



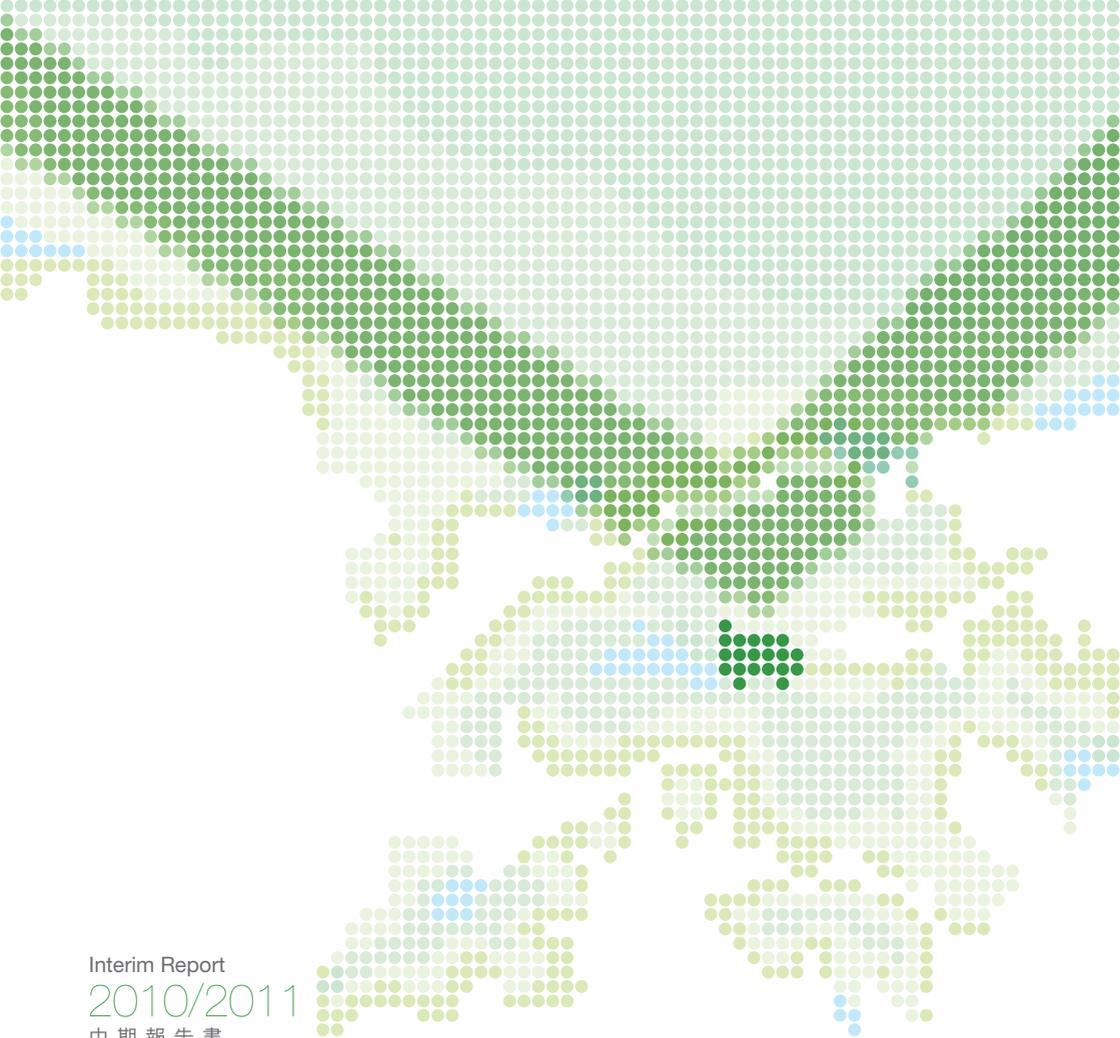
**AMS** 進智公交

AMS PUBLIC TRANSPORT HOLDINGS LIMITED

進智公共交通控股有限公司

(Stock Code 股份代號 : 77)

擴展業務  
開拓新焦點



Interim Report  
2010/2011  
中期報告書

The board of directors (the “Board”) of AMS Public Transport Holdings Limited (the “Company”) is pleased to announce the unaudited consolidated results of the Company and its subsidiaries (collectively referred to as the “Group”) for the six months ended 30 September 2010, together with the unaudited comparative figures for the corresponding period in 2009. The unaudited condensed consolidated financial statements have been reviewed by the Company’s Audit Committee.

## CONDENSED CONSOLIDATED INCOME STATEMENT

For the six months ended 30 September 2010

	Notes	For the six months ended 30 September	
		2010 Unaudited HK\$'000	2009 Unaudited (Restated) HK\$'000
Turnover	3	<b>224,911</b>	213,211
Direct costs		<b>(176,723)</b>	(158,569)
Gross profit		<b>48,188</b>	54,642
Other revenue	4	<b>3,810</b>	3,451
Other net income	4	<b>175</b>	806
Administrative expenses		<b>(32,019)</b>	(28,538)
Other operating expenses		<b>(944)</b>	(965)
Operating profit		<b>19,210</b>	29,396
Finance costs		<b>(1,426)</b>	(1,098)
Share of results of a jointly controlled entity		<b>175</b>	199
Profit before income tax	6	<b>17,959</b>	28,497
Income tax expense	7	<b>(3,344)</b>	(4,924)
Profit for the period		<b>14,615</b>	23,573
Profit for the period attributable to:			
Equity holders of the Company		<b>14,776</b>	22,733
Non-controlling interests		<b>(161)</b>	840
		<b>14,615</b>	23,573
Earnings per share for profit attributable to the equity holders of the Company			
– Basic (HK cents)	9	<b>6.50</b>	10.00
– Diluted (HK cents)	9	<b>6.49</b>	N/A

## CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 September 2010

	For the six months ended 30 September	
	2010 Unaudited HK\$'000	2009 Unaudited (Restated) HK\$'000
Profit for the period	<b>14,615</b>	23,573
Other comprehensive income		
– Surplus on revaluation of PLB licences	<b>7,180</b>	6,090
– Exchange gain on foreign operations	<b>80</b>	–
Other comprehensive income for the period	<b>7,260</b>	6,090
Total comprehensive income for the period	<b>21,875</b>	29,663
Total comprehensive income attributable to:		
Equity holders of the Company	<b>22,036</b>	28,823
Non-controlling interests	<b>(161)</b>	840
	<b>21,875</b>	29,663

## CONDENSED CONSOLIDATED BALANCE SHEET

As at 30 September 2010

		<b>30 September 2010 Unaudited</b>	31 March 2010 Audited (Restated)
	Notes	HK\$'000	HK\$'000
<b>ASSETS AND LIABILITIES</b>			
<b>Non-current assets</b>			
Property, plant and equipment	10	<b>87,642</b>	80,403
PLB licences	10	<b>150,260</b>	143,000
Goodwill	10	<b>167,592</b>	167,592
Interest in a jointly controlled entity		<b>310</b>	135
Deferred tax assets		<b>260</b>	107
		<b>406,064</b>	391,237
<b>Current assets</b>			
Trade receivables	11	<b>6,604</b>	7,484
Other receivables		<b>17,002</b>	16,993
Amount due from a jointly controlled entity		<b>964</b>	1,133
Tax recoverable		<b>2,940</b>	1,908
Bank balances and cash		<b>28,188</b>	38,252
		<b>55,698</b>	65,770
<b>Current liabilities</b>			
Borrowings		<b>89,146</b>	90,811
Trade payables	12	<b>10,457</b>	10,630
Other payables		<b>26,227</b>	18,488
Deferred income		<b>4,689</b>	4,041
Other financial liability		<b>2,190</b>	2,190
Tax payable		<b>6,494</b>	3,934
		<b>139,203</b>	130,094
<b>Net current liabilities</b>		<b>(83,505)</b>	(64,324)
<b>Total assets less current liabilities</b>		<b>322,559</b>	326,913



  
**CONDENSED CONSOLIDATED BALANCE SHEET** (Continued)

As at 30 September 2010

		<b>30 September 2010 Unaudited</b>	31 March 2010 Audited (Restated)
	Notes	<b>HK\$'000</b>	HK\$'000
<b>Non-current liabilities</b>			
Borrowings		<b>23,405</b>	24,623
Deferred tax liabilities		<b>6,195</b>	6,181
		<b>29,600</b>	30,804
<b>Net assets</b>			
		<b>292,959</b>	296,109
<b>EQUITY</b>			
<b>Equity attributable to equity holders of the Company</b>			
Share capital	13	<b>22,750</b>	22,750
Reserves		<b>250,639</b>	253,628
		<b>273,389</b>	276,378
<b>Non-controlling interests</b>			
		<b>19,570</b>	19,731
<b>Total equity</b>			
		<b>292,959</b>	296,109

## CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 September 2010

	Attributable to equity holders of the Company									
	Share capital HK\$'000	Share premium HK\$'000	PLB licences revaluation reserve HK\$'000	Share options reserve HK\$'000	Capital reserve HK\$'000	Translation reserve HK\$'000	Retained profits HK\$'000	Total HK\$'000	Non- controlling interests HK\$'000	Total equity HK\$'000
As at 1 April 2010, as previously reported (Audited)	22,750	47,779	50,907	601	19,296	658	133,281	275,272	19,731	295,003
Effect of adoption of the amendment to HKAS 17	-	-	-	-	-	-	1,106	1,106	-	1,106
As at 1 April 2010, as restated	22,750	47,779	50,907	601	19,296	658	134,387	276,378	19,731	296,109
Transaction with owners: 2010 final dividends	-	-	-	-	-	-	(25,025)	(25,025)	-	(25,025)
Profit for the period	-	-	-	-	-	-	14,776	14,776	(161)	14,615
Other comprehensive income:										
- Surplus on revaluation of PLB licences	-	-	7,180	-	-	-	-	7,180	-	7,180
- Exchange gain on foreign operations	-	-	-	-	-	80	-	80	-	80
Total comprehensive income for the period	-	-	7,180	-	-	80	14,776	22,036	(161)	21,875
As at 30 September 2010 (Unaudited)	22,750	47,779	58,087	601	19,296	738	124,138	273,389	19,570	292,959
As at 1 April 2009, as previously reported (Audited)	22,750	47,779	33,897	567	19,296	658	108,265	233,212	18,070	251,282
Effect of adoption of the amendment to HKAS 17	-	-	-	-	-	-	984	984	-	984
As at 1 April 2009, as restated	22,750	47,779	33,897	567	19,296	658	109,249	234,196	18,070	252,266
Transaction with owners: 2009 final dividends	-	-	-	-	-	-	(22,750)	(22,750)	-	(22,750)
Profit for the period, as restated	-	-	-	-	-	-	22,733	22,733	840	23,573
Other comprehensive income:										
- Surplus on revaluation of PLB licences	-	-	6,090	-	-	-	-	6,090	-	6,090
Total comprehensive income for the period	-	-	6,090	-	-	-	22,733	28,823	840	29,663
As at 30 September 2009, as restated (Unaudited)	22,750	47,779	39,987	567	19,296	658	109,232	240,269	18,910	259,179

## CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 September 2010

	For the six months ended 30 September	
	2010 Unaudited	2009 Unaudited (Restated)
	HK\$'000	HK\$'000
Net cash inflow from operating activities	<b>26,166</b>	33,773
Net cash outflow from investing activities	<b>(6,953)</b>	(18,482)
Net cash outflow from financing activities	<b>(33,312)</b>	(19,371)
Net decrease in cash and cash equivalents	<b>(14,099)</b>	(4,080)
Cash and cash equivalents at the beginning of the period	<b>38,221</b>	37,850
Effect of foreign exchange rate changes, on cash held	<b>57</b>	–
Cash and cash equivalents at the end of the period	<b>24,179</b>	33,770
<b>Analysis of cash and cash equivalents</b>		
Bank balances and cash	<b>28,188</b>	34,794
Bank overdrafts	<b>(4,009)</b>	(1,024)
	<b>24,179</b>	33,770

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2010

## 1. Corporate information and basis of preparation

The Company was incorporated in the Cayman Islands on 18 March 2003 as an exempted company with limited liability under the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The Company is an investment holding company and its subsidiaries are principally engaged in the provision of franchised public light bus ("PLB") transportation services in Hong Kong and cross-boundary public bus transportation services between Hong Kong and the People's Republic of China (the "PRC"). The shares of the Company have been listed on the Main Board (the "Main Board") of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") since 15 April 2004.

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

The unaudited condensed consolidated financial statements have been prepared in accordance with the same accounting policies adopted in the annual financial statements for the year ended 31 March 2010, except for the adoption of the new and revised Hong Kong Financial Reporting Standards ("HKFRSs") (which include individual Hong Kong Financial Reporting Standards, HKASs and Interpretations) as disclosed in note 2 to the condensed consolidated financial statements.

These condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements for the year ended 31 March 2010.

The unaudited condensed consolidated interim financial statements were approved by the Board on 30 November 2010.

## 2. Changes in accounting policies

### *Adoption of new and amended HKFRSs*

In the current period, the Group has applied for the first time, the following new standards, amendments and interpretations (the new "HKFRSs") issued by the HKICPA, which are relevant to and effective for the Group's financial statements for the annual period beginning on 1 April 2010:

HKAS 27 (Revised)	Consolidated and Separate Financial Statements
HKFRS 3 (Revised)	Business Combinations
HK-Int 5	Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause
Various	Annual Improvements to HKFRSs 2009

Other than as noted below, the adoption of the new HKFRSs had no material impact on the Group's condensed consolidated interim financial statements.

## 2. Changes in accounting policies (Continued)

### Adoption of new and amended HKFRSs (Continued)

- (i) The Annual Improvements to HKFRSs 2009 consist of further amendments to existing standards, including an amendment to HKAS 17 Leases. The amendment to HKAS 17 deletes specific guidance regarding classification of leases of land, so as to eliminate inconsistency with the general guidance on lease classification. As a result, leases of land should be classified as either finance or operating lease using the general principles of HKAS 17, i.e. whether the lease transfer substantially all the risks and rewards of ownership of an asset to the lessee. Prior to the amendment, land is classified as under operating lease when the title to that land is not expected to pass to the Group at the end of the lease term.

The amendment to HKAS 17 has been applied retrospectively for annual periods beginning on 1 April 2010. The Group has reassessed the classification of unexpired leases of land as at 1 April 2010 on the basis of information existing at the inception of those leases and recognised the leasehold land in Hong Kong as finance lease retrospectively. As a result of the reassessment, the Group has reclassified the leasehold land from operating lease to finance lease. Accordingly, the Group has reclassified these interests from "Leasehold land" amortised over lease term to "Property, plant and equipment" depreciated over the lease term.

The effect of the adoption of the amendment to HKAS 17 is summarised below.

#### Consolidated balance sheet

	<b>30 September 2010 HK\$'000</b>	31 March 2010 HK\$'000	1 April 2009 HK\$'000
<b>Assets</b>			
Increase in property, plant and equipment	<b>7,147</b>	7,163	7,194
Decrease in leasehold land	<b>(5,981)</b>	(6,057)	(6,210)
<b>Equity</b>			
Increase in retained profits	<b>1,166</b>	1,106	984

#### Consolidated income statement

	<b>For the six months ended 30 September 2010 HK\$'000</b>	2009 HK\$'000
Decrease in administrative expenses and increase in profit for the period	<b>60</b>	60
Increase in profit for the period attributable to equity holders of the Company	<b>60</b>	60
Increase in earnings per share		
– Basic (HK cents)	<b>0.03</b>	0.03
– Diluted (HK cents)	<b>0.03</b>	N/A

## 2. Changes in accounting policies (Continued)

### *Adoption of new and amended HKFRSs (Continued)*

- (ii) The adoption of Hong Kong Interpretations 5 ("HK-Int 5") – Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause has resulted in a change in the accounting policies on the classification of borrowings. HK-Int 5 has clarified that the classification of a term loan as a current or non-current liability in accordance with paragraph 69(d) of HKAS 1 shall be determined by reference to the rights and obligations of the lender and the borrower, as contractually agreed between the two parties and in force as of the reporting date. In this regard, the probability of the lender choosing to exercise its rights within the next twelve months after the reporting date is not relevant.

The Group has reassessed the classification of the borrowings as at 30 September 2010 and 31 March 2010. The effect of the adoption of the HK-Int 5 is summarised below.

### **Consolidated balance sheet**

	<b>30 September 2010 HK\$'000</b>	31 March 2010 HK\$'000
<b>Current liabilities</b>		
Increase in borrowings	<u>54,890</u>	62,119
<b>Non-current liabilities</b>		
Decrease in borrowings	<u>(54,890)</u>	(62,119)

The adoption of HK-Int 5 had no effect on the consolidated income statement.

### 3. Turnover

	For the six months ended 30 September	
	2010	2009
	Unaudited	Unaudited
	HK\$'000	HK\$'000
Franchised PLB services income	152,677	150,695
Cross-boundary public bus services income	72,234	62,516
	<b>224,911</b>	<b>213,211</b>

### 4. Other revenue and other net income

	For the six months ended 30 September	
	2010	2009
	Unaudited	Unaudited
	HK\$'000	(Restated) HK\$'000
<b>Other revenue</b>		
Agency fee income	1,259	1,252
Repair and maintenance service income	806	623
Travel agency income	797	334
Advertising income	365	336
Management fee income	326	268
Handling fee income	162	115
Rental income of cross-boundary quota	90	491
Interest income	5	32
	<b>3,810</b>	<b>3,451</b>
<b>Other net income</b>		
Reversal of deficit on revaluation of PLB licences	80	290
Exchange gain	27	7
Net (loss)/gain on disposal of property, plant and equipment	(45)	25
Write-back of trade and other payables	-	222
Sundry income	113	262
	<b>175</b>	<b>806</b>
	<b>3,985</b>	<b>4,257</b>

### 5. Segment information

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

The Group has identified two reportable segments: (i) franchised PLB services; and (ii) cross-boundary public bus services.

## 5. Segment information (Continued)

Information regarding the Group's reportable segments is set out below:

	Franchised PLB services HK\$'000	Cross- boundary public bus services HK\$'000	Total HK\$'000
<b>For the six months ended 30 September 2010 (Unaudited)</b>			
Reportable segment revenue	<b>152,677</b>	<b>72,234</b>	<b>224,911</b>
Reportable segment profit	<b>19,191</b>	<b>19</b>	<b>19,210</b>
Finance costs			<b>(1,426)</b>
Share of results of a jointly controlled entity			<b>175</b>
Profit before income tax			<b>17,959</b>
Income tax expense			<b>(3,344)</b>
Profit for the period			<b>14,615</b>
Non-controlling interests			<b>161</b>
Profit attributable to equity holders			<b>14,776</b>

For the six months ended 30 September 2009 (Unaudited), (Restated)

Reportable segment revenue	150,695	62,516	213,211
Reportable segment profit	23,973	5,423	29,396
Finance costs			(1,098)
Share of results of a jointly controlled entity			199
Profit before income tax			28,497
Income tax expense			(4,924)
Profit for the period			23,573
Non-controlling interests			(840)
Profit attributable to equity holders			22,733

**As at 30 September 2010 (Unaudited)**

Reportable segment assets	<b>203,637</b>	<b>254,615</b>	<b>458,252</b>
Unallocated assets			<b>3,510</b>
Group assets			<b>461,762</b>

As at 31 March 2010 (Audited), (Restated)

Reportable segment assets	204,140	250,717	454,857
Unallocated assets			2,150
Group assets			457,007

## 6. Profit before income tax

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

	For the six months ended 30 September	
	2010	2009
	Unaudited	Unaudited (Restated)
	HK\$'000	HK\$'000
Fuel cost	39,352	33,133
Employee benefit expense (including directors' emoluments)	78,915	72,578
Operating lease rental in respect of		
– PLBs and public buses	33,804	32,523
– cross-boundary quotas	3,953	2,587
– land and buildings	2,877	2,075
Depreciation of property, plant and equipment	6,771	5,515
Net loss/(gain) on disposal of property, plant and equipment	45	(25)
Net exchange gain	(27)	(7)
Reversal of deficit on revaluation of PLB licences credited to income statement	(80)	(290)

## 7. Income tax expense

Hong Kong profits tax has been provided at the rate of 16.5% (2009: 16.5%) on the estimated assessable profit for the period. Taxation on overseas profits has been calculated on the estimated assessable profit for the period at the rates of taxation prevailing in the respective jurisdictions in which the Group operates.

	For the six months ended 30 September	
	2010	2009
	Unaudited	Unaudited
	HK\$'000	HK\$'000
Current tax		
– Hong Kong profits tax	3,303	4,164
– Overseas taxation	180	110
	3,483	4,274
Deferred tax	(139)	650
Total income tax expense	3,344	4,924

## 8. Dividends

	For the six months ended 30 September	
	2010	2009
	Unaudited	Unaudited
	HK\$'000	HK\$'000
2010 final dividend of HK11.0 cents (2009: HK10.0 cents) per ordinary share	25,025	22,750

Notes:

- (i) For the year ended 31 March 2010, the Board declared a final dividend of HK11.0 cents (2009: HK10.0 cents) per ordinary share on 15 July 2010. The final dividend attributable to the previous financial year was approved and paid during the interim period.
- (ii) The Board does not recommend the payment of any interim dividend for the six months ended 30 September 2010 (2009: Nil).

## 9. Earnings per share

### *Basic earnings per share*

The calculation of basic earnings per share is based on the profit attributable to equity holders of the Company of HK\$14,776,000 (2009: HK\$22,733,000, as restated) and on the weighted average number of 227,500,000 (2009: 227,500,000) ordinary shares in issue during the period.

### *Diluted earnings per share*

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

Details of calculation of diluted earnings per share for the six months ended 30 September 2010 are shown as follows:

	For the six months ended 30 September 2010
	Unaudited
Profit attributable to equity holders of the Company for the period (in HK\$'000)	14,776
Weighted average number of ordinary shares outstanding during the period (in thousands)	227,500
Effect of deemed issue of ordinary shares on exercise of share options (in thousands)	126
Weighted average number of ordinary shares used in calculating diluted earnings per share (in thousands)	227,626
Diluted earnings per share (HK cents per share)	6.49

The share options have no dilutive effect on ordinary shares for the six months ended 30 September 2009 because the exercise prices of the Company's share options were higher than the average market price of the Company's shares in the period.

## 10. Capital expenditure

	Property, plant and equipment HK\$'000	PLB licences HK\$'000	Goodwill HK\$'000
<b>As at 1 April 2010, as previously reported (Audited)</b>	<b>73,240</b>	<b>143,000</b>	<b>167,592</b>
<b>Effect of adoption of the amendment to HKAS 17 (note 2)</b>	<b>7,163</b>	-	-
<b>As at 1 April 2010, as restated</b>	<b>80,403</b>	<b>143,000</b>	<b>167,592</b>
<b>Additions</b>	<b>14,208</b>	-	-
<b>Reversal of deficit on revaluation credited to income statement</b>	-	<b>80</b>	-
<b>Surplus on revaluation dealt with in revaluation reserve</b>	-	<b>7,180</b>	-
<b>Disposals</b>	<b>(222)</b>	-	-
<b>Depreciation charge</b>	<b>(6,771)</b>	-	-
<b>Exchange adjustment</b>	<b>24</b>	-	-
<b>As at 30 September 2010 (Unaudited)</b>	<b>87,642</b>	<b>150,260</b>	<b>167,592</b>
As at 1 April 2009, as previously reported (Audited)	58,937	125,180	164,445
Effect of adoption of the amendment to HKAS 17 (note 2)	7,194	-	-
As at 1 April 2009, as restated	66,131	125,180	164,445
Additions	14,008	-	-
Acquisition of a subsidiary	2,400	-	3,147
Reversal of deficit on revaluation credited to income statement	-	290	-
Surplus on revaluation dealt with in revaluation reserve	-	6,090	-
Depreciation charge, as restated	(5,515)	-	-
As at 30 September 2009, as restated (Unaudited)	77,024	131,560	167,592

PLB licences were revalued on market basis as at each balance sheet date by Vigers Appraisal & Consulting Limited, an independent qualified valuer.

## 11. Trade receivables

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

The ageing analysis of trade receivables is as follows:

	<b>30 September 2010 Unaudited HK\$'000</b>	31 March 2010 Audited HK\$'000
0 to 30 days	4,921	4,909
31 to 60 days	1,132	2,376
61 to 90 days	404	60
Over 90 days	147	139
	<b>6,604</b>	<b>7,484</b>

## 12. Trade payables

The ageing analysis of trade payables is as follows:

	<b>30 September 2010 Unaudited HK\$'000</b>	31 March 2010 Audited HK\$'000
0 to 30 days	8,294	8,543
31 to 60 days	1,220	1,302
61 to 90 days	281	358
Over 90 days	662	427
	<b>10,457</b>	<b>10,630</b>

## 13. Share capital

	<b>30 September 2010 Unaudited HK\$'000</b>	31 March 2010 Audited HK\$'000
Authorised ordinary shares: 1,000,000,000 shares of HK\$0.10 each	<b>100,000</b>	100,000
Issued and fully paid ordinary shares: 227,500,000 shares of HK\$0.10 each	<b>22,750</b>	22,750

#### 14. Share options

There was no movement in the number of share options outstanding during the six months ended 30 September 2010 and 2009.

	<b>For the six months ended 30 September</b>	
	<b>2010</b>	2009
<b>Number of options:</b>		
As at 1 April and 30 September	<b>14,250,000</b>	13,950,000

Note: Details of share options granted are set out on page 27 of this interim report.

#### 15. Pledge of assets

As at 30 September 2010, the Group's banking facilities totaling HK\$131,746,000 (31 March 2010: HK\$146,101,000) were secured by the following:

- (i) pledges of certain property, plant and equipment of the Group with net book value of HK\$30,124,000 (31 March 2010: HK\$33,425,000, as restated);
- (ii) pledges of certain PLB licences with carrying value of HK\$54,640,000 (31 March 2010: HK\$52,000,000);
- (iii) floating charges on certain trade and other receivables with carrying value of HK\$12,252,000 (31 March 2010: HK\$14,227,000), bank balances and cash with carrying value of HK\$5,811,000 (31 March 2010: HK\$7,110,000) and other assets with carrying value of HK\$3,732,000 (31 March 2010: HK\$2,515,000);
- (iv) guarantees provided by the Company (note 20) and a minority shareholder of a subsidiary (note 18).

#### 16. Capital commitment

As at 30 September 2010, the Group had the following capital commitments:

	<b>30 September 2010</b>	31 March 2010
	<b>Unaudited HK\$'000</b>	Audited HK\$'000
Contracted but not provided for:		
– Property, plant and equipment	<b>12,362</b>	28,944

#### 17. Contingent liabilities

As at 30 September 2010 and at 31 March 2010, the Group had no contingent liabilities not provided for in the condensed consolidated financial statements.

## 18. Related party transactions

Save as disclosed elsewhere in the condensed consolidated financial statements, during the six months ended 30 September 2010, the Group had the following significant transactions with its related parties:

		<b>For the six months ended 30 September 2010</b>	2009
	Notes	<b>Unaudited HK\$'000</b>	Unaudited HK\$'000
<b>(a) Key management compensation</b>			
Fees		<b>510</b>	510
Salaries, allowances and benefits in kind		<b>4,038</b>	3,713
Bonuses		<b>1,390</b>	1,509
Contribution to defined contribution plans		<b>56</b>	56
		<b>5,994</b>	5,788
<b>(b) Sale and purchase of services</b>			
Agency fee income received	(i)	<b>1,163</b>	1,155
Repair and maintenance services income received	(i)	<b>77</b>	123
Management fee income received	(i)	<b>305</b>	268
PLB hire charges paid	(i)	<b>27,033</b>	27,527
Purchase of a motor vehicle	(i)	<b>485</b>	-
System development services fee paid	(i)	<b>41</b>	43

(c) During the period, the Group entered into system development contracts with a related company (note (i)) of approximately HK\$558,000, of which approximately HK\$335,000 has been included in capital commitment (note 16).

(d) As at 30 September 2010, the amount of guarantee provided for securing banking facilities by a minority shareholder of a subsidiary was HK\$28,310,000 (31 March 2010: HK\$28,310,000).

Notes:

(i) All transactions were entered into between the Group and the related companies in which Mr. Wong Man Kit, Ms. Ng Sui Chun and Mr. Wong Ling Sun, Vincent, the directors of the Company, are the directors and major shareholders.

## 19. Business combination

On 31 August 2009, the Group's subsidiary, Chinalink Transport Group Limited, acquired 100% of the equity interests of Wai Lok Tours and Coach Company Limited ("Wai Lok"), a company principally engaged in the provision of passengers transportation services between Hong Kong and the PRC.

Wai Lok contributed no revenue but net profit of HK\$62,000 to the Group for the six months ended 30 September 2009.

If the acquisition had occurred on 1 April 2009, the Group's revenue and net profit for the six months ended 30 September 2009 would have been HK\$213,658,000 and HK\$23,163,000, as restated, respectively. This pro forma information is for illustrative purposes only and is not necessarily an indication of revenue and results of operations of the Group that actually would have been achieved had the acquisition been completed on 1 April 2009, and nor intended to be a projection of future results of the Group.

## 19. Business combination (Continued)

Details of the net assets acquired and goodwill are as follows:

	HK\$'000
Purchase consideration:	
– cash paid	1,509
– cash payable	1,891
– direct costs relating to the acquisition	28
	<hr/>
Total purchase consideration	3,428
Fair value of net assets acquired	(281)
	<hr/>
Goodwill (note 10)	3,147
	<hr/>

The goodwill is attributable to the high profitability of the acquired business and the significant synergies expected to arise after the Group's acquisition of Wai Lok.

The assets and liabilities arising from the acquisition are as follows:

	Acquiree's carrying amount HK\$'000	Fair value HK\$'000
Property, plant and equipment	757	2,400
Borrowings	(1,949)	(1,949)
Trade and other payables	(170)	(170)
	<hr/>	<hr/>
Net assets acquired	(1,362)	281
	<hr/>	<hr/>
Purchase consideration settled in cash		1,531
Bank balances and cash of subsidiary acquired		–
		<hr/>
Cash outflow on acquisition for the six months ended 30 September 2009		1,531
		<hr/>

## 20. Financial guarantee contracts

As at 30 September 2010, the Company had executed corporate guarantees to secure general banking facilities granted to the subsidiaries which amounted to HK\$192,510,000 (31 March 2010: HK\$192,510,000). Under the guarantee, the Company would be liable to pay the bank when the bank is unable to recover the loans. At the balance sheet date, the outstanding balance of the bank loans was HK\$106,380,000 (31 March 2010: HK\$108,198,000) and this represents the Company's maximum exposure under the guarantee contract. No provision for the Company's obligation under the financial guarantee contract has been made as the directors consider that it is not probable that the repayment of loans would be in default.

## 21. Comparative figures

Certain comparative figures of other revenue, other net income and the statement of cash flows have been re-classified to conform to current period's presentation. The management believes that the reclassification is a fairer presentation to the Group's activities.

## MANAGEMENT DISCUSSION AND ANALYSIS

### Interim Results

For the six months ended 30 September 2010, the Group's turnover for the period had increased by 5.5% to HK\$224,911,000 (2009: HK\$213,211,000). However, the profit attributable to equity holders was HK\$14,776,000 (2009: HK\$22,733,000, as restated), representing a drop of 35.0%, as a result of the rising fuel and staff costs in the franchised PLB operations and the underperformance of the cross-boundary public bus operations.

The Board does not recommend payment of any interim dividend for the six months ended 30 September 2010.

### MANAGEMENT REVIEW AND OUTLOOK

#### Review of Operations and Segment Results

The turnover and segment results generated from the two business segments of the Group are summarised as follows:

	For the six months ended 30 September					
	Franchised PLB services		Cross-boundary public bus services		Total	
	2010	2009	2010	2009	2010	2009
	Unaudited	Unaudited (Restated)	Unaudited	Unaudited	Unaudited	Unaudited (Restated)
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Segment revenue	<b>152,677</b>	150,695	<b>72,234</b>	62,516	<b>224,911</b>	213,211
Segment operating profit	<b>19,191</b>	23,973	<b>19</b>	5,423	<b>19,210</b>	29,396
Finance costs					<b>(1,426)</b>	(1,098)
Share of results of a jointly controlled entity					<b>175</b>	199
Profit before income tax					<b>17,959</b>	28,497
Income tax expense					<b>(3,344)</b>	(4,924)
Profit for the period					<b>14,615</b>	23,573
Non-controlling interests					<b>161</b>	(840)
Profit attributable to equity holders					<b>14,776</b>	22,733



## Franchised Public Light Bus Operations

The Hong Kong economy had gradually recovered from the global financial crisis. During the period under review, the passenger demand of the franchised PLB transportation services remained stable. The turnover grew by 1.3% or HK\$1,982,000 to HK\$152,677,000 (2009: HK\$150,695,000). The Group has not raised any minibus fare since November 2008.

The recovery of global financial market had also driven the fuel prices up again. The diesel unit cost and liquefied petroleum gas unit cost had risen by 11% and 34% respectively, compared with the same period of last year. Therefore, the total fuel costs of the PLB operations increased by HK\$3,723,000 to HK\$28,273,000 (2009: HK\$24,550,000). Also, the staff costs increased by HK\$3,146,000 to HK\$58,778,000 (2009: HK\$55,632,000), which was mainly attributable to the enlarged fleet size and wage increment. Owing to these two main reasons, the segment profit dropped by HK\$4,782,000 or 19.9% to HK\$19,191,000 (2009: HK\$23,973,000, as restated).

As at 30 September 2010, the Group operated 50 routes (31 March 2010: 50 routes; 30 September 2009: 49 routes) with 308 PLBs (31 March 2010: 307 PLBs; 30 September 2009: 300 PLBs). The average fleet age was 6.8 years (31 March 2010: 6.9 years).

## Cross-boundary Public Bus Operations

Driven by the continuous patronage growth in the shuttle routes running between the Shenzhen International Airport, Baoan district of Shenzhen and Hong Kong via the Shenzhen Bay control point ("Shenzhen Shuttle Routes"), the segment revenue of the cross-boundary public bus operations increased by HK\$9,718,000 or 15.5% to HK\$72,234,000.

In order to raise the fleet capacity and make good use of the new cross-boundary quota granted by the Transport Department in March 2010, the Group's fleet size of public buses had been expanded to 78 as at 30 September 2010 (31 March 2010: 74; 30 September 2009: 69). The frequency of the Shenzhen Shuttle Routes had been then increased so as to provide more convenient services to our passengers. Also, a new long-haul route running between Kaiping and Hong Kong was launched and at the same time, the services of long-haul routes and the Shenzhen Shuttle Routes had been extended to Hong Kong International Airport starting from July 2010. These measures successfully boosted the ridership but it was not able to outweigh the increased operating costs as the average loading dropped in the short run. Furthermore, the hike in fuel prices and reduced profit from the Tsuen Wan-Huanggang (of Shenzhen) shuttle route put the gross profit under pressure. As a result, the segment result for the period dropped to HK\$19,000 (2009: HK\$5,423,000).



Together with the existing 5 routes of Guangzhou, Foshan, Yunfu, Wuzhou and Jiangmen, there were a total of 6 long-haul cross-boundary routes as at 30 September 2010 (31 March 2010: 5; 30 September 2009: 5). The average fleet age was 4.4 years (31 March 2010: 5.2 years).

## **Income tax expense**

During the period, income tax expense decreased to HK\$3,344,000 (2009: HK\$4,924,000) along with the drop in profit before tax. The effective tax rate was 18.6% for the period (2009: 17.3%).

## **Capital structure, liquidity and financial resources**

### **Liquidity and financial resources**

The Group's operations were mainly financed by proceeds from its operations.

The current ratio (current assets/current liabilities) dropped to 0.40 times (31 March 2010: 0.51 times, as restated), which was mainly attributable to the decrease in bank balances and cash after payment of final dividends for the last financial year end, and the increase in current portion of bank borrowings and other payables for the acquisition of public buses. As at 30 September 2010, the Group had net current liabilities of HK\$83,505,000 (31 March 2010: HK\$64,324,000, as restated).

As at 30 September 2010, the Group had banking facilities totalling HK\$131,746,000 (31 March 2010: HK\$146,101,000) of which HK\$20,841,000 (31 March 2010: HK\$32,800,000) was unutilised.

### **Borrowings**

Total outstanding borrowings decreased slightly during the period by HK\$2,883,000 to HK\$112,551,000 (31 March 2010: HK\$115,434,000). The new bank loans of HK\$7,950,000 incepted during the period were mainly for the acquisition of public buses.

The gearing ratio (total liabilities/shareholders' equity) of the Group as at 30 September 2010 increased to 61.7%, compared with that of 58.2%, as restated, as at 31 March 2010.

All borrowings as at 30 September 2010 and 31 March 2010 were denominated in Hong Kong dollars and the majority of them were made on a floating interest rate basis.



## Pledge of assets

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

	<b>As at 30 September 2010 HK\$'000</b>	As at 31 March 2010 (Restated) HK\$'000
PLB licences	<b>54,640</b>	52,000
Property, plant and equipment	<b>30,124</b>	33,425
Trade and other receivables	<b>12,252</b>	14,227
Bank balances and cash	<b>5,811</b>	7,110
Other assets	<b>3,732</b>	2,515

## Foreign currency risk management

The Group is exposed to foreign exchange risk, arising mainly from the conversion of Renminbi. However, the foreign exchange risk is not significant as the majority of the transactions, monetary assets and liabilities of the Group are denominated in the functional currency of the group entities.

Although the conversion of Renminbi into foreign currencies is subject to the foreign exchange rules and regulations of the government of the PRC, the management considers that the overall exposure to foreign exchange risk is minimal. Nevertheless, the Group plans to collect part of the cross-boundary public bus income in Renminbi to cover the operating expenses in Renminbi so as to minimise the foreign exchange risk through natural hedging.

## Interest rate risk management

The Group's interest rate risk arises primarily from its borrowings. The majority of the Group's bank borrowings were committed on a floating rate basis.

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 rate risk exposure should the need arise.

## Employees and remuneration policies

Since the minibus industry and the cross-boundary public bus industry are labour intensive in nature, employee benefit expenses account for a substantial part of the total operating costs of the Group. Employee benefit expenses incurred for the period were HK\$78,915,000 (2009: HK\$72,578,000), representing 36.8% (2009: 37.4%) of the total costs. Apart from the basic remuneration, double pay and/or discretionary bonus might be granted to eligible employees with reference to the Group's performance and individual's contribution. Other benefits included share option scheme, retirement plans and training schemes.

The headcounts of the Group were as follows:

	<b>As at 30 September 2010</b>	As at 31 March 2010
Captains	<b>1,018</b>	1,036
Sales and administrative staff	<b>292</b>	278
Technicians	<b>61</b>	60
Total	<b>1,371</b>	1,374

## Prospects

Looking ahead, the Group expects that the minibus service demand will continue to grow mildly. However, we anticipate the inflation, especially the rising fuel expenses and staff costs, will inevitably bring pressure to the cost of franchised PLB operations. The Group will continue to enhance fleet efficiency and implement cost saving plans, and will consider applying for fare adjustment in due course.

For the cross-boundary public bus operations, in order to tackle the surge of operating costs, the Group will focus on cost control by maintaining our fleet efficiency and managing the capacity in a cost effective manner. On the other hand, the Group will strengthen the sales networks through our online ticketing system. The Group expects that this online ticketing system would serve as a cost effective channel to attract more passengers. The competition with railways and other operators is expected to be increasingly fierce. However, the Group remains optimistic about the future of the industry and look forward to the completion of huge infrastructure projects like the Hong Kong-Zhuhai-Macao Bridge and the Guangshen Coastal Expressway in the coming few years. The Group believes that they would connect Hong Kong and Mainland China and create opportunities for the industry.

## DIRECTORS' INTERESTS IN SHARES

### Directors' interests in shares and underlying shares in the Company and its associated corporations

As at 30 September 2010, the interests and short positions of the directors of the Company (the "Directors") in the shares, underlying shares and debentures in/of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (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 for Securities Transactions by Directors of Listed Companies (the "Model Code"), were as follows:

Name of Directors	Long position/ Short position	Capacity	Nature of interest	Number of ordinary shares held (Note d)	Approximate percentage of shareholding
(1) AMS Public Transport Holdings Limited					
Mr. Wong Man Kit (Note a)	Long position	Founder of a discretionary trust	Other	146,070,000	64.21%
	Long position	Beneficial owner	Personal	2,275,000	1.00%
	Long position	Spouse of Ms. Ng Sui Chun	Family	10,047,000	4.42%
Ms. Ng Sui Chun (Notes a & b)	Long position	Beneficiary of a discretionary trust	Other	146,070,000	64.21%
	Long position	Beneficial owner	Personal	10,047,000	4.42%
	Long position	Spouse of Mr. Wong Man Kit	Family	2,275,000	1.00%
Mr. Wong Ling Sun, Vincent (Note a)	Long position	Beneficiary of a discretionary trust	Other	146,070,000	64.21%
	Long position	Beneficial owner	Personal	2,275,000	1.00%
	Long position	Spouse of Ms. Loo Natasha Christie	Family	320,000	0.14%
Mr. Chan Man Chun	Long position	Beneficial owner	Personal	3,595,000	1.58%
	Long position	Spouse of Ms. Chan Lai Ling	Family	200,000	0.09%
Dr. Lee Peng Fei, Allen	Long position	Beneficial owner	Personal	300,000	0.13%
Dr. Chan Yuen Tak Fai, Dorothy	Long position	Beneficial owner	Personal	300,000	0.13%

Name of Directors	Long position/ Short position	Capacity	Nature of interest	Number of ordinary shares held	Approximate percentage of shareholding
				(Note d)	
(2)	Skyblue Group Limited				
Mr. Wong Man Kit (Note a)	Long position	Founder of a discretionary trust	Other	2	100%
Ms. Ng Sui Chun (Notes a & b)	Long position	Beneficiary of a discretionary trust	Other	2	100%
Mr. Wong Ling Sun, Vincent (Note a)	Long position	Beneficiary of a discretionary trust	Other	2	100%
(3)	Metro Success Investments Limited				
Mr. Wong Man Kit (Note a)	Long position	Founder of a discretionary trust	Other	100	100%
Ms. Ng Sui Chun (Notes a & b)	Long position	Beneficiary of a discretionary trust	Other	100	100%
Mr. Wong Ling Sun, Vincent (Note a)	Long position	Beneficiary of a discretionary trust	Other	100	100%
(4)	All Wealth Limited				
Mr. Wong Man Kit (Note c)	Long position	Founder of a discretionary trust	Other	1	100%
Ms. Ng Sui Chun (Notes b & c)	Long position	Beneficiary of a discretionary trust	Other	1	100%
Mr. Wong Ling Sun, Vincent (Note c)	Long position	Beneficiary of a discretionary trust	Other	1	100%

Name of Directors	Long position/ Short position	Capacity	Nature of interest	Number of ordinary shares held	Approximate percentage of shareholding
				(Note d)	
(5)	A.I. International Holdings Limited				
Mr. Wong Man Kit (Note c)	Long position	Founder of a discretionary trust	Other	6	100%
Ms. Ng Sui Chun (Notes b & c)	Long position	Beneficiary of a discretionary trust	Other	6	100%
Mr. Wong Ling Sun, Vincent (Note c)	Long position	Beneficiary of a discretionary trust	Other	6	100%
(6)	Maxson Transportation Limited				
Mr. Wong Man Kit (Note c)	Long position	Founder of a discretionary trust	Other	180,000	60%
	Long position	Spouse of Ms. Ng Sui Chun	Family	30,000	10%
Ms. Ng Sui Chun (Notes b & c)	Long position	Beneficiary of a discretionary trust	Other	180,000	60%
	Long position	Beneficial owner	Personal	30,000	10%
Mr. Wong Ling Sun, Vincent (Note c)	Long position	Beneficiary of a discretionary trust	Other	180,000	60%
	Long position	Beneficial owner	Personal	45,000	15%
(7)	Hong Kong & China Transportation Consultants Limited				
Mr. Wong Man Kit (Note c)	Long position	Founder of a discretionary trust	Other	6,000	60%
	Long position	Spouse of Ms. Ng Sui Chun	Family	1,000	10%
Ms. Ng Sui Chun (Notes b & c)	Long position	Beneficiary of a discretionary trust	Other	6,000	60%
	Long position	Beneficial owner	Personal	1,000	10%
Mr. Wong Ling Sun, Vincent (Note c)	Long position	Beneficiary of a discretionary trust	Other	6,000	60%
	Long position	Beneficial owner	Personal	1,500	15%

Notes:

- (a) As at 30 September 2010, a total of 146,070,000 shares in the Company were held by Skyblue Group Limited ("Skyblue"), which is a wholly owned subsidiary of Metro Success Investments Limited ("Metro Success"). Metro Success is a wholly owned subsidiary of JETSUN UT Company (PTC) Limited ("JETSUN"), which is the trustee of The JetSun Unit Trust, of which 9,999 units are owned by HSBC International Trustee Limited ("HSBCITL") as the trustee of The JetSun Trust and the remaining 1 unit is owned by Mr. Wong Ling Sun, Vincent. The entire issued share capital of JETSUN is owned by HSBCITL. Mr. Wong Man Kit is the settlor of The JetSun Trust, which is a discretionary trust and its discretionary objects include Mr. Wong Ling Sun, Vincent and Ms. Ng Sui Chun.
- (b) Ms. Ng Sui Chun is one of the discretionary objects of the discretionary trust as mentioned in Note (a) above and she personally held a long position of 10,047,000 shares in the Company as at 30 September 2010.
- (c) All Wealth Limited, A.I. International Holdings Limited, Maxson Transportation Limited and Hong Kong & China Transportation Consultants Limited (collectively referred to as the "Associated Corporations") are associated corporations (within the meaning of Part XV of the SFO) of the Company by virtue of Metro Success's interests in the entire issued share capital of each of the Associated Corporations. Mr. Wong Man Kit, being the settlor of The JetSun Trust, and Ms. Ng Sui Chun and Mr. Wong Ling Sun, Vincent, being the discretionary objects of The JetSun Trust, are deemed to be interested in all the Associated Corporations.
- (d) The figures include interests in share options held by each of the Directors. Please refer to the "Share Options" section for details.

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

## SHARE OPTIONS

On 22 March 2004, the Company adopted a share option scheme (the "Share Option Scheme") pursuant to which the eligible persons may be granted options to subscribe for shares in the Company upon and subject to a maximum number of shares available for issue under options, which if granted thereunder is 22,750,000, representing 10% of the issued shares in the Company as at the date of this interim report. The subscription price determined by the Board will be at least the higher of (i) the closing price of the Company's share as stated in the Stock Exchange's daily quotations sheet on the date of grant; (ii) the average closing price of the Company's share 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.

## Outstanding share options

Details of the outstanding share options of the Company as at 30 September 2010 which have been granted under the Share Option Scheme are as follows:

Name of Directors	Date of grant (d/m/y)	Number of options granted	Period during which rights exercisable (d/m/y)	Exercise price per share option (HK\$)	Outstanding as at 1 April 2010	Number of share options granted during the period	Number of share options exercised during the period	Number of share options lapsed during the period	Outstanding as at 30 September 2010
<i>Category 1: Directors (Note 1)</i>									
Mr. Wong Man Kit	8/11/2004	2,000,000	9/11/2004-7/11/2014	1.57	2,000,000	-	-	-	2,000,000
	12/4/2007	275,000	12/4/2007-11/4/2017	1.418	275,000	-	-	-	275,000
<i>In aggregate</i>					2,275,000	-	-	-	2,275,000
Ms. Ng Sui Chun	8/11/2004	2,000,000	9/11/2004-7/11/2014	1.57	2,000,000	-	-	-	2,000,000
	12/4/2007	275,000	12/4/2007-11/4/2017	1.418	275,000	-	-	-	275,000
<i>In aggregate</i>					2,275,000	-	-	-	2,275,000
Mr. Wong Ling Sun, Vincent	8/11/2004	2,000,000	9/11/2004-7/11/2014	1.57	2,000,000	-	-	-	2,000,000
	12/4/2007	275,000	12/4/2007-11/4/2017	1.418	275,000	-	-	-	275,000
<i>In aggregate</i>					2,275,000	-	-	-	2,275,000
Mr. Chan Man Chun	8/11/2004	2,000,000	9/11/2004-7/11/2014	1.57	2,000,000	-	-	-	2,000,000
	3/4/2007	275,000	3/4/2007-2/4/2017	1.43	275,000	-	-	-	275,000
<i>In aggregate</i>					2,275,000	-	-	-	2,275,000
Dr. Lee Peng Fei, Allen	8/11/2004	300,000	9/11/2004-7/11/2014	1.57	300,000	-	-	-	300,000
Dr. Chan Yuen Tak Fai, Dorothy	15/3/2010	300,000	15/3/2010-14/3/2020	1.39	300,000	-	-	-	300,000
<b>Total Directors</b>					<b>9,700,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>9,700,000</b>
<i>Category 2: Employees (Note 2)</i>	8/11/2004	4,450,000	9/11/2004-7/11/2014	1.57	4,250,000	-	-	-	4,250,000
<i>Category 3: Others</i>	8/11/2004	300,000	9/11/2004-13/3/2011	1.57	300,000	-	-	-	300,000
<b>Total all categories</b>					<b>14,250,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>14,250,000</b>

Notes:

- (1) The closing prices of the Company's share immediately before the date of grant of 8 November 2004, 3 April 2007, 12 April 2007 and 15 March 2010 were HK\$1.56, HK\$1.41, HK\$1.41 and HK\$1.36 respectively. All options granted to Directors were vested immediately on the date of grant.
- (2) A total of 4,450,000 options were granted to employees on 8 November 2004. Out of the balance, 2,450,000 options were vested in five equal tranches on 8 November 2004, 2005, 2006, 2007 and 2008 respectively. The first tranche vested on 8 November 2004 was exercisable on the next business day on 9 November 2004 and up to 7 November 2014. The second, third, fourth and fifth tranches were exercisable when vested and exercisable up to 7 November 2014. The remaining 2,000,000 options were vested on 8 November 2004 and were exercisable on the next business day on 9 November 2004 and up to 7 November 2014.
- (3) No option was granted, exercised, lapsed or cancelled during the six months ended 30 September 2010.

## SUBSTANTIAL SHAREHOLDERS

As at 30 September 2010, the following persons (other than the Directors) had interests or short positions in the shares and underlying shares in the Company as recorded in the register required to be kept by the Company pursuant to section 336 of the SFO:

Name of Shareholders		Number of shares/ underlying shares held	Percentage
HSBCITL	(Note a)	146,070,000	64.21%
JETSUN	(Note a)	146,070,000	64.21%
Metro Success	(Note a)	146,070,000	64.21%
Skyblue	(Note a)	146,070,000	64.21%
HSBC Trustee (Cook Islands) Limited ("HTCIL")	(Note b)	13,500,000	5.93%
The Seven International Holdings Limited ("SIHL")	(Note b)	13,500,000	5.93%
The Seven Capital Limited ("SCL")	(Note b)	13,500,000	5.93%

Notes:

- (a) As at 30 September 2010, a total of 146,070,000 shares were held by Skyblue, a wholly owned subsidiary of Metro Success, which in turn is a wholly owned subsidiary of JETSUN. JETSUN is the trustee of The JetSun Unit Trust, of which 9,999 units are owned by HSBCITL as the trustee of The JetSun Trust and the remaining 1 unit is owned by Mr. Wong Ling Sun, Vincent. The entire issued share capital of JETSUN is owned by HSBCITL.
- (b) As at 30 September 2010, a total of 13,500,000 shares were held by SCL, a wholly owned subsidiary of SIHL, which in turn is a wholly owned subsidiary of HTCIL.



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

Save as disclosed herein, the Company has not been notified of any other person (other than a director and 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 30 September 2010.

## **CORPORATE GOVERNANCE**

The Company has complied with the code provisions set out in Appendix 14 “Code on Corporate Governance Practices” of the Listing Rules for the six months ended 30 September 2010.

## **MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS**

The Company has adopted a code of conduct regarding Directors’ securities transactions on terms no less exacting than the required standard of dealings as set out in the Model Code in Appendix 10 of the Listing Rules throughout the six months ended 30 September 2010. The Company had also made specific enquiries of all Directors and the Company was not aware of any non-compliance with the required standard of dealings set out in the Model Code and its code of conduct regarding securities transactions by Directors.

## **AUDIT COMMITTEE**

The Audit Committee comprises three independent non-executive directors, namely Dr. Lee Peng Fei, Allen, Dr. Chan Yuen Tak Fai, Dorothy and Mr. Lam Wai Keung. The Audit Committee has reviewed with the management the accounting principles and practices adopted by the Group and discussed internal control and financial reporting matters, including the review of the unaudited interim financial statements.

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

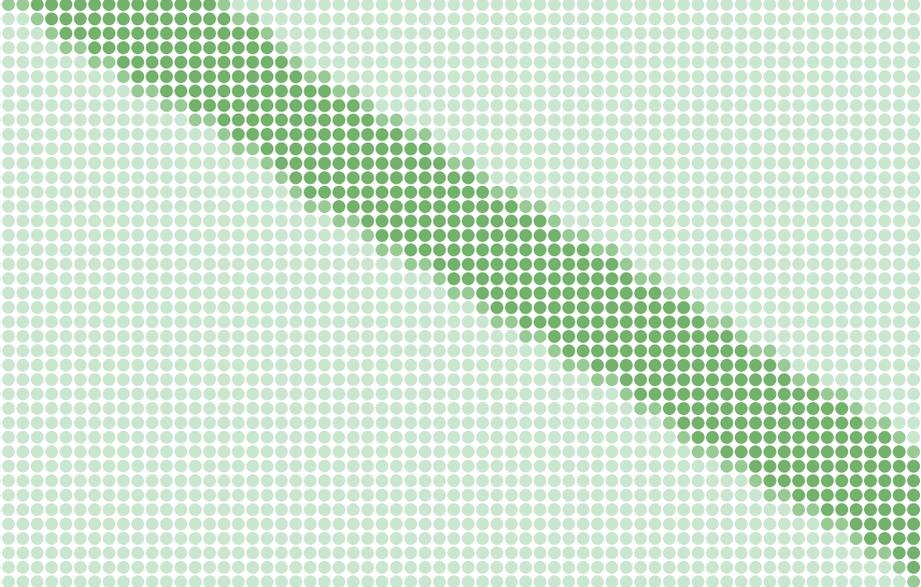
During the six months ended 30 September 2010, neither the Company nor any of the subsidiaries has purchased, sold or redeemed any of the Company’s listed securities.

By Order of the Board

**Wong Man Kit**

*Chairman*

Hong Kong, 30 November 2010



**AMS PUBLIC TRANSPORT HOLDINGS LIMITED**

進智公共交通控股有限公司

11th-12th Floor, Abba Commercial Building  
223 Aberdeen Main Road, Hong Kong  
香港香港仔大道223號利群商業大廈11-12樓  
Tel 電話: 2873 6808 Fax 傳真: 2873 2042  
Website 網址: [www.amspt.com](http://www.amspt.com)