

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, 2001. The Board has also resolved to pay a special dividend of HK\$0.80 per share in respect of the year ending 30th June, 2001. The aggregate dividend of HK\$0.90 per share will be paid to shareholders whose names appear in the Company's register of members at the close of business on 4th April, 2001.

Dividend warrants will be posted to shareholders on or about 9th April, 2001.

CLOSURE OF REGISTER

The register of members will be closed from 3rd April, 2001 to 4th April, 2001 (both days inclusive) during which period no share transfer will be effected.

REVIEW OF OPERATIONS

The unaudited profit attributable to shareholders for the six months ended 31st December, 2000 was HK\$152.17 million, an increase of 49% over the same period of the previous year. The increase in profit was mainly attributable to the sales of properties by the Group's jointly controlled entity.

Highlights of property development and investments are summarized below: -

Shau Kei Wan Inland Lot No. 843, Aldrich Bay (Les Saisons)

The development on Shau Kei Wan Inland Lot No. 843, in which the Group has a 20% interest, Swire Properties Limited has a 50% interest and Sun Hung Kai Properties has a 30% interest, has a site area of approximately 75,950 sq. ft. and is scheduled to be completed in the second half of this year. The development comprises 864 residential units in four towers and 216 car parking spaces. Presale consent was given in July 2000 and as at February 2001, approximately 62% of the residential units have been sold.

Inland Lot 88, No. 391 Chai Wan Road, Chai Wan

Inland Lot 88, which is wholly owned by the Company, has a total site area of approximately 102,420 sq. ft. It is at present used as a bus depot and the ground floor to third floor of the building has been leased to New World First Bus Services Limited until end of August 2001. An application had been submitted to Government to rezone the site into a Comprehensive Development Area to enable the redevelopment of the site into a residential and commercial complex. Sufficient funds have been set aside for this project. At its meeting on 12th January, 2001, the Town Planning Board has decided to partially agree to the Company's application.

Details on the exact proposed zoning boundary and development parameters would in due course be submitted to the Town Planning Board for consideration prior to gazetting under section 7 of Town Planning Ordinance.

To maximize return for the Company before redevelopment starts, the ground to third floor of the Company's bus depot has been leased at favourable terms to Citybus Limited from the expiry of the lease in favour of New World First Bus Services Limited. The agreement commences from 1st September, 2001 and covers a period pending redevelopment.

The Remaining Portion of Kowloon Inland Lot No. 1300 (No. 3, Jordan Road, Kowloon)

The Remaining Portion of Kowloon Inland Lot No. 1300 (No. 3, Jordan Road, Kowloon) with a site area of approximately 2,906 sq. ft. comprises a three storey building. In February 2001, the Group through one of its wholly-owned subsidiaries, purchased the property for redevelopment. It is the plan of the Group to demolish the existing building on the property and redevelop the property into a 26 storey building comprising serviced apartments and retail accommodation with a total gross floor area of approximately 29,880 sq. ft. Upon completion of the redevelopment, the property is expected to generate steady rental income for the Group.

Thanet House, Strand, London WC2, UK

In August 2000, the Group, through one of its wholly owned subsidiaries, purchased a freehold property known as Thanet House in central London as a long term investment. The six storey air-conditioned building with a basement has recently been substantially refurbished. The office space has been leased to a single tenant for a term of 16 years from March 2000 on a full repair and insurance lease. The rent is subject to five yearly upward only rent reviews. The retail accommodation on the ground floor and part basement has been leased to another tenant to use as a restaurant with the lease expiry in September 2009 and with upward only rent review in 2004.

Albany House, London SW1, UK

In December 1999, the Group, through one of its wholly owned subsidiaries, purchased a freehold property in the West-End of London as a long-term investment. The 11-storey air-conditioned office building, known as Albany House, is located immediately adjacent to St. James's Park Underground Station. The whole building has been leased to London Regional Transport as part of their headquarters on a full repair and insurance lease for 25 years without break, subject to upward only rent review every 5 years. The acquisition of such office building should provide the Group with a substantial and steady income in the coming years.

Future Outlook

The Group will continue to expand in a prudent way its property developments and its investments in Hong Kong as well as overseas. Special attention will be paid to identify and invest in special market niches with attractive returns.

DIRECTORS' INTEREST IN SHARES

At 31st December, 2000, the Directors and their associates had the following interests in the issued share capital of the Company as recorded in the register of Directors' share interests:

	Ordinary shares of HK\$2 each		
	Personal Interests	Family Interests	Other interests
NGAN Shing-kwan	808,637	-	33,468 (Note)
NGAN Kit Ling	4,578,799	-	33,468 (Note)
NGAN Kit-keung	6,671,468	1,250	33,468 (Note)
Dr. Henry NGAN	6,903,579	250	33,468 (Note)
LIU Lit-mo	62,250	-	-
Fritz HELMREICH	6,000	-	-
James Y. C. SO	600	-	-

Note: The 33,468 shares in the Company are included in the estate of the late Madam WONG Yick-mui, wife of Mr. NGAN Shing-kwan.

During the six months ended 31st December, 2000, none of the Directors or their respective spouses and children under 18 years of age had been granted by the Company any rights to subscribe for securities of the Company and no such rights had been exercised.

SUBSTANTIAL INTERESTS IN THE SHARE CAPITAL OF THE COMPANY

As far as Directors are aware, no shareholder of the Company who is not a Director of the Company is directly or indirectly interested in 10 per cent or more of the issued capital of the Company.

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

During the six months ended 31st December, 2000, the Company repurchased on The Stock Exchange of Hong Kong Limited an aggregate of 214,000 shares at a total consideration of HK\$9,402,000.

Save as disclosed above, the Group had not repurchased, sold or redeemed any of the Company's listed securities during the review period.

DISCLOSURE PURSUANT TO PRACTICE NOTE 19 OF THE LISTING RULES

At 31st December, 2000, the Group had given the following financial assistance to its affiliated companies (as defined by Practice Note 19 of the Listing Rules):

Company	Amount HK\$'000	Type	Tenure
Swire and Island Communication Developments Ltd	4,341	Interest free unsecured loan	No fixed terms of repayment
Island Land Development Ltd	620,850	Interest free unsecured loan	No fixed terms of repayment
Hareton Ltd	208,797	Interest free unsecured loan	No fixed terms of repayment
Uttoxeter Ltd	346,591	Interest free unsecured loan	No fixed terms of repayment
	<u>1,180,579</u>		

Proforma combined balance sheet of affiliated companies at 31st December, 2000 is as follows:

	HK\$'000
Fixed assets	1,688,280
Deferred expenditure	<u>62</u>
	<u>1,688,342</u>
Current assets	2,207,559
Current liabilities	<u>135,903</u>
	<u>2,071,656</u>
	<u>3,759,998</u>

Attributable interest to the Group as at 31st December, 2000 amounted to HK\$1,227,589,000.

CODE OF BEST PRACTICE

None of the Directors of the Company is aware of any information which would reasonably indicate that the Company was not in compliance with the Code of Best Practice, as set out in Appendix 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, at any time during the six months ended 31st December, 2000.

NGAN Shing-kwan
Chairman

Hong Kong, 16th March, 2001



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

Introduction

We have been instructed by the Company to review the interim financial report set out on pages 1 to 9.

Directors' responsibilities

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 Statement of Standard Accounting Practice 25 "Interim financial reporting" issued by the Hong Kong Society of Accountants. The interim financial report is the responsibility of, and has been approved by, the directors.

Review work performed

We conducted our review in accordance with Statement of Auditing Standards 700 "Engagements to review interim financial reports" issued by the Hong Kong Society of Accountants. A review consists principally of making enquiries of group management and applying analytical procedures to the interim financial report and based thereon, assessing whether the accounting policies and presentation have been consistently applied unless otherwise disclosed. A review excludes audit procedures such as tests of controls and verification of assets, liabilities and transactions. It is substantially less in scope than an audit and therefore provides a lower level of assurance than an audit. Accordingly we do not express an audit opinion on the interim financial report.

Review conclusion

On the basis of our review which does not constitute an audit, we are not aware of any material modifications that should be made to the interim financial report for the six months ended 31st December, 2000.

KPMG
Certified Public Accountants
Hong Kong, 16th March 2001