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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)**

### **DISCLOSEABLE TRANSACTION ACQUISITION OF PROPERTY**

#### **SUMMARY**

The Board is pleased to announce that, on 27 September 2024 (after trading hours), the Purchaser, an indirect wholly-owned subsidiary of the Company, entered into the Provisional Agreement with the Vendor, pursuant to which the Vendor agreed to sell, and the Purchaser agreed to purchase, the Property at the consideration of HK\$75,907,200.

#### **LISTING RULES IMPLICATION**

As the relevant percentage ratios in respect of the acquisition of the Property is more than 5% but less than 25%, the acquisition of the Property constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements but is exempted from the circular and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

\* *For identification purpose only*

## **INTRODUCTION**

The Board is pleased to announce that, on 27 September 2024 (after trading hours), the Purchaser, an indirect wholly-owned subsidiary of the Company, entered into the Provisional Agreement with the Vendor, pursuant to which the Vendor agreed to sell, and the Purchaser agreed to purchase, the Property at the consideration of HK\$75,907,200.

## **THE PROVISIONAL AGREEMENT**

The principal terms of the Provisional Agreement are summarised as follows:

**Date:** 27 September 2024

**Parties:**

- (1) Vendor: You Smart Limited;
- (2) Purchaser: Kingmaker Investment Limited, an indirect wholly-owned subsidiary of the Company; and
- (3) Agent: CBRE Advisory Hong Kong Limited.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Vendor, the Agent and their ultimate beneficial owners are Independent Third Party and are not connected with the Group.

### **Property**

The Property to be acquired is 22nd Floor of Tower Two, Ever Gain Plaza, No.88 Container Port Road, Kwai Chung, New Territories, Hong Kong, which is an industrial/office property with a total gross area of approximately 23,721 square feet.

Based on the information currently available, the Property (with the exception of vacant possession of about 360 square feet) is currently subject to various tenancies with total monthly rental of approximately HK\$345,000 (exclusive of rates, government rent and management fee) and the latest one expiring in July 2026. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the existing tenants and their ultimate beneficial owners are Independent Third Party and are not connected with the Group. Pursuant to the Provisional Agreement, the Purchaser agrees to purchase the Property subject to the said existing tenancies.

Pursuant to the Provisional Agreement, upon Completion, the Vendor shall deliver the Property partly in vacant possession and partly with existing tenancies to the Purchaser.

### **Consideration and Payment Terms**

The Consideration for the acquisition of the Property is HK\$75,907,200, which shall be paid by the Purchaser to the Vendor in the following manner:

- (a) an initial deposit of HK\$2,000,000 has been paid upon signing of the Provisional Agreement;
- (b) a further deposit of HK\$5,590,720 shall be paid on or before 11 October 2024; and
- (c) the remaining balance in the sum of HK\$68,316,480 shall be paid upon Completion.

The Consideration was agreed between the Vendor and the Purchaser after arm's length negotiations on normal commercial terms with reference to, among others, the current market value of comparable properties in the proximity of the Property and the current property market conditions in Hong Kong. The Consideration will be financed by the Group's internal resources.

### **Formal Agreement**

Pursuant to the Provisional Agreement, the Vendor and the Purchaser shall enter into the Formal Agreement on or before 11 October 2024.

### **Completion**

Pursuant to the Provisional Agreement, Completion shall take place on or before 16 December 2024.

### **INFORMATION OF THE PARTIES**

The Purchaser is a company incorporated in Hong Kong with limited liability and is an indirect wholly-owned subsidiary of the Company. It is principally engaged in property holding.

The Group is principally engaged in provision of passenger transportation services and tourism services in Hong Kong and Chinese Mainland.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Vendor is a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of Fame Allied Limited, a company incorporated in the British Virgin Islands with limited liability. The Vendor is principally engaged in property holding.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Agent is a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of CBRE Limited, a company incorporated in Hong Kong with limited liability. The Agent is principally engaged in real estate activities in Hong Kong.

## **REASONS FOR AND BENEFITS OF THE ACQUISITION OF THE PROPERTY**

The Group currently leases premises for use as its office in Hong Kong. The Directors intend to use the Property as the Group's principal business office in Hong Kong, having considered, among others, (i) the rental costs of the existing leased premises; (ii) the removal and renovation costs and times costs that would be incurred by the Group for office relocation upon expiration of the existing leases; and (iii) the additional space to be provided by the Property for business expansion in the future. The Directors consider that it is in the long-term interests of the Group to acquire the Property as its self-owned office premises. By establishing its own office premises, it will enable the Group to save further office rental costs, administrative costs and office relocation expenses from a long-term perspective. In addition, the Property will enhance the fixed asset base of the Group.

In view of the above, the Directors considered that the terms of the Provisional Agreement (including the Consideration) are fair and reasonable, on normal commercial terms and in the interest of the Company and the Shareholders as a whole.

## **LISTING RULES IMPLICATIONS**

As the relevant percentage ratios in respect of the acquisition of the Property is more than 5% but less than 25%, the acquisition of the Property constitutes a discloseable transaction of the Company and is subject to the reporting and announcement requirements but is exempted from the circular and Shareholders' approval requirements under Chapter 14 of the Listing Rules.

## DEFINITIONS

In this announcement, the following expressions shall, unless the context requires otherwise, have the following meanings:

“Agent”	CBRE Advisory Hong Kong Limited, a company incorporated in Hong Kong with limited liability;
“Board”	the board of Directors;
“Company”	Kwoon Chung Bus Holdings Limited, a company incorporated in Bermuda with limited liability, the shares of which are listed on the main board of the Stock Exchange;
“Completion”	completion of the acquisition of the Property;
“Consideration”	the consideration of HK\$75,907,200 payable by the Purchaser to the Vendor in relation to the acquisition of the Property pursuant to the Provisional Agreement;
“Directors”	the directors of the Company;
“Formal Agreement”	the formal agreement for sale and purchase to be entered into between the Vendor and the Purchaser in relation to the sale and purchase of the Property pursuant to the provisions of the Provisional Agreement;
“Group”	the Company and its subsidiaries;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“Independent Third Party”	any person(s) or company(ies) and their respective ultimate beneficial owner(s), to the best of the Directors’ knowledge, information and belief having made all reasonable enquiries, are not connected persons of the Company and are third parties independent of the Company and its connected persons in accordance with the Listing Rules;

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Property”	22nd Floor of Tower Two, Ever Gain Plaza, No. 88 Container Port Road, Kwai Chung, New Territories, Hong Kong;
“Provisional Agreement”	the provisional agreement for sale and purchase dated 27 September 2024 entered into between the Vendor, the Purchaser and the Agent in relation to the sale and purchase of the Property;
“Purchaser”	Kingmaker Investment Limited, a company incorporated in Hong Kong with limited liability and an indirect wholly-owned subsidiary of the Company;
“Shareholders”	the holder(s) of the shares of the Company;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Vendor”	You Smart Limited, a company incorporated in Hong Kong with limited liability; and
“%”	per cent.

By order of the Board  
**Kwoon Chung Bus Holdings Limited**  
**Wong Leung Pak, Matthew, BBS**  
*Chairman*

Hong Kong, 30 September 2024

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