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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)

GRANT OF SHARE OPTIONS

This announcement is made pursuant to Rule 17.06A of the Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

The board of directors (the “**Board**”) of Kwoon Chung Bus Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) hereby announces that on 1 February 2024 (the “**Date of Grant**”), the Company has granted, subject to acceptance of the grantees, 28,500,000 share options (the “**Share Options**”) to individuals (the “**Grantees**”) under the share option scheme adopted by the Company on 23 August 2022 (the “**Share Option Scheme**”). The Share Options shall entitle the Grantees to subscribe for a total of 28,500,000 new ordinary shares of HK\$0.10 each (the “**Share(s)**”) in the share capital of the Company, representing approximately 5.98% of the issued share capital of the Company. Details of the Share Options granted are set out below:

Date of Grant:	1 February 2024
Number of Share Options granted:	28,500,000 Share Options, each entitles its holder to subscribe for one (1) Share

* *For identification purposes only*

Exercise price of Share Options granted:	<p>HK\$1.86 per Share, which represents the highest of:</p> <ul style="list-style-type: none"> (i) the closing price of HK\$1.83 per Share as stated in the daily quotation sheets issued by the Stock Exchange on the Date of Grant; (ii) the average closing price of HK\$1.86 per Share as stated in the daily quotation sheets issued by the Stock Exchange for the five (5) trading days immediately preceding the Date of Grant; and (iii) the nominal value of HK\$0.1 per Share.
Validity period of the Share Options:	The Share Options shall have a validity period of 10 years from the Date of Grant to 31 January 2034 (both dates inclusive).
Financial assistance:	No financial assistance shall be provided by the Group to the Grantees to facilitate the subscription of Shares under the Share Option Scheme.
Vesting period of Share Options:	The Share Options granted must be held by the Grantees for twelve (12) months from the Date of Grant before the Share Options can be exercised.
Performance target:	<p>There is no performance target attached to the Share Options.</p> <p>The purpose of the Share Option Scheme is to provide incentives or rewards to participants thereunder for their contribution to the Group and/or to enable the Group to recruit and retain high-calibre employees and attract human resources that are valuable to the Group and any entity in which the Group holds any equity interest.</p>

Having considered that (1) the Share Options to be granted will give the Grantees an opportunity to have a personal stake in the Company; and (2) the value of the Share Options shall be subject to the market performance of the Shares, which in turn depends on the performance of the Group, to which the Grantees would directly contribute, the remuneration committee of the Company (the “**Remuneration Committee**”) and the Board consider that notwithstanding the absence of performance target, the grant of the Share Options aligns with the purpose of the Share Option Scheme to incentivize the Grantees to contribute to the Group’s business development.

Clawback mechanism:

The Share Options granted are not subject to any clawback mechanism but shall lapse (to the extent not already exercised) on the date when the Grantee(s) ceases to be an eligible participant under the Share Option Scheme.

The Board and the Remuneration Committee consider that a specific clawback mechanism is not necessary, having considered that the lapse of the Share Options upon the Grantee(s) cease to be an eligible participant under the Share Option Scheme, which is in line with the purpose of the Share Option Scheme and in the interests of the Company.

Among the 28,500,000 Share Options granted, 9,000,000 Share Options were granted to the directors of the Company, details of which are as follows:-

Name of Grantee	Position held with the Company	Number of Share Options granted
1. Directors		
(a) Mr. Wong Cheuk On, James <i>(Note 1)</i>	Executive Director and Chief Executive Officer	4,500,000
(b) Mr. Lo Man Po <i>(Note 2)</i>	Executive Director and Chief Financial Officer	4,500,000
2. Mr. Wong Cheuk Tim, Timothy, <i>MH</i> <i>(Note 3)</i>	Chief Operating Officer	4,500,000
3. Other employees of the Group		<u>15,000,000</u>
Total		<u><u>28,500,000</u></u>

Notes:

- Mr. Wong Cheuk On, James is the son of Mr. Wong Leung Pak, Matthew, *BBS* who is an executive director, the chairman and a substantial shareholder (as defined under the Listing Rules) of the Company.
- Mr. Lo Man Po is the son-in-law of Mr. Wong Leung Pak, Matthew, *BBS* who is an executive director, the chairman and a substantial shareholder (as defined under the Listing Rules) of the Company.
- Mr. Wong Cheuk Tim, Timothy, *MH* is the son of Mr. Wong Leung Pak, Matthew, *BBS* who is an executive director, the chairman and a substantial shareholder (as defined under the Listing Rules) of the Company.

The grant of Share Options to the above directors of the Company has been approved by the independent non-executive directors of the Company.

Each of Mr. Wong Cheuk On, James and Mr. Lo Man Po has abstained from voting in the board meeting so far as the resolution for the approval of the grant of Share Options to each of them was concerned.

Save as disclosed in this announcement, none of the Grantees of the Share Options is a director, chief executive or substantial shareholder of the Company, nor an associate (as defined under the Listing Rules) of any of them.

After the grant of Share Options, the number of Shares available for future grants under the scheme mandate limit of the Share Option Scheme is 5,677,684 Shares.

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

Hong Kong, 1 February 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.