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KWOON CHUNG BUS HOLDINGS LIMITED

冠忠巴士集團有限公司 *

(Incorporated in Bermuda with limited liability)

(Stock Code: 306)

INSIDE INFORMATION AND BUSINESS UPDATE IN RELATION TO THE RECENT OUTBREAK OF COVID-19

This announcement is made by Kwoon Chung Bus Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”) and the Inside Information Provisions (as defined under the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong). The purpose of this announcement is to keep shareholders of the Company and potential investors informed of the latest developments of the Group amidst the recent outbreak of COVID-19.

The imposition of special arrangements by the Hong Kong government on cross-boundary transport between Hong Kong and Mainland China and compulsory quarantine measures of special persons arriving at Hong Kong have led to a full suspension of the Company’s cross-boundary passenger transport services. The Company foresees a significant drop in revenue for February and March 2020. The drop in revenue is expected to lead to a material decrease in revenue and net profit for the financial year ending 31 March 2020.

* *For identification purpose only*

The Group has already adopted a series of measures to control costs and to enhance cash flow and operational efficiency:

- Implemented salary reduction and/or salary suspension for managerial staff;
- Streamlined workflow and eliminated non-value added position or activities;
- Encouraged employees to take no-pay leave and/or annual leave, or participate in early retirement plan;
- Deferred replacement of new vehicles; and
- Suspended some of the ticketing centres and cross-boundary bus routes temporarily.

The board of directors (the “Board”) of the Company wishes to remind shareholders and potential investors that the above information is based on the unaudited management accounts of the Group which have not been reviewed nor audited by the auditors of the Company.

Shareholders and potential investors of the Company are cautioned not to unduly rely on such information and are advised to exercise caution when dealing in the shares of the Company.

By order of the Board
Kwoon Chung Bus Holdings Limited
Wong Leung Pak, Matthew, BBS
Chairman

Hong Kong, 28 February 2020

As at the date of this announcement, the Board comprises Mr. Wong Leung Pak, Matthew, BBS, Mr. Wong Cheuk On, James and Mr. Lo Man Po as executive directors and Mr. Chan Bing Woon, SBS, JP, Mr. James Mathew Fong and Mr. Chan Fong Kong, Francis as independent non-executive directors.