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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)**

**INTERIM RESULTS  
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2025**

The board (the “**Board**”) of directors (the “**Directors**”) of Kwoon Chung Bus Holdings Limited (the “**Company**”) is pleased to announce the unaudited condensed consolidated results of the Company and its subsidiaries (collectively the “**Group**”) for the six months ended 30 September 2025 together with the comparative figures for the corresponding period in 2024. The condensed consolidated interim financial information has not been audited, but has been reviewed by the Company’s audit committee.

\* *For identification purposes only*

# INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

		Six months ended 30 September	
		2025	2024
	Notes	(Unaudited) HK\$'000	(Unaudited) HK\$'000
REVENUE	4	1,257,542	1,112,211
Cost of services rendered		<u>(969,163)</u>	<u>(901,079)</u>
Gross profit		288,379	211,132
Other income and gains, net		42,152	59,186
Administrative expenses		(216,637)	(204,283)
Other expenses, net		(13,979)	(7,929)
Finance costs		(42,326)	(58,116)
Share of profits and losses of:			
Joint ventures		(893)	(1,675)
Associates		<u>13,124</u>	<u>12,092</u>
PROFIT BEFORE TAX	5	69,820	10,407
Income tax expense	6	<u>(3,245)</u>	<u>(1,041)</u>
PROFIT FOR THE PERIOD		<u>66,575</u>	<u>9,366</u>
Attributable to:			
Owners of the parent		66,900	6,374
Non-controlling interests		<u>(325)</u>	<u>2,992</u>
		<u>66,575</u>	<u>9,366</u>
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	8		
Basic		<u>HK14.03 cents</u>	<u>HK1.34 cents</u>
Diluted		<u>HK14.02 cents</u>	<u>HK1.34 cents</u>

# INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Six months ended 30 September	
	2025	2024
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
PROFIT FOR THE PERIOD	66,575	9,366
OTHER COMPREHENSIVE INCOME		
Other comprehensive income that may be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	5,593	8,479
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods:		
Gains on property revaluation	25,503	–
Income tax effect	(6,376)	–
Net other comprehensive income that will not be reclassified to profit or loss in subsequent periods	19,127	–
OTHER COMPREHENSIVE INCOME FOR THE PERIOD, NET OF TAX	24,720	8,479
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	91,295	17,845
Attributable to:		
Owners of the parent	90,220	13,353
Non-controlling interests	1,075	4,492
	91,295	17,845

# INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	<b>30 September</b>	31 March
	<b>2025</b>	2025
<i>Notes</i>	<b>(Unaudited)</b>	(Audited)
	<b>HK\$'000</b>	<b>HK\$'000</b>
<b>NON-CURRENT ASSETS</b>		
Property, plant and equipment	<b>1,132,635</b>	1,208,833
Investment properties	<b>268,915</b>	215,454
Right-of-use assets	<b>566,131</b>	463,711
Goodwill	<b>201,801</b>	201,801
Passenger service licences	<b>1,115,389</b>	1,115,389
Other intangible assets	<b>362,807</b>	313,882
Interests in joint ventures	<b>5,924</b>	2,000
Interests in associates	<b>64,669</b>	67,341
Equity investments designated at fair value through other comprehensive income	<b>13,106</b>	13,106
Financial assets at fair value through profit or loss	<b>36,162</b>	35,656
Prepayments, deposits and other receivables	<b>156,399</b>	130,707
Deferred tax assets	<b>12,242</b>	12,523
	<hr/>	<hr/>
Total non-current assets	<b>3,936,180</b>	3,780,403
	<hr/>	<hr/>
<b>CURRENT ASSETS</b>		
Inventories	<b>45,339</b>	43,465
Trade receivables	<b>319,324</b>	338,912
Prepayments, deposits and other receivables	<b>125,241</b>	206,920
Tax recoverable	<b>96</b>	72
Pledged time deposits and restricted cash	<b>73,751</b>	65,475
Cash and cash equivalents	<b>588,033</b>	436,955
	<hr/>	<hr/>
Total current assets	<b>1,151,784</b>	1,091,799
	<hr/>	<hr/>

		<b>30 September 2025</b>	31 March 2025
	<i>Notes</i>	<b>(Unaudited)</b>	(Audited)
		<b>HK\$'000</b>	HK\$'000
<b>CURRENT LIABILITIES</b>			
Trade payables	10	<b>72,256</b>	67,383
Other payables and accruals		<b>661,947</b>	595,043
Interest-bearing bank borrowings		<b>160,812</b>	127,840
Lease liabilities		<b>101,516</b>	68,458
Tax payable		<b>40,369</b>	45,627
		<hr/>	<hr/>
Total current liabilities		<b>1,036,900</b>	904,351
		<hr/>	<hr/>
<b>NET CURRENT ASSETS</b>		<b>114,884</b>	187,448
		<hr/>	<hr/>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>4,051,064</b>	3,967,851
		<hr/>	<hr/>
<b>NON-CURRENT LIABILITIES</b>			
Accruals		<b>40,858</b>	27,488
Interest-bearing bank borrowings		<b>1,399,782</b>	1,458,439
Lease liabilities		<b>155,001</b>	102,571
Other long-term liabilities		<b>23,146</b>	25,798
Deferred tax liabilities		<b>203,861</b>	197,183
		<hr/>	<hr/>
Total non-current liabilities		<b>1,822,648</b>	1,811,479
		<hr/>	<hr/>
Net assets		<b>2,228,416</b>	2,156,372
		<hr/>	<hr/>
<b>EQUITY</b>			
<b>Equity attributable to owners of the parent</b>			
Issued capital		<b>47,678</b>	47,678
Reserves		<b>2,085,949</b>	2,014,800
		<hr/>	<hr/>
		<b>2,133,627</b>	2,062,478
<b>Non-controlling interests</b>		<b>94,789</b>	93,894
		<hr/>	<hr/>
Total equity		<b>2,228,416</b>	2,156,372
		<hr/>	<hr/>

## NOTES:

### 1. CORPORATE INFORMATION

Kwoon Chung Bus Holdings Limited is a limited liability company incorporated in Bermuda. The principal place of business of the Company is located at 3rd Floor, 8 Chong Fu Road, Chai Wan, Hong Kong.

During the period, the Company and its subsidiaries (collectively referred to as the “**Group**”) were engaged in the following principal activities:

- provision of non-franchised bus, franchised bus and public light bus (“**PLB**”) and Chinese Mainland bus services
- provision of limousine services
- provision of hotel and tourism services
- provision of other transportation services

In the opinion of the directors, the immediate holding company of the Company is Basic Faith Company Limited, a company incorporated in the British Virgin Islands, and the ultimate holding company of the Company is Infinity Faith International Company Limited, a company also incorporated in the British Virgin Islands.

### 2.1 BASIS OF PREPARATION

The interim condensed consolidated financial information of the Group for the six months ended 30 September 2025 has been prepared in accordance with Hong Kong Accounting Standard (“**HKAS**”) 34 *Interim Financial Reporting* as issued by the Hong Kong Institute of Certified Public Accountants.

The interim condensed consolidated financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group’s annual consolidated financial statements for the year ended 31 March 2025.

The interim condensed consolidated financial information has been prepared under the historical cost convention, except for buildings classified as property, plant and equipment, investment properties, equity investments designated at fair value through other comprehensive income and financial assets at fair value through profit or loss which have been measured at fair value. The financial information is presented in Hong Kong dollars (“**HK\$**”) and all values are rounded to the nearest thousand except when otherwise indicated.

## 2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The accounting policies adopted in the preparation of the interim condensed consolidated financial information are consistent with those applied in the preparation of the Group's annual consolidated financial statements for the year ended 31 March 2025, except for the adoption of the following amended HKFRS Accounting Standard for the first time for the current period's financial information.

Amendments to HKAS 21

*Lack of Exchangeability*

The nature and impact of the amended HKFRS Accounting Standard are described below:

Amendments to HKAS 21 specify how an entity shall assess whether a currency is exchangeable into another currency and how it shall estimate a spot exchange rate at a measurement date when exchangeability is lacking. The amendments require disclosures of information that enable users of financial statements to understand the impact of a currency not being exchangeable. As the currencies that the Group had transacted with and the functional currencies of group entities for translation into the Group's presentation currency were exchangeable, the amendments did not have any impact on the interim condensed consolidated financial information.

## 3. OPERATING SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their services and has five reportable operating segments as follows:

- (a) the non-franchised bus segment includes the provision of non-franchised bus hire services in Hong Kong, cross-boundary passenger transportation services (other than limousine hire services) between Hong Kong and Chinese Mainland and other related services;
- (b) the limousine segment includes the provision of limousine hire services in Hong Kong and cross-boundary limousine hire services between Chinese Mainland, Hong Kong and Macau;
- (c) the franchised bus and PLB segment includes the provision of franchised bus and PLB services in Hong Kong;
- (d) the Chinese Mainland business segment includes the provision of hotel services, the operation of a scenic area, and the provision of bus services by designated routes as approved by various local governments/transport authorities in Chinese Mainland; and
- (e) the "others" segment comprises, principally, the provision of travel agency, tour and other services in Hong Kong and the provision of other transportation services.

Management monitors the results of the Group's operating segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on reportable segment profit/loss, which is a measure of adjusted profit/loss before tax. The adjusted profit/loss before tax is measured consistently with the Group's profit before tax except that non-lease-related finance costs are excluded from such measurement.

Intersegment sales and transfers are transacted with reference to the selling prices used for sales made to third parties at the then prevailing market prices.

### Six months ended 30 September 2025 (Unaudited)

	Non-franchised bus HK\$'000	Limousine HK\$'000	Franchised bus and PLB HK\$'000	Chinese Mainland business HK\$'000	Others HK\$'000	Intersegment eliminations HK\$'000	Total HK\$'000
Segment revenue:							
External sales	916,438	147,974	123,072	69,958	100	–	1,257,542
Intersegment sales	10,260	66,778	540	–	–	(77,578)	–
Other revenue	46,477	3,256	6,714	6,325	3,778	(24,398)	42,152
Total	<u>973,175</u>	<u>218,008</u>	<u>130,326</u>	<u>76,283</u>	<u>3,878</u>	<u>(101,976)</u>	<u>1,299,694</u>
Segment results	<u>116,117</u>	<u>16,729</u>	<u>4,084</u>	<u>(29,636)</u>	<u>(1,283)</u>	<u>–</u>	<u>106,011</u>
Reconciliation:							
Finance costs (other than interest on lease liabilities)							(36,191)
Profit before tax							<u>69,820</u>

### Six months ended 30 September 2024 (Unaudited)

	Non-franchised bus HK\$'000	Limousine HK\$'000	Franchised bus and PLB HK\$'000	Chinese Mainland business HK\$'000	Others HK\$'000	Intersegment eliminations HK\$'000	Total HK\$'000
Segment revenue:							
External sales	797,951	140,780	104,949	67,834	697	–	1,112,211
Intersegment sales	11,137	51,585	–	–	–	(62,722)	–
Other revenue	54,687	4,328	7,646	14,106	103	(21,684)	59,186
Total	<u>863,775</u>	<u>196,693</u>	<u>112,595</u>	<u>81,940</u>	<u>800</u>	<u>(84,406)</u>	<u>1,171,397</u>
Segment results	<u>59,481</u>	<u>9,314</u>	<u>(4,214)</u>	<u>1,598</u>	<u>(1,187)</u>	<u>–</u>	<u>64,992</u>
Reconciliation:							
Finance costs (other than interest on lease liabilities)							(54,585)
Profit before tax							<u>10,407</u>



#### 4. REVENUE

An analysis of revenue is as follows:

	Six months ended 30 September	
	2025	2024
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
<i>Revenue from contracts with customers</i>	<b>1,254,504</b>	1,110,332
<i>Revenue from other sources</i>		
Gross rental income from certain investment property operating leases:		
Lease payments, including fixed payments	<b>3,038</b>	1,879
Total	<b>1,257,542</b>	1,112,211

#### 5. PROFIT BEFORE TAX

The Group's profit before tax is arrived at after charging/(crediting):

	Six months ended 30 September	
	2025	2024
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Depreciation of property, plant and equipment	<b>95,713</b>	106,434
Depreciation of right-of-use assets	<b>35,151</b>	24,527
Amortisation of other intangible assets	<b>7,030</b>	6,473
Government subsidies	<b>(15,400)</b>	(19,684)
Fair value gain on financial assets at fair value through profit or loss	<b>(506)</b>	(465)
Fair value loss/(gain) on investment properties	<b>15,344</b>	(2,216)
Gain on termination of leases	<b>(282)</b>	–
Impairment of trade receivables, net	<b>1,971</b>	5,545
Reversal of impairment of other receivables, net	<b>(3,744)</b>	–
Loss/(gain) on disposal of items of property, plant and equipment, net	<b>(1,900)</b>	1,098
Loss on deregistration of an associate	–	1,248
Equity-settled share option expense	–	4,546

## 6. INCOME TAX

Hong Kong profits tax has been provided at the rate of 16.5% (six months ended 30 September 2024: 16.5%) on the estimated assessable profits arising in Hong Kong during the period, except for one subsidiary of the Group which is a qualifying entity under the two-tiered profits tax rates regime. The first HK\$2,000,000 (2024: HK\$2,000,000) of assessable profits of this subsidiary are taxed at 8.25% (2024: 8.25%) and the remaining assessable profits are taxed at 16.5% (2024: 16.5%).

	Six months ended 30 September	
	2025	2024
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Current:		
Hong Kong		
Charge for the period	3,185	3,212
Overprovision in prior periods	(3)	(3,472)
Chinese Mainland		
Charge for the period	351	–
Underprovision in prior periods	–	1,746
Deferred	(288)	(445)
	<hr/>	<hr/>
Total tax charge for the period	<b>3,245</b>	<b>1,041</b>

## 7. DIVIDENDS

	Six months ended 30 September	
	2025	2024
	(Unaudited)	(Unaudited)
	HK\$'000	HK\$'000
Dividend recognised as distribution during the period:		
Final 2025 – HK4 cents (2024: HK2 cents) per ordinary share	<b>19,071</b>	9,536
	<hr/>	<hr/>
Dividends proposed after the end of the reporting period (not recognised as a liability as at 30 September):		
Proposed interim dividend – HK4 cents (2024: Nil) per ordinary share	<b>19,071</b>	–
Proposed special dividend – HK6 cents (2024: Nil) per ordinary share	<b>28,607</b>	–
	<hr/>	<hr/>
	<b>47,678</b>	–

The proposed interim and special dividends for the period were approved by the Board on 26 November 2025.

## 8. EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT

The calculation of the basic earnings per share amount is based on the profit for the period attributable to ordinary equity holders of the parent of HK\$66,900,000 (six months ended 30 September 2024: HK\$6,374,000), and the weighted average number of ordinary shares of 476,776,842 (six months ended 30 September 2024: 476,776,842) outstanding during the period.

The calculation of the diluted earnings per share amount for the six months ended 30 September 2025 is based on the profit for the period attributable to ordinary equity holders of the parent of HK\$66,900,000, and the weighted average number of ordinary shares of 476,776,842 outstanding during the period, as used in the basic earnings per share calculation, and the weighted average number of ordinary shares of 234,633 assumed to have been issued at no consideration on the deemed exercise of all dilutive share options.

No adjustment has been made to the basic earnings per share amount presented for the six months ended 30 September 2024 in respect of a dilution as the impact of the share options outstanding had no dilutive effect on the basic earnings per share amount presented.

## 9. TRADE RECEIVABLES

	<b>30 September 2025 (Unaudited) HK\$'000</b>	<b>31 March 2025 (Audited) HK\$'000</b>
Trade receivables	<b>353,677</b>	371,300
Impairment	<b>(34,353)</b>	(32,388)
	<hr/>	<hr/>
Net carrying amount	<b>319,324</b>	338,912
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The Group allows an average credit period ranging from 30 to 90 days for its trade debtors. The Group seeks to maintain strict control over its outstanding receivables and overdue balances are reviewed regularly by senior management. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

Included in the Group's trade receivables are an amount due from a joint venture of HK\$4,202,000 (31 March 2025: HK\$17,006,000) and amounts due from associates of Nil (31 March 2025: HK\$13,342,000), which are repayable within 90 days.

An ageing analysis of the trade receivables as at the end of the reporting period, based on the invoice date and net of loss allowance, is as follows:

	<b>30 September 2025 (Unaudited) HK\$'000</b>	<b>31 March 2025 (Audited) HK\$'000</b>
Within 30 days	<b>117,332</b>	117,947
31 to 60 days	<b>69,629</b>	129,671
61 to 90 days	<b>51,921</b>	36,126
Over 90 days	<b>80,442</b>	55,168
	<hr/>	<hr/>
Total	<b>319,324</b>	338,912
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#### **10. TRADE PAYABLES**

An ageing analysis of the trade payables as at the end of the reporting period, based on the invoice date, is as follows:

	<b>30 September 2025 (Unaudited) HK\$'000</b>	<b>31 March 2025 (Audited) HK\$'000</b>
Within 30 days	<b>41,781</b>	43,353
31 to 60 days	<b>8,489</b>	6,515
61 to 90 days	<b>2,417</b>	949
Over 90 days	<b>19,569</b>	16,566
	<hr/>	<hr/>
Total	<b>72,256</b>	67,383
	<hr/>	<hr/>

The trade payables are non-interest-bearing and are normally settled on 60-day terms.

## **INTERIM AND SPECIAL DIVIDENDS**

At a meeting of the Board held on 26 November 2025, the Directors resolved to pay an interim dividend of HK4 cents per ordinary share for the six months ended 30 September 2025 (2024: Nil). In addition, 2025 marks the 60th anniversary of the Group, in view of the cash position as at 30 September 2025, the Directors also resolved to pay a special dividend of HK6 cents per ordinary share for the six months ended 30 September 2025 (2024: Nil). The interim and special dividends will be paid on or about Friday, 19 December 2025 to the shareholders whose names appear on the register of members of the Company on Friday, 12 December 2025.

## **CLOSURE OF REGISTER OF MEMBERS**

For determining the entitlement to the interim and special dividends, the register of members of the Company will be closed from Wednesday, 10 December 2025 to Friday, 12 December 2025, both days inclusive, during which period no transfer of shares of the Company will be registered. In order to qualify for the interim and special dividends, unregistered holders of shares of the Company should ensure that all transfers of shares accompanied by the relevant share certificates and appropriate transfer forms must be lodged with the office of the Company's share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Shops 1712–16, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong, for registration not later than 4:30 p.m. on Tuesday, 9 December 2025.

## **MANAGEMENT DISCUSSION AND ANALYSIS**

### **RESULTS**

For the six months ended 30 September 2025 (the “**Reporting Period**”), the Group recorded unaudited consolidated profit attributable to owners of the parent of approximately HK\$66.9 million. Revenue of the Group for the Reporting Period was approximately HK\$1,257.5 million, representing an increase of 13.1% as compared to approximately HK\$1,112.2 million for the corresponding period in 2024 (the “**Last Period**”). Gross profit of the Group for the Reporting Period was approximately HK\$288.4 million, representing an increase of 36.6% as compared to approximately HK\$211.1 million for the Last Period. The gross profit margin maintained a steady growth at 22.9% in the Reporting Period compared to 19.0% in the Last Period.

Throughout the Reporting Period, all business segments in the Group maintained solid performance. The ongoing recovery of tourism in Hong Kong and Chinese Mainland, which significantly enhanced passenger transport demand and consequently led to higher sales revenue during the Reporting Period.

The rise in overall operating costs was primarily attributable to an increase in labour costs and vehicle maintenance costs. Nonetheless, the reduction in fuel costs partially offset the aforementioned increases, coupled with the Group's continued implementation of effective cost control measures, resulting in a continuous improvement in overall gross profit margin in the Reporting Period. Furthermore, the overall decline in the Hong Kong Interbank Offered Rate in comparison to the Last Period reduced finance costs during the Reporting Period.

## **REVIEW OF OPERATIONS**

### **1. Non-franchised Bus Segment**

Trans-Island Chinalink Bus Company Limited, a wholly-owned subsidiary of the Company, is one of the leading non-franchised cross-boundary bus service operators in Hong Kong. Kwoon Chung Motors Company, Limited is the flagship wholly-owned subsidiary of the Company that provides local non-franchised bus services.

The non-franchised bus services provided by the Group include: (i) cross-boundary transport between Chinese Mainland and Hong Kong and (ii) local transport in Hong Kong, which comprises scheduled service (mainly to student, employee, resident) and non-scheduled service (mainly to tour and contract hire). The Group continues to be the largest non-franchised public bus operator in Hong Kong in terms of the size of bus fleet. The non-franchised bus services continue to be the core business of the Group.

The revenue of non-franchised bus services for the Reporting Period was approximately HK\$916.4 million, representing an increase of 14.8% as compared to approximately HK\$798.0 million for the Last Period. The performance of non-franchised bus segment continued to achieve steadily and profitable growth, mainly attributable to the increase in inbound and outbound passenger traffic in Hong Kong and the Group's strong foundation of local bus services.

Furthermore, the introduction of imported labour has effectively alleviated the problem of driver shortage and provided a stable workforce to support vehicle deployment. It positively impacts the enhancement of the fleet's carrying capacity to accommodate the rising demand for passenger transport, particularly during holidays and special events when transportation needs significantly increase.

## **2. Limousine Segment**

Intercontinental Limousine Company Limited and Kwoon Chung Trans-Island Travel Company Limited, both are the wholly-owned subsidiaries of the Company that provide VIP of hotels, corporate clients and leisure travelers with safe, reliable, professional and high quality limousine transfer service between Chinese Mainland, Hong Kong and Macau.

The revenue of limousine services for the Reporting Period was approximately HK\$148.0 million, representing an increase of 5.1% as compared to approximately HK\$140.8 million for the Last Period. With the ongoing increase in visitors to Hong Kong, demand for the premium private transportation services between Hong Kong, Chinese Mainland and Macau has been boosted, resulting in revenue stability for the limousine segment.

## **3. Franchised Bus and PLB Segment**

New Lantau Bus Company (1973) Limited (“**NLB**”), a 99.99%-owned subsidiary of the Company, is a franchised bus service operator based in Lantau Island. NLB also runs several franchised cross-boundary port routes between Shenzhen Bay Port and New Territories West and between the Hong Kong-Zhuhai-Macao Bridge Port and Lantau Island. Coronet Ray Development Limited, the wholly-owned subsidiary of the Company that operates one green public light bus (“**PLB**”) route, connecting the Hong Kong Port of the Hong Kong-Zhuhai-Macao Bridge and Tung Chung.

Fare revenue of NLB for the Reporting Period was approximately HK\$121.6 million, representing an increase of 16.6% as compared to approximately HK\$104.3 million for the Last Period. The increase was mainly attributable to the implementation of new fares of NLB from 5 January 2025, and the change in the travel and consumption patterns of Hong Kong citizens also drove the growth of NLB’s patronage. Furthermore, the management has focused on improving operational efficiency, resulting in ongoing improvement of the business performance of NLB.

#### 4. Chinese Mainland Business Segment

Revenue of the Chinese Mainland business for the Reporting Period was approximately HK\$70.0 million, representing an increase of 3.2% as compared to approximately HK\$67.8 million for the Last Period. The Chinese Mainland business segment continued to record a stable performance in the Reporting Period, which was driven by the steady recovery of the tourism industry in Chinese Mainland.

(a) *Lixian Bipenggou Tourism Development Co., Ltd. (“Bipenggou Tourism”)*

As at 30 September 2025, the Group owned 67.807% equity interest in Bipenggou Tourism.

Bipenggou is located within the Solo Valley in Putou Rural area, Lixian County, Aba Prefecture. With the official opening of the Wenma Expressway in 2020, Bipenggou has developed into one of the most popular destinations for tourists all over the world and the back garden of the people of Chengdu with its inherent geographical advantages and convenient access. Bipenggou was titled the World Natural Heritage, the World Network of Biosphere Reserves, the National AAAA Tourist Scenic Spot, and was awarded as the National Ecotourism Demonstration Zone and the Sichuan Provincial Ecotourism Demonstration Zone. Health and wellness tourism have become travel preferences among domestic travelers after the pandemic. Bipenggou will be a sought after destination by travel enthusiasts and become even more popular for both domestic and foreign travelers.

As of the date of this announcement, the number of visitors to Bipenggou in 2025 has surpassed 1 million, setting a new historical benchmark for the scenic area during the same period. The management has consistently dedicated efforts to enhancing service quality, continuously refining the scenic area entry procedures, and ensuring a more comfortable and expedient experience for visitors.

(b) *Chongqing Grand Hotel Co., Ltd. (“CQ Hotel”)*

As at 30 September 2025, the Group owned 100% equity interest in CQ Hotel which operates a 3-star 26-storey hotel, namely Chongqing Grand Hotel in Chongqing, Chinese Mainland.

During the Reporting Period, the operation of Chongqing Grand Hotel changed from a combination of commercial leasing and hotel services to the current operation of full commercial leasing. After careful consideration of the current and expected operating conditions of the Chongqing Grand Hotel, the management believes that operating Chongqing Grand Hotel in the form of full commercial leasing will help increase the flexibility of cash flow and enhance the financial resilience of CQ Hotel by exploring new sources of income and optimizing the expenditure structure.



(c) *Hubei Shenzhou Transport Holdings Co., Ltd.* (“**Hubei Shenzhou**”)

As at 30 September 2025, the Group owned 100% equity interest in Hubei Shenzhou. Hubei Shenzhou operates a long-distance bus terminal, a public bus transport company and other transportation related business in Xiangyang City and Nanzhang County, Hubei Province.

With the extension and development of rail transport, the domestic road passenger transportation business in Chinese Mainland has been significantly affected in recent years. The management of the Group is focusing efforts on studying how to utilize the existing resources to adjust the core business and exploring the opportunities of enterprise transformation. The old diesel buses operating in Nanzhang County have all been replaced by electric buses, which have been commended by the local government and appreciated by the public so as to bring both economic and social benefits in the coming future. In order to make better use of resources and create new business opportunities, the management is examining ways to enhance the use of the lands on which the passenger terminals are situated and will engage more actively in seeking collaboration partners to bring more possibilities to the Group.

## **FUTURE PROSPECTS**

The aging demographic of drivers and the continued shrinkage of the local workforce will constitute sustained personnel challenges for the Group, while the current quota for imported labour is inadequate to address the driver shortage. As connectivity between Hong Kong and Chinese Mainland continues to strengthen and the number of visitors to Hong Kong stabilizes, the rising demand for local coach and cross-boundary bus services has intensified the Group’s manpower shortage. The Group will conduct a review of the salary structure to retain current bus captains and attract prospective recruits. At the same time, the Group also hopes that the Government will review the current labour importation scheme, evaluate the manpower requirements of the transportation sector, and contemplate increasing the quota for imported labour, thereby contributing to the enhancement of the industry’s service quality.

The Group remains cautiously optimistic about its financial performance for the second half of the year. Various external risks and uncertainties, including but not limited to fuel price volatility, wage pressure and interest rate volatility, continue to create instability in the Group’s operating costs. The Group will continue its cost control measures by focusing on operational efficiency.

On the other hand, the completion of key infrastructure projects has created favorable conditions for the Group's business growth. The expanded Terminal 2 of Hong Kong International Airport has been opened in phases since September this year. The Group's cross-boundary bus and limousine ticketing counters and boarding points have also been relocated to the coach hall of Terminal 2, providing passengers with more convenient and efficient cross-boundary transportation options. In addition, the new Huanggang Port building is on track to be operational in 2026. These infrastructure improvements expand travel options for passengers and increase the regional connectivity, which are crucial to the Group to improve the operational efficiency and promote the passenger flow.

As more businesses enter the digital age, the Group is dedicated to stay current with technological advancements and digitalizing our operations, such as the automation of the ticketing process to enhance the passenger experience. Digitalization can also support to the Group's sustainability goals by reducing carbon emissions through enhanced vehicle performance, optimized routing, and improved fuel efficiency.

## **LIQUIDITY AND FINANCIAL RESOURCES**

Funding for the Group's operations during the six months ended 30 September 2025 was sourced mainly from internally generated cash flows, with shortfalls being financed mainly by borrowings from banks. As at 30 September 2025, the total outstanding indebtedness was approximately HK\$1,560.6 million (31 March 2025: HK\$1,586.3 million). The indebtedness comprised mainly term loans from banks in Hong Kong and Chinese Mainland, denominated in Hong Kong dollars ("HKD") and Renminbi ("RMB") respectively, and funds were deployed mainly for the purchase of capital assets and related investments. As at 30 September 2025, the Group's gearing ratio, which is computed based on dividing the total outstanding indebtedness by the total equity, was approximately 70.0% (31 March 2025: 73.6%).

## **FUNDING AND TREASURY POLICIES, AND FINANCIAL RISK MANAGEMENT**

The Group maintains prudent funding and treasury policies towards its overall business operations, with an aim to minimize financial risks. All prospective material investments or capital assets will be financed by internal cash flows from operations, bank facilities or other viable forms of finance in Hong Kong and/or Chinese Mainland.

The investments and related liabilities, income and expenditure of the Group for its Hong Kong and Chinese Mainland operations are mainly denominated in HKD and RMB, respectively. The Group has been watchful of the exchange rates of HKD against RMB, and will formulate plans to hedge against major foreign currency exchange risks if and when necessary.

## **EMPLOYEES AND REMUNERATION POLICIES**

As at 30 September 2025, the Group employed approximately 4,720 employees (31 March 2025: 4,640 employees) in Chinese Mainland, Hong Kong and Macau. The Group recruits, employs, remunerates and promotes its employees based on their qualifications, experience, skills, performance and contributions. Remuneration is offered with reference to market rates. Salary and/or promotion review is conducted upon performance appraisal by management on a regular basis. Discretionary year-end bonus and share options, if applicable, are granted to eligible employees, in accordance with the Group's performance and individual's contribution. In-house orientation and on-the-job training are arranged for the employees all year around. Employees are encouraged to attend job-related seminars, courses and programs organized by professional or educational institutions.

## **COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE AND THE MODEL CODE**

The Board is of the view that the Company has complied with the code provisions in the Corporate Governance Code as set out in Appendix C1 to the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) throughout the six months ended 30 September 2025.

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix C3 to the Listing Rules for securities transactions by Directors. Having made specific enquiry of all Directors, all Directors have complied with the required standard set out in the Model Code regarding securities transactions by Directors throughout the six months ended 30 September 2025.

## **PURCHASE, SALE OR REDEMPTION OF LISTED SECURITIES OF THE COMPANY**

Neither the Company, nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities during the six months ended 30 September 2025.

## **AUDIT COMMITTEE**

The Company has an audit committee (“**Audit Committee**”) which was established in compliance with Rule 3.21 of the Listing Rules for the purpose of reviewing and providing supervision over the Group's financial reporting process and internal controls. The Audit Committee comprises three independent non-executive Directors. The interim condensed consolidated financial information of the Group has been reviewed by the Audit Committee.

## **PUBLICATION OF INTERIM RESULTS ON THE WEBSITES OF THE STOCK EXCHANGE AND THE COMPANY**

This announcement is published on the website of the Stock Exchange ([www.hkexnews.hk](http://www.hkexnews.hk)) and that of the Company ([www.kcbh.com.hk](http://www.kcbh.com.hk)). The interim report of the Group for the six months ended 30 September 2025 containing all the information required by the Listing Rules will be sent to shareholders of the Company and published on the websites of the Stock Exchange and the Company in accordance with the Listing Rules in due course.

## **APPRECIATION**

On behalf of the Board, I would like to take this opportunity to express my hearty gratitude to the Group's business partners, shareholders, and loyal and diligent staff.

On behalf of the Board  
**Kwoon Chung Bus Holdings Limited**  
**Wong Leung Pak, Matthew, SBS**  
*Chairman*

Hong Kong, 26 November 2025

*As at the date of this announcement, the Board comprises Mr. Wong Leung Pak, Matthew, SBS, Mr. Wong Cheuk On, James and Mr. Lo Man Po as executive Directors and Mr. James Mathew Fong, Mr. Chan Fong Kong, Francis and Ms. Cheung Ka Wan as independent non-executive Directors.*