INTERIM RESULTS 2026

KLN Logistics Group Limited

0636.HK

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2026 INTERIM FINANCIAL HIGHLIGHTS
(in HK$'M)

Revenue

Consolidation	IL	IFF
29,851 ▲ 10%	7,743 ▲ 10%	22,108 ▲ 10%

Core Operating Profit
1,236 ▼ 8%

Core Net Profit
695 ▲ 2%

Profit Attributable To The Shareholders
674 ▲ 4%

Gearing
48.8%	15.8%
GROSS	NET

Interim Dividend
12 ▲ 9%

HK CENTS PER SHARE

MARKET FORCES RESHAPING LOGISTICS

Geopolitical & tariff pressure
Geopolitical tensions, tariff uncertainty and uneven growth across major markets redefined the global landscape

Middle East disruption
Route disruptions across air and ocean freight with lifted fuel costs to drive freight rate volatility

“China Plus One” shift
Supply chain diversification accelerated sourcing and production shifts across Asia

AI-infrastructure demand
Technology reshoring and AI related demand sustained strong Asia-to-US volumes

KLN RESPONSE TO MARKET DYNAMICS

STRATEGIC RESPONSE

Cost discipline

Apply cost-control measures to enhance efficiency and safeguard resilience

Network agility

Adapt to evolving supply chains with a diversified network, wider services and customer-centric solutions

KLN 2.0 scale-up

Leverage KLN 2.0 to drive business scale

INTEGRATED LOGISTICS

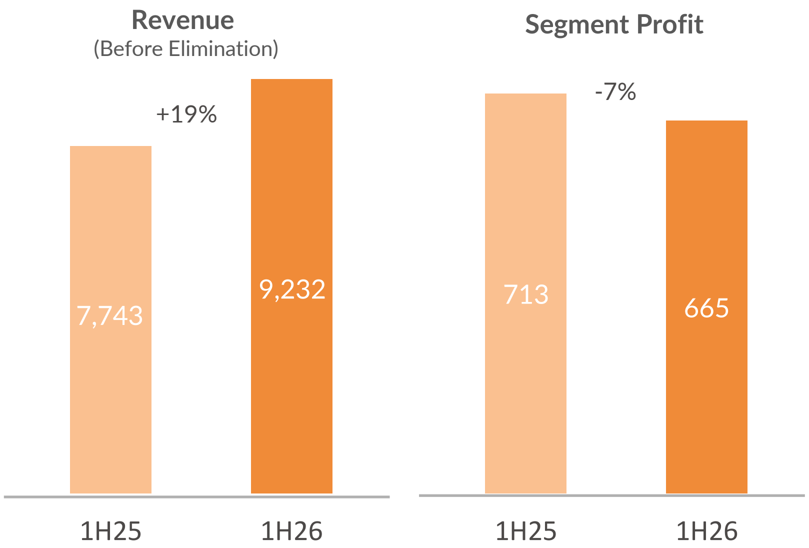
- Accelerate new customer acquisition in core markets
- Capture supply chain diversification opportunities in Malaysia, Vietnam, Cambodia and Thailand
- Deepen offerings into higher-value verticals — cold chain, commodity transportation, high-tech etc.
- Drive productivity through automation and AI adoption

INT'L FREIGHT FORWARDING

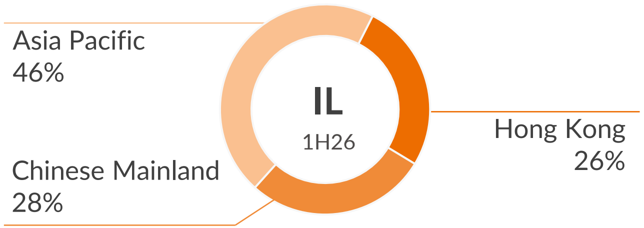
- Delivered mid-teens volume growth on rising Asia exports across all key trade lanes
- Benefited from supply chain diversification and tariff-driven front-loading
- Maintain No.1 NVOCC on the Asia-US trade lane
- Create synergy with SF to capture air freight demand growth
- Improve productivity through deploying Agentic AI in processes

REVENUE & SEGMENT PROFIT
INTEGRATED LOGISTICS

(in HK$'M)



Segment Profit - By Region



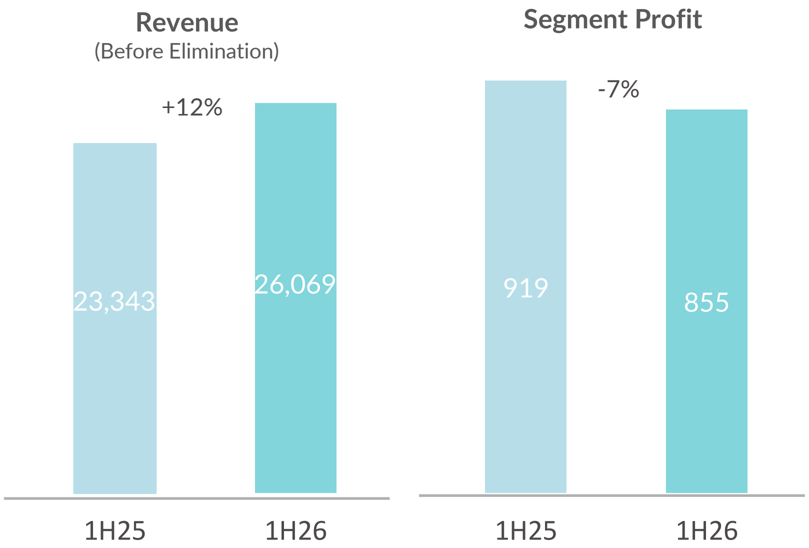
Driven by significant new account wins in Hong Kong and the Chinese Mainland

Profit affected by start up cost of new implementation, market rate reductions, destocking, fuel costs and investment in commercial capabilities

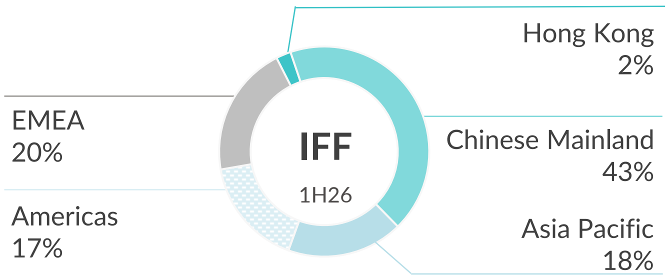
Ongoing focus on warehouse automation and AI adoption to enhance operational efficiency

REVENUE & SEGMENT PROFIT
INT'L FREIGHT FORWARDING

(in HK$'M)



Segment Profit - By Region



- Strong air and ocean volumes drove revenue growth
- Competition, fuel costs pressure from some key customers and expansion investments impacted results
- Industrial project logistics in EMEA and airfreight synergies with S.F. Holding building momentum as key strategic drivers

EARNINGS IMPROVEMENT

(in HK$'M)	1H25	1H26	YoY
Core operating profit	1,348	**1,236**	-8%
• Interest Income	66	**61**	-7%
• Finance expense	(267)	**(221)**	-17%
• Share of results associates and a JV	29	**58**	+95%
• Taxation*	(327)	**(282)**	-14%
Profit for the period*	849	**852**	-
• Non-controlling interests*	(168)	**(157)**	-7%
Core net profit	681	**695**	**+2%**
• Changes in fair value of investment properties, net of deferred tax	(28)	**(21)**	-25%
Profit attributable to the Shareholders and holders of perpetual convertible securities	653	**674**	+3%
• Holders of perpetual convertible securities	(5)	**-**	-
Profit attributable to the Shareholders	648	**674**	**+4%**

** Excluding the change in fair value of investment properties and its related deferred tax.*

Improvement in finance expense

Consolidate the loans to secure lower borrowing rate and optimise treasury management

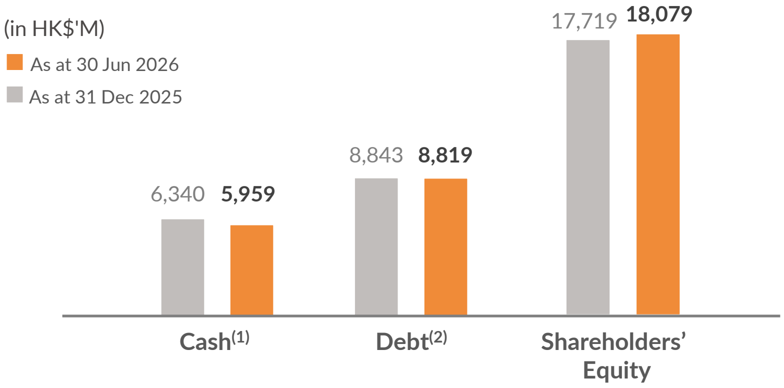
Lower the effective tax rate

Simplify our tax structure and maximise the allowance

Increase in core net profit

Stringent approach in managing the finance expense and cost control

SOLID FINANCIAL POSITION



Debt Ratios	31 Dec 2025	30 Jun 2026
EBITDA / Bank interest	10.7x	**12.5x**
Debt / EBITDA	2.0x	**2.1x**
Gearing Ratios		
Gross	49.9%	**48.8%**
Net	14.1%	**15.8%**

Free Cash Flow [3] in HK$'M	1H 2025	1H 2026
	1,297	**539**

[1] Cash at bank and in hand
[2] Total bank loans and overdrafts
[3] Net cash from operating and investing activities

Improvement in debt position

Disciplined management to reduce the outstanding debt balance and interest expenses

Slight increase in shareholders' equity

Shareholders' equity improved slightly, driven by higher retained profits

Change in cash flow position

Volatile freight markets and strong air freight demand affected business mix and receivables timing, with normalisation expected in 2H2026

KLN 2.0
KEY PILLARS

To differentiate KLN from competitors and transform into a Customer-Centric Global Supply Chain Powerhouse

System Transformation

An **integrated ERP platform** to drive operational efficiency, stronger management oversight and faster, data-led decision making

An **enterprise-wide CRM** system to strengthen cross-regional collaboration and support strategic customer development

Powering KLN's People

Continuous training and upskilling to deepen our people's capabilities

Empowering and equipping our teams to respond to our customers' needs

Customer Centricity

Placing customers at the centre of every decision: Innovative products and solutions powered by AI-enabled systems and processes, delivering consistently reliable services

Best Partner | Customer Excellence | Strong execution

KLN 2.0 MILESTONES

Expansion in network, customer base and offerings

Product & Solution Development

Asia cross-border trucking: network development, scaling our China–Southeast Asia 3PL transportation product

IFF: innovative vertical focus end-to-end solutions in response to market changes.

IL: driving automation and service delivery standard

Customer Base Expansion

Deepening vertical penetration by winning new customers and growing share of wallet through vertical-based solutioning

Expanding our SME base by responding quickly to shifting market demand

AI-Enabled Organisation

Deployed AI across pricing, quoting and operations to lift productivity and speed to customers

Built AI and data capabilities to support faster, better-informed decisions group-wide

KLN 2.0
WHAT'S NEXT

Driving business scale for long-term growth through technology-led transformation

AI/Technology Drive

Leverage AI and automation to streamline operational processes, solution design and support decision making

Commercial Growth

Continued investment in innovative product-building and solutions, and customer-centric organisation

Capital Allocation

Capital allocation in expanding key and emerging markets

Capex investment in growing network and coverage

OUTLOOK

	SHORT TERM	NEAR-TO-MEDIUM TERM
IL	Launching new initiatives in recycling logistics and specialised transportation services	Extending market presence in the US, Europe and Australia
IFF	Diversifying trade-lane network to manage complexity and volatility	Deepening collaboration with S.F. Holding Capturing structural trade shifts through expansion in emerging markets and Europe

OVERALL STRATEGY

- Efficiency gains from AI technology, process optimisation and automation
- Scaling coverage, products and service quality
- Disciplined and value-accretive approach to capital management and M&A

GLOBAL NETWORK | DIVERSIFIED PORTFOLIO | KLN 2.0

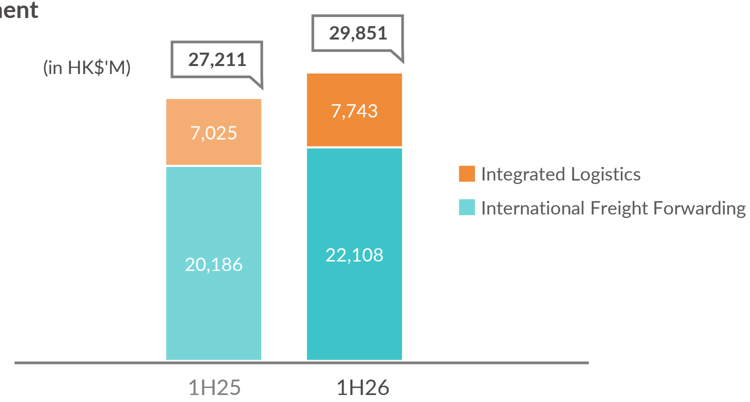
LONG TERM SUSTAINABLE GROWTH

THANK YOU

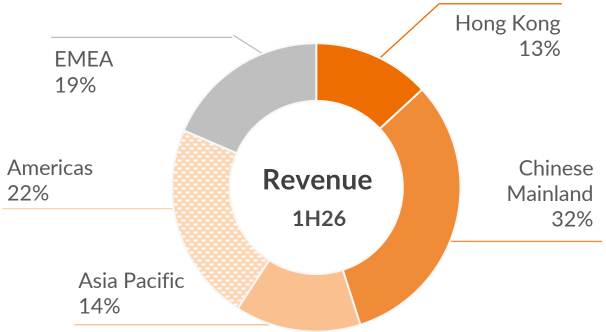

KLN - Warehouse Inventory Aging (Day), by project
Project:
Floor: 10F
Rack Level
Level 3
Level 2
Level 1
Unit 1001
Unit 1002

Appendix I : Revenue

By Segment



By Region



YoY Comparison

(in HK$'M)	1H25	**1H26**	*YoY*
Hong Kong	3,564	**3,918**	*+10%*
Chinese Mainland	8,070	**9,531**	*+18%*
Asia Pacific	3,862	**4,209**	*+9%*
Americas	6,619	**6,662**	*+1%*
EMEA	5,096	**5,531**	*+9%*
Total	27,211	**29,851**	***+10%***

Appendix II : Condensed Consolidated Interim Income Statement

	For the six months ended 30 Jun	
	Unaudited 2026	Unaudited 2025
	HK$'000	HK$'000
Revenue	29,850,957	27,211,248
Direct operating expenses	(27,084,322)	(24,277,775)
Gross profit	2,766,635	2,933,473
Other income and net gains	60,636	76,889
Administrative expenses	(1,530,463)	(1,596,588)
Operating profit before fair value change of investment properties	1,296,808	1,413,774
Change in fair value of investment properties	(28,515)	(37,580)
Operating profit	1,268,293	1,376,194
Finance expenses	(221,207)	(267,322)
Share of results of associates and a joint venture	57,838	29,624
Profit before taxation	1,104,924	1,138,496
Taxation	(274,228)	(317,640)
Profit for the period	**830,696**	**820,856**
Profit attributable to:		
Company's shareholders	674,624	648,208
Non-controlling interests	156,072	167,782
Holders of perpetual convertible securities	-	4,866
	830,696	**820,856**
Earnings per share		
– Basic	HK$0.37	HK$0.36
– Diluted	HK$0.37	HK$0.36

Appendix III : Condensed Consolidated Interim Statement of Financial Position

	Unaudited As at 30 Jun 2026 HK$'000	Audited As at 31 Dec 2025 HK$'000
ASSETS AND LIABILITIES		
Non-current assets		
Intangible assets	5,608,686	5,647,143
Investment properties	3,015,283	2,984,430
Property, plant and equipment	7,205,944	7,242,806
Right-of-use assets	2,938,937	3,105,697
Associates and a joint venture	1,411,592	1,497,844
Financial assets at fair value through other comprehensive income	230,331	357,768
Investment in convertible bonds	4,479	4,536
Other non-current assets	171,950	165,053
Deferred taxation	271,141	215,247
	20,858,343	21,220,524
Current assets		
Financial assets at fair value through profit or loss	475	496
Inventories	424,440	348,013
Accounts receivable, prepayments and deposits	17,803,601	15,572,179
Tax recoverable	147,149	151,053
Amounts due from fellow subsidiaries	12,951	64,088
Amounts due from related companies	2,610	1,112
Amounts due from associates	92,496	9,803
Restricted and pledged bank deposits	94,142	83,839
Cash at bank and in hand	5,959,326	6,339,675
	24,537,190	22,570,258

Appendix IV : Condensed Consolidated Interim Statement of Financial Position (Cont'd)

	Unaudited As at 30 Jun 2026 HK$'000	Audited As at 31 Dec 2025 HK$'000
Current liabilities		
Lease liabilities	1,078,692	1,061,874
Accounts payable, deposits received and accrued charges	12,181,826	10,833,990
Supplier financing payables	174,754	126,225
Amounts due to fellow subsidiaries	71,142	126,709
Amounts due to related companies	50,021	142,401
Taxation	355,440	350,651
Short-term bank loans and current portion of long-term bank loans	2,917,653	3,327,627
Bank overdrafts	14,460	18,081
	16,843,988	15,987,558
Non-current liabilities		
Loans from non-controlling interests	200,853	198,547
Long-term bank loans	5,886,453	5,496,812
Lease liabilities	1,241,074	1,426,473
Deferred taxation	402,251	419,515
Retirement benefit obligations	44,822	41,945
Other non-current liabilities	59,336	60,634
	7,834,789	7,643,926
ASSETS LESS LIABILITIES	20,716,756	20,159,298
EQUITY		
Capital and reserves attributable to the Company's shareholders		
Share capital	903,715	903,715
Share premium	4,074,218	4,074,218
Shares held for share award scheme	(34,000)	(37,221)
Retained profits and other reserves	13,135,196	12,777,874
	18,079,129	17,718,586
Non-controlling interests	2,637,627	2,440,712
TOTAL EQUITY	20,716,756	20,159,298