
THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

If you have sold or transferred all your shares in China Motor Bus Company, Limited, you should at once hand this circular to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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CHINA MOTOR BUS COMPANY, LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 026)

MAJOR TRANSACTION

IN RELATION TO

THE DISPOSAL OF PROPERTY IN LONDON

A letter from the Board is set out on pages 4 to 12 of this circular.

A notice convening the EGM to be held at 5th Floor, Harbour Grand Hong Kong, 23 Oil Street, North Point, Hong Kong, on Thursday, 31 October 2024 at 3 p.m. set out on pages EGM-1 to EGM-2 of this circular. Whether or not you are able to attend the meeting in person, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon and return the same to the registered office of the Company at 2606-08, 26th Floor, Island Place Tower, 510 King's Road, North Point, Hong Kong as soon as possible and in any event not later than 48 hours before the time appointed for holding of the EGM or any adjournment thereof (as the case may be). Completion and return of the form of proxy shall not preclude you from attending and voting in person at the EGM or any adjourned meeting thereof should you so wish.

No gifts, food or beverages will be provided at the EGM.

7 October 2024

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DEFINITIONS

In this circular and the appendices to it, unless the context otherwise requires, the following terms and expressions have the following meanings:

“Announcement”	the announcement of the Company dated 13 September 2024 in respect of, among other things, the entering into of the Sale and Purchase Agreement on 13 September 2024 by the Vendor and the Purchaser in relation to the Disposal
“Albany House”	the whole of freehold property at Albany House, Petty France, London SW1, United Kingdom
“Board”	the board of Directors
“Company”	China Motor Bus Company, Limited, a company incorporated in Hong Kong with limited liability and whose shares are listed on the Main Board of the Stock Exchange (stock code: 026)
“connected person”	has the meaning ascribed to it in the Listing Rules
“Completion”	the completion of the Disposal
“Consideration”	the consideration of £47,000,000 (equivalent to approximately HK\$477.99 million)
“Director(s)”	the director(s) of the Company
“Disposal”	the disposal of Albany House by the Vendor to the Purchaser pursuant to the Sale and Purchase Agreement
“EGM”	the extraordinary meeting of the Company to be held to consider and approve the Disposal
“First Longstop Date”	13 December 2024
“Group”	the Company and its subsidiaries from time to time
“HK\$”	Hong Kong Dollar, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Valuer”	Avison Young (UK) Limited, the independent professional valuer appointed by the Company

DEFINITIONS

“Latest Practicable Date”	20 September 2024, being the latest practicable date prior to the printing of this circular for ascertaining certain information referred to in this circular
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“Purchaser”	Blue Orchid (Farringdon) Limited, a company incorporated in the United Kingdom with limited liability and a wholly-owned subsidiary of Integrity International Group Limited
“Resolution”	the ordinary resolution to be proposed at the EGM to approve the Disposal as set out in the notice of the EGM, which is set out on pages EGM-1 and EGM-2 of this circular
“Sale and Purchase Agreement”	the sale and purchase agreement dated 13 September 2024 entered into between the Vendor and the Purchaser in relation to the Disposal
“Scheduled Completion Date”	13 December 2024 or, if the EGM has not been convened as at the First Longstop Date and the Purchaser has not exercised its right to terminate the Sale and Purchase Agreement, 7 business days after the giving of the Vendor’s Notice of Satisfaction of Completion Condition
“Second Longstop Date”	13 March 2025
“SFO”	Securities and Futures Ordinance
“Share(s)”	the ordinary share(s) in the share capital of the Company
“Shareholder(s)”	the shareholder(s) of the Company from time to time
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“subsidiary(ies)”	has the meaning ascribed to it in the Listing Rules
“Vendor”	Oxney Investments Limited, a company incorporated in the British Virgin Islands with limited liability and a wholly-owned subsidiary of the Company
“Vendor’s Notice of Satisfaction of Completion Condition”	notice from the Vendor to the Purchaser confirming that the Vendor’s Completion Condition has been satisfied

DEFINITIONS

“Vendor’s Completion Condition”	the Company having obtained the approval for the Disposal from its shareholders at a general meeting to be convened
“£”	Pounds Sterling, the lawful currency of the United Kingdom
“%”	per cent

For the purpose of this circular and unless otherwise expressly indicated, translations of Pounds Sterling into Hong Kong dollars or vice versa have been calculated by using an exchange rate of £1 equal to HK\$10.17. Such exchange rate has been used, where applicable, for the purpose of illustration only and does not constitute a representation that any amounts were, may have been or will be exchanged at such rate or any other rates or at all.

LETTER FROM THE BOARD



CHINA MOTOR BUS COMPANY, LIMITED

(Incorporated in Hong Kong with limited liability)
(Stock Code: 026)

Executive Directors:

Dr. Henry NGAN (*Chairman*)
YUNG Shun Loy Jacky (*Chief Executive Officer*)
Michael John MOIR

Registered Office:

2606-08, 26th Floor
Island Place Tower
510 King's Road
North Point, Hong Kong

Independent Non-Executive Directors:

Anthony Grahame STOTT, *B.Sc., F.F.A.*
Stephen TAN, *M.B.A., B.A.*
Dr. CHAU Ming Tak
Lynne Jane ARNETT

7 October 2024

To the Shareholders

Dear Sir or Madam,

MAJOR TRANSACTION IN RELATION TO THE DISPOSAL OF PROPERTY IN LONDON

INTRODUCTION

Reference is made to the Announcement in respect of, among other things, the entering into of the Sale and Purchase Agreement on 13 September 2024 by the Vendor (a wholly-owned subsidiary of the Company) and the Purchaser, pursuant to which the Vendor agreed to sell, and the Purchaser agreed to acquire, Albany House at the Consideration of £47,000,000 (equivalent to approximately HK\$477.99 million).

The purpose of this circular is to provide you with, among other things, (i) details of the Disposal; and (ii) a notice of the EGM.

LETTER FROM THE BOARD

THE SALE AND PURCHASE AGREEMENT

The principal terms of the Sale and Purchase Agreement are summarised as follows:

Parties

- (i) the Vendor, a wholly-owned subsidiary of the Company, as the vendor
- (ii) the Purchaser, as the purchaser

According to the information provided to the Company and to the best knowledge, information and belief of the Directors having made all reasonable enquiries, the Purchaser and its ultimate beneficial owner(s) are third parties independent of the Company and its connected persons.

Subject matter

The disposal by the Vendor of the whole of freehold property at Albany House, Petty France, London SW1, United Kingdom subject to and with the benefit of all existing leases, sub-leases and other occupation rights.

Consideration and payment terms

The Consideration payable by the Purchaser is £47,000,000 (equivalent to approximately HK\$477.99 million), and shall be payable in the following manner:-

- (i) a deposit of £4,700,000 (equivalent to approximately HK\$47.80 million), representing 10% of the Consideration, shall be paid by the Purchaser on the signing of the Sale and Purchase Agreement; and
- (ii) the remaining balance of £42,300,000 (equivalent to approximately HK\$430.19 million), representing 90% of the Consideration, shall be paid on Completion.

The Consideration was determined after arm's length negotiations between the Vendor and the Purchaser having regard to, among others:-

- (i) the soon to expire lease of Albany House of the incumbent tenant, London Underground Limited, which has informed the Vendor that it intends to vacate Albany House on expiry of the lease. The current recurring income from Albany House will therefore cease as from the end of this year;
- (ii) the existing condition of Albany House, which will require a major refurbishment before it can be re-let;
- (iii) the risk and reward of carrying out a refurbishment or redevelopment of Albany House, both of which will require substantial capital investment and in particular any redevelopment will require planning approval which is by no means a certainty;

LETTER FROM THE BOARD

- (iv) the carrying value of Albany House being HK\$345,611,000 as at 30 June 2024 representing the Hong Kong dollar equivalent (at the then exchange rate of £1:HK\$9.8746) of the then appraised value of Albany House of £35,000,000 as at 30 June 2024 and its appraised value being £35,000,000 (equivalent to approximately HK\$355.95 million) as at 31 July 2024 by an independent property valuer;
- (v) the current market conditions in the United Kingdom, where transaction volumes are reported to be down by over 50% in almost all sectors of the market since their peak in 2022 and in particular commercial real estate values have fallen between 25% and 50% on average;
- (vi) the potential intrinsic marriage value of Albany House and of the adjoining property owned by persons connected with the Purchaser who made the unsolicited offer for the purchase of Albany House. Having regard to the appraised value of Albany House as at 31 July 2024, it is likely that the Purchaser when making its offer for the purchase of Albany House would have taken into account such intrinsic marriage value.

Condition precedent

Completion is conditional upon the Company having obtained the approval for the Disposal from its Shareholders at a general meeting to be convened.

Completion

Subject to satisfaction of the Vendor's Completion Condition, that is to say, the Company having obtained the approval for the Disposal from its Shareholders at a general meeting to be convened, Completion shall take place on the Scheduled Completion Date. The Vendor's Completion Condition is not waivable by the Purchaser. Within two business days after the date of the EGM, the Vendor shall serve notice on the Purchaser to confirm whether or not the Vendor's Completion Condition has been satisfied.

If as at the First Longstop Date the EGM has not yet been convened, the Purchaser may at any time thereafter but before service by the Vendor of the Vendor's Notice of Satisfaction of Completion Condition, serve notice on the Vendor to terminate the Sale and Purchase Agreement. If the Purchaser does not do so but before the Second Longstop Date the EGM is convened and the Vendor's Completion Condition is not satisfied, then the Sale and Purchase Agreement shall terminate following service by the Vendor of notice that the Vendor's Completion Condition has not been satisfied.

If the Vendor's Completion Condition is not satisfied on or before the Second Longstop Date, then the Sale and Purchase Agreement shall automatically terminate unless the Vendor and the Purchaser have mutually agreed to extend the Scheduled Completion Date.

LETTER FROM THE BOARD

INFORMATION ON THE PURCHASER

The Purchaser is understood to be a wholly-owned subsidiary of Integrity International Group Limited, which is in turn wholly-owned by Tejinderpal Singh (Tony) Matharu, a third party independent of the Company and its connected persons.

To the best knowledge, information and belief of the Directors having made all reasonable enquiries, the principal business activities of the Purchaser is investment holding.

INFORMATION ON ALBANY HOUSE

Albany House is situated on the land registered with the Land Registry of the United Kingdom under the title number NGL782116, with a total site area of approximately 1,982.96 square metres. The property comprises office accommodation with a total area of approximately 5,370.63 square metres, and 45 car parking spaces, arranged at basement and surface level.

Albany House (other than a portion of the basement floor which is let to the London Electricity Board by a lease dated 13 May 1963 for a term of 99 years commencing from 24 June 1963 for use as a transformer chamber) is currently leased by the Vendor to London Underground Limited under a lease dated 22 December 1999 for a term of 25 years from 22 December 1999.

The current total rent payable under the aforementioned leases is £2,350,000 per annum (equivalent to approximately HK\$23.90 million per annum).

The unaudited carrying value of Albany House as at 31 December 2023 was approximately HK\$328,060,000, representing the Hong Kong dollar equivalent (at the then exchange rate of £1:HK\$9.9412) of the then appraised value of Albany House of £33,000,000 as at 31 December 2023 by an independent valuer. The unaudited carrying value of Albany House as at 30 June 2024 was approximately HK\$345,611,000, representing the Hong Kong dollar equivalent (at the then exchange rate of £1:HK\$9.8746) of the then appraised value of Albany House of £35,000,000 as at 30 June 2024 by an independent valuer.

Set out below is the unaudited financial information of Albany House for the years ended 30 June 2024 and 30 June 2023:

	For the year ended 30 June	
	2023	2024
	HK\$'000	HK\$'000
	(Unaudited)	(Unaudited)
Gross rental income	22,165	23,123
Net profit before taxation and excluding changes in fair value of Albany House (Notes 1 & 2)	21,958	22,890
Net profit after taxation and excluding changes in fair value of Albany House (Notes 1 & 3)	17,453	17,164

LETTER FROM THE BOARD

Note 1: Change in fair value: (2023) HK\$74,029,000 (loss), (2024) HK\$20,696,000 (loss).

Note 2: Net profit/(loss) after fair value change and before taxation (unaudited): (2023) (HK\$52,071,000), (2024) HK\$2,194,000.

Note 3: Net profit/(loss) after fair value change and after taxation (unaudited): (2023) (HK\$56,576,000), (2024) (HK\$3,532,000).

PROPERTY VALUATION

The latest valuation of Albany House carried out by the Independent Valuer as at 31 July 2024 amounted to approximately HK\$355,950,000.

In performing the valuation of Albany House, the Independent Valuer adopted the residual method and cross-checked this with a capital value rate per sq.ft..

The Independent Valuer also based their valuation on the assumption that Albany House is refurbished and re-let as offices. For further details of the methodology, key assumptions and parameters adopted in the valuation, please refer to the full text of the valuation report as set out in Appendix II of this circular.

Having discussed with the Independent Valuer the basis and rationale for different valuation methods and approaches, and having considered the analysis of the Independent Valuer in relation to the applicability of each method and approach and assumptions as explained above, the Board concurred with the Independent Valuer's analysis and the adoption of the residual method as the appropriate valuation methodology. In particular, the Board agreed with the Independent Valuer's view that Albany House is in need of refurbishment and that it should be valued on the assumption that the building is refurbished and re-let as offices. The Board also agreed with the Independent Valuer's assessment of the appropriate capitalization rate, the refurbishment costs for Albany House, the developer's profit to be used in the residual method valuation of Albany House, as well as the leasing and market value comparables referred to in the valuation. In view of the aforesaid, the Board is of the view that the methodology as well as the key assumptions and parameters adopted in the valuation are fair, objective and reasonable.

The Board had reviewed and enquired into the qualifications and experience of the Independent Valuer in relation to the preparation of the property valuation report. To the best of the Directors' knowledge and belief and having made all reasonable enquiries, Mr. Robert Baldwin MBA MRICS, Principal of the Independent Valuer and Mr. Kristian Williams MRICS CIS HypZert, Director of the Independent Valuer, the co-signors of the Valuation Report, are both members of the Royal Institution of Chartered Surveyors (MRICS) with over 28 years and 18 years of valuation experience respectively. As such, the Board is of the view that the Independent Valuer is qualified, experienced and competent in performing property valuations and providing a reliable opinion in respect of the valuation of Albany House.

The Board also enquired with the Independent Valuer as to its independence from the Group and the Purchaser, and had received confirmation from the Independent Valuer that they have no present or prospective interest in Albany House, they do not have a direct or indirect material interest in the securities or assets of any of the members of the Group,

LETTER FROM THE BOARD

their respective connected persons or any of their associates and do not have a relationship with the Company or the Purchaser, and they are independent of the Company. Based on the aforesaid and having made all reasonable enquiries, the Board is satisfied with the independence of the Independent Valuer and, to the best of the knowledge of the Directors, there is no relationship or interest which may reasonably be considered to affect the Independent Valuer's independence to act as the independent valuer for the Company in connection with the Disposal.

Taking into account the above, the Directors are of the view that valuation of Albany House by the Independent Valuer as set out in the Valuation Report had fairly and reasonably reflected the fair value of Albany House.

FINANCIAL IMPACT OF THE DISPOSAL ON THE GROUP AND USE OF PROCEEDS

The Company expects to recognise a gain from the Disposal and a consequential increase in the net assets of the Group of approximately HK\$125 million in its consolidated financial statements, which is calculated based on the Consideration less the carrying value of Albany House as at 30 June 2024 after netting off related fees and expenses. Such calculation is only an estimate provided for illustrative purposes. The actual gain from the Disposal to be recorded by the Company will be subject to the financial statements review and audit by the auditors of the Company and it may be different from the foregoing estimated amount of HK\$125 million depending on the final carrying value of Albany House as at Completion. It is expected that the Disposal will not result in any change to the liabilities of the Group. Upon Completion, the Group will no longer earn rental income from Albany House, but the Group may generate finance income, such as interest from bank deposits, from the proceeds of the Disposal.

The net proceeds arising from the Disposal are expected to be approximately HK\$471 million. The Board intends to apply some of the net proceeds from the Disposal for payment of a special dividend to shareholders, while the remaining proceeds may be used to fund any share re-purchase which the Company may decide to make, or explore future business opportunity such as making new acquisitions of properties and/or as general working capital of the Group. No decision has yet been made by the Board on the amount to be applied for payment of special dividend, or to be set aside for funding any share re-purchase, or for exploring future business opportunity, or as general working capital of the Group. The Board will make a decision on the amount to be applied for payment of special dividend after completion of the Disposal has taken place, while the usage of the remaining proceeds will be considered by the Board from time to time having regard to prevailing circumstances.

INFORMATION ON THE COMPANY AND THE VENDOR

The principal activities of the Company and the Group are property development and investment. The Vendor is an investment holding company and a wholly-owned subsidiary of the Company.

LETTER FROM THE BOARD

REASONS AND BENEFITS OF THE DISPOSAL

While the Group has been receiving favourable rental return from the letting of Albany House to London Underground Limited since acquisition of Albany House as an investment property by the Group in December 1999, the term of the 25 year letting will expire at the end of 2024.

While the Board is considering the various options for Albany House after the lease expiry, an unsolicited offer is received from the Purchaser for the purchase of Albany House from the Group. The Board has been advised that the Integrity International Group Limited, or its related company or companies, own the property adjoining Albany House and is desirous of redeveloping the buildings on the combined site of Albany House and its adjoining property.

The Board is of the view that a disposal of Albany House at the present moment to be in the best interest of the Group. The Board came to this view for the following reasons:-

- (i) the Purchaser is a special buyer and the offered price is likely to have taken into account at least some of the potential marriage value of the combined site of Albany House and its adjoining property;
- (ii) the Disposal presents a favourable opportunity for the Company, following receipt of an unsolicited offer, to sell Albany House at £47 million (equivalent to approximately HK\$477.99 million) which represents an attractive premium over the carrying value of HK\$345,611,000 as at 30 June 2024 representing the Hong Kong dollar equivalent (at the then exchange rate of £1:HK\$9.8746) of the then appraised value of Albany House of £35,000,000 as at 30 June 2024, as well as its appraised value of £35 million (equivalent to approximately HK\$355.95 million) as at 31 July 2024 by an independent property valuer;
- (iii) the Disposal will unlock the value of Albany House, thereby enabling the Company to both enhance Shareholder value by returning cash to Shareholders and also to further strengthen the financial position of the Company;
- (iv) the Disposal will remove any need for the Company to incur significant capital expenditure for, or to undertake the risk pertaining to, refurbishing or redeveloping Albany House amid the prevailing market conditions in the United Kingdom.

The Board, including the independent non-executive Directors, considers that the terms of the Disposal (including the Consideration) to be fair and reasonable and in the interest of the Shareholders as a whole.

LETTER FROM THE BOARD

LISTING RULES IMPLICATIONS

As one or more of the applicable percentage ratios, as defined under Rule 14.07 of the Listing Rules, in respect of the Disposal will exceed 25% but will be less than 75%, the Disposal constitutes a major transaction for the Company under Chapter 14 of the Listing Rules. Therefore, the Disposal is subject to reporting, announcement, circular and shareholders' approval requirements under the Listing Rules.

None of the Directors has a material interest in the Disposal which requires any of them to abstain from voting on the relevant resolutions of the Board.

EXTRAORDINARY MEETING

A notice convening the EGM to be held at 5th Floor, Harbour Grand Hong Kong, 23 Oil Street, North Point, Hong Kong on Thursday, 31 October 2024 at 3 p.m. is set out on pages EGM-1 to EGM-2 of this circular. At the EGM, the Resolution will be proposed to approve the Disposal.

A form of proxy for use at the EGM is enclosed herewith. Whether or not you are able to attend the EGM in person, you are requested to complete and return the accompanying form of proxy in accordance with the instructions printed thereon and return the same to the registered office of the Company at 2606-08, 26th Floor, Island Place Tower, 510 King's Road, North Point, Hong Kong as soon as possible and in any event not later than 48 hours before the time appointed for holding of the EGM or any adjournment thereof (as the case may be). Completion and return of the form of proxy shall not preclude you from attending and voting in person at the EGM or any adjourned meeting thereof should you so wish.

In accordance with Rule 13.39(4) of the Listing Rules, the chairman of the EGM will demand a poll for the resolution to be proposed at the EGM. The results of the voting will be announced by the Company after the EGM. To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no Shareholder has a material interest in the Sale and Purchase Agreement and the transactions contemplated thereunder and therefore no Shareholder is required to abstain from voting at the EGM in respect of the Resolution.

CLOSURE OF REGISTER OF MEMBERS

For ascertaining the Shareholders' entitlement to attend and vote at the EGM, the register of members of the Company will be closed from Monday, 28 October 2024 to Thursday, 31 October 2024, both days inclusive. To attend and qualify to attend and vote at the EGM, all transfer documents accompanied by the relevant share certificates should be lodged with the Company's registrar (Computershare Hong Kong Investor Services Limited, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wanchai, Hong Kong) no later than 4:30 p.m. on Friday, 25 October 2024.

LETTER FROM THE BOARD

RECOMMENDATION

The Board, including the independent non-executive Directors, consider that the Disposal and the Sale and Purchase Agreement and the transactions contemplated thereunder are fair and reasonable and in the interests of the Company and the Shareholders as a whole. Accordingly, the Board recommends all the Shareholders to vote in favour of the Resolution.

ADDITIONAL INFORMATION

Your attention is also drawn to the additional information set out in the appendices to this circular.

The Disposal is subject to the approval by the Shareholders, over which the Company has no control. Shareholders and investors are reminded to exercise caution when dealing in the securities of the Company.

Yours faithfully,
By order of the Board
China Motor Bus Company, Limited
Dr. Henry NGAN
Chairman

1. FINANCIAL INFORMATION OF THE GROUP

The financial information of the Group (i) for the year ended 30 June 2021 is disclosed on pages 32 to 78 of the annual report 2021 of the Company; (ii) for the year ended 30 June 2022 is disclosed on pages 35 to 80 of the annual report 2022 of the Company; (iii) for the year ended 30 June 2023 is disclosed on pages 38 to 86 of the annual report 2023 of the Company; and (iv) for the six months ended 31 December 2023 is disclosed on pages 1 to 15 and 24 of the interim report 2024 of the Company, and are incorporated by reference into this circular.

While the annual report of 2024 of the Company has not yet been published at the date of this circular, the Company has on 27 September 2024 published an announcement regarding the financial information of the Group for the year ended 30 June 2024 on the website of the Stock Exchange (www.hkex.com.hk) and the website of the Company (www.irasia.com/listco/hk/cmb/index.htm).

The said annual reports, interim report and announcement of the Company are available on the Company's website at www.irasia.com/listco/hk/cmb/index.htm and website of the Stock Exchange at www.hkex.com.hk through the links below:

<https://www1.hkexnews.hk/listedco/listconews/sehk/2021/1012/2021101200207.pdf>

<https://www1.hkexnews.hk/listedco/listconews/sehk/2022/1013/2022101300241.pdf>

<https://www1.hkexnews.hk/listedco/listconews/sehk/2023/1012/2023101200247.pdf>

<https://www1.hkexnews.hk/listedco/listconews/sehk/2024/0313/2024031300975.pdf>

<https://www1.hkexnews.hk/listedco/listconews/sehk/2024/0927/2024092702029.pdf>

2. WORKING CAPITAL

Taking into account the internal and other financial resources available to the Group and further taking into account the effects of the Disposal, the Directors are of the opinion that the Group has sufficient working capital for its present requirements, that is for at least the next 12 months from the date of this circular. The Company has obtained the relevant confirmation as required under Rule 14.66(12) of the Listing Rules.

3. INDEBTEDNESS

As at the close of business on 20 September 2024, being the latest practicable date for the purpose of preparing this indebtedness statement, the Group did not have any loan capital issued, any debt securities issued and outstanding, any debt securities authorised or otherwise created but unissued, any term loans (whether guaranteed, unguaranteed, secured or unsecured), any bank overdrafts and liabilities under acceptances or other similar indebtedness, debentures, mortgages, charges or loans or acceptance credits or hire purchase commitments (whether guaranteed, unguaranteed, secured or unsecured), guarantees or other contingent liabilities.

4. FINANCIAL AND TRADING PROSPECTS

There has been no significant change in the trend of the business and financial and trading prospects of the Group since the date of the last published interim report.

It is anticipated that the global economic environment will continue to be challenging. 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 by 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 been stalled after the first half of the year. Local analysts now predict that after key interest rate in the US has 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.

Upon Completion of the Disposal, the Group will no longer earn rental income from Albany House, but the Group may generate finance income from the proceeds of the Disposal or return from future business opportunity.

For the Group's local property development project, the redevelopment of Chai Wan Inland Lot No. 178, No. 391 Chai Wan Road, Chai Wan, which is held through a wholly owned subsidiary of Windcharm Property Holdings Limited (formerly known as Windcharm Investments Limited), a joint venture company in which the Group has a 20% interest, into a residential and commercial complex with an aggregate residential and retail gross floor area of 64,500 sq. m. has been proceeding well on plan.

The Company expects to recognise a gain from the Disposal and a consequential increase in the net assets of the Group of approximately HK\$125 million in its consolidated financial statements, which is calculated based on the Consideration less the carrying value of Albany House of HK\$345,611,000 as at 30 June 2024 representing the Hong Kong dollar equivalent (at the then exchange rate of £1:HK\$9.8746) of the then appraised value of Albany House of £35,000,000 as at 30 June 2024 after netting off related fees and expenses. Thus, 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 following is the text of a letter and valuation certificate prepared for the purpose of incorporation in this circular received from Avison Young (UK) Limited, an independent property valuer, in connection with the valuation of Albany House as at 31 July 2024:

**AVISON
YOUNG**

Our Ref: Albany House

Your Ref:

7 October 2024

The Board of Directors
China Motor Bus Company, Limited (the “Client”)
2606-08, 26/F Island Place Tower
510 King’s Road North Point
Hong Kong

Dear Sirs

Property: Albany House, 94-98 Petty France, London SW1H 9EA (the “Property”)

INSTRUCTIONS, PURPOSE AND VALUATION DATE

In accordance with your instructions, we are instructed to provide you with a report and valuation of the Property as at 31 July 2024 for disposal purposes.

VALUATION STANDARDS

We confirm that our valuation and report has been prepared in accordance with the current RICS Valuation – Global Standards effective from 31 January 2022 published by the Royal Institution of Chartered Surveyors (the RICS Red Book) and the Red Book UK National Supplement effective 1 May 2024 on the basis of Market Value as defined in the Definitions and Reservations for Valuations, which follows the International Valuation Standards Council’s International Valuation Standards with reference to Chapter 5 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

VALUATION BASIS

In arriving at our valuation, we have adopted the residual method¹ and have cross-checked this with a capital value rate per sq. ft. which is deduced from market comparables² and have satisfied ourselves that they do support the residual method valuation, in that the value per sq. ft. as deduced by the residual method is within the range of value per sq. ft. based on comparables after allowing for adjustments. Whilst kept in reasonable repair by the current tenant, the Property is in need of refurbishment and some would consider it as coming close to the end of its economic life. We have assumed that the building is refurbished and re-let as offices and have adopted the residual method of valuation on this basis which we believe to be appropriate in the circumstances.

VALUATION ASSUMPTIONS

- You have advised us that the Property is held as an investment.
- We understand that we saw representative parts of the Property and we have assumed that any physical differences in parts we did not inspect will not have a material impact on its value.
- We have been provided with floor areas by your managing agent, Savills LLP and have assumed that these are in accordance with the RICS Professional Statement – RICS Property Measurement 2nd Edition, January 2018 and the RICS Code of Measuring Practice (6th edition). As agreed, we have relied upon these floor areas for the purposes of this valuation exercise.
- We have therefore relied on areas measured on the basis of the RICS Professional Statement – RICS Property Measurement 2nd Edition, January 2018 and the RICS Code of Measuring Practice 6th Edition, and have calculated the floor areas on a net internal area basis.
- We have not been provided with environmental reports prepared on the Property. Our valuation therefore assumes that there are no significant environmental issues that affects the property and that the property is suitable for its continued use as a an office.
- Unless we have been informed to the contrary we have assumed that no tenants are in arrears.
- Our opinion assumes that the building will be refurbished.
- We have made no special assumptions.

¹ The residual method is used to determine the value of a property through the potential available after a scenario of exploitation. The residual method is the standard method of valuation in the UK for assessing the value of development land and development projects. It is often used to value developments in the course of construction. In valuing Albany House, we have used the residual method since the Property is in our opinion in need of refurbishment before it can be re-let at close to prime rents in the Westminster/Victoria sub-market.

² The capital value rate per sq. ft. is deduced from market comparables as set out under the heading “Investment Comparables” on page 5 of this letter, by taking the market value based on comparables after allowing for adjustments and dividing it by the redevelopment area.

VALUATION METHODOLOGY

The Property, which is situated in Victoria, falls within the “West End” market of Central London and more specifically, within the Victoria and Westminster sub-markets.

Westminster’s wealth of large buildings leased on secure covenants to government departments makes it a popular investment destination during downturns, particularly for core investors. However, repositioning and redevelopment have been the primary investment themes in recent quarters. In May 2024, Criterion Capital bought the soon-to-be-vacant Nobel House for £50 million in a redevelopment proposition.

Prime headline rents in the core Mayfair market³ increased from £150.00 per sq. ft. in Q1 to £160.00 per sq. ft. in Q2, although there have been some exceptional deals at significantly higher rents than this. Other sub-markets that saw rental growth included St James’s (rising from £130.00 per sq. ft. in Q1 to £135.00 per sq. ft. in Q2) and Covent Garden (up from £90.00 per sq. ft. in Q1 to £95.00 per sq. ft. in Q2).

Prime rents in the Westminster/Victoria sub-market are £90.00 to £100 per sq. ft..

There is limited demand for un-refurbished/basic space, with rents around £30.00 to £35.00 per sq. ft., although long marketing periods can be expected.

No.	Date	Address/ Location	Leasing Comparables			Comment
			Area (sq. ft.)	Tenant	Rent (psf)	
1.	05/2024	First floor, One Old Queen Street SW1H 9JA	3,258	Aperture Investors	£93.50	Five year lease with a tenant only break at year 3
2.	05/2024	18th Floor, 21-24 Millbank SW1P 4QP	3,429	Green Alliance	£30.00	Basic, refurbished space
3.	05/2024	50 Pall Mall, SW1 5JH	3,125	Bonroy Petchem	£85.00	Let for a term of five years.
4.	05/2024	46-48 Grosvenor Gardens SW1W 0EB	15,742	Taipei Representative Office	£76.23 (average)	Let for a term of ten years. Lease of lower ground through to the fifth floor at an average rate of £76.23 per sq. ft.
5.	05/2024	123 Pall Mall, SW1 5AE	1,510	Aravis Capital	£80.00	Let for a term of five years with a break at year three. Four months rent free.

³ Prevailing rents in the core Mayfair market are considered to be much higher than the prevailing rents in the Westminster/Victoria sub-markets.

No.	Date	Address/ Location	Leasing Comparables			Comment
			Area (sq. ft.)	Tenant	Rent (psf)	
6.	04/2024	The Peak, 5 Wilton Place SW1V 1AP	10,818	Global Infrastructure Partners	£85.00	Leased for a term of five years
7.	04/2024	123 Pall Mall, SW1 5AE	10,685	Confidential	£87.50 to £89.97 on the main space	Let for a term of 10 years without break – 15 months rent free
8.	04/2024	10-11 Grosvenor Place, SW1X 7HH	3,879	G Modiano	£65.00	Let for a term of five years

In arriving at our opinion of Market Rent⁴ we have had regard to the above transactions. The leasing comparables were chosen as those reflecting the redeveloped office assumptions within the valuation, as well as other factors such as their transaction dates and their geographical proximity. It is observed that the leasing comparables are all located in the SW1 area of London i.e., the same area within which the Property is located, and the transaction dates for these leasing comparables are all within the six month-period prior to the date of this valuation. These leasing comparables may not necessarily be exhaustive, but they are considered by us to be most appropriate from the information available to us through published sources or commercial databases. Our opinion assumes that the building will be refurbished.

We have adopted an average rent of £75.00 per sq. ft. totalling **£4,335,675 per annum**. We have not applied a rental value to the basement car parking spaces as we believe there will be limited demand for these and a developer would incorporate this space in to tenant arrival and departure facilities.

⁴ Market Rent is defined within the RICS Valuation – Global Standards (incorporating the IVSC International Valuation Standards) effective from 31 January 2022 together with the UK National Supplement effective 14 January 2019, together the “Red Book” as “*The estimated amount for which an interest in real property should be leased on the valuation date between a willing lessor and a willing lessee on appropriate lease terms in an arm’s-length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.*”

In arriving at our opinion of market value we have had regard to the transactions set out below for investment properties actually sold, which were chosen based upon location, date of transaction and similarity of use. Where possible, we have chosen investment comparables which are located in the SW1 area of London, for which the transaction dates fall within the period of 6 to 12 months prior to the date of this valuation. Because of shortage of transactions, we have also examined other investment comparables in the SE1 area. These investment comparables may not necessarily be exhaustive, but they are considered by us to be most appropriate from the information available to us through published sources or commercial databases.

No.	Date	Address/ Location	Investments Comparables			Yield	Comment
			Area (sq. ft.)	Sale Price (psf)			
1.	06/2024	3 Albert Embankment SE1 7SP	48,024	£40.80m (£849.58 psf) Marketed before sales as "offers invited"		N/A ⁵	The fourteen-storey office property measures 48,024 sq ft and was built on the Royal Doulton manufacturing site in 1982. The waterfront property sits atop a 0.3-acre land parcel. Planning permissions were in place for the property for change of use from office to residential and was granted in 2015. The purchasers will convert the property to accommodate 28 luxury apartment units with 18 car parking spaces.
2.	04/2024	Nobel House, 14 Smith Square, SW1P 3HZ	143,412	£50.0m (£348.65 psf) Marketed before sale as "offers invited"		9.41%	The UK Government has a lease on the building for Department for Environment, Food & Rural Affairs (DEFRA) that expires in May 2024. We understand that the purchaser will change the use. The majority of interest was from hotel operators.
3.	04/2024	Alliance House, 12 Caxton Street, SW1H 0QS	24,974	£12.6m (£504 psf) Marketed before sale for offers in excess of £15.0m		6.40%	This is a eight storey office building arranged over basement, ground and six upper floors, totalling to 24,974 square feet and sits on a 0.13 acre site. The building was developed in 1938. Multi-let to seven tenants with a WAULT of 1.4 years to breaks and 4.7 years to expiries on let accommodation.

⁵ No leasing information is available from published sources or commercial databases.

No.	Date	Address/ Location	Investments Comparables			Yield	Comment
			Area (sq. ft.)	Sale Price (psf)			
4.	12/2023	25-27 Victoria Street, SW1H EX	53,652	£42.50m (£792 psf) Marketed before sale as "offers invited"		6.67%	Developed in 1996 by Landsec, 25 Victoria Street is a Grade A office, retail and leisure building in the heart of Victoria. The Property is multi-let to five office tenants with one retail and one leisure tenant providing a contracted rent of £2,884,126 per annum with WAULT of 5.1 years to expiries and 4.2 years to breaks.
5.	10/2023	8-10 Great George Street, SW1 3AE	58,518	£57.0m (£974 psf) An asking price was not stated before sale.		N/A ⁶	The property comprises a mid-terraced building which was built in 1927 with office accommodation arranged over nine floors including the basement level. In April 2019 planning permission was granted for a proposal to convert the office building into a 134-room luxury hotel with a full spa with pool, gym, internal courtyard and restaurant and lounge/bar at ground floor level or 83 premium serviced apartments comprising of 45 studios and 38 one-bedroom apartments.

There have been few prime sales to draw upon. Most reports from London market researchers pointed to a 4.00% yield in Q2 2024 for prime West End office, although there are few transactions to support this. We have had regard to capital value rates per sq. ft. and the above comparables show a range of £348.65 per sq. ft. to £974 per sq. ft.. The former is for a building with alternative use potential requiring planning consent, the latter an attractive period building also with an alternative use.

We have capitalised the market rent at a 5.55% yield⁷, which in our opinion would be appropriate having regard to the macro and micro economic circumstances within the UK investment market, the location of the Property, the type of building and its potential and deducted purchaser's costs of 6.80% representing Stamp Duty Land Tax and agents/legal costs. This produced a net development value of £67,800,000. We have adopted refurbishment costs of £200 per sq. ft. (based upon a gross internal area (GIA): net internal area (NIA) ratio of 83%) which in our opinion would be appropriate having regard to the construction and dilapidations works which would be required to be carried out to the

⁶ No leasing information is available from published sources or commercial databases.

⁷ The 5.55% yield is lower than the yields in the above investment comparables as they have to be adjusted to take into account their location, type of building and potential. In particular, the 9.41% yield in comparable no.2 is derived from a lease which will soon expire.

Property and also the need to improve the energy performance rating of the Property and then deducted professional fees, marketing and disposal costs together with interest payments. Finally, we have deducted a developer’s profit of 12.50% on cost, which in our view would be the required return for a development of this type, given this is a relatively straight-forward scheme and having regard to the normal range of developer’s profit which is 10% to 15% depending on complexity and risk. Finally, we arrive at a rounded Fair Value of £35,000,000 equating to £605 per sq. ft. based on the NIA, by applying the formula:–

$$\text{Fair Value} = \text{net development value} - (\text{development costs} + \text{finance costs} + \text{developer's profit})^8$$

We have used the “Argus Enterprise Developer” software in arriving at the Fair Value and the calculations are embedded within that software. Our valuation printout is set out in the **Appendix** hereto.

We have undertaken sensitivity analysis varying the rent and constructions costs. This produces the following matrix for the Fair Value:–

		Rent: Rate /ft²				
		-2.00 /ft ²	-1.00 /ft ²	0.00 /ft ²	1.00 /ft ²	2.00 /ft ²
Construction: Rate/ft²		73.00 /ft ²	74.00 /ft ²	75.00 /ft ²	76.00 /ft ²	77.00 /ft ²
-10.00/ft ²	190.00 /ft ²	£34,401,176	£35,062,245	£35,723,314	£36,384,384	£37,045,453
-5.00/ft ²	195.00 /ft ²	£34,046,212	£34,707,281	£35,368,351	£36,029,420	£36,690,489
0.00/ft ²	200.00 /ft ²	£33,691,248	£34,352,317	£35,013,387	£35,674,456	£36,335,526
5.00/ft ²	205.00 /ft ²	£33,336,283	£33,997,353	£34,658,423	£35,319,492	£35,980,562
10.00/ft ²	210.00 /ft ²	£32,981,319	£33,642,389	£34,303,458	£34,964,528	£35,625,598

Finally, we have cross-checked our valuation with the capital value rate per sq. ft.as deduced from the market comparables as set out under the heading “Investment Comparables” on page 5 of this letter, to ensure that it falls within the range of the comparables.

SITE INSPECTION

The Property was inspected on 20 August 2024 by Robert Baldwin MBA MRICS, Principal, a RICS Registered Valuer within the Valuation Consultancy Department of our office at 65 Gresham Street, London EC2V 7NQ. Access was available to the majority of the Property with the exception of the parts occupied by the British Transport Police. We inspected enough of the building to form our view on valuation.

⁸ The following numbers, as appearing in our valuation printout in the **Appendix** hereto, are used in arriving at a Fair Value of £35,000,000: £67,800,000 (net development value), £20,437,065 (development costs including construction costs, professional fees, acquisition fees, marketing and disposal costs), £4,816,421 (finance costs) and £7,533,371 (developer’s profit). Construction costs are calculated by (i) firstly, taking the product of the NIA of the Property (i.e., 57,809 sq. ft.) and the rate of £200 per sq. ft. and dividing such product by 0.83 (being the GIA:NIA ratio), and (ii) adding a 5% contingency thereto. Developer’s profit is calculated at 12.50% of the total costs of £60,266,873 as shown in the **Appendix**.

We have inspected the property for valuation purposes. We would comment that generally the subject property is in a satisfactory state of repair and condition. Whilst kept in reasonable repair by the current tenant, the property is in need of refurbishment and some would consider it is coming close to the end of its economic life and suitable for redevelopment. We have reflected this within our valuation. We are of the opinion that given reasonable maintenance and periodic repair, the subject property will have a remaining economic life in excess of 20 years. With an on-going maintenance and repair programme, the life could be extended further.

INFORMATION SOURCES

In preparing our valuation we have been provided with information from the Client. The extent to which this has been relied upon and verified by us in arriving at our opinion of value, is referred to in our report.

TITLE INVESTIGATION

We have not been provided with a report on title; however, you have advised us that the property is held freehold. We understand that the Property has good and marketable title.

Our valuation certificate is attached hereto.

Yours faithfully,
For and on behalf of
Avison Young (UK) Limited

Robert Baldwin MBA MRICS
RICS Registered Valuer
Principal
Email: robert.baldwin@avisonyoung.com
Address of Avison Young (UK) Limited:
65 Gresham Street, London EC2V 7NQ

Kristian Williams MRICS CIS HypZert (MLV)
RICS Registered Valuer
Director

VALUATION CERTIFICATE

Property	Description and tenure	Details of occupancy	Market value as at 31 July 2024
Albany House, 94-98 Petty France, London SW1H 9EA	<p>The subject property is a terraced office building and was originally constructed in 1965 and extended in the late 1980s.</p> <p>Albany House is a self-contained office building providing 57,809 sq. ft. (5,371 sq. m.) of office accommodation on ground and eleven upper floors with a basement.</p> <p>There are a total of 45 car parking spaces provided to the property, consisting of 31 basement spaces and 14 surface level spaces. This provides a ratio of 1:1,285 sq. ft.. Access to the car parking is from Palmer Street. The current occupier uses the basement car park which is unusual in Central London.</p> <p>The property is located on Petty France which is within walking distance of St James's Park Underground Station and Victoria Railway Station. Petty France is located in the heart of Victoria in Central London. Victoria Street, which is the main thoroughfare in Victoria, runs parallel to Petty France approximately 400 metres to the south. Transport connections are excellent with Victoria mainline and underground station being located half a mile to the west of the subject property.</p>	<p>The property is let to London Underground Limited on a 25-year, full repairing and insuring lease, from 22 December 1999, expiring 21 December 2024, thus having approximately 0.25 years unexpired. The current passing rent (before tax) is £2,350,000 per annum which equates to £38.44 per sq. ft. (£414 per sq. m.) overall, with £2,500 and £3,000 per space applied to the surface and basement car parking spaces respectively. The rent is subject to five yearly upwards only rent reviews, with the March 2022 review outstanding, although it has not been instigated given that any increase is unlikely.</p> <p>A portion of the basement floor is let to the London Electricity Board by a lease dated 13 May 1963 for a term of 99 years commencing from 24 June 1963 for use as a transformer chamber.</p> <p>The majority of the property has been sub-let to parties linked to London Underground Limited.</p> <p>There are no outgoing or disbursements from the current passing rent of the Property.</p>	£35,000,000

Property	Description and tenure	Details of occupancy	Market value as at 31 July 2024
	<p>We are of the opinion that the Property has consent for the current use as offices. We are not aware of any enforcement actions, outstanding applications which affect the Property. We have made online enquiries on Historic England of The National Heritage List for England (the “List”) to determine whether there are any listed buildings on the site. As far as we can establish, nothing on the site with the postcode SW1H 9EA appears in the List. The Property is not situated in a conservation area.</p>		

Notes:

- a) No allowance has been made for any expenses of realisation, or for taxation (including VAT) that might arise in the event of a disposal and the Property has been considered free and clear of all mortgages or other charges that may be secured thereon.
- b) The capital value of the Property in its current state as at 31 July 2024 is £35,000,000. (see page 5 of our letter as to how the capital value rate of the Property is calculated and what considerations were made)
- c) The Official Title Register (number: NGL782116) shows the registered owner of the Property as Oxney Investments Limited (incorporated in British Virgin Islands).

Appendix

Currency in £

REVENUE

Annual Rental Income	4,335,675
Net Capital Value (see Note (1))	72,747,042
Purchaser's Costs (see Note (2))	(4,946,799)

NET REALISATION**67,800,244****OUTLAY****Acquisition**

Site Purchase Cost	35,013,387	Say £35,000,000
Site Purchase Fees	2,525,870	
Total Acquisition	37,539,257	

Construction

Construction Costs	14,667,700
Professional Fees	1,526,140
Total Construction	16,193,840

Marketing/Letting

Marketing	50,000
Letting	650,351

Disposal

Sales Costs	1,017,004
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Finance

Project Length	20 months
Debit Rate 7.000%, Credit Rate 0.000% (Nominal)	
Site Finance	4,093,487
Construction Finance	722,934
Total Finance	4,816,421

TOTAL COSTS**60,266,873****PROFIT****7,533,371**

Note (1): Capitalising the annual rental income of £4,335,675 (incorporating a 18-month rent-free period) at a 5.55% yield.

Note (2): Representing Stamp Duty Land Tax and agents/legal costs at 6.8% of net capital value.

1. RESPONSIBILITY STATEMENT

This circular, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm, that to the best of their knowledge and belief, the information contained in this circular is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this circular misleading.

2. DISCLOSURE OF INTERESTS OF DIRECTORS AND CHIEF EXECUTIVE

As at the Latest Practicable Date, the interests and short positions, if any, of the Directors or the chief executive of the Company in the shares, underlying shares and debentures of the Company and any of its associated corporations (within the meaning of Part XV of the SFO) which (i) were required to be notified to the Company and the Stock Exchange pursuant to the provisions of Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) were required, pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers set out in Appendix C3 of the Listing Rules (the “**Model Code**”), to be notified to the Company and the Stock Exchange were as follows:

Long position in the shares of the Company

Name of Directors	Number of ordinary shares in the Company				Total ordinary shares held	Approximate Percentage of the issued share capital of the Company ⁽¹⁾
	Personal interests	Family interests	Other interests			
Dr. Henry NGAN	7,173,125	250	33,468 ⁽²⁾	7,206,843	15.92%	
Anthony Grahame STOTT	20,600	–	–	20,600	0.05%	
Stephen TAN	600	–	–	600	0.00%*	
Dr. CHAU Ming Tak	4,137	–	–	4,137	0.01%	
Michael John MOIR	2,000	–	–	2,000	0.00%*	
YUNG Shun Loy Jacky	29,200	–	–	29,200	0.06%	
Lynne Jane ARNETT	600	–	–	600	0.00%*	

Notes:

1. The percentage shareholding in the Company is calculated on the basis of 45,276,856 Shares in issue as at the Latest Practicable Date.
 2. The 33,468 shares are held by the estate of the late WONG Yick-mui, of which Dr. Henry NGAN, NGAN Kit-ling and the late NGAN Kit-keung by themselves and through the estate of the late NGAN Shing Kwan are interested as beneficiaries.
 3. All the interests disclosed above represented long positions.
- * Shareholding percentages have been rounded to the nearest 2 decimal places.

Save as disclosed above, as at the Latest Practicable Date, none of the Directors or chief executive of the Company or their respective associates had any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which (i) were required to be notified to the Company and the Stock Exchange pursuant to the provisions of Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (ii) were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) were required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

As at the Latest Practicable Date, none of the Directors was a director or employee of a company which had an interest or short position in the shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO.

3. DIRECTORS' SERVICE CONTRACTS

As at the Latest Practicable Date, none of the Directors had entered into any service contract, proposed or otherwise with any member of the Group other than contracts expiring or determinable by the Group within one year without payment of compensation (other than statutory compensation).

4. DIRECTORS' INTERESTS IN THE ASSETS, CONTRACTS OR ARRANGEMENT SIGNIFICANT TO THE GROUP

As at the Latest Practicable Date, none of the Directors had any direct or indirect interest in any assets which have since 30 June 2023 (being the date to which the latest published audited consolidated financial statements of the Company were made up) been acquired or disposed of by or leased to or are proposed to be acquired or disposed of by or leased to any member of the Group.

None of the Directors was materially interested in any contract or arrangement subsisting at the Latest Practicable Date and which is significant in relation to the business of the Group.

5. DIRECTORS' INTERESTS IN COMPETING BUSINESS

As at the Latest Practicable Date, none of the Directors and their respective close associate was interested in a business, which competed or were likely to compete, either directly or indirectly, with the businesses of the Group.

6. LITIGATION

As at the Latest Practicable Date, the Group was not engaged in any litigation or claims of material importance and there was no litigation or claims of material importance known to the Directors to be pending or threatened by or against the Group.

7. QUALIFICATION AND CONSENT OF EXPERT AND EXPERT'S INTERESTS

The following is the qualification of the expert who has given opinion or advice which is contained in this circular:

Name	Qualification
Avison Young (UK) Limited	Property valuer

Avison Young (UK) Limited has given and has not withdrawn its written consent to the issue of this circular with the inclusion of its letter/report and reference to its name in the form and context in which they appear.

Avison Young (UK) Limited has also confirmed that as at the Latest Practicable Date:

- (a) it did not have any shareholding, directly or indirectly, in any member of the Group or any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group; and
- (b) it did not have any direct or indirect interest in any assets which had since 30 June 2023 (being the date to which the latest published audited consolidated financial statements of the Company were made up) been acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group.

The letter and report from Avison Young (UK) Limited is given as of the date of this circular for incorporation therein.

8. MATERIAL CONTRACTS

As at the Latest Practicable Date, other than the Sale and Purchase Agreement, no other contracts (not being contracts entered into in the ordinary course of business) have been entered into by members of the Group within two years immediately preceding the date of this circular and are, or may be, material.

9. GENERAL

- (a) The company secretary of the Company is Mr. Kwok Pun Tak, a fellow member of The Chartered Governance Institute and The Hong Kong Chartered Governance Institute.
- (b) The registered office of the Company is at 2606-08, 26th Floor, Island Place Tower, 510 King's Road, North Point, Hong Kong.
- (c) The share registrar and transfer office of the Company is Computershare Hong Kong Investor Services Limited, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong.
- (d) The English text of this circular shall prevail over the Chinese text.

10. DOCUMENTS ON DISPLAY

Copies of the following documents will be published on the website of the Stock Exchange (www.hkex.com.hk) and the website of the Company (www.irasia.com/listco/hk/cmb/index.htm) for a period of 14 days from the date of this circular:

- (a) the articles of association of the Company;
- (b) the property valuation report, the text of which is set out in Appendix II to this circular;
- (c) the written consent referred to in the paragraph headed "Qualification and Consent of Expert and Expert's Interests" in this Appendix;
- (d) the annual reports of the Company for the financial years ended 30 June 2021, 2022 and 2023 and the interim report of the Company for the six months ended 31 December 2023;
- (e) the Sale and Purchase Agreement; and
- (f) this circular.

NOTICE OF THE EXTRAORDINARY MEETING



CHINA MOTOR BUS COMPANY, LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock Code: 026)

NOTICE OF THE EXTRAORDINARY MEETING

NOTICE IS HEREBY GIVEN that an extraordinary meeting of China Motor Bus Company, Limited (the “**Company**”) will be held at 5th Floor, Harbour Grand Hong Kong, 23 Oil Street, North Point, Hong Kong on Thursday, 31 October 2024 at 3 p.m. for the purpose of considering and, if thought fit, passing with or without amendments, the following resolution as an ordinary resolution of the Company. Capitalised terms defined in the circular dated 7 October 2024 issued by the Company (the “**Circular**”) of which this notice forms part shall have the same meanings when used herein unless otherwise specified:

ORDINARY RESOLUTION

“**THAT:**

- (A) the sale and purchase agreement dated 13 September 2024 (the “**Sale and Purchase Agreement**”) entered into between Oxney Investments Limited (a wholly-owned subsidiary of the Company, as vendor) (the “**Vendor**”) and Blue Orchid (Farringdon) Limited (a wholly-owned subsidiary of Integrity International Group Limited, as purchaser) (the “**Purchaser**”) (a summary of which appears in the Circular) in respect of the sale and purchase of the whole of freehold property at Albany House, Petty France, London SW1, United Kingdom by the Vendor to the Purchaser at the consideration of £47,000,000 as contemplated thereunder (the “**Disposal**”) (a copy of the Sale and Purchase Agreement having been produced to this meeting and marked “A” and initialled by the chairman of the meeting for identification) be and is hereby confirmed, approved and ratified; and
- (B) the Directors of the Company be hereby authorised to execute all such documents, instruments and agreements and to do any such acts and things as they may in their absolute discretion consider expedient, necessary or desirable in order to give effect to (a) the Disposal under the Sale and Purchase Agreement as referred to in paragraph (A) of this resolution; and (b) the transactions contemplated under such Sale and Purchase Agreement.”

By Order of the Board
Dr. Henry Ngan
Chairman

Hong Kong, 7 October 2024

NOTICE OF THE EXTRAORDINARY MEETING

Notes:

- (1) A shareholder entitled to attend and vote at the above meeting may appoint a proxy or proxies to attend and vote in his place and such proxy need not be a shareholder of the Company.
- (2) To be valid, forms of proxy must be deposited at the registered office of the Company 2606-08, 26th Floor, Island Place Tower, 510 King's Road, North Point, Hong Kong not less than 48 hours before the time fixed for holding the above meeting or adjourned meeting.
- (3) To qualify for voting in the above meeting, all unregistered transfers should be lodged at the Company's Registrar (Computershare Hong Kong Investor Services Limited, 17th Floor, Hopewell Centre, 183 Queen's Road East, Wan Chai, Hong Kong) no later than 4:30 p.m. on Friday, 25 October 2024.
- (4) The Register of Members of the Company will be closed from Monday, 28 October 2024 to Thursday, 31 October 2024, both days inclusive.
- (5) As at the date of this notice, 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*.
- (6) In the case of any conflict between the Chinese translation and the English text hereof, the English text will prevail.

* *Independent non-executive directors of the Company*