



載通國際
Transport International



九巴 遊香港
KMB TOUR HK



Connecting Hearts, Propelling Growth

Transport International Holdings Limited
2025 Annual Report



Connecting Hearts, Propelling Growth

As a frontrunner in Hong Kong's public transport sector, Transport International Holdings Limited ("TIH", the "Group" or the "Company") has long upheld a steadfast commitment to serving the community by connecting people and communities. By virtue of its foresight and innovative spirit, the Group continues refining its offerings and expanding its business footprint to provide exemplary services for the community and tourists, thereby driving economic growth and social development.

Amid the completion of new development areas and infrastructure, the progressive development of the Northern Metropolis, and the rising cross-boundary mobility, the Group has formulated clear strategic directions for the advancement of its franchised bus and non-franchised transport operations, aiming to serve a wider range of passengers. In support of the development of the local tourism industry, TIH has launched the "KMB Tour HK" Open-top Bus brand to enhance Hong Kong's appeal to visitors. The Group has also further expanded its pet-friendly transport services to help foster an inclusive and liveable community.

TIH remains resolute in its pursuit of green transport, working hand in hand with the community to address climate change and advance towards carbon neutrality. Through a diversified and robust business portfolio, the Group is committed to creating long-term value for shareholders and stakeholders, while contributing to the development of the city.





CONTENTS

- 2 Group Profile
- 4 Business at a Glance
- 6 Key Franchised Bus Network in Hong Kong
- 8 Financial and Operational Highlights
- 10 Corporate Milestones 2025
- 14 Chairman's Letter
- 20 Managing Director's Message

Business Review

- 22 Management Discussion and Analysis
- 24 Hong Kong Franchised Public Bus Operations
- 36 Hong Kong Non-franchised Transport Operations
- 42 Property Holdings and Development
- 46 Chinese Mainland Transport Operations

Sustainability Report

- 48 About the Report
- 56 Safety First
- 62 Caring for the Environment
- 70 Caring for Customers
- 76 Caring for Employees
- 82 Caring for the Community
- 88 Performance Statistics
- 92 Reporting Content Index Table

- 106 Financial Review
- 124 Corporate Governance Report
- 148 Remuneration Report
- 152 Directors' Profiles
- 163 Key Corporate Executives
- 164 Financial Reports
- 263 Financial Summary
- 265 Corporate Directory



載通國際 Transport International

Transport International

Transport International Holdings Limited (Stock Code: 62), a leading public transport operator in Hong Kong and Chinese Mainland, is the holding company of The Kowloon Motor Bus Company (1933) Limited (“KMB”), Long Win Bus Company Limited (“LWB”), and a number of non-franchised transport providers. The Company also maintains business interests in property holdings and development in Hong Kong.

TIH endeavours to set the highest standards in the public transport industry by providing innovative and high-quality services that take our customers to their destinations safely and comfortably. Committed to fostering sustainable business practices, enhancing shareholder value and promoting the social and economic development of Greater China, TIH pursues its vision by tailoring its services to meet customer needs, improving route connectivity, and providing real-time bus service information.



Vision

Our vision of becoming a global leader in our field is underpinned by a clear understanding of the needs of the people we serve, the adoption of innovative technological and environmental solutions, and the pursuit of new standards for safety, service, and efficiency.

Mission

Our mission to enhance shareholder value while contributing to the social and economic development of Greater China can be summarised as follows:

Distinctive customer service

Reliable performance

Innovation

Value for money

Environmental responsibility

Sustainable business practices

Through continuous engagement with stakeholders, we strive to meet and surpass their expectations by providing high-quality services and solutions.

Culture and Values

Our culture is underpinned by a governance framework and embedded throughout our business. Our corporate values are centred on delivering service standards that meet or exceed customer needs, maintaining a consistent record of operational profitability, and supporting for the community we serve. Building on these core values, we also abide by the following principles:

Accountability

Be accountable for our decisions and actions.

Caring

Be caring for our employees, customers, and the community with continual empowerment and engagement.

Teamwork and Mutual Respect

Be harmonious and synergistic in the workplace.

Integrity

Be fair, honest and ethical.

Originality and

Novelty

Be creative in finding solutions for a greener and better place.

Safety and Self-discipline

Be mindful of safety in the pursuit of our vision.



BUSINESS AT A GLANCE

Hong Kong Franchised Public Bus Operations



► The Kowloon Motor Bus Company (1933) Limited

The Group's flagship company that operates franchised public bus services with a fleet of nearly 4,000 buses on 447 routes covering Kowloon, the New Territories and Hong Kong Island.

► Long Win Bus Company Limited

Franchised public bus services operated with a fleet of 313 buses on 44 routes that link the New Territories to Hong Kong International Airport, the Hong Kong-Zhuhai-Macao Bridge Hong Kong Port and North Lantau.



Hong Kong Non-franchised Transport Operations



► The Kowloon Motor Bus Company (1933) Limited – "Pet Bus Tour"

Regular route services connecting pet-friendly spots across Kowloon, the New Territories and Hong Kong Island, offering bus service to pet owners together with their companions.

► Sun Bus Holdings Limited and its Subsidiaries

Non-franchised bus services operated with a fleet of over 400 buses, with Sun Bus Limited as the flagship company, including chartered hire services for corporations, residential estates and schools.



► New Hong Kong Bus Company Limited

A 24-hour cross-boundary shuttle bus service, commonly known as the "Huang Bus" service, providing round-the-clock connectivity between Lok Ma Chau, Hong Kong and Huanggang, Shenzhen.

Property Holdings and Development

► **KT Real Estate Limited**

Owning a 50% interest in The Millennity, a development comprising two 20-storey office towers with a total gross floor area of approximately 650,000 square feet and a shopping centre, Scramble Hill, on a 10-storey podium of approximately 500,000 square feet, situated at 98 How Ming Street, Kwun Tong, Kowloon, Hong Kong.

► **LCK Real Estate Limited**

Owning a 17-storey commercial building at 9 Po Lun Street, Lai Chi Kok, Kowloon, Hong Kong, with a total gross floor area of 156,700 square feet.



► **LCK Commercial Properties Limited**

Owning the Manhattan Mid-town shopping centre, a two-level retail podium covering approximately 50,000 square feet, located at 1 Po Lun Street, Lai Chi Kok, Kowloon, Hong Kong.

► **TM Properties Investment Limited**

Owning an industrial property at Tuen Mun Town Lot No. 80 at 1 Kin Fung Circuit, Tuen Mun, New Territories, Hong Kong, with a total gross floor area of 105,364 square feet. TIH holds a 50% interest in TMPI.

Chinese Mainland Transport Operations

► **Shenzhen Bus Group Company Limited**

A Sino-foreign joint stock company providing public bus and taxi hire services in Shenzhen.



► **Beijing Beiqi Kowloon Taxi Company Limited**

A Sino-foreign joint stock company operating taxi hire services in Beijing.

► **Beijing Beiqi First Company Limited**

A Sino-foreign joint stock company offering car rental services in Beijing.

KEY FRANCHISED BUS NETWORK IN HONG KONG

Bus-Bus Interchange Network

KMB and LWB have established a comprehensive Bus-Bus Interchange (“BBI”) network that offers value-for-money, convenient and environmentally friendly bus services to our passengers.

New Territories WEST

1. Tai Lam Tunnel BBI
2. Po Tin BBI
3. Tuen Mun-Chek Lap Kok Tunnel BBI
4. Tuen Mun Road BBI
5. Tai Wo Hau BBI
6. Tsing Yi BBI
7. Lantau Link BBI

New Territories EAST

8. Sheung Shui BBI
9. Fanling Station BBI
10. Wah Ming BBI
11. Fanling Highway BBI
12. Tai Po Kwong Fuk Road BBI
13. Shek Mun BBI
14. Shing Mun Tunnels BBI
15. Tai Wai BBI
16. Tate’s Cairn Tunnel BBI
17. Tsing Sha Highway BBI

Kowloon WEST

18. Mei Foo BBI
19. Western Harbour Tunnel BBI
20. Tsim Sha Tsui BBI
21. Cross Harbour Tunnel BBI

Kowloon EAST


22. Wong Tai Sin BBI
23. Choi Hung BBI
24. Ngau Chi Wan BBI
25. Kowloon City BBI
26. Po Tat BBI
27. Kai Tak Tunnel BBI
28. Tseung Kwan O Tunnel BBI
29. Kwun Tong BBI
30. Tseung Kwan O - Lam Tin Tunnel BBI
31. Eastern Harbour Tunnel BBI



BBI

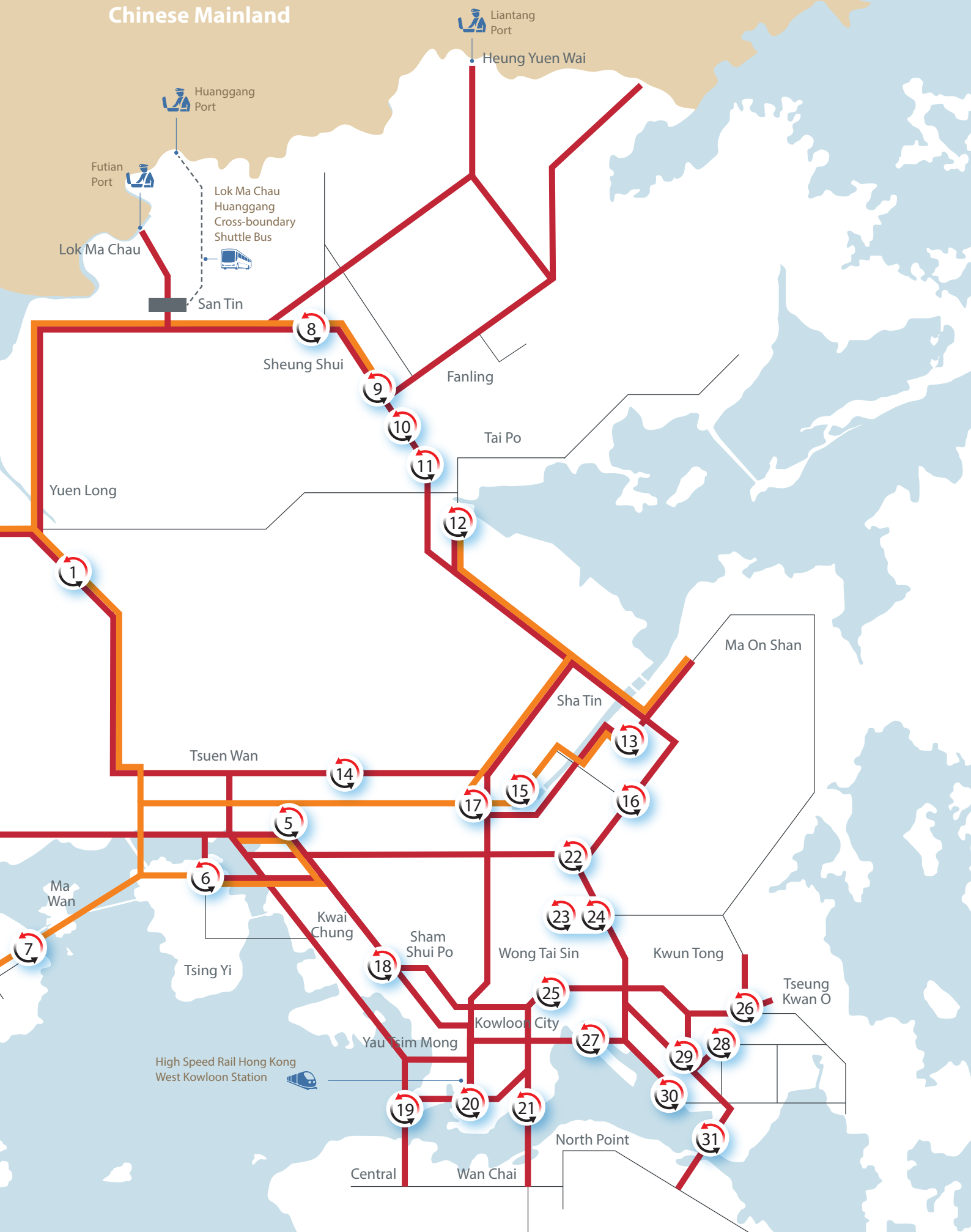
 KMB

 LWB

 Other popular KMB and LWB routes



Chinese Mainland



FINANCIAL AND OPERATIONAL HIGHLIGHTS

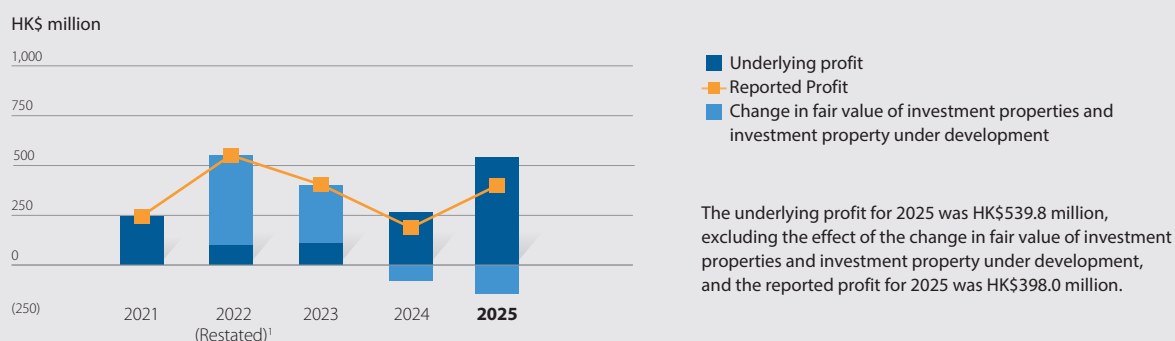
For the Year Ended 31 December 2025

	Unit	2025	2024	Increase/ (Decrease)
Financial Highlights				
Revenue	HK\$ million	8,442.7	8,215.4	2.8%
– Fare revenue	HK\$ million	8,078.9	7,844.2	3.0%
– Media sales revenue	HK\$ million	249.4	266.9	(6.6%)
– Gross rentals from investment properties	HK\$ million	114.4	104.3	9.7%
Underlying EBITDA ¹	HK\$ million	1,879.8	1,617.1	16.2%
Profit from operations	HK\$ million	687.6	411.6	67.1%
Profit attributable to equity shareholders of the Company				
– Underlying ¹	HK\$ million	539.8	265.5	103.3%
– Reported	HK\$ million	398.0	187.3	112.5%
Financial Information per Share				
Earnings per share				
– Underlying ¹	HK\$	1.04	0.53	96.2%
– Reported	HK\$	0.77	0.37	108.1%
Total ordinary dividends	HK\$	0.80	0.50	60.0%
Share price at year-end	HK\$	10.60	8.25	28.5%
Financial Position				
Total equity attributable to equity shareholders of the Company	HK\$ million	17,173.2	16,709.3	2.8%
Total assets	HK\$ million	23,459.9	23,909.5	(1.9%)
Net borrowings	HK\$ million	1,591.0	2,281.0	(30.2%)
Net cash generated from operations	HK\$ million	1,655.4	1,540.8	7.4%
Financial Ratios				
Underlying EBITDA margin ²		22.3%	19.7%	2.6% points
Net profit margin ²		6.4%	3.2%	3.2% points
Return on equity attributable to equity shareholders of the Company ²		3.1%	1.6%	1.5% points
Gearing ratio ³		9.3%	13.7%	(4.4%) points
Operational Highlights				
Hong Kong Franchised Public Bus Operations:				
Average number of passenger trips per day	Million trips	2.66	2.70	(1.5%)
Number of licensed buses at year-end		4,272	4,293	(0.5%)
Number of staff at year-end		11,884	11,992	(0.9%)
Hong Kong Non-franchised Transport Operations:				
Number of licensed buses at year-end		429	424	1.2%
Number of staff at year-end		578	703	(17.8%)
Chinese Mainland Transport Operations:				
Number of licensed buses at year-end		4,693	5,254	(10.7%)
Number of taxis and vehicles for rental at year-end		12,128	12,180	(0.4%)

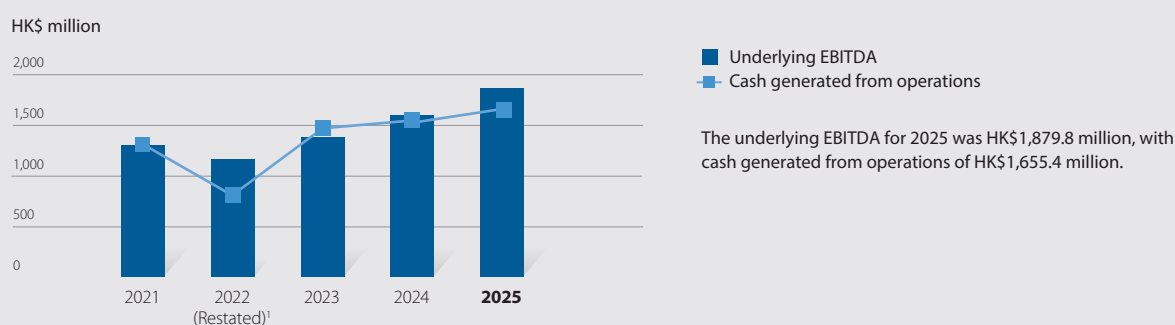
Notes:

- Underlying EBITDA, underlying profit attributable to equity shareholders of the Company and underlying earnings per share excluded the effect of change in fair value of investment properties and investment property under development.
- Net profit margin, underlying EBITDA margin and return on equity attributable to equity shareholders of the Company are calculated based on underlying profit.
- Gearing ratio represented ratio of net borrowings to total equity attributable to equity shareholders of the Company.

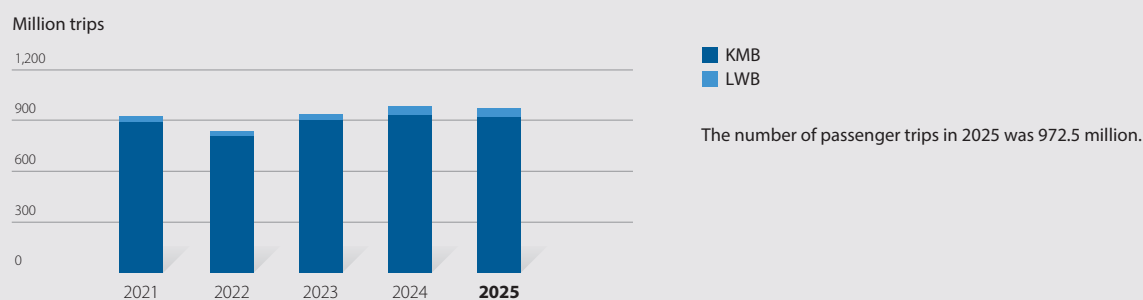
Underlying Profit and Reported Profit Attributable to Equity Shareholders of the Company



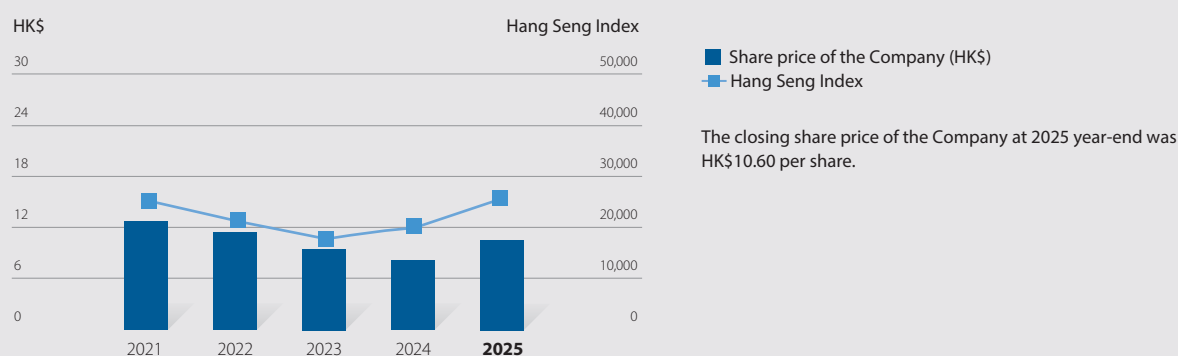
Underlying EBITDA and Cash generated from Operations



Number of Passenger Trips (Franchised Public Bus Operations)



Share Price of the Company and Hang Seng Index at Year-end



Note:

- The relevant comparative amounts in 2022 have been restated to reflect the change in accounting policies in respect to (i) the measurement of investment properties and investment property under development, and (ii) the abolition of the MPF-LSP offsetting mechanism.

CORPORATE MILESTONES 2025



JANUARY

Free Rides for Children on KMB Boundary Routes and Huang Bus during Lunar New Year

Children were offered unlimited free rides on four KMB routes serving border control points and Huang Bus, allowing them to enjoy a more economical fare when travelling to and from three land border control points.

FEBRUARY

New KMB Route T80 Offers Faster Journeys to East Kowloon from Tai Wai and Sha Tin

KMB introduced Route T80, operating via Tai Wai BBI and Sha Tin through Tate's Cairn Tunnel to Kwun Tong Business Area, providing passengers with a faster and more convenient commuting option.



MARCH

KMB Nurtures Female Bus Captains and Fosters a Female-friendly Workplace

KMB supported the development of female bus captains through flexible training and mentorship from experienced female captains, enabling female trainees to achieve pass rates exceeding the overall average. The introduction of the "Female Staff Priority Rest Kiosk" reinforced KMB's commitment to diversity, inclusion and equality in the workspace.

KMB Operates Special Routes at Kai Tak Sports Park following its Grand Opening

Following the opening of Kai Tak Sports Park, the largest-ever sports infrastructure in Hong Kong, KMB introduced seven special routes for visitors from around the world and local residents travelling to border control points and various districts across Hong Kong.





APRIL

“Memories with KMB in Choi Hung” Rekindles Community Sentiments

For six decades, KMB has served residents of Choi Hung Estate as a primary mode of public transport. In celebration of the 60th Anniversary of Choi Hung Bus Terminus and the announced redevelopment of Choi Hung Estate, KMB organised a commemorative event introducing the history of the bus terminus and the evolution of surrounding bus services. Vintage buses and nostalgic bus seats were on display, inviting citizens to “travel back in time”.

MAY

“KMB Green Journey – Go Further for Net Zero”

KMB organised “KMB Green Journey – Go Further for Net Zero” Ceremony to promote green transport. The event brought together Government officials, Legislative Councillors, new-energy bus manufacturers and industry stakeholders, and reaffirmed KMB’s commitment to building a fully new-energy bus fleet, while encouraging broader community support for environmental protection.

KMB Academy Launches New Electric Vehicle Maintenance Training Workshop

KMB Academy opened a new Electric Vehicle Maintenance Training Workshop to support the development of the electric bus fleet. The Academy was also ready to introduce the “Certificate in Diagnosis, Testing and Maintenance of Electric Vehicles (High-Voltage)” (EVH) Programme, complementing its established “Certificate in Electric Vehicle Maintenance Safety Awareness” (EVE) and “Certificate in Diagnosis, Testing and Maintenance of Electric Vehicles (Low-Voltage)” (EVL) Programmes. Together, these initiatives positioned KMB as Hong Kong’s first private institution to offer a comprehensive three-level EV maintenance training framework.



JUNE

New Upgrade on APP1933 with Artificial Intelligence (“AI”) Features to Enhance Passenger Experience

APP1933, the mobile app operated by KMB and LWB, was enhanced through the adoption of AI technology. New features, including “AI Route Search” and “Estimated Journey Time”, were introduced alongside a redesigned interface, providing passengers with a more intuitive experience.



JULY

“KMB Tour HK” Open-top Buses Unveil Route HK1 with Additional Nighttime Routes

KMB introduced brand-new Open-top Buses on Route HK1 under the “KMB Tour HK” service. The bus liveries showcased the most iconic colours drawn from various periods of KMB’s history. The service also featured additional nighttime routes, enabling passengers to enjoy Hong Kong’s distinctive nocturnal cityscape.

“KMB Free Ride Days for Kids” Takes Off in Summer

During the summer holiday, children were offered complimentary rides on KMB and LWB services on Sundays and public holidays. Through themed bus touring various districts and flash mob events, families were encouraged to explore Hong Kong together and make the most of their summer.

AUGUST

KMB Debuts the “KMB GO!” Bus Stop Orientation Challenge with Great Success

KMB successfully launched its inaugural bus stop orientation challenge, “KMB GO!”. Over 200 teams took part, using APP1933, the mobile app operated by KMB and LWB, for itinerary planning. Participants navigated bus stops across Hong Kong Island, Kowloon and the New Territories, while completing a series of tasks, with three teams ultimately crowned champions and recognised as bona fide “KMB Experts”.

KMB Launches Four “Anderson Routes” to Support New Development Areas

With a strong commitment to supporting new development areas, KMB introduced four new routes serving the Anderson Road Quarry Site Development Area, providing residents with high-quality bus services and helping to ease their daily commutes.



SEPTEMBER

KMB “Pet Bus Tour” Adds New Stop at West Kowloon Cultural District

KMB expanded its “Pet Bus Tour” with the addition of a new stop at the West Kowloon Cultural District, complementing existing stops at other popular pet-friendly destinations such as GO PARK Sai Sha and Ma Wan. This enhancement further strengthened the Pet Bus Tour network, offering pets and their owners more convenient ways to explore the city, enjoy quality time together, and create lasting memories.

OCTOBER

Senior Dogs Enjoy Outings Around Hong Kong on “Pet Bus”

KMB and LWB’s membership programme, club1933, collaborated with an animal shelter organisation “House of Joy & Mercy” to take 20 senior dogs on memorable trips aboard the “Pet Bus”. These trips enabled the dogs to explore new places and relish their golden years, while also raising public awareness of animal welfare.

“SEE EVERY NEED” Programme for Building a Caring and Inclusive Community

KMB, in collaboration with Hong Kong Christian Service, launched the “SEE EVERY NEED” Programme, featuring a themed bus adorned with artworks created by children with special educational needs. Displayed on both the exterior and inside the compartment, the artworks conveyed messages of care, acceptance and inclusion to the wider community.



NOVEMBER

TIH Board Visits Autonomous Bus in Shenzhen

Dr. Norman Leung, the Chairman of TIH, along with the Board of Directors, trialed an autonomous bus operated by Shenzhen Bus Group Company Limited (“SZBG”) and exchanged views with SZBG representatives. Meanwhile, club1933 members may obtain trial ride quotas through the in-app gaming feature of the KMB and LWB mobile app, APP1933.

DECEMBER

All LWB A-routes Fully Connect to Hong Kong-Zhuhai-Macao Bridge

LWB made full connections of its 16 A- and NA-routes to the Hong Kong Port of the Bridge. Passengers travelling from different districts in the New Territories to Macao and Zhuhai now benefit from a direct and efficient bus service.

KMB Introduces Seven Express Routes on Central Kowloon Bypass for Seamless East-West Connectivity

Following the opening of the Central Kowloon Bypass (Yau Ma Tei Section), KMB introduced seven express routes, including two brand-new Routes, 33X and 252S. These routes provided residents of the New Territories West with a direct and convenient commute to the Kowloon East Business Area.



CHAIRMAN'S LETTER

“

In accordance with our commitment to serving the community, we proactively align with societal development needs and advance green mobility to support the Government's carbon-neutrality vision, ensuring that we evolve with the times.

”



Dear Shareholders,

On behalf of the Board of Directors, I hereby report that the Group's underlying profit attributable to equity shareholders for the year ended 31 December 2025, excluding the effect of the change in fair value of investment properties and investment property under development, amounted to HK\$539.8 million, compared to HK\$265.5 million last year. Underlying earnings per share was HK\$1.04, compared to HK\$0.53 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\$398.0 million and HK\$0.77 respectively, compared to HK\$187.3 million and HK\$0.37 last year. The reported profit for 2025 included a decrease in fair value of investment properties and investment property under development of HK\$141.8 million, compared to a decrease of HK\$78.2 million in the previous year.

Dividends

The Board of Directors has proposed an ordinary final dividend of HK\$0.50 per share for 2025. The dividend will be payable on 29 June 2026. Together with the interim dividend of HK\$0.30 per share, the total dividend for the year will amount to HK\$0.80 per share, compared to HK\$0.50 per share last year.

Financial Performance in 2025

The Kowloon Motor Bus Company (1933) Limited ("KMB") recorded a profit after taxation of HK\$360.7 million for 2025 (2024: HK\$126.8 million). Fare revenue for 2025 was increased due to the fare hike that took effect on 5 January 2025. However, this impact was largely offset by a decline in ridership and the increase in staff costs due to pay rises. The remaining improvement was driven by favourable external conditions, including a reduction in fuel and oil costs, driven by reduced fuel prices, together with a decrease in toll charges.

As for Long Win Bus Company Limited ("LWB"), the profit after taxation for 2025 was HK\$46.4 million (2024: HK\$41.7 million).



The Group's Non-Franchised Transport Operations Division, with Sun Bus Limited ("Sun Bus") as its flagship company, recorded a profit after taxation of HK\$29.7 million for 2025 (2024: HK\$20.6 million). Our Chinese Mainland Transport Operations Division reported similar positive results for 2025 compared to last year.

"KMB Tour HK" Showcases Hong Kong's Tourism Appeal with Open-top Buses

Hong Kong's economy encountered significant challenges in the previous year. Geopolitical turbulence, intensified international trade tensions and persistent shifts in passenger travel habits all impacted the Group's core public transport operations. In accordance with our commitment to serving the community, we proactively align with societal development needs, ensuring that we evolve with the times. Tourism is a vital pillar of Hong Kong's economy. Last year saw a significant increase in visitor arrivals, with this robust performance driving growth across various sectors. As Hong Kong's largest franchised bus operator, KMB fulfils its role as the "Heartbeat of the City", providing high-quality bus services for both residents and visitors.

As the number of short-stay visitors continues to rise, travellers are increasingly opting for convenient, direct transport services to facilitate seamless sightseeing. Two years ago, KMB launched the Recreation Route HK1, departing from the Star Ferry Pier in Tsim Sha Tsui and connecting multiple renowned local attractions. Last year, it further enhanced the service by introducing Open-top Buses and launching the new "KMB Tour HK" brand. Passengers are invited to experience the West Kowloon Cultural District, Nathan Road, Wong Tai Sin Temple, Kowloon City and other local attractions. On-board broadcast introduces each stop, offering passengers a comprehensive experience of Hong Kong's vibrant and multifaceted character. The route now features dedicated "Nighttime" services, guiding visitors to experience Victoria Harbour's dazzling night views and the vibrant atmosphere of the Yau Tsim Mong District. The Open-top Buses feature liveries that recreate KMB's most iconic liveries from different eras. Retro designs ranging from the "Hot Dog", "Whiteboard" and "Champagne Gold" to the current red "Heartbeat of the City" livery have transformed the buses into moving billboards, bringing a distinctive splash of colour to Hong Kong's streetscape.

Building a Better Environment with Notable Progress in Green Transport Development

The development of clean-energy transportation is a global imperative. The Group remains committed to advancing green mobility and actively supports the Hong Kong SAR Government's carbon-neutrality vision. Over a decade ago, the Group embarked on research into electric bus technologies and has since progressively introduced single-deck and double-deck zero-emission electric buses. This has enabled the establishment of Hong Kong's largest new-energy bus fleet, positioning the Group at the forefront of industry development. The Group's signature "Electric Green" buses continue to be deployed across more than 50 KMB routes, spanning long-distance services, busy urban corridors, and a variety of complex road conditions throughout Hong Kong. Their stable and quiet operation enhances passenger comfort, while performance in areas such as charging efficiency, driving range, and passenger capacity has consistently demonstrated that electric buses fully meet the operational requirements of Hong Kong's public bus network. They represent the optimal solution for the city's transition to clean-energy transportation. KMB's electric bus fleet cumulatively travelled nearly 8 million kilometres, resulting in a reduction of over 11,000 tonnes of carbon emissions. This marks a substantial and measurable contribution to Hong Kong's decarbonisation efforts.

The Group leverages its expertise in electric vehicle maintenance through the all-new Electric Vehicle Maintenance Training Workshop at the KMB Academy. As the number of electric vehicles in Hong Kong rises, the demand for relevant repairing services subsequently increases. To provide a more professional training environment, the brand-new Electric Vehicle Maintenance Training Workshop has been developed in accordance with the standards of the Electrical and Mechanical Services Department for high-voltage electric vehicle maintenance workspaces. It includes component models of various electric vehicles, enabling trainees to gain hands-on experience in understanding the structure and maintenance procedures of electric vehicles. Meanwhile, the KMB Academy is also preparing for the full-scale launch of the "Certificate in Diagnosis, Testing and Maintenance of

Electric Vehicles (High-Voltage)" (EVH) Programme. Together with the existing "Certificate in Electric Vehicle Maintenance Safety Awareness" (EVE) and "Certificate in Diagnosis, Testing and Maintenance of Electric Vehicles (Low-Voltage)" (EVL) Programmes. The KMB Academy will become the first private institution in Hong Kong to offer a comprehensive three-level electric vehicle maintenance training programme. These training programmes not only equip KMB's maintenance personnel with essential electric vehicle repair and maintenance expertise, but are also open to other industry practitioners, contributing to talent development in Hong Kong's electric vehicles maintenance sector and supporting the industry's evolving workforce needs.

During the year, the Group maintained sustainable deposits and secured green loan and sustainability-linked loan facilities totalling HK\$3,800 million. This amount represents over 50% of our committed loan facilities and underscores our commitment to supporting Hong Kong's transition toward zero emissions through various green finance arrangements.

The Group has established key sustainability performance targets focused on reducing greenhouse gas emissions from our bus fleet, strengthening green procurement practices and increasing average training hours. Looking ahead, we will continue to pursue appropriate financing solutions that can propel Hong Kong's transportation sector in its transition towards a more sustainable future.

Harnessing Technology to Shape the Future of Transport

As we enter the era of artificial intelligence and autonomous driving, technological advancement has created significant breakthroughs in the transportation sector. Last year, together with several members of the Board of Directors, I visited Shenzhen to experience the autonomous minibus operated by SZBG in Luohu. During the visit, we exchanged views on potential collaboration in autonomous driving initiatives and explored practical application scenarios in Hong Kong. The visit underscored our commitment to integrating innovative technologies into local transport development.

KMB continues to harness technology to enhance service quality by integrating AI into its mobile application APP1933. The new feature, "AI Route Search", enables users to input their current locations and destinations. The system leverages geolocation technology and big data analysis to identify user's positions and recommends the most suitable bus routes or interchange options, facilitating a seamless journey. In addition, APP1933 now features estimated journey time, showing the estimated arrival times of the next scheduled bus at each stop, as well as real-time en-route traffic conditions, enabling passengers to plan their journeys more efficiently.

Embarking on a New Journey with the Pet Bus towards a People-and-Pets Inclusive Society

With the rising trend of pet ownership in Hong Kong in recent years, the Group has identified pet travel as a key barrier within the city's public transport services. In response, the Group launched the pioneering "Pet Bus Tour", Hong Kong's first regular double-decker bus service designed specifically to accommodate pets. This initiative represents a significant milestone for the city's public transport sector and reinforces the Group's leadership in service innovation. Since its launch over a year ago, the service has recorded more than 20,000 passenger-trips. Initially introduced as a regular weekend service, it has since expanded to operate on weekdays, receiving strong public support and contributing to Hong Kong's gradual development into a more pet-inclusive city.

The KMB "Pet Bus Tour" is structured around routes connecting popular pet-friendly destinations, enabling pet owners from different districts to enjoy cross-district outings with their pets and explore more areas of Hong Kong. KMB proactively collects passenger feedback and reviews boarding and alighting points across various districts, regularly refining and adjusting routes to ensure passengers' convenient access to a diverse range of pet-friendly locations and an enhanced travel experience. During festive periods, the service offers special themed routes, such as the "Christmas and New Year Night Pet Bus Tour" and "Lantau Island Tours" which allow pets and their owners to share in the unique seasonal atmosphere. Additionally, on the first Saturday of every month, the service designates "Senior Pets Free Ride Day", offering complimentary rides to senior pets to enjoy a special outing with their owners,

creating memorable moments in their later years. Through these initiatives, KMB integrates pet mobility into everyday life and promotes the principle of equal travel rights for people and pets.

To enhance flexibility, KMB has introduced a Monthly Pass Scheme for the "Pet Bus Tour". Whether travelling solo with a pet or as two passengers accompanied by a pet, Pass holders can enjoy unlimited rides on all routine "Pet Bus Tours" for 30 days. A concessionary scheme is also available for senior passengers, offering half-fare single tickets and a 50% off discount on the Monthly Pass to provide greater flexibility for the silver-hair community. Furthermore, a portion of the service revenue is donated to animal protection charities, reinforcing the Group's commitment to community wellbeing and the advancement of animal welfare.

Enhancing Bus Services in New Development Areas to Better Serve the Community

The continued population growth in new development areas has created rising demand for transport services. The Group is committed to investing in enhanced bus operations to provide the public with safe and comfortable journeys. In 2025, as several residential developments along Anderson Road Quarry Site Development Area reached completion, KMB introduced four new "Anderson Routes", offering direct connections between Kowloon East and Kowloon West, full day services to Choi Hung BBI, and direct links to core business districts on Hong Kong Island.

Following the intake of residents at the Yau Pok Road Light Public Housing in Yuen Long, KMB launched new routes serving Sheung Shui and Tai Lam Tunnel BBI. These routes provide convenient connections and offer residents interchange concessions across more than 80 KMB and LWB routes, facilitating seamless travel across Hong Kong Island, Kowloon and the New Territories while meeting residents' commuting needs. One of the routes also serves San Tin Huang Bus Station, enabling passengers to connect to Route B1 or the Lok Ma Chau – Huanggang Cross-boundary Shuttle Bus to or from Futian or Huanggang Port. A complimentary ride is provided for the lower-priced leg, providing a cost-efficient commuting option for cross-boundary travellers.

Strengthening Mobility through New Major Infrastructures

The commissioning of Hong Kong's largest sports development, the Kai Tak Sports Park, represents a key advancement in community infrastructure. The Main Stadium, accommodating approximately 50,000 spectators, serves as a major venue for international sporting and entertainment events. Both local residents and visitors look forward to enjoying world-class competitions and performances at this state-of-the-art facility. To support large-scale crowd dispersal, KMB has introduced multiple post-event special routes with direct connections to districts across the city. Specifically, a dedicated route provides Chinese Mainland audience with a seamless connection to San Tin Huang Bus Station, allowing them to transfer to the Huang Bus for onward travel to Shenzhen.

The newly opened Central Kowloon Bypass (Yau Ma Tei Section) ("Bypass") has significantly reduced journey time between Kowloon West and Kowloon East. In line with this development, KMB introduced two new routes to offer passengers from Tsuen Wan and Tuen Mun in the New Territories West direct trips to Kowloon East Business Area, facilitating more efficient commuting. Five existing routes have also been rerouted to operate via the Bypass, allowing more passengers to benefit from the enhanced connectivity.

Advancing Transportation Services for Greater Bay Area Integration

In tandem with the further integration of the Greater Bay Area, cross-boundary travel has become more frequent. In response to rising service demand, the Group has strengthened its transport provisions for boundary control points, contributing to positive business growth. With the increasing number of passengers crossing via the Hong Kong-Zhuhai-Macao Bridge, all LWB A-routes now directly serve both the Hong Kong Port of the Bridge and Hong Kong International Airport. Together with KMB's services connecting to Lok Ma Chau and Heung Yuen Wai Control Points, passengers benefit not only from interchange concessions with other KMB routes but also from enhanced services during long holiday periods, ensuring convenient transport for both local residents and visitors. The growing popularity of High Speed Rail has further shaped travel patterns. KMB continues to monitor services connecting to West Kowloon Station to ensure they meet evolving traveller needs.

Strengthening Community Bonds Through Compassion and Support

The Group is dedicated to fostering community well-being and actively supports social development. For six decades, KMB has played a meaningful role in supporting the daily mobility needs of Choi Hung Estate. To commemorate the 60th anniversary of the Choi Hung Bus Terminus and the upcoming redevelopment of the Estate, KMB launched the "Memories with KMB in Choi Hung" initiative. The project restored heritage elements of the Terminus, including bus shelters, the Terminus Supervisor Office and the former KMB Staff Canteen in nostalgic colour schemes. Several display panels and vintage bus seats were also installed, allowing the public to relive past travel experiences with KMB.

Through the "Donation of Used and Retired Bus Programme" and the "Donation of Caring Bus Stop Pole Programme", KMB continued to support schools and welfare organisations by donating retired buses and bus stop poles for educational and community-care purposes. The latter has proven particularly effective in supporting elderly residents with dementia by helping to minimise wandering behaviour within care facilities.

The past year also brought difficult moments for the city. The tragic fire at Wang Fuk Court in Tai Po deeply affected the community and underscored the close ties KMB and the residents it serves. Through the KMB Charity Foundation, KMB and LWB jointly pledged HK\$2 million in emergency financial assistance to affected families and launched an internal donation appeal to encourage staff support. In addition, all proceeds from KMB's "Pet Bus Tour" in December were donated to three animal welfare organisations to assist animals impacted by the incident. The Group stood alongside the Tai Po community, exemplifying unity and mutual care in times of hardship.

Kwun Tong Commercial Development Project Making Headway

Located in the prime area of How Ming Street, Kwun Tong in East Kowloon, The Millennity comprises two 20-storey Grade-A office towers, with a total gross floor area of approximately 650,000 square feet. The office towers have already been occupied by several major corporations. The Group believes The Millennity will serve as a sustainable source of long-term income.

Beneath The Millennity, the 10-storey large-scale shopping centre has been officially named Scramble Hill. It spans a gross floor area of approximately 500,000 square feet and features a pet-friendly sky garden, together with a wide range of dining, lifestyle, and entertainment offerings. Moreover, the development includes nearly 400 parking spaces in a four-storey basement parking garage. The development has achieved LEED Platinum pre-certification, WELL Platinum pre-certification, and a Platinum pre-certification for new buildings under BEAM Plus.

Our People, Our Priority

The Group remains steadfast in its people-centric values and is committed to cultivating a positive working environment. We recognise that dedicated and capable employees are essential to driving continuous organisational progress. In response to prevailing labour market conditions, KMB and LWB introduced greater workforce flexibility by offering full-time positions and a five-day work-week arrangement for bus captains.

In reviewing remuneration packages, the Group considered Hong Kong's overall employment landscape, movements in the Consumer Price Index and market salary trends. A pay increase of 2.5% was awarded to all employees. The Group remains dedicated to attracting, motivating and retaining talent, and expresses sincere gratitude to all employees for their commitment and service.

Challenges and Opportunities

The operating environment for bus services remains highly challenging amid global and local economic uncertainties, heightened geopolitical tensions, volatility in international oil prices and the continued expansion of Hong Kong's railway network. While the Hong Kong SAR Government has introduced various tourism-driven and economic-revitalisation initiatives, evolving travel patterns, most notably the pronounced increase in cross-boundary trips during long holidays have added further volatility to passenger demand.

Looking ahead to 2026, the Group will remain committed to its long-term development. We will continue to optimise fleet deployment with agility to ensure business sustainability, while embracing innovation to introduce new routes and service innovations to unlock business potential and create sustainable value for shareholders.

Acknowledgement

Over the past year, Hong Kong has actively charted a course for the development of its transport and tourism sectors. The Group remains steadfast in its service commitment, with every employee dedicated to delivering safe, high-quality transport services to our customers. I would like to express my sincere gratitude to my fellow Board members, all employees and partners of the Group, and our customers for their continued trust and support.

Norman LEUNG Nai Pang

Chairman

19 March 2026

MANAGING DIRECTOR'S MESSAGE

“

We are engaging proactively with the Government to explore the establishment of a more effective system. This will be essential to maintaining industry stability, ensuring service quality, and meeting long-term societal needs, while enhancing overall returns for our shareholders.

”



Over the past few years, shifts in travel patterns and demographics, together with the continued expansion of the railway network, have posed challenges to the franchised bus business. Recent international volatility has driven up global oil prices, exerting direct pressure on operating costs. Given the high degree of uncertainty surrounding long-term fuel trends, the Group's financial position continues to face sustained pressure. To address these challenges proactively, while remaining steadfast in commitment to service quality, it is essential to enhance operational efficiency through strategic innovation and the application of technology, alongside optimising organisational structure and resource allocation. As public transport remains the primary mode of travel, accounting for over 90% of journeys, the Group will leverage this advantage to further elevate service quality and efficiency, with a view to increasing patronage, consolidating market share, and driving steady business growth.

The rapid advancement of artificial intelligence represents an irreversible global trend, and the Group has already integrated these technologies to enhance operational efficiency. In route planning, AI is deployed to analyse and forecast passenger demand with greater precision, enabling the optimisation of service frequency and scheduling. In maintenance, the adoption of AI on preventive maintenance accelerates fault diagnostics and repair processes, thus, reduces the chances of breakdown. On the customer service side, AI facilitates more precise analysis of passenger feedback, enabling the

timely implementation of targeted improvements to enhance customer satisfaction. The effective deployment of AI not only ensures more efficient use of resources but also creates strategic capacity for the Group to explore and develop new opportunities.

Building on the strong foundation of our franchised bus operations, we will continue to enhance customer experience and strengthen our competitive edge through more personalised and flexible service offerings. The Group remains agile in capturing emerging opportunities and actively expanding revenue streams to foster long-term sustainable development. Our key areas of expansion include:

- **Diversified service development:** In response to evolving demands in tourism, pet transport, and elderly mobility, the Group has introduced themed tourism routes, pet-friendly arrangements, and accessible community shuttle solutions.
- **Strategic alignment with technology:** In line with the Hong Kong SAR Government's Transport Strategy Blueprint, which advocates demand-responsive services, the Group leverages data and technology to gain a comprehensive understanding of travel patterns and unlock the full potential of its franchised bus network.
- **Network and infrastructure opportunities:** Actively captures growth opportunities arising from new development areas and the commissioning of road infrastructure and facilities



by launching new routes or enhancing existing services in a timely manner, as well as engages in new business sectors to diversify the Group's business.

- Cross-boundary and multi-party collaboration: Capitalising on national strategic planning and the development of the Northern Metropolis, the Group is strengthening feeder services to boundary control points and High Speed Rail Station. At the same time, the Group continues to explore deeper cross-boundary collaboration with stakeholders such as SZBG.

Non-farebox revenue remains a key pillar of the Group's income. In addition to consolidating traditional revenue from advertising, merchandising, brand collaborations and commercial facilities at bus stops, the Group is exploring the feasibility of "multi-use" depot developments to unlock the potential of depot resources. For instance, we have opened our depots to provide electric vehicle charging services, as backed by the Hong Kong SAR Government's policy, to generate new revenue streams. The Group will build on this experience to promote broader "multi-use" commercial models.

As a franchised bus operator in Hong Kong, we are committed to meeting societal expectations in Environmental, Social and Governance (ESG) performance. KMB operates the largest electric bus fleet in the city, and we will continue to expand its deployment to support the Government's carbon neutrality

goals. Through the expansion of tourism and experiential products, we contribute to the local economy and support the recovery of the tourism sector. We also advocate a pet-inclusive culture, fostering a more welcoming travel environment, and enhancing the safety and convenience of pet travel through dedicated services and facilities. In addition, we support the community through practical actions, including employing persons with disabilities, providing internships and training opportunities for students with special educational needs (SEN), and fostering a family-friendly workplace. The Group continues to embrace its vision of serving and giving back to the community. Harnessing its unique position as a franchised bus operator, the Group strives to contribute to the creation of a more sustainable, vibrant and liveable city.

KMB's franchise will expire in mid-2027. The current international volatility exerts significant pressure on our operating environment, while current social landscape underscores the need to review the franchised bus operating mechanism. We are engaging proactively with the Government to explore the establishment of a more effective system. This will be essential to maintaining industry stability, ensuring service quality, and meeting long-term societal needs, while enhancing overall returns for our shareholders.

Roger LEE Chak Cheong

Managing Director

19 March 2026

MANAGEMENT DISCUSSION AND ANALYSIS



◆ Hong Kong Franchised Public Bus Operations

The Kowloon Motor Bus Company (1933) Limited and Long Win Bus Company Limited are major franchised public bus operators in Hong Kong, providing safe, reliable, high-quality, environmentally friendly, value-for-money bus services across Kowloon, the New Territories, Hong Kong Island and Lantau Island.

◆ Hong Kong Non-franchised Transport Operations

The Group's non-franchised transport operations cater to a wide range of customers, including pet owners, business commuters, tourists, shoppers, students and residents of large residential estates, while also offering chartered hire services and cross-boundary shuttle bus services.

◆ Property Holdings and Development

The Group's portfolio of investment properties includes office buildings, shopping centres and an industrial property, which provides steady rental income.

◆ Chinese Mainland Transport Operations

The Group has invested in transport service operators in Shenzhen and Beijing as part of its strategy to leverage transport-related business opportunities in Chinese Mainland that offer reasonable returns.

BUSINESS REVIEW

The Group's core business is the provision of franchised public bus services in Hong Kong by means of its flagship subsidiary, The Kowloon Motor Bus Company (1933) Limited and Long Win Bus Company Limited. The Group also provides non-franchised transport services for a wide range of customers in Hong Kong, including KMB's non-franchised transport service which provides the widely popular "Pet Bus Tour" service, tailor-made services from Sun Bus Holdings Limited and its subsidiaries, and a 24-hour cross-boundary shuttle bus service through New Hong Kong Bus Company Limited which serves commuters and leisure travellers between Lok Ma Chau and Huanggang. Holding a 35% interest in a Shenzhen joint venture and a 31.38% interest in two Beijing joint ventures, the Group operates public bus, taxi and car rental services in Shenzhen and Beijing. The Group also holds a portfolio of properties for investment and development purposes.

The business review of each business operation is set out on pages 24 to 47 of this Annual Report. The prospects of the Group's businesses are discussed in the Chairman's Letter on pages 14 to 19 and in the Managing Director's Message on pages 20 to 21 of this Annual Report.

Key Risks and Uncertainties

The Group's businesses face a number of key risks and uncertainties, including those set out in the following paragraphs. It should be noted that the following is a non-exhaustive list and there may be other risks and uncertainties in addition to the key risk areas outlined below.

Regulatory Environment and Government Policies

A substantial part of the Group's revenue is generated from franchised public bus operations. As a result, any changes in the Hong Kong SAR Government's transport policy and regulations, such as the Public Bus Services Ordinance (Cap 230) and the Public Bus Services Regulations (Cap 230A), may have a significant impact on the Group's operating results and financial condition in either the short or the long term. Proposals for a fare increase are subject to the approval of the Government, taking into account a basket of factors including public acceptability and affordability, which may not align with the respective financial condition of the franchised bus companies. There is no guarantee that a fare increase of a sufficient magnitude will be granted in time to enable the franchised bus companies to offset rising overheads and costs.

The inflexibility inherent in this arrangement may have an adverse impact on the financial condition of the Group in an inflationary environment.

Fuel Prices and Other Financial Risks

Fuel represents a major component of the Group's cost structure. Volatility in fuel prices may affect the financial stability of the Group. In addition, the Group's activities are exposed to various financial risks, including foreign currency, interest rate, credit and liquidity risks, which are discussed in the Financial Review on pages 106 to 123 of this Annual Report.

Unexpected Events and Natural Disasters

The operations of the Group's businesses may be subject to the impact of unexpected events, such as prolonged electricity outages at depots or large-scale road blockages over an extended period of time. While the Group has implemented an effective Business Continuity Plan (BCP) to deliver quality transport services in all circumstances, its operations may still be adversely affected by natural disasters, severe weather conditions and climate-related issues, including floods and typhoons.



Hong Kong Franchised Public Bus Operations

The Kowloon Motor Bus Company (1933) Limited (“KMB”)

KMB, a wholly-owned subsidiary of Transport International Holdings Limited, is the largest franchised bus operator in Hong Kong, serving more than 2.5 million passenger-trips each day. A workforce of over 11,000 employees, including approximately 8,700 bus captains, ensures the delivery of high-quality service across a fleet of nearly 4,000 buses operating on 447 routes.



- KMB Route HK1 debuted its new “KMB Tour HK” service, operating entirely with Open-top Buses. To mark the occasion, KMB held a launch ceremony officiated by Ms. Mabel Chan Mei Po, Secretary for Transport and Logistics (third from left), Ms. Betty Fung Ching Suk Yee, Chief Executive Officer of West Kowloon Cultural District Authority (third from right), Ms. Joanne Chu Shui Man, Deputy Commissioner for Tourism (second from right), Mr. Patrick Wong Chi Kwong, Assistant Commissioner of Transport Department (first from left) and Mr. Perry Yiu Pak Leung, then Legislative Council Member for the Tourism Constituency (first from right), together with Dr John Chan Cho Chak, Deputy Chairman of KMB (centre) and Mr. Roger Lee Chak Cheong, Managing Director of KMB (second from left)



Resilience and Venturing beyond Uncertainty

Hong Kong steadily navigated a path of recovery and growth despite external uncertainties. Amid a notable rise in tourist arrivals, the Hong Kong SAR Government continued to champion the initiative of “Tourism is Everywhere” throughout 2025. While many visitors opted for short-stay or day trips, drawn by the city’s year-round mega events, international exhibitions and sports tournaments, others chose to discover Hong Kong’s natural beauty. Meanwhile, the evolving travel habits of local residents presented certain challenges to the economy. New development areas continued to expand and large-scale infrastructure projects were launched, creating fresh demand for transport services. Amid these uncertainties and the opportunities they present, KMB demonstrated resilience in response to the city’s structural rebalancing and remained committed to delivering reliable, efficient public transport services that connected communities across Hong Kong.

Enhanced Services to Tourist Attractions

To further enhance the tourist experience, KMB debuted its first Open-top Bus Route HK1 in 2025. Branded as “KMB Tour HK”, the Open-top Bus Route HK1 departs from the iconic Star Ferry Bus Terminus, serving key landmarks and attractions across Kowloon via two routes. The Daytime Route takes tourists to Sham Shui Po, Wong Tai Sin and Kowloon City, featuring iconic landmarks such as West Kowloon Cultural District, Avenue of Stars, and Flower Market, as well as Chinese religious landmarks like Wong Tai Sin Temple and Chi Lin Nunnery. The Nighttime Route travels primarily along Nathan

Road, highlighting attractions such as the Night Market at Temple Street and the vibrant nightlife of Mong Kok. Tourists can experience the stunning cityscape by day and the sparkling nightscape by night aboard the Open-top Bus. Combined with the “Tourist Day Pass Premium”, tourists can seamlessly navigate the city and enjoy unlimited travel on a comprehensive network of over 480 KMB and LWB bus routes, including the Open-top Bus Route HK1.

West Kowloon Cultural District is a key attraction, known for its museums and unique cultural activities. To enhance connectivity in the area, KMB’s Route W4, originally linking West Kowloon High Speed Rail Station to West Kowloon Cultural District, was extended to Tsim Sha Tsui. In addition, Route 296D and the Open-top Bus Route HK1 provide daily connections across Central Kowloon. These services will be further strengthened to cater for events and festivals.

Following the introduction of Route 230R, which operated between Ma Wan and Kowloon Station in 2024, the service was extended to Tsim Sha Tsui in 2025. This extension has significantly improved connectivity between Ma Wan and West Kowloon Cultural District, as well as with other urban and city centres.

In 2025, KMB brought double-decker buses back to Route 51, 26 years after their previous service on the route. Serving Hong Kong’s highest peak, Tai Mo Shan, the route attracts hikers and campers seeking its natural beauty, particularly in autumn and winter. The deployment of double-decker buses greatly increased capacity on this sole franchised service connecting Tsuen Wan, Sheung Tsuen, and Tai Mo Shan Country Park.



- With the opening of the Central Kowloon Bypass (Yau Ma Tei Section), KMB launched Route 33X, a new express commuting service connecting Tsuen Wan and the East Kowloon Commercial Area, offering commuters faster, more reliable journeys and access to the benefits of the new infrastructure

In response to the opening of Kai Tak Sports Park and its hosting of various mega sports events and concerts, KMB has introduced new special services connecting Kai Tak Sports Park with Kwun Tong, Tseung Kwan O, Tsuen Wan, Tsing Yi, Tuen Mun, Tin Shui Wai, Yuen Long, Tai Po and Sheung Shui, ensuring swift and efficient dispersal of spectators after events. With these routes passing through key BBI hubs, passengers can transfer to their final destinations through other KMB routes via these BBIs at a discounted price with minimal hassle.

Preferred Choice of the Public

KMB is committed to providing value-for-money public bus services, delivering the best travel experience through its comprehensive bus service network, innovative measures and eco-friendly technologies.

Comprehensive Network

At the end of 2025, KMB operated a total of 447 bus routes. In a dynamic operating environment shaped by railway commissioning, demographic changes and new highways, KMB reviewed and optimised its resources to meet evolving demand. KMB continues to operate an efficient, competitive and sustainable bus network while exploring opportunities for new market growth.

In 2025, KMB implemented 181 route re-organisation proposals to enhance the overall service network and provide the following benefits to the public:

- Eliminating wasteful duplication of routes;
- Releasing resources for redeployment in high-demand areas;
- Straightening unduly circuitous routes;
- Introducing new express routes that leverage new highway infrastructure; and
- Optimising connectivity between routes through BBIs.

The network of 31 strategically located BBIs across Hong Kong continued to enhance passenger convenience and offer more fare concessions, further popularising the concept of “interchanging is so simple” and gaining widespread acceptance. The BBIs also contributed to environmental protection by ensuring the efficient daily utilisation of bus resources. Additional BBI discounts were introduced to extend the benefits of BBI to more passengers.

In view of demographic changes, urban development and evolving passenger needs, particularly the upsurge in cross-boundary demand, KMB enhanced the existing boundary route services to cater for passenger needs. To tie in with the completion of residential areas in Anderson Road Quarry Site Development Area, KMB further strengthened its services in the area by launching new routes and increasing the frequency of existing routes.

In addition, KMB introduced new express commuting services, Routes 33X and 252S, via the newly commissioned Central Kowloon Bypass (Yau Ma Tei Section) to connect the New Territories West with the Kowloon Bay Commercial Area and East Kowloon. Five existing routes serving Tuen Mun, Yuen Long, Tin Shui Wai and Kwun Tong were diverted from the busy Lung Cheung Road to the new infrastructure, offering commuters faster and more stable journey times.

To further increase the use of Heung Yuen Wai Control Point, KMB launched a short-term promotion scheme in October. Passengers travelling on Route B9 on selected days from Tuen Mun to Heung Yuen Wai Control Point were eligible for a complimentary same-day return trip.

New Franchised Bus Routes

KMB was granted the operating rights for new bus route packages at Anderson Road Quarry Site Development Area. To align with the population intake in 2025, KMB introduced Routes 19 and 600 in March, followed by Routes 13 and 213E in August, to cater for the transportation needs of the new residents. These services together provide extensive coverage and connect Anderson Road to Diamond Hill, Sham Shui Po, Tsim Sha Tsui and Hong Kong Island. Passengers can also reach Lam Tin, Tsueng Kwan O, To Kwa Wan, Hung Hom through discounted interchanges with other KMB services at Po Tat BBI, Kowloon City BBI and Kai Tak Tunnel BBI.

To meet the travel needs of the public, KMB supported the development of the new Light Public Housing and introduced new feeder services to the Yau Pok Road site in March 2025. The service was subsequently enhanced with extended service hours and additional stops to better meet residents' needs.



- ▲ To support the population intake in the Anderson Road Quarry Site Development Area, KMB introduced Routes 19 and 600, connecting Choi Hung BBI and providing direct links to the north shore of Hong Kong Island. Primarily operated by electric buses, the routes offer convenient and zero-emission journeys for residents

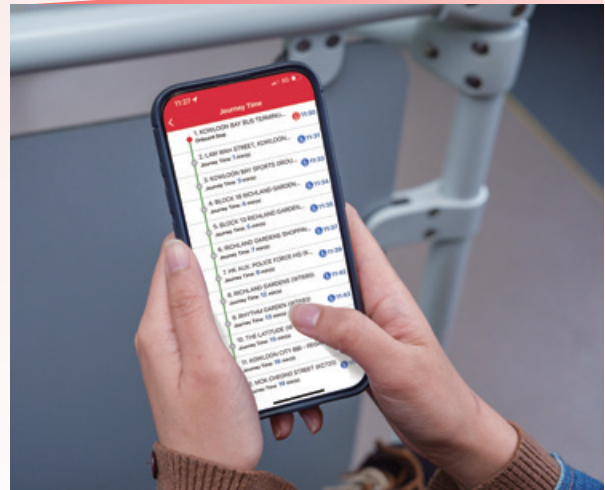
APP1933

KMB launched the well-received KMB and LWB mobile app, APP1933, which offers passengers a simple and hassle-free way to obtain information about bus routes and their estimated time of arrival ("ETA").

In 2025, APP1933 rolled out a major feature enhancement with the AI-powered "AI Route Search" function. Specifically, once the user input the starting point and destination by voice or text, or simply input "my current location" as the origin and let the system to identify the user's location through GPS, AI then analyses and recommends the best bus routes or interchange combinations, enabling passengers to travel with ease.

In addition to the existing ETA information, the upgraded APP1933 also provides real-time Estimated Journey Times and en-route traffic conditions to cater for passengers' diverse need. By collecting traffic information along the bus route, the system displays the projected arrival times at each following bus stop of the first upcoming departure at the current stop. Passengers can also obtain real-time en-route traffic updates. This service covers both KMB and LWB departures, enhancing the comprehensiveness and convenience of journey planning for passengers.

Alongside providing extensive, customised real-time bus route information, APP1933 also enables passengers to purchase KMB Monthly Passes and Tourist Day Passes at their fingertips.



- ▲ The KMB and LWB mobile app, APP1933, launched a new feature that provides journey-time estimates, including projected arrival times and real-time en-route traffic updates. This service covers both KMB and LWB departures, facilitating comprehensive journey planning

New Fare Adjustment

KMB adjusted its fares with effect from 5 January 2025. As approved by the Chief Executive in Council, KMB fares increased by an overall actual weighted average rate of 4.3% after a 0.9 percentage point mitigation effect by its Franchised Bus Toll Exemption Fund, resulting in an average fare increase of HK\$0.3 per journey.

Value-for-Money Services

KMB Monthly Pass

KMB continues to enhance its service by providing affordable and convenient journeys for passengers through the Monthly Pass Scheme (the "Pass"), the first monthly pass for franchised buses in Hong Kong. Since 2023, the Pass has extended its coverage to over 450 KMB regular, overnight and racecourse routes, along with LWB's E-, N-, S-, R- and X-routes. In 2025, Pass holders could take up to ten rides per day on KMB and LWB buses for HK\$834, plus two additional trips on Route B1, and enjoy a 73% fare discount on KMB's Open-top Bus Route HK1, as well as on LWB's A- and NA-routes.

To further enhance the value of the Pass, KMB has rolled out additional exclusive privileges for Monthly Pass holders through various programmes:

- The "Fare-for-Upgraded Journey" campaign offers discounted fares for KMB Monthly Pass holders travelling on the New Long-haul Bus Routes P960 and P968;
- With each purchase of the Pass, passengers can earn points equivalent to the price of the Pass towards redeemable KMB gifts and eCoins under the KMB and LWB membership scheme, club1933; and
- A manned hotline with human operators available to assist Pass holders and enhance their travel experience.

To ease the financial burden on student passengers, KMB launched two rounds of Buy-2-Get-1-Free promotion scheme, running from February to June and September to November 2025. Passengers who purchased a KMB Monthly Pass for three consecutive months were entitled to an Octopus dollar rebate equivalent to the price of one Pass. The scheme was welcomed by student passengers. To provide students with more transport information for the new academic year, information booths were set up on the campuses of several tertiary institutions in September and October.



- The popular "Free Ride Days for Kids" campaign made a successful comeback last summer. On Sundays and public holidays, children were offered free rides on more than 480 KMB and LWB bus routes, encouraging them to explore the city while spending quality time with their families

Passenger Rewards

In collaboration with several corporations, KMB organised Free Ride Days on specific routes and dates, offering passengers unlimited complimentary rides.

The "Free Ride Days for Kids" programme was brought back in 2025 to inspire children to explore the city and enjoy precious family moments during the summer holidays. Children could enjoy free rides on over 480 KMB and LWB routes on ten consecutive Sundays and public holidays.

KMB and LWB continued to offer rewards through club1933, a membership scheme based on the principle of "the more you ride, the more rewards you earn". Passengers can join via APP1933 and earn points for riding KMB and LWB buses or playing online mini-games. Points can be exchanged for eCoins to pay for bus fares or redeemed for gifts during specified promotional periods. Furthermore, club1933 members are invited to exclusive events and offered special discounts:

- "Interchange and Earn eCoins" in April 2025: club1933 members could earn two eCoins when taking Routes 960, 961 or 968 series and interchanging to other KMB routes at Tuen Mun Road or Tai Lam Tunnel BBIs, or vice versa; and
- "KMB Cross-Harbour Journey Rebate" in June 2025: club1933 members could earn up to ten eCoins for each eligible cross-harbour ride on KMB Cross-Harbour Tunnel Routes.

Green and Smart

KMB demonstrates its commitment to innovation by enhancing its bus fleet with technological advancements and environmentally friendly features to elevate the passenger experience. It aims to upgrade its entire fleet with new energy buses in support of the Government's policy to achieve carbon neutrality.

Bus Fleet and Fleet Upgrade

During the year, a total of 11 buses were licensed, including one electric double-deck bus and ten Euro VI double-deck buses. The new double-deck buses feature light-directing glass windows alongside the staircase connecting the two decks, replacing the traditional sealed design. This creates a brighter ambience inside the bus and enhances safety for passengers using the stairs. Moreover, these new buses are equipped with safety facilities, including the Advanced Driver Assistance System, the Electronic Stability Programme and the Driving Monitoring System, and all seats are equipped with seatbelts and continuous handrails to ensure the safety of passengers and bus captains.

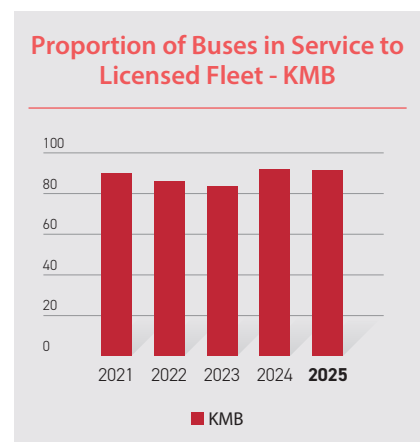
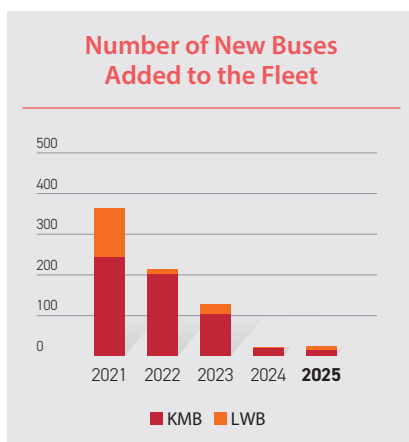
The Tyre Pressure Monitoring System ("TPMS") is being installed on more than 2,400 existing buses. The system

enables bus captains to monitor real-time tyre pressure and temperature, enhancing bus safety. TPMS has now been included as a standard feature on all new KMB buses.

KMB continues to invest in the latest environmentally friendly buses. In 2009, it became the first public bus company in Asia to introduce Euro V double-deck buses. Then, in 2017, it again led the industry by introducing Hong Kong's first diesel-powered double-deck bus with Euro VI emission standards. All Euro III model buses were completely phased out in 2025. In 2025, a batch of ten Euro VI double deck buses and one electric double-deck bus commenced service. In addition, four LWB electric single-deck buses were transferred to KMB. All self-acquired electric buses are equipped with a Battery Management System and a Water-Cooling System, which help monitor battery efficiency and condition and control battery temperature, effectively extending battery life and improving performance.

As of 31 December 2025, KMB operated a total of 3,959 licensed buses, including 3,815 double-deck buses and 144 single-deck buses. Among them were 45 electric double-deck buses and 30 electric single-deck buses.

KMB's Bus Fleet	Double-deck Buses	Single-deck Buses	Total Number of Buses
As of 1 January 2025	3,867	143	4,010
Addition during the year	11	4	15
Disposal during the year	(63)	(3)	(66)
As of 31 December 2025	3,815	144	3,959



Notes:

- 100 buses were transferred from LWB to KMB in 2021.
- 5 buses were transferred from LWB to KMB in 2022.
- 9 buses were transferred from KMB to LWB in 2025.
- 4 buses were transferred from LWB to KMB in 2025.

Energy Reduction

Dedicated to building a greener future, KMB has explored the use of renewable energy by extending solar panel applications to depots, bus termini, bus shelters, bus poles and double-decker roofs. KMB brought the third-generation Solar Panel Bus from prototype to mass production. In 2025, 11 new licensed buses were equipped with solar panels on their roofs. By the end of 2025, nearly 2,000 buses, equivalent to half of the KMB bus fleet, were fitted with solar panels.

Furthermore, KMB continued its Solar-powered Bus Shelter Campaign, harnessing solar energy to power up lighting devices. By the end of 2025, 1,874 solar-powered lamps had been installed at over 1,500 bus stops. KMB has now installed a total of 30,000 solar panels, demonstrating how its development blueprint for new energy is being implemented in practice.

5G Technology

It is one of the key development goals of Hong Kong to become a smart city. With the rise of industry-leading 5G mobile network technology, KMB has explored its use in daily operations. Among KMB's bus fleet, approximately 2,500 buses have already been upgraded to incorporate 5G technology and provide free 5G Wi-Fi service. An on-board occupancy display has been installed in the bus compartment to show the number of available upper-deck seats. The real-time bus occupancy rates for the next three buses are also displayed with icon illustrations via APP1933.

Electronic Payment System

KMB has implemented an electronic payment system across its entire fleet. The e-payment system, which accommodates more payment methods than any other public transport operator's system, now supports 16 platforms, establishing KMB and LWB as the industry leaders offering the most diverse electronic payment options among local public transport operators. These options include contactless payments such as American Express and Discover/Diners Club, mobile payments like Apple Pay, Google Pay, as well as QR code payments, including eCoin, Alipay and WeChat Pay HK. The e-payment system also supports fare concession schemes, including the Regional Short-haul Two-way Section Fare Scheme and BBI discount schemes between KMB and LWB routes.



By installing solar panels on the rooftop of its Tuen Mun Depot, KMB continued to promote the use of renewable energy, contributing to the development of a greener Hong Kong

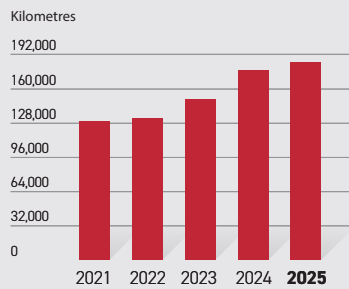
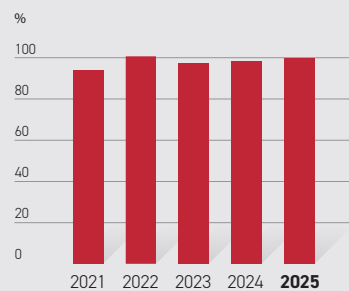


Performance Assurance

KMB has been providing reliable franchised bus services in Hong Kong for more than 90 years, establishing itself as an industry leader in operational and service excellence. KMB adopts mechanical reliability¹ and operational capability² as key indicators for measuring its operational performance. In 2025, KMB achieved a mechanical reliability of 184,006 km:1 and an operational capability of 99.10%.

Depots

Routine maintenance and repair services are carried out at KMB's four major bus depots in Kowloon Bay, Lai Chi Kok, Sha Tin and Tuen Mun, while ten smaller depots provide minor maintenance services and parking. The KMB Overhaul Centre in Tuen Mun supports major overhaul services. Depot facilities are continually upgraded to ensure consistent service quality and a high level of productivity.

Mechanical Reliability¹ – KMB**Operational Capability² – KMB**

Quality Management Systems (ISO 9001)
Since 1999

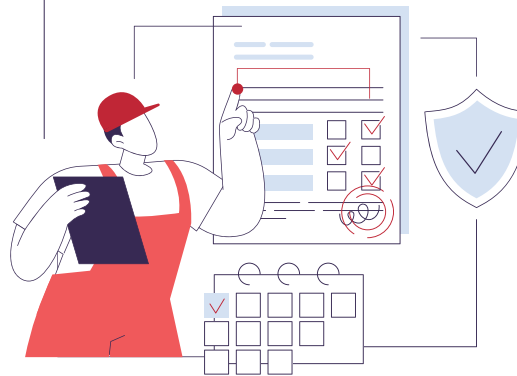


Environmental Management Systems (ISO 14001)
Since 2003*



Occupational Health and Safety Management Systems (ISO 45001)
Since 2019 (Migrated from OHSAS18001:2007)

* The two largest depots of KMB are certified.



Note: Operational capability was affected by social distancing measures in 2021.

¹ Mechanical reliability refers to the average number of kilometres a bus operates before it experiences one mechanical breakdown on the road with passengers on board.

² Operational capability refers to the ratio of actual departures to scheduled departures in the busy direction during the peak hours of 7:00 a.m. to 9:00 a.m. across the bus network.

Major Depots Serving KMB and LWB Buses

Depots	Service Areas/Main Purpose of Depot	Gross Floor Area (Square Feet)	Buses in Service as of 31 December 2025	Year of Operations Commencement	Remarks
KMB Depots:					
Kowloon Bay Depot	East Kowloon	768,038	1,050	1990	The depot land was acquired at market price from the government in 1986 under a Private Treaty Grant.
Lai Chi Kok Depot	South and West Kowloon	648,946	834	2002	The depot land is leased from the government under a short-term tenancy [#] .
Sha Tin Depot	North and East New Territories	720,005	1,097	1988	The depot land was acquired at a public auction in 1984.
Tuen Mun Depot	West New Territories	148,961	978	1979	The depot land was acquired at a public auction in 1974.
KMB Overhaul Centre	Bus Overhaul	380,915	N.A.	1983	The depot land was acquired at market price from the government in 1979 under a Private Treaty Grant.
LWB Depot:					
Siu Ho Wan Depot	Lantau Island	82,422	313	1998	The depot land is leased from the government under a short-term tenancy [#] .
Total		2,749,287	4,272		

[#] Under the short-term tenancy agreement, rentals at market rates are payable to the Hong Kong SAR Government.

Hong Kong Franchised Public Bus Operations

Long Win Bus Company Limited (“LWB”)



Capitalising on robust tourism-driven demand for boundary transport services, LWB operates franchised public bus services to and from the New Territories and North Lantau, serving key transport and tourism hubs including Hong Kong International Airport, the Hong Kong-Zhuhai-Macao Bridge Hong Kong Port, AsiaWorld-Expo, Hong Kong Disneyland and Ngong Ping 360 cable car.



High Demand for Boundary Route Services

LWB's customer base mainly comprises tourists and individuals engaged in tourism-related activities. Throughout 2025, LWB's operations benefited from sustained strong demand for boundary route services driven by residents' outbound trips, particularly during long holidays and amid an influx of visitors via the Hong Kong-Zhuhai-Macao Bridge ("HZMB") Hong Kong Port from Chinese Mainland.

Bus Service Network – Complete Integration of A-Routes with HZMB

At the end of 2025, LWB operated 44 routes. Amid a rising number of visitors, demand for transport to and from the HZMB Hong Kong Port and Hong Kong International Airport surged. To meet this rising demand, LWB strengthened its services, particularly in the HZMB area, by introducing special trips on Route A43P for residents of Queen's Hill, and on Route A41P to Sai Sha Residences, and by extending the operating hours of routes serving the HZMB Hong Kong Port to provide all-day services. The extension of Route A33 to the HZMB Hong Kong Port in December also marked the full integration of all LWB A-routes with the Hong Kong Port of the Bridge.

To cater for the commuting needs of Tuen Mun passengers working at the Airport, LWB launched new services, Routes E36C and NA52, in 2025. These new routes have since enhanced connectivity between Tuen Mun and Chek Lap Kok, serving passengers across various areas of Tuen Mun.

- The new LWB Route E36C serves the Aircraft Maintenance Area, offering convenient commuting for passengers travelling between Yuen Long, Tuen Mun and Airport Logistics Area



Passengers Rewards

To enhance value for passengers, the KMB Monthly Pass Scheme was extended to include LWB bus routes. Holders can use the Pass on LWB-operated E-, N-, S-, R- and X-routes and enjoy a 73% off fare discount for LWB A- and NA-routes, thereby gaining access to a bus network connecting various boundary control points.

To encourage greater utilisation of the LWB network for journeys to and from boundary control points, LWB introduced an additional fare concession scheme alongside the existing joint discount scheme with KMB – the "Ride 2 Journeys, Get 1 Journey Free" promotion. In March 2025, LWB cooperated with Lok Ma Chau – Huanggang Cross-boundary Shuttle Bus ("Huang Bus") to provide passengers with an alternative travel option between North Lantau, Fanling and Chinese Mainland. A new discounted interchange scheme was introduced for passengers interchanging between LWB Routes A43P or NA43 and Huang Bus, offering a discount equivalent to one free Huang Bus trip. Passengers can enjoy seamless discounted bus connections at any time, whether travelling from the Airport to Chinese Mainland, heading from Chinese Mainland to the Airport for flights, or, in the case of local residents, commuting between North Lantau and Chinese Mainland for work or leisure.



- LWB routes serve various districts across the New Territories, offering residents and visitors direct access to the Airport and the HZMB Hong Kong Port



- All LWB buses serving the airport and HZMB Hong Kong Port are equipped with luggage racks, allowing passengers to store their carry-on baggage and travel in comfort

Electronic Payment System

LWB is the first franchised bus company in Hong Kong to offer diverse e-payment services for the convenience of passengers, especially those from overseas who may not have access to the local currency or an Octopus card upon arrival. LWB continued to enhance its e-payment system in 2025, accepting payments such as American Express, Discover/Diners Club and WeChat Pay HK. Currently, the system supports 16 payment

methods including contactless payment, mobile payment and QR code payment, making it, together with KMB's system, the e-payment solution that accommodates more payment methods than any other public transport operator's system.

Bus Fleet and Fleet Upgrade

In 2025, LWB introduced 25 new licensed buses equipped with the latest safety devices. As of 31 December 2025, LWB operated 313 double-deck buses, including 244 12.8-metre buses. All were wheelchair-accessible and equipped with the On-board Electronic Bus Stop Announcement System.

Safety and Customer Service

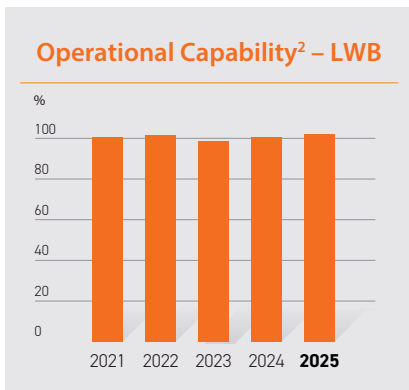
LWB buses are regularly and thoroughly serviced to ensure that they are maintained at the highest standards. Driving instructors monitor bus captains' driving performance and customer service delivery, with safety briefings held from time to time and safety reminders circulated to bus captains. To enhance driving safety, LWB buses are equipped with the Driving Monitoring System and the Advanced Driver Assistance System, which give early warnings to bus captains and assist in their driving performance. The LWB customer service and airbus ticket office at the Hong Kong International Airport Ground Transportation Centre offers e-payment options, providing more convenience for passengers and tourists.

Environmental Protection

LWB attaches great importance to environmental protection and continues to invest in environmentally friendly buses to comply with the stringent emission standards of the European Council of Environmental Ministers. The proportion of Euro V or above buses in LWB's fleet has now exceeded 98.40%.

The electrostatic air filtration function of the air-conditioning system on LWB buses significantly improves air quality inside the bus compartment, while the Eco-Driveline System reduces both fuel consumption and exhaust emissions.

LWB's Bus Fleet	Double-deck Buses	Electric		Total Number of Buses
		Single-deck Buses		
As of 1 January 2025	279	4		283
Addition during the year	34	0		34
Disposal during the year	0	(4)		(4)
As of 31 December 2025	313	0		313



- ISO 9001 Quality Certification **Since 2012**
- 12.8-metre double-deck buses **244 in total**
- Proportion of Euro V or above buses in LWB's fleet **> 98.40%**

Performance Assurance

LWB constantly reviews its bus services and maintenance regime to ensure safety and efficiency at the highest level across its bus fleet. LWB adopts mechanical reliability¹ and operational capability² as key indicators for measuring its operational performance. In 2025, LWB achieved a mechanical reliability of 562,276 km:1 and an operational capability of 102.06%. LWB has maintained ISO 9001 Quality Management Systems certification since 2012.

Depot

The depot at Siu Ho Wan provides daily bus maintenance, refuelling, bus washing and parking for LWB's fleet. The depot is equipped with a wastewater treatment system to ensure that the quality of wastewater meets statutory requirements before being discharged into the public drainage system. A rainwater collection and water recycling system was implemented at the Siu Ho Wan Depot to conserve water.

- LWB's professional maintenance team performs regular, rigorous inspections and servicing, ensuring the fleet remains in optimal condition for safe and high-quality passenger service



¹ Mechanical reliability refers to the average number of kilometres a bus operates before it experiences one mechanical breakdown on the road with passengers on board.
² Operational capability refers to the ratio of actual departures to scheduled departures in the busy direction during the peak hours of 7:00 a.m. to 9:00 a.m. across the bus network.

Hong Kong Non-Franchised Transport Operations

The Kowloon Motor Bus Company (1933) Limited – “Pet Bus Tour”



KMB pioneered the “Pet Bus Tour”, introducing a first-of-its-kind service and becoming the first public transport operator to provide regular pet-friendly journeys on double-deck buses. Widely appreciated by the community, the service enables passengers to enjoy bus travel with their pets, contributing to the city’s development as a pet-friendly city.



Enhanced Service Network and Added Appeal through Special Festive Tour

KMB recognised the growing number of pet lovers and the challenges they faced when travelling with their pets. As Hong Kong's leading public transport operator, KMB pioneered the removal of barriers to pet-friendly travel. Since the launch of the "Pet Bus Tour" at the end of 2024, routes have been curated around popular pet-friendly destinations, enabling pet owners and their furry companions to explore more of Hong Kong. In its inaugural year, the service carried nearly 20,000 passenger-trips. KMB remained attentive to passenger feedback and extended services previously available only at weekends to Thursdays and Fridays, providing greater flexibility. Special festive services, including the "One-Day Trip to Lantau Island" and the "Christmas and New Year Night Pet Bus Tour", took passengers and their pets to Ngong Ping and Tai O, as well as to Causeway Bay, the Central Harbourfront and Tsim Sha Tsui East to enjoy seasonal illuminations. Passengers were able to purchase tickets through the KMB mobile application, APP1933, while club1933 members automatically earned points that could be redeemed as eCoins for travel, gifts, or charitable donations.

In 2025, "Pet Bus Tour" offered a range of fare concessions, providing greater convenience for pet owners:

- The "Pet Bus Tour" Monthly Pass Scheme was rolled out, offering "one passenger, one pet" and "two passengers, one pet" options for unlimited travel on regular Pet Bus routes for 30 days;
- Concessionary fares for eligible seniors, available as half-price tickets and Monthly Passes; and
- The "Senior Pets Free Ride Day" was launched to offer complimentary rides for pets aged ten or above travelling with their owners on the first Saturday of every month.

Supporting the Community and Celebrating Pet Companionship

Through partnerships with animal welfare organisations, KMB organised pet-friendly initiatives under its "Pet Bus Tour", such as a day trip for abandoned senior dogs from "House of Joy & Mercy", giving them opportunities to explore new places and create joyful memories in their twilight years. Part of the tour fee was donated to organisations including The Hong Kong Society for the Prevention of Cruelty to Animals (SPCA), HK Saving Cat And Dog Association, and Big Tree Ha, to support their advocacy and public education on animal welfare, helping to build a pet-friendly community. To further connect pet lovers, the "Pet Bus Memory Lane" feature was launched on APP1933, allowing passengers to share photos of their journeys with pets, bringing pet lovers together and documenting the harmony between people and animals, while encouraging society to move towards inclusive, pet-friendly travel.



- The regular "Pet Bus Tour" features popular pet-friendly destinations, with special festive tours to further promote pet-inclusivity

- KMB's "Pet Bus Tour" allows pet owners to explore the city with their beloved pets, enabling them to travel together and create shared memories

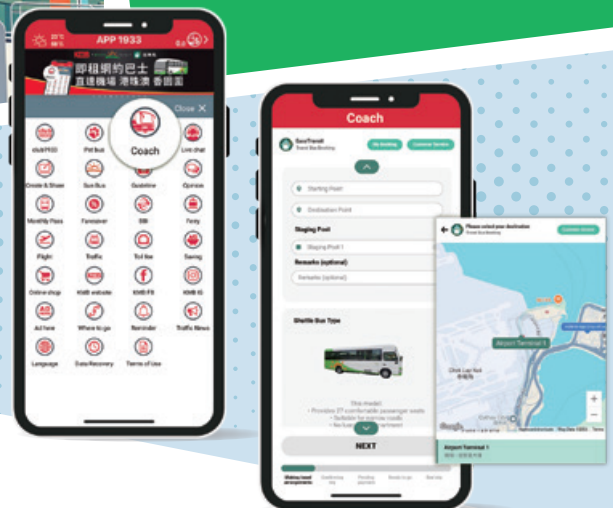


Hong Kong Non-Franchised Transport Operations

Sun Bus Holdings Limited and its Subsidiaries (the “SBH Group”)



As a leading non-franchised bus operator in Hong Kong, the SBH Group provides customers with premium transport services that are safe, reliable and cost-effective.





Led by its flagship subsidiary, Sun Bus Limited (“Sun Bus”), the SBH Group offers a range of shuttle transport services tailored to specific market segments including corporations, shopping centres, residential estates, travel agencies and schools, as well as chartered hire services for organisations and the general public.

In 2025, the SBH Group continued to enhance its service offerings for the tourism sector, addressing growing demand for transport links to major attractions and providing tailored mobility options for passengers travelling to various boundary control points. In August 2025, Sun Bus partnered with KMB and EasyTransit to launch a new feature on APP1933, enabling customers to directly book coaches from urban areas to the Airport, the HZMB Hong Kong Port, or the Heung Yuen Wai Control Point. Same-day bookings were also supported, making the service ideal for group travel for families and friends, as well as organisations such as companies and schools.

The SBH Group also maintained its market-leading position by introducing new coaches to its fleet and upgrading overall service quality. To further strengthen its competitiveness, the SBH Group promoted broader adoption of technology. In 2025, 15 new Euro VI buses were launched and equipped with seatbelts, speed limiters and tachographs (commonly known as “black boxes”) as part of its fleet upgrade initiative.

Hong Kong’s aging population has led to a continued decline in the labour force, resulting in a severe shortage of drivers in the public transport industry. In response to this, the SBH Group has engaged imported labour from Chinese Mainland through the Hong Kong SAR Government’s Labour Importation Scheme while optimising recruitment and retention practices to attract new talent and retain experienced staff.

The SBH Group has remained committed to strengthening its high-calibre management and operations teams to deliver trusted services to its customers.

Hong Kong Non-Franchised Transport Operations

New Hong Kong Bus Company Limited (“NHKB”)

NHKB operates a direct, value-for-money, 24-hour cross-boundary shuttle bus service, the “Lok Ma Chau – Huanggang Cross-boundary Shuttle Bus” (commonly known as “Huang Bus”), catering to regular commuters, leisure travellers and tourists between Lok Ma Chau, Hong Kong and Huanggang, Shenzhen.



The Huang Bus' cross-boundary services maintained steady passenger growth in 2025. Passenger volume increased notably compared to the prior year, underpinned by the opening of the Kai Tak Sports Park and the regular staging of major events and concerts across Hong Kong. These developments have attracted travellers to make same-day round trips across Chinese Mainland and Hong Kong, supporting the expansion of Huang Bus' service offerings.

Building on the interchange fare discount scheme introduced in collaboration with KMB last year, Huang Bus expanded its new collaborative service offerings with LWB. Passengers travelling on LWB Routes A43P or NA43 between Fanling and the Airport or the HZMB Hong Kong Port, who interchanged to Huang Bus, enjoyed fare reductions of up to HK\$10 on the second leg, equivalent to one complimentary Huang Bus

journey. This made bus services even more affordable for passengers travelling between North Lantau, the Airport, and Chinese Mainland. Additionally, KMB's "Tourist Day Pass" and "Tourist Day Pass Premium" Schemes were introduced for use on Huang Bus. At a competitive price, Pass holders enjoyed unlimited journeys on Huang Bus and across the extensive network of more than 480 routes operated by KMB and LWB within 24 hours, thereby enhancing their travel flexibility and convenience in Hong Kong.

Meanwhile, NHKB implemented electronic payment systems across its fleet, further increasing the adoption of electronic fare transactions. As electronic payment has become a widely adopted practice among Chinese Mainland and Hong Kong passengers, this reflects its continuous commitment to enhancing the customer experience.

Since commencing operations, NHKB has consistently delivered efficient and reliable cross-boundary transport services, garnering strong passenger support and confidence. With the new Huanggang Port expected to be completed and operational in the future, NHKB will continue to enhance service quality and uphold its commitment to providing reliable and high-quality services to all passengers.

- ▼ Huang Bus launched interchange fare discount schemes with KMB and LWB, offering cross-boundary travel to and from Lok Ma Chau/Huanggang Port at more favourable fares



Property Holdings and Development



The Group has a diversified portfolio of investment properties which provides steady rental income.





- Scramble Hill is a ten-storey shopping centre beneath The Millennity with a gross floor area of 500,000 square feet, featuring over 180 retail outlets. Tailored for young families and the style-conscious younger generation, it brings together vibrant outdoor dining, pet-friendly zones, and green spaces, creating a distinctive vertical landmark for creative lifestyle and entertainment

KT Real Estate Limited (“KTRE”)

KTRE, a wholly owned subsidiary of TIH, and Turbo Result Limited (“TRL”), a wholly owned subsidiary of Sun Hung Kai Properties Limited (“SHKP”), jointly own The Millennity and Scramble Hill in equal shares as tenants in common for long-term investment purposes. The property is located at 98 How Ming Street, Kwun Tong, Kowloon.

The Millennity and Scramble Hill, a premium integrated commercial project strategically located in the heart of Kwun Tong, is conveniently situated near the Kwun Tong and Ngau Tau Kok MTR stations.

The Millennity offers two 20-storey Grade-A office towers with a total gross floor area of approximately 650,000 square feet. Beneath The Millennity, Scramble Hill spans about a gross

floor area of about 500,000 square feet in a 10-storey podium and features a pet-friendly sky garden, along with popular dining, lifestyle, and entertainment options. Moreover, the development includes nearly 400 parking spaces in a four-storey basement parking garage. It has achieved LEED Platinum pre-certification, WELL Platinum pre-certification, and a Platinum pre-certification for new buildings under BEAM Plus.

Two SHKP’s subsidiaries, Sun Hung Kai Real Estate (Sales and Leasing) Agency Limited and Kai Shing Management Services Limited, were appointed as the marketing and leasing agent and the property manager for The Millennity and Scramble Hill respectively. Their appointment was recently renewed for an additional three years, effective until December 2028.



- The Millennium comprises two 20-storey Grade A office towers, offering approximately 650,000 square feet of premium workspace, with tenants comprising well-known international brands and multinational corporations

LCK Real Estate Limited (“LCKRE”)

LCKRE, a wholly owned subsidiary of TIH, is the owner of the Group’s headquarters building in Lai Chi Kok.

LCKRE owns the 17-storey commercial office building located at 9 Po Lun Street, Lai Chi Kok, Kowloon, which has a total gross floor area of approximately 156,700 square feet. Situated next to Manhattan Hill, a portion of the lettable area is used by the Group as its headquarters while the remaining lettable area was leased out to offices, shops and restaurants.

LCK Commercial Properties Limited (“LCKCP”)

LCKCP, a wholly owned subsidiary of TIH, is the owner of Manhattan Mid-town, the commercial complex of Manhattan Hill.

LCKCP owns Manhattan Mid-town, the two-level high-end retail podium at Manhattan Hill. This 50,000 square-foot

shopping centre offers Manhattan Hill residents and other shoppers high-quality retail facilities. The entire shopping centre was leased out, generating a steady stream of recurring rental income for the Group.

TM Properties Investment Limited (“TMPI”)

TMPI is jointly owned by TM Properties Holdings Limited (“TMPH”), an indirect wholly owned subsidiary of TIH, and Mega Odyssey Limited (“MOL”), an indirect wholly owned subsidiary of SHKP subsequent to TMPH’s disposal of 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 TIH.

TMPI owns an industrial property currently designated for industrial use, godown purposes, or both. At the end of 2025, the entire lettable area of the property was leased out to generate rental income for the Group.

The Group's Property Holdings and Development:

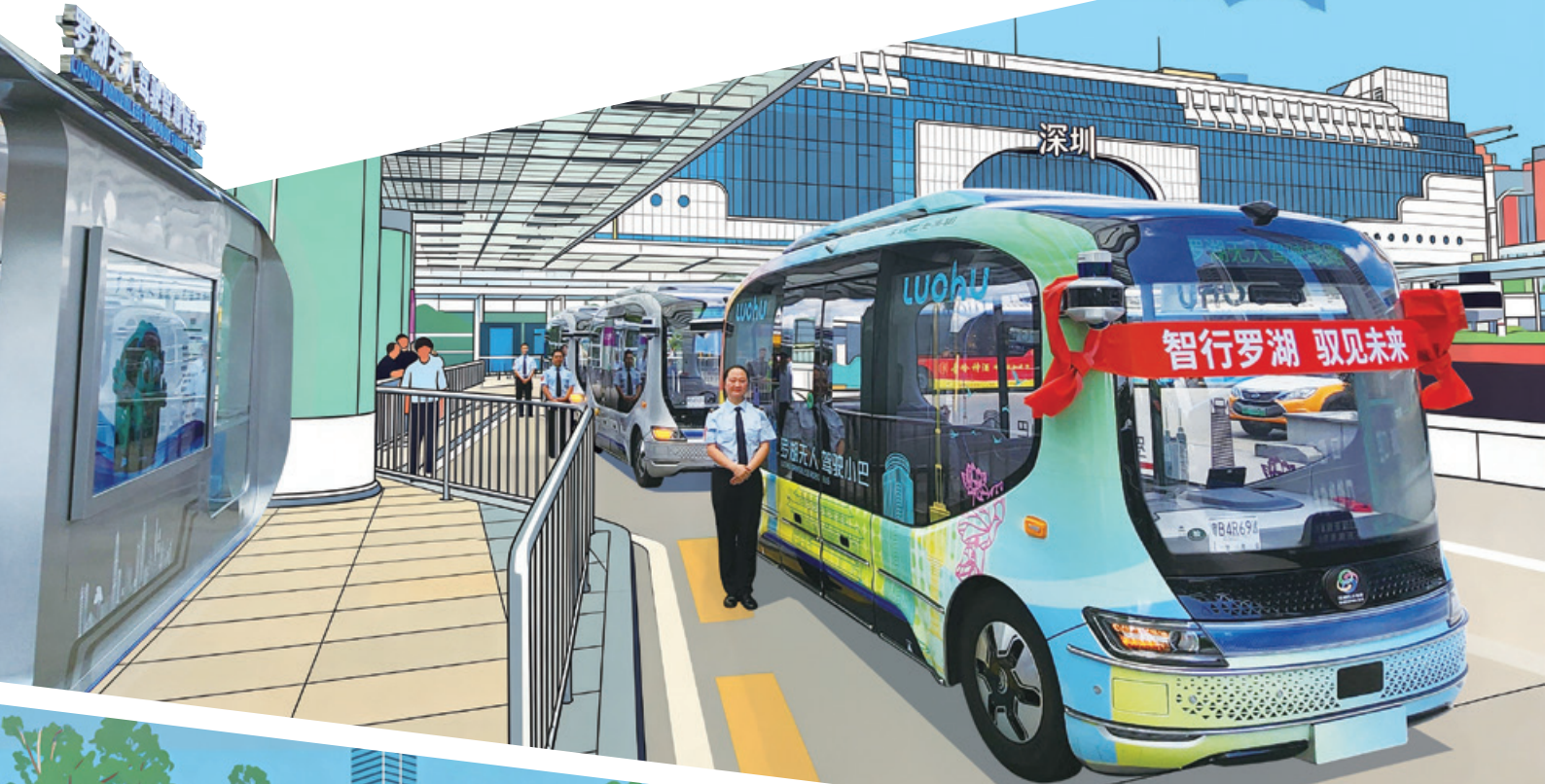
Property	Usage	Total Gross Floor Area (Square feet)	Group's Interest (%)	Remarks
The Millennity and Scramble Hill, 98 How Ming Street, Kwun Tong, Kowloon	Office and Shopping Centre	1,150,000	50	The site was acquired at a public auction in 1967, and a 50% interest was subsequently disposed of to TRL in 2009.
TIH Headquarters Building, 9 Po Lun Street, Lai Chi Kok, Kowloon	Office/Shops	156,700	100	The site was acquired at market price through private purchase in 1955.
Manhattan Mid-town, 1 Po Lun Street, Lai Chi Kok, Kowloon	Shopping Centre	50,000	100	Acquired at market price through private purchase in 1955, the site was redeveloped and opened in 2009.
Tuen Mun Town Lot No. 80, 1 Kin Fung Circuit, Tuen Mun, New Territories	Industrial/ Godown	105,364	50	The site was acquired at a public auction in 1974, and a 50% equity interest was subsequently disposed of to MOL in 2020.

- Other than the area used by the Group as its headquarters, the remaining lettable area was leased out to offices, shops and restaurants



- Manhattan Mid-town, the high-end retail podium at Manhattan Hill, was fully leased, generating a steady stream of recurring rental income for the Group

Chinese Mainland Transport Operations



The Group holds investments in transport service operators in Shenzhen and Beijing as part of its strategy to leverage transport-related business opportunities in Chinese Mainland.



◆ SZBG is one of the world's largest public transport operators using new energy vehicles

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

SZBG is a Sino-foreign joint stock company formed by KMB (Shenzhen) Transport Investment Limited (九巴(深圳)交通投資有限公司), a wholly-owned subsidiary of the Group, and four Mainland investors. The Group holds a 35% interest in SZBG which has been operating public bus and taxi services in Shenzhen since 2005.

SZBG operates a fleet of over 5,000 buses on more than 330 routes, along with nearly 6,000 taxis. The patronage of both its bus and taxi operations decreased by 8%, dropping from 408 million in 2024 to 375 million in 2025, owing to fierce competition from metro services, app-based taxi-hailing platforms and other transportation modes.

SZBG took the lead in electrifying its bus fleet in 2017, becoming one of the largest public transport operators using new energy in the world. In addition, with ISO 9001 certification for the provision of bus transport services in Shenzhen, SZBG is dedicated to upgrading its services and maintaining its business edge.

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

KMB (Beijing) Taxi Investment Limited (九巴(北京)出租汽車投資有限公司), a wholly-owned subsidiary of the Group, holds a 31.38% equity interest in BBKT, the first Sino-foreign joint stock company to enter Chinese Mainland's taxi hire and car rental sector when it was established in 2003.

BBKT operated both taxi hire and car rental businesses until April 2013. To sharpen its focus on the booming but challenging car rental market, it spun off its car rental business to another Sino-foreign joint stock company of the Group, Beijing Beiqi First Company Limited (北京北汽福斯特股份有限公司).

With a fleet of over 4,900 taxis, BBKT continues to prioritise service quality while exploring sustainable new business opportunities.

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

Established in April 2013 as a Sino-foreign joint stock company with the same shareholding structure as BBKT, BBF operates the car rental business formerly undertaken by BBKT.

BBF has over 1,000 vehicles available for charter, primarily serving Beijing (北京) and Tianjin (天津). Regarding car rental services, BBF is well positioned to capitalise on the business opportunities presented by corporate commuters as well as the diverse range of events, conferences and exhibitions held in the capital city.



◆ BBKT has a fleet of over 4,900 taxis

About the Report

In 2025, Transport International Holdings Limited (“TIH”) continued its journey toward creating sustainable values for its stakeholders and the wider community. TIH is committed to building a sustainable legacy through safe operations, innovative services, community care and environmental protection.



SUSTAINABLE DEVELOPMENT GOALS

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

Responsible Consumption and Production

16 PEACE, JUSTICE AND STRONG INSTITUTIONS

Peace, Justice and Strong Institutions

Reporting Focus

The Sustainability Report (the “Report”) of TIH outlines the environmental and corporate social responsibility performance and sustainability achievements of its wholly-owned subsidiaries, The Kowloon Motor Bus Company (1933) Limited (“KMB”), Long Win Bus Company Limited (“LWB”), Sun Bus Holdings Limited and its subsidiaries (“Sun Bus” or “SBH”), and New Hong Kong Bus Company Limited (“NHKB”). The Report also includes TIH’s wholly-owned subsidiaries, KT Real Estate Limited (“KTRE”), LCK Commercial Properties Limited (“LCKCP”) and LCK Real Estate Limited (“LCKRE”), as well as TM Properties Investment Limited (“TMPI”), in which TIH holds a 50% interest. The Report covers the reporting period from 1 January to 31 December 2025. There were no significant changes with regard to TIH’s size, structure, ownership or supply chain during the reporting period. In the Report, data and statistics are presented as absolute figures and are normalised into comparable terms as far as possible. Unless otherwise stated, data and statistics in the Report cover the performance of KMB, LWB, SBH Group, NHKB, KTRE, LCKCP, LCKRE and TMPI. There is no specific limitation on the scope and boundary of the Report with respect to TIH’s operations.

Reporting Principles

The Report was prepared in accordance with the latest Global Reporting Initiative (“GRI”) Standards 2021 and the Appendix C2: Environmental, Social and Governance Reporting Code (“ESG Reporting Code”) issued by Hong Kong Exchanges and Clearing Limited (“HKEX”). The GRI Content Index correlates GRI disclosures with associated sections in this Report. The Group strictly adheres to the reporting principles of materiality, quantitative, balance and consistency which are set out in the ESG Reporting Code. To align our strategies with international sustainability principles, the Report also makes reference to the United Nations Sustainable Development Goals (“UNSDGs”) and the IFRS Sustainability Disclosure Standards, including IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information (“IFRS S1”) and IFRS S2 Climate-related Disclosures (“IFRS S2”), developed by the International Sustainability Standards Board (“ISSB”).

Reporting Principles	Application
Materiality	To identify material ESG-related issues, stakeholder engagement exercises are conducted to gather opinions and feedback from stakeholders. These material ESG issues are then incorporated into the Group’s core business strategy. For more details, please refer to the section “Stakeholder Engagement and Materiality Assessment”.
Quantitative	The Group discloses its ESG performances in a quantitative manner. Data and statistics are presented as absolute figures and are normalised into comparable terms as far as possible. For more details, please refer to the section “Performance Statistics”.
Balance	The Group prepares this Report and discloses its ESG performance and achievements in a transparent, unbiased and fair manner.
Consistency	The Report has been prepared in accordance with the latest GRI Standards 2021 and the ESG Reporting Code issued by the HKEX, using consistent methodologies to ensure meaningful data comparisons over time.

Adopting ISSB Standards

The International Sustainability Standards Board (“ISSB”), established by the Trustees of the IFRS Foundation, aims to provide a high-quality, comprehensive global baseline for sustainability disclosures that meet the information needs of investors.

TIH adopted the IFRS sustainability disclosure framework recommended by ISSB, detailing the risks and opportunities associated with climate change, their potential impact on our business, and the actions we are taking to address these risks and opportunities. TIH is committed to communicating our approach and strategies across ISSB’s four thematic areas: governance, strategy, risk management, and metrics and targets.

Sustainability Governance

We adhere to recommended best corporate governance practices to achieve sustainable business development, ensuring compliance with applicable legal and regulatory requirements while also considering the interests of our stakeholders. The Group has adopted an integrated management approach to guide the sustainable development of TIH based on the principles of integrity, equity and transparency. This integrated management approach is strengthened by ongoing staff training and communication with stakeholders. The Board of Directors of TIH (the “Board”), as its highest governance body, is responsible for stewarding the long-term development of the Group and growing shareholder value. The Board currently comprises nine Non-executive Directors, six Independent Non-executive Directors and one Executive Director. The biographies of our current Directors can be found on pages 152 to 162 of our 2025 Annual Report.

The overall strategic planning and accountability for the Group’s sustainable development rest with TIH’s Board-level Committee, which determines the Group’s sustainability strategy and oversees its progress. The Board-level Audit and Risk Management Committee is appointed to oversee strategic ESG-related issues concerning TIH, including climate-related strategies, policies, actions and disclosures. The Committee informs the Board of the strategic risks and opportunities arising from climate change for consideration in the Board’s deliberations on TIH’s strategic plans.

Our ESG Task Force, under the oversight of the Committee, implements the Board’s ESG strategy and policies to drive sustainable initiatives throughout our operations, including safety, environmental protection, staff welfare, community engagement and volunteering. The ESG Task Force is also responsible for optimising environmental performance, raising staff awareness of corporate social responsibilities, sharing knowledge and industry best practices, and working with the Enterprise Risk Management Task Force of the Company to assess emerging ESG-related risks.

Legal and Regulatory Compliance

TIH is committed to conducting business activities in compliance with the laws of Hong Kong. All Directors and staff of the Group are subject to a written Code of Conduct when discharging their delegated duties. The Code of Conduct provides guidance on personal conduct, relations with suppliers and contractors, responsibilities to shareholders and the community, customer relations, and employment practices. It also outlines procedures for monitoring compliance and enforcement to promote ethical values in business activities. The Code of Conduct is available on the staff website for easy access and is reviewed and updated periodically to reflect the latest regulatory changes.

TIH’s employment practices are also reviewed on a regular basis. We strictly adhere to the Employment Ordinance of Hong Kong and prohibit the hiring of child labour (defined as a person below the local minimum age for employment or under the age of 15) and any form of forced labour.

The Group has a whistleblowing policy that encourages employees and related third parties to raise concerns in confidence about misconduct, malpractice, bribery, money laundering, any forms of forced, coerced or bonded labour, and irregularities in any matters related to the Group. Employees and/or related third parties may make a report to the Company Secretary or the Chairman of the Board’s Audit and Risk Management Committee. The Group will take appropriate follow-up actions, including disciplinary measures, in respect of substantiated and partially substantiated cases. In the event of an employee committing any offence of corruption under the Prevention of Bribery Ordinance (Chapter 201, Laws of Hong Kong), the Group will report the matter to the Independent Commission Against Corruption (“ICAC”). There were zero concluded legal cases regarding corruption during the reporting year. Furthermore, we engage the ICAC to provide training for the Board on a bi-annual basis and employees on a yearly-basis on anti-corruption and integrity management to enhance awareness in these areas.

Our Vision and Strategy

To ensure our business remains resilient to climate change, we assess its potential impact on different business units and develop plans to mitigate and adapt accordingly. As we refine our business strategy, the Group recognises that sustainable development is crucial to long-term success. The Group has identified physical, sustainability-related and transition risks, such as more frequent extreme weather events, regulatory changes and shifts in customer demand, which may affect our operations to varying degrees. By identifying and effectively managing the financial risks and opportunities associated with climate change, the Group acknowledges the growth potential that comes with transitioning towards a low-carbon economy.

As such, to align with the National 15th Five-Year Plan and the emissions reduction target of the Hong Kong SAR Government, the Group has determined a clear roadmap for upgrading its whole fleet with new energy buses. In addition, we have set six environmental targets for key performance indicators over a three-year period, starting in the financial year (“FY”) 2021. Using FY2019 as the baseline, we plan to reduce both carbon and energy intensity, including the carbon footprints of buses, as well as oil, electricity and water consumption. We are pleased to announce that both KMB and LWB have reached positive results in all six environmental targets by 2023. The Board has already established new environmental targets for the period from FY2024 to FY2028. We have maintained consistency in our targets by using FY2019 as the baseline year once again. Additionally, we have expanded the scope of our assessment to cover key business segments, including Hong Kong Franchised Public Bus Operations, Hong Kong Non-franchised Transport Operations, and Property Holdings and Development. Six revised environmental targets have been introduced to specifically address diesel consumption (Scope 1), electricity consumption (related to property/real estate operations only) (Scope 2), GHG emissions (Scopes 1 & 2), water consumption, solid chemical waste (hazardous), and metal waste (non-hazardous). More details are provided on page 64.

Risk Management

Sustainability-related risks have been incorporated into the Group’s Enterprise Risk Management System, utilising a systematic approach and consistent risk assessment criteria to identify and manage risks. Accurate risk information is provided to Management to assist them in decision-making and risk control without compromising cost-effectiveness and efficiency.

A Key Risk Indicator Report (“KRI Report”) summarising the Group’s major risks as identified by Management is submitted to the Audit and Risk Management Committee three times a year. The KRI Report provides a comprehensive overview of major risks and outlines the established mechanisms for monitoring them.

For further details on our corporate governance, please refer to pages 124 to 147 of our 2025 Annual Report.

Stakeholder Engagement and Materiality Assessment

Stakeholder engagement exercises and materiality assessments provide a solid basis for developing our sustainability report. These exercises help identify the sustainability topics that are most relevant to both our operations and stakeholders.

Our stakeholders include passengers, employees, suppliers, contractors, legislative councillors, district councillors, transport advisory bodies, interest groups and the government. We have established several engagement programmes to gauge their views on our operations and services. Dialogues with stakeholders are conducted through various channels, including the chatbot platform on the KMB and LWB websites and APP1933, KMB’s social media channels, corporate publications, as well as face-to-face meetings and media networking. Through engagement exercises, such as annual passenger liaison group meetings and interviews with representatives from various interest groups, we have identified stakeholder concerns and incorporated them into our sustainability strategies. The latest Annual Report of TIH contains more information about the Group, including details on corporate governance and financial performance. If you have any comments regarding the Report, please contact us at kowloonbus.cus@kmb.hk.

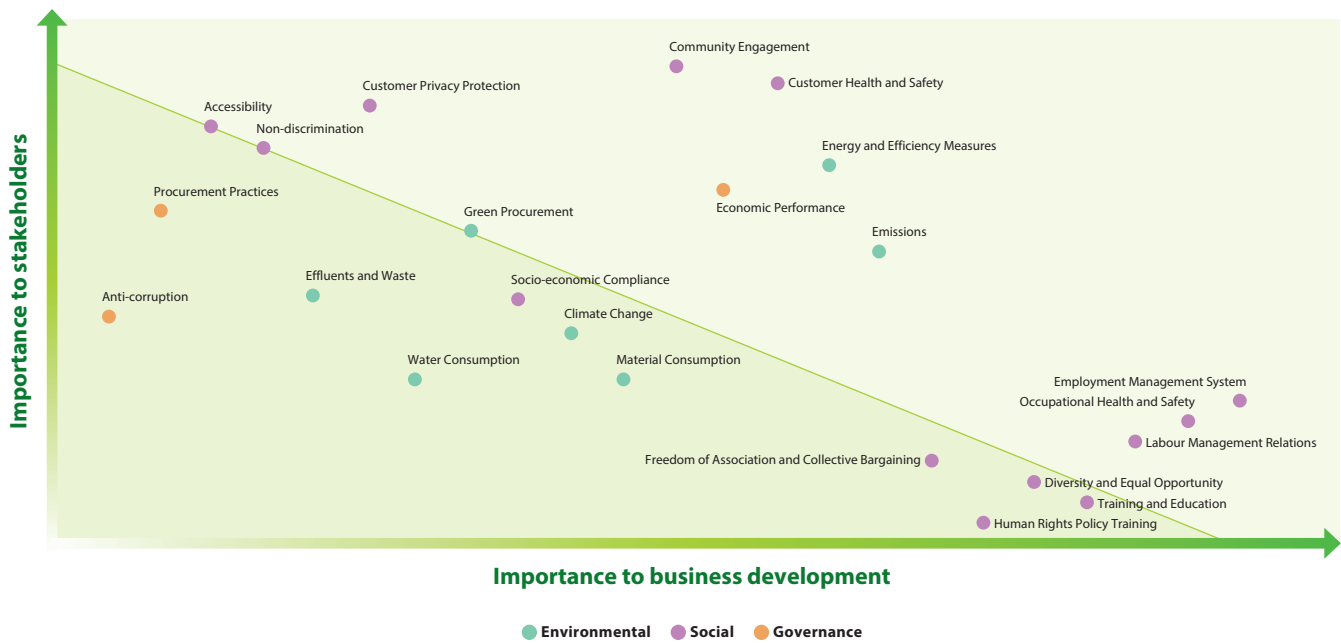
SUSTAINABILITY REPORT

TIH engaged an external consultant to carry out a series of stakeholder engagement activities to define the scope of the Report and to identify material economic, environmental and social topics in line with the principles and requirements of the GRI Standards, the HKEX ESG Reporting Code, the UNSDGs and the ISSB Standards. Representatives from various stakeholder groups, including passengers, employees, members of the KMB volunteer team, suppliers, non-governmental organisations (e.g., social organisations and green groups), were invited to participate in stakeholder engagement activities such as surveys.

Taking into account the findings from the survey results and annual materiality assessments carried out over the past

few years, we have mapped the materiality of 12 issues. The top ten issues are prioritised as material for TIH to address and report. The eleventh and twelfth issues, "Training and Education" and "Effluents and Waste", which have been reported in prior years, are also included for consistency. The other two topics "Environmental Compliance" and "Forced and Child Labour" are incorporated into the assessment given that they form part of our standard operational practices. The ESG Task Force has further reviewed and validated the material topics to ensure a consistent and balanced representation of the Group's sustainability performance and impact. The following material topics have been prioritised for disclosure in TIH's Sustainability Report, with corresponding boundaries specified:

Materiality Matrix



Note:

The Topics "Environmental Compliance" and "Forced and Child Labour" are excluded from the materiality matrix, given that they are standard operational practices, and TIH has consistently maintained full compliance.

The engagement activities have provided us with constructive comments and suggestions from our stakeholders. We appreciate their valuable feedback and strive to address their expectations through continuous improvements.

Key Areas of Interest	Stakeholders' Comments	Our Response and Disclosures in the Report
Safety	<ul style="list-style-type: none"> Enhance bus safety through innovative technologies; Strengthen public safety education; and Upgrade bus safety facilities such as installing safety belts for all seats. 	Safety has been a top priority across our operations. We make great efforts to implement safety measures and promote safety awareness. (See details in Safety First)
Environment	<ul style="list-style-type: none"> Recycle operational waste; and Explore more green energy opportunities and clean energy infrastructure. 	We seek to minimise the impact of our operations on the environment by employing energy-efficient buses and exploring green energy and zero-emission bus technologies. (See details in Caring for the Environment)
Customers	<ul style="list-style-type: none"> Improve accessibility for the elderly and people with disabilities. 	Bus facilities and compartment designs have been upgraded to provide better accessibility and comfort for customers. (See details in Caring for Customers)
Employees	<ul style="list-style-type: none"> Enhance communication with internal stakeholders. 	To strengthen bilateral communication, we have established a variety of internal communication channels and platforms for employees. (See details in Caring for Employees)
Community	<ul style="list-style-type: none"> Actively participate in key environmental and social sustainability issues (e.g. business operation and engagement with external stakeholders) and improve transparency on progress and performance. 	We play an active role in various community activities and make good use of different platforms and occasions to communicate with the public. (See details in Caring for the Community)

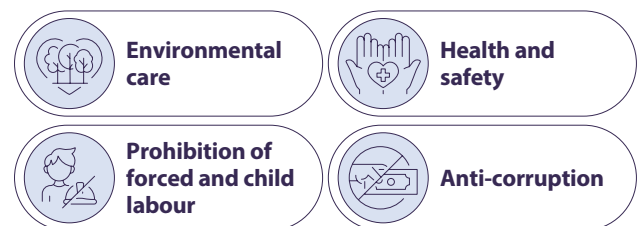
Supply Chain Management

We believe an integrated upstream supply chain management is key to quality and logistics control. We work closely with our business partners to develop vehicles and spare parts that are adapted to the local climate and operational environment, while prioritising energy efficiency and the latest emission standards.

We encourage fair and open competition to develop long-term relationships with suppliers based on mutual trust. Our supply chain policies and procedures are designed to ensure the ethical procurement of supplies and services, enabling us to deliver high-quality end products that our customers can trust. In 2025, KMB and LWB added 54 new suppliers after evaluating their potential capabilities and considering social criteria (100% of new suppliers were screened). During the same year, KMB and LWB procured from 368 local and 33 non-local suppliers and conducted vendor appraisals on 147 suppliers (37% of suppliers) to assess their performance in

terms of quality, continuity of supply and general services. This allows us to continually monitor and improve their services or, if necessary, terminate procurement from individual suppliers. The proportion of spending on local suppliers was 92%.

Our Green and Sustainable Procurement Policy spells out the environmental and social risk considerations that should be taken into account in every purchasing decision. To ensure compliance with our social and environmental requirements, we require all suppliers to confirm adherence to our guidelines upon supplier registration in the following areas:



Procurement and Tendering Procedures

Our criteria for the procurement and tendering of goods and services are based on price, quality, specifications, green procurement and sustainability considerations, and other relevant factors. The principles of our procurement and tendering procedures are as follows:

- Fair competition;
- Selection of appropriate contract types based on specifications;
- Compliance with laws, relevant regulations and contractual obligations;
- Consideration of environmental and social factors; and
- Adoption of an effective monitoring system, management controls and practices to:
 - prevent bribery, fraud or other malpractices; and
 - ensure the declaration of conflicts of interest by staff involved in the selection process.

Major Recognition and Awards

We strive to deliver excellent public transport services in a sustainable manner and are pleased to announce that we received a number of prestigious awards in 2025.

Corporate Social Responsibility

- The Hong Kong Corporate Governance and ESG Excellence Awards: Award Excellence in ESG – Honourable Mention presented by The Chamber of Hong Kong Listed Companies and the Centre for Corporate Governance and Financial Policy, Hong Kong Baptist University;
- "Caring Employer" Medal 2025 Level 3: Disability Inclusive Pioneer presented by The Labour and Welfare Bureau;
- Industry Cares Recognition Scheme 2025 – The Most Innovative Award (Enterprise Group) presented by the Federation of Hong Kong Industries;
- Industry Cares Recognition Scheme 2025 – Outstanding Caring Award (Enterprise Group) presented by Federation of Hong Kong Industries;
- The 6th Hong Kong Public Relations Awards 2025 Corporate Sustainability: Award of Merit – Pet Bus presented by Hong Kong Public Relations Professionals' Association;
- 2024 QF in Action Achiever (Partner) - KMB Academy presented by the Education Bureau;
- HKACE Customer Service Excellence Award 2024 – Field & Special Service Award: Customer Lost & Found Service (Silver Award) and Contact Centre Operator Service Award (Silver Award) presented by Hong Kong Association for Customer Excellence;



- Hong Kong Green Organisation Certification – Wastewi\$e Certificate (Excellent Level) (Headquarters) presented by the Environmental Campaign Committee;
- Hong Kong Green Organisation Certification - (Headquarters) presented by the Environmental Campaign Committee;
- Jockey Club Age-friendly City Partnership Scheme 2024/2025 – Age-friendly City Partner presented by The Hong Kong Jockey Club Charities Trust, The Hong Kong Polytechnic University's Research Centre for Gerontology and Family Studies;



- Caring Company – Leading Performance Award presented by The Hong Kong Council of Social Service;
- BOCHK Corporate Low-Carbon Environmental Leadership Awards 2024 – Low-Carbon Commitment presented by the Federation of Hong Kong Industries;
- Good MPF Employer 2024-25 presented by the Mandatory Provident Fund Schemes Authority;
- ESG Pledge Scheme 2025 presented by The Chinese Manufacturers' Association of Hong Kong;
- "AED Anywhere for Anyone" Programme – Big Heart Award 2025 Social Responsibility Award presented by Fire Services Department;

- SafeCity Ambassadors Appointment and Recognition Ceremony 2025 – Appointed as a SafeCity Ambassadors presented by The Crime Prevention Bureau of the Hong Kong Police Force;
- H-Care Health-Friendly Organisation presented by the Chinese YMCA of Hong Kong;
- HSUHK 14th Junzi Corporation Award – Junzi Corporation Award presented by The Hang Seng University of Hong Kong; and
- SportsHour Company Pledging and Recognition Scheme 2025-27 – Youth Sports Supporter Merit Award presented by the InspiringHK Sports Foundation.

Brand

- IFAPC Outstanding Listed Companies Award 2025 presented by The Hong Kong Institute of Financial Analysts and Professional Commentators Limited (IFAPC);
- 2025 International ARC Award (Transportation & Leading Category): Gold Award for Illustrations, Silver Award for Cover Photo/Design, Silver Award for Infographics, Bronze Award for Traditional Annual Report, Honours for Interior Design and Honours for Photography presented by MerComm, Inc.;
- ESG Green Development & Carbon Neutrality Awards 2024: Outstanding Sustainable Enterprise Award – Listed Company (Public Transport) presented by am730;
- Favourite Pet Brand Awards 2024 – Pet Enterprise Excellence Award presented by MoCity and Hong Kong Pet Trade Association Limited;
- Excellence in Living Smart Award 2025 – Chill Out – Excellence in Customer Care Services Award presented by Ming Pao;
- Hong Kong Service Awards 2025 – Social Benefit Award presented by East Week;
- ESG Award 2025 – Excellence in Decarbonization Award presented by Ming Pao;
- Eco-brand Awards 2025 presented by East Week;
- True Living Supreme Brand Awards 2025 – Supreme Sustainable Public Transport Service Award presented by am730;
- Outstanding ESG Enterprises Recognition Scheme 2025 – ESG Commendation Awards presented by Sing Tao News Group and The Hong Kong Polytechnic University;
- Smart Living Partnership Awards 2025 – Outstanding Public Transport AI Mobile Application presented by ET Net; and
- ESG and Sustainability Forum and Awards Ceremony 2025 – Outstanding ESG Enterprise Award and Sustainability Development Enterprise Recognition Certificate presented by HK01.

Safety First



Safety is our foremost priority. We apply rigorous safety standards across our daily operations and remain committed to continuously enhancing the safety and reliability of our bus services.



SUSTAINABLE DEVELOPMENT GOALS



Good Health and Well-Being



Safety Policy

We are dedicated to protecting the health and safety of our workforce. Safe environments and optimal working conditions are upheld across all operations. Every employee is required to comply with all legal obligations and our internal safety standards. Ongoing engagement with employees and stakeholders supports continuous improvement of our safety management system.

Safety Committees

To strengthen internal communication on safety and health matters, including risks, emerging trends and our safety policy, dedicated safety committees operate across all areas of our business. These committees bring together employees at all levels, from frontline staff to management, and meet regularly to address safety issues and identify opportunities for improvement.

Safety Management

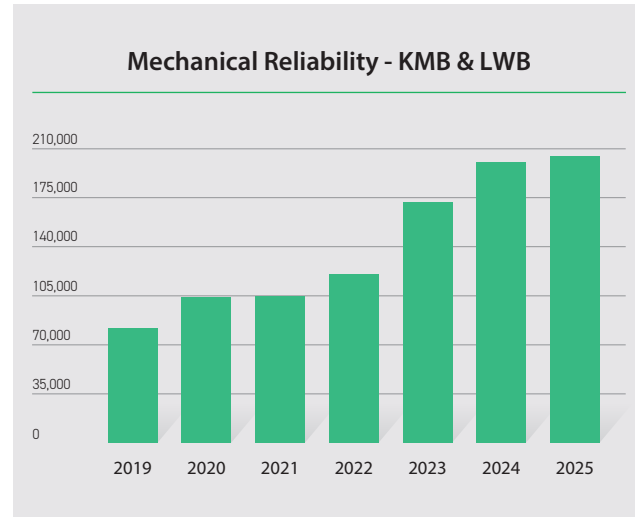
We are committed to maintaining the highest standards of occupational health and safety, guided by the ISO 45001-certified OHS Management System. We conduct regular inspections and risk assessments for both routine and non-routine tasks, applying the hierarchy of controls to eliminate or minimise hazards. All assessments are carried out by trained and competent personnel, and the results are reviewed to support continuous improvement of the safety management system.

A systematic reporting mechanism is in place for all employees and workers to raise hazardous conditions through supervisors and safety representatives. Workers are protected against reprisals, and a Safety Committee meets regularly to review reports, investigate incidents, and recommend improvements.

Employees have the right to stop work and remove themselves from any situation they believe may cause injury or ill health. This policy is reinforced through training, and employees exercising this right are fully protected from retaliation.

Work-related incidents and near misses are investigated promptly to identify hazards, assess risks, determine root causes, and establish corrective actions. Findings are reviewed by the Safety Committee to ensure that lessons learned are incorporated into system enhancements and preventive measures.

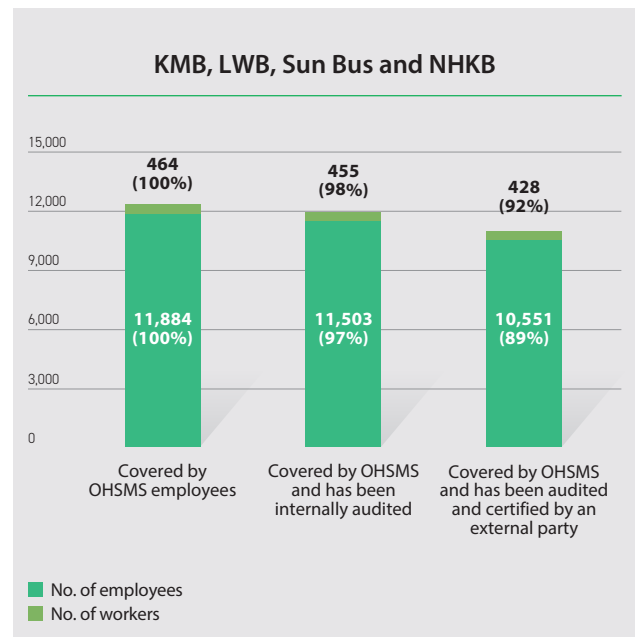
Mechanical reliability – measured as the average distance a bus travels before a breakdown with passengers onboard – has significantly improved from 74,914 km:1 in 2019 to 200,304 km:1 in 2025. This progress reflects our adoption of more frequent, comprehensive maintenance protocols, including proactively replacing metal parts before they reach critical wear levels.



Note: Mechanical reliability refers to the average number of kilometres a bus operates before it experiences one mechanical breakdown on the road with passengers on board.

Safety Statistics

The number and the percentage of staff and workers covered by our Occupational Health and Safety Management System (“OHSMS”) are shown in the table below:



Bus Safety Facilities and Maintenance

Our buses are equipped with advanced technologies, including speed-limiting devices and telematics systems, to enhance safety and monitor operational performance. All KMB and LWB buses follow an ISO-certified maintenance regime that includes daily and monthly servicing, semi-annual minor dockings, annual road-worthiness inspections, and spot checks conducted by the Transport Department of the Hong Kong SAR Government.

Latest Bus Safety Measures Preventive Maintenance System

Our Preventive Maintenance System enhances fleet safety and reliability by leveraging real-time data from key bus systems, including transmission, battery, engine, cooling system and brake pressure. This data is automatically analysed by a backend system to identify potential issues. When anomalies are identified, immediate action is taken to prevent on-road breakdowns, improving safety and minimising service disruptions.

GST Safety & Eco Driving System

The GST System supports safe and eco-friendly driving by assessing driving performance and engine idling on every trip. A dashboard unit provides real-time audio and visual alerts for five key behaviours – cornering, braking, acceleration, pedal control and speeding – while the “GST Driver” app allows bus captains to review detailed records of improper actions, including time, location and idling duration. The app also features a blackspot database of higher-risk locations, which bus captains are required review monthly.

The system uses predictive analytics to estimate mid-month safety scores, helping identify bus captains who may exceed limits or require additional support. Automatic app notifications enable early intervention and training. To encourage continuous improvement, KMB and LWB run a reward scheme recognising outstanding safety and eco-driving performance, fostering positive engagement and healthy competition across depots.



● KMB and LWB’s Preventive Maintenance System enables the maintenance team to identify and address potential issues or anomalies at an early stage. Together with regular, rigorous inspections and servicing, it enhances overall fleet safety, ensuring secure and reliable passenger journeys





Driving Monitoring System (“DMS”)

This monitoring device, mounted on the dashboard, uses image processing and advanced facial recognition technology to assess driver alertness. Early audio alerts and vibration warnings will be triggered when signs of fatigue or other abnormalities, such as drowsiness, are detected in the bus captain.



Tyre Pressure Monitoring System (“TPMS”)

TPMS is installed to allow bus captains to monitor tyre pressure in real time. Visual and audio alerts will be triggered if the tyre pressure drops below the pre-set level. The majority of our bus fleet is equipped with this safety feature.



Advanced Driver Assistance System (“ADAS”)

The device, installed on the lower front windscreen, uses image-processing technology to detect road obstacles ahead and calculate their distance. Early audio alerts and vibration warnings will be triggered when unsafe conditions are detected, such as when a collision is predicted, unless timely corrective action is taken.



Electronic Rearview Mirrors

KMB is piloting electronic rearview mirrors on both sides of its buses. Their smaller size reduces the risk of striking external objects, while the wide-angle display provides a broader, clearer view to help bus captains monitor the bus body and road conditions with fewer blind-spots. The system also delivers clear images in low light and adverse weather, enhancing overall driving safety.



Electronic Stability Programme (“ESP”)

The ESP is a crucial safety feature that helps prevent a bus from skidding or overturning while cornering or operating on slippery road surfaces.



AI Reversing Camera

NHKB (“Huang Bus”) installed AI reversing cameras on buses to enhance service quality and driving safety. The AI cameras feature automatic recognition of human shapes, animals and vehicles, including bicycles and motorcycles, and provide real-time visual and audio alerts to assist bus captains during reversing.



Speed Limiting Retarder (“SLR”)

SLR enhances the speed limiters of our fleets by automatically activating the brake or retarder to prevent speeding when travelling downhill. The current speed limiters cut off the fuel supply to the engine once the speed limit is reached.



Safety Belts

KMB and LWB have requested that bus manufacturers install 3-point safety belts on all seats as a standard feature for new buses, while Sun Bus has 2-point safety belts installed across its new fleet. Meanwhile, KMB has been retrofitting safety belts on some existing buses to provide better protection for passengers.

KMB Academy

In 2025, the KMB Academy (“the Academy”) opened its new Electric Vehicle (EV) Maintenance Training Workshop to meet the rising demand for electric vehicles servicing. Located beside the existing technical training workshop at Shatin Depot, the facility meets the Electrical and Mechanical Services Department (EMSD) of the HKSAR Government’s specifications for high-voltage EV maintenance and provides component models for hands-on learning in EV structure, maintenance procedures, and safety.

Two new programmes, the Certificate in Electric Vehicle Maintenance Safety Awareness and the Certificate in Diagnosis, Testing and Maintenance of Electric Vehicles (Low-Voltage), were accredited at Level Two and Level Three, respectively, under the Qualifications Framework (“HKQF”) by the Hong Kong Council for Accreditation of Academic and Vocational Qualifications, bringing the Academy’s total number of HKQF-recognised programmes to six.

Maintenance-Related Courses

- Certificate in Bus Maintenance (HKQF Level Two): Provides training in mechanical operation, industrial safety and core technical areas including engines, drivetrains, chassis, electrical systems and air-conditioning. Students also receive on-the-job training at KMB depots. Graduates receive certificates recognised by Alexander Dennis Ltd and Volvo Buses, qualifying them as semi-skilled workers with a clear progression pathway.

- Certificate in Electric Vehicle Maintenance Safety Awareness (HKQF Level Two): Equips workers with knowledge of EV safety guidelines, hazard identification, safety management measures, EV signage and risk management for EV systems.
- Certificate in Diagnosis, Testing and Maintenance of Electric Vehicles (Low-Voltage) (HKQF Level Three): Provides the skills needed to safely diagnose and repair low-voltage EV systems, preparing trainees to become EMSD-registered technicians in the low-voltage category.

Driving Training Courses

- Certificate in Public Bus (Franchised) Driving Training (HKQF Level Three): Develops safety awareness, manoeuvring skills, and knowledge of bus types and routes. Training also includes customer service and emotion management. Instructors assess students before graduation to ensure they meet KMB’s standards.
- Certificate in Continuing Development for In-service Bus Captains (HKQF Level Three): Enhances knowledge and skills in road safety, driving techniques and professional driving attitudes, with a focus on defensive driving.

Instructor Training Courses

- Professional Certificate for Instructors in the Franchised Bus Industry (HKQF Level Four): Supports the professional development of Driving and Technical Instructors by strengthening teaching skills, instructional quality and professional conduct.



- KMB Academy provides professional, comprehensive training for new recruits and serving bus captains of KMB and LWB, covering key areas such as manoeuvring skills, customer service, and emotional management. All courses are officially recognised under the HKQF

Safety Awareness Programme

Ensuring passenger safety is a top priority in our bus operations. Through different channels, we raise the internal and external awareness of passenger safety. A series of safety messages is broadcast on the Bus Stop Announcement System in Cantonese, English and Putonghua, reminding passengers to hold the handrail at all times. Safety stickers such as “Hold the Handrail” and “Fasten the Seatbelt” are placed in bus compartments. We also periodically share educational messages with the public through our mobile app, APP1933, and KMB’s Facebook page.

Bus Captains’ Safety Talk at Bus Termini

To strengthen bus captains’ awareness of safe driving, the Safety Department conducted safety talks at bus termini, sharing key safety messages and preventive measures, including the proper use of safety devices and practical driving tips. Bus captains were also encouraged to contribute their own experiences to support collective learning and safer driving practices. In 2025, Safety Department visited 48 bus termini and engaged more than 1,500 bus captains through these sessions.

Safety Bus

KMB promotes road and passenger safety through community engagement initiatives, including the “Safety Bus”, a single-deck bus transformed into a mobile education unit themed “Stop, Look, Listen and Give Way”. Inside the bus, motion-sensing games and virtual reality activities allow students to learn public transport etiquette, such as fastening seatbelts, holding handrails, and understanding bus blind spots. Safety Department staff also host quizzes and short talks to reinforce key safety messages.

In 2025, the Safety Bus welcomed 291 students and over 1,100 members of the public during visits to various bus termini and schools. It also partnered with the Police in two road safety campaigns, serving an additional 700 visitors.

Mobile Classroom

Launched in 2023 by the KMB Academy and the Safety Department, the Mobile Classroom promotes road and driving safety, with a particular focus on situations where bicycles and buses share the road. More than 200 bus captains and members of the public participated in the activity, which was well received and appreciated for engaging different road users, including bus captains, cyclists, pedestrians and passengers, while reinforcing key road safety messages.

- “Safety Bus” visited various bus termini and schools during the year, promoting bus safety and etiquette to the public through motion-sensing games and virtual reality experiences



Caring for the Environment



We are driving into a new, greener era with our eco-friendly bus fleet and a range of other sustainable innovations and technologies. We aim to become a carbon-neutral bus operator, setting a new industry standard in Hong Kong.



SUSTAINABLE DEVELOPMENT GOALS

3 GOOD HEALTH AND WELL-BEING

Good Health and Well-Being

6 CLEAN WATER AND SANITATION

Clean Water and Sanitation

7 AFFORDABLE AND CLEAN ENERGY

Affordable and Clean Energy

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

Industry, Innovation and Infrastructure

11 SUSTAINABLE CITIES AND COMMUNITIES

Sustainable Cities and Communities

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

Responsible Consumption and Production

13 CLIMATE ACTION

Climate Action

Environmental Policy

We recognise the environmental impacts inherent in our bus operations and are committed to mitigating them through the following actions:

- Preventing pollution and enhancing environmental performance by establishing, monitoring, and achieving clear environmental objectives and targets;
- Conserving resources by reducing waste at source and promoting recycling and reuse across our operations;
- Minimising and controlling emissions through effective control measures and high-quality repair and maintenance services;
- Reducing our environmental footprint and actively contributing to efforts to combat climate change;
- Raising staff awareness by providing environmental training aligned with our policy, objectives and targets, ensuring employees understand the potential environmental impacts of our operations;
- Communicating our environmental requirements to suppliers and making our environmental policy publicly accessible;
- Responding promptly to environmental enquiries and ensuring effective internal communication on environmental issues; and
- Ensuring full compliance with all applicable local environmental legislation and relevant regulatory requirements.

Environmental Management

KMB has achieved ISO 14001 certification for the environmental management systems at its two largest depots. To maintain these standards, KMB's four major depots and LWB's depot undergo quarterly surveillance audits. Environmental working groups oversee key initiatives and ensure effective implementation of the ISO framework. Guided by Senior Management, the Engineering Team continues to adopt innovative technologies to enhance the environmental performance of our fleet and operations.



- KMB operates the largest new energy bus fleet in Hong Kong, providing zero-emission, environmentally friendly services across busy urban areas, helping to improve roadside air quality and gaining strong passenger support, while driving the development of green transport in the city



Our Environmental Targets

In 2023, TIH engaged an external consultant to review the Group’s environmental performance. Building on this review, the Board has set new Environmental Targets for FY2024-FY2028, using FY2019 as the baseline year for consistency.

The scope has also been expanded to cover Hong Kong Franchised Public Bus Operations, Hong Kong Non franchised Transport Operations, and Property Holdings and Development. Within this broader scope, we have updated six key environmental targets addressing diesel consumption (Scope 1), electricity consumption for property operations (Scope 2), GHG emissions (Scopes 1 & 2), water use, hazardous solid chemical waste, and non hazardous metal waste.

Performance against FY2025’s environmental KPIs showed overall positive progress. The Company will continue to closely monitor operations and implement measures to manage energy use, reduce waste, and minimise greenhouse gas emissions across Scopes 1 and 2.

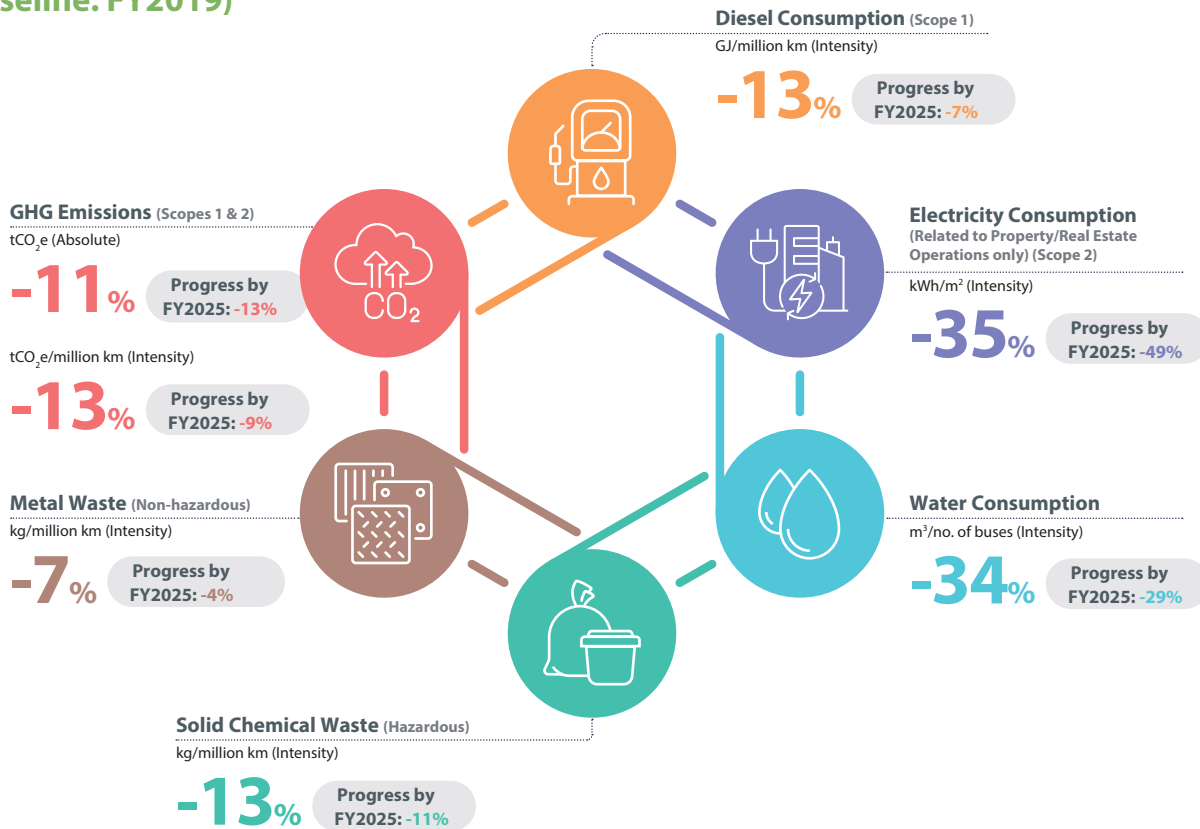
The Group continues to report its Scope 1 and Scope 2 greenhouse gas emissions in accordance with HKEX requirements. To strengthen the completeness of its climate reporting, the Group is adopting a phased approach to Scope 3 reporting.

Building on earlier preliminary screening of Scope 3 value chain hotspots, the Group has begun transitioning its methodology to align with updated standards and increase data granularity. During the reporting year, trial engagements were conducted with selected key suppliers to assess data readiness and inform the design of future data-collection processes.

Guided by the reporting principles of materiality and consistency, the Group aims to progressively expand its Scope 3 disclosure capabilities, with the goal of reporting on the most material Scope 3 categories by 2027.

Environmental Targets for Key Performance Indicators by FY2028

(Baseline: FY2019)



Note:

The previously reported FY2024 progress for (i) GHG Emissions (Scope 1 & 2) intensity and (ii) Solid Chemical Waste (Hazardous) intensity have been restated from -6% to -7%, and Metal Waste (Non-hazardous) has been restated from 29% to 40% against the FY2019 baseline.

Green Finance

In 2025, the Group maintained sustainable deposits and secured green loan and sustainability-linked loan facilities totalling HK\$3,800 million. This amount represents over 50% of our committed loan facilities and underscores our commitment to supporting Hong Kong's transition toward zero emissions through effective green finance arrangements.

We have established key sustainability performance targets focused on reducing greenhouse gas emissions from our bus fleet, strengthening green procurement practices, and increasing average training hours. Looking ahead, TIH Group will continue to pursue suitable financing solutions that can propel Hong Kong's transportation sector into a more sustainable future.

Greenhouse Gas Emissions Reduction

KMB and LWB are committed to advancing renewable energy and zero-emission technologies, reinforcing our determination to deliver greener public transport for Hong Kong. In support of the HKSAR Government's goal of achieving carbon neutrality by 2050, both companies have launched an electrification roadmap. In the long term, KMB aims to transition its entire fleet to new-energy buses, contributing to the development of a cleaner and more sustainable city.

Environmental Bus Fleet

KMB's newest electric and diesel buses meet stringent, environmentally-friendly emission standards equivalent to those set by the European Council of Environmental Ministers, contributing to a cleaner environment and reduced climate impacts.

As at the end of 2025, the KMB fleet comprised 856 Euro VI buses (including three diesel-electric hybrids), 2,918 Euro V buses, and 75 battery-electric buses. The LWB fleet included 192 Euro VI and 116 Euro V buses, while Sun Bus operated 158 Euro VI and 197 Euro V buses.

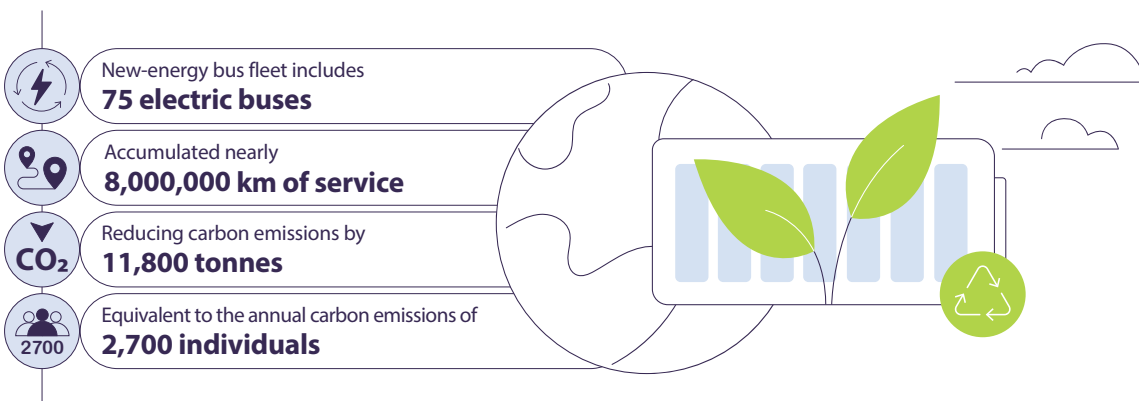
KMB's electric double-deckers are zero-emission vehicles built to our latest specifications. Equipped with solar panel systems, free 5G Wi-Fi, and an upper-deck occupancy monitoring system, they will be deployed along major corridors to help improve roadside air quality in high-traffic areas.

By the end of 2025, Hong Kong's largest new-energy bus fleet – comprising 75 battery-electric buses and three diesel-electric hybrid buses – had accumulated nearly eight million kilometres of service. This contribution to a reduction of 11,800 tonnes of carbon emissions, equivalent to the annual carbon emissions of approximately 2,700 individuals.

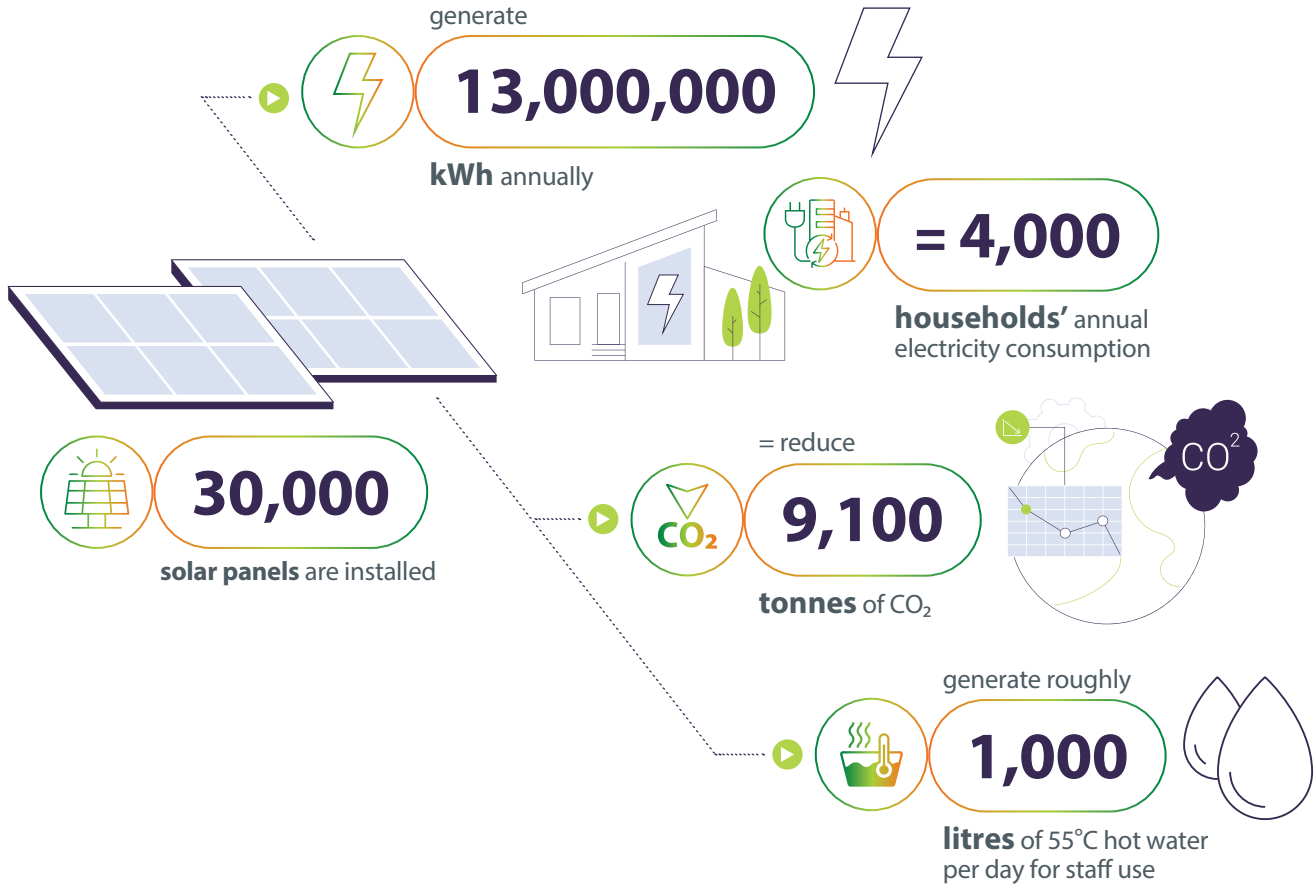
KMB continues to phase out older bus models and replace them with the latest energy-efficient Euro VI and electric buses, extending fleet longevity and improving environmental performance as we work toward a zero-emission future. The average ages of the fleets are 9.2 years for KMB, 5.6 years for LWB, and 7.0 years for Sun Bus.

Other environmental facilities within KMB and LWB's bus fleets, depots and other premises include:

- **Heat insulation:** KMB has installed heat insulation boards on the roofs of around 70 operational kiosks at open-air bus termini to reduce solar heat absorption, lower air conditioning load, and enhance energy efficiency;
- **LED lighting retrofit:** The retrofit programme replacing existing bus lighting with lower-powered LED strips has been fully completed, and LED lighting is now a standard design for all our new buses. This initiative can enhance passenger comfort and reduce annual carbon emissions by 5,600 tonnes. Removed LED strips are repurposed for lighting at depots and bus stops, minimising waste from the upgrade;
- **Driver behaviour monitoring:** A driver behaviour monitoring system has been introduced through onboard black boxes. By analysing CANbus signals, such as harsh braking, rapid acceleration, and improper vehicle control, it helps improve overall driving performance, operational safety and energy-saving;
- **Cleaner fuels and emission controls:** KMB, LWB and Sun Bus use near zero sulphur diesel and have upgraded older diesel buses with emission control technologies, including diesel oxidation catalysts, diesel particulate filters, and selective catalytic reduction units; and
- **Electric patrol vehicles:** All three companies have introduced electric patrol cars for operational support and installed charging facilities at major depots to further promote low-carbon operations.



Application on Renewable Energy – KMB and LWB



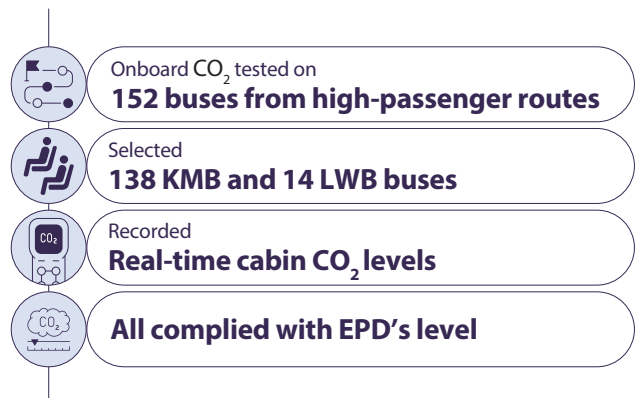
Renewable Energy Applications

KMB and LWB have adopted third-generation solar panels on double-deckers to help lower interior temperatures and power onboard electronic systems. In total, 30,000 solar panels have been installed across the fleet, depots, and bus stops. These systems are expected to generate up to 13 million kWh of electricity annually, equivalent to the yearly consumption of around 4,000 Hong Kong households, reducing carbon emissions by about 9,100 tonnes. As the two franchised bus operators with the largest solar panel installations in Hong Kong, KMB and LWB aim to lead the public transport sector toward a greener, carbon-neutral future.

KMB has also installed foldable solar panels on the roofs of three bus depots to provide renewable hot-water supply. This setup can generate roughly 1,000 litres of 55°C hot water per day for staff use.

CO₂ Concentration Checks

In 2025, KMB selected 138 buses, and LWB selected 14 buses, operating on passenger-intensive routes for data-logger measurements of onboard CO₂ levels. The results confirmed that both KMB and LWB buses complied with the Environmental Protection Department's (EPD) Practice Note on acceptable CO₂ concentration levels.



Energy Saving

KMB and LWB implement a range of measures to reduce resource consumption and streamline waste-management procedures. All materials are handled and disposed of responsibly, in full compliance with relevant laws and regulations, ensuring no risk to human health or the environment.

Fuel

Across KMB, LWB and Sun Bus operations, several initiatives have been adopted to enhance fuel efficiency and reduce waste:

- Aircraft-style “Posilock” refuelling system: Helps shorten idling time during refuelling, lowering fuel consumption;
- Ambient sensors for air-conditioned buses: Reduce unnecessary cooling and improve overall fuel efficiency;
- Synthetic gearbox oil: Extends oil-drain intervals, reducing both oil use and waste-oil generation;
- Mileage-based oil-change scheme: Further reduces engine-oil consumption and waste; and
- Use of Biodiesel B5: Selected Sun Bus services use Biodiesel B5, a renewable fuel produced from animal fats and vegetable oils, to reduce carbon emissions and overall environmental impact.

Electricity

We continue to explore environmentally-friendly initiatives and invest in advanced technologies to reduce energy consumption and minimise greenhouse gas emissions.

Beyond the one-off replacement of LED lighting and ongoing housekeeping measures, we have also adjusted our electricity-use patterns in line with operational needs, for example, optimising illumination schedules at parking depots and enhancing the efficiency of equipment supporting our facilities.

Green Measures in the Office

The green office concept guides the design and renovation of our premises. We maintain indoor temperatures at 25.5°C in support of the HKSAR Government’s Action Blue Sky Campaign and have adjusted operating hours to avoid unnecessary energy use outside office hours. All newly renovated offices are equipped with high-efficiency air-conditioning units.

Recycling systems are in place for used toner cartridges, paper, and plastics, and regular awareness initiatives are conducted to encourage good housekeeping practices among staff to further promote energy saving.

Waste Reduction

KMB and LWB are committed to responsible waste management, including proper storage, disposal, recycling, and reuse of resources wherever feasible. The major types of waste generated in our operations are managed as follows:

Wastewater

KMB and LWB strive to reduce water consumption and ensure all effluents are properly treated before discharge. Our depots operate nine automatic wastewater treatment systems with a combined capacity of 400 cubic metres per day. Recycled water from bus-washing operations has helped reduce total depot water consumption by around 4%. Several satellite depots also incorporate rainwater collection and water-recycling systems.

Tyres and Metals

Used tyres from KMB and LWB are retreaded by appointed contractors, while metal waste is sent to licensed recyclers for processing.

Oil and Chemicals

Solid chemical waste is classified and stored in designated areas at bus depots before being collected by registered contractors for treatment at the Hong Kong SAR Government’s Chemical Waste Treatment Centre. Waste oil is recycled or disposed of in accordance with statutory requirements. During the reporting period, KMB and LWB further reduced solid chemical waste by extending engine-oil drain intervals.

Batteries are handled by licensed contractors in compliance with Environmental Protection Department (EPD) requirements, with some exported to EPD-approved overseas facilities under the Basel Convention.

Case Study

KMB Green Journey – Towards Zero Emissions



Driving Electric Bus Fleet Expansion, Strengthening Maintenance Training and Advancing Green Mobility

KMB is committed to advancing green transportation initiatives in support of a low-carbon economy. As Hong Kong's largest franchised bus operator, KMB and LWB together operate a fleet of 82 electric buses – currently the most extensive electric bus fleet in the city – serving more than 50 routes. Beyond investing in electric buses and charging facilities, cultivating skilled electric vehicle (EV) maintenance professionals is a critical pillar in enabling the successful advancement of green transportation and contributing to Hong Kong's sustainable development.

Building on its extensive experience in EV maintenance, KMB, through the KMB Academy, offers two EV maintenance training programmes. The Academy is among the first four institutions recognised by the Electrical and Mechanical Services Department (EMSD) to provide accredited EV maintenance training courses. Upon completion, registered vehicle mechanics are qualified to perform EV maintenance, supporting the Hong Kong SAR Government's target of achieving carbon neutrality before 2050.

In 2025, KMB held the "KMB Green Journey – Towards Zero Emissions" ceremony, officiated by Mr. Tse Chin-wan, BBS, JP, Secretary for Environment and Ecology of the Hong Kong SAR Government, together with Mr. Wong Chi-kwong, JP, Assistant Commissioner for Transport, and several Legislative Council members. During the ceremony, Mr. Roger Lee, KMB Managing Director, highlighted the environmental performance of the electric bus fleet and reaffirmed KMB's continued commitments, including active participation in the Government's electric franchised bus subsidy scheme, further expansion of the electric bus fleet, establishment of a new EV maintenance training workshop at the KMB Academy, and launching the "Certificate in Diagnosis, Testing and Maintenance of Electric Vehicles ((High Voltage))" (EVH) Programme. Following its launch, KMB will become Hong Kong's first private organisation to offer a full three-level electric vehicle maintenance training programme.

Expanding the Electric Bus Fleet through Government Subsidy Scheme

More than a decade ago, KMB began exploring electric bus technology, acquiring both single-deck and double-deck electric buses through government subsidies and self-funding. Annual electric bus mileage grew from 210,000 km in 2021

to 2.7 million km in 2024, before reaching nearly 8 million km in 2025, contributing to a reduction of over 11,800 tonnes of carbon emissions.

The double-deck electric buses introduced three years ago offer a driving range of over 300 km after just two hours of charging and a capacity of up to 115 passengers, meeting the daily operational requirements of 80% of KMB's buses. Their quiet and comfortable cabin environment, together with performance comparable to diesel buses, has made them popular among passengers and bus captains alike.

With the launch of the Government's electric franchised bus subsidy scheme, Mr. Roger Lee, KMB Managing Director, emphasised that KMB will actively support the acceleration of fleet expansion. He noted, "The steady increase in electric bus mileage demonstrates that, as KMB expands its electric bus fleet and gains more operational and maintenance experience, our contribution to carbon reduction has become increasingly significant. I believe electric buses are now 'within reach' and will become the backbone of Hong Kong's public bus services, representing the green future of the industry."

Establishing an EV Maintenance Training Workshop and Upgrading to High-Voltage Maintenance Capabilities

As EV adoption increases, so does the demand for professional maintenance services. To provide a more specialised training environment, the KMB Academy has established a dedicated

EV maintenance training workshop in addition to its existing technical workshop. The facility meets EMSD requirements for high-voltage EV maintenance environments and is equipped with component models of various EV systems, enabling trainees to acquire practical knowledge of EV structures and repair procedures. KMB also receives technical support and training from electric bus manufacturer BYD.

The Academy is preparing to launch "Certificate in Diagnosis, Testing and Maintenance of Electric Vehicles ((High Voltage)" (EVH) Programme. Together with the existing "Certificate in Electric Vehicle Maintenance Safety Awareness"(EVE) and "Certificate in Diagnosis, Testing and Maintenance of Electric Vehicles (Low-Voltage)" (EVL) Programmes, The KMB Academy will become the first private institution in Hong Kong to offer a comprehensive three-level electric vehicle maintenance training programme. The programmes not only equip KMB maintenance staff with advanced EV knowledge – enhancing its fleet operation capabilities – but are also open to industry practitioners to support the broader development of EV maintenance talents in Hong Kong.

Mr. Lee commented, "Achieving green transportation and sustainability requires supportive government policies and joint efforts across sectors. KMB will continue to strengthen both hardware, such as expanding the electric bus fleet, and software, including enhancing operational and maintenance capabilities. We will continue to support our passengers on the journey towards environmental protection and carbon reduction, contributing to Hong Kong's sustainable future."

Recognition from Government Leaders

At the ceremony, Mr. Tse Chin-wan, Secretary for Environment and Ecology, praised KMB for its long-standing support for green transformation of the transport sector:



"I am pleased to learn that KMB is expanding its procurement of electric buses to support Hong Kong's transition to green public transport. I also congratulate the KMB Academy on the establishment of the EV maintenance training workshop, which will provide targeted training for high voltage components and further support the professional development of commercial EV technicians. I thank KMB for its continued corporate leadership in emissions reduction and green transformation."

Caring for Customers

As a public transport provider, we are dedicated to delivering an excellent bus travel experience for all. We strive to identify and understand customer needs and expectations to ensure that our bus services are safe, smart, efficient, comfortable and offer added value for money.



SUSTAINABLE DEVELOPMENT GOALS



9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
Industry, Innovation and Infrastructure



11 SUSTAINABLE CITIES AND COMMUNITIES
Sustainable Cities and Communities

Building an Accessible and Inclusive Bus Community

Access to transportation is essential for independent living, and an accessible transport system forms the cornerstone of an inclusive society.

Accessible Bus Fleet

The entire bus fleets of KMB, LWB and NHKB, along with eleven buses from Sun Bus, are equipped with super-low floors, wide entrances, and exit doors to facilitate easy boarding and alighting, ensuring accessibility for elderly people and wheelchair users.



Wheelchair-Friendly Design

- 342 KMB buses with two wheelchair spaces, mainly serving hospital routes.
- 198 KMB and LWB buses feature foldable armrests in wheelchair areas for added comfort and helping to prevent wheelchairs from overturning or skidding on the gangway. This design has now become a standard feature on all new buses.



Priority Seats

- Strategically placed near doors on both KMB and LWB single- and double-deck buses for the convenience of passengers in need. KMB actively promotes public awareness to foster a culture of care and support.

Upgrades to Termini and Bus Stops

KMB and LWB continue to enhance facilities at Bus-Bus Interchanges (BBIs), termini and bus stops to improve passenger comfort and convenience. Key initiatives include:

- **Bus Stop Numbering:** All KMB and LWB stops now feature prominently displayed stop numbers and QR codes, enabling passengers and visitors to easily identify the correct bus stop and access route information online;
- **Improved Navigation at BBIs:** 31 BBIs are equipped with clear signage and platform numbers, along with ventilation fans to enhance passenger comfort, particularly during the summer months;

- The bus fleets of KMB, LWB and NHKB feature super-low floor designs and wheelchair ramps, enabling easy boarding and alighting for wheelchair users

- **Audio Bus Stops:** Wireless radio frequency identification systems (RFID) have been installed at selected bus stops to assist visually impaired customers. These systems emit audio signals and announce bus route information, enabling users to locate the correct bus stops with greater ease;



AED Installation

- KMB has strengthened its commitment to public health by partnering with the Fire Services Department to install 40 Automated External Defibrillators (AEDs) at high-traffic bus termini, BBIs and depots, ensuring timely access to life-saving equipment during emergencies;
- **Additional Seating:** more seats have been installed at bus shelters, termini and BBIs to better serve the elderly, people with disabilities and children;
- **Real-time Information Panels:** Display panels showing estimated bus arrival times have been added across shelters, termini and BBIs to help passenger plan their journeys more efficiently. A pilot project featuring a new design layout has also been launched to provide more detailed bus route information;
- **Solar-powered Lighting:** Solar lamps have been installed at selected bus stop locations to provide illumination at night;



QR Codes on Information Sheets

- QR codes have been added to bus-stop information displays, offering quick access to bus frequency and route details; and
- **New and Upgraded Shelters:** In 2025, two new or upgraded bus shelters were completed, bringing the total number to 2,667, thereby providing better weather protection and a more pleasant waiting environment.



Upgrades to Bus Facilities

- **Seat Availability Display:** Lower-deck screens on KMB buses display the availability of seats on the upper deck, helping passengers locate seats on the upper deck more easily, promoting a more even distribution of passengers, and enhancing the overall passenger experience;
- **Free 5G Wi-Fi:** 2,520 KMB and LWB buses offer complimentary 5G Wi-Fi with ultra-fast, stable and smooth 5G network connectivity for an enhanced travel experience;
- **Real-Time Information:** 4,095 KMB and LWB buses feature the Bus Information Panel System, displaying real-time stop details on both decks and via APP1933;
- **Improved Air Quality:** Electrostatic air filters installed on all KMB and LWB buses enhance air quality, with CO₂ levels monitored during peak hours for passenger health; and
- **Energy-Efficient Air Conditioning:** A total of 3,959 KMB and 313 LWB buses are equipped with variable-capacity compressors, enabling adaptive and fuel-efficient climate control. The systems also refresh cabin air through a double-layer filtration process.

Pet-Inclusive Service – Pet Bus Tours

KMB recognises pets as valued members of the family, and is committed to fostering a pet-friendly society. In view of restrictions on the carriage of animals on public transport, KMB launched Pet Bus Tours to provide a safe and enjoyable travel option for pet owners and their companions.

Operating every Saturday, Sunday, and Public Holiday, the service enables pets owners and their companions to explore scenic spots across Hong Kong Island, Kowloon and the New Territories. Since its launch, the tours have carried approximately 20,000 owners and pets, creating joyful and memorable travel experiences.



- “Pet Bus” welcomes pets of all breeds, with a dedicated “Cat Zone” at the rear of both the upper and lower decks, catering to the needs of sensitive or easily stressed cats

Special Initiatives include:

- Christmas Night Routes serving Tsim Sha Tsui East and Central, allowing passengers to enjoy Christmas light displays; and
- Complimentary rides for pets aged ten or above on the first Saturday of each month from November onwards.

Customer Educational Campaign – SEE EVERY NEED

KMB partnered with Hong Kong Christian Service to launch the “SEE EVERY NEED”, promoting community inclusion for children with special educational needs (SEN), seniors, caregivers, and individuals from diverse cultural backgrounds.

Three themed buses showcased 88 artworks by SEN children, transforming their creativity into mobile engagement platforms. These buses, featuring interactive and educational content, travelled across Kowloon and the New Territories to foster empathy and understanding.

To complement the campaign, short videos highlighted inclusive facilities in local communities, reinforcing values of care, acceptance, and social harmony. Through these initiatives, KMB demonstrated its commitment to building an inclusive society and reducing barriers for vulnerable groups.

Three bus routes with inclusive facilities:

- Route 85 [Fo Tan (Chun Yeung Estate) ⇌ Kowloon City Ferry Pier]
- Route 260X [Tuen Mun (Po Tin Estate) ⇌ Hung Hom Station]
- Route 296C [Sheung Tak ⇌ Cheung Sha Wan (Hoi Ying Estate)]



- Three “SEE EVERY NEED” themed buses, featuring artworks created by SEN children both inside and out, helped passengers better understand SEN children, fostering empathy and inclusion

Engaging the Public

With a close connection to the community, we actively engage the public to gather feedback and foster a strong community, creating shared values for all.

Events

In 2025, a number of events were organised to engage with the public we serve:

- KMB joined the Lunar New Year Fair Stalls at Victoria Park, Fa Hui and Yuen Long from 23 to 28 January 2025, and hosted pop-up stores at Tai Po Mega Mall, Nam Cheong V Walk, Yuen Long Plaza and Tuen Mun V city throughout the year to stay in close connection with customers;
- Participated in the Hong Kong Book Fair at the Hong Kong Convention and Exhibition Centre;
- Summer Free Ride Days for Kids were organised for the third consecutive year, children under twelve enjoyed free rides on over 440 KMB and LWB routes across ten Sundays and public holidays in July and August, encouraging family outings and city forays;

- In August, over 500 participants, mainly children, teenagers and their parents joined a citywide bus adventure, KMB GO! event, using bus-bus interchanges to reach designated stops and collect game points, promoting a green, convenient, safe and comfortable journey together; and
- KMB and LWB held a total of twelve Passenger Liaison Group meetings at bus termini to gather feedback on interchange schemes, environmentally friendly buses, passenger facilities and network connectivity.

Media and Social Media Platforms

In 2025, we enhanced public engagement by inviting media coverage of key events and expanding our presence on social platforms, including Facebook, Instagram and RedNote. Our Facebook page reached over 1.2 million users, Instagram followers grew to 26,000, and RedNote attracted over 2,700 followers, leveraging its lifestyle focus to connect with younger and broader audience.

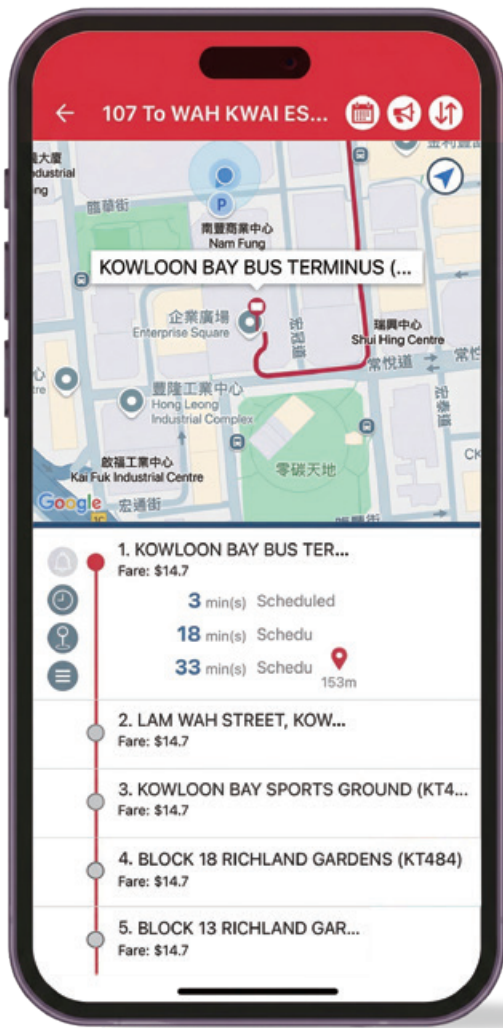
Recognising the pivotal role of social media, we remain committed to leveraging these platforms to strengthen engagement with the public. Throughout the year, KMB shared event highlights, images, GIFs and videos, while actively promoting bus safety and etiquette across all channels.



- KMB hosted pop-up stores at various shopping malls during the year, offering a wide range of KMB and LWB bus models and merchandise

- KMB organised its first bus stop orienteering challenge, "KMB GO!", during the summer holidays, attracting over 500 participants to travel across bus stops throughout Kowloon, Hong Kong Island, and the New Territories, completing tasks to earn the title of "KMB Expert"








APP1933


With one million unique daily users and seven million downloads, APP1933, the mobile application operated by KMB and LWB, provides convenient and personalised services for passengers.

The new version, launched in June 2025, introduced enhanced features for easier and more accurate access to bus information. Key features include:

- 

Real-Time Estimated Time of Arrival (ETA) and Traffic Alerts: Provides arrival times based on live traffic conditions for KMB, LWB, and other franchised bus companies.
- 

AI Route Search: Instantly suggests the fastest and most convenient route combinations.
- 

Boarding Alerts: Allows passengers to set reminders for specific routes and boarding times for stress-free commuting.
- 

club1933 loyalty programme: Enables members to earn points redeemable for gifts or donations, as well as eCoins for fare payment.

club1933

By the end of 2025, club1933 had recorded over 620,000 registered members. Members can earn club points and convert them into eCoins to pay for bus fare payment, charity donation, or gift redemption.

Websites

The KMB and LWB website (www.kmb.hk) and the Sun Bus website (www.sunbus.com.hk) offer a user-friendly experience with integrated service information, enabling users to access relevant details quickly and conveniently.

Excellent Customer Service

With a firm commitment to delivering quality services, KMB and LWB value customer feedback as a key driver for continuous improvement and future development.

- **Chatbot – bot1933:** Available on the websites and APP1933, this AI-powered chatbot provides instant, round-the-clock responses and facilitates the collection of user feedback;
- **Customer Service Hotlines:** KMB (2745-4466), LWB (2261-2791) and Sun Bus (2372-0638) offer daily manned hotlines, supported by a 24-hour automated system with shortcut keys for prompt assistance, including “Tourist Day Pass” inquiries and support in locating elderly individuals who have gone missing;
- **Customer Service Centres:** Located in Tsim Sha Tsui and at Hong Kong International Airport, the Centres offer one-stop services, including souvenirs sales, Octopus card value-adding service, and bus route information. In addition, convenience stores at Tai Lam Tunnel BBI and Tuen Mun Road BBI cater to customers’ daily needs while they wait;



- KMB's Mei Foo Customer Service Centre was upgraded into a 24-hour self-service facility, featuring smart self-service lockers for parcel pick-up and drop-off, alongside KMB and LWB route ETA information, online live-chat customer support, and charging facilities, enabling passengers to make better use of their waiting time
- 24-hour Self-Service Facilities:** Round-the-clock self-service facilities are available at Mei Foo and Sha Tin Central Bus Termini, offering, for the first time, parcel drop-off service, along with parcel pick-up service, ETA information, chatbot access, and mobile device charging, enabling passengers to make more productive and convenient use of waiting time;
- Smart Lockers:** Installed at 37 bus termini, the smart lockers facilitate convenient parcel collection and the retrieval of lost property; and
- Lost and Found:** Passengers can report and track lost items via APP1933 and schedule collection. In addition to in-person retrieval of items at KMB, passengers may also collect items through self-service smart lockers located at 37 bus termini, providing a quick and hassle-free retrieval option.

Customer Privacy Protection

As the public relies on our transport services on a daily basis, we recognise the crucial responsibility we bear in safeguarding our customers' privacy and are committed to maintaining our position as a trusted bus company.

Placing great importance on personal data protection, the Group has established clear working instruction guidelines to prevent inappropriate disclosure of personal data, and we make every effort to adhere to the Personal Data (Privacy) Ordinance (Chapter 486).

CCTV cameras, including those monitoring road and saloon conditions, have been standard features on all new buses since 2015. CCTV systems are installed on KMB and LWB buses for security and incident investigation purposes. Clear notices are displayed inside all buses equipped with CCTV systems to inform passengers and bus captains of their presence and purposes. Access to CCTV recordings is strictly restricted to authorised personnel access and limited to security and incident investigation purposes. All recorded data are controlled by the Management and may be accessed, copied or viewed only with prior approval of the Management and in accordance with governing procedures and guidelines.

Further, we also provide regular training and circulate internal emails to our staff on cybersecurity protection and monitoring, while keeping our software and systems up-to-date to minimise the risk of cyberattacks. For example, we have established guidelines on safeguarding sensitive data and encrypting information.

Caring for Employees



TIH regards its employees as the cornerstone of success and sustainability. Our commitment to staff welfare fosters an inclusive, supportive, and empowering workplace, while continuing to invest in its people to drive organisational growth and positive community impact.



SUSTAINABLE DEVELOPMENT GOALS



3 GOOD HEALTH AND WELL-BEING
Good Health and Well-Being



4 QUALITY EDUCATION
Quality Education



5 GENDER EQUALITY
Gender Equality



8 DECENT WORK AND ECONOMIC GROWTH
Decent Work and Economic Growth



10 REDUCED INEQUALITIES
Reduced Inequalities



- KMB hosted Spring Gatherings, bringing together colleagues and management from KMB, LWB and Sun Bus, and expressing appreciation for employees' hard work and dedication over the past year

Human Resources Policy

We maintain comprehensive policies (published on the staff website) to ensure a safe, respectful, and harmonious workplace. These include:

- No discrimination based on race, gender, marital status, family status, pregnancy, or disability.
- Continuous enhancement of Occupational Health & Safety practices and safeguards.
- Anti-Sexual Harassment and Anti-Bribery protections, and Personal Data Privacy compliance.
- Adherence to Hong Kong labour and anti-discrimination laws, and employees' freedom to join unions.
- All suppliers are required to uphold labour rights.

As a public body under the Prevention of Bribery Ordinance (Chapter 201), staff are reminded not to use their position to solicit or accept any advantages. Relevant policies are published on the staff website to ensure transparency. In collecting personal data from applicants and staff, we comply strictly with the Personal Data (Privacy) Ordinance (Chapter 486). All personal data are securely stored and used solely for stated purposes.

Complaint Handling Mechanism

Employees must comply with human resources policies at all times. We operate a comprehensive complaint handling mechanism, under which all alleged breaches are thoroughly investigated and appropriate action is taken. Depending on the severity of the complaint, an ad-hoc committee may be convened. Appropriate disciplinary action, including summary dismissal, will be taken in case of substantiated violations.



- ▲ During "Health and Well-being Month," KMB management distributed healthy food and fresh fruits to frontline colleagues, and exchanged views on workplace matters, promoting employee well-being and communication between staff and management

Comprehensive Benefits Package

To attract and retain top talent, the Company offers a competitive benefits package that supports employees and their families. This includes annual leave, medical coverage for hospitalisation and accidents, and free bus travel for staff and dependents, promoting a healthy work-life balance.

Occupational Safety and Health

We continuously enhance workplace health and safety and nurture a positive safety culture through:

- Regular health and safety meetings, encouraging staff to share recommendations without fear of discrimination.
- Regulator distribution of health and safety publications to maintain awareness and strengthen knowledge.
- Competitions and engagement activities to motivate staff and deepen understanding of occupational safety.
- Workplace inspection programme focused on eliminating substandard conditions and ensuring a safe environment across all facilities.

Health and Wellness Initiatives

Our commitment to employee well-being is demonstrated through our flagship annual initiative “Health and Well-being Month”, alongside a range of year-round wellness programmes. In October 2025, the initiative engaged staff, their dependents, and retirees under four pillars: physical, mental, social, and financial well-being.

Key highlights included:

- **Depot Health Experience Days:** Onsite body checks, personalised health consultations, and interactive health-themed game booths.
- **Preventive care:** Onsite flu and pneumococcal vaccinations for convenient immunisations.
- **Expert Health Talks:** Topics covering safe driving practices (“Worriless Driving”), hair and prostate health, and weight management.

- **Health Promotion Messages:** Collaboration with the Environment and Ecology Bureau (Food Branch) to promote reduced salt and sugar intake through online training and internal communications.
- **Health-themed Gift Packs:** Distributed to reinforce self-care and express appreciation to staff.

Mental Health Support

Our Employee Assistance Programme (EAP) provides 24-hour emotional support, short-term counselling, and referrals to mental health professionals. We encourage active listening, and promote help-seeking behaviours, early identification of mental distress, and timely access to treatment.

Medical Check-ups

Annual medical checks are arranged for all newly recruited bus captains and for those aged 50 or above, ensuring both staff well-being and public safety.

Staff Communication and Engagement Events

To enhance two-way communication and employee well-being, the Joint Consultative Committees – comprising Management and staff representatives covering around 90% of the total workforce – held regular meetings to review safety, operations, work environment and welfare issues. The committee structure was revamped to ensure proportional representation across roles and depots, promoting inclusivity and diversity.

Through the staff website, employees stay informed about company announcements, safe driving tips, snapshots of activities and upcoming events. Staff can also manage duty rosters and annual leave via OPS1933, the internal portal, and the e-learning training platform. Additionally, we use various media and online platforms to share updates and host activities such as health talks, interest classes, and financial seminars.



- The TIH Retiree Association organised regular gatherings to strengthen connections among the Company and its retired employees

Senior Management Visits

Throughout the year, Senior Management from KMB, LWB, Sun Bus and NHKB visited bus termini, depots, and offices to engage with colleagues. These visits provided valuable opportunities for staff to share views on operational matters and workplace issues directly with management.

Festive Celebrations

Events for Chinese New Year, Mid-Autumn Festival, Christmas, Mother's Day, and Father's Day featured the distribution of red packets and gifts — many sourced from social enterprises — alongside lucky draws, visits to bus termini and depots, and hands-on festive craft workshops.

Spring Gatherings

Over 12,000 staff members joined Spring Gatherings, strengthening cross-departmental connections and celebrating Chinese New Year together.

Staff Interest Clubs and Achievements

Our ten Staff Interest Clubs offer opportunities for hobbies and social interaction beyond work. In 2025, employees won twelve awards in external competitions and charity events, including the Community Chest Corporate Challenge, Foodspot Hunger Run, Hong Chi Climbathon, Sowers Action Challenging 12 Hours Charity Trail Marathon, The Inter-Hong Chinese Chess Tournament, and the Long Distance Run Competition. These achievements boosted morale, enhanced our reputation, and deepened stakeholder relationships.

Engaging and Supporting Our Retirees

To honour the invaluable contributions of our retired employees, we established the TIH Retiree Association to maintain close connections through engaging activities. In 2025, we distributed red packets and festive gifts during Chinese New Year. To strengthen communication and community bonds, we launched a dedicated KMB retiree website and made active use of social media. These initiatives reflect our commitment to elderly care and fostering a supportive environment for all members of our corporate family.

Staff Development and Training

The KMB Academy demonstrated our commitment to continuous service improvements and workforce development, ensuring a stable team for bus operations and maintenance, as well as for the transportation industry in general. Its motto, "Mission Safety • Act with Self-discipline", underscores the importance of safety and discipline in the industry.

As the first institution accredited by the Qualifications Framework ("HKQF") for franchised bus training in Hong Kong, the Academy offers six recognized courses:

1. Certificate in Bus Maintenance – Level 2;
2. Certificate in Electric Vehicle Maintenance Safety Awareness – Level 2;
3. Certificate in Diagnosis, Testing and Maintenance of Electric Vehicles (Low-Voltage) – Level 3;
4. Certificate in Public Bus (Franchised) Driving – Level 3;
5. Certificate in Continuing Development for In-service Bus Captains – Level 3; and
6. Professional Certificate for Instructors in Franchised Bus Industry – Level 4.

In 2025, two new programmes, namely Certificate in Electric Vehicle Maintenance Safety Awareness, and Certificate in Diagnosis, Testing and Maintenance of Electric Vehicles (Low-Voltage), were accredited at Level Two and Level Three, and approved by EMSD as recognised qualifications for Registered Vehicle Mechanics.

The Academy also provides on-the-job training for maintenance staff and bus captains, covering the latest technologies of bus maintenance industry, driving skills, and customer service standards.

Continuous Learning

We offer diverse learning channels to empower self-development, including internal classroom training and e-learning programmes, as well as job rotation and secondment opportunities. These initiatives broaden employee's industry knowledge and skills. To keep our workforce abreast of evolving trends, we regularly organise customised training and learning activities for all staff levels.

Staff Recognition

We celebrate excellence through a range of award programmes. In 2025, 185 Star Bus Captains were honoured for outstanding performance in safe driving and customer care. Our Long Service Awards recognised employee loyalty, with:



The Annual Safety and Green Awards honoured 200 bus captains, with the top 20 Gold Awardees each receiving a HK\$10,000 cash prize and a certificate of appreciation.

To foster a culture of appreciation and encourage continuous improvement in safety compliance, dedicated service, innovative thinking and team spirit, the Outstanding Star Awards Scheme recognised 73 staff members with trophies. Including the Retirement Awards, more than 1,200 employees were celebrated for their loyal and outstanding service.

In 2025, we also launched the Appreciation Month, featuring initiatives that strengthened camaraderie across the company. Highlights included:

- A virtual "Thank You Card" platform for heartfelt messages of gratitude; and
- The distribution of mobile phone wrist lanyards as tokens of appreciation, symbolising unity and shared purpose.

These efforts reflect our commitment to recognising contributions and nurturing a positive and supportive workplace culture.

Fostering a Caring and Inclusive Workplace Culture

We are committed to creating a caring, inclusive and people-centred workplace that supports the well-being of employees and their families.

Female Staff Priority Rest Kiosk

To address the specific needs of female employees, we introduced the Female Staff Priority Rest Kiosk, providing a convenient and dedicated space for female bus captains to rest during duties. This initiative reflects our proactive approach to improving working conditions while reinforcing our culture of care, respect, and inclusiveness.



- The Female Staff Priority Rest Kiosk provides a dedicated private resting space for female bus captains, fostering a more female-friendly working environment and attracting more women to pursue careers as bus captains



- ▶ A retired bus was transformed into the KMB Child Care Facility, featuring bright, colourful interiors and exteriors with soft mats, creating a safe and relaxing space for children to play

Childcare Facility

As part of our people-oriented strategy, we launched a pilot flexible childcare services scheme in November 2025. A dedicated childcare facility offers playgroups, workshops, and festive celebration events, providing practical childcare support and strengthening parent-child relationships among staff members. The initiative also reduces employees' family-care burden, supports talent attraction, unlocks the female workforce, and encourages more women to join the KMB family.

Scholarship Programme for Employees' Children

Recognising education as a driver of social mobility, our scholarship programme, established in 2015, has supported over 500 children of employees pursuing higher education, helping to alleviate financial pressures and nurture future aspirations.

Comprehensive Welfare and Assistance

To further strengthen our employee support framework, we maintain robust welfare mechanisms, including benevolent funds and targeted assistance programmes. These initiatives provide financial aid, healthcare benefits and emergency support, ensuring that employees and their families have access to essential resources in times of need or unforeseen circumstances.

Well-being Initiatives

Staff engagement was enriched through the "Make a New Year Wish" campaign, which invited employees to share personal hopes for the year ahead. Many wishes were fulfilled through cross-department collaboration, fostering stronger connections and a sense of belonging. The campaign also served as an informal pulse check on employee sentiment, providing valuable insights into staff needs, motivations and engagement levels.

Family-Friendly Activities

Another highlight was the "Surprise Workplace Visits", where employees' children visited bus termini and depots to present gifts to their parents - strengthening family bonds, boosting morale, and reinforcing our caring and family-friendly workplace culture.



- ▶ Regular activities such as Lunar New Year and Christmas parties, music activities, and sensory games were hosted at the KMB Child Care Facility, enabling children to make new friends through play and supporting their holistic development

Caring for the Community



KMB continues to champion community well-being by leveraging our network, people, and assets to support vulnerable groups, promote inclusion and diversity, and nurture the next generation.



SUSTAINABLE DEVELOPMENT GOALS

3 GOOD HEALTH AND WELL-BEING

Good Health and Well-Being

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE

Industry, Innovation and Infrastructure

11 SUSTAINABLE CITIES AND COMMUNITIES

Sustainable Cities and Communities

17 PARTNERSHIPS FOR THE GOALS

Partnerships for the Goals

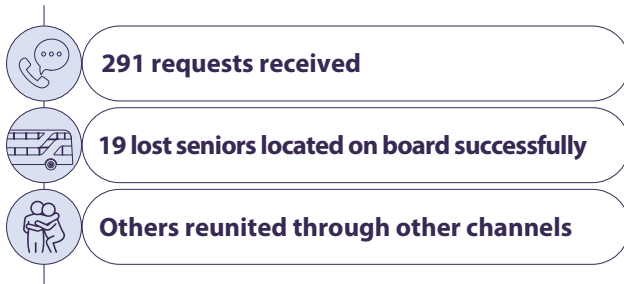
Serving the Community

We focus on evolving community needs and act where our strengths make a difference, especially for seniors, people with disabilities, and families in need.

Missing Elderly Assistance Programme

KMB and LWB operate a dedicated programme to help locate missing seniors, particularly those with dementia. The system integrates the Customer Service Hotline, on-bus warning signals, and alerts to KMB's 24-hour Radio Control Section to help reunite families swiftly and safely.

In 2025:



Donating Retired Bus Parts

KMB promotes sustainability and social inclusion by repurposing retired buses, bus stop poles and bus parts for educational and community use, both locally and overseas, giving them a second life.

Donation of Used and Retired Bus Programme

Since 2016, KMB has donated buses to schools and non-profit organisations for creative learning spaces.

🔹 **HKFEW Wong Cho Bau School transformed a retired bus into “Beidou Pavilion,” featuring VR pods and flight simulator, emotional wellness and a simulated science lab, showcasing innovation with sustainability.**



Caring Bus Stop Pole Donation Programme

We extend dementia-friendly bus stop poles to elderly care facilities across Hong Kong and overseas, helping to prevent seniors with dementia from wandering or going missing, and supporting their treatment and care.

🔹 **In 2025, KMB donated poles to facilities in Hong Kong and Australia, including CASS Asquith Residential Aged Care Facility in Sydney, which is the fourth bus stop pole in Australia. This pole features bilingual signage and iconic Hong Kong destinations to foster comfort, cultural connection, and a sense of belonging for residents.**



🔹 **Beneficiary schools and non-profit organisations that received bus stop poles in 2025**

- CCC Kei Shun Special School
- CFSC Kwun Tong Day Care Centre for the Elderly
- CSFC Choi Ying Day Care Centre for the Elderly
- ELCHK Lutheran Secondary School
- HKTA The Yuen Yuen Institute No. 1 Secondary School
- Macle hose Medical Rehabilitation Centre
- The Church of Christ in China Kei Heep Secondary School
- Yan Oi Tong Tin Ka Ping Care and Attention Home
- Y.C.H. Ho Sik Nam Primary School
- CASS Asquith Residential Aged Care Facility (Australia)



📌 **KMB collaborated with the Hong Kong Society for the Blind and Hong Kong Polytechnic University to integrate authentic bus components into therapeutic environments, supporting cognitive stimulation for seniors with dementia and visual impairment.**



Repurposing Retired Bus Parts for Education

KMB donated four bus stop poles and 14 passenger seats from retired buses to Kei Shun Special School to create a simulated bus stop and bus compartment, forming the “KMB Classroom” for students with mild intellectual disabilities. This immersive environment teaches riding on buses, traffic rules, and etiquette while promoting inclusion and life skills.

Retired Bus Handrail Donation

The Caring Bus Handrail Donation cooperate with community care partners to install retired bus handrails at homes of high-risk patients, improving safety and independence.

📌 **Partnered with Richmond Fellowship of Hong Kong to install retired bus handrails in the home of a high-risk patient living in Wong Tai Sin. In 2025, two handrails were donated under this programme.**



Pet Bus Tour for the Community

Launched in 2024, the Pet Bus Tour has enabled over 20,000 owners and their pets to enjoy bus journeys together, promoting a pet-inclusive society.

📌 **Partnered with “House of Joy and Mercy” to give 20 senior rescued dogs a memorable ride to the Art Park in the West Kowloon Cultural District, supported by FRIENDS OF KMB. This outing provided these older dogs with an opportunity to explore new sights and create joyful memories in their later years.**



📌 **Invited elderly persons, children with special educational needs and low-income families to join the Pet Bus Tours, promoting joyful interaction with pets and fostering social inclusion. For example, students from Yan Chai Hospital Ho Sik Nam Primary Schools were invited to bring their school pets aboard a pet bus for a visit to The Mills in Tsuen Wan.**



Donations from Pet Bus Tour

A portion of proceeds from the Pet Bus Tour is regularly donated to animal welfare organisations, including Society for the Prevention of Cruelty to Animals, Hong Kong Saving Cat and Dog Association, and Big Tree Animal Sanctuary and Adoption Centre, providing practical support for rescued and abandoned animals. In December 2025, all proceeds were dedicated to supporting medical treatment for animals injured or affected by the Tai Po fire.

club1933 Matching Fund Scheme

KMB and LWB strengthened community engagement through the club1933 Matching Fund Scheme, which enables members to convert earned points into eCoins for charitable donations. For every three eCoins donated, KMB contributes HK\$2 to the selected NGO, thereby amplifying individual contributions.

Since its launch, the scheme has recorded nearly 30,000 member participations and benefited 14 charitable organisations supporting underprivileged groups, persons

with disabilities, cancer patients, and stray animals. This scheme reflects KMB's commitment to fostering a culture of empathy and shared responsibility, while driving positive social impact across Hong Kong.

- Beneficiary NGOs supported in 2025
 - Cancer Fund;
 - Children's Heart Foundation;
 - Helping Hand;
 - Hong Kong Alzheimer's Disease Association;
 - Hong Kong Blind Union;
 - House of Joy & Mercy;
 - Little Life Warrior Society;
 - Orbis Hong Kong;
 - Silence Limited;
 - SPCA;
 - Suicide Prevention Service;
 - The Fred Hollows Foundation;
 - The Hong Kong Society for Rehabilitation; and
 - The Hong Kong Society for the Blind.

● **KMB organised the "Joyful Bus Carnival" for Helping Hand and 13 seniors care homes and day centres, welcoming more than 170 seniors to the Kowloon Bay depot for a nostalgic weekend. Activities included interactive games, health talks, and musical performances, alongside a highlight exhibition of two vintage buses featuring iconic models from the 1950s to 1980s. Participants also toured the depot aboard an electric double-deck bus, blending heritage appreciation with modern transport experiences.**

This initiative enriched lives, promoted intergenerational understanding, and reinforced KMB's commitment to caring for the community.



Emergency Support for Wang Fuk Court Residents

Following the tragic fire at Wang Fuk Court in Tai Po, KMB and LWB expressed their deep condolences to the affected families, and paid tribute to the fallen firefighter for his bravery. We pledged HK\$2 million and, together with an internal employee donation campaign, raised more than HK\$280,000 to provide financial assistance to victims and their families. These efforts underscore our unwavering commitment to safety, inclusion, solidarity and community care.

Nurturing Talents

KMB actively collaborates with schools and educational institutions to create learning opportunities that foster skills, creativity, and social inclusion. Through STEM workshops, bus body design competitions, and experiential learning programmes, students gain hands-on exposure to sustainability, technology, and problem-solving skills in the real world.

School Visits

Under the Business-School Partnership Programme of the Education Bureau (EDB), KMB organised visits to the Kowloon Bay Depot for secondary students. These visits enabled the participants to gain a better understanding of KMB's history, organisational structure, daily operations, and safety practices, while introducing career opportunities in the transport industry.

STEM Workshops

The KMB Academy delivers STEM workshops and life planning sessions for secondary students, featuring projects like building solar-powered mini buses and interactive career planning discussions. These initiatives promote creativity, practical skills, and environmental awareness among youth.



"I Want to Be a Bus Captain" Programme

🔴 This immersive experience allows students to experience the role of a bus captain through hands-on activities and safety training. It broadens career perspectives, fosters a good sense of responsibility, and inspires interest in sustainable mobility.

Community Participation

We leverage our resources to give back to the community through sponsorships, voluntary services, and advocacy.

Free Ride Days and Inclusive Mobility

In 2025, we reaffirmed our commitment to equitable transport by offering free rides on Senior Citizen Day and the International Day of Persons with Disabilities (IDPD), enabling seniors and persons with disabilities to access social activities and essential services.

Sponsorship & Fundraising

KMB supported NGOs through cash donations and bus body advertisement sponsorship, benefiting 37 NGOs through donations and 52 NGOs through advertising placements. We also participated in charity runs, walks, and sports events to promote health, wellness, and community engagement.



- KMB's volunteer organisation, FRIENDS OF KMB (FRN), marked its 30th Anniversary with a commemorative and volunteer appreciation ceremony, continuing to uphold its mission of "FRN – Enthusiastic in Helping Others, Caring for the Environment, Serving the Community" and passing on the spirit of volunteerism. The ceremony was officiated by Ms. Winnie Ng, Director of KMB and Founding President of FRN (eighth from left, second row), Mr. Chris Sun Yuk Han, Secretary for Labour and Welfare (eighth from right, second row), and Ms. Melissa Kaye Pang, Chairman of the Agency for Volunteer Service (seventh from left, second row), who joined representatives from social welfare organisations and volunteers in reflecting on the organisation's achievements and contributions over the past 30 years

FRIENDS OF KMB

Since its establishment in 1995, FRIENDS OF KMB ("FRN") has grown into one of Hong Kong's leading corporate volunteer networks. To date, it has contributed 430,000 volunteer hours, benefiting nearly 1.9 million individuals, and partnered with 429 social service organisations through activities such as charity walks, tree planting, and outreach programmes for seniors, children, and people with disabilities.



Depot Tour for the Blind

- In collaboration with the Hong Kong Society for the Blind, KMB hosted its first inclusive depot tour designed for visually impaired participants, reinforcing our commitment to accessibility and equal opportunities. The experience incorporated tactile and auditory elements, including hands-on interaction with bus components, feeling the vibrations during the automated bus washing process, and the use of Braille-guided manuals complemented by audio narration. This tour reflects KMB's dedication to creating barrier-free experiences and promoting social inclusion for all passengers.

Membership and Advocacy

We strengthened stakeholder engagement by joining key organisations, including:

- Business Environment Council Ltd;
- Employer's Federation of Hong Kong;
- Federation of Hong Kong Industries;
- Hong Kong Association for Customer Service Excellence;
- Hong Kong Brand Development Council;
- The Chartered Institute of Logistics and Transport in Hong Kong; and
- The Hong Kong General Chamber of Commerce.

Performance Statistics

Environmental	Units	FY 2025	FY 2024	Year-On-Year Change
Emissions				
GHG Emissions of Bus (Scope 1)	tCO ₂ e	510,296	516,151	-1.13%
GHG Emissions of Bus (Scope 1) Intensity	tCO ₂ e per million km	1,364	1,383	-1.37%
GHG Emissions of Electricity (Scope 2)	tCO ₂ e	11,420	11,023	3.60%
GHG Emissions of Electricity (Scope 2) Intensity	tCO ₂ e per m ²	0.021	0.021	0
Nitrogen Oxides (NOx)	tonnes	2,137	2,102	1.67%
Sulphur Oxides (SOx)	tonnes	3.00	3.17	-5.36%
Particulate Matter (PM)	tonnes	154	152	1.32%
Waste				
Hazardous Waste				
Solid Chemical Waste (recycled)	kg	1,018,929	531,909	91.56%
Solid Chemical Waste Intensity (recycled)	kg per million km	2,704	1,412	91.50%
Tyres (recycled)	kg	676,623	15,433	4284.26%
Fluorescent Tubes	kg	0	0	0
Waste Oil (recycled)	kg	365,400	508,440	-28.13%
Battery (recycled)	kg	182,040	316,072	-42.41%
Non-hazardous Waste				
Metal Waste (recycled)	kg	725,780	1,064,034	-31.79%
Metal Waste Intensity	kg per million km	1,926	2,824	-31.80%
Waste directed to disposal (paper waste)	tonnes	60	413	-85.47%
Use of Resources				
Diesel Oil Consumption	GJ	7,463,915	7,585,267	-1.60%
Diesel Oil Consumption Intensity	GJ per million km	19,897	20,281	-1.89%
Water Consumption	m ³	219,351	219,752	-0.18%
Water Consumption Intensity	m ³ per bus	47	47	0
Non-renewable Electricity Consumption	kWh	30,052,772	28,264,193	6.33%
Non-renewable Electricity Consumption Intensity	kWh per m ²	56	55	1.82%

Notes:

1. The previously reported FY2024 progress for GHG Emissions of Bus (Scope 1) and its intensity, Nitrogen Oxides, Sulphur Oxides, Solid Chemical Waste (recycled) and its intensity, Tyres (recycled), Waste directed to disposal (paper waste), Metal Waste intensity, Diesel Oil Consumption and its intensity, and Non-renewable Electricity Consumption and its intensity have been restated following refinements to the calculation methodology and data consolidation approach.
2. The emissions factors of greenhouse gas emissions for electricity consumption were obtained from the Sustainability Reports of CLP Power: 0.39 kg CO₂e/kWh in 2023 and 0.38 kg CO₂e/kWh in 2024.
3. The emissions factors were obtained from the 2022 HKEX published document, "How to prepare an ESG Report, Appendix 2: Reporting Guidance on Environmental KPIs".

Social	Units	FY 2025	FY 2024	Year-On- Year Change
Employment				
Total Workforce	no. of employees	12,462	12,695	-1.84%
By Gender				
Female	no. of employees	1,053	1,058	-0.47%
Male	no. of employees	11,409	11,637	-1.96%
By Age Group				
Below 40 Years Old	no. of employees	2,461	2,590	-4.98%
40-50 Years Old	no. of employees	3,659	3,755	-2.56%
Over 50 Years Old	no. of employees	6,342	6,350	-0.13%
By Employment Category				
Senior Level	no. of employees	25	33	-24.24%
Middle Level	no. of employees	231	259	-10.81%
Entry Level	no. of employees	12,206	12,403	-1.59%
By Employment Type by Gender				
Full Time Female	no. of employees	860	914	-5.91%
Full Time Male	no. of employees	10,154	10,423	-2.58%
Non Full Time Female	no. of employees	193	144	34.03%
Non Full Time Male	no. of employees	1,255	1,214	3.38%
By Employment Contract by Region				
Permanent in Hong Kong	no. of employees	10,687	11,338	-5.74%
Permanent in Other Region	no. of employees	7	20	-65%
Temporary in Hong Kong	no. of employees	1,678	1,337	25.50%
Temporary in Other Region	no. of employees	90	0	100%
By Employment Contract by Gender				
Permanent Female	no. of employees	905	931	-2.79%
Permanent Male	no. of employees	9,789	10,139	-3.45%
Temporary Female	no. of employees	148	127	16.54%
Temporary Male	no. of employees	1,620	1,498	8.14%
Parental Leave				
Return to work	% of employees took parental leave	100	100	0
Retention	% of employees took parental leave	97	87	11.49%

SUSTAINABILITY REPORT

Social	Units	FY 2025	FY 2024	Year-On-Year Change
Turnover Rate				
By Gender				
Female	no. of employees	238	219	8.68%
Male	no. of employees	1,893	2,081	-9.03%
By Age Group				
Below 40 Years Old	no. of employees	465	612	-24.02%
40-50 Years Old	no. of employees	389	438	-11.19%
Over 50 Years Old	no. of employees	1,277	1,250	2.16%
By Geographical Region				
Hong Kong	no. of employees	2,131	2,300	-7.35%
Other Region	no. of employees	23	0	100%
Health and Safety				
Total Number of Work-related Fatalities Occurred	no. of employees	0	0	0
	rate (no. of employees/total workforce)	0	0	0
Lost Days Due to Work Injury	no. of days	19,747	20,601	-4.15%
Work-related injuries	no. of injuries	244	288	-15.28%
Work-related ill health	no. of ill health	0	0	0
High-consequence work-related injury (the worker cannot recover within 6 months)	no. of injuries	34	36	-5.56%
Development and Training				
By Gender				
Female	% of employees trained	59.92	64.37	-6.91%
Male	% of employees trained	67.64	77.34	-12.54%
By Employment Category				
Senior Level	% of employees trained	24.00	21.21	13.15%
Middle Level	% of employees trained	28.14	32.82	-14.26%
Entry Level	% of employees trained	67.81	77.31	-12.29%
Training Hours				
Total Training Hours	no. of hours	366,764	342,590	7.06%
Average Training Hours By Gender				
Female	no. of hours	42.25	36.24	16.58%
Male	no. of hours	44.07	31.33	40.66%

Social	Units	FY 2025	FY 2024	Year-On-Year Change
Average Training Hours By Employment Category				
Senior Level	no. of hours	12.33	15.57	-20.81%
Middle Level	no. of hours	37.55	25.76	45.77%
Entry Level	no. of hours	44.01	31.74	38.66%
Employees Receive Regular Performance and Career Development Reviews				
By Gender				
Female	% of employees received	86.69	97.35	-10.95%
Male	% of employees received	88.40	90.93	-2.78%
By Employment Category				
Senior Level	% of employees received	96	96.97	-1.00%
Middle Level	% of employees received	100	100	0
Entry Level	% of employees received	88.04	91.28	-3.55%
Diversity and Equal Opportunity				
Senior Level	ratio of basic salary and remuneration of women to men	0.81	0.95	-14.74%
Middle Level	ratio of basic salary and remuneration of women to men	1.06	0.89	19.10%
Entry Level	ratio of basic salary and remuneration of women to men	0.86	0.89	-3.37%
Number of incidents of discrimination and corrective actions taken	no. of cases	0	0	0
Supply Chain Management				
By Region				
Hong Kong	no. of suppliers	368	373	-1.34%
Other Region	no. of suppliers	33	34	-2.94%
Product Responsibility				
Service-Related Complaints Received	no. of complaints received per million passenger trips	2.30	2.26	1.77%
Anti-corruption				
Concluded Legal Cases	no. of cases	0	0	0
Training on Anti-Corruption	no. of hours	1,812	1,652	9.69%

Note:

The previously reported FY2024 figures for Average Training Hours by Employment Category and by Gender have been restated following refinement of calculation methodology and data consolidation approach.

Reporting Content Index table

Transport International Holdings Limited (“TIH”) has prepared the Report in accordance with the latest Global Reporting Initiative (“GRI”) Standards 2021 and the Appendix C2: Environmental, Social and Governance Reporting Code (“the ESG Reporting Code”) issued by the Hong Kong Exchanges and Clearing Limited (“HKEX”). The Report also makes reference to the United Nations Sustainable Development Goals (“UNSDGs”) and the IFRS’ Sustainability Disclosure Standards, including IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information (“IFRS S1”) and IFRS S2 Climate-related Disclosures (“IFRS S2”), developed by the International Sustainability Standards Disclosure Standards Board (“ISSB Standards”). The following content index table presents the associated disclosures either by cross-referring relevant section(s) in this Report and/or by providing direct remarks.

ESG Code, HKEX	ISSB Standards	UNSDG	GRI Standards Disclosure	Relevant Section(s)/#Direct Answer/+Remarks (e.g. omission) 2025	Page(s) ^: refer to TIH 2025 Annual Report
GRI 2: General Disclosures 2021					
Organisational Profile					
			2-1	Organisational details	About the Report 48-55
Mandatory Disclosure Requirements: Reporting Boundary			2-2	Entities included in the organisation’s sustainability reporting	About the Report 48-55
			2-3	Reporting period, frequency and contact point	About the Report 48-55
Mandatory Disclosure Requirements: Reporting Principles			2-4	Restatements of information	Caring for the Environment Performance Statistics 62-69 88-91
			2-5	External assurance	+The Report has not been externally assured. -
Activities and workers					
KPI B5.1			2-6	Activities, value chain and other business relationships	Business at a Glance Key Franchised Bus Network in Hong Kong Financial and Operational Highlights Supply Chain Management ^4-5 ^6-7 ^8-9 53-54
KPI B5.2					
KPI B5.3					
KPI B5.4					
KPI B1.1			2-7	Employees	Caring for Employees Performance Statistics 76-81 88-91
			2-8	Workers who are not employees	Supply Chain Management Safety First Performance Statistics 53-54 56-61 88-91

ESG Code, HKEX	ISSB Standards	UNSDG	GRI Standards	Disclosure	Relevant Section(s)/#Direct Answer/+Remarks (e.g. omission) 2025	Page(s) ^: refer to TIH 2025 Annual Report
Governance						
			2-9	Governance structure and composition	Sustainability Governance Corporate Governance Report	50 ^124-147
			2-10	Nomination and selection of the highest governance body	Corporate Governance Report	^124-147
			2-11	Chair of the highest governance body	Corporate Governance Report	^124-147
Mandatory Disclosure Requirements: Governance structure	IFRS S1-27 IFRS S2-6		2-12	Role of the highest governance body in overseeing the management of impacts	Sustainability Governance Our Vision and Strategy Risk Management	50 51 51
Climate-related Disclosure: Governance						
Climate-related Disclosure: Governance	IFRS S1-27 IFRS S2-6		2-13	Delegation of responsibility for managing impacts	Sustainability Governance Risk Management	50 51
Mandatory Disclosure Requirements: Governance structure			2-14	Role of the highest governance body in sustainability reporting	Corporate Governance Report	^124-147
			2-15	Conflicts of interest	Procurement and Tendering Procedures Financial Review	54 ^106-123
			2-16	Communication of critical concerns	Caring for Employees Legal and Regulatory Compliance	76-81 50
			2-17	Collective knowledge of the highest governance body	Corporate Governance Report	^124-147
			2-18	Evaluation of the performance of the highest governance body	Corporate Governance Report Risk Management	^124-147 51
			2-19	Remuneration policies	Remuneration Report	^148-151
			2-20	Process to determine remuneration	Remuneration Report	^148-151
			2-21	Annual total compensation ratio	Directors' emolument	^216-217

SUSTAINABILITY REPORT

ESG Code, HKEX	ISSB Standards	UNSDG	GRI Standards Disclosure	Relevant Section(s)/#Direct Answer/+Remarks (e.g. omission) 2025	Page(s) ^: refer to TIH 2025 Annual Report
Strategy, Policies and Practices					
Mandatory Disclosure Requirements: Governance structure			2-22	Statement on sustainable development strategy	Chairman's Letter Managing Director's Message ^14-19 ^20-21
			2-23	Policy commitments	Caring for Employees Caring for the Environment Supply Chain Management Safety first 76-81 62-69 53-54 56-61
			2-24	Embedding policy commitments	Caring for Employees Caring for the Environment Supply Chain Management 76-81 62-69 53-54
			2-25	Processes to remediate negative impacts	Caring for Employees Caring for the Environment Safety First 76-81 62-69 56-61
KPI B7.2			2-26	Mechanisms for seeking advice and raising concerns	Caring for Customer Legal and Regulatory Compliance 70-75 50
GD A1, GD B1, B2, B4, B6, B7		16: Peace, Justice and Strong Institutions	2-27	Compliance with laws and regulations	Legal and Regulatory Compliance 50
		17: Partnerships for the Goals	2-28	Membership associations	Caring for the Community 82-87
Stakeholder engagement					
Mandatory Disclosure Requirements: Reporting Principles KPI B6.2			2-29	Approach to stakeholder engagement	Caring for Customer Caring for the Community Caring for Employees Stakeholder Engagement and Materiality Assessment Performance Statistics 70-75 82-87 76-81 51-52 88-91
		8: Decent Work and Economic Growth	2-30	Collective bargaining agreements	Legal and Regulatory Compliance Stakeholder Engagement and Materiality Caring for Employees 50 51-52 76-81
				* There is no collective bargaining legislation in Hong Kong but we have established various staff engagement channels.	

ESG Code, HKEX	ISSB Standards	UNSDG	GRI Standards	Disclosure	Relevant Section(s)/#Direct Answer/+Remarks (e.g. omission) 2025	Page(s) ^: refer to TIH 2025 Annual Report
GRI 3: Material Topics 2021						
Mandatory Disclosure Requirements: Reporting Principles			3-1	Process to determine material topics	Stakeholder Engagement and Materiality Assessment	51-52
Mandatory Disclosure Requirements: Reporting Principles			3-2	List of material topics	Stakeholder Engagement and Materiality Assessment	51-52
GRI 201: Economic Performance 2016						
Climate-related Disclosure: Strategy	IFRS S1-30, 32, 33, 34, 35, 41 IFRS S2-9, 10, 13, 14, 15, 16, 22		3-3	Management of material topics	Management Discussion & Analysis Adopting ISSB Standards Caring for the Environment	^22-47 50-53 62-69
			201-1	Direct economic value generated and distributed	Financial Review Financial Report	^106-123 ^164-262
Climate-related Disclosure: Risk Management	IFRS S1-44 IFRS S2-25	8: Decent Work and Economic Growth 13: Climate Action	201-2	Financial implications and other risks and opportunities due to climate change	Management Discussion & Analysis Adopting ISSB Standards Sustainability Governance Our Vision and Strategy Risk Management Caring for the Environment	^22-47 50-53 50 51 51 62-69
		8: Decent Work and Economic Growth	201-3	Defined benefit plan obligations and other retirement plans	Caring for Employees Remuneration Report Financial Report	76-81 ^148-151 ^164-262
			201-4	Financial assistance received from government	Financial Report	^164-262
GRI 204: Procurement Practices 2016						
GD B5 KPI B5.2 KPI B5.3 KPI B5.4			3-3	Management of material topics	Supply Chain Management	53-54

SUSTAINABILITY REPORT

ESG Code, HKEX	ISSB Standards	UNSDG	GRI Standards	Disclosure	Relevant Section(s)/#Direct Answer/+Remarks (e.g. omission) 2025	Page(s) ^: refer to TIH 2025 Annual Report
KPI B5.1			204-1	Proportion of spending on local suppliers	Supply Chain Management	53-54
GRI 205: Anti-corruption 2016						
GD B7 KPI B7.2 KPI B7.3			3-3	Management of material topics	Legal and Regulatory Compliance	50
		16: Peace, Justice and Strong Institutions	205-1	Operations assessed for risks related to corruption	* TIH conducts enterprise risk assessment annually. Corruption was identified as a significant risk during the reporting year.	–
KPI B7.3		16: Peace, Justice and Strong Institutions	205-2	Communication and training about anticorruption policies and procedures	Legal and Regulatory Compliance	50
KPI B7.1		16: Peace, Justice and Strong Institutions	205-3	Confirmed incidents of corruption and actions taken	Legal and Regulatory Compliance Performance Statistics	50 88-91
GRI 207: Tax 2019						
			3-3	Management of material topics	Financial Report	^164-262
			207-1	Approach to tax	Financial Report	^164-262
			207-2	Tax governance, control, and risk management	Financial Report	^164-262
			207-3	Stakeholder engagement and management of concerns related to tax	Financial Report	^164-262
GRI 302: Energy 2016						
GD A2 GD A3 KPI A2.3	IFRS S1-30, 32, 33, 34, 35, 41, 46, 51		3-3	Management of material topics	Caring for Customers Caring for the Environment	70-75 62-69
Climate-related Disclosure: Strategy, Metrics and Targets	IFRS S2-9, 10, 13, 14, 15, 16, 22, 29, 33, 34, 35, 36					

ESG Code, HKEX	ISSB Standards	UNSDG	GRI Standards Disclosure	Relevant Section(s)/#Direct Answer/+Remarks (e.g. omission) 2025	Page(s) ^: refer to TIH 2025 Annual Report	
KPI A2.1 Climate-related Disclosure: Metrics and Targets	IFRS S1-46, 51	7: Affordable and Clean Energy 12: Responsible Consumption and Production 13: Climate Action	302-1	Energy consumption within the organisation	Caring for the Environment Performance Statistics	62-69
	IFRS S2-29, 33, 34, 35, 36					88-91
KPI A2.1 Climate-related Disclosure: Metrics and Targets	IFRS S1-46, 51		302-3	Energy intensity	Caring for the Environment Performance Statistics	62-69
	IFRS S2-29, 33, 34, 35, 36					88-91
KPI A2.3 Climate-related Disclosure: Metrics and Targets	IFRS S1-46, 51		302-4	Reduction of energy consumption	Caring for the Environment Performance Statistics	62-69
	IFRS S2-29, 33, 34, 35, 36					88-91
KPI A2.3 Climate-related Disclosure: Metrics and Targets	IFRS S1-46, 51		302-5	Reductions in energy requirements of products and services	Caring for the Environment	62-69
	IFRS S2-29, 33, 34, 35, 36					
GRI 303: Water and Effluents 2018						
GD A2 GD A3 Climate-related Disclosure: Strategy, Metrics and Targets	IFRS S1-30, 32,		3-3	Management of material topics	Caring for the Environment	62-69
	33, 34, 35, 41, 46, 51					
KPI A2.2 KPI A2.4 KPI B5.3 Climate-related Disclosure: Metrics and Targets	IFRS S1-46, 51	6: Clean Water and Sanitation	303-1	Interactions with water as a shared resource	Caring for the Environment * All water used at KMB, LWB, SBL, NHKB, KTRE, LCKRE, LCKCP and TMPI offices and depots was sourced from municipal water supplies. No major issue concerning sourcing water and water-related impacts has been encountered during the reporting year.	62-69
	IFRS S2-29, 33, 34, 35, 36					

SUSTAINABILITY REPORT

ESG Code, HKEX	ISSB Standards	UNSDG	GRI Standards	Disclosure	Relevant Section(s)/#Direct Answer/+Remarks (e.g. omission) 2025	Page(s) ^: refer to TIH 2025 Annual Report
GD A3 KPI A3.1 Climate-related Disclosure: Strategy	IFRS S1-30, 32, 33, 34, 35, 41 IFRS S2-9, 10, 13, 14, 15, 16, 22	6: Clean Water and Sanitation	303-2	Management of water discharge-related impacts	Caring for the Environment * We ensure water discharge to drainage systems and water bodies were in compliance with local government requirements.	62-69
KPI A2.4 Climate-related Disclosure: Metrics and Targets	IFRS S1-46, 51 IFRS S2-29, 33, 34, 35, 36	6: Clean Water and Sanitation	303-3	Water withdrawal	Caring for the Environment Performance Statistics	62-69 88-91
Climate-related Disclosure: Strategy	IFRS S1-30, 32, 33, 34, 35, 41 IFRS S2-9, 10, 13, 14, 15, 16, 22	6: Clean Water and Sanitation	303-4	Water discharge	Caring for the Environment * Effluents are discharged into municipal sewage treatment systems and comply with local regulatory standards of effluents discharge.	62-69
KPI A2.2 Climate-related Disclosure: Metrics and Targets	IFRS S1-46, 51 IFRS S2-29, 33, 34, 35, 36	6: Clean Water and Sanitation	303-5	Water consumption	Caring for the Environment Performance Statistics * No specific regions are water stressed in Hong Kong.	62-69 88-91
GRI 305: Emissions 2016						
GD A1 GD A3 KPI A3.1 Climate-related Disclosure: Strategy, Metrics and Targets	IFRS S1-30, 32, 33, 34, 35, 41, 46, 51 IFRS S2-9, 10, 13, 14, 15, 16, 22, 29, 33, 34, 35, 36		3-3	Management of material topics	Caring for the Environment	62-69
KPI A1.1 Climate-related Disclosure: Metrics and Targets	IFRS S1-46, 51 IFRS S2-29, 33, 34, 35, 36	12: Responsible Consumption and Production 13: Climate Action	305-1	Direct (Scope 1) GHG emissions	Caring for the Environment Performance Statistics	62-69 88-91

ESG Code, HKEX	ISSB Standards	UNSDG	GRI Standards	Disclosure	Relevant Section(s)/#Direct Answer/+Remarks (e.g. omission) 2025	Page(s)
						^: refer to TIH 2025 Annual Report
KPI A1.1 Climate-related Disclosure: Metrics and Targets	IFRS S1-46, 51	12: Responsible Consumption and Production 13: Climate Action	305-2	Energy indirect (Scope 2) GHG emissions	Caring for the Environment Performance Statistics	62-69
	IFRS S2-29, 33, 34, 35, 36					88-91
KPI A1.1 Climate-related Disclosure: Metrics and Targets	IFRS S1-46, 51 IFRS S2-29, 33, 34, 35, 36	13: Climate Action	305-3	Other indirect (Scope 3) GHG emissions	+ The Group is currently refining its assessment methodology and conducting trial engagements with key suppliers to systematically validate data readiness for future Scope 3 reporting.	–
KPI A1.5 Climate-related Disclosure: Metrics and Targets	IFRS S1-46, 51	12: Responsible Consumption and Production 13: Climate Action	305-4	GHG emissions intensity	Caring for the Environment Performance Statistics	62-69
	IFRS S2-29, 33, 34, 35, 36					88-91
KPI A1.5 Climate-related Disclosure: Strategy, Metrics and Targets	IFRS S1-30, 32, 33, 34, 35, 41, 46, 51	7: Affordable and Clean Energy 12: Responsible Consumption and Production 13: Climate Action	305-5	Reduction of GHG emissions	Caring for the Environment Performance Statistics	62-69
	IFRS S2-9, 10, 13, 14, 15, 16, 22, 29, 33, 34, 35, 36					88-91
KPI A1.1			305-6	Emissions of ozone-depleting substances (ODS)	* Not applicable: TIH does not produce/import/export ODS.	–
KPI A1.1		12: Responsible Consumption and Production 13: Climate Action	305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Caring for the Environment Performance Statistics	62-69 88-91

SUSTAINABILITY REPORT

ESG Code, HKEX	ISSB Standards	UNSDG	GRI Standards	Disclosure	Relevant Section(s)/#Direct Answer/+Remarks (e.g. omission) 2025	Page(s) ^: refer to TIH 2025 Annual Report
GRI 306: Effluents and Waste 2016						
GD A1	IFRS S1-30, 32, 33, 34, 35, 41, 46, 51		3-3	Management of material topics	Caring for the Environment	62-69
Climate-related Disclosure: Strategy, Metrics and Targets	IFRS S2-9, 10, 13, 14, 15, 16, 22, 29, 33, 34, 35, 36					
		6: Clean Water and Sanitation 13: Climate Action	306-3	Significant spills	* TIH has not recorded any significant spills during the reporting year.	-
GRI 306: Waste 2020						
GD A1 GD A3 KPI A3.1	IFRS S1-30, 32, 33, 34, 35, 41, 46, 51		3-3	Management of material topics	Caring for the Environment	62-69
Climate-related Disclosure: Strategy, Metrics and Targets	IFRS S2-9, 10, 13, 14, 15, 16, 22, 29, 33, 34, 35, 36					
KPI A3.1	IFRS S1-30, 32, 33, 34, 35, 41, 46, 51	12: Responsible Consumption and Production	306-1	Waste generation and significant waste-related impacts	Caring for the Environment Performance Statistics	62-69 88-91
Climate-related Disclosure: Strategy, Metrics and Targets	IFRS S2-9, 10, 13, 14, 15, 16, 22, 29, 33, 34, 35, 36					
KPI A3.1	IFRS S1-30, 32, 33, 34, 35, 41, 46, 51	12: Responsible Consumption and Production	306-2	Management of significant waste-related impacts	Caring for the Environment Performance Statistics	62-69 88-91
Climate-related Disclosure: Strategy, Metrics and Targets	IFRS S2-9, 10, 13, 14, 15, 16, 22, 29, 33, 34, 35, 36					

ESG Code, HKEX	ISSB Standards	UNSDG	GRI Standards	Disclosure	Relevant Section(s)/#Direct Answer/+Remarks (e.g. omission) 2025	Page(s) ^: refer to TIH 2025 Annual Report
KPI A1.3 KPI A1.4, KPI A2.5	IFRS S1-46, 51 IFRS S2-29, 33, 34, 35, 36	12: Responsible Consumption and Production	306-3	Waste generated	Performance Statistics * Due to the nature of TIH's primary business in bus operations, total packaging material used for finished products is not relevant.	88-91
Climate-related Disclosure: Metrics and Targets						
KPI A1.6	IFRS S1-46, 51 IFRS S2-29, 33, 34, 35, 36	12: Responsible Consumption and Production	306-4	Waste diverted from disposal	Caring for the Environment Performance Statistics	62-69 88-91
Climate-related Disclosure: Metrics and Targets						
KPI A1.6	IFRS S1-46, 51 IFRS S2-29, 33, 34, 35, 36	12: Responsible Consumption and Production	306-5	Waste directed to disposal	Caring for the Environment Performance Statistics	62-69 88-91
Climate-related Disclosure: Metrics and Targets						
GRI 401: Employment 2016						
GD B1			3-3	Management of material topics	Caring for Employees	76-81
KPI B1.2			401-1	New employee hires and employee turnover	Caring for Employees Performance Statistics	76-81 88-91
		8: Decent Work and Economic Growth	401-2	Benefits provided to full- time employees that are not provided to temporary or part-time employees	Caring for Employees	76-81
		10: Reduced Inequalities	401-3	Parental leave	Caring for Employees Performance Statistics	76-81 88-91

SUSTAINABILITY REPORT

ESG Code, HKEX	ISSB Standards	UNSDG	GRI Standards	Disclosure	Relevant Section(s)/#Direct Answer/+Remarks (e.g. omission) 2025	Page(s) ^: refer to TIH 2025 Annual Report
GRI 403: Occupational Health & Safety 2018						
GD B2 KPI B2.3			3-3	Management of material topics	Caring for Employees Safety First	76-81 56-61
GD B2 KPI B2.3		3: Good Health and Well-Being 8: Decent Work and Economic Growth	403-1	Occupational health and safety management system	Caring for Employees Safety First	76-81 56-61
KPI B2.3		3: Good Health and Well-Being 8: Decent Work and Economic Growth	403-2	Hazard identification, risk assessment, and incident investigation	Caring for Employees Safety First Sustainability Governance	76-81 56-61 50
KPI B2.3		3: Good Health and Well-Being 8: Decent Work and Economic Growth	403-3	Occupational health services	Caring for Employees Safety First	76-81 56-61
		3: Good Health and Well-Being 8: Decent Work and Economic Growth	403-4	Worker participation, consultation, and communication on occupational health and safety	Caring for Employees Safety First	76-81 56-61
KPI B2.3		3: Good Health and Well-Being 8: Decent Work and Economic Growth	403-5	Worker training on occupational health and safety	Caring for Employees Safety First	76-81 56-61
		3: Good Health and Well-Being 8: Decent Work and Economic Growth	403-6	Promotion of worker health	Caring for Employees Safety First	76-81 56-61
		3: Good Health and Well-Being 8: Decent Work and Economic Growth	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Safety First Supply Chain Management	56-61 53-54
		3: Good Health and Well-Being 8: Decent Work and Economic Growth	403-8	Workers covered by an occupational health and safety management system	Safety First	56-61

ESG Code, HKEX	ISSB Standards	UNSDG	GRI Standards Disclosure	Relevant Section(s)/#Direct Answer/+Remarks (e.g. omission) 2025	Page(s) ^: refer to TIH 2025 Annual Report
KPI B2.1 KPI B2.2		3: Good Health and Well-Being 8: Decent Work and Economic Growth	403-9 Work-related injuries	Caring for Employees Performance Statistics	76-81 88-91
KPI B2.1		3: Good Health and Well-Being 8: Decent Work and Economic Growth	403-10 Work-related ill health	Caring for Employees Performance Statistics	76-81 88-91
GRI 404: Training and Education 2016					
GD B3			3-3 Management of material topics	Caring for Employees Safety First	76-81 56-61
KPI B3.1 KPI B3.2		4: Quality Education	404-1 Average hours of training per year per employee	Performance Statistics	88-91
		4: Quality Education	404-2 Programs for upgrading employee skills and transition assistance programs	Caring for Employees Safety First	76-81 56-61
		4: Quality Education	404-3 Percentage of employees receiving regular performance and career development reviews	Caring for Employees Performance Statistics	76-81 88-91
GRI 405: Diversity & Equal Opportunity 2016					
GD B1			3-3 Management of material topics	Caring for Employees	76-81
KPI B1.1		5: Gender Equality 10: Reduced Inequalities	405-1 Diversity of governance bodies and employees	Caring for Employees Performance Statistics Corporate Governance Report	76-81 88-91 ^124-147
		5: Gender Equality 10: Reduced Inequalities	405-2 Ratio of basic salary and remuneration of women to men	Caring for Employees Performance Statistics	76-81 88-91

SUSTAINABILITY REPORT

ESG Code, HKEX	ISSB Standards	UNSDG	GRI Standards	Disclosure	Relevant Section(s)/#Direct Answer/+Remarks (e.g. omission) 2025	Page(s) ^: refer to TIH 2025 Annual Report
GRI 406: Non-discrimination 2016						
GD B1			3-3	Management of material topics	Caring for Employees	76-81
GD B1		5: Gender Equality 10: Reduced Inequalities	406-1	Incidents of discrimination and corrective actions taken	Caring for Employees Performance Statistics	76-81 88-91
GRI 407: Freedom of Association & Collective Bargaining 2016						
GD B5			3-3	Management of material topics	Caring for Employees Legal and Regulatory Compliance	76-81 50
		8: Decent Work and Economic Growth 10: Reduced Inequalities	407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	* TIH suppliers are all in regions in which workers' rights are at a low risk of being violated. Collective bargaining is not recognised as a legally enforceable right in Hong Kong.	–
GRI 408: Child Labor 2016						
GD B4			3-3	Management of material topics	Legal and Regulatory Compliance	50
KPI B4.1 KPI B4.2		8: Decent Work and Economic Growth	408-1	Operations and suppliers at significant risk for incidents of child labour	Legal and Regulatory Compliance Supply Chain Management Stakeholder Engagement and Materiality Assessment	50 53-54 51-52
GRI 409: Forced or Compulsory Labor 2016						
GD B4			3-3	Management of material topics	Legal and Regulatory Compliance	50
KPI B4.1 KPI B4.2		8: Decent Work and Economic Growth	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labour	Legal and Regulatory Compliance	50
GRI 413: Local Communities 2016						
GD B8			3-3	Management of material topics	Caring for the Community	82-87
KPI B8.1 KPI B8.2		9: Industry, Innovation & Infrastructure 11: Sustainable Cities & Communities	413-1	Operations with local community engagement, impact assessments, and development programs	Caring for Customers Caring for the Community	70-75 82-87

ESG Code, HKEX	ISSB Standards	UNSDG	GRI Standards	Disclosure	Relevant Section(s)/#Direct Answer/+Remarks (e.g. omission) 2025	Page(s) ^: refer to TIH 2025 Annual Report
		9: Industry, Innovation & Infrastructure 11: Sustainable Cities & Communities	413-2	Operations with significant actual and potential negative impacts on local communities	* Given the nature of TIH's operations, this disclosure is not applicable.	–
GRI 414: Supplier Social Assessment 2016						
GD B5		12: Responsible Consumption and Production	3-3	Management of material topics	Supply Chain Management	53-54
KPI B5.2		12: Responsible Consumption and Production	414-1	New suppliers that were screened using social criteria	Supply Chain Management	53-54
KPI B5.3		12: Responsible Consumption and Production	414-2	Negative social impacts in the supply chain and actions taken	Supply Chain Management	53-54
GRI 416: Customer Health & Safety 2016						
GD B6			3-3	Management of material topics	Caring for the Community Safety First	82-87 56-61
GD B6		3: Good Health and Well-Being	416-1	Assessment of the health and safety impacts of product and service categories	Caring for the Community Safety First	82-87 56-61
GD B6 KPI B6.1 KPI B6.3 KPI B6.4		3: Good Health and Well-Being	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Safety First * TIH recorded no noncompliance with regulations and/or voluntary codes during the reporting period.	56-61
GRI 418: Customer Privacy 2016						
GD B6 KPI B6.2			3-3	Management of material topics	Safety First	56-61
KPI B6.5			418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Caring for Customers Safety First * TIH recorded no substantiated complaints concerning the breaches of customer privacy and losses of customer data during the reporting period.	70-75 56-61

FINANCIAL REVIEW

The Group Summary of Financial Performance

	2025 HK\$ million	2024 HK\$ million	Favourable/(Unfavourable) Change	
			HK\$ million	%
Revenue	8,442.7	8,215.4	227.3	2.8
Other net income	135.8	112.4	23.4	20.8
Operating expenses	(7,890.9)	(7,916.2)	25.3	0.3
Profit from operations	687.6	411.6	276.0	67.1
Change in fair value of investment properties and investment property under development	(141.8)	(78.2)	(63.6)	(81.3)
Finance costs	(61.3)	(98.3)	37.0	37.6
Share of profit of joint venture and associates	8.8	9.2	(0.4)	(4.3)
Profit before taxation	493.3	244.3	249.0	101.9
Income tax expense	(95.3)	(57.0)	(38.3)	(67.2)
Profit for the year ("Reported profit")	398.0	187.3	210.7	112.5
Underlying profit (Reported profit excluding the effect of change in fair value of investment properties and investment property under development)	539.8	265.5	274.3	103.3
Reported earnings per share (HK\$)	0.77	0.37	0.40	108.1
Underlying earnings per share (HK\$)	1.04	0.53	0.51	96.2

Review of 2025 Financial Performance

The Group's Results for the Year

The Group's underlying profit attributable to equity shareholders for the year ended 31 December 2025, excluding the effect of the change in fair value of investment properties and investment property under development, amounted to HK\$539.8 million, compared to HK\$265.5 million last year. Underlying earnings per share was HK\$1.04, compared to HK\$0.53 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\$398.0 million and HK\$0.77 respectively, compared to HK\$187.3 million and HK\$0.37 last year. The reported profit for 2025 included a decrease in fair value of investment properties and investment property under development of HK\$141.8 million, compared to a decrease of HK\$78.2 million in the previous year.

The revenue and profit generated by the Group's four Divisions for the year ended 31 December 2025 are shown below:

HK\$ million	Revenue		Profit before taxation	
	2025	2024	2025	2024
Franchised Public Bus Operations Division	8,053.3	7,849.3	513.8	281.0
Non-franchised Transport Operations Division	281.6	267.5	35.7	24.6
Property Holdings and Development Division	107.8	98.6	(59.7)	11.8
Chinese Mainland Transport Operations Division	–	–	–*	0.6
	8,442.7	8,215.4	489.8	318.0
Finance costs			(61.3)	(98.3)
Unallocated net operating income			64.8	24.6
Profit before taxation			493.3	244.3
Income tax expense			(95.3)	(57.0)
Profit for the year			398.0	187.3

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

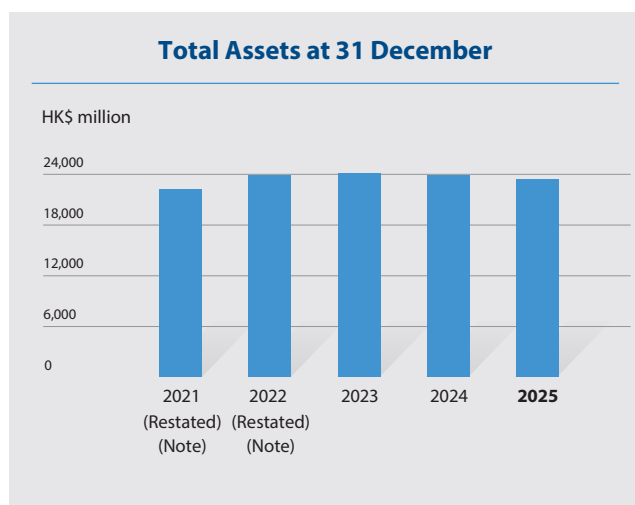
Segment information on the Group's main businesses is set out in note 12 to the financial statements on pages 220 to 222 of this Annual Report.

Key Changes to the Group's Revenue, Other Net Income and Operating Expenses

Total revenue for 2025 amounted to HK\$8,442.7 million, an increase of HK\$227.3 million or 2.8% compared with HK\$8,215.4 million for 2024. The increase was mainly due to the increase in revenue of HK\$204.0 million and HK\$14.1 million from the Group's franchised public bus operations and non-franchised transport operations; and the increase in rental income arising from the Group's investment properties of HK\$9.2 million.

Other net income increased by HK\$23.4 million from HK\$112.4 million in 2024 to HK\$135.8 million in 2025, which included an expected credit losses of HK\$86.5 million recognised on certain listed debt securities, compared to HK\$171.0 million last year. The breakdown of other net income is set out in note 4 to the financial statements on page 213 of this Annual Report.

FINANCIAL REVIEW



Note: The relevant comparative amounts in 2021 and 2022 have been restated to reflect the change in accounting policies in respect to the measurement of investment properties and investment property under development.

Total operating expenses for 2025 amounted to HK\$7,890.9 million, a decrease of HK\$25.3 million compared to HK\$7,916.2 million for 2024. The decrease was driven by favourable external conditions, including a reduction in fuel and oil costs, driven by reduced fuel prices together with a decrease in toll charges, but largely offset by the increase in staff costs due to pay rises.

The Group's share of profits from both associates and a joint venture for 2025 was similar to that of 2024.

Income tax expense for the year amounted to HK\$95.3 million (2024: HK\$57.0 million). The breakdown of the income tax expense is set out in note 6 to the financial statements on page 215 of this Annual Report.

More detailed information in respect of the Group's individual business units is set out on pages 114 to 119 of this Annual Report.

Dividend

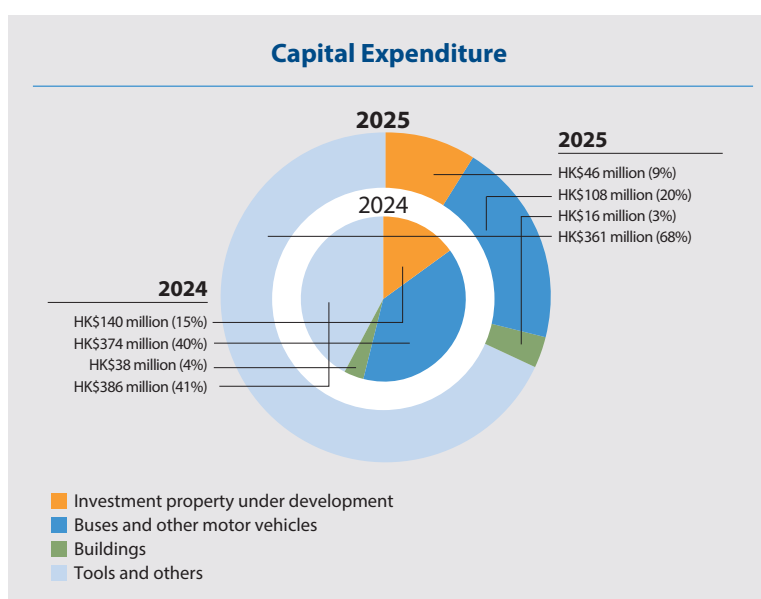
The Board has recommended an ordinary final dividend of HK\$0.50 per share (2024: HK\$0.50 per share). Together with the interim dividend of HK\$0.30 per share (2024: Nil), total dividends for the year will amount to HK\$0.80 per share (2024: HK\$0.50 per share), subject to the approval of the shareholders at the Annual General Meeting of the Company to be held on 14 May 2026 or at any adjournment thereof.

Key Changes to Financial Position

Capital Expenditure

As at 31 December 2025, 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\$14,883.3 million (2024: HK\$15,679.4 million, included investment property under development). None of the assets was pledged or charged as at 31 December 2025. During the year ended 31 December 2025, additions to investment properties, interest in leasehold land and other property, plant and equipment totaled HK\$531.2 million (2024: HK\$937.6 million), which were used for fleet enhancement and the development of The Millennity and Scramble Hill.

The breakdown of the capital expenditure is shown in note 13 to the financial statements on pages 223 to 225 of this Annual Report.



Intangible Assets and Goodwill

As at 31 December 2025, the Group's intangible assets and goodwill amounted to HK\$573.9 million (2024: HK\$529.1 million) and HK\$84.1 million (2024: HK\$84.1 million) respectively. The intangible assets mainly comprise passenger service licences and transport operating rights of the Group's non-franchised transport operations.

Current Assets and Current Liabilities

The Group's total current assets as at 31 December 2025 amounted to HK\$2,909.0 million (2024: HK\$3,188.5 million), mainly comprising liquid funds of HK\$1,780.8 million (2024: HK\$1,930.0 million) and accounts receivable of HK\$848.9 million (2024: HK\$998.5 million). The Group's liquid funds as at 31 December 2025 were mainly denominated in Hong Kong dollars.

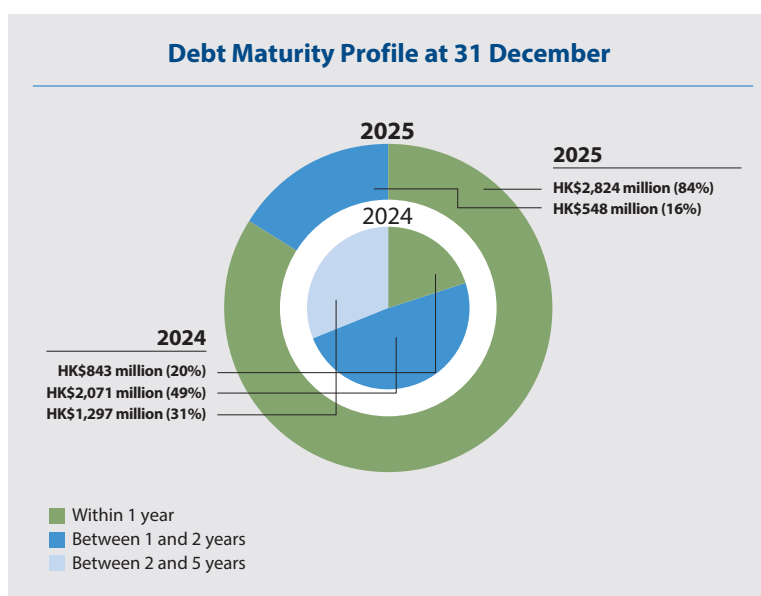
Total current liabilities as at 31 December 2025 amounted to HK\$4,294.3 million (2024: HK\$2,518.5 million), which mainly included accounts payable and accruals, and the current portion of bank loans.

Taking into consideration the Group's available facilities, its history of obtaining external financing, and the expected cash flows from operations, it is believed that there are sufficient financial resources available to enable the Group to meet its liabilities as they fall due.

FINANCIAL REVIEW

Bank Loans

As at 31 December 2025, bank loans, all unsecured, amounted to HK\$3,371.8 million (2024: HK\$4,210.9 million). The maturity profile of the bank loans of the Group as at 31 December 2025 and 31 December 2024 is shown in the chart below:



As at 31 December 2025, the Group had undrawn banking facilities totalling HK\$5,200.0 million (2024: HK\$2,870.0 million).

Capital Commitments

The Group's capital commitments as at 31 December 2025 amounted to HK\$91.7 million (2024: HK\$171.8 million). These commitments were mainly in respect of the purchase of major motor vehicle components, which are to be financed by bank borrowings and from the Group's internal resources. A summary of the capital commitments is set out below:

	2025 HK\$ million	2024 HK\$ million
Development of The Millennity	–	32.3
Purchase of buses and other motor vehicles	5.9	5.9
Purchase of other properties, plant and equipment	85.8	133.6
Total	91.7	171.8

As at 31 December 2025, the Group did not have new buses on order for delivery in 2026 (2024: Nil).

Funding and Financing

Financial Liquidity and Resources

The Group closely monitors its liquidity requirement and financial resources to maintain a healthy financial position with adequate and stable funding sources. This ensures that cash inflows from operating activities, along with the Group's reserves of cash, liquid assets and undrawn banking facilities are sufficient to meet the requirements for loan repayments, daily operational needs and capital expenditure as well as potential business expansion and development. The Group's operations are mainly financed by shareholders' funds and bank loans. In general, major operating companies of the Group arrange their own financing to meet their operational and specific needs. The Group's other subsidiaries are mainly financed by the Company's capital base. The Group reviews its funding policy from time to time to ensure that cost-efficient and flexible funding is available to cater for the unique operating environment of each subsidiary.

Net Cash/(Net Borrowing) and Liquidity Ratio

As at 31 December 2025, the Group's net borrowing (i.e. total borrowings less cash and deposits at banks) decreased by 30% and amounted to HK\$1,591.0 million (2024: HK\$2,281.0 million). The gearing ratio, calculated based on the net borrowings to total equity attributable to equity shareholders of the Company, was 9.3% (2024:13.7%). The details of the Group's net cash/net borrowing position by currency are set out as follows:

Currency	Cash and deposits at bank in foreign currency million	Cash and deposits at bank HK\$ million	Bank loans HK\$ million	Net cash/(Net borrowing) HK\$ million
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)
At 31 December 2024				
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		1,929.9	(4,210.9)	(2,281.0)

Finance Costs

The finance costs incurred by the Group for the year ended 31 December 2025 were HK\$61.3 million, a decrease of HK\$37.0 million compared with HK\$98.3 million for 2024. The decrease was mainly due to the decrease in average bank borrowings of the Group and the decrease in average interest rate from 4.49% per annum for 2024 to 2.95% per annum for 2025.

Net Cash Flow

For the year ended 31 December 2025, the Group recorded a net increase in cash and cash equivalents of HK\$6.8 million, compared with a net increase of HK\$146.6 million in the prior year. The movement in cash flows across operating, investing, and financing activities is summarised as follows:

	2025 HK\$ million	2024 HK\$ million
Net cash generated from/(used in):		
• Operating activities	1,646.3	1,515.3
• Investing activities	(622.4)	(824.6)
• Financing activities	(1,017.1)	(544.1)
Net cash inflow	6.8	146.6

FINANCIAL REVIEW

Operating activities continued to be the primary source of cash inflow, with net cash generated increasing to HK\$1,646.3 million in 2025 from HK\$1,515.3 million in 2024. This growth was mainly driven by the franchised public bus operations, which contributed HK\$1,432.5 million (2024: HK\$1,344.1 million), reflecting improved operational performance.

The net cash used in investing activities narrowed to HK\$622.4 million from HK\$824.6 million in the prior year, primarily due to lower capital expenditure.

Net cash used in financing activities widened to HK\$1,017.1 million from HK\$544.1 million in 2024, reflecting higher repayments of bank loans during the year.

The increase in financing outflows, combined with the reduction in investing outflows, contributed to the overall moderation in net cash inflow compared with the previous year.

Details of the Group's cash flow movement for the year ended 31 December 2025 are set out in the consolidated cash flow statement on pages 192 to 193 of this Annual Report.

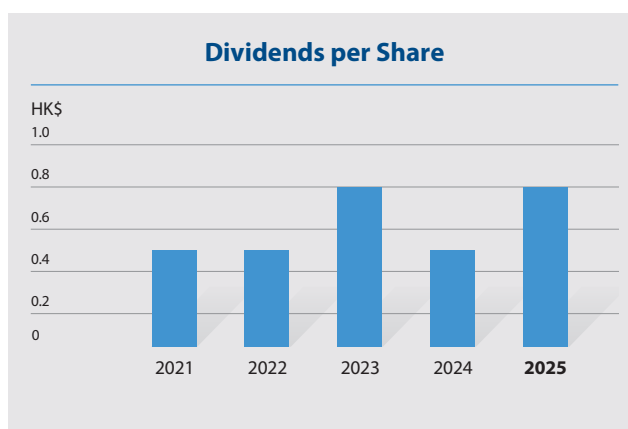
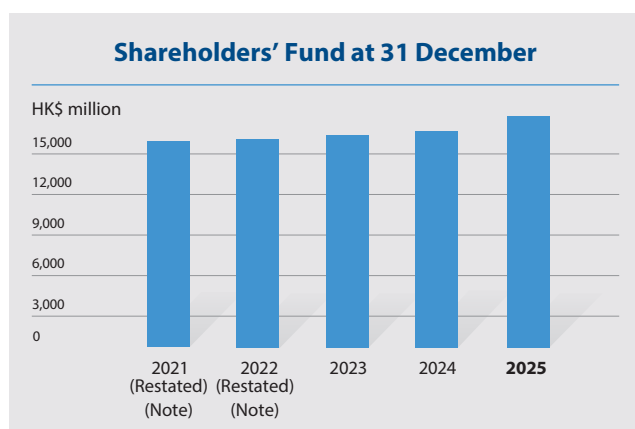
Treasury Risk Management

The Group's activities are exposed to various financial risks, including foreign currency, interest rate, fuel price, credit and liquidity risks. The Group's exposure to these risks as well as its risk management policies and practices are described below:

Foreign Currency Risk

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.

As at 31 December 2025, the Group had outstanding GBP forward contracts totalling GBP0.6 million (2024: GBP3.0 million), which had maturities of less than one year after the end of the reporting period.



Note: The relevant comparative amounts in 2021 and 2022 have been restated to reflect the change in accounting policies in respect to (i) the measurement of investment properties and investment property under development, and (ii) the abolition of the MPF-LSP offsetting mechanism.

Interest Rate Risk

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 31 December 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 major subsidiary, KMB, has been assigned an "A" credit rating by Standard & Poor's since 14 January 2002. The credit rating agency viewed KMB as an integrated economic entity of Transport International Holdings Limited. Accordingly, the rating of KMB also reflects the Group's credit profile.

Fuel Price Risk

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 with a price cap arrangement (where feasible), which would enable the Group to benefit from the fall in international fuel oil prices while limiting risk exposure in the event that oil prices rise above the cap level. 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 light of the prevailing market conditions.

Credit Risk

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. In respect of trade and other receivables, credit evaluations are performed on major customers requiring credit over a certain amount. Regular reviews and any necessary follow-up action are carried out on overdue amounts to minimise the Group's exposure to credit risk. An ageing analysis of the receivables is prepared on a regular basis and is closely monitored to minimise any credit risk associated with these receivables. 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.

Cash Flow and Liquidity Risk

The Group closely monitors its liquidity and financial resources to maintain a healthy financial position with adequate and stable funding sources. This ensures that cash inflows from operating activities, along with the Group's reserves of cash, liquid assets and undrawn banking facilities are sufficient to meet the requirements for loan repayments, daily operational needs, capital expenditure and dividend payments as well as potential business expansion and development. Major operating companies of the Group arrange for their own financing to meet specific requirements. The Group's other subsidiaries are mainly financed by the Company's capital base. The Group reviews its strategy from time to time to ensure that cost-efficient funding is available to cater for the unique operating environment of each subsidiary.

Employees and Remuneration Policies

Running a transport operation is a labour intensive business, and staff costs accounted for about 58% (2024: 56%) of the total operating expenses of the Group in 2025. The Group closely monitors its headcount and staff remuneration in line with productivity and the prevailing market trends. The Group's total remuneration excluding retirement costs and equity-settled share-based payment expenses for 2025 amounted to HK\$4,425.7 million (2024: HK\$4,244.2 million). As at 31 December 2025, the Group employed approximately 12,700 staff (2024: approximately 12,700 staff).

Individual Business Units

Franchised Public Bus Operations

The Kowloon Motor Bus Company (1933) Limited (“KMB”)

	Unit	2025	2024
Revenue	HK\$ million	7,412.9	7,229.8
Other income	HK\$ million	109.8	145.6
Total operating expenses	HK\$ million	(7,065.9)	(7,150.3)
Profit from operations	HK\$ million	456.8	225.1
Finance costs	HK\$ million	(25.1)	(72.5)
Profit before taxation	HK\$ million	431.7	152.6
Income tax expense	HK\$ million	(71.0)	(25.8)
Profit after taxation	HK\$ million	360.7	126.8
Net profit margin		4.9%	1.8%
Passenger volume	Million passenger trips	923.0	940.3
Kilometres operated	Million km	252.3	256.2
Staff number at year-end	Number of staff	11,023	11,150
Fleet size at year-end	Number of buses	3,959	4,010
Total assets	HK\$ million	9,666.9	9,996.6

KMB recorded a profit after taxation of HK\$360.7 million for 2025, compared to the profit after taxation of HK\$126.8 million for 2024.

Fare revenue for 2025 was HK\$7,156.2 million, an increase of HK\$206.9 million or 3.0% compared with HK\$6,949.3 million for 2024. The increase was mainly due to the fare hike that took effect on 5 January 2025, but partly offset by a decline in ridership. KMB’s total ridership decreased by 1.8% to 923.0 million passenger trips (a daily average of 2.53 million passenger trips) as compared with 940.3 million passenger trips (a daily average of 2.57 million passenger trips) for 2024.

Total operating expenses for 2025 amounted to HK\$7,065.9 million, a decrease of HK\$84.4 million or 1.2% compared with HK\$7,150.3 million for 2024. The decrease driven by favourable external conditions, including a reduction in fuel and oil costs, driven by reduced fuel prices, but largely offset by the increase in staff costs due to pay rises.

Long Win Bus Company Limited (“LWB”)

	Unit	2025	2024
Revenue	HK\$ million	647.1	630.6
Other income	HK\$ million	2.1	3.5
Total operating expenses	HK\$ million	(590.5)	(578.2)
Profit from operations	HK\$ million	58.7	55.9
Finance costs	HK\$ million	(3.2)	(6.1)
Profit before taxation	HK\$ million	55.5	49.8
Income tax expense	HK\$ million	(9.1)	(8.1)
Profit after taxation	HK\$ million	46.4	41.7
Net profit margin		7.2%	6.6%
Passenger volume	Million passenger trips	49.5	48.3
Kilometres operated	Million km	35.2	33.5
Staff number at year-end	Number of staff	861	842
Fleet size at year-end	Number of buses	313	283
Total assets	HK\$ million	696.6	716.2

The profit after taxation of LWB for 2025 was HK\$46.4 million, compared to the profit after taxation of HK\$41.7 million for 2024.

LWB’s fare revenue for 2025 was HK\$642.0 million, an increase of HK\$15.3 million or 2.4% compared with HK\$626.7 million for 2024. The increase was mainly due to the growth in bus patronage. LWB recorded a total ridership of 49.5 million passenger trips (a daily average of 136,000 passenger trips) for 2025, as compared with 48.3 million passenger trips (a daily average of 132,000 passenger trips) for 2024.

Total operating expenses for 2025 amounted to HK\$590.5 million, an increase of HK\$12.3 million or 2.1% compared with HK\$578.2 million for 2024. The increase was primarily attributed to the increase in staff costs due to pay rises, as well as the increase in manpower in response to elevated service levels and the increase in depreciation due to an expanded bus fleet, but partly offset by the favourable external conditions, including a reduction in fuel and oil costs, driven by reduced fuel prices.

Non-franchised Transport Operations

The Group’s Non-franchised Transport Operations Division reported a profit after taxation of HK\$29.7 million for 2025, compared to HK\$20.6 million for 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 centres, major employers, travel agents and schools, as well as the general public through chartered hire services.

The revenue of the SBH Group for 2025 increased by 4.1% compared with 2024. The increase was mainly attributable to the business growth. Despite the revenue growth, total operating costs in 2025 remained largely consistent with those of 2024, primarily attributable to the cost control measures implemented by management to streamline operations, along with the decrease in fuel and oil costs. However, these reductions were partly offset by the increase in staff costs.

In 2025, the SBH Group continued to modernise its bus fleet with the latest Euro VI buses. As at 31 December 2025, the SBH Group had a fleet of 414 buses (2024: 409 buses).

FINANCIAL REVIEW

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.

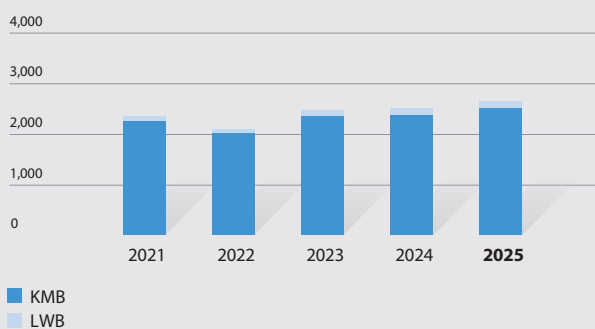
The revenue of the NHKB for 2025 increased by 3.3% compared to 2024. The increase was mainly due to the increase in bus patronage driven by the recent trend of increased northbound spending among Hong Kong residents during weekends and holidays. Total operating expenses for the year decreased by 5.4% compared to 2024 mainly due to the decrease in staff costs and fuel and oil costs.

As at 31 December 2025, NHKB had a fleet of 15 buses (2024: 15 buses).

Average Number of Passenger Trips per Day

(Franchised public bus operations)

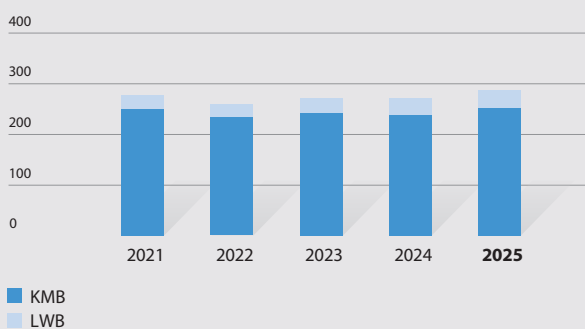
Thousand of passenger trips per day



Bus Kilometres Operated

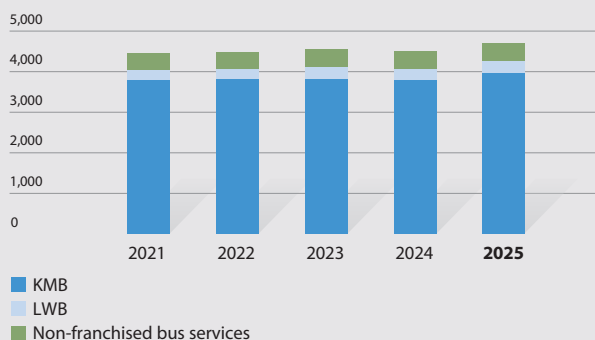
(Franchised public bus operations)

Million kilometres



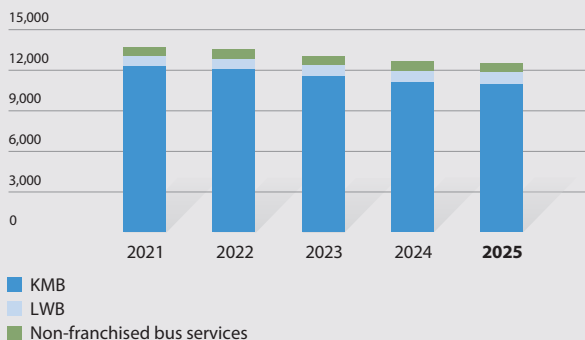
Number of Licensed Buses at 31 December

Number of buses



Number of Staff at 31 December

Number of staff



Property Holdings and Development

The Group's Property Holdings and Development Division reported a profit after taxation of HK\$42.5 million (excluding a decrease in fair value of HK\$141.8 million on investment properties and investment property under development) for 2025, compared to the profit after taxation of HK\$60.1 million (excluding a decrease in fair value of HK\$78.2 million on investment properties and investment property under development) for 2024. 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 Group, along with Turbo Result Limited ("TRL"), a subsidiary of Sun Hung Kai Properties Limited ("SHKP"), owns The Millennity and Scramble Hill, situated at 98 How Ming Street, Kwun Tong, Kowloon, Hong Kong, in equal shares as tenants in common for long-term investment purpose.

The Millennity and 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, Scramble Hill, 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. Scramble Hill has begun its phased opening.

As at 31 December 2025, both The Millennity and Scramble Hill were classified as investment property in the consolidated statement of financial position (31 December 2024: the office portion was classified as investment property, while the remaining portion was classified as investment property under development).

LCK Real Estate Limited ("LCKRE")

LCKRE, a wholly-owned subsidiary of the Group, is the owner of a 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. The building is situated next to Manhattan Hill. A portion of the lettable area is used by the Group as headquarters, while the remaining lettable area are leased out to offices, shops 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 Group, is the owner of "Manhattan Mid-town", the commercial complex of Manhattan Hill. The 50,000 square feet shopping centre provides shoppers with high quality retail facilities since its opening in March 2009. As at 31 December 2025, the entire lettable area of the shopping centre was leased out, generating a stream of recurring rental 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 31 December 2025, the entire lettable area of the property has been leased out to generate rental income for the Group.

Chinese Mainland Transport Operations

As at 31 December 2025, the Group's total interest in associates within the Chinese Mainland Transport Operations Division amounted to HK\$616.2 million (2024: HK\$569.7 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 2025 compared to 2024.

Summary of Investments in Chinese Mainland Transport Operations as at 31 December 2025

	Shenzhen	Beijing
Nature of business	Bus and taxi hire services	Taxi and car rental services
Form of business structure	Sino-foreign joint stock company	Sino-foreign joint stock company
Operation commenced	January 2005	April 2003
The Group's investment cost (RMB million)	387	80
The Group's effective interest	35%	31.38%
Fleet size at year-end 2025 (Number of vehicles)	10,697	6,124
Bus passenger volume (Million trips)	298	N/A
Bus kilometres travelled (Million km)	245	N/A
Staff number at year-end 2025	20,007	1,433

Shenzhen Bus Group Company Limited (深圳巴士集團股份有限公司) ("SZBG")

SZBG, which commenced operations in January 2005, is a Sino-foreign joint stock company formed by KMB (Shenzhen) Transport Investment Limited (九巴(深圳)交通投資有限公司), a wholly-owned subsidiary of the Group, and four other Chinese 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, operating a fleet of over 4,500 buses running on around 300 routes and over 6,000 taxis. As a result of significant competition from various modes of transportation, including metro services and app-based taxi ride hailing platforms, the patronage of SZBG including both its bus and taxi operations decreased by 8.1% to 375.0 million in 2025 as compared to 408.0 million in 2024.

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 March 2003. BBKT's shareholders include KMB (Beijing) Taxi Investment Limited (九巴(北京)出租汽車投資有限公司), a wholly-owned subsidiary of the Group, and four other Chinese Mainland investors. 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%. BBKT operated both taxi hire and car rental businesses in Beijing until April 2013, when, to sharpen its focus on the business opportunities provided by 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), which has the same shareholding structure as BBKT. As at 31 December 2025, BBKT had a fleet of over 4,900 taxis and around 1,400 employees.

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

Established in April 2013 as a Sino-foreign joint stock company with the same shareholding structure as BBKT, BBF operates the car rental business formerly undertaken by BBKT. In respect of the provision of car rental services, BBF is well placed to take advantage of the business opportunities afforded by business commuters as well as by the wide variety of events, conferences and exhibitions that are held in the capital. As at 31 December 2025, BBF had over 1,000 vehicles available for charter mainly in Beijing and Tianjin.

Continuing Connected Transactions

Particulars of the following continuing connected transactions of the Group are set out below in compliance with the reporting requirements of Chapter 14A of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”):

(a) THE GROUP

Transactions with Sun Hung Kai Properties Insurance Limited (“SHKPI”)

As described in note 35(a) to the financial statements on pages 259 to 260 of this Annual Report, on 29 December 2022, the Group entered into various insurance policies with SHKPI, a wholly-owned subsidiary of SHKP, which is a substantial shareholder of the Company, pursuant to which SHKPI agreed to provide to the Group insurance coverage, including a motor vehicle third party and passengers’ liability insurance and an employees’ compensation insurance coverage from 1 January 2023 to 31 December 2024 (the “**2023/24 Insurance Arrangements**”). On 19 December 2024, the Group entered into various insurance policies with SHKPI, pursuant to which SHKPI agreed to provide to the Group insurance coverage, including a motor vehicle third party and passengers’ liability insurance and an employees’ compensation insurance coverage from 1 January 2025 to 31 December 2026 (the “**2025/26 Insurance Arrangements**”). The transactions contemplated under the 2023/24 Insurance Arrangements and 2025/26 Insurance Arrangements constitute continuing connected transactions of the Company, particulars of which were disclosed in the announcements of the Company dated 29 December 2022 and 19 December 2024 respectively.

The cap amounts of the insurance premium payable by the Group to SHKPI under the 2023/24 Insurance Arrangements for the years ended 31 December 2023 and 2024, as disclosed in the announcement dated 29 December 2022, were HK\$102,500,000 and HK\$105,500,000 respectively. Such annual cap amounts were determined mainly with reference to the historical transaction amounts, the estimated business requirements of the Group (including the estimated vehicles, staffing and fixed assets requirements), and the insurance premium rates as specified under the 2023/24 Insurance Arrangements. For the year ended 31 December 2025, the insurance premium paid and payable to SHKPI under the 2023/24 Insurance Arrangements was HK\$Nil (2024: HK\$100,568,000).

The cap amounts of the insurance premium payable by the Group to SHKPI under the 2025/26 Insurance Arrangements for the years ended/ending 31 December 2025 and 2026, as disclosed in the announcement dated 19 December 2024, were HK\$40,500,000 and HK\$41,500,000 respectively. Such annual cap amounts were determined mainly with reference to the historical transaction amounts, the number of vehicles and total payroll of employees and the insurance structure and the premium rates as specified under the 2025/26 Insurance Arrangements. For the year ended 31 December 2025, the insurance premium paid and payable to SHKPI under the 2025/26 Insurance Arrangements was HK\$37,766,000 (2024: HK\$Nil).

The insurance premium paid and payable by the Group under the 2023/24 Insurance Arrangements and 2025/26 Insurance Arrangements were and will be satisfied by internal resources of the Group. The transactions under the 2023/24 Insurance Arrangements and 2025/26 Insurance Arrangements are only subject to the applicable reporting, announcement and annual review requirements of the Listing Rules but are exempt from the circular and independent shareholders’ approval requirements.

(b) SUN BUS LIMITED

Shuttle Bus Services Contracts with certain subsidiaries of SHKP

As described in note 35(a) to the financial statements on pages 259 to 260 of this Annual Report, Sun Bus Limited has entered into various shuttle bus services contracts ("**Shuttle Bus Services Contracts**") with certain subsidiaries of SHKP, pursuant to which Sun Bus Limited agreed to provide and operate various shuttle bus services. The service fees for the provision of the shuttle bus services were charged in accordance with the rates specified in the relevant contracts, ranging from approximately HK\$300 to HK\$600 per hour per bus, which were determined after taking into account factors such as the number and model of buses requested, the days and hours of services requested, the relevant costs and expected loads and routes, using the prevailing market rates as a price indicator, namely, the service fees charged for similar bus operations in the market. The transactions contemplated under the Shuttle Bus Services Contracts constitute continuing connected transactions of the Company, particulars of which were disclosed in the announcement of the Company dated 19 June 2025 and 21 March 2024 respectively.

The cap amounts of the service fees receivable by Sun Bus Limited under the Shuttle Bus Services Contracts for the year ended 31 December 2024 and 2025, as disclosed in the announcement dated 21 March 2024, were HK\$7,661,000 and HK\$9,427,000 respectively. Such annual cap amounts were determined with reference to the historical amounts, the rates specified in the relevant contracts and the expected possible demand for the services. For the year ended 31 December 2025, the service fees received and receivable by Sun Bus Limited (inclusive of the fees for basic services, overtime services, on-demand additional services, and toll charges) under the Shuttle Bus Services Contracts amounted to HK\$5,752,000 (2024: HK\$6,700,000).

The cap amount of the service fees receivable by Sun Bus Limited under the Shuttle Bus Services Contracts for the year ending 31 December 2026, as disclosed in the announcement dated 19 June 2025, was HK\$6,977,000. Such annual cap amount was determined with reference to the historical transaction amounts, the rates specified in the relevant contracts and the expected possible demand for the services.

The transactions contemplated under the Shuttle Bus Services Contracts are only subject to the applicable reporting, announcement and annual review requirements of the Listing Rules but are exempt from the circular and independent shareholders' approval requirements.

(c) KT REAL ESTATE LIMITED ("KTRE")

The Office Premises Leasing Management Agreement and the Retail Premises Leasing Management Agreement with Sun Hung Kai Real Estate (Sales and Leasing) Agency Limited ("SHKRE(SL)") and the Property Management Agreement with Kai Shing Management Services Limited ("KSMS")

As described in note 35(a) to the financial statements on pages 259 to 260 of this Annual Report, on 29 December 2022, KTRE and Turbo Result Limited (a wholly-owned subsidiary of SHKP), being the owners in equal shares as tenants in common of The Millennity located at No.98 How Ming Street, Kwun Tong, entered into the Office Premises Leasing Management Agreement (the "**2023-2025 Office Premises Leasing Management Agreement**") and Retail Premises Leasing Management Agreement (the "**2023-2025 Retail Premises Leasing Management Agreement**") with SHKRE(SL), a wholly-owned subsidiary of SHKP, pursuant to which SHKRE(SL) was appointed as the exclusive marketing and leasing agent and administrator for the units in the office and retail premises and parking spaces in The Millennity for a term of three years commencing from 1 January 2023 to 31 December 2025 (collectively, the "**2023-2025 Office and Retail Premises Leasing Management Agreements**"). On 29 December 2022, KTRE and TRL entered into the Property Management Agreement with KSMS, a wholly-owned subsidiary of SHKP, pursuant to which KSMS was appointed as the property manager for the units in the office/retail premises in The Millennity for a term of three years commencing from 1 January 2023 to 31 December 2025 (the "**2023-2025 Property Management Agreement**").

On 30 December 2025, KTRE and TRL entered into the Office Premises Leasing Management Agreement (the “**2026-2028 Office Premises Leasing Management Agreement**”) and Retail Premises Leasing Management Agreement (the “**2026-2028 Retail Premises Leasing Management Agreement**”) with SHKRE(SL), pursuant to which SHKRE(SL) was appointed as the exclusive marketing and leasing agent and administrator for the units in the office and retail premises and parking spaces in The Millennity and Scramble Hill for a term of three years commencing from 1 January 2026 to 31 December 2028 (collectively, the “**2026-2028 Office and Retail Premises Leasing Management Agreements**”). On 30 December 2025, KTRE and TRL entered into the Property Management Agreement with KSMS, pursuant to which KSMS was appointed as the property manager for the units in the office/retail premises (excluding parking space(s)) in The Millennity and Scramble Hill for a term of three years commencing from 1 January 2026 to 31 December 2028 (the “**2026-2028 Property Management Agreement**”). The transactions contemplated under the 2023-2025 Office and Retail Premises Leasing Management Agreements, the 2023-2025 Property Management Agreement, the 2026-2028 Office and Retail Premises Leasing Management Agreements and the 2026-2028 Property Management Agreement constitute continuing connected transactions of the Company, particulars of which were disclosed in the announcements of the Company dated 29 December 2022 and 30 December 2025 respectively.

The cap amounts of the office and retail premises leasing management fees and other expenses payable by KTRE to SHKRE(SL) under the 2023-2025 Office Premises Leasing Management Agreement and the 2023-2025 Retail Premises Leasing Management Agreement for each of the three years ended/ending 31 December 2023, 2024 and 2025, as disclosed in the announcement dated 29 December 2022, were approximately HK\$186,525,000 and HK\$54,290,000 each year respectively. Such annual cap amounts were determined based on the maximum number of units estimated to be let or licensed in The Millennity and the remuneration rates as specified under the 2023-2025 Office and Retail Premises Leasing Management Agreements. For the year ended 31 December 2025, the leasing management fees and other expenses paid and payable to SHKRE(SL) under the 2023-2025 Office Premises Leasing Management Agreement and 2023-2025 Retail Premises Leasing Management Agreement were HK\$3,590,000 (2024: HK\$2,048,000) and HK\$11,000 (2024: HK\$Nil) respectively.

The cap amounts of the office leasing management fees and other expenses payable by KTRE to SHKRE(SL) under the 2026-2028 Office Premises Leasing Management Agreement for the three years ending 31 December 2026, 2027 and 2028, as disclosed in the announcement dated 30 December 2025, would be approximately HK\$8,750,000, HK\$8,250,000 and HK\$8,250,000 each year respectively. The cap amounts of the retail premises leasing management fees and other expenses payable by KTRE to SHKRE(SL) under the 2026-2028 Retail Premises Leasing Management Agreement for the three years ending 31 December 2026, 2027 and 2028, as disclosed in the announcement dated 30 December 2025, would be approximately HK\$16,250,000, HK\$8,000,000 and HK\$6,000,000 each year respectively. Such annual cap amounts were determined based on the remuneration rates as specified under the 2026-2028 Office and Retail Premises Leasing Management Agreements, the maximum number of units estimated to be let or licensed in The Millennity and Scramble Hill during the respective financial years, and with reference to the historical transaction amounts.

The cap amounts of the property manager’s remuneration and other expenses payable by KTRE to KSMS under the 2023-2025 Property Management Agreement for each of the three years ended 31 December 2023, 2024 and 2025, as disclosed in the announcement dated 29 December 2022, would be approximately HK\$7,185,000 each year. Such annual cap amounts were determined based on the number of units in The Millennity and the remuneration rates as specified under the 2023-2025 Property Management Agreement. For the year ended 31 December 2025, the property manager’s remuneration and other expenses paid and payable to KSMS under the 2023-2025 Property Management Agreement was HK\$6,573,000 (2024: HK\$5,620,000).

FINANCIAL REVIEW

The cap amounts of the property manager's remuneration and other expenses payable by KTRE to KSMS under the 2026-2028 Property Management Agreement for the three years ending 31 December 2026, 2027 and 2028, as disclosed in the announcement dated 30 December 2025, would be approximately HK\$18,500,000 each year. Such annual cap amounts were determined based on the remuneration rates as specified under the 2026-2028 Property Management Agreement, the gross floor areas in the Millennity and Scramble Hill and with reference to the historical transaction amounts.

The office and retail premises leasing management fees and property manager's remuneration and other expenses payable by KTRE under the 2023-2025 Office and Retail Premises Leasing Management Agreements, the 2023-2025 Property Management Agreement, the 2026-2028 Office and Retail Premises Leasing Management Agreements and the 2026-2028 Property Management Agreement were and will be satisfied by internal resources of the Group. The transactions under the 2023-2025 Office and Retail Premises Leasing Management Agreements, the 2023-2025 Property Management Agreement, the 2026-2028 Office and Retail Premises Leasing Management Agreements and the 2026-2028 Property Management Agreement are only subject to the applicable reporting, announcement and annual review requirements of the Listing Rules but are exempt from the circular and independent shareholders' approval requirements.

(d) KMB

The Cleaning Services Agreement with Nixon Cleaning Company Limited ("Nixon")

As described in note 35(a) to the financial statements on pages 259 to 260 of this Annual Report, on 28 September 2023, KMB entered into the Cleaning Services Agreement with Nixon, a wholly-owned subsidiary of SHKP, pursuant to which Nixon agreed to provide cleaning services to KMB at service locations designated by KMB, including premises, offices and depots for an initial term of two years commencing from 1 October 2023 to 30 September 2025, and an extended term of one year commencing from 1 October 2025 to 30 September 2026 with an exercisable option (which has been exercised by KMB) (the "**Cleaning Services Agreement**"). The transactions contemplated under the Cleaning Services Agreement constitute continuing connected transactions of the Company, particulars of which were disclosed in the announcements of the Company dated 28 September 2023.

The cap amounts of the cleaning service fees payable by KMB to Nixon under the Cleaning Services Agreement for the four years ended/ending 31 December 2023, 2024, 2025 and 2026, as disclosed in the announcement dated 28 September 2023, were approximately HK\$3,481,872, HK\$13,927,488, HK\$13,962,561 and HK\$10,550,835 respectively. Such annual cap amounts were determined based on the agreed rates as specified under the Cleaning Services Agreement and the expected possible ad hoc demand for cleaning services. For the year ended 31 December 2025, the cleaning service fees paid and payable to Nixon under the Cleaning Services Agreement was HK\$13,703,000 (2024: HK\$13,927,000).

The cleaning service fees payable by KMB under the Cleaning Services Agreement were and will be satisfied by internal resources of the Group. The transactions under the Cleaning Services Agreement are only subject to the applicable reporting, announcement and annual review requirements of the Listing Rules but are exempt from the circular and independent shareholders' approval requirements.

In compliance with the Listing Rules, the Directors, including the Independent Non-executive Directors, have reviewed and confirmed the following:

1. The foregoing continuing connected transactions conducted during the year ended 31 December 2025 with SHKPI, SHKRE(SL), KSMS, Nixon and certain subsidiaries of SHKP were entered into:
 - (i) in the ordinary and usual course of the business of the Group;
 - (ii) either on normal commercial terms or better; and
 - (iii) in accordance with the relevant agreements governing them on terms that are fair and reasonable and in the interests of the Group and the shareholders of the Company as a whole;
2. the annual insurance premium paid and payable by the Group to SHKPI under the 2025/26 Insurance Arrangements for the year ended 31 December 2025 did not exceed the cap amount of HK\$40,500,000, as disclosed in the announcement dated 19 December 2024;
3. the service fees received and receivable by Sun Bus Limited (inclusive of the fees for basic services, overtime services, on-demand additional services, and toll charges) from certain subsidiaries of SHKP under the Shuttle Bus Services Contracts for the year ended 31 December 2025 did not exceed the cap amount of HK\$9,427,000, as disclosed in the announcement dated 21 March 2024;
4. the office and retail premises leasing management fees and other expenses paid and payable by KTRE to SHKRE(SL) under the 2023-2025 Office and Retail Premises Leasing Management Agreements for the year ended 31 December 2025 did not exceed the cap amount of HK\$186,525,000 and HK\$54,290,000 respectively, as disclosed in the announcement dated 29 December 2022;
5. the property manager's remuneration and other expenses paid and payable by KTRE to KSMS under the 2023-2025 Property Management Agreement for the year ended 31 December 2025 did not exceed the cap amount of HK\$7,185,000, as disclosed in the announcement dated 29 December 2022; and
6. the cleaning services fees paid and payable by KMB to Nixon under the Cleaning Services Agreement for the year ended 31 December 2025 did not exceed the cap amount of HK\$13,962,561, as disclosed in the announcement dated 28 September 2023.

The Company's auditor was engaged to report on the Group's continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised) "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 (Revised) "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. The auditor has issued an unqualified letter containing its findings and conclusions in respect of the continuing connected transactions conducted during the year ended 31 December 2025 as set out above in accordance with Rule 14A.56 of the Listing Rules. A copy of the auditor's letter has been provided by the Company to The Stock Exchange of Hong Kong Limited.

CORPORATE GOVERNANCE REPORT

Good corporate governance forms the foundation of stakeholder confidence and sustainable returns for shareholders, making it the cornerstone of business success.

The Board believes that maintaining good corporate governance fosters a strong and healthy culture within the Group. It also strengthens management effectiveness, improves control mechanisms, enhances shareholder values, and fulfils satisfaction among shareholders and stakeholders. Board members and staff observe a set of sound policies, procedures, and rules.

The governance of sustainability is embedded within our corporate governance structure across the Group. The Group considers the long-term interests of shareholders and stakeholders by balancing business growth with community responsibility.

Corporate Governance Framework

The Group's Corporate Governance Framework (the "Framework") is built upon the principles of accountability, transparency and integrity. It aims to identify key participants in good governance, their inter-relationships, and their contributions to the implementation of effective governance policies and processes.

The Board and Senior Management use the Framework as the benchmark for evaluating the Group's performance in achieving its business goals. In response to changes in regulatory requirements, environmental needs, social expectations and international relations, the Group regularly reviews the Framework, updates its management policies and practices, and ensures its consistent implementation at all levels.

The corporate governance objectives are achieved primarily through the implementation of the following measures:

- Maintain a diverse and balanced board composition, establish efficient management reporting systems, and retain a professional management team to ensure that Directors are well-informed prior to making decisions in the best interests of the stakeholders;
- Establish thorough internal audit and control systems to safeguard against risks, protect the Group's assets, and ensure that its policies and management practices are executed as planned, in order to swiftly identify and rectify any irregularities, deviations, material misstatements and instances of malpractice; and
- Establish transparent and effective communication channels to ensure that the Group's affairs are brought to the attention of shareholders, customers and other stakeholders.

Corporate Governance Code Compliance

The Company abides by the corporate governance principles contained in the Corporate Governance Code (the "CG Code") of the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules"). The CG Code sets out (a) the mandatory requirements for disclosure; and (b) the principles of good corporate governance with two levels of recommendations: (a) "Code Provisions" and (b) "Recommended Best Practices".

The Company complied with all applicable Code Provisions throughout the year ended 31 December 2025, except that two Directors were unable to attend the Annual General Meeting held on 15 May 2025 (the "2025 AGM") as required by Code Provision C.1.5 owing to other commitments.

The Board of Directors

Board Composition

The composition of the Board represents a balance of high-calibre executive and non-executive directors, each possessing relevant skills, industry knowledge, first-hand experience and diverse perspectives, all of which are essential to the Group's businesses. As of 31 December 2025, the Board comprised 16 members, including six Independent Non-executive Directors, nine Non-executive Directors and one Executive Director. The day-to-day management of the Group's businesses is entrusted to Senior Management, under the supervision of four designated Board Committees: the Standing Committee, the Audit and Risk Management Committee, the Remuneration Committee and the Nomination Committee. The Board of Directors and the Board Committees are chaired by Independent Non-executive Directors. The compositions of the Board and Board Committees on 31 December 2025 are stated below:

	Independent Non-executive Directors	Non-executive Directors	Executive Director	Total
Board of Directors	6	9	1*	16
Board Committees:				
Standing Committee	3	4	1*	8
Audit and Risk Management Committee	4	1	–	5
Remuneration Committee	3	2	–	5
Nomination Committee	3	1	–	4

* The Managing Director

While the Non-executive Directors are not involved in the day-to-day management of the Group's businesses, they act as custodians of the governance processes, scrutinising the Management's performance in meeting the agreed corporate goals and objectives. They contribute by, among other things, attending Board meetings, at which they provide independent views on various matters relating to the Group's strategy, policy, performance, accountability, resources, key appointments and standards of conduct. Non-executive Directors are appointed for a term of three years. A mechanism has been put in place to ensure that independent views and input are available to the Board. The implementation and effectiveness of this mechanism are reviewed on an annual basis.

Independent Non-executive Directors critically and objectively review matters brought before the Board. In particular, they ensure that the general interests of shareholders are fully considered by the Board. They also check that connected transactions and other matters are subject to impartial and thorough contemplation by the Board.

Independent Non-executive Directors are clearly identified by their names in all corporate communications. Pursuant to Rule 3.13 of the Listing Rules, the Company considers all Independent Non-executive Directors to be independent, as all of them have confirmed their independence in writing to both the Stock Exchange and the Company. The Company complies with the requirement in the Listing Rules that at least one-third of the Board members should be Independent Non-executive Directors.

In accordance with Mandatory Disclosure Requirement B(h) of Part 1 of Appendix C1 to the Listing Rules, the relationship between members of the Board is disclosed in the Directors' Profiles section of the Annual Report.

Board Diversity

Diverse board composition ensures a wide range of business and professional experience on the Board, allowing the decision-making process to incorporate different perspectives and support the achievement of the Company's strategic objectives. All Board appointments are merit-based. The Company has adopted a Board Diversity Policy that takes into account, among other aspects, each candidate's gender, age, cultural and educational background, professional experience, skills, knowledge and length of service, as well as the development for a pipeline of potential successors to the Board of the Company to achieve diversity. All candidates are assessed based on these criteria. In 2025, the Nomination Committee reviewed the Board Diversity Policy and confirmed that the selection of Board members would continue to be based on merit, in line with this policy. Further details of the policy are available on the Company's website.

The Executive and Non-executive Directors have a diverse background. Each of them possesses a depth of relevant experience and expertise necessary to oversee the businesses of the Group. The current mix of Board members represents a balance of business leaders, academia and professionals, which helps to deliver sustainable values and safeguard shareholders' interests.

The age group and gender diversity of the Board of Directors as of 31 December 2025 are set out below:

Age Group	Male	Female
50 or under	1	0
51-60	2	1
61-70	3	1
Over 70	8	0
Total	14	2

The Role of the Board

The Board promotes the success of the Group by directing and supervising its affairs in a responsible and effective manner. The primary responsibilities of the Board are to:

- Set the Group's values and standards;
- Provide management objectives and directions;
- Monitor management performance;
- Manage relationships with stakeholders, including shareholders, the Hong Kong SAR Government, employees and the community;
- Establish appropriate policies to manage risks in pursuit of the Group's strategic objectives;
- Review the effectiveness of internal controls and risk management procedures;
- Review and approve the accounts of the Group;
- Ensure the integrity of the Group's financial reporting system and public announcements;
- Approve major financing arrangements;
- Evaluate major acquisitions, disposals and material contracts; and
- Formulate a dividend policy.

The Roles of Chairman and Managing Director

The Chairman and the Managing Director are two distinct posts, separately held by Dr Norman LEUNG Nai Pang, GBS, JP, an Independent Non-executive Director, and Mr Roger LEE Chak Cheong, an Executive Director. Neither of them has any financial, business, family or other relationships with each other.

There is a clear distinction between the roles of the Chairman and the Managing Director. The respective responsibilities of the Chairman and the Managing Director are defined in writing and summarised below:

The responsibilities of the Chairman are, among other things, to:

- Chair the Board and shareholders' meetings (ensuring that the views and concerns of Board members and shareholders are expressed at these meetings);
- Ensure the effective operation of the Board and the timely discussion of all major and appropriate matters;
- Ensure that all Directors receive adequate, accurate, clear, complete and reliable information in a timely manner;
- Facilitate effective communication with shareholders and ensure that their views are adequately reflected to the Board; and
- Ensure that all corporate governance practices adopted by the Board are implemented.

The responsibilities of the Managing Director are, among other things, to:

- Realise the long-term objectives and priorities set by the Board by developing and implementing the Group's policies and strategies;
- Provide the Board with salient, accurate, timely and succinct information to monitor Management's performance;
- Lead an effective and professional executive team in managing the Group's daily operations;
- Closely monitor the operational and financial results in accordance with plans and budgets;
- Maintain regular dialogue with the Chairman on important and strategic issues faced by the Group, and bring the same to the Board's attention;
- Put adequate operational, planning, legal and financial control systems in place; and
- Manage the Company's relationships with its diverse stakeholders.

The Chairman also meets with the Independent Non-executive Directors once a year, in the absence of the Non-executive Directors and the Executive Director, to discuss the Group's business affairs. In 2025, the meeting was held on 18 December 2025.

Board Proceedings

Board Meetings

A Board meeting is generally held every other month, during which Board members discuss major corporate, strategic and operational matters and evaluate investment opportunities. All Board meetings are conducted according to the procedures laid down in the Company's Bye-laws and the Code Provisions contained in the CG Code. All Board members will be provided with the schedule of regular Board meetings at the beginning of every year, and will be duly informed of any amendments to the schedule at least 14 days before the relevant meeting.

The agenda for regular Board meetings is consolidated by the Company Secretary and submitted for approval by the Chairman. All Directors are entitled to put forward items for inclusion in the agenda of Board meetings. A notice of Board meeting, together with the agenda, is delivered to each Director one month in advance of the scheduled meeting date. Detailed discussion papers for the Board meeting are circulated 7 days prior to the meeting to ensure that the Directors have sufficient time to consider the items for discussion and make decisions in the best interests of the Company.

At Board meetings, Senior Management and relevant corporate executives report to the Board on the operational and financial performance of the various business areas of the Group. The Company Secretary prepares draft minutes of Board meetings, documenting the matters considered by the Board, decisions reached, and any concerns raised or dissenting views expressed by the Directors. The draft minutes are circulated to the Directors for comments, and the final version of the draft minutes is submitted to the Board at the ensuing meeting for formal adoption. The adopted minutes are kept by the Company Secretary and are available for inspection by the Directors.

Voting on Connected Transactions

The Company's Bye-laws provide that all Directors are required to declare the nature and extent of their interests, if any, in any transaction, arrangement or other proposal to be discussed at a Board meeting and to abstain from voting on relevant resolutions if they have a conflict of interest or a material interest in the proposed transaction. Any such declaration of interest will be recorded by the Company Secretary in the minutes. A Director is excluded from the quorum for such part of a meeting relating to a resolution on which he/she is not allowed to vote, but he/she shall be included in the quorum for all other parts of that meeting. This reduces the potential for conflict which might otherwise arise between the Company's business and an individual Director's other interests or appointments.

Independent Non-executive Directors, together with the other Board members, ensure that connected transactions are entered into in the ordinary and usual course of the Group's business, on normal commercial terms or better, and according to the agreement governing them on terms that are fair and reasonable and in the interests of the Group and the shareholders of the Company as a whole. The Company Secretary is responsible for ensuring that all connected transactions entered into are in compliance with the Listing Rules. In 2025, the Company entered into several continuing connected transactions, details of which are given on pages 119 to 123 of this Annual Report.

Obligations of Directors

Code of Conduct

All Directors and staff of the Company are subject to a written Code of Conduct, which is available on the staff website. It provides guidance on matters relating to personal conduct, relations with suppliers and contractors, responsibilities to shareholders, relations with customers, employment practices and responsibilities to the community, as well as procedures for monitoring compliance and means of enforcement. The Code of Conduct promulgates ethical values in business activities which the Directors and employees are required to adhere to when discharging their delegated duties. The Code of Conduct is reviewed and updated periodically to ensure it remains compliant with regulatory changes. The Company has a whistleblowing policy to encourage employees and related third parties (such as customers and suppliers) who deal with the Company to raise concerns in confidence about misconduct, malpractice or irregularity in any matters related to the Company. The whistleblowing policy is published on the Company's website and staff website.

Securities Transactions by Directors

The Company adopts the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") set out in Appendix C3 to the Listing Rules as its own code of conduct to regulate Directors' securities transactions in respect of the Company's shares. Senior managers, other nominated managers and staff who, because of their positions in the Company, are likely to be in possession of Inside Information as defined in the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) are requested to comply with the provisions of the Model Code.

After making specific enquiries, all Directors confirmed that they complied with the standard of dealings set out in the Model Code throughout 2025. Details of the shareholding interests held by the Directors in the Company as of 31 December 2025 are set out on pages 167 to 168 of this Annual Report.

Induction and Continuous Professional Development

All Directors attended training programmes during the year to keep themselves abreast of the latest developments in the fields relevant to their respective expertise and professions. The Company Secretary is responsible for providing tailored induction programmes for new Directors and appropriate training programmes for the ongoing development of all Directors to ensure that they have a proper understanding of the Company's business operations and practices and are fully aware of their responsibilities under the Listing Rules and other regulatory requirements. Information on the latest developments regarding the Listing Rules and other applicable governance matters is provided for the Directors as and when required. The Directors are provided with detailed monthly management reports, as well as monthly media reports, including press articles relevant to the Company's businesses. On 16 October 2025, a seminar was conducted by KPMG on Revised Corporate Governance Code. The Directors are encouraged to participate in continuous professional development programmes organised by qualified institutions. The costs for such programmes are borne by the Company. Formal procedures are in place for reporting the training and continuous professional development received by the Directors. The training record of each Director is set out on page 135 of this Annual Report.

Time Commitment of Directors

For the year ended 31 December 2025, the Company received confirmation from each Director that he/she had committed sufficient time and attention to the Company's affairs. The Board reviews their contribution annually.

Re-election, Retirement and Appointment of Directors

The Company has in place a formal and transparent procedure for the appointment of new Directors. A person may be appointed as a member of the Board at any time either by the shareholders in a general meeting or by the Board on the recommendation of the Nomination Committee when it is necessary to fill a casual vacancy. A Director appointed by the Board to fill a casual vacancy shall hold office until the first Annual General Meeting after such appointment but is eligible for election at the same meeting. Subject to authorisation by the shareholders in a general meeting, a Director may also be appointed by the Board as an addition to the existing Board. All Directors are appointed for a specific term and are subject to retirement by rotation and re-election at the Company's Annual General Meeting at least once every three years. One-third of the Directors, who have served longest on the Board, must retire and be eligible for re-election at each annual general meeting. As such, all Directors have a current term of office no longer than three years. Shareholders may remove a Director before the expiration of his/her period of office by passing a special resolution, stating detailed reasons, at a general meeting properly convened for this purpose in accordance with the Bye-laws of the Company.

The election of individual Directors is subject to separate resolutions to be approved by the shareholders. In respect of the reappointment of an Independent Non-executive Director who has served on the Board for nine years, the Company is required to explain in a circular containing the notice of the Annual General Meeting why it considers that the Director remains independent and why it recommends his/her re-election to the shareholders.

Re-election and Appointment of Directors

At the 2025 Annual General Meeting ("2025 AGM"), Dr. Norman LEUNG Nai Pang, GBS, JP, Dr. John CHAN Cho Chak, GBS, JP, Mr. William LOUEY Lai Kuen, Mr. Allen FUNG Yuk Lun, Mr. LUNG Po Kwan and Mr. Roger LEE Chak Cheong, retired by rotation and were re-elected as Directors.

At the 2025 AGM, Ms. WANG Xiao Bin, being an Independent Non-executive Director appointed by the Board after the 2024 Annual General Meeting of the Company was also re-elected as a Director of the Company. Ms. WANG was further appointed as a member of the Nomination Committee of Transport International Holdings Limited with effect from 1 July 2025. Prior to the appointment of Ms. WANG Xiao Bin as an independent non-executive director and a member of the Audit & Risk Management Committee of the Company both with effect from 1 November 2024, she has obtained legal advice referred to in Rule 3.09D on 25 September 2024 and she has confirmed she understood her obligations as a director of a listed issuer.

At the upcoming 2026 Annual General Meeting of the Company ("2026 AGM"), Dr. Eric LI Ka Cheung, GBS, OBE, JP, Professor LIU Pak Wai, SBS, JP, Mr. TSANG Wai Hung, GBS, PDSM, JP, Mr. Charles LUI Chung Yuen, M.H., Dr. CHEUNG Wing Yui, BBS and Mr. Christopher KWOK Kai Wang, JP will retire as Directors of the Company and offer themselves for re-election.

At the 2026 AGM, in accordance with Bye-law 83(2) of the Company, Mr. MA Siu Cheung, GBS, JP, who has been appointed as Deputy chairman and a Non-executive Director by the Board after the 2025 AGM, will subject to authorisation by the Shareholders, hold office until the upcoming 2026 AGM and, being eligible, will also offer himself for re-election. Prior to the appointment of Mr. MA Siu Cheung as Deputy Chairman and a Non-executive Director of the Company both with effect from 1 February 2026, Mr. MA has obtained legal advice referred to in Rule 3.09D on 22 January 2026 and he has confirmed he understood his obligations as a director of a listed issuer.

All these retiring Directors, being eligible, have been nominated by the Nomination Committee and recommended by the Board to stand for re-election at the next AGM. The re-election of each Director will be subject to the voting of shareholders in a separate resolution.

In relation to the appointment of Ms. LAU Man-Kwan, Julia, JP as Alternate Director to Mr. William LOUEY Lai Kuen with effect from 20 June 2024, prior to her appointment, she has obtained legal advice referred to in Rule 3.09D on 27 May 2024 and she has confirmed she understood her obligations as a director of a listed issuer.

Procedures for Making Proposals to Nominate a Person for Election as a Director

The shareholders are entitled to nominate a person for election as a Director at a general meeting of the Company. The procedures for making proposals to nominate a person for election as a Director are available on the respective websites of the Company and the Stock Exchange.

Directors' Indemnities and Protection

The Company has taken out an appropriate insurance policy covering any potential legal actions against the Directors of the Company, which indemnifies the Directors for liabilities incurred in connection with the Company's activities. These indemnities were in effect throughout 2025 and remain in effect.

Delegation by the Board of Directors

The Board maintains four designated Board Committees to oversee various aspects of the Group's affairs: the Standing Committee, the Audit and Risk Management Committee, the Remuneration Committee, and the Nomination Committee. The Committees are governed by their respective terms of reference and are provided with adequate authority and resources to discharge their duties. The terms of reference are regularly reviewed and are available on the respective websites of the Company and the Stock Exchange.

The membership of each Committee (as of 31 December 2025) is shown below:

Name of Directors	Standing Committee	Audit and Risk Management Committee	Remuneration Committee	Nomination Committee
Independent Non-executive Directors				
Dr Norman LEUNG Nai Pang, GBS, JP	Chairman			
Dr John CHAN Cho Chak, GBS, JP	Member		Chairman	Chairman
Dr Eric LI Ka Cheung, GBS, OBE, JP		Chairman	Member	Member
Professor LIU Pak Wai, SBS, JP		Member	Member	
Mr TSANG Wai Hung, GBS, PDMS, JP	Member	Member		
Ms WANG Xiao Bin		Member		Member
Non-executive Directors				
Mr Raymond KWOK Ping Luen, JP	Member			
Mr Charles LUI Chung Yuen, M.H.	Member			
Ms Winnie NG, JP	Member		Member	
Mr Allen FUNG Yuk Lun		Member		Member
Mr William LOUEY Lai Kuen	Member			
Mr LUNG Po Kwan			Member	
Executive Director				
Mr Roger LEE Chak Cheong	Member			

Standing Committee

The role of the Standing Committee is to advise and assist the Board in devising business strategies, making significant investment proposals and monitoring their implementation. The Standing Committee's findings and recommendations are submitted directly to the Board. In 2025, the Standing Committee held six meetings with Senior Management to review and discuss the Group's financial, operational and strategic planning, as well as potential investment opportunities.

Audit and Risk Management Committee

The Chairman of the Audit and Risk Management Committee is Dr Eric LI Ka Cheung, GBS, OBE, JP, an Independent Non-executive Director of the Company. He is a Certified Public Accountant who possesses the professional qualifications and accounting expertise prescribed by the Listing Rules. Dr LI and the other members of the Audit and Risk Management Committee have diverse experience across various business and professional fields as set out in the Directors' biographies on pages 152 to 162 of this Annual Report. None of the members of the Audit and Risk Management Committee is a former or existing partner of the external auditors of the Company. The Audit and Risk Management Committee is responsible for establishing and maintaining an adequate internal control structure, ensuring the quality and integrity of financial statements, nominating independent external auditors, reviewing the adequacy of external audits in respect of cost, scope and performance, and ensuring that an effective system of internal control and risk management is established within the Company. The Audit and Risk Management Committee's terms of reference are aligned with the recommendations set out in "A Guide for Effective Audit Committees" published by Hong Kong Institute of Certified Public Accountants ("HKICPA") and are regularly updated with reference to the recommendations of the CG Code of the Listing Rules. The terms of reference are available on the respective websites of the Company and the Stock Exchange.

In 2025, the Audit and Risk Management Committee and Senior Management held three meetings focused on safety issues and risk management, and three meetings with the Company's external auditors, KPMG, to review and discuss the Company's financial reports, internal control systems and other relevant matters. At the end of these meetings, the external auditors were invited to discuss privately with members of the Audit and Risk Management Committee any issues noted during the course of the audit and any other matters they might wish to bring to the attention of the Audit and Risk Management Committee without the presence of Senior Management. Following each of the three meetings, the Chairman of the Audit and Risk Management Committee submitted a report to the Board of Directors and gave a briefing on all significant issues identified.

The major work undertaken by the Audit and Risk Management Committee in the financial year ended 31 December 2025 included:

(a) Supervision of the Company's Financial Reporting Process, and its Internal Control and Risk Management Systems

- Reviewed with Senior Management the accounting principles and practices adopted by the Group, the financial results of the Company and its major subsidiaries, the accuracy and fairness of the financial statements, and the scope of both internal and external audit work;
- Reviewed the revised accounting standards and any prospective changes thereto, and considered their impact on the financial reporting of the Company and the Group;
- Reviewed with the external auditors the effectiveness of the audit procedures, their findings concerning the interim and annual financial statements and results announcements, and Management's response to such findings;
- Discussed and reviewed the internal audit reports prepared by the Head of the Internal Audit Department covering, among other things, the audit objectives, audit approach, audit work performed and the findings arising therefrom;

- Examined the qualifications and experience of the staff handling accounting and financial reporting, as well as the adequacy of resources and training programmes;
- Conducted reviews with the external auditors and Senior Management to ensure that connected transactions were properly disclosed in accordance with the requirements of the Listing Rules; and
- Monitored the implementation of the whistleblowing policy.

Following these reviews and discussions, the Audit and Risk Management Committee recommended to the Board that the unaudited Interim Financial Report of the Company for the six months ended 30 June 2025 and the audited Annual Financial Statements for the year ended 31 December 2025 be approved.

(b) Maintenance of Relationship with External Auditors

- Reviewed the independence of the external auditors and considered their terms of engagement and audit fee proposal to ensure that there was no impediment to their independence; and
- Ensured that the external auditors conducted their audit and non-audit services effectively.

Based on the conclusions drawn from these reviews, the Audit and Risk Management Committee recommended to the Board that KPMG, the existing external auditors, be re-appointed as auditors of the financial statements of the Company for the year ending 31 December 2026.

(c) Supervision of the Company's Environmental, Social and Governance ("ESG") Strategies and Reporting Process

- Monitored and reviewed group-level strategies, policies and sustainability matters;
- Formed a Task Force to oversee and evaluate the Company's sustainability performance and risks; and
- Reviewed the Sustainability Report of the Company in accordance with the requirements of the Listing Rules.

Remuneration Committee

The Board has devolved upon the Remuneration Committee the authority to formulate remuneration policies, including the establishment of guidelines to determine the terms and conditions of employment and the remuneration and retirement benefits of Directors and employees of the Group. The Remuneration Committee also draws up criteria for performance-based bonuses and makes recommendations to the Board on human resources related policies based on the Group's goals and objectives. Details of the terms of reference, remuneration policies and work performed by the Remuneration Committee in 2025 are set out in the Remuneration Report on pages 148 to 151 of this Annual Report.

Nomination Committee

The Board has appointed the Nomination Committee to identify suitable candidates of high calibre with sufficient experience for its consideration, taking into account the Board Diversity Policy. The Nomination Committee ensures that the appointment of Directors undergoes formal, stringent and transparent procedures. The majority of the members of the Nomination Committee, including its Chairman, are Independent Non-executive Directors of the Company. The principal terms of reference of the Nomination Committee are, among other things, to:

- Formulate a nomination policy for consideration by the Board and implement the nomination policy established by the Board;
- Identify and nominate suitably qualified candidates for appointment as Directors, subject to the Board's approval;
- Make recommendations to the Board for the appointment or re-appointment of Directors and make recommendations regarding succession planning at the Board level, including, in particular, the Chairman and the Managing Director;
- Review and monitor the Board's structure, size and composition (including the balance and blend of skills, knowledge, professional experience, gender, age, cultural and educational background, and length of service), and make recommendations to the Board regarding any proposed changes; and
- Evaluate the degree of independence of candidates for appointment or re-election as Independent Non-executive Directors.

In 2025, the Nomination Committee also performed the following key tasks:

- Recommended the re-election of retiring Directors;
- Evaluated all Independent Non-executive Directors' confirmation of independence;
- Reviewed and confirmed the structure, size and composition of the Board;
- Reviewed the Board Diversity Policy; and
- Reviewed the Nomination Policy.

The Nomination Policy has been adopted by the Company since 2019, which sets out the latest nomination practice, such as the criteria and procedures for the selection, appointment and re-appointment of Directors. This policy is available on the Company's website.

Attendance Records and Training Records

The Directors' attendance at the Annual General Meeting ("AGM"), Board Meetings and Committee Meetings, along with their training records, for 2025 is provided below:

Members of the Board of Directors	2025 AGM	Board	Audit and Risk			Types of Training	
			Standing Committee	Management Committee	Remuneration Committee		
Independent Non-executive Directors							
Dr Norman LEUNG Nai Pang, GBS, JP (Chairman)	1/1	6/6	6/6			A, B	
Dr John CHAN Cho Chak, GBS, JP (Deputy Chairman)	1/1	6/6	6/6		2/2	1/1	A, B
Dr Eric Li Ka Cheung, GBS, OBE, JP	1/1	6/6		3/3	2/2	1/1	A, B
Professor LIU Pak Wai, SBS, JP	1/1	6/6		3/3	2/2		A, B
Mr TSANG Wai Hung, GBS, PDSM, JP	1/1	6/6	5/6	3/3			A, B
Ms WANG Xiao Bin	1/1	6/6		3/3			A, B
Non-executive Directors							
Mr Raymond KWOK Ping Luen, JP (with Mr WONG Hong Kit as alternate)	0/1	0/6	4/6				A, B
Mr Charles LUI Chung Yuen, M.H.	1/1	6/6	6/6				A, B
Mr William LOUEY Lai Kuen (with Ms Julia LAU Man-Kwan, JP as alternate)	1/1	6/6	4/6				A, B
Ms Winnie NG, JP	1/1	6/6	6/6		2/2		A, B
Mr Allen FUNG Yuk Lun	1/1	6/6		2/3		1/1	A, B
Dr CHEUNG Wing Yui, BBS	1/1	6/6					A, B
Mr LEE Luen Fai, BBS, JP	1/1	5/6					A, B
Mr LUNG Po Kwan	0/1	5/6			2/2		A, B
Mr Christopher KWOK Kai-Wang, JP	1/1	5/6					A, B
Executive Director							
Mr Roger LEE Chak Cheong (Managing Director)	1/1	6/6	6/6				A, B
Alternate Directors							
Mr WONG Hong Kit (Alternate Director to Mr Raymond KWOK Ping Luen, JP)	1/1	5/6	5/6				A, B
Ms Julia LAU Man-Kwan, JP (Alternate Director to Mr William LOUEY Lai Kuen)	1/1		1/6				A, B

Notes:

1. Particulars of the 2025 AGM are set out on page 145 of this Annual Report.
2. A: Attending seminars, conferences, forums or briefings.
3. B: Reading materials covering the Company's business, corporate governance matters, and the Directors' duties and responsibilities.

The Board held six meetings in 2025, exceeding the minimum requirement of four Board meetings per year under the CG Code. On average, regular Board meetings and Board Committee meetings lasted at least two hours.

Delegation of Responsibilities to Senior Management

Senior Management is responsible for implementing the Group's strategies and managing its day-to-day operations under the ongoing supervision of the Board and the relevant Board Committees. Drawing upon the extensive experience and expertise in different areas of each member, Senior Management provides the Board with accurate, adequate and detailed financial and operational information in a timely manner, keeping Directors informed of the latest developments of the Group and enabling them to make informed decisions and discharge their responsibilities effectively.

The Role of Company Secretary

The post of Company Secretary is held by Mr YU Wai Cheung, a Certified Public Accountant of The Hong Kong Institute of Certified Public Accountants throughout 2025. He is responsible for ensuring that the correct Board procedures are followed, advising the Board on all corporate governance matters and facilitating the induction and continuous professional development of Directors. The Company Secretary reports to the Managing Director of the Company, and all Directors may call upon him for advice and assistance at any time in respect of their duties and the effective operation of the Board and Board Committees. In 2025, the Company Secretary completed over 15 hours of professional training to update his skills and knowledge.

Accountability and Audit

Financial Reporting

The Board is responsible for the preparation of the Group's financial statements. It ensures that a true and fair view of the Group's financial position is presented in accordance with the Hong Kong Financial Reporting Standards ("HKFRS") issued by the HKICPA and the disclosure requirements of the Companies Ordinance (Cap. 622 of the Laws of Hong Kong). This responsibility extends to the accuracy and sufficiency of the content of interim and annual reports, "price-sensitive" announcements and other financial disclosures required by the Listing Rules, as well as reports to regulators and any information that needs to be disclosed under statutory requirements.

The financial statements of the Company and the Group for the year ended 31 December 2025 on pages 186 to 262 of this Annual Report present a true and fair view of the state of affairs of the Company and the Group, as well as their results and cash flow for the year. The Audit and Risk Management Committee of the Company, together with Senior Management and the external auditors, have reviewed the accounting principles and policies adopted by the Group, discussed auditing, internal control and financial reporting matters, and reviewed the financial results for the year ended 31 December 2025.

Risk Management and Internal Control Systems

The Board has the overall responsibility for establishing and maintaining the Group's risk management and internal control systems and reviewing their effectiveness. It is duty-bound to safeguard the Group's assets and stakeholders' interests, manage the Group's existing and anticipated risks (including environmental, social and governance ("ESG") risks) and provide reasonable assurance against material misstatement of information (whether financial or non-financial). Stringent internal control measures are implemented at all levels of the Group in order to ensure effective monitoring of its day-to-day operations.

The Audit and Risk Management Committee is delegated responsibility by the Board for maintaining and reviewing the effectiveness of the risk management and internal control systems, and for determining the nature and extent of any significant risks. With the assistance of the external auditors and the Internal Audit Department, the Audit and Risk Management Committee provides sound assurance regarding the quality and effectiveness of the control practices.

Internal Control Framework

The Group's Internal Control Framework is monitored, managed and reviewed by the following bodies:

The Board

- Holds the ultimate responsibility for the Group's risk management and internal control systems;
- Reviews the effectiveness of the Group's risk management and internal control systems in achieving the Group's objectives; and
- Provides direction on the risk management and internal control culture of the Group.

The Audit and Risk Management Committee

- Assists the Board in monitoring the performance of the Group's risk management and internal control systems;
- Reviews the Group's internal control and risk management reports prior to endorsement by the Board;
- Reviews the effectiveness of the Company's external and internal audit functions; and
- Ensures the adequacy of resources, staff qualifications and experience, training programmes and budget of the Company's accounting, internal audit, financial reporting function, as well as those relating to the Company's ESG performance and reporting.

Management

- Designs, implements and maintains an effective risk management and internal control system, including the Group's Quality Management System; and
- Ensures a proper reporting channel so that emerging risks are reported to the Audit and Risk Management Committee in a timely manner.

The Internal Audit Department

- Supports the Audit and Risk Management Committee in reviewing the effectiveness of the Group's risk management and internal control systems;
- Works with business units to ensure that sound internal controls and compliance functions are in place; and
- Conducts independent reviews and other special investigations requested by the Board, the Audit and Risk Management Committee, and Management.

The Group's internal control and risk management framework consists of the following components:

CORPORATE GOVERNANCE REPORT

Control Environment

The Group complies with the requirement of the Listing Rules that at least one-third of the Board members should be Independent Non-executive Directors to demonstrate the Board's independence from Management in overseeing the development and performance of internal control. The Board of Directors and the Board Committees are chaired by Independent Non-executive Directors.

The four designated Board Committees of the Group meet regularly to oversee the day-to-day management of the Group's business.

The Group has a well-defined organisational structure with succinct lines of authority and control responsibilities, which are clearly set out in writing and documented in the form of organisation charts and job manuals for the corresponding operating and business units.

Integrity and honourable business ethics are foundational to the continued success of the Group. The Code of Conduct and the Staff Handbook, which are accessible to all Directors and employees, define the rules and policies that all Directors and staff are bound to follow. The Code of Conduct emphasises integrity and reliability in the handling of financial information and the disclosure in financial reports. In addition, the Staff Handbook reminds all staff members that they must not make use of their position to solicit or receive any advantage from any third parties.

A whistleblowing policy has been established by the Audit and Risk Management Committee to address concerns related to fraudulent or unethical acts or instances of non-compliance with the law or the Group's policies that have or could have a significant adverse financial, legal or reputational impact on the Group. The Group will respond to all such concerns expressed fairly and properly. The Group's whistleblowing policy and procedures published on the Company's website apply to employees at all levels and in all divisions, as well as to business partners, suppliers and any third parties who have dealings with the Group. The Audit and Risk Management Committee holds the overall responsibility for the whistleblowing policy, notwithstanding that it has delegated day-to-day responsibility for overseeing and implementing the policy to the Company Secretary.

Risk Assessment

TIH Enterprise Risk Management System

The Group has implemented an Enterprise Risk Management System ("ERM System") to achieve the following objectives:

- Provide a systematic approach to the early identification and management of risks;
- Provide consistent risk assessment criteria;
- Deliver accurate and concise risk information that informs decision making, including business direction;
- Adopt cost-effective and efficient risk treatments that reduce risk to an acceptable range; and
- Monitor and review risk levels to ensure that risk exposure remains within an acceptable range.

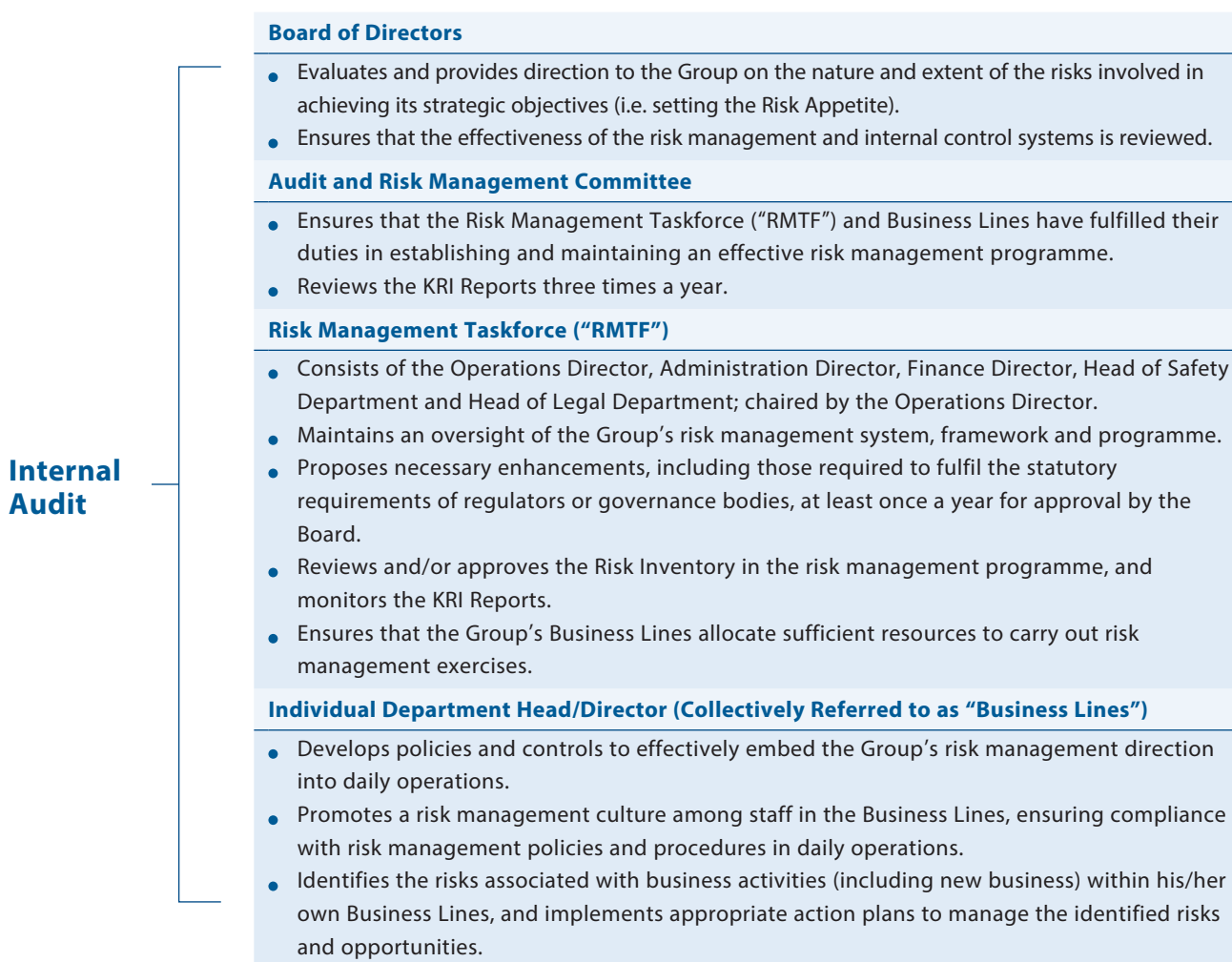
The Group's ERM System was designed with reference to the COSO ERM framework.

The Group’s risk management structure is as follows:

Risk rating is determined by Impact and Vulnerability. A dynamic risk rating matrix, using both quantitative and qualitative factors, is used to assess risk.

A Key Risk Indicators Report (“KRI Report”) is submitted to the Audit and Risk Management Committee three times a year. The Group’s major risks as identified by Management are listed in the KRI Report, along with a comprehensive profile of such risks and the monitoring mechanisms established by Management.

TIH Risk Management Framework



CORPORATE GOVERNANCE REPORT

Control Activities

The Group's franchised and non-franchised bus services involve well-established business processes. Control activities are built on top-level reviews, segregation of duties and physical controls. Written policies and procedures with defined limits of delegated authority are in place. These policies and procedures include but are not limited to:

- Annual budgeting and planning processes;
- Financial and payment authorisation guidelines;
- Procurement and tendering policies; and
- IT security policy.

Quality Management System

As the Group's franchised operations, KMB and LWB have implemented a quality management system ("QMS") based on the benchmarks prescribed by the International Organisation for Standardisation ("ISO"). Under ISO requirements, major financial and operational procedures and instructions, including illustrative flow charts, are clearly documented and followed in operations.

Annual independent audits of the QMS are conducted by an external consultant to assess its effectiveness, efficiency and conformity. In 2025, no non-conformity in the QMS was noted during the ISO audit of the operations of both KMB and LWB.

As of December 2025, both KMB and LWB possessed ISO 9001 quality management system certification. In addition, all KMB depots are ISO 45001-certified for their occupational health and safety systems and two of KMB's major bus depots are ISO 14001-certified for their environmental management systems.

Business Continuity Plan

The Group's flagship subsidiary, KMB, has formulated and documented a Business Continuity Plan ("BCP") in respect of its key business and IT operations. The BCP is reviewed and updated from time to time according to changes in circumstances. The BCP, which is an integral part of the risk management process, creates a systematic approach for providing effective response that enables Management to safeguard shareholder values in a crisis by responding promptly and by resuming KMB's critical business functions at acceptable pre-defined levels. KMB performs walkthrough tests and drills periodically to verify that the BCP can adequately minimise disruption to key businesses in the event of an unforeseeable occurrence.

Information and Communication/Monitoring Activities

The Group's IT systems generate timely data to allow Management to monitor business operations and thus achieve business objectives. Regular and ad-hoc management and operational meetings are held to facilitate the proper monitoring of the internal control and risk management mechanisms.

Internal Audit Function

The Internal Audit Department plays an important role in the assessment of the effectiveness of the risk management and internal control systems. It is responsible for providing the Audit and Risk Management Committee and Senior Management with independent and objective assurance that the internal control systems of the Group are effective in achieving their objectives, and that any risks and internal control weaknesses have been adequately addressed. The Internal Audit Department holds a group-wide function, covering both franchised and non-franchised operations across the Group. The Head of the Internal Audit Department reports directly to the Audit and Risk Management Committee and the Managing Director.

The Internal Audit Department conducts risk-based internal audit reviews in accordance with the International Standards for the Professional Practice of Internal Auditing. All staff in the Internal Audit Department, including the Head of Internal Audit Department, are required to declare their independence every year.

In 2025, the functions performed by the Internal Audit Department were, among others, to:

- Conduct compliance reviews of relevant laws and regulations applicable to the Group's business;
- Carry out operational reviews and surprise checks of major internal control processes in respect of both franchised and non-franchised businesses;
- Perform special reviews and investigations at the request of the Group's management; and
- Assist operations in carrying out Internal Quality Audits in accordance with ISO requirements.

Based on the report of the Internal Audit Department and the report of the Company Secretary on the Group's whistleblowing policy, the Audit and Risk Management Committee has concluded that the Group continues to operate in an effective control environment with a control system that adequately monitors and corrects non-compliance in significant areas. Following the Audit and Risk Management Committee's annual review of the Group's internal control systems, the Board is satisfied that the Group complied with the Code Provisions on internal controls in 2025.

Control Practices for Handling and Disseminating Price-sensitive and/or Inside Information

The Company is fully aware of its obligations under the Listing Rules and the Securities and Futures Ordinance. A suite of procedures and internal control measures are in place to preserve the confidentiality of price-sensitive and/or inside information relating to the Group. All members of the Board, Senior Management and nominated executives, who are likely to have access to price-sensitive and/or inside information because of their office or employment in the Company or a subsidiary, are bound by the Model Code for Securities Transactions by the Directors of Listed Issuers under the Listing Rules. In addition, every employee is required to follow the guidelines of the Code of Conduct and the Staff Handbook to keep unpublished price-sensitive and/or inside information strictly confidential.

CORPORATE GOVERNANCE REPORT

External Audit

The external auditors play a crucial role in ensuring the integrity of the disclosure of financial information. If the external auditors discover any major irregularities during the course of their review of the Company's Interim Financial Report and their audit of the Company's Annual Financial Statements, they will report their findings directly to the Audit and Risk Management Committee and the Board. The external auditors are invited to attend meetings of the Audit and Risk Management Committee, as well as the Annual General Meeting.

The Audit and Risk Management Committee is responsible for monitoring the audit and non-audit services rendered to the Group by its external auditors. There is a formal policy in place to ensure that the engagement of the external auditors in non-audit services will not impair their independence in providing audit services. The external auditors are also required to review annually their relationship with the Group and provide written confirmation to the Audit and Risk Management Committee of their independent status.

The Company engaged KPMG as its external auditors to audit the financial statements of the Company for the year ended 31 December 2025. KPMG has confirmed in writing to the Audit and Risk Management Committee that, for the year ended 31 December 2025 and up to the date of this Annual Report, it has remained independent of the Group in accordance with the independence requirements of the HKICPA.

The fees for services rendered by KPMG to the Group for the year ended 31 December 2025 are set out below:

	HK\$ million
Audit related services	4.4
Non-audit related services (Note)	1.0
Total	5.4

Note:

Non-audit related services mainly consist of other review and reporting services.

Engagement with Stakeholders

Shareholders

The Company had 3,395 registered shareholders as of 31 December 2025. The shareholders comprise individual shareholders, institutional investors, and individuals and organisations holding shares via financial intermediaries such as nominees, investment funds and the Central Clearing and Settlement System ("CCASS") of Hong Kong.

The names of the shareholders holding 5% or more of the shares of the Company as of 31 December 2025, other than those who are also the Directors of the Company, are disclosed in the Directors' Report on page 175 of this Annual Report. The largest single shareholder of the Company is Sun Hung Kai Properties Limited, which retains an equity interest of about 45.4% in the Company.

As of 31 December 2025, the shareholding distribution of the Company was as follows:

Size of registered shareholding	Number of shareholders	% of shareholders	Number of shares (Note)	% of issued share capital
0-1,000	1,364	40.18	415,408	0.08
1,001-5,000	1,204	35.46	2,869,405	0.54
5,001-10,000	305	8.98	2,299,879	0.43
10,001-100,000	428	12.61	12,595,746	2.35
Above 100,000	94	2.77	516,359,845	96.60
	3,395	100.00	534,540,283	100.00

Note:

45.3% of all TIH's issued shares were held through CCASS.

Based on information that is publicly available to the Company and the Directors, the Company has maintained a sufficient public float of its share capital in the Hong Kong stock market throughout the financial year ended 31 December 2025.

Members' Communication Policy

Transparency is vital to good corporate governance. The Board has formulated the Members' Communication Policy to provide shareholders with relevant corporate information, enabling them to engage with the Company and fully exercise their rights as shareholders. The Members' Communication Policy, posted on the Company's website, was reviewed in 2025 to ensure its continued effectiveness. The Company adopts various communication channels to convey messages to the shareholders, including press releases, announcements, circulars, and Interim and Annual Reports. Interim and annual reports, notices of general meetings, announcements and circulars in both English and Chinese are posted on the Company's website (www.tih.hk) and on the website of the Stock Exchange. They are also delivered to shareholders within the respective deadlines stipulated by the Listing Rules. Additional information of interest to shareholders and the public is also available on the Company's website.

CORPORATE GOVERNANCE REPORT

Annual Reports

The Annual Report is a unique source of information for shareholders and other stakeholders who wish to understand the business of the Group. Senior Management endeavours to make the Annual Report informative, comprehensible and transparent, with a sufficient level of disclosure. There are both English and Chinese versions of the Annual Report, with both printed and electronic copies available to shareholders. In the interests of environmental preservation and economy, the Company encourages its shareholders to choose the electronic version of all the Company's corporate communications such as the Interim and Annual Reports, notices of meetings, listing documents, circulars and forms of proxy. Shareholders are at liberty to change their choice of language or means of receiving the Company's corporate communications by giving written notice of not less than seven days to the Company's share registrar, Computershare Hong Kong Investor Services Limited, or by emailing tih.ecom@computershare.com.hk.

Awards

Over the years, the Company has won widespread recognition in local and international award programmes. In 2025, the Company won the Outstanding Sustainable Enterprise Award – Listed Company in the Public Transport Category of the ESG Green Development & Carbon Neutrality Awards 2024 presented by am730; the IFAPC Outstanding Listed Companies Award 2025 organised by The Hong Kong Institute of Financial Analysts and Professional Commentators Limited (IFAPC); the Award Excellence in ESG-Honourable Mention in The Hong Kong Corporate Governance and ESG Excellence Awards, organised by The Chamber of Hong Kong Listed Companies and the Centre for Corporate Governance and Financial Policy, Hong Kong Baptist University; and the Gold Award for Illustrations, the Silver Award for Cover Photo/Design, the Silver Award for Infographics, the Bronze Award for Traditional Annual Report, the Honours for Interior Design and the Honours for Photography in the Transportation & Leading Category of the 2025 International ARC Awards.

The Company's General Meetings

The Directors consider the Company's general meetings an important way of communication with shareholders. The Annual General Meetings and other general meetings are normally attended by all Directors and Senior Management, as well as the Company's external auditors, so that any comments or questions raised by shareholders can be addressed.

Shareholders have control over the Company primarily through exercising their voting rights at general meetings. All voting is conducted by poll at general meetings with each shareholder being entitled to one vote. A separate resolution is proposed for each matter, including the election of individual Directors. A circular containing the notice of the Annual General Meeting, proposed resolutions, biographies of Directors standing for election and information on poll voting procedures is sent to shareholders with the Annual Report at least 21 days before the Annual General Meeting.

Annual General Meeting

The 2025 AGM was held on 15 May 2025 and the matters resolved are summarised below:

As ordinary business:

- Approval of the audited financial statements and reports of the Directors and Auditors for the year ended 31 December 2024;
- Approval of an ordinary final dividend of HK\$0.50 per share for the year ended 31 December 2024;
- Re-election of Dr. Norman LEUNG Nai Pang, GBS, JP, Dr. John CHAN Cho Chak, GBS, JP, Mr. William LOUEY Lai Kuen, Mr. Allen FUNG Yuk Lun, Mr. LUNG Po Kwan and Mr. Roger LEE Chak Cheong, and Ms. WANG Xiao Bin as Directors of the Company;
- Re-appointment of KPMG as auditors of the Company and authorisation of the Directors to fix their remuneration;
- Fixing of the remuneration of Directors;
- Granting of a general mandate to the Directors to issue shares;
- Granting of a general mandate to the Directors to exercise the powers of the Company to purchase its own shares; and
- Extension of the share issue mandate granted to the Board of Directors.

The details and poll voting results for, the 2025 AGM were published on the respective websites of the Company and the Stock Exchange on 15 May 2025.

The 2026 Financial Calendar of the Company is set out as follows:

Announcement of the 2025 final results	19 March 2026
Dispatch of the 2025 Annual Report and accompanying circular to shareholders	17 April 2026
Last day to register of transfers to qualify for attending and voting at the 2026 Annual General Meeting (the "2026 AGM")	8 May 2026
Book closure for the 2026 AGM (both dates inclusive)	11 May 2026 to 14 May 2026
Date of the 2026 AGM	14 May 2026
Last day to register of transfers to qualify for the 2025 final dividend	19 May 2026
Book closure for the 2025 final dividend	20 May 2026
Payment of the 2025 final dividend	29 June 2026
Announcement of the 2026 interim results	20 August 2026
Payment of the 2026 interim dividend (if any)	mid-October 2026
Financial year end date	31 December 2026

Shareholders' Rights

Under the Company's Bye-laws, shareholders holding at least 10% of the paid-up capital of the Company and carrying the right of voting at general meetings of the Company may ask the Board to convene a special general meeting ("SGM") for the transaction of business specified in the request. The request must be in written form with the purpose of the meeting stated therein and deposited at the head office of the Company at 15/F, 9 Po Lun Street, Lai Chi Kok, Kowloon, Hong Kong. The request must be signed by the shareholders concerned and may consist of two or more documents in like form, each signed by one or more of those shareholders. The request will be verified with the Company's share registrar and upon its confirmation that the request is proper and in order, the Company Secretary will arrange to convene a SGM by serving sufficient notice to all registered shareholders in accordance with the Company's Bye-laws and the statutory requirements.

Procedures for Making Proposals at General Meetings

Shareholders holding not less than one-twentieth of the total voting rights of all shareholders having the rights to vote at a general meeting, or not less than 100 shareholders holding shares in the Company, can submit a written request to move a resolution at a general meeting. The procedures for making proposals at a general meeting are laid down in the Shareholders' Communication Policy of the Company, which is available on the Company's website.

Procedures for Sending Enquiries to the Board

Shareholders' enquiries can be sent to the attention of the Board. All enquiries should be addressed to the Board or the Company Secretary and sent to the Company's head office at 15/F, 9 Po Lun Street, Lai Chi Kok, Kowloon, Hong Kong. Shareholders may also email their enquiries to the Directors at director@tih.hk. The Company Secretary will respond to such enquiries within a reasonable time.

Constitutional Documents

An up-to-date and consolidated version of the Bye-laws of the Company is published on the respective websites of the Company and the Stock Exchange.

Dividends

The Company adopts a dividend policy aimed at providing its shareholders with stable dividends. As an alternative to receiving a cash dividend, the Company offers a scrip dividend scheme, which enables its shareholders to elect to receive new fully paid shares in lieu of cash dividend.

In determining the dividend amount, the Board will take into account factors including the Group's financial performance, future capital expenditures and financial position, as well as general economic and business conditions. The policy will be reviewed from time to time to ensure alignment with the Group's future prospects and capital requirements, as well as changes in market conditions.

General Public

The Group uses the following communication channels to keep the general public informed of its developments:

Website – The Company's website (www.tih.hk) provides a wide range of company, financial and corporate social responsibility information about the Group and its various businesses for shareholders and other interested parties.

Media and Online Communication – To keep the public informed of the bus services of KMB and LWB, the Group's two major subsidiaries, press sessions are held to present their latest developments in services, facilities, safety and environmental protection measures. Social media such as Facebook, Instagram, Threads and RedNote are also used to publicise KMB's initiatives and achievements, as well as to gather useful feedback from the public.

Publications – KMB and LWB publish a number of booklets to update the public on their services and operations. These publications can be accessed on the companies' website (www.kmb.hk).

Employees

Effective communication between Management and staff is a key driver of efficiency and morale. The staff website is an effective way for employees to access relevant management announcements and information on issues that concern them, such as payroll, staff events and activities. Orientation training courses, e-learning programmes and a staff forum are also available online.

The Staff Handbook, which is accessible on the staff website, provides members of staff with information about the Company's human resources policies and employment guidelines.

REMUNERATION REPORT

The Board delegates authority to the Remuneration Committee to ensure that the Company implements fair and well-structured remuneration policies consistent with the interests of its Directors, staff members and other stakeholders. The Committee is composed of five members, with three being Independent Non-executive Directors and the other two Non-executive Directors. The Committee is chaired by Independent Non-executive Director, Dr John CHAN Cho Chak, GBS, JP, who is also the Deputy Chairman of the Company. The other members are Independent Non-executive Director, Dr Eric LI Ka Cheung, GBS, OBE, JP, Independent Non-executive Director, Professor LIU Pak Wai, SBS, JP, Non-executive Director, Ms Winnie NG, JP, and Non-executive Director, Mr LUNG Po Kwan.

The Remuneration Committee recommends to the Board remuneration packages for the Directors and employees of the Company and its subsidiaries. The level of remuneration is determined in accordance with the principles of performance, fairness, transparency and market competitiveness. The Group's remuneration packages are designed to attract, retain and motivate high-calibre individuals, encouraging them to make significant contributions to the Group. The Remuneration Committee is authorised to obtain independent professional advice on relevant issues if required.

The main remuneration policies adopted by the Group are as follows:

- The remuneration policy and practices, including those relating to the Directors, should be fair, transparent and compliant with relevant legislation;
- No Director or member of Senior Management should be involved in deciding his/her own remuneration; and
- Directors and employees should be rewarded on a fair basis according to their merits, job responsibilities, qualifications and experience, with reference to market practices and packages for similar posts offered by comparable companies.

The Remuneration Committee's written terms of reference, which are published on the Company's website, comply with the Code Provisions set out in Appendix C1 to the Listing Rules. The main duties of the Committee are:

- Determining the remuneration policies for the Directors and employees of the Group for approval by the Board;
- Setting appropriate assessment criteria for performance-related bonuses for employees, considering their achievements based on the said criteria and referencing market norms as well as the Group's business objectives and targets;
- Establishing guidelines for determining the remuneration of Directors, including the terms and conditions of employment, remuneration and retirement benefits for the Executive Director(s);
- Reviewing and recommending to the Board remuneration packages for individual Executive Director(s), Senior Management and Non-executive Directors; and
- Reviewing and considering proposals submitted by the Managing Director regarding human resources and related policies, and making appropriate recommendations to the Board.

In 2025, the work conducted by the Remuneration Committee included:

- Reviewing the Remuneration Policy for 2025;
- Reviewing the annual performance-related bonuses for Group employees by taking into account the Group's performance, individual achievements, assessment criteria and market norms;
- Examining wage and salary increments for employees based on merit with reference to relevant factors including market pay trends and inflation forecasts; and
- Reviewing the remuneration of Executive and Non-executive Directors, benchmarking it against the remuneration levels of comparable listed companies and taking into account the workload, scale and complexity of the business.

Criteria for Determining Directors' Remuneration

In line with good corporate governance practices, the assessment of Directors' remuneration is based on formal principles that take into account both market practices and a proven methodology. As in previous years, Directors' fees for 2025 were determined based on the methodology developed in the United Kingdom under the "Higgs Report" on the "Review of the Role and Effectiveness of Non-executive Directors". The said methodology takes into consideration the likely workload, scale and complexity of the business, and the responsibility involved. Reference was also made to the results of a desk-top survey conducted by the Company on the Directors' remuneration of 20 major companies listed on the Stock Exchange. The fee structure for the Directors in 2025 is set out as follows:

	Fee per annum HK\$
Board Members	
– Chairman	606,200
– Other Directors	433,000
Audit and Risk Management Committee Members	
– Chairman	325,500
– Other members	232,500
Remuneration Committee Members	
– Chairman	100,800
– Other members	72,000
Nomination Committee Members	
– Chairman	70,000
– Other members	60,000
Standing Committee Members (except Executive Director)	
– Chairman	1,743,400*
– Other members	293,140

* Comprising (i) HK\$410,400 per annum, being the fees for the Chairman of the Standing Committee; and (ii) HK\$1,333,000 per annum, being the additional remuneration for the Standing Committee Chairman in respect of his additional responsibilities and commitments.

Except as disclosed above, no Independent Non-executive Director or Non-executive Director received any pension benefits or bonuses from the Group in 2025.

REMUNERATION REPORT

The remuneration package of each Director, on a named basis, for the year ended 31 December 2025, together with a comparison to that for 2024, is set out in Note 7 to the consolidated financial statements on pages 216 to 217 of this Annual Report.

Criteria for Determining the Remuneration of Corporate Executives and Other Employees

The remuneration of corporate executives and other employees of the Company is benchmarked against that for similar positions in comparable local companies. This is consistent with the Group's Remuneration Policy, which ensures that remuneration packages are aligned with market practices. Depending on the financial performance of the Group, discretionary bonuses may also be granted to individuals on a merit basis. The level of any such discretionary bonus is subject to review and approval by the Remuneration Committee and the Board, taking into account the financial results of the Group.

The main components of remuneration for corporate executives and other employees are as follows:

Base Compensation

The Remuneration Committee reviews employees' base compensation, including salaries, allowances and fringe benefits, with reference to the Group's financial performance, the scope and complexity of their individual responsibilities, performance and market pay levels.

Discretionary Bonus

A discretionary bonus may be granted to individuals in recognition of their outstanding performance. Individuals are subject to a comprehensive annual performance appraisal by their immediate supervisors. Only those who achieve at least a satisfactory performance rating are considered for an incentive bonus.

Share Option Scheme

Under the Share Option Scheme approved and adopted by shareholders at the 2016 Annual General Meeting held on 26 May 2016, the Board may grant options to eligible persons, including employees and Director(s) of the Company and its subsidiaries, to subscribe for the Company's shares. The Share Option Scheme is intended to provide the employees and Director(s) of the Company and its subsidiaries with the opportunity to participate in the growth and success of the Company. The Board may exercise its discretion to grant options to eligible persons as proposed by the Remuneration Committee.

Details of the Share Option Scheme and options granted to eligible persons under the Share Option Scheme are set out on pages 168 to 174 of this Annual Report.

Staff Retirement Schemes

The KMB Monthly Rated Employees Provident Fund Scheme (the “Monthly Scheme”) and the KMB Daily Rated Employees Retirement Fund Scheme (the “Daily Scheme”) are two non-contributory defined benefit retirement schemes operated by the Group. The Group also participates in a defined contribution retirement scheme, the SHKP MPF Employer Sponsored Scheme, which was established and registered under the Mandatory Provident Fund Schemes Ordinance (Cap. 485 of the Laws of Hong Kong) (the “MPF Ordinance”) in 2000.

i) Monthly Scheme

Formally established under trust and registered under the Occupational Retirement Schemes Ordinance (Cap. 426 of the Laws of Hong Kong) (the “ORSO”), the Monthly Scheme is administered by an independent trustee, with assets held separately from those of the Group. Under the current scheme rules, an eligible member’s benefit is equivalent to the final monthly salary multiplied by the service period and the benefit factor corresponding to the member’s completed years of service. Contributions to the Monthly Scheme are made in accordance with the recommendations of an independent actuarial firm which values the retirement scheme at regular intervals. The scheme is closed to employees first employed or re-employed by KMB (including any subsidiary(ies) and associated company(ies) which participate in the Monthly Scheme) on or after 1 December 2000.

ii) Daily Scheme

Formally established under trust and registered under the ORSO, the Daily Scheme is administered by an independent trustee, with assets held separately from those of the Group. Under the current scheme rules, an eligible member’s benefit is equivalent to the final daily basic emoluments multiplied by the number of completed years of service as a daily-rated employee, and then further multiplied by the benefit factor corresponding to the member’s completed years of service. Contributions to the Daily Scheme are made in accordance with the actuary’s recommendations. The scheme is closed to employees first employed or re-employed by KMB (including any subsidiary(ies) and associated company(ies) participating in the Daily Scheme) on or after 1 December 2000.

iii) SHKP MPF Employer Sponsored Scheme

The Group is a participating member of the SHKP MPF Employer Sponsored Scheme (“SHKP Scheme”), which is a defined contribution retirement scheme. Employees who do not participate in the aforesaid non-contributory defined benefit retirement schemes are covered by the SHKP Scheme, which is administered by an independent trustee. The assets of the SHKP Scheme are held in independently administered funds, separate from those of the Group. The Group is required to make contributions to the SHKP Scheme at rates ranging from 5% to 12% of relevant employees’ salaries, depending on their employment terms and length of service with the Group. Employees are required to make contributions to the SHKP Scheme at 5% of their relevant income as defined by the MPF Ordinance, subject to a cap of monthly relevant income of HK\$30,000.

DIRECTORS' PROFILES



Dr Norman LEUNG Nai Pang

GBS, JP, LLD, DSSc, BA

Chairman and Independent Non-executive Director, aged 85. Dr Leung has been a Director of Transport International Holdings Limited (the "Company"), The Kowloon Motor Bus Company (1933) Limited ("KMB") and Long Win Bus Company Limited ("LWB") since 18 March 2000 and Deputy Chairman of the Company, KMB and LWB since 14 June 2001. Dr Leung became an Independent Non-executive Director of the Company with effect from 1 February 2006. He has been appointed as the Chairman of the Company with effect from the conclusion of the Annual General Meeting of the Company held on 17 May 2012. Dr Leung is the Chairman of the Standing Committee of the Company. He is an Independent Non-executive Director of Sun Hung Kai Properties Limited (a company listed on the Hong Kong Stock Exchange). Dr Leung has been active in public service for 40 years and he served as Commissioner of the Civil Aid Service from 1993 to 2007, Chairman of the Broadcasting Authority from 1997 to 2002, a member of the Advisory Committee on Post-office Employment for former Chief Executives and Politically Appointed Officials from 2007 to 2013, Council Chairman of the City University of Hong Kong from 1997 to 2003 and Pro-Chancellor of such University from 2005 to June 2016. Dr Leung was the Council Chairman of The Chinese University of Hong Kong from May 2016 to April 2022.



Dr John CHAN Cho Chak

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

Deputy Chairman and Independent Non-executive Director, aged 82. Dr Chan was the Managing Director of Transport International Holdings Limited (the "Company") from 4 September 1997 to 7 April 2008; the Managing Director of The Kowloon Motor Bus Company (1933) Limited ("KMB") and Long Win Bus Company Limited ("LWB") from 1 November 1993 to 31 December 2006 and from 8 May 1997 to 31 December 2006 respectively; and the Senior Executive Director of KMB and LWB from 1 January 2007 to 7 April 2008. He has been a Non-executive Director of the Company, KMB and LWB since 8 April 2008, and was re-designated as Independent Non-executive Director of the Company with effect from 4 January 2012. He was appointed as the Deputy Chairman of the Company with effect from the conclusion of the Annual General Meeting of the Company held on 17 May 2012. He is the Chairman of the Remuneration Committee and the Nomination Committee as well as a member of the Standing Committee of the Company. He is an Independent Non-executive Director of Guangdong Investment Limited. He was the Chairman and Non-executive Director of RoadShow Holdings Limited from 15 January 2001 to 12 December 2017. He was formerly an Independent Non-executive Director of Hong Kong Exchanges and Clearing Limited from 2000 to 2003, a Director of Swire Properties Limited from April 2010 to March 2017, during which he acted as an Independent Non-Executive Director from December 2011 to March 2017, and an Independent Non-Executive Director of Hang Seng Bank Limited from August 1995 to May 2022. He was a member of the Hong Kong Civil Service from 1964 to 1978 and from 1980 to 1993. Key posts held in Government included Private Secretary to the Governor, Deputy Secretary (General Duties), Director of Information Services, Deputy Chief Secretary, Secretary for Trade and Industry and Secretary for Education and Manpower. Dr Chan was formerly also the Executive Director and General Manager of Sun Hung Kai Finance Company Limited from 1978 to 1980. He is the Pro-Chancellor of The Hong Kong University of Science and Technology with effect from 6 March 2023. In December 2000, Dr Chan won the Executive Award in the DHL/SCMP HK Business Awards 2000 and received an Honorary University Fellowship from The University of Hong Kong. He was awarded the degrees of Doctor of Business Administration (honoris causa) by the International Management Centres in 1997 and Doctor of Social Sciences (honoris causa) by The Hong Kong University of Science and Technology in 2009, The University of Hong Kong in 2011 and Lingnan University in 2012. He is a Companion of the Chartered Management Institute, a Fellow of the Chartered Institute of Logistics and Transport and a Fellow of the Hong Kong Institute of Directors.



MA Siu Cheung

*GBS, JP, BSc Hon (1st), MSc (Eng),
FHKIE, FHKEng, FStructE, FICE*

Deputy Chairman and Non-Executive Director, aged 62. Mr. Ma has been a Director of Transport International Holdings Limited and The Kowloon Motor Bus Company (1933) Company Limited since 1 February 2026. Mr. Ma is currently a Non-executive Director of China Resources (Holdings) Co., Ltd. and an outside Director of Nam Kwong (Group) Company Limited. Prior to that, Mr. Ma was an Executive Director and Chief Executive Officer of New World Development Company Limited (listed on the Main Board of the Stock Exchange of Hong Kong Limited (Stock Code: 17)) until November 2024, an Executive Director of New World Department Store China Limited (listed on the Main Board of the Stock Exchange of Hong Kong Limited (Stock Code: 825)) until November 2024, and an Executive Director and Chief Executive Officer of CTF Services Limited (formerly known as NWS Holdings Limited) (listed on the Main Board of the Stock Exchange of Hong Kong Limited (Stock Code: 659)) until December 2023. Mr. Ma was previously the Secretary for Development of the Government of the Hong Kong Special Administrative Region (the “HKSAR Government”) from February 2017 to June 2017. Before joining the HKSAR Government, Mr. Ma was the Executive Vice-President for Civil and Infrastructure Business (Asia Pacific) of AECOM Asia Company Limited.

Mr. Ma is a member of the Council of The Chinese University of Hong Kong and a member of the Court of the City University of Hong Kong. Apart from being an Honorary Professor of the School of Science and Technology of Hong Kong Metropolitan University and The Technological and Higher Education Institute, Mr. Ma is also an Adjunct Professor of the Department of Real Estate and Construction, Faculty of Architecture of The University of Hong Kong and the Department of Civil and Environmental Engineering of the Hong Kong Polytechnic University. Moreover, Mr. Ma is a committee member of the Chinese People’s Political Consultative Conference of Shenzhen.

Mr. Ma holds a first-class honours degree in Bachelor of Science in Engineering (Civil) from The University of Hong Kong and a Master of Engineering degree in Transportation Planning from Monash University, Australia. Mr. Ma is currently the Chairman of Hong Kong Engineers Registration Board.

Mr. Ma is currently the Vice President of the Hong Kong Academy of Engineering. Previously, he was the President of the Hong Kong Institution of Engineers in Year 2024/2025.

In addition, Mr. Ma is a Fellow of the Hong Kong Institution of Engineers, the Institution of Civil Engineers, United Kingdom, the Institution of Structural Engineers, United Kingdom and the Hong Kong Academy of Engineering. He is also a Registered Professional Engineer in Hong Kong and a Chartered Engineer in the United Kingdom.

Mr. Ma was appointed as Justice of the Peace in 2014 and was awarded the Gold Bauhinia Star by the HKSAR Government in 2017.

DIRECTORS' PROFILES



Raymond KWOK Ping Luen

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

Non-executive Director, aged 72. Mr Kwok has been a Director of Transport International Holdings Limited (the "Company") since 4 September 1997. He is also a member of the Standing Committee of the Company. He has been a Director of The Kowloon Motor Bus Company (1933) Limited and Long Win Bus Company Limited since 1 September 1981 and 8 May 1997 respectively. Mr Kwok holds a Master of Arts degree in Law from Cambridge University, a Master's degree in Business Administration from Harvard University, an Honorary Doctorate degree in Business Administration from Hong Kong Metropolitan University and an Honorary Doctorate degree in Laws from The Chinese University of Hong Kong. He is the Chairman and Managing Director of Sun Hung Kai Properties Limited, a substantial shareholder of the Company within the meaning of Part XV of the Securities and Futures Ordinance. He is also the Chairman and an Executive Director of SUNeVision Holdings Ltd., the Chairman and a Non-executive Director of SmarTone Telecommunications Holdings Limited and a Non-executive Director of Wing Tai Properties Limited.

In civic activities, Mr Kwok is a Director of The Real Estate Developers Association of Hong Kong.

Mr Kwok is the father of Mr Christopher Kwok Kai-wang.



William LOUEY Lai Kuen

BSc(Econ)

Non-executive Director, aged 66. Mr Louey has been a Director of Transport International Holdings Limited (the "Company") since 4 September 1997 and of its subsidiaries, The Kowloon Motor Bus Company (1933) Limited since 14 January 1993 and Long Win Bus Company Limited since 8 May 1997. He was appointed as a member of the Standing Committee of the Company with effect from 1 January 2018. Formerly, Mr Louey had a successful career in the United Kingdom, with an international merchant bank for five years and an international accounting firm for three years afterwards.

In memory of his grandfather, Mr William SD Louey, William SD Louey Educational Foundation was set up in 1995 to offer scholarship and bursaries to students with academic excellence from Hong Kong and Greater China to pursue their studies abroad. The Foundation has extended its financial support to promising candidates from other countries in recent years. In 1999, Mr Louey was invited to join the committee of the China Oxford Scholarship Fund, and subsequently in 2011, appointed as Member of Vice-Chancellor's Circle, University of Oxford.

Between 2003 and 2012, he also served as Executive Committee Member of The Friends of Cambridge University in Hong Kong, the sponsor of Prince Philip Scholarship.

In recognition of his exceptional contribution to education, Mr Louey was presented with Elizabeth Wordsworth Fellowship by St Hugh's College in February 2013, the very first recipient of this top accolade bestowed by University of Oxford.



Charles LUI Chung Yuen

M.H., BEc, AASA, FCILT

Non-executive Director, aged 91. Mr Lui has been a Director of Transport International Holdings Limited (the "Company") since 4 September 1997. He has also been a Director of The Kowloon Motor Bus Company (1933) Limited ("KMB") and Long Win Bus Company Limited since 17 September 1993 and 24 August 1994 respectively, and has been redesignated as a Non-executive Director of the Company with effect from 20 October 2016. He is also a member of the Standing Committee of the Company. Mr Lui has joined KMB in 1960 as Accountant and promoted to Chief Accountant and Assistant General Manager before he was appointed as General Manager on 1 March 1989. After his retirement as General Manager on 21 July 1999 on reaching the retirement age of 65 years, Mr Lui was appointed the Deputy Managing Director of KMB (China) Holdings Limited ("KMB (China)") on 1 September 1999 and was the Chairman of KMB (China) between 13 August 2003 and 20 October 2016.



Winnie NG

*JP, BA, MBA(Chicago),
MPA(Harvard), FCIM, CMILT,
MHKIoD*

Non-executive Director, aged 62. Ms Ng has been a Director of The Kowloon Motor Bus Company (1933) Limited (“KMB”) since 1995 and a Director of Transport International Holdings Limited (the “Company”) and Long Win Bus Company Limited since 1997, and was Founder and Deputy Chairman of RoadShow Holdings Limited (“RoadShow”) until 12 December 2017. Ms Ng is also an Independent Non-executive Director of Century City International Holdings Limited, Paliburg Holdings Limited and Regal Hotels International Holdings Limited which are all listed companies. Ms Ng has received numerous awards and recognition. In 2019, Ms Ng received the Outstanding Businesswomen Award and in 2017, she was appointed a Justice of the Peace. In 2016, she won Nobel Laureate Series: Asian Chinese Leadership Award, and China Top Ten Outstanding Women Entrepreneurs. In previous years, she was named a Woman of Excellence, and was selected as one of 60 Meritorious Chinese Entrepreneurs with Achievement and National Contribution. She won the Yazhou Zhoukan Young Chinese Entrepreneur Award, and was named one of China’s 100 Outstanding Women Entrepreneurs. She was also a Mason Fellow of Harvard University, and was the Caring Heart Award recipient.

Ms Ng has been appointed a member of Standing Committee of the Company since 23 October 2008 to assist and advise the Board in formulating policy, and to monitor the implementation by management. She has also been a member of the Remuneration Committee of the Company since 19 May 2017. She was Executive Director of the Company from 1995 until 13 October 2008 and looked after business development, procurement, insurance, facilities management, marketing and sales, and corporate relations. She successfully positioned KMB as a powerful out-of-home media sales tool by raising the profiles and sales of bus body exterior and on street bus shelter advertising, and created the multi-media RoadShow, unlocking the huge potential of the travelling passengers. The operations model has been adopted by many companies in Hong Kong, Chinese Mainland, and over the world. The spinoff and listing of RoadShow on the main board (HK stock code 888) was a business breakthrough in the public transportation industry, creating an independently listed and financially strong subsidiary for the Group. To further capitalise on this substantial value asset, it was sold and contributed significantly to the 2017 earnings of the Group.

Active in public service, she is a Director of Po Leung Kuk, Director of CUHK Medical Centre, Director of HKBU Chinese Medicine Hospital, Council Member of The Education University of Hong Kong, Supervisor of Mr & Mrs Chan Pak Keung Tsing Yi School, Supervisor of The Hong Kong Eng Clansman Association Wu Si Chong Memorial School, Honorary Chairs of Board of Governors of Yee Hong Community Wellness Foundation, Advisor of Our Hong Kong Foundation and Council Member of The Better Hong Kong Foundation. She was Member of Women’s Commission and Co-Convenor of Woman Empowerment Fund from 2020 to 2026, Chairman of Hospital Governing Committee of Prince of Wales Hospital from 2014 to 2020, Member of Hong Kong Tourism Board and its Marketing & Business Development Committee Chairman, and Member of the Hospital Authority and its Supporting Services Development Committee Chairman from 2010 to 2016. She was member of Employees Retraining Board and its Course Vetting Committee Convenor, and Member of Vocational Training Council from 2011 to 2017. She acted as the judge for Miss Hong Kong Pageant 2014, and also acted as the judge for Hong Kong Volunteer Award from 2005 to 2021.

Ms Ng holds an MBA degree from the University of Chicago and an MPA degree from Harvard University. She is a Fellow of the Chartered Institute of Marketing.

DIRECTORS' PROFILES



Dr Eric LI Ka Cheung

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

Independent Non-executive Director, aged 72. Dr Li has been a Director of Transport International Holdings Limited (the "Company"), The Kowloon Motor Bus Company (1933) Limited and Long Win Bus Company Limited since 10 December 1998. Dr Li was an Independent Non-executive Director of RoadShow Holdings Limited from 16 September 2004 to 12 December 2017. He is the Honorary Chairman of Shinewing (HK) CPA Limited. Dr Li is an Independent Non-executive Director of SmarTone Telecommunications Holdings Limited, Wong's International Holdings Limited, Hang Seng Bank Limited (until 27 May 2021), China Resources Beer (Holdings) Company Limited (formerly China Resources Enterprises, Limited) and Bank of Communications Co., Ltd. (until 25 June 2013), all of which are listed on the Stock Exchange. He was formerly an Independent Non-executive Director of China Vanke Co., Ltd., Sinofert Holdings Limited, CATIC International Holdings Limited and Meadville Holdings Limited (a company listed on the Stock Exchange until its withdrawal of its listing status on 19 April 2010). He is also an Independent Non-executive Director of Sun Hung Kai Properties Limited, a substantial shareholder of the Company within the meaning of Part XV of the Securities and Futures Ordinance. He is a Former member of the 10th to 13th National Committee of the Chinese People's Political Consultative Conference. He was also a former member of the Legislative Council of Hong Kong and a past president of the Hong Kong Institute of Certified Public Accountants. Dr Li is the Chairman of the Audit and Risk Management Committee of the Company, and a member of the Nomination Committee and Remuneration Committee of the Company.



Professor LIU Pak Wai

SBS, JP

Independent Non-executive Director, aged 78. Professor Liu was appointed Independent Non-executive Director of Transport International Holdings Limited (the "Company"), The Kowloon Motor Bus Company (1933) Limited and Long Win Bus Company Limited with effect from 1 September 2011. He was appointed as a member of the Remuneration Committee and the Audit and Risk Management Committee of the Company with effect from the conclusion of the Annual General Meeting of the Company held on 17 May 2012 and on 19 May 2017 respectively. He received his AB degree from Princeton University and PhD degree from Stanford University in the United States of America. He is the Honorary Distinguished Research Fellow and formerly Pro-Vice-Chancellor of The Chinese University of Hong Kong and holds a number of positions related to his field of study, including Executive Committee Chairman of the Lau Chor Tak Institute of Global Economics and Finance. Professor Liu is an Independent Non-executive Director of Hang Lung Group Limited which is listed on the Main Board of the Stock Exchange. He was an Independent Non-executive Director of Hang Lung Properties Limited and China Zheshang Bank Co., Ltd.. He is also a Director of the Hong Kong Institute for Monetary and Financial Research of the Hong Kong Monetary Authority, a Board Member of the Shenzhen Finance Institute and was a Non-executive Director of the Securities and Futures Commission and the Chairman of its Remuneration Committee. In public service, he was a past Chairman of the Advisory Committee on Post-office Employment for Former Chief Executives and Politically Appointed Officials and a past member of the Judicial Officers Recommendation Commission, the Commission on Strategic Development, the Working Group on Long Term Fiscal Planning, the Independent Review Committee for the Prevention and Handling of Potential Conflicts of Interests, and the Independent Commission on Remuneration for Members of the Executive Council and the Legislature, and Officials under the Political Appointment System of the HKSAR.



Allen FUNG Yuk Lun

BA, Ph.D

Non-executive Director, aged 57. Mr Fung has been a Director of Transport International Holdings Limited (the “Company”), The Kowloon Motor Bus Company (1933) Limited and Long Win Bus Company Limited since 1 January 2014. He was appointed as a member of the Audit and Risk Management Committee and Nomination Committee of the Company with effect from 19 May 2017. He is an Executive Director of Sun Hung Kai Properties Limited (“SHKP”), a Deputy Chairman and an Executive Director of SmarTone Telecommunications Holdings Limited and a Vice Chairman of SUNeVision Holdings Ltd. He is also a member of the Executive Committee of SHKP and the Chief Executive Officer of the SHKP Group’s non-property related portfolio investments. He is also a director of certain SHKP subsidiaries. He was a Non-executive Director of RoadShow Holdings Limited from 8 July 2014 to 12 December 2017. Mr Fung obtained an undergraduate degree (Modern History) from Oxford University and holds a doctoral degree in History and East Asian Languages from Harvard University. He was a recipient of a Guggenheim Fellowship in 1996. Mr Fung was a Teaching Fellow at Harvard University from 1993 to 1994 and a visiting Assistant Professor of History at Brown University from 1996 to 1997. Mr Fung joined McKinsey & Company (“McKinsey”), a global management consulting company, in 1997. During his time in McKinsey, he primarily served clients in China and Hong Kong, and also served institutions in Europe and Southeast Asia. Mr Fung was the co-leader of the infrastructure practice for McKinsey. He was the Managing Partner of McKinsey Hong Kong from 2004 to 2010. In 2011, he became a Director of McKinsey globally, being the first Hong Kong Chinese to become a Director in McKinsey’s history. He was also the head of recruiting for the Asia region in McKinsey.

Mr Fung is a member of the General Committee of the Hong Kong General Chamber of Commerce and the Vice President of The Hong Kong Federation of Youth Groups. He was elected a professor of Practice of The Hong Kong Management Association, and an executive committee member.

DIRECTORS' PROFILES



Roger LEE Chak Cheong

BSc, MSc, MICE, Ceng

Managing Director, aged 63. Mr Lee has been a Director of Transport International Holdings Limited (the "Company"), The Kowloon Motor Bus Company (1933) Limited ("KMB") and Long Win Bus Company Limited ("LWB") since 3 March 2014. He has been appointed as Managing Director of the Company, KMB and LWB since 1 January 2015. He is a member of the Standing Committee of the Company. He is also a Director of certain subsidiaries of the Company. Mr Lee also served as an Alternate Director to Mr Raymond Kwok Ping Luen of the Company, KMB and LWB for the period from 1 April 2013 to 2 March 2014.

Prior to joining Sun Hung Kai Properties Limited in 2006, Mr Lee was a Director with MVA Hong Kong Limited, a leading traffic and transport consultancy in Hong Kong. Before returning to Hong Kong, Mr Lee worked for the West Sussex County Council, the London Borough of Bexley and the East Sussex County Council in England between 1986 and 1994.

Mr Lee obtained a Bachelor Degree in Civil Engineering from the University of Westminster, England in 1985 and a Master Degree in Transportation Planning & Engineering from the University of Southampton, England in 1986. Mr Lee is a Chartered Engineer and a member of the Institution of Civil Engineers.



Andy TSANG Wai Hung
GBS, PDSM, JP, MBA

Independent Non-executive Director, aged 67. Mr Tsang has been a Director of Transport International Holdings Limited, The Kowloon Motor Bus Company (1933) Limited and Long Win Bus Company Limited since 1 January 2018. He is a member of the Audit and Risk Management Committee and Standing Committee of the Company.

Mr Tsang is a retired civil servant. He was the Commissioner of Police prior to his retirement in May 2015. Currently, he works as a management consultant for Chen Hsong Holdings Limited, a leading plastic injection moulding machine manufacturer in Hong Kong and listed on the Main Board of the Stock Exchange. He was appointed as the Deputy Commissioner of the National Narcotics Control Commission with effect from 1 April 2019. He was also appointed External Director of the China Tourism Group Corporation Limited with effect from 23 April 2020, and Non-executive Director of the China Travel International Investment Hong Kong Limited with effect from 19 June 2020. On 23 September 2021, he was elected Vice-President of the Police Association of China.

Mr Tsang started his police career as an Inspector in January 1978. He worked on secondment overseas as a Detective Superintendent of the Metropolitan Police in London from 1993 to 1995. He became a directorate officer in 1998 and worked in succession as District Commander, Wan Chai; Chief Superintendent, Organised Crime and Triad Bureau; Assistant Commissioner, Information Systems; Director of Personnel and Training, Director of Operations; Deputy Commissioner, Management; Deputy Commissioner, Operations; and finally, the Commissioner of Police from January 2011.

Mr Tsang holds an MBA degree from Leicester University, UK. He had also undertaken various courses at Tsinghua University; the Chinese Academy of Governance; Harvard Business School, and the Royal College of Defense Studies, UK.

DIRECTORS' PROFILES



Dr CHEUNG Wing Yui

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

Non-executive Director, aged 76. Dr Cheung has been a Director of Transport International Holdings Limited, The Kowloon Motor Bus Company (1933) Limited and Long Win Bus Company Limited since 1 January 2018. He is a Deputy Chairman and a Non-executive Director of SmarTone Telecommunications Holdings Limited, a Vice Chairman and a Non-executive Director of SUNeVision Holdings Ltd. and a Non-executive Director of Tai Sang Land Development Limited. He is also a Non-executive Director of Sun Hung Kai Properties Insurance Limited, which is a wholly-owned subsidiary of Sun Hung Kai Properties Limited.

Dr Cheung received a Bachelor of Commerce degree in accountancy from The University of New South Wales, Australia and is a member of the CPA Australia. He has been a practising solicitor in Hong Kong since 1979 and is a consultant of the law firm Woo Kwan Lee & Lo. Dr Cheung was also admitted as a solicitor in the United Kingdom and as an advocate and solicitor in Singapore. Dr Cheung was awarded the Bronze Bauhinia Star (BBS) in 2013. He was awarded an honorary degree of Doctor of Business Administration from The Open University of Hong Kong (renamed as Hong Kong Metropolitan University) in 2016.

He is a court member of The Open University of Hong Kong (renamed as Hong Kong Metropolitan University) and an Honorary Council Member of The Hong Kong Institute of Directors Limited. He is also a director of The Community Chest of Hong Kong Limited.

Dr Cheung held the positions of the Chairman of Admissions, Budgets and Allocations Committee of The Community Chest of Hong Kong Limited (until 30 June 2020), the Deputy Chairman of the Council and a member of the Sponsorship and Development Fund Committee of The Open University of Hong Kong (renamed as Hong Kong Metropolitan University), the Deputy Chairman of The Hong Kong Institute of Directors Limited, a Director of Po Leung Kuk, the Vice Chairman of the Mainland Legal Affairs Committee of The Law Society of Hong Kong and a member of the Board of Review (Inland Revenue Ordinance). He was a Non-executive Director of SRE Group Limited and Tianjin Development Holdings Limited, an Independent Non-executive Director of Ping An Insurance (Group) Company of China, Ltd., Hop Hing Group Holdings Limited and Agile Group Holdings Limited.



LEE Luen Fai

BBS, JP, BA

Non-executive Director, aged 72. Mr Lee has been a Director of Transport International Holdings Limited, The Kowloon Motor Bus Company (1933) Limited and Long Win Bus Company Limited since 1 January 2018. He is the Director of Public Affairs of Sun Hung Kai Properties Limited (“SHKP”). He joined SHKP in May 2005. He is a veteran of the broadcasting industry, with more than 20 years of experience in the field. He joined Radio Television Hong Kong (“RTHK”) in the 70’s and hosted a number of popular programmes including “Talkabout” and “City Forum”. Mr Lee was also the Head of Public Affairs for RTHK radio division. In 1993, he was promoted as the Head of Public and Current Affairs of the television division overseeing all public and current affairs programmes. He became Controller of Educational Television in 1996 and was responsible for all educational TV and school programmes. Mr Lee graduated from Grantham College of Education (now known as The Education University of Hong Kong) and holds a bachelor of arts degree in Chinese History from University of East Asia (now known as University of Macau).

Mr Lee has an extensive record of public and community service and is currently a Member of Civil Service Training Advisory Board, Constitution and Basic Law Promotion Steering Committee, and Election Committee (Transport Sub-sector).



LUNG Po Kwan

*BSocSc,
MSocSc(Economics),
MBA, CFA*

Non-executive Director, aged 60. Mr Lung has been a Director of Transport International Holdings Limited (the “Company”), The Kowloon Motor Bus Company (1933) Limited and Long Win Bus Company Limited since 1 July 2018. He was appointed as a member of the Remuneration Committee of the Company with effect from 1 January 2021. He is the Chief Financial Officer of the China region for Sun Hung Kai Properties Limited (“SHKP”). He has over 34 years of experience in financial markets, including investment research, fund management, private equity investments and risk management in both corporate and financial institutions.

Mr. Lung joined SHKP in 1992 and was responsible for investor relations and investment in infrastructure project until 1996. During 1996-2003, Mr. Lung was a portfolio manager with BNP Paribas Asset Management, specialising in Asian equity investments. In 2004, Mr. Lung was seconded to a fund management company jointly set up by BNP Paribas and Shenyin Wanguo Securities in Shanghai, China to head the risk management of the joint-venture. In 2007, Mr. Lung joined as one of the founding partners in a private equity firm funded by seed capital from BNP Paribas and Shinhan Financial Group. Mr. Lung re-joined SHKP in 2013 and took up the current position since then.

Mr. Lung holds a Bachelor of Social Sciences degree and a Master of Social Sciences degree in Economics from the University of Hong Kong, and a Master of Business Administration degree from China Europe International Business School in Shanghai. Mr. Lung is a CFA charterholder of the CFA Institute.

DIRECTORS' PROFILES



Christopher KWOK Kai-wang

JP, MBA, BSc

Non-executive Director, aged 39. Mr Kwok has been a Director of Transport International Holdings Limited, The Kowloon Motor Bus Company (1933) Limited and Long Win Bus Company Limited since 15 June 2023.

Mr. Kwok holds a Bachelor of Science degree in Chemistry from Harvard University and a Master's degree in Business Administration from Stanford Graduate School of Business. He is an Executive Director of Sun Hung Kai Properties Limited ("SHKP"), a substantial shareholder of the Company within the meaning of Part XV of the Securities and Futures Ordinance. He joined the Sun Hung Kai Properties Group (the "SHKP Group") in 2011 and is primarily responsible for the leasing of residential, retail and commercial properties of the SHKP Group in Hong Kong and Chinese Mainland. Besides, he assumes the overall responsibilities for the property business of the SHKP Group in Northern China. Mr. Kwok also assists the Chairman of SHKP in all other non-property businesses of the SHKP Group in which he is a Non-executive Director of SUNeVision Holdings Ltd.

In addition, Mr. Kwok is a member of the General Committee of the Employers' Federation of Hong Kong, a governor of Our Hong Kong Foundation Limited and a member of its Development Committee as well as a council member of Hong Kong Chronicles Institute Limited. He is also a member of the Beijing Municipal Committee of the Chinese People's Political Consultative Conference, a Vice-Chairman of Greater Bay Area Homeland Youth Community Foundation, and a member of the Museum Advisory Committee and its History Sub-committee of the Leisure and Cultural Services Department of the Government of the Hong Kong Special Administrative Region.

Mr Kwok is a son of Mr Raymond Kwok Ping-luen.



WANG Xiao Bin

BCom, CPA (Aust.)

Independent Non-executive Director, aged 58. Ms. Wang was appointed Independent Non-executive Director and a member of the Audit and Risk Management Committee of Transport International Holdings Limited with effect from 1 November 2024. Ms. WANG was further appointed as a member of Nomination Committee of Transport International Holdings Limited with effect from 1 July 2025. Ms. Wang is currently an Independent Non-executive Director of Cathay Pacific Airways Limited (listed on the Main Board of the Stock Exchange of Hong Kong Limited (Stock Code: 293)), and was an Independent Non-executive Director of Hang Seng Bank Limited (listed on the Main Board of the Stock Exchange of Hong Kong Limited (Stock Code: 11)) until 27 January 2026. Ms. Wang was an independent non-executive director of Worley Limited (a company listed on the Australian Securities Exchange) from December 2011 to June 2024. She was a Senior Executive of China Resources Power Holdings Company Limited ("China Resources") (listed on the Main Board of the Stock Exchange of Hong Kong Limited (Stock Code: 836)) from 2003 to 2023 and held positions including Chief Financial Officer and Senior Vice President. She also acted as an Executive Director of China Resources from 2006 to 2023. Prior to that, Ms. Wang was a Director of Corporate Finance at ING Investment Banking where she worked from 1995 to 2003. She had worked at the audit and business advisory division of Price Waterhouse (now known as PricewaterhouseCoopers) in Australia from 1990 to 1995. Ms. Wang holds a Graduate Diploma from the Securities Institute of Australia (now known as the Financial Services Institute of Australasia) and a Bachelor's Degree in Commerce from Murdoch University, Australia. She was qualified as a chartered accountant in Australia and is a member of the Australian Society of Certified Practising Accountants (now known as CPA Australia).

KEY CORPORATE EXECUTIVES

Company / Position	Name
Transport International Holdings Limited	
Managing Director	Roger LEE Chak Cheong, BSc, MSc, MICE, CEng
Administration Director	Lotus CHOI Chin Cheung, BA, MFIM
Finance Director	Peter IP Wai Lun, BA, AICPA
Company Secretary	Jeff YU Wai Cheung, BSocSc, CPA, FCCA
Head of Internal Audit Department	Bobo TO On Ying, BBA, CPA
The Kowloon Motor Bus Company (1933) Limited	
Long Win Bus Company Limited	
Director (Projects)	Eric MA Siu Cheung GBS, JP, BSc Hon, MSc (Eng), FHKIE, FHKEng, FStructE, FICE
Operations Director	Kelvin YEUNG, BSc, CMILT
Commercial Director	Emily CHEUNG Yee Hang, BA, MA, MCILT
Engineering Director	Vincent FUNG Ka Fai, BEng, MSc, MBA, CEng, MHKIE, MIMechE
Director (Human Capital) and Director of KMB Academy	Simon YEUNG Yiu Wai, BBA(Hons), MSc
Director (Operational Planning)	Chelton TSZE Chi Ho, BSc(Hons), MSc
Director (Operations Administration)	Anita LAM Chiu Lin, BCom, MSc, MCIPS
Deputy Director, Finance	Kathy CHEUNG Mei Lam, BBA, FCPA, ACA
Head of Commercial Department	Samantha LI Hoi Chi, BA
Head of Corporate Communications & Public Affairs Department	Kenny KAN Hok Hei, BSocSc(Hons)
Head of Customer Experience Department	Carmen NG Ka Man, BA(Hons), MA
Head of Information Technology Department	Karen WONG Hau Ling, BSc(Hons), MPhil
Head of Legal Department	Jessica CHENG Wai Chung, LLB, LL.M
Head of Major Works Department	Jacky NG Chin To, BA
Head of Operations Department (West Division)	Stephen WAN Wai Yim, BSocSc (Hons), MSc, CMILT
Head of Procurement Department	Wilson CHEUNG Gar Yin, BA(Hons), MSc, MCIPS, CPM
Head of Safety Department	Steve WONG Kwok Wai, BSocSc (Hons), ACII
Head of Staff Relations & Welfare Services Department	Wing YIM Wing Han, BA, PgDHRM, MHRM, CEP®

FINANCIAL REPORTS

Contents

165	Directors' Report		
179	Independent Auditor's Report		
186	Consolidated Statement of Profit or Loss		
187	Consolidated Statement of Profit or Loss and Other Comprehensive Income		
188	Consolidated Statement of Financial Position		
190	Consolidated Statement of Changes in Equity		
192	Consolidated Cash Flow Statement		
194	Notes to the Financial Statements		
194	1 Material Accounting Policies	244	25 Bank Loans
211	2 Accounting Judgements and Estimates	244	26 Accounts Payable and Accruals
212	3 Revenue	245	27 Contingency Provision – Insurance
213	4 Other Net Income	245	28 Lease Liabilities
213	5 Profit before Taxation	246	29 Income Tax in the Consolidated Statement of Financial Position
215	6 Income Tax in the Consolidated Statement of Profit or Loss	247	30 Provision for Long Service Payments
216	7 Directors' Emoluments	249	31 Capital and Reserves
218	8 Individuals with Highest Emoluments	252	32 Commitments
218	9 Other Comprehensive Income	252	33 Financial Risk Management and Fair Values of Financial Instruments
219	10 Earnings per Share	258	34 Contingent Liabilities
219	11 Dividends	259	35 Material Related Party Transactions
220	12 Segment Reporting	261	36 Company-level Statement of Financial Position
223	13 Interest in Leasehold Land and Other Property, Plant and Equipment	262	37 Non-adjusting Event after the Reporting Period
226	14 Investment Properties and Investment Property under Development	262	38 Possible Impact of Amendments, New Standards and Interpretations Issued but not yet Effective for the Year Ended 31 December 2025
229	15 Intangible Assets		
229	16 Goodwill		
230	17 Interest in Subsidiaries		
231	18 Interest in Associates		
233	19 Interest in Joint Venture		
234	20 Other Financial Assets		
234	21 Employee Retirement Benefits		
238	22 Equity-settled Share-based Transactions		
240	23 Accounts Receivable		
241	24 Bank Deposits and Cash		

DIRECTORS' REPORT

The Directors submit herewith their Annual Report together with the audited financial statements for Transport International Holdings Limited ("the Company") and its subsidiaries (collectively referred to as "the Group") for the year ended 31 December 2025.

Principal place of business

The Company was incorporated in Bermuda and is domiciled in Hong Kong and has its registered office at Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda and principal place of business at 15/F, 9 Po Lun Street, Lai Chi Kok, Kowloon, Hong Kong.

Principal activities and business review

The principal activity of the Company is investment holding and the principal activities of the Group are the operation of both franchised and non-franchised public transportation and property holdings and development.

Particulars of the Company's principal subsidiaries are set out in note 17 to the consolidated financial statements.

The analysis of the principal activities of the Group during the financial year is set out in note 12 to the consolidated financial statements. Further discussion and analysis of these activities as required by Schedule 5 to the Hong Kong Companies Ordinance, including a discussion of the principal risks and uncertainties facing the Group, an indication of likely future developments in the Group's business, a discussion of the Group's environmental (including climate-related) policies and performance, and its compliance with the relevant laws and regulations that have a significant impact on the Group and an account of the Group's key relationships with its employees, customers and suppliers that have a significant impact on the Group can be found in the Management Discussion and Analysis set out on pages 22 to 151 and the Sustainability Report set out on pages 48 to 105 of this Annual Report. These above discussions form part of this Directors' Report.

Recommended dividend

An interim dividend of HK\$0.30 (2024: Nil) per share was paid to the shareholders on 21 October 2025. The Directors now recommend that a final dividend of HK\$0.50 per share (2024: HK\$0.50 per share) in respect of the year ended 31 December 2025 be paid to shareholders on 29 June 2026.

Charitable donations

Charitable donations made by the Group during the year amounted to HK\$2,295,000 (2024: HK\$486,000).

Share capital

Details of the movements in share capital of the Company during the year are set out in note 31(b)(i) to the consolidated financial statements. Shares were issued during the year relating to the scrip dividend scheme and the exercise of share options. Details about the issue of shares are also set out in note 31(b)(ii) to the consolidated financial statements.

Distributability of reserves

At 31 December 2025, the aggregate amount of reserves available for distribution to equity shareholders of the Company was HK\$2,300,262,000 (2024: HK\$2,300,027,000). After the end of the reporting period, the Directors proposed a final dividend of HK\$0.50 per share (2024: HK\$0.50 per share), amounting to HK\$267,343,000 (2024: HK\$254,451,000) (note 11(a)). This dividend has not been recognised as a liability at the end of the reporting period.

DIRECTORS' REPORT

Directors

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

Dr Norman LEUNG Nai Pang*, <i>GBS, JP</i>	(Chairman)
Dr John CHAN Cho Chak*, <i>GBS, JP</i>	(Deputy Chairman)
MA Siu Cheung, <i>GBS, JP</i>	(Deputy Chairman)
	(Appointed on 1 February 2026)
Raymond KWOK Ping Luen, <i>JP</i>	
William LOUEY Lai Kuen	
Charles LUI Chung Yuen, <i>M.H.</i>	
Winnie NG, <i>JP</i>	
Dr Eric LI Ka Cheung*, <i>GBS, OBE, JP</i>	
Professor LIU Pak Wai*, <i>SBS, JP</i>	
Allen FUNG Yuk Lun	
Roger LEE Chak Cheong	(Managing Director)
TSANG Wai Hung*, <i>GBS, PDSTM, JP</i>	
Dr CHEUNG Wing Yui, <i>BBS</i>	
LEE Luen Fai, <i>BBS, JP</i>	
LUNG Po Kwan	
Christopher KWOK Kai-wang, <i>JP</i>	
WANG Xiao Bin*	
WONG Hong Kit	(Alternate Director to Mr Raymond KWOK Ping Luen, <i>JP</i>)
LAU Man-Kwan, <i>JP</i>	(Alternate Director to Mr William LOUEY Lai Kuen)

* Independent Non-executive Director

In accordance with Company's Bye-Law 84(1), Dr Eric Li Ka Cheung, Professor Liu Pak Wai, Mr Tsang Wai Hung, Mr Charles Lui Chung Yuen, Dr Cheung Wing Yui and Mr Christopher Kwok Kai Wang will retire from the Board at the forthcoming Annual General Meeting of the Company and, being eligible, will offer themselves for re-election.

In accordance with Company's Bye-Law 83(2), Mr Ma Siu Cheung, who was appointed as Deputy Chairman and Non-executive Director by the Board after the 2025 annual general meeting of the Company, subject to authorization by the Shareholders, will hold office until the Annual General Meeting and, being eligible, will offer himself for re-election.

Brief biographical details of the Directors of the Company are set out on pages 152 to 162 of this Annual Report.

Indemnity provision

The Bye-laws of the Company provides that every Director shall be indemnified out of the assets and profits of the Company from and against actions and liability which he/she may incur or sustain in or about the execution of the duties of his/her office.

The Company has taken out insurance against the liabilities and costs associated with defending any proceedings which may be brought against the Directors of the Group.

Directors' interests and short positions in shares, underlying shares and debentures

The Directors of the Company who held office as at 31 December 2025 had the following interests in the shares of the Company, subsidiaries and other associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) at that date as recorded in the register of Directors' and chief executives' interests and short positions required to be kept under Section 352 of the SFO:

(i) Interests in issued shares of the Company

	Ordinary shares of HK\$1 each					Total number of shares held	Percentage of total issued shares
	Personal interests	Family interests	Corporate interests	Trustee interests	Other interests		
Dr Norman LEUNG Nai Pang*	701,457	–	–	–	–	701,457	0.131%
Dr John CHAN Cho Chak*	2,000	–	–	–	–	2,000	–
MA Siu Cheung	–	–	–	–	–	–	–
Raymond KWOK Ping Luen (note 1)	680,059	–	–	–	–	680,059	0.127%
William LOUEY Lai Kuen	11,079,115	11,997	–	–	14,972,807 (note 2)	26,063,919	4.876%
Charles LUI Chung Yuen	14,271	–	–	3,584,106 (note 3)	–	3,598,377	0.673%
Winnie NG	701,624	–	–	29,220,400 (note 4)	–	29,922,024	5.598%
Dr Eric LI Ka Cheung*	17,600	–	–	–	–	17,600	0.003%
Professor LIU Pak Wai*	–	–	–	–	–	–	–
Allen FUNG Yuk Lun	–	–	–	–	–	–	–
Roger LEE Chak Cheong (Managing Director)	170,880	–	–	–	–	170,880	0.032%
TSANG Wai Hung*	–	–	–	–	–	–	–
Dr CHEUNG Wing Yui	–	–	–	–	–	–	–
LEE Luen Fai	–	30,000	–	–	–	30,000	0.006%
LUNG Po Kwan	–	–	–	–	–	–	–
Christopher KWOK Kai-wang	–	–	–	–	–	–	–
Wang Xiao Bin*	–	–	–	–	–	–	–
WONG Hong Kit (Alternate Director to Mr Raymond KWOK Ping Luen)	–	–	–	–	–	–	–
LAU Man-Kwan, Julia (Alternate Director to Mr William LOUEY Lai Kuen)	1,769,641	–	–	–	24,282,281 (note 5)	26,051,922	4.874%

* Independent Non-executive Director

Notes:

- Of these shares in the Company, Mr Raymond Kwok Ping Luen held 674,665 shares jointly with his spouse.
- Mr William Louey Lai Kuen, Ms Kwok Won Carol Wilma Yu Louey and Ms Lau Man Kwan Julia entered into a shareholders voting agreement to which section 317(1)(a) of the SFO applies. As such, Mr William Louey Lai Kuen is deemed to be interested in 14,972,807 shares in the Company as a result of being a concert party to the agreement.
- Mr Charles Lui Chung Yuen and members of his family together had interests in certain private trusts which beneficially held 3,584,106 shares in the Company.
- Ms Winnie Ng had an interest in 29,220,400 shares in the Company as a beneficiary in certain private trusts which beneficially held the aforesaid block of shares.
- Mr William Louey Lai Kuen, Ms Kwok Won Carol Wilma Yu Louey and Ms Lau Man Kwan Julia entered into a shareholders voting agreement to which section 317(1)(a) of the SFO applies. As such, Ms Lau Man Kwan Julia is deemed to be interested in 24,282,281 issued shares of the Company as a result of being a concert party to the agreement. For the avoidance of doubt, this amount excludes the 430,000 share options granted to Mr William Louey Lai Kuen.

Directors' interests and short positions in shares, underlying shares and debentures (continued)

(ii) Interests in underlying shares

Directors of the Company have been granted options under the Company's share option scheme, details of which are set out in the section "Equity-linked agreement – Share option scheme" below.

As at 31 December 2025, none of the Directors had any non-beneficial interest in the share capital of the Company.

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

Equity-linked agreement

Share option scheme (the "Scheme")

The Company has a share option scheme which was adopted on 26 May 2016 whereby the Directors of the Company are authorised, at their discretion, to invite employees of the Group, including directors of any company in the Group, to take up options at a consideration of HK\$1 to subscribe for ordinary shares of the Company. The purpose of the Scheme is to provide an opportunity for employees of the Group to acquire an equity participation in the Company and to encourage them to work towards enhancing the value of the Company and its shares for the benefit of the Company and its shareholders as a whole. The share option scheme shall be valid and effective for a period of ten years ending on 25 May 2026, after which no further options will be granted.

The exercise price of options is the highest of (i) the nominal value of the shares on the date of grant, (ii) the closing price of the shares on The Stock Exchange of Hong Kong Limited on the date of grant and (iii) the average closing price of the shares on The Stock Exchange of Hong Kong Limited for the five business days immediately preceding the date of grant.

The total number of securities which may be issued under the Scheme was 40,363,941 shares (including options for 10,918,400 shares that have been granted but not yet lapsed or exercised) which represented 7.6% of the ordinary shares of the Company in issue at 31 December 2025. The number of securities issued and to be issued upon exercise of the options granted to each participant in any 12-month period is limited to 1% of the Company's ordinary shares in issue.

On 30 October 2016, a total of 5,560,000 share options were granted by the Company, of which, 860,000 share options were granted to 1 Director and 4,700,000 share options were granted to certain employees of the Group. Such share options were exercisable during the period from 31 October 2017 to 30 October 2021.

On 19 November 2020, a total of 13,925,000 share options were granted by the Company, of which, 6,525,000 share options were granted to 15 Directors and 7,400,000 share options were granted to certain employees of the Group. Such share options were exercisable during the period from 19 November 2021 to 18 November 2025.

Equity-linked agreement (Continued)

Share option scheme (the "Scheme") (Continued)

On 31 March 2023, a total of 16,350,000 share options were granted by the Company, of which, 6,980,000 share options were granted to 15 Directors and 9,370,000 share options were granted to certain employees of the Group and subsequently 15,970,000 share options were accepted by the grantees. Such share options were exercisable during the period from 31 March 2024 to 30 March 2028.

The number of share options available for grant under the Scheme was 4,528,941 on both 1 January 2025 and 31 December 2025.

During the year ended 31 December 2025, no share option had been granted by the Company under the Scheme. The number of shares that may be issued in respect of share options granted under the Scheme as at 31 December 2025 was 10,918,400 shares, representing 2.1% of the weighted average number of shares in issue for the year.

As at the date of Annual Report, the total number of shares available for issue under the Scheme was 15,300,941 shares, representing 2.9% of the issued shares of the Company.

At 31 December 2025, certain Directors of the Company and certain employees of the Group had the following interests in options to subscribe for shares of the Company (market value per share at 31 December 2025 was HK\$10.60) granted for a consideration of HK\$1 under the share option scheme of the Company. As at 31 December 2025, the total grant date fair value of unexercised vested and unvested options, measured in accordance with the accounting policy set out in note 1(x)(iii) to the consolidated financial statements, amounted to HK\$7,441,164 and HK\$1,727,615, respectively. The options are unlisted. Once vested, each option gives the holder the right to subscribe for one ordinary share of the Company. Assuming that all the options outstanding as at 31 December 2025 are exercised, the Company will receive proceeds of HK\$115,735,040.

Equity-linked agreement (continued)

Share option scheme (the "Scheme") (continued)

	Number of share option					Outstanding as at 31 December 2025	Date granted	Period during which options are exercisable	Exercise price per share	Market value per share at date of grant of options [†]	Market value per share on exercise of options [‡]
	Outstanding as at 1 January 2025	Granted during the year	Exercised during the year	Cancelled during the year	Lapsed during the year						
Directors											
Roger LEE Chak Cheong	400,000	-	-	-	(400,000)	-	19 November 2020	19 November 2021 to 18 November 2025 (note 1)	HK\$15.32	HK\$15.32	-
	450,000	-	-	-	(450,000)	-	19 November 2020	19 November 2021 to 18 November 2025 (note 2)	HK\$15.32	HK\$15.32	-
	430,000	-	-	-	-	430,000	31 March 2023	31 March 2024 to 30 March 2028 (note 3)	HK\$10.60	HK\$10.60	-
	470,000	-	-	-	-	470,000	31 March 2023	31 March 2024 to 30 March 2028 (note 4)	HK\$10.60	HK\$10.60	-
Norman LEUNG Nai Pang	450,000	-	-	-	(450,000)	-	19 November 2020	19 November 2021 to 18 November 2025 (note 1)	HK\$15.32	HK\$15.32	-
	470,000	-	-	-	-	470,000	31 March 2023	31 March 2024 to 30 March 2028 (note 3)	HK\$10.60	HK\$10.60	-
John CHAN Cho Chak	425,000	-	-	-	(425,000)	-	19 November 2020	19 November 2021 to 18 November 2025 (note 1)	HK\$15.32	HK\$15.32	-
	450,000	-	-	-	-	450,000	31 March 2023	31 March 2024 to 30 March 2028 (note 3)	HK\$10.60	HK\$10.60	-
Raymond KWOK Ping Luen	400,000	-	-	-	(400,000)	-	19 November 2020	19 November 2021 to 18 November 2025 (note 1)	HK\$15.32	HK\$15.32	-
	430,000	-	-	-	-	430,000	31 March 2023	31 March 2024 to 30 March 2028 (note 3)	HK\$10.60	HK\$10.60	-

Equity-linked agreement (continued)

Share option scheme (the "Scheme") (continued)

	Number of share option					Outstanding as at 31 December 2025	Date granted	Period during which options are exercisable	Exercise price per share	Market value per share at date of grant of options [†]	Market value per share on exercise of options [†]
	Outstanding as at 1 January 2025	Granted during the year	Exercised during the year	Cancelled during the year	Lapsed during the year						
Directors (Continued)											
William LOUEY Lai Kuen	400,000	-	-	-	(400,000)	-	19 November 2020	19 November 2021 to 18 November 2025 (note 1)	HK\$15.32	HK\$15.32	-
	430,000	-	-	-	-	430,000	31 March 2023	31 March 2024 to 30 March 2028 (note 3)	HK\$10.60	HK\$10.60	-
Charles LUI Chung Yuen	400,000	-	-	-	(400,000)	-	19 November 2020	19 November 2021 to 18 November 2025 (note 1)	HK\$15.32	HK\$15.32	-
	430,000	-	-	-	-	430,000	31 March 2023	31 March 2024 to 30 March 2028 (note 3)	HK\$10.60	HK\$10.60	-
Winnie NG	400,000	-	-	-	(400,000)	-	19 November 2020	19 November 2021 to 18 November 2025 (note 1)	HK\$15.32	HK\$15.32	-
	430,000	-	-	-	-	430,000	31 March 2023	31 March 2024 to 30 March 2028 (note 3)	HK\$10.60	HK\$10.60	-
Allen FUNG Yuk Lun	400,000	-	-	-	(400,000)	-	19 November 2020	19 November 2021 to 18 November 2025 (note 1)	HK\$15.32	HK\$15.32	-
	430,000	-	-	-	-	430,000	31 March 2023	31 March 2024 to 30 March 2028 (note 3)	HK\$10.60	HK\$10.60	-

Equity-linked agreement (Continued)

Share option scheme (the "Scheme") (Continued)

	Number of share option					Outstanding as at 31 December 2025	Date granted	Period during which options are exercisable	Exercise price per share	Market value per share at date of grant of options [†]	Market value per share on exercise of options [†]
	Outstanding as at 1 January 2025	Granted during the year	Exercised during the year	Cancelled during the year	Lapsed during the year						
Directors (Continued)											
CHEUNG Wing Yui	400,000	-	-	-	(400,000)	-	19 November 2020	19 November 2021 to 18 November 2025 (note 1)	HK\$15.32	HK\$15.32	-
	430,000	-	-	-	-	430,000	31 March 2023	31 March 2024 to 30 March 2028 (note 3)	HK\$10.60	HK\$10.60	-
LEE Luen Fai	400,000	-	-	-	(400,000)	-	19 November 2020	19 November 2021 to 18 November 2025 (note 1)	HK\$15.32	HK\$15.32	-
	430,000	-	-	-	-	430,000	31 March 2023	31 March 2024 to 30 March 2028 (note 3)	HK\$10.60	HK\$10.60	-
LUNG Po Kwan	400,000	-	-	-	(400,000)	-	19 November 2020	19 November 2021 to 18 November 2025 (note 1)	HK\$15.32	HK\$15.32	-
	430,000	-	-	-	-	430,000	31 March 2023	31 March 2024 to 30 March 2028 (note 3)	HK\$10.60	HK\$10.60	-
Eric LI Ka Cheung	400,000	-	-	-	(400,000)	-	19 November 2020	19 November 2021 to 18 November 2025 (note 1)	HK\$15.32	HK\$15.32	-
	430,000	-	-	-	-	430,000	31 March 2023	31 March 2024 to 30 March 2028 (note 3)	HK\$10.60	HK\$10.60	-
LIU Pak Wai	400,000	-	-	-	(400,000)	-	19 November 2020	19 November 2021 to 18 November 2025 (note 1)	HK\$15.32	HK\$15.32	-
	430,000	-	-	-	-	430,000	31 March 2023	31 March 2024 to 30 March 2028 (note 3)	HK\$10.60	HK\$10.60	-

Equity-linked agreement (continued)

Share option scheme (the "Scheme") (continued)

	Number of share option					Outstanding as at 31 December 2025	Date granted	Period during which options are exercisable	Exercise price per share	Market value per share at date of grant of options*	Market value per share on exercise of options#
	Outstanding as at 1 January 2025	Granted during the year	Exercised during the year	Cancelled during the year	Lapsed during the year						
Directors (Continued)											
TSANG Wai Hung	400,000	-	-	-	(400,000)	-	19 November 2020	19 November 2021 to 18 November 2025 (note 1)	HK\$15.32	HK\$15.32	-
	430,000	-	-	-	-	430,000	31 March 2023	31 March 2024 to 30 March 2028 (note 3)	HK\$10.60	HK\$10.60	-
Employees	2,600,000	-	-	(600,000)	(2,000,000)	-	19 November 2020	19 November 2021 to 18 November 2025 (note 2)	HK\$15.32	HK\$15.32	-
	5,840,000	-	(281,600)	(1,190,000)	-	4,368,400	31 March 2023	31 March 2024 to 30 March 2028 (note 4)	HK\$10.60	HK\$10.60	HK\$11.04
Total	21,115,000	-	(281,600)	(1,790,000)	(8,125,000)	10,918,400					

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

being the weighted average closing price of the Company's ordinary shares immediately before the dates on which the options were exercised, as applicable.

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

Percentage of options granted

On or after 19 November 2021	50%
On or after 19 November 2022	100%

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

Percentage of options granted

On or after 19 November 2021	30%
On or after 19 November 2022	60%
On or after 19 November 2023	100%

Equity-linked agreement (continued)

Share option scheme (the "Scheme") (continued)

Note 3: All the options are vested and exercisable progressively and the maximum percentage of the options which may be exercised is determined in stages as follows:

	<i>Percentage of options granted</i>
On or after 31 March 2024	50%
On or after 31 March 2025	100%

Note 4: All the options are vested and exercisable progressively and the maximum percentage of the options which may be exercised is determined in stages as follows:

	<i>Percentage of options granted</i>
On or after 31 March 2024	30%
On or after 31 March 2025	60%
On or after 31 March 2026	100%

Information on the accounting policy for share options granted and the fair value per option is provided in note 1(x)(iii) and note 22 to the consolidated financial statements respectively.

Save as disclosed above, there were no other share options granted, exercised, cancelled or lapsed under the Scheme during the year ended 31 December 2025.

Apart from the foregoing, at no time during the year was the Company or any of its subsidiaries a party to any arrangement to enable the Directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Directors' service contracts

No Director proposed for re-election at the forthcoming Annual General Meeting has an unexpired service contract which is not determinable by the Company or any of its subsidiaries within one year without payment of compensation, other than normal statutory obligations.

Directors' interests in transactions, arrangements or contracts

As disclosed in note 35(a) to the consolidated financial statements, certain subsidiaries of the Group entered into transactions with certain subsidiaries of a substantial shareholder, Sun Hung Kai Properties Limited ("SHKP"). Certain Directors, namely Dr Norman Leung Nai Pang, Dr Eric Li Ka Cheung, Mr Raymond Kwok Ping Luen, Mr Allen Fung Yuk Lun, Dr Cheung Wing Yui, Mr Christopher Kwok Kai-wang and Mr Wong Hong Kit are also directors of SHKP and/or Sun Hung Kai Properties Insurance Limited, or SmarTone Telecommunications Holdings Limited, and Mr Lee Luen Fai and Mr Lung Po Kwan are employees of subsidiary of SHKP. Among them, Mr Raymond Kwok Ping Luen and Mr Christopher Kwok Kai-wang are directors of SHKP and are materially interested in these transactions by virtue of their interest and deemed interest under Part XV of the SFO in more than 5% of the issued shares of SHKP.

Save as disclosed above, no transaction, arrangement or contract of significance to which the Company or any of its subsidiaries was a party, and in which a Director of the Company had a material interest, subsisted at the end of the year or at any time during the year.

Discloseable interests of shareholders in shares and short positions in shares, underlying shares and debentures

As at 31 December 2025, the interests or short positions of the persons, other than Directors and the chief executive of the Company, being 5% or more in the interest in the shares and underlying shares of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were notified to the Company and The Stock Exchange of Hong Kong Limited pursuant to Divisions 2 and 3 of Part XV of the SFO and required to be entered in the register maintained by the Company pursuant to Section 336 of the SFO, were as follows:

	Ordinary shares of HK\$1 each				Percentage of total issued shares
	Registered shareholders	Corporate interests	Trustee interests	Total number of shares held	
HSBC Trustee (C.I.) Limited	–	–	242,687,249	242,687,249	45.4%
Sun Hung Kai Properties Limited (Note 1)	–	242,687,249	–	242,687,249	45.4%
Arklake Limited (Note 1)	133,677,850	–	–	133,677,850	25.0%
Hung Fat (Hop Kee) General Contractors Limited (Note 1)	40,017,307	–	–	40,017,307	7.5%
Wister Investment Limited (Note 1)	35,499,465	–	–	35,499,465	6.6%
Kwong Tai Holdings (PTC) Limited (Note 2)	29,220,400	–	–	29,220,400	5.5%

Notes:

- The interest disclosed by Sun Hung Kai Properties Limited ("SHKP") includes 209,194,622 shares disclosed by Arklake Limited, Hung Fat (Hop Kee) General Contractors Limited and Wister Investment Limited.
- The interest disclosed by Kwong Tai Holdings (PTC) Limited includes 29,220,400 shares disclosed by Ms Winnie Ng, who is a Director of the Company.

Purchase, sale or redemption of the Company's shares

During the year, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's own shares.

Pre-emptive rights

There is no provision for pre-emptive rights under either the Company's Bye-laws or the laws in Bermuda.

Senior management

The Executive Director of the Company, Mr Roger Lee Chak Cheong, is a member of the senior management of the Group whose brief particulars are set out on page 158 of this Annual Report.

Staff retirement schemes

The Group operates two separate non-contributory defined benefit retirement schemes, The Kowloon Motor Bus Company (1933) Limited Monthly Rated Employees Provident Fund Scheme ("The KMB Monthly Rated Employees Scheme") and The Kowloon Motor Bus Company (1933) Limited Daily Rated Employees Retirement Fund Scheme ("The KMB Daily Rated Employees Scheme"), and participates in a defined contribution retirement scheme, SHKP MPF Employer Sponsored Scheme. The employees employed under the Hong Kong Employment Ordinance are also entitled to long service payment if the eligibility criteria are met. Particulars of these post-employment benefits are set out in notes 21 and 30 to the consolidated financial statements.

(a) Defined benefit retirement schemes

The Group makes contributions to two defined benefit retirement schemes that provide pension benefits for employees upon retirement. The schemes are administered by an independent trustee and the assets are held separately from those of the Group. Both schemes are formally established under trust and are registered under the Occupational Retirement Schemes Ordinance. The members' benefits are determined based on the employees' final remuneration and length of service. Contributions to the defined benefit retirement schemes are made in accordance with the recommendations of independent actuaries who value the retirement schemes at regular intervals.

The most recent actuarial valuations of the two schemes were at 31 December 2025 which showed that there were sufficient assets in the schemes to cover both the solvency and ongoing liabilities of the schemes. Other relevant information extracted from the valuation pertaining to the two schemes is set out below:

The KMB Monthly Rated Employees Scheme

- (i) The scheme was established with effect from 15 February 1978.
- (ii) The actuary of the scheme is Ms Wing Lui, Fellow of the Society of Actuaries of the United States of America. In the actuarial valuation, the attained age valuation method was used (see note below) for calculation of contributions paid to the scheme. Other major assumptions used in the valuation were: salary escalation at 3.0% per annum; mortality rates 2024 Hong Kong Life Tables; and normal retirement age of 60 or 65.
- (iii) The market value of the scheme assets at 31 December 2025 was HK\$952,759,000 (2024: HK\$846,148,000).
- (iv) On the basis of the assumptions made as to the future economic and demographic experience of the scheme, and assuming the past service surplus is to be utilised faster to offset the Group's contribution requirement, the Group took a contribution holiday for the years ended 31 December 2025 and 2024.
- (v) The ongoing funding surplus in the scheme was HK\$662,324,000 (2024: HK\$523,906,000) and the solvency surplus was HK\$662,324,000 (2024: HK\$523,906,000) at 31 December 2025.

Staff retirement schemes (continued)

(a) Defined benefit retirement schemes (continued)

The KMB Daily Rated Employees Scheme

- (i) The scheme was established with effect from 1 July 1983.
- (ii) The actuary of the scheme is Ms Wing Lui, Fellow of the Society of Actuaries of the United States of America. In the actuarial valuation, the attained age valuation method was used (see note below) for calculation of contributions paid to the scheme. Other major assumptions used in the valuation were: salary escalation at 3.0% per annum; mortality rates 2024 Hong Kong Life Tables; and normal retirement age of 60.
- (iii) The market value of the scheme assets at 31 December 2025 was HK\$1,930,845,000 (2024: HK\$1,725,555,000).
- (iv) On the basis of the assumptions made as to the future economic and demographic experience of the scheme, and assuming the past service surplus is to be utilised faster to offset the Group's contribution requirement, the Group took a contribution holiday for the years ended 31 December 2025 and 2024.
- (v) The ongoing funding surplus in the scheme was HK\$1,457,291,000 (2024: HK\$1,210,303,000) and the solvency surplus was HK\$1,457,496,000 (2024: HK\$1,210,500,000) at 31 December 2025.

Note: The obligations in respect of defined benefit retirement schemes included in the consolidated financial statements are calculated using the projected unit credit method under different actuarial assumptions (see notes 1(x)(ii) and 21 to the consolidated financial statements).

(b) Defined contribution retirement scheme

SHKP MPF Employer Sponsored Scheme ("the SHKP Scheme")

The Group is also a participating member of the SHKP Scheme, which is a defined contribution retirement scheme. A majority of those employees who do not participate in the defined benefit retirement schemes are covered by the SHKP Scheme which is administered by an independent trustee. The assets of the SHKP Scheme are held separately from those of the Group in independently administered funds. The Group is required to make contributions to the SHKP Scheme at rates ranging from 5% to 12% of the relevant employees' salaries, depending on their length of service with the Group. The employees are required to make contributions to the SHKP Scheme at 5% of the employees' relevant income as defined by the Hong Kong Mandatory Provident Fund Schemes Ordinance, subject to a cap of monthly relevant income of HK\$30,000 (HK\$25,000 prior to 1 June 2014). Contributions to the SHKP Scheme during the year are charged to profit or loss as incurred. Forfeited amounts due to resignation prior to the vesting of the benefits will be used to reduce the Group's contributions made in that corresponding financial year. The amount of forfeited contributions utilised during the year and the amount available for use as at 31 December 2025 were insignificant to the Group.

Bank loans

Particulars of bank loans of the Group as at 31 December 2025 are set out in note 25 to the consolidated financial statements.

Major customers and suppliers

Total income attributable to the five largest customers of the Group accounted for less than 30% of the Group's total income for the year. Total purchases of the Group from the five largest suppliers accounted for 55% of the Group's total purchases, with purchases from the largest supplier accounting for 23% of the total purchases.

Other than the continuing connected transactions with Sun Hung Kai Properties Insurance Limited, as disclosed in the section headed "Continuing Connected Transactions" of this annual report, none of the Directors, their close associates or any shareholder of the Company (which to the knowledge of the Directors owns more than 5% of the issued share capital of the Company) had any interest in the major suppliers noted above.

DIRECTORS' REPORT

Financial summary

A summary of the results and of the assets and liabilities of the Group for the last ten financial years is set out on pages 263 to 264 of this Annual Report.

Model code for securities transactions by Directors

The Company has adopted the code of conduct regarding securities transactions by Directors as set out in Appendix C3 to the Listing Rules and all Directors have complied with the required standard of dealings set out therein throughout the year.

Corporate governance

The Company has complied with the applicable code provisions in the Corporate Governance Code set out in Appendix C1 to the Listing Rules throughout the year ended 31 December 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. A report on the principal corporate governance practices adopted by the Company is set out on pages 124 to 147 of this Annual Report.

Properties

Particulars of the investment properties of the Group are shown on page 117 of this Annual Report.

Audit and Risk Management Committee

The Audit and Risk Management Committee of the Company, together with management, 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 consolidated financial statements for the year ended 31 December 2025.

Confirmation of independence

The Company has received from each of the Independent Non-executive Directors an annual confirmation of independence pursuant to Rule 3.13 of the Listing Rules and considers all the Independent Non-executive Directors to be independent.

Sufficiency of public float

Based on information that is publicly available to the Company and within the knowledge of the Directors of the Company as at the date of this Annual Report, the Company has maintained the prescribed public float under the Listing Rules.

Auditors

KPMG retire and, being eligible, offer themselves for re-appointment. A resolution for the re-appointment of KPMG as auditors of the Company is to be proposed at the forthcoming Annual General Meeting.

By Order of the Board

Norman LEUNG Nai Pang

Chairman

Hong Kong, 19 March 2026

INDEPENDENT AUDITOR'S REPORT



Independent auditor's report to the shareholders of Transport International Holdings Limited

(Incorporated in Bermuda with limited liability)

Opinion

We have audited the consolidated financial statements of Transport International Holdings Limited ("the Company") and its subsidiaries ("the Group") set out on pages 186 to 262, which comprise the consolidated statement of financial position as at 31 December 2025, the consolidated statement of profit or loss, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended and notes, comprising material accounting policy information and other explanatory information.

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

Basis for opinion

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

Key audit matters

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

Key audit matters (Continued)

Assessing the valuation of investment properties

Refer to note 14 to the consolidated financial statements and the accounting policies on page 198.

The Key Audit Matter	How the matter was addressed in our audit
<p>The Group holds a portfolio of investment properties located in Hong Kong at 31 December 2025. These properties mainly comprise shopping malls, office premises and industrial buildings.</p> <p>At 31 December 2025, the fair value of the Group's investment properties is HK\$8,177 million which represented 35% of the Group's total assets. The fair value of the investment properties at 31 December 2025 was assessed by management based on valuations prepared by a firm of qualified external property valuers. Decrease in fair value of investment properties of HK\$142 million was recorded in the consolidated statement of profit or loss.</p> <p>We identified assessing the valuation of investment properties as a key audit matter because of the significance of investment properties to the consolidated financial statements and because the determination of the fair values involves significant judgement and estimation, including selecting the appropriate valuation methodology, capitalisation rates and market rents.</p>	<p>Our audit procedures to assess the valuation of the investment properties included the following:</p> <ul style="list-style-type: none"> – obtaining and inspecting the valuation reports prepared by the external property valuers on which the management's assessment of the fair values of investment properties was based; – assessing the independence, qualifications and expertise of the external property valuers' engaged by management; – with the assistance of our internal property valuation specialists and utilising their industry knowledge and experience, discussing with the external property valuers, without the presence of management, their valuation methodologies with reference to the prevailing accounting standard; and assessing the key estimates and assumptions adopted in the valuation by comparing capitalisation rates, prevailing market rents and comparable market transactions with the available market data; and – on a sample basis, comparing tenancy information, including committed rents and occupancy rates, provided by management to the external property valuers, with underlying contracts and related documentation.

Key audit matters (Continued)

Assessing the contingency provision for insurance

Refer to note 27 to the consolidated financial statements and the accounting policies on page 206.

The Key Audit Matter	How the matter was addressed in our audit
<p>The Group is involved from time to time in litigation and claims in connection with its bus operations. The contingency provision for insurance in connection with the Group's franchised bus operations, which represented the majority of the total balance of HK\$236 million as at 31 December 2025, has been set aside by management to meet the liabilities which are expected to arise from third party claims for incidents which have occurred. Management assessed the provision based on independent valuation performed by qualified external actuaries.</p> <p>The assessment of the provision involves estimates based on past claims experience and recent claims developments. The ultimate claim amount is dependent on future external events which are inherently uncertain and actual claims may therefore deviate from management estimations.</p> <p>We identified the assessment of the contingency provision for insurance as a key audit matter because of the level of management judgement required in assessing the variable factors and assumptions in order to estimate the potential costs of settlement of claims.</p>	<p>Our audit procedures to assess the contingency provision for insurance included the following:</p> <ul style="list-style-type: none"> – assessing the design, implementation and operating effectiveness of key internal controls over management's maintenance of claims records and the assessment of related provision; – assessing the independence, qualifications and expertise of the external actuaries engaged by management and evaluating whether a consistent methodology had been applied in determining the amount of provision; – with the assistance of our internal actuarial specialists, assessing the valuation methodology adopted by the external actuaries and comparing the key estimates and assumptions adopted in the actuarial valuation with past claims experience; and – on a sample basis, comparing the claims details provided by management to the external actuaries with the claims records maintained by management.

Key audit matters (Continued)

Assessing the expected credit loss allowance for credit-impaired debt securities measured at fair value through other comprehensive income

Refer to notes 20 and 33(a) to the consolidated financial statements and the accounting policies on pages 200 to 205.

The Key Audit Matter	How the matter was addressed in our audit
<p>At 31 December 2025, the Group's credit-impaired debt securities measured at fair value through other comprehensive income amounted to HK\$11 million. Expected credit losses for these credit-impaired debt securities amounting to HK\$87 million were recognised in the consolidated statement of profit or loss for the year ended 31 December 2025.</p> <p>The ECL allowance for the credit-impaired debt securities is measured on a lifetime basis by taking into account of various scenarios in which cash flows are expected to recover and the probabilities assigned to those scenarios.</p> <p>We identified assessing the ECL allowance for the credit-impaired debt securities as a key audit matter because the assessment of ECL allowance involves significant management's judgements and is subject to a high degree of inherent uncertainty.</p>	<p>Our audit procedures to assess the ECL allowance for credit-impaired debt securities measured at fair value through other comprehensive income included the following:</p> <ul style="list-style-type: none"> – assessing the appropriateness of management's assessment of whether any of the debt securities are credit-impaired by inspecting their overdue status, credit rating information and researching market information about issuers' businesses; and – with the assistance of our internal specialist, <ul style="list-style-type: none"> – assessing the appropriateness of the methodology adopted by management for estimating the ECL allowance with reference to the requirements of the applicable accounting standards; – assessing, on a sample basis, the appropriateness of the input data used by management for estimating the ECL allowance, including evaluating the exposure at default with reference to the underlying offering documents; and assessing the reasonableness of scenarios in which cash flows are expected to recover, the probabilities assigned to those scenarios, and loss given default with reference to market information.

INDEPENDENT AUDITOR'S REPORT

Information other than the consolidated financial statements and auditor's report thereon

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

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon as part of our engagement to audit the consolidated financial statements. We have performed an assurance engagement on the disclosed continuing connected transactions that form part of the other information and provided a separate assurance practitioner's conclusion thereon that is included within the other information.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the consolidated financial statements

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

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

The Directors are assisted by the Audit and Risk Management Committee in discharging their responsibilities for overseeing the Group's financial reporting process.

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

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

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

Auditor's responsibilities for the audit of the consolidated financial statements (Continued)

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

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

INDEPENDENT AUDITOR'S REPORT

Auditor's responsibilities for the audit of the consolidated financial statements (Continued)

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

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

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

The engagement partner on the audit resulting in this independent auditor's report is Cheng Pui Ngar (practising certificate number: P05280).

KPMG

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

19 March 2026

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the year ended 31 December 2025 (Expressed in Hong Kong dollars)

	Note	2025 \$'000	2024 \$'000
Revenue	3 & 12	8,442,725	8,215,353
Other net income	4	135,758	112,399
Staff costs	5(a)	(4,595,456)	(4,430,971)
Depreciation		(1,183,432)	(1,196,260)
Fuel and oil		(864,369)	(966,132)
Spare parts		(251,831)	(227,168)
Toll charges		(91,499)	(210,999)
Other operating expenses		(904,318)	(884,566)
Profit from operations		687,578	411,656
Change in fair value of investment properties and investment property under development	14(a)	(141,827)	(78,200)
Finance costs	5(b)	(61,321)	(98,343)
Share of profits of associates		31	637
Share of profit of joint venture		8,801	8,552
Profit before taxation	5	493,262	244,302
Income tax expense	6(a)	(95,240)	(57,020)
Profit for the year		398,022	187,282
Earnings per share based on profit attributable to equity shareholders (reported earnings per share)			
Basic and diluted	10(a)	\$0.77	\$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	10(b)	\$1.04	\$0.53

The notes on pages 194 to 262 form part of these consolidated financial statements. Details of dividends paid and payable to equity shareholders of the Company attributable to the profit for the year are set out in note 11.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December 2025 (Expressed in Hong Kong dollars)

	Note	2025 \$'000	2024 \$'000
Profit for the year		398,022	187,282
Other comprehensive income for the year (after tax and reclassification adjustments):			
<i>Items that will not be reclassified to profit or loss:</i>			
Remeasurements of employee benefit assets, net of tax expense of \$52,955,000 (2024: tax expense of \$22,037,000)		267,983	111,521
Remeasurement of provision for long service payments, net of tax expense of \$1,496,000 (2024: tax credit of \$2,093,000)		7,568	(10,591)
Equity investment at fair value through other comprehensive income ("FVOCI"): net movement in fair value reserve (non-recycling), net of nil tax		(78,429)	(35,594)
Share of other comprehensive income of an associate, net of nil tax		15,049	(16,644)
<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		31,038	(19,936)
Investments in financial assets measured at FVOCI (recycling): net movement in fair value reserve (recycling), net of nil tax	9	(3,959)	200,546
Other comprehensive income for the year		239,250	229,302
Total comprehensive income for the year		637,272	416,584

The notes on pages 194 to 262 form part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2025 (Expressed in Hong Kong dollars)

	Note	2025 \$'000	2024 \$'000
Non-current assets			
Investment properties	14	8,177,000	5,361,800
Investment property under development	14	–	2,911,500
Interest in leasehold land	13(a)	42,571	44,551
Other property, plant and equipment	13(a)	6,663,717	7,361,575
		14,883,288	15,679,426
Intangible assets	15	573,884	529,090
Goodwill	16	84,051	84,051
Interest in associates	18	616,233	569,660
Interest in joint venture	19	752,675	747,792
Other financial assets	20	1,526,914	1,354,446
Employee benefit assets	21(a)	2,110,291	1,755,757
Deferred tax assets	29(b)	3,574	763
		20,550,910	20,720,985
Current assets			
Spare parts		118,762	106,135
Accounts receivable	23	848,913	998,479
Other financial assets	20	88,864	108,190
Deposits and prepayments		66,740	44,895
Current tax recoverable	29(a)	4,875	836
Restricted bank deposits	24(a)	264,525	375,520
Bank deposits and cash	24(a)	1,516,315	1,554,434
		2,908,994	3,188,489
Current liabilities			
Accounts payable and accruals	26	1,370,760	1,576,416
Contingency provision – insurance	27	93,983	91,919
Bank loans	25	2,823,669	842,500
Lease liabilities	28	3,722	3,542
Current tax payable	29(a)	2,180	4,163
		4,294,314	2,518,540
Net current (liabilities)/assets		(1,385,320)	669,949
Total assets less current liabilities		19,165,590	21,390,934

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2025 (Expressed in Hong Kong dollars)

	Note	2025 \$'000	2024 \$'000
Non-current liabilities			
Bank loans	25	548,142	3,368,433
Lease liabilities	28	3,327	3,760
Deferred tax liabilities	29(b)	1,206,930	1,065,950
Contingency provision – insurance	27	142,180	146,151
Provision for long service payments	30	91,803	97,308
		1,992,382	4,681,602
NET ASSETS			
		17,173,208	16,709,332
CAPITAL AND RESERVES			
Share capital	31(b)(i)	534,540	508,901
Reserves		16,638,668	16,200,431
TOTAL EQUITY		17,173,208	16,709,332

Approved and authorised for issue by the Board of Directors on 19 March 2026

Norman LEUNG Nai Pang

Chairman

Roger LEE Chak Cheong

Managing Director

The notes on pages 194 to 262 form part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2025 (Expressed in Hong Kong dollars)

		Share capital	Share premium	Capital reserve	Other reserves	Exchange reserve	Fair value reserve (recycling)	Fair value reserve (non-recycling)	Retained profits	Total
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
	Note		(note 31 (c)(i))	(note 31 (c)(ii))		(note 31 (c)(iii))	(note 31 (c)(iv))	(note 31 (c)(v))		
Balance at 1 January 2024		494,343	1,492,293	11,669	1,102,614	75,744	(207,755)	983,762	12,452,917	16,405,587
Changes in equity for 2024:										
Profit for the year		-	-	-	-	-	-	-	187,282	187,282
Other comprehensive income for the year		-	-	-	-	(19,936)	200,546	(52,238)	100,930	229,302
Total comprehensive income for the year		-	-	-	-	(19,936)	200,546	(52,238)	288,212	416,584
Shares issued in respect of scrip dividend – 2023 final dividend	11(b) & 31(b)(i)	14,558	116,321	-	-	-	-	-	-	130,879
Forfeiture of share options		-	-	(1,150)	-	-	-	-	1,150	-
Equity-settled share-based transactions	5(a)	-	-	3,454	-	-	-	-	-	3,454
Dividends approved in respect of the previous year	11(b)	-	-	-	-	-	-	-	(247,172)	(247,172)
		14,558	116,321	2,304	-	-	-	-	(246,022)	(112,839)
Balance at 31 December 2024		508,901	1,608,614	13,973	1,102,614	55,808	(7,209)	931,524	12,495,107	16,709,332

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2025 (Expressed in Hong Kong dollars)

	Note	Share capital \$'000	Share premium \$'000 (note 31 (c)(i))	Capital reserve \$'000 (note 31 (c)(ii))	Other reserves \$'000	Exchange reserve \$'000 (note 31 (c)(iii))	Fair value	Fair value	Retained profits \$'000	Total \$'000
							reserve (recycling) \$'000 (note 31 (c)(iv))	reserve (non-recycling) \$'000 (note 31 (c)(v))		
Balance at 1 January 2025		508,901	1,608,614	13,973	1,102,614	55,808	(7,209)	931,524	12,495,107	16,709,332
Changes in equity for 2025:										
Profit for the year		-	-	-	-	-	-	-	398,022	398,022
Other comprehensive income for the year		-	-	-	-	31,038	(3,959)	(63,380)	275,551	239,250
Total comprehensive income for the year		-	-	-	-	31,038	(3,959)	(63,380)	673,573	637,272
Shares issued in respect of scrip dividend – 2024 final dividend	11(b) & 31(b)(i)	17,016	130,177	-	-	-	-	-	-	147,193
Shares issued in respect of scrip dividend – 2025 interim dividend	11(a) & 31(b)(i)	8,341	79,570	-	-	-	-	-	-	87,911
Issuance of shares upon exercise of share options	31(b)(i)	282	2,928	(225)	-	-	-	-	-	2,985
Forfeiture of share options		-	-	(5,461)	-	-	-	-	5,461	-
Equity-settled share-based transactions	5(a)	-	-	741	-	-	-	-	-	741
Dividends approved in respect of the previous year	11(b)	-	-	-	-	-	-	-	(254,451)	(254,451)
Dividends approved in respect of the current year	11(a)	-	-	-	-	-	-	-	(157,775)	(157,775)
Release of fair value reserve (non-recycling) upon disposal of investment by an associate		-	-	-	-	-	-	(11,679)	11,679	-
		25,639	212,675	(4,945)	-	-	-	(11,679)	(395,086)	(173,396)
Balance at 31 December 2025		534,540	1,821,289	9,028	1,102,614	86,846	(11,168)	856,465	12,773,594	17,173,208

The notes on pages 194 to 262 form part of these consolidated financial statements.

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 December 2025 (Expressed in Hong Kong dollars)

	Note	2025 \$'000	2024 \$'000
Operating activities			
Cash generated from operations	24(c)	1,655,403	1,540,831
Interest received		71,815	89,298
Interest paid		(62,782)	(92,845)
Tax paid			
– Hong Kong Profits Tax		(18,082)	(21,789)
– Withholding tax outside Hong Kong		(76)	(177)
Net cash generated from operating activities		1,646,278	1,515,318
Investing activities			
Decrease in restricted bank deposits		110,995	72,031
Decrease/(increase) in bank deposits with original maturities of over three months		47,916	(204,983)
Decrease in loan receivables		16,464	13,194
Payment for the purchase of other property, plant and equipment		(530,450)	(889,878)
Payment for additions of investment property under development		(85,881)	(146,682)
Payment for the purchase of intangible assets		(44,794)	–
Payment for the purchase of other financial assets		(367,367)	(170,581)
Receipt of government grant for the purchase of other property, plant and equipment		16	81,224
Receipt of government grant for the disposal of other property, plant and equipment		2,800	14,064
Proceeds from the disposal of other property, plant and equipment		3,809	8,110
Proceeds on the maturity of other financial assets		193,834	415,028
Dividends received from associates		158	3,544
Dividends received from equity investments		78,360	86,520
Finance costs paid and capitalised into investment property under development		(48,248)	(106,252)
Net cash used in investing activities		(622,388)	(824,661)
Financing activities			
Proceeds from new bank loans	24(d)	3,905,000	2,950,000
Repayment of bank loans	24(d)	(4,747,500)	(3,382,500)
Loan repaid by a joint venture		4,057	9,320
Issuance of shares upon exercise of share options		2,985	–
Capital element of lease rentals paid	24(d)	(4,209)	(4,312)
Interest element of lease rentals paid	24(d)	(340)	(317)
Dividends paid to equity shareholders of the Company		(177,122)	(116,293)
Net cash used in financing activities		(1,017,129)	(544,102)
Net increase in cash and cash equivalents		6,761	146,555
Cash and cash equivalents at 1 January		638,731	497,023
Effect of foreign exchange rate changes		3,036	(4,847)
Cash and cash equivalents at 31 December	24(a)	648,528	638,731

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 December 2025 (Expressed in Hong Kong dollars)

	Note	2025 \$'000	2024 \$'000
Analysis of cash and cash equivalents:			
Bank deposits and cash in the consolidated statement of financial position	24(a)	1,516,315	1,554,434
Less: bank deposits with original maturities of over three months	24(a)	(867,787)	(915,703)
Cash and cash equivalents in the consolidated cash flow statement		648,528	638,731

The notes on pages 194 to 262 form part of these consolidated financial statements.

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars unless otherwise indicated)

1 Material accounting policies

(a) Statement of compliance

These financial statements have been prepared in accordance with HKFRS Accounting Standards, which collective term includes all applicable individual Hong Kong Financial Reporting Standards (“HKFRSs”), Hong Kong Accounting Standards (“HKASs”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and the disclosure requirements of the Hong Kong Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (“Listing Rules”). Material accounting policies adopted by the Group are disclosed below.

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. Note 1(c) provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current accounting period reflected in these financial statements.

(b) Basis of preparation of the financial statements

The consolidated financial statements for the year ended 31 December 2025 comprise the Company and its subsidiaries (together referred to as “the Group”) and the Group’s interest in associates and joint ventures.

The measurement basis used in the preparation of the financial statements is the historical cost basis except that investment properties and investment property under development (see note 1(j)), investments in debt and equity securities (see note 1(g)), derivative financial instruments (see note 1(h)) and employee benefit assets (see note 1(x)(ii)) are stated at their fair value, as explained in the accounting policies set out below.

The preparation of financial statements in conformity with HKFRS Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements made by management in the application of HKFRS Accounting Standards that have significant effect on the financial statements and major sources of estimation uncertainty are discussed in note 2.

(c) Changes in accounting policies

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. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars unless otherwise indicated)

1 Material accounting policies (continued)

(d) Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. When assessing whether the Group has power, only substantive rights (held by the Group and other parties) are considered.

An investment in a subsidiary is consolidated into the consolidated financial statements from the date that control commences until the date that control ceases. Intra-group balances, transactions and cash flows, and any unrealised profits arising from intra-group transactions are eliminated in full in preparing the consolidated financial statements. Unrealised losses resulting from intra-group transactions are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

Changes in the Group's interests in a subsidiary that do not result in a loss of control are accounted for as equity transactions, whereby adjustments are made to the amounts of controlling and non-controlling interests within consolidated equity to reflect the change in relative interests, but no adjustments are made to goodwill and no gain or loss is recognised.

When the Group loses control of a subsidiary, it is accounted for as a disposal of the entire interest in that subsidiary, with a resulting gain or loss being recognised in profit or loss. Any interest retained in that former subsidiary at the date when control is lost is recognised at fair value and this amount is regarded as the fair value on initial recognition of a financial asset (see note 1(g)) or, when appropriate, the cost on initial recognition of an investment in an associate or joint venture (see note 1(e)).

In the Company's statement of financial position, an investment in a subsidiary is stated at cost less accumulated impairment losses (see note 1(n)(iii)).

(e) Associates, joint ventures and joint operations

An associate is an entity in which the Group has significant influence, but not control or joint control, over its management, including participation in the financial and operating policy decisions.

A joint venture is an arrangement whereby the Group and other parties contractually agree to share control of the arrangement, and have rights to the net assets of the arrangement.

A joint operation is an arrangement whereby the Group and other parties contractually agree to share control of the arrangement, and have rights to the assets, and obligations for the liabilities, relating to the arrangement.

An investment in an associate or a joint venture is accounted for in the consolidated financial statements under the equity method. Under the equity method, the investment is initially recorded at cost, adjusted for any excess of the Group's share of the acquisition-date fair values of the investee's identifiable net assets over the cost of the investment (if any). The cost of the investment includes purchase price, other costs directly attributable to the acquisition of the investment, and any direct investment into the associate or joint venture that forms part of the Group's equity investment. Thereafter, the investment is adjusted for the post-acquisition change in the Group's share of the investee's net assets and any impairment loss relating to the investment (see notes 1(f) and 1(n)(iii)). At each reporting date, the Group assesses whether there is any objective evidence that the investment is impaired. Any acquisition-date excess over cost, the Group's share of the post-acquisition, post-tax results of the investees and any impairment losses for the year are recognised in the consolidated statement of profit or loss, whereas the Group's share of the post-acquisition post-tax items of the investees' other comprehensive income is recognised in the consolidated statement of profit or loss and other comprehensive income.

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars unless otherwise indicated)

1 Material accounting policies (continued)

(e) Associates, joint ventures and joint operations (continued)

When the Group's share of losses exceeds its interest in the associate or the joint venture, the Group's interest is reduced to nil and recognition of further losses is discontinued except to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the investee. For this purpose, the Group's interest is the carrying amount of the investment under the equity method, together with any other long-term interests that in substance form part of the Group's net investment in the associate or the joint venture after applying the expected credit loss ("ECL") model to such other long-term interests, where applicable (see note 1(n)(i)).

Unrealised profits and losses resulting from transactions between the Group and its associates and joint venture are eliminated to the extent of the Group's interest in the investees, except where unrealised losses provide evidence of an impairment of the asset transferred, in which case they are recognised immediately in profit or loss.

If an investment in an associate becomes an investment in a joint venture or vice versa, the retained interest is not measured. Instead, the investment continues to be accounted for under equity method.

In all other cases, when the Group ceases to have significant influence over an associate or joint control over a joint venture, it is accounted for as a disposal of the entire interest in that investee, with a resulting gain or loss being recognised in profit or loss. Any interest retained in that former investee at the date when significant influence or joint control is lost is recognised at fair value and this amount is regarded as the fair value on initial recognition of a financial asset (see note 1(g)).

The Group recognises in the consolidated financial statements its share of a joint operation's assets and any liabilities incurred jointly with other operators according to their nature. Liabilities and expenses incurred directly in respect of its interest in the joint operation are accounted for on an accrual basis. Income from the sale or use of the Group's share of the output of the joint operation, together with its share of any expenses incurred by the joint operation, are recognised in profit or loss when it is probable that the economic benefits associated with the transactions will flow to or from the Group.

(f) Goodwill

Goodwill represents the excess of

- (i) the aggregate of the fair value of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the Group's previously held equity interest in the acquiree; over
- (ii) the Group's interest in the net fair value of the acquiree's identifiable assets and liabilities measured as at the acquisition date.

When (ii) is greater than (i), then this excess is recognised immediately in profit or loss as a gain on a bargain purchase.

Goodwill is stated at cost less accumulated impairment losses. Goodwill arising on a business combination is allocated to each cash-generating unit, or groups of cash-generating units, that is expected to benefit from the synergies of the combination and is tested annually for impairment (see note 1(n)(iii)).

On disposal of a cash-generating unit during the year, any attributable amount of purchased goodwill is included in the calculation of the profit or loss on disposal.

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars unless otherwise indicated)

1 Material accounting policies (continued)

(g) Other investments in debt and equity securities

The Group's and the Company's accounting policies for investments in debt and equity securities, other than investments in subsidiaries and associates and joint venture, are set out below.

Investments in debt and equity securities are recognised/derecognised on the date the Group commits to purchase/sell the investment. The investments are initially stated at fair value plus directly attributable transaction costs, except for those investments measured at fair value through profit or loss ("FVPL") for which transaction costs are recognised directly in profit or loss. For an explanation of how the Group determines fair value of financial instruments, see note 33(f). These investments are subsequently accounted for as follows, depending on their classification.

(i) Investments other than equity investments

Non-equity investments held by the Group are classified into one of the following measurement categories:

- amortised cost, if the investment is held for the collection of contractual cash flows which represent solely payments of principal and interest. Interest income from the investment is calculated using the effective interest method (see note 1(u)(iv)).
- fair value through other comprehensive income ("FVOCI") - recycling, if the contractual cash flows of the investment comprise solely payments of principal and interest and the investment is held within a business model whose objective is achieved by both the collection of contractual cash flows and sale. Changes in fair value are recognised in other comprehensive income, except for the recognition in profit or loss of expected credit losses, interest income (calculated using the effective interest method) and foreign exchange gains and losses. When the investment is derecognised, the amount accumulated in other comprehensive income is recycled from equity to profit or loss.
- FVPL if the investment does not meet the criteria for being measured at amortised cost or FVOCI (recycling). Changes in the fair value of the investment (including interest) are recognised in profit or loss.

(ii) Equity investments

An investment in equity securities is classified as FVPL unless the equity investment is not held for trading purposes and on initial recognition of the investment the Group makes an election to designate the investment at FVOCI (non-recycling) such that subsequent changes in fair value are recognised in other comprehensive income. Such elections are made on an instrument-by-instrument basis, but may only be made if the investment meets the definition of equity from the issuer's perspective. Where such an election is made, the amount accumulated in other comprehensive income remains in the fair value reserve (non-recycling) until the investment is disposed of. At the time of disposal, the amount accumulated in the fair value reserve (non-recycling) is transferred to retained earnings. It is not recycled through profit or loss. Dividends from an investment in equity securities, irrespective of whether classified as at FVPL or FVOCI, are recognised in profit or loss as other net income in accordance with the policy set out in note 1(u)(v).

(h) Derivative financial instruments

Derivative financial instruments are recognised at fair value. At the end of each reporting period the fair value is remeasured. The gain or loss on remeasurement to fair value is recognised immediately in profit or loss, except where the derivatives qualify for cash flow hedge accounting, in which case recognition of any resultant gain or loss depends on the nature of the item being hedged (see note 1(i)).

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars unless otherwise indicated)

1 Material accounting policies (continued)

(i) Cash flow hedges

The Group designates certain derivatives as hedging instruments to hedge the variability in cash flows associated with highly probable forecast transactions arising from changes in foreign exchange rates (cash flow hedges).

Where a derivative financial instrument is designated as a hedge of the variability in cash flows of a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk of a committed future transaction, the effective portion of any gain or loss on the derivative financial instrument is recognised in other comprehensive income and accumulated separately in equity in the hedging reserve. The ineffective portion of any gain or loss is recognised immediately in profit or loss.

If a hedge of a forecast transaction subsequently results in the recognition of a non-financial asset or a non-financial liability, the associated gain or loss is reclassified from equity to be included in the initial cost or other carrying amount of the non-financial asset or liability.

If a hedge no longer meets the criteria for hedge accounting (including when the hedging instrument expires or is sold, terminated or exercised), then hedge accounting is discontinued prospectively. When hedge accounting is discontinued, but the hedged forecast transaction is still expected to occur, the amount that has been accumulated in the hedging reserve remains in equity until the transaction occurs and it is recognised in accordance with the above policy. If the hedged transaction is no longer expected to take place, the amount that has been accumulated in the hedging reserve is reclassified from equity to profit or loss immediately.

(j) Investment properties and investment property under development

Investment properties are land and/or buildings which are owned or held under a leasehold interest (see note 1(l)) to earn rental income and/or for capital appreciation. These include land held for a currently undetermined future use and property that is being constructed or developed for future use as investment property.

Investment properties and investment property under development are stated at fair value unless their fair value cannot be reliably measured at that time. Any gain or loss arising from a change in fair value or from the retirement or disposal of an investment property is recognised in profit or loss.

Rental income from investment properties is accounted for as described in the accounting policies set out in note 1(u)(vi).

(k) Other property, plant and equipment

Properties held for own use and other items of plant and equipment, including right-of-use assets arising from leases of underlying property, plant and equipment (see note 1(l)), are stated at cost less accumulated depreciation and impairment losses (see note 1(n)(iii)).

The cost of self-constructed items of property, plant and equipment includes the cost of materials, direct labour, the initial estimate, where relevant, of the costs of dismantling and removing the items and restoring the site on which they are located, and an appropriate proportion of production overheads and borrowing costs (see note 1(v)).

Government grants that compensate the Group for the cost of an asset are deducted from the carrying amount of the asset and consequently are effectively recognised in profit or loss over the useful life of the asset by way of reduced depreciation expense. Government grants are recognised in the statement of financial position initially when there is reasonable assurance that they will be received and that the Group will comply with the conditions attaching to them.

Gains or losses arising from the retirement or disposal of an item of property, plant and equipment are determined as the difference between the net disposal proceeds and the carrying amount of the item and are recognised in profit or loss on the date of retirement or disposal.

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars unless otherwise indicated)

1 Material accounting policies (continued)

(k) Other property, plant and equipment (continued)

Depreciation is calculated to write off the cost of items of property, plant and equipment, less their estimated residual value, if any, using the straight-line method over their estimated useful lives as follows:

– Buildings situated on leasehold land	The shorter of 40 years and the unexpired terms of the leases
– Leasehold land	The unexpired terms of the leases
– Buses	14 years
– Other motor vehicles	5 to 14 years
– Others	2 to 7 years

No depreciation is provided for buses under construction.

Where parts of an item of property, plant and equipment have different useful lives, the cost of the item is allocated on a reasonable basis between the parts and each part is depreciated separately. Both the useful life of an asset and its residual value, if any, are reviewed annually.

(l) Leased assets

At inception of a contract, the Group assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is conveyed where the customer has both the right to direct the use of the identified asset and to obtain substantially all of the economic benefits from that use.

(i) As a lessee

At the lease commencement date, the Group recognises a right-of-use asset and a lease liability, except for short-term leases that have a lease term of 12 months or less. The lease payments associated with those leases which are not capitalised are recognised as an expense on a systematic basis over the lease term.

Where the lease is capitalised, the lease liability is initially recognised at the present value of the lease payments payable over the lease term, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, using a relevant incremental borrowing rate. After initial recognition, the lease liability is measured at amortised cost and interest expense is calculated using the effective interest method.

The right-of-use asset recognised when a lease is capitalised is initially measured at cost, which comprises the initial amount of the lease liability plus any lease payments made at or before the commencement date, and any initial direct costs incurred. Where applicable, the cost of the right-of-use assets also includes an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, discounted to its present value, less any lease incentives received.

The right-of-use asset is subsequently stated at cost less accumulated depreciation and impairment losses (see notes 1(k) and 1(n)(iii)).

The lease liability is remeasured when there is a change in future lease payments arising from a change in an index or rate, or there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or there is a change arising from the reassessment of whether the Group will be reasonably certain to exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars unless otherwise indicated)

1 Material accounting policies (continued)

(l) Leased assets (continued)

(i) As a lessee (continued)

The lease liability is remeasured when there is a change in the scope of a lease or the consideration for a lease that is not originally provided for in the lease contract ("lease modification") that is not accounted for as a separate lease. In this case the lease liability is remeasured based on the revised lease payments and lease term using a revised discount rate at the effective date of the modification.

In the consolidated statement of financial position, the current portion of long-term lease liabilities is determined as the present value of contractual payments that are due to be settled within twelve months after the reporting period.

The Group presents right-of-use assets that do not meet the definition of investment property in 'other property, plant and equipment' and presents lease liabilities separately in the consolidated statement of financial position.

(ii) As a lessor

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to the ownership of an underlying asset to the lessee. If this is not the case, the lease is classified as an operating lease.

When a contract contains lease and non-lease components, the Group allocates the consideration in the contract to each component on a relative stand-alone selling price basis. The rental income from operating leases is recognised in accordance with note 1(u)(vi).

(m) Intangible assets (other than goodwill)

Intangible assets (other than goodwill) are stated at cost less accumulated amortisation (where the estimated useful life is finite) and impairment losses (see note 1(n)(iii)).

Passenger service licences and transport operating rights are assessed and regarded by the Group to have indefinite useful lives and are not amortised. Any conclusion that the useful life of an intangible asset is indefinite is reviewed annually to determine whether events and circumstances continue to support the indefinite useful life assessment for that asset. If they do not, the change in the useful life assessment from indefinite to finite is accounted for prospectively from the date of change and amortisation is charged to profit or loss on a straight-line basis over the asset's estimated remaining useful life.

(n) Credit losses and impairment of assets

(i) Credit losses from financial instruments

The Group recognises a loss allowance for ECLs on the following items:

- financial assets measured at amortised cost (including bank deposits and cash, trade and other receivables, including loan to a joint venture, which is held for the collection of contractual cash flows which represent solely payments of principal); and
- investments in debt securities measured at FVOCI (recycling).

Other financial assets measured at fair value, including equity securities measured at FVPL, equity securities designated at FVOCI (non-recycling) and derivative financial assets, are not subject to the ECL assessment.

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars unless otherwise indicated)

1 Material accounting policies (continued)

(n) Credit losses and impairment of assets (continued)

(i) Credit losses from financial instruments (continued)

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all expected cash shortfalls (i.e. the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive).

The expected cash shortfalls are discounted using the following discount rates where the effect of discounting is material:

- fixed-rate financial assets and trade and other receivables: effective interest rate determined at initial recognition or an approximation thereof;
- variable-rate financial assets: current effective interest rate.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

In measuring ECLs, the Group takes into account reasonable and supportable information that is available without undue cost or effort. This includes information about past events, current conditions and forecasts of future economic conditions.

ECLs are measured on either of the following bases:

- 12-month ECLs: these are losses that are expected to result from possible default events within the 12 months after the reporting date; and
- lifetime ECLs: these are losses that are expected to result from all possible default events over the expected lives of the items to which the ECL model applies.

Loss allowances for trade receivables are always measured at an amount equal to lifetime ECLs. ECLs on these financial assets are estimated based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors and an assessment of both the current and forecast general economic conditions at the reporting date.

For all other financial instruments, the Group recognises a loss allowance equal to 12-month ECLs unless there has been a significant increase in credit risk of the financial instrument since initial recognition, in which case the loss allowance is measured at an amount equal to lifetime ECLs.

Significant increases in credit risk

In assessing whether the credit risk of a financial instrument has increased significantly since initial recognition, the Group compares the risk of default occurring on the financial instrument assessed at the reporting date with that assessed at the date of initial recognition. In making this reassessment, the Group considers that a default event occurs when (i) the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or (ii) the financial asset is 90 days past due. The Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars unless otherwise indicated)

1 Material accounting policies (continued)

(n) Credit losses and impairment of assets (continued)

(i) Credit losses from financial instruments (continued)

Significant increases in credit risk (continued)

In particular, the following information is taken into account when assessing whether the credit risk has increased significantly since initial recognition:

- failure to make payments of principal or interest on their contractually due dates;
- an actual or expected significant deterioration in a financial instrument's external or internal credit rating (if available);
- an actual or expected significant deterioration in the operating results of the debtor; and
- existing or forecast changes in the technological, market, economic or legal environment that have a significant adverse effect on the debtor's ability to meet its obligation to the Group.

Depending on the nature of the financial instruments, the assessment of a significant increase in credit risk is performed on either an individual basis or a collective basis. When the assessment is performed on a collective basis, the financial instruments are grouped based on shared credit risk characteristics, such as past due status and credit risk ratings.

ECLs are remeasured at each reporting date to reflect changes in the financial instrument's credit risk since initial recognition. Any change in the ECL amount is recognised as an impairment gain or loss in profit or loss. The Group recognises an impairment gain or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt securities that are measured at FVOCI (recycling), for which the loss allowance is recognised in other comprehensive income and accumulated in the fair value reserve (recycling).

Basis of calculation of interest income

Interest income recognised in accordance with note 1(u)(iv) is calculated based on the gross carrying amount of the financial asset unless the financial asset is credit-impaired, in which case interest income is calculated based on the amortised cost (i.e. the gross carrying amount less loss allowance) of the financial asset.

At each reporting date, the Group assesses whether a financial asset is credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable events:

- significant financial difficulties of the debtor;
- a breach of contract, such as a default or delinquency in interest or principal payments;
- it becoming probable that the borrower will enter into bankruptcy or other financial reorganisation;
- significant changes in the technological, market, economic or legal environment that have an adverse effect on the debtor; or
- the disappearance of an active market for a security because of financial difficulties of the issuer.

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars unless otherwise indicated)

1 Material accounting policies (continued)

(n) Credit losses and impairment of assets (continued)

(i) Credit losses from financial instruments (continued)

Write-off policy

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off.

Subsequent recoveries of an asset that was previously written off are recognised as a reversal of impairment in profit or loss in the period in which the recovery occurs.

(ii) Credit losses from financial guarantees issued

Financial guarantees are contracts that require the issuer (i.e. the guarantor) to make specified payments to reimburse the beneficiary of the guarantee (the "holder") for a loss the holder incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument.

Financial guarantees issued are initially recognised within "trade and other payables" at fair value, which is determined by reference to fees charged in an arm's length transaction for similar services, when such information is obtainable, or to interest rate differentials, by comparing the actual rates charged by lenders when the guarantee is made available with the estimated rates that lenders would have charged, had the guarantees not been available, where reliable estimates of such information can be made. Where consideration is received or receivable for the issuance of the guarantee, the consideration is recognised in accordance with the Group's policies applicable to that category of asset. Where no such consideration is received or receivable, an immediate expense is recognised in profit or loss.

Subsequent to initial recognition, the amount initially recognised as deferred income is amortised in profit or loss over the term of the guarantee as income from financial guarantees issued.

The Group monitors the risk that the specified debtor will default on the contract and recognises a provision when ECLs on the financial guarantees are determined to be higher than the amount carried in "trade and other payables" in respect of the guarantees (i.e. the amount initially recognised, less accumulated amortisation).

To determine ECLs, the Group considers changes in the risk of default of the specified debtor since the issuance of the guarantee. A 12-month ECL is measured unless the risk that the specified debtor will default has increased significantly since the guarantee is issued, in which case a lifetime ECL is measured. The same definition of default and the same assessment of significant increase in credit risk as described in note 1(n)(i) apply.

As the Group is required to make payments only in the event of a default by the specified debtor in accordance with the terms of the instrument that is guaranteed, an ECL is estimated based on the expected payments to reimburse the holder for a credit loss that it incurs less any amount that the Group expects to receive from the holder of the guarantee, the specified debtor or any other party. The amount is then discounted using the current risk-free rate adjusted for risks specific to the cash flows.

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars unless otherwise indicated)

1 Material accounting policies (continued)

(n) Credit losses and impairment of assets (continued)

(iii) Impairment of other non-current assets

Internal and external sources of information are reviewed at the end of each reporting period to identify indications that the following assets may be impaired or, except in the case of goodwill and intangible assets that have indefinite useful lives, an impairment loss previously recognised no longer exists or may have decreased:

- other property, plant and equipment, including right-of-use assets;
- interest in leasehold land;
- intangible assets;
- goodwill;
- interest in associates;
- interest in joint venture and
- investments in subsidiaries in the Company's statement of financial position.

If any such indication exists, the asset's recoverable amount is estimated. In addition, for goodwill and intangible assets that have indefinite useful lives, their recoverable amounts are estimated annually whether or not there is indication of impairment.

– **Calculation of the recoverable amount**

The recoverable amount of an asset is the greater of its fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where an asset does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the smallest group of assets that generates cash inflows independently (i.e. a cash-generating unit).

– **Recognition of impairment losses**

An impairment loss is recognised in profit or loss if the carrying amount of an asset, or the cash-generating unit to which it belongs, exceeds its recoverable amount. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the cash-generating unit (or group of units) and then, to reduce the carrying amount of the other assets in the unit (or group of units) on a pro rata basis, except that the carrying value of an asset will not be reduced below its individual fair value less costs of disposal (if measurable) or value in use (if determinable). A portion of the carrying amount of a corporate asset (for example, head office building) is allocated to an individual cash-generating unit if the allocation can be done on a reasonable and consistent basis, or to the smallest group of cash-generating units if otherwise.

– **Reversals of impairment losses**

In respect of assets other than goodwill, an impairment loss is reversed if there has been a favourable change in the estimates used to determine the recoverable amount. An impairment loss in respect of goodwill is not reversed.

A reversal of an impairment loss is limited to the asset's carrying amount that would have been determined had no impairment loss been recognised in prior years. Reversals of impairment losses are credited to profit or loss in the year in which the reversals are recognised.

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars unless otherwise indicated)

1 Material accounting policies (continued)

(n) Credit losses and impairment of assets (continued)

(iv) Interim financial reporting and impairment

Under the Listing Rules, the Group is required to prepare an interim financial report in compliance with HKAS 34, *Interim financial reporting*, in respect of the first six months of the financial year. At the end of the interim period, the Group applies the same impairment testing, recognition, and reversal criteria as it would at the end of the financial year (see notes 1(n)(i) and 1(n)(ii)).

Impairment losses recognised in an interim period in respect of goodwill are not reversed in a subsequent period. This is the case even if no loss, or a smaller loss, would have been recognised had the impairment been assessed only at the end of the financial year to which the interim period relates.

(o) Spare parts

Spare parts are included within current assets and stated at cost, using the first-in-first-out method. Provision is made for obsolescence where appropriate.

(p) Accounts receivable

A receivable is recognised when the Group has an unconditional right to receive consideration. A right to receive consideration is unconditional if only the passage of time is required before payment of that consideration is due.

Accounts receivable are initially recognised at its transaction price and subsequently stated at amortised cost, using the effective interest method and including an allowance for credit losses (see note 1(n)(i)), except where the receivables are interest-free loans made to related parties without any fixed repayment terms or the effect of discounting would be immaterial. In such cases, the receivables are stated at cost less allowance for credit losses.

(q) Interest-bearing borrowings

Interest-bearing borrowings are measured initially at fair value less transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method. Interest expense is recognised in accordance with the Group's accounting policy for borrowing costs (see note 1(v)).

(r) Accounts payable and accruals

Accounts payable and accruals are initially recognised at fair value. Except for financial guarantee liabilities measured in accordance with note 1(n)(ii), accounts payable and accruals are subsequently stated at amortised cost, except where the payables are interest-free loans advanced from related parties without any fixed repayment terms or the effect of discounting would be immaterial, in which case they are stated at invoiced amounts.

(s) Bank deposits and cash

Bank deposits and cash comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition. Bank deposits and cash are assessed for ECL in accordance with the policy set out in note 1(n)(i).

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars unless otherwise indicated)

1 Material accounting policies (continued)

(t) Provisions and contingent liabilities

Provisions are recognised for other liabilities of uncertain timing or amount when the Group or the Company has a legal or constructive obligation arising as a result of a past event, when it is probable that an outflow of economic benefits will be required to settle the obligation and when a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditure expected to settle the obligation.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote.

Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow of economic benefits is remote.

(u) Revenue and other income

Income is classified by the Group as revenue when it arises from the provision of services or the use by others of the Group's assets under leases in the ordinary course of the Group's business.

Revenue is recognised when control over service is transferred to the customer, or the lessee has the right to use the asset, at the amount of promise consideration to which the Group is expected to be entitled, excluding those amounts collected on behalf of third parties. Revenue excludes value added tax or other sales taxes and is after deduction of any trade discounts.

Further details of the Group's revenue and other income recognition policies are as follows:

- (i) Fare revenue from franchised public bus services and revenue from non-franchised transport services are recognised when the related services are provided.
- (ii) Licence fee income is recognised when the media sales management and administrative services are rendered.
- (iii) Media sales income is recognised when the related advertisements are telecast or commercials appear before the public.
- (iv) Interest income is recognised as it accrues using the effective interest method. For financial assets measured at amortised cost or FVOCI (recycling) that are not credit-impaired, the effective interest rate is applied to the gross carrying amount of the asset. For credit-impaired financial assets, the effective interest rate is applied to the amortised cost (i.e. gross carrying amount net of loss allowance) of the asset (see note 1(n)(i)).
- (v) Dividend income from equity investments is recognised when the shareholder's right to receive payment is established.
- (vi) Rental income receivable under operating leases is recognised in profit or loss in equal instalments over the periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the use of the leased asset. Lease incentives granted are recognised in profit or loss as an integral part of the aggregate net lease payments receivable. Contingent rentals are recognised as income in the accounting period in which they are earned.
- (vii) Government grants that compensate the Group for expenses incurred are recognised as income in profit or loss on a systematic basis in the same periods in which the expenses are incurred.

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars unless otherwise indicated)

1 Material accounting policies (continued)

(v) Borrowing costs

Borrowing costs that are directly attributable to the acquisition or construction of an asset which necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of that asset. Other borrowing costs are expensed in the period in which they are incurred.

The capitalisation of borrowing costs as part of a qualifying asset commences when expenditure for the asset is being incurred, borrowing costs are being incurred and activities that are necessary to prepare the asset for its intended use are in progress. Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the qualifying asset for its intended use are interrupted or complete.

(w) Translation of foreign currencies

The functional currency of the Company and subsidiaries which operate in Hong Kong is Hong Kong dollars while that for subsidiaries which operate in Chinese Mainland is Renminbi. The presentation currency of the Group is Hong Kong dollars.

Foreign currency transactions during the year are translated at the foreign exchange rates ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the foreign exchange rates ruling at the end of the reporting period. Exchange gains and losses are recognised in profit or loss.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the foreign exchange rates ruling at the transaction dates. The transaction date is the date on which the Company initially recognises such non-monetary assets or liabilities. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated using the foreign exchange rates ruling at the dates the fair value was measured.

The results of operations outside Hong Kong are translated into Hong Kong dollars at the exchange rates approximating the foreign exchange rates ruling at the dates of the transactions. Statement of financial position items, including goodwill arising on consolidation of operations outside Hong Kong acquired on or after 1 January 2005, are translated into Hong Kong dollars at the closing foreign exchange rates at the end of the reporting period. The resulting exchange differences are recognised in other comprehensive income and accumulated separately in equity in the exchange reserve. Goodwill arising on consolidation of an operation outside Hong Kong acquired before 1 January 2005 is translated at the foreign exchange rate that applied at the date of acquisition of the operation outside Hong Kong.

On disposal of an operation outside Hong Kong, the cumulative amount of the exchange differences relating to that foreign operation is reclassified from equity to profit or loss when the profit or loss on disposal is recognised.

(x) Employee benefits

(i) Short-term employee benefits and contributions to defined contribution retirement plans

Salaries, annual bonuses, paid annual leave, contributions to defined contribution retirement plans and the cost of non-monetary benefits are accrued in the year in which the associated services are rendered by employees. Where payment or settlement is deferred and the effect would be material, these amounts are stated at their present values.

(ii) Defined benefit retirement plan obligations

The Group has the following two categories of defined benefit plans:

- defined benefit retirement plans registered under the Hong Kong Occupational Retirement Schemes Ordinance (the “ORSO plans”)
- long service payments (“LSP”) under the Hong Kong Employment Ordinance.

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars unless otherwise indicated)

1 Material accounting policies (continued)

(x) Employee benefits (continued)

(ii) Defined benefit retirement plan obligations (continued)

The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods and discounting that amount. For ORSO plans, the net obligation is after deducting the fair value of plan assets. For LSP obligations, the estimated amount of future benefit is determined after deducting the negative service cost arising from the accrued benefits derived from the Group's Mandatory Provident Fund ("MPF") contributions that have been vested with employees, which are deemed to be contributions from the relevant employees.

The calculation of defined benefit obligations are performed by qualified actuaries using the projected unit credit method. For ORSO plans, when the calculation results in a benefit to the Group, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan.

Service cost and net interest expense (income) on the net defined benefit liability (asset) are recognised in profit or loss. Current service cost is measured as the increase in the present value of the defined benefit obligations resulting from employee service in the current period. When the benefits of a plan are changed, or when a plan is curtailed, the portion of the changed benefit related to past service by employees, or the gain or loss on curtailment, is recognised as an expense in profit or loss at the earlier of when the plan amendment or curtailment occurs and when related restructuring costs or termination benefits are recognised. Net interest expense (income) for the period is determined by applying the discount rate used to measure the defined benefit obligations at the beginning of the reporting period to the net defined benefit liability (asset). The discount rate is the yield at the end of the reporting period on high quality corporate bonds (where there is no deep market in such corporate bonds, government bonds) that have maturity dates approximating the terms of the Group's obligations.

Remeasurements arising from defined benefit plans, which comprise actuarial gains and losses, the return on plan assets in ORSO plans (excluding interest) and the effect of any asset ceiling (excluding interest), are recognised immediately in other comprehensive income. Net interest expense (income) for the period is determined by applying the discount rate used to measure the defined benefit obligations at the beginning of the reporting period to the then net defined benefit liability (asset), taking into account any changes in the net defined benefit liability during the period. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

(iii) Equity-settled share-based payments

The fair value of share options granted to employees is recognised as an employee cost with a corresponding increase in a capital reserve within equity. The fair value is measured at grant date using the binomial model, taking into account the terms and conditions upon which the options were granted. Where the employees have to meet vesting conditions before becoming unconditionally entitled to the options, the total estimated fair value of the options is spread over the vesting period, taking into account the probability that the options will vest.

During the vesting period, the number of share options that is expected to vest is reviewed. Any resulting adjustment to the cumulative fair value recognised in prior years is charged/credited to profit or loss for the year of the review, unless the original employee expenses qualify for recognition as an asset, with a corresponding adjustment to the capital reserve. On vesting date, the amount recognised as an expense is adjusted to reflect the actual number of options that vest (with a corresponding adjustment to the capital reserve) except where forfeiture is only due to not achieving vesting conditions that relate to the market price of the Company's shares. The equity amount is recognised in the capital reserve until either the option is exercised (when it is included in the amount recognised in share capital for the shares issued) or the option expires (when it is released directly to retained profits).

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars unless otherwise indicated)

1 Material accounting policies (continued)

(x) Employee benefits (continued)

(iv) Termination benefits

Termination benefits are recognised at the earlier of when the Group can no longer withdraw the offer of those benefits and when it recognises restructuring costs involving the payment of termination benefits.

(y) Income tax

Income tax for the year comprises current tax and movements in deferred tax assets and liabilities. Current tax and movements in deferred tax assets and liabilities are recognised in profit or loss except to the extent that they relate to items recognised in other comprehensive income or directly in equity, in which case the relevant amounts of tax are recognised in other comprehensive income or directly in equity, respectively.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the end of the reporting period, and any adjustment to tax payable in respect of previous years.

Deferred tax assets and liabilities arise from deductible and taxable temporary differences respectively, being the differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases. Deferred tax assets also arise from unused tax losses and unused tax credits.

Apart from certain limited exceptions, all deferred tax liabilities, and all deferred tax assets to the extent that it is probable that future taxable profits will be available against which the asset can be utilised, are recognised. Future taxable profits that may support the recognition of deferred tax assets arising from deductible temporary differences include those that will arise from the reversal of existing taxable temporary differences, provided those differences relate to the same taxation authority and the same taxable entity, and are expected to reverse either in the same period as the expected reversal of the deductible temporary difference or in periods into which a tax loss arising from the deferred tax asset can be carried back or forward. The same criteria are adopted when determining whether existing taxable temporary differences support the recognition of deferred tax assets arising from unused tax losses and credits, that is, those differences are taken into account if they relate to the same taxation authority and the same taxable entity, and are expected to reverse in a period, or periods, in which the tax loss or credit can be utilised.

The limited exceptions to recognition of deferred tax assets and liabilities are those temporary differences arising from goodwill not deductible for tax purposes and the initial recognition of assets or liabilities that affect neither accounting nor taxable profit (provided they are not part of a business combination).

The amount of deferred tax recognised is measured based on the expected manner of realisation or settlement of the carrying amount of the assets and liabilities, using tax rates enacted or substantively enacted at the end of the reporting period. Deferred tax assets and liabilities are not discounted.

The carrying amount of a deferred tax asset is reviewed at the end of each reporting period and is reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow the related tax benefit to be utilised. Any such reduction is reversed to the extent that it becomes probable that sufficient taxable profit will be available.

Current tax balances and deferred tax balances, and movements therein, are presented separately from each other and are not offset. Current tax assets are offset against current tax liabilities, and deferred tax assets against deferred tax liabilities, if the Group has the legally enforceable right to set off current tax assets against current tax liabilities and the following additional conditions are met:

- in the case of current tax assets and liabilities, the Group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously; or

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars unless otherwise indicated)

1 Material accounting policies (continued)

(y) Income tax (continued)

- in the case of deferred tax assets and liabilities, if they relate to income taxes levied by the same taxation authority on either:
 - the same taxable entity; or
 - different taxable entities, which, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered, intend to realise the current tax assets and settle the current tax liabilities on a net basis or realise and settle simultaneously.

(z) Related parties

- (i) A person, or a close member of that person's family, is related to the Group if that person:
 - (1) has control or joint control over the Group;
 - (2) has significant influence over the Group; or
 - (3) is a member of the key management personnel of the Group or the Group's parent.
- (ii) An entity is related to the Group if any of the following conditions applies:
 - (1) The entity and the Group are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - (2) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - (3) Both entities are joint ventures of the same third party.
 - (4) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
 - (5) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group.
 - (6) The entity is controlled or jointly controlled by a person identified in (i).
 - (7) A person identified in (i)(1) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
 - (8) The entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the Group's parent.

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars unless otherwise indicated)

1 Material accounting policies (continued)

(aa) Segment reporting

Operating segments, and the amounts of each segment item reported in the consolidated financial statements, are identified from the financial information provided regularly to the Group's most senior executive management for the purposes of allocating resources to and assessing the performance of the Group's various lines of business and geographical locations.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of production processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

2 Accounting judgements and estimates

Notes 16, 21(f), 22(c), 30 and 33(f) contain information about the assumptions and their risk factors relating to impairment of goodwill and intangible assets with indefinite useful lives, employee benefit assets, provision for long service payments, fair value of share options and fair value of financial instruments. Other key sources of estimation uncertainty are as follows:

(a) Depreciation

Interest in leasehold land and other property, plant and equipment, including right-of-use assets, are depreciated on a straight-line basis over the estimated useful lives of the assets. The Group reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation expense to be recorded during any reporting period. The useful lives and residual values are based on the Group's historical experience with similar assets, taking into account anticipated technological changes. The depreciation expense for future periods is adjusted if there are material changes from previous estimates.

(b) Credit losses and impairment of assets

(i) Credit losses from financial instruments

The Group recognises a loss allowance for ECLs on the asset. Credit losses are measured as the present value of all expected cash shortfalls (i.e. the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive). In measuring ECLs, the Group takes into account reasonable and supportable information that is available without undue cost or effort. ECLs are remeasured at each reporting date to reflect changes in the financial instrument's credit risk since initial recognition.

(ii) Impairment of other non-current assets

Internal and external sources of information are reviewed by the Group at the end of each reporting period to assess whether there is any indication that an asset may be impaired. If any such indication exists, the recoverable amount of the asset or the cash-generating unit to which it belongs is estimated to determine impairment losses on the asset. Changes in facts and circumstances may result in revisions to the conclusion of whether an indication of impairment exists and revised estimates of recoverable amounts, which would affect profit or loss in future years.

Goodwill and intangible assets with indefinite useful lives are tested for impairment at least annually even when there is no indication of impairment.

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars unless otherwise indicated)

2 Accounting judgements and estimates (continued)

(c) Contingency provision – insurance

Estimation of the contingency provision – insurance, as disclosed in note 27, is based on past claim experience and recent claim developments. The provision is assessed based on independent valuations performed by qualified external actuaries. As the ultimate claim amount will be affected by future external events, for example the amount of court awards, changes in standards of liability and the attitude of claimants towards settlement of their claims, actual claims may deviate from these estimations. Any increase or decrease in the provision would affect the Group's results in future years.

(d) Fair value of investment properties and investment property under development

Investment properties and investment property under development are stated at fair value. Such fair value is based on the valuations performed by independent firm of professional qualified valuers. Income capitalisation method is used in the valuation of investment properties which is dependent on certain estimates, including fair market rents, appropriate capitalisation rates, and reversionary income potential, where appropriate.

The valuations of investment property under development are also dependent upon the estimated costs to complete. Details of the fair value measurement of investment properties and investment property under development are set out in note 14.

3 Revenue

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

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

	2025 \$'000	2024 \$'000
Fare revenue from franchised public bus services	7,796,166	7,574,160
Revenue from non-franchised transport services	282,813	269,976
Licence fee income	198,088	214,637
Media sales revenue	51,305	52,261
Gross rentals from investment properties	114,353	104,319
	8,442,725	8,215,353

All revenue, except gross rentals from investment properties which are subject to HKFRS 16, Leases, falls within the scope of HKFRS 15, Revenue from contracts with customers. The Group's customer base is diversified and there was no customer with whom transactions have exceeded 10% of the Group's revenue. Further details regarding the Group's principal activities are disclosed in note 12 to the consolidated financial statements.

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars unless otherwise indicated)

4 Other net income

	2025 \$'000	2024 \$'000
Dividend income from equity investments	75,179	81,541
Interest income on financial assets measured at FVOCI (recycling)	21,784	25,603
Interest income on financial assets measured at amortised cost	48,884	61,121
Net foreign exchange gain/(loss)	1,032	(6,482)
Net loss on derecognition of financial assets measured at FVOCI (recycling) (note 9)	(14)	(3,098)
Expected credit loss on other financial assets (note 20(ii))	(86,500)	(171,000)
	60,365	(12,315)
Claims received	15,210	24,116
Net miscellaneous business receipts	12,056	12,885
Net gain on disposal of other property, plant and equipment	1,451	4,162
Government subsidies	1,120	15,744
Sundry income	45,556	67,807
	135,758	112,399

5 Profit before taxation

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

	2025 \$'000	2024 \$'000
(a) Staff costs		
Contributions to defined contribution retirement plans	187,778	185,469
(Income)/expenses recognised in respect of defined benefit plans:		
– Employee benefit assets (note 21(e))	(33,596)	(12,926)
– Long service payments (note 30)	14,796	11,543
Total retirement cost	168,978	184,086
Equity-settled share-based payment expenses	741	3,454
Salaries, wages and other benefits	4,425,737	4,244,209
	4,595,456	4,431,749
Less: staff costs included in cost of mask production	–	(778)
	4,595,456	4,430,971
(b) Finance costs		
Interest on bank loans	112,795	222,772
Interest on lease liabilities (note 24(d))	340	317
Total interest expenses on financial liabilities not measured at FVPL	113,135	223,089
Less: interest expense capitalised*	(51,814)	(124,746)
	61,321	98,343

* The borrowing costs have been capitalised at the average interest rate of 3.13% per annum (2024: 4.92% per annum).

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars unless otherwise indicated)

5 Profit before taxation (continued)

	2025 \$'000	2024 \$'000
(c) Rentals received and receivable from investment properties		
Gross rentals (note)	(114,353)	(104,319)
Less: direct outgoings	36,627	31,657
	(77,726)	(72,662)

Note: Included contingent rental income of \$45,000 (2024: \$40,000).

	2025 \$'000	2024 \$'000
(d) Other items		
Depreciation#		
– owned property, plant and equipment	1,177,356	1,191,090
– right-of-use assets	6,076	5,586
Write-down of spare parts	944	1,534
Provision for passenger reward (note a)	–	–
Provision for toll exemption fund (note b)	152,558	129,749
Insurance expenses (including the contingency provision for insurance)	135,026	198,117
Auditors' remuneration		
– audit services	4,437	4,694
– other services	998	1,013

Note a: Under the revised Modified Basket of Factors ("MBOF") approach, which is the existing basis for the assessment of bus fare adjustment applications, 50% of any return on a franchised bus operator in a given year in excess of a prescribed triggering point of return on its average net interest in leasehold land and other property, plant and equipment is required to be set aside and accumulated in a balance of passenger reward, which would be available to relieve the pressure for future fare increases and to facilitate the offer of bus fare concessions. The prescribed triggering point of return for 2025 and 2024 was 8.7% per annum. The balance of passenger reward of the Group as at 31 December 2025, included in accounts payable and accruals (note 26), was \$Nil (2024: \$Nil).

Note b: The Government of the Hong Kong Special Administrative Region (the "HKSAR Government") announced that with effect from 17 February 2019, all franchised buses are exempted from paying toll 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 the 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 31 December 2025, included in accounts payable and accruals (note 26), was \$239,057,000 (2024: \$353,784,000).

#: Cost of mask production includes depreciation of \$Nil (2024: \$416,000), which amount is not included in the total amount disclosed in note 5(d) for depreciation.

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars unless otherwise indicated)

6 Income tax in the consolidated statement of profit or loss

(a) Taxation in the consolidated statement of profit or loss represents:

	2025 \$'000	2024 \$'000
Current tax		
Hong Kong Profits Tax	12,155	19,721
Over-provision in respect of prior years	(95)	(56)
	12,060	19,665
Withholding tax outside Hong Kong	76	177
	12,136	19,842
Deferred tax		
Origination and reversal of temporary differences	83,104	37,178
Actual tax expense	95,240	57,020

The provision for Hong Kong Profits Tax for 2025 is calculated at 16.5% (2024: 16.5%) of the estimated assessable profits for the year, 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% (2024: 8.25%) and the remaining assessable profits are taxed at 16.5% (2024: 16.5%).

(b) Reconciliation between tax expense and accounting profit at the applicable tax rates:

	2025 \$'000	2024 \$'000
Profit before taxation	493,262	244,302
Notional tax on profit before taxation, calculated at the rates applicable to profits in the tax jurisdictions concerned	81,262	40,637
Tax effect of non-deductible expenses	41,222	46,548
Tax effect of non-taxable income	(27,931)	(31,814)
Tax effect of unused tax losses not recognised	769	1,187
Over-provision in respect of prior years	(95)	(56)
Others	13	518
Actual tax expense	95,240	57,020

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars unless otherwise indicated)

7 Directors' emoluments

Directors' emoluments disclosed pursuant to Section 383(1) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation are as follows:

		2025						
		Directors' fees	Salaries, allowances and benefits in kind	Discretionary bonuses	Retirement scheme contributions	Sub-total (note (b))	Share-based payment (note (c))	Total
Note		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Executive Director								
Roger Lee Chak Cheong	(a)	433	8,420	1,308	485	10,646	90	10,736
Non-executive Directors								
Raymond Kwok Ping Luen		726	-	-	-	726	23	749
Charles Lui Chung Yuen		726	-	-	-	726	22	748
William Louey Lai Kuen		726	-	-	-	726	22	748
Winnie Ng		798	-	-	-	798	23	821
Allen Fung Yuk Lun		725	-	-	-	725	23	748
Dr Cheung Wing Yui		433	-	-	-	433	22	455
Lee Luen Fai		433	-	-	-	433	22	455
Lung Po Kwan		505	-	-	-	505	22	527
Christopher Kwok Kai-wang		433	-	-	-	433	-	433
Wong Hong Kit		-	-	-	-	-	-	-
Lau Man-Kwan, Julia		-	-	-	-	-	-	-
Independent non-executive Directors								
Dr Norman Leung Nai Pang		2,350	-	-	-	2,350	24	2,374
Dr John Chan Cho Chak		897	-	-	-	897	24	921
Dr Eric Li Ka Cheung		891	-	-	-	891	22	913
Professor Liu Pak Wai		737	-	-	-	737	23	760
Tsang Wai Hung		959	-	-	-	959	22	981
Wang Xiao Bin		696	-	-	-	696	-	696
		12,468	8,420	1,308	485	22,681	384	23,065

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars unless otherwise indicated)

7 Directors' emoluments (continued)

		2024							
		Directors' fees	Salaries, allowances and benefits in kind	Discretionary bonuses	Retirement scheme contributions	Sub-total (note (b))	Share-based payment (note (c))	Total	
Note		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
Executive Director									
	Roger Lee Chak Cheong	(a)	433	9,202	1,275	518	11,428	279	11,707
Non-executive Directors									
	Raymond Kwok Ping Luen		726	-	-	-	726	136	862
	Charles Lui Chung Yuen		726	-	-	-	726	136	862
	William Louey Lai Kuen		726	-	-	-	726	136	862
	Winnie Ng		798	-	-	-	798	136	934
	Allen Fung Yuk Lun		721	-	-	-	721	136	857
	Dr Cheung Wing Yui		433	-	-	-	433	136	569
	Lee Luen Fai		433	-	-	-	433	136	569
	Lung Po Kwan		505	-	-	-	505	136	641
	Christopher Kwok Kai-wang		433	-	-	-	433	-	433
	Wong Hong Kit		-	-	-	-	-	-	-
	Gao Feng	(d)	-	-	-	-	-	-	-
	Lau Man-Kwan, Julia	(d)	-	-	-	-	-	-	-
Independent non-executive Directors									
	Dr Norman Leung Nai Pang		2,349	-	-	-	2,349	149	2,498
	Dr John Chan Cho Chak		897	-	-	-	897	142	1,039
	Dr Eric Li Ka Cheung		884	-	-	-	884	136	1,020
	Professor Liu Pak Wai		733	-	-	-	733	136	869
	Tsang Wai Hung		954	-	-	-	954	136	1,090
	Wang Xiao Bin	(e)	110	-	-	-	110	-	110
			11,861	9,202	1,275	518	22,856	2,066	24,922

Notes:

- (a) The amounts included emoluments from the Company and certain of its subsidiaries.
- (b) The amounts represented emoluments received or receivable by the Directors of the Company in cash.
- (c) These represent the estimated value of share options granted to Directors under the Company's share option scheme. The value of these share options is measured according to the Group's accounting policies for equity-settled share-based payment transactions as set out in note 1(x)(iii).

The details of these benefits in kind, including the principal terms and number of options granted, are disclosed under the paragraph "Share option scheme" in the Directors' report and note 22.

- (d) Gao Feng was resigned as Alternate Director to William Louey Lai Kuen on 20 June 2024 and Lau Man-Kwan, Julia was appointed as Alternate Director to William Louey Lai Kuen on 20 June 2024.
- (e) Wang Xiao Bin was appointed as Director on 1 November 2024.

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars unless otherwise indicated)

8 Individuals with highest emoluments

Of the five individuals with the highest emoluments, two (2024: two) are Directors whose emoluments are disclosed in note 7. The aggregate of the emoluments in respect of the five individuals with the highest emoluments (including the Directors) are as follows:

	2025 \$'000	2024 \$'000
Fees	2,783	2,782
Salaries, allowances and benefits in kind	14,997	15,569
Discretionary bonuses	2,100	2,046
Equity-settled share-based payment expenses	273	882
Retirement scheme contributions	854	754
	21,007	22,033

The emoluments of the five individuals with the highest emoluments are within the following bands:

	Number of individuals	
	2025	2024
\$1,500,001 - \$2,000,000	1	–
\$2,000,001 - \$2,500,000	2	3
\$3,000,001 - \$3,500,000	–	1
\$3,500,001 - \$4,000,000	1	–
\$10,500,001 - \$11,000,000	1	–
\$11,500,001 - \$12,000,000	–	1

9 Other comprehensive income

	2025 \$'000	2024 \$'000
Financial assets measured at FVOCI (recycling):		
Change in fair value recognised during the year	(90,473)	26,448
Reclassification adjustments for amounts transferred to profit or loss:		
– net loss on derecognition of financial assets measured at FVOCI (recycling) (note 4)	14	3,098
– expected credit loss on financial assets measured at FVOCI (recycling) (note 33(a))	86,500	171,000
Net movement in the fair value reserve (recycling) during the year recognised in other comprehensive income	(3,959)	200,546

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars unless otherwise indicated)

10 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 \$398,022,000 (2024: \$187,282,000) and the weighted average number of ordinary shares in issue during the year, calculated as follows:

	2025	2024
Issued ordinary shares at 1 January	508,901,425	494,343,118
Effect of shares issued in respect of scrip dividend	10,456,606	7,438,261
Effect of shares issued in respect of share options	34,826	–
Weighted average number of ordinary shares at 31 December	519,392,857	501,781,379

Diluted earnings per share were the same as the basic earnings per share as there were no dilutive potential ordinary shares during the year. 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\$539,849,000 (2024: HK\$265,482,000), 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:

	2025 \$'000	2024 \$'000
Profit attributable to equity shareholders as shown in the consolidated statement of profit or loss	398,022	187,282
Change in fair value of investment properties and investment property under development	141,827	78,200
Underlying profit attributable to equity shareholders	539,849	265,482

11 Dividends

(a) Dividends paid/payable to equity shareholders of the Company attributable to the year

	2025		2024	
	Per share \$	Total \$'000	Per share \$	Total \$'000
Interim dividend declared and paid	0.30	157,775	–	–
Final dividend proposed after the end of the reporting period	0.50	267,343	0.50	254,451
	0.80	425,118	0.50	254,451

The final dividend proposed after the end of the reporting period has not been recognised as a liability at the end of the reporting period.

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 \$87,911,000 was settled by the issuance of 8,340,690 shares at an issue price of \$10.54 per share under the scrip dividend scheme.

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars unless otherwise indicated)

11 Dividends (continued)

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

	2025		2024	
	Per share \$	Total \$'000	Per share \$	Total \$'000
Final dividend in respect of the previous financial year, approved and paid during the year	0.50	254,451	0.50	247,172

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 \$147,193,000 was settled by the issuance of 17,016,568 shares at an issue price of \$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 \$130,879,000 was settled by the issuance of 14,558,307 shares at an issue price of \$8.99 per share under the scrip dividend scheme.

12 Segment reporting

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

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

For Property, holdings and development segment, reportable segment profit/(loss) included changes in fair value of investment properties and investment property under development.

Other operating segments which do not meet the quantitative thresholds prescribed by HKFRS 8, Operating segments, for determining reportable segments are combined as "all other segments". Such operating segments mainly represented non-franchised transport operations and interest in associates.

(a) Segment results, assets and liabilities

For the purposes of assessing segment performance and allocating resources between segments, the Group's CODM monitors the results, assets and liabilities attributable to each reportable segment on the following bases:

Revenue and expenses are allocated to the reportable segments with reference to the revenue generated and expenses incurred by those segments. The measure used for reporting segment profit is net profit after taxation, adjusted for head office or corporate administration costs which are not specifically attributable to individual segments. Inter-segment revenue is priced with reference to the price charged to external parties for similar transactions.

Segment assets and segment liabilities include all current and non-current assets and liabilities, respectively, which are directly managed by the segments.

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars unless otherwise indicated)

12 Segment reporting (continued)

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

Information regarding the Group's reportable segments for the years ended 31 December 2025 and 2024 is set out below.

	Franchised bus operations		Property holdings and development		All other segments		Total	
	2025	2024	2025	2024	2025	2024	2025	2024
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue from external customers	8,053,325	7,849,268	107,816	98,618	281,584	267,467	8,442,725	8,215,353
Intersegment revenue	2,067	1,882	3,899	4,370	2,234	4,455	8,200	10,707
Reportable segment revenue	8,055,392	7,851,150	111,715	102,988	283,818	271,922	8,450,925	8,226,060
Reportable segment profit/(loss)	405,370	168,462	(99,298)	(18,108)	29,720	16,924	335,792	167,278
Interest income	4,544	4,952	10	-	121	250	4,675	5,202
Interest expense	(28,367)	(78,654)	(32,954)	(19,689)	-	-	(61,321)	(98,343)
Depreciation	(1,150,958)	(1,162,231)	(1,283)	(1,180)	(31,191)	(32,849)	(1,183,432)	(1,196,260)
Staff costs	(4,440,616)	(4,284,920)	-	-	(142,372)	(134,189)	(4,582,988)	(4,419,109)
Change in fair value of investment properties and investment property under development	-	-	(141,827)	(78,200)	-	-	(141,827)	(78,200)
Share of profits of associates	-	-	-	-	31	637	31	637
Share of profit of joint venture	-	-	8,801	8,552	-	-	8,801	8,552
Income tax expense	(80,072)	(33,876)	(6,580)	(10,155)	(8,588)	(12,989)	(95,240)	(57,020)
Reportable segment assets	10,365,115	10,715,561	9,010,251	9,086,175	1,580,951	1,520,886	20,956,317	21,322,622
- including interest in associates	-	-	-	-	616,233	569,660	616,233	569,660
- including interest in joint venture	-	-	752,675	747,792	-	-	752,675	747,792
Additions to non-current segment assets during the year	455,873	744,992	47,624	142,626	72,777	31,939	576,274	919,557
Reportable segment liabilities	3,601,852	4,411,358	2,573,241	2,683,917	90,870	82,988	6,265,963	7,178,263

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars unless otherwise indicated)

12 Segment reporting (continued)

(b) Reconciliation of reportable segment revenue, profit, assets and liabilities

	2025 \$'000	2024 \$'000
Revenue		
Reportable segment revenue	8,167,107	7,954,138
Revenue from all other segments	283,818	271,922
	8,450,925	8,226,060
Elimination of intersegment revenue	(8,200)	(10,707)
Consolidated revenue	8,442,725	8,215,353
Profit		
Reportable segment profit	306,072	150,354
Profit from all other segments	29,720	16,924
	335,792	167,278
Unallocated profits	62,230	20,004
Consolidated profit after taxation	398,022	187,282
Assets		
Reportable segment assets	19,375,366	19,801,736
Assets from all other segments	1,580,951	1,520,886
	20,956,317	21,322,622
Unallocated assets	2,503,587	2,586,852
Consolidated total assets	23,459,904	23,909,474
Liabilities		
Reportable segment liabilities	6,175,093	7,095,275
Liabilities from all other segments	90,870	82,988
	6,265,963	7,178,263
Unallocated liabilities	20,733	21,879
Consolidated total liabilities	6,286,696	7,200,142

(c) Geographic information

Substantially all of the Group's revenue from external customers, based on the location at which the services were provided, is generated in Hong Kong. The following table sets out information about the geographical location of the Group's investment properties, investment property under development, interest in leasehold land, other property, plant and equipment, intangible assets, goodwill, interest in associates and interest in joint venture ("specified non-current assets"). The geographical location of the specified non-current assets is based on the physical location of the asset in the case of investment properties, investment property under development, interest in leasehold land and other property, plant and equipment, the location of the operation to which they are allocated in the case of intangible assets and goodwill, and the location of operations in the case of interest in associates and interest in joint venture.

	Specified non-current assets	
	2025 \$'000	2024 \$'000
Hong Kong	16,065,914	16,879,848
Chinese Mainland	844,217	730,171
	16,910,131	17,610,019

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars unless otherwise indicated)

13 Interest in leasehold land and other property, plant and equipment

(a) Reconciliation of carrying amount

	Buildings \$'000	Other properties leased for own use carried at cost \$'000	Buses and other motor vehicles \$'000	Buses under construction \$'000	Tools and others \$'000	Sub-total \$'000	Interest in leasehold land \$'000	Total \$'000
Cost:								
At 1 January 2025	1,612,605	31,603	12,713,257	413,702	4,488,141	19,259,308	112,372	19,371,680
Additions	15,765	3,710	105,385	2,943	357,901	485,704	-	485,704
Lease modification	-	248	-	-	-	248	-	248
Disposals	(312)	(759)	(134,099)	-	(97,922)	(233,092)	-	(233,092)
Transfers	-	-	109,744	(109,744)	-	-	-	-
At 31 December 2025	1,628,058	34,802	12,794,287	306,901	4,748,120	19,512,168	112,372	19,624,540
Accumulated depreciation:								
At 1 January 2025	1,311,552	24,629	7,246,983	-	3,316,569	11,899,733	67,821	11,967,554
Charge for the year	39,683	4,096	798,672	-	339,001	1,181,452	1,980	1,183,432
Written back on disposals	(312)	(758)	(131,954)	-	(97,710)	(230,734)	-	(230,734)
At 31 December 2025	1,350,923	27,967	7,913,701	-	3,557,860	12,850,451	69,801	12,920,252
Net book value:								
At 31 December 2025	277,135	6,835	4,880,586	306,901	1,190,260	6,661,717	42,571	6,704,288
Add: Deposits paid in respect of buses on order						2,000	-	2,000
						6,663,717	42,571	6,706,288

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars unless otherwise indicated)

13 Interest in leasehold land and other property, plant and equipment (continued)

(a) Reconciliation of carrying amount (continued)

	Buildings \$'000	Other properties leased for own use carried at cost \$'000	Buses and other motor vehicles \$'000	Buses under construction \$'000	Tools and others \$'000	Sub-total \$'000	Interest in leasehold land \$'000	Total \$'000
Cost:								
At 1 January 2024	1,643,786	26,085	12,823,556	254,151	4,215,766	18,963,344	112,372	19,075,716
Additions	38,473	6,378	133,821	239,195	379,752	797,619	-	797,619
Lease modification	-	(94)	-	-	-	(94)	-	(94)
Disposals	(69,654)	(766)	(323,764)	-	(107,377)	(501,561)	-	(501,561)
Transfers	-	-	79,644	(79,644)	-	-	-	-
At 31 December 2024	1,612,605	31,603	12,713,257	413,702	4,488,141	19,259,308	112,372	19,371,680
Accumulated depreciation:								
At 1 January 2024	1,308,849	21,582	6,741,905	-	3,130,314	11,202,650	65,841	11,268,491
Charge for the year	72,357	3,606	825,332	-	293,401	1,194,696	1,980	1,196,676
Written back on disposals	(69,654)	(559)	(320,254)	-	(107,146)	(497,613)	-	(497,613)
At 31 December 2024	1,311,552	24,629	7,246,983	-	3,316,569	11,899,733	67,821	11,967,554
Net book value:								
At 31 December 2024	301,053	6,974	5,466,274	413,702	1,171,572	7,359,575	44,551	7,404,126
Add: Deposits paid in respect of buses on order						2,000	-	2,000
						7,361,575	44,551	7,406,126

(b) Right-of-use assets

The analysis of the net book value of right-of-use assets by class of underlying asset is as follows:

	Note	2025 \$'000	2024 \$'000
Interest in leasehold land, carried at amortised cost, with remaining lease term between 10 and 50 years	(i)	42,571	44,551
Other properties leased for own use, carried at depreciated cost	(ii)	6,835	6,974
		49,406	51,525
Interests in leasehold investment properties and investment property under development, carried at fair value, with remaining lease term between 10 and 50 years		8,177,000	8,273,300
		8,226,406	8,324,825

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars unless otherwise indicated)

13 Interest in leasehold land and other property, plant and equipment (continued)

(b) Right-of-use assets (continued)

The analysis of expense items in relation to leases recognised in profit or loss is as follows:

	2025 \$'000	2024 \$'000
Depreciation charge of right-of-use assets by class of underlying asset:		
Interest in leasehold land	1,980	1,980
Other properties leased for own use	4,096	3,606
	6,076	5,586
Interest on lease liabilities (note 5(b))	340	317
Expense relating to short-term leases	1,638	2,242

During the year, additions to right-of-use assets were \$3,710,000 (2024: \$6,378,000). This amount related to the capitalised lease payments payable under new or renewed tenancy agreements.

Details of total cash outflow for leases and the maturity analysis of lease liabilities are set out in notes 24(e) and 28, respectively.

(i) Interest in leasehold land

The Group holds several pieces of land for industrial buildings for its public transportation business. The Group is the registered owner of these property interests, including the whole or part of undivided share in the underlying land. Lump sum payments were made upfront to acquire these property interests from their previous registered owners or the government, and there are no ongoing payments to be made under the terms of the land lease, other than payments based on rateable values set by the relevant government authorities. These payments vary from time to time and are payable to the relevant government authorities.

(ii) Other properties leased for own use

The Group has obtained the right to use other properties as its staff rest kiosks and bus regulators' offices through tenancy agreements. The leases typically run for an initial period of two to three years.

- (c) In 2025, subsidies totalling \$16,000 (2024: \$81,224,000) were received or receivable from the HKSAR Government for retrofitting buses with appropriate safety devices and for installation of facilities at bus stops and terminus. The purposes of the subsidies are to enhance the operational safety of franchised buses and to expedite the installation of facilities for the convenience of passengers respectively. The subsidies received or receivable have been deducted from the carrying amount of the assets directly in accordance with the accounting policy set out in note 1(k).

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars unless otherwise indicated)

14 Investment properties and investment property under development

(a) Movements during the year

	Investment properties \$'000	Investment property under development \$'000	Total \$'000
Valuation:			
At 1 January 2025	5,361,800	2,911,500	8,273,300
Additions	–	45,527	45,527
Transfer to investment properties upon completion	2,957,027	(2,957,027)	–
Decrease in fair value, net	(141,827)	–	(141,827)
At 31 December 2025	8,177,000	–	8,177,000

	Investment properties \$'000	Investment property under development \$'000	Total \$'000
Valuation:			
At 1 January 2024	5,406,500	2,805,000	8,211,500
Additions	–	140,000	140,000
Decrease in fair value, net	(44,700)	(33,500)	(78,200)
At 31 December 2024	5,361,800	2,911,500	8,273,300

(b) Fair value measurement

The following table presents the fair value of the Group's investment properties and investment property under development at the end of the reporting period on a recurring basis, categorised into the three-level fair value hierarchy as defined in HKFRS 13, Fair value measurement. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

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

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars unless otherwise indicated)

14 Investment properties and investment property under development (continued)

(b) Fair value measurement (continued)

	2025			
	Fair value measurements categorised into			
	Fair value \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Recurring fair value disclosures				
Investment properties in Hong Kong				
– commercial properties	8,079,000	–	–	8,079,000
– industrial properties	98,000	–	–	98,000
	2024			
	Fair value measurements categorised into			
	Fair value \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Recurring fair value disclosures				
Investment properties in Hong Kong				
– commercial properties	5,260,800	–	–	5,260,800
– industrial properties	101,000	–	–	101,000
Investment property under development in Hong Kong	2,911,500	–	–	2,911,500

During the years ended 31 December 2025 and 2024, there were no transfers between Level 1 and Level 2, or transfers into or out of Level 3. The Group's policy is to recognise transfers between levels of fair value hierarchy as at the end of the reporting period in which they occur.

The Group's investment properties and investment property under development were revalued at 31 December 2025 and 2024 by Knight Frank Petty Limited, an independent firm of professional qualified valuers, who have among their staff Fellows of the Hong Kong Institute of Surveyors with recent experience in the location and category of property being valued, on a market value basis, in accordance with Valuation Standards on Properties issued by Hong Kong Institute of Surveyors.

As at 31 December 2025 and 2024, the Group's investment properties are valued using the income capitalisation approach by capitalising net income from the existing tenancies and reversionary income potential at appropriate capitalisation rates for individual properties. The capitalisation rate adopted is derived by making reference to the yields achieved from analysis of comparable property investment transactions and valuer's view of prevailing investor expectations regarding rental growth and perceived risks.

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars unless otherwise indicated)

14 Investment properties and investment property under development (continued)

(b) Fair value measurement (continued)

As at 31 December 2024, the Group's investment property under development was valued using the income capitalisation approach by capitalising net income from the existing tenancies and reversionary income potential at appropriate capitalisation rates for individual properties less the costs that would be incurred to complete the development. The capitalisation rate adopted was derived by making reference to the yields achieved from analysis of comparable property investment transactions and valuer's view of prevailing investor expectations regarding rental growth and perceived risks.

Set out below are the significant unobservable inputs used for fair value measurements:

	Unobservable inputs	Range
Investment properties in Hong Kong – commercial properties and industrial properties	Capitalisation rate	3.50% to 4.75% (2024: 3.50% to 4.75%)
Investment property under development in Hong Kong	Capitalisation rate	N/A (2024: 3.50%)

The fair values of the Group's investment properties and investment property under development are inversely to related capitalisation rates, which are determined by reference to investors' expectations on investment yields, rental growth and the risk profile of the properties being valued. A lower (higher) capitalisation rate would imply a higher (lower) property value.

Fair value adjustment of investment properties and investment property under development is recognised in the line item "Change in fair value of investment properties and investment property under development" on the face of the consolidated statement of profit or loss.

- (c) The Group leased out investment properties under operating leases. The leases typically run for an initial period from one to eight years, with an option to renew the leases after that date, at which time all terms are renegotiated. Certain leases include contingent rentals, being the excess of a percentage of the monthly revenue generated by the lessees over the monthly minimum lease rentals.

Undiscounted lease payments under non-cancellable operating leases in place at the reporting date will be receivable by the Group in future periods as follows:

	2025 \$'000	2024 \$'000
Within 1 year	103,992	95,849
After 1 year but within 2 years	91,753	80,356
After 2 years but within 3 years	61,646	67,869
After 3 years but within 4 years	44,821	40,453
After 4 years but within 5 years	17,048	34,382
After 5 years	8,950	8,455
	328,210	327,364

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars unless otherwise indicated)

15 Intangible assets

	Passenger service licences and transport operating rights \$'000
Cost:	
At 1 January 2024, 31 December 2024, 1 January 2025	529,090
Additions	44,794
At 31 December 2025	573,884
Accumulated amortisation:	
At 1 January 2024, 31 December 2024, 1 January 2025 and 31 December 2025	–
Net book value:	
At 31 December 2025	573,884
At 31 December 2024	529,090

In respect of those passenger service licences and transport operating rights of the Group that are regarded as having indefinite useful lives, there is no foreseeable limit to the period over which these assets are expected to generate cash flows for the Group.

Intangible assets that are regarded as having indefinite useful lives have been allocated to the cash-generating unit of non-franchised transport operations for the purpose of impairment testing. Details of impairment testing are set out in note 16 to the consolidated financial statements.

16 Goodwill

	2025 \$'000	2024 \$'000
Cost and carrying amount: At 1 January and 31 December	84,051	84,051

Impairment tests for cash-generating units containing goodwill and intangible assets with indefinite useful lives

Goodwill and intangible assets with indefinite useful lives belong to the Group's non-franchised transport operations as a cash-generating unit.

The recoverable amount of the cash-generating unit is determined based on value-in-use calculations. These calculations use cash flow projections based on financial budgets approved by management covering a period of one year. Cash flows beyond the one-year period are extrapolated using the estimated rates stated below.

Key assumptions used for value-in-use calculations are as follows:

	2025 %	2024 %
Growth rate	1.5	1.5
Discount rate	7.1 – 8.4	7.1 – 8.5

The growth rate used does not exceed the long-term average growth rate for the business in which the cash-generating unit operates. The discount rate used is pre-tax and reflects specific risks relating to this cash-generating unit.

The recoverable amount of the cash-generating unit based on the value-in-use calculations is higher than its carrying amount. Accordingly, no impairment loss on goodwill and intangible assets with indefinite useful lives has been recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars unless otherwise indicated)

17 Interest in subsidiaries

The following list contains only the particulars of subsidiaries which principally affected the results, assets or liabilities of the Group. The class of shares held is ordinary unless otherwise stated.

Name of company	Place of incorporation and business	Particulars of issued and paid-up capital	Percentage of ownership interest			Principal activity
			Group's effective interest	Held by the Company	Held by subsidiaries	
KMB Resources Limited	Incorporated in the British Virgin Islands and operates in Hong Kong	1 share of US\$1	100	100	–	Investment holding
The Kowloon Motor Bus Company (1933) Limited	Hong Kong	403,639,413 shares	100	–	100	Provision of franchised public bus services in Hong Kong
Long Win Bus Company Limited	Hong Kong	100,000,000 shares	100	–	100	Provision of franchised public bus services in Hong Kong
Sun Bus Limited	Hong Kong	2 shares	100	–	100	Provision of non-franchised bus services in Hong Kong
New Hong Kong Bus Company Limited	Incorporated in Hong Kong and operates in Hong Kong and Chinese Mainland	1,000 shares	100	–	100	Provision of cross-boundary shuttle bus services between Lok Ma Chau (Hong Kong) and Huanggang (Shenzhen)
Hoi Tai Tours Limited	Incorporated in Hong Kong and operates in Hong Kong and Chinese Mainland	20,000 shares	100	–	100	Provision of non-franchised bus services
GD Bonwell Champion Tours Co. Limited	Incorporated in Hong Kong and operates in Hong Kong and Chinese Mainland	10,000 shares	100	–	100	Provision of non-franchised bus services
GD Bonwell Yip Wai Tours Co. Limited	Incorporated in Hong Kong and operates in Hong Kong and Chinese Mainland	10,000 shares	100	–	100	Provision of non-franchised bus services

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars unless otherwise indicated)

17 Interest in subsidiaries (continued)

Name of company	Place of incorporation and business	Particulars of issued and paid-up capital	Percentage of ownership interest			Principal activity
			Group's effective interest	Held by the Company	Held by subsidiaries	
Zhan Gang Tourist Transportation Company Limited	Incorporated in Hong Kong and operates in Hong Kong and Chinese Mainland	500,000 shares	100	–	100	Provision of non-franchised bus services
Right Concept Transportation Limited	Incorporated in Hong Kong and operates in Hong Kong and the Chinese Mainland	5 shares	100	–	100	Provision of non-franchised bus services
Lai Chi Kok Properties Investment Limited	Incorporated in the British Virgin Islands and operates in Hong Kong	1 share of US\$1	100	–	100	Property investment
LCK Real Estate Limited	Incorporated in the British Virgin Islands and operates in Hong Kong	1 share of US\$1	100	–	100	Property investment
LCK Commercial Properties Limited	Hong Kong	1 share	100	–	100	Property investment
KT Real Estate Limited	Incorporated in the British Virgin Islands and operates in Hong Kong	1 share of US\$1	100	–	100	Property investment
KMB Financial Services Limited	Incorporated in the British Virgin Islands and operates in Hong Kong	1 share of US\$1	100	–	100	Group treasury management
KMB (Beijing) Taxi Investment Limited	Incorporated in the British Virgin Islands and operates in Hong Kong	1 share of US\$1	100	–	100	Investment holding
KMB (Shenzhen) Transport Investment Limited	Incorporated in the British Virgin Islands and operates in Hong Kong	1 share of US\$1	100	–	100	Investment holding

18 Interest in associates

	2025 \$'000	2024 \$'000
Share of net assets	554,381	512,249
Goodwill	60,394	57,309
Amount due from an associate	1,458	102
	616,233	569,660

Amount due from an associate is unsecured, interest-free and repayable on demand.

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars unless otherwise indicated)

18 Interest in associates (continued)

The following list contains the particulars of the material associate, which is an unlisted corporate entity whose quoted market price is not available:

Name of associate	Form of business structure	Place of establishment and business	Particulars of registered and paid-up capital	Percentage of ownership interest		Principal activity
				Group's effective interest	Held by subsidiaries	
Shenzhen Bus Group Company Limited	Sino-foreign joint stock company	Chinese Mainland	RMB951,430,306	35	35	Provision of bus transport and taxi hire services (note)

Note: Shenzhen Bus Group Company Limited, a transportation operator in the Chinese Mainland, enables the Group to penetrate into this market through local expertise.

Summarised financial information of the material associate, adjusted for any differences in accounting policies, and reconciled to the carrying amounts in the consolidated financial statements, are disclosed below:

	Shenzhen Bus Group Company Limited	
	2025 \$'000	2024 \$'000
Gross amounts of the associate		
Current assets	6,049,311	4,671,546
Non-current assets	4,731,108	5,035,946
Current liabilities	3,856,595	4,799,975
Non-current liabilities	5,496,711	3,591,586
Total equity	1,427,113	1,315,931
Non-controlling interest	(27,347)	(26,477)
Revenue	1,843,341	1,895,380
Loss for the year	(4,679)	(1,346)
Other comprehensive income	42,995	(47,554)
Total comprehensive income	38,316	(48,900)
Dividend received from the associate	–	2,199
Reconciled to the Group's interest in the associate		
Gross amounts of net assets of the associate attributable to equity shareholders	1,399,766	1,289,454
Group's effective interest	35%	35%
Group's share of net assets of the associate	489,918	451,309
Goodwill	60,394	57,309
Carrying amount in the consolidated financial statements	550,312	508,618

Aggregate information of associates that are not individually material:

	2025 \$'000	2024 \$'000
Aggregate carrying amount of individually immaterial associates in the consolidated financial statements	65,921	61,042
Aggregate amounts of the Group's share of those associates		
Profit for the year, net	1,669	1,108
Total comprehensive income	1,669	1,108

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars unless otherwise indicated)

19 Interest in joint venture

The following list contains the particulars of the joint venture, which is an unlisted corporate entity whose quoted market price is not available:

Name of joint venture	Form of business structure	Place of incorporation and business	Particulars of registered and paid-up capital	Percentage of ownership interest		Principal activity
				Group's effective interest	Held by subsidiaries	
TM Properties Investment Limited	Incorporated	Incorporated in the British Virgin Islands and operates in Hong Kong	2 share of US\$2	50	50	Property investment (note 1)

Note 1: TM Properties Investment Limited operates in Hong Kong and generates rental income from the leasing of an industrial building in Hong Kong.

Summarised financial information of the joint venture, adjusted for any differences in accounting policies, and reconciled to the carrying amounts in the consolidated financial statements, are disclosed below:

	TM Properties Investment Limited	
	2025 \$'000	2024 \$'000
Gross amounts of the joint venture		
Current assets	12,232	2,639
Non-current assets	1,500,012	1,500,013
Current liabilities	7,172	15,182
Total equity	1,505,072	1,487,470
Revenue	22,311	21,646
Profit for the year	17,602	17,104
Total comprehensive income	17,602	17,104
Reconciled to the Group's interest in the joint venture		
Gross amounts of net assets of the joint venture attributable to equity shareholders	1,505,072	1,487,470
Group's effective interest	50%	50%
Group's share of net assets of the joint venture	752,536	743,735
Amount due from a joint venture (note 2)	139	–
Loan to a joint venture (note 3)	–	4,057
Carrying amount in the consolidated financial statements	752,675	747,792

Note 2: Amount due from a joint venture is unsecured, interest-free and repayable on demand.

Note 3: Loan to a joint venture is unsecured, interest-free and no fixed terms of repayment.

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars unless otherwise indicated)

20 Other financial assets

	Note	2025	2024
Equity securities designated at FVOCI (non-recycling)			
– Unlisted equity securities	(i)	919,646	998,075
Financial assets measured at FVOCI (recycling)			
– Debt securities listed outside Hong Kong	(ii)	499,766	407,468
Financial assets measured at amortised cost			
– Loan receivables		34,761	51,225
– Other receivables		158,201	–
Other financial assets measured at FVPL			
		3,404	5,868
		1,615,778	1,462,636
Less: debt securities listed outside Hong Kong classified as current assets			
		(45,937)	(85,858)
loan receivables classified as current assets		(17,346)	(16,464)
other receivables classified as current assets		(22,177)	–
other financial assets measured at FVPL classified as current assets		(3,404)	(5,868)
Other financial assets classified as current assets		(88,864)	(108,190)
Other financial assets classified as non-current assets		1,526,914	1,354,446

Notes:

- (i) The unlisted equity securities mainly represented a company incorporated in Hong Kong and engaged primarily in the business of managing a common ticketing and payment system. The Group designated its investment in unlisted equity securities at FVOCI (non-recycling), as the investment is held for strategic purposes. Dividends of \$74,957,000 (2024: \$81,541,000) were declared by the investment during the year.
- (ii) During the year, expected credit loss of HK\$86,500,000 (2024: HK\$171,000,000) was recognised to reflect the increase in credit risk for the investments in financial assets measured at FVOCI (recycling) in accordance with note 1(n)(i).

21 Employee retirement benefits

The Group makes contributions to two defined benefit retirement schemes which provide pension benefits for employees upon retirement. Both schemes are formally established under trust and are registered under the Occupational Retirement Schemes Ordinance. The schemes are administered by an independent trustee and the assets are held separately from those of the Group. The trustees are required by the Trust Deed to act in the best interest of the plan participants and are responsible for setting investment policies of the plans. The members' benefits are determined based on the employees' final remuneration and length of service.

The plans are funded by contributions from the Group in accordance with an independent actuary's recommendation based on annual actuarial valuations. The independent actuarial valuations of the plans at 31 December 2025 and 2024 were prepared by Towers Watson Hong Kong Limited which has among its staff fellow members of the Society of Actuaries of the United States of America using the projected unit credit method, and were carried out by the appointed actuary, represented by Ms Wing Lui. The actuarial valuations indicate that the Group's obligations under these defined benefit retirement schemes are 373% (2024: 315%) covered by the plan assets held by the trustee.

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars unless otherwise indicated)

21 Employee retirement benefits (continued)

The plans expose the Group to actuarial risks, such as interest rate risk, investment risk and longevity risk. Since the two retirement schemes have similar risks and features, information about the two plans is aggregated and disclosed below:

(a) The amount recognised in the consolidated statement of financial position is as follows:

	2025 \$'000	2024 \$'000
Present value of funded obligations (note 21(c))	(773,313)	(815,946)
Fair value of plan assets (notes 21(b) and 21(d))	2,883,604	2,571,703
	2,110,291	1,755,757
Represented by:		
Employee benefit assets	2,110,291	1,755,757

A portion of the above asset is expected to be recovered after more than one year. However, it is not practicable to segregate this amount from the amounts recoverable in the next twelve months, as future refund will also relate to future services rendered and future changes in actuarial assumptions and market conditions. The expected annual contribution to defined benefit retirement schemes for the year ending 31 December 2026 is \$Nil (2025: \$Nil).

(b) Plan assets consist of the following:

	2025 \$'000	2024 \$'000
Equity securities:		
– Hong Kong and Chinese Mainland	461,376	411,805
– Rest of Asia Pacific	451,848	377,293
– Europe	259,524	180,020
– North America	412,979	436,856
	1,585,727	1,405,974
Exchange-traded fund	19,308	–
Bonds	1,259,515	1,123,089
Cash and others	19,054	42,640
	2,883,604	2,571,703

All of the equity securities, exchange-traded fund and bonds have quoted prices in active markets.

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars unless otherwise indicated)

21 Employee retirement benefits (continued)

(c) Movements in the present value of the defined benefit obligations:

	2025 \$'000	2024 \$'000
At 1 January	815,946	995,791
Remeasurements:		
– Actuarial (gains)/losses arising from changes in demographic assumptions	(6)	80
– Actuarial losses/(gains) arising from changes in financial assumptions	30,860	(64,034)
– Actuarial gains arising from liability experience	(1,744)	(21,347)
	29,110	(85,301)
Benefits paid by the plans	(124,393)	(154,029)
Current service cost	24,966	31,325
Interest cost	27,684	28,160
	(71,743)	(94,544)
At 31 December	773,313	815,946

The weighted average duration of the Monthly Rated and Daily Rated defined benefit obligations are 5.7 and 4.3 years respectively (2024: 6.0 and 4.5 years respectively).

(d) Movements in plan assets:

	2025 \$'000	2024 \$'000
At 1 January	2,571,703	2,605,064
Administrative expenses paid	(3,431)	(2,904)
Benefits paid by the plans	(124,393)	(154,029)
Interest income	89,677	75,315
Return on plan assets, excluding interest income	350,048	48,257
At 31 December	2,883,604	2,571,703

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars unless otherwise indicated)

21 Employee retirement benefits (continued)

(e) Amounts recognised in the consolidated statement of profit or loss and other comprehensive income are as follows:

	2025 \$'000	2024 \$'000
Current service cost	24,966	31,325
Net interest income on net defined benefit assets	(61,993)	(47,155)
Administrative expenses paid	3,431	2,904
Total amounts recognised in profit or loss (note 5(a))	(33,596)	(12,926)
Actuarial losses/(gains)	29,110	(85,301)
Return on plan assets, excluding interest income	(350,048)	(48,257)
Total amounts recognised in other comprehensive income	(320,938)	(133,558)
Total defined benefit income	(354,534)	(146,484)

(f) Significant actuarial assumptions and sensitivity analysis are as follows:

	2025	2024
Discount rate		
– Monthly Rated Employees Scheme	2.8%	3.6%
– Daily Rated Employees Scheme	2.6%	3.5%
Future salary increases	3.0%	3.0%

The below analysis shows how the defined benefit obligations would have (decreased)/increased as a result of a 0.25 percentage point change in the significant actuarial assumptions:

	2025		2024	
	Increase in 0.25 percentage point \$'000	Decrease in 0.25 percentage point \$'000	Increase in 0.25 percentage point \$'000	Decrease in 0.25 percentage point \$'000
Discount rate	(9,246)	9,450	(10,025)	10,251
Future salary increases	8,266	(8,130)	9,071	(8,916)

The above sensitivity analysis is based on the assumption that changes in actuarial assumptions are not correlated and therefore it does not take into account the correlations between the actuarial assumptions.

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars unless otherwise indicated)

22 Equity-settled share-based transactions

The Company has a share option scheme which was adopted on 26 May 2016 whereby the Directors of the Company are authorised, at their discretion, to invite employees of the Group, including Directors of any company in the Group, to take up options at a consideration of \$1 to subscribe for shares of the Company. The period within which the options must be exercised will be specified by the Company at the date of grant. This period must expire no later than 10 years from the relevant date of grant. The Directors of the Company may also provide restrictions on the exercise of an option during the period an option may be exercised. Each option gives the holder the right to subscribe for one ordinary share in the Company and is settled gross in shares.

(a) The terms and conditions of the grants are as follows:

	Number of instruments '000	Vesting conditions	Contractual life of options
Options granted to Directors:			
– on 19 November 2020	6,075	i	Five years from the date of grant
– on 31 March 2023	6,510	iii	Five years from the date of grant
Options granted to employees:			
– on 19 November 2020	7,850	ii	Five years from the date of grant
– on 31 March 2023	9,840	iv	Five years from the date of grant
Total share options granted	30,275		

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

Vesting condition (i):

	Percentage of options granted
On or after 19 November 2021	50%
On or after 19 November 2022	100%

Vesting condition (ii):

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

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars unless otherwise indicated)

22 Equity-settled share-based transactions (continued)

(a) The terms and conditions of the grants are as follows: (continued)

Vesting condition (iii):

	Percentage of options granted
On or after 31 March 2024	50%
On or after 31 March 2025	100%

Vesting condition (iv):

	Percentage of options granted
On or after 31 March 2024	30%
On or after 31 March 2025	60%
On or after 31 March 2026	100%

(b) The number and weighted average exercise prices of share options are as follows:

	2025		2024	
	Weighted average exercise price	Number of share options '000	Weighted average exercise price	Number of share options '000
Outstanding at the beginning of the year	\$12.55	21,115	\$12.50	24,435
Exercised during the year	\$10.60	(282)	–	–
Cancelled during the year	\$12.18	(1,790)	\$11.93	(2,490)
Lapsed during the year	\$15.32	(8,125)	\$12.87	(830)
Outstanding at the end of the year	\$10.60	10,918	\$12.55	21,115
Exercisable at the end of the year	\$10.60	8,983	\$13.62	13,658

The weighted average share price at the date of exercise for these shares options for the year was HK\$11.06 (2024: not applicable).

The options outstanding at 31 December 2025 had a weighted average exercise price of \$10.60 (2024: \$12.55) and weighted average remaining contractual lives of 2.3 years (2024: 2.3 years).

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars unless otherwise indicated)

22 Equity-settled share-based transactions (continued)

(c) Fair value of share options and assumptions

The fair value of services received in return for share options granted is measured by reference to the fair value of share options granted. The estimate of the fair value of the share options granted is measured based on the binomial model. The contractual life of the share option is used as an input into this model. Expectations of early exercise are incorporated into the binomial model.

Fair value of share options and assumptions for share options granted on

	31 March 2023	19 November 2020
Fair value at measurement date	\$0.7897 - \$0.8511	\$0.5681 - \$0.5819
Share price at the date of grant	\$10.60	\$15.32
Exercise price	\$10.60	\$15.32
Expected volatility	15%	14%
Option life (expressed as weighted average life used in the modelling under binomial model)	5 years	5 years
Expected dividends	4.70%	4.98%
Risk-free interest rate (based on Hong Kong Exchange Fund Notes)	3.01%	0.35%

The expected volatility is based on the historic volatility (calculated based on the weighted average remaining life of the share options), adjusted for any expected changes to future volatility based on publicly available information. Expected dividends are based on historical dividends. Changes in the subjective input assumptions could materially affect the fair value estimate.

Share options were granted under a service condition. This condition has not been taken into account in the grant date fair value measurement of the services received. There were no market conditions associated with the share option grants.

23 Accounts receivable

	2025 \$'000	2024 \$'000
Trade and other receivables	793,430	941,445
Interest receivable	55,816	57,394
Less: loss allowance (note 23(b))	(333)	(360)
	848,913	998,479

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

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars unless otherwise indicated)

23 Accounts receivable (continued)

(a) Ageing analysis

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:

	2025 \$'000	2024 \$'000
Current	153,798	167,732
Less than 1 month past due	13,640	15,473
1 to 3 months past due	15,548	10,275
More than 3 months past due	31,516	251,193
	214,502	444,673

According to the Group's credit policy set out in note 33(a) to the consolidated financial statements, 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.

(b) Loss allowance for trade receivables

Loss allowance in respect of trade receivables are recorded using an allowance account unless the Group is satisfied that recovery of the amount is remote, in which case the loss allowance is written off against trade receivables directly (see note 1(n)(i)).

Movement in the loss allowance account in respect of trade receivables during the year:

	2025 \$'000	2024 \$'000
Balance at 1 January	360	360
Amount written off during the year	(27)	–
Balance at 31 December	333	360

Loss allowance for trade receivables are measured as the present value of all expected cash shortfalls (i.e. the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive) (see note 1(n)(i)).

24 Bank deposits and cash

(a) Bank deposits and cash comprise:

	2025 \$'000	2024 \$'000
Cash at banks and on hand	51,462	42,560
Bank deposits	1,729,378	1,887,394
	1,780,840	1,929,954
Less: restricted bank deposits (note 24(b))	(264,525)	(375,520)
Bank deposits and cash in the consolidated statement of financial position	1,516,315	1,554,434
Less: bank deposits with original maturities of over three months	(867,787)	(915,703)
Cash and cash equivalents in the consolidated cash flow statement	648,528	638,731

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars unless otherwise indicated)

24 Bank deposits and cash (continued)

(b) The Group is required to maintain the balance of passenger reward (note 5(d)) under the revised MBOF approach and the balance of toll exemption fund (note 5(d)) in designated bank accounts. As at 31 December 2025, the related restricted bank deposits amounted to \$Nil and \$264,525,000 (2024: \$Nil and \$375,520,000) respectively.

(c) Reconciliation of profit before taxation to cash generated from operations:

	Note	2025 \$'000	2024 \$'000
Profit before taxation		493,262	244,302
Adjustments for:			
Change in fair value of investment properties and investment property under development	14	141,827	78,200
Depreciation	5(d)	1,183,432	1,196,676
Finance costs	5(b)	61,321	98,343
Dividend income from equity investments	4	(75,179)	(81,541)
Interest income		(70,668)	(86,724)
Net loss on derecognition of financial assets measured at FVOCI (recycling)	4	14	3,098
Share of profits of associates		(31)	(637)
Share of profit of joint venture		(8,801)	(8,552)
Net gain on disposal of other property, plant and equipment	4	(1,451)	(4,162)
Equity-settled share-based payment expenses	5(a)	741	3,454
Receipt of government grant for the disposal of other property, plant and equipment		(2,800)	(14,064)
Expected credit loss on other financial assets	33(a)	86,500	171,000
Effect of foreign exchange rate		(9,378)	4,641
Operating profit before changes in working capital		1,798,789	1,604,034
Changes in working capital:			
Increase in employee benefit assets		(33,596)	(12,926)
(Increase)/decrease in spare parts		(12,627)	3,559
(Increase)/decrease in accounts receivable		(13,533)	20,566
Increase in deposits and prepayments		(21,845)	(1,365)
Decrease in accounts payable and accruals		(63,437)	(80,961)
(Decrease)/increase in contingency provision – insurance		(1,907)	3,792
Increase in provision for long service payments		3,559	4,132
Cash generated from operations		1,655,403	1,540,831

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars unless otherwise indicated)

24 Bank deposits and cash (continued)

(d) Reconciliation of liabilities arising from financing activities:

The table below details changes in the Group's liabilities from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are liabilities for which cash flows were, or future cash flows will be, classified in the Group's consolidated cash flow statement as cash flows from financing activities.

	Bank loans \$'000 (Note 25)	Lease liabilities \$'000 (Note 28)	Total \$'000
At 1 January 2025	4,210,933	7,302	4,218,235
Changes from financing cash flows:			
Proceeds from new bank loans	3,905,000	–	3,905,000
Repayment of bank loans	(4,747,500)	–	(4,747,500)
Capital element of lease rentals paid	–	(4,209)	(4,209)
Interest element of lease rentals paid	–	(340)	(340)
Total changes from financing cash flows	(842,500)	(4,549)	(847,049)
Other changes:			
Amortisation of bank loans arrangement fee	3,378	–	3,378
Increase in lease liabilities from entering into new or renewed leases during the year	–	3,710	3,710
Decrease in lease liabilities arising from early termination during the year	–	(2)	(2)
Interest expenses (note 5(b))	–	340	340
Lease modification	–	248	248
Total other changes	3,378	4,296	7,674
At 31 December 2025	3,371,811	7,049	3,378,860

	Bank loans \$'000 (Note 25)	Lease liabilities \$'000 (Note 28)	Total \$'000
At 1 January 2024	4,639,614	5,543	4,645,157
Changes from financing cash flows:			
Proceeds from new bank loans	2,950,000	–	2,950,000
Repayment of bank loans	(3,382,500)	–	(3,382,500)
Capital element of lease rentals paid	–	(4,312)	(4,312)
Interest element of lease rentals paid	–	(317)	(317)
Total changes from financing cash flows	(432,500)	(4,629)	(437,129)
Other changes:			
Amortisation of bank loans arrangement fee	3,819	–	3,819
Increase in lease liabilities from entering into new or renewed leases during the year	–	6,378	6,378
Decrease in lease liabilities arising from early termination during the year	–	(213)	(213)
Interest expenses (note 5(b))	–	317	317
Lease modification	–	(94)	(94)
Total other changes	3,819	6,388	10,207
At 31 December 2024	4,210,933	7,302	4,218,235

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars unless otherwise indicated)

24 Bank deposits and cash (continued)

(e) Total cash outflow for leases

Amounts included in the consolidated cash flow statement for leases comprise the following:

	2025 \$'000	2024 \$'000
Within operating cash flows	1,638	2,242
Within financing cash flows	4,549	4,629
	6,187	6,871

25 Bank loans

At 31 December 2025, the bank loans were repayable as follows:

	2025 \$'000	2024 \$'000
Within 1 year or on demand	2,823,669	842,500
After 1 year but within 2 years	548,142	2,071,487
After 2 years but within 5 years	–	1,296,946
	548,142	3,368,433
	3,371,811	4,210,933

All of the bank loans were unsecured.

26 Accounts payable and accruals

	2025 \$'000	2024 \$'000
Trade payables	146,242	127,589
Balance of passenger reward (note 5(d))	–	–
Balance of toll exemption fund (note 5(d))	239,057	353,784
Retention payables	–	51,814
Deposits received in advance, other payables and accruals	980,539	1,038,307
Amount due to an associate	4,922	4,922
	1,370,760	1,576,416

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 no fixed terms of repayment.

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars unless otherwise indicated)

26 Accounts payable and accruals (continued)

Included in accounts payable and accruals are trade payables with the following ageing analysis, based on the due date, as of the end of the reporting period:

	2025 \$'000	2024 \$'000
Due within 1 month or on demand	141,817	125,622
Due after 1 month but within 3 months	3,935	1,206
Due after more than 3 months	490	761
	146,242	127,589

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

27 Contingency provision – insurance

	2025 \$'000	2024 \$'000
At 1 January	238,070	234,278
Provision charged to profit or loss	61,336	78,304
Payments made during the year	(63,243)	(74,512)
At 31 December	236,163	238,070
Representing:		
Current portion	93,983	91,919
Non-current portion	142,180	146,151
	236,163	238,070

The Group is involved from time to time in litigation and claims in connection with its transport operations. Contingency provision – insurance represents amounts set aside annually by the Group to meet liabilities which are expected to arise from third party claims for incidents which have occurred prior to the end of the reporting period in connection with the Group's transport operations.

28 Lease liabilities

At 31 December 2025, the lease liabilities were repayable as follows:

	2025 \$'000	2024 \$'000
Within 1 year	3,722	3,542
After 1 year but within 2 years	2,714	2,448
After 2 years but within 5 years	613	1,312
	3,327	3,760
	7,049	7,302

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars unless otherwise indicated)

29 Income tax in the consolidated statement of financial position

(a) Current taxation in the consolidated statement of financial position represents:

	2025 \$'000	2024 \$'000
Provision for Hong Kong Profits Tax for the year	12,155	19,721
Provisional Profits Tax paid	(14,133)	(16,394)
	(1,978)	3,327
Balance of Profits Tax recoverable relating to prior years	(717)	–
Net current tax (recoverable)/payable	(2,695)	3,327
Representing:		
Current tax recoverable	(4,875)	(836)
Current tax payable	2,180	4,163
Net current tax (recoverable)/payable	(2,695)	3,327

(b) Deferred tax assets and liabilities recognised:

- (i) The components of deferred tax liabilities/(assets) of the Group recognised in the consolidated statement of financial position and the movements during the year are as follows:

Deferred tax liabilities/ (assets) arising from:	Depreciation allowances in excess of the related depreciation \$'000	Intangible assets \$'000	Provisions \$'000	Tax losses \$'000	Employee benefit assets \$'000	Others \$'000	Total \$'000
At 1 January 2024	1,108,022	14,511	(45,946)	(328,408)	265,530	(5,644)	1,008,065
(Credited)/charged to profit or loss	(48,405)	–	9,940	73,195	2,132	316	37,178
(Credited)/charged to reserves	–	–	(2,093)	–	22,037	–	19,944
At 31 December 2024 and 1 January 2025	1,059,617	14,511	(38,099)	(255,213)	289,699	(5,328)	1,065,187
(Credited)/charged to profit or loss	(76,543)	–	(10,401)	164,540	5,544	(36)	83,104
Charged to reserves	–	–	1,496	–	52,955	614	55,065
At 31 December 2025	983,074	14,511	(47,004)	(90,673)	348,198	(4,750)	1,203,356

- (ii) Amounts recognised in the consolidated statement of financial position:

	2025 \$'000	2024 \$'000
Net deferred tax assets	(3,574)	(763)
Net deferred tax liabilities	1,206,930	1,065,950
	1,203,356	1,065,187

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars unless otherwise indicated)

29 Income tax in the consolidated statement of financial position (continued)

(c) Deferred tax assets not recognised:

In accordance with the accounting policy set out in note 1(y), the Group has not recognised deferred tax assets of \$24,409,000 (2024: \$23,640,000) in respect of cumulative tax losses of \$147,933,000 (2024: \$143,273,000) as it is not probable that future taxable profits against which the losses can be utilised will be available in the relevant tax jurisdiction and entity. At 31 December 2025 and 2024, these tax losses do not expire under the current tax legislation.

30 Provision for long service payments

Hong Kong employees that have been employed continuously for at least five years are entitled to LSP in accordance with the Hong Kong Employment Ordinance under certain circumstances. These circumstances include where an employee is dismissed for reasons other than serious misconduct or redundancy, that employee resigns at the age of 65 or above, or the employment contract is of fixed term and expires without renewal. The amount of LSP payable is determined with reference to the employee's final salary (capped at \$22,500) and the years of service, reduced by the amount of any accrued benefits derived from the Group's contributions to MPF scheme or ORSO plans, with an overall cap of \$390,000 per employee. Currently, the Group does not have any separate funding arrangement in place to meet its LSP obligation.

Starting from 1 May 2025 ("Transition Date"), the Hong Kong Employment and Retirement Schemes Legislation (Offsetting Arrangement) (Amendment) Ordinance 2022 (the "2022 Amendment Ordinance") came into effect, which abolishes the statutory right of an employer to reduce its LSP payable to a Hong Kong employee by drawing on its mandatory contributions to the MPF scheme. Separately, a 25-year scheme to provide a subsidy ("Subsidy") for employers' costs in relation to the post-transition portion of the LSP has been implemented with effect on 1 May 2025.

Among other things, upon the abolition of the offsetting mechanism takes effect, an employer can no longer use any of the accrued benefits derived from its mandatory MPF contributions (irrespective of the contributions made before, on or after the Transition Date) to reduce the LSP in respect of an employee's service from the Transition Date. However, where an employee's employment commenced before the Transition Date, the employer can continue to use the above accrued benefits to reduce the LSP in respect of the employee's service up to that date; in addition, the LSP in respect of the service before the Transition Date will be calculated based on the employee's monthly salary immediately before the Transition Date and the years of service up to that date.

The Group has accounted for the offsetting mechanism and its abolition as disclosed in note 1(x)(ii) and the Subsidy as government grants in accordance with note 1(aa)(ii)(d).

The Group has assessed that the 2022 Amendment Ordinance has no material impact on the Group's LSP liability with respect to employees that participate in the Group's ORSO plans.

The Group was not entitled to any Subsidy during the year ended 31 December 2025.

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars unless otherwise indicated)

30 Provision for long service payments (continued)

The present value of LSP liability and its movements are as follows:

	2025 \$'000	2024 \$'000
At 1 January	97,308	80,492
Payments made during the year	(11,237)	(7,411)
	86,071	73,081
Actuarial (gains)/losses arising from changes in demographic assumptions	(35)	52
Actuarial losses arising from changes in financial assumptions	4,306	8,040
Actuarial (gains)/losses arising from experience adjustments	(13,335)	4,592
Total amounts recognised in other comprehensive income	(9,064)	12,684
Current service cost	11,446	9,205
Interest cost	3,350	2,338
Total amounts recognised in profit or loss (note 5(a))	14,796	11,543
At 31 December	91,803	97,308

The weighted average duration of the defined benefit obligations is 8.0 years (2024: 7.3 years).

Amounts recognised in the consolidated statement of profit or loss and other comprehensive income as follows:

	2025 \$'000	2024 \$'000
Staff costs	14,796	11,543
Actuarial (gains)/losses recognised in other comprehensive income	(9,064)	12,684

Significant actuarial assumptions and sensitivity analysis are as follows:

	2025	2024
Discount rate	3.0%	3.6%
Future salary increases	3.0%	3.0%

The below analysis shows how the LSP liability would have (decreased)/increased as a result of 0.5 percentage point change in the significant actuarial assumptions:

	2025		2024	
	Increase in 0.5 percentage point \$'000	Decrease in 0.5 percentage point \$'000	Increase in 0.5 percentage point \$'000	Decrease in 0.5 percentage point \$'000
Discount rate	(3,472)	3,693	(3,391)	3,618
Future salary increases	(4,184)	4,269	(3,773)	3,809

The above sensitivity analysis is based on the assumption that changes in actuarial assumptions are not correlated and therefore it does not take into account the correlations between the actuarial assumptions.

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars unless otherwise indicated)

31 Capital and reserves

(a) Movements in components of equity

The reconciliation between the opening and closing balances of each component of the Group's consolidated equity is set out in the consolidated statement of changes in equity. Details of the changes in the Company's individual components of equity between the beginning and the end of the year are set out below:

Note	Share capital \$'000	Share premium \$'000	Capital reserve \$'000	Contributed surplus \$'000	Retained profits \$'000	Total equity \$'000
Balance at 1 January 2024	494,343	1,492,293	11,669	1,300,000	1,000,049	4,298,354
Changes in equity for 2024:						
Shares issued in respect of scrip dividend – 2023 final dividend	31(b)(i)	14,558	116,321	–	–	130,879
Forfeiture of share options		–	–	(1,150)	–	1,150
Equity-settled share-based transaction	5(a)	–	–	3,454	–	3,454
Dividends approved in respect of the previous year	11(b)	–	–	–	–	(247,172)
Profit and total comprehensive income for the year		–	–	–	–	246,000
Balance at 31 December 2024	508,901	1,608,614	13,973	1,300,000	1,000,027	4,431,515

Note	Share capital \$'000	Share premium \$'000	Capital reserve \$'000	Contributed surplus \$'000	Retained profits \$'000	Total equity \$'000
Balance at 1 January 2025	508,901	1,608,614	13,973	1,300,000	1,000,027	4,431,515
Changes in equity for 2025:						
Shares issued in respect of scrip dividend – 2024 final dividend	31(b)(i)	17,016	130,177	–	–	147,193
Shares issued in respect of scrip dividend – 2025 interim dividend	31(b)(i)	8,341	79,570	–	–	87,911
Issuance of shares upon exercise of share options	31(b)(ii)	282	2,928	(225)	–	2,985
Forfeiture of share options		–	–	(5,461)	–	5,461
Equity-settled share-based transaction	5(a)	–	–	741	–	741
Dividends approved in respect of the previous year	11(b)	–	–	–	–	(254,451)
Dividends approved in respect of the current year	11(a)	–	–	–	–	(157,775)
Profit and total comprehensive income for the year		–	–	–	–	407,000
Balance at 31 December 2025	534,540	1,821,289	9,028	1,300,000	1,000,262	4,665,119

The Company's reserves available for distribution to shareholders at 31 December 2025 amounted to \$2,300,262,000 (2024: \$2,300,027,000). After the end of the reporting period, the Directors proposed a final dividend of \$0.50 (2024: \$0.50) per share, amounting to \$267,343,000 (2024: \$254,451,000). The final dividend proposed has not been recognised as a liability at the end of the reporting period.

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars unless otherwise indicated)

31 Capital and reserves (continued)

(b) Share capital

(i) Authorised and issued share capital

	2025		2024	
	No. of shares	\$'000	No. of shares	\$'000
Authorised:				
Ordinary shares of \$1 each	600,000,000	600,000	600,000,000	600,000
Ordinary shares of \$1 each, issued and fully paid:				
At 1 January	508,901,425	508,901	494,343,118	494,343
Share issued in respect of scrip dividend – 2023 final dividend	–	–	14,558,307	14,558
Share issued in respect of scrip dividend – 2024 final dividend	17,016,568	17,016	–	–
Share issued in respect of scrip dividend – 2025 interim dividend	8,340,690	8,341	–	–
Issuance of shares upon exercise of share options	281,600	282	–	–
At 31 December	534,540,283	534,540	508,901,425	508,901

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at general meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

(ii) Shares issued under the share option scheme

During the year ended 31 December 2025, options were exercised to subscribe for 281,600 ordinary shares in the Company at a consideration of \$2,985,000, of which \$282,000 was credited to the share capital account and the balance of \$2,703,000 was credited to the share premium account. \$225,000 was transferred from the capital reserve to the share premium account upon exercise in accordance with policy set out in note 1(x)(iii).

(c) Nature and purpose of reserves

(i) Share premium

The application of the share premium account is governed by the Company's Bye-laws and the Companies Act 1981 of Bermuda.

(ii) Capital reserve

The capital reserve comprises the portion of the grant date fair value of unexercised share options granted to the Directors of the Company and certain employees of the Group that has been recognised in accordance with the accounting policy adopted for share-based payments in note 1(x)(iii).

(iii) Exchange reserve

The exchange reserve comprises all foreign exchange differences arising from the translation of the financial statements of entities outside Hong Kong. The reserve is dealt with in accordance with the accounting policy set out in note 1(w).

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars unless otherwise indicated)

31 Capital and reserves (continued)

(c) Nature and purpose of reserves (continued)

(iv) Fair value reserve (recycling)

The fair value reserve (recycling) comprises the cumulative net change in the fair value of investments in financial assets measured at FVOCI (recycling) under HKFRS 9 held at the end of the reporting period (see note 1(g)(i)).

(v) Fair value reserve (non-recycling)

The fair value reserve (non-recycling) comprises the cumulative net change in the fair value of equity investments designated at FVOCI under HKFRS 9 that are held at the end of the reporting period (see note 1(g)(ii)).

(d) Capital management

The Group's primary objective when managing capital is to safeguard the Group's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders, by securing access to finance at a reasonable cost.

The Group actively and regularly reviews and manages its capital structure to maintain a balance between the higher shareholder returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position, and makes adjustments to the capital structure in light of changes in economic conditions.

The Group monitors its capital structure on the basis of an adjusted net debt-to-capital ratio. For this purpose, the Group defines adjusted net debt as bank deposits and cash and restricted bank deposits less interest-bearing loans and borrowings and lease liabilities in the consolidated statement of financial position. Capital comprises all components of equity.

The Group's adjusted net debt-to-capital ratio at 31 December 2025 and 2024 was as follows:

	Note	2025 \$'000	2024 \$'000
Current liabilities:			
Bank loans	25	2,823,669	842,500
Lease liabilities	28	3,722	3,542
Non-current liabilities:			
Bank loans	25	548,142	3,368,433
Lease liabilities	28	3,327	3,760
Total debt		3,378,860	4,218,235
Less: Bank deposits and cash	24(a)	(1,516,315)	(1,554,434)
Restricted bank deposits	24(a)	(264,525)	(375,520)
Adjusted net debt		1,598,020	2,288,281
Total equity		17,173,208	16,709,332
Adjusted net debt-to-capital ratio		9.3%	13.7%

Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars unless otherwise indicated)

32 Commitments

- (i) At 31 December 2025, the Group had the following capital commitments in relation to the purchase of other property, plant and equipment not provided for in the consolidated financial statements:

	2025 \$'000	2024 \$'000
Contracted for	91,722	139,539

- (ii) At 31 December 2025, the Group's share of capital commitments of the joint operation in respect of investment property under development not provided for in the consolidated financial statements is as follows:

	2025 \$'000	2024 \$'000
Contracted for	–	32,324

33 Financial risk management and fair values of financial instruments

Exposure to credit, liquidity, interest rate, currency and fuel price risks arises in the normal course of the Group's business.

The Group's exposure to these risks and the financial risk management policies and practices used by the Group to manage these risks are described below.

(a) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. The Group's credit risk is primarily attributable to trade and other receivables and investments in financial assets measured at FVOCI (recycling).

In respect of trade and other receivables, credit evaluations are performed on all major customers requiring credit over a certain amount. These evaluations focus on the customers' past history of making payments when due and their ability to pay, and take into account information specific to the customer as well as pertaining to the economic environment in which the customer operates. A credit period of between 30 days and 90 days is normally granted to customers of the Group's non-franchised transport operations and media sales business. All the trade and other receivables included in current assets are expected to be recoverable within one year. Due to the financial strength of these customers and the short duration of the trade and other receivables, the ECL allowance is considered insignificant.

Regular review and follow up actions are carried out on overdue amounts to minimise the Group's exposure to credit risk. An ageing analysis of the receivables is prepared on a regular basis and is closely monitored to minimise any credit risk associated with these receivables.

The Group has no significant concentrations of credit risk in view of its large number of customers. The maximum exposure to credit risk without taking into account any collateral held is represented by the carrying amount of each financial asset in the consolidated statement of financial position after deducting any loss allowance. The Group does not provide any guarantee to third parties which would expose the Group to credit risk.

The Group's exposure to credit risk arising from bank deposits and cash is limited because the counterparties are banks, which the Group considers to have low credit risk.

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars unless otherwise indicated)

33 Financial risk management and fair values of financial instruments (continued)

(a) Credit risk (continued)

The Group measures expected credit loss allowance for investments in financial assets measured at FVOCI (recycling) at an amount equal to 12-month ECLs unless there has been a significant increase in credit risk since initial recognition, in which case the loss allowance is measured at an amount equal to lifetime ECLs.

As at 31 December 2025, the ECLs for credit-impaired investments in financial assets measured at FVOCI (recycling) are estimated using discounted cash flow model by considering possible future scenarios in which cash flows are expected to recover, including liquidation of the issuers, collection of contractual cash flows and sale of the defaulted assets and probabilities assigned to these scenarios are 5% to 90% respectively. The Group assumes a nil recovery rate under the liquidation scenario.

As at 31 December 2024, the ECLs for credit-impaired investments in financial assets measured at FVOCI (recycling) were estimated using a model that incorporates probability of default, loss given default and exposure at default and takes into account forward-looking information about macroeconomic factors.

Key assumptions used for expected credit loss allowance calculations are loss given default which ranges from 55.7% to 92.4% (2024: 62.4% to 92.1%).

Movement in the expected credit loss allowance account in respect of investments in financial assets measured at FVOCI (recycling) during the year is as follows:

	12-month ECL \$'000	Lifetime ECLs \$'000	Total \$'000
At 1 January 2024	2,200	349,800	352,000
Expected credit loss recognised during the year	–	171,000	171,000
At 31 December 2024 and 1 January 2025	2,200	520,800	523,000
Expected credit loss recognised during the year	–	86,500	86,500
At 31 December 2025	2,200	607,300	609,500

The maximum exposure to credit risk of entire financial assets measured at FVOCI (recycling) amounted to \$495 million (2024: \$449 million).

Further quantitative disclosures in respect of the Group's exposure to credit risk arising from investments in financial assets measured at FVOCI (recycling) as well as trade and other receivables are set out in notes 20 and 23 respectively.

(b) Liquidity risk

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

Based on the cash flow forecast of the Group for the year ending 31 December 2026, the Group would have adequate funds from the cash inflow generated from operating activities and available banking facilities to meet liabilities as and when they fall due.

The following tables detail the remaining contractual maturities at the end of the reporting period of the Group's non-derivative financial liabilities, which are based on contractual undiscounted cash flows (including interest payments computed using interest rates current at the end of the reporting period) and the earliest date the Group can be required to pay:

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars unless otherwise indicated)

33 Financial risk management and fair values of financial instruments (continued)

(b) Liquidity risk (continued)

Non-derivative financial liabilities

	2025					2024				
	Contractual undiscounted cash outflow					Contractual undiscounted cash outflow				
	Within 1 year or on demand	More than 1 year but less than 2 years	More than 2 years but less than 5 years	Total	Carrying amount at 31 December	Within 1 year or on demand	More than 1 year but less than 2 years	More than 2 years but less than 5 years	Total	Carrying amount at 31 December
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Bank loans	2,855,190	574,686	-	3,429,876	3,371,811	1,017,833	2,207,560	1,373,876	4,599,269	4,210,933
Lease liabilities	3,896	2,776	620	7,292	7,049	3,836	2,580	1,339	7,755	7,302
Accounts payable and accruals	1,370,760	-	-	1,370,760	1,370,760	1,576,416	-	-	1,576,416	1,576,416
	4,229,846	577,462	620	4,807,928	4,749,620	2,598,085	2,210,140	1,375,215	6,183,440	5,794,651

(c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. It is the Group's policy to closely monitor the market conditions and devise suitable strategies against interest rate risk. As at 31 December 2025 and 2024, all the Group's borrowings were denominated in Hong Kong dollars on a floating interest rate basis. The Group regularly reviews its strategy on interest rate risk management in the light of prevailing market conditions.

(i) Interest rate profile

The following table details the interest rate profile of the Group's interest-bearing assets and liabilities at the end of the reporting period.

	2025		2024	
	Effective interest rate p.a. %	Amount \$'000	Effective interest rate p.a. %	Amount \$'000
Fixed rate assets:				
Bank deposits	3.7	1,729,378	5.0	1,887,394
Investments in financial assets measured at FVOCI (recycling)	5.0	499,766	5.2	407,468
		2,229,144		2,294,862
Fixed rate liabilities:				
Lease liabilities	3.1	(7,049)	5.3	(7,302)
Variable rate liabilities:				
Bank loans	4.9	(3,371,811)	5.2	(4,210,933)

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars unless otherwise indicated)

33 Financial risk management and fair values of financial instruments (continued)

(c) Interest rate risk (continued)

(ii) Sensitivity analysis

At 31 December 2025, it is estimated that a general increase/decrease of 100 basis points in interest rates, with all other variables held constant, would have decreased/increased the Group's profit after tax and retained profits by approximately \$26,068,000 (2024: \$12,162,000). Other components of consolidated equity would have decreased/increased by approximately \$26,068,000 (2024: \$12,162,000) in response to the general increase/decrease in interest rates.

The sensitivity analysis above indicates the instantaneous change in the Group's profit after tax (and retained profits) and other components of consolidated equity that would arise assuming that the change in interest rates had occurred at the end of the reporting period and had been applied to re-measure those financial instruments held by the Group which expose the Group to fair value interest rate risk at the end of the reporting period. In respect of the exposure to cash flow interest rate risk arising from floating rate non-derivative instruments held by the Group at the end of the reporting period, the impact on the Group's profit after tax (and retained profits) is estimated as an annualised impact on interest expense or income of such a change in interest rates. The analysis is performed on the same basis for 2024.

(d) Currency risk

The Group is exposed to 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 currency other than the functional currency of the entity to which they relate. The currencies giving rise to this risk are primarily British Pound Sterling and United States dollars.

(i) Exposure to currency risk

The table below details the Group's exposure at the end of the reporting period to currency risk arising from recognised assets or liabilities denominated in a currency other than the functional currency of the entity to which they relate. For presentation purposes, the amounts of the exposure are shown in Hong Kong dollars, translated using the spot rate at the end of the reporting period. Differences resulting from the translation of the financial statements of operations outside Hong Kong into the Group's presentation currency are excluded.

	Exposure to foreign currencies (expressed in Hong Kong dollars)			
	2025		2024	
	British Pound Sterling \$'000	United States dollars \$'000	British Pound Sterling \$'000	United States dollars \$'000
Bank deposits and cash	1,290	710,461	1,702	863,262
Accounts payable and accruals	(22,936)	(2,568)	(72,581)	(163)
Investments in financial assets measured at FVOCI (recycling)	–	499,766	–	407,468
Gross exposure arising from recognised assets and liabilities	(21,646)	1,207,659	(70,879)	1,270,567

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars unless otherwise indicated)

33 Financial risk management and fair values of financial instruments (continued)

(d) Currency risk (continued)

(ii) Sensitivity analysis

The table below indicates the instantaneous change in the Group's profit after tax (and retained profits) and other components of consolidated equity that would arise if foreign exchange rates to which the Group has significant exposure at the end of the reporting period had changed at that date, assuming all other risk variables remained constant. In this respect, it is assumed that the pegged rate between Hong Kong dollars and United States dollars would be materially unaffected by any changes in movement in value of United States dollars against other currencies.

	2025		2024	
	Increase/ (decrease) in foreign exchange rates	(Decrease)/ increase in profit after tax and retained profits \$'000	Increase/ (decrease) in foreign exchange rates	(Decrease)/ increase in profit after tax and retained profits \$'000
British Pound Sterling	6%	(1,072)	6%	(3,534)
	(6)%	1,072	(6)%	3,534

Results of the analysis as presented in the above table represent an aggregation of the instantaneous effects on each of the Group entities' profit after tax and equity measured in the respective functional currencies, translated into Hong Kong dollars at the exchange rate ruling at the end of the reporting period for presentation purposes.

The sensitivity analysis assumes that the change in foreign exchange rates had been applied to re-measure those financial instruments held by the Group which expose the Group to foreign currency risk at the end of the reporting period. The analysis excludes differences that would result from the translation of the financial statements of operations outside Hong Kong into the Group's presentation currency. The analysis is performed on the same basis for 2024.

(e) Fuel price risk

It is the Group's policy to closely monitor fuel price movements. The Group had not entered into any fuel oil swap contract during the years ended 31 December 2025 and 2024.

(f) Fair values measurement

(i) Financial instruments measured at fair value

Fair value hierarchy

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

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

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars unless otherwise indicated)

33 Financial risk management and fair values of financial instruments (continued)

(f) Fair values measurement (continued)

(i) Financial instruments measured at fair value (continued)

Fair value hierarchy (continued)

	2025				2024			
	Fair value measurements categorised into				Fair value measurements categorised into			
	Fair value \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Fair value \$'000	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000
Recurring fair value measurements								
Assets:								
Investments in financial assets measured at FVOCI (recycling)	499,766	488,909	-	10,857	407,468	407,468	-	-
Other financial assets measured at FVPL	3,404	3,404	-	-	5,868	5,868	-	-
Unlisted equity securities	919,646	-	-	919,646	998,075	-	-	998,075
Derivative financial instruments – other forward foreign exchange contracts	18	-	18	-	54	-	54	-

As at 31 December 2025, the fair value of investments in credit-impaired financial assets measured at FVOCI (recycling) was determined taking into account of various scenarios in which cash flows are expected to recover and the probabilities assigned to those scenarios.

Accordingly, the fair value measurement was transferred from Level 1 to Level 3. The Group believes this valuation technique more suitably reflects the value of investments in credit-impaired financial assets measured at FVOCI (recycling) and provides more relevant information to the users of the financial statements.

Except for the above mentioned financial assets, there were no transfers between Level 1 and Level 2, or transfers into or out of Level 3 during the years ended 31 December 2025 and 2024. The Group's policy is to recognise transfers between levels of fair value hierarchy as at the end of the reporting period in which they occur.

(ii) Valuation techniques and inputs used in Level 2 fair value measurement

The fair values of forward foreign exchange contracts as at 31 December 2025 and 2024 in Level 2 were marked to market using quoted market prices from financial institutions.

(iii) Information about Level 3 fair value measurement

	Valuation technique	Significant unobservable inputs	Percentage
Unlisted equity securities	Market comparable companies	Discount for lack of marketability	35% (2024: 35%)
Investments in credit-impaired financial assets measured at FVOCI (recycling)	Discounted cash flow	Scenario probability of restructuring, straight sale and liquidation	5%-90% (2024: N/A)

The fair value of unlisted equity securities is determined using the market approach of comparable companies adjusted for lack of marketability discount. The fair value measurement is negatively correlated to the discount for lack of marketability. As at 31 December 2025, it is estimated that with all other variables held constant, a decrease/increase in the discount for lack of marketability by 5 percentage points would have increased/decreased the Group's other comprehensive income by \$70,742,000 (2024: \$76,775,000).

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars unless otherwise indicated)

33 Financial risk management and fair values of financial instruments (continued)

(f) Fair values measurement (continued)

(iii) Information about Level 3 fair value measurement (continued)

The movement during the year in the balance of Level 3 fair value measurement is as follows:

	2025 \$'000	2024 \$'000
Unlisted equity securities:		
At 1 January	998,075	1,033,669
Fair value losses recognised in other comprehensive income during the year	(78,429)	(35,594)
At 31 December	919,646	998,075
	2025 \$'000	2024 \$'000
Investments in financial assets measured at FVOCI (recycling):		
At 1 January	–	–
Transfers into Level 3	101,074	–
Fair value losses recognised in other comprehensive income during the year	(3,717)	–
Expected credit loss recognised in profit or loss during the year (note 4)	(86,500)	–
At 31 December	10,857	–

Any gains or losses arising from the remeasurement of the Group's unlisted equity securities held for strategic purposes are recognised in the fair value reserve (non-recycling) in other comprehensive income.

Any gains or losses arising from the remeasurement of the Group's investment in financial assets measured at FVOCI (recycling) are recognised in the fair value reserve (recycling) in other comprehensive income.

(iv) Fair values of financial instruments carried at other than fair value

All financial instruments carried at amortised cost are carried at amounts not materially different from their fair values as at 31 December 2025 and 2024.

34 Contingent liabilities

At 31 December 2025 and 2024, guarantees were given to banks by the Company in respect of bank loans extended to certain wholly-owned subsidiaries.

As at the end of the reporting period, the Directors do not consider it probable that a claim will be made against the Company under these guarantee arrangements. The maximum liability of the Company at the end of the reporting period under the guarantees is the amount of the facilities drawn down by the subsidiaries that are covered by the guarantees, being \$2,575,000,000 (2024: \$2,607,500,000).

The Company has not recognised any deferred income in respect of the guarantee as its fair value cannot be reliably measured and there is no transaction price.

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars unless otherwise indicated)

35 Material related party transactions

In addition to the transactions and balances disclosed elsewhere in these consolidated financial statements, the Group has entered into the following material related party transactions:

(a) Transactions with related companies

Nature of transactions	Note	(Expense)/income	
		2025 \$'000	2024 \$'000
Service fees for provision of coach services	(i) & (ii)	36,383	41,081
Insurance premium paid	(iii)	(37,766)	(100,568)
Amount paid and accrued for property management services	(iv)	(958)	(909)
Amount paid and accrued for property manager's remuneration and other expenses	(v) & (vi)	(22,321)	(16,331)
Amount paid and accrued for leasing management services	(vii)	(3,601)	(2,048)
Amount paid and accrued for cleaning services	(viii)	(13,703)	(13,927)

Notes:

- (i) During the year, the Group provided coach services ("Shuttle Bus Services Contracts") to certain subsidiaries of Sun Hung Kai Properties Limited ("SHKP"), a substantial shareholder of the Company, details of which were disclosed in the announcement of the Company dated 5 August 2022, 21 March 2024 and 19 June 2025. The amounts received and receivable under the Shuttle Bus Services Contracts amounted to \$5,752,000 (2024: \$6,700,000). Outstanding balances due from these companies at 31 December 2025 amounted to \$911,000 (2024: \$1,355,000).
- (ii) The Group also provided coach services to residents and corporate tenants of certain property developments managed by certain members of SHKP and its subsidiaries ("SHKP Group") where the SHKP Group acts as agent for collection of the service fees ("Coach Service Arrangements"). The amounts received and receivable for these Coach Service Arrangements amounted to \$30,631,000 (2024: \$34,381,000). Outstanding balances due from these companies at 31 December 2025 amounted to \$7,048,000 (2024: \$8,995,000).
- (iii) In 2022, the Group entered into contracts with a subsidiary of SHKP, Sun Hung Kai Properties Insurance Limited ("SHKPI"), for the provision of various kind of insurance services to the Group for the period from 1 January 2023 to 31 December 2024 (the "2023/24 Insurance Arrangements"). In 2024, the Group entered into contracts with SHKPI for the provision of various kind of insurance services to the Group for the period from 1 January 2025 to 31 December 2026 (the "2025/26 Insurance Arrangements"). The amount paid and payable under the 2023/24 Insurance Arrangements and 2025/26 Insurance Arrangements during the year amounted to \$37,766,000 (2024: \$100,568,000). There was no outstanding balance payable for these contracts at 31 December 2025 (2024: \$Nil).
- (iv) On 3 July 2007, Lai Chi Kok Properties Investment Limited, Royal Elite Service Company Limited ("Royal Elite"), a subsidiary of SHKP, and the first assignee of a residential unit of Manhattan Hill entered into a deed of mutual covenant (the "Deed") pursuant to which the parties agreed that Royal Elite would act as the manager of Manhattan Hill. The amount paid and payable under the Deed during the year amounted to \$958,000 (2024: \$909,000). Outstanding balance payable for this contract at 31 December 2025 amounted to \$75,000 (2024: \$122,000).
- (v) On 29 December 2022, KT Real Estate Limited ("KTRE"), a wholly-owned subsidiary of the Company, and Turbo Result Limited ("TRL"), a subsidiary of SHKP, entered into the Property Management Agreement (the "Property Management Agreement") with Kai Shing Management Services Limited ("KSMS"), a subsidiary of SHKP, pursuant to which KSMS was appointed as the property manager for the units in the office/retail premises in The Millennity and Scramble Hill. The amount paid and payable under the Property Management Agreement for the property manager's remuneration and other expenses during the year amounted to \$6,573,000 (2024: \$5,620,000). Outstanding balance payable for this contract at 31 December 2025 amounted to \$2,073,000 (2024: \$1,328,000).
- (vi) KSMS also incurred other management expenses on behalf of KTRE and TRL for the maintenance and improvements of The Millennity and Scramble Hill, where KSMS acts as an agent for the collection of fees and payments ("Management Arrangements") on behalf of other independent vendors/contractors. The amounts paid and payable for these Management Arrangements amounted to \$15,748,000 (2024: \$10,711,000). Outstanding balances payable at 31 December 2025 amounted to \$5,179,000 (2024: \$2,319,000).

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars unless otherwise indicated)

35 Material related party transactions (continued)

(a) Transactions with related companies (continued)

Notes: (continued)

- (vii) On 29 December 2022, KTRE and TRL entered into the Office Premises Leasing Management Agreement and Retail Premises Leasing Management Agreement (collectively, the “Leasing Agreements”) with Sun Hung Kai Real Estate (Sales and Leasing) Agency Limited (“SHKRE(SL)”), a subsidiary of SHKP, pursuant to which SHKRE(SL) was appointed as the exclusive marketing and leasing agent and administrators for the units in the office and retail premises and parking spaces in The Millennity and Scramble Hill. The amount paid and payable under the Leasing Agreements for the leasing management fees and other expense during the year amounted to \$3,601,000 (2024: \$2,048,000). Outstanding balance payable for this contract at 31 December 2025 amounted to \$462,000 (2024: \$652,000).
- (viii) On 28 September 2023, The Kowloon Motor Bus Company (1933) Limited (“KMB”), a wholly-owned subsidiary of the Company, entered into the agreement (the “Cleaning Services Agreement”) with Nixon Cleaning Company Limited (“Nixon”), a subsidiary of SHKP, pursuant to which Nixon agreed to provide cleaning services to KMB at designated service locations, including premises, offices and depots. The amount paid and payable under the Cleaning Services Agreement during the year amounted to \$13,703,000 (2024: \$13,927,000). Outstanding balance payable for this contract at 31 December 2025 amounted to \$3,134,000 (2024: \$6,209,000).
- (ix) On 26 April 2010, KTRE and TRL entered into an agreement with Sun Hung Kai Real Estate Agency Limited (“SHKRE”), pursuant to which KTRE and TRL agreed to appoint SHKRE as the project manager for the management, supervision and control of the application for planning permission, the surrender and regrant of an industrial site at Kwun Tong Inland No.240, No. 98 How Ming Street, Kwun Tong, Kowloon, Hong Kong and its construction.

The amount payable for project management services shall be a sum equivalent to whichever is the higher of (1) \$20,000,000; and (2) the lower of (a) 1% of the project cost and (b) \$25,000,000. The amount payable for lease modification services shall be in the sum of the lower of (1) \$3.2 for each square foot of the permitted maximum gross floor area as approved under the lease modification; and (2) \$3,840,000. There was no outstanding balance payable for these contracts at 31 December 2025 (2024: \$Nil).

- (x) On 20 December 2018, KTRE, TRL and Yee Fai Construction Company Limited (“Yee Fai”) (a subsidiary of SHKP) entered into a building contract (the “Building Contract”) in which KTRE and TRL have engaged Yee Fai to carry out and complete the building works involving the construction of commercial properties in Kwun Tong (“The Millennity and Scramble Hill”). KTRE and TRL shall pay Yee Fai, in equal shares, the contract sum of HK\$4,436,057,000 (i.e. HK\$2,218,028,500 each), subject to adjustments in accordance with the Building Contract. There was no outstanding balance payable for this contract as at 31 December 2025 (2024: \$62,506,000).
- (xi) On 25 May 2023, KMB as purchaser and SmarTone Mobile Communications Limited (“SmarTone Mobile”), a subsidiary of SHKP, as vendor entered into a purchase contract, pursuant to which KMB agreed to purchase and SmarTone Mobile agreed to supply the hardware, software and documentation for people counting system (“PCS”) and Wi-Fi system and provide a suite of one-stop solutions for the design, management, implementation, installation, maintenance, training and after-sale support associated with PCS. The total consideration under the purchase contract amounted to HK\$46,316,210, comprising the initial purchase price for all PCS units and Wi-Fi systems units and the subsequent maintenance fees for periods up to 31 October 2025. Outstanding balance payable for this contract at 31 December 2025 amounted to \$22,328,000 (2024: \$11,889,000).

(b) Key management personnel remuneration

Remuneration for key management personnel represents amounts paid to the Company’s Directors as disclosed in note 7.

(c) Applicability of the Listing Rules relating to connected transactions

The related party transactions as described in notes 35(a)(i), 35(a)(iii), 35(a)(v), 35(a)(vii) and 35(a)(viii) above constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules. The Company has complied with the reporting requirements under Chapter 14A of the Listing Rules by including the relevant disclosures in the section headed “Continuing Connected Transactions” under “Financial Review” on pages 119 to 123 of this Annual Report.

The related party transactions as described in notes 35(a)(ii) and 35(a)(vi) above, in which the relevant SHKP Group companies and KSMS acted as agents for collection of the coach service fees and other management expenses, did not fall within the definition of connected transactions of the Company under Chapter 14A of the Listing Rules.

The related party transaction as described in note 35(a)(iv) above constitute continuing connected transaction of the Company as defined in Chapter 14A of the Listing Rules. However, they are fully exempt from the shareholders’ approval, annual review and all disclosure requirements in Chapter 14A of the Listing Rules pursuant to Rule 14A.73(1).

The related party transaction as described in notes 35(a)(ix), 35(a)(x) and 35(a)(xi) above constitute connected transactions of the Company as defined in Chapter 14A of the Listing Rules. The relevant reporting requirements pursuant to Chapter 14A of the Listing Rules have been complied with by including disclosures in the Company’s annual report published immediately following the entering into for transactions described in notes 35(a)(ix), 35(a)(x) and 35(a)(xi).

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars unless otherwise indicated)

36 Company-level statement of financial position

	Note	2025 \$'000	2024 \$'000
Non-current assets			
Investments in subsidiaries		1,210,680	1,209,938
Property, plant and equipment		12	17
Deferred tax assets		535	535
		1,211,227	1,210,490
Current assets			
Deposits and prepayments		1,660	1,629
Amounts due from subsidiaries		11,751,294	11,363,380
Bank deposits and cash		5,921	2,916
		11,758,875	11,367,925
Current liabilities			
Accounts payable and accruals		19,426	16,864
Amounts due to subsidiaries		8,285,557	8,130,036
		8,304,983	8,146,900
Net current assets		3,453,892	3,221,025
NET ASSETS		4,665,119	4,431,515
CAPITAL AND RESERVES			
Share capital	31(a)	534,540	508,901
Reserves		4,130,579	3,922,614
TOTAL EQUITY		4,665,119	4,431,515

Approved and authorised for issue by the Board of Directors on 19 March 2026

Norman LEUNG Nai Pang

Chairman

Roger LEE Chak Cheong

Managing Director

NOTES TO THE FINANCIAL STATEMENTS

(Expressed in Hong Kong dollars unless otherwise indicated)

37 Non-adjusting event after the reporting period

Proposal of a final dividend

After the end of the reporting period, the Directors proposed a final dividend for the year. Further details are disclosed in note 11(a) to the consolidated financial statements.

38 Possible impact of amendments, new standards and interpretations issued but not yet effective for the year ended 31 December 2025

Up to the date of issue of these consolidated financial statements, the HKICPA has issued a number of new or amended standards, which are not yet effective for the year ended 31 December 2025 and which have not been adopted in these consolidated financial statements. These developments include the following which may be relevant to the Group.

	Effective for accounting periods beginning on or after
Amendments to HKFRS 9, <i>Financial instruments</i> and HKFRS 7, <i>Financial instruments: disclosures – Contracts referencing nature-dependent electricity</i>	1 January 2026
Amendments to HKFRS 9, <i>Financial instruments</i> and HKFRS 7, <i>Financial instruments: disclosures – Amendments to the classification and measurement of financial instruments</i>	1 January 2026
Annual improvements to HKFRS Accounting Standards – Volume 11	1 January 2026
HKFRS 18, <i>Presentation and disclosure in financial statements</i>	1 January 2027
HKFRS 19, <i>Subsidiaries without public accountability: disclosures</i>	1 January 2027

The Group is in the process of making an assessment of what the impact of these developments is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the Group's consolidated financial statements, except for the following:

HKFRS 18, *Presentation and disclosure in financial statements*

HKFRS 18 will replace HKAS 1 *Presentation of financial statements* and aims to improve the transparency and comparability of information about an entity's financial statements. HKFRS 18 is effective for annual reporting periods beginning on or after 1 January 2027 and is to be applied retrospectively.

Among other changes, under HKFRS 18, entities are required to classify all income and expenses into five categories in the statement of profit or loss, namely the operating, investing, financing, discontinued operations and income tax categories. Entities are also required to provide specific disclosures about management-defined performance measures in a single note in the financial statements.

The Group does not plan to early adopt HKFRS 18 and is still in the process of assessing the impact of the adoption.

FINANCIAL SUMMARY

for the years ended 31 December (Expressed in Hong Kong dollars)

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
	\$'M	\$'M	\$'M	\$'M	\$'M	\$'M	\$'M	\$'M	\$'M	\$'M
				(Restated)	(Restated)					(Restated)
			Notes (d) & (e)	Notes (d) & (e)	Note (d)		Note (c)	Note (b)		Note (a)
Consolidated statement of profit or loss										
Continuing operations										
Revenue	8,443	8,215	7,885	6,607	7,202	6,191	8,112	8,009	7,888	7,744
Profit before taxation	493	244	431	451	272	1,722	699	837	1,008	1,016
Income tax (expense)/credit	(95)	(57)	(29)	98	(27)	182	(94)	(117)	(148)	(150)
Profit for the year from continuing operations	398	187	402	549	245	1,904	605	720	860	866
Discontinued operations										
Profit/(loss) for the year from discontinued operations	-	-	-	-	-	-	-	-	429	(42)
Profit for the year	398	187	402	549	245	1,904	605	720	1,289	824
Non-controlling interests	-	-	-	-	-	-	-	-	6	7
Profit attributable to equity shareholders of the Company										
- Underlying (Note (f))	540	265	114	100	245	1,904	605	720	1,295	831
- Reported	398	187	402	549	245	1,904	605	720	1,295	831
Consolidated statement of financial position										
Investment properties, investment property under development, interest in leasehold land and other property, plant and equipment	14,883	15,679	16,039	15,137	14,274	10,954	10,154	9,841	9,261	8,875
Intangible assets	574	529	529	529	420	365	365	361	132	132
Goodwill	84	84	84	84	84	84	84	84	84	84
Non-current prepayments	-	-	-	-	-	-	-	-	-	2
Interest in associates	616	570	609	600	682	657	612	611	625	602
Interest in joint venture	753	748	749	751	751	751	-	-	-	-
Other financial assets	1,527	1,354	1,267	1,716	1,354	1,474	1,264	1,709	1,493	1,207
Employee benefit assets	2,110	1,756	1,609	1,541	1,959	1,701	1,307	913	1,287	626
Net current (liabilities)/assets	(1,381)	671	132	235	(39)	229	1,369	711	438	377
Employment of funds	19,166	21,391	21,018	20,593	19,485	16,215	15,155	14,230	13,320	11,905
<i>Financed by:</i>										
Share capital	534	509	494	475	465	458	447	435	422	412
Reserves	16,639	16,200	15,911	15,612	15,517	12,728	10,525	9,761	9,120	7,414
Total equity attributable to equity shareholders of the Company	17,173	16,709	16,405	16,087	15,982	13,186	10,972	10,196	9,542	7,826
Non-controlling interests	-	-	-	-	-	-	-	-	-	146
Total equity	17,173	16,709	16,405	16,087	15,982	13,186	10,972	10,196	9,542	7,972
Contingency provision – insurance	142	146	142	148	178	218	244	241	285	253
Long-term bank loans	548	3,368	3,378	3,293	2,139	1,684	2,707	2,625	2,353	2,724
Employee benefit liabilities	-	-	-	-	-	-	-	3	-	9
Other liabilities	1,303	1,168	1,093	1,065	1,186	1,127	1,232	1,165	1,140	947
Funds employed	19,166	21,391	21,018	20,593	19,485	16,215	15,155	14,230	13,320	11,905
Earnings per share (\$)										
- Underlying (Note (f))	1.04	0.53	0.24	0.21	0.53	4.21	1.38	1.68	3.11	2.04
- Reported	0.77	0.37	0.83	1.17	0.53	4.21	1.38	1.68	3.11	2.04
Dividends per share (\$)										
	0.80	0.50	0.80	0.50	0.50	0.50	1.00	1.20	1.25	1.25
Total assets per share (\$)										
	43.89	46.98	48.93	50.33	47.79	42.16	37.40	35.46	34.69	32.34
Net assets per share (\$)										
	32.13	32.83	33.19	33.87	34.34	28.80	24.55	23.46	22.59	19.36

FINANCIAL SUMMARY

for the years ended 31 December (Expressed in Hong Kong dollars)

Notes:

- (a) The disposal of RoadShow Holdings Limited in 2017 constituted a discontinued operation. In accordance with HKFRS 5, *Non-current assets held for sale and discontinued operations*, the Group has re-presented the comparative information in 2016 in this regard.
- (b) The Group has initially applied HKFRS 9, *Financial instruments*, at 1 January 2018. Under the transition method chosen, comparative information was not restated.
- (c) As a result of the adoption of HKFRS 16, *Leases*, with effect from 1 January 2019, the Group has changed its accounting policies in respect of the lessee accounting model. In accordance with the transitional provisions of the standard, the changes in accounting policies were adopted by way of recognising right-of-use assets and lease liabilities as at 1 January 2019. After initial recognition of these assets and liabilities, the Group as a lessee is required to recognise interest expense accrued on the outstanding balance of the lease liability, and the depreciation of the right-of-use asset, instead of the previous policy of recognising rental expenses incurred under operating leases on a straight-line basis over the lease term. Under the transition method chosen, comparative information was not restated.
- (d) In 2023, the Group has changed its accounting policy with respect to the measurement of investment properties and investment property under development from using the cost model to fair value model. These changes have been applied retrospectively and the relevant comparative amounts in 2022 and 2021 have been restated accordingly.
- (e) In June 2022, the Hong Kong SAR Government gazetted the Hong Kong Employment and Retirement Schemes Legislation (Offsetting Arrangement) (Amendment) Ordinance 2022. In July 2023, the Hong Kong Institute of Certified Public Accountants (“HKICPA”) published “Accounting implications of the abolition of the MPF-LSP offsetting mechanism in Hong Kong” that provides accounting guidance relating to the offsetting mechanism and the abolition of the mechanism. To better reflect the substance of the abolition of the offsetting mechanism, the Group has changed its accounting policy in connection with its provision for long service payments and has applied the HKICPA guidance retrospectively. The relevant comparative amounts in 2022 have been restated accordingly.
- (f) Underlying profit attributable to equity shareholders of the Company and underlying earnings per share excluded the effect of change in fair value of investment properties and investment property under development.

CORPORATE DIRECTORY

Board of Directors

Dr Norman LEUNG Nai Pang*
GBS, JP, LLD, DSSc, BA
Chairman

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

MA Siu Cheung^
GBS, JP, BSc Hon (1st), MSc (Eng), FHKIE,
FHKEng, FIStructE, FICE
Deputy Chairman

Raymond KWOK Ping Luen^
JP, MA(Cantab), MBA, Hon DBA,
Hon LLD

William LOUEY Lai Kuen^
BSc(Econ)

Charles LUI Chung Yuen^
M.H., BEc, AASA, FCILT

Winnie NG^
JP, BA, MBA(Chicago), MPA(Harvard),
FCIM, CMILT, MHKIoD

Dr Eric LI Ka Cheung*
GBS, OBE, JP, LLD, DSocSc, Hon
DSocSc(EdUHK), BA, FCPA, FCA,
FCPA(Aust.)

Professor LIU Pak Wai*
SBS, JP

Allen FUNG Yuk Lun^
BA, Ph.D.

Roger LEE Chak Cheong
BSc, MSc, MICE, CEng
Managing Director

TSANG Wai Hung*
GBS, PDSM, JP, MBA

Dr CHEUNG Wing Yui^
BBS, BCom, Hon DBA, CPA (Aust.)

LEE Luen Fai^
BBS, JP, BA

LUNG Po Kwan^
BSocSc, MSocSc(Economics), MBA, CFA

Christopher KWOK Kai-wang^
JP, MBA, BSc

WANG Xiao Bin*
BCom, CPA (Aust.)

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

LAU Man-Kwan, Julia
JP
(Alternate Director to Mr William LOUEY
Lai Kuen^)

Board Committees Audit and Risk Management Committee

Dr Eric LI Ka Cheung, JP#
Professor LIU Pak Wai, JP
Allen FUNG Yuk Lun
TSANG Wai Hung, JP
WANG Xiao Bin

Nomination Committee

Dr John CHAN Cho Chak, JP#
Dr Eric LI Ka Cheung, JP
Allen FUNG Yuk Lun
WANG Xiao Bin

Remuneration Committee

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

Standing Committee

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

Company Secretary

YU Wai Cheung
B.Soc.Sc., CPA, FCCA

Registered Office

Clarendon House, 2 Church Street
Hamilton HM 11, Bermuda

Principal Office

15/F, 9 Po Lun Street, Lai Chi Kok
Kowloon, Hong Kong
Telephone: (852) 2786 8888
Facsimile: (852) 2745 0300
Website: www.tih.hk
E-mail: director@tih.hk

Auditor

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

Registrars

Hong Kong

**Computershare Hong Kong Investor
Services Limited**
Shops 1712-1716, 17/F, Hopewell Centre
183 Queen's Road East
Wan Chai Hong Kong

Bermuda

**Appleby Global Corporate Services
(Bermuda) Limited**
Canon's Court, 22 Victoria Street,
PO Box HM 1179, Hamilton HM EX
Bermuda

Register of Members

Book closure for 2026 AGM:
11 May 2026 to 14 May 2026
(both dates inclusive)

Book closure for 2025 final dividend:
20 May 2026

Dividends

Interim

HK\$0.30 per share,
paid on 21 October 2025

Final (proposed)

HK\$0.50 per share,
payable on 29 June 2026

Stock Code

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

Customer Service Hotlines

**The Kowloon Motor Bus Company
(1933) Limited**
Telephone: (852) 2745 4466
Facsimile: (852) 2745 0600

Long Win Bus Company Limited
Telephone: (852) 2261 2791

Sun Bus Limited
Telephone: (852) 2372 0638

(* Independent Non-executive Director of the
Company)

(^ Non-executive Director of the Company)

(# Committee Chairman)

This Annual Report is also available on our corporate
website: www.tih.hk



Transport International Holdings Limited

15/F, 9 Po Lun Street, Lai Chi Kok, Kowloon, Hong Kong

Telephone : (852) 2786 8888

Facsimile : (852) 2745 0300

Website : www.tih.hk

Stock Code : 62

