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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 REDUCTION OF LOSS

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 (the “**Listing Rules**”) and the Inside Information Provisions (as defined in the Listing Rules) under 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 six months ended 30 September 2022 (the “**Period**”), 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\$40 million for the Period as compared to a consolidated loss before taxation of approximately HK\$98 million for the corresponding period last year.

The expected decrease in consolidated loss before taxation for the Period was mainly attributable to (i) the increase in revenue of local non-franchised bus operation during the Period; and (ii) various relief measures were granted by the Government of the Hong Kong Special Administrative Region under the Anti-epidemic Fund during the Period.

* *For identification purpose only*

Nonetheless, the above positive impact was offset by (i) the increase in fuel cost due to international fuel price volatility; (ii) the increase in borrowing cost due to the continuously rising Hong Kong Interbank Offered Rate during the rate hike cycle of the United States; and (iii) the operational loss resulted from the Group's core cross-boundary transport services, which have been suspended since the outbreak of COVID-19 in early 2020.

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 Period, 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 Period, 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 of the unaudited consolidated interim results of the Group for the Period, which will be announced by end of November 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, 21 November 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.