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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, bank manager, solicitor, professional accountant or other professional adviser.

If you have sold or transferred all your shares in The Kowloon Motor 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, licensed securities dealer or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

**THE KOWLOON MOTOR BUS HOLDINGS LIMITED**

(incorporated in Bermuda with limited liability)

(Stock code: 062)

**GENERAL MANDATES TO ISSUE SHARES AND
TO REPURCHASE SHARES,
RE-ELECTION OF DIRECTORS
AND
NOTICE OF ANNUAL GENERAL MEETING**

A letter from the Board is set out on pages 1 to 4 of this circular.

A notice convening the Annual General Meeting of The Kowloon Motor Bus Holdings Limited (the "Company") to be held at The Royal Plaza Hotel, Grand Ballroom, 193 Prince Edward Road West, Kowloon, Hong Kong at 2:30 p.m. on Thursday, 19 May 2005 (the "Annual General Meeting") to consider and, if thought fit, to approve the Ordinary Resolutions, is set out on pages 16 to 19 of this circular. Whether or not you are able to attend the Annual General Meeting, you are requested to complete the enclosed form of proxy in accordance with the instructions printed thereon and return the same to the Company's principal office at No. 1, Po Lun Street, Lai Chi Kok, Kowloon, Hong Kong as soon as possible and in any event not less than 48 hours before the time appointed for holding the Annual General Meeting or any adjournment thereof. Completion and return of the form of proxy shall not preclude you from attending and voting in person at the Annual General Meeting or any adjournment thereof should you so desire.

LETTER FROM THE BOARD



THE KOWLOON MOTOR BUS HOLDINGS LIMITED

(incorporated in Bermuda with limited liability)

(Stock code: 062)

Directors:

The Hon Sir Sze-yuen CHUNG*, *GBM, GBE, PhD, FREng, JP*

Chairman

Dr Norman LEUNG Nai Pang, *GBS, JP*

Deputy Chairman

KWOK Ping-luen, Raymond

KWOK Ping-sheung, Walter, *JP*

YU Shu Chuen

Honorary Executive Director

NG Siu Chan

William LOUEY Lai Kuen

John CHAN Cho Chak, *GBS, JP*

Managing Director

Charles LUI Chung Yuen, *M.H.*

Executive Director

Winnie NG

Executive Director

Dr KUNG Ziang Mien, James*, *GBS, OBE*

George CHIEN Yuan Hwei

Dr Eric LI Ka Cheung*, *GBS, OBE, JP*

LUI Pochiu

Executive Director

Edmond HO Tat Man

Deputy Managing Director

Rafael HUI, *GBS, JP*

SIU Kwing-chue, Gordon*, *GBS, CBE, JP*

Susanna LAU Shung Oi

(Alternate Director to Mr KWOK Ping-sheung, Walter, JP)

KUNG Lin Cheng, Leo

(Alternate Director to Dr KUNG Ziang Mien, James, GBS, OBE)*

(Independent Non-executive Director)*

Registered Office:

Clarendon House

2 Church Street

Hamilton HM11

Bermuda

Hong Kong Principal Office:

No. 1, Po Lun Street

Lai Chi Kok

Kowloon

Hong Kong

LETTER FROM THE BOARD

25 April 2005

To the shareholders

Dear Sir or Madam,

GENERAL MANDATES TO ISSUE SHARES AND TO REPURCHASE SHARES, RE-ELECTION OF DIRECTORS AND NOTICE OF ANNUAL GENERAL MEETING

INTRODUCTION

At the annual general meeting of the Company to be held on Thursday, 19 May 2005 (the “Annual General Meeting”), resolutions will be proposed to, inter alia, (i) grant to the directors of the Company (the “Directors”) general mandates to issue the shares of HK\$1.00 each in the Company (the “Shares”) and to repurchase the Shares of the Company since the previous general mandate granted to the Directors on 20 May 2004 to issue Shares and to repurchase Shares will expire at the Annual General Meeting, and (ii) re-elect the Directors. This circular contains the explanatory statement in compliance with the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”), to give all the information reasonably necessary to enable the shareholders of the Company (the “Shareholders”) to make an informed decision on whether to vote for or against the resolutions to approve the issue and allotment of new Shares and the repurchase by the Company of its own Shares. This circular also contains biographies of the Directors who will retire at the Annual General Meeting and, being eligible, will offer themselves for re-election.

1. GENERAL MANDATE TO ISSUE SHARES

At the Annual General Meeting, an ordinary resolution will be proposed for the Shareholders to consider and, if thought fit, grant a general mandate to the Directors to exercise all powers of the Company to allot, issue and deal with the Shares (the “Share Issue Mandate”). The Shares which may be allotted and issued pursuant to the Share Issue Mandate shall not exceed 20% of the issued share capital of the Company in issue as at the date of passing of the resolution approving the Share Issue Mandate. The Share Issue Mandate shall expire upon whichever is the earliest of (i) the date of the next annual general meeting, (ii) the date by which the next annual general meeting of the Company is required to be held by law or Memorandum and Bye-laws of the Company and (iii) the date upon which such authority given under the Share Issue Mandate is revoked or varied by an ordinary resolution of the Shareholders. Details of the Share Issue Mandate is set out in Resolution 5(A) in the Notice of Annual General Meeting on pages 16 to 19 of this circular.

In addition, an ordinary resolution will also be proposed for the Shareholders to consider and, if thought fit, approve the extension of the Share Issue Mandate by adding to the aggregate number of Shares which may be allotted or agreed conditionally or unconditionally to be allotted by the Directors pursuant to the Share Issue Mandate the number of Shares repurchased pursuant to the Share Repurchase Mandate (as hereinafter defined), if granted.

LETTER FROM THE BOARD

2. GENERAL MANDATE TO REPURCHASE SHARES

At the Annual General Meeting, an ordinary resolution will be proposed for the Shareholders to consider and, if thought fit, grant a general mandate to the Directors to exercise all powers of the Company to repurchase issued and fully paid Shares in the capital of the Company (the “Share Repurchase Mandate”). Under the Share Repurchase Mandate, the number of Shares that the Company may repurchase shall not exceed 10% of the issued share capital of the Company on the date of passing of the resolution approving the Share Repurchase Mandate. The Company’s authority is restricted to repurchase made on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”).

On 15 April 2005, being the latest practicable date prior to printing of this circular (the “Latest Practicable Date”), the issued share capital of the Company comprised 403,639,413 Shares. Exercise in full of the Share Repurchase Mandate, on the basis that no further Shares are issued or repurchased between the period from the Latest Practicable Date to the date of the Annual General Meeting, could accordingly result in up to 40,363,941 Shares being repurchased by the Company. An explanatory statement as required under the Listing Rules, giving certain information regarding the Share Repurchase Mandate together with the details of the repurchases of the Shares made by the Company during the six months preceding the Latest Practicable Date, is set out in Appendix I to this circular. The Share Repurchase Mandate allows the Company to make repurchases only during the period ending on the earliest of (i) the date of the next annual general meeting, (ii) the date by which the next annual general meeting of the Company is required to be held by law or Memorandum and Bye-laws of the Company and (iii) the date upon which such authority given under the Share Repurchase Mandate is revoked or varied by an ordinary resolution of the Shareholders. Details of the Share Repurchase Mandate is set out in Resolution 5(B) in the Notice of Annual General Meeting on pages 16 to 19 of this circular.

3. RE-ELECTION OF DIRECTORS

To comply with Paragraph A.4.2 of the Code on Corporate Governance Practices set out in Appendix 14 of the Listing Rules, as at the Latest Practicable Date, the following Directors will retire at the Annual General Meeting and, being eligible, will offer themselves for re-election:–

The Hon Sir Sze-yuen CHUNG*, *GBM, GBE, PhD, FREng, JP*

Dr Norman LEUNG Nai Pang, *GBS, JP*

KWOK Ping-sheung, Walter, *JP*

NG Siu Chan

William LOUEY Lai Kuen

John CHAN Cho Chak, *GBS, JP*

Dr KUNG Ziang Mien, James*, *GBS, OBE*

SIU Kwing-chue, Gordon*, *GBS, CBE, JP*

(* *Independent Non-executive Director*)

Details of the above Directors are set out in Appendix II to this circular.

LETTER FROM THE BOARD

4. ANNUAL GENERAL MEETING

A notice convening the Annual General Meeting to be held at The Royal Plaza Hotel, Grand Ballroom, 193 Prince Edward Road West, Kowloon, Hong Kong on 19 May 2005 at 2:30 p.m. is set out on pages 16 to 19 of this circular. At the Annual General Meeting, resolutions will be proposed to approve, inter alia, the Share Issue Mandate, the Share Repurchase Mandate and the re-election of Directors.

The procedure by which Shareholders may demand a poll at any general meeting of the Company is set out in Appendix III to this circular.

A proxy form for use at the Annual General Meeting is enclosed. Whether or not you are able to attend the Annual General Meeting, you are requested to complete the accompanying proxy form in accordance with the instructions printed thereon and return the same to the Company's principal office at No. 1, Po Lun Street, Lai Chi Kok, Kowloon, Hong Kong as soon as possible and in any event not later than 48 hours before the time appointed for the holding of the meeting or any adjournment thereof. Completion and return of the proxy form will not prevent the Shareholders from attending and voting at the Annual General Meeting if they so wish.

5. RECOMMENDATION

The Directors consider that the grant of the Share Issue Mandate and the Share Repurchase Mandate, and the re-election of the Directors to be proposed at the Annual General Meeting are in the interest of the Company and the Shareholders and so recommend all Shareholders to vote in favour of the resolutions at the Annual General Meeting. The Directors will vote all their shareholdings in favour of those resolutions at the Annual General Meeting.

By Order of the Board
John CHAN Cho Chak
Managing Director

The following is the Explanatory Statement required to be sent to the Shareholders under the Listing Rules in connection with the proposed Share Repurchase Mandate.

1. LISTING RULES

The Listing Rules permit companies with a primary listing on the Stock Exchange to repurchase their fully-paid up shares traded on the Stock Exchange or any other stock exchange on which the shares of the Company may be listed and recognised by the Securities and Futures Commission and the Stock Exchange for this purpose subject to certain restrictions.

2. SHARE CAPITAL OF THE COMPANY

As at the Latest Practicable Date, the issued share capital of the Company comprised 403,639,413 Shares. Subject to the passing of the ordinary resolution approving the Share Repurchase Mandate and on the basis that no further Shares will be issued or repurchased between the period from the Latest Practicable Date to the date of the Annual General Meeting, the Company would be allowed under the Share Repurchase Mandate to repurchase a maximum of 40,363,941 Shares.

3. REASONS FOR REPURCHASE OF SHARES

The Directors consider that the Share Repurchase Mandate is in the interest of the Company and the Shareholders as a whole and will provide the Company the flexibility to make repurchases of Shares when appropriate and beneficial to the Company. Such repurchases may, depending on the circumstances, enhance the net asset value of the Company and/or earnings per Share. The Directors intend that repurchases will only be made when they believe that a repurchase of Shares will benefit the Company and the Shareholders.

4. DIRECTORS, THEIR ASSOCIATES AND OTHER CONNECTED PERSONS

None of the Directors nor, to the best of the knowledge of the Directors having made all reasonable enquiries, any associates (as defined in the Listing Rules) of any of the Directors has any present intention, in the event that the Share Repurchase Mandate is approved by the Shareholders, to sell Shares to the Company.

No other connected persons (as defined in the Listing Rules) of the Company has notified the Company that he/she/it has a present intention to sell Shares to the Company nor has undertaken not to sell any of the Shares held by him/her/it to the Company in the event that the Company is authorised to make repurchase of Shares.

5. UNDERTAKING OF THE DIRECTORS

The Directors have undertaken to the Stock Exchange to exercise the power of the Company to make repurchases pursuant to the Share Repurchase Mandate and in accordance with the Listing Rules, the laws of Hong Kong and all applicable laws of Bermuda, and in accordance with the regulations set out in the Memorandum and Bye-laws of the Company.

6. EFFECT OF THE TAKEOVERS CODE

Under The Code on Takeovers and Mergers (the “Takeovers Code”), a person will be subject to mandatory offer obligations if such person acquires, whether by a series of transactions over a period of time or not, 30% or more of the voting rights of a company. Such threshold was reduced from 35% to 30% with effect from 19 October 2001. However, transitional provisions apply where a person, or two or more persons acting in concert, holds 30% or more of the voting rights of a company but less than 35% of such voting rights immediately prior to 19 October 2001. For so long as such holding remains in this range and until 10 years after that date, the Takeovers Code shall be interpreted and applied as if the 30% trigger in Rule 26.1(a) and (b) of the Takeovers Code was 35% for such person or persons and such person or persons are not subject to the 2% creeper under Rule 26.1(c) and (d) of the Takeovers Code. In this regard, Sun Hung Kai Properties Limited (“SHKP”) has been holding 30% or more of the voting rights of the Company but less than 35% of such voting rights immediately prior to 19 October 2001, the above transitional provisions apply to SHKP for so long as its holding remains within the range of 30% and 35% for a period of 10 years after 19 October 2001.

As at the Latest Practicable Date, to the best of the knowledge and belief of the Directors, SHKP was the single largest Shareholder, and it held or beneficially owned approximately 33.28% of the issued share capital of the Company. In the event that the Directors should exercise in full the power to repurchase Shares which is proposed to be granted pursuant to the Share Repurchase Mandate, SHKP would hold approximately 36.98% of the issued share capital of the Company and such increase would result in an increase in the proportionate interests of SHKP in the voting rights of the Company and be treated as an acquisition of voting rights for the purpose of the Takeovers Code. As a result, a shareholder, or group of shareholders acting in concert, could obtain or consolidate control of a repurchasing company and thereby become obliged to make a general offer in accordance with Rules 26 and 32 of the Takeovers Code.

Since SHKP would hold more than 35% of the issued share capital in the event the Directors should exercise in full the power to repurchase Shares pursuant to the Share Repurchase Mandate, the above transitional provisions under the Takeovers Code will not apply, and mandatory offer obligations under Rules 26 and 32 of the Takeovers Code will arise on the part of SHKP.

The Directors have no present intention to exercise the power to repurchase Shares to the extent that SHKP would have the obligation to make the mandatory offer as aforementioned.

7. SOURCE OF FUNDS

The Company is empowered by its Memorandum of Association and Bye-laws and the laws of Bermuda to repurchase its shares. Repurchases will be funded entirely from the funds legally available for that purpose.

As compared with the financial position of the Company as at 31 December 2004, the Directors consider that there may be a material adverse impact on the working capital and on the gearing position of the Company in the event that the proposed share repurchases were to be carried out in full during the proposed repurchase period. However, the Directors propose that no repurchase would be made in circumstances that would have a material adverse impact on the working capital or gearing ratio of the Company.

8. SHARE PURCHASE MADE BY THE COMPANY

No purchase has been made by the Company of its Shares on the Stock Exchange or otherwise in the six months prior to the Latest Practicable Date.

9. SHARE PRICES

During each of the twelve months preceding the Latest Practicable Date, the highest and lowest traded prices for the Shares on the Stock Exchange were as follows:–

Month	Shares	
	Highest	Lowest
	Traded Price	Traded Price
	<i>HK\$</i>	<i>HK\$</i>
April 2004	40.3	39.2
May 2004	40.3	35.9
June 2004	38.2	36.8
July 2004	38.2	37.2
August 2004	38.0	36.8
September 2004	37.9	36.5
October 2004	37.3	36.1
November 2004	38.3	36.8
December 2004	38.7	37.9
January 2005	38.7	36.8
February 2005	40.1	38.4
March 2005	40.8	39.7

The following are the particulars of the Directors proposed to be re-elected at the Annual General Meeting. Save as disclosed herein, there are no other matters relating to the re-elections that need to be brought to the attention of the Shareholders.

1. The Hon Sir Sze-yuen CHUNG*, GBM, GBE, PhD, FREng, JP

Chairman and Independent Non-executive Director, aged 87. Sir Sze-yuen Chung has been the Chairman and an Independent Non-executive Director of The Kowloon Motor Bus Holdings Limited (the “Company”), The Kowloon Motor Bus Company (1933) Limited (“KMB”) and Long Win Bus Company Limited (“LWB”), both being indirect wholly-owned subsidiaries of the Company, since 12 August 1999. He is a Director of CLP Holdings Limited and Sun Hung Kai Properties Limited, a substantial shareholder of the Company as defined in the Rules Governing the Listing of Securities (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”), and Pro-Chancellor of The Hong Kong University of Science and Technology. Until August 2003 he was a director of Wheelock & Company Limited. Sir Sze-yuen Chung has contributed significantly in Hong Kong’s political, industrial, social and tertiary education fields for over four decades. He was Senior Member of Hong Kong Legislative Council (1974-78), Executive Council (1980-88), and again Convenor of HKSAR Executive Council (1997-99). He was Chairman of Federation of Hong Kong Industries (1966-70), and Hong Kong Productivity Council (1974-78); and President of Engineering Society of Hong Kong (1960-61) and Hong Kong Academy of Engineering Sciences (1994-97). He established Hong Kong Polytechnic in 1972, City Polytechnic in 1984, The Hong Kong University of Science and Technology in 1991 and Hospital Authority in 1990. He was deeply involved in the Sino-British Negotiation on Hong Kong’s future (1982-85) and the establishment of the Hong Kong Special Administrative Region (1992-97).

Save as disclosed above, Sir Sze-yuen Chung does not have any relationship with any other Directors, senior management, substantial shareholders or controlling shareholders of the Company. He holds personal interests in 18,821 shares of the Company and 4,000 shares of RoadShow Holdings Limited, an indirect subsidiary of the Company listed on the Stock Exchange, respectively within the meaning of Part XV of the Securities and Futures Ordinance. As at the Latest Practicable Date, there is no service contract between Sir Sze-yuen Chung and the Company. Sir Sze-yuen Chung has no fixed term of director’s service but is subject to retirement by rotation and re-election at annual general meetings of the Company in accordance with the Bye-laws of the Company (the “Bye-laws”) and the Listing Rules. His emoluments are determined by the Board of Directors of the Company with reference to his duties, responsibilities and the prevailing market practice and his contribution in the Company, and shall be subject to the Shareholders’ approval at the annual general meetings of the Company. For the financial year ended 31 December 2004, the total Director’s fees of Sir Sze-yuen Chung for acting as the Chairman and an Independent Non-executive Director of the Company, KMB and LWB was HK\$404,600. Subject to the Shareholders’ approval for his re-election as a Director of the Company at the forthcoming Annual General Meeting, his period of service as Director of the Company in accordance with the Bye-laws and the Listing Rules will be for a specific term of three years.

(Independent Non-executive Director)*

2. Dr Norman LEUNG Nai Pang, GBS, JP, LLD, BA

Deputy Chairman and Director, aged 64. Dr Leung has been a Director of The Kowloon Motor Bus Holdings Limited (the “Company”), The Kowloon Motor Bus Company (1933) Limited (“KMB”) and Long Win Bus Company Limited (“LWB”), both being indirect wholly-owned subsidiaries of the Company, since 18 March 2000 and Deputy Chairman of the Company, KMB and LWB since 14 June 2001. He is the Executive Deputy Chairman of Television Broadcasts Limited and a Director of Wing Lung Bank Limited. He was also the former Deputy Chairman and Non-executive Director of RoadShow Holdings Limited, an indirect subsidiary of the Company listed on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”). As for public service, he is the Commissioner of Civil Aid Service and the Pro-Chancellor of the City University of Hong Kong.

Dr Leung does not have any relationship with any other Directors, senior management, substantial shareholders or controlling shareholders of the Company. He does not have any interests in the shares of the Company and its subsidiaries within the meaning of Part XV of the Securities and Futures Ordinance. As at the Latest Practicable Date, there is no service contract between Dr Leung and the Company. Dr Leung has no fixed term of director’s service but is subject to retirement by rotation and re-election at annual general meetings of the Company in accordance with the Bye-laws of the Company (the “Bye-laws”) and the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”). His emoluments are determined by the Board of Directors of the Company with reference to his duties, responsibilities and the prevailing market practice and his contribution in the Company, and shall be subject to the Shareholders’ approval at the annual general meetings of the Company. For the financial year ended 31 December 2004, the total Director’s fee of Dr Leung for acting as Non-executive Director of the Company, KMB and LWB was HK\$289,000 and as Chairman of the Remuneration Committee of the Company was HK\$14,000. Subject to the Shareholders’ approval for his re-election as a Director of the Company at the forthcoming Annual General Meeting, his period of service as Director of the Company in accordance with the Bye-laws and the Listing Rules will be for a specific term of three years.

3. KWOK Ping-sheung, Walter, JP, MSc(Lond), DIC, MICE

Director, aged 54. Mr Kwok has been a Director of The Kowloon Motor Bus Holdings Limited (the “Company”) since 4 September 1997. He has also been a Director of The Kowloon Motor Bus Company (1933) Limited (“KMB”) and Long Win Bus Company Limited (“LWB”), both being indirect wholly-owned subsidiaries of the Company, since 15 November 1990 and 8 May 1997 respectively. He holds a Master of Science degree in Civil Engineering from Imperial College, University of London, and is a Member of the Institute of Civil Engineers, U.K. and a Member of the Hong Kong Institution of Engineers. He is currently the Chairman and Chief Executive of Sun Hung Kai Properties Limited, a substantial shareholder of the Company as defined in the Rules Governing the Listing of Securities (the “Listing Rules”) on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”), an Executive Director of SUNeVision Holdings Ltd. and a Director of Wilson Parking (Holdings) Limited and Hung Cheong Import & Export Co., Ltd. Mr Kwok is also a Director of the Real Estate Developers Association of Hong Kong and Tsimshatsui East Property Developers’ Association Ltd. and Honorary Treasurer of the Federation of Hong Kong Hotel Owners. On the community front, he is the Member of the Former Directors Committee of The Hong Kong Community Chest. He is also a Member of MBA Programmes Committee of The Chinese University of Hong Kong. Mr Kwok is an Honorary Citizen of Beijing & Guangzhou, a Standing Committee Member of the National Committee of the Chinese People’s Political Consultative Conference. Mr Kwok is the elder brother of Mr Kwok Ping-luen, Raymond, who is a Director of the Company.

Save as disclosed above, Mr Kwok does not have any relationship with any other Directors, senior management, substantial shareholders or controlling shareholders of the Company. Mr Kwok holds personal interests in 61,522 shares of the Company and 6,600 shares of RoadShow Holdings Limited, an indirect subsidiary of the Company listed on the Stock Exchange, within the meaning of Part XV of the Securities and Futures Ordinance. As at the Latest Practicable Date, there is no service contract between Mr Kwok and the Company. Mr Kwok has no fixed term of director's service but is subject to retirement by rotation and re-election at annual general meetings of the Company in accordance with the Bye-laws of the Company (the "Bye-laws") and the Listing Rules. His emoluments are determined by the Board of Directors of the Company with reference to his duties, responsibilities and the prevailing market practice and his contribution in the Company, and shall be subject to the Shareholders' approval at the annual general meetings of the Company. For the financial year ended 31 December 2004, the total Director's fee of Mr Kwok for acting as Non-executive Director of the Company, KMB and LWB was HK\$289,000. Subject to the Shareholders' approval for his re-election as a Director of the Company at the forthcoming Annual General Meeting, his period of service as Director of the Company in accordance with the Bye-laws and the Listing Rules will be for a specific term of three years.

4. NG Siu Chan

Director, aged 74. Mr Ng has been a Director of The Kowloon Motor Bus Holdings Limited (the "Company") since 4 September 1997 and a Director of The Kowloon Motor Bus Company (1933) Limited ("KMB") and Long Win Bus Company Limited ("LWB"), both being indirect wholly-owned subsidiaries of the Company, since 3 March 1983 and 8 May 1997 respectively. Mr Ng is also an Independent Non-executive Director of Wing Lung Bank Limited, Century City International Holdings Limited, Paliburg Holdings Limited and Regal Hotels International Holdings Limited. Mr Ng is the father of Ms Winnie Ng, who is a Director and Executive Director of the Company, KMB, LWB, and KMB (China) Holdings Limited and Group Managing Director of RoadShow Holdings Limited.

Save as disclosed above, Mr Ng does not have any relationship with any other Directors, senior management or substantial shareholders or controlling shareholders of the Company. Mr Ng holds family interests in 21,000,609 shares of the Company and 123,743 shares of RoadShow Holdings Limited, an indirect subsidiary of the Company listed on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") within the meaning of Part XV of the Securities and Futures Ordinance. As at the Latest Practicable Date, there is no service contract between Mr Ng and the Company. Mr Ng has no fixed term of director's service but is subject to retirement by rotation and re-election at annual general meetings of the Company in accordance with the Bye-laws of the Company (the "Bye-laws") and the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules"). His emoluments are determined by the Board of Directors of the Company with reference to his duties, responsibilities and the prevailing market practice and his contribution in the Company, and shall be subject to the Shareholders' approval at the annual general meetings of the Company. For the financial year ended 31 December 2004, the total Director's fee of Mr Ng for acting as Non-executive Director of the Company, KMB and LWB was HK\$289,000. Subject to the Shareholders' approval for his re-election as a Director of the Company at the forthcoming Annual General Meeting, his period of service as Director of the Company in accordance with the Bye-laws and the Listing Rules will be for a specific term of three years.

5. William LOUEY Lai Kuen, BSc(Econ)

Director, aged 45. Mr Louey has been a Director of The Kowloon Motor Bus Holdings Limited (the “Company”) since 4 September 1997. He is also a Director of The Kowloon Motor Bus Company (1933) Limited (“KMB”) and Long Win Bus Company Limited (“LWB”), both being indirect wholly-owned subsidiaries of the Company, since 14 January 1993 and 8 May 1997 respectively. He has previously worked for an international merchant bank in the United Kingdom for five years and an international accounting firm in the United Kingdom for three years. In 1995, he set up the William S D Louey Educational Foundation in memory of his grandfather, Mr William S D Louey, to finance outstanding students from China and Hong Kong to further their education abroad. Having aware of the success of the Foundation, Mr Louey was invited to become a committee member of the Hong Kong Oxford Scholarship Fund in 1999.

Mr Louey does not have any relationship with any other Directors, senior management, substantial shareholders or controlling shareholders of the Company. He holds a personal interests in 6,222,926 shares and a family interests in 4,475 shares of the Company, and a personal interests in 412,371 shares of RoadShow Holdings Limited, an indirect subsidiary of the Company listed on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”), within the meaning of Part XV of the Securities and Futures Ordinance. As at the Latest Practicable Date, there is no service contract between Mr Louey and the Company. Mr Louey has no fixed term of director’s service but is subject to retirement by rotation and re-election at annual general meetings of the Company in accordance with the Bye-laws of the Company (the “Bye-laws”) and the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”). His emoluments are determined by the Board of Directors of the Company with reference to his duties, responsibilities and the prevailing market practice and his contribution in the Company, and shall be subject to the Shareholders’ approval at the annual general meetings of the Company. For the financial year ended 31 December 2004, the total Director’s fee of Mr Louey for acting as Non-executive Director of the Company, KMB and LWB was HK\$289,000. Subject to the Shareholders’ approval for his re-election as a Director of the Company at the forthcoming Annual General Meeting, his period of service as Director of the Company in accordance with the Bye-laws and the Listing Rules will be for a specific term of three years.

6. John CHAN Cho Chak, GBS, JP, DBA(Hon), BA, DipMS, MIMgt, FCILT, FHKIoD

Managing Director, aged 61. Mr Chan has been the Managing Director of The Kowloon Motor Bus Holdings Limited (the “Company”) since 4 September 1997 and was appointed the Managing Director of The Kowloon Motor Bus Company (1933) Limited (“KMB”) and Long Win Bus Company Limited (“LWB”), both being indirect wholly-owned subsidiaries of the Company, with effect from 1 November 1993 and 8 May 1997 respectively. He is also the Chairman and Non-executive Director of RoadShow Holdings Limited (“RoadShow”), an indirect subsidiary of the Company listed on The Stock Exchange of Hong Kong Limited and an Independent Non-executive Director of Hang Seng Bank Limited and Guangdong Investment Limited. He was formerly an Independent Non-executive Director of the Hong Kong Exchanges and Clearing Limited, 2000-03 and a member of the Hong Kong Civil Service, 1964-78 and 1980-93. Key posts held in Government included Private Secretary to the Governor, Deputy Secretary (General Duties), Director of Information Services, Deputy Chief Secretary, Secretary for Trade and Industry and Secretary for Education and Manpower. Also former Executive Director and General Manager of Sun Hung Kai Finance Company Limited, 1978-80. Deputy Chairman of the Hong Kong Jockey Club, Vice Patron and Campaign Committee Co-Chairman of The Community Chest, Chairman of the Council of The Hong Kong University of Science and Technology, Member of the Advisory Committee on Corruption and Member of the East Asian Games Planning Committee. In December 2000, Mr Chan won the Executive Award in the DHL/SCMP HK Business Awards 2000 and received an Honorary University Fellowship from The University of Hong Kong.

Mr Chan does not have any relationship with any other Directors, senior management, substantial shareholders or controlling shareholders of the Company. He holds a personal interests in 2,000 shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance. As at the Latest Practicable Date, there is a service contract between Mr Chan and the Company for acting as Managing Director of the Company for a term of about four years and five months starting from 1 November 2003 and expiring on 7 April 2008, under which the amount of his emoluments, inclusive of basic salary, contract gratuity and other allowances, is approximately HK\$5.5 million per annum. Mr Chan is also entitled to a performance bonus which is calculated based on the performance of the Company under the service contract. In the capacity as a Director of the Company, KMB, LWB and RoadShow, his emoluments also include director’s fees which are determined by the Boards of Directors of the respective companies with reference to his duties, responsibilities and the prevailing market practice and his contribution in the respective companies, and are subject to the Shareholders’ approval at the annual general meetings of the respective companies. For the financial year ended 31 December 2004, the total Director’s fees of Mr Chan in respect of his service as a Director of the Company, KMB, LWB and RoadShow, and other emoluments in respect of his service as the Managing Director of the Company, KMB and LWB, amounted to HK\$349,000 and HK\$12,121,179 respectively.

7. Dr KUNG Ziing Mien, James*, GBS, OBE

Independent Non-executive Director, aged 74. Dr Kung has been the Independent Non-executive Director of The Kowloon Motor Bus Holdings Limited (the “Company”), The Kowloon Motor Bus Company (1933) Limited (“KMB”) and Long Win Bus Company Limited (“LWB”), both being indirect wholly-owned subsidiaries of the Company, since 16 July 1998. He retired from the Chairman and Chief Manager of Chekiang First Bank Ltd, after 53 years of services. Dr Kung graduated from the Soochow University Law School LLB in 1950. He was conferred Doctor of Laws, LLD (honoris causa) by The Chinese University of Hong Kong in 1990; DBA, Doctor of Business Administration (honoris causa) by Hong Kong Polytechnic in 1991 and Doctor of Laws honoris causa by The University of Hong Kong in 2000. Dr Kung was awarded OBE by Her Majesty the Queen in 1994. Diplomatic Service: 1989-present Honorary Consul of Luxembourg. Other awards include Grand Officer of Order of Merit of the Grand Duchy of Luxembourg in 1994, Chevalier de la Légion d’Honneur of France in 1996, Commander in the Order of Leopold II of Belgium in 1997, Officier de la Légion d’Honneur in 2000 and Commandeur de la Légion d’Honneur in 2003. Dr Kung is Chairman of the Hong Kong Digestive Foundation, Member of the Exchange Fund Advisory Committee and the Land Fund Advisory Committee, Member of the Advisory Council, One Country Two Systems Research Institute, Chairman of the HKU-Pasteur Research Centre Ltd and Trustee of The University of Hong Kong’s Staff Terminal Benefits Scheme (1988), Staff Provident Fund and Terms of Services III Staff Retirement Scheme, President of the Légion d’Honneur Club Hong Kong Chapter and President of the Hong Kong-Shanghai Economic Development Association.

Dr Kung does not have any relationship with any other Directors, senior management, substantial shareholders or controlling shareholders of the Company. He holds a corporate interests in 172,000 shares of the Company and 268,000 shares of RoadShow Holdings Limited, an indirect subsidiary of the Company listed on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”), respectively within the meaning of Part XV of the Securities and Futures Ordinance. As at the Latest Practicable Date, there is no service contract between Dr Kung and the Company. Dr Kung has no fixed term of director’s service but is subject to retirement by rotation and re-election at annual general meetings of the Company in accordance with the Bye-laws of the Company (the “Bye-laws”) and the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”). His emoluments are determined by the Board of Directors of the Company with reference to his duties, responsibilities and the prevailing market practice and his contribution in the Company, and shall be subject to the Shareholders’ approval at the annual general meetings of the Company. For the financial year ended 31 December 2004, the total Director’s fee of Dr Kung for acting as Non-executive Director of the Company, KMB and LWB and as a member of the Audit Committee and Remuneration Committee of the Company was HK\$289,000, HK\$20,000 and HK\$10,000 respectively. Subject to the Shareholders’ approval for his re-election as a Director of the Company at the forthcoming Annual General Meeting, his period of service as Director of the Company in accordance with the Bye-laws and the Listing Rules will be for a specific term of three years.

8. SIU Kwing-chue, Gordon*, GBS, CBE, JP, MSS(Birmingham, UK)

Independent Non-executive Director, aged 58. Mr Siu was appointed Independent Non-executive Director of The Kowloon Motor Bus Holdings Limited (the “Company”), The Kowloon Motor Bus Company (1933) Limited (“KMB”) and Long Win Bus Company Limited (“LWB”), both being indirect wholly-owned subsidiaries of the Company, with effect from 26 October 2004. Mr Siu joined the Civil Service in 1966, rose to the rank of Secretary, Government Secretariat in 1993 and retired from the Service in July 2002 with a service of over 36 years. His recent positions in Government included Deputy Secretary for the Civil Service (1981-1985), Secretary-General of OMELCO (1985-1988), Postmaster General (1988-1989), Commissioner for Transport (1989-1992), Director, New Airport Projects Co-ordination Office (1992-1993), Secretary for Economic Services (1993-1996), Secretary for Transport (1996-1997), Head, Central Policy Unit (1997-1999) and Secretary for Planning, Environment & Lands (1999-2002). Mr Siu was awarded the honours of Commander of the Most Excellent Order of the British Empire (CBE) in 1997 and Gold Bauhinia Star (GBS) in 2002, and appointed a non-official Justice of the Peace in 2003.

Mr Siu does not have any relationship with any other Directors, senior management, substantial shareholders or controlling shareholders of the Company. He does not have any interests in shares of the Company and its subsidiaries within the meaning of Part XV of the Securities and Futures Ordinance. As at the Latest Practicable Date, there is no service contract between Mr Siu and the Company. Mr Siu has no fixed term of director’s service but is subject to retirement by rotation and re-election at annual general meetings of the Company in accordance with the Bye-laws of the Company (the “Bye-laws”) and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”). His emoluments are determined by the Board of Directors of the Company with reference to his duties, responsibilities and the prevailing market practice and his contribution in the Company, and shall be subject to the Shareholders’ approval at the annual general meetings of the Company. For the financial year ended 31 December 2004, the total Director’s fee of Mr Siu for acting as Non-executive Director of the Company, KMB and LWB was HK\$52,904. Subject to the Shareholders’ approval for his re-election as a Director of the Company at the forthcoming Annual General Meeting, his period of service as Director of the Company in accordance with the Bye-laws and the Listing Rules will be for a specific term of three years.

(* Independent Non-executive Director)

Pursuant to bye-law 66 of the Bye-laws of the Company:–

A resolution put to vote at a general meeting shall be decided on a show of hands unless (before or on the declaration of the result of the show of hands or on the withdrawal of any other demand for a poll) a poll is demanded:

- (a) by the chairman of such meeting; or
- (b) by at least three members of the Company present in person (or in the case of a member of the Company being a corporation by its duly authorised representative) or by proxy for the time being entitled to vote at the meeting; or
- (c) by a member or members of the Company present in person (or in the case of a member of the Company being a corporation by its duly authorised representative) or by proxy and representing not less than one-tenth of the total voting rights of all the members of the Company having the right to vote at the meeting; or
- (d) by a member or members of the Company present in person (or in the case of a member of the Company being a corporation by its duly authorised representative) or by proxy and holding shares in the Company conferring a right to vote at the meeting being shares on which an aggregate sum has been paid up equal to not less than one-tenth of the total sum paid up on all the shares conferring that right.

A demand by a person as proxy for member of the Company or in the case of a member of the Company being a corporation by its duly authorised representative shall be deemed to be the same as a demand by a member of the Company.

NOTICE OF ANNUAL GENERAL MEETING



THE KOWLOON MOTOR BUS HOLDINGS LIMITED

(incorporated in Bermuda with limited liability)

(Stock code: 062)

NOTICE IS HEREBY GIVEN that the Annual General Meeting of The Kowloon Motor Bus Holdings Limited (the “Company”) will be held at The Royal Plaza Hotel, Grand Ballroom, 193 Prince Edward Road West, Kowloon, Hong Kong on Thursday, 19 May 2005 at 2:30 p.m. to transact the following business:–

1. to receive and consider the Audited Financial Statements and the Reports of the Directors and Auditors for the year ended 31 December 2004;
2. to declare a final dividend;
3. to re-elect directors of the Company and fix their remuneration; and
4. to appoint auditors and to authorise the directors of the Company to fix their remuneration.

As special business, to consider and, if thought fit, pass with or without modifications the following resolution as ordinary resolution:

Ordinary Resolution:–

5. “**THAT:**–
 - (A) (i) subject to paragraph A(iii) of this Resolution, pursuant to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Stock Exchange”), the exercise by the directors of the Company (the “Directors”) during the Relevant Period (as hereinafter defined) of all the powers of the Company to allot, issue and deal with additional 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;
 - (ii) the approval in paragraph A(i) of this Resolution shall authorise the Directors during the Relevant Period to make or grant offers, agreements and options which might require the exercise of such powers after the expiry of the Relevant Period;
 - (iii) the aggregate nominal value of share capital allotted or agreed conditionally or unconditionally to be allotted (whether pursuant to an option or otherwise) by the Directors pursuant to the approval in paragraph A(i) of this Resolution, otherwise than pursuant to:–

NOTICE OF ANNUAL GENERAL MEETING

- (a) a Rights Issue (as hereinafter defined); or
- (b) an issue of shares of the Company upon the exercise of the subscription rights under any option scheme or similar arrangement for the time being adopted for the grant or issue to Directors and/or employees of the Company and/or any of its subsidiaries of shares or rights to acquire shares of the Company; or
- (c) any scrip dividend scheme or similar arrangement providing for issue of shares of the Company in lieu of the whole or part of the dividend on shares of the Company in accordance with the Bye-laws of the Company;

shall not exceed 20 per cent of the aggregate nominal value of the share capital of the Company in issue as at the date of the passing of this Resolution and the said approval shall be limited accordingly; and

- (iv) for the purposes of this paragraph (A):—

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

- (a) the conclusion of the next annual general meeting of the Company;
- (b) 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 the laws of Bermuda or any applicable laws to be held; or
- (c) the time when such mandate is revoked or varied by an ordinary resolution by shareholders of the Company in general meeting; and

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

- (B) (i) subject to paragraph B(ii) of this Resolution, the exercise by the Directors during the Relevant Period (as hereinafter defined) of all powers of the Company to repurchase shares of the Company on the Stock Exchange or any other stock exchange on which the shares of the Company may be listed and recognised by the Securities and Futures Commission and the Stock Exchange for this purpose, subject to and in accordance with all applicable laws and/or the requirements of the Rules Governing the Listing of Securities on the Stock Exchange or of any other stock exchange as amended from time to time, be and is hereby generally and unconditionally approved;

NOTICE OF ANNUAL GENERAL MEETING

- (ii) the aggregate nominal value of shares of the Company which the Company is authorised to repurchase pursuant to the approval in paragraph B(i) of this Resolution during the Relevant Period shall not exceed 10 per cent of the aggregate nominal value of the share capital of the Company in issue as at the date of the passing of this Resolution and the authority pursuant to paragraph B(i) of this Resolution shall be limited accordingly; and
 - (iii) for the purposes of this paragraph (B):–
 - “Relevant Period” means the period from the passing of this Resolution until whichever is the earliest of:–
 - (a) the conclusion of the next annual general meeting of the Company;
 - (b) 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 the laws of Bermuda or any applicable laws to be held; or
 - (c) the time when such mandate is revoked or varied by an ordinary resolution by shareholders of the Company in general meeting;
- (C) the general unconditional mandate granted to the Directors of the Company and for the time being in force to exercise the powers of the Company to allot, issue and deal with additional shares of the Company pursuant to paragraph (A) of this Resolution be and is hereby extended by the addition to the aggregate nominal value of the share capital of the Company which may be allotted or agreed conditionally or unconditionally to be allotted by the Directors pursuant to such general mandate of an amount representing the aggregate nominal value of the share capital of the Company repurchased by the Company pursuant to the general unconditional mandate to repurchase shares referred in paragraph (B) of this Resolution provided that such extended amount shall not exceed 10 per cent of the aggregate nominal value of the share capital of the Company in issue as at the date of the passing of this Resolution.”

By Order of the Board
Lana WOO
Company Secretary

Hong Kong, 25 April 2005

NOTICE OF ANNUAL GENERAL MEETING

Notes:

- (1) Any member of the Company entitled to attend and vote at the Annual General Meeting of the Company shall be entitled to appoint another person as his proxy to attend and vote instead of him. On a poll, votes may be given either personally or by proxy. A proxy need not be a member of the Company. A member who is a holder of two or more shares may appoint more than one proxy to represent him and vote on his behalf at the Annual General Meeting.
- (2) The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarially certified copy of that power or authority must be delivered to the Company's principal office at No. 1, Po Lun Street, Lai Chi Kok, Kowloon, Hong Kong not less than 48 hours before the time appointed for holding the Annual General Meeting or adjourned meeting.
- (3) The Register of Members will be closed from Monday, 9 May 2005 to Thursday, 19 May 2005 both days inclusive, during which period no transfer of shares will be effected. To rank for the final dividend, all transfers accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Computershare Hong Kong Investor Services Limited, at 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:00 p.m. on Friday, 6 May 2005.
- (4) Regarding Resolution 3 above, The Hon Sir Sze-yuen CHUNG, *GBM, GBE, PhD, FREng, JP*, Dr Norman LEUNG Nai Pang, *GBS, JP*, Mr KWOK Ping-sheung, *Walter, JP*, Mr NG Siu Chan, Mr William LOUEY Lai Kuen, Mr John CHAN Cho Chak, *GBS, JP*, Dr KUNG Ziang Mien, *James, GBS, OBE* and Mr SIU Kwing-chue, *Gordon, GBS, CBE, JP* will retire by rotation and, being eligible, offer themselves for re-election at the Annual General Meeting. Biographies of these Directors are set out in Appendix II to the circular dated 25 April 2005.
- (5) Regarding Resolution 5 above, the Directors wish to state that they have no immediate plans to repurchase any existing shares of the Company or issue any new shares pursuant to the relevant mandate.