KWOON CHUNG BUS HOLDINGS LIMITED
冠 忠 巴 士 集 團 有 限 公 司*

(Incorporated in Bermuda with limited liability)
(Stock Code: 306)

FINAL RESULTS
FOR THE YEAR ENDED 31 MARCH 2026

The board (the "**Board**") of directors (the "**Directors**") of Kwoon Chung Bus Holdings Limited (the "**Company**") is pleased to announce the consolidated results of the Company and its subsidiaries (collectively the "**Group**") for the year ended 31 March 2026 together with the comparative figures for the previous year, as follows:

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

		Year ended 31 March	
		2026	2025
	Notes	***HK$'000***	*HK$'000*
REVENUE	4	**2,804,595**	2,529,916
Cost of services rendered		**(1,986,428)**	(1,868,029)
Gross profit		**818,167**	661,887
Other income and gains, net	4	**107,045**	128,347
Administrative expenses		**(493,332)**	(453,387)
Other expenses, net		**(69,761)**	(76,090)
Finance costs		**(90,814)**	(114,944)
Share of profits and losses of:			
Joint ventures		**(1,094)**	(6,894)
Associates		**25,287**	21,775
PROFIT BEFORE TAX	5	**295,498**	160,694
Income tax expense	6	**(27,050)**	(13,314)
PROFIT FOR THE YEAR		**268,448**	147,380

* *For identification purposes only*

		Year ended 31 March	
		2026	2025
	Notes	***HK$'000***	*HK$'000*
Attributable to:			
Owners of the parent		**242,252**	127,132
Non-controlling interests		**26,196**	20,248
		268,448	147,380
EARNINGS PER SHARE ATTRIBUTABLE TO ORDINARY EQUITY HOLDERS OF THE PARENT	8		
Basic		**HK50.8 cents**	HK26.7 cents
Diluted		**HK50.3 cents**	HK26.7 cents

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Year ended 31 March	
	2026	2025
	HK$'000	*HK$'000*
PROFIT FOR THE YEAR	**268,448**	147,380
OTHER COMPREHENSIVE INCOME/(LOSS)		
Other comprehensive income/(loss) that may be reclassified to profit or loss in subsequent periods:		
Exchange differences on translation of foreign operations	**29,535**	(7,890)
Other comprehensive income that will not be reclassified to profit or loss in subsequent periods:		
Changes in fair values of equity investments designated at fair value through other comprehensive income	**1,603**	8,257
Gains on property revaluation	**33,772**	20,808
Income tax effect	**(8,442)**	(5,348)
Net other comprehensive income that will not be reclassified to profit or loss in subsequent periods	**26,933**	23,717
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX	**56,468**	15,827
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	**324,916**	163,207
Attributable to:		
Owners of the parent	**293,600**	143,939
Non-controlling interests	**31,316**	19,268
	324,916	163,207

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	**31 March 2026** *HK$'000*	31 March 2025 *HK$'000*
NON-CURRENT ASSETS			
Property, plant and equipment		**1,151,173**	1,208,833
Investment properties		**238,353**	215,454
Right-of-use assets		**632,288**	463,711
Goodwill		**201,801**	201,801
Passenger service licences		**1,113,165**	1,115,389
Other intangible assets		**373,874**	313,882
Interests in joint ventures		**7,870**	2,000
Interests in associates		**65,598**	67,341
Equity investments designated at fair value through other comprehensive income		**14,605**	13,106
Financial assets at fair value through profit or loss		**36,752**	35,656
Prepayments, deposits and other receivables		**145,388**	130,707
Deferred tax assets		**12,814**	12,523
Total non-current assets		**3,993,681**	3,780,403
CURRENT ASSETS			
Inventories		**47,248**	43,465
Trade receivables	9	**291,396**	338,912
Prepayments, deposits and other receivables		**136,099**	206,920
Tax recoverable		**147**	72
Pledged time deposits and restricted cash		**87,103**	65,475
Cash and cash equivalents		**696,803**	436,955
Total current assets		**1,258,796**	1,091,799

	Notes	**31 March 2026** *HK$'000*	31 March 2025 *HK$'000*
CURRENT LIABILITIES			
Trade payables	10	**85,831**	67,383
Other payables and accruals		**618,456**	595,043
Interest-bearing bank borrowings		**157,003**	127,840
Lease liabilities		**99,223**	68,458
Tax payable		**56,975**	45,627
Total current liabilities		**1,017,488**	904,351
NET CURRENT ASSETS		**241,308**	187,448
TOTAL ASSETS LESS CURRENT LIABILITIES		**4,234,989**	3,967,851
NON-CURRENT LIABILITIES			
Other payables and accruals		**35,550**	27,488
Interest-bearing bank borrowings		**1,365,775**	1,458,439
Lease liabilities		**207,030**	102,571
Other long-term liabilities		**19,342**	25,798
Deferred tax liabilities		**192,938**	197,183
Total non-current liabilities		**1,820,635**	1,811,479
Net assets		**2,414,354**	2,156,372
EQUITY			
Equity attributable to owners of the parent			
Issued capital		**47,678**	47,678
Reserves		**2,241,466**	2,014,800
		2,289,144	2,062,478
Non-controlling interests		**125,210**	93,894
Total equity		**2,414,354**	2,156,372

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 year, the Group was 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, which is wholly-owned by Wong Family Limited as trustee of a discretionary trust.

2. ACCOUNTING POLICIES

2.1 BASIS OF PREPARATION

The financial statements have been prepared in accordance with HKFRS Accounting Standards (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("**HKASs**") and Interpretations) as issued by the Hong Kong Institute of Certified Public Accountants and the disclosure requirements of the Hong Kong Companies Ordinance. They have 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 statements are 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 Group has adopted amendments to HKAS 21 *Lack of Exchangeability* for the first time for the current year's financial statements. The Group has not early adopted any other standard or amendment that has been issued but is not yet effective.

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 in and the functional currencies of overseas subsidiaries, joint ventures and associates for translation into the Group's presentation currency were exchangeable, the amendments did not have any impact on the Group's financial statements.

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.

Year ended 31 March 2026

	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	**1,972,654**	**295,227**	**262,798**	**273,816**	**100**	**–**	**2,804,595**
Intersegment sales	**28,074**	**156,931**	**1,080**	**–**	**–**	**(186,085)**	**–**
Other revenue	**130,634**	**5,070**	**14,209**	**7,647**	**8,323**	**(58,838)**	**107,045**
Total segment revenue	**2,131,362**	**457,228**	**278,087**	**281,463**	**8,423**	**(244,923)**	**2,911,640**
Segment results	**350,929**	**55,175**	**3,876**	**(31,496)**	**(5,726)**	**–**	**372,758**
Reconciliation:							
Finance costs (other than interest on lease liabilities)							**(77,260)**
Profit before tax							**295,498**

Year ended 31 March 2025

	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	1,733,026	312,987	232,375	250,450	1,078	–	2,529,916
Intersegment sales	26,022	107,962	270	–	–	(134,254)	–
Other revenue	132,745	9,402	17,255	14,981	3,027	(49,063)	128,347
Total segment revenue	1,891,793	430,351	249,900	265,431	4,105	(183,317)	2,658,263
Segment results	223,467	37,878	(7,854)	17,392	(3,410)	–	267,473
Reconciliation:							
Finance costs (other than interest on lease liabilities)							(106,779)
Profit before tax							160,694

4. REVENUE, OTHER INCOME AND GAINS, NET

An analysis of revenue is as follows:

	2026	2025
	HK$'000	*HK$'000*
Revenue from contracts with customers	**2,796,195**	2,526,477
Revenue from other sources		
Gross rental income from certain investment property operating leases:		
Lease payments, including fixed payments	**8,400**	3,439
Total	**2,804,595**	2,529,916

An analysis of other income and gains, net is as follows:

	2026	2025
	HK$'000	*HK$'000*
Other income		
Bank interest income	**4,177**	5,326
Other interest income	**–**	1,533
Gross rental income	**11,879**	16,518
Advertising income	**15,465**	12,395
Government subsidies	**32,875**	57,864
Others	**39,758**	33,356
Total other income	**104,154**	126,992
Gains, net		
Fair value gain on financial assets at fair value through profit or loss	**1,096**	1,043
Gain on termination of leases	**623**	–
Gain on bargain purchase	**–**	312
Foreign exchange differences, net	**1,172**	–
Total gains, net	**2,891**	1,355
Total other income and gains, net	**107,045**	128,347

5. PROFIT BEFORE TAX

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

	2026	2025
	HK$'000	*HK$'000*
Depreciation of property, plant and equipment	**177,747**	211,014
Depreciation of right-of-use assets	**73,391**	54,927
Amortisation of other intangible assets	**13,832**	14,333
Fair value loss on investment properties, net	**65,933**	35,755
Impairment of passenger service licences	**2,224**	13,500
Impairment of trade receivables, net	**1,099**	18
Impairment/(reversal of impairment) of financial assets included in prepayment, deposits and other receivables, net	**(1,759)**	19,605
Loss on disposal of items of property, plant and equipment, net	**1,435**	726

6. INCOME TAX

Hong Kong profits tax has been provided at the rate of 16.5% (2025: 16.5%) on the estimated assessable profits arising in Hong Kong during the year, 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 (2025: HK$2,000,000) of assessable profits of this subsidiary are taxed at 8.25% (2025: 8.25%) and the remaining assessable profits are taxed at 16.5% (2025: 16.5%). Taxes on profits assessable elsewhere have been calculated at the rates of tax prevailing in the jurisdictions in which the Group operates.

	2026	2025
	HK$'000	*HK$'000*
Current:		
Hong Kong profits tax		
Charge for the year	**28,752**	22,233
Underprovision/(overprovision) in prior years	**989**	(3,169)
Chinese Mainland – income taxes		
Charge for the year	**12,615**	9,126
Deferred	**(15,306)**	(14,876)
Total tax charge for the year	**27,050**	13,314

7. DIVIDENDS

	2026	2025
	HK$'000	*HK$'000*
Dividends recognised as distribution during the year:		
Final 2025 – HK4 cents (2024: HK2 cents) per ordinary share	**19,071**	9,536
Interim 2026 – HK4 cents (2025: Nil) per ordinary share	**19,071**	–
Special dividend – HK6 cents (2025: Nil) per ordinary share	**28,607**	–
Total	**66,749**	9,536
Dividend proposed after the end of the reporting period:		
Proposed final 2026 – HK10 cents (2025: HK4 cents) per ordinary share	**47,678**	19,071

The proposed final dividend for the year is subject to the approval of the Company's shareholders at the forthcoming annual general meeting.

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 year attributable to ordinary equity holders of the parent of HK$242,252,000 (2025: HK$127,132,000), and the weighted average number of ordinary shares of 476,776,842 (2025: 476,776,842) outstanding during the year.

The calculation of the diluted earnings per share amount for the year ended 31 March 2026 is based on the profit for the year attributable to ordinary equity holders of the parent of HK$242,252,000, and the weighted average number of ordinary shares of 476,776,842 outstanding during the year, as used in the basic earnings per share calculation, and the weighted average number of ordinary shares of 4,584,486 assumed to have been issued at no consideration on the deemed exercise of all dilutive share options.

No adjustment had been made to the basic earnings per share amount presented for the year ended 31 March 2025 in respect of a dilution as the impact of share options outstanding had no dilutive effect on the basic earnings per share amount presented for that year.

9. TRADE RECEIVABLES

	2026	2025
	HK$'000	*HK$'000*
Trade receivables	**324,890**	371,300
Impairment	**(33,494)**	(32,388)
Net carrying amount	**291,396**	338,912

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$23,599,000 (2025: HK$17,006,000) and an amount due from an associate of nil (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:

	2026	2025
	HK$'000	*HK$'000*
Within 30 days	**125,127**	117,947
31 to 60 days	**113,829**	129,671
61 to 90 days	**36,568**	36,126
Over 90 days	**15,872**	55,168
Total	**291,396**	338,912

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:

	2026	2025
	HK$'000	*HK$'000*
Within 30 days	**51,937**	43,353
31 to 60 days	**6,594**	6,515
61 to 90 days	**2,286**	949
Over 90 days	**25,014**	16,566
Total	**85,831**	67,383

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

PROPOSED FINAL DIVIDEND

The Board recommends the payment of a final dividend of HK10 cents (2025: HK4 cents) per ordinary share in respect of the year. The proposed final dividend will be paid on or about Wednesday, 9 September 2026 to the shareholders of the Company whose names appear on the register of members of the Company on Tuesday, 1 September 2026 if the proposed final dividend is approved by shareholders of the Company at the forthcoming annual general meeting of the Company (the "**AGM**") to be held on Friday, 21 August 2026.

CLOSURE OF REGISTER OF MEMBERS

For determining the entitlement to attend and vote at the AGM, the register of members of the Company will be closed from Tuesday, 18 August 2026 to Friday, 21 August 2026, both days inclusive, during which period no transfer of shares of the Company will be registered. In order to be eligible to attend and vote at the AGM, 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 branch share registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at Shops 1712–16, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong for registration not later than 4:30 p.m. on Monday, 17 August 2026.

For determining the entitlement to the proposed final dividend, which is subject to approval by shareholders of the Company at the AGM, the register of members of the Company will be closed from Friday, 28 August 2026 to Tuesday, 1 September 2026, both days inclusive, during which period no transfer of shares of the Company will be registered. In order to qualify for the proposed final dividend, 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, Wan Chai, Hong Kong for registration not later than 4:30 p.m. on Thursday, 27 August 2026.

RESULTS

For the year ended 31 March 2026 (the "**Current Year**"), the Group recorded the consolidated profit attributable to owners of the parent of approximately HK$242.3 million, representing a significant year-on-year increase compared with approximately HK$127.1 million for the year ended 31 March 2025 (the "**Previous Year**"). Revenue of the Group for the Current Year was approximately HK$2,804.6 million, representing an increase of 10.9% as compared with approximately HK$2,529.9 million for the Previous Year. Gross profit of the Group for the Current Year was approximately HK$818.2 million, representing an increase of 23.6% as compared with approximately HK$661.9 million for the Previous Year. The gross profit margin of the Group increased from 26.2% in the Previous Year to 29.2% in the Current Year.

The Group's businesses in Hong Kong generally maintained a stable performance during the Current Year, with both the non-franchised bus operations and franchised bus operations recording notable revenue growth. Benefiting from steady growth in demand for cross-boundary bus services and local bus services, as well as fare adjustments and a rebound in patronage for franchised bus services, the Group's bus-related businesses achieved the most favourable performance in recent years, demonstrating sound growth momentum and a certain degree of resilience in both local and cross-boundary bus services amid the demand recovery. In addition, the deepening integration of the Greater Bay Area has further strengthened Hong Kong's business, tourism and livelihood links with Mainland cities in the Greater Bay Area, providing structural growth momentum for the Group's overall businesses in Hong Kong.

During the Current Year, driven by international fuel price volatility and geopolitical factors, local retail auto-fuel prices remained elevated, with a more notable increase in March 2026, resulting in the Group's fuel costs rising compared with the Previous Year and ongoing pressure on related costs. Meanwhile, to respond to the continued recovery in public transport demand and intensified competition for manpower within the transportation sector, the Group continued to refine its remuneration packages and related benefits to stabilise the bus captain workforce and uphold service quality, leading manpower costs to remain at a relatively high level during the Current Year and to represent a significant portion of overall operating costs. The Group continued to optimise fleet deployment and service schedules and, against a backdrop of persistently high fuel and manpower costs, effectively maintained a stable level of operating profit for the Group's overall businesses through efficiency enhancements and strengthened cost control.

REVIEW OF OPERATIONS

1. Non-franchised Bus Segment

Kwoon Chung Motors Company, Limited is the flagship wholly-owned subsidiary of the Company that provides local non-franchised bus services. 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.

The non-franchised bus services provided by the Group include: (i) local transport in Hong Kong, which comprises scheduled service (mainly to student, employee, resident) and non-scheduled service (mainly to tour and contract hire) and (ii) cross-boundary transport between Chinese Mainland and Hong Kong. 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.

Revenue from non-franchised bus segment for the Current Year was approximately HK$1,972.7 million, representing an increase of 13.8% compared with approximately HK$1,733.0 million in the Previous Year. The Group's non-franchised bus segment continued to deliver a satisfactory performance in the Current Year, with both revenue and passenger volume recording solid year-on-year growth. Local bus services maintained stable operating performance, effectively underpinning the segment's recurring earnings. While cross-boundary bus services benefited from the continued enhancement of transport connectivity within the Greater Bay Area, demand for cross-boundary leisure, family-visit and business travel was further unlocked, while passenger flows to major boundary control points and cities in the Greater Bay Area remained strong, driving a notable increase in related revenue and serving as one of the important growth drivers of the Group's overall business.

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 services for hotels, corporate clients and leisure travelers with safe, reliable, professional and high quality limousine transfer service between Chinese Mainland, Hong Kong and Macau.

Revenue from the limousine segment for the Current Year was approximately HK$295.2 million, remaining broadly stable during the Current Year with only a slight year-on-year decrease of around 5.7%. Following a remarkable rebound in the Previous Year, the more moderate revenue performance in the Current Year reflected a normalisation of growth momentum as leisure and business travel gradually stabilised. Despite the slight decrease in revenue, the segment results improved year-on-year, primarily due to effective cost control measures and enhanced operating efficiency.

3. Franchised Bus and PLB Segment

New Lantao Bus Company (1973) Limited ("**NLB**"), a 99.99%-owned subsidiary of the Company, is a franchised bus service operator operating on 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, between the Hong Kong Port of the Hong Kong-Zhuhai-Macao Bridge and Tung Chung East.

Revenue from the franchised bus and PLB segment for the Current Year was approximately HK$262.8 million, representing a year-on-year increase of 13.1% and making a positive contribution to the Group's overall results. Fare revenue of NLB for the Current Year was approximately HK$259.6 million, representing an increase of 12.5% compared with approximately HK$230.7 million in the Previous Year. The segment benefited from revenue growth driven by the full-year impact of fare increases implemented by NLB in the fourth quarter of the Previous Year, as well as by overall patronage growth of approximately 4.5% in the Current Year. With operating mileage rising year-on-year in line with patronage, the segment recorded a positive operating result in the Current Year, representing a significant turnaround from the loss reported in the Previous Year. However, margin enhancement arising from organic growth, fare adjustments and other management initiatives was partially offset by various one-off provisions, including but not limited to a further impairment loss relating to PLB licences.

4. Chinese Mainland Business Segment

The revenue of the Chinese Mainland business for the Current Year was approximately HK$273.8 million, representing an increase of 9.3% as compared to approximately HK$250.5 million for the Previous Year.

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

As at 31 March 2026, the Group owned 67.807% equity interest in Bipenggou Tourism. Bipenggou is located in Solo Valley in Putou Rural area, Lixian County, Aba Prefecture. With the official opening of the Wenma Expressway in 2020, and by virtue of its inherent geographical advantages and convenient transportation, Bipenggou has developed into one of the most favored destinations for tourists from various regions and is regarded as the “backyard garden” of Chengdu residents. Bipenggou has been recognized as a World Natural Heritage Site, a member of the World Network of Biosphere Reserves, and a national 4A-level tourist attraction, and it has also been awarded the titles of National Ecotourism Demonstration Area and Sichuan Provincial Ecotourism Demonstration Area. Bipenggou is popular with visitors throughout all year round, offering a blooming mountain landscape in spring, an ideal resort in summer, a stunning world of red leaves in autumn and a place of endless fun and excitement for skiing in winter. The Namu Lake Hot Spring Hotel within the scenic area is known as the “Little Switzerland of Western Sichuan”, combining landscape views, hot springs, and distinctive Tibetan and Qiang cultural features. The hotel locates on the Miyaluo tourism loop in Sichuan and serves as a mid-journey resort base for trips to nearby nature reserves and scenic spots.

The Bipenggou scenic area has continued to deliver encouraging performance, the scenic area's annual visitor throughput has exceeded 1 million for three consecutive years. In late December 2025, the number of visitors for the year officially surpassed 1.2 million, setting a new record for the scenic area. Health and wellness tourism has become an important travel choice for mainland tourists in the post pandemic period. At the same time, benefiting from the implementation of the 240 hour transit visa free policy in the Chinese Mainland at the end of December 2024, as well as related international promotional efforts, the Group believes that Bipenggou is well positioned to attract more traditional tour groups and further stimulate repeat visitors undertaking in depth "multi visit to Sichuan" trips. Many overseas tourists, after visiting popular destinations such as Jiuzhaigou and Huanglong, also regard Bipenggou as one of the key ice and snow travel options when returning to Sichuan.

Further to the Company's announcements dated 24 November 2025 and 5 December 2025 regarding the potential disposal of the Group's equity interest in Bipenggou Tourism, the potential disposal is still under negotiation and, as at the date of this announcement, no formal agreement has been entered into.

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

As at 31 March 2026, the Group owned 100% equity interest in CQ Hotel, the owner of Chongqing Grand Hotel in Chongqing, Chinese Mainland. During the Current Year, the operation of Chongqing Grand Hotel was changed from a mixed model of commercial leasing and hotel services to a full commercial leasing model to better align with the Group's long-term strategic objectives. In line with this change in use, the majority portion of Chongqing Grand Hotel was reclassified to investment property and measured at fair value at the date of the change in use. The subsequent remeasurement as at the end of the Current Year resulted in a material fair value loss on investment property, which reduced the operating results of this segment in the Current Year.

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

As at 31 March 2026, 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.

5. Smart Mobility

KC Smart Mobility Company Limited ("**KCSM**"), a wholly owned subsidiary of the Company, is dedicated to the development and application of smart mobility solutions. Leveraging Hong Kong's world-class public transport system, KCSM aims to deploy leading mobility technologies, particularly those originating from Chinese Mainland, and position Hong Kong as a showcase for right-hand-drive and international markets. In February 2026, the Government of the Hong Kong Special Administrative Region (the "**Government**") issued Transport Strategy Blueprint which highlighted the need to embrace technological advancement, promote smart transformation and expand green transport, creating a supportive environment for the Group's initiatives in autonomous driving and the emerging low-altitude economy.

As a long-standing bus service operator, the Group recognises the transformative impact of technology on the transport sector. The increasing maturity of self-driving technologies and on-demand mobility solutions is expected to reshape traditional bus operations. Building on the Group's operational strengths, KCSM is integrating advanced technologies to gradually transform mobility options and operating models in Hong Kong. Its objective is to deploy proven smart and green mobility technologies as part of an integrated solution that can serve as a future growth driver for the Group. These initiatives seek to reduce labour costs and reliance on fossil fuels while enhancing operational safety and reliability through autonomous driving, artificial intelligence, data analytics and intelligent dispatching systems.

The Group is progressing a range of projects in a systematic manner, allocating resources prudently and working with internal experts and leading partners, including autonomous driving system providers, automakers and ride-hailing platforms. The focus is on localising and implementing Level-4 fully autonomous Robobus and Robotaxi solutions tailored to Hong Kong's complex road conditions, with ongoing refinement of technologies and services to support future commercial deployment.

Initial progress has been made in autonomous hired cars and buses in real-world environments. In 2024, the Airport Authority awarded a contract to KCM-PML Joint Venture, a jointly controlled entity of KCSM, to develop autonomous vehicles and an associated transport system linking the Hong Kong Port of the Hong Kong-Zhuhai-Macao Bridge and SKYCITY at Hong Kong International Airport. This service, targeted to commence by the end of 2026, is expected to become Hong Kong's first commercially operated autonomous bus service. Prior to the introduction of the Government's "Code of Practice for Trial and Pilot Use of Autonomous Vehicles", two autonomous shuttle light buses began sandbox testing at Fairview Park in August 2024. In March 2026, three autonomous vehicles were delivered for the Park and Fly shuttle service at Hong Kong International Airport and commenced open-road testing, with full operations scheduled for the fourth quarter of 2026. Furthermore, two autonomous vehicle services are planned for open-road testing in the West Kowloon Cultural District in the second half of 2026. In aggregate, the Group has obtained, or has enabled its principals to obtain, three AV Pilot Licences, positioning the Group as one of the key participants in this field.

In view of the emergence of the low-altitude economy, the Group also sees significant potential in three-dimensional mobility. In July 2024, KCSM entered into a cooperation agreement with EHang Intelligent to promote and deploy the EH216-S pilotless electric vertical take-off and landing ("**eVTOL**") aircraft in Hong Kong, Macao and the cities of Xiangyang and Shiyan in Hubei Province. The Group recognises that low-altitude operations involve complex issues such as airspace management and safety oversight and that the development of the relevant regulatory framework will require close collaboration among the Government, industry and the wider community. The Group has applied for the Government's advanced LAE Sandbox X pilot project and, having partnered with Cyberport as the testing venue, is actively working with the Civil Aviation Department on an initial, passenger-free test flight of the EH216-S. Subject to regulatory and public acceptance, the Group expects that eVTOL services can in due course be used for sightseeing and experiential flights. Over the longer term, the Group believes that, once an appropriate regulatory framework and vertiport infrastructure are in place, such services could complement its existing limousine business by offering technology-enabled air mobility options that provide quick and convenient access to selected destinations while bypassing ground traffic congestion.

FUTURE PROSPECTS

Given that the Group's businesses are predominantly fuel-and labour-intensive, its operating performance is more susceptible to fluctuations in the external environment. The Group will continue to closely monitor movements in fuel and manpower costs and mitigate their impact, with particular attention to the pressure on fuel costs arising from the sharp rise in international fuel prices since March 2026. In April 2026, the Government introduced a number of short-term and targeted measures in response to rising fuel prices, providing a certain degree of cost relief to the passenger transport sector. The Group hopes that, if international fuel prices remain elevated or become highly volatile over a period of time in the future, the Government will, on the basis of the existing arrangements, review and extend the relevant support measures in a timely manner so as to help public transport operators maintain sustainable operations in an environment of sharply rising costs.

Although fuel and manpower costs continue to face upward pressure and competition in Hong Kong's passenger transport market is becoming increasingly intense, demand for high-quality cross-boundary and local transport services is expected to remain stable, supported by the sustained expansion of cross-boundary travel demand within the Greater Bay Area and the steady recovery of inbound tourism to Hong Kong. At the same time, with the phased commissioning of the new Huanggang Port Passenger Clearance Building and the progressive improvement of supporting facilities, clearance efficiency and passenger handling capacity are expected to be further enhanced. This will create favourable conditions for the Group to further optimise its cross-boundary operations and service frequencies, thereby bringing potential growth opportunities for the Group's overall businesses. For the Group's franchised bus operations, NLB will optimise service provision to meet rising service demand arising from new population intake in Tung Chung North and neighbouring new development areas, as well as continued underlying growth in cross boundary travel. At the same time, NLB will further develop the leisure tourism market and enhance public transport connections to major beaches and other attractions within South Lantau Country Park to meet the increasingly diversified travel needs of the district.

Looking ahead, while exercising prudent management of costs and risks, the Group will seek to capitalise on the various business opportunities arising from the continued recovery of Hong Kong's economy and the associated increase in mobility demand, and will continue to enhance the transport service portfolio and operational efficiency. In parallel, the Group will continue to scale up investment in environmentally friendly buses and fleet renewal, with a view to reducing reliance on conventional fuels, thereby embedding green and low-carbon operations and creating more resilient long-term value for shareholders.

LIQUIDITY AND FINANCIAL RESOURCES

Funding for the Group's operations during the year was sourced mainly from internally generated cash flows, with shortfalls being financed mainly by borrowings from banks. As at 31 March 2026, the total outstanding indebtedness was approximately HK$1,522.8 million (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 31 March 2026, the Group's gearing ratio, which is computed based on dividing the total outstanding indebtedness by the total equity, was approximately 63.1% (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 minimise 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 31 March 2026, the Group employed approximately 4,760 (2025: 4,640) employees in Hong Kong, Chinese Mainland 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. Ample in-house orientation and on-the-job training are arranged for the employees all year around. Employees are always encouraged to attend job-related seminars, courses and programs organised by professional or educational institutions, no matter in Hong Kong or overseas.

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 (the "**Listing Rules**") Governing the Listing of Securities on the Stock Exchange throughout the year.

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 year.

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 year.

AUDIT COMMITTEE

The Company has an 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 the three independent non-executive directors of the Company. The audit committee of the Company has met the external auditor of the Company and reviewed this results announcement of the Group for the year ended 31 March 2026.

SCOPE OF WORK OF THE COMPANY'S AUDITOR IN RESPECT OF THIS PRELIMINARY ANNOUNCEMENT

The figures in respect of the Group's consolidated statement of financial position, consolidated statement of profit or loss, consolidated statement of comprehensive income and the related notes thereto for the year ended 31 March 2026 as set out in the preliminary announcement have been agreed by the Company's auditor to the amounts set out in the Group's draft consolidated financial statements for the year. The work performed by the Company's auditor in this respect did not constitute an assurance engagement in accordance with Hong Kong Standards on Auditing, Hong Kong Standards on Review Engagements or Hong Kong Standards on Assurance Engagements issued by the Hong Kong Institute of Certified Public Accountants and consequently no assurance has been expressed by the Company's auditor on the preliminary announcement.

PUBLICATION OF ANNUAL 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) and that of the Company (www.kcbh.com.hk). The annual report of the Group for the year ended 31 March 2026 containing all the information required by the Listing Rules will be sent to shareholders 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, 25 June 2026

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