

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this document, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this document.



CHINA MOTOR BUS COMPANY, LIMITED

(Incorporated in Hong Kong with limited liability)

(Stock code: 026)

INTERIM RESULTS ANNOUNCEMENT 2020/2021

The Board of Directors announces that the unaudited consolidated loss after taxation of China Motor Bus Company, Limited (“the Company”) and its subsidiaries (together referred to as “the Group”) for the six months ended 31st December, 2020 amounted to HK\$58.75 million, compared with a consolidated profit after taxation of HK\$184.51 million for the six months ended 31st December, 2019, and the unaudited consolidated operating profit of the Group for the six months ended 31st December, 2020 was HK\$61.31 million, compared with HK\$66.15 million for the six months ended 31st December, 2019. These interim results have not been audited but have been reviewed by both the Company’s auditors and the Company’s audit committee. The independent review report of the auditors is included in the interim report to be sent to shareholders.

CONSOLIDATED INCOME STATEMENT for the six months ended 31st December, 2020 - unaudited (Expressed in Hong Kong dollars)

	Note	Six months ended	
		2020	2019
		\$'000	\$'000
Turnover	2	41,409	42,567
Finance income	4	38,795	42,072
Other income	5	259	411
Staff costs		(6,883)	(5,648)
Depreciation		(1,701)	(158)
Other operating expenses		(10,570)	(13,090)
Operating profit	3 & 6	61,309	66,154
Share of results of joint ventures	7	(63,762)	27,625
Share of results of associates		70	142
Profit on disposal of the interest in a joint venture		-	237,772
Net valuation losses on investment properties		(47,176)	(143,440)
(Loss)/profit before taxation		(49,559)	188,253
Income tax	8	(9,189)	(3,747)
(Loss)/profit after taxation attributable to shareholders		(58,748)	184,506
(Loss)/earnings per share (basic and diluted)	9	(HK\$1.30)	HK\$4.07

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
for the six months ended 31st December, 2020 - unaudited
(Expressed in Hong Kong dollars)

	Six months ended	
	31st December,	
	2020	2019
	\$'000	\$'000
(Loss)/profit for the period	<u>(58,748)</u>	<u>184,506</u>
Other comprehensive income for the period		
Item that may be reclassified subsequently to profit or loss:		
Exchange differences arising on consolidation	<u>121,261</u>	<u>42,305</u>
	<u>121,261</u>	<u>42,305</u>
Total comprehensive income for the period attributable to shareholders	<u><u>62,513</u></u>	<u><u>226,811</u></u>

CONSOLIDATED STATEMENT OF FINANCIAL POSITION**At 31st December, 2020 - unaudited**

(Expressed in Hong Kong dollars)

		At 31st December, 2020	At 30th June, 2020
	Note	\$'000	\$'000
Non-current assets			
Fixed assets		2,586,169	2,564,671
Interest in joint ventures		2,844,591	2,908,353
Interest in associates		188,036	187,966
Other investments		13,528	12,358
		<u>5,632,324</u>	<u>5,673,348</u>
Current assets			
Debtors, deposits and prepayments	10	6,256	8,197
Deposits with banks		2,784,791	2,713,956
Cash at banks and in hand		109,099	82,741
		<u>2,900,146</u>	<u>2,804,894</u>
Current liabilities			
Creditors and accruals	11	38,269	33,224
Defined benefit obligation		-	271
Current tax payable		6,695	9,841
Dividends payable		366,995	-
		<u>411,959</u>	<u>43,336</u>
Net current assets		<u>2,488,187</u>	<u>2,761,558</u>
Total assets less current liabilities		<u>8,120,511</u>	<u>8,434,906</u>
Non-current liability			
Deferred taxation		45,246	41,567
Net assets		<u>8,075,265</u>	<u>8,393,339</u>
CAPITAL AND RESERVES			
Share capital	12(b)	92,537	92,537
Other reserves		7,982,728	8,300,802
Total equity		<u>8,075,265</u>	<u>8,393,339</u>

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

1. Basis of preparation

The interim results set out in the announcement do not constitute the Group's interim report for the six months ended 31st December, 2020 but are extracted from the report.

The 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 30th June, 2020 except for the accounting policy changes that are expected to be reflected in the 2021 annual financial statements.

The HKICPA has issued a number of amendments to Hong Kong Financial Reporting Standards (“HKFRSs”) that are first effective for the current accounting period of the Group. Of these, the following developments are relevant to the Group's financial statements:

- Amendments to HKFRS 3, *Definition of a business*
- Amendments to HKAS 1 and HKAS 8, *Definition of material*

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.

The 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 2020 annual financial statements. The condensed consolidated interim financial statements and notes thereon do not include all of the information required for full set of financial statements prepared in accordance with HKFRSs.

1. Basis of preparation (continued)

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

The financial information relating to the financial year ended 30th June, 2020 that is included in the interim financial report as comparative information does not constitute the Company's statutory annual consolidated financial statements for that financial year but is derived from those financial statements. Further information relating to these statutory financial statements disclosed in accordance with section 436 of the Hong Kong Companies Ordinance (Cap. 622) is as follows:

The Company has delivered the financial statements for the year ended 30th June, 2020 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	
	31st December,	
	2020	2019
	\$'000	\$'000
Rentals from investment properties	<u>41,409</u>	<u>42,567</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 located in Hong Kong and London.

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

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

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

(a) Segment results, assets and liabilities

Six months ended 31st December, 2020				
	Property development and investment \$'000	Treasury management \$'000	Unallocated \$'000	Consolidated \$'000
Turnover	41,409	-	-	41,409
Finance income	-	38,795	-	38,795
Other income	-	-	259	259
Total revenue	<u>41,409</u>	<u>38,795</u>	<u>259</u>	<u>80,463</u>
Segment results	38,697	38,795		77,492
Net unallocated expenses				<u>(16,183)</u>
Operating profit				61,309
Share of results of joint ventures	(63,762)	-		(63,762)
Share of results of associates	70	-		70
Net valuation losses on investment properties	(47,176)	-		<u>(47,176)</u>
Loss before taxation				<u>(49,559)</u>
At 31st December, 2020				
	Property development and investment \$'000	Treasury management \$'000	Unallocated \$'000	Consolidated \$'000
Segment assets (including interest in joint ventures and associates)	5,519,631	2,909,678	103,161	8,532,470
	3,032,627			3,032,627
Segment liabilities	23,049	-	434,156	457,205

3. Segment information (continued)

Six months ended 31st December, 2019

	Property development and investment \$'000	Treasury management \$'000	Unallocated \$'000	Consolidated \$'000
Turnover	42,567	-	-	42,567
Finance income	-	42,072	-	42,072
Other income	-	-	411	411
Total revenue	<u>42,567</u>	<u>42,072</u>	<u>411</u>	<u>85,050</u>
Segment results	<u>39,642</u>	<u>42,072</u>		<u>81,714</u>
Net unallocated expenses				<u>(15,560)</u>
Operating profit				66,154
Share of results of joint ventures	27,625	-		27,625
Share of results of associates	142	-		142
Profit on disposal of the interest in a joint venture	237,772	-		237,772
Net valuation losses on investment properties	(143,440)	-		<u>(143,440)</u>
Profit before taxation				<u>188,253</u>

At 30th June, 2020

	Property development and investment \$'000	Treasury management \$'000	Unallocated \$'000	Consolidated \$'000
Segment assets	5,559,615	2,813,085	105,542	8,478,242
(including interest in joint ventures and associates)	3,096,319			3,096,319
Segment liabilities	21,823	-	63,080	84,903

(b) Geographical information

Geographical location of operations	Group turnover		Operating profit	
	Six months ended 31st December, 2020	Six months ended 31st December, 2019	Six months ended 31st December, 2020	Six months ended 31st December, 2019
	\$'000	\$'000	\$'000	\$'000
Hong Kong	25,936	27,675	46,179	50,449
United Kingdom	15,473	14,892	15,130	15,705
	<u>41,409</u>	<u>42,567</u>	<u>61,309</u>	<u>66,154</u>

In addition, the turnover of the joint ventures attributable to the Group for the period amounted to \$44,057,000 (2019: \$44,951,000).

4. Finance income

	Six months ended	
	31st December,	
	2020	2019
	\$'000	\$'000
Interest income	7,763	35,699
Dividend income from other investments	197	378
Exchange gains	29,665	8,290
Net unrealised gains/(losses) on other investments at fair value	1,170	(2,295)
	<u>38,795</u>	<u>42,072</u>

Note: Exchange gains primarily related to unrealised gains on the Group's Sterling deposits.

5. Other income

	Six months ended	
	31st December,	
	2020	2019
	\$'000	\$'000
Management fee	248	248
Profit on disposal of fixed assets	-	40
Sundry income	11	123
	<u>259</u>	<u>411</u>

6. Operating profit

	Six months ended	
	31st December,	
	2020	2019
	\$'000	\$'000
Operating profit is arrived at after charging:		
Legal and professional fees	5,239	5,234
Property expenses	1,982	2,543
	<u>7,221</u>	<u>7,777</u>

7. Share of results of joint ventures

	Six months ended	
	31st December,	
	2020	2019
	\$'000	\$'000
Share of operating profit of joint ventures	29,494	30,353
Share of valuation losses on investment properties	(86,615)	(3,450)
Share of taxation	(6,641)	722
Share of results of joint ventures	<u>(63,762)</u>	<u>27,625</u>

8. Income tax

	Six months ended	
	31st December,	
	2020	2019
	\$'000	\$'000
Current tax - Provision for Hong Kong Profits Tax		
Tax for the period	<u>2,574</u>	<u>2,646</u>
Current tax - Overseas		
Tax for the period	2,867	2,464
Under/(Over)-provision in respect of prior years	<u>69</u>	<u>(146)</u>
	<u>2,936</u>	<u>2,318</u>
Deferred taxation		
Origination and reversal of temporary differences	<u>3,679</u>	<u>(1,217)</u>
	<u>9,189</u>	<u>3,747</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 profits tax of qualifying corporations will be taxed at 8.25%, and profits above \$2 million will be taxed at 16.5%. The profits of corporations not qualifying for the two-tiered profits tax rates regimes will continue to be taxed at a flat rate of 16.5% (2019: 16.5%).

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

8. Income tax (continued)

A tax charge of \$6,641,000 (2019: tax credit of \$722,000) being share of taxation of joint ventures for the six months ended 31st December, 2020 is included in share of results of joint ventures in the consolidated income statement.

9. (Loss)/Earnings per share

The calculation of basic and diluted (loss)/earnings per share is based on the loss attributable to shareholders of \$58,748,000 (2019: profit of \$184,506,000) and the weighted average of 45,308,056 ordinary shares (2019: 45,308,056 shares) in issue during the period.

10. Debtors, deposits and prepayments

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

	At 31st December, 2020	At 30th June, 2020
	\$'000	\$'000
Within 1 month	745	97
1 to 3 months	-	-
Over 3 months	-	-
Total trade debtors	<u>745</u>	<u>97</u>
Deposits, prepayments and other receivables	<u>5,511</u>	<u>8,100</u>
	<u><u>6,256</u></u>	<u><u>8,197</u></u>

A defined credit policy is maintained within the Group.

An amount of \$2,078,000 (at 30th June, 2020: \$2,688,000) included in debtors, deposits and prepayments under current assets is expected to be recovered after more than one year.

11. Creditors and accruals

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

	At 31st December, 2020	At 30th June, 2020
	\$'000	\$'000
Within 1 month	2	11
1 to 3 months	-	-
Over 3 months	201	201
Total trade creditors	<u>203</u>	<u>212</u>
Other payables and accruals	<u>38,066</u>	<u>33,012</u>
	<u><u>38,269</u></u>	<u><u>33,224</u></u>

An amount of \$6,286,000 (at 30th June, 2020: \$6,781,000) included in other payables and accruals under current liabilities is expected to be settled after more than one year.

12. Capital, reserves and dividends

(a) Dividends

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

	Six months ended 31st December,	
	2020	2019
	\$'000	\$'000
Interim dividend declared after the interim period end of \$0.10 (2019: \$0.10) per share	4,531	4,531
Special dividend declared with interim dividend after the interim period end of \$1.00 (2019: \$19.00) per share	<u>45,308</u>	<u>860,853</u>
	<u><u>49,839</u></u>	<u><u>865,384</u></u>

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

12. 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	
	31st December,	
	2020	2019
	\$'000	\$'000
Second interim dividend in respect of previous financial year declared after the end of the reporting period of \$0.30 (2019: \$0.30) per share	13,592	13,592
Special dividend in respect of previous financial year declared after the end of the reporting period of \$Nil (2019: \$18.00) per share	-	815,545
Final dividend approved in respect of previous financial year of \$0.10 (2019: \$0.10) per share	4,531	4,531
Special dividend approved with final dividend in respect of previous financial year of \$8.00 (2019: \$1.80) per share	<u>362,464</u>	<u>81,555</u>
	<u><u>380,587</u></u>	<u><u>915,223</u></u>

(b) Share capital

	At 31st December,		At 30th June,	
	2020		2020	
	No. of		No. of	
	shares		shares	
		\$'000		\$'000
Ordinary shares, issued and fully paid:				
At 31st December/30th June	<u>45,308,056</u>	<u>92,537</u>	<u>45,308,056</u>	<u>92,537</u>

INTERIM DIVIDENDS

The Board has resolved to pay an interim dividend of HK\$0.10 per share in respect of the year ending 30th June, 2021. The Board has also resolved to pay a special dividend of HK\$1.00 per share in respect of the year ending 30th June, 2021. The aggregate dividend of HK\$1.10 per share will be paid to shareholders whose names appear in the Company's register of members at the close of business on 23rd April, 2021.

Dividend warrants will be posted to shareholders on or about 23rd June, 2021.

The Company's dividend policy is to pay regular dividends. In setting the Company's dividend policy, the board of directors of the Company (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.

The Board targets to declare dividends broadly equivalent to 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 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 will be closed from 22nd April, 2021 to 23rd April, 2021 (both days inclusive) during which period no share transfer will be effected. 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 21st April, 2021.

REVIEW OF OPERATIONS

The unaudited loss after taxation attributable to shareholders for the six months ended 31st December, 2020 after including the effect of investment properties revaluation and the share of results of joint ventures and associates was HK\$58.75 million, compared with a profit of HK\$184.51 million for the same period last year. The loss in the current period reflects the effect of the net revaluation losses on investment properties held by the Group and the joint ventures whereas similar revaluation losses last year were offset by the profit on disposal of the interest in a joint venture. The unaudited operating profit of the Group for the same period before including the effect of investment properties revaluation and share of results of joint ventures and associates was HK\$61.31 million, compared with HK\$66.15 million for the same period of the previous year. This reflects the effect of lower interest income as a result of decrease in interest rates and smaller deposits due to distribution of special dividends, partly offset by exchange gains on deposits held in £ Sterling.

HIGHLIGHTS OF PROPERTY DEVELOPMENT AND INVESTMENTS ARE SUMMARIZED BELOW: -

Chai Wan Inland Lot No. 88, No. 391 Chai Wan Road, Chai Wan (the “Property”)

The Group has a 20% interest in Windcharm Investments Limited, a joint venture company whose shares are held as to 20% by Affluent Dragon Island Limited, a wholly owned subsidiary of the Company, and as to the remaining 80% by Bright Faith Limited, a wholly owned subsidiary of Swire Properties Limited. Windcharm Investments Limited is the holding company of Joyful Sincere Limited which has purchased the Property from the Company, with the view of redeveloping it into a residential and commercial complex.

On 16th September, 2019, the Property was assigned by the Company to Joyful Sincere Limited, and vacant possession of the Property was handed over by the Company on 14th January, 2020.

All the planning conditions for the redevelopment have been discharged and the general building plans for the redevelopment have been approved. Hoarding, demolition and site investigation works at the Property have been completed and land decontamination and associated works are in progress.

Land exchange negotiations with the Government are currently on-going. A provisional basic terms offer made by the Government has been accepted and a binding basic terms offer with premium figure is expected to be made by the Government in the near future.

Aberdeen Inland Lot No. 461, 8 Wong Chuk Hang Road, Aberdeen (South Island Place)

South Island Place is an office building 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).

As of 31st December, 2020, approximately 87% of the office space in South Island Place has been let.

UK Properties

Albany House and Scorpio House, the Group's freehold investment properties in Central London, remain fully let.

OUTLOOK

The global economy has, since 2020, been significantly affected by the prolonged pandemic. While mass vaccination programmes have begun in different countries and regions starting from the first quarter of 2021, progress remains to be made in the face of the logistical challenge in administering the same to the global population. Until the spread of the coronavirus has been halted, the pace of global economic recovery is unlikely to be expeditious.

In Hong Kong, while there has been recurring waves of coronavirus outbreaks, the local economy will probably see some positive growth in 2021 after stagnation in 2020, although it is unlikely to recover to a pre-pandemic level by the end of the year. Retail rents may continue to be under pressure until such time as travel restrictions are fully lifted. In the office market, remote working measures have prompted companies to monitor their space utilisation and re-assess their office strategies. Office vacancy rates will likely trend up further in the near future.

Beyond the pandemic, in the UK, the Brexit transition period ended on 31st December, 2020. The resulting EU-UK Trade and Cooperation Agreement has come as a welcome relief and cleared investors' anxiety over a no-deal Brexit. The UK's performance as an independent trading nation remains however to be tested and appraised by the global market.

The above factors will continue to create uncertainties in the operating performance and capital values across the portfolio of the investment properties of the Group. However, since the Group has maintained a high liquidity and does not have external borrowings, it is well able to weather any downturn in business sentiment and maintain a healthy financial position overall.

Having regard to the outlook of the local property market, the directors will act prudently in considering any new investment opportunities, and will in the meantime also pursue other means of enhancing shareholder value.

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

During the six months ended 31st December, 2020, neither the Company nor any of its subsidiaries has repurchased, sold or redeemed any of the Company's listed securities.

DISCLOSURE PURSUANT TO LISTING RULES 13.20 AND 13.22

At 31st December, 2020, the Group had the following loans to its affiliated companies (as defined by the Listing Rules):

Name of affiliated company	Group's attributable interest	Amount of unutilised loan facility \$'000	Amount of advances made by the Group under the loan facility \$'000	Amount of other advances made by the Group \$'000	Total financial assistance given by the Group \$'000
Hareton Limited	50%	702,650	1,097,350	205,407	2,005,407
Joyful Sincere Limited	20%	1,769,727	188,273	-	1,958,000

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 29th May, 2015.

The combined statement of financial position of the above affiliated companies, excluding advances made by shareholders of \$3,546,877,000, at 31st December, 2020 is as follows:

	\$'000
Non-current assets	4,853,447
Current assets	1,108,327
Current liabilities	(95,110)
	<u>1,013,217</u>
Non-current liabilities	(21,587)
	<u><u>5,845,077</u></u>

Attributable interest to the Group at 31st December, 2020 in the above affiliated companies amounted to \$2,640,208,000 (at 30th June, 2020: \$2,699,328,000).

CORPORATE GOVERNANCE PRACTICES

In the opinion of the directors, the Company complied with the code provisions (the “Code”) as set out in Appendix 14 of the Listing Rules throughout the six months ended 31st December, 2020, except the following:

- (i) Code A5.1 provides that the Company should establish a nomination committee. The Company does not have a nomination committee as the role and the function of such a committee are performed by the Board. The Chairman and the other directors review from time to time the composition of the Board. The Board makes recommendations to shareholders on directors standing for re-election, providing information on directors to enable shareholders to make an informed decision on the re-election, and where necessary, to appoint directors to fill casual vacancies.
- (ii) Code C2.5 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.

Dr. Henry NGAN
Chairman

Hong Kong, 25th February, 2021

As at the date of this announcement, the Board of Directors of the company comprises Dr. Henry NGAN, Fritz HELMREICH, Anthony Grahame STOTT, Stephen TAN*, Dr. Chau Ming-tak* and Michael John MOIR.*

** Independent non-executive director*