



AMS 進智公交

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
於開曼群島註冊成立之有限公司

(Stock Code 股份代號 : 77)

2020/21

中期報告書 INTERIM REPORT



Grant Thornton 致同

Independent auditors' report on review of condensed consolidated interim financial information
To the Board of Directors of

AMS Public Transport Holdings Limited

(incorporated in the Cayman Islands with limited liability)

INTRODUCTION

We have reviewed the condensed consolidated interim financial information of AMS Public Transport Holdings Limited (the "Company") and its subsidiaries (together, the "Group") set out on pages 2 to 18, which comprise the condensed consolidated statement of financial position as at 30 September 2020, and the related condensed consolidated income statement, condensed consolidated statement of comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended, and other explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of a report on interim financial information to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34 "Interim Financial Reporting" ("HKAS 34") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). The directors of the Company are responsible for the preparation and presentation of these condensed consolidated interim financial information in accordance with HKAS 34.

Our responsibility is to express a conclusion on these condensed consolidated interim financial information based on our review, and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the HKICPA. A review of these condensed consolidated interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated interim financial information are not prepared, in all material respects, in accordance with HKAS 34.

Grant Thornton Hong Kong Limited

Certified Public Accountants

Level 12

28 Hennessy Road

Wanchai

Hong Kong

27 November 2020

Kwok Siu Kwan Sylvia

Practising Certificate No.: P06616

The board of directors (the “Board”) of AMS Public Transport Holdings Limited (the “Company”) hereby announces the unaudited condensed consolidated interim results of the Company and its subsidiaries (collectively referred to as the “Group”) for the six months ended 30 September 2020, together with the unaudited comparative figures for the corresponding period in 2019. The unaudited condensed consolidated interim financial information has been reviewed by the auditors and the audit committee of the Company (the “Audit Committee”).

CONDENSED CONSOLIDATED INCOME STATEMENT

For the six months ended 30 September 2020

	Notes	For the six months ended 30 September	
		2020 Unaudited HK\$'000	2019 Unaudited HK\$'000
Revenue	4	144,930	195,073
Direct costs		(138,085)	(161,282)
Gross profit		6,845	33,791
Other revenue	5	3,527	5,807
Other income	5	34,000	119
Administrative expenses		(20,392)	(20,259)
Other operating expenses		(831)	(554)
Operating profit		23,149	18,904
Deficit on revaluation of PLB licences	12	(18,480)	(23,400)
Provision for impairment of public bus licences	12	(2,680)	–
Finance costs	7	(1,789)	(2,863)
Share of results of a joint venture		262	445
Profit/(Loss) before income tax	8	462	(6,914)
Income tax credit/(expense)	9	2,234	(2,508)
Profit/(Loss) for the period		2,696	(9,422)
Earnings/(Loss) per share attributable to equity holders of the Company			
– Basic (In HK cents)	11	0.99	(3.47)
– Diluted (In HK cents)	11	0.99	(3.47)

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 September 2020

	For the six months ended 30 September	
	2020	2019
	Unaudited	Unaudited
	HK\$'000	HK\$'000
	<i>Note</i>	
Profit/(Loss) for the period	2,696	(9,422)
Other comprehensive expense		
Item that will not be reclassified subsequently to condensed consolidated income statement		
– Deficit on revaluation of PLB licences	12 –	(360)
Total comprehensive income/(expense) for the period	2,696	(9,782)

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2020

		30 September 2020 Unaudited HK\$'000	31 March 2020 Audited HK\$'000
	<i>Notes</i>		
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment	12	39,398	42,063
Investment property	12	53	–
Right-of-use assets	12	39	34,029
PLB licences	12	132,000	150,480
Public bus licences	12	12,104	14,784
Interest in a joint venture		–	1,348
Goodwill	12	22,918	22,918
Deferred tax assets		3,662	1,721
		210,174	267,343
Current assets			
Trade and other receivables	13	14,478	8,989
Amount due from a joint venture		–	1,000
Tax recoverable		1,738	1,869
Bank balances and cash		31,337	21,263
		47,553	33,121
Current liabilities			
Bank borrowings		13,679	15,258
Trade and other payables	14	35,865	34,581
Lease liabilities	15	41	34,191
Tax payable		549	2
		50,134	84,032
Net current liabilities		(2,581)	(50,911)
Total assets less current liabilities		207,593	216,432
Non-current liabilities			
Bank borrowings		141,043	143,450
Deferred tax liabilities		2,417	3,388
		143,460	146,838
Net assets		64,133	69,594
EQUITY			
Share capital	16	27,191	27,191
Reserves		36,942	42,403
Total equity		64,133	69,594

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

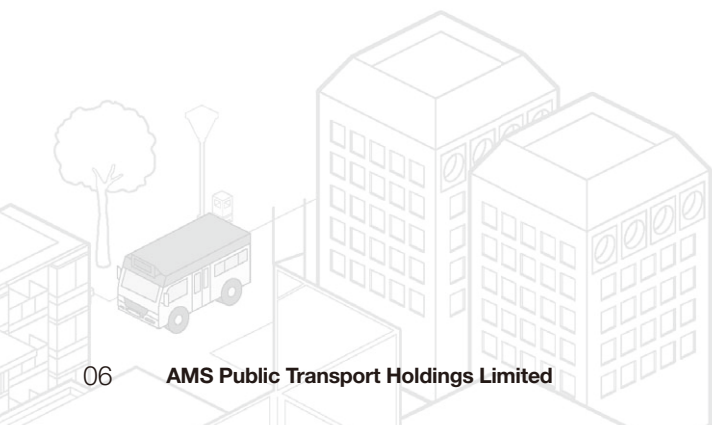
For the six months ended 30 September 2020

	Equity attributable to equity holders of the Company						
	Share capital	Share premium	PLB licences revaluation reserve	Share options reserve	Capital reserve	Accumulated losses	Total
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
As at 1 April 2020 (Audited)	27,191	74,612	-	1,666	19,296	(53,171)	69,594
Profit for the period and total comprehensive income for the period	-	-	-	-	-	2,696	2,696
2020 special dividends (note 10)	-	-	-	-	-	(8,157)	(8,157)
As at 30 September 2020 (Unaudited)	27,191	74,612	-	1,666	19,296	(58,632)	64,133
As at 1 April 2019 (Audited)	27,191	74,612	400	1,666	19,296	4,955	128,120
Loss for the period	-	-	-	-	-	(9,422)	(9,422)
Other comprehensive expense							
- Deficit on revaluation of PLB licences (note 12)	-	-	(360)	-	-	-	(360)
Total comprehensive expense for the period	-	-	(360)	-	-	(9,422)	(9,782)
2019 special dividends (note 10)	-	-	-	-	-	(21,753)	(21,753)
As at 30 September 2019 (Unaudited)	27,191	74,612	40	1,666	19,296	(26,220)	96,585

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the six months ended 30 September 2020

	For the six months ended 30 September	
	2020 Unaudited HK\$'000	2019 Unaudited HK\$'000
Net cash inflow from operating activities	55,832	56,854
Net cash inflow/(outflow) from investing activities		
Capital expenditure	(87)	(10,233)
Dividend income from a joint venture	1,600	–
Repayment of amount due from a joint venture	1,000	500
Proceeds from disposal of property, plant and equipment	27	178
Proceeds from disposal of a subsidiary	10	–
Interest received	9	104
Receipt of government subsidies for disposal of property, plant and equipment	–	2,841
	2,559	(6,610)
Net cash outflow from financing activities		
Dividends paid to shareholders	(8,157)	(21,753)
Payment of lease liabilities	(34,385)	(33,377)
Interest paid on lease liabilities	(186)	(1,072)
Repayment of bank borrowings	(3,986)	(4,945)
Proceeds from new bank borrowings	–	8,950
Interest paid on bank borrowings	(1,603)	(1,791)
	(48,317)	(53,988)
Net increase/(decrease) in cash and cash equivalents	10,074	(3,744)
Cash and cash equivalents at the beginning of the period	21,263	32,829
Cash and cash equivalents at the end of the period, represented by bank balances and cash	31,337	29,085



NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED INTERIM FINANCIAL INFORMATION

For the six months ended 30 September 2020

1. Corporate information

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

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

This unaudited condensed consolidated interim financial information is presented in Hong Kong dollars ("HK\$"), unless otherwise stated.

2. Basis of preparation and significant accounting policies

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

This unaudited condensed consolidated interim financial information does 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 2020.

This unaudited condensed consolidated interim financial information has been prepared on the historical cost basis except for PLB licences which are stated at fair values. The accounting policies and methods of computation used in the preparation of this unaudited condensed consolidated interim financial information are consistent with those used in the Group's annual financial statements for the year ended 31 March 2020, except for the adoption of the new and amended Hong Kong Financial Reporting Standards ("HKFRSs") issued by the HKICPA which are relevant to and effective for the Group's financial statements for annual accounting period beginning on 1 April 2020 as disclosed in note 3 to this unaudited condensed consolidated interim financial information.

In preparing the unaudited condensed consolidated interim financial information, the directors of the Company (the "Directors") have given careful consideration to the future liquidity of the Group in light of the fact that, as of 30 September 2020, the Group's current liabilities exceeded its current assets by HK\$2,581,000. 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: 1) the Group had strong and positive net cash inflow from operating activities and bank balances and cash of HK\$31,337,000 as at 30 September 2020 which enable the Group to meet its payment obligations at all times; 2) as at 30 September 2020, the Group had undrawn facilities totaling HK\$67,300,000 which were the overdraft and revolving loan facilities granted by banks; and 3) the management has prepared cash flow forecasts which demonstrated that the Group had sufficient working capital over the next twelve months from the reporting date. After taking into account the above, the condensed consolidated interim financial information has been prepared on a going concern basis.

3. Adoption of new and amended HKFRSs

(a) New and amended HKFRSs that are effective for annual periods beginning on or after 1 April 2020

In the current interim period, the Group has applied for the first time the following new and amended HKFRSs issued by the HKICPA, which are relevant to the Group's operations and effective for the annual period beginning on or after 1 April 2020 for the preparation of the Group's unaudited condensed consolidated interim financial information.

Amendments to HKFRS 3	Definition of a Business
Amendments to HKFRS 9, HKAS 39 and HKFRS 7	Interest Rate Benchmark Reform
Amendments to HKAS 1 and HKAS 8	Definition of Material

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

(b) Issued but not yet effective HKFRSs

The HKICPA has issued a number of new and amended HKFRSs that are not yet effective and have not been early adopted by the Group for the financial year beginning on 1 April 2020.

HKFRS 17	Insurance Contracts and related amendments ⁴
Amendments to HKFRS 3	Reference to the Conceptual Framework ⁶
Amendments to HKFRS 9, HKAS 39, HKFRS 7, HKFRS 4 and HKFRS 16	Interest Rate Benchmark Reform – Phase 2 ²
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ⁵
Amendments to HKFRS 16	Covid-19-Related Rent Concessions ¹
Amendments to HKAS 1	Classification of Liabilities as Current or Non-current ⁴
Amendments to HKAS 16	Property, Plant and Equipment – Proceeds before Intended Use ³
Amendments to HKAS 37	Onerous Contracts – Cost of Fulfilling a Contract ³
Amendments to HKFRSs	Annual Improvements to HKFRS Standards 2018-2020 ³

¹ Effective for annual periods beginning on or after 1 June 2020

² Effective for annual periods beginning on or after 1 January 2021

³ Effective for annual periods beginning on or after 1 January 2022

⁴ Effective for annual periods beginning on or after 1 January 2023

⁵ Effective date not yet determined

⁶ Effective for business combinations for which the acquisition date is on or after the beginning of the first annual period beginning on or after 1 January 2022

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. These new and amended HKFRSs are not expected to have a material impact on the Group's condensed consolidated interim financial information.

4. Revenue

The Group is principally engaged in provision of the franchised PLB and residents' bus transportation services in Hong Kong. The Group's revenue represents the amount received and receivable for provision of these services during the six months ended 30 September 2020 and 2019.

The Group derives all the revenue from provision of the franchised PLB and residents' bus transportation services at a point in time during the six months ended 30 September 2020 and 2019.

Notes to the Unaudited Condensed Consolidated Interim Financial Information
For the six months ended 30 September 2020

5. **Other revenue and other income**

	For the six months ended 30 September	
	2020 Unaudited HK\$'000	2019 Unaudited HK\$'000
Other revenue		
Advertising income	2,200	2,200
Government subsidies (<i>note 1</i>)	–	2,188
Administration fee income	1,210	1,224
Interest income	9	104
Others	108	91
	3,527	5,807
Other income		
Government subsidies (<i>note 2</i>)	33,922	–
Gain on disposal of property, plant and equipment	27	101
Sundry income	51	18
	34,000	119

Note 1: During the six months ended 30 September 2019, the Group was entitled to receive subsidies of HK\$2,188,000 under the Hong Kong Government's Exgratia Payment Scheme ("EP Scheme") for the disposal of certain pre-Euro IV diesel commercial vehicles (the "Disposal"). The Government grants to the Group were recognised as other revenue in the condensed consolidated income statement during the period of the Disposal and when the conditions under the EP Scheme were complied with.

Note 2: During the six months ended 30 September 2020, the Group received subsidies of HK\$33,922,000 which included wage and fuel subsidies, and a one-off subsidy amounting to HK\$10,620,000 to green minibus passenger service operators, from the Hong Kong Government's Anti-epidemic Fund as a result of the outbreak of COVID-19. As at 30 September 2020, the Government subsidies recognised but not yet received were HK\$5,873,000 (*note 13*).

6. **Segment information**

The Executive Directors regard the Group's franchised PLB and residents' bus transportation 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 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.

No individual customers contributed over 10% of the Group's revenue for the six months ended 30 September 2020 and 2019.

7. Finance costs

	For the six months ended 30 September	
	2020	2019
	Unaudited HK\$'000	Unaudited HK\$'000
Interest expenses on bank borrowings	1,603	1,791
Finance charges on lease liabilities	186	1,072
	1,789	2,863

8. Profit/(Loss) before income tax

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

	For the six months ended 30 September	
	2020	2019
	Unaudited HK\$'000	Unaudited HK\$'000
Fuel cost in direct costs	19,363	27,074
Employee benefits expense (including directors' emoluments)	88,039	101,027
Lease charges:		
– Land and buildings under operating leases	–	33
– Short term leases and leases with lease term shorter than 12 months	11	–
Depreciation of right-of-use assets (note 12)	34,225	33,483
Depreciation of property, plant and equipment (note 12)	2,698	2,220
Depreciation of investment property (note 12)	1	–
Gain on disposal of property, plant and equipment (note 5)	(27)	(101)

9. Income tax credit/(expense)

Hong Kong Profits Tax has been provided at the rate of 16.5% (2019: 16.5%) on the estimated assessable profits for the period, except that a subsidiary is entitled to a profits tax rate cut to 8.25% (2019: 8.25%) for the first HK\$2,000,000 assessable profit under the two-tiered profits tax rates regime of Hong Kong.

	For the six months ended 30 September	
	2020	2019
	Unaudited HK\$'000	Unaudited HK\$'000
Current tax	(678)	(1,541)
Deferred tax	2,912	(967)
Total income tax credit/(expense)	2,234	(2,508)

Notes to the Unaudited Condensed Consolidated Interim Financial Information
For the six months ended 30 September 2020

10. Dividends

(a) **Dividends attributable to the period**

In line with previous practice, the Board does not recommend the payment of any interim dividend for the six months ended 30 September 2020 and 2019.

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

	For the six months ended 30 September	
	2020	2019
	Unaudited	Unaudited
	HK\$'000	HK\$'000
Special dividend of HK3.0 cents (2019: HK8.0 cents) per ordinary share	8,157	21,753

At the Board meeting held on 26 June 2020, the Board has resolved to declare a special dividend of HK3.0 cents (2019: HK8.0 cents) per ordinary share in respect of the year ended 31 March 2020, totaling HK\$8,157,000 (2019: HK\$21,753,000). No final dividend for the year ended 31 March 2020 and 2019 was declared.

11. 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\$2,696,000 (2019: loss of HK\$9,422,000) and on the weighted average number of 271,913,000 (2019: 271,913,000) ordinary shares in issue during the period.

(b) **Diluted earnings/(loss) per share**

Diluted earnings per share is the same as basic earnings per share for the six months ended 30 September 2020, as the share options have no dilutive effect for the period 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.

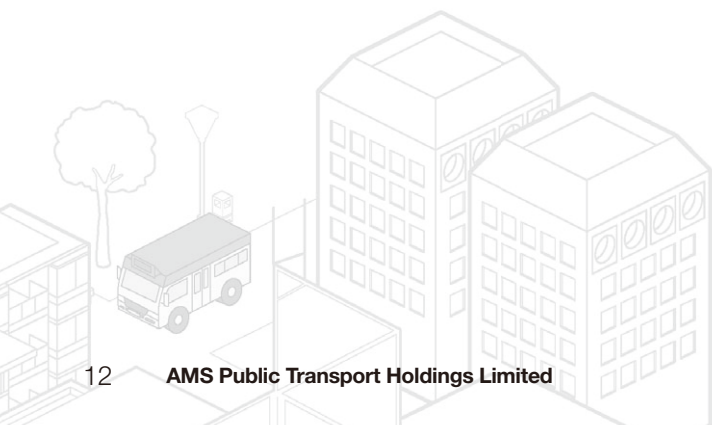
Diluted loss per share is the same as basic loss per share for the six months ended 30 September 2019. The potential shares arising from the conversion of the Company's share options would decrease the loss per share attributable to equity holders of the Company and is not taken into account as they had anti-dilutive effects.

Notes to the Unaudited Condensed Consolidated Interim Financial Information
For the six months ended 30 September 2020

12. Capital expenditure and goodwill

The following table shows the movements in property, plant and equipment, investment property, right-of-use assets, PLB licences, public bus licences and goodwill:

	Property, plant and equipment	Investment property	Right-of-use assets	PLB licences	Public bus licences	Goodwill
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
As at 1 April 2020 (Audited)	42,063	-	34,029	150,480	14,784	22,918
Additions	87	-	235	-	-	-
Reclassification	(54)	54	-	-	-	-
Deficit on revaluation charged to condensed consolidated income statement	-	-	-	(18,480)	-	-
Provision for impairment of public bus licences	-	-	-	-	(2,680)	-
Depreciation	(2,698)	(1)	(34,225)	-	-	-
As at 30 September 2020 (Unaudited)	39,398	53	39	132,000	12,104	22,918
As at 1 April 2019 (Audited)						
- As previously stated	30,946	-	-	198,000	15,184	22,918
- Recognition upon adoption of HKFRS 16	-	-	94,633	-	-	-
- As restated	30,946	-	94,633	198,000	15,184	22,918
Additions	10,233	-	5,329	-	-	-
Disposals	(77)	-	-	-	-	-
Deficit on revaluation charged to condensed consolidated income statement	-	-	-	(23,400)	-	-
Deficit on revaluation dealt with in revaluation reserve	-	-	-	(360)	-	-
Depreciation	(2,220)	-	(33,483)	-	-	-
As at 30 September 2019 (Unaudited)	38,882	-	66,479	174,240	15,184	22,918



12. Capital expenditure and goodwill (Continued)

The fair value of a PLB licence dropped to HK\$2,000,000 as at 30 September 2020 (31 March 2020: HK\$2,280,000). At the reporting date, the PLB licences were revalued by Vigers Appraisal & Consulting Limited ("Vigers"), 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. As they were observable inputs which failed to meet Level 1, and there were no significant unobservable inputs used, the measurement was under Level 2 valuation hierarchy. The key assumptions under the market approach are consistent with those used and disclosed in the Group's annual financial statements for the year ended 31 March 2020.

Fair value hierarchy

The following table presents the fair value of the Group's PLB licences measured at the reporting date 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 valuations: Fair value measured by using only Level 1 inputs, i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date.
- Level 2 valuations: Fair value measured by using Level 2 inputs, i.e. observable inputs, either directly or indirectly, which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available.
- Level 3 valuations: Fair value measured by using significant unobservable inputs.

	Level 1 HK\$'000	Level 2 HK\$'000	Level 3 HK\$'000	Total HK\$'000
Recurring fair value measurement of PLB licences:				
As at 30 September 2020 (Unaudited)	–	132,000	–	132,000
As at 31 March 2020 (Audited)	–	150,480	–	150,480

During the six months ended 30 September 2020 and 2019, there were no transfers between Level 1 and Level 2.

Notes to the Unaudited Condensed Consolidated Interim Financial Information
For the six months ended 30 September 2020

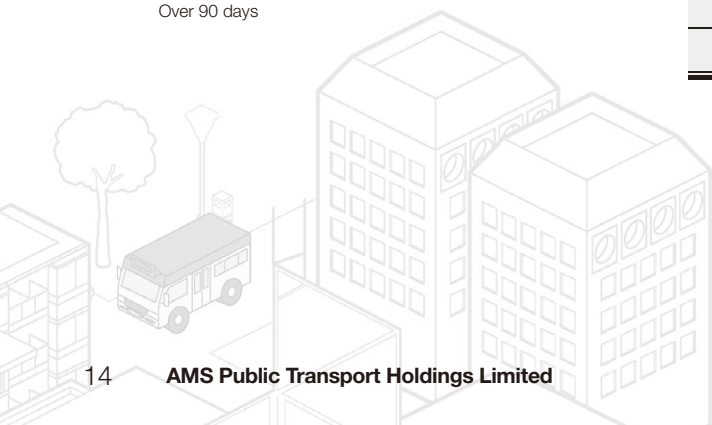
13. Trade and other receivables

	30 September 2020 Unaudited HK\$'000	31 March 2020 Audited HK\$'000
Trade receivables – gross	1,763	1,827
Less: Expected credit losses (“ECL”) allowance	–	–
Trade receivables – net	1,763	1,827
Other receivables – gross	2,122	3,829
Subsidies receivable – gross	5,873	–
Less: ECL allowance	–	–
Other receivables – net	7,995	3,829
Deposits	1,167	1,131
Prepayments	3,553	2,202
	14,478	8,989

Majority of the Group’s revenue is attributable to franchised PLB services income which is received in cash or collected via Octopus Cards Limited and remitted to the Group on the next business day after the day in which services are rendered. The Group normally grants a credit term ranging from 0 to 30 days (31 March 2020 (audited): 0 to 30 days) to other trade debtors.

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

	30 September 2020 Unaudited HK\$'000	31 March 2020 Audited HK\$'000
0 to 30 days	1,287	1,036
31 to 60 days	258	273
61 to 90 days	212	273
Over 90 days	6	245
	1,763	1,827



Notes to the Unaudited Condensed Consolidated Interim Financial Information
For the six months ended 30 September 2020

14. Trade and other payables

	30 September 2020 Unaudited HK\$'000	31 March 2020 Audited HK\$'000
Trade payables	3,138	3,968
Other payables and accruals	32,727	30,613
	35,865	34,581

The Group is granted by its suppliers credit periods ranging from 0 to 30 days (31 March 2020 (audited): 0 to 30 days). Based on the invoice dates, the ageing analysis of trade payables was as follows:

	30 September 2020 Unaudited HK\$'000	31 March 2020 Audited HK\$'000
0 to 30 days	3,138	3,968

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

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

15. Lease liabilities

	30 September 2020 Unaudited HK\$'000	31 March 2020 Audited HK\$'000
Total minimum lease payments:		
Due within one year	41	34,377
Future finance charges on leases liabilities	-	(186)
Present value of leases liabilities	41	34,191
Present value of minimum lease payments:		
Due within one year included under current liabilities	41	34,191

16. Share capital

	30 September 2020		31 March 2020	
	Number in thousand	Unaudited HK\$'000	Number in thousand	Audited HK\$'000
Authorised:				
Ordinary shares of HK\$0.10 each	1,000,000	100,000	1,000,000	100,000
Issued and fully paid:				
Ordinary shares of HK\$0.10 each	271,913	27,191	271,913	27,191

17. Share-based compensation

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

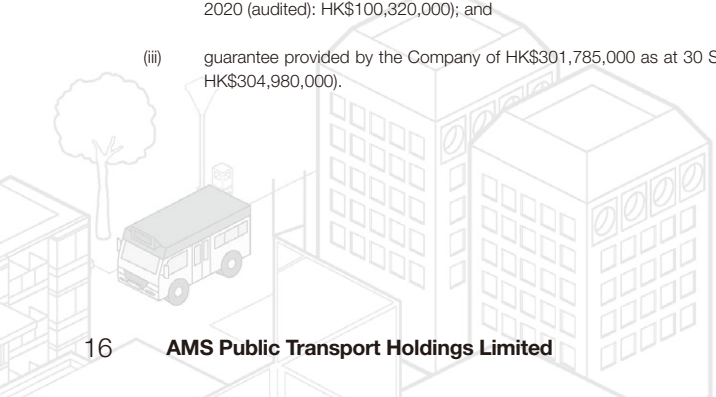
	For the six months ended 30 September			
	2020		2019	
	Number of share options	Weighted average exercise price HK\$	Number of share options	Weighted average exercise price HK\$
Outstanding at the beginning of the period and at end of the period (unaudited)	7,497,000	1.48	7,497,000	1.48
Exercisable at the end of the period (unaudited)	7,497,000	1.48	7,497,000	1.48

Details of the outstanding share options are set out on page 28 of this interim report.

18. Banking facilities

As at 30 September 2020, the Group had banking facilities totalling HK\$222,022,000 (31 March 2020 (audited): HK\$206,008,000), of which approximately HK\$154,722,000 (31 March 2020 (audited): HK\$158,708,000) were utilised. These facilities were secured by:

- (i) pledge of certain property, plant and equipment of the Group with net book value of HK\$21,059,000 as at 30 September 2020 (31 March 2020 (audited): HK\$22,228,000);
- (ii) pledge of certain PLB licences with carrying amount of HK\$88,000,000 as at 30 September 2020 (31 March 2020 (audited): HK\$100,320,000); and
- (iii) guarantee provided by the Company of HK\$301,785,000 as at 30 September 2020 (31 March 2020 (audited): HK\$304,980,000).



Notes to the Unaudited Condensed Consolidated Interim Financial Information
For the six months ended 30 September 2020

19. Commitments

(a) **Capital commitments**

As at 30 September 2020 and 31 March 2020, the Group had the following capital commitment:

	30 September 2020 Unaudited HK\$'000	31 March 2020 Audited HK\$'000
Contracted but not provided for: Property, plant and equipment	14,348	14,098

(b) **Lease commitments**

As lessee

The lease commitments for short-term leases except for PLB leases as at 30 September 2020 and 31 March 2020 are as follows:

	30 September 2020 Unaudited HK\$'000	31 March 2020 Audited HK\$'000
Within one year	18	12

As at 30 September 2020 and 31 March 2020, the Group has entered into leases of property. None of the leases included contingent rentals.

As lessor

As at 30 September 2020 and 31 March 2020, the Group had future aggregate minimum lease receipts under non-cancellable operating leases as follows:

	30 September 2020 Unaudited HK\$'000	31 March 2020 Audited HK\$'000
Within one year	2,254	2,200
In the second to fifth years	93	–
	2,347	2,200

Operating lease arrangements, regarding to advertising on PLBs run for a period of 2 to 4 years (31 March 2020: 2 years) and leasing investment property (note 12) run for 3 years.

20. Related party transactions

Save as disclosed elsewhere in the condensed consolidated interim financial information, during the six months ended 30 September 2020 and 2019, the Group had the following significant transactions with its related parties:

a) Key management compensation

	For the six months ended 30 September	
	2020	2019
	Unaudited HK\$'000	Unaudited HK\$'000
Salaries, allowances and benefits in kind	5,570	5,611
Contributions to retirement benefits schemes	63	63
	5,633	5,674

b) Related companies

Name of related companies	Nature of transactions	For the six months ended 30 September	
		2020	2019
		Unaudited HK\$'000	Unaudited HK\$'000
Hong Kong & China Transportation Consultants Limited	Administration fee income received	374	374
	Compensation for loss of PLB paid	-	27
	PLB lease payments	10,563	10,447
Maxson Transportation Limited	Administration fee income received	420	420
	PLB lease payments	12,004	11,980
Big Three Limited	Administration fee income received	407	394
	PLB lease payments	11,772	11,052

Note

(i): During the period, all above transactions were entered into between the Group and the above related companies in which Mr. Wong Ling Sun, Vincent, the Director, is the director and major shareholder; and Ms. Ng Sui Chun, Ms. Wong Wai Sum, Maya and Ms. Wong Wai Man, Vivian, the Directors, also have directorship and beneficial interest in some of these related companies.

(ii): The related party transactions were conducted in the Group's normal course of business and at mutually agreed prices and terms.

MANAGEMENT DISCUSSION AND ANALYSIS

INTERIM RESULTS AND DIVIDENDS

The Group recorded significant drop in patronage and revenue since the outbreak of the coronavirus disease (COVID-19). With the Group's cost control measures and the subsidies received from the Hong Kong Government's Anti-epidemic Fund, the adverse impact on the operating result for the period was offset. Taking into account of the non-cash deficit on revaluation of PLB licences and provision for impairment of public bus licences for the period amounting to around HK\$21,160,000 (2019: HK\$23,400,000), the Group recorded a profit of HK\$2,696,000 for the six months ended 30 September 2020 (2019: loss of HK\$9,422,000).

In line with previous practice, the Board does not recommend the payment of any interim dividend for the six months ended 30 September 2020 (2019: no interim dividend was declared).

REVIEW OF OPERATIONS AND FINANCIAL REVIEW

- Since January 2020, the outbreak of COVID-19 in Hong Kong has brought severe impact to the local public transportation industry. Anti-epidemic measures launched by the Hong Kong Government like school suspension, work-from-home arrangements adopted by public sector (and also the private sector) and reduction of social gatherings etc. led to a significant reduction in passenger flow. According to the transport figures published by the Transport Department, during the six months ended 30 September 2020, there was a 28% drop in patronage of the green minibus sector. Other public transport service operators including MTR and franchised buses also recorded around 32% drop in total number of passengers.
- As a result of rapid decline in passenger demand caused by the outbreak of COVID-19, the patronage of the Group's franchised PLB services for the six months ended 30 September 2020 fell by 25.6% to 21,998,000 compared with same period last year (2019: 29,572,000). In response to the significant drop in passenger demand, the Group adjusted service frequencies to the greatest extent possible to enhance efficient use of the resources. Hence, the total mileage travelled for the period decreased by around 18.5% to approximately 16.3 million kilometers (2019: 20.0 million kilometers).
- As at 30 September 2020, the PLB fleet size remained at 354 (31 March 2020: 354; 30 September 2019: 357) while the number of PLB routes also remained unchanged at 71 (31 March 2020: 71; 30 September 2019: 70). The number of residents' buses routes and its fleet size operating by the Group maintained at five (31 March 2020 and 30 September 2019: five) and eight (31 March 2020 and 30 September 2019: eight) respectively as at 30 September 2020. In order to reserve financial resource for coping with the challenges brought by COVID-19, the Group suspended the fleet upgrade plan and therefore, only one aged 16-seat PLB was replaced by new 19-seat PLB during the period. As at 30 September 2020, the Group deployed 223 19-seat PLBs (31 March 2020: 222; 30 September 2019: 188), representing around 63.0% of the Group's PLB fleet.
- In order to contain the spread of COVID-19 pandemic and to safeguard the health and safety of our employees and passengers, the Group has adopted a series of anti-epidemic measures, which include frequent cleaning and disinfection of the compartment facilities with bleach or antiseptic solution and applying antimicrobial coatings in compartments and the air-conditioning filters of the entire fleet so as to provide clean environment to the passengers and employees. The frontline employees of the Group, mainly the captains, have conducted the COVID-19 testing as arranged by the Transport Department and the Group has set up internal guideline to request employees to carry out the COVID-19 testing again in due course.

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

	For the six months ended		Increase/ (Decrease) HK\$'000	In %
	30 September			
	2020 HK\$'000	2019 HK\$'000		
Revenue	144,930	195,073	(50,143)	-25.7%
Other revenue and other income	37,527	5,926	31,601	533.3%
Direct costs	(138,085)	(161,282)	(23,197)	-14.4%
Administrative expenses	(20,392)	(20,259)	133	0.7%
Other operating expenses	(831)	(554)	277	50.0%
Finance costs	(1,789)	(2,863)	(1,074)	-37.5%
Share of results of a joint venture	262	445	(183)	-41.1%
Income tax credit/(expense)	2,234	(2,508)	(4,742)	N/A
Profit for the period before deficit on the revaluation of PLB licences and provision for impairment of public bus licences	23,856	13,978	9,878	70.7%
Deficit on revaluation of PLB licences	(18,480)	(23,400)	(4,920)	-21.0%
Provision for impairment of public bus licences	(2,680)	-	2,680	N/A
Profit/(Loss) for the period	2,696	(9,422)	12,118	N/A

- Owing to the significant drop in patronage, the revenue for the period decreased accordingly by HK\$50,143,000 or 25.7% to HK\$144,930,000 (2019: HK\$195,073,000), compared with same period last year. The Group had submitted certain fare increase applications before the COVID-19 outbreak. However, the review and approval process of the applications slowed down during the COVID-19 pandemic. Therefore, for the period under review, the effect of fare increase on revenue was negligible as only three long loss-making routes were allowed to increase the fares by around 6.6% in late September 2020 (2019: 14 routes, ranging from 2.9% to 9.7%).
- Other revenue and other income for the period increased by HK\$31,601,000 or 533.3% to HK\$37,527,000 (2019: HK\$5,926,000) compared with last period because the Group received subsidies amounting to HK\$33,922,000 under the Anti-epidemic Fund of the Hong Kong Government (including the Government's Employment Support Scheme). The Group received a subsidy of HK\$2,188,000 for the disposal of pre-Euro IV PLBs under the Exgratia Payment Scheme from the Government during the corresponding period in 2019.

- The direct costs for the period decreased by HK\$23,197,000 or 14.4% to HK\$138,085,000 (2019: HK\$161,282,000) compared with last period. The major direct costs of the Group are labour costs, depreciation of right-of-use asset, fuel costs and repair and maintenance (“R&M”) costs, which altogether made up over 90% of the total direct costs for the period. The changes on these major direct costs are as follows:
 - As a result of the drop in international fuel prices and reduction in consumption (i.e. decrease in mileage travelled), fuel costs for the period reduced by HK\$7,711,000 or 28.5% to HK\$19,363,000 (2019: HK\$27,074,000).
 - Labour costs of captains for the period dropped by HK\$13,342,000 or 17.2% to HK\$64,373,000 (2019: HK\$77,715,000), which was mainly attributable to the decrease in working hours as a result of reduced service frequency.
 - Depreciation of right-of-use asset in respect of the leased PLBs for the period increased by HK\$742,000 or 2.2% to HK\$34,225,000 (2019: HK\$33,483,000), which was mainly attributable to the higher rental rate paid for the new PLBs. The Group replaced 77 PLBs during the last financial year and one PLB during the period under review.
 - R&M costs: To promote the comfort of passengers, the Group upgraded the fleet in recent years by replacing aged vehicles and thus lowered the average fleet age to 6.6 years as at 30 September 2020 (2019: 7.0 years). The younger fleet, reduced minibus utilisation and better costs control effectively reduced the R&M costs for the period by HK\$2,646,000 or 19.8% to HK\$10,684,000 (2019: HK\$13,330,000).
- The administrative expenses for the period was HK\$20,392,000 (2019: HK\$20,259,000), of which HK\$16,125,000 was staff costs. There was no material change in administrative expenses compared with last period.
- The fair value of a PLB licence was down by HK\$280,000 or 12.3% to HK\$2,000,000 as at 30 September 2020 (31 March 2020: HK\$2,280,000). Therefore, the total carrying amount of the PLB licences of the Group as at 30 September 2020 decreased accordingly by HK\$18,480,000 to HK\$132,000,000 (31 March 2020: HK\$150,480,000), such amount of change was charged to the condensed consolidated income statement (2019: HK\$23,400,000). Please also refer to the note 12 of the unaudited condensed consolidated interim financial information for more information on the carrying amount of PLB licences.

According to the applicable accounting standards, the PLB licences are revalued 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.

- As at 30 September 2020, the Group owned eight public bus licences for operational purpose (31 March 2020: eight). Since the recoverable amount of public bus licences further went down under the economic downturn, the Group recognised a provision for impairment of public bus licences of HK\$2,680,000 for the period (2019: Nil).

Management Discussion and Analysis

- The breakdown of finance costs for the period is as follow:

	For the six months ended	
	2020	2019
	HK\$'000	HK\$'000
Interest expenses on bank borrowings (note i)	1,603	1,791
Finance charges on lease liabilities (note ii)	186	1,072
Total finance costs	1,789	2,863

Note:

- (i) Compared with last period, interest expenses on bank borrowings for the period decreased by around HK\$188,000 or 10.5% to HK\$1,603,000 (2019: HK\$1,791,000), which was mainly due to the decrease in average interest rate of the Group by approximately 34 basis points (i.e. 0.34%) compared with that of last period; and
 - (ii) Finance charges on lease liabilities for the period reduced correspondingly with the decrease of the balance of lease liabilities.
- The income tax credit for the period was HK\$2,234,000 (2019: income tax expense of HK\$2,508,000). The Hong Kong profits tax rate applicable to the Group during the year was 16.5% (2019: 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. Furthermore, excluding the non-deductible effect of deficit on revaluation of PLB licences and provision for impairment of public bus licences totaling HK\$21,160,000 (2019: HK\$23,400,000) and the non-taxable effect of Government subsidies of HK\$33,922,000, the effective tax rate for the period was 16.8% (2019: 16.2%).

Cash flow

	For the six months ended	
	2020	2019
	HK\$'000	HK\$'000
Net cash inflow from operating activities	55,832	56,854
Net cash inflow/(outflow) from investing activities	2,559	(6,610)
Net cash outflow from financing activities	(48,317)	(53,988)
Net increase/(decrease) in cash and cash equivalents	10,074	(3,744)

- The cash flow from operating activities improved in line with the increase in operating profit. However, taking into account the sum of Government subsidies recognised but not yet received as at 30 September 2020 of HK\$5,873,000, the net cash inflow from operating activities slightly decreased by HK\$1,022,000 or 1.8% to HK\$55,832,000 (2019: HK\$56,854,000) compared with last period.
- The net cash inflow from investing activities for the period was HK\$2,559,000 (2019: net cash outflow of HK\$6,610,000), which included a dividend income of HK\$1,600,000 and a loan repayment of HK\$1,000,000 received from a joint venture. The net outflow of HK\$6,610,000 for last period was mainly for purchase of new PLBs.
- the net cash outflow from financing activities for the period reduced by HK\$5,671,000 or 10.5% to HK\$48,317,000 (2019: HK\$53,988,000) as compared with last period. The decrease was mainly attributable to the decrease in dividends paid to shareholders during the period.

Please refer to the condensed consolidated statement of cash flows for the details.

Capital structure, liquidity, financial resources and policies

Liquidity and financial resources

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

The net current liabilities of the Group as at 30 September 2020 reduced to HK\$2,581,000 (31 March 2020: HK\$50,911,000). The current ratio (current assets/current liabilities) as at 30 September 2020 increased to 0.95 times (31 March 2020: 0.39 times). The main reasons for the improvement in both net current liabilities and current ratio were: 1) the reduction of lease liabilities as the minibus leasing agreement in relation to the leasing of 286 PLBs expired on 30 September 2020; and 2) the increase in bank balances and cash during the period. Please refer to the "Cash Flow" section above for the change of the bank balances and cash for the year.

The Group has renewed the minibus leasing agreements with the lessors for another three years commencing on 1 October 2020. Therefore, it is expected that the balances of the right-of-use assets and the lease liabilities in respect of the lease arrangement as at the next reporting date would increase substantially.

As at 30 September 2020, the Group had bank balances and cash amounting to HK\$31,337,000 (31 March 2020: HK\$21,263,000). All of the bank balances and cash as at 30 September 2020 and 31 March 2020 were denominated in Hong Kong dollars.

As at 30 September 2020, the Group had banking facilities totalling HK\$222,022,000 (31 March 2020: HK\$206,008,000) of which HK\$154,722,000 (31 March 2020: HK\$158,708,000) was utilised.

Bank borrowings

The balance of the total bank borrowings of the Group decreased by HK\$3,986,000 or 2.5% to HK\$154,722,000 as at 30 September 2020 (31 March 2020: HK\$158,708,000), which was attributable to the scheduled repayment of bank borrowings during the period.

The maturity profiles of the bank borrowings are as follows:

	As at 30 September 2020 HK\$'000	As at 31 March 2020 HK\$'000
Within one year	13,679	15,258
In the second year	10,802	10,425
In the third to fifth year	30,341	30,350
After the fifth year	99,900	102,675
	154,722	158,708

The gearing ratio (defined as total bank borrowings less bank balances and cash/shareholders' equity) of the Group as at 30 September 2020 was 192.4% (31 March 2020: 197.5%). The decrease in gearing ratio was mainly attributable to the increase in bank balances and cash as at 30 September 2020.

Pledge of assets

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

	As at 30 September 2020 HK\$'000	As at 31 March 2020 HK\$'000
PLB licences	88,000	100,320
Property, plant and equipment	21,059	22,228

Credit risk management

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

Foreign currency risk management

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

Interest rate risk management

The Group's interest rate risk arises primarily from its bank balances and borrowings. All borrowings as at 30 September 2020 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 1.1% (2019: 1.5%) of the total costs (excluding deficit on revaluation of PLB licences and provision for impairment of public bus licences) of the Group for the reporting period. Any reasonably possible changes in the market interest rates would not bring significant impact to the Group.

Fuel price risk

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

Capital expenditure and commitment

The Group's total capital expenditure for the period was HK\$322,000 (2019: HK\$15,562,000). Compared with that of last period, there was a significant reduction in capital expenditure during the period because the schedule of upgrading the PLB fleet was temporarily suspended due to the outbreak of COVID-19. During the same period last year, the Group purchased 12 new PLBs amounting to HK\$8,524,000 for and recognised additional right-of-use assets amounting to HK\$5,329,000 as a result of deploying new PLBs. As at 30 September 2020, the Group's capital commitment contracted and not provided for was HK\$14,348,000, which was mainly the balance payments for 23 PLBs ordered but not yet delivered (31 March 2020: HK\$14,098,000).

Contingent liabilities

The Group did not have any material contingent liabilities as at 30 September 2020 and 31 March 2020.

Employees and remuneration policies

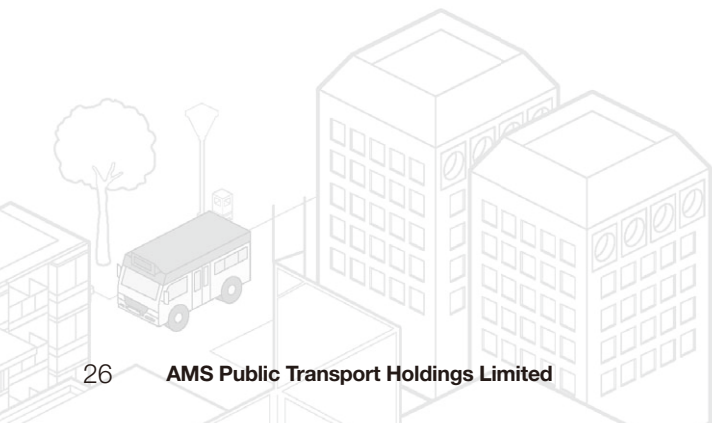
Since the minibus industry is labour intensive in nature, staff costs accounted for a substantial part of the total operating costs of the Group. Expenses relating to employee benefits incurred for the reporting period were HK\$88,039,000 (2019: HK\$101,027,000), representing 55.4% (2019: 53.9%) of the total costs (excluding the deficit on revaluation of PLB licences and provision for impairment of public bus licences). The drop in employee benefits expenses was due to the decrease in labour costs as explained above. Apart from the basic remuneration, double pay and/or discretionary bonus were also granted to eligible employees with reference to the Group's performance and individual contribution. Other benefits including share option scheme, retirement plans and training schemes were also provided to the staff members. As at 30 September 2020, the headcount of the Group was 1,295 (31 March 2020: 1,286).

PROSPECT

Looking ahead, whether the local public transport passenger flow can be restored still depends on the development of the COVID-19 epidemic and the progress of economic recovery in Hong Kong. Since the outbreak of COVID-19, the Group has been facing a drastic decrease in patronage and lost revenue over HK\$70 million compared with same period last year. To cope with this unprecedented challenge, apart from applying for the Government subsidies, the Group has been implementing cost control measures, mainly by closely monitoring the passenger flow and adjusting service frequencies flexibly.

Despite the improvement of situation in October 2020, the recent upsurge of COVID-19 confirmed cases in November 2020 may bring considerable impact on passenger demand again. Although the Group will receive the remaining amount of wage and fuel subsidies in the second half of the financial year, the management remains conservative about the financial performance of the Group in the near future as the adverse impact of the COVID-19 outbreak is unpredictable.

Although the operating environment is tough, the Group will continue to improve our operational efficiency by carrying out route restructuring and fleet upgrade. The Group has recently participated in the technical study on seat occupancy and seat belt fastening detection for green minibuses launched by the Transport Department and considers the new facilities could provide convenience to both operators and passengers and enhance their safety. As always, the Group will continue to explore and capture opportunities for development and strategic cooperation in the market so as to generate sustainable value for our shareholders. Lastly, even though the approval process of fare increase applications has become sluggish under the COVID-19 pandemic, the management would pro-actively seek for the supports from the local communities and the Government in order to maintain the service quality of the franchised PLB passenger service to meet the need of the general public.



DIRECTORS' INTERESTS IN SHARES

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

As at 30 September 2020, the interests and short positions of the Directors in the shares, underlying shares and debentures in/of the Company and its associated corporations (within the meaning of the 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:

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

Name of Director	Capacity	Nature of interest	Number of ordinary shares held	Number of underlying shares held in respect of the share options (Note (d))	Total	Approximate percentage of shareholding
Mr. Wong Ling Sun, Vincent (Notes a & b)	Beneficiary of a discretionary trust	Other	117,677,000	-	117,677,000	43.27%
	Beneficial owner	Personal	25,362,500	-	25,362,500	9.32%
	Executor of the estate of late Mr. Wong Man Kit	Other	23,256,000	-	23,256,000	8.56%
	Spouse of Ms. Loo Natasha Christie	Family	352,000	-	352,000	0.12%
	Father of Mr. Wong Tin Yan, Chace	Family	2,000,000	-	2,000,000	0.74%
	Father of Mr. Wong Tin Yue, Noah	Family	2,000,000	-	2,000,000	0.74%
	Father of Miss. Wong Tin Lam, Olivia	Family	2,000,000	-	2,000,000	0.74%
Ms. Ng Sui Chun (Note a)	Beneficiary of a discretionary trust	Other	117,677,000	-	117,677,000	43.27%
	Beneficial owner	Personal	11,350,300	-	11,350,300	4.17%
	Spouse of late Mr. Wong Man Kit	Family	23,256,000	-	23,256,000	8.56%
Mr. Chan Man Chun	Beneficial owner	Personal	3,539,500	-	3,539,500	1.30%
	Spouse of Ms. Chan Lai Ling	Family	220,000	-	220,000	0.08%
Ms. Wong Wai Sum, Maya (Note a)	Beneficiary of a discretionary trust	Other	117,677,000	-	117,677,000	43.27%
	Beneficial owner	Personal	3,357,000	-	3,357,000	1.24%
Ms. Wong Wai Man, Vivian (Note a & c)	Beneficiary of a discretionary trust	Other	117,677,000	-	117,677,000	43.27%
	Mother of Miss Au Tze Yu	Family	2,200,000	-	2,200,000	0.81%
	Mother of Mr. Au Chun Hay, Davis	Family	2,000,000	-	2,000,000	0.74%
Dr. Chan Yuen Tak Fai, Dorothy	Beneficial owner	Personal	588,000	300,000	888,000	0.33%
Mr. Kwong Ki Chi	Beneficial owner	Personal	588,000	300,000	888,000	0.33%

Notes:

- (a) As at 30 September 2020, 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"), which is the trustee of The JetSun Unit Trust, which is 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) As at 30 September 2020, Mr. Wong Ling Sun, Vincent held 2,000,000 ordinary shares in the Company as trustee for the benefit of each of his children, namely Mr. Wong Tin Yan, Chace (a minor), Mr. Wong Tin Yue, Noah (a minor) and Miss. Wong Tin Lam, Olivia (a minor).
- (c) As at 30 September 2020, Ms. Wong Wai Man, Vivian held 2,200,000 and 2,000,000 ordinary shares in the Company as trustee for the benefit of her children Miss Au Tze Yu (a minor) and Mr. Au Chun Hay, Davis (a minor) respectively.
- (d) The share options granted by the Company are physically settled equity derivatives. Please refer to the section "Share Options" of this interim report for the details of the share options granted to the Directors.

Save as disclosed herein and other than certain shares in subsidiaries held as nominees by certain directors of the Group, as at 30 September 2020, none of the Directors and their associates has any interests or short positions in any shares, underlying shares and debentures in/of the Company or any of its associated corporations as recorded in the register to be kept under section 352 of Part XV of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

SHARE OPTIONS

Details of the outstanding share options of the Company as at 30 September 2020 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	Number of	Number of	Number of	Outstanding
					as at 1 April 2020	share options granted during the period	share options exercised during the period	share options lapsed during the period	as at 30 September 2020
Directors:									
Dr. Chan Yuen Tak Fai, Dorothy	20/10/2011	300,000	20/10/2011-19/10/2021	1.60	300,000	-	-	-	300,000
Mr. Kwong Ki Chi	20/10/2011	300,000	20/10/2011-19/10/2021	1.60	300,000	-	-	-	300,000
Total Directors					600,000	-	-	-	600,000
Continue Contract									
Employees:									
In aggregate	20/10/2011	4,050,000	20/10/2011-19/10/2021	1.60	4,000,000	-	-	-	4,000,000
	23/9/2015	3,096,000	23/9/2015-22/9/2025	1.25	2,339,000	-	-	-	2,339,000
					6,339,000	-	-	-	6,339,000
Others:									
	20/10/2011	300,000	20/10/2011-19/10/2021	1.60	300,000	-	-	-	300,000
	23/9/2015	258,000	23/9/2015-22/9/2025	1.25	258,000	-	-	-	258,000
					558,000	-	-	-	558,000
Total all categories					7,497,000	-	-	-	7,497,000

Notes:

- (a) The share options granted on 20 October 2011 were granted under the 2004 Scheme while those granted on 23 September 2015 were granted under the 2013 Scheme.
- (b) The closing prices of each share immediately before the date of grant of 20 October 2011 and 23 September 2015 were HK\$1.60 and HK\$1.25 respectively.
- (c) All outstanding share options were vested immediately on the date of grant. No share options were granted, cancelled, lapsed or exercised during the six months ended 30 September 2020.
- (d) For the accounting policy adopted for the share options, please refer to the note 2.17 of the financial statements of the Company's annual report 2019/20.

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

The 2004 Scheme

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

The 2013 Scheme

The terms of the 2013 Scheme are substantially similar to the 2004 Scheme. Please refer to the annual report 2019/20 for the details of the 2013 Scheme.

SUBSTANTIAL SHAREHOLDERS

As at 30 September 2020, the following persons (other than the Directors) had interests or short positions of 5% or more in the shares and underlying shares in the Company as recorded in the register required to be kept by the Company pursuant to section 336 of the SFO:

Name of shareholders		Number of Shares/ underlying Shares held	Percentage to the total number of issued shares in the Company as at 30 September 2020
HSBCITL	<i>(Note a)</i>	133,077,000	48.94%
JETSUN	<i>(Note a)</i>	117,677,000	43.27%
Metro Success	<i>(Note a)</i>	117,677,000	43.27%
Skyblue	<i>(Note a)</i>	117,677,000	43.27%
The Seven International Holdings (L) Limited (“SIHL”)	<i>(Note b)</i>	14,850,000	5.46%
The Seven Capital Limited (“SCL”)	<i>(Note b)</i>	14,850,000	5.46%

Notes:

- (a) As at 30 September 2020, a total of 117,677,000 shares were held by Skyblue, a wholly owned subsidiary of Metro Success, which in turn is a wholly owned subsidiary of JETSUN. JETSUN is the trustee of The JetSun Unit Trust, 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) As at 30 September 2020, a total of 14,850,000 ordinary shares were held by SCL, a wholly owned subsidiary of SIHL, which in turn is a wholly owned subsidiary of HSBCITL.

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

Save as disclosed herein, the Company has not been notified of any other person (other than a Director and the chief executive officer of the Company) having an interest or a short position in the shares and/or underlying shares in the Company as recorded in the register required to be kept by the Company pursuant to section 336 of the SFO as at 30 September 2020.

CORPORATE GOVERNANCE

The Company has complied with the provisions of the code as set out in Appendix 14 “Corporate Governance Code and Corporate Governance Report” of the Listing Rules (the “Code”) for the six months ended 30 September 2020. Following the passing away of Dr. Lee Peng Fei, Allen, the former Independent Non-Executive Director of the Board (“INED”), on 15 May 2020, the number of INED was under two and represented less than one-third of the Board. Also, the audit committee of the Company then comprised two members only and there was a vacancy for chairman of the remuneration committee of the Company. On 19 June 2020, Mr. James Mathew Fong was appointed as an INED, the chairman of remuneration committee and also a member of audit committee and nomination committee. Therefore, the Board did not meet the requirements under Rules 3.10(1), 3.10A, 3.21 and 3.25 of the Listing Rules during the period from 15 May 2020 to 19 June 2020.

The Company has adopted a code of conduct regarding securities transactions by Directors and relevant employees on terms no less exacting than the required standard set out in the Model Code contained in Appendix 10 of the Listing Rules (the “Model Code”) throughout the six months ended 30 September 2020. Having made specific enquiries, all Directors have confirmed that they have complied with the required standard set out in the Model Code and its code of conduct regarding securities transactions by Directors during the period under review.

AUDIT COMMITTEE

The Company has an Audit Committee which was established in accordance with the requirements of the Code under the Listing Rules and guidance published by the HKICPA. The primary duties of the Audit Committee are to review and supervise the financial reporting process and internal control system of the Group. The Audit Committee comprises three INEDs and one of them possesses appropriate accounting or financial management expertise. An Audit Committee meeting was held on 27 November 2020 to review the unaudited condensed consolidated interim financial information and interim results announcement of the Group, and to provide advice and recommendations to the Board.

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

During the six months ended 30 September 2020, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company’s listed securities.

BOARD OF DIRECTORS

As at the date of this interim report, the Executive Directors are Mr. Wong Ling Sun, Vincent (Chairman), Ms. Ng Sui Chun, Mr. Chan Man Chun (Chief Executive Officer) and Ms. Wong Wai Sum, Maya, the Non-Executive Director is Ms. Wong Wai Man, Vivian and the INEDs are Dr. Chan Yuen Tak Fai, Dorothy, Mr. Kwong Ki Chi and Mr. James Mathew Fong.

By Order of the Board
Wong Ling Sun, Vincent
Chairman

Hong Kong, 27 November 2020

AMS PUBLIC TRANSPORT HOLDINGS LIMITED

進智公共交通控股有限公司

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