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 2026

FINANCIAL HIGHLIGHTS

- The Group's unaudited underlying profit attributable to equity shareholders for the six months ended 30 June 2026, excluding the effect of the change in fair value of investment properties and investment property under development, amounted to HK$148.4 million, compared to HK$285.1 million for the corresponding period last year. Underlying earnings per share was HK$0.28, compared to HK$0.56 for the corresponding period last year. The decline in the Group's underlying profit was mainly attributable to the significant increase in international fuel prices arising from the ongoing Middle East crisis. Although the HKSAR Government has implemented short-term fuel and toll subsidy arrangements, and the Group has undertaken various cost-control initiatives to mitigate the financial impact, the Group's results, particularly for the two franchised public bus operations, continued to be adversely affected during the period.

- Given that tensions in the Middle East have escalated further since July 2026, pushing gasoil prices to a two-month high, the Group's operating costs have risen sharply following the expiry of fuel subsidy arrangements in June. In addition, structural changes in ridership mix and annual wage increments continue to place pressure on operating results. Management therefore urges the HKSAR Government to extend and broaden fuel support measures in a timely manner, and to consider all feasible actions to stabilise costs amid the current severe price volatility, so as to safeguard the Group's financial sustainability.

- Reported profit and reported earnings per share attributable to equity shareholders were HK$25.2 million and HK$0.05 respectively, compared to HK$190.0 million and HK$0.37 for the corresponding period last year. The reported profit included a decrease in fair value of investment properties of HK$123.2 million, compared with decrease in fair value of investment properties and investment property under development of HK$95.1 million for 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$79.4 million for the six months ended 30 June 2026, compared to HK$176.7 million for the corresponding period last year. This represents a decrease of HK$97.3 million, primarily driven by the significant increase in fuel costs and salary increase, partially offset by government subsidies and a reduction in toll-related charges.

- After careful consideration of the ongoing challenges and uncertainties ahead, the Board does not recommend the declaration of an interim dividend for the six months ended 30 June 2026.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE SIX MONTHS ENDED 30 JUNE 2026 - UNAUDITED

	Note	Six months ended 30 June 2026 HK$ million	2025 HK$ million
Revenue	2 & 3	**4,206.3**	4,226.3
Other net income	4	**66.0**	72.2
Staff costs	5(a)	**(2,324.8)**	(2,269.1)
Depreciation		**(585.7)**	(592.1)
Fuel and oil		**(567.9)**	(415.9)
Spare parts		**(124.0)**	(130.9)
Toll-related charges	5(b)	**(78.6)**	(158.5)
Other operating expenses	5(c)	**(380.7)**	(376.6)
Profit from operations		**210.6**	355.4
Change in fair value of investment properties and investment property under development		**(123.2)**	(95.1)
Finance costs	6	**(44.0)**	(26.8)
Share of (loss)/profit of associates		**(0.8)**	-*
Share of profit of joint ventures		**4.4**	4.1
Profit before taxation	5	**47.0**	237.6
Income tax expense	7	**(21.8)**	(47.6)
Profit for the period		**25.2**	190.0
Earnings per share based on profit attributable to equity shareholders (reported earnings per share)			
Basic and diluted	9(a)	**HK$ 0.05**	HK$ 0.37
Earnings per share excluding the effect of change in fair value of investment properties and investment property under development (underlying earnings per share)			
Basic and diluted	9(b)	**HK$ 0.28**	HK$ 0.56

* 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 2026 - UNAUDITED

	Six months ended 30 June	
	2026	2025
	HK$ million	HK$ million
Profit for the period	**25.2**	190.0
Other comprehensive income for the period (after tax and reclassification adjustments):		
Items that will not be reclassified to profit or loss:		
- Equity investment at fair value through other comprehensive income ("FVOCI"): net movement in fair value reserve (non-recycling), net of nil tax	**(3.1)**	(22.4)
- Share of other comprehensive income of an associate, net of nil tax	**12.7**	(0.6)
Items that may be reclassified subsequently to profit or loss:		
- Exchange differences on translation of financial statements of entities outside Hong Kong, net of nil tax	**21.7**	20.8
- Investments in financial assets measured at FVOCI (recycling): net movement in fair value reserve (recycling), net of nil tax	**(6.2)**	(23.6)
Other comprehensive income for the period	**25.1**	(25.8)
Total comprehensive income for the period	**50.3**	164.2

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 30 JUNE 2026 - UNAUDITED

	Note	**At 30 June 2026 HK$ million**	At 31 December 2025 HK$ million
Non-current assets			
Investment properties		**8,053.8**	8,177.0
Interest in leasehold land		**41.6**	42.6
Other property, plant and equipment		**6,234.5**	6,663.7
		14,329.9	14,883.3
Intangible assets		**593.9**	573.9
Goodwill		**84.1**	84.1
Interest in associates		**651.0**	616.2
Interest in joint ventures		**757.1**	752.7
Other financial assets		**1,543.5**	1,526.9
Employee benefit assets		**2,125.3**	2,110.3
Deferred tax assets		**6.7**	3.6
		20,091.5	20,551.0
Current assets			
Spare parts		**103.5**	118.7
Accounts receivable	10	**796.7**	848.9
Other financial assets		**41.6**	88.9
Deposits and prepayments		**61.2**	66.7
Current tax recoverable		**6.1**	4.9
Restricted bank deposits		**215.9**	264.5
Bank deposits and cash		**2,454.2**	1,516.3
		3,679.2	2,908.9
Current liabilities			
Accounts payable and accruals	11	**1,234.5**	1,370.8
Contingency provision – insurance		**93.6**	94.0
Bank loans		**2,673.9**	2,823.7
Lease liabilities		**4.0**	3.7
Current tax payable		**46.2**	2.2
		4,052.2	4,294.4
Net current liabilities		**(373.0)**	(1,385.5)
Total assets less current liabilities		**19,718.5**	19,165.5

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 30 JUNE 2026 - UNAUDITED

(continued)

	At 30 June 2026 HK$ million	At 31 December 2025 HK$ million
Non-current liabilities		
Bank loans	**1,316.2**	548.1
Lease liabilities	**2.8**	3.3
Deferred tax liabilities	**1,187.1**	1,206.9
Contingency provision – insurance	**143.7**	142.2
Provision for long service payments	**94.0**	91.8
	2,743.8	1,992.3
Net assets	**16,974.7**	17,173.2
Capital and reserves		
Share capital	**536.4**	534.5
Reserves	**16,438.3**	16,638.7
Total equity	**16,974.7**	17,173.2

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 2026 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 20 August 2026.

The interim financial report has been prepared in accordance with the same accounting policies adopted in the 2025 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2026 annual financial statements.

The HKICPA has issued a number of amendments to HKFRS Accounting Standards that are first effective for the current accounting period. Of these, only the amendments to HKFRS 9, *Financial instruments* and HKFRS 7, *Financial instruments: Disclosures – Amendments to the classification and measurement of financial instruments*, are relevant to the Group's financial statements. The impacts of adopting these amendments are discussed below.

Amendments to HKFRS 9, *Financial instruments* and HKFRS 7, *Financial instruments: Disclosures – Amendments to the classification and measurement of financial instruments*

The amendments clarify when a financial asset or a financial liability is recognised and derecognised. They also introduce an optional exception that permits an entity to derecognise a financial liability before the settlement date when the financial liability is settled in cash using an electronic payment system, provided that specific criteria are met.

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 Six months ended 30 June		Property holdings and development Six months ended 30 June		All other segments (note) Six months ended 30 June		Total Six months ended 30 June	
	2026	2025	**2026**	2025	**2026**	2025	**2026**	2025
	HK$ million	HK$ million	**HK$ million**	HK$ million	**HK$ million**	HK$ million	**HK$ million**	HK$ million
Revenue from external customers	**4,004.3**	4,016.7	**66.0**	52.4	**136.0**	157.2	**4,206.3**	4,226.3
Inter-segment revenue	**1.0**	1.0	**1.5**	2.1	**5.0**	1.3	**7.5**	4.4
Reportable segment revenue	**4,005.3**	4,017.7	**67.5**	54.5	**141.0**	158.5	**4,213.8**	4,230.7
Reportable segment profit/(loss)	**96.6**	201.9	**(115.3)**	(69.3)	**10.3**	11.7	**(8.4)**	144.3
As at 30 June/31 December								
Reportable segment assets	**10,416.0**	10,365.1	**9,088.3**	9,010.3	**1,593.8**	1,580.9	**21,098.1**	20,956.3
Reportable segment liabilities	**3,661.6**	3,601.9	**3,007.2**	2,573.2	**90.0**	90.9	**6,758.8**	6,266.0

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:

	Six months ended 30 June	
	2026	2025
	HK$ million	HK$ million
Fare revenue from franchised public bus services	**3,877.1**	3,891.0
Revenue from non-franchised transport services	**136.9**	157.7
Licence fee income	**96.4**	97.4
Media sales revenue	**26.5**	24.9
Gross rentals from investment properties	**69.4**	55.3
	4,206.3	4,226.3

4 Other net income

	Six months ended 30 June	
	2026	2025
	HK$ million	HK$ million
Interest income	**30.9**	37.5
Net foreign exchange gain	**9.8**	12.1
	40.7	49.6
Claims received	**6.1**	8.4
Net miscellaneous business receipts	**5.3**	5.9
Net gain on disposal of other property, plant and equipment	**2.0**	2.2
Sundry income	**11.9**	6.1
	66.0	72.2

5 Profit before taxation

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

(a) Staff costs

	Six months ended 30 June	
	2026	2025
	HK$ million	HK$ million
Contributions to defined contribution retirement plans	**92.3**	91.6
(Income)/expenses recognised in respect of defined benefit plans:		
- Employee benefit assets	**(15.0)**	(17.1)
- Long service payments	**6.8**	7.4
Total retirement cost	**84.1**	81.9
Equity-settled share-based payment expenses	**0.1**	0.5
Salaries, wages and other benefits	**2,240.6**	2,186.7
	2,324.8	2,269.1

(b) Toll-related charges

Toll charges	**2.5**	93.3
Provision for toll exemption fund (note)	**76.1**	65.2
	78.6	158.5

(c) Other item

Insurance expenses (including the contingency provision for insurance)	**73.4**	78.7

Note: The Government of the Hong Kong Special Administrative Region of the People's Republic of China ("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 2026, included in accounts payable and accruals (note 11), was HK$179.4 million (31 December 2025: HK$239.1 million).

6 Finance costs

	Six months ended 30 June	
	2026	2025
	HK$ million	HK$ million
Interest on bank loans	**44.9**	65.1
Interest on lease liabilities	**0.1**	0.2
Total interest expense on financial liabilities not measured at fair value through profit or loss	**45.0**	65.3
Less: interest expense capitalised	**(1.0)**	(38.5)
	44.0	26.8

7 Income tax expense

	Six months ended 30 June	
	2026	2025
	HK$ million	HK$ million
Current tax		
Hong Kong Profits Tax	**47.4**	7.0
Deferred tax		
Origination and reversal of temporary differences	**(25.6)**	40.6
Actual tax expense	**21.8**	47.6

The provision for Hong Kong Profits Tax is calculated by applying the estimated annual effective tax rate of 16.5% (2025: 16.5%) to the estimated assessable profits for the six months ended 30 June 2026, 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 2025.

8 Dividends

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

	Six months ended 30 June			
	2026		2025	
	Per share HK$	**HK$ million**	Per share HK$	HK$ million
Interim dividend declared after the interim period end	**-**	**-**	0.30	157.8

The Board does not recommend the declaration of an interim dividend for the six months ended 30 June 2026 (six months ended 30 June 2025: HK$0.30 per share).

The interim dividend with a scrip dividend alternative in respect of the six months ended 30 June 2025 was paid on 21 October 2025, of which HK$87.9 million was settled by the issuance of 8,340,690 shares at an issue price of HK$10.54 per share under the scrip dividend scheme.

(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			
	2026		2025	
	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	**0.50**	**267.5**	0.50	254.4

The final dividend with a scrip dividend alternative in respect of the year ended 31 December 2025 was paid on 29 June 2026, of which HK$12.3 million was settled by the issuance of 1,260,978 shares at an issue price of HK$9.72 per share under the scrip dividend scheme.

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.

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$25.2 million (six months ended 30 June 2025: HK$190.0 million) and the weighted average number of ordinary shares in issue during the interim period, calculated as follows:

	Six months ended 30 June	
	2026	2025
Issued ordinary shares at 1 January	**534,540,283**	508,901,425
Effect of shares issued in respect of scrip dividend	**13,933**	470,071
Effect of shares issued in respect of share options	**341,397**	-
Weighted average number of ordinary shares at 30 June	**534,895,613**	509,371,496

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. Share options were excluded from the diluted weighted average number of ordinary shares calculation because their effect would have been anti-dilutive.

(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$148.4 million (six months ended 30 June 2025: HK$285.1 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:

	Six months ended 30 June	
	2026	2025
	HK$ million	HK$ million
Profit attributable to equity shareholders as shown in the consolidated statement of profit or loss	**25.2**	190.0
Change in fair value of investment properties and investment property under development	**123.2**	95.1
Underlying profit attributable to equity shareholders	**148.4**	285.1

10 Accounts receivable

	At 30 June 2026 HK$ million	At 31 December 2025 HK$ million
Trade and other receivables	**756.4**	793.4
Interest receivable	**40.6**	55.8
Less: loss allowance	**(0.3)**	(0.3)
	796.7	848.9

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 2026 HK$ million	At 31 December 2025 HK$ million
Current	**147.0**	153.8
Less than 1 month past due	**13.2**	13.6
1 to 3 months past due	**7.7**	15.5
More than 3 months past due	**21.5**	31.5
	189.4	214.4

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:

	At 30 June 2026 HK$ million	At 31 December 2025 HK$ million
Due within 1 month or on demand	**133.0**	141.8
Due after 1 month but within 3 months	**-**	3.9
Due after more than 3 months	**0.5**	0.5
Trade payables	**133.5**	146.2
Balance of toll exemption fund (note 5(b))	**179.4**	239.1
Deposits received in advance, other payables and accruals	**916.7**	980.6
Amount due to an associate	**4.9**	4.9
	1,234.5	1,370.8

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.

12 Comparative figures

Certain comparative figures have been reclassified to conform with the presentation of the current period, which management considered would better facilitate the analysis of the financial information and better reflect the Group’s financial performance and position. Such reclassification has no impact on the Group’s prior period overall results.

INTERIM RESULTS

The Group's unaudited underlying profit attributable to equity shareholders for the six months ended 30 June 2026, excluding the effect of the change in fair value of investment properties and investment property under development, amounted to HK$148.4 million, compared to HK$285.1 million for the corresponding period last year. Underlying earnings per share was HK$0.28, compared to HK$0.56 for the corresponding period last year.

Reported profit and reported earnings per share attributable to equity shareholders were HK$25.2 million and HK$0.05 respectively, compared to HK$190.0 million and HK$0.37 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$123.2 million, compared to a decrease of HK$95.1 million for the corresponding period last year.

The decline in the Group’s underlying profit was mainly attributable to the significant increase in international fuel prices arising from the ongoing Middle East crisis. Although the HKSAR Government has implemented short-term fuel and tolls subsidy arrangements, and the Group has undertaken various cost-control initiatives to mitigate the financial impact, the Group’s results, particularly for the two franchised public bus operations, continued to be adversely affected during the period.

INTERIM DIVIDEND

After careful consideration of the ongoing challenges and uncertainties ahead, the Board does not recommend the declaration of an interim dividend for the six months ended 30 June 2026 (six months ended 30 June 2025: HK$0.30 per share).

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$79.4 million for the six months ended 30 June 2026 as compared to HK$176.7 million for the six months ended 30 June 2025, representing an unfavourable variance of HK$97.3 million. The variance was primarily driven by the significant increase in fuel costs and salary increase, but partly offset by government subsidies and a reduction in toll-related charges.

- Fare revenue for the six months ended 30 June 2026 was HK$3,543.5 million, a decrease of HK$34.4 million or 1.0% compared with HK$3,577.9 million for the corresponding period in 2025. The decrease in fare revenue was primarily due to a slight decline in bus patronage.

- Total operating expenses for the six months ended 30 June 2026 amounted to HK$3,610.9 million, an increase of HK$93.3 million or 2.7% compared with HK$3,517.6 million for the corresponding period in 2025.

- As at 30 June 2026, KMB operated a total of 449 routes (31 December 2025: 447 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 2026, a total of 3 Euro VI buses and 7 electric double-deck buses with the latest safety, environmental and design features were added to the fleet. As at 30 June 2026, KMB operated 3,938 buses (31 December 2025: 3,959 buses), comprising 3,795 double-deck (52 of which are electric double-deck buses) and 143 single-deck buses (30 of which are electric single-deck buses). In addition, a total of 88 Euro VI double-deck buses were awaiting licensing starting second half of 2026.

Long Win Bus Company Limited ("LWB")

- The profit after taxation of LWB for the six months ended 30 June 2026 was HK$17.4 million, compared to HK$25.2 million for the six months ended 30 June 2025, representing a decrease of HK$7.8 million or 31.0% compared with the corresponding period in 2025.

- Fare revenue for the six months ended 30 June 2026 increased by HK$20.4 million or 6.5% to HK$334.6 million compared with HK$314.2 million for the corresponding period in 2025. The increase was mainly due to the growth in bus patronage.

- Total operating expenses for the six months ended 30 June 2026 amounted to HK$315.6 million, an increase of HK$30.7 million or 10.8% compared with HK$284.9 million for the corresponding period in 2025. The increase was largely attributed to the increase in fuel and oil costs as a result of the increase in international fuel price.

- As at 30 June 2026, LWB had 51 BBI schemes covering 44 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 2026, LWB operated 44 regular routes with a fleet of 319 double-deck buses (31 December 2025: 313 buses).

Non-franchised Transport Operations

The Group's Non-franchised Transport Operations Division reported a profit after taxation of HK$11.1 million for the six months ended 30 June 2026, compared to HK$11.6 million for the six months ended 30 June 2025. 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 2026 decreased by 11.0% compared to the corresponding period in 2025. The decrease was mainly due to keen competition in local business. Total operating costs for the six months ended 30 June 2026 decreased by 9.7% compared with corresponding period last year as management implemented various cost-control measures in staff costs and other operating expenses to streamline operations. However, the reduction was partly offset by the increase in fuel cost as a result of the surge in international fuel prices.

- As at 30 June 2026, the SBH Group had a fleet of 415 licensed buses (31 December 2025: 414 licensed buses). During the first half of 2026, 1 new coach was purchased for fleet replacement purpose.

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 2026 increased by 2.8% 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 six months ended 30 June 2026 increased by 0.3% compared with the corresponding period last year due to the increase in fuel cost as a result of the surge in international fuel prices after the implementation of cost control measures.

- As at 30 June 2026, NHKB had a fleet of 15 super-low floor single-deck buses, the same number as at 31 December 2025.

Property Holdings and Development

The Group's Property Holdings and Development Division reported a profit after taxation of HK$7.9 million (excluding a decrease in fair value of HK$123.2 million on investment properties and investment property under development) for the six months ended 30 June 2026, compared to the 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 corresponding period last year. The decline in profit after taxation was due to the increase in finance cost, as interest expenses incurred for property development had been capitalised in 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 and The ANGLE (formerly known as Scramble Hill), a premium integrated commercial project strategically located in the heart of Kwun Tong, are close to Kwun Tong and Ngau Tau Kok MTR stations.

- The Millennity features two 20-storey Grade-A office towers with a total gross floor area of approximately 650,000 square feet. Beneath The Millennity is a large shopping centre, The ANGLE, located in a 10-storey podium covering leisurely retail space of approximately 500,000 square feet. Nearly 400 parking spaces are provided in a 4-storey parking garage in the basement, a number of which will be equipped with electric vehicle charging systems. The ANGLE has begun its phased opening.

- As at 30 June 2026, both The Millennity and The ANGLE were classified as investment properties in the consolidated statement of financial position (31 December 2025: 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 2026, the entire lettable area of the property has been leased out to generate rental income for the Group.

Chinese Mainland Transport Operations

As at 30 June 2026, the Group's total interests in associates within the Chinese Mainland Transport Operations Division amounted to HK$651.0 million (31 December 2025: HK$616.2 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 Chinese Mainland Transport Operations Division reported similar results for the six months ended 30 June 2026, compared to the corresponding period in 2025.

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 2026, it had a fleet of over 4,500 buses running on around 300 routes and over 5,600 taxis.

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 2026, BBKT had a fleet of around 4,900 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 2026.

FINANCIAL POSITION

Capital Expenditure

As at 30 June 2026, the carrying values of the Group's investment properties, 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$14,329.9 million (31 December 2025: HK$14,883.3 million). None of the assets was pledged or charged as at 30 June 2026.

During the six months ended 30 June 2026, additions to investment properties, interest in leasehold land and other property, plant and equipment totaled HK$156.4 million (six months ended 30 June 2025: HK$270.1 million), which was mainly used for fleet enhancement for the Group.

FUNDING AND FINANCING

Liquidity and financial resources

As at 30 June 2026, the Group's net borrowing (i.e. total borrowings less cash and deposits at banks) amounted to HK$1,320.0 million (31 December 2025: HK$1,591.0 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
At 30 June 2026				
Hong Kong dollars		**1,936.1**	**(3,990.1)**	**(2,054.0)**
United States dollars	**93.2**	**731.0**	**-**	**731.0**
Other currencies		**3.0**	**-**	**3.0**
Total		**2,670.1**	**(3,990.1)**	**(1,320.0)**
At 31 December 2025				
Hong Kong dollars		1,059.4	(3,371.8)	(2,312.4)
United States dollars	91.3	710.5	-	710.5
Other currencies		10.9	-	10.9
Total		1,780.8	(3,371.8)	(1,591.0)

As at 30 June 2026, bank loans, all unsecured, amounted to HK$3,990.1 million (31 December 2025: HK$3,371.8 million). The maturity profile of the bank loans of the Group is set out below:

	At 30 June 2026 HK$ million	At 31 December 2025 HK$ million
Within 1 year	**2,673.9**	2,823.7
After 1 year but within 2 years	**-**	548.1
After 2 years but within 5 years	**1,316.2**	-
	3,990.1	3,371.8

As at 30 June 2026, the Group had undrawn banking facilities totalling HK$4,005.0 million (31 December 2025: HK$5,200.0 million).

The finance costs incurred by the Group for the six months ended 30 June 2026 were HK$44.0 million, an increase of HK$17.2 million compared with HK$26.8 million for the six months ended 30 June 2025. The increase was mainly due to the interest expenses incurred for the development of The ANGLE, which were capitalised in the corresponding period last year. This was partially offset by the decrease in average bank borrowings of the Group and the decrease in average interest rate in respect of the Group's borrowings from 3.1% per annum for the six months ended 30 June 2025 to 2.9% per annum for the six months ended 30 June 2026.

As at 30 June 2026, the Group's cash and deposits at banks (mainly denominated in Hong Kong dollars and United States dollars) amounted to HK$2,670.1 million (31 December 2025: HK$1,780.8 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 remains highly 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 2026, 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 2026 amounted to HK$113.2 million (31 December 2025: HK$91.7 million). These commitments were mainly in respect of the purchases of major motor vehicles components, 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 2026, total remuneration excluding retirement costs and equity-settled share-based payment expenses amounted to HK$2,240.6 million (six months ended 30 June 2025: HK$2,186.7 million), accounting for about 55% (six months ended 30 June 2025: 56%) 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 2026, the Group employed about 12,300 staff (31 December 2025: approximately 12,700 staff).

OUTLOOK

In the first half of the year, the outbreak of conflict in the Middle East led to a surge in fuel prices, severely impacting the operations of the transportation sector and inevitably affecting the Group's core business. Fuel is a major component of operating costs for the Group's franchised bus operations, including KMB and LWB, as well as its non-franchised transport services. Anticipating a sharp rise in fuel prices, the Group acted promptly by conducting a thorough review of all aspects of its operations, reducing the use of lower-yield resources, maintaining services that meet demand, and striving to enhance cost efficiency. At the same time, the Group swiftly communicated with the HKSAR Government, explaining how rising fuel prices affect public bus services and, in turn, the livelihood of the public. The Government subsequently introduced measures such as a diesel subsidy scheme to alleviate part of the fuel cost pressure. Starting from July 2026, tensions in the Middle East escalated further, driving gasoil prices to a two-month high. This renewed increase in fuel costs has exerted additional pressure on the Group's operating performance. Given the heightened volatility in international fuel markets and the direct impact on the cost structure of the Group's franchised and non-franchised transport operations, continued Government support measures to stabilise fuel costs are critically important in safeguarding the Group's financial sustainability amid the prevailing fuel price volatility.

The Northern Metropolis is set to become a key engine for Hong Kong's future economic development. KMB is proactively seizing opportunities to serve passengers in new development areas and is pleased to have been awarded the operation of six new franchised bus routes in the Fanling North and Kwu Tung North New Development Areas. These routes will be progressively launched in the second half of the year. Together with the extensive bus networks of KMB and LWB, they will provide convenient and affordable interchange options for passengers, supporting the development of the Northern Metropolis. Together with the rising service demand in new development areas such as Anderson Road, it will create substantial growth opportunities for the Group's franchised bus business.

With the further integration of the Greater Bay Area, KMB and LWB are strengthening transport connections to land boundary control points, high-speed rail stations, and the Hong Kong–Zhuhai–Macao Bridge, closely aligning with evolving market demand and facilitating travel between Mainland China and Hong Kong. This supports Hong Kong's proactive alignment with the country's 15th Five-Year Plan. The newly completed Huanggang Port, located at a convenient midpoint along the Hong Kong–Shenzhen boundary, is expected to attract a significant volume of cross-boundary passengers. To support the commissioning of the new control point, KMB will deploy its most comprehensive and well-established bus network to provide efficient and convenient connections for passengers, ensuring a seamless travel experience. In parallel, the Group's legacy Huang Bus service will be phased out upon the opening of the new Huanggang Port, with resources reallocated to support the enhanced cross-boundary transport arrangements.

The local tourism sector continues to grow. Following the launch of its first Open Top Bus Route "CITY CHARM" HK1, KMB has introduced a new route, "SKYWALK" HK2, under its "KMB Tour HK" brand. Departing from Kowloon Station and Canton Road in Tsim Sha Tsui, the route allows passengers to enjoy panoramic views from the upper deck of open top buses, showcasing iconic infrastructure such as Stonecutters Bridge and Tsing Ma Bridge. Together with the newly introduced Open Top Bus Day Pass, which allows unlimited rides on "KMB Tour HK" open top buses within 24 hours, this initiative aims to cultivate a stable and high-potential customer base. As the pet economy gains prominence and with the Government introducing licences allowing dogs in certain restaurants, being a pioneer in launching regular pet-friendly bus services, KMB has expanded its pet bus services to daily operations, encouraging more outings by pet owners and boosting footfall at pet-friendly malls and facilities.

The Millennity, a premium commercial development in Kwun Tong in which the Group holds a 50% interest, has maintained steady growth in occupancy rates for its two Grade A office towers. The podium retail complex has been rebranded as **"The ANGLE"**, reflecting a design and positioning concept in conveying movement, interaction and the dynamic flow of people. The mall is curated to offer a distinctive experiential environment and is positioned as a destination catering to young families and younger generations. With a total gross floor area of approximately 500,000 square feet, The ANGLE is expected to contribute stable rental income to the Group.

The Group remains committed to sustainable development. Its fleet of zero-emission electric buses, the largest in Hong Kong, has been serving the community since its introduction, contributing to carbon reduction. The Group will continue to identify the most advanced and suitable electric buses for local operations and leverage support from the Government's subsidy scheme for electric bus purchases under the Green Transformation Roadmap of Public Buses, moving towards the goal of a fully zero-emission bus fleet. Leveraging its experience, the KMB Academy has established an electric vehicle maintenance training workshop that meets the standards for servicing high-voltage components. In the first half of the year, it launched the "Certificate in Diagnostics, Testing and Maintenance of Electric Vehicles (High-Voltage)", becoming the first private institution in Hong Kong to offer a full three-level electric vehicle maintenance training programme. This not only supports the expansion of the electric bus fleet but also opens training opportunities to the industry, contributing to the development of green transport and the journey towards carbon neutrality.

The Group firmly believes that, with a long history of experience in bus operations, a commitment to serving the community, and adopting innovative technologies, it is well positioned to meet the challenges of societal transformation and evolving travel patterns, sustain business growth and deliver value and returns to shareholders.

ISSUE OF SHARES

On 29 June 2026, the Company issued 1,260,978 shares in lieu of the final dividend for the year ended 31 December 2025 at an issue price of HK$9.72 per share under the scrip dividend scheme as set out in the circular of the Company dated 1 June 2026.

During the six months ended 30 June 2026, the Company issued 596,400 shares upon the exercise of share options at a consideration of HK$6.3 million.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S SHARES

Except for the aforesaid issue of shares under the scrip dividend scheme and the share option scheme, 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 2026, except that two Directors of the Company were unable to attend the Annual General Meeting of the Company held on 14 May 2026 as provided for in code provision C.1.5, due to other engagements.

Reference is made to the announcement of the Company dated 30 June 2026 in relation to, among others, the resignation of Mr. Lung Po Kwan as a non-executive director of the Company with effect from 30 June 2026. As disclosed in the announcement, the reason for Mr. Lung's resignation was to enable the Company to fulfill the requirement under Rule 3.10A of the Listing Rules, which requires independent non-executive directors to represent at least one-third of the Board.

REVIEW OF INTERIM FINANCIAL REPORT

The interim financial report for the six months ended 30 June 2026 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 2026.

PUBLICATION OF THE INTERIM RESULTS ANNOUNCEMENT AND INTERIM REPORT

This interim results announcement is published on the Company's website at www.tih.hk and the website of The Stock Exchange of Hong Kong Limited at www.hkexnews.hk. The 2026 interim report will be available at the Company's website and despatched to shareholders of the Company in mid-September 2026.

By Order of the Board

MA Siu Cheung
Chairman

Hong Kong, 20 August 2026

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

Non-executive Directors:
Mr. MA Siu Cheung, *GBS, JP* (Chairman)
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. Christopher KWOK Kai-wang, *JP*

Independent Non-executive Directors:
Dr. John CHAN Cho Chak, *GBS, JP* (Deputy Chairman)
Ms. WANG Xiao Bin (Deputy Chairman)
Dr. Eric LI Ka Cheung, *GBS, OBE, JP*
Professor LIU Pak Wai, *SBS, JP*
Mr. TSANG Wai Hung, *GBS, PDSM, JP*

Executive Director:
Mr. Roger LEE Chak Cheong (Managing Director)

**For identification purpose only*