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

Incorporated in the Cayman Islands with limited liability
(Stock Code : 77)

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2024/25
ANNUAL REPORT

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COMPANY INFORMATION

AMS Public Transport Holdings Limited (the "Company") and its subsidiaries (collectively the "Group") are principally engaged in the operation of franchised public light bus ("PLB"), also commonly known as green minibus, and residents' bus transportation services in Hong Kong.

Over the past 50 years, riding on its expertise, the Group has played an integral role in Hong Kong's transportation network development and continues to contribute to the city's mobility infrastructure.

Currently, the Group operates an extensive network of 73 franchised PLB routes with 354 PLBs. In addition, it operates four residents' bus routes with seven public buses. The Group remains committed to optimising its routes and services to meet the evolving needs of passengers and keep pace with the city's transportation demands. Passenger comfort and convenience are paramount to the Group's operations. Its fleet comprises environmentally friendly PLBs equipped with state-of-the-art facilities.

Safety remains a top priority for the Group across all its operations. In recognition of its commitment to quality management, the Group has obtained ISO 9001 certification for its computerised repair and maintenance centers since 2011, making it the first franchised PLB operator in the Hong Kong to gain such a prestigious quality accreditation. This significant achievement reinforces the Group's dedication to ensuring the highest standards of safety, reliability, and passenger satisfaction.

As a trustworthy transportation service provider, the Group remains dedicated to delivering efficient, reliable, and safe passenger transportation services in Hong Kong. It will continue to prioritise passenger needs, strive to provide a seamless and enjoyable travel experience and aim to be the preferred choice for commuters in Hong Kong.

Board of Directors

Mr. Wong Ling Sun, Vincent *Chairman*
Ms. Ng Sui Chun
Mr. Chan Man Chun *Chief Executive Officer*
Ms. Wong Wai Sum, Maya
Ms. Wong Wai Man, Vivian*
Prof. Chan Yuen Tak Fai, Dorothy**
Mr. Kwong Ki Chi**
Mr. James Mathew Fong**

* *Non-Executive Director*
** *Independent Non-Executive Directors*

Authorised Representatives

Mr. Wong Ling Sun, Vincent
Mr. Chan Man Chun

Audit Committee

Mr. Kwong Ki Chi *Chairman*
Prof. Chan Yuen Tak Fai, Dorothy
Mr. James Mathew Fong

Nomination Committee

Prof. Chan Yuen Tak Fai, Dorothy *Chairman*
Mr. Kwong Ki Chi
Mr. James Mathew Fong

Remuneration Committee

Mr. James Mathew Fong *Chairman*
Prof. Chan Yuen Tak Fai, Dorothy
Mr. Kwong Ki Chi

Company Secretary

Ms. Wong Ka Yan

Registered Office

Cricket Square
Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
The Cayman Islands

Head office and principal place of business in Hong Kong

11th–12th Floor, Abba Commercial Building,
223 Aberdeen Main Road, Aberdeen,
Hong Kong

Hong Kong share registrar and transfer office

Union Registrars Limited
Suites 3301–04, 33/F,
Two Chinachem Exchange Square,
338 King's Road,
North Point, Hong Kong

Principal Bankers

Bank of China (Hong Kong) Limited
Hang Seng Bank Limited
The Hongkong and Shanghai Banking Corporation Limited

Auditor

Grant Thornton Hong Kong Limited
Certified Public Accountants
Registered Public Interest Entity Auditor

FINANCIAL AND OPERATING HIGHLIGHTS

Financial Highlights	Unit	Year ended 31 March 2025	2024	Change
Financial results				
Revenue	HK$'000	**415,029**	393,686	+5.4%
Profit for the year excluding deficit on revaluation of PLB licences and provision for impairment of public bus licences	HK$'000	**24,881**	24,378	+2.1%
Deficit on revaluation of PLB licences charged to consolidated income statement	HK$'000	**14,025**	34,980	-59.9%
Profit/(Loss) attributable to equity holders of the Company	HK$'000	**8,396**	(11,952)	N/A
Earnings/(Loss) per share	HK cents	**3.09**	(4.40)	N/A
Proposed final dividend per ordinary share[1]	HK cents	**3.0**	–	N/A
Proposed special dividend per ordinary share	HK cents	**1.0**	4.0	-75.0%
Profit margin (profit or (loss) attributable to equity holders/revenue)		**2.0%**	(3.0)%	
Return on equity (profit or (loss) attributable to equity holders/shareholders' equity)		**22.9%**	(30.6)%	

	Unit	As at 31 March 2025	2024	Change
Financial position				
Bank borrowings	HK$'000	**103,733**	113,007	-8.2%
Shareholders' equity	HK$'000	**36,685**	39,000	-5.9%
Current ratio (current assets/current liabilities)	Times	**0.64**	0.63	
Gearing ratio (total bank borrowings less bank balances and cash/shareholders' equity)		**100.4%**	143.5%	

Operating Highlights	Unit	Year ended 31 March 2025	2024	Change
Number of PLBs in service as at year end		**354**	354	–
Number of public buses in service as at year end		**7**	7	–
Number of franchised PLB routes as at year end		**73**	72	+1.4%
Number of residents' bus routes as at year end		**4**	4	–
Number of passengers carried	million	**56.0**	55.5	+0.9%
Number of journeys traveled	million	**3.80**	3.70	+2.7%
– percentage of the journeys traveled surpassing the total number of scheduled journeys required by the Transport Department		**16.1%**	12.8%	+3.3pp[3]
Total mileage operated	million kilometers	**34.8**	34.1	+2.1%
Average fleet age as at year end	years	**8.3**	7.7	+7.8%
Average accident rate[2]	per million km	**3.4**	3.4	–

Notes:

1. No interim dividend was declared for the years ended 31 March 2025 and 2024.
2. The figures refer to accidents involving injury or death.
3. pp stands for percentage point.

Wong Ling Sun, Vincent, JP
Chairman

On behalf of the Board of Directors of the Company (the "Board"), I am pleased to present to you the results of the Group for the year ended 31 March 2025.

RESULTS FOR THE YEAR

The Group recorded a profit for the year ended 31 March 2025, excluding the impact of the deficit on revaluation of Public Light Bus ("PLB") licences and provision for impairment of public bus licences, of HK$24.9 million, representing an increase of 2.1% compared to the previous year (2024: HK$24.4 million). While the Group's revenue for the year reached a historic high due to stable patronage and fare increases, the growth in gross profit was substantially offset by higher administrative expenses (primarily staff costs) and increased finance charges on lease liabilities which arose from a three-year minibus leasing agreement with connected parties to renew the Group's leasing arrangements.

The deficit on revaluation of PLB licences for the year fell approximately by 59.9% to HK$14.0 million compared with that of HK$35.0 million last year. This substantial reduction reflects the slowing pace of PLB licence devaluation throughout the reporting period. Consequently, the Group recorded a profit for the year ended 31 March 2025 of approximately HK$8.4 million, a significant improvement compared to a loss of around HK$12.0 million last year.

DIVIDENDS

Basic earnings per share for the year was HK3.09 cents (2024: basic loss per share of HK4.40 cents). Having carefully considered the factors listed in the Company's dividend policy, which include but not limited to the financial and operational performance (excluding the accounting impact of PLB licence revaluation deficit) and the future cash flows of the Group under the current business environment, the Board recommended a final dividend of HK3.0 cents per ordinary share (2024: Nil) and a special dividend of HK1.0 cent per ordinary share (2024: HK4.0 cents), totaling HK$10.9 million for the year ended 31 March 2025 (2024: HK$10.9 million).

FINANCIAL AND BUSINESS REVIEW

This year marked a significant milestone as the Group celebrated its 50th anniversary – five decades of dedicated service to Hong Kong's transportation needs. Throughout this anniversary year, special campaigns were implemented to express sincere appreciation to all employees for their unwavering commitment and to business partners for their longstanding support.

The year under review brought a mix of opportunities and challenges for Hong Kong's public transport sector. According to the Transport Department, local passenger journeys of public transport saw a modest increase of approximately 1.2%, reaching around 4.28 billion. Against this backdrop, the Group successfully maintained stable patronage levels – an encouraging outcome given the particularly demanding conditions faced by the minibus industry. The Group's patronage rose slightly by 0.9% year-on-year, while the Group's revenue climbed by approximately 5.4% to a record high of HK$415.0 million. This growth was primarily driven by carefully calibrated fare adjustments. These stable patronage figures confirm that such adjustments were appropriate for maintaining customer loyalty while ensuring financial sustainability.

This performance reflects disciplined operational execution. The successful recruitment of over 100 imported captains from Mainland China helped alleviate acute labour shortages, enabling more consistent and reliable service frequencies compared to previous periods. Simultaneously, the Group implemented a comprehensive route optimisation initiative. This included refined service hours, the introduction of an express route, and withdrawal from underperforming routes – measures that redirected resources toward areas with stronger demand and higher efficiency.

The Group reported an underlying profit of HK$24.9 million for the year, representing a 2.1% increase from the previous year's HK$24.4 million. This figure excludes non-cash accounting adjustments relating to the revaluation of PLB licences and impairment provision for public bus licences, providing a clearer view of operational performance.

On a statutory compliance basis, the Group recorded a profit of HK$8.4 million after recognising a non-cash deficit from PLB licence revaluation and impairment provision for public bus licences. The continued decline in the value of PLB licences reflects persistent structural challenges within the minibus industry, particularly in the red minibus segment where market conditions remain weak. Although the pace of devaluation has slowed compared to previous years, these external pressures remain beyond the Group's control and have affected reported asset valuations.

Despite these accounting impacts, the Group continues to prioritise operational strength over licence investment value. The underlying profit of HK$24.9 million more accurately reflects the robustness of core business activities and affirms the Group's ability to deliver stable financial results amid sector pressures. While accounting standards necessitate recognition of valuation adjustments, these do not represent any deterioration in the Group's actual performance.

PROSPECT

Looking ahead, Hong Kong's PLB sector continues to navigate a complex operating environment marked by both challenges and opportunities. The local economic landscape, characterised by rising unemployment and subdued growth amid ongoing US-China trade tensions and global inflationary pressures, is likely to influence consumer behaviour and spending patterns.

Nevertheless, the management team remains confident that the patronage of the Group will remain stable and that the full-year effect of the fare increase will positively affect the revenue in the coming year. However, the evolving travel preferences of Hong Kong residents – with increasing numbers opting for overseas or Mainland China trips during holidays rather than local leisure activities – continue to pressure revenue streams, particularly the traditionally popular weekend and holiday services.

Cost pressures remain a significant concern, with fuel prices expected to rise further due to geopolitical tensions, including the Middle East conflict, alongside persistent labour shortages. These factors compound ongoing operational challenges. The gradual retirement of experienced captains continues to impact service delivery, despite positive contributions from imported captains from Mainland China. While full deployment of the second batch of imported captains from Mainland China has helped stabilise service reliability, there remains an urgent need for the Government to establish a permanent labour importation scheme to address the industry's structural workforce shortages systematically. Furthermore, due to the deteriorating business environment of the red minibus industry, it is anticipated that the market price of PLB licences may further depreciate. This could lead to an accounting revaluation deficit of PLB licences which may have significant impact on the results of the coming financial year. Nevertheless, the management reiterates that the accounting revaluation of PLB licences should be considered separately as the fluctuation in market value of the PLB licences has no significant impact on the core business and cash flows of the Group.

In this challenging context, the continuous expansion of Hong Kong's railway network threatens to further erode the passenger base in key areas. However, the Northern Metropolis development presents a strategic opportunity to demonstrate the indispensable role of green minibus service in serving communities beyond railway reach. As this major project progresses, formal recognition of green minibus service as essential connectors in Hong Kong's transport ecosystem is crucial, particularly in new development areas where rail coverage will initially be limited. The Group remains committed to working constructively with transport authorities to develop solutions that balance railway expansion with the need for comprehensive last-mile connectivity. By combining operational innovation with prudent cost management, the Group is confident in its ability to navigate these challenges while continuing to provide reliable and affordable services to dependent communities.

APPRECIATION

As this milestone year draws to a close, I would like to express, on behalf of the Board, our heartfelt appreciation to all employees whose dedication has been instrumental to the Group's achievements. We are equally grateful to our business partners, whose steadfast collaboration has played a vital role throughout this fifty-year journey. To our passengers, we extend our deepest thank for your trust – your support inspires us to keep striving for excellence. This collective commitment will remain the foundation upon which the Group continues to build its legacy of service to Hong Kong.

Wong Ling Sun, Vincent
Chairman
Hong Kong, 26 June 2025

AMS's objective is to propel the Group into a prominent market position by providing the public with reliable, safe and comfortable journeys, and hence maximising stakeholders' value.
The Group endeavors to achieve its objective by maintaining a team of management expertise which puts continuous effort in improving fleet productivity, efficiency and service quality, and carrying out stringent repair and maintenance programmes for the sake of safety.

REVIEW OF OPERATION

- To enhance operational efficiency and service quality, the Group continued its efforts to propose route reorganisation plans to the Transport Department. During the year, the Group completed a series of route reorganisations involving 22 franchised PLB routes. The primary focus of these reorganisations was to adjust the fleet size for individual route packages and modify the service hours and frequencies of specific routes, as well as to introduce express routes to better meet passenger demand.

- As of 31 March 2025, the number of PLB routes operated by the Group increased to 73 (2024: 72), and the total number of PLBs also stayed constant at 354 (2024: 354). Additionally, the number of routes and fleet size for residents' buses continued to be 4 (2024: 4) and 7 (2024: 7), respectively.

- As of 31 March 2025, the Group's average fleet age was 8.3 years (2025: 7.7 years). Furthermore, as at 31 March 2025, the Group deployed 282 of the 19-seat PLBs (2024: 275), which accounted for approximately 80% of the Group's PLB fleet (2024: 78%).

- According to the transport figures published by the Transport Department, the total number of passenger journeys carried by public transport operators increased by 1.2%, while green minibus operators saw a rise of 2.2% for the year ended 31 March 2025. This growth reflects a gradual recovery in passenger demand as the local economy stabilises following disruptions such as the COVID-19 pandemic and economic downturns that previously hindered ridership.

- With the increasing number of trained imported captains from Mainland China in the second half of the year, the captain shortage issue on several routes has been partially alleviated. As a result, the Group has been able to enhance its service frequency, leading to an overall increase in total mileage traveled of approximately 2.1%, reaching around 34.8 million kilometers (2024: 34.1 million kilometers). Additionally, through ongoing efforts to optimise existing resources and improve operational efficiency, the patronage of the Group's franchised PLB services rose by 0.9% to approximately 56.0 million compared to last year (2024: approximately 55.5 million).

- In an effort to alleviate the pressure from high fuel costs and rising staff expenses, the Group continued to submit fare increase applications. During the year, approval was granted to raise fares on 69 routes at rates ranging from 3.4% to 14.3% (2024: 9 routes at rates ranging from 3.8% to 7.8%).

FINANCIAL REVIEW

Consolidated results for the year

The Group recorded a profit for the year ended 31 March 2025, excluding the impact of the deficit on revaluation of PLB licences and provision for impairment of public bus licences, of HK$24,881,000, representing an increase of 2.1% compared to the previous year (2024: HK$24,378,000). While the Group's revenue for the year reached a historic high due to stable patronage and fare increases, the growth in gross profit was substantially offset by higher administrative expenses (primarily staff costs) and increased finance charges on lease liabilities which arose from a three-year minibus leasing agreement with connected parties to renew the Group's leasing arrangements.

The deficit on revaluation of PLB licences for the year fell approximately by 59.9% to HK$14,025,000 compared with last year (2024: HK$34,980,000). This substantial reduction reflects the slowing pace of PLB license devaluation throughout the reporting period. Consequently, the Group recorded a profit for the year ended 31 March 2025 of HK$8,396,000, a significant improvement compared to a loss of around HK$11,952,000 last year.

The details of the consolidated results are presented below:

	Year ended 31 March			
	2025 HK$'000	2024 HK$'000	Increase/ (Decrease) HK$'000	In %
Revenue	**415,029**	393,686	21,343	+5.4%
Other revenue and other net expense	**8,745**	9,399	(654)	-7.0%
Direct costs	**(338,570)**	(323,036)	15,534	+4.8%
Administrative expenses	**(44,964)**	(41,272)	3,692	+8.9%
Other operating expenses	**(1,131)**	(1,466)	(335)	-22.9%
Finance costs	**(9,743)**	(8,769)	974	+11.1%
Income tax expense	**(4,485)**	(4,164)	321	+7.7%
Profit for the year before deficit on the revaluation of PLB licences and provision for impairment of public bus licences	**24,881**	24,378	503	+2.1%
Deficit on revaluation of PLB licences	**(14,025)**	(34,980)	(20,955)	-59.9%
Provision for impairment of public bus licences	**(2,460)**	(1,350)	1,110	+82.2%
Profit/(Loss) for the year	**8,396**	(11,952)	N/A	N/A

- With the increase in patronage by 0.9%, coupled with the effect of fare increase, the revenue for the year increased accordingly by HK$21,343,000 or 5.4%, reaching a record high of HK$415,029,000 (2024: HK$393,686,000), as compared with last year.

- Other revenue and other net expense for the year dropped by HK$654,000 or around 7.0% to HK$8,745,000 (2024: HK$9,399,000). This decline is mainly attributable to lower interest income due to declining deposit rate and an increase in losses on the disposal of property, plant, and equipment by HK$333,000.

- Direct costs for the year were HK$338,570,000 (2024: HK$323,036,000), representing an increase of HK$15,534,000 or around 4.8% as compared with that for last year. The major direct costs of the Group were labour costs, depreciation of right-of-use assets in respect of leased PLBs, fuel costs and repair and maintenance costs, which altogether made up over 90% of the total direct costs. The major changes on the direct costs are as follows:

  – Fuel costs: The Group's fuel consumption for the year increased along with the rise in mileage travelled. The average unit prices of diesel decreased by 6.7%, while liquefied petroleum gas prices increased by 5.3%. As a result, the fuel costs for the year increased by HK$4,004,000 or 6.4% to HK$66,450,000 (2024: HK$62,446,000);

  – Labour costs: The Group implemented wage increases for captains to tackle the challenges associated with recruiting and retaining the captains, ensuring that competitive wages were provided to alleviate the impact of the labour shortage. As a result, the labour costs increased by HK$12,130,000 or approximately 8.1% to HK$161,951,000 (2024: HK$149,821,000) as compared with last year; and

  – Depreciation of the right-of-use assets in respect of the leased PLBs for the year slightly decreased by HK$964,000 or 1.5% to HK$62,738,000, compared with last year (2024: HK$63,702,000) because a higher incremental borrowing rate was adopted when recognising the right-of-use assets, upon the renewal of the three-year minibus leasing agreement, that took effect from 1 October 2023.

- Administrative expenses for the year increased by HK$3,692,000 or 8.9% to HK$44,964,000 (2024: HK$41,272,000). This rise was primarily due to salary increases for administrative staff, higher administrative and training costs for imported captains from Mainland China, and increased one-off staff welfare expenses related to the celebration of the Group's 50th anniversary.

- The breakdown of finance costs for the year is as follows:

	Year ended 31 March	
	2025	2024
	HK$'000	HK$'000
Interest expenses on bank borrowings	**3,461**	4,256
Finance charges on lease liabilities	**6,282**	4,513
Total finance costs	**9,743**	8,769

  – The interest expenses on bank borrowings for the year decreased by HK$795,000 or around 18.7% to HK$3,461,000 (2024: HK$4,256,000), which was mainly due to the drop in both market borrowing rate and average outstanding bank loans balances during the year; and

  – The finance charges on lease liabilities for the year jumped by HK$1,769,000 or around 39.2% to HK$6,282,000 (2024: HK$4,513,000). This rise was primarily driven by higher average lease liability balances following the recognition of HK$184,197,000 in new lease liabilities on 1 October 2023, under a three-year minibus leasing agreement with connected parties to renew the Group's minibus leasing arrangement.

- During the year, the income tax expense was HK$4,485,000 (2024: HK$4,164,000). Excluding 1) the non-deductible effect of deficit on revaluation of PLB licences and provision for impairment of public bus licences, 2) tax difference between actual lease payment and the depreciation on right-of-use assets and finance charge on lease liabilities, and 3) the effect of two-tiered profits tax rates, the effective tax rate for the year was 15.8% (2024: 15.7%). The Hong Kong profits tax rate applicable to the Group during the year remained at 16.5% (2024: 16.5%), except that a subsidiary was entitled to a profits tax rate cut to 8.25% for the first HK$2,000,000 assessable profit under the two-tiered profits tax rates regime introduced by the Hong Kong Government.

- As compared with last year, the fair value of PLB licence further dropped by HK$212,000 or approximately 25.0% to HK$638,000 per licence as at 31 March 2025 (2024: HK$850,000). Hence, the total carrying value of PLB licences of the Group decreased accordingly to HK$42,075,000 (2024: HK$56,100,000). The deficit on the revaluation of PLB licenses charged to the Group's consolidated income statement was reduced to HK$14,025,000 (2024: HK$34,980,000), indicating that the pace of devaluation has slowed compared to last year. Please also refer to note 18 to the consolidated financial statements for more information on the carrying amount of PLB licences.

  According to the applicable accounting standards, the PLB licences are revaluated with reference to their market value at each reporting date. Nevertheless, instead of holding for investment purpose, all the PLB licences owned by the Group are for operational use. The accounting revaluation of the PLB licences should be considered separately because the volatility of their market value has no significant impact on the Group's core operation.

Cash flow	Year ended 31 March 2025 HK$'000	Year ended 31 March 2024 HK$'000
Net cash from operating activities (Note i)	**102,977**	105,381
Net cash (used in)/from investing activities (Note ii):		
Purchase of property, plant and equipment	**(3,687)**	(7,023)
Interest received	**1,528**	1,892
Proceeds from disposal of property, plant and equipment	**71**	184
Government subsidies received for the acquisition of property, plant and equipment	**–**	225
Decrease in time deposit	**–**	10,000
	(2,088)	5,278
Net cash used in financing activities:		
Capital element of lease rentals paid	**(61,145)**	(63,012)
Interest element of lease rental paid	**(6,282)**	(4,513)
Dividends paid	**(10,877)**	(24,472)
Repayment of bank borrowings	**(9,274)**	(16,007)
Interest paid on bank borrowings	**(3,461)**	(4,256)
	(91,039)	(112,260)
Net increase/(decrease) in cash and cash equivalents	**9,850**	(1,601)
Cash and cash equivalents at the beginning of the year	**57,050**	58,651
Cash and cash equivalents at the end of the year, represented by bank balances and cash	**66,900**	57,050

Notes:

(i) The decrease in net cash from operating activities was primarily due to an increase in profits tax payments. The Group returned to profitability following the COVID-19 pandemic, leading to a corresponding rise in profits tax obligations.

(ii) The net cash used in investing activities for the year was mainly for the replacement of four aged PLBs, while that for last year was for motor vehicle purchase and the payment for office and building renovation.

(iii) Please also refer to the Consolidated Cash Flows Statement for the details.

Capital structure, liquidity and financial resources

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.

The total amount of the current liabilities of the Group increased by 14.7% to HK $120,409,000 (2024: HK$105,018,000) as at 31 March 2025, which was primarily due to a term loan amounting to HK$14,500,000 becoming due in the coming year.

Meanwhile, the current assets increased by 17.6% to HK$77,180,000 (2024: HK$65,641,000) compared with last year end, which was mainly attributable to the increase in bank balances and cash by HK$9,850,000 or 17.3% to HK$66,900,000 (2024: HK$57,050,000) as at 31 March 2025. As a result, the net current liabilities of the Group was HK$43,229,000 (2024: HK$39,377,000) as at 31 March 2025. The current ratio (current assets/current liabilities) was 0.64 times (2024: 0.63 times), stood at similar level as last year.

All of the bank balances and cash as at 31 March 2025 and 31 March 2024 were denominated in Hong Kong dollars. Please refer to the "Cash Flow" section above for the change of the bank balances and cash for the year.

As at 31 March 2025, the Group had banking facilities totalling HK$171,033,000 (2024: HK$180,307,000) of which HK$103,733,000 (2024: HK$113,007,000) was utilised.

Bank borrowings

No new borrowing was initiated during the year. Owing to the scheduled repayments, the balance of total bank borrowings of the Group decreased by HK$9,274,000 or around 8.2% to HK$103,733,000 as at 31 March 2025 (2024: HK$113,007,000).

The maturity profiles of the bank borrowings are as follows:

	As at 31 March	
	2025 HK$'000	2024 HK$'000
Within one year	**22,031**	9,191
In the second year	**7,416**	21,814
In the third to fifth years	**20,546**	20,549
After the fifth year	**53,740**	61,453
	103,733	113,007

The gearing ratio (defined as total bank borrowings less bank balances and cash/shareholders' equity) of the Group as at 31 March 2025 reduced to 100.4% (2024: 143.5%). This reduction was primarily driven by stronger cash and bank balances alongside reducing bank loan balances.

Dividend and dividend policy

Having carefully considered the factors listed below in the Company's dividend policy and the Group's operational results excluding the accounting impact of PLB licence revaluation deficit, the Board recommended a final dividend of HK3.0 cents per ordinary share (2024: Nil) and a special dividend of HK1.0 cent per ordinary share (2024: HK4.0 cents), totaling HK$10,877,000 for the year ended 31 March 2025 (2024: HK$10,877,000). The final and special dividends recommended are intended to be paid out of the share premium account pursuant to the memorandum and articles of association of the Company (the "Articles").

The Company is committed to providing stable and sustainable returns to the shareholders of the Company. Meanwhile, the Company also needs to maintain sufficient working capital for the daily operations and future growth of the Group. Therefore, the Board shall take into account the following factors when considering the declaration of dividends:

(i) The Group's current and expected financial performance;

(ii) the Group's expected working capital requirements, capital expenditure and future expansion plans;

(iii) retained earnings and distributable reserves of the Company;

(iv) the liquidity of the Group;

(v) the general economic conditions and other internal or external factors that may have an impact on the business or financial performance and position of the Group; and

(vi) any other factors that the Board considers as relevant.

The declaration and the amount of dividends of the Company are also subject to restrictions under the Company Law of the Cayman Islands and the Articles. There is no guarantee that any particular amount of dividends will be distributed for any specific periods.

Pledge of assets

The Group has pledged certain assets to secure the banking facilities obtained. Details of the pledged assets as at year end are as follows:

	As at 31 March	
	2025	2024
	HK$'000	HK$'000
PLB licences	**22,950**	30,600
Property, plant and equipment	**17,371**	20,572
Investment properties	**647**	721

Capital expenditure and commitment

Capital expenditure incurred for the year is as below:

	Year ended 31 March	
	2025	2024
	HK$'000	HK$'000
Property, plant and equipment	**3,687**	3,495
Right-of-use assets	**3,045**	185,536
Total	**6,732**	189,031

The capital expenditure for property, plant and equipment for the year was HK$3,687,000 (2024: HK$3,495,000), which was mainly for the replacement of four aged PLBs and was mainly financed by proceeds from operations.

The significant amount of the right-of-use assets recognised for the last year represented the leases of 283 PLBs recognised upon the renewal of the minibus leasing agreement with the connected parties with effect from 1 October 2023.

The capital commitment of the Group was HK$43,000 as at 31 March 2025 (2024: HK$366,000).

Credit risk management

The income of the franchised PLB operation of the Group is either received in cash or collected via Octopus Cards Limited or AlipayHK and remitted to the Group on the next business day. Also, the Group does not provide guarantees to any 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, monetary assets and liabilities are denominated in Hong Kong dollars.

Interest rate risk management

The Group's interest rate risk arises primarily from its bank balances, bank borrowings and lease liabilities. All bank borrowings as at 31 March 2025 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 2.4% (2024: 2.3%) of the total costs of the Group (excluding the deficit on revaluation of PLB licences and provision for impairment of public bus licences) for the reporting year. 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 years ended 31 March 2025 and 31 March 2024. The management will continue to closely monitor the changes in market conditions.

Contingent liabilities

The Group did not have any material contingent liabilities as at 31 March 2025 and 31 March 2024.

Material acquisitions and disposals

The Group did not have any material acquisitions or disposals of subsidiaries, associates and joint ventures during the year ended 31 March 2025 (2024: Nil).

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. Apart from the basic remuneration, double pay and/or discretionary bonus are granted to eligible employees taking into account the Group's performance and individual's contributions. Other benefits including share option scheme, retirement plan and training schemes are also provided to the staff members. The total amount of employee benefit expenses incurred for the year was HK$208,638,000 (2024: HK$195,951,000), representing approximately 52.3% (2024: 51.7%) of the total costs (excluding the deficit on revaluation of PLB licences and provision for impairment of public bus licences). For the headcount of the Group and the share option scheme, please refer to the Environmental, Social and Governance Report and the Directors' Report of this annual report.

GOVERNANCE AND REPORTING

Governance Structure

The Board believes that an effective Environmental, Social and Governance ("ESG") strategy is one that should be aligned with and incorporated into the Group's long-term business strategy. Therefore, the Board retains primary oversight for sustainability strategy, risk control and reporting framework at the full board level. The Board has overall responsibility for the Group's ESG strategy, controls and reporting.

For better embedding ESG factors into the overall business strategy, governance and internal controls, the Group has integrated important ESG risks into the Group's existing risk management and internal control systems. The management is responsible for designing and maintaining an appropriate and effective risk management (including ESG risks) and internal control systems of the Group. The Chief Executive Officer ("CEO"), representing the management, is responsible for providing annual confirmation to the Board of the effectiveness of these systems. For details, please refer to the section "Risk management, internal control and internal audit" of the Corporate Governance Report.

In addition, the Board and the management monitor and review the ESG goals and targets, as well as the risk levels of various issues by making reference to the Risk Key Performance Indicator ("Risk KPI") report which summarises the Group's major risks identified by the management and is submitted to the Board and Audit Committee twice a year. The Risk KPI report provides a comprehensive profile of the major risks (including the ESG risks) for the Board and management to monitor changes in the levels of risk exposure and contribute to the early warning signs that enable the Group to report risks, prevent crises and mitigate them in time.

Reporting Standard, Principles and Boundary

The Group presents this ESG Report for the year ended 31 March 2025 ("Report") in accordance with Appendix C2 – Environmental, Social and Governance Reporting Guide ("ESG Reporting Guide") of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") (the "Listing Rules"). This Report covers the Group's principal business of provision of franchised PLB and residents' bus transportation services in Hong Kong. There are no significant changes in the reporting scope of this Report compared with that of last year.

During the preparation of this Report, the management carried out internal assessment on the materiality and relevance of the ESG issues on the Group's business. To better understand the views and expectation of the Group's stakeholders, the Group also identified its key stakeholders according to the impact the Group's business had on them, as well as the influence they had on the Group's business and they were engaged on an ongoing basic to provide their comprehensive assessments, through face-to-face interviews and responding to questionnaires, on the materiality and relevance of the general disclosures and Risk KPIs of various ESG issues in respect of the Group's franchised PLB and residents' bus transportation services in Hong Kong. The key stakeholders participated in the external assessment included but not limited to passengers, employees, shareholders, suppliers, contractors and local community organisations.

As a result of the internal and external assessments, this Report summarises the Group's key ESG performance in the following four areas that have significant impact and contributions to the sustainability of the principal business: i) Environmental protection; ii) Operating practices; iii) Employment practices and iv) Serving the community. The Group will regularly seek for stakeholders' participation in the materiality and relevance assessment of the ESG aspects in the future.

Unless otherwise stated, the methods and KPIs used in this ESG report are consistent with those disclosed last year.

ENVIRONMENTAL PROTECTION

The Group is dedicated to protecting the environment and promoting sustainable development for the betterment of our next generation.

Roadside vehicle emission is one of the major sources of air pollution in Hong Kong. As a road transport operator, the Group is aware of the impact of its operations to the air quality, the environment and the public. Apart from monitoring its direct and indirect impact on the environment, the Group also strictly complies with the environmental protection policy of the Government. Below are the Group's approaches to minimise the impact of its operations to the environment:

Air and greenhouse gas ("GHG") emissions

- Fuel is the major natural source that the daily operations of the Group heavily relied on. The Group pro-actively seeks ways to minimise the use of fuel and hence the greenhouse gas emission. For the quality of the fuel consumed, the Group relies on fuel filling stations in Hong Kong to supply diesel and LPG to the fleet. The diesel available in the fuel-filling stations is Euro V diesel. LPG is a clean fuel in terms of lesser emissions of greenhouse gas (i.e. carbon dioxides) and air pollutants, namely respirable suspended particulates (RSP), sulphur dioxide (SO_2) and nitrogen oxides (NO_X). In order to try its best endeavor to improve the roadside air quality of the city, the Group keeps monitoring the average fleet age annually. As at 31 March 2025, the Group's fleet was made up of 304 LPG minibuses (2024: 311) and 50 diesel minibuses (2024: 43), representing around 85.9% and 14.1% of the fleet respectively. The increase in the number of diesel minibuses as the supply of brand-new LPG PLBs are no longer available in the market, leaving diesel minibuses as the only replacement option. While the management remains open to adopting electric minibuses, the current models available do not meet the Group's operational needs, and charging infrastructure remains a significant challenge.

- The GHG emissions intensity from direct sources this year was slightly higher by 1.0% compared to last year. This increase was mainly due to the increased use of 19-seat Euro VI diesel minibuses, which comply with the latest EU emission standards, as replacements following the discontinuation of the production of LPG PLBs. The Group remains committed to its goal of maintaining or reducing GHG emissions intensity in the coming year. To further improve roadside air quality and align with the Government's environmental protection policies, management will continue exploring eco-friendly minibus options that meet the most stringent exhaust emission standards, minimising environmental impact.

Use of resources

- The major resources used by the PLB operation of the Group are fuel and electricity. Fuel is the source of energy used by the fleet. Electricity is mainly used in the administrative office, R&M centers and depots.

- The energy consumption intensity of the Group for the year was higher than that of last year by 1.1%. The Group remains committed to its target of maintaining (or lowering) the energy consumption intensity next year by continuously adopting the following measures of reducing use of energy:

  – Regular maintenance: The comprehensive maintenance programs of the Group keeps the engines at good condition which would maintain the effectiveness of the emissions systems of the minibuses. Also, the repairing technicians and frontline operational staff always stay alert to the emissions of the minibuses and send the minibuses to R&M centers for checking and repairing whenever suspected sub-standard of emissions is noted.

  – The Group enhances its operational efficiency by periodically reviewing and revising its routes and services to minimise fuel consumption. Additionally, the Group has implemented a mileage-based oil change program to reduce fuel usage. To improve air quality, our captains are required to strictly adhere to the legal requirements of the idling engine ban.

  – Apart from the above operational practices, the Group also promotes a "Green" concept in the administrative office. Staff members are encouraged to minimise paper, water and electricity consumption, reuse and recycle used papers and change to paperless work practice where possible. Green plants are also grown in different corners of the office to offer greenery environment to the staff.

  – Starting from financial year 2018/19, the Group offers the arrangement of election of language and means of receipts of corporate communications to its shareholders for the sake of environmental protection. Shareholders may elect to receive the corporate communication documents from the Group in electronic copies. With effect from January 2025, the Group follows the paperless listing regime of the Stock Exchange that only notification letters of publication of the corporate communications will be sent to Shareholders by email or by post (only if the Company does not possess a functional email address of a shareholder) on the date the corporate communications are published on the websites unless a shareholder requesting printed copies in writing. This arrangement will further reduce the usage of papers.

Hazardous and non-hazardous wastes

- Hazardous waste: The hazardous waste arising from the R&M centers are waste batteries, spent oil filters and waste lubricant. The R&M centers have registered as chemical waste producers in accordance with the relevant statutory requirements in Hong Kong. The wastes are packaged, labelled and stored properly before disposal. They are collected by the licensed collectors and sent to the licensed chemical waste disposal site for disposal.

- Non-hazardous waste: Tyres are the major non-hazardous waste disposed by the Group. The scrapped tyres of the Group were collected by the agents for recycling into various products. The waste water produced in the R&M centers is filtered in the sand traps before being discharged into the public drainage system. Waste metals are produced during the R&M process and when the aged vehicles are scrapped. The waste metals are collected by the waste collectors for recycling. The amount of waste metal for the year reduced significantly compared with last year because no old vehicle was scrapped during the year. The Group scrapped eight old vehicles during last year as a result of its vehicle replacement plan.

- By implementing comprehensive vehicle R&M program and engaging licensed chemical waste disposal agents, the Group was generally in compliance with Road Traffic (Construction and Maintenance of Vehicles) Regulations, Motor Vehicle Idling (Fixed Penalty) Ordinance, Waste Disposal Ordinance, Air Pollution Control Ordinance and Air Pollution Control (Air Pollutant Emission) (Controlled Vehicles) Regulation of Hong Kong in relation to air emission and disposal of hazardous waste during the year.

- The hazardous intensity for the year was around 2.2% higher than last year. Meanwhile, the non-hazardous intensity for the year slightly decreased by 1.6% compared with last year. The Group remains its targets of maintaining (or lowering) the hazardous and non-hazardous intensity next year by improving the R&M program and providing training to captain and technician as so to enhance their knowledge in mechanical maintenance.

Climate change

Climate change affects all regions around the world. In some regions, extreme weather events and rainfall are becoming more common while others are experiencing more extreme heat waves and droughts. In Hong Kong, the climate change impacts to the Group's PLB and residents' bus operations are mainly typhoon, heavy rainstorms and flooding. The Group's operations may temporarily be interrupted by the extreme weather events but usually will resume to normal within a few days. The climate-related physical risk to the Group is not significant but the management would close monitor the weather and flooding condition whenever extreme weather events occur so as to minimise harm or loss may cause to the employees, passengers and properties of the Group.

To cope with the impact of climate change, the Hong Kong Government has set targets for achieving carbon neutrality in and before 2050. As a franchised PLB passenger service operator in Hong Kong, the Group would closely follow the policy set by the Government to achieve the carbon neutrality target.

		Year ended 31 March	
ENVIRONMENTAL INDICATORS	**Unit**	**2025**	2024
Emissions			
Nitrogen Oxides (NO_x)[1]	tonnes	**27.73**	29.08
Sulphur Oxides (SO_x)[2]	tonnes	**0.02**	0.02
Particulate Matter (PM)[1]	tonnes	**0.62**	0.63
GHG Emissions (CO_2 equivalent)			
Scope I: Direct sources			
Fleet[2]	tCO_2e	**21,228**	20,580
Fleet intensity	tCO_2e/million km	**609**	603
Scope II: Indirect sources			
Electricity[3]	tCO_2e	**204**	176
Electricity intensity	tCO_2e/million km	**5.9**	5.2

1 The emission factors above are based on "The Hong Kong Environmental Protection Department's EMFAC-HK Vehicle Emission Calculation model".

2 The GHG emission factors were obtained from the "Appendix 2: Reporting Guidance on Environmental KPIs" published by the Stock Exchange.

3 The emission factors of GHG emissions due to electricity consumption were obtained from CLP ESG Databook 2024 of CLP Power Hong Kong and the latest sustainability report of HK Electric Investments Limited.

ENVIRONMENTAL INDICATORS	Unit	Year ended 31 March 2025	2024
Use of Resources			
Diesel	MWh	**13,714**	12,780
LPG	MWh	**74,180**	72,420
Electricity	MWh	**392**	318
Total energy consumption	MWh	**88,286**	85,518
Energy consumption intensity[6]	MWh/ million km	**2,534**	2,506
Major hazardous waste			
Lube oil	kg	**32,892**	31,440
Waste battery	kg	**8,395**	8,078
Oil filter	kg	**1,765**	1,731
Total	kg	**43,052**	41,249
Hazardous waste intensity[7]	kg/million km	**1,236**	1,209
Major non-hazardous waste			
Tyre	kg	**57,734**	68,671
Waste metal	kg	**18,265**	6,962
Total	kg	**75,999**	75,633
Non-hazardous waste intensity[7]	kg/million km	**2,181**	2,217

Notes:

4 In view of the business nature of the Group, total amount of packaging material used for finished products are not presented because it is irrelevant;

5 There is no issue in sourcing water that is fit for the purpose during the daily operations of the Group;

6 The amount of energy consumption intensity is calculated by dividing the total amount of energy consumption by the total distance traveled by the franchised PLB and residents' bus operation (in million km) for the year; and

7 The amount of hazardous and non-hazardous waste intensity calculated by dividing the total amount of hazardous and non-hazardous waste by the total distance traveled by the franchised PLB and residents' bus operation (in million km) for the year respectively.

OPERATING PRACTICES

Safety awareness

Safety of the passengers and employees is the primary concern of the Group. As a responsible public transport service provider, the management believes that safety is the cornerstone to business success. The Group is committed to providing safe, comfortable and reliable journeys to our passengers and protecting the captains and other staff members from occupational hazards. The safety of its operations is enhanced by ways of continuous training and education, regular checks and comprehensive R&M programmes. These programmes were designed to minimise the occurrence of accidents as we are committed to maintaining a low accident rate.

Below are the Group's approaches to improve the safety performance of all aspects of our business:

- The Group organised trainings on road safety throughout the year, some were conducted by the Hong Kong Police Force (Traffic), which helped to raise safety and risk awareness and improve work practices of our staff. Additional comprehensive trainings were further provided to the Mainland Chinese captains for them to adapt to local traffic regulations and practices as soon as possible;

- To enforce safety guidelines and cultivate a professional and responsible driving attitude among captains, the Group has adopted stringent Code of Conduct and captains' guidelines, conducted spot checks and arranged inspection personnel disguised as passengers to make timely reports for any misbehaviour of the captains;

- To check the validity of the captains' driving licences half-yearly. Also, the Group tries to make sure the captains are physically fit for driving by requesting all captains to return their health condition declarations annually. Also, captains with sick leave or traffic accidents records are scrutinised so that the front-line management personnel can pay special attention to the latest health condition of the relevant captains and make appropriate arrangements as early as possible under appropriate circumstances, so as to minimise the chance of occurrence of traffic accidents caused by captain health problems;

- To enhance operational safety, the operations team conducts regular independent inspections of vehicle components including tyre tread depth, seatbelt conditions, fire extinguishers, and speed control systems. These checks are performed by a dedicated team separate from the maintenance and operations staff to ensure impartial oversight. A specialised parking brake alert system designed for automatic transmission minibuses is currently being tested. This system actively reminds captains to engage the parking brake when the vehicle is stationary, addressing a critical safety consideration;

- Tips to passengers are posted at prominent locations inside the minibuses to remind the passengers of the safety on board;

- Implementing the plans for replacing aged minibuses would minimise the chance of mechanical breakdown; and

- The Group has implemented comprehensive maintenance programmes to ensure proper checks and maintenance of the vehicles. In order to ensure the quality and effectiveness of the repairing process, the Group has put great efforts into the computerisation of the repairing management system in recent years. The Group has been rewarded the ISO 9001 quality management system certification for its dedication to enhance its R&M centers since January 2011, making the Group the first franchised PLB operator in Hong Kong having such a prestigious accreditation. The R&M centers of the Group also have registered under the Voluntary Registration Scheme for Vehicle Mechanics launched by the Government, under which the participating vehicle maintenance workshops should pledge to operate at a quality level not lower than that specified in the Practice Guidelines for Vehicle Maintenance Workshops in terms of the technical, environmental, safety, staff training, service and documentation requirements.

Apart from enhancing the new captains' safety awareness by strengthening their orientation training, the management also sought to lower the accident rate by strengthening the R&M programmes. The average accident rate was 3.4 per million km for the year ended 31 March 2025 (2024: 3.4 per million km). The number of service related complaints received per million km for the year was 53.4 (2024: 40.0). When complaints are referred by the Transport Department, the operations team members would investigate the cases by checking the service logs, CCTVs (as the case maybe) or/and enquiring the employees being complained and other relevant personnel. All complaints would be responded in written form within one to two weeks.

During the year, the Group was strictly in compliance with the relevant rules of Road Traffic Ordinance of Hong Kong in relation to safety equipment, registration, licensing, construction and maintenance of vehicles.

Supply chain management

The Group engages suppliers mainly for the leasing of PLBs and the procurement of fuel, vehicles parts and repairing services. The number of suppliers of the Group for the year ended 31 March 2025 was 83 (2024: 88). All suppliers engaged by the Group are located in Hong Kong.

The Group launched procurement guidelines in 2009 aiming to ensure that the products and services procured by the Group are carried out under the principle of fair competition and to improve the transparency and accountability of the Group's procurement process. Moreover, to ensure the service quality of the franchised PLBs operations, the Group selects only those suppliers with satisfactory record of products and service quality and on-time delivery. The suppliers are also asked to follow the Group's Code of Practice for Suppliers, which requires the suppliers to ensure that the relevant laws and regulations in environmental protection and safety in relation to the products and services provided are properly complied with. The staff members responsible for procurement may request the suppliers to provide licences or certificates to ensure the validity and legitimacy of the products and services.

In order to further improve the sustainable development in the supply chain of the Group, the Group has established a Code of Practice for Suppliers, with aims to elaborate and explain the Group's views and standards in the areas of ethics, human and labour rights, health and safety, environment protection and climate change action to the suppliers. Majority of the suppliers have been provided with the Code of Practice for Suppliers, as well as the Group's Code of Conduct and Whistle-blowing Policy. Throughout the procurement process, the responsible staff members follow the procurement guideline and monitor if the suppliers have any news or track records on supplying goods or service which may not be in compliance with any laws and regulations or not conform with the value and standards laid in the Code of Practice of Supplier and the Code of Conduct of the Group. The number of suppliers required to follow the Code of Practice for Suppliers of the Group for the year was 75 (2024: 82).

Anti-corruption

The Group recognises the importance of carrying out business activities with integrity and believes an effective anti-corruption mechanism is the key of the sustainability and long-term growth of the Group. The Code of Conduct and the procurement guidelines of the Group provide clear guidelines to the employees on how to conduct business in a fair, ethical and legal manner and to avoid corruption in any form (as defined by the Prevention of Bribery Ordinance of Hong Kong). The Group's Code of Conduct and also Code of Practice for Suppliers also requires the employees and suppliers to avoid any conflict of interest (where personal interests conflict with the interests of the Group), to declare any conflict of interest and not to abuse their positions or powers in the Group to seek personal benefits. Gambling activities are strictly prohibited during the working hours and in any workplace. Employees are also not allowed to accept any loan from any person who has a business or business relationship with the Group, except the borrowings from licensed banks or financial institutions.

The Board has established a whistle blowing policy to provide reporting channels for the employees to report possible improper or corruptive practices encountered in their workplace. Reportable matters include but are not limited to breach of laws, rules and regulations, unlawful or inappropriate or fraudulent conduct involving internal control, accounting or financial matters, acts that endanger personal health and safety, and improper conduct or unethical conduct that may prejudice the reputation of the Group.

During the year, the Group had provided an anti-corruption training to the employees who are responsible for administrative function of the Group. There was no concluded legal cases regarding corrupt practices brought against the Group or its employees during the year (2024: Nil).

Data and Privacy Protection

For safety and security purposes, some of the PLBs are equipped with CCTV cameras. Notices to passengers are posted inside the PLB compartments to inform the passengers that the CCTV system is in function. Only authorised staff members are allowed to access and view the CCTV recordings. Unless investigation is in progress, the recordings are erased automatically after 15 days. The Group did not receive any complaints concerning privacy issues during the year ended 31 March 2025 (2024: Nil).

EMPLOYMENT PRACTICES

The minibus industry is labour-intensive in nature. The Group considers its employees as its greatest assets.

As at 31 March 2025, the Group had 1,275 employees in total (2024: 1,183), of which around 90.4% were recruited locally in Hong Kong and the remainder from Mainland China. The Group adheres to the principle of open and fair competition when recruiting employees. The recruitment criteria are based on individual merits, education background, skill and past experience of the candidates and their suitability to the job position. The Group has adopted a board diversity policy since 2013 and is committed to eliminating discrimination in employment against race, gender, age, religion, marital and family status. Employment of illegal workers, child labour and forced labour are strictly prohibited. Candidates are required to provide identity proof to ensure their age and their eligibility of working in Hong Kong.

The Group's remuneration policy is to offer sufficient remuneration to attract, retain and motivate staff of suitable calibre to contribute their talents to the business. The remuneration packages of the employees include basic salaries, double pay and bonuses, annual leave, travelling and housing allowance, which are determined with reference to a number of factors including employees' educational and professional background, experience, job duties and the remuneration of similar job in the industry. The level of remunerations is reviewed annually by reference to the market conditions and individual merits. The sick leave, maternity leave and paternity leave policy of the Group is based on the standard rules set out in the Employment Ordinance of Hong Kong. During the year, the Group was generally in compliance with the relevant labour laws in Hong Kong in respect of working hours, rest periods, mandatory provident funds contributions, benefits and welfare, anti-discrimination and minimum wages requirements.

The Group considers that staff development is important to improve the employees' abilities and safety consciousness. Therefore, the Group encourages employees to attend in-house or external training courses or seminars at the Group's expense. The topics of the trainings included directors' responsibilities, law and regulations update, professional development in accounting and insurance, occupational safety, driving behavior, information technology, anti-corruption and soft skills like time management etc.

The Group is committed to providing comfortable, convenient and safe passenger transportation services in good faith. All employees of the Group, regardless of their positions and functions, are required to comply fully with the principles set out in the Code of Conduct. The Group also adopts a whistle blowing policy to encourage the employees to pay attention and come forward to report any suspicious misconduct or any defects in the operation of the Group to the Company. The Company endeavors to properly handle the employee's concerns in a fair and appropriate manner.

EMPLOYMENT INDICATORS	Year ended 31 March	
	2025	2024
Total Workforce as at year end, all located in Hong Kong		
By Gender	**1,275**	1,183
Male	**1,220 (95.7%)**	1,129 (95.4%)
Female	**55 (4.3%)**	54 (4.6%)
By Employment Type		
Full time	**676 (53.0%)**	615 (52.0%)
Part time	**599 (47.0%)**	568 (48.0%)
By Age Group		
Below 40	**83 (6.5%)**	64 (5.4%)
40 to 49	**189 (14.8%)**	138 (11.7%)
50 to 59	**260 (20.4%)**	264 (22.3%)
Over 60	**743 (58.3%)**	717 (60.6%)
Staff Turnover Rate (in %)		
Overall	**21.2%**	22.7%
By Gender		
Male	**22.5%**	23.2%
Female	**12.7%**	10.9%
By Age Group		
Below 40	**21.8%**	42.2%
40 to 49	**22.6%**	29.0%
50 to 59	**18.3%**	19.3%
Over 60	**21.9%**	20.9%

HEALTH AND SAFETY INDICATORS	Year ended 31 March 2025	2024
Number of work-related fatalities occurred in each of the past three years	**1**	2 (2023: 1)
Number of lost days due to work injury	**647**	387

DEVELOPMENT AND TRAINING INDICATORS	Year ended 31 March 2025	2024
% of employees trained		
By Gender		
Male	**96.6%**	96.5%
Female	**3.4%**	3.5%
By Employment Category		
Senior level	**0.8%**	0.9%
Middle level	**1.5%**	1.5%
Entry level	**97.7%**	97.6%
Average training hours completed per employee (in number of hours)		
Per employee	**1.01**	0.96
By Gender		
Male	**0.9**	0.9
Female	**4.2**	3.2
By Employment Category		
Senior level	**13.1**	9.1
Middle level	**1.9**	1.7
Entry level	**0.8**	0.8

SERVING THE COMMUNITY

The Group places great value on corporate citizenship and social responsibility. Over the years, the Group has sponsored various activities organised by different district groups and charities. In addition to financial assistance, the Group and its staff members have participated in various community services. The activities that the Group sponsored or participated through its employees and volunteer team included Southern District's Road Safety Campaign and conducting home visits to the elderly living alone, elderly couples, or long-term patients in the Southern District and providing winter supplies to them. During the year, the Group continued to be nominated by Aberdeen Kai-fong Welfare Association Social Service Centre and was awarded as a "Caring Company" by The Hong Kong Council of Social Service in recognition of its contributions to community involvement programmes.

The Group also continues its support to the community through expanding the coverage of its GMB-GMB Interchange (GGI) schemes, offering fare concessions to passengers traveling on long journeys on specific routes. We also join hands with the MTR and The Kowloon Motor Bus Co. (1933) Limited to offer Interchange fare concession to passengers.

Moreover, all GMB routes under the Group participate in the Government's $2 Scheme and three residents' bus routes participate in the Public Transport Fare Subsidy Scheme. Our operation team maintains close communication with district and resident representatives and responds proactively to passenger needs.

To support the operations and activities of various organisations, the Group contributed donation and sponsorship amounting to HK$502,000 during the year (2024: HK$545,000), of which around 59% was for supporting the sport and recreational activities and communities in Southern District.

ESG REPORTING GUIDE INDEX

Aspects *Subject Area A – Environment*	General Disclosures and KPIs	Description	Page No.
A1: Emissions	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	P. 14-16
	KPI A1.1	The types of emissions and respective emissions data.	P. 16
	KPI A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions in total and intensity.	P. 16
	KPI A1.3	Total hazardous waste produced and intensity.	P. 17
	KPI A1.4	Total non-hazardous waste produced and intensity.	P. 17
	KPI A1.5	Description of emission target(s) set and steps taken to achieve them.	P. 15
	KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	P. 16
A2: Use of Resources	General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	P. 15
	KPI A2.1	Direct and/or indirect energy consumption by type in total and intensity.	P. 17
	KPI A2.2	Water consumption in total and intensity.	N/A
	KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	P. 15
	KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	N/A
	KPI A2.5	Total packaging material used for finished products (in tonnes).	N/A
A3: The Environment and Natural Resources	General Disclosure	Policies on minimising the issuer's significant impacts on the environment and natural resources.	P. 15
	KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	P. 15
A4: Climate Change	General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	P. 16
	KPI A4.1	Description of the significant climate-related issues which have impacted, and those which may impact the issuer, and the actions taken to manage them.	P. 16

Aspects	General Disclosures and KPIs	Description	Page No.
Subject Area B – Social			
Employment and Labour Practices			
B1: Employment	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	P. 19-20
	KPI B1.1	Total workforce by gender, employment type, age group and geographical region.	P. 20
	KPI B1.2	Employee turnover rate by gender, age group and geographical region.	P. 20
B2: Health and Safety	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	P. 17-18
	KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	P. 21
	KPI B2.2	Lost days due to work injury.	P. 21
	KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	P. 17-18
B3: Development and Training	General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	P. 17, 20
	KPI B3.1	The percentage of employees trained by gender and employee category.	P. 21
	KPI B3.2	The average training hours completed per employee by gender and employee category.	P. 21
B4: Labour Standards	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	P. 19
	KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	N/A
	KPI B4.2	Description of steps taken to eliminate such practices when discovered.	N/A
B5: Supply Chain Management	General Disclosure	Policies on managing environmental and social risks of the supply chain.	P. 18
	KPI B5.1	Number of suppliers by geographical region.	P. 18
	KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	P. 18
	KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	P. 18
	KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	P. 18

Aspects	General Disclosures and KPIs	Description	Page No.
B6: Product Responsibility	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	P. 17-19
	KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	N/A
	KPI B6.2	Number of products and service related complaints received and how they are dealt with.	P. 18
	KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	N/A
	KPI B6.4	Description of quality assurance process and recall procedures.	N/A
	KPI B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	P. 19
B7: Anti-corruption	General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	P. 19
	KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	P. 19
	KPI B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	P. 19
	KPI B7.3	Description of anti-corruption training provided to directors and staff.	P. 19
B8: Community Investment	General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	P. 21
	KPI B8.1	Focus areas of contribution.	P. 21
	KPI B8.2	Resources contributed to the focus area.	P. 21

Note: "N/A" means with regard to the business nature of the Group, the disclosure is immaterial or irrelevant. Thus, the disclosure or KPI is not available.

The Company is dedicated to ensuring that its business activities and other affairs are conducted in accordance with good corporate governance practices. The Board believes that good corporate governance practices facilitate effective management and healthy corporate culture, which are the keys to running a successful and sustainable business. In the opinion of the Board, a high standard of corporate governance and practices should emphasise sound risk management, internal controls, accountability and transparency, which will protect the interests of the shareholders and maximise shareholders values.

The Company is committed to devoting considerable effort to identify and formalise best practice of corporate governance. The Company has applied the principles of the Appendix C1 "Corporate Governance Code" (the "Code") of the Listing Rules and set up corporate governance practices to meet all code provisions and some of the recommended best practices in the Code.

During the year, the Company has met all the code provisions of the Code. Also, the Board has met some of the recommended best practices set out in the Code, they are: 1) the Board conducts evaluation of its performance annually and 2) the Board has received a confirmation from management on the effectiveness of the Group's risk management and internal control systems.

THE BOARD OF DIRECTORS

Composition of the Board

The Board is chaired by Mr. Wong Ling Sun, Vincent (the "Chairman"). The Board comprises four Executive Directors, one Non-Executive Director and three Independent Non-Executive Directors. Four board committees, namely Executive Committee, Remuneration Committee, Audit Committee and Nomination Committee, are appointed by the Board to oversee different areas of the Group's affairs. The respective responsibilities of the Board and the board committees are discussed in this report.

The Board sets the Group's overall objectives and strategies, monitors and evaluates its operating and financial performance and reviews the corporate governance standard of the Company. It also decides on matters such as annual and interim results, material or connected transactions, director appointments or re-appointments, dividends and accounting policies. The Board has delegated the authority of and responsibility for implementing the Group's business strategies and managing the daily operations of the Group's businesses to the Executive Committee. The Executive Committee comprises the four Executive Directors and is fully accountable to the Board.

The Directors and the membership of each of the board committees as at the date of this annual report are as follows:

Board Committee / Board of Directors	Executive Committee	Audit Committee	Nomination Committee	Remuneration Committee
Executive Directors				
Mr. Wong Ling Sun, Vincent	C			
Ms. Ng Sui Chun	M			
Mr. Chan Man Chun	M			
Ms. Wong Wai Sum, Maya	M			
Non-Executive Director				
Ms. Wong Wai Man, Vivian				
Independent Non-Executive Directors				
Prof. Chan Yuen Tak Fai, Dorothy		M	C	M
Mr. Kwong Ki Chi		C	M	M
Mr. James Mathew Fong		M	M	C

Notes: "C" means the chairman of the relevant board committee
"M" means a member of the relevant board committee
Ms. Wong Wai Man, Vivian, the Non-Executive Director, does not participate in the above Board committees

All Independent Non-Executive Directors, whose designations as Independent Non-Executive Directors are identified in all corporate communications of the Company, bring a variety of experience and expertise to the Group and at least one of the three Independent Non-Executive Directors has appropriate professional qualifications or accounting or related financial management expertise. The Independent Non-Executive Directors participate in Board meetings to bring an independent judgement on the issues arising in the meetings and monitor the Group's performance in achieving the corporate goals and objectives. The Company maintains appropriate directors' and officers' liabilities insurance.

The Board members have no financial, business, family or other material/relevant relationships with each other save that (1) Ms. Ng Sui Chun is the mother of the Chairman, Ms. Wong Wai Sum, Maya and Ms. Wong Wai Man, Vivian; and (2) Ms. Wong Wai Sum, Maya and Ms. Wong Wai Man, Vivian are the siblings of the Chairman. When the Board considers any proposal or transaction in which a Director or any of his/her associate(s) has an interest, such Director declares his/her interest and is required to abstain from voting. If a Director has conflict of interests in a matter to be considered by the Board which the Board has determined to be material, the matter must be dealt with by a physical Board meeting rather than a written resolution.

Each of the Independent Non-Executive Directors has confirmed in writing his/her independence from the Company in accordance with the guidelines on director independence in the Listing Rules. On this basis, the Company considers all Independent Non-Executive Directors to be independent. All Directors disclosed to the Board on their first appointment their interests as Director or otherwise in other public companies or organisations and other significant commitments. Such declarations of interests and the respective time commitment are updated semi-annually and reported to the Company when there is any significant change.

The Board reviews its composition regularly to ensure that it has the appropriate balance of expertise, skills, experience and diversity of perspectives to continue to effectively oversee the business of the Group. Given the composition of the Board and the skills, knowledge and expertise that each Director exercises in his/her deliberations, the Board believes that it is appropriately structured to provide sufficient checks and balances to protect the interests of the Group and the shareholders.

All Directors are encouraged to participate in continuous professional development and the Company is responsible for the costs of such trainings. Directors are required to provide a record of the training they received to the Company annually. The participation by Directors in the continuous professional development with appropriate emphasis on duties of a Director of a listed company and corporate governance matters during the year ended 31 March 2025 is as follows:

	Reading regulatory updates, newspapers and journals	**Attending seminars/ conferences/ forums***
Executive Directors		
Mr. Wong Ling Sun, Vincent	√	√
Ms. Ng Sui Chun	√	√
Mr. Chan Man Chun	√	√
Ms. Wong Wai Sum, Maya	√	√
Non-Executive Director		
Ms. Wong Wai Man, Vivian	√	√
Independent Non-Executive Directors		
Prof. Chan Yuen Tak Fai, Dorothy	√	√
Mr. Kwong Ki Chi	√	√
Mr. James Mathew Fong	√	√

* including physical attendance or by webcast

Board independence

Independent Non-Executive Directors provide an independent perspective to the Board, which can help ensure that decisions are made objectively and in the best interests of the Company. They also act as a check and balance to the Executive Directors by giving constructive challenge to management.

During the year, the Board reviewed and considered that the following key features or mechanisms under Group's governance structure are effective in ensuring that independent views and input are available to the Board:

Board and Committees' structure	• The Board has appointed three Independent Non-Executive Directors. More than one-third of the members of the Board are being Independent Non-Executive Directors. • The chairmen and members of the Audit Committee, Nomination Committee and Remuneration Committee of the Board are Independent Non-Executive Directors. • Independent board committee for reviewing connected transactions comprises the three Independent Non-Executive Directors only.
Independent Non-Executive Directors' remuneration	• Non-Executive Directors receive fixed fees for their role as members of the Board and Board Committees as appropriate.
Appointment of Independent Non-Executive Directors	• In assessing suitability of the candidates, the Nomination Committee reviews their profiles, including their qualification and time commitment, having regard to the Board's composition, the Directors' skill matrix, the list of selection criteria approved by the Board, the Nomination Policy and the Board Diversity Policy.
Annual review of Independent Non-Executive Directors' commitment and independence	• The Board reviews the Director's time commitment to his/her role as a Director of the Company by requesting the Directors to update their personal profile semi-annually. • Each Independent Non-Executive Director is also required to inform the Company as soon as practicable if there is any change in his/her own personal particulars that may materially affect his/her independence. • Each Independent Non-Executive Director confirms his/her independence annually by reference to the independence criteria as set out in the Listing Rules. • Nomination Committee reviews the independence of the Independent Non-Executive Directors annually to ensure that they can continually exercise independent judgement.
Others	• All Directors are entitled to seek advice from the Company Secretary. They can also seek independent advice from external professional advisers, at the Company's expense, to perform their duties. • Directors can express their views on the quality and efficiency of the performance of the Board are assessed during the annual evaluation of the Board's performance. • Independent Non-Executive Directors and the chairman of the Board meet annually without the presence of other Directors.

Board Meetings

Regular Board meetings are held at least four times a year at approximately quarterly intervals and are scheduled in advance to facilitate the fullest possible attendance. Additional meetings may be called if necessary. The company secretary of the Company (the "Company Secretary") assists the Chairman in setting the agenda of Board meetings. Notices of regular Board meetings, including the proposed agenda, are sent to the Directors at least 14 days before the meeting date and each Director is invited to present any businesses that he/she wishes to discuss or propose at such meetings. Finalised agenda and Board papers are normally circulated to all Directors six days before the regular Board meetings to ensure timely access to relevant information. All Directors are supplied with adequate and sufficient information to enable them to make well-informed decisions and they are free to access the senior management of the Group to make further enquiries. The CEO and the senior management are obligated to respond to the queries raised by the Directors in a timely manner.

The Board agrees to seek independent professional advice at the expense of the Company, upon reasonable request and approval of all Independent Non-Executive Directors. Draft and final versions of Board minutes are circulated to all Directors for their comments and records respectively. Final Board minutes are kept by the Company Secretary and are open for inspection by the Directors. The Company held four regular full Board meetings during the financial year 2024/25.

The attendance records of each member of the Board are set out on page 29 of this report.

Board Committees

The Board delegates some of its duties and responsibilities to four board committees, namely, Executive Committee, Remuneration Committee, Audit Committee and Nomination Committee. Clear terms of reference have been established for each of the board committees which will be discussed below. The board committees report back to the Board on their decisions or recommendations.

The Directors are of the view that they have the overall and collective responsibilities in performing the corporate governance functions of the Group and opt not to delegate this function to any board committee. The major responsibilities of the Board concerning corporate governance are:

- setting up and reviewing the Group's policies and practices on corporate governance;
- reviewing and monitoring the training and continuous professional development of Directors and senior management;
- reviewing and monitoring the Group's policies and practices in compliance with legal and regulatory requirements;
- setting up, reviewing and monitoring the code of conduct and compliance policies/guidelines applicable to employees and Directors; and
- reviewing the Group's compliance with the Code and disclosure in the Corporate Governance Report.

During the year ended 31 March 2025 the Board held four meetings to perform the following work:

- reviewed and approved the interim and final results, financial statements, announcements, circular and reports of the Group;
- reviewed the risk management and internal control review reports prepared by the internal auditor and discussed with management the reports' findings and recommendations on the Group's operations and corporate activities;
- considered and approved the declaration of special dividends for the year ended 31 March 2024;
- reviewed the adequacy of internal control procedures on the continuing connected transactions of the Group;
- discussed the amendments to the Code pursuant to the "Consultation conclusions to on review of the corporate governance code and related listing rules published by The Stock Exchange of Hong Kong Ltd in December 2024 and evaluated the actions to be taken by the Board and the Group;
- reviewed the shareholders' communication policy of the Company and concluded that the policy was effective and sufficient;
- reviewed the mechanism used to ensure independent views and input were available to the Board and concluded that the current mechanism was effective and sufficient;
- received the business update reports from the CEO; and
- conducted annual board performance evaluation.

Attendance Records

The individual attendance records of each Director at the meetings of the Board, Audit Committee, Remuneration Committee and Nomination Committee and the Annual General Meeting of the Company ("AGM") during the year ended 31 March 2025 are set out below:

	Number of meetings attended/held during the year ended 31 March 2025				
	Board	**Audit Committee**	**Nomination Committee**	**Remuneration Committee**	**AGM 2024**
Executive Directors					
Mr. Wong Ling Sun, Vincent	4/4	N/A	N/A	N/A	1/1
Ms. Ng Sui Chun	4/4	N/A	N/A	N/A	1/1
Mr. Chan Man Chun	4/4	N/A	N/A	N/A	1/1
Ms. Wong Wai Sum, Maya	4/4	N/A	N/A	N/A	1/1
Non-Executive Director					
Ms. Wong Wai Man, Vivian	4/4	N/A	N/A	N/A	1/1
Independent Non-Executive Directors					
Prof. Chan Yuen Tak Fai, Dorothy	4/4	4/4	1/1	1/1	1/1
Mr. Kwong Ki Chi	4/4	4/4	1/1	1/1	1/1
Mr. James Mathew Fong	3/4	3/4	1/1	1/1	1/1

APPOINTMENT AND RE-ELECTION OF DIRECTORS

The Nomination Committee regularly reviews the structure, size and composition (including the skills, knowledge, experience and diversity considerations) of the Board to ensure its expertise and independence are maintained. A person may be appointed as a member of the Board at any time either by the shareholders in general meeting or by the Board upon recommendation by the Nomination Committee.

At each AGM, one-third of the Directors (or, if the number of Directors is not divisible by three, such number as is nearest to and less than one-third) must retire as Directors by rotation. All Directors are subject to retirement by rotation at least once every three years in accordance with the Articles and are eligible for re-election and re-appointment. A Director who is appointed by the Board to fill a casual vacancy must retire at the first AGM of the Company after his appointment. Such Director is eligible for election at that AGM, but is not taken into account when deciding which and how many Directors should retire by rotation at that AGM.

The appointments of all Non-Executive Director and Independent Non-Executive Directors are subject to retirement by rotation and re-election at the subsequent AGMs in accordance with the Articles and the Listing Rules. For any Independent Non-Executive Director who has served on the Board for more than nine years, his/her further appointment will be subject to a separate resolution to be approved by the shareholders. The Company shall disclose the reasons in the annual report or the circular why it considers such Independent Non-Executive Director to be independent and should be re-elected.

There is a formal letter of appointment for each Director setting out the key terms and conditions of his/her appointment. Every newly appointed Director shall receive a comprehensive, formal and tailored induction on appointment. Subsequently, the Company Secretary would arrange briefing and/or professional development trainings to develop and refresh the Directors' knowledge and skills, as well as ensuring that the Directors have a proper understanding of the Company's operations and business and other regulatory requirements updates.

The procedures for shareholders to propose a person for election as a Director are available on the Company's website at http://www.amspt.com/index.php/en/investor.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

To ensure a balance of power and authority, the role of the Chairman is separated from that of the CEO. The current CEO is Mr. Chan Man Chun, who is also an Executive Director.

The posts of Chairman and CEO are distinct and separate. The division of responsibilities between the Chairman and the CEO is clearly established and set out in the Board Manual and summarised as follows:

The responsibilities of the Chairman include:

- chairing and leading the Board to ensure that it operates effectively;
- ensuring that adequate information about the Group's business, which must be accurate, clear, complete and reliable, is provided to the Board on a timely basis;
- ensuring that all Directors are properly briefed on issues arising at Board meetings;
- ensuring good corporate governance practices;
- monitoring the performance of the CEO and other Executive Directors;
- holding meetings with the Independent Non-Executive Directors without the presence of the Executive Directors and Non-Executive Director; and
- ensuring appropriate steps are taken to provide effective communication with shareholders and that their views are communicated to the Board as a whole.

The responsibilities of the CEO include:

- being ultimately responsible for the Group's operations and management;
- supporting the Board by providing industrial and business expertise to the Board;
- proposing to the Board the direction, objectives, strategies and policies of the Group for its consideration and approval;
- selecting and leading the top management team towards the achievement of the Group's long term objectives, missions, strategies and goals approved by the Board; and
- procuring the management to provide the Board with financial and operational monthly updates giving a balanced and understandable assessment of the Group's performance, position and prospects in sufficient detail to enable the Board as a whole and each Director to discharge their duties.

DELEGATION BY THE BOARD

Executive Committee

The Executive Committee is chaired by the Chairman and comprises the other four Executive Directors including the CEO. It meets monthly and is responsible to the Board for overseeing and setting the strategic direction of the Group.

The major responsibilities of the Executive Committee are:

- establishing strategic directions of the Group and submitting them to the Board for their approval;
- monitoring the execution of the Company's strategic plans as determined by the Board;
- monitoring the day to day operations and performance of the senior management;
- setting up sound risk management and internal control systems to manage the risks of the Group;
- assessing any business opportunities on diversification, expansion or acquisition; and
- approving any changes to the scope of authority delegated to the senior management.

Remuneration Committee

The Remuneration Committee is chaired by an Independent Non-Executive Director Mr. James Mathew Fong and comprises the other two Independent Non-Executive Directors, Prof. Chan Yuen Tak Fai, Dorothy and Mr. Kwong Ki Chi.

The major responsibilities of the Remuneration Committee are:

- making recommendations to the Board on the remuneration policy and structure for all Directors and senior management and on the establishment of a formal and transparent procedure for developing remuneration policy;
- reviewing and approving the management's remuneration proposals with reference to the Board's corporate goals and objectives;
- making recommendations to the Board on the remuneration packages of individual Executive Directors and senior management;
- making recommendations to the Board on the remuneration of Independent Non-Executive Directors;
- considering salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the Group;
- reviewing and approving compensation payable to Executive Directors and senior management for any loss or termination of office or appointment to ensure that it is consistent with relevant contractual terms and is otherwise fair and not excessive;
- reviewing and approving compensation arrangements relating to dismissal or removal of Directors for misconduct to ensure that they are consistent with relevant contractual terms and are otherwise reasonable and appropriate;
- ensuring that no Director or any of his/her associates is involved in deciding his/her own remuneration;
- making recommendation to the Board on appropriate means to administer remuneration programs of Directors and senior management; and
- to review and approve matters relating to share schemes under Chapter 17 of the Listing Rules.

The terms of reference of the Remuneration Committee are available on the websites of the Company and the Stock Exchange.

The Remuneration Committee is provided with sufficient resources to perform its duties and it can access independent professional advice at the expense of the Company if necessary. It is the practice of the Remuneration Committee to consult the Chairman and/or the CEO about their remuneration proposals for other Executive Directors and Non-Executive Director. To avoid conflict of interests, no Director or any of his/her associates is involved in deciding his/her own remuneration.

During the year ended 31 March 2025, the Remuneration Committee held one meeting to perform the following work:

- reviewed the Company's policy and structure for the remuneration of Non-Executive Director and Independent Non-Executive Directors;
- reviewed the remuneration packages and structures of all Executive Directors, especially the CEO, and the senior management;
- assessed the performance of Executive Directors and approved discretionary bonuses to some of the Executive Directors; and
- reviewed the remuneration review procedures of the Group.

The Remuneration Committee did not review or approve any material matters relating to the Company's share scheme during the year.

The attendance records of each member of the Remuneration Committee are set out on page 29 of this report.

In order to be able to attract and retain staff of suitable calibre, the Company recognises the importance of a fair and competitive remuneration policy. To ensure that the remuneration packages are appropriate and align with the Group's goals, objectives and performance, the Company has considered a number of factors such as salaries paid by comparable companies, job responsibilities, duties and scope, market conditions and practices, financial and non-financial performance, and desirability of performance-based remuneration, when formulating the remuneration policy.

The remuneration package of Executive Directors includes salary, bonus, pensions, medical and life insurance benefits. The remuneration level is determined with reference to the expertise and experience possessed by each Executive Director and his/her performance. Except for the bonus payable to the CEO which is determined with reference to the Group's performance, bonuses to other Executive Directors are given on a discretionary basis and determined with reference to the corporate and individual performance. The remuneration of Non-Executive Director and Independent Non-Executive Directors is determined by the Board in consideration of the experience, expertise and the responsibilities involved. Please refer to note 14 to the financial statements for the emolument details of each Director, the five highest paid employees and also the remuneration paid to members of senior management by band.

The Company adopted a share option scheme on 30 August 2013 ("2013 Scheme") 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 2013 Scheme expired on 29 August 2023. After the expiration of the 2013 Scheme, no further options shall be offered but options granted prior thereto shall continue to be valid and exercisable in accordance with the provisions of the 2013 Scheme. No new share scheme has been adopted by the Company since then. Please refer to pages 50 to 52 of this annual report for the details of the share option schemes.

Audit Committee

The Audit Committee is responsible to the Board and consists of three Independent Non-Executive Directors pursuant to its terms of reference. The Audit Committee is chaired by Mr. Kwong Ki Chi. Prof. Chan Yuen Tak Fai, Dorothy and Mr. James Mathew Fong are the members of the Audit Committee.

The Audit Committee reviews the completeness, accuracy and fairness of the Company's reports and financial statements and provides assurance to the Board that they comply with the adopted accounting standards, the Listing Rules and legal requirements. The Audit Committee also annually reviews the adequacy and effectiveness of the internal control and risk management systems. It reviews the work plan of the internal auditor and holds planning meeting with the external auditor before the auditors commence their work. It reviews the work done and the results of audits performed by the internal and external auditor, the relevant fees and terms, and the appropriate actions required on significant control weaknesses. It also considers the adequacy of resources, the qualifications and experience of staff in respect of the Group's accounting and financial reporting function, and their training programmes and budget. The Executive Directors and the external and internal auditor may also attend the Audit Committee meetings.

The terms of reference of Audit Committee are available on the websites of the Company and the Stock Exchange.

The major responsibilities of the Audit Committee are:

- being primarily responsible for making recommendations to the Board on the appointment, re-appointment and removal of the external auditor, and approving the remuneration and terms of engagement of the external auditor, and any questions of its resignation or dismissal;

- reviewing and monitoring the external auditor's independence and objectivity and the effectiveness of the audit process in accordance with applicable standards;

- developing and implementing policy on engaging external auditor to supply non-audit services;

- monitoring integrity of the Group's financial statements and annual report and accounts, interim report and reviewing significant financial reporting judgements contained therein;

- reviewing the Group's financial and accounting policies and practices, financial controls, internal control and risk management systems;

- discussing the risk management and internal control systems with management to ensure that management has performed its duty to have effective systems;

- ensuring co-ordination between the internal and external auditor, and ensuring that the internal audit function is adequately resourced and has appropriate standing within the Group, and reviewing and monitoring its effectiveness;

- establishing a whistle-blowing mechanism for employees to raise concerns, in confidence, with the Audit Committee about possible improprieties in any matter related to the Group;

- establishing a whistle-blowing mechanism for employees;

- ensuring the establishment of policy(ies) and system(s) that promote and support anti-corruption laws and regulations; and

- reviewing any transaction between the Company (including its subsidiaries) and the directors, or any interest associated with the directors, and to ensure the structure and the terms of the transactions comply with the law and are appropriately disclosed.

The Audit Committee held four meetings and passed one set of written resolution during the year ended 31 March 2025 to perform the following work:

- reviewed and approved the interim and final results, financial statements, announcements and reports of the Group;

- reviewed with the external auditor the significant financial reporting and accounting matters;

- approved the remuneration of the external auditor;

- reviewed the risk management and internal control review reports prepared by the internal auditor and discussed with management the reports' findings and recommendations on the Group's operations and corporate activities;

- reviewed the significant accounting policies of the Group with the management and the external auditor;

- reviewed the amounts and adequacy of internal control procedures of continuing connected transactions and other transactions between the Group and the Directors;

- reviewed and approved the Group's enterprise risk management systems and documents prepared by the management; and

- approved a non-assurance service provided by the external auditors.

The attendance records of each member of the Audit Committee are set out on page 29 of this report.

Nomination Committee

The Nomination Committee consists of three Independent Non-Executive Directors pursuant to its terms of reference The Nomination Committee is chaired by Prof. Chan Yuen Tak Fai, Dorothy, and Mr. Kwong Ki Chi and Mr. James Mathew Fong are the members.

The Board has delegated its authority and duties for matters relating to selection and appointment of Directors of the Company to the Nomination Committee and set out the same in the terms of reference of the Nomination Committee. The Nomination Committee nominates and recommends to the Board candidates for filling vacancies in the Board. It also identifies and nominates qualified individuals, who are expected to have such expertise to make positive contribution to the performance of the Board, to be additional Directors or to fill Board vacancies as and when they arise. The major responsibilities of the Nomination Committee are:

- reviewing the structure, size and composition (including the skills, knowledge, experience and diversity considerations) of the Board at least annually and make recommendations on any proposed changes to the Board to complement the Company's corporate strategy;

- identifying individuals suitably qualified to become Board members and selecting or making recommendations to the Board on the selection of individuals nominated for directorships;

- assessing the independence of Independent Non-Executive Directors;

- making recommendations to the Board on the appointment or re-appointment of Directors and succession planning for Directors, in particular the Chairman and the CEO;

- implementing and reviewing the Board diversity policy for the Board's consideration, and monitoring the progress on achieving the objectives of the Board diversity policy to ensure effective implementation; and

- considered and recommended the appointment of a new Independent Non-Executive Director to the Board for its approval.

The terms of reference of the Nomination Committee are available on the websites of the Company and the Stock Exchange.

Nomination policy

When selecting individuals suitably qualified to fill a casual vacancy of the Board, the Nomination Committee considers the following key criteria as listed in the Group's Nomination Policy:

- the skills, knowledge and experience of the candidate should be sufficient enough to add positive contribution to the development of the Board and the strategy, policies and business of the Company and the Group;
- diversity in all aspects, including but not limited to gender, age, educational and professional background, skills, knowledge and experience of the candidate;
- the candidate should have a good reputation in character, integrity, honesty and experience and is able to demonstrate a standard of competence commensurate with his/her position as a Director;
- the candidate should be able to give sufficient time and attention to the Group's affairs;
- in the case of nominating Independent Non-Executive Directors, the level of independence from the Company and the Group according to the requirement the Listing Rules; and
- other relevant factors considered by Nomination Committee that are appropriate to the business of the Company and the Group.

The above criteria are for reference only and are not meant to be exhaustive or decisive. The same factors are considered when making recommendations regarding the re-election of any existing Director.

As for the nomination procedures, after the Nomination Committee selects candidate(s) suitably qualified to become Board members (based on the key criteria listed above), it makes recommendation(s) to the Board and submits the candidate's personal profile to the Board for consideration. The Board considers the reasons of the recommendations from the Nomination Committee and confirms the appointment of the candidate(s) as Director(s). The procedures of appointment of Director(s) are as reported in the section of "Appointment and Re-Election of Directors" above.

Board diversity policy

The Company recognises and embraces the benefits of having a diverse Board to enhance the effectiveness and quality of its performance and to maintain the high standards of corporate governance. Therefore, the Board set up a Board diversity policy in August 2013 in order to set out the approach to achieve diversity on the Board.

The Board diversity policy is summarised as below:

- The Company believes that a truly diverse Board will include and make good use of differences in the talents, skills, regional and industry experience and other qualities of the members of the Board;
- All appointments of the members of the Board are made on merit, in the context of the talents, skills and experience the Board as a whole requires to be effective; and
- In reviewing and assessing the composition of the Board, the Nomination Committee (i) will consider the benefits of all aspects of diversity in order to maintain an appropriate range and balance of talents, skills and experience on the Board; and (ii) may discuss and recommend measurable objectives to the Board for achieving diversity on the Board when necessary.

The age group and gender diversity of the Directors as at 31 March 2025 are as follows:

Age Group	Male	Female
41–50	1	1
51–60	2	1
Over 60	1	2
All	4	4

The Nomination Committee is of a view that the backgrounds, skills and experience of the Directors are diverse and they possesses the depth of relevant experience and the expertise to oversee the business of the Group. Meanwhile, it considers the Board also has a satisfactory level of gender and age diversity. Biographical details of the Directors as at the date of this annual report are set out on pages 43 to 44 of this annual report.

The gender ratio in the workforce of the Group is disclosed on page 20 of this report. Due to the labour-intensive character of the industry and limited choice of labour supply in the market, the management considers that it is challenging to achieve gender diversity in the entry level of the workforce of the Group.

During the year ended 31 March 2025, the Nomination Committee held one meeting to perform the following work:

- reviewed the structure, size and composition (including the skills, knowledge, experience and diversity considerations) of the Board, and independence of the Independent Non-Executive Directors. In view of the current size and operation of the Group, the Nomination Committee considered that the current structure, size, composition and the diversity of the Board members were appropriate and able to meet the requirements of Listing Rules. No further appointment of Director was considered as necessary as at the date of the meeting;

- considered and recommended the re-election of Mr. Chan Man Chun and Ms. Wong Wai Sum, Maya as the Executive Director and Prof. Chan Yuen Tak Fai, Dorothy as the Independent Non-Executive Director;

- conducted annual assessment on the independence of the Independent Non-Executive Directors;

- discussed the continued independence and suitability for the re-election of long-serving Independent Non-Executive Director;

- reviewed the diversity policy of the Group; and

- discussed the succession planning for the Directors and the CEO.

The attendance records of each member of the Nomination Committee are set out on page 29 of this report.

Delegation of Responsibilities to Management

The Board delegates the daily management and administration functions to the management, comprising the Executive Committee and the senior management team of the Group. The senior management team is responsible for executing the day to day business activities under the leadership and supervision of the Executive Committee, and assisting the Executive Committee to implement the approved strategic plans, goals and objectives and other responsibilities delegated by the Board to the Executive Committee.

Company Secretary

All Directors should have access to the advice and services of the Company Secretary. The Company Secretary reports to the Chairman on board governance matters, and plays an important role in supporting the Board by ensuring Board procedures are followed and facilitating good information flows and communications among Directors as well as Shareholders and management. The Company Secretary is also responsible for advising the Board through the Chairman on governance matters and should also facilitate induction and professional development of Directors. The Company Secretary completed more than 15 hours of relevant professional training during the year ended 31 March 2025.

EXTERNAL AUDITOR

The external auditor is primarily responsible for the auditing and reporting of the annual financial statements. For the financial year ended 31 March 2025, the total remuneration paid or payable to the external auditor was HK$702,000 (2024: HK$702,000), of which HK$609,000 (2024: HK$609,000) was for audit and HK$93,000 (2024: HK$93,000) was for interim review services.

DIRECTORS' AND EXTERNAL AUDITOR'S RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS

The Directors are responsible for preparing the financial statements of the Company and of the Group. The financial statements are prepared on a going concern basis and give a true and fair view of the financial position of the Group as at 31 March 2025, and of the Group's financial performance and cash flows for the year then ended. In preparing the financial statements for the year ended 31 March 2025, the members of the Board have made reasonable judgements and estimates, adopted appropriate accounting policies and, apart from those new or revised accounting policies as disclosed in the notes to the financial statements for the year ended 31 March 2025, applied the policies consistently with the previous financial year.

The external auditor's responsibilities are clearly explained in the Independent Auditor's Report contained in this annual report. Please refer to pages 56 to 60 for details.

RISK MANAGEMENT, INTERNAL CONTROL AND INTERNAL AUDIT

The Board has the overall responsibility in overseeing sound risk management and internal control systems and reviewing its effectiveness annually. Such systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss. For the year ended 31 March 2025, the Board confirms that it has through the Audit Committee conducted a review of the effectiveness of the Group's risk management and internal control systems and considers the systems are effective and adequate. The Board also received a written confirmation from the CEO in which the management confirmed that the Group's risk management and internal control systems were effective and adequate throughout the year ended 31 March 2025.

Risk Management

The purposes of setting up a risk management system for the Group, which are documented in the risk management policy, are as follows:

- to establish a comprehensive risk management framework, processes and culture, and to ensure the Group's management to fully understand the material risks (including the ESG risks) of the Group's business and operations so that they could prevent, avoid or mitigate possible risks which may exist in the market, business and the operations; and

- to ensure that business decisions and operations of the Group's could meet the policies laid down by the Board so that the Group could maintain long-term growth and sustainable development.

The roles and responsibilities of the Board, the senior management, the group functions heads and the internal auditor in the Group risk management process are clearly defined in the Group's risk management policy. The ownership of each risk is clearly assigned to the group functions heads or other personnel in charge to enhance the accountability. The Group's risk governance structure and the main role and responsibilities of each level of the structure are summarised below:

Board
(delegated to its Audit Committee)

- determines the business strategies, objectives and the risk appetite of the Group;
- ensures that an appropriate and effective risk management and internal control systems are established and maintained by the Group; and
- reviews the effectiveness of the Group's risk management and internal control system, risk profile and reports semi-annually.

Management
(comprises the Executive Committee and the senior management)

- designs, implements and maintains appropriate and effective risk management and internal control systems;
- reviews the updates of risk profiles and reports from the heads of group functions semi-annually and ensures the implementation of business strategies is consistent with Group's objectives and risk appetite; and
- submits updated Group's overall risk profile and reports to the Board (through Audit Committee) semi-annually.

Internal auditor

- reviews the adequacy and effectiveness of the Group's risk management and internal control systems semi-annually; and
- reports to the Audit Committee the findings of the review and makes recommendations to the Board and management to improve the material systems deficiencies or control weaknesses identified.

Group Functions

- identifies, evaluates and manages the risks that may potentially impact the major processes of the operations of the department; and
- submits updated risk profile and reports to the management semi-annually.

Under the Group's risk management policy, the process used to identify, evaluate and manage significant risk is as follows:

Risk identification
- Identify risks that may potentially affect the business and operations.

→

Risk assessment
- assess the risk identified by using the assessment criteria developed by the management.
- risks are assessed and scored by considering mainly its impact on the business and the likelihood or their occurrence.

→

Prioritise the risks
- prioritise the risks by comparing the results and score of the risk assessment.

→

Develops risk management strategies
- determines risk management strategies and the internal control process to prevent, avoid or mitigate the risks.

Risk monitoring and reporting
- continuous recording of risk situation by submitting updated risk profile, which documented the assessment results and internal controls applied, and key risk indicators reports to the management and the Board regularly.
- revision of risk management policy if any significant change of situation.

The Audit Committee is delegated by the Board with responsibilities to oversee the Group's overall risk management system. During the year ended 31 March 2025, regarding the risk management system, the Audit Committee performed the following work:

- Reviewed the adequacy and effectiveness of the risk management system design of the Group;
- Reviewed the updated risk assessment results and the risk profile of the Group and discussed how the Group should implement risk controls measures in response to the changes in the high risk factors;
- Reviewed the bi-annual key risk indicators ("KRIs", including the ESG KPIs) reports, submitted by the management; and
- Reviewed the result of risk management system review carried out by the internal auditor.

Internal Control

The Group's system of internal control includes a defined management structure with limits of authority, and is designed to help the Group achieve its business objectives, safeguard its assets against unauthorised use or disposal, ensure maintenance of proper accounting records for the provision of reliable financial information for internal use or for publication, and ensure compliance with relevant laws and regulations.

The key elements in the internal control system of the Group are:

- clearly defined organisational structure and duties and responsibilities of each employee;
- written code of conduct and conflict of interest policy providing guidelines to the employees on their personal conduct and the ethical requirements when carrying out business activities;
- internal policies and/or guidelines on inside information disclosure, connected transactions reporting and approval, directors' securities transactions etc.;
- bi-annual compliance check on the Code carried out by the Company Secretary;
- a whistle-blowing mechanism for employees to raise concerns, in confidence, with the Audit Committee about possible improprieties related to the Group;
- the Group's risk assessments are carried out by the senior management regularly;
- stringent internal procedures on significant financial and business activities controls for minimising the operational risk;

- monthly financial and operational reporting system for measuring and monitoring the performance of the Group;
- monthly financial and operational summary reports for the Board to evaluate the financial performance of the Group;
- bi-annual progress reports delivered by the CEO for the Board to monitor how the Group manages the areas that with higher level of business risks;
- bi-annual internal control review carried out by the outsourced internal auditor for monitoring the effectiveness of the controls;
- bi-annual KRI reports submitted by the management to monitor the key risks of the business; and
- annual Board performance evaluation for the Directors to review and evaluate the overall performance of the Board in the past year.

The Company is committed to complying with the disclosure requirements of the Listing Rules and Securities and Futures Ordinance (the "SFO") to prevent inadvertent or selective disclosure of inside information. The Company, the Directors and its employees must take all reasonable steps to ensure that the relevant information is absolutely confidential before the publication of inside information.

The Company has adopted disclosure of inside information guidelines for the purpose of assisting the Directors and the employees to understand the principles and procedures in the handling of potential insider information of the Group. Employees are required to report to their functions heads and keep it confidential when they are aware of any information that is likely to have a material effect on the price of the shares of the Company. All such reports must be delivered to the CEO as soon as possible. The CEO must assess or seek legal advice on whether the reported information would constitute inside information. Where he considers appropriate, the CEO should report to the Chairman immediately and the Chairman should convene Board meeting to seek the Board's approval on the dissemination of the inside information as soon as possible.

The Directors and employees in possession of the inside information are prohibited to deal in any securities of the Company until the inside information is formally disclosed in the websites of the Stock Exchange and the Company. The Company should apply for trading halt or suspension of stock trading if they consider that the inside information has been leaked before a formal announcement is published.

Internal Audit

The Group does not have an internal audit department. The internal audit function has been outsourced to professionals in accountancy, as selected by the Audit Committee. The internal auditor is independent of the Group and conduct internal audits on areas of concern identified by the Audit Committee annually. The term of the engagement of the internal auditor is fixed at three years in order to have a structured and comprehensive audit plan and achieve continuity. The internal auditor reports to the Audit Committee directly and the members of the Audit Committee have free and direct access to the head of the internal auditor without reference to the Executive Directors or the management. The Board has overall responsibilities to maintain sound and effective risk management and internal control systems of the Group.

The internal auditor provides an independent review of the adequacy and effectiveness of the risk management and internal control systems and the sufficiency of the compliance of corporate governance in accordance with the Code. A three-year audit plan framework, which is prepared based on risk assessment methodology and covers all material financial, operational and compliance controls and risk management functions, has been approved by the Audit Committee upon the engagement of the Internal auditor. Before commencing their fieldwork each year, the internal auditor submits a detailed audit plan to the Audit Committee for its discussion and approval. During the year, the risk management and internal control review covered the assessment of the effectiveness of the Group's risk management and internal control systems by reference to a framework set by the Committee of Sponsoring Organizations of the Treadway Commission (the "COSO Framework"), which consists of five inter-related components, namely (i) control (or operating) environment; (ii) risk assessment; (iii) control activities; (iv) information and communication; and (v) monitoring. The review also covered significant business processes and activities of the Group and follow-ups of the corrective measures of the weaknesses identified in previous reviews.

Furthermore, in order to maintain the effectiveness of the financial reporting and compliance process, the risk management and internal control review also considered the adequacy of resources, staff qualification and experience, training programmes and budget of the Group's accounting and financial reporting function.

The internal audit also covered the review of internal controls on carrying out connected transactions during the year. Apart from the annual review on continuing connected transactions by external auditor, the internal auditor also assisted the Independent Non-Executive Directors to review the adequacy and effectiveness of the internal control procedures to ensure that the connected transactions were conducted in accordance with the pricing policies or mechanism under the agreements.

Any identified control weaknesses are addressed in the risk management and internal control review reports (the "Review Reports"). Draft Review Reports are sent to the Executive Directors, the CEO and the senior management concerned for the management's comments and responses. The finalised Review Reports are submitted to the Board and the Audit Committee for their review twice per year. The Board and the internal auditor consider that the Group's material internal controls are adequate and effective and the Group has complied with the code provisions on risk management and internal control set out in the Code during the year 31 March 2025.

SECURITIES TRANSACTIONS

The Company has adopted codes of conduct regarding securities transactions by Directors and relevant employees (as defined in the Code) (the "Securities Code") on terms no less exacting than the required standard set out in the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") contained in Appendix 10 of the Listing Rules. A copy of the Securities Code has been sent to each Director. The Securities Code is also applicable to the employees of the Group who are likely to be in possession of unpublished inside information in relation to the Group.

Formal written notices are sent to the Directors and relevant employees as reminder that they must not deal in the securities and derivatives of the Company during the period of 30 days and 60 days immediately preceding the date of publication of the Company's interim results and annual results respectively and until after such results have been published.

Under the Securities Code, the Directors are required to notify the Chairman and receive a dated written clearance before dealing in the securities and derivatives of the Company and, in the case of the Chairman himself, he must notify the designated Director and receive a dated written clearance before any dealing. The clearance to deal is valid for not more than five business days from the day it is received.

Having made specific enquiries, all Directors have confirmed that they have met the required standard set out in the Securities Code and the Model Code throughout the financial year under review. Directors' interests as at 31 March 2025 in the shares in the Company and its associated corporations (within the meaning of Part XV of the SFO) are set out on page 49 of this annual report.

INVESTOR RELATIONS

Shareholders' Communication Policy

The Company continues to enhance relationships and communication with its investors. A shareholders' communication policy has been set up in order to enable the Company to provide its shareholders and potential shareholders with equal and timely information of the Company (including financial results, important developments, strategic goals and plans, corporate governance and risk profile etc.) at any time effectively and to avoid selective disclosure. Detailed information about the Company's performance and activities has been provided in the annual reports and the interim reports which have been sent to shareholders via electronic channels and published on the websites of the Company and the Stock Exchange. The Company maintains close communication with investors, analysts, fund managers and the media by way of individual interviews and meetings. The Group also responds to requests, information and queries from the investors in an informative and timely manner.

The Board also welcomes the views of shareholders on matters affecting the Group and encourages them to attend shareholders' meetings to communicate any concerns they might have with the Board or senior management directly. In order to promote effective communication, the Company maintains its website at www.amspt.com on which financial and other information relating to the Group and its businesses is disclosed.

Shareholders, potential investors and analysts may enquire about information of the Company, ask questions or give comments to the Board by sending email to the Company (e-mail address: ir@amspt.com). The Company will answer reasonable questions raised by the shareholders and potential investors and analysts provided that there is no violation of the Company's disclosure of inside information guidelines. However, in order to avoid selective disclosure and disclosing inside information, the Company will only provide information that has been published by the Company.

During the year, the Board reviewed the shareholders' communication policy of the Company and concluded that the policy was effective and sufficient.

General Meetings

All Directors are invited to general meetings to develop a balanced understanding of the views of shareholders. For each substantially separate issue at a general meeting, a separate resolution is proposed by the chairman of that meeting.

The Chairman and the chairmen of the Audit Committee, Remuneration Committee, Nomination Committee and any other committees (as appropriate) attend the AGM and other relevant general meetings to answer questions raised by the shareholders. In their absence, the Chairman shall invite another member of the committees to attend. These persons will be available to answer questions at the AGM. The external auditor is also invited to the AGM to answer questions about the conduct of the audit, the preparation and content of the auditor's report, the accounting policies and auditor independence.

The Directors' attendance of AGM 2024 is set out on page 29 of this report.

Convening General Meetings by Shareholders

Shareholders may convene an extraordinary general meeting ("EGM") and make proposals for businesses to be transacted thereat in the following manner:

(a) Any one or more shareholders holding at the date of deposit of the Requisition (as defined below) not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company (the "Eligible Shareholder(s)") shall at all times have the right, by written requisition (the "Requisition") sent to the principal place of business of the Company in Hong Kong at 11–12/F, Abba Commercial Building, 223 Aberdeen Main Road, Aberdeen, Hong Kong, for the attention of the Board or the Company Secretary, to require an EGM to be called by the Board for the transaction of any business specified in the Requisition.

(b) The Requisition must state clearly the name(s) of the Eligible Shareholder(s) concerned, its/his/her/their shareholding in the Company as at the date of the Requisition, the reason for convening an EGM, the agenda proposed to be included and the details of the businesses proposed to be transacted at the EGM, signed by all the Eligible Shareholder(s) concerned.

(c) The Requisition will be verified with the Company's branch share registrar in Hong Kong, and upon its confirmation that the Requisition is proper and in order, the Company Secretary will ask the Board to convene an EGM to be held within two months after the deposit of the Requisition by serving sufficient notice in accordance with the Articles and the applicable laws, rules and regulations (including without limitation the Listing Rules) to all registered shareholders. On the contrary, if the Requisition has been verified as not in order, the Eligible Shareholder(s) concerned will be advised of such outcome and accordingly, the Board will not call an EGM.

(d) If within 21 days of such deposit the Board fails to proceed to convene such EGM, the Eligible Shareholder(s) concerned itself/himself/herself/themselves may convene such EGM in the same manner, and all reasonable expenses incurred by the Eligible Shareholder(s) concerned as a result of such failure of the Board shall be reimbursed to the Eligible Shareholder(s) concerned by the Company.

Note: There is no express provision allowing shareholders to make proposals (other than a proposal for election of a person as a Director) at any general meeting convened by the Board (not on requisition of Shareholders) under the Articles or the laws of the Cayman Islands.

Constitutional Documents

There was no change to the Articles of the Company during the year.

EXECUTIVE DIRECTORS

Mr. Wong Ling Sun, Vincent, MILT, JP, aged 50, is the Chairman since 12 December 2014. Mr. Wong was appointed as Executive Director of the Company on 16 October 2004. He is also the director of all subsidiaries of the Group. Mr. Wong is the son of Ms. Ng Sui Chun, the brother of Ms. Wong Wai Man, Vivian and Ms. Wong Wai Sum, Maya and the nephew of Mr. Wong Man Chiu, who is the engineering manager of the Group. He also holds directorship in three substantial shareholders as defined under Part XV Disclosure of Interests of SFO, namely Skyblue Group Limited ("Skyblue"), Metro Success Investment Limited ("Metro Success") and JETSUN UT Company (PTC) Limited ("JETSUN"). Mr. Wong holds a bachelor of arts degree in economics and he is an honorary fellow of School of Professional and Continuing Education of The University of Hong Kong ("HKU SPACE").

Prior to joining the Group in 2002, he worked for a large smart card system provider company in Hong Kong. Mr. Wong is a member of the Chartered Institute of Logistics and Transport ("CILT") in Hong Kong. Mr. Wong was an elected member of the Southern District Council from 2008 to 2015. As the Chairman, Mr. Wong is responsible for chairing and leading the Board in formulating the overall business strategies, monitoring the corporate development of the Group and maintaining good standard of corporate governance practices throughout the Group.

Ms. Ng Sui Chun, aged 74, is the finance director of the Company and one of the founders of the Group. She also holds directorship in all subsidiaries of the Group. Ms. Ng has been actively involved in the management of the daily operations of the Group for over 50 years and is responsible for the implementation of corporate policies, particularly in the area of finance and administration of the Group. She also actively participates in charitable activities, including being the chairman of the Aberdeen Women Compassion Association, a committee member of the Association for the Elders of Aberdeen, a member of Zhongshan Overseas Women Association and a committee member of The Tung Wah Group of Hospitals Aberdeen District Committee. Ms. Ng is the mother of Mr. Wong Ling Sun, Vincent, Ms. Wong Wai Man, Vivian and Ms. Wong Wai Sum, Maya. She is also the sister-in-law of Mr. Wong Man Chiu. She also holds directorship in three substantial shareholders as defined under Part XV Disclosure of Interests of SFO, namely Skyblue, Metro Success and JETSUN.

Mr. Chan Man Chun, MBA, JP, aged 61, is the CEO and Executive Director. Mr. Chan is actively involved in the overall business operations and is responsible for the formulation and implementation of the corporate strategies of the Group. He holds a master degree in business administration (MBA) and a bachelor degree in transport from The Hong Kong Polytechnic University. Mr. Chan is the chairman of the Hong Kong Scheduled (GMB) Licensee Association. He is currently an appointed member of the Southern District Council. He is also the president of the Southern District Football Club and the chairman of the Southern District Recreation & Sports Association. He joined the Group in July 1989 and was appointed as CEO on 1 April 2005.

Ms. Wong Wai Sum, **Maya** (former name: Ms. Wong Wai Sum, May), BBA (HRM), MA (TranspPol & Plan), MIHRM (HK), CMILT, aged 49, is the daughter of Ms. Ng Sui Chun, the sister of Mr. Wong Ling Sun, Vincent and Ms. Wong Wai Man, Vivian and the niece of Mr. Wong Man Chiu. She is also the director of all subsidiaries of the Group. She also holds directorship in three substantial shareholders as defined under Part XV Disclosure of Interests of SFO, namely Skyblue, Metro Success and JETSUN. She joined the Group in September 2003. Ms. Wong is the human resources and deputy finance director of the Company and is responsible for the human resources and financial management of the Group. Prior to joining the Group, Ms. Wong worked for a leading international airline company. She holds a master of arts degree in transport policy and planning from The University of Hong Kong and a bachelor of business administration degree (major in human resources management) from Simon Fraser University in Canada. She received a certificate of international division program in Japanese language and Asian studies in Waseda University in Japan. She has been a chartered member of CILT in Hong Kong and an ordinary member of the Hong Kong Institute of Human Resources Management since 2005. Ms. Wong was appointed as Executive Director on 30 September 2011.

NON-EXECUTIVE DIRECTOR

Ms. Wong Wai Man, Vivian, BA, MBA, aged 55, is the daughter of Ms. Ng Sui Chun, the sister of Mr. Wong Ling Sun, Vincent and Ms. Wong Wai Sum, Maya. She is also the niece of Mr. Wong Man Chiu. She holds directorship in three substantial shareholders as defined under Part XV Disclosure of Interests of SFO, namely Skyblue, Metro Success and JETSUN. Ms. Wong holds a bachelor degree in business economics from the University of California, Los Angeles, United States (UCLA) and a master degree in business administration from the Hong Kong University of Science and Technology. She is a member of the Hong Kong Institute of Certified Public Accountants and was qualified under The American Institute of Certified Public Accountants. Ms. Wong has over 17 years working experience in the financial services industry. She previously worked at Morgan Stanley Asia Limited holding positions in corporate treasure and was an executive director and the Asia Pacific Head of Banking Products in UBS AG (Private Banking). Before joining the financial services industry, she worked for KPMG Peat Marwick LLP Los Angeles, United States in auditing for five years. She was appointed as a Non-Executive Director on 29 August 2017.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Prof. Chan Yuen Tak Fai, Dorothy, B.Soc.Sc, M.Soc.Sc, PhD, BBS, FCILT, aged 75, is currently a deputy director of HKU SPACE. She is also a council member of MTR Academy (HK) Company Limited and HKU SPACE Po Leung Kuk Stanley Ho Community College. Prof. Chan is an honorary fellow and an advisor to the Council of Trustees of the CILT and Emeritus Global Chairperson of Women in Logistics and Transport (WiLAT) of CILT. Her current public service duties include serving as a Board member of Airport Authority Hong Kong, the Board of Governors of the Hong Kong Institute for Public Administration and the Chairperson of Commercial Letting Panel of the West Kowloon Cultural District Authority Board, as well as a director of TWGHs E-Co Village Board, a strategy advisor to the Serco Group (HK) Limited and a council member to The Chinese Occupational Education Association of Hong Kong. Before joining HKU SPACE, Prof. Chan was the Deputy Commissioner for Transport of the Hong Kong Government. She was also the CILT international president, the immediate past global chairperson and global advisor on Women in Logistics and Transport (WiLAT) of CILT, a member of the Social Welfare Advisory Committee, the Advisory Council on Environment of the Hong Kong Government, chairperson of the Sustainable Agricultural Development Fund Advisory Committee and the independent non-executive director of MTR Corporation Limited, a Main Board listed company on the Stock Exchange.

Prof. Chan holds a Bachelor of Social Sciences degree, a Master of Social Sciences degree and a Doctor of Philosophy degree from The University of Hong Kong. She was appointed as an Independent Non-Executive Director in March 2010.

Mr. Kwong Ki Chi, GBS, JP, aged 74, has been an Independent Non-Executive Director since March 2011. He had served in the Hong Kong Government for 27 years and held positions principally in the economic and financial fields. Mr. Kwong was the Secretary for the Treasury from 1995 to 1998, with responsibility for the public finances, and Secretary for Information Technology and Broadcasting from 1998 to March 2000, with responsibility for information technology, telecommunications and broadcasting. He left the Hong Kong government in March 2000 to join the Hong Kong Exchanges and Clearing Limited as executive director and chief executive and retired in April 2003. Since then, Mr. Kwong was the managing director of Hsin Chong International Holdings Limited and Hongkong Sales (Int'l) Limited, the director of Macau Legend Development Limited and the independent non-executive director of Giordano International Limited. Besides, Mr. Kwong is a non-official Justice of the Peace in Hong Kong and has been awarded the Gold Bauhinia Star by the Hong Kong Government. Mr. Kwong graduated from The University of Hong Kong with a bachelor of science degree in physics and mathematics and was awarded a master of philosophy degree in economics and politics of development by the University of Cambridge, England.

Mr. James Mathew Fong, aged 49, is a partner of Bird & Bird, one of the largest international law firms in Hong Kong. He obtained a Bachelor of Laws degree from The University of Hong Kong and is a member of The Law Society of Hong Kong. During his more than 20 years of legal career, Mr. Fong has been advising listed issuers and investment banks clients on capital markets, merger & acquisition and corporate governance matters. He also serves in a number of statutory bodies and committees in Hong Kong. He is currently a member of the Private Columbaria Licensing Board, the Chairman of Appeal Board established under the Urban Renewal Authority Ordinance. He is also a member of the Panel of Advisors on Building Management Disputes, a member of the Equal Opportunities Commission and a member of Council of Human Reproductive Technology. Mr. Fong is currently an independent non-executive director of another public company listed on The Stock Exchange of Hong Kong Limited, Kwoon Chung Bus Holdings Limited. He was appointed as an Independent Non-Executive Director on 19 June 2020.

SENIOR MANAGEMENT

Mr. Wong Man Chiu, MSc, aged 62, has been the engineering manager of the Group since 1993. He also holds directorship in two subsidiaries of the Group. Mr. Wong is responsible for the management of the Group's repair and maintenance centres. He holds a master degree in computer science from the University of Manchester in England and a bachelor of engineering degree in mechanical engineering with vehicle option from the Hatfield Polytechnic in England. He also obtained a higher certificate in mechanical engineering from The Hong Kong Polytechnic University. Mr. Wong joined the Group in 1993 and is the brother-in-law of Ms. Ng Sui Chun and the uncle of Mr. Wong Ling Sun, Vincent, Ms. Wong Wai Man, Vivian and Ms. Wong Wai Sum, Maya.

Ms. Wong Ka Yan, FCPA (HKICPA), FCG, HKFCG (P.E.), LLB, aged 48, is the financial controller and Company Secretary of the Group. She joined the Group in January 2003 and is responsible for the financial control, accounting and company secretarial functions of the Group. She graduated from The Chinese University of Hong Kong with a bachelor degree in business administration (major in general finance) and also holds a bachelor degree in laws from the University of London. Ms. Wong is a fellow member of the Hong Kong Institute of Certified Public Accountants ("HKICPA"), The Chartered Governance Institute and The Hong Kong Chartered Governance Institute (previously named as The Hong Kong Institute of Chartered Secretaries). Prior to joining the Group, she had worked in an international accounting firm in auditing. She was appointed as Company Secretary on 26 July 2005.

Mr. Wong Yu Fung, MILT, aged 47, is the operations manager of the Group and responsible for daily route operation management and route restructuring planning etc. He holds a bachelor degree in transport and logistics management from RMIT University and a higher diploma in transport studies from the Hong Kong Institute of Vocational Education. Mr. Wong joined the Group in June 2000.

The Directors hereby present their report together with the audited consolidated financial statements of the Group to the shareholders for the year ended 31 March 2025.

PRINCIPAL ACTIVITIES

The Company is an investment holding company and its subsidiaries are principally engaged in the provision of franchised PLB and residents' bus transportation services in Hong Kong.

RESULTS AND RECOMMENDED DIVIDENDS

The results of the Group for the year ended 31 March 2025 are set out in the consolidated income statement on page 61. The Directors recommend payment of a final dividend of HK3.0 cents per ordinary share (2024: Nil) and a special dividend of HK1.0 cent per ordinary share (2024: HK4.0 cents per ordinary share) in respect of the year, to shareholders on the register of members on Wednesday, 10 September 2025. The expected payment date of the final and special dividends is Friday, 19 September 2025.

CLOSURE OF REGISTER OF MEMBERS

For the purpose of determining shareholders' eligibility to attend, speak and vote at the forthcoming AGM to be held on Friday, 29 August 2025 (or at any adjournment of it), the register of members of the Company will be closed from Tuesday, 26 August 2025 to Friday, 29 August 2025, both days inclusive, during which period no transfer of shares will be registered. All properly completed transfer forms accompanied by the relevant share certificates must be lodged for registration with the Company's share registrar, Union Registrars Limited at Suites 3301–04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong, for registration not later than 4:00 p.m. on Monday, 25 August 2025.

In order to determine shareholders' entitlement to the final and special dividends, the register of members of the Company will be closed from Friday, 5 September 2025 to Wednesday, 10 September 2025, both days inclusive, during which period no transfer of shares will be registered. All properly completed transfer forms accompanied by the relevant share certificates must be lodged for registration with the Company's share registrar, Union Registrars Limited at Suites 3301–04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong, for registration not later than 4:00 p.m. on Thursday, 4 September 2025.

BUSINESS REVIEW

The Group's revenue is derived primarily from the provision of franchised PLB and residents' bus transportation services in Hong Kong. The business review of the Group for the year ended 31 March 2025 as required by Schedule 5 to the Hong Kong Companies Ordinance is contained in the "Chairman's Statement", "Management Discussion and Analysis", "Environmental, Social and Governance Report" and "Corporate Governance Report" sections of this annual report. Details about the Group's financial risk management are also set out in note 37 to the consolidated financial statements. This business review forms part of this Directors' Report.

DONATIONS

Charitable donations made by the Group during the year ended 31 March 2025 amounted to HK$95,000 (2024: HK$170,000).

PROPERTY, PLANT AND EQUIPMENT

Details of the movements in property, plant and equipment of the Group are set out in note 15 to the consolidated financial statements.

INVESTMENT PROPERTIES

Details of the movements in investment properties of the Group are set out in note 16 to the consolidated financial statements.

PRINCIPAL SUBSIDIARIES

Particulars of the Company's principal subsidiaries as at 31 March 2025 are set out in note 20 to the consolidated financial statements.

BANK BORROWINGS

The bank borrowings of the Group are shown in note 25 to the consolidated financial statements.

SHARE CAPITAL

Details of the movements in the share capital of the Company are set out in note 29 to the consolidated financial statements.

DISTRIBUTABLE RESERVES

Movements in the reserves of the Group and of the Company during the year ended 31 March 2025 are set out in the consolidated statement of changes in equity and note 31 to the consolidated financial statements respectively.

Distributable reserves of the Company as at 31 March 2025 amounted to HK$174,138,000 (2024: HK$184,837,000), as calculated in accordance with the applicable laws of the Cayman Islands. Under the Companies Act of the Cayman Islands, the share premium of the Company is available for paying distributions or dividends to shareholders subject to the provisions of the Articles and provided that immediately following the distribution of dividend the Company is able to pay its debts as they fall due in the ordinary course of business.

FIVE-YEAR FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for the last five financial years is set out on page 116.

DIRECTORS

The Directors during the year ended 31 March 2025 and up to the date of this report are:

Executive Directors:
Mr. Wong Ling Sun, Vincent *(Chairman)*
Ms. Ng Sui Chun
Mr. Chan Man Chun *(Chief Executive Officer)*
Ms. Wong Wai Sum, Maya

Non-Executive Director:
Ms. Wong Wai Man, Vivian

Independent Non-Executive Directors:
Prof. Chan Yuen Tak Fai, Dorothy
Mr. Kwong Ki Chi
Mr. James Mathew Fong

In accordance with Articles 86(3) and 87(1) of the Articles, the Executive Directors Mr. Chan Man Chun and Ms. Wong Wai Sum, Maya and the Independent Non-Executive Director Prof. Chan Yuen Tak Fai, Dorothy, will retire and, being eligible, offer themselves for re-election at the forthcoming AGM. If Prof. Chan Yuen Tak Fai, Dorothy is re-elected at the AGM, her appointment shall then continue and be subject to retirement by rotation and re-election at the subsequent AGMs in accordance with the Articles and the Listing Rules. As for the other two Independent Non-Executive Directors, Mr. Kwong Ki Chi and Mr. James Mathew Fong, they were re-elected at the AGM 2023 and 2024 respectively.

Pursuant to Rule 3.13 of the Listing Rules, the Company has received the annual confirmation of independence from each of the three Independent Non-Executive Directors in April 2025 and considers all the Independent Non-Executive Directors to be independent.

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

Brief biographical details of the Directors and senior management are set out on pages 43 to 45.

DIRECTORS' SERVICE CONTRACTS

All of the service contracts of the Executive Directors, except for Ms. Wong Wai Sum, Maya, cover an initial term of three years, and continue thereafter until terminated by either party giving to the other not less than six months' prior written notice expiring not earlier than the date of expiry of the initial term. The service contract of Ms. Wong Wai Sum, Maya, an Executive Director, continues until terminated by either party giving to the other not less than six months' prior written notice.

The appointments of all Non-Executive Director and Independent Non-Executive Directors are subject to re-election according to the Articles. None of the Directors who is proposed for election or re-election at the AGM has a service contract with the Company which is not determinable within one year without payment of compensation, other than statutory compensation.

The remuneration of the Directors and the details of the five highest-paid individuals of the Company are set out in note 14 to the consolidated financial statements.

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS

For the year ended 31 March 2025, Mr. Wong Ling Sun, Vincent, Ms. Ng Sui Chun, Ms. Wong Wai Sum, Maya, all being Executive Directors, and Ms. Wong Wai Man, Vivian, being the Non-Executive Director (together with their family members, collectively the "Wong Family"), were indirectly interested in a minibus leasing agreement dated 29 June 2023 entered into between Gurnard Holdings Limited ("Gurnard"), a wholly-owned subsidiary of the Company, as lessee and Maxson Transportation Limited ("Maxson"), Hong Kong & China Transportation Consultants Limited ("HKCT") and Big Three Limited ("Big Three") as lessors. The lessors were beneficially owned and controlled by the controlling shareholders, the Wong Family.

Please refer to the section "Connected Transactions" of this Directors' Report for details.

Save for the above, no other transactions, arrangements or contracts that are significant in relation to the Group's business to which the Company or any of its holding companies, subsidiaries or fellow subsidiaries was a party and in which a person who at any time during the year was a Director or his or her connected entity had, directly or indirectly, a material interest subsisted at any time during or at the end of the year.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS IN SHARES

Directors' and chief executives' interests and short positions in the shares and underlying shares in the Company and its associated corporations

As at 31 March 2025, the interests and short positions of the Directors and chief executives of the Company in the shares, underlying shares and debentures in/of the Company and its associated corporations (within the meaning of the Part XV of the SFO) which have been recorded in the register required to be kept under Section 352 of the SFO or notified to the Company and the Stock Exchange pursuant to the Model Code, were as follows:

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

	Number of ordinary shares held				Approximate percentage of aggregate interests to the total number of issued ordinary shares
Name of Director	Personal interests	Family interests	Other interests	Total interests	
Mr. Wong Ling Sun, Vincent	34,664,900	11,003,200 (Note b)	117,677,000 (Note a)	163,345,100	60.07%
Ms. Ng Sui Chun	13,725,900	–	117,677,000 (Note a)	131,402,900	48.32%
Mr. Chan Man Chun	3,539,500	220,000 (Note c)	–	3,759,500	1.38%
Ms. Wong Wai Sum, Maya	5,682,600	–	117,677,000 (Note a)	123,359,600	45.36%
Ms. Wong Wai Man, Vivian	2,325,600	4,200,000 (Note d)	117,677,000 (Note a)	124,202,600	45.67%
Prof. Chan Yuen Tak Fai, Dorothy	588,000	–	–	588,000	0.21%
Mr. Kwong Ki Chi	588,000	–	–	588,000	0.21%

Notes:

(a) As at 31 March 2025, a total of 117,677,000 ordinary 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"), the trustee of The JetSun Unit Trust, which is in turn wholly owned by HSBC International Trustee Limited ("HSBCITL") as trustee of The JetSun Trust. The entire issued share capital of JETSUN is owned by HSBCITL. The JetSun Trust is a discretionary trust and its discretionary objects include Mr. Wong Ling Sun, Vincent, Ms. Ng Sui Chun, Ms. Wong Wai Sum, Maya and Ms. Wong Wai Man, Vivian.

(b) 10,651,200 ordinary shares out of the family interest were held by the Director as trustee for the benefit of his children. The remaining 352,000 ordinary shares were held by the spouse of the Director.

(c) These ordinary shares were held by the spouse of the Director.

(d) The Director held these ordinary shares as trustee for the benefit of her children.

(e) No share options granted by the Company were held by any Directors as at 31 March 2025. Please refer to the section "Share Scheme" of this Directors' report for the details of the share option scheme.

Save as disclosed herein and other than certain shares in subsidiaries held as nominees by certain Directors of the Group, as at 31 March 2025, none of the Directors or the chief executives of the Company and their associates have 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 required 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.

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the year ended 31 March 2025.

SHARE SCHEME

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 day to provide the Company with a platform to offer rewards and incentives to eligible participants for their contributions 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 2013 Scheme expired on 29 August 2023. After the expiration of the 2013 Scheme, no further options were to offered but options granted prior thereto shall continue to be valid and exercisable in accordance with the provisions of the 2013 Scheme. No new share scheme has been adopted by the Company since then.

The 2004 Scheme

The 2004 Scheme was terminated on 30 August 2013. As at 1 April 2024 and 31 March 2025, all outstanding share options granted under the 2004 Scheme had been exercised or lapsed.

The 2013 Scheme

The terms of the 2013 Scheme were substantially similar to the 2004 Scheme. The details of the 2013 Scheme are summarised as follows:

(a) ***Purpose of the 2013 Scheme***

The purpose of the 2013 Scheme was to enable the Group to grant options to selected participants as incentives for their contributions to the Group.

(b) ***Participants of the 2013 Scheme***

Pursuant to the 2013 Scheme, the Directors had the absolute discretion to invite any person belonging to any of the following classes of participants, to take up options to subscribe for the shares:

(i) any employee or proposed employee (whether full-time or part-time and including any Executive Director), consultant or adviser of or to the Company, any of its subsidiaries or any entity in which the Group holds an equity interest (the "Invested Entity");

(ii) any non-executive director (including Independent Non-Executive Director) of the Company, any of its subsidiaries or any Invested Entity;

(iii) any supplier of goods or services to any member of the Group or any Invested Entity;

(iv) any customer of the Group or any Invested Entity;

(v) any person or entity that provides research, development or other technological support to the Group or any Invested Entity; and

(vi) any shareholder of any member of the Group or any Invested Entity or any holder of any securities issued by any member of the Group or any Invested Entity;

and for the purpose of the 2013 Scheme, the options could have been granted to any company wholly owned by one or more persons belonging to any of the above classes of participants. The eligibility of the above classes of participants to the grant of options was determined by the Directors from time to time with reference to the relevant participants' contributions to the development and growth of the Group.

(c) Total number of shares available for issue under the 2013 Scheme

The total number of shares which could have been issued upon exercise of all options (excluding, for this purpose, options which had lapsed in accordance with the terms of the 2013 Scheme and any other share option scheme of the Company) to be granted under the 2013 Scheme and any other share option scheme of the Company must not in aggregate have exceeded 10% of the shares in issue as at the date of approval of the 2013 Scheme by the shareholders of the Company (the "Scheme Mandate Limit"). The Company could have sought approval of its shareholders in general meeting to refresh the Scheme Mandate Limit subject to requirements under Chapter 17 of the Listing Rules provided that the total number of shares which could have been issued upon exercise of all options to be granted under the 2013 Scheme under the Scheme Mandate Limit as refreshed must not have exceeded 10% of the shares in issue as at the date of approval of the refreshed limit.

The Scheme Mandate Limit under the 2013 Scheme was up to 26,612,500 shares, representing 10% of the issued shares of the Company as at 30 August 2013, the date of approval of the 2013 Scheme. Since the 2013 Scheme expired on 29 August 2023, as at the date of this report, the total number of shares available for issue under the 2013 Scheme was 2,038,000, being the number of share options outstanding on 31 March 2025, representing 0.75% of the issued shares of the Company.

(d) Maximum entitlement of each participant

Unless approved by the shareholders of the Company, the total number of shares issued or to be issued upon exercise of the options granted to each participant of the 2013 Scheme (including both exercised and outstanding options) in any 12-month period must not have exceeded 1% of the shares in issue at the material time.

(e) Time of exercise of options

An option could have been exercised in accordance with the terms of the 2013 Scheme at any time during a period determined and notified by the Directors to each grantee of the 2013 Scheme, or in the absence of such determination, a period commencing on a day upon which the offer for grant of the option was accepted and ending on the earlier of either the date on which such option lapsed under the relevant provisions of the 2013 Scheme or 10 years from the date of offer of the option, subject to the provisions on early termination set out in the 2013 Scheme.

(f) Minimum period for which an option must be held before it can be exercised

The Directors had the absolute discretion to fix the minimum period for which an option had to be held before it could be exercised.

(g) Payment on acceptance of option

Pursuant to the 2013 Scheme, a nominal consideration of HK$1.00 was payable on acceptance of the grant of an option.

(h) Basis of determining the subscription price

The subscription price of a share in respect of any particular option granted under the 2013 Scheme shall be such price as the Directors in their absolute discretion could determine, save that such price must not have been less than the highest of (i) the nominal value of the share, (ii) the average of the closing prices of the share as stated in the Stock Exchange's daily quotations sheet for the five consecutive trading days immediately preceding the date of grant of the option; and (iii) the closing price of the share as stated in the Stock Exchange's daily quotations sheet on the date of grant of the option (which must be a trading day).

(i) Remaining life of the 2013 Scheme

The 2013 Scheme expired on 29 August 2023. No further options shall be offered after expiration but options granted prior thereto shall continue to be valid and exercisable in accordance with the provisions of the 2013 Scheme. All the outstanding share options of the Company as at 31 March 2025 will expire on 22 September 2025.

Details of the outstanding share options of the Company as at 31 March 2025 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 2024	Number of share options granted during the year	Number of share options exercised during the year	Number of share options lapsed during the year	Outstanding as at 31 March 2025
Employees participants:									
In aggregate	23/9/2015	3,096,000	23/9/2015–22/9/2025	1.25	2,038,000	–	–	–	2,038,000
Total					2,038,000	–	–	–	2,038,000

Notes:

(a) None of the Directors, chief executives or substantial shareholders of the Company or their respective associates hold any share options during the year ended 31 March 2025.

(b) The share options granted on 23 September 2015 were granted under the 2013 Scheme. The closing price of each share immediately before the date of grant of 23 September 2015 was HK$1.25. All outstanding share options were vested immediately on the date of grant.

(c) No share options were granted, cancelled, lapsed or exercised during the year ended 31 March 2025.

(d) Since the 2013 Scheme expired on 29 August 2023, no further share options was available for grant as at 31 March 2025.

(e) For the accounting policy adopted for the share options, please refer to note 2.16 of the consolidated financial statements contained in this annual report.

MAJOR CUSTOMERS AND SUPPLIERS

The five largest customers of the Group accounted for less than 30% of the Group's total revenue for the year ended 31 March 2025.

The percentages of purchase for the year ended 31 March 2025 from the Group's major suppliers are as follows:

Purchases

– the largest supplier: 10.4% (2024: 10.0%)
– the five largest suppliers combined: 32.7% (2024: 33.3%)

Mr. Wong Ling Sun, Vincent, Ms. Ng Sui Chun and Ms. Wong Wai Sum, Maya, all being Executive Directors, and Ms. Wong Wai Man, Vivian, being the Non-Executive Director, are directors and beneficial shareholders of the Group's second to fourth largest suppliers.

Connected Transactions

Significant related party transactions entered into by the Company during the year ended 31 March 2025, constituting connected transactions under the Listing Rules which are required to be disclosed in accordance with Chapter 14A of the Listing Rules are as follows:

	Year ended 31 March	
	2025	2024
	HK$'000	HK$'000
Continuing connected transactions:		
Aggregate amount of addition and modification of right-of-use assets	**1,936**	184,197
Administration fee income received from related companies	**2,382**	2,378

The aggregate amount of addition and modification of right-of-use assets disclosed above recognised by the Group for the year ended 31 March 2025 under the minibus leasing agreement dated 29 June 2023 (where Maxson, HKCT and Big Three, all being beneficially owned and controlled by the Wong Family, are parties to said agreement) did not exceed HK$22,761,000, the annual cap in respect of the right-of-use assets in accordance with the ordinary resolution passed in the AGM held on 22 August 2023. The acquisition of the right-of-use assets constitute continuing connected transactions of the Company. Please refer to the announcement of the Company dated 29 June 2023 and the circular of the Company dated 28 July 2023 for the terms of the minibus leasing agreement.

In accordance with Rule 14A.55 of the Listing Rules, the Independent Non-Executive Directors have reviewed, approved and confirmed that:

1. the foregoing continuing connected transactions were entered into:

    (a) in the ordinary and usual course of business of the Group;

    (b) on normal commercial terms or better; and

    (c) according to the respective agreements governing them on terms that are fair and reasonable and in the interests of the Company's shareholders as a whole;

2. the Group's internal control procedures were adequate and effective to ensure that the transactions were conducted in the manner set out in sub-paragraph 1 above;

3. pursuant to the minibus leasing agreement dated 29 June 2023, the PLB lease payments of HK$66,247,000 for the year ended 31 March 2025 (2024: HK$66,187,000), after deduction of administration fee income, was payable to Maxson, HKCT and Big Three; and

4. the aggregate amount of administration fee income for the year ended 31 March 2025 disclosed above received by the Group under the minibus leasing agreement dated 29 June 2023 did not exceed HK$2,615,000, the annual cap in respect of the administration fee income in accordance with the ordinary resolution passed in the AGM held on 22 August 2023.

The Company's auditor was engaged to report on the Group's continuing connected transactions in accordance with Hong Kong Standard on Assurance Engagements 3000 (Revised) "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 (Revised) "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the HKICPA. The Board confirms that the auditor has issued an unqualified letter containing its findings and conclusions in respect of the foregoing continuing connected transactions in accordance with Rule 14A.56 of the Listing Rules.

SUBSTANTIAL SHAREHOLDERS

As at 31 March 2025, the following persons (other than the Directors or chief executives of the Company) had interests or short positions in the shares and underlying shares of 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	Approximate percentage to the total number of issued shares in the Company as at 31 March 2025[(C)]
HSBCITL	(Note a)	117,677,000	43.27%
JETSUN	(Note a)	117,677,000	43.27%
Metro Success	(Note a)	117,677,000	43.27%
Skyblue	(Note a)	117,677,000	43.27%
The Seven International Holdings (L) Limited ("SIHL")	(Note b)	14,850,000	5.46%
The Seven Capital Limited ("SCL")	(Note b)	14,850,000	5.46%

Notes:

(a) As at 31 March 2025, a total of 117,677,000 ordinary shares in the Company 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, which is wholly owned by HSBCITL as trustee of The JetSun Trust. The entire issued share capital of JETSUN is owned by HSBCITL. Mr. Wong Ling Sun, Vincent, Ms. Ng Sui Chun, Ms. Wong Wai Sum, Maya and Ms. Wong Wai Man, Vivian are the beneficiaries of The JetSun Trust.

(b) According to the disclosure of interest forms submitted by SIHL and SCL on 2 September 2016 in accordance with Part XV of the SFO, a total of 14,850,000 ordinary shares were held by SCL, which is a wholly-owned subsidiary of SIHL. By virtue of the SFO, SIHL is deemed to be interested in all the shares in which SCL is interested.

(c) Calculated based on the number of issued shares as at 31 March 2025 (i.e. 271,913,000 shares).

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

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 of the Company as recorded in the register required to be kept by the Company pursuant to Section 336 of the SFO as at 31 March 2025.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted codes 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 throughout the year ended 31 March 2025. Having made specific enquiries, all Directors have confirmed that they have complied with the required standard set out in the Model Code regarding securities transactions by Directors throughout the financial year under review.

CORPORATE GOVERNANCE

The Company has complied with the provisions of the code as set out in Appendix C1 "Corporate Governance Code" (the "Code") of the Listing Rules for the year ended 31 March 2025. A report on the principal corporate governance practices adopted by the Company is set out on pages 25 to 42 of this annual report.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and to the best knowledge of the Directors, the Directors confirm that the Company has maintained sufficient public float as required by the Listing Rules as at the date of this annual report.

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 26 June 2025 to review the Group's annual financial statements and annual results announcement, and to provide advice and recommendations to the Board.

PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Articles and there is no restriction against such rights under the laws of the Cayman Islands, which would oblige the Company to offer new shares on a pro-rata basis to its existing shareholders.

PERMITTED INDEMNITY

Subject to the applicable laws, every Director and other officers of the Company shall be indemnified and secured harmless out of the assets and profits of the Company from and against all actions, costs, charges, losses, damages and expenses may be incurred by him/her in the execution of his/her duties or in relation thereto pursuant to the Articles. Such provisions were in force during the course of the year ended 31 March 2025 and remained in force as of the date of this report. The Company has maintained appropriate directors and officers liability insurance in respect of relevant legal actions against the Directors.

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

During the year ended 31 March 2025, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

AUDITOR

The accompanying consolidated financial statements have been audited by Grant Thornton Hong Kong Limited. A resolution will be proposed at the forthcoming AGM to re-appoint Grant Thornton Hong Kong Limited as auditor of the Company.

By Order of the Board

Wong Ling Sun, Vincent
Chairman

Hong Kong, 26 June 2025

Grant Thornton
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To the members of
AMS Public Transport Holdings Limited 進智公共交通控股有限公司
(incorporated in the Cayman Islands with limited liability)

OPINION

We have audited the consolidated financial statements of AMS Public Transport Holdings Limited (the "Company") and its subsidiaries (together, the "Group") set out on pages 61 to 115, which comprise the consolidated statement of financial position as at 31 March 2025, and the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity and the consolidated cash flow statement for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 March 2025, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with HKFRS Accounting Standards as issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the disclosure requirements of Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAs") as issued by the HKICPA. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants (the "Code") and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Valuation of public light bus ("PLB") licences

Refer to note 18 to the consolidated financial statements, the accounting policies in note 2.6 and the accounting estimates and judgements in note 4.

The Key Audit Matter	How the matter was addressed in our audit
Management has estimated the fair value of the Group's PLB licences to be HK$42,075,000 as at 31 March 2025 with deficit on revaluation for the year ended 31 March 2025 recorded in the consolidated income statement of HK$14,025,000. The fair value of the Group's PLB licences were assessed by an external valuer based on independent valuation. We identified valuation of the Group's PLB licences as a key audit matter because of the significance of PLB licences to the consolidated financial statements and the determination of the fair value involves significant judgement and estimation, particularly in selecting the appropriate valuation methodology and market data.	Our audit procedures to valuation of PLB licences included: • obtaining valuation report of the Group's PLB licences performed by the external valuer; • assessing the competence, independence and objectivity of the external valuer; • assessing the valuation methodology adopted by the external valuer; • checking on a sample basis, the accuracy and relevance of the input data used by comparing them with available market data; and • assessing the reasonableness of key assumptions adopted in the valuations.

Impairment assessment of goodwill

Refer to note 21 to the consolidated financial statements, the accounting policies in notes 2.7 and 2.15 and the accounting estimates and judgements in note 4.

The Key Audit Matter	How the matter was addressed in our audit
As at 31 March 2025, the Group had net carrying amounts of goodwill of HK$22,918,000, which were allocated to four cash generating units ("CGUs") of franchised PLB services according to their separate operating rights. The Company's management performed impairment assessment of the Group's goodwill. The recoverable amount of each CGU was determined based on value-in-use calculations using future cash flow projections. Based on the results of the impairment assessment which involved significant management judgements and estimation including the growth rates and discount rates applied in the value-in-use calculations, the Company's management has concluded that there was no impairment of the goodwill for the year ended 31 March 2025. We identified the impairment assessment of goodwill as a key audit matter because the value-in-use calculations involved significant management judgement and estimation, and were based on assumptions that would be affected by economic and market conditions.	Our audit procedures in relation to impairment assessment of goodwill included: • assessing the valuation methodology adopted by the management and the reasonableness of key assumptions and significant inputs, with the assistance of an internal valuation specialist; • evaluating the historical accuracy of cash flow forecasts by comparing them to actual results in the current year; • reconciling input data to supporting evidence, such as approved budgets and considering the reasonableness of these budgets; and • assessing the sensitivity analysis prepared by management on the significant assumptions to evaluate the extent of impact on the discounted cash flows.

Impairment assessment of right-of-use assets

Refer to note 17 to the consolidated financial statements, the accounting policies in notes 2.11 and 2.15 and the accounting estimates and judgements in note 4.

The Key Audit Matter	How the matter was addressed in our audit
As at 31 March 2025, the net carrying amounts of right-of-use assets was HK$93,859,000, which were allocated to the CGUs according to their separate operating rights. The Company's management performed impairment assessment of the Group's right-of-use assets. The recoverable amount of each CGU was determined based on the higher of (i) fair value, reflecting market conditions less costs of disposal, and (ii) value-in-use calculations using future cash flow projections. We identified the impairment assessment of right-of-use assets as a key audit matter because of the significance of right-of-use assets to the consolidated financial statements and significant management judgement and estimation were involved in determining the recoverable amounts of the CGUs.	Our audit procedures in relation to impairment assessment of right-of-use assets included: • assessing the valuation methodology adopted by the management and the reasonableness of key assumptions and significant inputs; • evaluating the historical accuracy of cash flow forecasts by comparing them to actual results in the current year; • reconciling and checking the accuracy and relevance of the input data to supporting evidence, such as approved budgets and available market data and considering its reasonableness; and • assessing the sensitivity analysis prepared by management on the significant assumptions to evaluate the extent of impact on the recoverable amounts.

OTHER INFORMATION

The directors are responsible for the other information. The other information comprises all the information in the 2025 annual report of the Company, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with HKFRS Accounting Standards as issued by the HKICPA and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The directors assisted by the Audit Committee are responsible for overseeing the Group's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. We report our opinion solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HKSAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Grant Thornton Hong Kong Limited
Registered Public Interest Entity Auditor
Certified Public Accountants
11th Floor, Lee Garden Two
28 Yun Ping Road
Causeway Bay
Hong Kong SAR

26 June 2025

Wun Ho Chun
Practising Certificate No.: P08307

CONSOLIDATED INCOME STATEMENT

For the year ended 31 March 2025

		Year ended 31 March	
	Notes	**2025 HK$'000**	2024 HK$'000
Revenue	6	**415,029**	393,686
Direct costs		**(338,570)**	(323,036)
Gross profit		**76,459**	70,650
Other revenue	7	**9,180**	9,501
Other net expense	7	**(435)**	(102)
Administrative expenses		**(44,964)**	(41,272)
Other operating expenses		**(1,131)**	(1,466)
Operating profit		**39,109**	37,311
Deficit on revaluation of PLB licences	18	**(14,025)**	(34,980)
Provision for impairment of public bus licences	19	**(2,460)**	(1,350)
Finance costs	8	**(9,743)**	(8,769)
Profit/(Loss) before income tax	9	**12,881**	(7,788)
Income tax expense	10	**(4,485)**	(4,164)
Profit/(Loss) for the year		**8,396**	(11,952)
Earnings/(Loss) per share attributable to equity holders of the Company			
– Basic (In HK cents)	12(a)	**3.09**	(4.40)
– Diluted (In HK cents)	12(b)	**3.09**	(4.40)

The notes on pages 66 to 115 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 March 2025

	Year ended 31 March	
	2025	2024
	HK$'000	HK$'000
Profit/(Loss) for the year	**8,396**	(11,952)
Item that will not be reclassified subsequently to profit or loss		
Remeasurement of provision for long service payments, net of tax expense of HK$33,000 (2024: tax credit of HK$305,000)	**166**	(1,543)
Total comprehensive income/(expense) for the year	**8,562**	(13,495)

The notes on pages 66 to 115 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2025

	Notes	2025 HK$'000	2024 HK$'000
		As at 31 March	
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment	15	**39,970**	44,063
Investment properties	16	**687**	764
Right-of-use assets	17	**93,859**	153,552
PLB licences	18	**42,075**	56,100
Public bus licences	19	**5,640**	8,100
Goodwill	21	**22,918**	22,918
Deferred tax assets	32	**1,026**	2,323
		206,175	287,820
Current assets			
Trade and other receivables	22	**10,018**	8,570
Tax recoverable		**262**	21
Bank balances and cash	23	**66,900**	57,050
		77,180	65,641
Current liabilities			
Trade and other payables	24	**21,811**	21,159
Bank borrowings	25	**22,031**	9,191
Lease liabilities	26	**63,834**	59,868
Provision for long service payments	27	**12,002**	13,469
Tax payable		**731**	1,331
		120,409	105,018
Net current liabilities		**(43,229)**	(39,377)
Total assets less current liabilities		**162,946**	248,443
Non-current liabilities			
Bank borrowings	25	**81,702**	103,816
Lease liabilities	26	**33,232**	95,298
Provision for long service payments	27	**7,516**	6,695
Deferred tax liabilities	32	**3,811**	3,634
		126,261	209,443
Net assets		**36,685**	39,000
EQUITY			
Share capital	29	**27,191**	27,191
Reserves		**9,494**	11,809
Total equity		**36,685**	39,000

Wong Ling Sun, Vincent
Chairman

Ng Sui Chun
Director

The notes on pages 66 to 115 are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 March 2025

	Equity attributable to equity holders of the Company					
		Reserves (Note (i))				
	Share capital HK$'000	Share premium HK$'000	Share options reserve HK$'000	Capital reserve (Note (ii)) HK$'000	Accumulated losses HK$'000	Total HK$'000
As at 1 April 2024	**27,191**	**74,612**	**347**	**19,296**	**(82,446)**	**39,000**
Profit for the year	**–**	**–**	**–**	**–**	**8,396**	**8,396**
Other comprehensive income:						
– Remeasurement of provision for long service payments (net of tax)	**–**	**–**	**–**	**–**	**166**	**166**
Total comprehensive income for the year	**–**	**–**	**–**	**–**	**8,562**	**8,562**
2024 special dividends (note 11)	**–**	**(10,877)**	**–**	**–**	**–**	**(10,877)**
As at 31 March 2025	**27,191**	**63,735**	**347**	**19,296**	**(73,884)**	**36,685**
As at 1 April 2023	27,191	74,612	398	19,296	(44,530)	76,967
Loss for the year	–	–	–	–	(11,952)	(11,952)
Other comprehensive expense:						
– Remeasurement of provision for long service payments (net of tax)	–	–	–	–	(1,543)	(1,543)
Total comprehensive expense for the year	–	–	–	–	(13,495)	(13,495)
Lapse of share options	–	–	(51)	–	51	–
2023 final dividends (note 11)	–	–	–	–	(24,472)	(24,472)
As at 31 March 2024	27,191	74,612	347	19,296	(82,446)	39,000

Notes:

(i) The reserves comprise the Group's reserves of HK$9,494,000 (2024: HK$11,809,000) in the consolidated statement of financial position.

(ii) Capital reserve represents the difference between the nominal value of the shares of the subsidiaries acquired as a result of the group reorganisation in March 2004 and the nominal value of the Company's shares issued in exchange thereof.

The notes on pages 66 to 115 are an integral part of these consolidated financial statements.

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 March 2025

	Notes	Year ended 31 March 2025 HK$'000	Year ended 31 March 2024 HK$'000
Cash flows from operating activities			
Cash generated from operations	36(a)	**106,862**	106,708
Income tax paid		**(3,885)**	(1,327)
Net cash from operating activities		**102,977**	105,381
Cash flows from investing activities			
Purchase of property, plant and equipment		**(3,687)**	(7,023)
Receipt of government subsidies on disposal of property, plant and equipment		**–**	225
Proceeds from disposal of property, plant and equipment		**71**	184
Interest received		**1,528**	1,892
Decrease in time deposit		**–**	10,000
Net cash (used in)/from investing activities		**(2,088)**	5,278
Cash flows from financing activities			
Repayment of bank borrowings	36(b)	**(9,274)**	(16,007)
Interest paid on bank borrowings	36(b)	**(3,461)**	(4,256)
Capital element of lease rentals paid	36(b)	**(61,145)**	(63,012)
Interest element of lease rentals paid	36(b)	**(6,282)**	(4,513)
Dividends paid		**(10,877)**	(24,472)
Net cash used in financing activities		**(91,039)**	(112,260)
Net increase/(decrease) in cash and cash equivalents		**9,850**	(1,601)
Cash and cash equivalents at the beginning of the year		**57,050**	58,651
Cash and cash equivalents at the end of the year, represented by bank balances and cash	23	**66,900**	57,050

The notes on pages 66 to 115 are an integral part of these consolidated financial statements.

1. GENERAL INFORMATION

AMS Public Transport Holdings Limited (the "Company") was incorporated in the Cayman Islands on 18 March 2003 as an exempted company with limited liability under the Companies Act Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The addresses of its registered office and principal place of business are disclosed in the Company Information section of the annual report. 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.

The Company is an investment holding company and its subsidiaries (together referred to as the "Group") are principally engaged in the provision of franchised public light bus ("PLB") and residents' bus transportation services in Hong Kong. These consolidated financial statements for the year ended 31 March 2025 were approved for issue by the board of directors on 26 June 2025.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

2.1 Basis of preparation

These annual consolidated financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards as issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), which collective term includes all applicable individual HKFRS accounting standards, Hong Kong Accounting Standards and Interpretations ("HKFRS Accounting Standards") and the accounting principles generally accepted in Hong Kong.

The consolidated financial statements also comply with the applicable requirements of the Hong Kong Companies Ordinance and include the applicable disclosure requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited ("Listing Rules").

The material accounting policies that have been used in the preparation of these consolidated financial statements are summarised below. These policies have been consistently applied to all the years presented unless otherwise stated. The adoption of new and amended HKFRS Accounting Standards and the impacts on the Group's consolidated financial statements, if any, are disclosed in note 3.

The consolidated financial statements are presented in Hong Kong dollars ("HK$"), which is also the functional currency of the Company and its subsidiaries.

The consolidated financial statements have been prepared on the historical cost basis except for PLB licences which are stated at fair values. The measurement bases are fully described in the accounting policies below.

In preparing the consolidated financial statements, the directors have given careful consideration to the future liquidity of the Group in light of the fact that, as of 31 March 2025, the Group's current liabilities exceeded its current assets by HK$43,229,000. The directors are of the opinion that the Group will have sufficient working capital to finance its operations and continue as a going concern given that: (i) the Group had strong and positive net cash inflow from operating activities of HK$102,977,000 for the year ended 31 March 2025 and bank balances and cash of HK$66,900,000 as at 31 March 2025 which enable the Group to meet its payment obligations; (ii) as at 31 March 2025, the Group had undrawn facilities totalling HK$67,300,000 which were the overdraft and the revolving loan facilities granted by the banks; and (iii) the management has prepared cash flow forecasts which demonstrated that the Group had sufficient working capital over the next twelve months from the end of the reporting period. After taking into account the above, the consolidated financial statements have been prepared on a going concern basis.

It should be noted that accounting estimates and assumptions are used in preparation of the consolidated financial statements. Although these estimates are based on management's best knowledge and judgement of current events and actions, actual results may ultimately differ from those estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 4.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.2 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries made up to 31 March each year.

The Group includes the income and expenses of a subsidiary in the consolidated financial statements from the date it gains control until the date when the Group ceases to control the subsidiary.

Intra-group transactions, balances and unrealised gains and losses on transactions between group companies are eliminated in preparing the consolidated financial statements. Where unrealised losses on sales of intra-group asset are reversed on consolidation, the underlying asset is also tested for impairment from the Group's perspective. Amounts reported in the financial statements of subsidiaries have been adjusted where necessary to ensure consistency with the accounting policies adopted by the Group.

2.3 Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. When assessing whether the Group has power over the entity, only substantive rights relating to the entity (held by the Group and others) are considered.

When the Group loses control of a subsidiary, the profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests.

In the Company's statement of financial position, subsidiaries are carried at cost less any impairment losses unless the subsidiary is held for sale or included in a disposal group. Cost also includes direct attributable costs of investment.

The results of subsidiaries are accounted for by the Company on the basis of dividends received and receivable at the end of the reporting period. All dividends whether received out of the investee's pre or post acquisition profits are recognised in the Company's income statement.

2.4 Property, plant and equipment

Property, plant and equipment are initially recognised at acquisition cost. They are subsequently stated at cost less accumulated depreciation and accumulated impairment losses, if any.

Depreciation is provided to write off the cost less their residual values over their estimated useful lives, using the straight-line method as follows:

Land and buildings	Over the shorter of lease term or 50 years
Leasehold improvements	Over the shorter of lease term or 5-10 years
Furniture, fixtures and equipment	3-5 years
PLBs and public buses	10 years
Motor vehicles	10 years

Estimates of residual value and useful life are reviewed, and adjusted if appropriate, at the end of each reporting period.

The gain or loss arising on retirement or disposal is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the consolidated income statement.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other costs, such as repairs and maintenance, are charged to consolidated income statement during the financial period in which they are incurred.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.5 Investment properties

Investment properties are land and/or buildings which are owned or held under a leasehold interest to earn rental income and/or for capital appreciation.

Transfers are made to investment properties only when there is a change in use. When the owner-occupied property becomes an investment property, such property is accounted for in accordance with the policy stated under property, plant and equipment (note 2.4) up to the date of change in use. On initial recognition, investment property is measured at cost, and subsequently stated at cost less accumulated depreciation and impairment losses, if any. Depreciation is provided to write off the cost using the straight-line method over the shorter of their estimated useful lives of 50 years and the lease term.

2.6 PLB licences and public bus licences

PLB licences, which represent freely-transferable licences to provide PLB transportation services in Hong Kong, are stated in the consolidated statement of financial position at open market value at the end of each reporting period as assessed by the directors and/or independent qualified valuers, less accumulated impairment losses, if any. Changes arising on the revaluation of PLB licences are generally recognised in other comprehensive income and accumulated in PLB licences revaluation reserve, except that (i) when a deficit arises on revaluation, it will be charged to the consolidated income statement, if and to the extent that it exceeds the amount held in the reserve in respect of the same licence immediately prior to the revaluation; and (ii) when a surplus arises on revaluation, it will be credited to the consolidated income statement, if and to the extent that a deficit on revaluation in respect of that same licence had previously been charged to the consolidated income statement.

On disposal of PLB licences, the related portion of surpluses previously taken to the PLB licences revaluation reserve is transferred to accumulated losses and is shown as a movement in reserves.

Public bus licences acquired by the Group are stated in the consolidated statement of financial position at cost less accumulated impairment losses.

The PLB licences and public bus licences are issued under section 21 of the Road Traffic (Registration and Licensing of Vehicles) Regulations and should be renewed every 12 months. There are certain grounds on which the Commissioner of Transport may refuse to license or cancel the licence of a registered motor vehicle under section 25 of Road Traffic Ordinance, including if (i) by reason of its design or construction, or any adaptation or the condition thereof, the vehicle or any equipment thereof does not comply with the Road Traffic Ordinance or the vehicle design standards; (ii) the registered owner of the vehicle fails to have the vehicle tested at a specified vehicle emission testing centre when required; (iii) a vehicle examination order in respect of the vehicle has not been complied with; (iv) the vehicle is found to be not roadworthy; (v) no valid insurance in respect of third party risks is in force in respect of the vehicle; and (vi) no passenger service licence is in force in respect of the vehicle which is registered as a PLB or public bus. Nevertheless, based on the past experience of the Group and the usual practice of the industry, the directors consider that the Group is able to fulfill and satisfy all the conditions necessary to obtain renewal without significant cost of renewal.

Therefore, PLB licences and public bus licences of the Group are regarded by the directors as having indefinite useful lives because there is no foreseeable limit to the period over which the PLB licences and public bus licences are expected to generate net cash inflows for the Group. The useful lives of PLB licence and public bus licences are reviewed, and adjusted if appropriate, at the end of each reporting period.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.7 Goodwill

Set out below are the accounting policies on goodwill arising on acquisition of a subsidiary.

Goodwill arising in a business combination is recognised as an asset at the date that control is acquired (the acquisition date). Goodwill is measured as the excess of the aggregate of the fair value of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the Group's interest in the net fair value of the acquiree's identifiable assets and liabilities measured as at the acquisition date.

If, after reassessment, the Group's interest in the fair value of the acquiree's identifiable net assets exceeds the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held equity interest in the acquiree (if any), the excess is recognised immediately in consolidated income statement as a bargain purchase gain.

Goodwill is stated at cost less accumulated impairment losses. Goodwill is allocated to cash-generating units ("CGUs") and is tested annually for impairment (see note 2.15).

On subsequent disposal of a subsidiary, the attributable amount of goodwill capitalised is included in the determination of the amount of gain or loss on disposal.

2.8 Financial instruments

Recognition and derecognition

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the financial instrument.

Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all of its risks and rewards are transferred. A financial liability is derecognised when it is extinguished, discharged, cancelled or expires.

Financial assets

Classification and initial measurement of financial assets

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with HKFRS 15 "Revenue from Contracts with Customers", all financial assets are initially measured at fair value, in case of a financial asset not at fair value through profit or loss ("FVTPL"), plus transaction costs that are directly attributable to the acquisition of the financial asset.

Financial assets are classified into the following categories:

– at amortised cost;

– FVTPL; or

– fair value through other comprehensive income ("FVOCI").

The classification is determined by both:

– the entity's business model for managing the financial asset; and

– the contractual cash flow characteristics of the financial asset.

All income and expenses relating to financial assets that are recognised in the consolidated income statement are presented within finance costs or other revenue, except for expected credit losses ("ECL") of trade and other receivables which is presented within administrative expenses.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.8 Financial instruments (Continued)

Financial assets (Continued)

Subsequent measurement of financial assets

Debt instruments

Financial assets at amortised cost

Financial assets are measured at amortised cost if the assets meet the following conditions (and are not designated as FVTPL):

– they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows; and

– the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, these are measured at amortised cost using the effective interest method. Interest income from these financial assets is included in other revenue in consolidated income statement. Discounting is omitted where the effect of discounting is immaterial. The Group's trade and other receivables (excluding prepayments) and bank balances and cash fall into this category of financial instruments.

Financial liabilities

Classification and measurement of financial liabilities

The Group's financial liabilities include bank borrowings, lease liabilities and trade and other payables.

Financial liabilities (other than lease liabilities) are initially measured at fair values, and, where applicable, adjusted for transaction costs unless the Group designated a financial liability at FVTPL.

Subsequently, financial liabilities (other than lease liabilities) are measured at amortised costs using the effective interest method.

All interest-related charges are included in finance costs.

Accounting policies of lease liabilities are set out in note 2.11.

Bank borrowings

Bank borrowings are recognised initially at fair value, net of transaction costs incurred. Bank borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in consolidated income statement over the period of the bank borrowings using the effective interest method.

Bank borrowings are classified as current liabilities unless as at the end of the reporting period, the Group has a right to defer settlement of the liability for at least twelve months after the end of the reporting period.

Covenants that the Group is required to comply with, on or before the end of the reporting period, are considered in classifying loan arrangement with covenants as current or non-current. Covenants that the Group is required to comply with after the reporting period do not affect the classification.

Trade and other payables

Trade and other payables are recognised initially at their fair values and subsequently measured at amortised costs, using the effective interest method.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.9 Impairment of financial assets

HKFRS 9's impairment requirements use forward-looking information to recognise ECL – the "ECL model". Instruments within the scope included loans and other debt-type financial assets measured at amortised cost, trade receivables and some financial guarantee contracts (for the issuer) that are not measured at FVTPL.

The Group considers a broader range of information when assessing credit risk and measuring ECL, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument.

In applying this forward-looking approach, a distinction is made between:

– financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ("Stage 1") and

– financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ("Stage 2").

"Stage 3" would cover financial assets that have objective evidence of impairment at the end of the reporting period.

"12-month ECL" are recognised for the Stage 1 category while "lifetime ECL" are recognised for the Stage 2 category.

Measurement of the ECL is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

Trade receivables

For trade receivables, the Group applies a simplified approach in calculating ECL and recognises a loss allowance based on lifetime ECL at the end of each reporting period. These are the expected shortfalls in contractual cash flows, considering the potential for default at any point during the life of the financial assets. In calculating the ECL, the Group has established a provision matrix that is based on its historical credit loss experience and external indicators, adjusted for forward-looking factors specific to the debtors and the economic environment.

To measure the ECL, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

Other financial assets measured at amortised cost

The Group measures the loss allowance for other receivables equal to 12-month ECL, unless when there has been a significant increase in credit risk since initial recognition, in which case the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increase in the likelihood of risk of default occurring since initial recognition.

In assessing whether the credit risk has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial assets at the end of the reporting period with the risk of default occurring on the financial assets at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.9 Impairment of financial assets (Continued)

Other financial assets measured at amortised cost (Continued)

In particular, the following information is taken into account when assessing whether credit risk has increased significantly:

– an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;

– significant deterioration in external market indicators of credit risk, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor;

– existing or forecast adverse changes in regulatory, business, financial, economic conditions, or technological environment that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations; and

– an actual or expected significant deterioration in the operating results of the debtor.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

Despite the aforegoing, the Group assumes that the credit risk on a debt instrument has not increased significantly since initial recognition if the debt instrument is determined to have low credit risk at the end of each reporting period. A debt instrument is determined to have low credit risk if it has a low risk of default, the borrower has strong capacity to meet its contractual cash flow obligations in the near term and adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfill its contractual cash flow obligations.

For internal credit risk management, the Group considers an event of default occurs when information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collateral held by the Group).

Detailed analysis of the ECL assessment of trade receivables and other financial assets measured at amortised cost are set out in note 37.6.

Financial guarantee contracts

For a financial guarantee contract, the Company is required to make payments only in the event of a default by the debtor in accordance with the terms of the instrument that is guaranteed. Accordingly, the ECL is the present value of the expected payments to the holder for a credit loss that it incurs less any amounts that the Company expects to receive from the holder, the debtor or any other party.

2.10 Cash and cash equivalents

Cash and cash equivalents include cash at bank and in hand and short-term bank deposits.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.11 Leases

(a) *Definition of a lease and the Group as a lessee*

At inception of a contract, the Group considers whether a contract is, or contains a lease. A lease is defined as "a contract, or part of a contract, that conveys the right to use an identified asset (the underlying asset) for a period of time in exchange for consideration". To apply this definition, the Group assesses whether the contract meets three key evaluations which are whether:

- the contract contains an identified asset, which is either explicitly identified in the contract or implicitly specified by being identified at the time the asset is made available to the Group;

- the Group has the right to obtain substantially all of the economic benefits from use of the identified asset throughout the period of use, considering its rights within the defined scope of the contract; and

- the Group has the right to direct the use of the identified asset throughout the period of use. The Group assesses whether it has the right to direct 'how and for what purpose' the asset is used throughout the period of use.

Measurement and recognition of leases as a lessee

At lease commencement date, the Group recognises a right-of-use asset and a lease liability on the consolidated statement of financial position. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Group, an estimate of any costs to dismantle and remove the underlying asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any lease incentives received).

The Group depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use assets or the end of the lease term unless the Group is reasonably certain to obtain ownership at the end of the lease term. The Group also assesses the right-of-use assets for impairment when such indicator exists.

At the commencement date, the Group measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate.

Lease payments included in the measurement of the lease liability are made up of fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable payments based on an index or rate, and amounts expected to be payable under a residual value guarantee.

Subsequent to initial measurement, the liability will be reduced for lease payments made and increased for interest cost on the lease liability. It is remeasured to reflect any reassessment or lease modification, or if there are changes in in-substance fixed payments.

The Group remeasures lease liabilities whenever the lease payments change due to changes in market rentals rates, in which cases the related lease liabilities are remeasured by discounting the revised lease payments using the initial discount rate.

When the lease is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit or loss if the right-of-use asset is already reduced to zero.

The Group has elected to account for short-term leases, except for PLB leases, using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these leases are recognised as an expense in consolidated income statement on a straight-line basis over the lease term. Short-term leases are leases with a lease term of 12 months or less.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.11 Leases (Continued)

(b) The Group as a lessor

As a lessor, the Group classifies its leases as either operating or finance leases.

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of the underlying asset, and classified as an operating lease if it does not.

The Group earns rental income from operating leases of its investment properties and income from advertising on PLBs which are recognised on a straight-line basis over the term of the leases.

2.12 Share capital

Ordinary shares are classified as equity. Share capital is determined using the nominal value of shares that have been issued.

Any transaction costs associated with the issuing of shares are deducted from equity to the extent they are incremental costs directly attributable to the equity transaction.

2.13 Revenue recognition

Revenue arises mainly from the provision of franchised PLB and residents' bus transportation services.

To determine whether to recognise revenue, the Group follows a 5-step process:

1. Identifying the contract with a customer

2. Identifying the performance obligations

3. Determining the transaction price

4. Allocating the transaction price to the performance obligations

5. Recognising revenue when/as performance obligation(s) are satisfied

In all cases, the total transaction price for a contract is allocated amongst the various performance obligations based on their relative stand-alone selling prices. The transaction price for a contract excludes any amounts collected on behalf of third parties.

Revenue is recognised either at a point in time or over time, when (or as) the Group satisfies performance obligations by transferring the promised goods or services to its customers.

Further details of the Group's revenue and other income recognition policies are as follows:

Services income is recognised upon provision of the franchised PLB and residents' bus transportation services.

Administration fee income, advertising income, repair and maintenance service income and management fee income are recognised upon provision of the relevant services.

Interest income is recognised on a time proportion basis using the effective interest method. For financial assets measured at amortised cost that are not credit-impaired, the effective interest rate is applied to the gross carrying amount of the asset.

Accounting policies for rental income are set out in note 2.11.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.14 Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions. Government grants are deferred and recognised in the consolidated income statement over the period necessary to match them with the costs that the grants are intended to compensate.

Government grants relating to income is presented in gross under "Other revenue and other net (expense)/income" in the consolidated income statement.

2.15 Impairment of non-financial assets

Property, plant and equipment, right-of-use assets, investment properties, PLB licences, public bus licences, goodwill and the Company's interests in subsidiaries are subject to impairment testing.

Goodwill and other intangible assets (including PLB licences and public bus licences) with indefinite useful life or those not yet available for use are tested for impairment at least annually, irrespective of whether there is any indication that they are impaired. All other assets are tested for impairment whenever there are indications that the asset's carrying amount may not be recoverable.

An impairment loss is recognised as an expense immediately for the amount by which the asset's carrying amount exceeds its recoverable amount. Recoverable amount is the higher of fair value, reflecting market conditions less costs of disposal, and value-in-use. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of time value of money and the risk specific to the asset.

For the purposes of assessing impairment, where an asset does not generate cash inflows largely independent from those from other assets, the recoverable amount is determined for the smallest group of assets that generate cash inflows independently (i.e. a CGU). As a result, some assets are tested individually for impairment and some are tested at CGU level. Corporate assets are allocated to individual CGUs, when a reasonable and consistent basis of allocation can be identified, or otherwise they are allocated to the smallest group of CGUs for which a reasonable and consistent allocation basis can be identified. Goodwill in particular is allocated to those CGUs that are expected to benefit from synergies of the related business combination and represent the lowest level within the group at which the goodwill is monitored for internal management purpose and not be larger than an operating segment.

Impairment losses recognised for CGUs, to which goodwill has been allocated, are credited initially to the carrying amount of goodwill. Any remaining impairment loss is charged pro rata to the other assets in the CGU, except that the carrying value of an asset will not be reduced below its individual fair value less cost of disposal, or value-in-use, if determinable.

An impairment loss on goodwill is not reversed in subsequent periods. In respect of other assets, an impairment loss is reversed if there has been a favourable change in the estimates used to determine the asset's recoverable amount and only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.16 Employee benefits

Retirement benefits

Retirement benefits to employees are provided through defined contribution plans. In addition, the employees employed under the Hong Kong Employment Ordinance ("Employment Ordinance") are also entitled to long service payment ("LSP") if the eligibility criteria are met. The LSP are defined benefits plans.

(a) *Defined contribution plans*

The Group operates defined contribution Mandatory Provident Fund retirement benefits scheme (the "MPF Scheme") under the Mandatory Provident Fund Schemes Ordinance since December 2000, for all of its employees who are eligible to participate in the MPF Scheme. Prior to that, the Group ran a defined contribution scheme ("ORSO Plan") which was registered under the Occupational Retirement Schemes Ordinance ("ORSO") and ceased since the commencement of the MPF Scheme.

The Group, as employers, and the employees are each required to make regular mandatory contributions calculated at 5% of the employee's relevant income to the MPF scheme, subject to a cap of monthly relevant income of HK$30,000. Contributions made by the Group are recognised as an expense in the consolidated income statement. The Group's obligations under these plans are limited to the fixed percentage contributions payable.

(b) *LSP under the Employment Ordinance*

According to the Employment Ordinance, the amount of LSP that an employee will receive on cessation of employment in certain circumstances is defined by reference to the employee's length of service and corresponding salary.

The provision for LSP recognised in the consolidated statement of financial position is the present value of the provision for LSP at the end of the reporting period.

Management estimates the LSP obligations annually. This is based on the discount rate, the salary growth rate, turnover rate and the expected investment return on offsetable MPF accrued benefits. Discount factors are determined close to each annual reporting date by reference to government bonds that are denominated in the currency in which the LSP will be paid and have terms to maturity approximating the terms of the related LSP obligations.

The costs of LSP are categorised as follows:

- service cost (including current and past service cost, and gains and losses on curtailments and settlements);
- net interest expense or income; and
- remeasurement.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.16 Employee benefits (Continued)

Retirement benefits (Continued)

(b) LSP under the Employment Ordinance (Continued)

Service cost on the Group's provision for LSP is included in employee benefits expense. Employee contributions, all of which are independent of the number of years of service, are treated as a reduction of service cost.

Net interest expense on the net defined benefit liability is included in employee benefits expenses.

Gains and losses resulting from remeasurements of the provision for LSP, comprising actuarial gains and losses, are included in other comprehensive income and are not reclassified to profit or loss in subsequent periods.

Short-term employee benefits

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the end of the reporting period.

Non-accumulating compensated absences such as sick leave and maternity leave are not recognised until the time of leave.

Share-based compensation

The Group operates an equity-settled, share-based compensation plan for remuneration of its employees. Although the share-based compensation plan expired on 29 August 2023, the share options granted prior thereto shall continue to be valid and exercisable in accordance with the provisions of the plan.

The fair value of the employee services received in exchange for the grant of share options is recognised as an expense, with a corresponding increase in the share options reserve in equity. The total amount to be expensed over the vesting period is determined by reference to the fair value of the options granted, excluding the impact of any non-market vesting conditions (for example, profitability and sales growth targets). Non-market vesting conditions are included in assumptions about the number of options that are expected to vest. At each reporting date, the Group revises its estimates of the number of options that are expected to vest. It recognises the impact of the revision of original estimates, if any, in the consolidated income statement, and a corresponding adjustment to equity.

The proceeds received, net of any directly attributable transaction costs, are credited to share capital (nominal value) and share premium when the options are exercised. After vesting date, when the vested share options are later forfeited or are still not exercised at the expiry date, the amount previously recognised in "Share options reserve" will be transferred to "Accumulated losses".

2.17 Borrowing costs

Borrowing costs are expensed when incurred.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.18 Accounting for income taxes

Income tax comprises current tax and deferred tax.

Current income tax assets and/or liabilities comprise those obligations to, or claims from, fiscal authorities relating to the current or prior reporting period, that are unpaid at the end of the reporting period. They are calculated according to the tax rates and tax laws applicable to the fiscal periods to which they relate, based on the taxable profit for the year. All changes to current tax assets or liabilities are recognised as a component of tax expense in consolidated income statement.

Deferred tax is calculated using the liability method on temporary differences at the end of the reporting period between the carrying amounts of assets and liabilities in the consolidated financial statements and their respective tax bases. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised for all deductible temporary differences, tax losses available to be carried forward as well as other unused tax credits, to the extent that it is probable that taxable profit, including existing taxable temporary differences, will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised.

Deferred tax assets and liabilities are not recognised if the temporary difference arises from goodwill or from initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither taxable nor accounting profit or loss and does not give rise to equal taxable and deductible temporary differences.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, except where the Group is able to control the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax is calculated, without discounting, at tax rates that are expected to apply in the period the liability is settled or the asset realised, provided they are enacted or substantively enacted at the end of the reporting period.

Changes in deferred tax assets or liabilities are recognised in the consolidated income statement, or in other comprehensive income or directly in equity if they relate to items that are charged or credited directly to other comprehensive income or directly to equity.

When different tax rates apply to different levels of taxable income, deferred tax assets and liabilities are measured using the average tax rates that are expected to apply to the taxable income of the periods in which the temporary differences are expected to reverse.

The determination of the average tax rates requires an estimation of (i) when the existing temporary differences will reverse and (ii) the amount of future taxable profit in those years. The estimate of future taxable profit includes:

– income or loss excluding reversals of temporary differences; and

– reversals of existing temporary differences.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.18 Accounting for income taxes (Continued)

Current tax assets and current tax liabilities are presented in net if, and only if,

(a) the Group has the legally enforceable right to set off the recognised amounts; and

(b) intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

The Group presents deferred tax assets and deferred tax liabilities in net if, and only if,

(a) the entity has a legally enforceable right to set off current tax assets against current tax liabilities; and

(b) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either:

  (i) the same taxable entity; or

  (ii) different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

2.19 Financial guarantee issued

A financial guarantee contract is a contract that requires the issuer (or guarantor) to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument.

Where the Group issues a financial guarantee, the fair value of the guarantee is initially recognised as deferred income within “Trade and other payables”. The fair value of financial guarantees is determined based on the present value of the difference in cash flows between the contractual payments required under the debt instruments and the payments that would be required without the guarantee, or the estimated amount that would be payable to a third party for assessing the obligations. Where consideration is received or receivable for the issuance of the guarantee, the consideration is recognised in accordance with the Group’s policies applicable to that category of asset. Where no such consideration is received or receivable, an immediate expense is recognised in consolidated income statement on initial recognition of any deferred income.

Subsequently, financial guarantees are measured at the higher of the amount determined in accordance with ECL under HKFRS 9 as set out in note 2.9 and the amount initially recognised less, where appropriate, the cumulative amount of income recognised over the guarantee period.

2.20 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made. Where the time value of money is material, provisions are stated at the present value of the expenditure expected to settle the obligation.

All provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

2.21 Segment reporting

The Group identifies operating segments and prepares segment information based on the regular internal financial information reported to the executive directors, being the chief operating decision maker, for their decisions about resources allocation to the Group's business components and for their review of the performance of those components. The business components in the internal financial information reported to the executive directors are determined based on the Group's major service lines.

The only operating segment of the Group is the franchised PLB and residents' bus services.

2.22 Related parties

For the purposes of these consolidated financial statements, a party is considered to be related to the Group if:

(a) the party is a person or a close member of that person's family and if that person:

- (i) has control or joint control over the Group;
- (ii) has significant influence over the Group; or
- (iii) is a member of the key management personnel of the Group or of a parent of the Group.

(b) the party is an entity and if any of the following conditions applies:

- (i) the entity and the Group are members of the same group.
- (ii) one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
- (iii) the entity and the Group are joint ventures of the same third party.
- (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity.
- (v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group.
- (vi) the entity is controlled or jointly controlled by a person identified in (a).
- (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management.
- (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

3. ADOPTION OF NEW AND AMENDED HKFRS ACCOUNTING STANDARDS

Amended HKFRS Accounting Standards that are effective for annual periods beginning on 1 April 2024

In the current year, the Group has applied for the first time the following amended HKFRS Accounting Standards issued by the HKICPA, which are relevant to the Group's operations and effective for the Group's consolidated financial statements for the annual period beginning on 1 April 2024:

Amendments HKFRS 16	Lease Liability in a Sale and Leaseback
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current and related amendments to Hong Kong Interpretation 5 (2020)
Amendments to HKAS 1	Non-current Liabilities with Covenants
Amendments to HKAS 7 and HKFRS 7	Supplier Finance Arrangements

The adoption of the amended HKFRS Accounting Standards had no material impact on how the results and financial position of the Group for the current and prior periods have been prepared and presented.

Issued but not yet effective HKFRS Accounting Standards

At the date of authorisation of these consolidated financial statements, certain new and amended HKFRS Accounting Standards have been published but are not yet effective, and have not been adopted early by the Group.

HKFRS 18	Presentation and Disclosure in Financial Statements[3]
HKFRS 19	Subsidiaries without Public Accountability: Disclosures[3]
Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments[2]
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity[2]
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture[4]
Amendments to HKAS 21	Lack of Exchangeability[1]
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards – Volume 11[2]
Amendments to Hong Kong Interpretation 5	Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause[3]

1 Effective for annual periods beginning on or after 1 January 2025
2 Effective for annual periods beginning on or after 1 January 2026
3 Effective for annual periods beginning on or after 1 January 2027
4 Effective date not yet determined

The directors anticipate that all of the pronouncements will be adopted in the Group's accounting policy for the first period beginning on or after the effective date of the pronouncement. Information on new and amended HKFRS Accounting Standards that are expected to have impact on the Group's accounting policies is provided below. Other new and amended HKFRS Accounting Standards are not expected to have a material impact on the Group's consolidated financial statements.

3. ADOPTION OF NEW AND AMENDED HKFRS ACCOUNTING STANDARDS (CONTINUED)

HKFRS 18 "Presentation and Disclosure in Financial Statements" and related amendments to Hong Kong Interpretation 5

HKFRS 18 replaces HKAS 1 "Presentation of Financial Statements". It carries forward many of the existing requirements in HKAS 1, with limited changes, and some HKAS 1 requirements will be moved to HKAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" and HKFRS 7 "Financial Instruments: Disclosures".

HKFRS 18 will not impact the recognition and measurement of financial statements items but the presentation of them. It introduces three major new requirements, including:

- reporting newly defined subtotals (namely "operating profits" and "profits before financing and income tax"), and classifying items into five newly defined categories (namely "operating", "investing", "financing", "income tax" and "discontinued operation"), depending on the reporting entity's main business activities, in the statement of profit or loss;
- Disclosure of management-defined performance measures ("MPMs") in a single note to the financial statements; and
- enhanced guidance of aggregation and disaggregation of information in the financial statements.

Besides, narrow-scope amendments have been made to HKAS 7 "Statement of Cash Flows", which includes:

- using "operating profit or loss" as the starting point for indirect method for the presentation of operating cash flows purposes; and
- the option for classifying interest and dividend cash flows as operating activities is eliminated.

In addition, there are consequential amendments to several other standards.

HKFRS 18, and the amendments to the other HKFRS Accounting Standards, are effective for annual period beginning on or after 1 January 2027 and must be applied retrospectively with specific transition provisions. The directors of the Group are still in the process of assessing the impact of HKFRS 18, particularly with respect to the structure of the Group's consolidated income statement, the consolidated cash flow statement and the additional disclosures required for MPMs. The Group is also assessing the impact of how information is grouped in the consolidated financial statements, including the items currently labelled as "other".

The amendments are effective for annual reporting periods beginning on or after 1 January 2026 and are applied retrospectively with an adjustment to opening retained earnings. The amendments that relate to the classification of financial assets as well as the related disclosures can be early adopted and the other amendments can be applied later. The directors of the Group expect that the amendments have no material impact on the consolidated financial statements.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

4.1 Estimation uncertainty

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Estimation of impairment of goodwill

The Group tests annually whether goodwill has suffered any impairment in accordance with the accounting policy stated in note 2.15. The recoverable amounts of CGUs have been determined based on value-in-use calculations. These calculations require the use of estimates and assumptions. In the process of estimating expected future cash flows, management makes assumptions about future revenue and profits. These assumptions relate to future events and circumstances and the actual results may vary and may cause a material adjustment to the carrying amount of goodwill within the next financial year. As at 31 March 2025, the net carrying amount of goodwill is HK$22,918,000 (2024: HK$22,918,000). No impairment was provided during the years ended 31 March 2025 and 2024. Details of the estimates of the recoverable amounts of CGUs containing goodwill are disclosed in note 21.

Estimation of fair value of PLB licences

The PLB licences were revalued on an open market basis on 31 March 2025 by an independent qualified valuer with reference to the average of recent market-quoted prices from different market dealers. As described in note 18, the estimation of fair value also includes assumptions such as government policies for PLB businesses remained unchanged and continuous existence of an open market for PLB licences. The fair value of PLB licences was HK$42,075,000 as at 31 March 2025 (2024: HK$56,100,000).

Estimation of impairment of public bus licences

The Group tests annually whether public bus licences have suffered any impairment in accordance with the accounting policy stated in note 2.15. The recoverable amount has been determined based on the higher of (i) fair value, reflecting market conditions less costs of disposal, and (ii) value-in-use calculations. These calculations require the use of estimates as stated in note 19. As at 31 March 2025, the net carrying amount of public bus licences is HK$5,640,000 (2024: HK$8,100,000). The impairment loss provided for public bus licences for the year ended 31 March 2025 was HK$2,460,000 (2024: HK$1,350,000).

Estimation of impairment of trade and other receivables within the scope of ECL under HKFRS 9

The Group makes allowances on items subjects to ECL (including trade and other receivables) based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the ECL calculation, based on the Group's past history, existing market conditions as well as forward-looking estimates at the end of each reporting period as set out in note 2.9. As at 31 March 2025, the carrying amounts of trade and other receivables with in the scope of ECL under HKFRS 9 was HK$5,005,000 (2024: HK$5,748,000).

The provision of ECL is sensitive to changes in estimates. Where the actual future cash flows are different from expected, such difference will impact the carrying amount of trade and other receivables within the scope of ECL under HKFRS 9 and credit losses in the periods in which such estimate has been changed.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

4.1 Estimation uncertainty (Continued)

Estimation of impairment of right-of-use assets

The Group tests whether right-of-use assets have suffered any impairment in accordance with the accounting policy stated in note 2.15. The recoverable amount has been determined based on value-in-use calculations. These calculations require the use of estimates about future cash flows and discount rates. In the process of estimating expected future cash flows management makes assumptions about future revenue and profits which relate to future events and circumstances. The actual results may vary and may cause a material adjustment to the carrying amount of right-of-use assets within the next financial year. As at 31 March 2025, the net carrying amount of right-of-use assets is HK$93,859,000 (2024: HK$153,552,000). No impairment was provided for the years ended 31 March 2025 and 2024.

Recognition of deferred tax assets for tax losses

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement and estimates about future taxable profits is involved to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits. The carrying amount of deferred tax assets relating to recognised tax losses at 31 March 2025 was HK$1,627,000 (2024: HK$3,473,000).

Estimation of LSP obligations

Management's estimate of the LSP obligations is based on a number of critical underlying assumptions such as the discount rate, the salary growth rate, turnover rate and the expected investment return on offsetable MPF accrued benefits. Variation in these assumptions may significantly impact the LSP obligations amount and the annual employee benefit expenses amount.

Any changes in these assumptions will impact the carrying amount of the LSP obligations.

As at 31 March 2025, the carrying amounts of provision for LSP are HK$19,518,000 (2024: HK$20,164,000). Details of key assumptions and impact of possible changes in key assumptions are disclosed in note 27.

4.2 Critical accounting judgements

Useful lives of PLB licences and public bus licences

The PLB licences and public bus licences are considered by the directors as having indefinite useful lives because they are expected to generate net cash inflows to the Group indefinitely. Taking into account the current regulatory environment, past experience and usual practice of the public transport industry, the directors are of the opinion that the Group is able to renew the PLB licences and public bus licences continuously at minimal cost and therefore there is no foreseeable limit to the period over which the PLB licences and public bus licences are expected to generate net cash inflows to the Group. The management reviews the estimated useful lives of PLB licences and public bus licences at the end of each reporting period.

The useful lives of PLB licences and public bus licences could change as a result of change in practice of the public transport industry and regulatory environment. When the actual useful lives of PLB licences and public bus licences are different from the original estimated useful lives, such difference will impact the amortisation charge and the carrying amounts of the assets. The net carrying amounts of the PLB licences and public bus licences with indefinite useful lives were HK$42,075,000 (2024: HK$56,100,000) and HK$5,640,000 (2024: HK$8,100,000), respectively, at 31 March 2025.

5. SEGMENT INFORMATION

The executive directors of the Company regard the Group's franchised PLB and residents' bus services as the only operating segment and assess the operating performance and allocate the resources of the Group as a whole. Accordingly, no separate analysis of the reportable segment results and assets and liabilities is presented.

Since the Group's revenue and non-current assets are attributed to and located in Hong Kong, which is also the place of domicile, no geographical information is presented.

There was no single customer contributed over 10% of the Group's revenue for the years ended 31 March 2025 and 2024.

6. REVENUE

The Group is principally engaged in provision of the franchised PLB and residents' bus services in Hong Kong.

	Year ended 31 March	
	2025 **HK$'000**	2024 HK$'000
Franchised PLB services income	**408,087**	387,379
Residents' bus services income	**6,942**	6,307
	415,029	393,686

The Group derived all revenue from provision of the franchised PLB services and residents' bus services at a point in time in Hong Kong during the years ended 31 March 2025 and 2024.

7. OTHER REVENUE AND OTHER NET EXPENSE

	Year ended 31 March	
	2025 **HK$'000**	2024 HK$'000
Other revenue		
Advertising income	**4,500**	4,500
Administration fee income	**2,419**	2,419
Interest income	**1,528**	1,892
Repair and maintenance service income	**475**	224
Management fee income	**195**	196
Properties rental income	**63**	270
	9,180	9,501
Other net expense		
Loss on disposal of property, plant and equipment	**(467)**	(134)
Sundry income	**32**	32
	(435)	(102)

8. FINANCE COSTS

	Year ended 31 March	
	2025	2024
	HK$'000	HK$'000
Interest expenses on bank borrowings	**3,461**	4,256
Finance charges on lease liabilities	**6,282**	4,513
	9,743	8,769

9. PROFIT/(LOSS) BEFORE INCOME TAX

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

	Year ended 31 March	
	2025	2024
	HK$'000	HK$'000
Fuel cost in direct costs	**66,450**	62,446
Lease charges		
– Short term leases	**1,462**	221
Depreciation of right-of-use assets	**62,738**	63,702
Depreciation of property, plant and equipment	**7,242**	6,788
Depreciation of investment properties	**77**	36
Auditor's remuneration		
– Audit services	**609**	609
– Non-audit services	**93**	93
Loss on disposal of property, plant and equipment	**467**	134

10. INCOME TAX EXPENSE

Hong Kong Profits Tax had been provided at the rate of 16.5% (2024: 16.5%) on the estimated assessable profits for the year, except for a subsidiary of the Group which was a qualifying corporation under the two-tiered profits tax rates regime. Under the two-tiered profits tax rates regime, the first HK$2,000,000 of profits of qualifying entities are taxed at 8.25%, and the profits above HK$2,000,000 are taxed at 16.5%. The provision for Hong Kong Profits Tax for this subsidiary was calculated at the same basis in 2024.

	Year ended 31 March	
	2025	2024
	HK$'000	HK$'000
Current tax		
– Hong Kong Profits Tax		
Current year	**3,065**	2,228
(Over)/Under provision in respect of prior years	**(21)**	4
	3,044	2,232
Deferred tax		
– Current year (note 32)	**1,441**	1,932
Total income tax expense	**4,485**	4,164

10. INCOME TAX EXPENSE (CONTINUED)

Reconciliation between income tax expense and accounting profit/(loss) at applicable tax rate:

	Year ended 31 March	
	2025 HK$'000	2024 HK$'000
Profit/(Loss) before income tax	**12,881**	(7,788)
Tax at Hong Kong Profits Tax rate of 16.5% (2024: 16.5%)	**2,125**	(1,285)
Tax effect of two-tiered tax regime	**(165)**	(165)
Tax effect of non-deductible expenses	**2,810**	5,920
Tax effect of non-taxable income	**(252)**	(312)
Tax effect of tax losses not recognised	**2**	2
Tax concession	**(14)**	–
(Over)/Under provision in respect of prior years	**(21)**	4
Income tax expense	**4,485**	4,164

11. DIVIDENDS

Dividends attributable to the year

	Year ended 31 March	
	2025 HK$'000	2024 HK$'000
Proposed final dividend of HK3.0 cents (2024: Nil) per ordinary share	**8,158**	–
Proposed special dividend of HK1.0 cent (2024: HK4.0 cents) per ordinary share	**2,719**	10,877
	10,877	10,877

The final and special dividends proposed after the end of the reporting period have not been recognised as a liability at the end of the reporting period, but reflected as an appropriation for the year ended 31 March 2025.

Dividends attributable to the previous financial year, approved and paid during the year

	Year ended 31 March	
	2025 HK$'000	2024 HK$'000
Special dividend of HK4.0 cents (2024: Nil) per ordinary share	**10,877**	–
No final dividend (2024 Final dividend of HK9.0 cents per ordinary share)	**–**	24,472
	10,877	24,472

12. EARNINGS/(LOSS) PER SHARE

(a) Basic earnings/(loss) per share

The calculation of basic earnings/(loss) per share is based on the profit attributable to equity holders of the Company of HK$8,396,000 (2024: loss of HK$11,952,000) and on the weighted average number of 271,913,000 (2024: 271,913,000) ordinary shares in issue during the year ended 31 March 2025.

(b) Diluted earnings/(loss) per share

Diluted earnings per share is the same as the basic earnings per share for the year ended 31 March 2025, as the share options had no dilutive effect on ordinary shares for the year because the exercise price of the Company's share options was higher than the average market price of the Company's shares in the year.

Diluted loss per share is the same as the basic loss per share for the year ended 31 March 2024. The potential shares arising from the conversion of the Company's share options would decrease the loss per share attributable to equity holders of the Company and was not taken into account as they had anti-dilutive effect.

13. EMPLOYEE BENEFITS EXPENSES (INCLUDING DIRECTORS' EMOLUMENTS)

	Year ended 31 March	
	2025 HK$'000	2024 HK$'000
Salaries, allowances and benefits	**200,131**	186,692
Contributions to defined contribution plans (note)	**4,700**	4,989
LSP expenses (note 27)	**3,807**	4,270
	208,638	195,951

Note: The Group did not have any forfeited contributions to reduce its contributions to the MPF Scheme during the years ended 31 March 2025 and 2024.

14. DIRECTORS' EMOLUMENTS AND FIVE HIGHEST PAID INDIVIDUALS' EMOLUMENTS

(a) Directors' emoluments

Directors' and chief executive's emoluments, disclosed pursuant to the Listing Rules, section 383(1) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation, are as follows:

		Other emoluments			
	Fees	Salaries, allowances and benefits	Discretionary bonuses	Contributions to defined contribution plans	Total
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
For the year ended 31 March 2025					
Executive directors					
Mr. Wong Ling Sun, Vincent	**960**	**80**	**120**	**18**	**1,178**
Ms. Ng Sui Chun	**840**	**70**	**120**	**–**	**1,030**
Mr. Chan Man Chun (note (iii))	**372**	**3,969**	**–**	**36**	**4,377**
Ms. Wong Wai Sum, Maya	**780**	**65**	**120**	**18**	**983**
Non-executive director					
Ms. Wong Wai Man, Vivian	**336**	**–**	**–**	**–**	**336**
Independent non-executive directors					
Prof. Chan Yuen Tak Fai, Dorothy	**384**	**–**	**–**	**–**	**384**
Mr. Kwong Ki Chi	**384**	**–**	**–**	**–**	**384**
Mr. James Mathew Fong	**384**	**–**	**–**	**–**	**384**
Total	**4,440**	**4,184**	**360**	**72**	**9,056**
For the year ended 31 March 2024					
Executive directors					
Mr. Wong Ling Sun, Vincent	960	80	120	18	1,178
Ms. Ng Sui Chun	840	70	120	–	1,030
Mr. Chan Man Chun (note (iii))	372	3,965	–	36	4,373
Ms. Wong Wai Sum, Maya	780	65	120	18	983
Non-executive director					
Ms. Wong Wai Man, Vivian	336	–	–	–	336
Independent non-executive directors					
Prof. Chan Yuen Tak Fai, Dorothy	384	–	–	–	384
Mr. Kwong Ki Chi	384	–	–	–	384
Mr. James Mathew Fong	384	–	–	–	384
Total	4,440	4,180	360	72	9,052

Notes:

(i) None of the directors had waived or agreed to waive their emoluments for the years ended 31 March 2025 and 2024.

(ii) No emolument was paid by the Group to any directors as inducement to join or upon joining the Group or as compensation for loss of office during the years ended 31 March 2025 and 2024.

(iii) Mr. Chan Man Chun is also the chief executive of the Group.

14. DIRECTORS' EMOLUMENTS AND FIVE HIGHEST PAID INDIVIDUALS' EMOLUMENTS (CONTINUED)

(b) Five highest paid individuals' emoluments

The five individuals whose emoluments were the highest in the Group for the year included three (2024: three) directors whose emoluments are reflected in the analysis presented above. The aggregate emoluments payable to the remaining two (2024: two) individuals, who were the members of the senior management during the year are as follows:

	Year ended 31 March	
	2025 HK$'000	2024 HK$'000
Salaries, allowances and benefits	**2,115**	2,063
Discretionary bonuses	**401**	391
Contributions to defined contribution plans	**36**	36
	2,552	2,490

The emoluments of these two (2024: two) individuals fell within the following bands:

	Number of individuals Year ended 31 March	
	2025	2024
Emolument bands:		
HK$1,000,001 – HK$1,500,000	**2**	2

(c) Emoluments of senior management

Other than the emoluments of the five highest paid individuals, which included two (2024: two) members of the senior management, disclosed in note 14(b), the emoluments of the remaining member of the senior management for the year fell within the following band:

	Number of individuals Year ended 31 March	
	2025	2024
Emolument bands:		
Nil – HK$1,000,000	**1**	1

15. PROPERTY, PLANT AND EQUIPMENT

	Land and buildings HK$'000	Leasehold improvements HK$'000	Furniture, fixtures and equipment HK$'000	PLBs and public buses HK$'000	Motor vehicles HK$'000	Total HK$'000
Cost						
As at 1 April 2024	**20,856**	**8,772**	**7,782**	**50,727**	**4,167**	**92,304**
Additions	**–**	**427**	**259**	**2,990**	**11**	**3,687**
Disposals	**–**	**(783)**	**(44)**	**(2,006)**	**–**	**(2,833)**
As at 31 March 2025	**20,856**	**8,416**	**7,997**	**51,711**	**4,178**	**93,158**
Accumulated depreciation						
As at 1 April 2024	**10,857**	**5,558**	**6,270**	**23,868**	**1,688**	**48,241**
Charge for the year	**872**	**418**	**578**	**4,957**	**417**	**7,242**
Disposals	**–**	**(783)**	**(41)**	**(1,471)**	**–**	**(2,295)**
As at 31 March 2025	**11,729**	**5,193**	**6,807**	**27,354**	**2,105**	**53,188**
Net book value						
As at 31 March 2025	**9,127**	**3,223**	**1,190**	**24,357**	**2,073**	**39,970**
Cost						
As at 1 April 2023	21,248	9,233	8,380	50,831	5,302	94,994
Additions	–	1,352	669	–	1,474	3,495
Government's subsidy on acquisition of property, plant and equipment	–	–	(225)	–	–	(225)
Transfer to investment property (note 16)	(392)	–	–	–	–	(392)
Disposals	–	(1,813)	(1,042)	(104)	(2,609)	(5,568)
As at 31 March 2024	20,856	8,772	7,782	50,727	4,167	92,304
Accumulated depreciation						
As at 1 April 2023	10,327	7,002	6,674	19,052	3,648	46,703
Charge for the year	530	369	638	4,920	331	6,788
Disposals	–	(1,813)	(1,042)	(104)	(2,291)	(5,250)
As at 31 March 2024	10,857	5,558	6,270	23,868	1,688	48,241
Net book value						
As at 31 March 2024	9,999	3,214	1,512	26,859	2,479	44,063

The net book value of property, plant and equipment pledged as security for the Group's banking facilities (note 28) is as follows:

	Land and buildings HK$'000	PLBs HK$'000	Total HK$'000
At 31 March 2025	**5,873**	**11,498**	**17,371**
At 31 March 2024	6,555	14,017	20,572

16. INVESTMENT PROPERTIES

	2025 HK$'000	2024 HK$'000
Cost		
At the beginning of the year	**858**	466
Reclassified from land and buildings (note 15)	**–**	392
At the end of the year	**858**	858
Accumulated depreciation		
At the beginning of the year	**94**	58
Charge for the year	**77**	36
At the end of the year	**171**	94
Net book value		
At the beginning of the year	**764**	408
At the end of the year	**687**	764

The investment properties represent Store 1, 9/F, Block II, Kingley Industrial Building and Units 1301–1302, Abba Commercial Building located in Hong Kong. As at 31 March 2025, the fair value of the investment properties as determined by the directors of the Company by reference to the market value of the properties located in same buildings amounted to HK$6,400,000 (2024: HK$7,780,000).

As at 31 March 2025, the net book value of investment properties pledged as security for the Group's banking facilities (note 28) amounted to HK$647,000 (2024: HK$721,000).

17. RIGHT-OF-USE ASSETS

The net carrying amounts and the movements of the Group's right-of-use assets in respect of PLBs during the year are as follows:

	2025 HK$'000	2024 HK$'000
At the beginning of the year	**153,552**	31,718
Additions	**–**	185,536
Lease modification	**3,045**	–
Depreciation	**(62,738)**	(63,702)
At the end of the year	**93,859**	153,552

Majority of the leases of PLBs were entered into with related parties. Details of the lease payments paid to and lease liabilities due to related parties are set out in note 35(c).

Details of the leases are set out in note 26.

18. PLB LICENCES

	As at 31 March	
	2025	2024
	HK$'000	HK$'000
At the beginning of the year	**56,100**	91,080
Deficit on revaluation charged to the consolidated income statement	**(14,025)**	(34,980)
At the end of the year	**42,075**	56,100

PLB licences are regarded as having indefinite useful lives as there is no foreseeable limit to the period over which these assets are expected to generate net cash flows to the Group.

The carrying amount of PLB licences at the end of the reporting period would have been HK$42,075,000 (2024: HK$56,100,000) had they been stated at open market value less accumulated impairment losses.

As at 31 March 2025, certain PLB licences with an aggregate carrying amount of HK$22,950,000 (2024: HK$30,600,000) were pledged as security for the Group's banking facilities (note 28).

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. The levels are based on the observability and significance of inputs to the measurements as follows:

– Level 1: unadjusted quoted prices in active markets for identical assets or liabilities.

– Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly, and not using significant unobservable inputs.

– Level 3: significant unobservable inputs for the asset or liability.

	Level 1	**Level 2**	**Level 3**	**Total**
	HK$'000	HK$'000	HK$'000	HK$'000
Recurring fair value measurement of PLB licences:				
As at 31 March 2025	**–**	**42,075**	**–**	**42,075**
As at 31 March 2024	–	56,100	–	56,100

18. PLB LICENCES (CONTINUED)

Fair value hierarchy (Continued)

During the years ended 31 March 2025 and 2024, there were no transfers between Level 1 and Level 2.

At 31 March 2025 and 2024, the PLB licences were revalued by HG Appraisal & Consulting Limited, the independent qualified valuer. The fair value of PLB licences was determined using the market approach with reference to the average of recent market-quoted prices from different market dealers. The key assumptions under such approach included the continuous existence of an open market for PLB licences and the status-quo of the trends, market conditions and government policies for PLB industry. The assumptions made were based on past performance and expectations on the market development.

19. PUBLIC BUS LICENCES

	As at 31 March	
	2025 HK$'000	2024 HK$'000
At the beginning of the year		
Gross carrying amount	**17,284**	17,284
Accumulated impairment	**(9,184)**	(7,834)
	8,100	9,450
Net carrying amount		
At the beginning of the year	**8,100**	9,450
Provision for impairment	**(2,460)**	(1,350)
At the end of the year	**5,640**	8,100
At the end of the year		
Gross carrying amount	**17,284**	17,284
Accumulated impairment	**(11,644)**	(9,184)
	5,640	8,100

Public bus licenses are regarded as having indefinite useful lives as there is no foreseeable limit to the period over which these assets are expected to generate net cash flows to the Group and are stated in the consolidated statement of financial position at cost less accumulated impairment losses.

The recoverable amount of the public bus licences is determined based on the higher of (i) fair value, reflecting market conditions less costs of disposal, and (ii) value-in-use calculation. The fair value of the public bus licences is determined using market approach with reference to recent market-quoted prices from different market dealers. Value-in-use calculation uses cash flow projections based on financial budgets approved by the management covering a five-year period. Assuming that the government policies for the public bus industry remain unchanged, the management determines the key assumptions including budgeted cash flow projections based on past performance, the general price inflation in Hong Kong and the management's expectation on market development. Cash flows beyond the five-year period are extrapolated using the estimated growth rates stated below. The key assumptions used for value-in-use calculations are as follows:

19. PUBLIC BUS LICENCES (CONTINUED)

	As at 31 March	
	2025	2024
Gross profit margin (average of 5-year budget)	**8% to 22%**	19% to 21%
Net profit margin (average of 5-year budget)	**1% to 13%**	13% to 21%
Growth rate	**2.0%**	2.0%
Discount rate (note)	**11.4% to 11.7%**	12.1% to 12.2%

Note: The discount rate is pre-tax and derived by reference to the Capital Asset Pricing Model plus a risk premium reflecting specific risks relating to the industry.

As at 31 March 2025, the Group owned eight (2024: eight) public bus licences, of which six (2024: six) of them were impaired. The net carrying amounts of the public bus licences were HK$8,100,000 (2024: HK$9,450,000) while the recoverable amounts of the public bus licences (based on value-in-use calculations and fair value less cost of disposal and with reference to recent market-quoted prices), were HK$5,640,000 (2024: HK$8,100,000), resulting to an impairment loss of HK$2,460,000 (2024: HK$1,350,000) recognised in the consolidated income statement for the year ended 31 March 2025.

The fair value of the public bus licences, for impairment assessment purpose, should be measured at the end of each reporting period on a recurring basis at Level 2.

20. INTEREST IN SUBSIDIARIES

Particulars of the principal subsidiaries at 31 March 2025 and 2024 are as follows:

Name of the company	Place of incorporation	Particulars of issued and paid up capital	Percentage of ownership interest held by the Company	Principal activities and place of operation
Interest directly held:				
Gurnard Holdings Limited	The British Virgin Islands	US$10,000	100% (2024: 100%)	Investment holding in Hong Kong
Interest indirectly held:				
Aberdeen Maxicab Service Company Limited	Hong Kong	HK$100	100% (2024: 100%)	Provision of franchised PLB transportation services and hiring of PLBs in Hong Kong
Capital Star Holdings Limited	Hong Kong	HK$10,000	100% (2024: 100%)	Provision of franchised PLB transportation services in Hong Kong
Central Maxicab Limited	Hong Kong	HK$1,600	100% (2024: 100%)	Provision of franchised PLB transportation services and hiring of PLBs in Hong Kong

20. INTEREST IN SUBSIDIARIES (CONTINUED)

Name of the company	Place of incorporation	Particulars of issued and paid up capital	Percentage of ownership interest held by the Company	Principal activities and place of operation
Interest indirectly held (Continued):				
Fastlink Transportation Limited	Hong Kong	HK$5	100% (2024: 100%)	Provision of franchised PLB transportation services in Hong Kong
Hong Kong Maxicab Limited	Hong Kong	HK$11,000	100% (2024: 100%)	Provision of franchised PLB transportation services and hiring of PLBs in Hong Kong
Kit Kee Transport Company Limited	Hong Kong	HK$100	100% (2024: 100%)	Provision of franchised PLB transportation services and hiring of PLBs in Hong Kong
Sunning Transportation Limited	Hong Kong	HK$10,000	100% (2024: 100%)	Provision of franchised PLB transportation services in Hong Kong
Superlong Limited	Hong Kong	HK$10,000	100% (2024: 100%)	Provision of franchised PLB transportation services in Hong Kong
Southern District Motor Service Centre Limited	Hong Kong	HK$300,000	100% (2024: 100%)	Provision of repair and maintenance services for PLBs in Hong Kong
Tai Po (Fixed Route) Public Light Bus Co. Limited	Hong Kong	HK$32,000	100% (2024: 100%)	Provision of franchised PLB transportation services in Hong Kong
Eastern International Transport Engineering Limited	Hong Kong	HK$5	100% (2024: 100%)	Hiring of PLBs in Hong Kong
Global Win Transportation Limited	Hong Kong	HK$2	100% (2024: 100%)	Hiring of PLBs in Hong Kong

21. GOODWILL

	As at 31 March	
	2025 **HK$'000**	2024 HK$'000
At the beginning of the year		
Gross carrying amount	**82,056**	82,056
Accumulated impairment	**(59,138)**	(59,138)
Net carrying amount	**22,918**	22,918
Net carrying amount at the beginning and at the end of the year	**22,918**	22,918
At the end of the year		
Gross carrying amount	**82,056**	82,056
Accumulated impairment	**(59,138)**	(59,138)
Net carrying amount	**22,918**	22,918

As at 31 March 2025 and 2024, the carrying amounts of goodwill, net of any impairment loss, were allocated to four CGUs of franchised PLB services according to their separate operating rights per below:

	As at 31 March	
	2025 **HK$'000**	2024 HK$'000
Operating rights of franchised PLB service:		
PLB routes Hong Kong Island 54, 54M, 55	**13,800**	13,800
PLB routes the New Territories 20A, 20B, 20C, 20K, 23K	**4,950**	4,950
PLB route Hong Kong Island 52	**2,250**	2,250
PLB routes Hong Kong Island 51, 51S	**1,918**	1,918
	22,918	22,918

The recoverable amounts of the CGUs are determined based on value-in-use calculation. The value-in-use calculation uses cash flow projections based on the financial budgets approved by the management covering a five-year period. Assuming that the government policies for PLB industry remain unchanged, the management determines the key assumptions including budgeted revenues, fuel costs, staff costs and other operating costs based on past performance of the CGUs, the general price inflation in Hong Kong, the fare adjustment and the management's expectation on market development. Cash flows beyond the five-year period are extrapolated using the growth rates stated below. The key assumptions used for value-in-use calculations are as follows:

	As at 31 March	
	2025	2024
Gross margin (average of 5-year budget)	**11% to 18%**	10% to 16%
Net margin (average of 5-year budget)	**3% to 9%**	3% to 9%
Growth rate	**2.0%**	2.0%
Discount rate (note)	**11.6%**	12.2%

Note: The discount rate is pre-tax and derived by reference to the Capital Asset Pricing Model plus a risk premium reflecting specific risks relating to the industry and CGUs.

21. GOODWILL (CONTINUED)

As at 31 March 2025 and 2024, the recoverable amounts of the CGUs were higher than their carrying amounts, and hence no impairment loss was recognised.

Details of the recoverable amounts and headroom attributable to four CGUs as at 31 March 2025 and 2024 are set out as follows:

	Recoverable amounts As at 31 March		Headroom As at 31 March	
	2025 HK$'000	2024 HK$'000	**2025 HK$'000**	2024 HK$'000
Operating rights of franchised PLB service:				
PLB routes Hong Kong Island 54, 54M, 55	**24,665**	18,776	**10,317**	4,377
PLB routes the New Territories 20A, 20B, 20C, 20K, 23K	**64,281**	41,548	**57,860**	35,223
PLB route Hong Kong Island 52	**7,344**	8,343	**4,760**	5,759
PLB routes Hong Kong Island 51, 51S	**12,177**	6,368	**9,926**	4,116

The management believes that any reasonably possible changes in the key assumptions would not cause the carrying amounts of the CGUs to exceed the recoverable amounts of the CGUs as at 31 March 2025 and 2024.

22. TRADE AND OTHER RECEIVABLES

	As at 31 March	
	2025 HK$'000	2024 HK$'000
Trade receivables – gross	**2,344**	4,433
Less: ECL allowance	**–**	–
Trade receivables – net	**2,344**	4,433
Other receivables – gross	**1,846**	839
Less: ECL allowance	**–**	–
Other receivables – net	**1,846**	839
Deposits	**815**	476
Prepayments	**5,013**	2,822
	10,018	8,570

Other receivables mainly included insurance claims receivable.

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 mainly received in cash or collected via Octopus Cards Limited or AlipayHK and remitted to the Group on the next business day after the day in which services are rendered. The Group normally granted a credit term ranging from 0 to 30 days (2024: 0 to 30 days) to other trade debtors.

22. TRADE AND OTHER RECEIVABLES (CONTINUED)

Based on the invoice dates (or date of revenue recognition if earlier), the ageing analysis of the trade receivables, net of ECL allowance, is as follows:

	As at 31 March	
	2025 **HK$'000**	2024 HK$'000
0 to 30 days	**1,873**	4,207
31 to 60 days	**157**	113
61 to 90 days	**157**	113
Over 90 days	**157**	–
	2,344	4,433

23. BANK BALANCES AND CASH

	As at 31 March	
	2025 **HK$'000**	2024 HK$'000
Cash at bank and in hand	**24,900**	22,050
Short-term bank deposits	**42,000**	35,000
	66,900	57,050

As at 31 March 2025, the interest rate on short-term bank deposits ranged from 3.40% to 3.64% (2024: 4.80% to 5.23%) per annum. These deposits had an original maturity of one to three months (2024: three months).

The directors consider that the fair value of the short-term bank deposits is not materially different from their carrying amount because of the short maturity period on their inception.

24. TRADE AND OTHER PAYABLES

	As at 31 March	
	2025 **HK$'000**	2024 HK$'000
Trade payables	**5,918**	5,496
Other payables and accruals	**15,893**	15,663
	21,811	21,159

24. TRADE AND OTHER PAYABLES (CONTINUED)

The Group was granted by its suppliers credit periods ranging from 0 to 30 days (2024: 0 to 30 days). Based on the invoice dates, the ageing analysis of trade payables is as follows:

	As at 31 March	
	2025 HK$'000	2024 HK$'000
0 to 30 days	**5,918**	5,496

Other payables and accruals mainly included accrued salaries and bonus, provision for unused annual leave and staff benefits.

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

25. BANK BORROWINGS

	As at 31 March	
	2025 HK$'000	2024 HK$'000
Secured:		
Current	**22,031**	9,191
Non-current	**81,702**	103,816
	103,733	113,007

As at 31 March 2025 and 2024, the Group's bank borrowings were repayable as follows:

	As at 31 March	
	2025 HK$'000	2024 HK$'000
Carrying amount repayable (note)		
Within one year	**22,031**	9,191
In the second year	**7,416**	21,814
In the third to fifth years	**20,546**	20,549
After the fifth year	**53,740**	61,453
	103,733	113,007
Less: Amounts shown under current liabilities	**(22,031)**	(9,191)
Amounts shown under non-current liabilities	**81,702**	103,816

Note: The amounts are based on the scheduled repayment dates as set out in the loan agreements.

As at 31 March 2025, the interest rates were principally on a floating rate basis and range from 2.27% to 5.27% (2024: 2.90% to 5.75%) per annum.

The bank borrowings were secured by certain assets of the Group and guarantee provided by the Company as set out in note 28.

26. LEASE LIABILITIES

The following table shows the remaining contractual maturities of the Group's lease liabilities:

	As at 31 March	
	2025 HK$'000	2024 HK$'000
Total minimum lease payments:		
Due within one year	**67,032**	66,135
Due in the second to fifth years	**33,588**	98,788
	100,620	164,923
Future finance charges on lease liabilities	**(3,554)**	(9,757)
Present value of lease liabilities	**97,066**	155,166
Present value of minimum lease payments:		
Due within one year	**63,834**	59,868
Due in the second to fifth years	**33,232**	95,298
	97,066	155,166
Less: Portion due within one year included under current liabilities	**(63,834)**	(59,868)
Portion due after one year included under non-current liabilities	**33,232**	95,298

As at 31 March 2025, the Group recognised lease liabilities in relation to the leases of PLBs with a fixed monthly rent for a remaining lease period of 1 month to 1.5 years (2024: 1 month to 2.5 years) amounting to HK$97,066,000 (2024: HK$155,166,000).

During the year ended 31 March 2025, the total cash outflows for all leases were HK$68,889,000 (2024: HK$67,746,000).

Majority of the leases of PLBs were entered into with related parties. Details of the lease payments paid to and lease liabilities due to related parties are set out in note 35(c).

27. PROVISION FOR LONG SERVICE PAYMENTS

Pursuant to the Employment Ordinance, employees that have been employed continuously for at least five years are entitled to LSP under certain circumstances (e.g. dismissal by employers or upon retirement).

The amount of LSP payable is determined with reference to the employee's last monthly salary (capped at HK$22,500) and the years of service, reduced by the amount of any accrued benefits derived from the Group's contributions to MPF scheme, with an overall cap of HK$390,000 per employee.

Where an employee's employment commenced before 1 May 2025, the employer can use the above accrued benefits to reduce the LSP in respect of the employee's service up to that date. The LSP in respect of the service before 1 May 2025 will be calculated based on the employee's monthly salary immediately before 1 May 2025 and the years of service up to that date.

27. PROVISION FOR LONG SERVICE PAYMENTS (CONTINUED)

The present value of LSP obligations and its movements are as follows:

	As at 31 March	
	2025	2024
	HK$'000	HK$'000
At 1 April	**20,164**	17,139
Payment	**(4,254)**	(3,093)
Remeasurements recognised in other comprehensive income:		
Actuarial losses arising from changes in financial assumptions and experience adjustment	**(199)**	1,848
Expenses recognised in income statement:		
Current service cost	**3,210**	2,962
Past service cost	**–**	623
Interest cost	**597**	685
At 31 March	**19,518**	20,164

	As at 31 March	
	2025	2024
	HK$'000	HK$'000
Analysed into:		
– Current portion	**12,002**	13,469
– Non-current portion	**7,516**	6,695
	19,518	20,164

The current service cost, past service cost and interest cost are included in LSP expenses. They are recognised in the following line items in the consolidated income statement:

	As at 31 March	
	2025	2024
	HK$'000	HK$'000
Cost of sales	**3,418**	3,151
Administrative expenses	**389**	1,119
	3,807	4,270

27. PROVISION FOR LONG SERVICE PAYMENTS (CONTINUED)

Estimates and assumptions

The significant actuarial assumptions for the determination of LSP obligations are as follows:

	As at 31 March	
	2025 HK$'000	2024 HK$'000
Discount rate	**3.5% to 3.6%**	3.7% to 4.3%
Salary growth rate	**2.2% to 3.1%**	2.2% to 3.1%
Turnover rate	**22.7%**	22.7%
Expected investment return on offsetable MPF accrued benefits	**3.95%**	3.95%

These assumptions were developed by management. Discount factors are determined close to each period-end by reference to market yields of government bonds that are denominated in the currency in which the benefits will be paid and that have terms to maturity approximating to the terms of the related LSP obligations. Other assumptions are based on current actuarial benchmarks and management's historical experience.

The present value of the LSP obligations was measured using the projected unit credit method.

The weighted average duration of the LSP obligations is 5.0 years (2024: 4.8 years).

Expected maturity analysis of undiscounted LSP obligations as at 31 March 2025 is disclosed as follows:

	Within 1 year HK$'000	Over 1 year but within 2 years HK$'000	Over 2 years but within 5 years HK$'000	Over 5 years HK$'000	Total HK$'000
LSP obligations:					
2025:	**12,002**	**451**	**6,021**	**2,438**	**20,912**
2024:	13,476	323	5,931	2,430	22,160

28. BANKING FACILITIES

As at 31 March 2025, the Group had banking facilities totalling HK$171,033,000 (2024: HK$180,307,000) of which approximately HK$103,733,000 (2024: HK$113,007,000) were utilised. These facilities were secured by:

(i) pledge of certain property, plant and equipment of the Group with net book value of HK$17,371,000 (2024: HK$20,572,000) (note 15);

(ii) pledge of certain investment properties of the Group with net book value of HK$647,000 (2024: HK$721,000) (note 16);

(iii) pledge of certain PLB licences with carrying amount of HK$22,950,000 (2024: HK$30,600,000) (note 18); and

(iv) guarantee provided by the Company of HK$276,635,000 (2024: HK$276,635,000) (note 31).

29. SHARE CAPITAL

	As at 31 March			
	2025		2024	
	Number in thousand	HK$'000	Number in thousand	HK$'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	**271,913**	**27,191**	271,913	27,191

30. SHARE-BASED COMPENSATION

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. The 2013 Scheme subsequently expired on 29 August 2023. The share options granted prior thereto shall continue to be valid and exercisable in accordance with the 2013 Scheme.

Pursuant to the 2013 Scheme the eligible persons could have been granted options to subscribe for shares of the Company upon and subject to a maximum number of shares available for issue thereunder, which was 26,612,500, representing 10% of the issued shares of the Company as at 30 August 2013, the date of approval of the 2013 Scheme. The subscription price determined by the board of directors was at least the higher of (i) the closing price of the Company's shares as stated in the Stock Exchange's daily quotations sheet on the date of grant; (ii) the average closing price of the Company's shares as stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the date of grant and (iii) the nominal value of the Company's shares. All share-based compensation was settled in equity. The Group has no legal or constructive obligation to repurchase or settle the options other than issuing the Company's ordinary shares.

Share options outstanding under the 2013 Scheme and the weighted average exercise price are as follows:

	As at 31 March			
	2025		2024	
	Number of options	Weighted average exercise price HK$	Number of options	Weighted average exercise price HK$
Outstanding at the beginning of the year	**2,038,000**	**1.25**	2,339,000	1.25
Lapsed	**–**	**–**	(301,000)	1.25
Outstanding at the end of the year	**2,038,000**	**1.25**	2,038,000	1.25
Exercisable at the end of the year	**2,038,000**	**1.25**	2,038,000	1.25

Notes:

(i) All outstanding share options were granted under the 2013 Scheme and vested immediately on the date of grant.

(ii) The weighted average remaining contractual life of the outstanding share options at the end of the reporting period was 0.5 years (2024: 1.5 years).

(iii) No share options were granted, exercised or cancelled during the years ended 31 March 2025 and 2024.

(iv) The period during which rights are exercisable for all the outstanding options is from 23 September 2015 to 22 September 2025.

31. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

	Note	As at 31 March 2025 HK$'000	2024 HK$'000
ASSETS AND LIABILITIES			
Non-current assets			
Interests in subsidiaries (note (i))		**99,322**	99,322
Current assets			
Amounts due from subsidiaries (note (i))		**202,534**	200,657
Prepayments and deposits		**127**	126
Tax recoverable		**–**	3
Bank balances and cash		**215**	322
		202,876	201,108
Current liabilities			
Amount due to a subsidiary		**99,070**	86,620
Other payables		**473**	472
Tax payable		**3**	–
		99,546	87,092
Net current assets		**103,330**	114,016
Total assets less current liabilities		**202,652**	213,338
Non-current liabilities			
Provision for long service payments		**959**	955
Deferred tax liabilities		**17**	8
		976	963
Net assets		**201,676**	212,375
EQUITY			
Share capital	29	**27,191**	27,191
Reserves (note (ii))		**174,485**	185,184
Total equity		**201,676**	212,375

Approved and authorised for issue by the board of directors on 26 June 2025.

Wong Ling Sun, Vincent
Chairman

Ng Sui Chun
Director

31. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (CONTINUED)

Notes:

(i) The Company has assessed the recoverability of the carrying value of the interests in subsidiaries and the amounts due from subsidiaries at the end of the reporting period. The directors are of the opinion that the recoverable amounts of the interests in subsidiaries and amounts due from subsidiaries were higher than its carrying amounts as at 31 March 2025 and 2024.

(ii) The movement of the Company's reserves is as follows:

	Share premium	Contributed surplus	Share options reserve	Retained profits	Total
	HK$'000	HK$'000	HK$'000	HK$'000	HK$'000
As at 1 April 2024	**74,612**	**96,678**	**347**	**13,547**	**185,184**
Profit for the year	**–**	**–**	**–**	**131**	**131**
Other comprehensive income for the year	**–**	**–**	**–**	**47**	**47**
Total comprehensive income for the year	**–**	**–**	**–**	**178**	**178**
2024 special dividends (note 11)	**(10,877)**	**–**	**–**	**–**	**(10,877)**
As at 31 March 2025	**63,735**	**96,678**	**347**	**13,725**	**174,485**
As at 1 April 2023	74,612	96,678	398	37,827	209,515
Profit for the year	–	–	–	101	101
Other comprehensive income for the year	–	–	–	40	40
Total comprehensive income for the year	–	–	–	141	141
2023 final dividends (note 11)	–	–	–	(24,472)	(24,472)
Lapse of share options	–	–	(51)	51	–
As at 31 March 2024	74,612	96,678	347	13,547	185,184

As at 31 March 2025, the distributable reserves of the Company amounted to HK$174,138,000 (2024: HK$184,837,000).

Contributed surplus represents the difference between the book values of the underlying net assets of the subsidiaries and the nominal value of the Company's shares issued at the time of the reorganisation for listing of the Company's shares in the Stock Exchange in 2004.

(iii) Financial guarantee contracts
As at 31 March 2025, the Company had executed corporate guarantees to secure general banking facilities granted to the subsidiaries amounted to HK$276,635,000 (2024: HK$276,635,000). Under the guarantees, the Company would be liable to pay the banks if the banks are unable to recover the bank borrowings. At the end of the reporting period, the outstanding balance of the bank borrowings was HK$103,733,000 (2024: HK$113,007,000) and this represents the Company's maximum exposure under the guarantee contracts. No provision for the Company's obligation under the financial guarantee contracts has been made as the directors considered that the fair values of these corporate guarantees at their initial recognition and at the end of the reporting period were not significant and it was not probable that the repayment of bank borrowings would be in default.

32. DEFERRED TAX

The movement during the year in the deferred tax (assets)/liabilities is as follows:

	As at 31 March	
	2025 HK$'000	2024 HK$'000
At the beginning of the year	**1,311**	(316)
Charged to the consolidated income statement (note 10)	**1,441**	1,932
Charged/(Credited) to consolidated statement of comprehensive income	**33**	(305)
At the end of the year	**2,785**	1,311

The movement in deferred tax (assets)/liabilities prior to offsetting of balances within the same taxation jurisdiction during the year is as follows:

	Accelerated depreciation allowance HK$'000	Tax losses HK$'000	Provision for long service payments HK$'000	Total HK$'000
As at 1 April 2024	**5,089**	**(3,473)**	**(305)**	**1,311**
Charged to the consolidated income statement	**(405)**	**1,846**	**–**	**1,441**
Charged to consolidated statement of comprehensive income	**–**	**–**	**33**	**33**
As at 31 March 2025	**4,684**	**(1,627)**	**(272)**	**2,785**
As at 1 April 2023	5,304	(5,620)	–	(316)
Charged to the consolidated income statement	(215)	2,147	–	1,932
Credited to consolidated statement of comprehensive income	–	–	(305)	(305)
As at 31 March 2024	5,089	(3,473)	(305)	1,311

The amounts recognised in the consolidated statement of financial position are as follows:

	As at 31 March	
	2025 HK$'000	2024 HK$'000
Deferred tax assets	**(1,026)**	(2,323)
Deferred tax liabilities	**3,811**	3,634
	2,785	1,311

33. LEASE COMMITMENTS

As lessee

The lease commitments for short-term leases except for PLB leases as at 31 March 2025 and 2024 are as follows:

	As at 31 March	
	2025 **HK$'000**	2024 HK$'000
Within one year	**1,456**	309
In the second to fifth years	**139**	–
	1,595	309

As at 31 March 2025, the Group had entered into leases of properties which ran for periods of 3 to 24 months (2024: 3 to 12 months).

As lessor

As at 31 March 2025 and 2024, the Group had future aggregate minimum lease receipts under non-cancellable operating leases as follows:

	Investment properties As at 31 March		Advertising on PLBs As at 31 March	
	2025 **HK$'000**	2024 HK$'000	**2025** **HK$'000**	2024 HK$'000
Within one year	**214**	12	**–**	2,250
In the second to fifth years	**9**	–	**–**	–
	223	12	**–**	2,250

As at 31 March 2025, the operating lease arrangements in respect of investment properties and advertising on PLBs run on initial period of 2 to 3 years (2024: 1 year) and nil (2024: 4 years), respectively.

34. CAPITAL COMMITMENT

As at 31 March 2025 and 2024, the Group had the following capital commitment:

	As at 31 March	
	2025 **HK$'000**	2024 HK$'000
Contracted but not provided for:		
– Property, plant and equipment	**43**	366

35. RELATED PARTY TRANSACTIONS

Save as disclosed elsewhere in the consolidated financial statements, during the year, the Group had the following significant transactions with its related parties:

(a) Key management personnel compensation

	Year ended 31 March	
	2025 HK$'000	2024 HK$'000
Salaries, allowances and benefits	**12,373**	12,277
Contributions to defined contribution plans	**126**	126
	12,499	12,403

(b) Related party transactions

Name of related companies	Nature of transactions	Year ended 31 March	
		2025 HK$'000	2024 HK$'000
Hong Kong & China Transportation Consultants Limited ("HKCT")	Right-of-use assets recognised (notes (i), (ii))	**–**	57,357
	Administration fee income received (notes (i), (iii))	**748**	748
Maxson Transportation Limited ("Maxson")	Right-of-use assets recognised (notes (i), (ii))	**402**	64,727
	Administration fee income received (notes (i), (iii))	**833**	832
Big Three Limited ("Big Three")	Right-of-use assets recognised (notes (i), (ii))	**1,534**	62,113
	Administration fee income received (notes (i), (iii))	**801**	798

35. RELATED PARTY TRANSACTIONS (CONTINUED)

(c) Related companies balances

Name of related companies	Financial statements items	As at 31 March 2025 HK$'000	As at 31 March 2024 HK$'000
HKCT	Lease liabilities	**29,715**	48,327
Maxson	Lease liabilities	**33,833**	54,497
Big Three	Lease liabilities	**33,479**	52,232

Notes:

(i) All transactions were entered into between the Group and the related companies in which Mr. Wong Ling Sun, Vincent, the director of the Company, is the director and major shareholder of the related companies. Ms. Ng Sui Chun, Ms. Wong Wai Sum, Maya and Ms. Wong Wai Man, Vivian, the directors of the Company, also have directorship and beneficial interest in some of these related companies.

(ii) These constituted continuing connected transactions as defined in Chapter 14A of the Listing Rules. The Company has complied with the disclosure requirements in accordance with Chapter 14A of the Listing Rules. Pursuant to the minibus leasing agreement dated 29 June 2023, the PLB lease payments of HK$66,247,000 for the year ended 31 March 2025 (2024: HK$66,187,000) was payable to the related companies.

The lease payments for the year ended 31 March 2025 included finance charges on lease liabilities of HK$6,282,000 (2024: HK$4,513,000).

(iii) The related party transactions disclosed above also constitute continuing connected transactions as defined in Chapter 14A of the Listing Rules. The Company has complied with the disclosure requirements in accordance with Chapter 14A of the Listing Rules.

(iv) The related party transactions were conducted in the Group's normal course of business and at mutually agreed prices and terms.

36. NOTES TO CONSOLIDATED CASH FLOW STATEMENT

(a) Cash generated from operations

	Year ended 31 March 2025 HK$'000	Year ended 31 March 2024 HK$'000
Profit/(Loss) before income tax	**12,881**	(7,788)
Adjustments for:		
Depreciation of right-of-use assets	**62,738**	63,702
Depreciation of property, plant and equipment	**7,242**	6,788
Depreciation of investment properties	**77**	36
Deficit on revaluation of PLB licences	**14,025**	34,980
Provision for impairment of public bus licences	**2,460**	1,350
Interest income	**(1,528)**	(1,892)
Finance costs	**9,743**	8,769
Loss on disposal of property, plant and equipment	**467**	134
Operating cash flows before changes in working capital	**108,105**	106,079
Changes in working capital:		
Trade and other receivables	**(1,448)**	(2,003)
Trade and other payables	**652**	1,455
Provision for long service payments	**(447)**	1,177
Cash generated from operations	**106,862**	106,708

36. NOTES TO CONSOLIDATED CASH FLOW STATEMENT (CONTINUED)

(b) Changes in liabilities arising from financing activities

	Interest payables HK$'000	Bank borrowings HK$'000	Lease liabilities HK$'000	Total HK$'000
As at 1 April 2024	**–**	**113,007**	**155,166**	**268,173**
Cash flows:				
Repayment of bank borrowings	**–**	**(9,274)**	**–**	**(9,274)**
Interest paid on bank borrowings	**(3,461)**	**–**	**–**	**(3,461)**
Capital element of lease rentals paid	**–**	**–**	**(61,145)**	**(61,145)**
Interest element of lease rentals paid	**–**	**–**	**(6,282)**	**(6,282)**
Non-cash:				
Lease modification	**–**	**–**	**3,045**	**3,045**
Interest expenses	**3,461**	**–**	**6,282**	**9,743**
As at 31 March 2025	**–**	**103,733**	**97,066**	**200,799**
As at 1 April 2023	–	129,014	32,642	161,656
Cash flows:				
Repayment of bank borrowings	–	(16,007)	–	(16,007)
Interest paid on bank borrowings	(4,256)	–	–	(4,256)
Capital element of lease rentals paid	–	–	(63,012)	(63,012)
Interest element of lease rentals paid	–	–	(4,513)	(4,513)
Non-cash:				
Entering into new leases	–	–	185,536	185,536
Interest expenses	4,256	–	4,513	8,769
As at 31 March 2024	–	113,007	155,166	268,173

37. FINANCIAL RISK MANAGEMENT

The Group actively and regularly reviews and manages its financial risk and takes actions to mitigate such risk.

The Group's financial instruments comprise trade and other receivables, bank balances and cash, bank borrowings, trade and other payables and lease liabilities. The Group has not used any derivatives and other instruments for hedging purposes.

The main risks arising from the Group's financial instruments are foreign exchange risk, fuel price risk, liquidity risk, interest rate risk and credit risk. The Group adopts conservative strategies on its risk management and seeks to limit the Group's exposure to these risks to a minimum. The board of directors reviews and agrees policies for managing each of these risks.

There has been no change to the types of the Group's exposure in respect of financial instruments or the manner in which it manages and measures the risks.

37.1 Categories of financial instruments

	As at 31 March	
	2025	2024
	HK$'000	HK$'000
Financial assets		
Financial assets at amortised cost		
– Trade and other receivables	**5,005**	5,748
– Bank balances and cash	**66,900**	57,050
	71,905	62,798
Financial liabilities		
Financial liabilities at amortised cost		
– Bank borrowings	**103,733**	113,007
– Trade and other payables	**21,811**	21,159
– Lease liabilities	**97,066**	155,166
	222,610	289,332

37.2 Foreign exchange risk

Foreign exchange risk refers to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The management considers that the Group is not exposed to significant foreign exchange risk as the majority of transactions, monetary assets and liabilities are denominated in the functional currency of the relevant group entities. Accordingly, no foreign currency risk sensitivity analysis is presented.

37. FINANCIAL RISK MANAGEMENT (CONTINUED)

37.3 Fuel price risk

The Group is exposed to fuel price risk. The fluctuations in the fuel prices could have significant effect 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 of directors 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 years ended 31 March 2025 and 2024. The management will continue to closely monitor the changes in market condition.

37.4 Liquidity risk

Liquidity risk relates to the risk that the Group will not be able to meet its obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

The Group's prudent policy is to regularly monitor its current and expected liquidity requirements, to ensure that it maintains sufficient reserves of cash and cash equivalents, as well as adequate undrawn committed banking facilities to meet its liquidity requirements in the short term and longer term.

Analysed below is the Group's remaining contractual maturities for its financial liabilities as at 31 March 2025 and 2024. When the creditor has a choice of when the liability is settled, the liability is included on the basis of the earliest date when the Group is required to pay. Where settlement of the liability is in instalments, each instalment is allocated to the earliest period in which the Group is committed to pay.

The contractual maturity analysis below is based on the undiscounted cash flows of the financial liabilities.

	Carrying amount HK$'000	Total contractual undiscounted cash flow HK$'000	Within 1 year or on demand HK$'000	Over 1 year but within 5 years HK$'000	Over 5 years HK$'000
As at 31 March 2025					
Bank borrowings	**103,733**	**119,703**	**24,764**	**34,372**	**60,567**
Trade and other payables	**21,811**	**21,811**	**21,811**	**–**	**–**
Lease liabilities	**97,066**	**100,620**	**67,032**	**33,588**	**–**
	222,610	**242,134**	**113,607**	**67,960**	**60,567**
As at 31 March 2024					
Bank borrowings	113,007	137,183	12,904	52,181	72,098
Trade and other payables	21,159	21,159	21,159	–	–
Lease liabilities	155,166	164,923	66,135	98,788	–
	289,332	323,265	100,198	150,969	72,098

As at 31 March 2025, the Group had undrawn facilities totalling HK$67,300,000 (2024: HK$67,300,000) which were the overdraft and the revolving loan facilities granted by the banks.

37. FINANCIAL RISK MANAGEMENT (CONTINUED)

37.5 Interest rate risk

Interest rate risk relates to the risk that the fair value or cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's interest rate risk arises primarily from its bank balances, bank borrowings and lease liabilities. As at 31 March 2025 and 2024, the Group's certain bank balances and bank borrowings were carried on floating rate basis and were denominated in Hong Kong dollars.

As at 31 March 2025, it was estimated that if there was a decrease of 1% (2024: 1%) in interest rate, with all other variables remaining constant, the Group's consolidated equity and profit after tax would have increased by approximately HK$515,000, respectively (2024: equity would have increased and loss after tax would have decreased by HK$651,000). The same percentage increase in interest rate would have the same magnitude on the Group's profit/loss for the year and equity but of opposite effect. The assumed changes in interest rate represent management's assessment of a reasonably possible change in interest rates over the period until the next annual reporting date.

The Group currently does not have an interest rate hedging policy. However, the management monitors the Group's interest rate exposure and will consider hedging significant interest exposure should the need arise.

37.6 Credit risk

Credit risk refers to the risk that the counterparty to a financial instrument would fail to discharge its obligation under the terms of the financial instrument and cause a financial loss to the Group.

The Group's maximum exposure to credit risk on recognised financial assets is limited to the carrying amount at the end of the reporting period as summarised in note 37.1 above.

The Group has no significant concentrations of credit risk because of its diverse customer base. Majority of the income receipt of the Group is on cash basis or collected via Octopus Cards Limited or AlipayHK and remitted to the Group on the next business day after the day in which services are rendered.

(i) Trade receivables

The Group has applied the simplified approach to assess the ECL as prescribed by HKFRS 9. To measure the ECL, trade receivables have been grouped based on shared credit risk characteristics and the past due days. In calculating the ECL rates, the Group considers historical elements and forward-looking elements. Assessed lifetime ECL rate of trade receivables is minimal for all ageing bands as there was no recent history of default and continuous payments were received. The Group determined that the ECL allowance in respect of trade receivables for the years ended 31 March 2025 and 2024 was minimal as there was no significant change in credit risk.

Trade receivables are written off (i.e. derecognised) when there is no reasonable expectation of recovery.

(ii) Other financial assets at amortised cost

Other financial assets at amortised cost include other receivables, deposits and bank balances and cash. In order to minimise the credit risk, the management of the Group would make periodic collective and individual assessment on the recoverability of other receivables and deposits based on historical settlement records and past experience as well as current information. Other monitoring procedures are in place to ensure that follow-up action is taken to recover overdue debts. In these regards, the credit risk of other receivables and deposits are considered to be low.

Besides, the management is of opinion that there is no significant increase in credit risk on these other receivables and deposits since initial recognition as the risk of default is low after considering the factors as set out in note 2.9 and, thus, the ECL for other receivables and deposits are minimal under the 12-month ECL method.

The credit risks for bank balances and short-term bank deposits are considered negligible as the counterparties are reputable banks.

38. CAPITAL MANAGEMENT

The Group's capital management objectives are to ensure the Group's ability to continue as a going concern and to provide an adequate return for shareholders by pricing services commensurate with the level of risks.

The Group actively and regularly reviews and manages its capital structure and makes adjustments in light of changes in economic conditions. The Group monitors capital structure on the basis of the net debt-to-equity ratio. This ratio is calculated as net debts (total bank borrowings and lease liabilities net of bank balances and cash) over total equity. The Group's capital management strategy is to maintain the net debt-to-equity ratio at a healthy level in order to support its businesses. The principal strategies adopted by the Group include, without limitation, reviewing future cash flow requirements and the ability to meet debt repayment schedules when they fall due, maintaining a reasonable level of available banking facilities and adjusting investment plans and financing plans, if necessary, to ensure the Group has a reasonable level of capital to support its business. The Group relies on internal resources and interest-bearing borrowings to finance the capital requirements, which is the same as prior years.

The net debt-to-equity ratio of the Group at the end of the reporting period is calculated as follows:

	As at 31 March	
	2025	2024
	HK$'000	HK$'000
Short term bank borrowings	**22,031**	9,191
Long term bank borrowings	**81,702**	103,816
Lease liabilities	**97,066**	155,166
	200,799	268,173
Bank balances and cash	**(66,900)**	(57,050)
Net debts	**133,899**	211,123
Total equity	**36,685**	39,000
Net debt-to-equity ratio	**365%**	541%

GROUP FINANCIAL SUMMARY

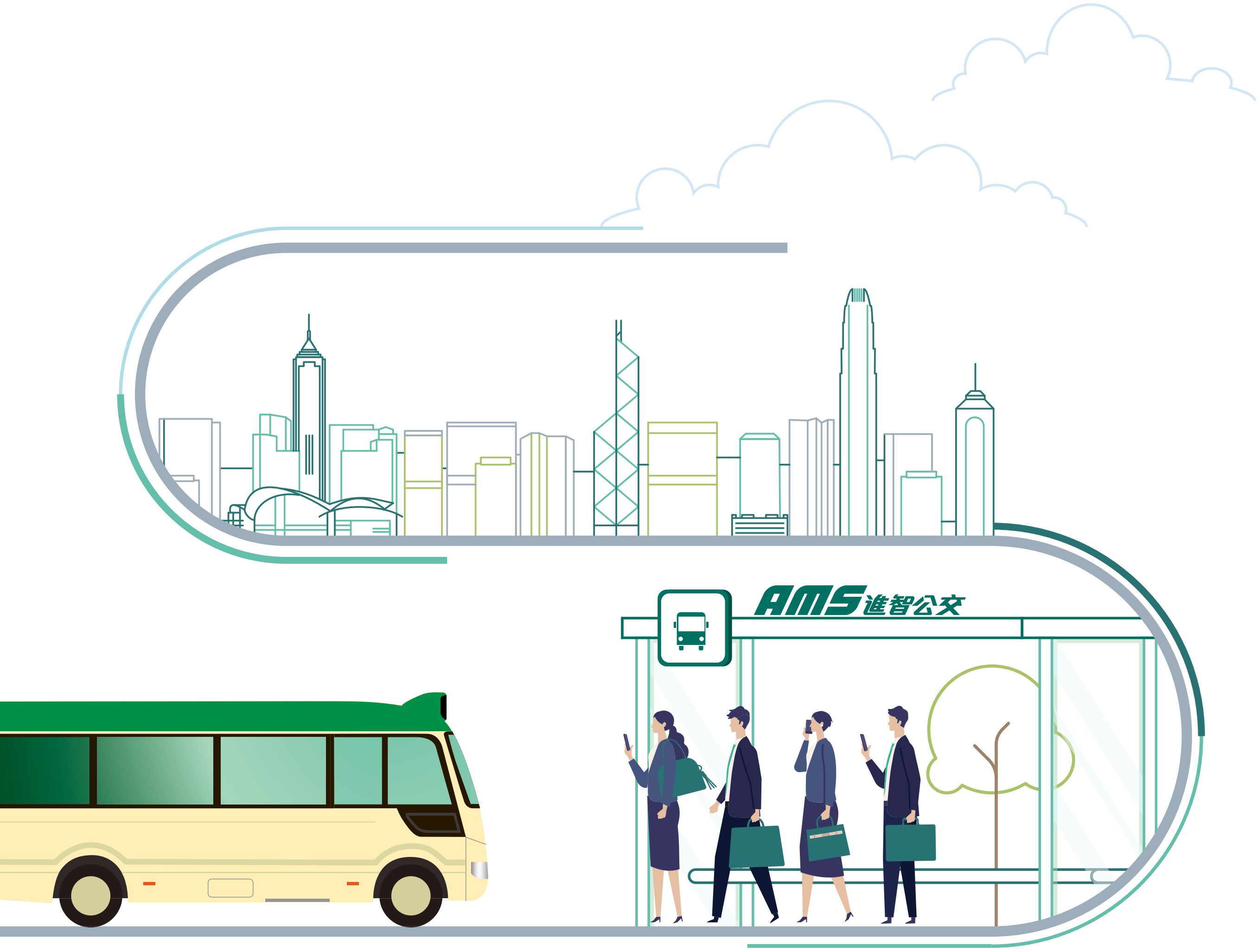
The following is a summary of the audited consolidated financial statements of the Group for the respective years as hereunder stated.

RESULTS

	Year ended 31 March				
	2025 HK$'000	2024 HK$'000	2023 HK$'000	2022 HK$'000	2021 HK$'000
Revenue	**415,029**	393,686	374,896	333,198	303,366
Direct costs	**(338,570)**	(323,036)	(321,586)	(304,462)	(278,411)
Gross profit	**76,459**	70,650	53,310	34,736	24,955
Other revenue	**9,180**	9,501	9,034	7,550	7,104
Other net (expense)/income	**(435)**	(102)	45,392	3,416	58,507
Administrative expenses	**(44,964)**	(41,272)	(39,083)	(38,447)	(38,972)
Other operating expenses	**(1,131)**	(1,466)	(1,212)	(1,095)	(1,333)
Operating profit	**39,109**	37,311	67,441	6,160	50,261
Deficit on revaluation of PLB licences	**(14,025)**	(34,980)	(20,460)	(18,150)	(20,790)
(Provision for)/Reversal of impairment of public bus licences	**(2,460)**	(1,350)	150	(750)	(4,734)
Finance costs	**(9,743)**	(8,769)	(5,384)	(6,221)	(5,681)
Share of result of a joint venture	**–**	–	–	–	262
Profit/(Loss) before income tax	**12,881**	(7,788)	41,747	(18,961)	19,318
Income tax (expense)/credit	**(4,485)**	(4,164)	(2,462)	576	2,503
Profit/(Loss) attributable to equity holders of the Company	**8,396**	(11,952)	39,285	(18,385)	21,821

ASSETS AND LIABILITIES

	As at 31 March				
	2025 HK$'000	2024 HK$'000	2023 HK$'000	2022 HK$'000	2021 HK$'000
Total assets	**283,355**	353,461	282,738	329,979	418,995
Total liabilities	**246,670**	314,461	205,771	284,140	335,737



AMS PUBLIC TRANSPORT HOLDINGS LIMITED
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