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## **Transport International Holdings Limited**

(載通國際控股有限公司) \*

(Incorporated in Bermuda with limited liability)

(Stock Code: 62)

### **Announcement of Interim Results For the Six Months ended 30 June 2025**

#### **FINANCIAL HIGHLIGHTS**

- The Group's unaudited underlying profit attributable to equity shareholders for the six months ended 30 June 2025, excluding the effect of the change in fair value of investment properties and investment property under development, amounted to HK\$285.1 million, compared to HK\$120.3 million for the corresponding period last year. Underlying earnings per share was HK\$0.56, compared to HK\$0.24 for the corresponding period last year. The increase in underlying profit was mainly attributable to the improvement in the financial performance of the franchised public bus operations.
- Reported profit and reported earnings per share attributable to equity shareholders were HK\$190.0 million and HK\$0.37 respectively, compared to HK\$120.3 million and HK\$0.24 for the corresponding period last year. The reported profit included a decrease in fair value of investment properties and investment property under development of HK\$95.1 million, with no change in fair value during the corresponding period last year.
- The Group's flagship company, The Kowloon Motor Bus Company (1933) Limited ("KMB"), recorded a profit after taxation of HK\$176.7 million for the six months ended 30 June 2025 as compared to HK\$21.9 million for the corresponding period last year, representing an improvement of HK\$154.8 million. The improvement in results was primarily due to the increase in fare revenue and the decrease in fuel and oil costs as a result of the decrease in fuel price, but partly offset by the increase in staff costs due to pay rises.
- An interim dividend of HK\$0.30 per share for the six months ended 30 June 2025 has been declared (six months ended 30 June 2024: Nil).

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS  
FOR THE SIX MONTHS ENDED 30 JUNE 2025 - UNAUDITED**

		<b>Six months ended 30 June</b>	
	Note	<b>2025</b>	<b>2024</b>
		<b>HK\$ million</b>	<b>HK\$ million</b>
<b>Revenue</b>	2 & 3	<b>4,226.3</b>	<b>4,064.4</b>
Other net income	4	<b>72.2</b>	<b>115.1</b>
Staff costs	5(a)	<b>(2,269.1)</b>	<b>(2,220.6)</b>
Depreciation		<b>(592.1)</b>	<b>(605.4)</b>
Fuel and oil		<b>(415.9)</b>	<b>(504.5)</b>
Spare parts		<b>(130.9)</b>	<b>(110.0)</b>
Toll charges		<b>(93.3)</b>	<b>(109.2)</b>
Other operating expenses	5(b)	<b>(441.8)</b>	<b>(443.5)</b>
<b>Profit from operations</b>		<b>355.4</b>	<b>186.3</b>
Change in fair value of investment properties and investment property under development		<b>(95.1)</b>	<b>-</b>
Finance costs	6	<b>(26.8)</b>	<b>(53.8)</b>
Share of profits of associates		<b>-.*</b>	<b>0.1</b>
Share of profit of joint venture		<b>4.1</b>	<b>4.1</b>
<b>Profit before taxation</b>	5	<b>237.6</b>	<b>136.7</b>
Income tax expense	7	<b>(47.6)</b>	<b>(16.4)</b>
<b>Profit for the period</b>		<b>190.0</b>	<b>120.3</b>
<b>Earnings per share based on profit attributable to equity shareholders (reported earnings per share)</b>			
<b>Basic and diluted</b>	9(a)	<b>HK\$ 0.37</b>	<b>HK\$ 0.24</b>
<b>Earnings per share excluding the effect of change in fair value of investment properties and investment property under development (underlying earnings per share)</b>			
<b>Basic and diluted</b>	9(b)	<b>HK\$ 0.56</b>	<b>HK\$ 0.24</b>

\* The amount represents amount less than \$0.1 million.

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS  
AND OTHER COMPREHENSIVE INCOME  
FOR THE SIX MONTHS ENDED 30 JUNE 2025 - UNAUDITED**

	Six months ended 30 June 2025 HK\$ million	2024 HK\$ million
<b>Profit for the period</b>	<u>190.0</u>	<u>120.3</u>
<b>Other comprehensive income for the period (after tax and reclassification adjustments):</b>		
<i>Item that will not be reclassified to profit or loss:</i>		
- Equity investment at fair value through other comprehensive income ("FVOCI"): net movement in fair value reserve (non-recycling), net of nil tax	(22.4)	(63.9)
<i>Items that may be reclassified subsequently to profit or loss:</i>		
- Exchange differences on translation of financial statements of entities outside Hong Kong, net of nil tax	20.8	(14.1)
- Investments in financial assets measured at FVOCI (recycling): net movement in fair value reserve (recycling), net of nil tax	(23.6)	(4.7)
- Share of other comprehensive income of an associate, net of nil tax	<u>(0.6)</u>	<u>(6.4)</u>
<b>Other comprehensive income for the period</b>	<u>(25.8)</u>	<u>(89.1)</u>
<b>Total comprehensive income for the period</b>	<u><u>164.2</u></u>	<u><u>31.2</u></u>

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AT 30 JUNE 2025 - UNAUDITED**

	Note	At 30 June 2025 HK\$ million	At 31 December 2024 HK\$ million
<b>Non-current assets</b>			
Investment properties		5,290.2	5,361.8
Investment property under development		2,926.0	2,911.5
Interest in leasehold land		43.6	44.5
Other property, plant and equipment		7,001.1	7,361.6
		<u>15,260.9</u>	<u>15,679.4</u>
Intangible assets		529.1	529.1
Goodwill		84.1	84.1
Interest in associates		589.8	569.6
Interest in joint venture		748.5	747.8
Other financial assets		1,451.4	1,354.4
Employee benefit assets		1,772.8	1,755.8
Deferred tax assets		1.8	0.8
		<u>20,438.4</u>	<u>20,721.0</u>
<b>Current assets</b>			
Spare parts		122.6	106.2
Accounts receivable	10	952.2	998.5
Other financial assets		98.3	108.2
Deposits and prepayments		70.3	44.9
Current tax recoverable		1.4	0.8
Restricted bank deposits		323.1	375.5
Bank deposits and cash		1,797.9	1,554.4
		<u>3,365.8</u>	<u>3,188.5</u>
<b>Current liabilities</b>			
Accounts payable and accruals	11	1,385.4	1,576.4
Contingency provision – insurance		91.9	91.9
Bank loans		1,769.5	842.5
Lease liabilities		3.9	3.5
Current tax payable		7.3	4.2
		<u>3,258.0</u>	<u>2,518.5</u>
<b>Net current assets</b>		<u>107.8</u>	<u>670.0</u>
<b>Total assets less current liabilities</b>		<u>20,546.2</u>	<u>21,391.0</u>

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AT 30 JUNE 2025 - UNAUDITED**

(continued)

	At 30 June 2025 HK\$ million	At 31 December 2024 HK\$ million
<b>Non-current liabilities</b>		
Bank loans	2,420.5	3,368.4
Lease liabilities	4.1	3.8
Deferred tax liabilities	1,107.6	1,066.0
Contingency provision – insurance	148.7	146.2
Provision for long service payments	98.5	97.3
	<u>3,779.4</u>	<u>4,681.7</u>
<b>Net assets</b>	<u><u>16,766.8</u></u>	<u><u>16,709.3</u></u>
<b>Capital and reserves</b>		
Share capital	525.9	508.9
Reserves	<u>16,240.9</u>	<u>16,200.4</u>
<b>Total equity</b>	<u><u>16,766.8</u></u>	<u><u>16,709.3</u></u>

*Notes:*

## **1 Basis of preparation**

The interim financial results set out in this announcement do not constitute the Group's interim financial report for the six months ended 30 June 2025 but are extracted from that interim financial report.

The interim financial report has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"), including compliance with Hong Kong Accounting Standard ("HKAS") 34, *Interim financial reporting*, issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). It was authorised for issue on 21 August 2025.

The interim financial report has been prepared in accordance with the same accounting policies adopted in the 2024 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2025 annual financial statements.

The HKICPA has issued certain new or amended HKFRS Accounting Standards that are first effective or available for early adoption for the current accounting period of the Group.

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

## 2 Segment information

	Franchised bus operations		Property holdings and development		All other segments (note)		Total	
	Six months ended 30 June		Six months ended 30 June		Six months ended 30 June		Six months ended 30 June	
	2025	2024	2025	2024	2025	2024	2025	2024
	HK\$ million	HK\$ million	HK\$ million	HK\$ million	HK\$ million	HK\$ million	HK\$ million	HK\$ million
Revenue from external customers	4,016.7	3,887.2	52.4	46.9	157.2	130.3	4,226.3	4,064.4
Inter-segment revenue	1.0	0.9	2.1	2.2	1.3	1.8	4.4	4.9
Reportable segment revenue	<u>4,017.7</u>	<u>3,888.1</u>	<u>54.5</u>	<u>49.1</u>	<u>158.5</u>	<u>132.1</u>	<u>4,230.7</u>	<u>4,069.3</u>
Reportable segment profit/(loss)	<u>201.9</u>	<u>43.3</u>	<u>(69.3)</u>	<u>29.1</u>	<u>11.7</u>	<u>5.9</u>	<u>144.3</u>	<u>78.3</u>
As at 30 June/31 December								
Reportable segment assets	10,290.1	10,715.5	9,041.3	9,086.2	1,541.7	1,520.9	20,873.1	21,322.6
Reportable segment liabilities	3,911.7	4,411.4	2,995.8	2,683.9	94.5	83.0	7,002.0	7,178.3

Note: Results of all other segments mainly represented non-franchised transport operations and interest in associates.

### 3 Revenue

Revenue comprises fare revenue from the operation of franchised public bus and non-franchised transport services, licence fee income, media sales revenue and gross rentals from investment properties recognised during the period and is analysed as follows:

	<b>Six months ended 30 June</b>	
	<b>2025</b>	<b>2024</b>
	<b>HK\$ million</b>	<b>HK\$ million</b>
Fare revenue from franchised public bus services	<b>3,891.0</b>	3,742.3
Revenue from non-franchised transport services	<b>157.7</b>	132.1
Licence fee income	<b>97.4</b>	117.2
Media sales revenue	<b>24.9</b>	23.0
Gross rentals from investment properties	<b>55.3</b>	49.8
	<b>4,226.3</b>	4,064.4

### 4 Other net income

	<b>Six months ended 30 June</b>	
	<b>2025</b>	<b>2024</b>
	<b>HK\$ million</b>	<b>HK\$ million</b>
Interest income	<b>37.5</b>	45.3
Net foreign exchange gain/(loss)	<b>12.1</b>	(0.4)
	<b>49.6</b>	44.9
Claims received	<b>8.4</b>	14.2
Net miscellaneous business receipts	<b>5.9</b>	10.8
Net gain on disposal of other property, plant and equipment	<b>2.2</b>	16.8
Sundry income	<b>6.1</b>	28.4
	<b>72.2</b>	115.1



## 5 Profit before taxation

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

### (a) Staff costs

	Six months ended 30 June	
	2025	2024
	HK\$ million	HK\$ million
Contributions to defined contribution retirement plans (Income)/expenses recognised in respect of defined benefit plans:	91.6	91.3
- Employee benefit assets	(17.1)	(6.3)
- Long service payments	7.4	5.8
Total retirement cost	81.9	90.8
Equity-settled share-based payment expenses	0.5	2.0
Salaries, wages and other benefits	2,186.7	2,128.0
	2,269.1	2,220.8
Less: staff costs included in cost of mask production	-	(0.2)
	2,269.1	2,220.6

### (b) Other items

Insurance expenses (including the contingency provision for insurance)	78.7	99.6
Provision for toll exemption fund (note)	65.2	70.8

Note: The Government of the Hong Kong Special Administrative Region (“HKSAR”) announced that with effect from 17 February 2019, all franchised buses are exempted from paying tolls when using Government tunnels and roads. However, each franchised bus operator is required to spend an equivalent amount of the toll saved to set up its own dedicated account known as the “Toll Exemption Fund” which will normally be used to lower the magnitude of future fare increases. In addition, any additional fare revenue resulting from the increase of bus fare on the jointly operated routes with other franchised bus operators arising from a fare adjustment is required to be paid into the Toll Exemption Fund. The balance of the Toll Exemption Fund of the Group as at 30 June 2025, included in accounts payable and accruals (note 11), was HK\$287.8 million (31 December 2024: HK\$353.8 million).

## 6 Finance costs

	<b>Six months ended 30 June</b>	
	<b>2025</b>	<b>2024</b>
	<b>HK\$ million</b>	<b>HK\$ million</b>
Interest on bank loans	<b>65.1</b>	116.2
Interest on lease liabilities	<b>0.2</b>	0.1
Total interest expense on financial liabilities not measured at fair value through profit or loss	<b>65.3</b>	116.3
Less: interest expense capitalised	<b>(38.5)</b>	(62.5)
	<b>26.8</b>	53.8

## 7 Income tax expense

	<b>Six months ended 30 June</b>	
	<b>2025</b>	<b>2024</b>
	<b>HK\$ million</b>	<b>HK\$ million</b>
<b>Current tax</b>		
Hong Kong Profits Tax	<b>7.0</b>	5.7
Withholding tax outside Hong Kong	<b>-</b>	0.1
	<b>7.0</b>	5.8
<b>Deferred tax</b>		
Origination and reversal of temporary differences	<b>40.6</b>	10.6
Actual tax expense	<b>47.6</b>	16.4

The provision for Hong Kong Profits Tax is calculated by applying the estimated annual effective tax rate of 16.5% (2024: 16.5%) to the estimated assessable profits for the six months ended 30 June 2025, except for a subsidiary of the Group which is a qualifying corporation under the two-tier Profits Tax rate regime. For this subsidiary, the first HK\$2 million of assessable profits are taxed at 8.25% and the remaining assessable profits are taxed at 16.5%. The provision for Hong Kong Profits Tax for this subsidiary was calculated using the same basis in 2024.

## 8 Dividends

- (a) *Dividend payable to equity shareholders of the Company attributable to the interim period:*

	Six months ended 30 June			
	2025		2024	
	Per share HK\$	HK\$ million	Per share HK\$	HK\$ million
Interim dividend declared after the interim period end	<b>0.30</b>	<b>157.8</b>	-	-

The interim dividend in respect of the six months ended 30 June 2025 has not been recognised as liability at the end of the reporting period (six months ended 30 June 2024: HK\$Nil).

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

	Six months ended 30 June			
	2025		2024	
	Per share HK\$	HK\$ million	Per share HK\$	HK\$ million
Final dividend in respect of the previous financial year, approved and paid during the period	<b>0.50</b>	<b>254.4</b>	0.50	247.2

The final dividend with a scrip dividend alternative in respect of the year ended 31 December 2024 was paid on 26 June 2025, of which HK\$147.2 million was settled by the issuance of 17,016,568 shares at an issue price of HK\$8.65 per share under the scrip dividend scheme.

The final dividend with a scrip dividend alternative in respect of the year ended 31 December 2023 was paid on 28 June 2024, of which HK\$130.9 million was settled by the issuance of 14,558,307 shares at an issue price of HK\$8.99 per share under the scrip dividend scheme.

## 9 Earnings per share

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

The calculations of basic and diluted earnings per share are based on the profit attributable to equity shareholders of the Company of HK\$190.0 million (six months ended 30 June 2024: HK\$120.3 million) and the weighted average number of ordinary shares in issue during the interim period, calculated as follows:

	<b>Six months ended 30 June</b>	
	<b>2025</b>	<b>2024</b>
Issued ordinary shares at 1 January	<b>508,901,425</b>	494,343,118
Effect of shares issued in respect of scrip dividend	<b>470,071</b>	239,972
Weighted average number of ordinary shares at 30 June	<b>509,371,496</b>	494,583,090

Diluted earnings per share were the same as the basic earnings per share as there were no dilutive potential ordinary shares during the interim period.

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

For the purpose of assessing the underlying performance of the Group, basic and diluted underlying earnings per share are additionally calculated based on the underlying profit attributable to equity shareholders of the Company of HK\$285.1 million (six months ended 30 June 2024: HK\$120.3 million), which excluded the effect of the change in fair value of investment properties and investment property under development. A reconciliation of profit is as follows:

	<b>Six months ended 30 June</b>	
	<b>2025</b>	<b>2024</b>
	<b>HK\$ million</b>	<b>HK\$ million</b>
Profit attributable to equity shareholders as shown in the consolidated statement of profit or loss	<b>190.0</b>	120.3
Change in fair value of investment properties and investment property under development	<b>95.1</b>	-
Underlying profit attributable to equity shareholders	<b>285.1</b>	120.3

## 10 Accounts receivable

	At 30 June 2025 HK\$ million	At 31 December 2024 HK\$ million
Trade and other receivables	901.9	941.5
Interest receivable	55.9	57.4
Less: loss allowance	(5.6)	(0.4)
	<u>952.2</u>	<u>998.5</u>

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

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

	At 30 June 2025 HK\$ million	At 31 December 2024 HK\$ million
Current	178.0	167.7
Less than 1 month past due	14.9	15.5
1 to 3 months past due	13.8	10.3
More than 3 months past due	222.1	251.2
	<u>428.8</u>	<u>444.7</u>

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

## 11 Accounts payable and accruals

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

	<b>At 30 June 2025 HK\$ million</b>	<b>At 31 December 2024 HK\$ million</b>
Due within 1 month or on demand	<b>158.2</b>	125.6
Due after 1 month but within 3 months	<b>1.1</b>	1.2
Due after more than 3 months	<b>0.6</b>	0.8
Trade payables	<b>159.9</b>	127.6
Balance of toll exemption fund (note 5(b))	<b>287.8</b>	353.8
Retention payables	<b>51.8</b>	51.8
Deposits received in advance, other payables and accruals	<b>881.0</b>	1,038.3
Amount due to an associate	<b>4.9</b>	4.9
	<b><u>1,385.4</u></b>	<b><u>1,576.4</u></b>

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

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

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

## **INTERIM RESULTS**

The Group's unaudited underlying profit attributable to equity shareholders for the six months ended 30 June 2025, excluding the effect of the change in fair value of investment properties and investment property under development, amounted to HK\$285.1 million, compared to HK\$120.3 million for the corresponding period last year. Underlying earnings per share was HK\$0.56, compared to HK\$0.24 for the corresponding period last year.

Reported profit and reported earnings per share attributable to equity shareholders were HK\$190.0 million and HK\$0.37 respectively, compared to HK\$120.3 million and HK\$0.24 for the corresponding period last year. The reported profit included a decrease in fair value of investment properties and investment property under development of HK\$95.1 million, with no change in fair value during the corresponding period last year.

The increase in underlying profit was mainly attributable to the improvement in the financial performance of the franchised public bus operations.

## **INTERIM DIVIDEND**

The Board has declared that an interim dividend of HK\$0.30 per share for the six months ended 30 June 2025 (six months ended 30 June 2024: Nil), totalling HK\$157.8 million (six months ended 30 June 2024: Nil), will be paid to shareholders whose names are on the Register of Members on 10 September 2025. The interim dividend will be payable in cash, with an option granted to shareholders to receive new and fully paid ordinary shares in lieu of cash or partly in cash and partly in shares under a scrip dividend scheme (the “Scrip Dividend Scheme”). The new shares will, on issue, not be entitled to the aforesaid interim dividend, but will rank *pari passu* in all other respects with the existing shares. The circular containing details of the Scrip Dividend Scheme and the election form are expected to be sent to shareholders in mid-September 2025.

The Scrip Dividend Scheme is conditional upon the Listing Committee of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) granting the listing of, and permission to deal in, the new shares to be issued under the Scrip Dividend Scheme. The interim dividend and the share certificates to be issued under the Scrip Dividend Scheme are expected to be distributed and sent to shareholders on 21 October 2025.

The Register will be closed on 10 September 2025. In order to qualify for the interim dividend, all transfer forms accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, no later than 4:30 p.m. on 9 September 2025.

## MANAGEMENT REVIEW AND OUTLOOK

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

#### Franchised Public Bus Operations

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

- KMB recorded a profit after taxation of HK\$176.7 million for the six months ended 30 June 2025 as compared to HK\$21.9 million for the six months ended 30 June 2024, representing an improvement of HK\$154.8 million. The improvement in results was primarily due to the increase in fare revenue and the decrease in fuel and oil costs as a result of the decrease in fuel price, but partly offset by the increase in staff costs due to pay rises.
- Fare revenue for the six months ended 30 June 2025 was HK\$3,577.9 million, an increase of HK\$138.0 million or 4.0% compared with HK\$3,439.9 million for the corresponding period in 2024. The increase was mainly due to the increase in fare revenue as a result of the fare increase with effect from 5 January 2025.
- Total operating expenses for the six months ended 30 June 2025 amounted to HK\$3,517.6 million, a decrease of HK\$72.9 million or 2.0% compared with HK\$3,590.5 million for the corresponding period in 2024. The decrease was mainly due to the decrease in fuel and oil costs as a result of the decrease in fuel price, but partly offset by the increase in staff costs due to pay rises.
- As at 30 June 2025, KMB operated a total of 446 routes (31 December 2024: 444 routes) covering Kowloon, the New Territories and Hong Kong Island. KMB completed the set-up of 31 Bus-Bus Interchanges ("BBI") in major locations across Hong Kong in 2024, and continues to review the efficiency of its bus network. The BBI hubs encouraged more passengers to take KMB/LWB bus routes by providing more choices and value-for-money services. A new BBI page was also introduced in App1933 to show locations covered by the BBI network. Routes involving the BBIs are listed by destinations, showing information such as platform numbers, location of the platforms, estimated travelling time, and interchange discounts.
- During the first half of 2025, a total of 10 Euro VI buses with the latest safety, environmental and design features were added to the fleet. As at 30 June 2025, KMB operated 3,996 buses (31 December 2024: 4,010 buses), comprising 3,853 double-deck (45 of which are electric double-deck buses) and 143 single-deck buses (26 of which are electric single-deck buses). In addition, a total of 7 electric buses and 91 Euro VI double-deck buses were awaiting licensing starting second half of 2025.

##### *Long Win Bus Company Limited ("LWB")*

- The profit after taxation of LWB for the six months ended 30 June 2025 was HK\$25.2 million, compared to HK\$21.5 million for the six months ended 30 June 2024, representing an increase of HK\$3.7 million or 17.2% compared with the corresponding period in 2024.



- Fare revenue for the six months ended 30 June 2025 increased by HK\$10.9 million or 3.6% to HK\$314.2 million compared with HK\$303.3 million for the corresponding period in 2024. The increase was mainly due to the growth in bus patronage.
- Total operating expenses for the six months ended 30 June 2025 amounted to HK\$284.9 million, an increase of HK\$6.4 million or 2.3% compared with HK\$278.5 million for the corresponding period in 2024. The increase was largely attributed to the increase in staff costs due to pay rises as well as the increase in manpower in response to the increased service levels, but partly offset by the decrease in fuel and oil costs as a result of the decrease in fuel price.
- As at 30 June 2025, LWB had 32 BBI schemes covering 43 regular bus routes, operating both within LWB's bus network and on joint inter-modal schemes run with other public transport operators. These BBI schemes provide passengers with interchange fare discounts and allow LWB to deploy its resources more effectively.
- As at 30 June 2025, LWB operated 43 regular routes with a fleet of 305 buses (31 December 2024: 283 buses), comprising 301 double-deck buses and 4 single-deck electric buses.

### **Non-franchised Transport Operations**

The Group's Non-franchised Transport Operations Division reported a profit after taxation of HK\$11.6 million for the six months ended 30 June 2025, compared to HK\$6.2 million for the six months ended 30 June 2024. A review of the operations of the principal business units in this Division is set out as follows:

#### *Sun Bus Holdings Limited and its subsidiaries (the "SBH Group")*

- The SBH Group is one of the leading non-franchised bus operators in Hong Kong, providing customised, premium, safe, reliable, and value-for-money transport services to a wide range of customers, including large residential estates, shopping malls, major employers, travel agents and schools, as well as the general public through chartered hire services.
- The revenue of the SBH Group for the six months ended 30 June 2025 increased by 20.7% compared to the corresponding period in 2024. The increase was mainly due to business growth. Total operating costs for the six months ended 30 June 2025 also increased as a result of the rise in staff costs and other operating expenses in line with the growth of business.
- As at 30 June 2025, the SBH Group had a fleet of 395 licensed buses (31 December 2024: 409 licensed buses). During the first half of 2025, 2 new coaches were purchased for fleet replacement and service enhancement purposes.

#### *New Hong Kong Bus Company Limited ("NHKB")*

- NHKB operates a direct, economical, 24-hour cross-boundary shuttle bus service (commonly known as the "Huang Bus" service) serving regular commuters and leisure travellers between Lok Ma Chau in Hong Kong and Huanggang (皇崗) in Shenzhen.
- The revenue of the NHKB for the six months ended 30 June 2025 increase by 3.1% compared with the corresponding period last year. The increase was mainly due to the

increase in bus patronage as a result of the recent trend of northbound spending for Hong Kong residents over weekends and holidays. Total operating expenses for the period remained similar level with the corresponding period last year.

- As at 30 June 2025, NHKB had a fleet of 15 super-low floor single-deck buses, the same number as at 31 December 2024.

## **Property Holdings and Development**

The Group's Property Holdings and Development Division reported a profit after taxation of HK\$25.8 million (excluding a decrease in fair value of HK\$95.1 million on investment properties and investment property under development) for the six months ended 30 June 2025, compared to the profit after taxation of HK\$29.1 million (with no change in fair value) for the corresponding period last year. A review of the Group's investment properties is set out as follows:

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

- KTRE, a wholly-owned subsidiary of the Company, together with Turbo Result Limited ("TRL"), a subsidiary of Sun Hung Kai Properties Limited ("SHKP"), owns The Millennity situated at No. 98 How Ming Street, Kwun Tong, Kowloon, Hong Kong in equal shares as tenants in common for long-term investment purpose.
- The Millennity, a premium integrated commercial project strategically located in the heart of Kwun Tong, is close to Kwun Tong and Ngau Tau Kok MTR stations.
- The Millennity offers Grade-A offices with a gross floor area of approximately 650,000 square feet under two 20-storey towers and a large shopping mall in a 10-storey podium covering leisurely retail space of approximately 500,000 square feet. Nearly 400 parking spaces will be provided in a 4-storey parking garage in the basement, a number of which will be equipped with electric vehicle charging systems.
- Two office towers of The Millennity were completed and certain tenants moved in, commencing their operations since 2023. The podium shopping mall beneath The Millennity is scheduled to be occupied in phases in the second half of the year.
- As at 30 June 2025, the office portion of The Millennity was classified as investment property, while the remaining portion was classified as investment property under development in the consolidated statement of financial position (31 December 2024: same).

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

- LCKRE, a wholly-owned subsidiary of the Company, owns the 17-storey commercial office building at 9 Po Lun Street, Lai Chi Kok, Kowloon, which has a total gross floor area of about 156,700 square feet for office use and rental purposes. A portion of the gross floor area is used by the Group as headquarters with the remaining gross floor area leased out to shops, offices and restaurants, and classified as investment property in the consolidated statement of financial position.

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

- LCKCP, a wholly-owned subsidiary of the Company, owns the Manhattan Mid-town shopping mall, a two-level retail podium at Manhattan Hill. The 50,000 square feet shopping mall provides Manhattan Hill residents and other shoppers with high quality retail facilities. The shopping mall was leased out to a mix of shops and restaurants, generating a stream of recurring income for the Group and classified as investment property in the consolidated statement of financial position.

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

- TMPI is jointly owned by TM Properties Holdings Limited (“TMPH”), an indirect wholly-owned subsidiary of the Group, and Mega Odyssey Limited (“MOL”), an indirect wholly-owned subsidiary of SHKP subsequent to the disposal of TMPH’s 50% equity interest in TMPI to MOL in 2020. TMPI, the owner of the property at Tuen Mun Town Lot No. 80 in the New Territories, has become a 50%-owned joint venture of the Group.
- As at 30 June 2025, the entire lettable area of the property has been leased out to generate rental income for the Group.

### **China Mainland Transport Operations**

As at 30 June 2025, the Group’s total interests in associates within the China Mainland Transport Operations Division amounted to HK\$589.8 million (31 December 2024: HK\$569.6 million). Such investments are mainly related to the operation of public transport services in Shenzhen, as well as taxi and car rental services in Beijing. The Group’s China Mainland Transport Operations Division reported similar results for the six months ended 30 June 2025, compared to the corresponding period in 2024.

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

- SZBG, which commenced operations in 2005, is a Sino-foreign joint stock company formed by a wholly-owned subsidiary of the Company and four other Mainland investors. The Group has invested RMB387.1 million (equivalent to HK\$363.9 million at the investment date) in SZBG, representing a stake of 35%. SZBG mainly provides public bus, minibus and taxi services in Shenzhen City, Guangdong Province (廣東省深圳市). As at 30 June 2025, it had a fleet of over 5,000 buses running on more than 300 routes and over 6,000 taxi.

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

- BBKT, a Sino-foreign joint stock company, was established in Beijing in 2003. The Group has invested RMB80.0 million (equivalent to HK\$75.5 million at the investment date) in BBKT, representing an equity interest of 31.38%. Until April 2013, BBKT operated both taxi hire and car rental businesses in Beijing. To provide greater focus on the business opportunities in the booming but challenging car rental market, BBKT spun off its car rental business to another Sino-foreign joint stock company, namely Beijing Beiqi First Company Limited (北京北汽福斯特股份有限公司). As at 30 June 2025, BBKT had a fleet of over 4,500 taxis.

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

- BBF is a Sino-foreign joint stock company, which was established in April 2013 with the same shareholding structure as BBKT to carry on the car rental business formerly operated by BBKT. BBF had over 1,000 vehicles available for hire as at 30 June 2025.

## FINANCIAL POSITION

### Capital Expenditure

As at 30 June 2025, the carrying values of Group’s investment properties, investment property under development, interest in leasehold land and other property, plant and equipment (comprising buildings, buses and other motor vehicles, buses under construction, tools and others) amounted to HK\$15,260.9 million (31 December 2024: HK\$15,679.4 million). The decrease was mainly due to the reduction in fleet size. None of the assets was pledged or charged as at 30 June 2025.

During the six months ended 30 June 2025, the Group incurred capital expenditure of HK\$267.8 million (six months ended 30 June 2024: HK\$487.2 million), which was mainly used for fleet enhancement for the Group and the development of The Millennity.

## FUNDING AND FINANCING

### Liquidity and financial resources

As at 30 June 2025, the Group’s net borrowing (i.e. total borrowings less cash and deposits at banks) amounted to HK\$2,069.0 million (31 December 2024: HK\$2,281.0 million). The details of the Group’s net cash/net borrowing position by currency are set out below:

Currency	Cash and deposits at bank in foreign currency million	Cash and deposits at bank HK\$ million	Bank loans HK\$ million	(Net borrowing)/ Net cash HK\$ million
<i>At 30 June 2025</i>				
Hong Kong dollars		1,364.8	(4,190.0)	(2,825.2)
United States dollars	95.4	748.7	-	748.7
Other currencies		7.5	-	7.5
Total		<u>2,121.0</u>	<u>(4,190.0)</u>	<u>(2,069.0)</u>
<i>At 31 December 2024</i>				
Hong Kong dollars		1,055.2	(4,210.9)	(3,155.7)
United States dollars	111.1	863.3	-	863.3
Other currencies		11.4	-	11.4
Total		<u>1,929.9</u>	<u>(4,210.9)</u>	<u>(2,281.0)</u>

As at 30 June 2025, bank loans, all unsecured, amounted to HK\$4,190.0 million (31 December 2024: HK\$4,210.9 million). The maturity profile of the bank loans of the Group is set out below:

	<b>At 30 June 2025 HK\$ million</b>	At 31 December 2024 HK\$ million
Within 1 year	1,769.5	842.5
After 1 year but within 2 years	2,021.4	2,071.5
After 2 years but within 5 years	399.1	1,296.9
	<b>4,190.0</b>	<b>4,210.9</b>

As at 30 June 2025, the Group had undrawn banking facilities totalling HK\$3,280.0 million (31 December 2024: HK\$2,870.0 million).

The finance costs incurred by the Group for the six months ended 30 June 2025 were HK\$26.8 million, a decrease of HK\$27.0 million compared with HK\$53.8 million for the six months ended 30 June 2024. The decrease was mainly due to the decrease in average bank borrowings of the Group and the decrease in average interest rate in respect of the Group's borrowings from 4.53% per annum for the six months ended 30 June 2024 to 3.12% per annum for the six months ended 30 June 2025.

As at 30 June 2025, the Group's cash and deposits at banks (mainly denominated in Hong Kong dollars and United States dollars) amounted to HK\$2,121.0 million (31 December 2024: HK\$1,929.9 million).

## FUNDING AND TREASURY POLICIES

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

The impact of fuel price movements on the results of the Group's core franchised public bus operations can be significant. Although exposure to fluctuations in the fuel price might be managed by the use of fuel derivatives, the Group has carefully evaluated the pros and cons of entering into fuel price hedging arrangements and concluded that fuel price hedging would be as risky as not hedging, and would not necessarily result in a better financial position for the Group in the long term. Alternatively, the Group enters into contracts with diesel suppliers from time to time for the supply of diesel. It is expected that the fuel price will continue to be volatile, and management will continue to closely monitor fuel price movements and constantly review its strategy in respect of fuel price risk management in the light of prevailing market conditions.

The Group is exposed to foreign currency risk primarily through purchases of new buses and motor vehicle components from overseas, investments in financial assets measured at FVOCI (recycling) and deposits placed at banks that are denominated in a foreign currency. The currencies giving rise to this risk are primarily British Pounds Sterling (GBP) and United States

dollars (USD). In respect of the exposure in GBP used for bus purchases, the Group's treasury team will enter into forward foreign exchange contracts in a strategic manner when appropriate.

In view of the volatile financial markets and the prospect of interest rate hikes, the Group will continue to closely monitor the market conditions and devise suitable strategies to manage its exposure to interest rate risk in a prudent manner with different techniques and instruments, including natural hedges achieved by spreading loans over different rollover periods and maturity dates. Derivative financial instruments such as interest rate swaps, will be used when appropriate. As at 30 June 2025, all of the Group's borrowings were denominated in Hong Kong dollars and on a floating interest rate basis. The Group regularly reviews its strategy on interest rate risk management in the light of the prevailing market conditions.

The Group's credit risk is primarily attributable to trade and other receivables and debt investments. Management has a credit policy in place under which exposure to credit risk is monitored on an ongoing basis. The Group has established treasury management guidelines for investment of surplus cash reserves in debt securities for yield enhancement purposes. Limits are set for the total portfolio size and individual debt securities to minimise the overall risk as well as the concentration risk. The credit ratings of the debt issuers and market news relating to them, as available, are closely monitored over the life of the transactions. In addition, investment portfolio and investment strategies will be monitored and reviewed on a regular basis to minimise the risk of default on the investments in debt securities. Cash at bank and bank deposits are placed with licensed financial institutions with high credit ratings and the Group monitors the exposure to each financial institution. The Group does not provide guarantees to third parties which would expose the Group to credit risk.

## **CAPITAL COMMITMENTS**

The Group's capital commitments as at 30 June 2025 amounted to HK\$212.3 million (31 December 2024: HK\$171.8 million). These commitments were mainly in respect of the purchases of buses and motor vehicles components and the development of The Millennity, which are to be financed by bank borrowings and from the Group's internal resources.

## **EMPLOYEES AND REMUNERATION POLICIES**

Transport operations are labour intensive. For the six months ended 30 June 2025, total remuneration excluding retirement costs and equity-settled share-based payment expenses amounted to HK\$2,186.7 million (six months ended 30 June 2024: HK\$2,128.0 million), accounting for about 55% of the total operating costs of the Group. The Group closely monitors its headcount and staff remuneration in line with productivity and the prevailing market trends. Employee compensation, including salaries and retirement and medical benefits, is determined based on the principles of performance, fairness, transparency and market competitiveness. As at 30 June 2025, the Group employed about 12,500 staff (31 December 2024: approximately 12,700 staff).

## **OUTLOOK**

The economy of Hong Kong grew moderately in the first half of the year, whilst changes in travel patterns and consumption habits continued, coupled with the complexity and volatility of the global landscape, which have had an impact on many sectors and put pressure on the

demand for public transport. TIH believes that quality public transport services are the cornerstone of Hong Kong's social development, and are the driving force for economic transformation and diversification, as well as strengthening cooperation with the Mainland to take on the current challenges. The Group's franchised public bus companies - KMB and LWB, as well as other non-franchised transportation businesses, are striving to seize the opportunities arising from social reforms by enhancing service quality and operational efficiency. With proactive measures to cope with the changing business environment, KMB's patronage remained stable, LWB's patronage increased as a result of further service enhancements in response to strong demand at the Hong Kong Port of Hong Kong-Zhuhai-Macao Bridge (HZMB) and the Hong Kong Airport. The Government's approval to KMB for fare increase with effect from 5 January 2025 also provided a favorable factor for the Group's overall development. The Group maintained its forward momentum.

As a major public transport operator, KMB is constantly aware of changes in passengers' needs and allocates additional resources to areas with rising service demand. It has introduced new routes in New Territories East, Yuen Long and the Anderson Road Development Area, operated special routes to tie in with the opening of Kai Tak Sports Park for large events and continued to meet the demand for border routes, to enable members of the public and tourists to enjoy convenient transport services. KMB has also kept optimizing its bus services and network, by expanding the Regional Short-haul Two-way Section Fares Scheme, increasing the number of concessionary interchange combinations at Bus-Bus Interchanges, and providing fare rebate for cross-harbour routes, to attract passengers by offering more fare concession. As for LWB, to facilitate passengers to travel to and from the Mainland via the Hong Kong Airport at different times of the day, it has introduced interchange concessions with the Lok Ma Chau-Huanggang shuttle buses on LWB routes and increased the number of feeder trips to the Hong Kong port of HZMB in different districts during peak periods of holidays, facilitating the travel of residents across the border. The Group believes that these strategic initiatives encourage passengers to continue using the services of KMB and LWB and will bring prospects for business development.

As the pursuit of sustainable development has become a social consensus, the Group has demonstrated its strong commitment to green transport with its largest fleet of new-energy electric buses in Hong Kong, which have been operating smoothly, with a further increase in routes and mileage, allowing more passengers to experience the benefits of zero emissions. With its accumulated experience, KMB Academy has set up a training workshop for electric vehicle maintenance which meets the specifications for repairing high-voltage components of electric vehicles, and aims to become the first private company in Hong Kong to offer all three-level electric vehicle maintenance courses, which will not only lay a good foundation for the future expansion of the electric bus fleet, but also open the courses to the industry for enrollment, thereby contributing to the overall community's development of green transport and moving towards carbon neutrality.

As catering for the travel needs of different passengers is the responsibility of public transport operators, KMB has launched the Pet Bus Tour, which has carried owners and their pets for more than 10,000 passenger trips in six months, creating a new transport service that allows owners and their pets to go out together and, more importantly, promoting a pet-friendly culture to build a more livable city.

The Millennity, a prime commercial development in Kwun Tong, in which the Group has a 50% interest, has two Grade A office towers that have been leased to a number of large organizations and corporations. Although the leasing market is under pressure, there is a certain level of demand for the project as it is new and awarded various energy-saving, environmental

and green certifications. The 500,000-square-foot basement shopping mall is expected to be occupied in phases in the second half of the year, which will bring the Group stable rental income.

Looking ahead, the Group will endeavor to adapt to the new operating environment, maintain the positive development of core businesses and proactively explore new directions of development in terms of service areas, mode of operation, innovation and technology, with a view to bringing value and returns to our shareholders, serving the public and contribute to the society.

## **ISSUE OF SHARES**

On 26 June 2025, the Company issued 17,016,568 shares in lieu of the final dividend for the year ended 31 December 2024 at an issue price of HK\$8.65 per share under the scrip dividend scheme as set out in the circular of the Company dated 30 May 2025.

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

Except for the aforesaid issue of shares on 26 June 2025, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the period under review.

## **CORPORATE GOVERNANCE**

The Company complied with the applicable code provisions in the Corporate Governance Code set out in Appendix C1 to the Listing Rules for the six months ended 30 June 2025, except that two Directors of the Company were unable to attend the Annual General Meeting of the Company held on 15 May 2025 as provided for in code provision C.1.5, due to other engagements.

## **REVIEW OF INTERIM FINANCIAL REPORT**

The interim financial report for the six months ended 30 June 2025 is unaudited, but has been reviewed in accordance with Hong Kong Standard on Review Engagements 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*, issued by the Hong Kong Institute of Certified Public Accountants, by the Company's external auditors, KPMG, whose review report is included in the interim report to be sent to shareholders.

The Audit and Risk Management Committee of the Company, together with management and KPMG, has reviewed the accounting principles and policies adopted by the Group, discussed auditing, internal control, risk management and financial reporting matters, and also reviewed the unaudited interim financial report for the six months ended 30 June 2025.



## **PUBLICATION OF THE INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT**

This interim results announcement is published on the Company's website at [www.tih.hk](http://www.tih.hk) and the website of The Stock Exchange of Hong Kong Limited at [www.hkexnews.hk](http://www.hkexnews.hk). The 2025 interim report will be available at the Company's website and despatched to shareholders of the Company in mid-September 2025.

By Order of the Board

**Norman LEUNG Nai Pang**  
Chairman

Hong Kong, 21 August 2025

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

**Independent Non-executive Directors:**

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

**Non-executive Directors:**

Mr. Raymond KWOK Ping Luen, *JP* (Mr. WONG Hong Kit as his alternate)  
Mr. Charles LUI Chung Yuen, *M.H.*  
Mr. William LOUEY Lai Kuen (Ms. LAU Man-Kwan, Julia, *JP* as his alternate)  
Ms. Winnie NG, *JP*  
Mr. Allen FUNG Yuk Lun  
Dr. CHEUNG Wing Yui, *BBS*  
Mr. LEE Luen Fai, *BBS, JP*  
Mr. LUNG Po Kwan  
Mr. Christopher KWOK Kai-wang, *JP*

**Executive Director:**

Mr. Roger LEE Chak Cheong (Managing Director)

*\*For identification purpose only*