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If you are in any doubt as to any aspect of this circular or as to the action to be taken, you should consult a stockbroker or other registered dealer in securities, a bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in Kwoon Chung Bus Holdings Limited, you should at once hand this circular, together with the enclosed form of proxy, to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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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)

**PROPOSED RE-ELECTION
OF THE RETIRING DIRECTORS OF THE COMPANY
AND
PROPOSED GRANTING OF GENERAL MANDATES
TO REPURCHASE SHARES
AND TO ISSUE NEW SHARES OF THE COMPANY
AND
PROPOSED AMENDMENTS TO THE BYE-LAWS OF THE COMPANY**

A notice convening an annual general meeting of Kwoon Chung Bus Holdings Limited to be held at Ground Floor Function Room, The Hong Kong City Garden Hotel, 9 City Garden Road, North Point, Hong Kong on Tuesday, 1 September 2009 at 2:30 p.m. is set out on pages 14 to 21 of this circular. A form of proxy for use at the annual general meeting is also enclosed. Such form of proxy is also published on the websites of The Stock Exchange of Hong Kong Limited (www.hkexnews.hk) and the Company (www.kcbh.com.hk).

If you are not able to attend the annual general meeting, please complete and sign the accompanying form of proxy in accordance with the instructions printed thereon and return it to the office of the Company's Share Registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Rooms 1806-7, 18th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong as soon as possible but in any event not less than 48 hours before the time appointed for the holding of the annual general meeting or any adjournment thereof. Completion and return of the form of proxy will not preclude shareholders from attending and voting in person at the meeting if they so wish.

* *for identification purposes only*

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DEFINITIONS

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

“Annual General Meeting”	an annual general meeting of the Company to be held at Ground Floor Function Room, The Hong Kong City Garden Hotel, 9 City Garden Road, North Point, Hong Kong on Tuesday, 1 September 2009 at 2:30 p.m. to consider and, if appropriate, to approve the resolutions contained in the notice of the meeting which is set out on pages 14 to 21 of this circular, or any adjournment thereof;
“Board”	the board of Directors;
“Bye-laws”	the bye-laws of the Company with the latest amendments made on 22 September 2006;
“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;
“Corporate Communication”	any document issued or to be issued by an issuer for the information or action of holders of any of its securities, including but not limited to: (a) the directors’ report, its annual accounts together with a copy of the auditors’ report and, where applicable, its summary financial report; (b) the interim report and, where applicable, its summary interim report; (c) a notice of meeting; (d) a listing document; (e) a circular; and (f) a proxy form;
“Director(s)”	the director(s) of the Company;
“Group”	the Company and its subsidiaries from time to time;
“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;
“Issuance Mandate”	as defined in paragraph 3(b) of the Letter from the Board;
“Latest Practicable Date”	24 July 2009, being the latest practicable date prior to the printing of this circular for ascertaining certain information in this circular;

DEFINITIONS

“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Repurchase Mandate”	as defined in paragraph 3(a) of the Letter from the Board;
“SFO”	the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong;
“Share(s)”	ordinary share(s) of HK\$0.10 each in the capital of the Company or if there has been a subsequent sub-division, consolidation, reclassification or reconstruction of the share capital of the Company, shares forming part of the ordinary equity share capital of the Company;
“Shareholder(s)”	holder(s) of Share(s);
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Takeovers Code”	The Codes on Takeovers and Mergers issued by the Securities and Futures Commission in Hong Kong.

LETTER FROM THE BOARD



KWOON CHUNG BUS HOLDINGS LIMITED

冠忠巴士集團有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 306)

Executive Directors:

Wong Chung Pak, Thomas (*Chairman*)
Wong Leung Pak, Matthew
(*Chief Executive Officer and Managing Director*)
Wong Wing Pak (*Senior Executive Director*)
Cheng Wai Po, Samuel
Chung Chak Man, William
Lee Yin Ching, Stanley
Cheng King Hoi, Andrew
Ng King Yee
Chan Yu Kwong, Francis
Mok Wah Fun, Peter

Registered Office:

Clarendon House
Church Street
Hamilton HM 11
Bermuda

Principal Place of Business:

3/F, 8 Chong Fu Road
Chai Wan
Hong Kong

Independent Non-executive Directors:

Chan Bing Woon, *SBS, JP*
Sung Yuen Lam
Lee Kwong Yin, Colin

31 July 2009

To the Shareholders

Dear Sir/Madam,

**PROPOSED RE-ELECTION
OF THE RETIRING DIRECTORS OF THE COMPANY
AND
PROPOSED GRANTING OF GENERAL MANDATES
TO REPURCHASE SHARES
AND TO ISSUE NEW SHARES OF THE COMPANY
AND
PROPOSED AMENDMENTS TO THE BYE-LAWS OF THE COMPANY**

1. INTRODUCTION

The purpose of this circular is to provide the Shareholders with information in respect of the resolutions to be proposed at the Annual General Meeting for (i) the re-election of the retiring Directors; (ii) the granting of the Repurchase Mandate to the Directors; (iii) the granting of the Issuance Mandate to the Directors; (iv) the extension of the Issuance Mandate by adding to it the nominal amount of the issued Shares repurchased by the Company under the Repurchase Mandate; and (v) the amendments to the Bye-laws.

* *for identification purposes only*

LETTER FROM THE BOARD

2. PROPOSED RE-ELECTION OF THE RETIRING DIRECTORS

Pursuant to Bye-law 87 of the Bye-laws, at each annual general meeting one-third of the Directors for the time being (or, if their number is not three or a multiple of three, the number nearest to but not less than one-third) shall retire from office by rotation provided that every Director (including those appointed for a specific term or holding office as the chairman of the Board or the managing director or the chief executive of the Company) shall be subject to retirement by rotation at least once every three years or such other period as the Stock Exchange may from time to time prescribe. The Director(s) to retire by rotation shall be the person(s) who has/have been longest in office since his/their last re-election or appointment. As between persons who became or were last re-elected Directors on the same day, the person(s) to retire shall (unless they otherwise agree among themselves) be determined by lot. A retiring Director shall be eligible for re-election by the Shareholders at the relevant annual general meeting.

According to Bye-law 87 of the Bye-laws, Mr. Wong Leung Pak Matthew, Mr. Cheng Wai Po, Samuel, Mr. Chan Yu Kwong, Francis, Mr. Ng King Yee and Mr. Mok Wah Fun, Peter shall retire by rotation at the Annual General Meeting and being eligible, will offer themselves for re-election at the Annual General Meeting.

Pursuant to Rule 13.74 of the Listing Rules, a listed issuer shall disclose the details required under Rule 13.51(2) of the Listing Rules of any director(s) proposed to be re-elected or proposed new director in the notice or accompanying circular to its shareholders of the relevant general meeting, if such re-election or appointment is subject to shareholders' approval at that relevant general meeting. The requisite details of Mr. Wong Leung Pak Matthew, Mr. Cheng Wai Po, Samuel, Mr. Chan Yu Kwong, Francis, Mr. Ng King Yee and Mr Mok Wah Fun, Peter, executive directors, are set out in Appendix I to this circular.

LETTER FROM THE BOARD

3. PROPOSED GRANTING OF THE REPURCHASE AND ISSUANCE MANDATES

At the annual general meeting of the Company held on 18 September 2008, general mandates were given to the Directors to exercise the powers of the Company to repurchase Shares of the Company and to issue new Shares of the Company respectively. Up to the Latest Practicable Date, such mandates have not been used and, if not used by the date of the Annual General Meeting, will lapse at the conclusion of the Annual General Meeting.

Ordinary resolutions will be proposed at the Annual General Meeting to approve the granting of new general mandates to the Directors:

- (a) to purchase Shares on the Stock Exchange of an aggregate nominal amount not exceeding 10% of the aggregate nominal amount of the issued share capital of the Company on the date of passing of such resolution (i.e. an aggregate nominal amount of Shares not exceeding HK\$3,949,060 (equivalent to 39,490,600 Shares) on the basis that issued share capital of the Company remains unchanged on the date of the Annual General Meeting) (the “Repurchase Mandate”);
- (b) to allot, issue or deal with Shares of an aggregate nominal amount not exceeding 20% of the aggregate nominal amount of the issued share capital of the Company on the date of passing of such resolution (i.e. an aggregate nominal amount of Shares not exceeding HK\$7,898,120 (equivalent to 78,981,200 Shares) on the basis that the issued share capital of the Company remains unchanged on the date of the Annual General Meeting) (the “Issuance Mandate”); and
- (c) to extend the Issuance Mandate by an amount representing the aggregate nominal amount of the Shares repurchased by the Company pursuant to and in accordance with the Repurchase Mandate.

The Repurchase Mandate and the Issuance Mandate will continue in force until the conclusion of the next annual general meeting of the Company held after the Annual General Meeting or any earlier date as referred to in the proposed ordinary resolutions contained in items 5 and 6 of the notice of the Annual General Meeting as set out on pages 14 to 21 of this circular. With reference to the Repurchase Mandate and the Issuance Mandate, the Directors wish to state that they have no immediate plan to repurchase any Shares or issue any Shares pursuant thereto.

In accordance with the requirements of the Listing Rules, the Company is required to send to the Shareholders an explanatory statement containing all the information reasonably necessary to enable them to make an informed decision on whether to vote for or against the granting of the Repurchase Mandate. The explanatory statement as required by the Listing Rules in connection with the Repurchase Mandate is set out in Appendix II to this circular.

LETTER FROM THE BOARD

4. PROPOSED AMENDMENTS TO THE BYE-LAWS

In view of the amended Rule 2.07A of the Listing Rules relating to the use of electronic means or website for communication with the Shareholders which became effective on 1 January 2009, the Board proposes that certain amendments be made to the relevant provisions of the Bye-laws so as to conform to such amendments to the Listing Rules.

The proposed amendments to the Bye-laws are to enable the Company to send or supply the Corporate Communication to the Shareholders using electronic means or by making them available on the Company's website in satisfaction of the Company's obligation to send a printed copy thereof to the Shareholders to the extent permitted under the Listing Rules and the Company's constitutional documents.

The proposed amendments to the Bye-laws are stated in the proposed special resolution contained in item 8 of the notice convening the Annual General Meeting as set out on pages 14 to 21 of this circular. A copy of the Bye-laws will be available for inspection at the Company's principal place of business in Hong Kong at 3/F, 8 Chong Fu Road, Chai Wan, Hong Kong during normal business hours from the date hereof up to and including the date of the Annual General Meeting.

5. ANNUAL GENERAL MEETING AND PROXY ARRANGEMENT

The notice of the Annual General Meeting is set out on pages 14 to 21 of this circular. At the Annual General Meeting, resolutions will be proposed to approve, inter alia, the re-election of the retiring Directors, the granting of the Repurchase Mandate and the Issuance Mandate, the extension of the Issuance Mandate by the addition thereto of the nominal amount of Shares repurchased pursuant to the Repurchase Mandate, and the amendments to the Bye-laws.

Pursuant to Rule 13.39(4) of the Listing Rules, any vote of shareholders at a general meeting must be taken by poll. Accordingly, all resolutions will be put to vote by way of poll at the Annual General Meeting. An announcement on the poll vote results will be made by the Company after the Annual General Meeting in the manner prescribed under Rule 13.39(5) of the Listing Rules.

A form of proxy for use at the Annual General Meeting is enclosed with this circular and such form of proxy is also published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.kcbh.com.hk). To be valid, the form of proxy must be completed and signed in accordance with the instructions printed thereon and deposited, together with the power of attorney or other authority (if any) under which it is signed or a certified copy of that power of attorney or authority at the office of the Company's Share Registrar in Hong Kong, Computershare Hong Kong Investor Services Limited, at Rooms 1806-7, 18th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong, not less than 48 hours before the time appointed for holding the Annual General Meeting or any adjournment thereof. Completion and delivery of the form of proxy will not preclude you from attending and voting at the Annual General Meeting if you so wish.

LETTER FROM THE BOARD

6. RECOMMENDATION

The Directors consider that the proposed re-election of the retiring Directors, the granting of the Repurchase Mandate, the granting/extension of the Issuance Mandate and the amendments to the Bye-laws are in the interests of the Company, the Group and the Shareholders. Accordingly, the Directors recommend the Shareholders to vote in favour of the relevant resolutions to be proposed at the Annual General Meeting.

7. GENERAL INFORMATION

Your attention is drawn to the additional information set out in Appendix I (Details of the retiring Directors proposed to be re-elected at the Annual General Meeting) and Appendix II (Explanatory Statement on the Repurchase Mandate) to this circular.

Yours faithfully,
By order of the Board
Wong Chung Pak, Thomas
Chairman

Pursuant to the Listing Rules, the details of the Directors who will retire at the Annual General Meeting according to the Bye-laws and will be proposed to be re-elected at the Annual General Meeting are provided below:

- (1) **Mr. WONG Leung Pak, Matthew**, aged 53, joined the Group in the early 1970s. Mr. Wong is the Chief Executive Officer and Managing Director of the Group and is responsible for day-to-day management of the business. Mr. Wong has over 30 years experience in the bus business. Mr. Wong is currently the Chairman of the Public Omnibus Operators Association in Hong Kong. Mr. Wong is the brother of Messrs. Wong Chung Pak, Thomas and Wong Wing Pak. He is also a director of Wong Family Holdings (PTC) Limited, which has an interest in the shares of the Company as disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO.

As at the Latest Practicable Date, he was deemed to be interested in 130,280,646 Shares of the Company within the meaning of Part XV of the SFO. He is not and has not been a director of any other listed companies in the last three years. According to his service contract with the Company for a term of five years from 1 October 2004, Mr. Wong's annual emoluments shall be approximately HK\$3,076,000, which include monthly remuneration, pension scheme contributions and a year end discretionary bonus and is determined based on his experience, skills, performances, contributions and qualifications.

There is no information which is discloseable nor is/was Mr. Wong involved in any of the matters required to be disclosed pursuant to any of the requirements under paragraphs 13.51(2)(h) to 13.51(2)(v) of the Listing Rules and there are no other matters concerning Mr. Wong that need to be brought to the attention of the Shareholders.

- (2) **Mr. CHENG Wai Po, Samuel**, aged 49, has been an executive director of the Group since 2004. Mr. Cheng is the Managing Director of Citybus Limited and New World First Bus Services Limited (the latter having an interest in the underlying shares of the Company as disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO). He graduated from the University of Hong Kong with a Bachelor's Degree of Social Sciences and is a member of the Hong Kong Institute of Certified Public Accountants. He has no relationships with any other Directors, senior management or substantial or controlling Shareholders of the Company.

As at the Latest Practicable Date, he was not deemed to be interested in any Shares of the Company within the meaning of Part XV of the SFO. He is not and has not been a director of any other listed companies in the last three years. Mr. Cheng has not entered into any service contract with the Company and does not receive any emolument from the Company.

There is no information which is discloseable nor is/was Mr. Cheng involved in any of the matters required to be disclosed pursuant to any of the requirements under paragraphs 13.51(2)(h) to 13.51(2)(v) of the Listing Rules and there are no other matters concerning Mr. Cheng that need to be brought to the attention of the Shareholders.

- (3) **Mr. CHAN Yu Kwong, Francis**, aged 59, is an executive director of the Group. Mr. Chan graduated from the University of Melbourne, Australia, with a Bachelor's Degree of Commerce. He is a fellow member of both the CPA Australia and the Hong Kong Institute of Certified Public Accountants. Prior to joining the Group in 1997, he had worked for a major international accounting firm for approximately 15 years. Mr. Chan participates in corporate finance and the Mainland China business department with substantive involvement in the management of travel agency, hotel and tourism related businesses in Chongqing and Sichuan Province. He also participates in the Group's financial reporting functions with the support from the Group's financial controller in Hong Kong. He has no relationships with any other Directors, senior management or substantial or controlling Shareholders of the Company.

As at the Latest Practicable Date, he was deemed to be interested in 1,200,000 Shares of the Company within the meaning of Part XV of the SFO. He is not and has not been a director of any other listed companies in the last three years. According to his service contract with the Company for a term of five years from 1 October 2004, Mr. Chan's annual emoluments shall be approximately HK\$1,348,000, which include monthly remuneration, pension scheme contributions and a year end discretionary bonus and is determined based on his experience, skills, performances, contributions and qualifications.

There is no information which is discloseable nor is/was Mr. Chan involved in any of the matters required to be disclosed pursuant to any of the requirements under paragraphs 13.51(2)(h) to 13.51(2)(v) of the Listing Rules and there are no other matters concerning Mr.Chan that need to be brought to the attention of the Shareholders.

- (4) **Mr. NG King Yee**, aged 60, is an executive director of the Group. Mr. Ng graduated from the Chinese University of Hong Kong, with a Bachelor's Degree of Business Administration. He is a member of the Chartered Institute of Transport of the United Kingdom. Mr. Ng is responsible for the Group's operations in Hubei Province, Guangzhou and Shantou of Mainland China. Mr. Ng joined the Group in 1993. He is also an adviser to the Guangdong Traffic and Transport Association. He has no relationships with any other Directors, senior management or substantial or controlling Shareholders of the Company.

As at the Latest Practicable Date, he was deemed to be interested in 1,300,000 Shares of the Company within the meaning of Part XV of the SFO. He is not and has not been a director of any other listed companies in the last three years. According to his service contract with the Company for a term of five years from 1 October 2004, Mr. Ng's annual emoluments shall be approximately HK\$732,000, which include monthly remuneration, pension scheme contributions and a year end discretionary bonus and is determined based on his experience, skills, performances, contributions and qualifications.

There is no information which is discloseable nor is/was Mr. Ng involved in any of the matters required to be disclosed pursuant to any of the requirements under paragraphs 13.51(2)(h) to 13.51(2)(v) of the Listing Rules and there are no other matters concerning Mr. Ng that need to be brought to the attention of the Shareholders.

- (5) **Mr. MOK Wah Fun, Peter**, aged 58, joined the Group in 1996. Mr. Mok is an executive director of the Group and is responsible for general management, public relations and marketing. He graduated from the University of Hong Kong with a Bachelor's Degree of Arts, a Post-Graduate Diploma in Education and a Master's Degree of Social Sciences. He is also a member of the Chartered Institute of Logistics and Transport. He has no relationships with any other Directors, senior management or substantial or controlling Shareholders of the Company.

As at the Latest Practicable Date, he was deemed to be interested in 1,200,000 Shares of the Company within the meaning of Part XV of the SFO. He is not and has not been a director of any other listed companies in the last three years. According to his service contract with the Company for a term of five years from 1 October 2004, Mr Mok's annual emoluments shall be approximately HK\$910,000, which include monthly remuneration, pension scheme contributions and a year end discretionary bonus and is determined based on his experience, skills, performances, contributions and qualifications.

There is no information which is discloseable nor is/was Mr. Mok involved in any of the matters required to be disclosed pursuant to any of the requirements under paragraphs 13.51(2)(h) to 13.51(2)(v) of the Listing Rules and there are no other matters concerning Mr. Mok that need to be brought to the attention of the Shareholders.

The following is an explanatory statement required by the Listing Rules to be sent to the Shareholders to enable them to make an informed decision on whether to vote for or against the ordinary resolution to be proposed at the Annual General Meeting in relation to the granting of the Repurchase Mandate.

1. REASONS FOR REPURCHASE OF SHARES

The Directors believe that the granting of the Repurchase Mandate is in the interests of the Company and the Shareholders.

Repurchases of Shares may, depending on the market conditions and funding arrangements at the time, lead to an enhancement of the net asset value per Share and/or earnings per Share. The Directors are seeking the granting of the Repurchase Mandate to give the Company the flexibility to do so if and when appropriate. The number of Shares to be repurchased on any occasion and the price and other terms upon which the same are repurchased will be decided by the Directors at the relevant time, having regard to the circumstances then pertaining.

2. SHARE CAPITAL

As at the Latest Practicable Date, the issued share capital of the Company comprised 394,906,000 Shares.

Subject to the passing of the ordinary resolution set out in item 5 of the notice of the Annual General Meeting in respect of the granting of the Repurchase Mandate and on the basis that the issued share capital of the Company remains unchanged on the date of the Annual General Meeting, the Directors would be authorised under the Repurchase Mandate to repurchase an aggregate nominal amount of Shares of up to HK\$3,949,060 (equivalent to 39,490,600 Shares), representing 10% of the aggregate nominal amount of the Shares in issue as at the date of the Annual General Meeting, during the period in which the Repurchase Mandate remains in force.

3. FUNDING OF REPURCHASES

In repurchasing Shares, the Company may only apply funds legally available for such purpose in accordance with its Memorandum of Association and Bye-laws, the laws of Bermuda and/or any other applicable laws.

The Company is empowered by its Memorandum of Association and Bye-laws to repurchase Shares. The laws of Bermuda provide that the amount of capital paid in connection with a share repurchase by a company may only be paid out of either the capital paid up on the relevant shares, or the funds of the company which would otherwise be available for dividend or distribution or the proceeds of a fresh issue of shares made for such purpose. The amount of premium payable on repurchase may only be paid out of funds of the company which would otherwise be available for dividend or distribution or out of the share premium account of the company.

4. IMPACT OF REPURCHASES

There might be a material adverse impact on the working capital or gearing position of the Company (as compared with the position disclosed in the audited accounts contained in the annual report of the Company for the year ended 31 March 2009) in the event that the Repurchase Mandate was to be carried out in full at any time during the proposed repurchase period. However, the Directors do not intend to exercise the Repurchase Mandate to such extent as would, in the circumstances, have a material adverse effect on the working capital requirements of the Company or the gearing levels which in the opinion of the Directors are from time to time appropriate for the Company.

5. TAKEOVERS CODE

If, on the exercise of the power to repurchase Shares pursuant to the Repurchase Mandate, a Shareholder's proportionate interest in the voting rights of the Company increases, such increase will be treated as an acquisition for the purposes of the Takeovers Code. Accordingly, a Shareholder, or group of Shareholders acting in concert, could obtain or consolidate control of the Company and become obliged to make a mandatory offer in accordance with Rule 26 of the Takeovers Code for all the Shares not already owned by such Shareholder or group of Shareholders.

As at the Latest Practicable Date, Wong Family Holdings (PTC) Limited, which is a substantial Shareholder of the Company and Mr. Wong Chung Pak, Thomas, Mr. Wong Leung Pak, Matthew and Mr. Wong Wing Pak, directors of the Company, owned approximately 32.51% of the issued share capital of the Company. On the basis that no further Shares are issued or repurchased prior to the Annual General Meeting, in the event that the Directors exercise in full the power to repurchase Shares pursuant to the Repurchase Mandate, the aforesaid shareholdings of 32.51% in the Company would be increased to approximately 36.13% of the total issued share capital of the Company such will give rise to an obligation to make a mandatory offer under Rule 26 of the Takeovers Code. If so, the Directors will take necessary steps to comply with the Listing Rules and the Takeovers Code. In fact, the Directors presently do not have intention to exercise in full the power to repurchase Shares of the Company or to repurchase shares to the extent that it will trigger the obligations under the Takeovers Code to make a mandatory offer. In addition, the Company will have periodical checkings on the public float level. If the percentage falls below the minimum requirement under the Listing Rules, the Company will take the necessary actions at the earliest possible moment.

6. GENERAL

None of the Directors or, to the best of their knowledge having made all reasonable enquiries, any of their respective associates (as defined in the Listing Rules) have any present intention to sell any Shares to the Company in the event that the granting of the Repurchase Mandate is approved by the Shareholders.

The Company has not been notified by any connected persons (as defined in the Listing Rules) of the Company that they have a present intention to sell any Shares to the Company, or that they have undertaken not to sell any Shares held by them to the Company in the event that the granting of the Repurchase Mandate is approved by the Shareholders.

The Directors have undertaken to the Stock Exchange to exercise the power of the Company to make repurchases of Shares pursuant to the Repurchase Mandate in accordance with the Listing Rules and the laws of Bermuda.

7. MARKET PRICES OF SHARES

The highest and lowest prices per Share at which the Shares have traded on the Stock Exchange during each of the previous 12 months were as follows:

Month	Highest <i>HK\$</i>	Lowest <i>HK\$</i>
2008		
July	0.96	0.81
August	0.91	0.90
September	0.90	0.70
October	0.92	0.61
November	0.88	0.61
December	0.80	0.75
2009		
January	0.80	0.75
February	0.78	0.74
March	0.80	0.75
April	0.90	0.73
May	0.96	0.79
June	0.96	0.85
July (up to the Latest Practicable Date)	1.01	0.70

8. REPURCHASES OF SHARES MADE BY THE COMPANY

No repurchase of Shares has been made by the Company during the previous six months (whether on the Stock Exchange or otherwise).

NOTICE OF THE ANNUAL GENERAL MEETING



KWOON CHUNG BUS HOLDINGS LIMITED

冠忠巴士集團有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 306)

NOTICE IS HEREBY GIVEN that an Annual General Meeting of Kwoon Chung Bus Holdings Limited (the “Company”) will be held at Ground Floor Function Room, The Hong Kong City Garden Hotel, 9 City Garden Road, North Point, Hong Kong on Tuesday, 1 September 2009 at 2:30 p.m. for the following purposes:

1. To receive and consider the audited consolidated financial statements of the Company and the reports of the Directors and Auditors for the year ended 31 March 2009;
2. To declare a final dividend of HK5.0 cents per share and a special dividend of HK3.0 cents per share;
3. To re-elect the retiring Directors, to fix the maximum number of Directors, to authorise the Board of Directors to appoint additional Directors up to the maximum number determined and to authorise the Board of Directors to fix the Directors’ remuneration;
4. To appoint Auditors and to authorise the Board of Directors to fix their remuneration;
5. To consider as special business and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

“THAT:

- (a) subject to paragraph (b) below, the exercise by the Directors during the Relevant Period (as defined below) of all the powers of the Company to purchase its shares, subject to and in accordance with the applicable laws, be and is hereby generally and unconditionally approved;
- (b) the total nominal amount of shares of the Company to be purchased pursuant to the approval in paragraph (a) above shall not exceed 10% of the total nominal amount of the share capital of the Company in issue on the date of passing of this resolution and the said approval shall be limited accordingly; and

* *for identification purposes only*

NOTICE OF THE ANNUAL GENERAL MEETING

- (c) for the purpose of this resolution, “Relevant Period” means the period from the passing of this resolution until whichever is the earliest of:
 - (i) the conclusion of the next annual general meeting of the Company;
 - (ii) the revocation or variation of the authority given under this resolution by ordinary resolution passed by the Company’s shareholders in general meeting; and
 - (iii) the expiration of the period within which the next annual general meeting of the Company is required by the Bye-laws of the Company or any applicable laws to be held.”;

- 6. To consider as special business and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

“THAT:

- (a) subject to paragraph (c) below, the exercise by the Directors during the Relevant Period (as defined below) of all the powers of the Company to allot, issue and deal with authorised and unissued shares in the capital of the Company and to make or grant offers, agreements and options which might require the exercise of such powers be and is hereby generally and unconditionally approved;
- (b) the approval in paragraph (a) above shall authorise the Directors to make or grant offers, agreements and options during the Relevant Period which would or might require the exercise of such powers after the end of the Relevant Period;
- (c) the aggregate nominal amount of share capital allotted or agreed conditionally or unconditionally to be allotted by the Directors pursuant to the approval in paragraph (a) above, otherwise than pursuant to:
 - (i) a Rights Issue (as defined below);
 - (ii) the exercise of options under a share option scheme of the Company; and
 - (iii) any scrip dividend scheme or similar arrangement providing for the allotment of shares in lieu of the whole or part of a dividend on shares of the Company in accordance with the Bye-laws of the Company,

shall not exceed 20% of the aggregate nominal amount of the issued share capital of the Company on the date of the passing of this resolution and this approval shall be limited accordingly; and

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(d) for the purposes of this resolution:

“Relevant Period” means the period from the passing of this resolution until whichever is the earliest of:

- (i) the conclusion of the next annual general meeting of the Company;
- (ii) the revocation or variation of the authority given under this resolution by ordinary resolution passed by the Company’s shareholders in general meeting; and
- (iii) the expiration of the period within which the next annual general meeting of the Company is required by the Bye-laws of the Company or any applicable laws to be held; and

“Rights Issue” means an offer of shares open for a period fixed by the Directors to holders of shares of the Company or any class thereof on the register on a fixed record date in proportion to their then holdings of such shares or class thereof (subject to such exclusions or other arrangements as the Directors may deem necessary or expedient in relation to fractional entitlements or having regard to any restrictions or obligations under the laws of any relevant jurisdiction or the requirements of any recognised regulatory body or any stock exchange).”;

7. To consider as special business and, if thought fit, pass with or without amendments, the following resolution as an ordinary resolution:

“**THAT** conditional upon the passing of resolutions set out in items 5 and 6 of the notice convening this meeting, the general mandate referred to in resolution set out in item 6 of the notice be and is hereby extended by the addition to the aggregate nominal amount of shares which may be allotted and issued or agreed conditionally or unconditionally to be allotted and issued by the Directors pursuant to such general mandate of an amount representing the aggregate nominal amount of shares purchased by the Company pursuant to the mandate referred to in resolution set out in item 5 of the notice provided that such amount shall not exceed 10% of the aggregate nominal amount of the share capital of the Company in issue on the date of the passing of this resolution.”; and

8. To consider as special business and, if thought fit, pass with or without amendments, the following resolution as a special resolution:

“**THAT** the Bye-laws of the Company be and are hereby amended in the following manner:

(a) by adding the following definition in Bye-law 1 immediately after the definition of “Statutes”:

“the Company’s website” the website of the Company, the address or domain name of which has been notified to members.”

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- (b) by deleting the existing Bye-law 44 in its entirety and substituting therefor the following:

“44. The Register and branch register of Members, as the case may be, shall be open to inspection between 10 a.m. and 12 noon on every business day by Members without charge or by any other person, upon a maximum payment of five Bermuda dollars, at the Office or such other place in Bermuda at which the Register is kept in accordance with the Act or, if appropriate, upon a maximum payment of ten dollars at the Registration Office. The Register including any overseas or local or other branch register of Members may, after notice has been given by advertisement in an appointed newspaper and any other newspapers or in such other manner as may be prescribed or permitted by the rules of the Designated Stock Exchange, to that effect, be closed at such times or for such periods not exceeding in the whole thirty (30) days in each year as the Board may determine and either generally or in respect of any class of shares.”;

- (c) by deleting the existing Bye-law 51 in its entirety and substituting therefor the following:

“51. The registration of transfers of shares or of any class of shares may, after notice has been given by advertisement in an appointed newspaper and any other newspapers or in such other manner as may be prescribed or permitted by the rules of the Designated Stock Exchange, to that effect be suspended at such times and for such periods (not exceeding in the whole thirty (30) days in any year) as the Board may determine.”;

- (d) by deleting the existing Bye-law 55.(2)(c) in its entirety and substituting therefor the following:

“55.(2) (c) the Company, if so required by the rules governing the listing of shares on the Designated Stock Exchange, has notified the Designated Stock Exchange and published notice by way of an advertisement in newspapers or in such other manner as may be prescribed or permitted by the rules of the Designated Stock Exchange of its intention to sell such shares, and a period of three (3) months or such shorter period as may be allowed by the Designated Stock Exchange has elapsed since the date of such notice.”;

“For the purpose of the foregoing, the “relevant period” means the period commencing twelve years before the date of publication of the notice referred to in paragraph (c) of this Bye-law and ending at the expiry of the period referred to in that paragraph.”

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- (e) by deleting the existing Bye-law 153 in its entirety and substituting therefor the following:

“153. Subject to Section 88 of the Act, a copy of the Directors' report, accompanied by the balance sheet and profit and loss account, including every document required by law to be annexed thereto, made up to the end of the applicable financial year and containing a summary of the assets and liabilities of the Company under convenient heads and a statement of income and expenditure, together with a copy of the Auditors' report, shall be sent (whether in printed form or by electronic means or in such other manner as may be prescribed or permitted by the rules of the Designated Stock Exchange) to each person entitled thereto at least twenty-one (21) days before the date of the general meeting and laid before the Company in general meeting in accordance with the requirements of the Act provided that this Bye-law shall not require a copy of those documents to be sent to any person whose address the Company is not aware or to more than one of the joint holders of any shares or debentures.”;

- (f) by deleting the existing Bye-law 160 in its entirety and substituting therefor the following:

“160. Subject to the requirements of the Designated Stock Exchange and all applicable laws and regulations, any notice or document (including any “corporate communication” as defined in any applicable rules prescribed by the Designated Stock Exchange) may be served by the Company on any Member either:

- (i) by serving it personally on the Member;
- (ii) by sending it through the post in a prepaid envelope or wrapper addressed to such Member at his registered address as appears in the Register or at any other address supplied by him to the Company for the purpose;
- (iii) by delivering or leaving it at such address as aforesaid;
- (iv) by sending or transmitting it to such electronic address provided by such Member to the Company or through other electronic medium;
- (v) by publishing it on the Company’s website provided that a notice stating that the notice or other document is available there (a “notice of availability”) is given to the relevant Member. The notice of availability may be given to the Member by any of the means set out in this Bye-law 160;

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- (vi) by placing an advertisement in English in at least one English language newspaper or publication and in Chinese in at least one Chinese language newspaper or publication in accordance with these Bye-laws and the applicable laws, rules and regulations; or
- (vii) by sending or otherwise making it available to such Member through such other means to the extent permitted by and in accordance with the requirements of the Designated Stock Exchange and all applicable laws and regulations.

In the case of joint holders of a share all notices shall be given to that one of the joint holders whose name stands first in the Register and the Notice so given shall be deemed a sufficient service on or delivery to all the joint holders.”;

- (g) by deleting the existing Bye-law 161 in its entirety and substituting therefor the following:

“161. Subject to the requirements of the Designated Stock Exchange and all applicable laws and regulations, any notice or document (including any “corporate communication” as defined in any applicable rules prescribed by the Designated Stock Exchange) given or issued by or on behalf of the Company shall be deemed to have been served in the following manner:

- (i) if served or delivered in person, shall be deemed to have been served or delivered at the time of personal service or delivery and in proving such service or delivery, a certificate in writing signed by the Secretary or other officer of the Company or other person appointed by the Board that the notice, document or publication was so served or delivered shall be conclusive evidence of the service or delivery;
- (ii) if sent by post, shall be deemed to have been served or delivered on the day following that on which the envelope or wrapper containing the same is put into the post and in proving such service or delivery it shall be sufficient to prove that the envelope or wrapper containing the notice or document was properly addressed, prepaid and put into the post and a certificate in writing signed by the Secretary or other officer of the Company or other person appointed by the Board that the envelope or wrapper containing the notice or document was so addressed, prepaid and put into the post shall be conclusive evidence thereof;

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- (iii) if sent or transmitted by electronic transmission, shall be deemed to have been served on the day on which the notice or document is sent or transmitted;
 - (iv) if published on the Company's website, shall be deemed to have been served on the day following that on which a notice of availability is deemed served on the Member; or
 - (v) if published as an advertisement in a newspaper or other publication, shall be deemed to have been served on the day on which the advertisement first so appears.”;
- (h) by deleting the existing Bye-laws 162.(1) and 162.(2) in their entirety and substituting therefor the following:
- “162. (1) Any Notice or other document delivered or sent to any Member in pursuance of these Bye-laws shall, notwithstanding that such Member is then dead or bankrupt or that any other event has occurred, and whether or not the Company has notice of the death or bankruptcy or other event, be deemed to have been duly served or delivered in respect of any share registered in the name of such Member as sole or joint holder unless his name shall, at the time of the service or delivery of the notice or document, have been removed from the Register as the holder of the share, and such service or delivery shall for all purposes be deemed a sufficient service or delivery of such Notice or document on all persons interested (whether jointly with or as claiming through or under him) in the share.
- (2) A Notice may be given by the Company to the person entitled to a share in consequence of the death, mental disorder or bankruptcy of a Member by sending it through the post in a prepaid letter, envelope or wrapper, or in any manner in pursuance of these Bye-laws, addressed to him by name, or by the title of representative of the deceased, or trustee of the bankrupt, or by any like description, at the address, if any, supplied for the purpose by the person claiming to be so entitled, or (until such an address has been so supplied) by giving the notice in any manner in which the same might have been given if the death, mental disorder or bankruptcy had not occurred.

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- (i) by deleting the existing Bye-law 163 in its entirety and substituting therefor the following:

“163. For the purposes of these Bye-laws, a cable or telex or facsimile or electronic transmission message purporting to come from a holder of shares or, as the case may be, a Director or alternate Director, or, in the case of a corporation which is a holder of shares from a director or the secretary thereof or a duly appointed attorney or duly authorised representative thereof for it and on its behalf, shall in the absence of express evidence to the contrary available to the person relying thereon at the relevant time be deemed to be a document or instrument in writing signed by such holder or Director or alternate Director in the terms in which it is received.”

By order of the Board
Wong Chung Pak, Thomas
Chairman

Hong Kong, 31 July 2009

Notes:

1. Any Member of the Company entitled to attend and vote at the above meeting is entitled to appoint a proxy to attend and vote instead of him. A proxy need not be a Member of the Company. A Member who is the holder of two or more shares of the Company may appoint more than one proxy to represent him to attend and vote on his behalf. If more than one proxy is so appointed, the appointment shall specify the number and class of shares in respect of which each such proxy is so appointed.
2. To be effective, a form of proxy together with the power of attorney or other authority, if any, under which it is signed or a certified copy of that power or authority, must be deposited at the office of the Company's Share Registrar in Hong Kong, Computershare Hong Kong Investor Services Limited at Rooms 1806-7, 18th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong not less than 48 hours before the time appointed for the holding of the meeting or any adjournment thereof. Delivery of the form of proxy shall not preclude a Member of the Company from attending and voting in person at the meeting and, in such event, the instrument appointing a proxy shall be deemed to be revoked.
3. The register of members of the Company will be closed from Friday, 28 August 2009 to Tuesday, 1 September 2009, both days inclusive, during which period no transfer of shares of the Company will be registered. In order to qualify for the entitlement to the proposed final dividend and special dividend for the year ended 31 March 2009 and attending and voting at the above meeting, 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 2009.
4. In relation to the ordinary resolutions set out in items 5, 6 and 7 of the above notice, the Directors wish to state that they have no immediate plan to issue any new shares or repurchase any existing shares of the Company.