

AMS 進智公交

AMS PUBLIC TRANSPORT HOLDINGS LIMITED

進智公共交通控股有限公司

(Stock Code 股份代號：77)



2016/17

INTERIM REPORT 中期報告書



Independent Review Report to the Board of Directors of
AMS Public Transport Holdings Limited
(incorporated in the Cayman Islands with limited liability)

INTRODUCTION

We have reviewed the interim financial information set out on pages 2 to 15 which comprises the condensed consolidated balance sheet of AMS Public Transport Holdings Limited (the “Company”) and its subsidiaries (together, the “Group”) as at 30 September 2016, and the related condensed consolidated income statement, condensed consolidated statement of comprehensive income, condensed 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 information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 “Interim Financial Reporting” (“HKAS 34”) issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”). The directors are responsible for the preparation and presentation of this interim financial information in accordance with HKAS 34.

Our responsibility is to express a conclusion on this interim financial information based on our review 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 Engagement 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” issued by the HKICPA. A review of interim financial information consists of making inquiries, 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 information is not prepared, in all material respects, in accordance with HKAS 34.

Grant Thornton Hong Kong Limited

Certified Public Accountants
Level 12
28 Hennessy Road
Wanchai
Hong Kong

Chiu Wing Ning

Practising Certificate no. P04920
Hong Kong, 29 November 2016

The board of directors (the “Board”) of AMS Public Transport Holdings Limited (the “Company”) is pleased to present the unaudited consolidated results of the Company and its subsidiaries (collectively referred to as the “Group”) for the six months ended 30 September 2016, together with the unaudited comparative figures for the corresponding period in 2015. The unaudited condensed consolidated financial statements have been reviewed by the auditors and the audit committee of the Company (the “Audit Committee”).

CONDENSED CONSOLIDATED INCOME STATEMENT

For the six months ended 30 September 2016

	Notes	For the six months ended 30 September	
		2016 Unaudited HK\$'000	2015 Unaudited HK\$'000
Revenue	3	188,654	183,392
Direct costs		151,660	(151,799)
Gross profit		36,994	31,593
Other revenue	4	3,407	4,221
Other net income	4	834	384
Deficit on revaluation of PLB licences	10	(1,280)	(2,100)
Administrative expenses		(19,045)	(18,615)
Other operating expenses		(571)	(532)
Operating profit		20,339	14,951
Finance costs		(1,501)	(1,503)
Profit before income tax	6	18,838	13,448
Income tax expense	7	(3,308)	(2,807)
Profit for the period		15,530	10,641
Earnings per share attributable to equity holders of the Company			
— Basic (In HK cents)	9	5.82	4.00
— Diluted (In HK cents)	9	5.81	4.00

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 September 2016

		For the six months ended 30 September	
		2016	2015
	Notes	Unaudited HK\$'000	Unaudited HK\$'000
Profit for the period		15,530	10,641
Other comprehensive expense			
Item that will not be reclassified subsequently to income statement			
— Deficit on revaluation of PLB licences	10	(350)	(1,260)
Total comprehensive income for the period		15,180	9,381

CONDENSED CONSOLIDATED BALANCE SHEET

As at 30 September 2016

	Notes	30 September 2016 Unaudited HK\$'000	31 March 2016 Audited HK\$'000
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment	10	17,469	16,707
PLB licences	10	319,300	290,080
Public bus licences	10	9,284	9,284
Goodwill	10	22,918	22,918
Deferred tax assets		1,800	2,085
		370,771	341,074
Current assets			
Trade and other receivables	11	8,951	14,291
Tax recoverable		–	4
Bank balances and cash		44,774	65,988
		53,725	80,283
Current liabilities			
Borrowings		9,570	9,820
Trade and other payables	12	24,990	22,642
Tax payable		5,373	2,530
		39,933	34,992
Net current assets		13,792	45,291
Total assets less current liabilities		384,563	386,365
Non-current liabilities			
Borrowings		136,312	132,197
Deferred tax liabilities		663	487
		136,975	132,684
Net assets		247,588	253,681
EQUITY			
Share capital	13	27,077	26,613
Reserves		220,511	227,068
Total equity		247,588	253,681

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 September 2016

	Equity attributable to equity holders of the Company						
	Share capital HK\$'000	Share premium HK\$'000	PLB licences revaluation reserve HK\$'000	Share options reserve HK\$'000	Capital reserve HK\$'000	Retained profits HK\$'000	Total HK\$'000
As at 1 April 2016 (Audited)	26,613	66,970	23,187	2,671	19,296	114,944	253,681
Profit for the period	-	-	-	-	-	15,530	15,530
Other comprehensive expense — Deficit on revaluation of PLB licences (note 10)	-	-	(350)	-	-	-	(350)
Total comprehensive income/ (expense) for the period	-	-	(350)	-	-	15,530	15,180
Exercise of share options	464	6,130	-	(790)	-	-	5,804
2016 final dividends (note 8)	-	-	-	-	-	(27,077)	(27,077)
Transaction with owners	464	6,130	-	(790)	-	(27,077)	(21,273)
As at 30 September 2016 (Unaudited)	27,077	73,100	22,837	1,881	19,296	103,397	247,588
As at 1 April 2015 (Audited)	26,613	66,970	24,447	1,238	19,296	98,824	237,388
Profit for the period	-	-	-	-	-	10,641	10,641
Other comprehensive expense — Deficit on revaluation of PLB licences (note 10)	-	-	(1,260)	-	-	-	(1,260)
Total comprehensive income/ (expense) for the period	-	-	(1,260)	-	-	10,641	9,381
Share-based compensation	-	-	-	1,433	-	-	1,433
2015 special dividends (note 8)	-	-	-	-	-	(13,306)	(13,306)
As at 30 September 2015 (Unaudited)	26,613	66,970	23,187	2,671	19,296	96,159	234,896

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

For the six months ended 30 September 2016

	For the six months ended 30 September	
	2016 Unaudited HK\$'000	2015 Unaudited HK\$'000
Net cash inflow from operating activities	24,803	20,374
Net cash outflow from investing activities	(27,104)	(779)
Net cash outflow from financing activities	(18,909)	(19,534)
Net (decrease)/increase in cash and cash equivalents	(21,210)	61
Cash and cash equivalents at the beginning of the period	65,988	49,275
Effect of foreign exchange rate changes, on cash held	(4)	(5)
Cash and cash equivalents at the end of the period, represented by bank balances and cash	44,774	49,331

NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2016

1. Corporate information

The Company was incorporated in the Cayman Islands on 18 March 2003 as an exempted company with limited liability under the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The address of its registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, the Cayman Islands. The head office and principal place of business of the Company is located at 11th–12th Floor, Abba Commercial Building, 223 Aberdeen Main Road, Aberdeen, Hong Kong. The shares of the Company have been listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) since 15 April 2004.

2. Basis of preparation and significant accounting policies

The unaudited condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standard (“HKAS”) 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (“HKICPA”) and the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”).

These unaudited condensed financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group’s annual financial statements for the year ended 31 March 2016.

These unaudited condensed consolidated financial statements have been prepared on the historical cost basis except for public light bus (“PLB”) licences which are stated at fair values. The accounting policies and methods of computation used in the preparation of these condensed consolidated financial statements are consistent with those used in the Group’s audited annual financial statements for the year ended 31 March 2016, except for the adoption of the new and revised standards, amendments and interpretations issued by the HKICPA that are relevant to the Group’s operations and mandatory for annual accounting periods beginning on 1 April 2016. The effect of the adoption of these new and revised standards, amendments and interpretations was not material to the Group’s results of operations or financial position.

The Group has not yet adopted the new or amended HKFRSs that have been issued but are not yet effective. The directors of the Company (the “Directors”) anticipate that the application of these new or amended HKFRSs will have no material impact on the results and financial position of the Group.

3. Revenue

	For the six months ended 30 September	
	2016	2015
	Unaudited	Unaudited
	HK\$’000	HK\$’000
Services income	188,654	183,392

4. Other revenue and other net income

	For the six months ended 30 September	
	2016 Unaudited HK\$'000	2015 Unaudited HK\$'000
Other revenue		
Advertising income	1,989	2,780
Administration fee income	1,247	1,252
Interest income	138	145
Management fee income	26	30
Repair and maintenance service income	7	14
	3,407	4,221
Other net income		
Gain on disposal of property, plant and equipment	307	44
Net exchange loss	(4)	(5)
Sundry income	531	345
	834	384
	4,241	4,605

5. Segment information

The only operating segment of the Group is the franchised PLB and residents' bus services. No separate analysis of the reportable segment results by operating segment is necessary.

6. Profit before income tax

Profit before income tax is arrived at after charging/(crediting):

	For the six months ended 30 September	
	2016 Unaudited HK\$'000	2015 Unaudited HK\$'000
Fuel cost in direct costs	20,559	23,541
Employee benefits expense (including directors' emoluments)	90,750	87,225
Operating lease rental in respect of		
— PLBs	37,553	37,659
— land and buildings	19	11
Depreciation of property, plant and equipment (note 10)	837	815
Gain on disposal of property, plant and equipment (note 4)	(307)	(44)
Deficit on revaluation of PLB licences (note 10)	1,280	2,100
Net exchange loss (note 4)	4	5

7. Income tax expense

Hong Kong profits tax has been provided at the rate of 16.5% (2015: 16.5%) on the estimated assessable profit for the period.

	For the six months ended 30 September 2016 Unaudited HK\$'000	2015 Unaudited HK\$'000
Current tax	2,847	2,019
Deferred tax	461	788
Total income tax expense	3,308	2,807

8. Dividends

(a) Dividends attributable to the period

No interim dividend was declared by the Company for the six months ended 30 September 2016 (2015: Nil).

(b) Dividends attributable to the previous financial year, approved and paid during the period

	For the six months ended 30 September 2016 Unaudited HK\$'000	2015 Unaudited HK\$'000
Final dividend of HK10.0 cents (2015: Nil) per ordinary share	27,077	–
Special dividend: Nil (2015: HK5.0 cents per ordinary share)	–	13,306
	27,077	13,306

The final dividend declared for the year ended 31 March 2016 was HK10.0 cents per ordinary share, totalling HK\$26,613,000 at the date of declaration. The actual payment of the final dividend for the year ended 31 March 2016 was HK\$27,077,000 of which HK\$464,000 was paid for shares issued for share options exercised after 31 March 2016.

9. Earnings per share

(a) Basic earnings per share

The calculation of basic earnings per share is based on the profit of HK\$15,530,000 attributable to equity holders of the Company (2015: HK\$10,641,000) and on the weighted average number of 266,898,000 (2015: 266,125,000) ordinary shares in issue during the period.

(b) Diluted earnings per share

The calculation of diluted earnings per share is based on the profit attributable to equity holders of the Company and the weighted average number of ordinary shares in issue during the period after adjusting for the effects of all dilutive potential ordinary shares.

9. Earnings per share (Continued)

(b) *Diluted earnings per share (Continued)*

Details of calculation of diluted earnings per share for the six months ended 30 September 2016 are shown as follows:

	2016
Profit attributable to equity holders of the Company for the period (HK\$'000)	15,530
Weighted average number of ordinary shares in issue during the period (in thousands)	266,898
Effect of dilutive potential shares on exercise of share options (in thousands)	619
Weighted average number of ordinary shares used in calculating diluted earnings per share (in thousands)	267,517
Diluted earnings per share (HK cents)	5.81

Diluted earnings per share is the same as basic earnings per share for the six months ended 30 September 2015, as the share options have no dilutive effect on ordinary shares for the period because the exercise prices of the Company's share options were higher than the average market price of the Company's share in the period.

10. Capital expenditure

The following table shows the movements in property, plant and equipment, PLB licences, public bus licences and goodwill:

	Property, plant and equipment	PLB licences	Public bus licences	Goodwill
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
As at 1 April 2016 (Audited)	16,707	290,080	9,284	22,918
Additions	1,860	30,850	–	–
Disposals	(261)	–	–	–
Deficit on revaluation charged to income statement	–	(1,280)	–	–
Deficit on revaluation dealt with in revaluation reserve	–	(350)	–	–
Depreciation	(837)	–	–	–
As at 30 September 2016 (Unaudited)	17,469	319,300	9,284	22,918
As at 1 April 2015 (Audited)	16,952	293,440	11,384	22,918
Additions	1,149	–	–	–
Disposals	(181)	–	–	–
Deficit on revaluation charged to income statement	–	(2,100)	–	–
Deficit on revaluation dealt with in revaluation reserve	–	(1,260)	–	–
Depreciation	(815)	–	–	–
As at 30 September 2015 (Unaudited)	17,105	290,080	11,384	22,918

10. Capital expenditure (Continued)

The fair value of a PLB licence slightly dropped to HK\$5,150,000 as at 30 September 2016 (31 March 2016: HK\$5,180,000). At the balance sheet date, the PLB licences were revalued by Vigers Appraisal & Consulting Limited, the independent qualified valuer. The fair value of PLB licences was determined under the market approach with reference to the average of recent market-quoted prices from different market dealers. As they were observable inputs which failed to meet Level 1, and there were not significant unobservable inputs used, the measurement was under Level 2 valuation hierarchy. The key assumptions used under the market approach are consistent with those used and disclosed in the Group's financial statements for the year ended 31 March 2016.

Fair value hierarchy

The following table presents the fair value of the Group's PLB licences measured at the end of the reporting period on a recurring basis, categorised into the three-level fair value hierarchy as defined in HKFRS 13, Fair Value Measurement. The level into which a fair value measurement 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 by 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 by 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 value measured by using significant unobservable inputs.

	Level 1 HK\$'000	Level 2 HK\$'000	Level 3 HK\$'000	Total HK\$'000
Recurring fair value measurement of PLB licences:				
As at 30 September 2016 (Unaudited)	–	319,300	–	319,300
As at 31 March 2016 (Audited)	–	290,080	–	290,080

During the six months ended 30 September 2016 and 2015, there were no transfers between Level 1 and Level 2, or transfers into or out of Level 3. 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.

11. Trade and other receivables

	30 September 2016 Unaudited HK\$'000	31 March 2016 Audited HK\$'000
Trade receivables — gross	1,676	1,403
Less: provision for impairment	—	—
Trade receivables — net	1,676	1,403
Deposits (note)	657	5,609
Prepayments	2,914	3,433
Other receivables	3,704	3,846
	8,951	14,291

Note: As at 31 March 2016, the deposits included a sum of HK\$4,900,000 paid for the purchase of a PLB licence with its corresponding PLB.

The directors consider that the fair values of the trade and other receivables are not materially different from their carrying amounts because these amounts have short maturity periods on their inception.

Majority of the Group's revenue is attributable to franchised PLB services income which is received in cash or collected via Octopus Cards Limited and remitted to the Group on the next business day after the day in which services are rendered. The Group normally grants a credit term ranging from 0 to 30 days to other trade debtors.

The ageing analysis of trade receivables, prepared in accordance with the invoice dates, is as follows:

	30 September 2016 Unaudited HK\$'000	31 March 2016 Audited HK\$'000
0 to 30 days	1,368	1,219
31 to 60 days	181	124
61 to 90 days	127	60
	1,676	1,403

12. Trade and other payables

	30 September 2016 Unaudited HK\$'000	31 March 2016 Audited HK\$'000
Trade payables	4,285	3,611
Other payables and accruals	20,705	19,031
	24,990	22,642

The Group is granted by its suppliers credit periods ranging from 0 to 30 days. Based on the invoice dates, the ageing analysis of trade payables is as follows:

	30 September 2016 Unaudited HK\$'000	31 March 2016 Audited HK\$'000
0 to 30 days	4,285	3,611

All amounts are short-term and hence the carrying values of trade and other payables are considered to be a reasonable approximation of their fair values.

13. Share capital

	30 September 2016 Number in thousand	Unaudited HK\$'000	31 March 2016 Number in thousand	Audited HK\$'000
Authorised:				
Ordinary shares of HK\$0.10 each	1,000,000	100,000	1,000,000	100,000
Issued and fully paid:				
Ordinary shares of HK\$0.10 each				
At the beginning of the period	266,125	26,613	266,125	26,613
Exercise of share options	4,643	464	–	–
At the end of the period	270,768	27,077	266,125	26,613

14. Share-based compensation

Share options outstanding and the weighted average exercise prices are as follows:

	For the six months ended 30 September			
	2016	2015	2016	2015
	Number of share options	Weighted average exercise price HK\$	Number of share options	Weighted average exercise price HK\$
Outstanding at the beginning of the period	13,378,000	1.38	4,950,000	1.60
Granted	–	–	8,428,000	1.25
Exercised	(4,643,000)	1.25	–	–
Outstanding at the end of the period	8,735,000	1.45	13,378,000	1.38
Exercisable at the end of the period	8,735,000	1.45	13,378,000	1.38

Details of the outstanding share options are set out on page 26 of this interim report.

15. Banking facilities

As at 30 September 2016, the Group's banking facilities was HK\$155,182,000 (31 March 2016: HK\$151,317,000) in total, of which approximately HK\$145,882,000 (31 March 2016: HK\$142,017,000) were utilised. These facilities were secured by:

- (i) pledges of certain property, plant and equipment of the Group with net book value of HK\$3,581,000 as at 30 September 2016 (31 March 2016: HK\$3,715,000);
- (ii) pledges of certain PLB licences with carrying amount of HK\$236,900,000 as at 30 September 2016 (31 March 2016: HK\$238,280,000); and
- (iii) guarantees provided by the Company of HK\$211,782,000 as at 30 September 2016 (31 March 2016: HK\$208,443,000).

16. Capital commitments

The capital commitments of the Group are as follows:

	30 September 2016 Unaudited HK\$'000	31 March 2016 Audited HK\$'000
Contracted but not provided for:		
Property, plant and equipment	718	1,230

17. Related party transactions

Save as disclosed elsewhere in the condensed consolidated financial statements, during the six months ended 30 September 2016, the Group had the following significant transactions with its related parties:

		For the six months ended 30 September	
	Note	2016 Unaudited HK\$'000	2015 Unaudited HK\$'000
(a) Key management compensation			
Short-term employee benefits		5,644	5,178
Post-employment benefits		63	69
Share-based compensation		–	1,082
		5,707	6,329
(b) Sales and purchase of services and assets			
PLB hire charges paid	(i)	34,947	34,792
Administration fee income received	(i)	1,163	1,163
Purchase of PLB scrap	(i)	323	139
Compensation for loss of PLBs paid	(i)	–	20
Repair and maintenance services income received	(i)	6	–
Purchase of a motor vehicle from a connected person		80	–
Purchase of a motor vehicle	(i)	–	732
Disposal of a motor vehicle	(i)	–	225

Note:

- (i) All transactions were entered into between the Group and the related companies in which Mr. Wong Ling Sun, Vincent, Mr. Wong Man Kit and Ms. Ng Sui Chun, the Directors, are the directors and major shareholders. Ms. Wong Wai Sum, May, a Director, also has directorship and beneficial interest in some of these related companies.

18. Events after the balance sheet date

After the balance sheet date, the Group purchased two PLB licences together with the two corresponding PLBs at a total consideration of HK\$10,230,000 for operational use. In order to finance the acquisition of the said PLB licences and the corresponding PLBs, the Group drew down new bank loans amounting to HK\$8,000,000 in November 2016. These bank loans were secured by two PLB licences with carrying amount of HK\$10,260,000 and two corresponding PLBs with net book value of HK\$142,000, and a guarantee of HK\$8,000,000 provided by the Company.

MANAGEMENT DISCUSSION AND ANALYSIS

INTERIM RESULTS AND DIVIDEND

For the six months ended 30 September 2016, the profit for the period increased by HK\$4,889,000 or 45.9% to HK\$15,530,000 (2015: HK\$10,641,000). The profit excluding the non-cash deficit on revaluation of PLB licences increased by HK\$4,069,000 or 31.9% to HK\$16,810,000 (2015: HK\$12,741,000) compared with same period last year, primarily attributable to growth in revenue, which was a result of route restructuring and fare increase. During the period, the market price of the PLB licences slightly down by 0.6%, the non-cash deficit on revaluation of PLB licences charged to income statement for the period therefore decreased by HK\$820,000 or 39.0% to HK\$1,280,000 (2015: HK\$2,100,000), compared with same period last year.

In line with previous practice, the Board does not recommend the payment of any interim dividend for the six months ended 30 September 2016 (2015: Nil).

REVIEW OF OPERATIONS AND FINANCIAL REVIEW

- As always, the Group continues to do its best endeavor to carry out routes restructuring in order to meet the passengers demand and optimise the operational efficiency. Series of route restructuring plans involving 9 PLB routes (2015: 20) and one residents' bus route (2015: one) had been approved and completed during the period. The routes reorganisations in the Western district of the Hong Kong Island were completed in last financial year. The management is of a view that the influence of the MTR West Island Line and the Government's Public Transport Fare Concession Scheme for the Elderly and Eligible Persons with Disabilities ("Fare Concession Scheme") on the Group's routes had been fully realised and the management was pleased to see that some of the routes reorganisations effectively minimised the negative impact brought by the West Island Line. The route restructuring completed during the period was mainly for expanding the fleet size of particular routes, mainly the routes operating in Tai Po district, and re-allocating the resources to meet the passengers demand.
- After rationalising the routes, the fleet size of the Group expanded by 4 to 358 PLBs (31 March 2016: 354 PLBs; 30 September 2015: 354 PLBs) while the number of PLB routes remained at 65 as at 30 September 2016 (31 March 2016: 65; 30 September 2015: 62 routes). The Group also operated 4 residents' bus routes (31 March 2016 and 30 September 2015: 4 routes) with 6 public buses (31 March 2016 and 30 September 2015: 6 public buses) as at 30 September 2016. The total mileage travelled for the period slightly increased by 1.3% to 21,148,000 kilometers, generally in line with the change in fleet size.
- It has been a year since the launch of the MTR West Island Line and the Fare Concession Scheme, the flow of passengers has become generally stable following the completion of a series of route reorganisations. The patronage for the period slightly increased by 2.0% to 29,038,000 (2015: 28,458,000), mainly owing to the expanded fleet capacity and passenger growth in routes 54 and 55, which running between Central and Queen Mary Hospital, after its route restructuring came into effect in October 2015.

- For the sake of the comfort of the passengers and operational efficiency, the Group replaced 22 aged PLBs with brand new long-wheeled Liquefied Petroleum Gas (“LPG”) PLBs during the period. Hence, the average fleet age of the PLBs reduced to 10.6 years (31 March 2016: 11.5 years) as at 30 September 2016. The Group aims to further replace 43 aged PLBs by mid-2017.
- For the purpose of meeting the passenger demand in Tai Po district and preparing for the route restructuring plans in respect of the commencement of MTR South Island Line, the Group acquired six PLB licences with the six corresponding PLBs at a total consideration of HK\$30,850,000 during the period. To finance the above acquisition, the Group obtained a bank borrowing of HK\$4,100,000 in March 2016 and further entered into a refinancing arrangement with a bank on 30 May 2016, whereas the Group early terminated certain original hire purchase agreements and entered into the new hire purchase agreements. The net amount of borrowings incepted from the refinancing arrangement was HK\$8,633,000.

The details of the unaudited consolidated results for the period are presented below:

	For the six months ended		Increase/ (Decrease) HK\$'000	In %
	2016 HK\$'000	2015 HK\$'000		
Revenue	188,654	183,392	5,262	2.9%
Other revenue and other net income	4,241	4,605	(364)	-7.9%
Direct costs	(151,660)	(151,799)	(139)	-0.1%
Administrative and other operating expenses	(19,616)	(19,147)	469	2.4%
Finance costs	(1,501)	(1,503)	(2)	-0.1%
Income tax expense	(3,308)	(2,807)	501	17.8%
Profit for the period before deficit on revaluation of PLB licences	16,810	12,741	4,069	31.9%
Deficit on revaluation of PLB licences	(1,280)	(2,100)	(820)	-39.0%
Profit for the period	15,530	10,641	4,889	45.9%

- To ease the pressure from the inflating staff costs, the Group continued to submit fare increase application for certain underperforming routes during the period. Although no fare increase came into effect during the period (2015: 16 routes at rates ranging from 4.9% to 9.4%), riding on the full year effect from the fare increase approved in the last financial year and the growth in patronage by 2.0% during the period, the revenue for the period increased by HK\$5,262,000 or 2.9% to HK\$188,654,000 (2015: HK\$183,392,000), compared with same period last year.

- The direct costs for the period was HK\$151,660,000 (2015: HK\$151,799,000), no significant change compared with last period. The major direct costs of the Group are labour costs, PLB rental expenses and fuel costs, which altogether made up around 83.8% (2015: 83.8%) of the total direct costs for the period. The changes on these major direct costs are as follows:
 - With the drop in international fuel prices and increased rebates from suppliers, the average diesel and LPG unit prices decreased by around 12% compared with last period. Therefore, fuel costs for the period dropped by HK\$2,982,000 or 12.7% to HK\$20,559,000 (2015: HK\$23,541,000);
 - As at 30 September 2016, around 83.0% of the PLB fleet were leased PLBs (31 March 2016: 84.2%). Since the newly acquired PLBs met the need of fleet expansion and replaced 1.8 leased PLBs on average during the period, the PLB rental expense slightly dropped by HK\$106,000 or 0.3% to HK\$37,553,000 (2015: HK\$37,659,000) compared with last period; and
 - Following the around 6.1% on average pay rise in 7 routes in late December 2015, the Group increased the captains' pay in all remaining routes by approximately 4.3% on average in April 2016. Thus, the labour costs of captains for the period increased by HK\$2,924,000 or 4.4% to HK\$68,910,000 (2015: HK\$65,986,000).
- As mentioned above, the Group acquired six PLB licences and the corresponding PLBs during the period. The total purchase consideration of the six PLB licences was HK\$30,850,000. The total carrying amount of the PLB licences of the Group as at 30 September 2016, hence, increased by HK\$29,220,000 or 10.1% to HK\$319,300,000 (31 March 2016: HK\$290,080,000). A deficit on revaluation of PLB licences charged to income statement of HK\$1,280,000 (2015: HK\$2,100,000) was recorded because the fair value of a PLB licence was slightly down by HK\$30,000 or 0.6% to HK\$5,150,000 as at 30 September 2016 (31 March 2016: HK\$5,180,000). The accounting revaluation of the PLB licences should be considered separately as the volatility of their market value has no significant impact on the Group's core operation. Please also refer to the note 10 of the unaudited condensed consolidated financial statements for more information on the carrying amount of PLB licences.
- The administrative and other operating expenses increased by HK\$469,000 or 2.4% to HK\$19,616,000 (2015: HK\$19,147,000). Excluding the share-based compensation expense of HK\$1,316,000 recognised for last period for the grant of share options to administrative staff members, the administrative and other operating expenses in fact increased by HK\$1,785,000 or 10.0%, which was mainly attributable to the salaries and bonus increase for the administrative staff.
- The finance costs of the Group for the reporting period was HK\$1,501,000 (2015: HK\$1,503,000). The average interest rate applicable to the Group and the average bank borrowing balance during the reporting period maintained at similar level as that of the same period last year.

- During the reporting period, income tax expense increased to HK\$3,308,000 (2015: HK\$2,807,000). Excluding the effect of deficit on revaluation of PLB licences, which was non-deductible expense under Hong Kong profits tax law, the effective tax rate was 16.4% for the period (2015: 16.5%).

Cash flow

	For the six months ended 30 September	
	2016 HK\$'000	2015 HK\$'000
Net cash from operating activities	24,803	20,374
Net cash used in investing activities	(27,104)	(779)
Net cash used in financing activities	(18,909)	(19,534)
Net (decrease)/increase in cash and cash equivalents	(21,210)	61

With the growth in operating results for the period, the net cash from operating activities increased by HK\$4,429,000 or 21.7% to HK\$24,803,000. The net cash used in investing activities of HK\$27,104,000 was mainly for acquiring PLB licences and the corresponding PLBs. As for the net cash used in financing activities of HK\$18,909,000, the balance was a result of the dividends payment to the equity holders of the Company of HK\$27,077,000 and the scheduled repayment of borrowings and interests amounting to HK\$6,269,000 during the period, offset by the net proceeds received from the refinancing arrangement carried out in late May 2016 of HK\$8,633,000 and the capital of HK\$5,804,000 received from issuance of new ordinary shares upon the exercise of share options by the employees.

Capital structure, liquidity, financial resources and policies

Liquidity and financial resources

The Group's operations are mainly financed by proceeds from its operations. The Group carefully assesses and monitors its liquidity to ensure that it has sufficient cash and standby bank facilities to meet its daily operational needs.

As at 30 September 2016, the Group had net current assets of HK\$13,792,000 (31 March 2016: HK\$45,291,000), and the current ratio (current assets/current liabilities) was 1.35 times (31 March 2016: 2.29 times). The drop in current ratio was mainly due to the reduction in bank balances and cash by HK\$21,214,000 or 32.1% to HK\$44,774,000 as at 30 September 2016 (31 March 2016: HK\$65,988,000) as explained in the "Cash flow" section.

As at 30 September 2016, the Group had bank balances and cash amounting to HK\$44,774,000 (31 March 2016: HK\$65,988,000). 99.7% (31 March 2016: 99.8%) of the bank balances and cash as at 30 September 2016 were denominated in Hong Kong dollars and the remaining bank balances and cash were denominated in Renminbi.

As at 30 September 2016, the Group had banking facilities totaling HK\$155,182,000 (31 March 2016: HK\$151,317,000) of which HK\$145,882,000 (31 March 2016: HK\$142,017,000) was utilised.

Borrowings

On 30 May 2016, in order to finance the Group's series of acquisition of PLB licences and PLBs to expand its fleet, the Group entered into a refinancing arrangement with a bank to obtain net borrowings totaling HK\$8,633,000. Also, taking into account of the scheduled repayments amounting to HK\$4,768,000 during the period, the balance of the total borrowings of the Group increased by HK\$3,865,000 or 2.7% to HK\$145,882,000 as at 30 September 2016 (31 March 2016: HK\$142,017,000).

The maturity profiles of the borrowings are as follows:

	As at 30 September 2016 HK\$'000	As at 31 March 2016 HK\$'000
Within one year	9,570	9,820
In the second year	9,767	10,025
In the third to fifth years	29,764	30,795
After the fifth year	96,781	91,377
	145,882	142,017

The increased balances of borrowings and tax payables coupled with the reduced balance of shareholders' equity as at 30 September 2016, the gearing ratio (total liabilities/shareholders' equity) of the Group as at 30 September 2016 was up to 71.5% (31 March 2016: 66.1%). Although the Group improved its operating profit during the period, the shareholders' equity slightly reduced by HK\$6,093,000 or 2.4% to HK\$247,588,000 (31 March 2016: HK\$253,681,000) as a result of the distribution of final dividends of HK\$27,077,000 for last financial year.

Pledge of assets

The Group has pledged certain assets to secure the banking facilities granted. Details of the pledged assets are as follows:

	As at 30 September 2016 HK\$'000	As at 31 March 2016 HK\$'000
PLB licences	236,900	238,280
Property, plant and equipment	3,581	3,715

Credit risk management

The income of the franchised PLB operation of the Group is either received in cash or collected via Octopus Cards Limited and remitted to the Group on the next business day. Also, the Group does not provide guarantees to third parties which would expose the Group to credit risk. The Group is therefore not exposed to any significant credit risk.

Foreign currency risk management

The Group is not exposed to significant foreign exchange risk as the majority of income and expenditures of its operating activities and monetary assets and liabilities of the Group are denominated in Hong Kong dollars.

Interest rate risk management

The Group's interest rate risk arises primarily from its bank balances and borrowings. All borrowings as at 30 September 2016 were denominated in Hong Kong dollars and on a floating interest rate basis. The practice effectively eliminates the currency risk and the management is of the view that the Group is not subject to significant interest rate risk. Finance costs accounted for around 0.9% (2015: 0.9%) of the total costs of the Group for the reporting period. Any reasonably possible changes in the market interest rates would not bring significant impact to the Group.

Fuel Price Risk

The Group is exposed to fuel price risk. The fluctuations in the fuel prices could be significant to the operations of the Group. However, having carefully evaluated the market conditions, the Group's internal resources and the possible outcomes of entering into hedging derivatives, the Board concluded that entering into hedging contracts might not necessarily be an effective tool to manage the fuel price risk. Therefore, the Group did not have any hedging policies over its anticipated fuel consumption during the period. The management will continue to closely monitor the changes in market condition.

Capital expenditure and commitment

During the reporting period, the Group's total capital expenditure of HK\$32,710,000 (2015: HK\$1,149,000) was mainly for acquiring six PLB licences and the six corresponding PLBs. As at 30 September 2016, the Group's capital commitment contracted and not provided for was HK\$718,000 (31 March 2016: HK\$1,230,000).

Contingent liabilities

The Group did not have any material contingent liabilities as at 30 September 2016 and 31 March 2016.

Employees and remuneration policies

Since the minibus industry is labour intensive in nature, staff costs accounted for a substantial part of the total operating costs of the Group. Expenses relating to employee benefits incurred for the reporting period were HK\$90,750,000 (2015: HK\$87,225,000), representing 51.5% (2015: 49.8%) of the total costs (excluding the deficit on revaluation of PLB licences). Apart from the basic remuneration, double pay and/or discretionary bonus were also granted to eligible employees with reference to the Group's performance and individual contribution. Other benefits including share option scheme, retirement plans and training schemes were also provided to the staff members. The staff costs for the last period included an one-off share-based compensation expense of HK\$1,433,000 incurred for the grant of 8,428,000 share options to the employees during last period.

The headcounts of the Group were as follows:

	As at 30 September 2016	As at 31 March 2016
Directors	8	8
Administrative staff	108	99
Captains	1,108	1,127
Technicians	47	48
Total	1,271	1,282

Events after the balance sheet date

After the balance sheet date, the Group purchased two PLB licences together with the two corresponding PLBs at a total consideration of HK\$10,230,000 for operational use. In order to finance the acquisition of the said PLB licences and the corresponding PLBs, the Group drew down new bank loans amounting to HK\$8,000,000 in November 2016. These bank loans were secured by two PLB licences and two PLBs with carrying values of HK\$10,260,000 and HK\$142,000 respectively and a guarantee of HK\$8,000,000 provided by the Company.

PROSPECT

Looking ahead, the revenue growth of the minibus operations of the Group would be affected by two important upcoming events: the commencement of MTR South Island Line and the increase of minibus seating capacity. The MTR South Island Line, which will connect the Southern District to Admiralty, will commence its service in late December 2016. The Group will launch three ancillary routes and extend an existing route to provide transfer service from/to the MTR South Island Line to Aberdeen, Stanley and Cyberport etc, as well as offer MTR-minibus interchange concessionary fare to attract passengers. Although it is not possible to estimate the financial impact of the South Island Line to the Group at the moment, the management believes that there will be demand for the point-to-point feeder service in the Southern District and the fast and reliable minibus service of the Group would continue to be competitive in providing services for commuters. Furthermore, the management expects the South Island Line would alleviate the serious traffic congestions of the Aberdeen Tunnel at peak hours, which would be an advantage to the Group. Therefore, the Group remained cautiously optimistic about the potential impact brought by the South Island Line. The management will monitor the ongoing development of the traffic and passenger flows in the relevant districts and propose service adjustments to maximise the fleet utilisation.

As for the increase of minibus seating capacity, as disclosed in the Group's last annual report, the Government unveiled its preliminary view in June 2016 that increasing the seating capacity of the minibus from 16 to 19 would significantly improve the present insufficient green minibus services during the peak hours. The Group welcomes and supports the Government's view and hopes the relevant legislation of increasing the minibus seat capacity could be passed as soon as possible, so that the passengers would benefit from shortening the minibus waiting time, while the Group would be able to increase the revenues to alleviate the pressure from inflating operating costs.

The Group is still facing pressure from the inflating operating costs, especially the labour costs and fuel expenses. The industry-wide labour shortage problem has not been solved. To maintain the quality of services, the Group would continue to adjust the level of remunerations of the captains and frontlines staff when necessary. Although the current international fuel prices are relatively low compared with the peak in recent years, the Group observed a gradual rise in the fuel prices during the period under review. The management would continue to closely monitor the market conditions and negotiate with the suppliers for further concession. In addition to optimising operating costs, the Group will continue to submit fare rise applications to the Transport Department so as to enable itself to maintain its service frequency and quality to meet the passengers' expectation. Fare increase in 13 routes has come into effect since the end of the review period and up to the date of this interim report, which will help improving the revenue in the second half of the financial year.

DIRECTORS' INTERESTS IN SHARES

Directors' interests and short positions in shares, underlying shares and debentures in/of the Company

As at 30 September 2016, the interests and short positions of the Directors in the shares, underlying shares and debentures in/of the Company which have been recorded in the register required to be kept under section 352 of the Securities and Futures Ordinance (the "SFO") or notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Companies (the "Model Code"), were as follows:

Long positions in the shares and the underlying shares in the Company

Name of Director	Capacity	Nature of interest	Number of ordinary shares held	Number of underlying shares held in respect of the share option	Total	Approximate percentage of shareholding
Mr. Wong Ling Sun, Vincent (Notes a & b)	Beneficiary of a discretionary trust	Other	117,677,000	-	117,677,000	43.46%
	Beneficial owner	Personal	25,362,500	-	25,362,500	9.36%
	Spouse of Ms. Loo Natasha Christie	Family	352,000	-	352,000	0.13%
	Father of Mr. Wong Tin Yan, Chace	Family	2,000,000	-	2,000,000	0.74%
	Father of Mr. Wong Tin Yue, Noah	Family	2,000,000	-	2,000,000	0.74%
Mr. Wong Man Kit (Note a)	Founder of a discretionary trust	Other	117,677,000	-	117,677,000	43.46%
	Beneficial owner	Personal	23,256,000	-	23,256,000	8.58%
	Spouse of Ms. Ng Sui Chun	Family	12,591,300	-	12,591,300	4.65%
Ms. Ng Sui Chun (Note a)	Beneficiary of a discretionary trust	Other	117,677,000	-	117,677,000	43.46%
	Beneficial owner	Personal	12,591,300	-	12,591,300	4.65%
	Spouse of Mr. Wong Man Kit	Family	23,256,000	-	23,256,000	8.58%
Mr. Chan Man Chun	Beneficial owner	Personal	3,539,500	-	3,539,500	1.30%
	Spouse of Ms. Chan Lai Ling	Family	220,000	-	220,000	0.08%
Ms. Wong Wai Sum, May (Note a)	Beneficiary of a discretionary trust	Other	117,677,000	-	117,677,000	43.46%
	Beneficial owner	Personal	3,357,000	-	3,357,000	1.24%
Dr. Lee Peng Fei, Allen	Beneficial owner	Personal	330,000	558,000	888,000	0.32%
Dr. Chan Yuen Tak Fai, Dorothy	Beneficial owner	Personal	330,000	558,000	888,000	0.32%
Mr. Kwong Ki Chi	Beneficial owner	Personal	330,000	558,000	888,000	0.32%

Notes:

- (a) As at 30 September 2016, a total of 117,677,000 shares in the Company were held by Skyblue Group Limited (“Skyblue”), which is a wholly owned subsidiary of Metro Success Investments Limited (“Metro Success”). Metro Success is a wholly owned subsidiary of JETSUN UT Company (PTC) Limited (“JETSUN”), which is the trustee of The JetSun Unit Trust, of which 9,999 units are owned by HSBC International Trustee Limited (“HSBCITL”) as trustee of The JetSun Trust and the remaining one unit is owned by Mr. Wong Ling Sun, Vincent. The entire issued share capital of JETSUN is owned by HSBCITL. Mr. Wong Man Kit is the settlor of The JetSun Trust, which is a discretionary trust and its discretionary objects include Mr. Wong Ling Sun, Vincent, Ms. Ng Sui Chun and Ms. Wong Wai Sum, May.
- (b) As at 30 September 2016, Mr. Wong Ling Sun, Vincent held 2,000,000 and 2,000,000 ordinary shares in the Company as trustee for the benefit of his sons Mr. Wong Tin Yan, Chace (a minor) and Mr. Wong Tin Yue, Noah (a minor) respectively.

Save as disclosed herein and other than certain shares in subsidiaries held as nominees by certain directors of the Group, as at 30 September 2016, none of the Directors and their associates has any interests or short positions in any shares, underlying shares and debentures in/of the Company or any of its associated corporations (within the meaning of the SFO) as recorded in the register to be kept under section 352 of Part XV of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

SHARE OPTIONS

On 30 August 2013, the Company terminated the share option scheme adopted on 22 March 2004 (the “2004 Scheme”) and adopted a new share option scheme (the “2013 Scheme”) on the same date to provide the Company with a platform to offer rewards and incentives to eligible participants for their contribution to the Group and to encourage them to work towards enhancing the value of the Company and its shares for the benefit of the Company and its shareholders as a whole.

The 2004 Scheme

After the termination of the 2004 Scheme, no further options shall be offered under the 2004 Scheme but the provisions of the 2004 Scheme in all other respects shall remain in full force to the extent necessary to give effect to the exercise of any outstanding options granted thereunder prior to such termination. All outstanding options granted under the 2004 Scheme prior to its termination shall continue to be valid and exercisable in accordance with the terms of the 2004 Scheme.

The 2013 Scheme

The terms of the 2013 Scheme are substantially similar to the 2004 Scheme. Please refer to the annual report 2015/16 for the details of the 2013 Scheme.

Details of the outstanding share options of the Company as at 30 September 2016 are as follows:

Name of grantees	Date of grant (note (a)) (d/m/y)	Number of share options granted	Period during which rights are exercisable (d/m/y)	Exercise price per share option (HK\$)	Outstanding as at 1 April 2016	Number of share options granted during the period	Number of share options exercised during the period	Number of share options lapsed during the period	Outstanding As at 30 September 2016
Directors:									
Mr. Wong Ling Sun, Vincent	23/9/2015	860,000	23/9/2015-22/9/2025	1.25	860,000	-	860,000	-	-
Mr. Wong Man Kit	23/9/2015	860,000	23/9/2015-22/9/2025	1.25	860,000	-	860,000	-	-
Ms. Ng Sui Chun	23/9/2015	860,000	23/9/2015-22/9/2025	1.25	860,000	-	860,000	-	-
Mr. Chan Man Chun	23/9/2015	860,000	23/9/2015-22/9/2025	1.25	860,000	-	860,000	-	-
Ms. Wong Wai Sum, May	23/9/2015	860,000	23/9/2015-22/9/2025	1.25	860,000	-	860,000	-	-
Dr. Lee Peng Fei, Allen	20/10/2011	300,000	20/10/2011-19/10/2021	1.60	300,000	-	-	-	300,000
	23/9/2015	258,000	23/9/2015-22/9/2025	1.25	258,000	-	-	-	258,000
					558,000	-	-	-	558,000
Dr. Chan Yuen Tak Fai, Dorothy	20/10/2011	300,000	20/10/2011-19/10/2021	1.60	300,000	-	-	-	300,000
	23/9/2015	258,000	23/9/2015-22/9/2025	1.25	258,000	-	-	-	258,000
					558,000	-	-	-	558,000
Mr. Kwong Ki Chi	20/10/2011	300,000	20/10/2011-19/10/2021	1.60	300,000	-	-	-	300,000
	23/9/2015	258,000	23/9/2015-22/9/2025	1.25	258,000	-	-	-	258,000
					558,000	-	-	-	558,000
Total Directors					5,974,000	-	4,300,000	-	1,674,000
Associate of Directors:									
Mr. Wong Man Chiu (note (b))	20/10/2011	300,000	20/10/2011-19/10/2021	1.60	300,000	-	-	-	300,000
	23/9/2015	258,000	23/9/2015-22/9/2025	1.25	258,000	-	-	-	258,000
					558,000	-	-	-	558,000
Continue Contract Employees:									
In aggregate	20/10/2011	4,050,000	20/10/2011-19/10/2021	1.60	3,750,000	-	-	-	3,750,000
	23/9/2015	3,096,000	23/9/2015-22/9/2025	1.25	3,096,000	-	343,000	-	2,753,000
					6,846,000	-	343,000	-	6,503,000
Total all categories					13,378,000	-	4,643,000	-	8,735,000

Notes:

- (a) The share options granted on 20 October 2011 were granted under the 2004 Scheme while those granted on 23 September 2015 were granted under the 2013 Scheme.
- (b) Mr. Wong Man Chiu, the engineering manager of the Group, is the brother and thus the associate of Mr. Wong Man Kit, the honorary chairman and Executive Director of the Company.
- (c) All outstanding share options were vested immediately on the date of grant.
- (d) 43,000 share options and 4,600,000 share options were exercised on 8 July 2016 and 1 September 2016 respectively at exercise price of HK\$1.25 each share. The weighted average closing price of each share of the Company immediately before the dates on which the share options were exercised was HK\$1.45.

SUBSTANTIAL SHAREHOLDERS

As at 30 September 2016, the following persons (other than the Directors) had interests or short positions of 5% or more in the shares and underlying shares in the Company as recorded in the register required to be kept by the Company pursuant to section 336 of the SFO:

Name of shareholders		Number of Shares/ underlying Shares held	Percentage to the total number of issued shares in the Company
HSBCITL	(Note a)	133,077,000	49.15%
JETSUN	(Note a)	117,677,000	43.46%
Metro Success	(Note a)	117,677,000	43.46%
Skyblue	(Note a)	117,677,000	43.46%
The Seven International Holdings (L) Limited ("SIHL")	(Note b)	14,850,000	5.48%
The Seven Capital Limited ("SCL")	(Note b)	14,850,000	5.48%

Notes:

- (a) As at 30 September 2016, a total of 117,677,000 shares were held by Skyblue, a wholly owned subsidiary of Metro Success, which in turn is a wholly owned subsidiary of JETSUN. JETSUN is the trustee of The JetSun Unit Trust, of which 9,999 units are owned by HSBCITL as trustee of The JetSun Trust and the remaining one unit is owned by Mr. Wong Ling Sun, Vincent. The entire issued share capital of JETSUN is owned by HSBCITL. Mr. Wong Man Kit is the settlor of The Jetsun Trust and Mr. Wong Ling Sun, Vincent, Ms. Ng Sui Chun and Ms. Wong Wai Sum, May, are the beneficiaries of The Jetsun Trust.
- (b) As at 30 September 2016, a total of 14,850,000 shares were held by SCL, a wholly owned subsidiary of SIHL, which in turn is a wholly owned subsidiary of HSBCITL.

All the interests disclosed above represent long position in the shares in the Company.

Save as disclosed herein, the Company has not been notified of any other person (other than a Director and the chief executive of the Company) having an interest or a short position in the shares and/or underlying shares in the Company as recorded in the register required to be kept by the Company pursuant to section 336 of the SFO As at 30 September 2016.

CORPORATE GOVERNANCE

The Company has complied with the provisions of the code as set out in Appendix 14 “Corporate Governance Code and Corporate Governance Report” (the “Code”) of the Listing Rules for the six months ended 30 September 2016.

The Company has adopted a code of conduct regarding securities transactions by Directors and relevant employees on terms no less exacting than the required standard set out in the Model Code contained in Appendix 10 of the Listing Rules (the “Model Code”) throughout the six months ended 30 September 2016. Having made specific enquiries, all Directors have confirmed that they have complied with the required standard set out in the Model Code and its code of conduct regarding securities transactions by Directors during the period under review.

AUDIT COMMITTEE

The Company has an Audit Committee which was established in accordance with the requirements of the Code under the Listing Rules and guidance published by the HKICPA. The primary duties of the Audit Committee are to review and supervise the financial reporting process and internal control system of the Group. The Audit Committee comprises three independent Non-Executive Directors and one of them possesses appropriate accounting or financial management expertise. An Audit Committee meeting was held on 29 November 2016 to review the unaudited interim financial statements and interim results announcement of the Group, and to provide advice and recommendations to the Board.

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

During the six months ended 30 September 2016, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company’s listed securities.

BOARD OF DIRECTORS

As at the date of this interim report, the Executive Directors are Mr. Wong Ling Sun, Vincent (Chairman), Mr. Wong Man Kit (Honorary chairman), Ms. Ng Sui Chun, Mr. Chan Man Chun (Chief Executive Officer) and Ms. Wong Wai Sum, May, and the independent non-Executive Directors are Dr. Lee Peng Fei, Allen, Dr. Chan Yuen Tak Fai, Dorothy and Mr. Kwong Ki Chi.

By Order of the Board
Wong Ling Sun, Vincent
Chairman

Hong Kong, 29 November 2016

AMS PUBLIC TRANSPORT HOLDINGS LIMITED
進智公共交通控股有限公司

Website 網址 : www.amspt.com