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
AGREEMENT OF INTENT OF THE POTENTIAL DISPOSAL

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).

Reference is made to the announcement of Kwoon Chung Bus Holdings Limited (the "**Company**") dated 24 November 2025 (the "**Announcement**"), in relation to the Group entering into preliminary discussions with a potential purchaser regarding the Potential Disposal. Unless otherwise defined, capitalised terms used in this announcement shall have the same meanings as those defined in the Announcement.

* *For identification purpose only*

INTRODUCTION

The Board is pleased to announce that on 5 December 2025 (after trading hours), Vendor One and Vendor Two (collectively, the "**Vendors**"), and Purchaser One and Purchaser Two (collectively, the "**Purchasers**") and the Target Company entered into a non-legally binding agreement of intent of equity transaction regarding the Potential Disposal ("**Agreement of Intent**").

AGREEMENT OF INTENT REGARDING THE POTENTIAL DISPOSAL

The principal terms of the Agreement of Intent are set out below:

Date:	5 December 2025 (after trading hours)
Parties:	(i) Kwoon Chung (Chongqing) Tourism Development Co., Ltd.*, an indirect wholly-owned subsidiary of the Company ("**Vendor One**");
	(ii) Chengdu West Travel Investment Holdings Co., Ltd.*, an indirect associate of the Company ("**Vendor Two**");
	(iii) A'ba Dajiuzhai Tourism Group Corporation* ("**Purchaser One**");
	(iv) Chengdu Xintianfu Cultural Tourism Development Co., Ltd* ("**Purchaser Two**"); and
	(v) Lixian Bipenggou Tourism Development Co., Ltd.* ("**Target Company**").

ASSETS INTENDED TO BE DISPOSED OF

Pursuant to the Agreement of Intent, the Vendors intend to sell and the Purchasers intend to acquire the shares which are equivalent to 85.3% of the equity of the Target Company (the "**Sale Equity**").

As of the date of this announcement, the Target Company is a company incorporated in the People's Republic of China ("**PRC**") with limited liability and its equity is directly owned as to 51.0% and 34.3% by Vendor One and Vendor Two respectively. The Target Company is principally engaged in tourism-related businesses within the Bipenggou scenic area.

* *For identification purposes only*

COOPERATION PREREQUISITES

Prior to the Parties entering into a formal sale and purchase agreement regarding the Potential Disposal (the "**Formal Agreement**"), the Vendors shall, upon receipt of the Earnest Money from the Purchasers, establish a joint working group with the Purchasers to expedite the completion of certain matters regarding the split-off of business (the "**Split-off**") to advance the timely execution of the Formal Agreement.

COOPERATION INTENTION

Upon completion of the Split-off, the Purchasers intend to acquire the Sale Equity held by the Vendors (the actual acquiring entity shall be subject to the Formal Agreement). The specific transaction plan, transaction structure and transaction price shall be further determined based on the results of due diligence, audit and valuation conducted by the Purchasers, and shall be subject to the Formal Agreement to be executed by the Parties regarding the Potential Disposal.

CONSIDERATION

The consideration ("**Consideration**") of the Potential Disposal shall be further negotiated between the Vendors and the Purchasers and determined in the Formal Agreement.

EXCLUSIVITY PROVISION

From the date of the execution of the Agreement of Intent to 30 November 2026 (the "**Exclusivity Period**"), the Vendors, the Target Company and its affiliates shall not, neither publicly nor privately, engage in any contact, negotiation, discussion or enter into any verbal or written agreement (whether legally binding or not) with any third party regarding matters related to the proposed transaction under the Agreement of Intent (the "**Exclusivity Provision**"). Otherwise, the Purchasers shall have the right to terminate the Agreement of Intent and require the Vendors and the Target Company to bear the corresponding liability for breach of contract.

FORMAL AGREEMENT

The Parties shall enter into the Formal Agreement regarding the Potential Disposal on or before 31 March 2026 (or such later date as may be extended by written confirmation of the Parties) (the "**Contract Period**").

The Agreement of Intent shall terminate on the earliest of the following dates: (i) the date of expiration of the Contract Period; (ii) the date of execution of the Formal Agreement; or (iii) the date on which the Purchasers exercise its right to terminate the Agreement of Intent due to the Vendors' breach of the Exclusivity Provision.

EARNEST MONEY

The Purchasers agree to pay an aggregate amount of RMB20 million to the Vendors as the advance payment for the Purchasers' intention to cooperate with the Vendors in propelling the Potential Disposal (the "**Earnest Money**").

In the event that the Potential Disposal proceeds smoothly as agreed and the Formal Agreement is signed, the Earnest Money shall equally set off against all or part of the Consideration payable by the Purchasers to the Vendors in accordance with the Formal Agreement.

In the event that any of the following circumstances occurs, resulting in the Purchasers' failure to acquire the Sale Equity, the Purchasers agree to bear the direct costs incurred by the Target Company in connection with the Split-off.

(i) The Purchasers' application of the Potential Disposal to the superiors is not approved;

(ii) The failure in the acquisition of the Sale Equity due to force majeure or other reasons beyond the control of the Parties; and

(iii) The Agreement of Intent is terminated or rescinded in accordance with the law for reasons not attributable to the Vendors.

The Vendors shall, within 30 days from the date of occurrence of any of the above circumstances or from the date the Purchasers explicitly notify the Vendors that the acquisition of the Sale Equity cannot be completed, cooperate with the Purchasers to refund the remaining Earnest Money to the Purchasers' designated account after deducting the direct costs incurred by the Target Company in connection with the Split-off. Liquidated damages of 0.3% of the total Earnest Money shall be paid by the Vendors to the Purchasers for each day of delay.

NON-LEGALLY BINDING EFFECT

Save for the provisions relating to the Formal Agreement, the Earnest Money and payment terms, due diligence, the Exclusivity Provision and confidentiality, which are legally binding, the Agreement of Intent is non-legally binding in nature and only records a preliminary understanding between the Parties in respect of the Potential Disposal.

INFORMATION ON THE COMPANY, THE PURCHASERS AND THE VENDORS

The Company is a limited liability company incorporated in Bermuda. Its principal activity is investment holding and it operates its businesses through its subsidiaries. The Group is principally engaged in transportation and tourism businesses in the Chinese Mainland, Hong Kong and Macau.

Vendor One is a company incorporated in the PRC with limited liability and is an indirect wholly-owned subsidiary of the Company, principally engaged in investment holding.

Vendor Two is a joint stock company incorporated in the PRC with limited liability and is an indirect associate of the Company, principally engaged in investment holding.

Purchaser One is a wholly state-owned company incorporated in the PRC with limited liability, principally engaged in operation of comprehensive tourism services, including scenic area operation, hotel accommodation, high-speed rail transfers, ticket sales, educational tours and training programmes, as well as cultural and creative development. To the best of the knowledge, information and belief of the directors of the Company having made all reasonable enquiries, Purchaser One and its ultimate beneficial owners are third parties independent of the Company and the Company's connected persons.

Purchaser Two is a joint stock company incorporated in the PRC with limited liability, the A Shares of which are listed on the Shenzhen Stock Exchange (stock code: 000558), principally engaged in operation of cultural and tourism businesses, including winter tourism businesses, film-tourism integration businesses, conference and exhibition services, sports-related businesses, and business of the leasing and sales of a limited volume of existing properties. To the best of the knowledge, information and belief of the directors of the Company having made all reasonable enquiries, Purchaser Two and its ultimate beneficial owners are third parties independent of the Company and the Company's connected persons.

REASONS FOR ENTERING INTO THE AGREEMENT OF INTENT

In the event that the Potential Disposal proceeds, the Group may release the value of its non-core investments in Chinese Mainland through the sale of the Sale Equity, thereby enabling it to focus on developing its core business in Hong Kong and deploying resources into areas with greater growth potential. The Group will continue to actively optimize its assets and operations to enhance its overall competitiveness in Hong Kong's transportation industry and create greater value for shareholders. The Board considers the terms of the Agreement of Intent to be fair and reasonable, and the Potential Disposal is in the interests of the Company and its shareholders as a whole.

GENERAL INFORMATION

In the event that the Potential Disposal proceeds, the Potential Disposal will constitute a major transaction for the Company under Chapter 14 of the Listing Rules.

Shareholders and potential investors of the Company are advised that the Potential Disposal may or may not proceed. Shareholders and potential investors of the Company are also 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, *SBS*
Chairman

Hong Kong, 5 December 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.