

1. SIGNIFICANT ACCOUNTING POLICIES

(a) *Statement of compliance*

These financial statements have been prepared in accordance with all applicable Statements of Standard Accounting Practice and Interpretations issued by the Hong Kong Society of Accountants (the "HKSA"), accounting principles generally accepted in Hong Kong and the disclosure requirements of the Hong Kong Companies Ordinance. These financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange"). A summary of the significant accounting policies adopted by the Group is set out below.

(b) *Basis of preparation of the financial statements*

The measurement basis used in the preparation of the financial statements is historical cost modified by the marking to market of certain investments in securities as explained in the accounting policies set out below.

(c) *Subsidiaries*

A subsidiary is an enterprise controlled by the Group. Control exists when the Group has the power, directly or indirectly, to govern the financial and operating policies of an enterprise so as to obtain benefits from its activities.

An investment in a subsidiary is consolidated into the consolidated financial statements, unless it is acquired and held exclusively with a view to subsequent disposal in the near future or operates under severe long-term restrictions which significantly impair its ability to transfer funds to the Group, in which case, it is stated in the consolidated balance sheet at fair value with changes in fair value recognised in the consolidated profit and loss account as they arise.

Intra-group balances and transactions, and any unrealised profits arising from intra-group transactions, are eliminated in full in preparing the consolidated financial statements. Unrealised losses resulting from intra-group transactions are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

In the Company's balance sheet, an investment in a subsidiary is stated at cost less any impairment losses (note 1(i)), unless it is acquired and held exclusively with a view to subsequent disposal in the near future or operates under severe long-term restrictions which significantly impair its ability to transfer funds to the Company, in which case, it is stated at fair value with changes in fair value recognised in the profit and loss account as they arise.

(d) *Associates and jointly controlled entity*

An associate is a company in which the Group or Company has significant influence, but not control or joint control, over its management, including participation in the financial and operating policy decisions.

A jointly controlled entity is an entity which operates under a contractual arrangement between the Group or Company and other parties, where the contractual arrangement establishes that the Group or Company and one or more of the other parties share joint control over the economic activity of the entity.

An investment in an associate or a jointly controlled entity is accounted for in the consolidated financial statements under the equity method and is initially recorded at cost and adjusted thereafter for the post-acquisition change in the Group's share of the associate's or the jointly controlled entity's net assets, unless it is acquired and held exclusively with a view to subsequent disposal in the near future or operates under severe long-term restrictions that significantly impair its ability to transfer funds to the investor or venturer, in which case it is stated at fair value with changes in fair value recognised in the consolidated profit and loss account as they arise. The consolidated profit and loss account reflects the Group's share of the post-acquisition results of the associates and jointly controlled entity for the year.

Unrealised profits and losses resulting from transactions between the Group and its associates and jointly controlled entity are eliminated to the extent of the Group's interest in the associates or jointly controlled entity, except where unrealised losses provide evidence of an impairment of the asset transferred, in which case they are recognised immediately in the profit and loss account.

(e) *Goodwill*

Positive goodwill arising on consolidation represents the excess of the cost of the acquisition over the Group's share of the fair value of the identifiable assets and liabilities acquired.

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(e) Goodwill (continued)

Positive goodwill is amortised to the consolidated profit and loss account on a straight-line basis over its estimated useful life of 20 years. Positive goodwill is stated in the consolidated balance sheet at cost less any accumulated amortisation and any impairment losses (note 1(i)).

On disposal of a controlled subsidiary during the year, any attributable amount of purchased goodwill not previously amortised through the consolidated profit and loss account is included in the calculation of the profit or loss on disposal.

(f) Investments in securities

The Group's and the Company's policies for investments in securities other than interest in subsidiaries, associates and jointly controlled entity are as follows:

- (i) Investments held on a continuing basis for an identified long-term purpose are classified as "investment securities". Investment securities are stated in the balance sheet at cost less any provisions for diminution in value. Provisions are made when the fair values have declined below the carrying amounts, unless there is evidence that the decline is temporary, and are recognised as an expense in the profit and loss account.
- (ii) All other securities (whether held for trading or otherwise) are stated in the balance sheet at fair value. Changes in fair value are recognised in the profit and loss account as they arise. Securities are presented as trading securities when they were acquired principally for the purpose of generating a profit from short term fluctuations in price or dealer's margin.
- (iii) Profits or losses on disposal of investments in securities are determined as the difference between the estimated net disposal proceeds and the carrying amount of the investments and are accounted for in the profit and loss account as they arise.

(g) Fixed assets

Fixed assets are stated in the balance sheet at cost or valuation less accumulated depreciation (note 1(h)) and impairment losses (note 1(i)).

Subsequent expenditure relating to a fixed asset that has already been recognised is added to the carrying amount of the asset when it is probable that future economic benefits, in excess of the originally assessed standard of performance of the existing asset, will flow to the enterprise. All other subsequent expenditure is recognised as an expense in the period in which it is incurred.

Gains or losses arising from the retirement or disposal of a fixed asset are determined as the difference between the estimated net disposal proceeds and the carrying amount of the asset and are recognised in the profit and loss account on the date of retirement or disposal.

(h) Depreciation

Depreciation is calculated to write off the cost of tools at a rate of 50% per annum on a reducing balance basis, and the cost or valuation of other fixed assets on a straight-line basis over their estimated useful lives as follows:

Leasehold land	- Over the remaining terms of the leases
Buildings	- Over the shorter of 40 years and the unexpired terms of the leases including extensions or renewal periods
New buses	- 14 years
Light duty coaches and other motor vehicles	- 6 years
Plant and machinery, fixtures and others	- 2 to 7 years

(i) Impairment of assets

Internal and external sources of information are reviewed at each balance sheet date to identify indications that the following assets may be impaired or an impairment loss previously recognised no longer exists or may have decreased:

- fixed assets (other than properties carried at revalued amount);
- investments in subsidiaries, associates and jointly controlled entity (except for those accounted for at fair value under notes 1(c) and (d)); and
- positive goodwill.

1. SIGNIFICANT ACCOUNTING POLICIES (*continued*)

(i) *Impairment of assets (continued)*

If any such indication exists, the asset's recoverable amount is estimated. For goodwill that is amortised over 20 years from initial recognition, the recoverable amount is estimated at each balance sheet date. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount.

(i) Calculation of recoverable amount

The recoverable amount of an asset is the greater of its net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of time value of money and the risks specific to the asset. Where an asset does not generate cash inflows largely independent of those from other assets, the recoverable amount is determined for the smallest group of assets that generates cash inflows independently (i.e. a cash-generating unit).

(ii) Reversals of impairment losses

In respect of assets other than goodwill, an impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss in respect of goodwill is reversed only if the loss was caused by a specific external event of an exceptional nature that is not expected to recur, and the increase in recoverable amount relates clearly to the reversal of the effect of that specific event. A reversal of impairment losses is limited to the asset's carrying amount that would have been determined had no impairment loss been recognised in prior years. Reversals of impairment losses are credited to the profit and loss account in the year in which the reversals are recognised.

(j) *Revenue recognition*

Provided it is probable that the economic benefits will flow to the Group and the revenue and costs, if applicable, can be measured reliably, revenue is recognised in the profit and loss account as follows:

(i) Fare revenue is recognised when the related bus services are provided.

(ii) Media sales revenue is recognised when the related advertisement or commercial appears before the public.

(iii) Interest income from bank deposits and debt securities held as other investments is accrued on a time-apportioned basis by reference to the principal outstanding and the rate applicable.

(iv) Dividend income from listed investments is recognised when the share price of the investment goes ex-dividend.

(v) When goods or services are exchanged or swapped for dissimilar goods or services, the exchange is regarded as a transaction which generates revenue. Such revenue, together with the relevant expenses are measured at the fair value of the goods or services received, adjusted by the amount of any cash or cash equivalents transferred. When the fair value of the goods or services received cannot be measured reliably, such revenue and expenses are measured at the fair value of the goods or services given up, adjusted by the amount of any cash or cash equivalents transferred.

(k) *Spare parts and stores*

Spare parts and stores are included within current assets and stated at cost, using the first-in-first-out method. Provision is made for obsolescence where appropriate.

(l) *Deferred taxation*

Deferred taxation is provided using the liability method in respect of the taxation effect arising from all material timing differences between the accounting and tax treatment of income and expenditure, which are expected with reasonable probability to crystallise in the foreseeable future.

Future deferred tax benefits are not recognised unless their realisation is assured beyond reasonable doubt.

(m) *Translation of foreign currencies*

Foreign currency transactions during the year are translated into Hong Kong dollars at the exchange rates ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated into Hong Kong dollars at the exchange rates ruling at the balance sheet date. Exchange gains and losses are dealt with in the profit and loss account.

1. SIGNIFICANT ACCOUNTING POLICIES (*continued*)

(n) *Operating leases*

Leases of assets under which the lessor has not transferred all the risks and benefits of ownership are classified as operating leases.

Where the Group has the use of assets under operating leases, payments made under the leases are charged to the profit and loss account in equal instalments over the accounting periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased asset. Lease incentives received are recognised in the profit and loss account as an integral part of the aggregate net lease payments made. Contingent rentals are charged to the profit and loss account in the accounting period in which they are incurred.

(o) *Retirement costs*

The Group operates two separate non-contributory defined benefit retirement schemes and participates in a defined contribution retirement scheme. Annual contributions to the defined benefit retirement schemes are made in accordance with the recommendations of independent actuaries based on triennial actuarial valuations. Contributions to all these schemes during the year are charged to the profit and loss account.

(p) *Borrowing costs*

Borrowing costs are expensed in the profit and loss account in the period in which they are incurred, except to the extent that they are capitalised as being directly attributable to the acquisition or construction of buses which necessarily takes a substantial period of time to get ready for its intended use.

The capitalisation of borrowing cost as part of the cost of buses commences when expenditures for the buses are being incurred, borrowing costs are being incurred and activities that are necessary to prepare the buses for its intended use are in progress. Capitalisation of borrowing costs is suspended or ceases when substantially all the activities necessary to prepare the buses for its intended use are interrupted or complete.

(q) *Provisions*

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

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow is remote.

(r) *Related parties*

For the purposes of these financial statements, parties are considered to be related to the Group if the Group has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Group and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

(s) *Cash equivalents*

Cash equivalents are short-term, highly liquid investments which are readily convertible into known amounts of cash without notice and which were within three months of maturity when acquired. For the purposes of the cash flow statement, cash equivalents would also include bank overdrafts and advances from banks repayable within three months from the date of the advance.

(t) *Segment reporting*

A segment is a distinguishable component of the Group that is engaged either in providing products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and rewards that are different from those of other segments.

In accordance with the Group's internal financial reporting, the Group has chosen business segment information as the primary reporting format.

1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(t) Segment reporting (continued)

Segment revenue, expenses, results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis to that segment. For example, segment assets may include inventories, trade receivables and property, plant and equipment. Segment revenue, expenses, assets and liabilities are determined before intra-group balances and intra-group transactions are eliminated as part of the consolidated process, except to the extent that such intra-group balances and transactions are between group enterprises within a single segment. Inter-segment pricing is based on similar terms as those available to other external parties.

Segment capital expenditure is the total cost incurred during the period to acquire segment assets (both tangible and intangible) that are expected to be used for more than one period.

Unallocated items mainly comprise financial and corporate assets, interest-bearing loans, borrowings, corporate and financing expenses and minority interests.

2. TURNOVER

The principal activity of the Company is investment holding. The principal activities of the subsidiaries are set out in note 16 on the financial statements.

Turnover comprises fare revenue from the operation of franchised and non-franchised bus services and media sales revenue. The amount of each significant category of revenue recognised in turnover during the year is as follows:

	2001	2000
	HK\$'000	HK\$'000
Fare revenue from franchised bus services	6,389,853	6,129,661
Revenue from non-franchised bus services	143,290	102,677
Media sales revenue	328,666	91,054
	6,861,809	6,323,392

3. INCOME

Other revenue	2001	2000
	HK\$'000	HK\$'000
Interest income from bank deposits	89,990	138,842
Insurance claims received	34,995	25,963
Dividend income from listed securities	1,047	-
Interest income from unlisted debt securities	154	-
Interest income from listed debt securities	-	263
Sundry revenue	15,631	6,783
	141,817	171,851

Other net income	2001	2000
	HK\$'000	HK\$'000
Gain/(loss) on disposal of fixed assets	10,735	(3,821)
Realised and unrealised (loss)/gain on investments in securities carried at fair value	(6,082)	420
Net miscellaneous business receipts	5,406	6,233
	10,059	2,832

4. DEEMED PROFIT ON PARTIAL DISPOSAL OF A SUBSIDIARY

Deemed profit on partial disposal of a subsidiary represents profit arising from the spin-off of the RoadShow Holdings Limited ("RoadShow") from the Group on 28 June 2001 by issuing new shares to third parties, pursuant to RoadShow's listing on The Hong Kong Stock Exchange and International Placing. As a result, the Group's shareholding in RoadShow reduced from 100% of the issued share capital before the spin-off to 75% of the issued share capital as enlarged by the issue of new shares to third parties.

Subsequently, the underwriters of the Global Offering in RoadShow exercised an over-allotment option for the issuance of additional 21,694,000 shares at an issue price of HK\$2.25 per share on 18 July 2001 in accordance with the International Placing Agreement dated 18 June 2001. The over-allotment shares represent approximately 2.26% of the issued share capital of RoadShow before the over-allotment. Consequently, the Group's shareholding in RoadShow further reduced, by way of dilution, from 75% to approximately 73.3% immediately after the issue of the over-allotment shares.

5. PROFIT FROM ORDINARY ACTIVITIES BEFORE TAXATION

Profit from ordinary activities before taxation is arrived at after charging/(crediting):

	2001	2000
	HK\$'000	HK\$'000
(a) Finance cost:		
Interest on bank loans and overdrafts	113,984	180,719
Less: Interest capitalised into buses under construction	-	(483)
	113,984	180,236
(b) Other items:		
Retirement costs included in staff costs		
- annual contributions to retirement schemes	178,689	164,418
Auditors' remuneration	3,594	1,654
Operating lease charges on temporary bus depots and terminal shelters	2,240	1,357
Amortisation of positive goodwill included in depreciation	1,159	-

6. TAXATION

(a) Taxation in the consolidated profit and loss account represents:

	2001	2000
	HK\$'000	HK\$'000
Provision for Hong Kong Profits Tax at 16% of the estimated assessable profits for the year	146,445	88,429
Underprovision/(overprovision) in respect of prior years	4,213	(7,050)
	150,658	81,379
Deferred taxation (note 26(a))	30,000	-
	180,658	81,379

6. TAXATION (continued)

(b) Taxation in the balance sheets represents:

	2001	THE GROUP 2000	2001	THE COMPANY 2000
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Provision for Hong Kong				
Profits Tax for the year	146,445	88,429	198	57
Provisional Profits Tax (paid)/refunded	(65,084)	(73,134)	2,295	(3,890)
	81,361	15,295	2,493	(3,833)
Balance of Profits Tax (recoverable)/payable relating to prior year	(1,711)	16,993	(2,692)	1,141
Less: Tax Reserve Certificate purchased under order of the Commissioner of Inland Revenue (Note)	-	(15,793)	-	-
	79,650	16,495	(199)	(2,692)

Note: A query has been raised by the Inland Revenue Department in 2000 in respect of the deductibility of certain depreciation allowances claimed by a subsidiary company. The subsidiary has objected to the assessment during the year. However, the above issue has not yet been resolved up to the date of this Annual Report.

7. DIRECTORS' REMUNERATION

Directors' remuneration disclosed pursuant to Section 161 of the Hong Kong Companies Ordinance is as follows:

	2001	2000
	HK\$'000	HK\$'000
Fees	1,080	784
Salaries and allowances	13,327	7,469
Discretionary and performance related bonuses	24,106	10,677
Retirement fund contributions	1,839	1,351
	40,352	20,281

Included in the directors' remuneration were fees and other emoluments of HK\$1,309,200 (2000: HK\$1,119,200) paid to the Independent Non-executive Directors during the year.

The remuneration of the Directors is within the following bands:

	2001	2000
	NUMBER OF DIRECTORS	
HK\$Nil – HK\$1,000,000	13	14
HK\$1,000,001 – HK\$1,500,000	2	1
HK\$3,000,001 – HK\$3,500,000	-	1
HK\$3,500,001 – HK\$4,000,000	3	-
HK\$12,500,001 – HK\$13,000,000	-	1
HK\$23,000,001 – HK\$23,500,000	1	-

8. INDIVIDUALS WITH HIGHEST EMOLUMENTS

Of the five individuals with the highest emoluments, four (2000: two) are Directors whose emoluments are disclosed in note 7. The aggregate of the emoluments in respect of the other one (2000: three) individual is as follows:

	2001	2000
	HK\$'000	HK\$'000
Salaries and allowances	1,881	5,893
Discretionary and performance related bonuses	406	1,546
Retirement fund contributions	153	569
	2,440	8,008

The emoluments of the one (2000: three) individual with the highest emoluments is within the following bands:

	2001	2000
	NUMBER OF INDIVIDUALS	
HK\$2,000,001 – HK\$2,500,000	1	1
HK\$2,500,001 – HK\$3,000,000	-	1
HK\$3,000,001 – HK\$3,500,000	-	1

9. PROFIT ATTRIBUTABLE TO SHAREHOLDERS

The profit attributable to shareholders includes a profit of HK\$869,649,000 (2000: (restated) HK\$285,602,000) which has been dealt with in the financial statements of the Company.

Reconciliation of the above amount to the Company's profit for the year:

	2001	2000
	HK\$'000	HK\$'000
Amount of consolidated profit attributable to shareholders dealt with in the Company's financial statements	869,649	285,602
Final dividends from subsidiaries attributable to the profits of the previous financial year, approved and paid during the year	435,931	431,894
	1,305,580	717,496

10. DIVIDENDS

(a) Dividends attributable to current year:

	2001	2000
	HK\$'000	HK\$'000
Interim dividend declared and paid of HK\$0.4 per share (2000: HK\$0.33 per share)	161,456	133,201
Final dividend proposed after the balance sheet date of HK\$1.46 per share (2000: HK\$1.25 per share)	589,314	504,549
	750,770	637,750

The final dividend proposed after the balance sheet date has not been recognised as a liability at the balance sheet date.

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

	2001	2000
	HK\$'000	HK\$'000
Final dividend in respect of previous financial year of HK\$1.25 per share (2000: HK\$1.07 per share)	504,549	431,894

11. EARNINGS PER SHARE

The calculation of earnings per share is based on the profit attributable to shareholders of HK\$1,595,542,000 (2000: HK\$854,654,000) and 403,639,413 shares in issue during the two years.

12. CHANGES IN ACCOUNTING POLICIES

(a) Goodwill

In prior years, goodwill arising on the acquisition of subsidiaries, being the excess of the cost of investments in these companies over the fair value of the Group's share of the separable net assets acquired, was charged to revenue reserves in the year in which it arose. With effect from 1 January 2001, the Group adopted the new policy of stating the positive goodwill at cost less any accumulated amortisation and any impairment losses in order to comply with the SSAP 30 "Business Combinations" issued by the HKSA. Amortisation of positive goodwill is on a straight-line basis over an estimated useful life of 20 years.

As a result of the adoption of this new accounting policy, the profit for the year has been decreased by HK\$1,159,000 (2000: HK\$Nil) and the net assets have been increased by HK\$20,615,000 (2000: HK\$21,774,000). The new accounting policy has been adopted retrospectively, with the opening balance of retained profits and reserves and the comparative information adjusted for the amounts relating to prior years.

(b) Dividends

In prior years, dividends proposed or declared were recognised as a liability in the accounting period to which they related. With effect from 1 January 2001, in order to comply with SSAP 9 (revised) "Events after the balance sheet date", issued by the HKSA, the Group recognises dividends proposed or declared as a liability in the accounting period in which they are declared by directors (in case of interim dividends) or approved by the shareholders (in the case of final dividends). Consequently, dividend income from subsidiary is recognised as income in the Company's profit and loss account in the accounting period in which they are declared.

As a result of this new accounting policy, the Group's net assets at 31 December 2001 have been increased by HK\$589,314,000 (2000: HK\$504,549,000). There is no impact on the Group's profit attributable to shareholders for the years presented. This new accounting policy has been adopted retrospectively, with the opening balance of retained profits and the comparative information adjusted for the amounts relating to prior years.

12. CHANGES IN ACCOUNTING POLICIES (continued)

(c) Provisions

In previous years, the Group maintained provisions for loss in bus fire damage and for the staff retirement funds. With effect from 1 January 2001, the Group adopted SSAP 28 "Provisions, contingent liabilities and contingent assets" issued by the HKSA.

As a result, the Group's net assets at 31 December 2001 have been increased by HK\$1,125,070,000 (2000: HK\$Nil). The effect of adopting this new statement has been adjusted to the opening balance of retained profits for the year. No restatement of other comparative information has been made.

13. SEGMENT REPORTING

Segment information is presented in respect of the Group's business and geographical segments. Business segment information is chosen as the primary reporting format because this is more relevant to the Group's internal financial reporting.

Business segments

The Group comprises the following main business segments:

Bus operations:	The provision of franchised and non-franchised public buses services.
Media sales services:	The provision of audio-video programming through a multi-media on-board system and marketing of exterior advertising spaces on transit vehicles and transit vehicle shelters.

	BUS OPERATIONS		MEDIA SALES BUSINESS		INTER-SEGMENT ELIMINATION		CONSOLIDATED	
	2001	2000	2001	2000	2001	2000	2001	2000
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Revenue from external customers	6,533,143	6,232,338	328,666	91,054	-	-	6,861,809	6,323,392
Inter-segment revenue	-	-	25,736	-	(25,736)	-	-	-
Other revenue from external customers	50,626	32,746	-	-	-	-	50,626	32,746
Total	6,583,769	6,265,084	354,402	91,054	(25,736)	-	6,912,435	6,356,138
Segment result	1,284,733	914,131	239,643	80,091	-	-	1,524,376	994,222
Unallocated net operating income and expenses							54,984	122,207
Profit from operations							1,579,360	1,116,429
Deemed profit on partial disposal of a subsidiary							349,569	-
Finance cost							(113,984)	(180,236)
Share of profits less losses of associates and jointly controlled entity	(682)	286	-	-	-	-	(682)	286

13. SEGMENT REPORTING (continued)*Business segments (continued)*

	BUS OPERATIONS		MEDIA SALES BUSINESS		INTER-SEGMENT ELIMINATION		CONSOLIDATED	
	2001	2000	2001	2000	2001	2000	2001	2000
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Taxation							(180,658)	(81,379)
Minority interests							(38,063)	(446)
Profit attributable to shareholders							1,595,542	854,654
Depreciation for the year	646,966	600,151	18,621	219	-	-		
Significant non-cash expenses (other than depreciation and amortisation)	-	-	7,581	-	-	-		
Segment assets	6,189,754	5,655,011	316,110	18,212	-	-	6,505,864	5,673,223
Interests in associates and jointly controlled entity	6,283	9,939	-	-	-	-	6,283	9,939
Unallocated assets							2,239,852	2,272,540
Total assets							8,751,999	7,955,702
Segment liabilities	1,214,445	1,317,176	14,574	7,168	-	-	1,229,019	1,324,344
Unallocated liabilities							2,491,500	3,882,398
Total liabilities							3,720,519	5,206,742
Capital expenditure incurred during the year	1,177,038	1,006,447	133,765	5,865	-	-		

Geographical segments

The Group's turnover and operating profit are almost entirely derived from Hong Kong. Accordingly, no analysis by geographical segment is provided.

14. FIXED ASSETS

(a) The Group:

	LEASEHOLD LAND	BUILDINGS	BUSES AND OTHER MOTOR VEHICLES	BUSES AND VESSELS UNDER CONSTRUCTION	OTHERS	TOTAL
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
<i>Cost or valuation:</i>						
At 1 January 2001	132,909	994,494	7,132,660	197,725	683,482	9,141,270
Additions	-	318,985	27,537	647,520	359,377	1,353,419
Transfer of buses	-	-	665,211	(665,211)	-	-
Disposals	(2,898)	(14,984)	(128,224)	-	(2,495)	(148,601)
At 31 December 2001	130,011	1,298,495	7,697,184	180,034	1,040,364	10,346,088
<i>Aggregate depreciation:</i>						
At 1 January 2001	33,277	431,072	2,932,617	-	407,735	3,804,701
Charge for the year	2,126	68,743	451,206	-	143,512	665,587
Written back on disposal	(370)	(12,902)	(127,904)	-	(1,943)	(143,119)
At 31 December 2001	35,033	486,913	3,255,919	-	549,304	4,327,169
<i>Net book value:</i>						
At 31 December 2001	94,978	811,582	4,441,265	180,034	491,060	6,018,919
<i>Add:</i>						
Deposits paid in respect of buses on order						28,341
						6,047,260
<i>Net book value:</i>						
At 31 December 2000	99,632	563,422	4,200,043	197,725	275,747	5,336,569
<i>Add:</i>						
Deposits paid in respect of buses on order						44,298
						5,380,867

(b) The Company:

	Others
	HK\$'000
<i>Cost:</i>	
At 1 January 2001 and 31 December 2001	201
<i>Aggregate depreciation:</i>	
At 1 January 2001	34
Charge for the year	34
At 31 December 2001	68
<i>Net book value:</i>	
At 31 December 2001	133
At 31 December 2000	167

14. FIXED ASSETS (continued)

(c) All the Group's leasehold land and buildings are held in Hong Kong and on medium-term leases.

(d) Valuation

Included in the cost or valuation of fixed assets of the Group is the following asset shown at valuation:

	DATE OF VALUATION	VALUATION	NET BOOK VALUE
		HK\$'000	HK\$'000
Leasehold land	15 July 1959	3,284	-

In preparing these financial statements, advantage has been taken of the transitional provisions set out in paragraph 80 of SSAP 17 (revised) "Property, Plant and Equipment" issued by the HKSA, with the effect that leasehold land has not been revalued to fair value at the balance sheet date.

15. GOODWILL

	HK\$'000
Cost:	
At 1 January 2001(restated) and 31 December 2001	23,172
Accumulated amortisation:	
At 1 January 2001 (restated)	1,398
Amortisation for the year	1,159
At 31 December 2001	2,557
Carrying amount:	
At 31 December 2001	20,615
At 31 December 2000 (restated)	21,774

16. INTEREST IN SUBSIDIARIES

	2001	2000
	HK\$'000	HK\$'000 RESTATED
Unlisted shares, at cost	1,036,507	1,036,507
Amounts due from subsidiaries	1,564,534	944,614
Amounts due to subsidiaries	(16,664)	(43,683)
	2,584,377	1,937,438

16. INTEREST IN SUBSIDIARIES (continued)

Details of the principal subsidiaries are as follows:

NAME OF COMPANY	PLACE OF INCORPORATION AND OPERATION	PARTICULARS OF ISSUED AND PAID UP CAPITAL	PERCENTAGE OF EQUITY			PRINCIPAL ACTIVITY
			GROUP'S EFFECTIVE HOLDING	HELD BY THE COMPANY	HELD BY SUBSIDIARY	
The Kowloon Motor Bus Company (1933) Limited	Hong Kong	403,639,413 shares of HK\$1 each	100	-	100	Provision of franchised public bus services in Hong Kong
Long Win Bus Company Limited	Hong Kong	100,000,000 shares of HK\$1 each	100	-	100	Provision of franchised public bus services for North Lantau and the airport at Chek Lap Kok
Sun Bus Limited	Hong Kong	2 shares of HK\$1 each	100	-	100	Provision of non-franchised bus services in Hong Kong
Chomang Travel Transport Company Limited	Hong Kong	10,000 shares of HK\$1 each	100	-	100	Provision of non-franchised bus services in Hong Kong
Bun Tang Bus Service Company Limited	Hong Kong	120,000 shares of HK\$1 each	100	-	100	Provision of non-franchised bus services in Hong Kong
Sau Luen P.L.B. Co., Limited	Hong Kong	10,000 shares of HK\$1 each	100	-	100	Provision of non-franchised bus services in Hong Kong
New Hong Kong Bus Company Limited	Hong Kong	1,000 shares of HK\$1 each	100	-	100	Provision of cross border shuttle bus services between Lok Ma Chau (Hong Kong) and Huanggang (Shenzhen)

16. INTEREST IN SUBSIDIARIES (continued)

Details of the principal subsidiaries are as follows: (continued)

NAME OF COMPANY	PLACE OF INCORPORATION AND OPERATION	PARTICULARS OF ISSUED AND PAID UP CAPITAL	PERCENTAGE OF EQUITY			PRINCIPAL ACTIVITY
			GROUP'S EFFECTIVE HOLDING	HELD BY THE COMPANY	HELD BY SUBSIDIARY	
Park Island Transport Company Limited	Hong Kong	10,000 shares of HK\$1 each	65	-	65	Provision of non-franchised bus and ferry services in Hong Kong
RoadShow Holdings Limited	Bermuda	981,694,000 shares of HK\$0.1 each	73.3	-	73.3	Investment holding
CityVision Limited	Hong Kong	10,000 shares of HK\$1 each	66	-	66	Operation of multi-media on-board business on transit vehicles
KM-Vision Limited	Hong Kong	10,000 shares of HK\$1 each	74.6	-	74.6	Operation of multi-media on-board business on transit vehicles
LW-Vision Limited	Hong Kong	10,000 shares of HK\$1 each	74.6	-	74.6	Operation of multi-media on-board business on transit vehicles
RoadShow Creations Limited	Hong Kong	2 shares of HK\$1 each	73.3	-	73.3	Trading of bus souvenir
RoadShow Media Limited	Hong Kong	2 shares of HK\$1 each	73.3	-	73.3	Provision of media sales agency and management services for advertising on transit vehicle exteriors and shelters, and for the multi-media on-board business
RoadShow Productions Limited	Hong Kong	2 shares of HK\$1 each	73.3	-	73.3	Production of content for the multi-media on-board systems