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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 PROFIT WARNING

This announcement is made pursuant to Rule 13.09 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong).

The board of directors (the “**Board**”) of Kwoon Chung Bus Holdings Limited (the “**Company**”) and together with its subsidiaries, collectively the “**Group**”) wishes to inform the shareholders and potential investors of the Company that, based on the Board’s preliminary review of the unaudited consolidated management accounts of the Group for the year ended 31 March 2022 (the “**Current Year**”), which have not been audited by the auditors of the Company nor reviewed by the audit committee of the Board, it is expected that the Group will record a consolidated loss before taxation of approximately HK\$140 million for the Current Year as compared to a consolidated loss before taxation of approximately HK\$63 million for the year ended 31 March 2021 (the “**Previous Year**”).

The significant increase in loss before taxation for the Current Year was mainly attributable to the following factors:

- 1) Reduction in subsidies which were granted by the Government of the Hong Kong Special Administrative Region (the “**Government**”) under the Anti-epidemic Fund. Approximately HK\$242 million (including HK\$141 million under the Employment Support Scheme) were granted in the Previous Year whereas such subsidies were reduced to approximately HK\$34 million in the Current Year.

* For identification purpose only

- 2) As most of the travel restrictions and border control measures implemented by the Government in response to the COVID-19 pandemic remained in place, it has brought the Group's core cross-boundary transport services to an unprecedented standstill. Despite the favourable revenue growth of local transport services, it was largely offset by the operational loss resulted from cross-boundary transport services, which have adversely impacted on the Group's financial performance for the Current year.

The information contained in this announcement is only based on the Board's preliminary assessment of the unaudited consolidated management accounts of the Group for the Current Year, which have neither been audited by the auditors of the Company nor reviewed by the audit committee of the Board, and the information currently available to the Company. The Company is still in the course of finalising such accounts for the Current Year, which are yet to be reviewed or confirmed and may be subject to further adjustments. Shareholders and potential investors of the Company are advised to refer to the details in the annual results announcement of the Company for the Current Year, which will be announced by end of June 2022.

Shareholders and potential investors of the Company 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, 24 June 2022

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.