

Hong Kong Exchanges and Clearing Limited and The Stock Exchange of Hong Kong Limited take no responsibility for the contents of this announcement, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this announcement.



**AMS PUBLIC TRANSPORT HOLDINGS LIMITED**

進智公共交通控股有限公司

(incorporated in the Cayman Islands with limited liability)

(Stock Code: 77)

**ANNOUNCEMENT OF UNAUDITED INTERIM RESULTS  
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2012**

The board of directors (the “Board”) of AMS Public Transport Holdings Limited (the “Company”) is pleased to announce the unaudited consolidated results of the Company and its subsidiaries (collectively referred to as the “Group”) for the six months ended 30 September 2012, together with the unaudited comparative figures for the corresponding period in 2011. The unaudited condensed consolidated financial statements have 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 2012

	Notes	For the six months ended 30 September	
		2012 Unaudited HK\$'000	2011 Unaudited HK\$'000
<b>CONTINUING OPERATION:</b>			
Turnover	3	180,073	160,609
Direct costs		(164,693)	(142,939)
Gross profit		15,380	17,670
Other revenue	4	3,663	3,106
Other net income	4	1,195	200
Deficit on revaluation of PLB licences		(136)	-
Administrative expenses		(15,798)	(14,769)
Other operating expenses		(1,231)	(563)
Operating profit		3,073	5,644
Finance costs		(1,578)	(497)
Profit before income tax	6	1,495	5,147
Income tax expense	7	(96)	(471)
Profit for the period from continuing operation		1,399	4,676
<b>DISCONTINUED OPERATION:</b>			
Profit for the period from discontinued operation	10	-	133,797
Profit for the period		1,399	138,473

## CONDENSED CONSOLIDATED INCOME STATEMENT (Continued)

For the six months ended 30 September 2012

		For the six months ended 30 September	
	Notes	2012 Unaudited HK\$'000	2011 Unaudited HK\$'000
Profit for the period attributable to:			
Equity holders of the Company			
- from continuing operation		1,399	4,676
- from discontinued operation		-	133,662
		<b>1,399</b>	138,338
Non-controlling interests			
- from discontinued operation		-	135
<b>Profit for the period</b>		<b>1,399</b>	138,473
Earnings per share for profit attributable to the equity holders of the Company			
- Basic (in HK cents)			
- from continuing operation		0.53	1.86
- from discontinued operation		-	53.02
	9	<b>0.53</b>	54.88
- Diluted (in HK cents)			
- from continuing operation		0.53	1.84
- from discontinued operation		-	52.62
	9	<b>0.53</b>	54.46

## CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 September 2012

		For the six months ended 30 September	
		2012 Unaudited HK\$'000	2011 Unaudited HK\$'000
Profit for the period		1,399	138,473
Other comprehensive income			
- Surplus / (Deficit) on revaluation of PLB licences		333	(7,700)
- Exchange gain on translation of financial statements of foreign operations		-	160
<b>Other comprehensive income for the period</b>		<b>333</b>	(7,540)
<b>Total comprehensive income for the period</b>		<b>1,732</b>	130,933
Total comprehensive income attributable to:			
Equity holders of the Company		1,732	130,765
Non-controlling interests		-	168
<b>Total comprehensive income for the period</b>		<b>1,732</b>	130,933

## CONDENSED CONSOLIDATED BALANCE SHEET

As at 30 September 2012

		30 September 2012 Unaudited HK\$'000	31 March 2012 Audited HK\$'000
	Notes		
<b>ASSETS AND LIABILITIES</b>			
<b>Non-current assets</b>			
Property, plant and equipment		18,107	21,603
PLB licences		372,400	325,360
Public bus licences		3,784	-
Goodwill		82,056	82,056
Deferred tax assets		2,230	1,161
		<b>478,577</b>	<b>430,180</b>
<b>Current assets</b>			
Trade receivables	11	2,939	2,007
Other receivables		7,242	7,099
Tax recoverable		338	960
Bank balances and cash		59,480	108,067
		<b>69,999</b>	<b>118,133</b>
<b>Current liabilities</b>			
Borrowings		8,730	7,600
Trade payables	12	7,428	7,393
Other payables		14,646	18,331
Tax payable		947	205
		<b>31,751</b>	<b>33,529</b>
<b>Net current assets</b>		<b>38,248</b>	<b>84,604</b>
<b>Total assets less current liabilities</b>		<b>516,825</b>	<b>514,784</b>
<b>Non-current liabilities</b>			
Borrowings		151,297	121,515
Deferred tax liabilities		166	365
		<b>151,463</b>	<b>121,880</b>
<b>Net assets</b>		<b>365,362</b>	<b>392,904</b>
<b>EQUITY</b>			
<b>Equity attributable to equity holders of the Company</b>			
Share capital		26,613	26,613
Reserves		338,749	366,291
<b>Total equity</b>		<b>365,362</b>	<b>392,904</b>

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2012

## 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, 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 sold its entire interest in Elegant Sun Group Limited ("ESG"), a wholly owned subsidiary of the Company (together with its subsidiaries, collectively referred to as the "Disposal Group") on 27 April 2011 (the "Disposal"). The Disposal was completed on 31 July 2011. The Disposal Group carried out all of the Group's cross-boundary public bus operation. The cross-boundary public bus operation for the period from 1 April 2011 to 31 July 2011 has been categorised under "discontinued operation" in the condensed consolidated income statement. Analysis of the results and cash flows of the Disposal Group is presented in note 10.

## 2. Basis of preparation and significant accounting policies

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

The unaudited condensed consolidated financial statements have been prepared on the historical cost basis except for public light bus ("PLB") licences, which are measured at their fair values. The accounting policies and methods of computation used in the preparation of these condensed consolidated financial statements are consistent with those used in the Group's audited annual financial statements for the year ended 31 March 2012.

These unaudited condensed financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements for the year ended 31 March 2012.

## 2. Basis of preparation and significant accounting policies (Continued)

In the current interim period, the Group has applied for the first time the new or amended Hong Kong Financial Reporting Standards (“HKFRSs”) issued by the HKICPA which are relevant to and effective for the Group’s financial statements for the annual period beginning on 1 April 2012.

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

The Group has not early applied the new or amended HKFRSs that have been issued but are not yet effective. The directors of the Company (the “Directors”) anticipate that the application of these new or amended HKFRSs will have no material impact on the results and financial position of the Group.

## 3. Turnover

Turnover, which is also the Group’s revenue, represents:

	For the six months ended 30 September	
	2012	2011
	Unaudited	Unaudited
	HK\$’000	HK\$’000
Franchised PLB services income	180,073	160,609

## 4. Other revenue and other net income

	For the six months ended 30 September	
	2012	2011
	Unaudited	Unaudited
	HK\$’000	HK\$’000
<b>Other revenue</b>		
Advertising income	1,652	464
Agency fee income	1,260	1,260
Interest income	567	576
Repair and maintenance service income	149	530
Management fee income	35	276
	<b>3,663</b>	<b>3,106</b>
<b>Other net income</b>		
Net gain / (loss) on disposal of property, plant and equipment	1,157	(20)
Net exchange gain	-	92
Sundry income	38	128
	<b>1,195</b>	<b>200</b>
	<b>4,858</b>	<b>3,306</b>

## 5. Segment information

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

The Group has identified two reportable segments: (i) franchised PLB services; and (ii) cross-boundary public bus services which have been discontinued upon the completion of the Disposal on 31 July 2011.

After the Disposal, the only operating segment of the Group is the franchised PLB services. No separate analysis of the reportable segment results by operating segment is necessary for the six months ended 30 September 2012.

The segment results for the six months ended 30 September 2011 are as follows:

	<b>Continuing operation</b>	<b>Discontinued operation</b>	
	<b>Franchised PLB services</b>	<b>Cross- boundary public bus services</b>	<b>Total</b>
	Unaudited HK\$'000	Unaudited HK\$'000	Unaudited HK\$'000
Reportable segment revenue (note)	160,609	54,298	214,907
Reportable segment profit	5,644	3,507	9,151
Finance costs			(965)
Share of results of a jointly controlled entity			114
Profit before income tax			8,300
Income tax expense			(721)
Profit for the period			7,579
Gain on disposal of subsidiaries			130,894
Non-controlling interests			(135)
Profit attributable to equity holders of the Company			138,338

Note: All of the reportable segment revenue is from external customers.

## 6. Profit before income tax

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

	For the six months ended 30 September	
	2012 Unaudited HK\$'000	2011 Unaudited HK\$'000
Fuel cost	39,949	38,601
Employee benefit expense (including directors' emoluments)	75,515	65,462
Operating lease rental in respect of		
- PLBs	42,012	32,961
- land and buildings	9	4
Depreciation of property, plant and equipment	932	891
Net (gain) / loss on disposal of property, plant and equipment	(1,157)	20
Net exchange gain	-	(92)
Deficit on revaluation of PLB licences charged to income statement	136	-

## 7. Income tax expense

Hong Kong profits tax has been provided at the rate of 16.5% (2011: 16.5%) on the estimated assessable profit for the period.

	For the six months ended 30 September	
	2012 Unaudited HK\$'000	2011 Unaudited HK\$'000
Current tax	1,364	1,819
Deferred tax	(1,268)	(1,348)
Total income tax expense	96	471

## 8. Dividends

### (a) Dividends attributable to the period

In line with previous practice, no interim dividend was declared by the Company for the six months ended 30 September 2012.

The special interim dividend declared for the six months ended 30 September 2011 was HK10.0 cents per ordinary share, totaling HK\$26,593,000 as at the date of the declaration. The actual payment of the special interim dividend for the six months ended 30 September 2011 was HK\$26,613,000 of which \$20,000 was paid for shares issued for share options exercised after 30 September 2011.

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

	For the six months ended 30 September	
	2012	2011
	Unaudited	Unaudited
	HK\$'000	HK\$'000
Final dividend of HK3.0 cents (2011: HK12.0 cents) per ordinary share	7,984	29,010
Special dividend of HK8.0 cents (2011: Nil) per ordinary share	21,290	-
	<b>29,274</b>	<b>29,010</b>



## 9. Earnings per share

### *Basic earnings per share*

The calculation of basic earnings per share is based on the profit attributable to equity holders of the Company of HK\$1,399,000 (2011: continuing operation of HK\$4,676,000 and discontinued operation of HK\$133,662,000) and on the weighted average number of 266,125,000 ordinary shares (2011: 252,079,000 ordinary shares) in issue during the period.

### *Diluted earnings per share*

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

Details of calculation of diluted earnings per share for the six months ended 30 September 2012 and 2011 are shown as follows:

	For the six months ended 30 September	
	2012 Unaudited	2011 Unaudited
Profit attributable to equity holders of the Company for the period (in HK\$'000)		
- from continuing operation	1,399	4,676
- from discontinued operation	-	133,662
	<b>1,399</b>	<b>138,338</b>
Weighted average number of ordinary shares in issue during the period (in thousands)	<b>266,125</b>	252,079
Effect of dilutive potential shares upon exercise of share options (in thousands)	<b>263</b>	1,936
Weighted average number of ordinary shares used in calculating diluted earnings per share (in thousands)	<b>266,388</b>	254,015
Diluted earnings per share (in HK cents)		
- from continuing operation	<b>0.53</b>	1.84
- from discontinued operation	-	52.62
	<b>0.53</b>	<b>54.46</b>

## 10. Discontinued operation

The cross-boundary public bus operation was discontinued upon the completion of the Disposal on 31 July 2011. Analysis of the results and cash flows of the Disposal Group are as follows:

	For the four months ended 31 July 2011 Unaudited HK\$'000
<b>Results</b>	
Turnover	54,298
Direct costs	(40,303)
Gross profit	13,995
Other revenue	772
Other net income	2,130
Administrative expenses	(12,749)
Other operating expenses	(641)
Operating profit	3,507
Finance costs	(468)
Share of results of a jointly controlled entity	114
Profit before income tax	3,153
Income tax expense	(250)
	2,903
Gain on disposal of subsidiaries (note 14)	130,894
Profit for the period from discontinued operation	133,797
<b>Cash flows</b>	
Operating cash flows	(1,733)
Investing cash flows	289,063
Financing cash flows	(6,898)
Total cash flows	280,432

## 11. Trade receivables

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

The ageing analysis of trade receivables (net of provision for impairment), prepared in accordance with the invoice dates, is as follows:

	<b>30 September 2012</b> <b>Unaudited</b> <b>HK\$'000</b>	31 March 2012 Audited HK\$'000
0 to 30 days	2,860	1,860
31 to 60 days	52	88
61 to 90 days	-	40
Over 90 days	27	19
	<b>2,939</b>	<b>2,007</b>

## 12. Trade payables

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

	<b>30 September 2012</b> <b>Unaudited</b> <b>HK\$'000</b>	31 March 2012 Audited HK\$'000
0 to 30 days	7,428	7,393

### 13. Business combination

(a) For the six months ended 30 September 2011

On 1 April 2011, the Group's subsidiary, Gurnard Holdings Limited, acquired the entire equity interest and shareholders' loans of Hong Kong Maxicab Limited ("HKM"), a company which is principally engaged in the provision of PLB transportation services in Hong Kong.

HKM contributed revenue of HK\$9,852,000 and net loss of HK\$1,752,000 to the Group for the period from 1 April 2011 to 30 September 2011.

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

	HK\$'000
Purchase consideration	32,000
Fair value of net assets acquired	(13)
<u>Goodwill</u>	<u>31,987</u>

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

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

	<b>Acquiree's carrying amount and fair value HK\$'000</b>
Property, plant and equipment	2
Trade and other receivables	97
Bank balances and cash	1,138
Trade and other payables	(1,224)
<u>Net assets acquired</u>	<u>13</u>
Purchase consideration settled in cash	32,000
Less: deposit paid	(32,000)
	-
Bank balances and cash of the acquired subsidiary	(1,138)
<u>Net cash inflow on acquisition of the subsidiary</u>	<u>(1,138)</u>

### 13. Business combination (Continued)

(b) For the year ended 31 March 2012

On 7 September 2011, the Group's subsidiary, Gurnard Holdings Limited, acquired the entire interest in Central Maxicab Limited ("CML"), a company which is principally engaged in the provision of PLB transportation services in Hong Kong. The acquisition was completed on 1 November 2011.

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

	HK\$'000
Purchase consideration	137,804
Fair value of net assets acquired	(96,853)
<u>Goodwill</u>	<u>40,951</u>

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

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

	<b>Acquiree's carrying amount</b>	<b>Fair value</b>
	HK\$'000	HK\$'000
Property, plant and equipment	2,871	4,786
PLB licences	78,453	168,750
Trade and other receivables	551	551
Tax recoverable	17	17
Trade and other payables	(37)	(37)
Borrowings	(77,107)	(77,107)
Deferred tax liabilities	(107)	(107)
<u>Net assets acquired</u>	<u>4,641</u>	<u>96,853</u>
Purchase consideration settled in cash		137,804
Bank balances and cash of the acquired subsidiary		-
<u>Net cash outflow on acquisition of the subsidiary</u>		<u>137,804</u>

## 14. Disposal of subsidiaries

*For the six months ended 30 September 2011*

On 27 April 2011, the Company sold its entire interest in the Disposal Group. The Disposal was completed on 31 July 2011.

	HK\$'000
Net assets disposed of:	
Property, plant and equipment	64,829
Public bus licences	5,196
Goodwill	158,474
Interest in a jointly controlled entity	250
Trade and other receivables	22,173
Amount due from a jointly controlled entity	1,047
Bank balances and cash, net	153
Borrowings	(45)
Tax payable, net	(590)
Trade and other payables	(54,166)
Deferred income	(5,851)
Deferred tax liabilities, net	(6,749)
<u>Net assets</u>	<u>184,721</u>
Non-controlling interests	(20,095)
Translation reserve	(846)
Gain on disposal of subsidiaries (note 10)	130,894
Expenses on disposal of subsidiaries	3,036
<u>Total consideration</u>	<u>297,710</u>
Satisfied by:	
Consideration settled in cash	290,000
Consideration receivable in cash	7,710
<u>Total consideration</u>	<u>297,710</u>
Consideration settled in cash	290,000
Expenses paid on disposal of subsidiaries	(684)
<u>Net cash inflow on disposal of subsidiaries</u>	<u>289,316</u>

## MANAGEMENT DISCUSSION AND ANALYSIS

### INTERIM RESULTS AND DIVIDEND

For the six months ended 30 September 2012, the Group recorded an unaudited profit of HK\$1,399,000 attributable to equity holders (2011: HK\$138,338,000), representing a significant decrease of 99.0% or HK\$136,939,000 as compared with the corresponding period in 2011 which recorded an unaudited profit from the discontinued operation of HK\$133,662,000. Disregarding the profit from discontinued operation in the last reporting period, the net profit from the continuing operation dropped by 70.1% or HK\$3,277,000 to HK\$1,399,000 (2011: HK\$4,676,000).

In line with previous practice, the Board does not recommend the payment of any interim dividend for the six months ended 30 September 2012 (2011: Special interim dividend of HK10.0 cents per ordinary share).

### REVIEW OF OPERATIONS AND FINANCIAL PERFORMANCE

- As at 30 September 2012, the Group operated 59 routes (31 March 2012: 59 routes; 30 September 2011: 54 routes) with 374 PLBs (31 March 2012: 374 PLBs; 30 September 2011: 346 PLBs). The average fleet age of the PLBs was 8.6 years (31 March 2012: 8.6 years).
- During the six months ended 30 September 2012, the turnover of the franchised PLB operation grew by 12.1% or HK\$19,464,000 to HK\$180,073,000 (2011: HK\$160,609,000). The growth was mainly contributed by the Group's new subsidiary, CML, which was acquired on 1 November 2011, and the fare rise in certain routes.
- CML operates 3 green minibus routes with 25 PLBs running between Central and the Southern District and recorded a turnover of HK\$13,095,000 during the reporting period. Excluding the turnover of CML, the Group's turnover increased by 4.0% or HK\$6,369,000 to HK\$166,978,000 which was mainly attributable to the fare rise in 42 routes, at rates ranging from 4.5% to 11.4%.
- Although the turnover increased by HK\$19,464,000 to HK\$180,073,000, the operating profit of the Group dropped by 45.6% or HK\$2,571,000 to HK\$3,073,000 (2011: HK\$5,644,000). The major reasons for the drop in the operating profit were:
  - (i) The PLB rental expenses increased by 27.5% or HK\$9,051,000 to HK\$42,012,000 (2011: HK\$32,961,000) which was mainly attributable to an average increase of 36.2% in PLB rental rates with effect from 1 April 2012, following the renewal of the leasing agreement with the major lessors by reference to the market rates; and
  - (ii) The expenses relating to employee benefit increased by 15.4% or HK\$10,053,000 to HK\$75,515,000 (2011: HK\$65,462,000), which was mainly due to the increase in headcount resulting from enlarged fleet size by 9.0% on average and the captains' average pay rise of 6.9% as compared with last reporting period.

- The finance costs of the Group for the six months ended 30 September 2012 increased by 217.5% or HK\$1,081,000 to HK\$1,578,000 (2011: HK\$497,000). The jump in finance costs was due to the increase in bank borrowings after acquiring CML together with its bank loans amounting to HK\$77,107,000 on 1 November 2011 and new bank loans drawn amounting to HK\$35,000,000 for acquiring PLBs and PLB licences during the period.
- During the period, income tax expense decreased to HK\$96,000 (2011: HK\$471,000). The effective tax rate was 6.4% for the period (2011: 9.2%). The effective tax rate for the reporting period was low mainly because of the gain from disposing of a property amounting to HK\$1,157,000 not being subject to Hong Kong profits tax.

## **CAPITAL STRUCTURE, LIQUIDITY, FINANCIAL RESOURCES AND POLICIES**

### **Liquidity and financial resources**

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

The current ratio (current assets/current liabilities) reduced to 2.20 times (31 March 2012: 3.52 times) mainly due to the drop in bank balances and cash after the payment of final and special dividends amounting to HK\$29,274,000 for the year ended 31 March 2012 during the period. As at 30 September 2012, the Group had net current assets of HK\$38,248,000 (31 March 2012: HK\$84,604,000).

### **Borrowings**

As at 30 September 2012, the balance of the total borrowings of the Group increased by 23.9% or HK\$30,912,000 to HK\$160,027,000 (31 March 2012: HK\$129,115,000) as a result of new bank loans amounting to HK\$35,000,000 being drawn for acquiring PLBs and PLB licences during the period. Thus, the gearing ratio (total liabilities/shareholders' equity) of the Group as at 30 September 2012 increased to 50.1% (31 March 2012: 39.6%).

As at 30 September 2012, the Group had banking facilities totaling HK\$169,327,000 (31 March 2012: HK\$138,415,000) of which HK\$160,027,000 (31 March 2012: HK\$129,115,000) was utilised.

### **Pledge of assets**

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

	<b>As at 30 September 2012 HK\$'000</b>	<b>As at 31 March 2012 HK\$'000</b>
PLB licences	<b>285,950</b>	239,040
Property, plant and equipment	<b>4,944</b>	5,135



### **Credit risk management**

The income of the franchised PLB operation of the Group is either received in cash or collected via Octopus cards by Octopus Cards Limited and remitted to the Group on the next business day. 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 borrowings. All borrowings as at 30 September 2012 were denominated in Hong Kong dollars and on a floating interest rate basis. The practice effectively eliminated the currency risk and the management is of the view that the Group is not subject to significant interest rate risk.

### **CAPITAL EXPENDITURE AND COMMITMENT**

During the period, the Group's total capital expenditure was HK\$51,706,000 (2011: HK\$34,260,000), of which HK\$46,843,000 was for the acquisition of 7 PLB licences. As at 30 September 2012, the Group's capital commitment contracted and not provided for was HK\$1,181,000 (31 March 2012: HK\$9,855,000), and it was mainly for the purchase of two public buses.

### **CONTINGENT LIABILITIES**

The Group did not have any contingent liabilities as at 30 September 2012 and 31 March 2012.

### **EMPLOYEES AND REMUNERATION POLICIES**

Since the minibus industry is labour intensive in nature, expenses relating to employee benefit accounted for a substantial part of the total operating costs of the Group. Expenses relating to employee benefit incurred for the period were HK\$75,515,000 (2011: HK\$65,462,000), representing 41.1% (2011: 41.1%) of the total costs. 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's contribution. Other benefits including share option scheme, retirement plans and training schemes were also provided to the staff members.

The headcounts of the Group were as follows:

	<b>As at 30 September 2012</b>	As at 31 March 2012
Captains	<b>1,112</b>	1,154
Administrative staff	<b>103</b>	102
Technicians	<b>44</b>	44
Total	<b>1,259</b>	1,300

## **PROSPECTS**

Looking ahead, the Group considers that the business environment of the minibus industry remains challenging. Although the turnover is expected to grow steadily owing to the fare rise, the profits of the Group will still be under pressure from the high operating costs. The fuel prices persistently remain high and the staff costs are continuously rising due to inflation. The Group has raised the basic wage of the captains on two occasions since 1 April 2011 and introduced special shift allowance commencing from late September 2012 in order to retain and recruit captains. Any further adjustment in the second half of the financial year will be subject to the local labour market condition and inflation.

The management will continue to use its best endeavors to improve the Group's performance. The Group has submitted route restructuring proposals to the Transport Department in order to raise its operation efficiency and to ensure better fleet utilisation. The proposals are being considered by the Transport Department and the District Councils, and the Group hopes some of them can be approved in the second half of the financial year. Also, after the discussion between the Government and the industry, it is welcoming news that Transport Department has formed a working group to study the feasibility of extending the concessionary fare scheme, which enables the elderly aged 65 or above and eligible persons with disabilities to travel on the general MTR lines, franchised buses and ferries anytime at a concessionary fare of \$2 per trip, to the minibus sector.

As a responsible public transport service provider, even though the Group is experiencing the most difficult time since its listing in 2004, it is keen to maintain the frequency, safety and standard of its service. The Group has been trying its best to implement cost saving plans, but it cannot be denied that high fuel prices, inflation of captains' wages and PLB rental expenses are beyond the Group's control. Therefore, the Group has already submitted another round of applications for fare adjustment to the Transport Department. We hope the applications can be approved by the Transport Department soon so that we can continue to maintain our service standard and improve the Group's financial performance.

## **CORPORATE GOVERNANCE**

The Company has complied with the code provisions set out in Appendix 14 "Corporate Governance Code and Corporate Governance Report" of the Listing Rules for the six months ended 30 September 2012.

The Company has adopted a code of conduct regarding securities transactions by directors on terms no less exacting than the required standard of dealings as set out in the Model Code in Appendix 10 of the Listing Rules throughout the six months ended 30 September 2012. The Company had also made specific enquiries with all Directors and the Company was not aware of any non-compliance with the required standard of dealings set out in the Model Code and its code of conduct regarding securities transactions by Directors.

## **AUDIT COMMITTEE**

The Audit Committee was established in accordance with the requirements under the Listing Rules and “A Guide for The Formation of An Audit Committee” 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 3 independent Non-Executive Directors and one of them possesses appropriate accounting or financial management expertise. An Audit Committee meeting was held on 29 November 2012 to review the unaudited interim financial statements 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 2012, neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company’s listed securities.

## **PUBLICATION OF DETAILED INTERIM RESULTS**

All the financial and other related information of the Company for the six months ended 30 September 2012 which is required to be disclosed under the Listing Rules will be published on the Stock Exchange’s website at [www.hkex.com.hk](http://www.hkex.com.hk) and the Company’s website at [www.amspt.com](http://www.amspt.com) in due course.

By Order of the Board  
Wong Man Kit  
*Chairman*

Hong Kong, 29 November 2012

Members of the Board as at the date of this announcement are as follows:

### *Executive Directors*

Mr. Wong Man Kit (Chairman)  
Ms. Ng Sui Chun  
Mr. Wong Ling Sun, Vincent  
Mr. Chan Man Chun  
Ms. Wong Wai Sum, May

### *Independent Non-Executive Directors*

Dr. Lee Peng Fei, Allen  
Dr. Chan Yuen Tak Fai, Dorothy  
Mr. Kwong Ki Chi