



China Motor Bus Co., Ltd.

**2024-2025
INTERIM REPORT**

Stock Code: 026

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 attached.

CONSOLIDATED INCOME STATEMENT

for the six months ended 31 December 2024 - unaudited

(Expressed in Hong Kong dollars)

		Six months ended	
		31 December	
		2024	2023
	Note	\$'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)

The notes on pages 6 to 17 form part of this interim financial report. 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>(47,600)</u>	<u>(156,582)</u>

The notes on pages 6 to 17 form part of this interim financial report.

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
	<i>Note</i>		
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		7,102,002	7,246,413
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>

The notes on pages 6 to 17 form part of this interim financial report.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the six months ended 31 December 2024 – unaudited
(Expressed in Hong Kong dollars)

	Other reserves					Total
	Share capital	Other properties revaluation reserve	Deferred profits reserve	Retained profits	Subtotal	
	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>	<i>\$'000</i>
At 1 July 2023	92,537	5,369	263,823	7,246,185	7,515,377	7,607,914
Dividends declared/approved in respect of the previous financial year (note 15(a)(ii))	–	–	–	(95,082)	(95,082)	(95,082)
Realisation of other properties revaluation reserve	–	(13)	–	13	–	–
	–	(13)	–	(95,069)	(95,082)	(95,082)
Loss for the period	–	–	–	(161,240)	(161,240)	(161,240)
Other comprehensive income	–	–	–	4,658	4,658	4,658
Total comprehensive income for the period	–	–	–	(156,582)	(156,582)	(156,582)
At 31 December 2023	92,537	5,356	263,823	6,994,534	7,263,713	7,356,250
At 1 July 2024	92,537	5,342	263,823	6,836,830	7,105,995	7,198,532
Dividends declared/approved in respect of the previous financial year (note 15(a)(ii))	–	–	–	(94,977)	(94,977)	(94,977)
Realisation of other properties revaluation reserve	–	(13)	–	13	–	–
Shares repurchased and cancelled (note 15(c))	–	–	–	(3,015)	(3,015)	(3,015)
	–	(13)	–	(97,979)	(97,992)	(97,992)
Loss for the period	–	–	–	(34,205)	(34,205)	(34,205)
Other comprehensive income	–	–	–	(13,395)	(13,395)	(13,395)
Total comprehensive income for the period	–	–	–	(47,600)	(47,600)	(47,600)
At 31 December 2024	92,537	5,329	263,823	6,691,251	6,960,403	7,052,940

Included in retained profits is a deficit of \$248,300,000 (at 31 December 2023: \$227,970,000) arising from the translation of financial statements of foreign operations.

The notes on pages 6 to 17 form part of this interim financial report.

CONDENSED CONSOLIDATED CASH FLOW STATEMENT
for the six months ended 31 December 2024 – unaudited
(Expressed in Hong Kong dollars)

	Six months ended	
	31 December	
	2024	2023
	\$'000	\$'000
Cash generated from operations	94,091	16,047
Tax paid		
– Hong Kong Profits Tax paid	(3,763)	(2,054)
– Overseas tax paid	<u>–</u>	<u>–</u>
Net cash inflow from operating activities	<u>90,328</u>	<u>13,993</u>
Investing activities		
Decrease in deposits with banks with maturity more than three months	94,609	399,617
Interest received	30,076	35,137
Advance of loan to an associate	(161,800)	(45,800)
Repayment of loan by a joint venture	37,000	58,000
Net proceeds from sale of an investment property	454,174	–
Other cash flows arising from investing activities	180	146
Net cash inflow from investing activities	<u>454,239</u>	<u>447,100</u>
Financing activities		
Shares repurchase	(3,015)	–
Dividends paid	(14,056)	(13,507)
Net cash outflow from financing activities	<u>(17,071)</u>	<u>(13,507)</u>
Increase in cash and cash equivalents	527,496	447,586
Effect of foreign exchange rate changes	(10,686)	445
Cash and cash equivalents at 1 July	<u>1,211,925</u>	<u>765,157</u>
Cash and cash equivalents at 31 December	<u>1,728,735</u>	<u>1,213,188</u>
	At 31 December	
	2024	2023
	\$'000	\$'000
Analysis of the balances of cash and cash equivalents		
Deposits with banks	1,704,706	1,412,870
Less: Deposits with banks with maturity more than three months	(80,101)	(300,500)
Cash at banks and in hand	<u>104,130</u>	<u>100,818</u>
	<u>1,728,735</u>	<u>1,213,188</u>

The notes on pages 6 to 17 form part of this interim financial report.

NOTES TO UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in Hong Kong dollars)

1. Basis of preparation

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.

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 on page 26.

NOTES TO UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in Hong Kong dollars)

1. Basis of preparation (continued)

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) ("Companies Ordinance") 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.

NOTES TO UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in Hong Kong dollars)

3. Segment information (continued)

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 \$'000	Treasury management \$'000	Unallocated \$'000	Consolidated \$'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 \$'000	Treasury management \$'000	Unallocated \$'000	Consolidated \$'000
Segment assets (including interests in joint ventures and associates)	5,403,440	1,825,166	88,860	7,317,466
Segment liabilities	3,892,540	-	-	3,892,540
	106,878	-	157,648	264,526

NOTES TO UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in Hong Kong dollars)

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 (including interests in joint ventures and associates)	5,799,956	1,405,533	92,169	7,297,658
Segment liabilities	3,856,309	–	–	3,856,309
	18,549	–	80,577	99,126

(b) Geographical information

	Group turnover Six months ended 31 December		Operating profit Six months ended 31 December	
	2024 \$'000	2023 \$'000	2024 \$'000	2023 \$'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).

NOTES TO UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in Hong Kong dollars)

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>3,789</u>	<u>3,616</u>

NOTES TO UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in Hong Kong dollars)

7. Share of results of joint ventures

	Six months ended	
	31 December	
	2024	2023
	\$'000	\$'000
Share of revenue	<u>47,610</u>	51,460
Share of operating profit of joint ventures	<u>31,027</u>	32,247
Share of valuation losses on investment properties	(113,851)	(107,606)
Share of taxation	<u>(5,026)</u>	(4,937)
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>	1,817
Current tax – Overseas		
Tax for the period	<u>1,953</u>	1,955
Deferred taxation		
Origination and reversal of temporary differences	<u>1,244</u>	(1,337)
	<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%).

NOTES TO UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in Hong Kong dollars)

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>2,420,278</u>	<u>2,545,128</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.

NOTES TO UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in Hong Kong dollars)

12. Interest in associates

	At 31 December 2024 \$'000	At 30 June 2024 \$'000
Share of net liabilities	(3,370)	(2,651)
Loan to an associate	<u>1,475,632</u>	<u>1,313,832</u>
	<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 December 2024 \$'000	At 30 June 2024 \$'000
Within 1 month	398	266
1 to 3 months	386	319
Over 3 months	<u>2</u>	<u>161</u>
Total trade debtors	786	746
Interest receivable	4,657	7,364
Deposits, prepayments and other receivables	<u>1,720</u>	<u>1,383</u>
	<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.

NOTES TO UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in Hong Kong dollars)

14. Creditors and accruals

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

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

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 \$'000	2023 \$'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	221,572	45,276
	226,094	49,804

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

NOTES TO UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in Hong Kong dollars)

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 shares	\$'000	No. of shares	\$'000
Ordinary shares, issued and fully paid:				
At 1 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>

NOTES TO UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in Hong Kong dollars)

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.

16. Fair value measurement of financial instruments

(a) Financial instruments measured at fair value

Fair value hierarchy

HKFRS 13, *Fair value measurement*, categorises fair value measurements into a three-level hierarchy. The level into which fair value is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

- Level 1 valuations: Fair value measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date
- Level 2 valuations: Fair value measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1 and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available
- Level 3 valuations: Fair values measured using significant unobservable inputs

NOTES TO UNAUDITED INTERIM FINANCIAL REPORT

(Expressed in Hong Kong dollars)

16. Fair value measurement of financial instruments (continued)

(a) Financial instruments measured at fair value (continued)

At 31 December 2024, the only financial instruments of the Group carried at fair value were other investments of \$11,673,000 (at 30 June 2024: \$11,534,000) listed on the Stock Exchange of Hong Kong. These instruments are measured at fair value on a recurring basis and their fair value measurements fall into Level 1 of the fair value hierarchy described above.

During the six months ended 31 December 2024, there were no transfers between Level 1 and Level 2, or transfers into or out of Level 3 (2023: Nil). The Group's policy is to recognise transfers between levels of fair value hierarchy as at the end of the reporting period in which they occur.

(b) Fair values of financial instruments carried at other than fair value

The carrying amounts of the Group's financial instruments carried at amortised cost are not materially different from their fair values as at 31 December 2024 and 30 June 2024.

17. Material related party transactions

Interest in joint ventures and interest in associates at 31 December 2024 included loan to a joint venture and loan to an associate amounting to \$1,044,757,000 and \$1,475,632,000 respectively (at 30 June 2024: \$1,081,757,000 and \$1,313,832,000 respectively) which are unsecured, interest-free and have no fixed terms of repayment.

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.

DIRECTORS’ AND CHIEF EXECUTIVE’S INTEREST IN SHARES

As at 31 December 2024, the interests and short positions of each Director and chief executive of the Company in the shares, underlying shares and debentures of the Company or any associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571, the Laws of Hong Kong) (“SFO”) as recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) were as follows:

Long Positions in Ordinary Shares of the Company

Name of Directors	Number of shares held			Total	Percentage of total issued shares ⁽²⁾
	Personal interests	Family interests	Other interests		
Dr. Henry NGAN	7,173,125	250	33,468 ⁽¹⁾	7,206,843	15.94%
Anthony Grahame STOTT	50,600	–	–	50,600	0.11%
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) Including 33,468 shares in other interests which 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.
- (2) Shareholding percentages have been rounded to the nearest 2 decimal places

Save as disclosed above, as at 31 December 2024, none of the Directors or chief executive of the Company had held any interests or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations as defined in the SFO.

ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

During the period under review, the Company did not grant to any Director or chief executive any right to subscribe for shares of the Company.

At no time during the period was the Company or any of its subsidiaries a party to any arrangements to enable the Directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS IN SHARES (OTHER THAN DIRECTORS OR CHIEF EXECUTIVE)

As at 31 December 2024, the interests or short positions of substantial shareholders and other persons (other than a Director or chief executive of the Company) in the Company's issued shares and underlying shares as recorded in the register required to be kept under section 336 of the SFO were as follows:

Long Positions in Ordinary Shares of the Company

	Number of shares held	Percentage of total issued shares ⁽⁷⁾
Substantial shareholders		
NGAN Kit-ling	5,280,813 ^{(1) (2) (3)}	11.68%
NGAN Soo Shieh Ven Maria	6,975,731 ^{(3) (4)}	15.43%
Other persons		
CHEE Sing Wan Sylvana	3,766,200 ⁽⁵⁾	8.33%
CHAN E Pek Eliza (as a beneficial owner and also one of the administrators of the estate of CHAN Kwan Shat)	2,443,640 ⁽⁶⁾	5.40%

Short Positions in Ordinary Shares of the Company

	Number of shares held	Percentage of total issued shares ⁽⁷⁾
Other person		
CHAN E Pek Eliza (as a beneficial owner and also one of the administrators of the estate of CHAN Kwan Shat)	5,153,200 ⁽⁶⁾	11.40%

Notes:

- (1) Including 33,468 shares which 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.
- (2) Including 50,000 shares held as the sole executrix and sole beneficiary under the will of her spouse, the late Fritz HELMREICH and 349,000 shares held by Kwan Mui Company Limited, which is held as to 31% of its issued shares by NGAN Kit-ling and as to 25% of its issued shares by the estate of the late NGAN Shing Kwan, of which NGAN Kit-ling is one of the two joint executors to whom probate was granted and a beneficiary as to one-third of the estate.
- (3) NGAN Kit-ling is the sister of Dr. Henry NGAN. NGAN Soo Shieh Ven Maria is the sister-in-law of NGAN Kit-ling and Dr. Henry NGAN. They are presumed to be persons acting in concert under the Hong Kong Codes on Takeovers and Mergers and Share Buy-backs and they hold in the aggregate (including in their respective shareholding in 33,468 shares held by the estate of the late WONG Yick-mui as stated in Notes 1 and 4) 43.04% of the total issued shares.
- (4) Including 33,468 shares held by the estate of the late WONG Yick-mui as stated in Note 1, of which NGAN Soo Shieh Ven Maria is interested as one of the joint executors and beneficiary under the will of the late NGAN Kit-keung.
- (5) The interest of 3,766,200 shares of CHEE Sing Wan Sylvana is held through Hyacinth Development Holdings Limited, a corporation wholly controlled by CHEE Sing Wan Sylvana.
- (6) Including 2,043,640 shares of long positions held as beneficial owner and 400,000 shares of long positions and 5,153,200 shares of short positions held jointly with CHAN E Sun Ivy, CHAN Man Lung Eddie and CHAN Yee Mun Mary, as administrators of the estate of CHAN Kwan Shat.
- (7) Shareholding percentages have been rounded to the nearest 2 decimal places

Apart from the foregoing, as at 31 December 2024, no other interests or short positions in the shares or underlying shares of the Company required to be recorded in the register kept under section 336 of the SFO have been notified to the Company.

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 <i>HK\$’000</i>	Amount of advances made by the Group under the loan facility <i>HK\$’000</i>	Amount of other advances made by the Group <i>HK\$’000</i>	Total financial assistance given by the Group <i>HK\$’000</i>
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:

	<i>HK\$’000</i>
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).

MODEL CODE FOR DIRECTORS’ SECURITIES TRANSACTIONS

The Company has adopted the Model Code as its own code of conduct for securities transactions by the Directors of the Company. Having made specific enquiry of all the Directors by the Company, the Directors confirmed that they have complied with the required standard set out in the Model Code applicable during the six months ended 31 December 2024.

CHANGES IN THE INFORMATION OF DIRECTORS

Pursuant to Rule 13.51B(1) of the Listing Rules, the changes in information of Directors required to be disclosed are set out below:

With effect from 3 January 2025, the monthly basic salary payable to Mr. YUNG Shun Loy Jacky as Chief Executive Officer of the Company has increased to HK\$320,000, with his entitlement of other remunerations and Director's fee remain unchanged.

Save as disclosed above, there has not been any change in the information of the Directors of the Company subsequent to the date of the 2024 Annual Report that is required to be disclosed pursuant to Rule 13.51B(1).

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.

CHANGES SINCE 30 JUNE 2024

Save as disclosed elsewhere in this Interim Report, the Company's current information in relation to those matters set out in paragraph 32 of Appendix D2 to the Listing Rules has not changed materially from the information disclosed in the Company's 2024 Annual Report.

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.



REVIEW REPORT TO THE BOARD OF DIRECTORS OF CHINA MOTOR BUS COMPANY, LIMITED

(incorporated in Hong Kong with limited liability)

Introduction

We have reviewed the interim financial report set out on pages 1 to 17 which comprises the consolidated statement of financial position of China Motor Bus Company, Limited as of 31 December 2024 and the related consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and condensed consolidated cash flow statement for the six-month period then ended and explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of an interim financial report to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34, *Interim financial reporting*, issued by the Hong Kong Institute of Certified Public Accountants. The Directors are responsible for the preparation and presentation of the interim financial report in accordance with Hong Kong Accounting Standard 34.

Our responsibility is to form a conclusion, based on our review, on the interim financial report and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Scope of review

We conducted our review 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 Hong Kong Institute of Certified Public Accountants. A review of the interim financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim financial report as at 31 December 2024 is not prepared, in all material respects, in accordance with Hong Kong Accounting Standard 34, *Interim financial reporting*.

KPMG

Certified Public Accountants

8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong

27 February 2025