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China Motor Bus Co., Ltd.

(Incorporated in Hong Kong with limited liability)

(Stock code: 026)

INTERIM RESULTS ANNOUNCEMENT 2024/2025

The Board of Directors (“the Board”) announces that the unaudited consolidated operating profit of China Motor Bus Company, Limited (“the Company”) and its subsidiaries (together referred to as “the Group”) for the six months ended 31 December 2024 was HK\$35.17 million, compared with HK\$47.86 million for the six months ended 31 December 2023. The decrease in operating profit mainly reflected the effect of decrease in interest income consequential upon decline in interest rates and increase in exchange losses. The unaudited consolidated loss after taxation of the Group for the six months ended 31 December 2024 after including the profit on disposal of an investment property of HK\$109.25 million, the effect of investment properties revaluation and the share of results of joint ventures and associates amounted to a loss of HK\$34.21 million, compared with a consolidated loss after taxation of HK\$161.24 million for the six months ended 31 December 2023. The net valuation losses on investment properties of HK\$199.07 million (including net valuation losses of investment properties held by joint ventures) for the six months ended 31 December 2024 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. These interim results have not been audited but have been reviewed by both the Company’s auditor and the Company’s audit committee. The independent review report of the auditor is included in the interim report to be sent to shareholders .

CONSOLIDATED INCOME STATEMENT
for the six months ended 31 December 2024 - unaudited
(Expressed in Hong Kong dollars)

| | Note | Six months ended | |
|---|-------|-------------------|------------|
| | | 2024 | 2023 |
| | | \$'000 | \$'000 |
| Turnover | 2 | 33,263 | 34,643 |
| Finance income | 4 | 21,805 | 31,419 |
| Other income | 5 | 791 | 273 |
| Staff costs | | (8,775) | (7,948) |
| Depreciation | | (1,672) | (1,683) |
| Other operating expenses | | (10,240) | (8,844) |
| Operating profit | 3 & 6 | 35,172 | 47,860 |
| Share of results of joint ventures | 7 | (87,850) | (80,296) |
| Share of results of associates | | (719) | (403) |
| Profit on disposal of an investment property | 8 | 109,249 | - |
| Net valuation losses on investment properties | | (85,218) | (125,966) |
| Loss before taxation | | (29,366) | (158,805) |
| Income tax | 9 | (4,839) | (2,435) |
| Loss after taxation attributable to shareholders | | (34,205) | (161,240) |
| Loss per share (basic and diluted) | 10 | (HK\$0.76) | (HK\$3.56) |

Details of dividends payable to equity shareholders of the Company are set out in note 15(a).

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
for the six months ended 31 December 2024 - unaudited
(Expressed in Hong Kong dollars)

| | Six months ended | |
|---|-------------------------|-------------------------|
| | 31 December | |
| | 2024 | 2023 |
| | \$'000 | \$'000 |
| Loss for the period | <u>(34,205)</u> | <u>(161,240)</u> |
| Other comprehensive income for the period | | |
| Item that may be reclassified subsequently to profit or loss: | | |
| Exchange differences arising on consolidation | <u>(13,395)</u> | <u>4,658</u> |
| | <u>(13,395)</u> | <u>4,658</u> |
| Total comprehensive income for the period attributable to shareholders | <u><u>(47,600)</u></u> | <u><u>(156,582)</u></u> |

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2024 - unaudited

(Expressed in Hong Kong dollars)

| | | At 31 December 2024 \$'000 | At 30 June 2024 \$'000 |
|--|-------|-------------------------------------|---------------------------------|
| | Note | | |
| Non-current assets | | | |
| Fixed assets | 8 | 1,597,042 | 2,031,572 |
| Interest in joint ventures | 11 | 2,420,278 | 2,545,128 |
| Interest in associates | 12 | 1,472,262 | 1,311,181 |
| Other investments | | 11,673 | 11,534 |
| | | <u>5,501,255</u> | <u>5,899,415</u> |
| Current assets | | | |
| Debtors, deposits and prepayments | 13 | 7,163 | 9,493 |
| Current tax recoverable | | 212 | 2,115 |
| Deposits with banks | | 1,704,706 | 1,274,405 |
| Cash at banks and in hand | | 104,130 | 112,230 |
| | | <u>1,816,211</u> | <u>1,398,243</u> |
| Current liabilities | | | |
| Creditors and accruals | 14 | 132,163 | 47,267 |
| Current tax payable | | 1,907 | 3,978 |
| Dividends payable | | 81,394 | - |
| | | <u>215,464</u> | <u>51,245</u> |
| Net current assets | | <u>1,600,747</u> | <u>1,346,998</u> |
| Total assets less current liabilities | | <u>7,102,002</u> | <u>7,246,413</u> |
| Non-current liability | | | |
| Deferred taxation | | 49,062 | 47,881 |
| Net assets | | <u>7,052,940</u> | <u>7,198,532</u> |
| CAPITAL AND RESERVES | | | |
| Share capital | 15(b) | 92,537 | 92,537 |
| Other reserves | | 6,960,403 | 7,105,995 |
| Total equity | | <u>7,052,940</u> | <u>7,198,532</u> |

Notes to unaudited interim financial information (Expressed in Hong Kong dollars)

1. Basis of preparation

The interim results set out in the announcement do not constitute the Group's interim report for the six months ended 31 December 2024 but are extracted from the report.

This interim financial report has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, including compliance with Hong Kong Accounting Standard (“HKAS”) 34, *Interim financial reporting*, issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”).

The interim financial report has been prepared in accordance with the same accounting policies adopted in the annual financial statements for the year ended 30 June 2024 except for the accounting policy changes that are expected to be reflected in the 2025 annual financial statements.

The HKICPA has issued a number of new and amended Hong Kong Financial Reporting Standards (“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 or prior periods have been prepared or presented in this interim financial report. The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

The preparation of an interim financial report in conformity with HKAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

This interim financial report contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2024 annual financial statements. The condensed consolidated interim financial statements and notes thereon do not include all of the information required for a full set of financial statements prepared in accordance with HKFRSs.

1. Basis of preparation (continued)

This interim financial report is unaudited, but has been reviewed by KPMG in accordance with Hong Kong Standard on Review Engagements 2410, *Review of interim financial information performed by the independent auditor of the entity*, issued by the HKICPA. KPMG's independent review report to the board of Directors is included in the interim report to be sent to shareholders.

The financial information relating to the financial year ended 30 June 2024 that is included in the interim financial report as comparative information does not constitute the Company's statutory annual consolidated financial statements for that financial year but is derived from those financial statements. Further information relating to these statutory financial statements disclosed in accordance with section 436 of the Hong Kong Companies Ordinance (Cap. 622) is as follows:

The Company has delivered the financial statements for the year ended 30 June 2024 to the Registrar of Companies in accordance with section 662(3) of, and Part 3 of Schedule 6 to, the Companies Ordinance.

The Company's auditor has reported on those financial statements. The auditor's report was unqualified; did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying its report; and did not contain a statement under section 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.

| | Six months ended | |
|------------------------------------|-------------------------|----------------------|
| | 31 December | |
| | 2024 | 2023 |
| | \$'000 | \$'000 |
| Rentals from investment properties | <u>33,263</u> | <u>34,643</u> |

3. Segment information

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.

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 recoverable 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, deferred taxation and other corporate liabilities.

(a) Segment results, assets and liabilities

| | Six months ended 31 December 2024 | | | |
|---|--|------------------------|-------------|-----------------|
| | Property development and investment | Treasury management | Unallocated | Consolidated |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Turnover | 33,263 | - | - | 33,263 |
| Finance income | - | 21,805 | - | 21,805 |
| Other income | - | - | 791 | 791 |
| Total income | <u>33,263</u> | <u>21,805</u> | <u>791</u> | <u>55,859</u> |
| Segment results | 27,640 | 21,805 | - | 49,445 |
| Net unallocated expenses | | | | <u>(14,273)</u> |
| Operating profit | | | | 35,172 |
| Share of results of joint ventures | (87,850) | - | - | (87,850) |
| Share of results of associates | (719) | - | - | (719) |
| Profit on disposal of an investment property | 109,249 | - | - | 109,249 |
| Net valuation losses on investment properties | (85,218) | - | - | <u>(85,218)</u> |
| Loss before taxation | | | | <u>(29,366)</u> |
| | At 31 December 2024 | | | |
| | Property development and investment | Treasury management | Unallocated | Consolidated |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Segment assets (including interests in joint ventures and associates) | 5,403,440 | 1,825,166 | 88,860 | 7,317,466 |
| | 3,892,540 | - | - | 3,892,540 |
| Segment liabilities | 106,878 | - | 157,648 | 264,526 |

3. Segment information (continued)

(a) Segment results, assets and liabilities (continued)

| Six months ended 31 December 2023 | | | | |
|---|--|-------------------------------|-----------------------|------------------------|
| | Property development and investment \$'000 | Treasury management \$'000 | Unallocated \$'000 | Consolidated \$'000 |
| Turnover | 34,643 | - | - | 34,643 |
| Finance income | - | 31,419 | - | 31,419 |
| Other income | - | - | 273 | 273 |
| Total income | <u>34,643</u> | <u>31,419</u> | <u>273</u> | <u>66,335</u> |
| Segment results | 30,162 | 31,419 | - | 61,581 |
| Net unallocated expenses | | | | <u>(13,721)</u> |
| Operating profit | | | | 47,860 |
| Share of results of joint ventures | (80,296) | - | - | (80,296) |
| Share of results of associates | (403) | - | - | (403) |
| Net valuation losses on investment properties | (125,966) | - | - | <u>(125,966)</u> |
| Loss before taxation | | | | <u>(158,805)</u> |

| At 30 June 2024 | | | | |
|--|--|-------------------------------|-----------------------|------------------------|
| | Property development and investment \$'000 | Treasury management \$'000 | Unallocated \$'000 | Consolidated \$'000 |
| Segment assets | 5,799,956 | 1,405,533 | 92,169 | 7,297,658 |
| (including interests in joint ventures and associates) | 3,856,309 | - | - | 3,856,309 |
| Segment liabilities | 18,549 | - | 80,577 | 99,126 |

(b) Geographical information

| | Group turnover | | Operating profit | |
|-------------------------------------|----------------------|---------------|----------------------|---------------|
| | Six months ended | | Six months ended | |
| | 31 December | | 31 December | |
| | 2024 | 2023 | 2024 | 2023 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Geographical location of operations | | | | |
| Hong Kong | 18,991 | 19,364 | 12,529 | 22,176 |
| United Kingdom | 14,272 | 15,279 | 22,643 | 25,684 |
| | <u>33,263</u> | <u>34,643</u> | <u>35,172</u> | <u>47,860</u> |

In addition, the turnover of the joint ventures attributable to the Group for the period amounted to \$47,610,000 (2023: \$51,460,000).

4. Finance income

| | Six months ended 31 December | |
|---|---------------------------------|---------------|
| | 2024 | 2023 |
| | \$'000 | \$'000 |
| Interest income | 27,369 | 34,171 |
| Dividend income from other investments | 273 | 279 |
| Exchange losses | (5,976) | (1,651) |
| Net unrealised gains/(losses) on other investments at fair value | 139 | (1,380) |
| | <u>21,805</u> | <u>31,419</u> |

5. Other income

| | Six months ended 31 December | |
|----------------|---------------------------------|------------|
| | 2024 | 2023 |
| | \$'000 | \$'000 |
| Management fee | 248 | 248 |
| Sundry income | 543 | 25 |
| | <u>791</u> | <u>273</u> |

6. Operating profit

| | Six months ended 31 December | |
|---|---------------------------------|--------------|
| | 2024 | 2023 |
| | \$'000 | \$'000 |
| Operating profit is arrived at after charging: | | |
| Legal and professional fees | 1,873 | 1,010 |
| Property expenses | 3,789 | 3,616 |
| | <u>1,873</u> | <u>1,010</u> |
| | <u>3,789</u> | <u>3,616</u> |

7. Share of results of joint ventures

| | Six months ended | |
|--|------------------|-----------------|
| | 31 December | |
| | 2024 | 2023 |
| | \$'000 | \$'000 |
| Share of revenue | <u>47,610</u> | <u>51,460</u> |
| Share of operating profit of joint ventures | 31,027 | 32,247 |
| Share of valuation losses on investment properties | (113,851) | (107,606) |
| Share of taxation | <u>(5,026)</u> | <u>(4,937)</u> |
| Share of results of joint ventures | <u>(87,850)</u> | <u>(80,296)</u> |

8. Profit on disposal of an investment property

On 13 September 2024, Oxney Investments Limited (“Oxney”), an indirectly wholly owned subsidiary, entered into a sale and purchase agreement with an independent third party, pursuant to which Oxney conditionally agreed to sell the investment property, Albany House, at a cash consideration of GBP47,000,000. The disposal of Albany House with the carrying amount of \$344,925,000 was completed on 13 December 2024, resulting in the profit on disposal of \$109,249,000 after deducting the relevant transaction costs.

9. Income tax

| | Six months ended | |
|--|------------------|----------------|
| | 31 December | |
| | 2024 | 2023 |
| | \$'000 | \$'000 |
| Current tax - Provision for Hong Kong Profits Tax | | |
| Tax for the period | <u>1,642</u> | <u>1,817</u> |
| Current tax - Overseas | | |
| Tax for the period | <u>1,953</u> | <u>1,955</u> |
| Deferred taxation | | |
| Origination and reversal of temporary differences | <u>1,244</u> | <u>(1,337)</u> |
| | <u>4,839</u> | <u>2,435</u> |

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 \$2 million of assessable profits of a qualifying corporation will be taxed at 8.25%, and profits above \$2 million will be taxed at 16.5%. The assessable profits of corporations not qualifying for the two-tiered profits tax rates regime will continue to be taxed at a flat rate of 16.5% (2023: 16.5%).

9. Income tax (continued)

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

A tax charge of \$5,026,000 (2023: \$4,937,000) being share of taxation of joint ventures for the six months ended 31 December 2024 is included in share of results of joint ventures in the consolidated income statement.

10. Loss per share

The calculation of basic and diluted loss per share is based on the loss attributable to shareholders of \$34,205,000 (2023: \$161,240,000) and the weighted average of 45,254,829 ordinary shares (2023: 45,276,856 ordinary shares) in issue during the period.

11. Interest in joint ventures

| | At 31 December 2024 \$'000 | At 30 June 2024 \$'000 |
|-------------------------|-------------------------------------|---------------------------------|
| Share of net assets | 1,375,521 | 1,463,371 |
| Loan to a joint venture | <u>1,044,757</u> | <u>1,081,757</u> |
| | <u><u>2,420,278</u></u> | <u><u>2,545,128</u></u> |

The decrease in interest in joint ventures is mainly due to revaluation losses on investment properties held by the joint ventures and repayment of loan by a joint venture.

12. Interest in associates

| | At 31 | At 30 |
|--------------------------|-------------------------|-------------------------|
| | December | June |
| | 2024 | 2024 |
| | \$'000 | \$'000 |
| Share of net liabilities | (3,370) | (2,651) |
| Loan to an associate | 1,475,632 | 1,313,832 |
| | <u>1,472,262</u> | <u>1,311,181</u> |

The increase in interest in associates is mainly due to increase in loan to an associate for development of the former Chai Wan Bus Depot project.

13. Debtors, deposits and prepayments

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

| | At 31 | At 30 |
|---|---------------------|---------------------|
| | December | June |
| | 2024 | 2024 |
| | \$'000 | \$'000 |
| Within 1 month | 398 | 266 |
| 1 to 3 months | 386 | 319 |
| Over 3 months | 2 | 161 |
| Total trade debtors | <u>786</u> | <u>746</u> |
| Interest receivable | 4,657 | 7,364 |
| Deposits, prepayments and other receivables | 1,720 | 1,383 |
| | <u>7,163</u> | <u>9,493</u> |

A defined credit policy is maintained within the Group.

An amount of \$1,231,000 (at 30 June 2024: \$1,220,000) included in debtors, deposits, prepayments and other receivables under current assets is expected to be recovered after more than one year.

14. Creditors and accruals

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

| | At 31 | At 30 |
|-----------------------------|-----------------------|----------------------|
| | December | June |
| | 2024 | 2024 |
| | \$'000 | \$'000 |
| Within 1 month | 36 | 244 |
| 1 to 3 months | - | 5 |
| Over 3 months | 201 | 201 |
| Total trade creditors | <u>237</u> | <u>450</u> |
| Other payables and accruals | <u>131,926</u> | <u>46,817</u> |
| | <u><u>132,163</u></u> | <u><u>47,267</u></u> |

An amount of \$6,341,000 (at 30 June 2024: \$6,161,000) included in other payables and accruals under current liabilities is expected to be settled after more than one year.

15. Capital, reserves and dividends

(a) Dividends

- (i) Dividends payable to equity shareholders of the Company attributable to the interim period:

| | Six months ended | |
|---|-------------------------|----------------------|
| | 31 December | |
| | 2024 | 2023 |
| | \$'000 | \$'000 |
| Interim dividend declared after the interim period end of \$0.10 (2023: \$0.10) per share | 4,522 | 4,528 |
| Special dividend declared with interim dividend after the interim period end of \$4.90 (2023: \$1.00) per share | <u>221,572</u> | <u>45,276</u> |
| | <u><u>226,094</u></u> | <u><u>49,804</u></u> |

The interim and special dividends declared after the interim period end have not been recognised as liabilities at the interim period end date.

15. Capital, reserves and dividends (continued)

(a) Dividends (continued)

- (ii) Dividends payable to equity shareholders of the Company attributable to the previous financial year, declared/approved during the interim period:

| | Six months ended | |
|---|-------------------------|----------------------|
| | 31 December | |
| | 2024 | 2023 |
| | \$'000 | \$'000 |
| Second interim dividend in respect of previous financial year declared after the end of the reporting period of \$0.30 (2023: \$0.30) per share | 13,583 | 13,583 |
| Final dividend approved in respect of previous financial year of \$0.10 (2023: \$0.10) per share | 4,522 | 4,528 |
| Special dividend approved with final dividend in respect of previous financial year of \$1.70 (2023: \$1.70) per share | 76,872 | 76,971 |
| | <u>94,977</u> | <u>95,082</u> |

(b) Share capital

| | At 31 December | | At 30 June | |
|--|--------------------------|----------------------|--------------------------|----------------------|
| | 2024 | | 2024 | |
| | No. of | | No. of | |
| | shares | \$'000 | shares | \$'000 |
| Ordinary shares, issued and fully paid: | | | | |
| At 1st July | 45,276,856 | 92,537 | 45,276,856 | 92,537 |
| Shares repurchased and cancelled | (58,000) | - | - | - |
| At 31 December/30 June | <u>45,218,856</u> | <u>92,537</u> | <u>45,276,856</u> | <u>92,537</u> |

15. Capital, reserves and dividends (continued)

(c) Purchase of own shares

During the interim period, the Company repurchased its own ordinary shares on The Stock Exchange of Hong Kong Limited as follows:

| Month/year | Number of shares repurchased | Highest price paid per share \$ | Lowest price paid per share \$ | Aggregate price paid \$'000 |
|--|------------------------------------|--|---|-----------------------------------|
| October 2024 | 58,000 | 53.15 | 50.05 | 3,004 |
| Total expenses on shares repurchased during the period | | | | 11 |
| Total | | | | <u>3,015</u> |

The repurchase was governed by section 257 of the Hong Kong Companies Ordinance. The total amount paid on the repurchased shares of \$3,015,000 (including expenses) was paid wholly out of retained profits. All the repurchased shares were cancelled during the interim period.

INTERIM DIVIDENDS

With regards to the below amended Dividend Policy and with reference to the Group's financial performance, future capital requirements, financial position, general economic and business conditions etc. including, among others, the profit on disposal of an investment property during the six months ended 31 December 2024, the Board has resolved to pay an interim dividend of HK\$0.10 per share and a special dividend of HK\$4.90 per share for the year ending 30 June 2025. The aggregate dividend of HK\$5.00 per share will be paid to shareholders whose names appear in the Company's register of members at the close of business on Wednesday, 4 June 2025.

Dividend warrants will be posted to shareholders on or about Tuesday, 24 June 2025.

The Board adopted and approved an amended Dividend Policy in February 2025 which aims to pay sustainable and regular dividends. In setting the Company's dividend policy, the Board recognises the need to strike a balance between paying regular cash dividends to shareholders and retaining sufficient cash to reinvest to grow the Company's future profits, enabling the payment of higher dividends to shareholders in the future.

Dividend payment will be determined based on the Group's financial performance, future capital requirements, financial position, general economic and business conditions etc. including, among others, the profits earned from recurring income (i.e. profits from rentals and finance income), after tax, during the year in question. When further profits are made from the sale of investment properties/developments for sale, the Board will consider the payment of one-off special dividends after taking into account the Company's opportunities to earn future profits from reinvestment of such proceeds. Unrealised profits due to revaluation of investment properties (as these are of a non-cash nature) are not considered when setting dividends.

The Board aims to declare/recommend three dividend payments for each financial year of the Company: a first interim dividend, in respect of the first six months ending on 31 December of the Company's financial year, to be declared in or around February in the calendar year immediately following the end of such six month period; a second interim dividend to be declared in or around July of such following calendar year, and a final dividend to be recommended by the Board and declared by the Company at its Ordinary Yearly Meeting in or around November of such following calendar year.

The Board will continue to carefully monitor its dividend policy and act in the best interests of all the shareholders as a whole.

CLOSURE OF REGISTER

The register of members of the Company will be closed from Tuesday, 3 June 2025 to Wednesday, 4 June 2025 (both days inclusive) during which period no share transfer will be registered. To qualify for the interim dividend and the special dividend, all unregistered transfers should be lodged with the Company's Registrars, 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 Monday, 2 June 2025.

REVIEW OF OPERATIONS

The unaudited operating profit of the Group for the six months ended 31 December 2024 before including the effect of investment properties revaluation and share of results of joint ventures and associates was HK\$35.17 million, compared with HK\$47.86 million for the same period of the previous year. The decrease in operating profit mainly reflected the effect of decrease in interest income consequential upon decline in interest rates and increase in exchange losses. The unaudited loss after taxation attributable to shareholders for the six months ended 31 December 2024 after including the profit on disposal of an investment property of HK\$109.25 million, the effect of investment properties revaluation and the share of results of joint ventures and associates was a loss of HK\$34.21 million, compared with a loss of HK\$161.24 million for the same period of the previous year. The decrease in loss after taxation mainly reflected the effect of the decrease in net revaluation losses on investment properties held by the Group and the profit on disposal of an investment property. The net valuation losses on investment properties of HK\$199.07 million (including net valuation losses of investment properties held by joint ventures) for the six months ended 31 December 2024 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.

HIGHLIGHTS OF PROPERTY DEVELOPMENT AND INVESTMENTS ARE SUMMARISED BELOW: -

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

The Group has a 20% interest in Windcharm Property Holdings 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 works for both Site A and Site B have been completed. In Site B, concreting works of Tower 2 and Tower 3 have been completed in November 2024. Concreting works of the podium are in progress and anticipated completion is in Q1 2025. In Site A, concreting works have been completed up to 27/F in Tower 1. The anticipated Tower 1 concreting completion date is Q2 2026.

The pre-sale consent for Site B was obtained in January 2025. The name “The Headland Residences” has been given to the project. A targeted sales promotion media strategy will be adopted. In addition to paid media, it is intended to make use of resources and networks from real estate agents as well as internal connections. A digital-led Sales Gallery of around 12,000 sq. ft. has been set up at 8/F and 9/F of Cambridge House, Taikoo Place. The actual launch date will be determined based on market sentiment and demand.

South Island Place

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 95% of the office space in South Island Place has been let to high quality tenants.

UK Properties

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

As announced on 13 December 2024, the sale by a wholly owned subsidiary of the Company of Albany House in Victoria in Central London at the consideration of £47 million was completed on that date and the full purchase price (equivalent to HK\$463.19 million at the then prevailing exchange rate) has been received.

OUTLOOK

Many forecasters expect that there will be increased geopolitical uncertainty and volatility in 2025, as global trade dynamics restructure around tariffs and potential counter-tariffs and tensions between the US and China may well escalate.

Despite the heightened uncertainties in the external environment, the Hong Kong SAR Government predicts that the local economy will register further growth in 2025, for while the US’s trade protectionist policies may adversely affect Hong Kong’s goods exports and may also lead to a slower pace of interest rate cuts in the US, the Mainland’s proactive policy to boost China’s economy will help bolster confidence in the Hong Kong market and benefit a wide spectrum of economic segments in Hong Kong.

For the local property market scene in 2025, the office market will likely remain challenging amid a continuing increase in supply and limited additional demand from the finance and business services sectors, and pressure on overall rental yields is expected to continue in 2025. Investment volumes in the office market may also decline given the soft office rental outlook and heightened uncertainties in the macroeconomic landscape following changes in the USA Administration. All of which may give reason for investors to adopt a more cautious, wait-and-see approach. For the retail market, there has been a shift in the consumption pattern of inbound visitors and the outbound travel trend of local residents is continuing. However, the continuing recovery in tourism should provide some support to rental rates which are therefore expected to be resilient. For the residential market, home sales in 2024 have been boosted by the lifting of Government's cooling measures, interest rate cuts and relaxation of the maximum loan-to-value ratio by the Hong Kong Monetary Authority. The primary challenge in the residential market in 2025 is likely to be a continuing increase in supply, and developers who face high financial costs may be compelled to adopt aggressive pricing strategies. Nevertheless, the new private residential inventory may reach a more balanced supply and demand level by the end of 2025.

In the UK, some commentators are cautious on UK growth prospects in 2025 despite the Labour Government taking measures to stimulate growth by committing large sums to investment in key areas, including transport improvements, health, schools and housing. In the office market, investment volumes have been relatively muted throughout 2024 and largely reflected the high interest rate environment. However, the costs of debt have started to come down and further cuts by the Bank of England are anticipated, which should have a positive impact on investment volumes.

Although the pre-sale consent for Phase 1 of Headland Residences has been obtained in January 2025, the directors will carefully monitor the local market sentiment and discuss with the Group's joint venture partner the best timing for the launch of pre-sale, with the view of maximising the return to shareholders. The directors will also continue to monitor the investment market and carefully consider opportunities to enhance shareholder value.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

During the six months ended 31 December 2024, the Company purchased 58,000 shares of the Company (the "Repurchased Securities") on The Stock Exchange at a total consideration (before expenses) of HK\$3,004,000. After cancellation of the Repurchased Securities on 7 November 2024, the total number of shares of the Company in issue was 45,218,856 shares.

Save as disclosed above, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares, if applicable) during the six months ended 31 December 2024.

DISCLOSURE PURSUANT TO LISTING RULES 13.20 AND 13.22

At 31 December 2024, the Group had the following loans to its affiliated companies (as defined by the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”)):

| Name of affiliated company | Group’s attributable interest | Amount of unutilised loan facility HK\$’000 | Amount of advances made by the Group under the loan facility HK\$’000 | Amount of other advances made by the Group HK\$’000 | Total financial assistance given by the Group HK\$’000 |
|----------------------------|-------------------------------|--|--|--|---|
| Hareton Limited | 50% | 960,650 | 839,350 | 205,407 | 2,005,407 |
| Joyful Sincere Limited* | 20% | 482,368 | 1,475,632 | - | 1,958,000 |

* *via Windcharm Property Holdings 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.

The combined statement of financial position of the above affiliated companies, excluding advances made by shareholders of HK\$9,467,674,000, at 31 December 2024 is as follows:

| | |
|-------------------------|--------------------------|
| | HK\$’000 |
| Non-current assets | 4,051,527 |
| Current assets | 7,738,792 |
| Current liabilities | (400,874) |
| | <u>7,337,918</u> |
| Non-current liabilities | (85,187) |
| | <u><u>11,304,258</u></u> |

Attributable interest to the Group at 31 December 2024 in the above affiliated companies amounted to HK\$3,443,245,000 (at 30 June 2024: HK\$3,411,295,000).

CORPORATE GOVERNANCE PRACTICES

In the opinion of the Directors, the Company complied with the code provisions (the “Code”) as set out in Appendix C1 to the Listing Rules throughout the six months ended 31 December 2024, except the following one deviation:

Code D.2.5 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.

By Order of the Board
China Motor Bus Company, Limited
Dr. Henry NGAN
Chairman

Hong Kong, 27 February 2025

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.

As at the date of this Announcement, 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*