

TARGET

Intelligence Report

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T U E S D A Y

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**AMS PUBLIC TRANSPORT HOLDINGS LTD:
IT MAY WELL BE A PUBLIC TRANSPORTATION COMPANY,
BUT, IN TRUTH, IT IS JUST ANOTHER FAMILY-RUN COMPANY**

The 2021/2022 Interim Report of AMS Public Transport Holdings Ltd (進智公共交通控股有限公司) (Code: 77, Main Board, The Stock Exchange of Hongkong Ltd) with regard to the six months, ended September 30, 2021, could well be termed as a financial turning point for this franchised public light bus (PLB) company, operating exclusively in the Hongkong Special Administrative Region (HKSAR) of the People's Republic of China (PRC).

The Interim Report was published and disseminated in the HKSAR on Thursday, December 16, 2021, but, on one's initial scanning of the financial's Bottom Line, one might well be horribly misled since the Net Profit Attributable to Shareholders came in at \$HK3,695,000.00, compared to the 2020-Year's like period of \$HK2,696,000.00, an increase, Period-On-Period, of 37.05 percent.

That increase of 37.05 percent in respect of the six months, ended September 30, 2021, might seem, by itself, to be a healthy Bottom-Line increase for the Company's financials, Period-On-Period, but it would have been considerably higher had not AMS Public Transport Holdings Ltd been handed \$HK33,922,000.00 by the Government of the HKSAR as had been the situation in respect of the 2020 Interim Period.

At Page 10 of the Interim Report, under the subheading, '*Other Revenue and Other Net Income*', the following table has been presented:

	For The Six Months, Ended September 30	
	2021	2020
	All Figures Are Denominated In \$HK'000, All Being Unaudited	
Other Revenue		
Advertising Income	2,250	2,200
Administration Fee Income	1,210	1,210
Properties Rental Income	117	15
Interest Income	28	9
Others	174	93
	<u>3,779</u>	<u>3,527</u>
Other Net Income		
Government Subsidies (Note)	3,347	33,922

Gain On Disposal Of Property, Plan And Equipment	15	27
Sundry Income	5	51
	<u>3,367</u>	<u>34,000</u>

Note:

‘During the six months ended 30 September 2021, the Group received subsidies of HK\$3,347,000, which were mainly the fuel subsidies from the Hong Kong Government’s Anti-epidemic Fund as a result of the outbreak of COVID-19.

‘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.

‘There were no unfulfilled conditions and other contingencies attached to the receipts of these subsidies.

‘As at 30 September 2021, the subsidies recognised but not yet received were HK\$288,000 (31 March 2021 (audited): HK\$1,322,000) (note 13).’

It is very obvious, on studying the above table, that, in respect of the six months, ended September 30, 2021, Management of AMS Public Transport Holdings Ltd received \$HK30,575,000.00 less than in the preceding period with regard to HKSAR Government subsidies.

Had the Company received HKSAR Government subsidies, amounting to \$HK33,922,000.00 in respect of the Bottom Line with regard to the 2021 Interim Period, Shareholders of the Company would have been looking at a vastly improved financial situation than the paltry sum of just \$HK3,367,000.00.

The Condensed Consolidated Income Statement Of AMS Public Transport Holdings Ltd

At Page Two of the Condensed Consolidated Income Statement of the 2021/2022 Interim Statement, one was presented with the following table:

	For The Six Months, Ended September 30		Percentage Increase/(Decrease) *
	2021	2020	
	All Figures Are Denominated In \$HK'000 (except where otherwise stipulated) All Figures Are Unaudited		
Revenue	178,828	144,930	23.39
Gross Profit	25,142	6,845	267.30
Gross Profit Margin *	14.06 percent	4.72 percent	197.88
Operating Profit	12,142	23,149	(47.55)
Profit Before Income Tax	4,520	462	878.35
Profit For The Period Attributable To	3,695	2,696	37.05

Shareholders Of The Company			
Net Profit Margin *	2.07 percent	1.86 percent	11.29
Earnings Per Share	1.36 cents	0.99 cents	37.37

* These are **TARGET**'s calculations.

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