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CHINA MOTOR BUS COMPANY, LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock code: 026)

DATE OF BOARD MEETING PROPOSED DECLARATION OF INTERIM DIVIDEND AND PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION

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The Board announces that a meeting of the Board will be held on Thursday, 27 February 2020 for the purpose of approving the interim results of the Company for the six months ended 31 December 2019 and considering the payment of an interim dividend.

PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION OF THE COMPANY

The Board also announces that it proposes to make certain amendments to the Articles of Association in order to modernise certain provisions contained therein that have become antiquated and to enhance corporate governance.

The proposed amendments to the Articles of Association are subject to the approval of the Shareholders by way of passing a special resolution to be proposed at an Extraordinary Meeting.

An Extraordinary Meeting will be convened and held for the Shareholders to consider and, if thought fit, approve the proposed amendments to the Articles of Association.

A circular containing, among other things, further information in respect of the proposed amendments to the Articles of Association together with a notice of the Extraordinary Meeting will be despatched to the Shareholders as soon as possible.

DATE OF BOARD MEETING AND PROPOSED DECLARATION OF INTERIM DIVIDEND

The Board (the “**Board**”) of directors (the “**Directors**”) of China Motor Bus Company, Limited (the “**Company**”) announces that a meeting of the Board will be held on Thursday,

27 February 2020 for the purpose of approving the interim results of the Company for the six months ended 31 December 2019 and considering the payment of an interim dividend.

PROPOSED AMENDMENTS TO THE ARTICLES OF ASSOCIATION OF THE COMPANY

The Board also announces that it proposes to make certain amendments to the articles of association of the Company (the “**Articles of Association**”).

The Directors are of the view that certain provisions in the Articles of Association have become antiquated and need to be modernised. For example, Article 155 provides that 5% of the Company’s net profits after tax shall be divided amongst the Directors as bonus annually. This provision has not been practiced by the Company since 2004. Article 119 sets the respective caps of HK\$250,000 and HK\$100,000 on the annual remuneration of (i) chairman of the Board and the chairman of the audit committee, and (ii) all other Directors. These capped amounts have not been revised in the past decade and do not represent the current market rates. By virtue of Articles 122 and 123, the Managing Director and Assistant Managing Director are not required to retire from office at each Ordinary Yearly Meeting, representing an inconsistency with the market practice of requiring all Directors to be subject to retirement by rotation.

The proposed major amendments to the Articles of Association are summarised as follows:

- (a) the Managing Director and the Assistant Managing Director will be subject to retirement at least once every three years;
- (b) the caps on the authorised Directors’ remuneration at an amount not exceeding HK\$250,000 and HK\$100,000 will be removed;
- (c) the provision for five per cent of annual net profits of the Company after tax to be divided amongst the Directors as annual bonus will be removed; and
- (d) each of the Directors will be entitled to such remuneration as the Board may determine not exceeding such aggregate sum as the Company in general meeting may authorise from time to time.

The proposed amendment to enable the Board to fix the remuneration in the manner referred to in item (d) above is in line with similar provisions in the articles of association of other esteemed companies engaging in the property development and investment business in Hong Kong.

The proposed amendments to the Articles of Association are subject to the approval of the shareholders of the Company (the “**Shareholders**”) by way of passing a special resolution to be proposed at an extraordinary meeting of the Company (“**Extraordinary Meeting**”).

The Directors (including all independent non-executive Directors) believe that the proposed amendments to the Articles are beneficial to the Group’s long-term development in enhancing the corporate governance and streamlining the operations of the Company. The proposed amendments would also enable the Company to offer more competitive remuneration package to facilitate effective succession planning for the management of the Group.

An Extraordinary Meeting will be convened and held for the Shareholders to consider and, if thought fit, approve the proposed amendments to the Articles of Association. A circular containing, among other things, further information in respect of the proposed amendments to the Articles of Association together with a notice of the Extraordinary Meeting will be despatched to the Shareholders as soon as possible.

By Order of the Board
Kwok Pun Tak
Secretary

Hong Kong, 3 February 2020

As at the date of this announcement, the Board of Directors of the Company comprises Dr. Henry NGAN, NGAN Kit-ling, Dr. NGAN Kit-keung, Fritz HELMREICH, Anthony Grahame STOTT , Stephen TAN* and Dr. CHAU Ming Tak*.*

** Independent non-executive director*