-	(666)	(283)	(82,750)	(1,713)	(294)	(11,091)	-	(99,558)
Surplus/(deficit) on revaluation	16,980	(2,963)	-	-	-	-	-	-	-	14,017
Transfer upon revaluation*	(17,857)	-	-	-	-	-	-	-	-	(17,857)
Transfer from investment properties (note 14)	-	3,029	-	-	-	-	-	-	-	3,029
Transfer to investment properties (note 14)	(1,600)	-	-	-	-	-	-	-	-	(1,600)
Reclassification	-	-	-	-	-	-	-	40,349	(40,349)	-
Exchange realignment	(1,927)	(814)	(439)	(650)	(5,013)	(595)	(935)	(4,227)	(181)	(14,781)
At 31 March 2025	109,613	67,398	52,919	58,780	2,574,784	153,232	125,771	580,105	1,525	3,724,127
Accumulated depreciation:										
At 1 April 2024	13,903	23,320	24,219	41,892	1,915,374	116,432	91,719	185,204	-	2,412,063
Provided during the year	5,661	1,400	2,406	3,748	156,424	10,285	9,601	21,489	-	211,014
Disposals/write-off	(1,136)	-	(666)	(283)	(76,962)	(1,540)	(264)	(1,686)	-	(82,537)
Transfer upon revaluation*	(17,857)	-	-	-	-	-	-	-	-	(17,857)
Exchange realignment	(29)	(316)	(139)	(525)	(2,421)	(469)	(942)	(2,548)	-	(7,389)
At 31 March 2025	542	24,404	25,820	44,832	1,992,415	124,708	100,114	202,459	-	2,515,294
Net book value:										
At 31 March 2025	109,071	42,994	27,099	13,948	582,369	28,524	25,657	377,646	1,525	1,208,833

* The transfer was related to the accumulated depreciation as at the revaluation date that was eliminated against the gross carrying amount of the revalued assets.

NOTES TO FINANCIAL STATEMENTS

31 March 2025



13. Property, Plant and Equipment – Continued

	Buildings HK\$'000	Hotel building HK\$'000	Bus terminal structures HK\$'000	Garage and leasehold improvements HK\$'000	Motor buses and vehicles HK\$'000	Furniture, fixtures and office machinery HK\$'000	Equipment and tools HK\$'000	Scenic area establishments HK\$'000	Construction in progress HK\$'000	Total HK\$'000
31 March 2024										
At cost or valuation:										
At 1 April 2023	92,853	70,690	56,038	51,796	2,618,483	146,354	120,464	531,238	11,404	3,699,320
Additions	530	416	218	4,539	49,073	6,473	2,399	6,923	47,488	118,059
Disposals/write-off	-	-	-	(52)	(51,951)	(1,610)	(237)	(5,213)	-	(59,063)
Surplus on revaluation	7	-	-	-	-	-	-	-	-	7
Transfer upon revaluation*	(6)	-	-	-	-	-	-	-	-	(6)
Transfer from investment properties (note 14)	890	-	-	-	-	-	-	-	-	890
Transfer to investment properties (note 14)	(131)	-	-	-	-	-	-	-	-	(131)
Reclassification	-	-	-	-	-	782	218	46,221	(47,221)	-
Exchange realignment	(2,434)	(3,443)	(2,232)	(1,126)	(5,504)	(3,003)	(2,838)	(29,128)	(2,770)	(52,478)
At 31 March 2024	91,709	67,663	54,024	55,157	2,610,101	148,996	120,006	550,041	8,901	3,706,598
Accumulated depreciation:										
At 1 April 2023	10,001	23,049	22,413	38,430	1,801,355	108,371	82,072	175,036	-	2,260,727
Provided during the year	4,717	1,619	2,416	4,382	166,360	11,706	11,352	20,598	-	223,150
Disposals/write-off	-	-	-	(52)	(47,871)	(1,443)	(138)	(1,181)	-	(50,685)
Transfer upon revaluation*	(6)	-	-	-	-	-	-	-	-	(6)
Exchange realignment	(809)	(1,348)	(610)	(868)	(4,470)	(2,202)	(1,567)	(9,249)	-	(21,123)
At 31 March 2024	13,903	23,320	24,219	41,892	1,915,374	116,432	91,719	185,204	-	2,412,063
Net book value:										
At 31 March 2024	77,806	44,343	29,805	13,265	694,727	32,564	28,287	364,837	8,901	1,294,535

* The transfer was related to the accumulated depreciation as at the revaluation date that was eliminated against the gross carrying amount of the revalued assets.

NOTES TO FINANCIAL STATEMENTS

31 March 2025

13. Property, Plant and Equipment – Continued

Other than the Group's buildings which are carried at valuation, the remaining items of property, plant and equipment are carried at historical cost less accumulated depreciation.

The Group's buildings consist of two (2024: two) bus depots, three (2024: four) commercial properties, two (2024: Nil) residential properties, two (2024: one) industrial properties and one (2024: one) car parking space in Hong Kong and seventeen (2024: seventeen) commercial properties in Chinese Mainland. The directors of the Company have determined that the buildings consist of five (2024: four) classes of assets, i.e. bus depots, commercial properties, residential properties, industrial properties and car parking space, based on the nature, characteristics and risks of each property. The Group's buildings were revalued on 31 March 2025 based on valuations performed by AVISTA Valuation Advisory Limited ("AVISTA"), an independent firm of professionally qualified valuers, at HK\$109,071,000. In the opinion of the directors, the fair values of the buildings were approximately the same as the carrying values of the respective assets as at 31 March 2025. Every three years, the Group appoints an external valuer to be responsible for the external valuations of the Group's buildings. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. The Group's senior management has discussions with the valuer on the valuation assumptions and valuation results every three years when the valuation is performed for financial reporting.

Had all the buildings been carried at historical cost less accumulated depreciation, their aggregate carrying amount would have been approximately HK\$58,300,000 (2024: HK\$38,699,000) as at 31 March 2025.

During the year, a commercial property (2024: certain of Group's buildings) was transferred from property, plant and equipment to investment properties. Such building (2024: such building) was revalued on the date of change in use based on valuation performed by AVISTA at HK\$1,600,000 (2024: HK\$131,000). A revaluation surplus of HK\$1,035,000 (2024: HK\$7,000) resulting from the above valuation has been credited to other comprehensive income.

At 31 March 2025, certain of the Group's buildings and leasehold land included in right-of-use assets (note 15(a)) with net carrying amounts of HK\$118,629,000 and HK\$680,000 (2024: HK\$108,008,000 and HK\$79,000) were pledged to secure banking facilities granted to the Group, respectively (note 28).

NOTES TO FINANCIAL STATEMENTS

31 March 2025



13. Property, Plant and Equipment – Continued

Fair value hierarchy

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

Fair value measurement as at 31 March 2025 using				
	Quoted prices in active markets (Level 1) HK\$'000	Significant observable inputs (Level 2) HK\$'000	Significant unobservable inputs (Level 3) HK\$'000	Total HK\$'000
Recurring fair value measurement for:				
Bus depots	–	–	16,110	16,110
Commercial properties	–	–	66,521	66,521
Industrial properties	–	–	25,670	25,670
Residential properties	–	–	380	380
Car parking space	–	–	390	390
Total	–	–	109,071	109,071

Fair value measurement as at 31 March 2024 using				
	Quoted prices in active markets (Level 1) HK\$'000	Significant observable inputs (Level 2) HK\$'000	Significant unobservable inputs (Level 3) HK\$'000	Total HK\$'000
Recurring fair value measurement for:				
Bus depots	–	–	14,218	14,218
Commercial properties	–	–	59,132	59,132
Industrial property	–	–	3,893	3,893
Car parking space	–	–	563	563
Total	–	–	77,806	77,806

During the year, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 (2024: Nil).

NOTES TO FINANCIAL STATEMENTS

31 March 2025

13. Property, Plant and Equipment – Continued

Fair value hierarchy – continued

Reconciliation of fair value measurements categorised within Level 3 of the fair value hierarchy:

	Bus depots HK\$'000	Commercial properties HK\$'000	Industrial properties HK\$'000	Residential properties HK\$'000	Car parking space HK\$'000	Total HK\$'000
Carrying amount at 1 April 2023	15,034	63,179	4,053	–	586	82,852
Addition	530	–	–	–	–	530
Surplus on revaluation	–	7	–	–	–	7
Transfer from investment properties	–	890	–	–	–	890
Transfer to investment properties	–	(131)	–	–	–	(131)
Depreciation	(1,346)	(3,188)	(160)	–	(23)	(4,717)
Exchange realignment	–	(1,625)	–	–	–	(1,625)
Carrying amount at 31 March 2024 and at 1 April 2024	14,218	59,132	3,893	–	563	77,806
Additions	–	682	23,976	411	–	25,069
Surplus/(deficit) on revaluation	3,238	15,593	(1,691)	(9)	(151)	16,980
Transfer to investment properties	–	(1,600)	–	–	–	(1,600)
Depreciation	(1,346)	(3,763)	(508)	(22)	(22)	(5,661)
Disposals	–	(1,625)	–	–	–	(1,625)
Exchange realignment	–	(1,898)	–	–	–	(1,898)
Carrying amount at 31 March 2025	16,110	66,521	25,670	380	390	109,071

NOTES TO FINANCIAL STATEMENTS

31 March 2025



13. Property, Plant and Equipment – Continued

Fair value hierarchy – continued

Set out below is a summary of the valuation techniques used and the key inputs to the valuation of buildings:

	Valuation techniques	Significant unobservable inputs	Range
Bus depots	Depreciated replacement cost method	Current construction cost for buildings (per square metre)	HK\$17,700 to HK\$19,800
		Depreciation rate (p.a.)	2%
Commercial properties	Market comparison method	Price per square foot	HK\$12,912 to HK\$93,614
		Price per square metre	RMB6,251 to RMB41,616
	Depreciated replacement cost method	Current construction cost for buildings (per square metre)	RMB2,700 to RMB3,000
		Depreciation rate (p.a.)	2%
Residential properties	Market comparison method	Price per square foot	HK\$5,403 to HK\$8,021
Industrial properties	Market comparison method	Price per square foot	HK\$4,004 to HK\$10,232
Car parking space	Market comparison method	Price per unit	HK\$301,000 to HK\$502,000

A significant increase/(decrease) in the current construction cost for buildings in isolation would result in a significant increase/(decrease) in the fair value of the bus depots and certain commercial properties. A significant increase/(decrease) in the depreciation rate in isolation would result in a significant (decrease)/increase in the fair value of the bus depots and certain commercial properties. The bus depots and certain commercial properties are valued by the depreciated replacement cost method. The valuations take into account the current construction costs for similar buildings and structures in the locality, age, conditions and functional obsolescence collectively.

A significant increase/(decrease) in the price per square foot, the price per square metre and the price per unit in isolation would result in a significant increase/(decrease) in the fair value of certain commercial properties, residential properties, industrial properties and car parking space. These commercial properties, residential properties, industrial properties and car parking space are valued by the market comparison method having regard to comparable sales transactions as available in the relevant market. The valuations take into account the characteristics of the properties which included the location, size, floor level, year of completion and other factors collectively.

NOTES TO FINANCIAL STATEMENTS

31 March 2025

14. Investment Properties

	2025 HK\$'000	2024 HK\$'000
Carrying amount at beginning of year	246,509	312,655
Transfer from owner-occupied properties (note 13)	1,600	131
Transfer to owner-occupied properties (note 13)	(3,029)	(890)
Transfer from right-of-use assets (note 15(a))	8,190	4,466
Transfer to right-of-use assets (note 15(a))	(7)	(30,010)
Transfer to investment property held for sale (note 34)	–	(32,566)
Net gain/(loss) from a fair value adjustment	(35,755)	4,837
Exchange realignment	(2,054)	(12,114)
Carrying amount at end of year	215,454	246,509

The directors of the Company have determined that the investment properties consist of three classes of assets, i.e. agricultural land, commercial properties and residential property, based on the nature, characteristics and risks of each property. The Group's investment properties were revalued on 31 March 2025 based on valuations performed by AVISTA, an independent firm of professionally qualified valuers, at HK\$215,454,000. Each year, the Group appoints an external valuer to be responsible for the external valuations of the Group's properties. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. The Group's senior management has discussions with the valuer on the valuation assumptions and valuation results once a year when the valuation is performed for annual financial reporting.

Certain of the investment properties are leased to third parties under operating leases, further summary details of which are included in note 15 to the financial statements.

At 31 March 2025, certain of the Group's investment properties with a carrying value of HK\$28,995,000 (2024: HK\$72,402,000) were pledged to secure banking facilities granted to the Group (note 28).

Further particulars of the Group's investment properties are included on page 152.

NOTES TO FINANCIAL STATEMENTS

31 March 2025



14. Investment Properties – Continued

Fair value hierarchy

The following tables illustrate the fair value measurement hierarchy of the Group's investment properties:

Fair value measurement as at 31 March 2025 using				
	Quoted prices in active markets (Level 1) HK\$'000	Significant observable inputs (Level 2) HK\$'000	Significant unobservable inputs (Level 3) HK\$'000	Total HK\$'000
Recurring fair value measurement for:				
Agricultural land	–	–	1,840	1,840
Commercial properties	–	–	203,944	203,944
Residential property	–	–	9,670	9,670
Total	–	–	215,454	215,454

Fair value measurement as at 31 March 2024 using				
	Quoted prices in active markets (Level 1) HK\$'000	Significant observable inputs (Level 2) HK\$'000	Significant unobservable inputs (Level 3) HK\$'000	Total HK\$'000
Recurring fair value measurement for:				
Agricultural land	–	–	2,220	2,220
Commercial properties	–	–	233,889	233,889
Residential property	–	–	10,400	10,400
Total	–	–	246,509	246,509

During the year, there were no transfers of fair value measurements between Level 1 and Level 2 and no transfers into or out of Level 3 (2024: Nil).

NOTES TO FINANCIAL STATEMENTS

31 March 2025

14. Investment Properties – Continued

Fair value hierarchy – continued

Reconciliation of fair value measurements categorised within Level 3 of the fair value hierarchy:

	Agricultural land HK\$'000	Commercial properties HK\$'000	Residential property HK\$'000	Total HK\$'000
Carrying amount at 1 April 2023	21,900	278,455	12,300	312,655
Transfer from owner-occupied properties (note 13)	–	131	–	131
Transfer to owner-occupied properties (note 13)	–	(890)	–	(890)
Transfer from right-to-use assets (note 15(a))	–	4,466	–	4,466
Transfer to right-to-use assets (note 15(a))	–	(30,010)	–	(30,010)
Transfer to investment property held for sale (note 34)	(32,566)	–	–	(32,566)
Net gain/(loss) from a fair value adjustment recognised in profit or loss	12,886	(6,149)	(1,900)	4,837
Exchange realignment	–	(12,114)	–	(12,114)
Carrying amount at 31 March 2024 and at 1 April 2024	2,220	233,889	10,400	246,509
Transfer from owner-occupied properties (note 13)	–	1,600	–	1,600
Transfer to owner-occupied properties (note 13)	–	(3,029)	–	(3,029)
Transfer from right-to-use assets (note 15(a))	–	8,190	–	8,190
Transfer to right-to-use assets (note 15(a))	–	(7)	–	(7)
Loss from a fair value adjustment recognised in profit or loss	(380)	(34,645)	(730)	(35,755)
Exchange realignment	–	(2,054)	–	(2,054)
Carrying amount at 31 March 2025	1,840	203,944	9,670	215,454

NOTES TO FINANCIAL STATEMENTS

31 March 2025



14. Investment Properties – Continued

Fair value hierarchy – continued

Below is a summary of the valuation techniques used and the key inputs to the valuation of investment properties:

	Valuation techniques	Significant unobservable inputs	Range 2025	2024
Agricultural land	Market comparison method	Price per square foot	HK\$160 to HK\$224	HK\$187 to HK\$279
Commercial properties	Market comparison method	Price per square foot (saleable)	HK\$3,583 to HK\$93,614	HK\$4,131 to HK\$114,912
	Income capitalisation approach	Estimated unit rent per square metre per month	RMB66 to RMB427	RMB80 to RMB500
		Capitalisation rate	6%	6%
Residential property	Market comparison method	Price per square foot (saleable)	HK\$3,681 to HK\$6,004	HK\$3,754 to HK\$6,775

A significant increase/(decrease) in the price per square foot and the estimated unit rent per square metre per month in isolation would result in a significant increase/(decrease) in the fair value of the investment properties. A significant increase/(decrease) in the capitalisation rate in isolation would result in a significant (decrease)/increase in the fair value of the investment properties. Under the market comparison method, the investment properties are valued having regard to comparable sales transactions as available in the relevant market. The valuations take into account the characteristics of the properties which included the location, size, floor level, year of completion and other factors collectively.

NOTES TO FINANCIAL STATEMENTS

31 March 2025

15. Leases

The Group as a lessee

The Group has lease contracts for certain of its motor buses and vehicles, office properties, ticket counters, bus depots, terminals and car parks used in its operations. Lump sum payments were made upfront to acquire the leased land from owners with lease periods of 30 to 50 years, and no ongoing payments will be made under the terms of these land leases. Leases for leased properties and motor buses and vehicles are 1 to 5 years and 3 to 5 years, respectively.

(a) Right-of-use assets

The carrying amounts of the Group's right-of-use assets and the movements during the year are as follows:

	Leasehold land HK\$'000	Leased properties HK\$'000	Motor buses and vehicles HK\$'000	Total HK\$'000
At 1 April 2023	185,309	25,423	54,200	264,932
Additions	–	25,727	43,693	69,420
Depreciation charge during the year	(8,690)	(23,183)	(5,568)	(37,441)
Remeasurement on lease modifications	–	532	–	532
Surplus on revaluation	256	–	–	256
Transfer from investment properties (note 14)	30,010	–	–	30,010
Transfer to investment properties (note 14)	(4,466)	–	–	(4,466)
Exchange realignment	(6,625)	–	–	(6,625)
At 31 March 2024 and at 1 April 2024	195,794	28,499	92,325	316,618
Additions	67,911	53,767	75,883	197,561
Depreciation charge during the year	(11,485)	(33,835)	(9,607)	(54,927)
Remeasurement on lease modifications	–	7,034	–	7,034
Surplus on revaluation	6,791	–	–	6,791
Transfer from investment properties (note 14)	7	–	–	7
Transfer to investment properties (note 14)	(8,190)	–	–	(8,190)
Exchange realignment	(1,183)	–	–	(1,183)
At 31 March 2025	249,645	55,465	158,601	463,711

As at the date of approval of these financial statements, the Group is in the process of applying the related land use right certificate of a parcel of land located in Lixian Bipenggou, the PRC (the "Leasehold Land") with a carrying value of Nil (2024: HK\$2,969,000). The Group continues to use the Leasehold Land for car parking purpose without objection from the relevant authorities. In the opinion of the directors, the application process for the land use right certificate is merely an administrative procedure and does not have any significant impact on the Group's financial statements.

NOTES TO FINANCIAL STATEMENTS

31 March 2025



15. Leases – Continued

The Group as a lessee – continued

(b) Lease liabilities

The carrying amount of lease liabilities and the movements during the year are as follows:

	2025 HK\$'000	2024 HK\$'000
At beginning of year	98,394	70,182
New leases	129,650	69,420
Remeasurement on lease modifications	7,034	532
Accretion of interest recognised during the year	8,165	4,617
Payments during the year	(72,214)	(46,357)
At end of year	171,029	98,394
Analysed into:		
Due within one year	68,458	39,200
Due in the second year	50,666	29,464
Due in the third to fifth years, inclusive	51,905	29,730
Total	171,029	98,394

The maturity analysis of lease liabilities is disclosed in note 44 to the financial statements.

(c) The amounts recognised in profit or loss in relation to leases are as follows:

	2025 HK\$'000	2024 HK\$'000
Interest on lease liabilities	8,165	4,617
Depreciation charge of right-of-use assets	54,927	37,441
Expense relating to short-term leases (note (i))	31,364	20,480
Total amount recognised in profit or loss	94,456	62,538

Note:

- (i) Expense relating to short-term leases of HK\$26,154,000 (2024: HK\$16,776,000) and HK\$5,210,000 (2024: HK\$3,704,000) has been included in cost of services rendered and administrative expenses, respectively.

(d) The total cash outflow for leases is disclosed in note 37(c) to the financial statements.

NOTES TO FINANCIAL STATEMENTS

31 March 2025

15. Leases – Continued

The Group as a lessor

The Group leases certain of its investment properties under operating lease arrangements. Rental income recognised by the Group in respect of these operating lease arrangements during the year was HK\$5,479,000 (2024: HK\$5,648,000).

At 31 March 2025, the undiscounted lease payments receivable by the Group in future periods under operating leases with its tenants are as follows:

	2025 HK\$'000	2024 HK\$'000
Within one year	4,475	3,984
After one year but within two years	2,096	384
After two years but within three years	2,096	–
After three years but within four years	1,589	–
Total	10,256	4,368

16. Goodwill

	2025 HK\$'000	2024 HK\$'000
At 31 March:		
Cost	216,962	216,962
Accumulated impairment	(15,161)	(15,161)
Net carrying amount	201,801	201,801

Impairment testing of goodwill, passenger service licences and other intangible assets with indefinite useful lives

Goodwill acquired through business combinations, passenger service licences, certain bus route operating rights with indefinite useful lives and trade name are allocated to the following groups of cash-generating units for impairment testing:

- Non-franchised bus cash-generating units (“Non-franchised Bus CGUs”);
- Limousine cash-generating units (“Limousine CGUs”); and
- PLB cash-generating unit (“PLB CGU”).

NOTES TO FINANCIAL STATEMENTS

31 March 2025



16. Goodwill – Continued

Impairment testing of goodwill, passenger service licences and other intangible assets with indefinite useful lives – continued

The carrying amounts of goodwill, passenger service licences, certain bus route operating rights with indefinite useful lives and trade name allocated to each of the cash-generating units are as follows:

	Non-franchised Bus CGUs		Limousine CGUs		PLB CGU		Total	
	2025	2024	2025	2024	2025	2024	2025	2024
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Carrying amount of goodwill	182,600	182,600	19,201	19,201	–	–	201,801	201,801
Carrying amount of passenger service licences	1,111,989	1,111,989	–	–	3,400	16,900	1,115,389	1,128,889
Carrying amount of other intangible assets with indefinite useful lives	231,952	231,952	–	–	–	–	231,952	231,952

The Group has engaged certain independent professionally qualified valuers to assist in the determination of the recoverable amounts of the Non-franchised Bus CGUs and the Limousine CGUs (2024: the Non-franchised Bus CGUs, the Limousine CGUs and the PLB CGU). The recoverable amounts of the Non-franchised Bus CGUs and the Limousine CGUs (2024: the Non-franchised Bus CGUs, the Limousine CGUs and the PLB CGU) have been determined based on a value in use calculation using cash flow projections based on financial budgets approved by senior management covering a five-year period. The discount rates applied to the cash flow projections ranged from 11.2% to 13.1% (2024: 11.5% to 13.4%). The growth rate used to extrapolate the cash flows was 2.0% (2024: 2.5%). The rate does not exceed the long term average growth rates for the relevant markets.

Assumptions were used in the value in use calculation of the Non-franchised Bus CGUs and the Limousine CGUs (2024: the Non-franchised Bus CGUs, the Limousine CGUs and the PLB CGU) for 31 March 2025 and 31 March 2024. The following describes each key assumption on which management has based its cash flow projections to undertake impairment testing of goodwill, passenger service licences, certain bus route operating rights with indefinite useful lives and trade name:

Budgeted revenue – The basis used to determine the value assigned to the budgeted revenue is the revenue achieved in the few years preceding the budget year, increased for expected economic conditions and market development.

Discount rates – The discount rates used are before tax and reflect specific risks relating to the relevant units.

General price inflation – The inflation rates used are with reference to current market conditions.

Growth rates – The growth rates used are with reference to the long term average growth rates for the relevant markets.

At the end of each reporting period, the directors of the Company considered a reasonably possible change in the key assumptions mentioned above would not cause the carrying amounts of the cash-generating units to exceed their recoverable amounts.

NOTES TO FINANCIAL STATEMENTS

31 March 2025

16. Goodwill – Continued

The recoverable amount of the PLB CGU as at 31 March 2025 has been determined based on fair value less costs of disposal with reference to the quoted market prices of the related passenger service licences and is within Level 2 fair value measurement.

Taking into account of the increasing competitive business landscape in the PLB transportation industry, the recoverable amount of the PLB CGU as at 31 March 2025 was HK\$3,400,000. An impairment loss of the passenger service licences allocated to the PLB CGU of HK\$13,500,000 was recognised during the year, which was included in “Other expenses, net” in the consolidated statement of profit or loss.

17. Passenger Service Licences

	HK\$'000
At 1 April 2023, at 31 March 2024 and at 1 April 2024:	
Cost and carrying amount	1,128,889
Cost at 1 April 2024	1,128,889
Impairment during the year	(13,500)
At 31 March 2025	1,115,389
At 31 March 2025:	
Cost	1,128,889
Accumulated impairment	(13,500)
Net carrying amount	1,115,389

Passenger service licences are allocated to the Non-franchised Bus CGUs and the PLB CGU for impairment testing. Details of impairment testing are set out in note 16 to the financial statements.

NOTES TO FINANCIAL STATEMENTS

31 March 2025



18. Other Intangible Assets

	Bus route operating rights HK\$'000	Trade name HK\$'000	Customer relationships HK\$'000	Total HK\$'000
31 March 2025				
Cost at 1 April 2024, net of accumulated amortisation	234,754	57,504	766	293,024
Acquisition of a subsidiary (note 36)	35,196	–	–	35,196
Amortisation provided during the year	(13,720)	–	(613)	(14,333)
Exchange realignment	(5)	–	–	(5)
At 31 March 2025	256,225	57,504	153	313,882
At 31 March 2025:				
Cost	480,297	57,504	7,097	544,898
Accumulated amortisation	(224,072)	–	(6,944)	(231,016)
Net carrying amount	256,225	57,504	153	313,882
31 March 2024				
Cost at 1 April 2023, net of accumulated amortisation	243,340	57,504	1,380	302,224
Addition	4,000	–	–	4,000
Amortisation provided during the year	(12,237)	–	(614)	(12,851)
Exchange realignment	(349)	–	–	(349)
At 31 March 2024	234,754	57,504	766	293,024
At 31 March 2024:				
Cost	445,306	57,504	7,097	509,907
Accumulated amortisation	(210,552)	–	(6,331)	(216,883)
Net carrying amount	234,754	57,504	766	293,024

Certain bus route operating rights and trade name of the Group are regarded as having indefinite useful lives as there is no foreseeable limit to the period over which these assets are expected to generate cash inflow for the Group. Certain bus route operating rights with indefinite useful lives and trade name are allocated to the Non-franchised Bus CGUs for impairment testing. Details of impairment testing are set out in note 16 to the financial statements.

NOTES TO FINANCIAL STATEMENTS

31 March 2025

19. Interests in Joint Ventures

	2025 HK\$'000	2024 HK\$'000
Share of net assets	2,000	1,259

During the year, the Group provided advertising services and customer service support to a joint venture for an aggregate amount of HK\$5,635,000 (2024: HK\$9,215,000), which was capitalised as equity contribution to the joint venture.

The Group's trade receivable balances due from a joint venture are disclosed in note 23 to the financial statements.

Particulars of the joint ventures are as follows:

Name	Particulars of issued shares held	Place of incorporation and business	Ownership interest		Percentage of Voting power		Profit sharing		Principal activities
			2025	2024	2025	2024	2025	2024	
ZAKC Limited	4,900 ordinary shares	Hong Kong	49	49	50	50	49	49	Operation of bus ticketing platforms
Big Boss Taxi Co., Limited	2,500 ordinary shares	Hong Kong	25	–	25	–	25	–	Provision of transportation services

The above investments are indirectly held by the Company.

Certain joint venture has a financial year end of 31 December. The consolidated financial statements of the Group are adjusted for the material transactions between 1 January and 31 March.

The following table illustrates the aggregate financial information of the Group's joint ventures that are not individually material:

	2025 HK\$'000	2024 HK\$'000
Share of the joint ventures' loss and total comprehensive loss for the year	6,894	7,956
Aggregate carrying amount of the Group's interests in the joint ventures	2,000	1,259

NOTES TO FINANCIAL STATEMENTS

31 March 2025



20. Interests in Associates

	2025 HK\$'000	2024 HK\$'000
Share of net assets	23,671	9,705
Due from associates	11,630	14,874
Loan to an associate	32,040	32,040
Total	67,341	56,619

The amounts due from associates and loan to an associate are unsecured, interest-free and repayable on demand.

In the opinion of the directors, the amounts due from associates and loan to an associate are unlikely to be repaid in the foreseeable future and are considered as part of the Group's net investments in the associates. There was no recent history of default and past due amounts for the amounts due from associates and loan to an associate. As at 31 March 2025 and 2024, the loss allowance was assessed to be minimal.

Particulars of the associates are as follows:

Name	Particulars of issued shares held/ paid-up capital	Place of incorporation/ registration and business	Percentage of ownership interest attributable to the Group		Principal activities
			2025	2024	
All China Express Limited*	81 ordinary shares	Hong Kong	–	46.8	Provision of bus and travel-related services
Kowloon Tong Express Services Limited^	14 ordinary shares	Hong Kong	–	35.9	Provision of bus and travel-related services
Hong Kong-Zhuhai-Macao Bridge Shuttle Bus Company Limited	200,000 ordinary shares	Hong Kong	20.0	20.0	Provision of bus and travel-related services
G. D., H.K. and Macao System Technology Company Limited	220,000 ordinary shares	Hong Kong	22.0	22.0	Provision of transportation services
Huiketong Technology (Zhuhai) Limited	RMB1,540,000	PRC/ Chinese Mainland	22.0	22.0	Provision of ticketing services
Starnet Media Group Company Limited ("Starnet")#	5 ordinary shares	Hong Kong	50.0	50.0	Provision of advertising services
Howell International Travel Service Limited	Macau Pataca 1,500,000	Macau	30.0	30.0	Provision of bus and travel-related services

* During the year, the Group obtained control over ACE and ACE became a subsidiary of the Group thereafter. Further details of this business combination are disclosed in note 36 to the financial statements.

^ During the year, Kowloon Tong Express Services Limited was deregistered.

Pursuant to the shareholders' deed, the Group could appoint 2 representatives, out of 5, to the board of directors of Starnet and all decision making shall be carried by a simple majority vote of the directors. In the opinion of the directors, the Group is in a position to exercise significant influence over the financial and operating policy decisions of Starnet through its participation in the board.

NOTES TO FINANCIAL STATEMENTS

31 March 2025

20. Interests in Associates – Continued

Certain associates have a financial year end of 31 December to conform with their holding companies' reporting date. The consolidated financial statements of the Group are adjusted for the material transactions between 1 January and 31 March.

The following table illustrates the aggregate financial information of the Group's associates that are not individually material:

	2025 HK\$'000	2024 HK\$'000
Share of the associates' profit and total comprehensive income for the year	21,775	5,124
Aggregate carrying amount of the Group's interests in the associates	67,341	56,619

21. Equity Investments Designated at Fair Value through Other Comprehensive Income

	2025 HK\$'000	2024 HK\$'000
Unlisted equity investments, at fair value		
Hong Kong International Airport Passenger Service (Macao) Co. Ltd.	5,575	2,059
Hong Kong & Macao International Airport Transportation Service (HK) Co. Limited	7,531	2,790
Total	13,106	4,849

The above equity investments were irrevocably designated at fair value through other comprehensive income as the Group considers these investments to be strategic in nature.

22. Financial Assets at Fair Value through Profit or Loss

	2025 HK\$'000	2024 HK\$'000
Unlisted investments, at fair value	35,656	34,613

The unlisted investments were mandatorily classified as financial assets at fair value through profit or loss as their contractual cash flows are not solely payments of principal and interest.

NOTES TO FINANCIAL STATEMENTS

31 March 2025



23. Trade Receivables

	2025 HK\$'000	2024 HK\$'000
Trade receivables	371,300	304,563
Impairment	(32,388)	(32,487)
Net carrying amount	338,912	272,076

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

Included in the Group's trade receivables are an amount due from a joint venture of HK\$17,006,000 (2024: HK\$3,456,000) and amounts due from associates of HK\$13,342,000 (2024: HK\$36,676,000), which are repayable within 90 days.

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

	2025 HK\$'000	2024 HK\$'000
Within 30 days	117,947	104,527
31 to 60 days	129,671	104,991
61 to 90 days	36,126	1,900
Over 90 days	55,168	60,658
Total	338,912	272,076

The movements in the loss allowance for impairment of trade receivables are as follows:

	2025 HK\$'000	2024 HK\$'000
At beginning of year	32,487	28,705
Impairment losses, net (note 7)	18	3,849
Exchange realignment	(117)	(67)
At end of year	32,388	32,487

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e., by geographical region and customer type). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade receivables are written off if past due for more than one year and are not subject to enforcement activity.

NOTES TO FINANCIAL STATEMENTS

31 March 2025

23. Trade Receivables – Continued

Set out below is the information about the credit risk exposure on the Group's trade receivables using a provision matrix:

As at 31 March 2025

	Credit-impaired receivables	Current	Past due			Total
			Less than 1 month	1 to 3 months	Over 3 months	
Expected credit loss rate	100%	0.81%	2.00%	3.67%	31.70%	8.72%
Gross carrying amount (HK\$'000)	1,261	101,785	130,038	57,465	80,751	371,300
Expected credit losses (HK\$'000)	1,261	822	2,596	2,110	25,599	32,388

As at 31 March 2024

	Credit-impaired receivables	Current	Past due			Total
			Less than 1 month	1 to 3 months	Over 3 months	
Expected credit loss rate	100%	0.30%	1.13%	2.34%	40.72%	10.67%
Gross carrying amount (HK\$'000)	1,261	88,413	108,897	34,985	71,007	304,563
Expected credit losses (HK\$'000)	1,261	261	1,233	818	28,914	32,487

24. Prepayments, Deposits and Other Receivables

	2025 HK\$'000	2024 HK\$'000
Prepayments	58,743	74,217
Rental and other deposits	121,662	121,291
Deposits paid for purchases of items of property, plant and equipment	94,771	23,652
Due from a joint venture	242	149
Other receivables	126,490	113,655
	401,908	332,964
Impairment	(64,281)	(48,367)
Total	337,627	284,597
Less: Portion classified as non-current assets	(130,707)	(66,938)
Portion classified as current assets	206,920	217,659

NOTES TO FINANCIAL STATEMENTS

31 March 2025



24. Prepayments, Deposits and Other Receivables – Continued

The Group allows an average credit period ranging from 30 to 90 days for its debtors. An ageing analysis of the other receivables as at the end of the reporting period, based on the due date and net of loss allowance, is as follows:

	2025 HK\$'000	2024 HK\$'000
Neither past due nor impaired	76,378	63,986
Less than 1 month past due	1,747	414
1 to 3 months past due	1,137	704
Over 3 months past due	205	333
Total	79,467	65,437

The movements in the loss allowance for impairment of financial assets included in prepayments, deposits and other receivables are as follows:

	2025 HK\$'000	2024 HK\$'000
At beginning of year	48,367	49,265
Impairment losses, net (note 7)	19,605	474
Amount written off as uncollectable	(2,509)	–
Exchange realignment	(1,182)	(1,372)
At end of year	64,281	48,367

An impairment analysis is performed at each reporting date by considering the probability of default of counterparties. The Group also takes into account the forward-looking information to reflect the debtors' probability of default under the current conditions and forecasts of future economic conditions, as appropriate. As at 31 March 2025, the probability of default applied ranged from 0.13% to 100% (2024: 0.14% to 100%) and the loss given default was estimated to be 100% (2024: 100%).

NOTES TO FINANCIAL STATEMENTS

31 March 2025

24. Prepayments, Deposits and Other Receivables – Continued

Analysis of the gross carrying amount and movements of impairment allowance of financial assets included in prepayments, deposits and other receivables as at 31 March is as follows:

As at 31 March 2025

	12-month ECLs Stage 1 HK\$'000	Lifetime ECLs not credit- impaired Stage 2 HK\$'000	Lifetime ECLs credit- impaired Stage 3 HK\$'000	Total HK\$'000
Gross carrying amount	190,304	–	58,091	248,395
ECL allowance				
At 1 April 2024	11,602	–	36,765	48,367
Loss allowance recognised (note 7)	624	–	18,981	19,605
Amount written off as uncollectable	–	–	(2,509)	(2,509)
Transfer from stage 1 to stage 3	(6,036)	–	6,036	–
Exchange realignment	–	–	(1,182)	(1,182)
At 31 March 2025	6,190	–	58,091	64,281

As at 31 March 2024

	12-month ECLs Stage 1 HK\$'000	Lifetime ECLs not credit- impaired Stage 2 HK\$'000	Lifetime ECLs credit- impaired Stage 3 HK\$'000	Total HK\$'000
Gross carrying amount	198,330	–	36,765	235,095
ECL allowance				
At 1 April 2023	11,128	–	38,137	49,265
Loss allowance recognised (note 7)	474	–	–	474
Exchange realignment	–	–	(1,372)	(1,372)
At 31 March 2024	11,602	–	36,765	48,367

NOTES TO FINANCIAL STATEMENTS

31 March 2025



25. Cash and Cash Equivalents and Pledged Time Deposits and Restricted Cash

	2025 HK\$'000	2024 HK\$'000
Cash and bank balances	365,301	249,459
Time deposits and restricted cash	137,129	112,470
Subtotal	502,430	361,929
Less: Pledged time deposits and restricted cash for bank loans and performance guarantees/bonds	(65,475)	(57,827)
Cash and cash equivalents	436,955	304,102

As at 31 March 2025, the Group had cash of approximately HK\$22,004,000 (2024: HK\$14,589,000) which was restricted as to use and mainly to be utilised for the purpose of the construction work in respect of the scenic area in Chinese Mainland.

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short term time deposits are made for varying periods of between 7 days and twelve months depending on the immediate cash requirements of the Group, and earn interest at the respective short term time deposit rates. The bank balances, time deposits and restricted cash are deposited with creditworthy banks with no recent history of default.

26. Trade Payables

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

	2025 HK\$'000	2024 HK\$'000
Within 30 days	43,353	34,849
31 to 60 days	6,515	4,970
61 to 90 days	949	352
Over 90 days	16,566	17,331
Total	67,383	57,502

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

NOTES TO FINANCIAL STATEMENTS

31 March 2025

27. Other Payables and Accruals

	Note	2025 HK\$'000	2024 HK\$'000
Accruals and other payables		345,137	347,001
Contract liabilities	(a)	151,961	127,750
Deposits received		18,305	13,697
Traffic accident compensation payables		62,416	59,305
Payables for purchases of items of property, plant and equipment and passenger service licences		24,956	9,537
Deferred income in respect of government subsidies received		8,744	12,023
Due to non-controlling shareholders		11,012	9,181
Total		622,531	578,494
Less: portion classified as non-current liabilities		(27,488)	(20,782)
Portion classified as current liabilities		595,043	557,712

Note:

(a) Details of contract liabilities are as follows:

	31 March 2025 HK\$'000	31 March 2024 HK\$'000	1 April 2023 HK\$'000
Short-term advances received from customers			
Non-franchised bus and limousine services	146,084	123,974	119,327
Franchised bus and PLB services	2	9	70
Hotel and tourism services	4,353	1,888	2,226
Chinese Mainland bus services	1,522	1,879	1,854
Total	151,961	127,750	123,477

Contract liabilities relate to short-term advances received from customers in Hong Kong and Chinese Mainland. The increase in contract liabilities in 2025 and 2024 was mainly due to increase in short-term advances received from customers in relation to the provision of non-franchised bus and limousine services.

The above payables are non-interest-bearing and have an average term of three months.

The amounts due to non-controlling shareholders are unsecured, interest-free and repayable on demand.

NOTES TO FINANCIAL STATEMENTS

31 March 2025



28. Interest-Bearing Bank Borrowings

	2025			2024		
	Effective interest rate (%)	Maturity	HK\$'000	Effective interest rate (%)	Maturity	HK\$'000
Current						
Bank loans – secured (note (a))	4.15%-6.8%	2025-2029	127,335	3.35%-6.8%	2024-2029	84,205
Bank loans – unsecured	–	2026	505	–	2025	510
Total – current			127,840			84,715
Non-current						
Bank loans – secured (note (a))	3.3%-6.8%	2026-2029	1,458,439	4.15%-6.8%	2028-2029	1,459,966
Total			1,586,279			1,544,681
				2025	2024	
				HK\$'000	HK\$'000	
Analysed into:						
Bank loans repayable:						
Within one year or on demand (note (b))			127,840			84,715
In the second year			120,600			102,231
In the third to fifth years, inclusive			1,337,839			1,357,735
Total			1,586,279			1,544,681

NOTES TO FINANCIAL STATEMENTS

31 March 2025

28. Interest-Bearing Bank Borrowings – Continued

Notes:

(a) Further details of secured bank loans of the Group are as follows:

	2025 HK\$'000	2024 HK\$'000
Hong Kong		
Secured with corporate guarantees and pledged assets*	1,495,207	1,439,505
Chinese Mainland		
Secured with pledge of assets#	90,567	104,666
Total	1,585,774	1,544,171

* Certain of the above bank loans and facilities in Hong Kong are secured by:

(i) the pledge of deposit of HK\$30,009,000 (2024: HK\$29,922,000); and

Certain of the above bank loans and facilities in Chinese Mainland are secured by:

(i) the pledge of time deposits and restricted cash of HK\$22,004,000 (2024: HK\$14,589,000) (note 25);

(ii) the pledge of certain property, plant and equipment and right-of-use assets with an aggregate net carrying amount of HK\$130,583,000 (2024: HK\$108,087,000) (note 13); and

(iii) the pledge of certain investment properties of HK\$28,995,000 (2024: HK\$72,402,000) (note 14).

(b) As at the end of each reporting period, except for bank loans of HK\$91,072,000 (2024: HK\$105,176,000), which were denominated in RMB, all bank borrowings were denominated in Hong Kong dollars.

(c) As at 31 March 2025, the Group held bank guarantees in lieu of performance guarantees/bonds amounting to HK\$25,097,000 (2024: HK\$7,746,000). Such bank guarantees are secured by pledged deposits of HK\$13,462,000 (2024: HK\$13,315,000).

(d) The secured bank loan of HK\$1,495,207,000 with maturity date of 23 January 2029 is subject to covenants, including an interest cover ratio greater than 3.0 times (2024: 2.0 times) and consolidated total net debt to consolidated total net worth not exceed 0.9 times (2024: 0.9 times). The covenants are tested half-yearly, at 30 September and 31 March. As at 31 March 2025, the interest cover ratio and consolidated total net debt to consolidated total net worth was 5.0 times (2024: 2.5 times) and 0.5 times (2024: 0.6 times), respectively. The Group considers there is no indication that it will have difficulties in complying with these covenants.

NOTES TO FINANCIAL STATEMENTS

31 March 2025



29. Other Long-Term Liabilities

	2025 HK\$'000	2024 HK\$'000
Deferred income	25,583	34,278
Other liabilities	215	220
Total	25,798	34,498

Deferred income represents subsidies received from government authorities in respect of the replacement of environmentally friendly commercial vehicles and is recognised in the consolidated statement of profit or loss on the straight-line basis over the expected useful lives of the relevant assets.

30. Deferred Tax

The movements in deferred tax liabilities and assets during the year are as follows:

	Notes	Lease liabilities HK\$'000	Right-of-use assets HK\$'000	Depreciation allowance in excess of related depreciation HK\$'000	Depreciation in excess of related depreciation allowance HK\$'000	Fair value adjustments arising from acquisition of subsidiaries HK\$'000	Revaluation of properties HK\$'000	Losses available for offsetting against future taxable profits HK\$'000	Impairment of financial assets at amortised cost HK\$'000	Others HK\$'000	Total HK\$'000
Gross deferred tax liabilities/(assets) at 1 April 2023		(613)	481	136,417	(62)	68,229	66,935	(48,243)	(5,343)	(5,707)	212,094
Deferred tax charged/(credited) to the statement of profit or loss during the year	10	(514)	527	(19,010)	(41)	(1,203)	(2,195)	12,373	(721)	501	(10,283)
Exchange differences		-	-	-	-	-	(6,515)	212	-	3	(6,300)
Gross deferred tax liabilities/(assets) at 31 March 2024 and at 1 April 2024		(1,127)	1,008	117,407	(103)	67,026	58,225	(35,658)	(6,064)	(5,203)	195,511
Acquisition of a subsidiary	36	-	-	-	-	5,807	-	(6,726)	-	-	(919)
Deferred tax charged to the statement of other comprehensive income during the year		-	-	-	-	-	5,348	-	-	-	5,348
Deferred tax charged/(credited) to the statement of profit or loss during the year	10	(1,242)	1,307	(16,248)	(16)	(1,238)	(8,136)	11,098	(721)	320	(14,876)
Exchange differences		-	-	-	-	-	(610)	205	-	1	(404)
Gross deferred tax liabilities/(assets) at 31 March 2025		(2,369)	2,315	101,159	(119)	71,595	54,827	(31,081)	(6,785)	(4,882)	184,660

NOTES TO FINANCIAL STATEMENTS

31 March 2025

30. Deferred Tax – Continued

For presentation purposes, certain deferred tax assets and liabilities of the Group that relate to the same taxable entity and the same taxation authority have been offset in the consolidated statement of financial position. The following is an analysis of the deferred tax balances of the Group for financial reporting purposes:

	2025 HK\$'000	2024 HK\$'000
Net deferred tax assets recognised in the consolidated statement of financial position	12,523	9,709
Net deferred tax liabilities recognised in the consolidated statement of financial position	(197,183)	(205,220)
Net deferred tax liabilities	(184,660)	(195,511)

The Group has unrecognised tax losses arising in Hong Kong of HK\$322,720,000 (2024: HK\$465,995,000), subject to the agreement by the Hong Kong Inland Revenue Department, that are available indefinitely for offsetting against future taxable profits of the companies in which the losses arose. Deferred tax assets in respect of these tax losses have not been recognised on account of the unpredictability of future profit streams.

The Group also has unrecognised tax losses arising in Chinese Mainland of HK\$27,234,000 (2024: HK\$31,575,000) that are available for offsetting against future taxable profits of the companies in which the losses arose for a maximum of five years. Deferred tax assets have not been recognised in respect of these losses as they have arisen in subsidiaries that have been loss-making for some time and it is not considered probable that taxable profits will be available against which the tax losses can be utilised.

Pursuant to the PRC Corporate Income Tax Law, a 10% withholding tax is levied on dividends declared to foreign investors from the foreign investment enterprises established in Chinese Mainland. The requirement is effective from 1 January 2008 and applies to earnings after 31 December 2007. A lower withholding tax rate may be applied if there is a tax treaty between Chinese Mainland and the jurisdiction of the foreign investors. For the Group, the applicable rate is 5% or 10%. The Group is therefore liable for withholding taxes on dividends distributed by those subsidiaries in Chinese Mainland in respect of earnings generated from 1 January 2008.

At 31 March 2025, no deferred tax has been recognised for withholding taxes that would be payable on the unremitted earnings that are subject to withholding taxes of the Group's subsidiaries established in Chinese Mainland. In the opinion of the directors, it is not probable that these subsidiaries will distribute such earnings in the foreseeable future. The aggregate amount of temporary differences associated with investments in subsidiaries in Chinese Mainland for which deferred tax liabilities have not been recognised totalled approximately HK\$154,664,000 at 31 March 2025 (2024: HK\$79,347,000).

There are no income tax consequences attaching to the payment of dividends by the Company to its shareholders.

NOTES TO FINANCIAL STATEMENTS

31 March 2025



31. Share Capital

Shares	2025 HK\$'000	2024 HK\$'000
Authorised: 600,000,000 ordinary shares of HK\$0.10 each	60,000	60,000
Issued and fully paid: 476,776,842 ordinary shares of HK\$0.10 each	47,678	47,678

Share options

Details of the Company's share option scheme and the share options issued under the scheme are included in note 32 to the financial statements.

32. Share Option Scheme

The Company operates two share option schemes (the "Schemes") for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. The old share option scheme (the "2012 Share Option Scheme") became effective on 23 August 2012 and expired on 22 August 2022. Upon expiry of the 2012 Share Option Scheme, no further share options could be granted under the 2012 Share Option Scheme but, in all other respects, the provisions of the 2012 Share Option Scheme shall remain in force to the extent necessary to give effect to the exercise of any share option granted prior to the expiry of the 2012 Share Option Scheme. Share options (to the extent not already exercised) granted prior to such expiry shall continue to be valid and exercisable in accordance with the 2012 Share Option Scheme. On 23 August 2022, a new share option scheme (the "2022 Share Option Scheme") was adopted by the Company. The 2022 Share Option Scheme became effective on 23 August 2022 and, unless otherwise cancelled or amended, will remain in force for 10 years from that date.

Eligible participants of the Schemes include the Company's directors, including independent non-executive directors, other employees of the Group, suppliers of goods or services to the Group, customers of the Group, the Company's shareholders, and any non-controlling shareholder of the Company's subsidiaries.

The maximum number of unexercised share options currently permitted to be granted under the Schemes is an amount equivalent, upon their exercise, to 10% of the issued share capital of the Company at the time of adoption of the Schemes. The maximum number of shares issuable under share options to each eligible participant under the Schemes within any 12-month period is limited to 1% of the issued share capital of the Company in that period. Any further grant of share options in excess of this limit is subject to shareholders' approval in a general meeting.

Share options granted to a director, chief executive or substantial shareholder of the Company, or to any of their associates, are subject to approval in advance by the independent non-executive directors. In addition, any share options granted to a substantial shareholder or an independent non-executive director of the Company, or to any of their associates, in excess of 0.1% of the issued share capital of the Company or with an aggregate value (based on the price of the Company's shares at the date of grant) in excess of HK\$5 million, within any 12-month period, are subject to shareholders' approval in advance in a general meeting.

NOTES TO FINANCIAL STATEMENTS

31 March 2025

32. Share Option Scheme – Continued

The offer of a grant of share options may be accepted within 28 days from the date of offer. A consideration of HK\$1 is payable on acceptance of the offer of the grant of an option. The exercise period of the share options granted is determinable by the directors, and commences after a vesting period, if any, and ends on a date which is not later than 10 years from the date of offer of the grant of share options.

The exercise price of the share options is determinable by the directors, but may not be less than the highest of (i) the closing price of the Company's shares on The Stock Exchange of Hong Kong Limited on the date of offer of the grant, which must be a trading day; (ii) the average closing price of the Company's shares for the five trading days immediately preceding the date of offer of the grant; and (iii) the nominal value of the Company's shares.

There are no cash settlement alternatives. The Group does not have a past practice of cash settlement for these share options. The Group accounts for the Schemes as an equity-settled plan.

Share options do not confer rights on the holders to dividends or to vote at shareholders' meetings.

The following share options were outstanding under the Schemes during the year:

	2025		2024	
	Weighted average exercise price HK\$ per share	Number of options '000	Weighted average exercise price HK\$ per share	Number of options '000
At beginning of year	2.64	42,000	4.3	13,500
Granted during the year	–	–	1.86	28,500
At end of year	2.64	42,000	2.64	42,000

The exercise prices and exercise periods of the share options outstanding as at the end of the reporting period are as follows:

31 March 2025

Number of options '000	Exercise price* HK\$ per share	Exercise period
13,500	4.3	23 April 2019 to 22 April 2029
28,500	1.86	1 February 2025 to 31 January 2034
42,000		

NOTES TO FINANCIAL STATEMENTS

31 March 2025



32. Share Option Scheme – Continued

31 March 2024

Number of options '000	Exercise price* HK\$ per share	Exercise period
13,500	4.3	23 April 2019 to 22 April 2029
28,500	1.86	1 February 2025 to 31 January 2034
42,000		

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

The fair value of the share options granted during the prior year was HK\$9,055,000 (HK\$0.32 each), of which the Group recognised a share option expense of HK\$7,575,000 (2024: HK\$1,480,000) during the year ended 31 March 2025.

The fair value of equity-settled share options granted during the prior year was estimated as at the date of grant using a binomial model, taking into account the terms and conditions upon which the options were granted. The following table lists the inputs to the model used:

	2024
Dividend yield (%)	6.39
Expected volatility (%)	27.73
Risk-free interest rate (%)	3.45
Expected life of options (year)	10
Weighted average share price (HK\$ per share)	1.83

The expected life of the options is not necessarily indicative of the exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome.

No other feature of the options granted was incorporated into the measurement of fair value.

At the end of the reporting period, the Company had 42,000,000 share options outstanding under the Schemes. The exercise in full of the outstanding share options would, under the present capital structure of the Company, result in the issue of 42,000,000 additional ordinary shares of the Company and additional share capital of HK\$4,200,000 and share premium of HK\$106,860,000 (before issue expenses).

At the date of approval of these financial statements, the Company had 42,000,000 share options outstanding under the Schemes, which represented approximately 8.8% of the Company's shares in issue as at that date.

NOTES TO FINANCIAL STATEMENTS

31 March 2025

33. Reserves

The amounts of the Group's reserves and the movements therein for the current and prior years are presented in the consolidated statement of changes in equity on pages 50 to 51 of the financial statements.

Contributed surplus

The Group's contributed surplus represents the excess of the nominal value of the shares of the subsidiaries acquired pursuant to the Group reorganisation in August 1996, over the nominal value of the Company's shares issued in exchange therefor.

Reserve fund

In accordance with the applicable regulations in Chinese Mainland and the joint venture agreements, the subsidiaries in Chinese Mainland are required to transfer part of their net profit after tax to the enterprise expansion fund and the reserve fund, which are non-distributable, before sharing of profit to the joint venture partners. The amounts of the transfer are subject to the approval of the boards of directors of these subsidiaries in accordance with the respective joint venture agreements.

Pursuant to the provisions of the Macao Commercial Code, subsidiaries of the Group established in Macau are required to transfer a minimum of 25% of the annual profit after tax to a legal reserve until the reserve equals half of the share capital. Such a transfer has to be approved by the shareholders of the subsidiaries. This reserve is not distributable to shareholders of the subsidiaries.

Share option reserve

The share option reserve comprises the fair value of share options granted which are yet to be exercised, as further explained in the accounting policy for share-based payments in note 2.4 to the financial statements. The amount will be transferred to the share premium account when the related options are exercised, or be transferred to retained profits should the related options expire or be forfeited.

34. Investment Property Held for Sale

In the prior year, Government Notices were issued in respect of the resumption of certain of the Group's agricultural land and an ex-gratia compensation was offered by the Government of the Hong Kong Special Administrative Region ("HKSAR") to the Group for the resumption. In the opinion of the directors, the resumption of the agricultural land was considered highly probable and was expected to be completed within one year from the date of reclassification. Accordingly, the related agricultural land of HK\$32,566,000 included in "Investment properties" was classified as investment property held for sale as at 31 March 2024. In April 2024, the resumption of the agricultural land was completed and the ex-gratia compensation of HK\$32,566,000 was recognised as other receivable as at 31 March 2025. Subsequent to the end of the reporting period, the Group received the compensation from the Government of the HKSAR.

NOTES TO FINANCIAL STATEMENTS

31 March 2025



35. Partly-Owned Subsidiaries with Material Non-Controlling Interests

Details of the Group's subsidiaries that have material non-controlling interests are set out below:

	2025	2024
Percentage of equity interest held by non-controlling interests:		
Bipenggou Tourism and its subsidiary	32.2%	32.2%
	2025	2024
	HK\$'000	HK\$'000
Profit for the year allocated to non-controlling interests:		
Bipenggou Tourism and its subsidiary	16,675	10,557
Dividends paid to non-controlling interests of Bipenggou Tourism and its subsidiary	18,287	–
Accumulated balances of non-controlling interests at the reporting date:		
Bipenggou Tourism and its subsidiary	79,436	78,922

The following table illustrates the summarised financial information of Bipenggou Tourism and its subsidiary. The amounts disclosed are before any inter-company eliminations:

	2025	2024
	HK\$'000	HK\$'000
Revenue	222,358	200,188
Total expenses	(170,564)	(167,400)
Profit for the year	51,794	32,788
Other comprehensive loss for the year	(3,040)	(12,196)
Total comprehensive income for the year	48,754	20,592
Current assets	50,371	32,187
Non-current assets	429,631	427,028
Current liabilities	(199,414)	(121,156)
Non-current liabilities	(44,545)	(62,476)
Net cash flows from operating activities	146,196	89,898
Net cash flows used in investing activities	(50,327)	(63,654)
Net cash flows used in financing activities	(87,594)	(21,889)
Net increase in cash and cash equivalents	8,275	4,355

NOTES TO FINANCIAL STATEMENTS

31 March 2025

36. Business Combination

During the year, the memorandum and articles of association of ACE, the then 46.8%-owned associate of the Group, was amended such that the decisions and approvals in ACE are made by simple majority by the directors. Given that more than half of the directors of ACE were appointed by the Group, in the opinion of the directors of the Company, after the amendment of the memorandum and articles of association, the Group obtained control over ACE, the Group discontinued the use of the equity method and recognised ACE as a subsidiary of the Group thereafter.

The aggregate fair values of the identifiable assets and liabilities of ACE as at the date of acquisition were as follows:

	Notes	Fair value recognised on acquisition HK\$'000
Property, plant and equipment	13	14
Other intangible assets	18	35,196
Deferred tax assets	30	6,726
Prepayments, deposits and other receivables		74
Trade receivables		462
Cash and cash equivalents		3,394
Trade payables		(301)
Other payables and accruals		(39,091)
Non-controlling interests		(355)
Deferred tax liabilities	30	(5,807)
Total identifiable net assets at fair value		(312)
Gain on bargain purchase		312
		—

An analysis of the cash flows in respect of the acquisition of ACE is as follows:

	HK\$'000
Cash and cash equivalents acquired	3,394
Net inflow of cash and cash equivalents included in cash flows from investing activities	3,394

NOTES TO FINANCIAL STATEMENTS

31 March 2025



37. Notes to the Consolidated Statement of Cash Flows

(a) Major non-cash transactions

During the year, the Group had the following major non-cash transactions:

- (i) The Group had non-cash additions to right-of-use assets and lease liabilities of HK\$129,650,000 (2024: HK\$69,420,000) and HK\$129,650,000 (2024: HK\$69,420,000), respectively, in respect of lease arrangements for leased properties and motor buses and vehicles.
- (ii) The Group had non-cash additions to right-of-use assets and lease liabilities of HK\$7,034,000 (2024: HK\$532,000) and HK\$7,034,000 (2024: HK\$532,000), respectively, in respect of lease modifications for leased properties.

(b) Changes in liabilities arising from financing activities

2025

	Interest-bearing bank borrowings HK\$'000	Lease liabilities HK\$'000
At 1 April 2024	1,544,681	98,394
Interest paid classified as operating cash flows	–	(8,165)
Changes from financing cash flows	40,431	(64,049)
Non-cash changes:		
Amortisation of debt establishment costs	2,205	–
New leases	–	129,650
Remeasurement on lease modifications	–	7,034
Interest expense	–	8,165
Foreign exchange movement	(1,038)	–
At 31 March 2025	1,586,279	171,029

NOTES TO FINANCIAL STATEMENTS

31 March 2025

37. Notes to the Consolidated Statement of Cash Flows – Continued

(b) Changes in liabilities arising from financing activities – continued

2024

	Interest-bearing bank borrowings HK\$'000	Lease liabilities HK\$'000
At 1 April 2023	1,745,204	70,182
Interest paid classified as operating cash flows	–	(4,617)
Changes from financing cash flows	(198,467)	(41,740)
Non-cash changes:		
Amortisation of debt establishment costs	4,506	–
New leases	–	69,420
Remeasurement on lease modifications	–	532
Interest expense	–	4,617
Foreign exchange movement	(6,562)	–
At 31 March 2024	1,544,681	98,394

(c) Total cash outflow for leases

The total cash outflow for leases included in the statement of cash flows is as follows:

	2025 HK\$'000	2024 HK\$'000
Within operating activities	39,529	25,097
Within financing activities	64,049	41,740
Total	103,578	66,837

38. Contingent Liabilities

Save as detailed elsewhere in these financial statements, the Group had no significant contingent liabilities (2024: Nil) at the end of the reporting period.

NOTES TO FINANCIAL STATEMENTS

31 March 2025



39. Commitments

- (a) The Group had the following contractual commitments at the end of the reporting period:

	2025 HK\$'000	2024 HK\$'000
Acquisitions of motor buses and vehicles	203,034	309,537
Purchases of items of property, plant and equipment	178,776	—
Capital contribution to contractual arrangements	8,574	26,052
Construction of bus terminal structures and scenic area establishments	7,774	11,331
Total	398,158	346,920

- (b) At 31 March 2025, the undiscounted payments for bus route operating rights payable by the Group in future periods under non-cancellable arrangements as follows:

	2025 HK\$'000	2024 HK\$'000
Within one year	21,625	15,633
In the second to fifth years, inclusive	11,735	14,677
After five years	6,272	7,941
Total	39,632	38,251

- (c) In addition, the Group had the following commitments provided to joint ventures, which are not included in the above:

	2025 HK\$'000	2024 HK\$'000
Capital contribution	3,000	—
Contribution of services	9,846	15,571

NOTES TO FINANCIAL STATEMENTS

31 March 2025

40. Pledge of Assets

Details of the Group's assets pledged for Group's bank borrowings are included in note 28 to the financial statements.

41. Related Party Transactions

- (a) In addition to the transactions and balances disclosed elsewhere in these financial statements, the Group had the following material transactions with related parties during the year:

	Notes	2025 HK\$'000	2024 HK\$'000
Service fee income from a joint venture	(i)	5,635	9,215
Coach rental income, advertising income and administrative service income from associates	(i)	2,416	45,703
Coach rental expense paid to a related party	(ii)	8,415	8,821

Notes:

- (i) The coach rental income was received according to the prices and conditions similar to those offered by the Group to its customers. The service fee income, advertising income and administrative service income were received based on mutually agreed terms and conditions.
- (ii) The coach rental expense was paid to Basic Fame Company Limited, a company beneficially owned by Mr. Wong Leung Pak, Matthew, BBS, an executive director and the chairman of the Company. The rental expense was charged based on mutually agreed terms and conditions.

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

	2025 HK\$'000	2024 HK\$'000
Short term employee benefits	23,114	17,094
Post-employment benefits	142	242
Equity-settled share option expense	5,164	868
Total compensation paid to key management personnel	28,420	18,204

Further details of directors' emoluments are included in note 8 to the financial statements.

The related party transaction mentioned in note (a)(ii) above constitutes a continuing connected transaction as defined in Chapter 14A of the Listing Rules.

NOTES TO FINANCIAL STATEMENTS

31 March 2025



42. Financial Instruments by Category

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows:

2025

Financial assets

	Financial assets at fair value through profit or loss – mandatorily measured at fair value through profit or loss HK\$'000	Financial assets at fair value through other comprehensive income – equity investments HK\$'000	Financial assets at amortised cost HK\$'000	Total HK\$'000
Equity investments designated at fair value through other comprehensive income	-	13,106	-	13,106
Financial assets at fair value through profit or loss	35,656	-	-	35,656
Due from associates	-	-	11,630	11,630
Loan to an associate	-	-	32,040	32,040
Trade receivables	-	-	338,912	338,912
Financial assets included in prepayments, deposits and other receivables	-	-	184,113	184,113
Pledged time deposits and restricted cash	-	-	65,475	65,475
Cash and cash equivalents	-	-	436,955	436,955
Total	35,656	13,106	1,069,125	1,117,887

Financial liabilities

	Financial liabilities at amortised cost HK\$'000
Trade payables	67,383
Financial liabilities included in other payables and accruals	264,176
Interest-bearing bank borrowings	1,586,279
Lease liabilities	171,029
Financial liabilities included in other long-term liabilities	215
Total	2,089,082

NOTES TO FINANCIAL STATEMENTS

31 March 2025

42. Financial Instruments by Category – Continued

2024

Financial assets

	Financial assets at fair value through profit or loss – mandatorily measured at fair value through profit or loss HK\$'000	Financial assets at fair value through other comprehensive income – equity investments HK\$'000	Financial assets at amortised cost HK\$'000	Total HK\$'000
Equity investments designated at fair value through other comprehensive income	–	4,849	–	4,849
Financial assets at fair value through profit or loss	34,613	–	–	34,613
Due from associates	–	–	14,874	14,874
Loan to an associate	–	–	32,040	32,040
Trade receivables	–	–	272,076	272,076
Financial assets included in prepayments, deposits and other receivables	–	–	186,728	186,728
Pledged time deposits and restricted cash	–	–	57,827	57,827
Cash and cash equivalents	–	–	304,102	304,102
Total	34,613	4,849	867,647	907,109

Financial liabilities

	Financial liabilities at amortised cost HK\$'000
Trade payables	57,502
Financial liabilities included in other payables and accruals	261,640
Interest-bearing bank borrowings	1,544,681
Lease liabilities	98,394
Financial liabilities included in other long-term liabilities	220
Total	1,962,437



43. Fair Value and Fair Value Hierarchy of Financial Instruments

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

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

The fair values of the amounts due from associates, loan to an associate, the non-current portions of financial assets included in prepayments, deposits and other receivables, and interest-bearing bank borrowings, and financial liabilities included in other long-term liabilities have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities. The changes in fair value as a result of the Group's own non-performance risk for interest-bearing bank borrowings as at 31 March 2025 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 consolidated statement of financial position, and the related changes in fair values, which are recorded in the 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.

NOTES TO FINANCIAL STATEMENTS

31 March 2025

43. 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 31 March 2025

	Fair value measurement using			
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Equity investments designated at fair value through other comprehensive income	–	–	13,106	13,106
Financial assets at fair value through profit or loss	–	–	35,656	35,656
Total	–	–	48,762	48,762

As at 31 March 2024

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

NOTES TO FINANCIAL STATEMENTS

31 March 2025



43. Fair Value and Fair Value Hierarchy of Financial Instruments – Continued

Fair value hierarchy – continued

The movements in fair value measurements within Level 3 during the year are as follows:

	2025 HK\$'000	2024 HK\$'000
At beginning of year	39,462	34,758
Total gains recognised in the statement of profit or loss included in other income	1,043	1,088
Total gains recognised in other comprehensive income	8,257	–
Purchases	–	3,616
At end of year	48,762	39,462

During the year, 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 (2024: Nil).

The Group did not have any financial liabilities measured at fair value as at 31 March 2025 (2024: Nil).

44. Financial Risk Management Objectives and Policies

The main risks arising from the Group's financial instruments are interest rate risk, foreign currency risk, credit risk and liquidity risk. The board of directors reviews and agrees policies for managing each of these risks and they are summarised below.

Interest rate risk

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's debt obligations with a floating interest rate. The Group's policy is to obtain the most favourable interest rates available for its borrowings.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, assuming that the amount of borrowings outstanding at the end of the reporting period were outstanding for the whole year with all other variables held constant, of the Group's profit before tax (through the impact on floating-rate borrowings).

	Increase/ (decrease) in basis points	Increase/ (decrease) in profit before tax HK\$'000
31 March 2025		
Hong Kong dollar	50	(7,518)
RMB	50	(455)
Hong Kong dollar	(50)	7,518
RMB	(50)	455

NOTES TO FINANCIAL STATEMENTS

31 March 2025

44. Financial Risk Management Objectives and Policies – Continued

Interest rate risk – continued

	Increase/ (decrease) in basis points	Decrease/ (increase) in profit before tax HK\$'000
31 March 2024		
Hong Kong dollar	50	(7,250)
RMB	50	(526)
Hong Kong dollar	(50)	7,250
RMB	(50)	526

Foreign currency risk

The Group has transactional currency exposures. Such exposures arise from sales or purchases by operating units in currencies other than the units' functional currencies.

At the end of the reporting period, the cash and bank balances and time deposits of the Group denominated in RMB amounted to HK\$104,847,000 (2024: HK\$83,552,000). The RMB is not freely convertible into other currencies, however, under Chinese Mainland's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business under certain circumstances. In accordance with the foreign exchange regulations applicable in Chinese Mainland, the cash and bank balances held by subsidiaries in Chinese Mainland are not freely remittable to Hong Kong.

The following table demonstrates the sensitivity at the end of the reporting period to a reasonably possible change in the RMB exchange rate, with all other variables held constant, of the Group's profit before tax (due to changes in the fair value of monetary assets and liabilities).

	Change in RMB rate	Decrease/ (increase) in profit before tax HK\$'000
2025		
If Hong Kong dollar weakens against RMB	5%	(3,870)
If Hong Kong dollar strengthens against RMB	5%	3,870
	Change in RMB rate	Decrease/ (increase) in profit before tax HK\$'000
2024		
If Hong Kong dollar weakens against RMB	5%	(3,683)
If Hong Kong dollar strengthens against RMB	5%	3,683

NOTES TO FINANCIAL STATEMENTS

31 March 2025



44. Financial Risk Management Objectives and Policies – Continued

Credit risk

The Group trades only with recognised and creditworthy third parties. Receivable balances are monitored on an ongoing basis and the Group's exposure to bad debts is not significant.

At the end of the reporting period, the Group had certain concentrations of credit risk as 26% (2024: 16%) and 57% (2024: 38%) of the Group's trade receivables were due from the Group's largest debtor and five largest debtors, respectively.

Further quantitative data in respect of the Group's exposure to credit risk from trade receivables are disclosed in note 23 to the financial statements.

Maximum exposure and year-end staging

The tables below show the credit quality and the maximum exposure to credit risk based on the Group's credit policy, which is mainly based on past due information unless other information is available without undue cost or effort, and year-end staging classification as at 31 March. The amounts presented are gross carrying amounts for financial assets.

As at 31 March 2025

	12-month ECLs	Lifetime ECLs			
	Stage 1 HK\$'000	Stage 2 HK\$'000	Stage 3 HK\$'000	Simplified approach HK\$'000	Total HK\$'000
Due from associates	11,630	–	–	–	11,630
Loan to an associate	32,040	–	–	–	32,040
Trade receivables*	–	–	–	371,300	371,300
Financial assets included in prepayments, deposits and other receivables					
Normal**	190,304	–	–	–	190,304
Doubtful**	–	–	58,091	–	58,091
Pledged time deposits and restricted cash					
– Not yet past due	65,475	–	–	–	65,475
Cash and cash equivalents					
– Not yet past due	436,955	–	–	–	436,955
Total	736,404	–	58,091	371,300	1,165,795

NOTES TO FINANCIAL STATEMENTS

31 March 2025

44. Financial Risk Management Objectives and Policies – Continued

Credit risk – continued

As at 31 March 2024

	12-month ECLs	Lifetime ECLs			
	Stage 1 HK\$'000	Stage 2 HK\$'000	Stage 3 HK\$'000	Simplified approach HK\$'000	Total HK\$'000
Due from associates	14,874	–	–	–	14,874
Loan to an associate	32,040	–	–	–	32,040
Trade receivables*	–	–	–	304,563	304,563
Financial assets included in prepayments, deposits and other receivables					
Normal**	198,330	–	–	–	198,330
Doubtful**	–	–	36,765	–	36,765
Pledged time deposits and restricted cash					
– Not yet past due	57,827	–	–	–	57,827
Cash and cash equivalents					
– Not yet past due	304,102	–	–	–	304,102
Total	607,173	–	36,765	304,563	948,501

* For trade receivables to which the Group applies the simplified approach for impairment, information based on the provision matrix is disclosed in note 23 to the financial statements.

** The credit quality of the financial assets included in prepayments, deposits and other receivables is considered to be “normal” when they are not past due and there is no information indicating that the financial assets had a significant increase in credit risk since initial recognition. Otherwise, the credit quality of the financial assets is considered to be “doubtful”.

Liquidity risk

The Group’s objective is to maintain a balance between continuity of funding and flexibility through the use of interest-bearing bank borrowings.

For the management of the Group’s liquidity risk, the Group monitors and maintains a sufficient level of cash and cash equivalents deemed adequate by management to finance the Group’s operations and mitigate the effects of fluctuation in cash flows. Management reviews and monitors its working capital requirements regularly.

The treasury function of the Group is arranged centrally to cover expected cash demands. The Group closely monitors its liquidity and financial resources to ensure that a healthy financial position is maintained such that cash inflows from operating activities together with undrawn committed banking facilities are sufficient to meet the requirements for loan repayments, daily operational needs, capital expenditure, as well as potential business expansion and development. Management reviews the Group’s compliance with lending covenants regularly. Major operating companies of the Group arrange for their own financing to meet specific requirements. The Group’s other subsidiaries are mainly financed by the Group’s capital base. The Group reviews its strategy from time to time to ensure that cost-efficient funding is available to cater for the unique operating environment of each subsidiary.

NOTES TO FINANCIAL STATEMENTS

31 March 2025



44. Financial Risk Management Objectives and Policies – Continued

Liquidity risk – continued

The maturity profile of the Group's financial liabilities as at the end of the reporting period, based on the contractual undiscounted payments, is as follows:

	2025		
	On demand/ less than 1 year HK\$'000	1 to 5 years HK\$'000	Total HK\$'000
Trade payables	67,383	–	67,383
Financial liabilities included in other payables and accruals	264,176	–	264,176
Interest-bearing bank borrowings	217,612	1,689,707	1,907,319
Lease liabilities	74,336	110,622	184,958
Financial liabilities included in other long-term liabilities	–	215	215
Total	623,507	1,800,544	2,424,051

	2024		
	On demand/ less than 1 year HK\$'000	1 to 5 years HK\$'000	Total HK\$'000
Trade payables	57,502	–	57,502
Financial liabilities included in other payables and accruals	261,640	–	261,640
Interest-bearing bank borrowings	187,537	1,784,341	1,971,878
Lease liabilities	41,997	65,206	107,203
Financial liabilities included in other long-term liabilities	–	220	220
Total	548,676	1,849,767	2,398,443

NOTES TO FINANCIAL STATEMENTS

31 March 2025

44. Financial Risk Management Objectives and Policies – Continued

Capital management

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern and to maintain healthy capital ratios in order to support its business and maximise shareholders' value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group is required to comply with certain externally imposed financial covenants set out in certain of its banking facilities. No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2025 and 31 March 2024.

The Group monitors its capital using a gearing ratio, which is interest-bearing debts divided by total equity. The Group's policy is to maintain the gearing ratio below 90%. Interest-bearing debts include interest-bearing bank borrowings. Total equity includes equity attributable to owners of the parent and non-controlling interests. At the end of the reporting period, the gearing ratio was 73.6% (2024: 76.7%), being the gross amount of the outstanding interest-bearing bank borrowings of HK\$1,586,279,000 (2024: HK\$1,544,681,000) over the total equity of HK\$2,156,372,000 (2024: HK\$2,013,058,000).

NOTES TO FINANCIAL STATEMENTS

31 March 2025



45. Statement of Financial Position of the Company

Information about the statement of financial position of the Company at the end of the reporting period is as follows:

	2025 HK\$'000	2024 HK\$'000
NON-CURRENT ASSETS		
Interests in subsidiaries	759,737	752,027
CURRENT ASSETS		
Prepayments	241	240
Due from a subsidiary	51,000	51,000
Cash and cash equivalents	513	791
Total current assets	51,754	52,031
CURRENT LIABILITIES		
Other payables and accruals	325	342
NET CURRENT ASSETS	51,429	51,689
Net assets	811,166	803,716
EQUITY		
Issued capital	47,678	47,678
Reserves (note)	763,488	756,038
Total equity	811,166	803,716

Note:

A summary of the Company's reserves is as follows:

	Share premium account HK\$'000	Contributed surplus HK\$'000	Share option reserve HK\$'000	Retained profits HK\$'000	Total HK\$'000
At 1 April 2023	676,246	70,770	6,511	1,155	754,682
Loss and total comprehensive loss for the year	–	–	–	(124)	(124)
Equity-settled share option arrangements	–	–	1,480	–	1,480
At 31 March 2024 and at 1 April 2024	676,246	70,770	7,991	1,031	756,038
Profit and total comprehensive income for the year	–	–	–	9,411	9,411
Equity-settled share option arrangements	–	–	7,575	–	7,575
Final 2024 dividend	–	–	–	(9,536)	(9,536)
At 31 March 2025	676,246	70,770	15,566	906	763,488

The contributed surplus of the Company represents the excess of the fair value of the shares of the subsidiaries acquired pursuant to the group reorganisation in August 1996 over the nominal value of the Company's shares issued in exchange therefor.

Under the Bermuda Companies Act 1981 (as amended), the contributed surplus of the Company is distributable to shareholders under certain circumstances.

The share option reserve comprises the fair value of share options granted which are yet to be exercised, as further explained in the accounting policy for share-based payments in note 2.4 to the financial statements. The amount will either be transferred to the share premium account when the related options are exercised, or be transferred to retained profits should the related options expire or be forfeited.

46. Approval of the Financial Statements

The financial statements were approved and authorised for issue by the board of directors on 26 June 2025.

PARTICULARS OF PROPERTIES

Investment Properties

Location	Use	Tenure	Attributable interest of the Group
Lot 286, 287, 289, DD316, Pui O, Lo Wai, Lantau Island, Hong Kong	Agricultural	Medium term lease	100%
Lot 356, 363, 364, DD316, Pui O, Lo Wai, Lantau Island, Hong Kong	Agricultural	Medium term lease	100%
G/F, 171 Tai Ping Street, Tai O, Lantau Island, Hong Kong	Commercial	Medium term lease	100%
Levels 2-4, Levels 6-9, Levels 17-20, No. 84 Xiaolongkan New Street, Shapingba District, Chongqing City, the PRC	Commercial	Medium term lease	100%
Shop D, G/F, Silver Centre Building, No. 10 Mui Wo Ferry Pier Road, Lantau Island, Hong Kong	Commercial	Medium term lease	100%
Shop 7, G/F, Mui Wo Centre, No. 3 Ngan Wan Road, Mui Wo, Lantau Island, Hong Kong	Commercial	Medium term lease	100%
G/F, 1/F, 2/F & Roof, 5 Tai Tei Tong, Mui Wo, Lantau Island, Hong Kong	Residential	Medium term lease	100%