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## **China Motor Bus Co., Ltd.**

*(Incorporated in Hong Kong with limited liability)*

**(Stock code: 026)**

# **ANNOUNCEMENT OF THE FINAL RESULTS FOR THE YEAR ENDED 30 JUNE 2024**

## **CHAIRMAN'S STATEMENT**

### **GROUP RESULTS AND DIVIDENDS**

The Board announces that the operating profit of the Group for the year ended 30 June 2024 amounted to HK\$95 million, compared with HK\$74 million in the previous year. This reflects the effect of increase in rental income and interest income, partly offset by exchange losses in the current year. The audited consolidated loss after taxation attributable to shareholders amounted to HK\$262 million as compared with a consolidated loss after taxation attributable to shareholders of HK\$155 million in the previous year, which reflects the net valuation losses on investment properties held by the Group and the joint ventures. The net valuation losses on investment properties were non-cash in nature, and as such, had no effect on the operating cash flow of the Group. The overall financial position of the Group remains healthy.

The Directors will recommend to shareholders at the forthcoming Ordinary Yearly Meeting to be held on Wednesday, 4 December 2024 the payment of a final dividend of HK\$0.10 per share. The Directors will also recommend to the shareholders the payment of a special dividend of HK\$1.70 per share. These two dividends, together with the first interim dividend of HK\$0.10 per share, a special dividend of HK\$1.00 per share, and a second interim dividend of HK\$0.30 per share, will make a total dividend for the year of HK\$3.20 per share, compared with HK\$3.20 per share for the previous year.

## **HIGHLIGHTS OF PROPERTY DEVELOPMENT AND INVESTMENTS ARE SUMMARIZED BELOW:-**

### **Chai Wan Inland Lot No. 178, 391 Chai Wan Road, Chai Wan (the “Property”)**

The Group has a 20% interest in Windcharm Property Holdings Limited (formerly known as Windcharm Investments Limited), with the remaining 80% held by a wholly owned subsidiary of Swire Properties Limited. A wholly owned subsidiary of Windcharm Property Holdings Limited has purchased Chai Wan Inland Lot No. 88 (the “Old Lot”) from the Company and is in the process of redeveloping it into a residential and commercial complex with an aggregate residential and retail gross floor area of 64,500 sq. m.

On 28 December 2021, Conditions of Exchange No. 20390 were entered with the Government, whereby the Old Lot was surrendered to Government in exchange for the grant of the Property for the term of 50 years, and a land premium of HK\$4,540 million was paid to Government of which the Group’s share was HK\$908 million.

The Property comprises a Site A and a Site B which will be connected by a footbridge to be built over Sheung On Street. Under the latest approved General Building Plans, there will be constructed on Site A one residential tower (comprising 258 residential flats) and a covered public transport terminus, and on Site B two residential towers (comprising a total of 592 residential flats), retail accommodation on the ground floor, and carparking spaces in the basement floors which will provide 260 carparking spaces (including 4 accessible parking), 10 motorcycle parking spaces and 4 loading/unloading parking spaces.

The redevelopment is proceeding well on plan. Foundation work for both Site A and Site B have been completed. In Site B, concrete work has reached 41/F in Tower 2 and 43/F in Tower 3. In Site A, concrete work has reached 4/F. The development is expected to be completed in phases, with the first occupation permit expected to be obtained in 2025.

The applications for pre-sale consent of Phase 1 (Site B) and Phase 2 (Site A) residential units were submitted in December 2023 and May 2024 respectively and are under review by the Lands Department.

### **South Island Place (8 Wong Chuk Hang Road, Aberdeen, Hong Kong)**

South Island Place, a modern 28-storey Grade A office building with a gross floor area of 35,535 sq. m., is held by Hareton Limited, a joint venture company whose shares are held as to 50% by the Company (through Heartwell Limited, its wholly owned subsidiary) and as to the remaining 50% by Swire Properties Limited (through Amber Sky Ventures Limited, its wholly owned subsidiary).

Currently, approximately 88% of the office space in South Island Place has been let to high quality tenants.

## **Island Place, North Point, Island Lodge, North Point and 3 Jordan Road, Kowloon**

As at 30 June 2024, the offices in Island Place were 66% occupied while the residential units were 100% occupied. In Island Lodge, both the residential units and the retail units were 100% occupied. 3 Jordan Road, which comprises furnished apartments and retail units, has an occupancy rate of 89%.

### **UK Properties**

Scorpio House, the Group's investment property in Central London, remains fully let.

As announced on 13 September 2024, a wholly owned subsidiary of the Company has entered into a Sale and Purchase Agreement to sell Albany House in Victoria in Central London adjacent to St. James Park Underground Station at the consideration of £47 million (equivalent to approximately HK\$478 million) subject to approval by the Company's shareholders in an extra-ordinary general meeting to be held.

### **FUTURE OUTLOOK**

It is anticipated that the global economic environment will continue to be challenging for the remainder of 2024. With the US presidential election coming up on 5 November 2024, analysts expect that there may be changes in policy and government regulations following the election. The ongoing and widening geopolitical tensions, as well as the slowdown in the Chinese property market, could prolong the difficult financial conditions and lead to growth disappointments. The global investment and economic environment is therefore likely to remain highly uncertain.

Nevertheless, the US Federal Reserve has recently lowered interest rates for the first time in more than four years by half percentage point. It is anticipated that rates may fall another half percentage point by the end of the year. Following the interest rate cut by the US Federal Reserve, the Chinese authorities have on 24 September 2024 announced a strong monetary stimulus package, including interest rate reductions as well as property and stock market support measures. Analysts generally believe the stimulus package to be in the right direction to support China's economy.

In Hong Kong, while the residential market has seen a surge in transactions following the abolition in the first quarter of 2024 of all demand-side stamp duty measures for residential properties, the momentum appears to have stalled after the first half of the year. Local analysts now predict that after key interest rates in the US have started to come down, local banks in Hong Kong may follow suit later in the year and the anticipated interest rate cut will help boost property transactions and improve market sentiment. However, the office market will, in view of reduced demand and new supply of office spaces, continue to be challenging. For the retail market, although vacancy rates appear to have largely stabilised across different districts, the shift in the consumption pattern of inbound visitors and the continuing outbound travel trend of local residents may continue to adversely affect the retail market.

In the UK, the property market has seen an increase in the number of large size transactions over the preceding year, although still reflecting a not-insignificant decline

on the 10-year average. Offices bought for refurbishment or redevelopment has remained to be the overriding theme.

For the Group's local property development project, as stated above, the redevelopment of Chai Wan Inland Lot No. 178, No. 391 Chai Wan Road, Chai Wan, has been proceeding well on plan.

Although in the financial year ended 30th June, 2024 the capital values across the Group's investment property portfolio have, like other companies in the sector, been negatively impacted by macroeconomic factors, the Group's financial position has remained healthy, as the Group maintains a high liquidity and does not have external borrowings. Looking ahead and particularly having regard to the good progress which has been made in the redevelopment of the Chai Wan Inland Lot No.178 site, the Group should be well placed to benefit from future improvement in market conditions.

The directors have and will continue to carefully monitor the market and pursue opportunities to enhance shareholder value. As demonstrated by the recent exchange of conditional Sale Contract for the disposal of Albany House in London, the potential disposal will bring a healthy financial gain for the Company and its shareholders. Although the Group's turnover will be reduced after completion of the sale, it is noteworthy that a reduction of the current annual revenue of approximately HK\$23.9 million from Albany House cannot be avoided even if there had not been any disposal of the building, as the existing tenant will be vacating at the end of its lease in December 2024 and a major refurbishment of the building would be required before it could be offered for re-letting.

Dr. Henry NGAN  
Chairman

Hong Kong, 27 September 2024



## China Motor Bus Co., Ltd.

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(Stock code: 026)

The Board of Directors announces that the audited consolidated loss of the group for the year ended 30 June 2024 amounted to HK\$262 million, compared with a consolidated loss of HK\$155 million for the previous year.

### CONSOLIDATED INCOME STATEMENT

for the year ended 30 June 2024

(Expressed in Hong Kong dollars)

		2024	2023
	Note	HK\$000's	HK\$000's
<b>Turnover</b>	2	69,550	66,935
Finance income	4	63,600	43,271
Other income	5	1,062	1,122
Staff costs		(15,784)	(15,068)
Depreciation		(3,364)	(3,392)
Other operating expenses	6(b)	(20,225)	(19,015)
<b>Operating profit</b>	2 & 6	<u>94,839</u>	<u>73,853</u>
Share of results of joint ventures	7	(176,067)	47,601
Share of results of associates		(2,168)	(120)
Net valuation losses on investment properties		(172,117)	(272,336)
<b>Loss before taxation</b>		<u>(255,513)</u>	<u>(151,002)</u>
Income tax	8	(6,706)	(4,234)
<b>Loss after taxation attributable to shareholders</b>		<u>(262,219)</u>	<u>(155,236)</u>
<b>Loss per share</b>			
Basic and diluted	9	<u>HK\$ (5.79)</u>	<u>HK\$(3.43)</u>

Details of dividends payable to equity shareholders of the company are set out in note 12.

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME****for the year ended 30 June 2024**

(Expressed in Hong Kong dollars)

	<b>2024</b>	<b>2023</b>
	<b>HK\$000's</b>	<b>HK\$000's</b>
<b>Loss for the year</b>	<u>(262,219)</u>	<u>(155,236)</u>
<b>Other comprehensive income for the year</b>		
Item that may be reclassified subsequently to profit or loss:		
Exchange differences arising on consolidation	<u>(2,277)</u>	<u>43,290</u>
<b>Other comprehensive income for the year</b>	<u>(2,277)</u>	<u>43,290</u>
<b>Total comprehensive income for the year attributable to shareholders</b>	<u><u>(264,496)</u></u>	<u><u>(111,946)</u></u>

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION****At 30 June 2024**

(Expressed in Hong Kong dollars)

	Note	2024 HK\$000's	2023 HK\$000's
<b>Non-current assets</b>			
Fixed assets		2,031,572	2,207,948
Interest in joint ventures		2,545,128	2,815,195
Interest in associates		1,311,181	1,189,949
Other investments		11,534	13,353
		<u>5,899,415</u>	<u>6,226,445</u>
<b>Current assets</b>			
Debtors, deposits and prepayments	10	9,493	11,963
Current tax recoverable		2,115	877
Deposits with banks		1,274,405	1,390,371
Cash at banks and in hand		112,230	74,903
		<u>1,398,243</u>	<u>1,478,114</u>
<b>Current liabilities</b>			
Creditors and accruals	11	47,267	45,451
Current tax payable		3,978	2,342
		<u>51,245</u>	<u>47,793</u>
<b>Net current assets</b>		<u>1,346,998</u>	<u>1,430,321</u>
<b>Total assets less current liabilities</b>		<u>7,246,413</u>	<u>7,656,766</u>
<b>Non-current liability</b>			
Deferred taxation		47,881	48,852
<b>NET ASSETS</b>		<u>7,198,532</u>	<u>7,607,914</u>
<b>CAPITAL AND RESERVES</b>			
Share capital	12(b)	92,537	92,537
Other reserves		7,105,995	7,515,377
<b>TOTAL EQUITY</b>		<u>7,198,532</u>	<u>7,607,914</u>

## Notes

### 1. Basis of preparation

The financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (“HKFRSs”), which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards (“HKASs”) and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and the requirements of the Hong Kong Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

The HKICPA has issued a number of new and amended HKFRSs that are first effective for the current accounting period of the group. None of these developments have had a material effect on how the group’s results and financial position for the current and prior periods have been prepared or presented.

The group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

The financial information relating to the years ended 30 June 2024 and 2023 included in this preliminary announcement of annual results 2024 do not constitute the company’s statutory annual consolidated financial statements for those years but is derived from those financial statements. Further information relating to these statutory financial statements required to be disclosed in accordance with section 436 of the Companies Ordinance is as follows:

The company has delivered the financial statements for the year ended 30 June 2023 to the Registrar of Companies as required by section 662(3) of, and Part 3 of Schedule 6 to, the Companies Ordinance and will deliver the financial statements for the year ended 30 June 2024 in due course.

The company’s auditor has reported on the financial statements of the group for both years. The auditor’s reports were unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its reports; and did not contain a statement under sections 406(2), 407(2) or (3) of the Companies Ordinance.



## 2. Turnover

The principal activities of the group are property development and investment.

Turnover represents rental income.

	<b>2024</b>	<b>2023</b>
	<b>HK\$000's</b>	<b>HK\$000's</b>
Rentals from investment properties	69,550	66,935
	=====	=====

The analysis of geographical location of the operations of the group during the year is as follows:

	<b>Group turnover</b>		<b>Operating profit</b>	
	<b>2024</b>	<b>2023</b>	<b>2024</b>	<b>2023</b>
	<b>HK\$000's</b>	<b>HK\$000's</b>	<b>HK\$000's</b>	<b>HK\$000's</b>
<i>Geographical locations of operations</i>				
Hong Kong	38,897	37,552	46,026	33,403
United Kingdom	<u>30,653</u>	<u>29,383</u>	<u>48,813</u>	<u>40,450</u>
	69,550	66,935	94,839	73,853
	=====	=====	=====	=====

In addition, the turnover of the joint ventures attributable to the group for the year amounted to \$102,390,000 (2023: \$101,294,000).

## 3. Segment reporting

The group manages its businesses according to the nature of the operations and the services and products provided. Management has determined that the reportable operating segments for measuring performance and allocating resources are the same as those reported previously. The segments are property development and investment and treasury management.

Property development and investment segment encompasses activities relating to the development, construction, sale and marketing of the group's trading properties primarily in Hong Kong and property leasing. Currently, the group's properties portfolio, which consists of retail, office and apartments, are primarily located in Hong Kong and London.

### 3. Segment reporting (continued)

Treasury management segment includes activities for managing the group's listed investments, financial assets and other treasury operations.

Management evaluates performance primarily based on operating profit as well as the equity share of results of joint ventures and associates of each segment.

Segment assets principally comprise all tangible assets and current assets directly attributable to each segment with the exception of income tax receivables and corporate assets. Segment liabilities include all liabilities directly attributable to and managed by each segment with the exception of income tax liabilities, dividends payable and other corporate liabilities.

#### (a) Segment results

	Property development and investment		Treasury management		Unallocated		Consolidated	
	2024	2023	2024	2023	2024	2023	2024	2023
	HK\$000's	HK\$000's	HK\$000's	HK\$000's	HK\$000's	HK\$000's	HK\$000's	HK\$000's
Turnover	69,550	66,935	-	-	-	-	69,550	66,935
Finance income	-	-	63,600	43,271	-	-	63,600	43,271
Other income	-	-	-	-	1,062	1,122	1,062	1,122
Total revenue	69,550	66,935	63,600	43,271	1,062	1,122	134,212	111,328
Segment results	57,668	58,285	63,600	43,271	-	-	121,268	101,556
Net unallocated expenses							(26,429)	(27,703)
Operating profit							94,839	73,853
Share of results of joint ventures	(176,067)	47,601	-	-	-	-	(176,067)	47,601
Share of results of associates	(2,168)	(120)	-	-	-	-	(2,168)	(120)
Net valuation losses on investment properties	(172,117)	(272,336)	-	-	-	-	(172,117)	(272,336)
Income tax							(6,706)	(4,234)
Loss after taxation attributable to shareholders							(262,219)	(155,236)
Depreciation for the year	(170)	(170)	-	-	(3,194)	(3,222)	(3,364)	(3,392)

### 3. Segment reporting (continued)

#### (b) Geographical information

The group participates in two principal economic environments, Hong Kong (place of domicile) and the United Kingdom.

	Hong Kong		United Kingdom	
	2024	2023	2024	2023
	HK\$000's	HK\$000's	HK\$000's	HK\$000's
Turnover	38,897	37,552	30,653	29,383
	=====	=====	=====	=====

### 4. Finance income

	2024	2023
	HK\$000's	HK\$000's
Dividend income from other investments	735	530
Exchange (losses)/gains	(1,667)	46
Interest income	66,351	43,960
Net unrealised losses on other investments	<u>(1,819)</u>	<u>(1,265)</u>
	63,600	43,271
	=====	=====

### 5. Other income

	2024	2023
	HK\$000's	HK\$000's
Management fee	496	497
Unclaimed dividends forfeited	537	462
Sundry income	<u>29</u>	<u>163</u>
	1,062	1,122
	=====	=====

## 6. Operating profit

Operating profit is arrived at

	2024	2023
	HK\$000's	HK\$000's
<i>after charging:</i>		
(a) Staff costs:		
Contributions to defined contribution retirement scheme	339	290
Salaries, wages and other benefits	<u>15,445</u>	<u>14,778</u>
	<u>15,784</u>	<u>15,068</u>
(b) Other operating expenses:		
Auditor's remuneration		
- audit services	4,700	4,598
- tax services	541	255
Legal and professional fees	4,276	3,922
Property expenses	7,306	6,920
Rent and rates	413	414
Others	<u>2,989</u>	<u>2,906</u>
	<u>20,225</u>	<u>19,015</u>
<i>and after crediting:</i>		
Rental income less outgoings which includes	62,244	60,015
- gross rental income from investment properties	<u>69,550</u>	<u>66,935</u>

## 7. Share of results of joint ventures

	2024	2023
	HK\$000's	HK\$000's
Share of revenue	102,390	101,294
Share of operating profit	67,401	65,029
Share of valuation losses on investment properties	(232,905)	(6,931)
Share of taxation	(10,563)	(10,497)
	(176,067)	47,601

## 8. Income tax

The provision for Hong Kong Profits Tax is calculated in accordance with the two-tiered profits tax rates regime. Under the two-tiered profits tax rates regime, the first HK\$2 million of profits of a qualifying corporation will be taxed at 8.25%, and profits above HK\$2 million will be taxed at 16.5%. The profits of corporations not qualifying for the two-tiered profits tax rates regime (i.e. other subsidiaries of the group) will continue to be taxed at a flat rate of 16.5%.

Taxation for overseas subsidiaries is similarly calculated at the appropriate current rates of taxation ruling in the relevant countries.

	2024	2023
	HK\$000's	HK\$000's
<b>Current tax – Provision for Hong Kong Profits Tax</b>		
Tax for the year	3,693	3,463
(Over)/under-provision in respect of prior years	(3)	2
	3,690	3,465
<b>Current tax - Overseas</b>		
Tax for the year	3,823	4,078
Under/(over)-provision in respect of prior years	147	(538)
	3,970	3,540
<b>Deferred tax</b>		
Origination and reversal of temporary differences	(954)	(4,750)
Effect on deferred tax balance resulting from a change in tax rate	-	1,979
	(954)	(2,771)
	6,706	4,234

## 9. Loss per share

The calculation of basic and diluted loss per share is based on loss attributable to shareholders of HK\$262,219,000 (2023: HK\$155,236,000) and the weighted average of 45,276,856 (2023: 45,298,195) shares in issue during the year.

## 10. Debtors, deposits and prepayments

Included in debtors, deposits and prepayments are trade debtors with the following ageing analysis, based on the invoice date:

	<b>2024</b>	<b>2023</b>
	<b>HK\$000's</b>	<b>HK\$000's</b>
Within 1 month	266	340
1 to 3 months	319	340
Over 3 months	<u>161</u>	<u>55</u>
Total trade debtors	746	735
Deposits, prepayments and other receivables	1,383	1,422
Interest receivable	<u>7,364</u>	<u>9,806</u>
	<u>9,493</u>	<u>11,963</u>

A defined credit policy is maintained within the group.

## 11. Creditors and accruals

Included in creditors and accruals are trade creditors with the following ageing analysis, based on the invoice date:

	<b>2024</b>	<b>2023</b>
	<b>HK\$000's</b>	<b>HK\$000's</b>
Within 1 month	244	80
1 to 3 months	5	-
Over 3 months	<u>201</u>	<u>201</u>
Total trade creditors	450	281
Other payables and accruals	<u>46,817</u>	<u>45,170</u>
	<u>47,267</u>	<u>45,451</u>

## 12. Capital, reserves and dividends

### (a) Dividends

Dividends payable to equity shareholders of the company attributable to the year:

	2024	2023
	HK\$000's	HK\$000's
First interim dividend declared and paid of HK\$0.10 (2023: HK\$0.10) per share	4,528	4,528
Special dividend declared and paid of HK\$1.00 (2023: HK\$1.00) per share	45,276	45,276
Second interim dividend declared after the end of the reporting period of HK\$0.30 (2023: HK\$0.30) per share	13,583	13,583
Final dividend proposed after the end of the reporting period of HK\$0.10 (2023: HK\$0.10) per share	4,528	4,528
Special dividend proposed after the end of the reporting period of HK\$1.70 (2023: HK\$1.70) per share	<u>76,971</u>	<u>76,971</u>
	<u>144,886</u>	<u>144,886</u>

Dividends declared or proposed after the end of the reporting period have not been recognised as liabilities at the end of the reporting period.

### (b) Issued share capital

	2024		2023	
	No. of shares	Amount HK\$000's	No. of shares	Amount HK\$000's
<b>Ordinary shares, issued and fully paid:</b>				
At 1 July	45,276,856	92,537	45,308,056	92,537
Shares repurchased and cancelled	-	-	(31,200)	-
At 30 June	<u>45,276,856</u>	<u>92,537</u>	<u>45,276,856</u>	<u>92,537</u>

In accordance with section 135 of the Hong Kong Companies Ordinance, the ordinary shares of the company do not have a par value.

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the company. All ordinary shares rank equally with regard to the company's residual assets.

## 13. Review of results

The annual results for the year ended 30 June 2024 have been reviewed by the company's audit committee. The figures in respect of the announcement of the group's results for the year ended 30 June 2024 have been agreed by the company's auditor to the amounts set out in the consolidated financial statements for the year.

## **ADDITIONAL INFORMATION**

### **Dividends**

The Directors will recommend to shareholders at the forthcoming Ordinary Yearly Meeting to be held on Wednesday, 4 December 2024 the payment of a final dividend of HK\$0.10 per share. The Directors will also recommend to the shareholders the payment of a special dividend of HK\$1.70 per share. These two dividends, together with the first interim dividend of HK\$0.10 per share, a special dividend of HK\$1.00 per share, a second interim dividend of HK\$0.30 per share, will make a total dividend for the year of HK\$3.20 per share, compared with HK\$3.20 per share for the previous year.

Subject to the approval by shareholders at the forthcoming Ordinary Yearly Meeting, the final dividend and the special dividend will be payable on 7 February 2025.

### **Closure of Register**

For ascertaining the shareholders' entitlement to attend and vote at the Ordinary Yearly Meeting to be held on Wednesday, 4 December 2024, the Register of Members of the company will be closed from Friday, 29 November 2024 to Wednesday, 4 December 2024, both days inclusive. To qualify to attend and vote at the Ordinary Yearly Meeting, all transfer documents accompanied by the relevant share certificates should be lodged with the Company's Registrar, Computershare Hong Kong Investor Services Limited, at 17/F, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Thursday, 28 November 2024.

For ascertaining the shareholders' entitlement to the proposed final dividend and the special dividend, the Register of Members of the company will be closed from Thursday, 16 January 2025 to Friday, 17 January 2025, both days inclusive. To qualify for the proposed final dividend and the special dividend, all transfer documents accompanied by the relevant share certificates should be lodged with the Company's Registrar, Computershare Hong Kong Investor Services Limited, at 17/F, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong not later than 4:30 p.m. on Wednesday, 15 January 2025.

### **Purchase, sale or redemption of the company's listed securities**

There were no purchases, sales or redemptions of the company's listed securities by the company or any of its subsidiaries during the year.



**Disclosure pursuant to Listing Rules 13.20 and 13.22**

At 30 June 2024, the group had the following loans to its affiliated companies (as defined by the Listing Rules):

<i>Name of affiliated company</i>	<i>Group's attributable interest</i>	<i>Amount of unutilised loan facility</i> <b>HK\$000's</b>	<i>Amount of advances made by the group under the loan facility</i> <b>HK\$000's</b>	<i>Amount of other advances made by the group</i> <b>HK\$000's</b>	<i>Total financial assistance made available by the group</i> <b>HK\$000's</b>
Hareton Limited	50%	923,650	876,350	205,407	2,005,407
Joyful Sincere Limited*	20%	644,168	1,313,832	-	1,958,000

\*via *Windcharm Property Holdings Limited (formerly Windcharm Investments Limited)*

The financial assistance and other advances mentioned in the above are unsecured, interest-free and have no fixed terms of repayment, except that a certain portion of the financial assistance to Joyful Sincere Limited would bear interest of 4.5% p.a. if and to the extent that Joyful Sincere Limited shall have surplus funds after payment of development costs and other liabilities as stipulated in a Funding Agreement dated 29 May 2015.

Combined statement of financial position of the above affiliated companies, excluding advances made by shareholders of HK\$8,732,674,000, at 30 June 2024 is as follows:

	<b>HK\$000's</b>
Non-current assets	4,276,518
Current assets	6,855,642
Current liabilities	(293,249)
	<u>6,562,393</u>
Non-current liabilities	(81,875)
	<u><u>10,757,036</u></u>

Attributable interest to the group at 30 June 2024 in the above affiliated companies amounted to HK\$3,411,295,000 (2023: HK\$3,562,711,000).

## **Corporate Governance Code**

In the opinion of the Directors, the company complied with the code provisions (the “Code”) as set out in Appendix C1 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “Listing Rules”) throughout the year ended 30 June 2024, except the following:

- (i) Code D2.5 provides that the company should have an internal audit function. Given the structure and size of the group’s business, the Board at present believes that there is no need to establish an internal audit function.

## **Forward-looking Statements**

Certain statements contained in this document may be viewed as “forward-looking statements”. Such forward-looking statements are subject to known and unknown risks, uncertainties and other factors beyond the company’s control, which may cause the actual performance or results of operations of the company to be materially different from those implied by such forward-looking statements. The company does not intend to update these forward-looking statements. Neither the company nor the directors, employees or agents of the company assume any liabilities in the event that any of the forward-looking statements does not materialise or turns out to be incorrect.

By Order of the Board  
**Dr. Henry Ngan**  
Chairman

Hong Kong, 27 September 2024

As at the date hereof, the Board of Directors of the company comprises Dr. Henry NGAN, Anthony Grahame STOTT\*, Stephen TAN\*, Dr. CHAU Ming-tak\*, Michael John MOIR, YUNG Shun-loy Jacky and Lynne Jane ARNETT\*.

\*Independent non-executive director