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)

2012 ANNUAL RESULTS ANNOUNCEMENT

The board of directors ("Board") of AMS Public Transport Holdings Limited ("Company") is pleased to announce the consolidated results of the Company and its subsidiaries (collectively "Group") for the year ended 31 March 2012, together with the comparative figures for the year ended 31 March 2011 as follows:

CONSOLIDATED INCOME STATEMENT

For the year ended 31 March 2012

	Notes	**2012** **HK$'000**	2011 HK$'000
CONTINUING OPERATION:			
Turnover	4	**334,447**	305,225
Direct costs		**(290,433)**	(244,998)
Gross profit		**44,014**	60,227
Other revenue	5	**7,529**	5,612
Other net income	5	**391**	256
(Deficit) / Reversal of deficit on revaluation of PLB licences		**(2,750)**	80
Administrative expenses		**(32,938)**	(28,995)
Other operating expenses		**(2,208)**	(1,060)
Operating profit		**14,038**	36,120
Finance costs	6	**(1,776)**	(618)
Profit before income tax	7	**12,262**	35,502
Income tax expense	8	**(2,275)**	(6,014)
Profit for the year from continuing operation		**9,987**	29,488
DISCONTINUED OPERATION:			
Profit for the year from discontinued operation	9(a)	**130,401**	2,854
Profit for the year		**140,388**	32,342

CONSOLIDATED INCOME STATEMENT (Continued)
For the year ended 31 March 2012

	Notes	2012 HK$'000	2011 HK$'000
Attributable to :			
Equity holders of the Company			
- from continuing operation		**9,987**	29,488
- from discontinued operation		**130,266**	2,348
		140,253	31,836
Non-controlling interests			
- from discontinued operation		**135**	506
Profit for the year		**140,388**	32,342
		HK cents	HK cents (Restated)
Earnings per share for profit attributable to equity holders of the Company			
- Basic			
- from continuing operation		**3.86**	11.78
- from discontinued operation		**50.28**	0.94
	10(a)	**54.14**	12.72
- Diluted			
- from continuing operation		**3.84**	11.77
- from discontinued operation		**50.09**	0.94
	10(b)	**53.93**	12.71

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 March 2012

	2012 HK$'000	2011 HK$'000
Profit for the year	**140,388**	32,342
Other comprehensive income		
- (Deficit) / Surplus on revaluation of PLB licences	**(17,614)**	20,820
- Exchange gain on translation of financial statements of foreign operations	**160**	239
- Reclassification adjustment relating to foreign operations disposed during the year	**(846)**	-
Other comprehensive income for the year	**(18,300)**	21,059
Total comprehensive income for the year	**122,088**	53,401
Attributable to:		
Equity holders of the Company	**121,920**	52,717
Non-controlling interests	**168**	684
Total comprehensive income for the year	**122,088**	53,401

CONSOLIDATED BALANCE SHEET

As at 31 March 2012

	Notes	As at 31 March 2012 HK$'000	As at 31 March 2011 HK$'000
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment		**21,603**	15,653
PLB licences		**325,360**	163,900
Goodwill		**82,056**	9,118
Deferred tax assets		**1,161**	26
		430,180	188,697
Current assets			
Trade and other receivables	11	**9,106**	37,823
Tax recoverable		**960**	934
Bank balances and cash		**108,067**	20,699
		118,133	59,456
Assets held for sale	9(b)	**-**	262,460
		118,133	321,916
Current liabilities			
Borrowings		**7,600**	3,062
Trade and other payables	12	**25,724**	17,167
Tax payable		**205**	465
		33,529	20,694
Liabilities directly associated with assets held for sale	9(c)	**-**	112,526
		33,529	133,220
Net current assets		**84,604**	188,696
Total assets less current liabilities		**514,784**	377,393
Non-current liabilities			
Borrowings		**121,515**	53,845
Deferred tax liabilities		**365**	130
		121,880	53,975
Net assets		**392,904**	323,418
EQUITY			
Share capital		**26,613**	22,750
Reserves		**366,291**	280,253
Equity attributable to equity holders of the Company		**392,904**	303,003
Non-controlling interests		**-**	20,415
Total equity		**392,904**	323,418

1. BASIS OF PREPARATION

The financial statements have been prepared in accordance with the Hong Kong Financial Reporting Standards ("HKFRSs") which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards ("HKASs") and Interpretations issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"). The financial statements also include the applicable disclosure requirements of the Hong Kong Companies Ordinance and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") (the "Listing Rules").

The financial statements have been prepared on the historical cost basis except for public light bus ("PLB") licences which are stated at fair values.

On 27 April 2011, the Company entered into an agreement with Trans-Island Limousine Service Limited ("TLS") to dispose of 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"), to TLS at a consideration of HK$300,000,000, subject to adjustment (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 categorized under "discontinued operation" in the consolidated income statement. Analysis of the results of the Disposal Group is presented in note 9.

2. ADOPTION OF NEW OR AMENDED HKFRSs

In the current year, the Group has applied for the first time the following new standards, amendments and interpretations (the "new HKFRSs") issued by the HKICPA, which are relevant to and effective for the Group's financial statements for the annual period beginning on 1 April 2011:

HKAS 24 (Revised)	Related Party Disclosures
Various	Improvements to HKFRSs 2010

The adoption of the new 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 adopted any new or amended HKFRSs that are not yet effective for the current accounting period.

The directors anticipate that all of the new or amended HKFRSs will be adopted in the Group's accounting policy for the first period beginning after the effective date. Information on new or amended HKFRSs that are expected to have impact on the Group's financial statements is stated below. Certain other new or amended HKFRSs have been issued but are not expected to have a material impact on the Group's financial statements.

2. ADOPTION OF NEW OR AMENDED HKFRSs (Continued)

Amendments to HKAS 1 Presentation of Items of Other Comprehensive Income

The amendments to HKAS 1 retain the option to present profit or loss and other comprehensive income in either a single statement or in two separate but consecutive statements. However, the amendments to HKAS 1 require additional disclosures to be made in the other comprehensive income section such that items of other comprehensive income are grouped into two categories: (1) items that will not be reclassified subsequently to profit or loss; and (2) items that may be reclassified subsequently to profit or loss when specific conditions are met. Income tax on items of other comprehensive income is required to be allocated on the same basis. The amendments to HKAS 1 are effective for annual periods beginning on or after 1 July 2012.

3. SEGMENT INFORMATION

The Group identifies operating segments and prepares segment information based on the regular internal financial information reported to the executive directors for their decisions about resources allocation to the Group's business components and for their review of the performance of those 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: a) franchised PLB services; and b) cross-boundary public bus services which has been discontinued during the year.

2012

	Continuing operation Franchised PLB services HK$'000	**Discontinued operation Cross-boundary public bus services HK$'000**	**Group HK$'000**
Reportable segment revenue (note (i))	**334,447**	**54,298**	**388,745**
Reportable segment profit	**14,038**	**3,507**	**17,545**
Finance costs			**(2,244)**
Share of results of a jointly controlled entity			**114**
Profit before income tax			**15,415**
Income tax expense			**(2,525)**
			12,890
Gain on disposal of subsidiaries			**127,498**
Profit for the year			**140,388**
<u>Other information</u>			
Additions to non-current segment assets	**262,693**	**260**	**262,953**
Depreciation	**1,908**	**4,047**	**5,955**
Interest income	**(1,604)**	**(7)**	**(1,611)**
Deficit on revaluation of PLB licences	**2,750**	**-**	**2,750**

As at 31 March 2012, after the Disposal (note 14), the only segment of the Group is the franchised PLB services. Therefore, no separate analysis of the reportable segment assets and liabilities by operating segment is presented.

3. SEGMENT INFORMATION (Continued)

2011

	Continuing operation Franchised PLB services HK$'000	Discontinued operation Cross-boundary public bus services HK$'000	Group HK$'000
Reportable segment revenue (note (i))	305,225	149,932	455,157
Reportable segment profit	36,120	6,360	42,480
Finance costs			(2,870)
Share of results of a jointly controlled entity			1
Profit before income tax			39,611
Income tax expense			(7,269)
Profit for the year			32,342
Reportable segment assets	247,193	261,496	508,689
Interest in a jointly controlled entity			136
Deferred tax assets			84
Tax recoverable			1,704
Group assets			510,613
Reportable segment liabilities	17,167	20,442	37,609
Tax payable			1,151
Deferred tax liabilities			7,058
Other corporate liabilities			141,377
Group liabilities			187,195
Other information			
Additions to non-current segment assets	755	24,128	24,883
Depreciation	1,592	12,064	13,656
Interest income	(13)	(18)	(31)
Reversal of deficit on revaluation of a PLB licence	(80)	-	(80)

Note:

(i) All of the reportable segment revenue is from external customers.

The Group's revenue from external customers and its non-current assets (other than deferred tax assets) are divided into the following geographical areas:

Hong Kong	Operation in Hong Kong
PRC - Hong Kong	Cross-boundary operation between Hong Kong and the People’s Republic of China (the “PRC”)
Others	Other operations in Macau and the PRC

3. SEGMENT INFORMATION (Continued)

	Revenue from external customers		Non-current assets	
	2012	2011	**2012**	2011
	HK$'000	HK$'000	**HK$'000**	HK$'000
Continuing operation:				
Hong Kong (domicile)	**334,447**	305,225	**429,019**	188,671
Discontinued operation:				
PRC – Hong Kong	**54,240**	149,757	**-**	230,989
Others	**58**	175	**-**	1,418
	54,298	149,932	**-**	232,407
	388,745	455,157	**429,019**	421,078

The geographical location of customers is based on the location at which the services were provided. The geographical location of non-current assets (other than deferred tax assets) is based on the physical location of the assets.

4. TURNOVER

	2012	2011
	HK$'000	HK$'000
Franchised PLB services income	**334,447**	305,225

5. OTHER REVENUE AND OTHER NET INCOME

	2012	2011
	HK$'000	HK$'000
Other revenue		
Agency fee income	**2,520**	2,519
Advertising income	**2,115**	1,069
Interest income	**1,604**	13
Repair and maintenance service income	**828**	1,413
Management fee income	**462**	598
	7,529	5,612
Other net income		
Net exchange gain	**124**	35
Net gain on disposal of property, plant and equipment	**42**	-
Sundry income	**225**	221
	391	256
	7,920	5,868

6. FINANCE COSTS

	2012 HK$'000	2011 HK$'000
Interest on bank loans:		
- wholly repayable within five years	**1**	3
- not wholly repayable within five years	**1,775**	615
	1,776	618

7. PROFIT BEFORE INCOME TAX

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

	2012 HK$'000	2011 HK$'000
Fuel cost	**75,792**	57,414
Employee benefit expense (including directors' emoluments)	**139,854**	118,204
Operating lease rental in respect of		
- land and buildings	**12**	7
- PLBs	**65,322**	59,338
Depreciation of property, plant and equipment	**1,908**	1,592
Provision for impairment of trade receivables	**18**	4
Net exchange gain	**(124)**	(35)
Net gain on disposal of property, plant and equipment	**(42)**	-
Deficit / (Reversal of deficit) on revaluation of PLB licences	**2,750**	(80)
Auditors' remuneration	**515**	380

8. 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 year.

	2012 HK$'000	2011 HK$'000
Current tax		
- Hong Kong profits tax		
Current year	**3,288**	5,872
(Over) / Under provision in prior years	**(6)**	13
	3,282	5,885
Deferred tax		
Current year	**(1,007)**	129
Total income tax expense	**2,275**	6,014

9. DISCONTINUED OPERATION AND ASSETS HELD FOR SALE

The cross-boundary public bus operation was discontinued upon the completion of the Disposal on 31 July 2011. Analyses of the results, assets and liabilities of the Disposal Group are as follows:

(a) Discontinued operation

	Period from 1 April 2011 to 31 July 2011 HK$'000	Year ended 31 March 2011 HK$'000
Results		
Turnover	**54,298**	149,932
Direct costs	**(40,303)**	(110,556)
Gross profit	**13,995**	39,376
Other revenue	**772**	2,331
Other net income	**2,130**	43
Administrative expenses	**(12,749)**	(34,674)
Other operating expenses	**(641)**	(716)
Operating profit	**3,507**	6,360
Finance costs	**(468)**	(2,252)
Share of results of a jointly controlled entity	**114**	1
Profit before income tax	**3,153**	4,109
Income tax expense	**(250)**	(1,255)
	2,903	2,854
Gain on disposal of subsidiaries (note 14)	**127,498**	-
Profit for the year from discontinued operation	**130,401**	2,854

9. DISCONTINUED OPERATION AND ASSETS HELD FOR SALE (Continued)

(b) Assets held for sale

	As at 31 March 2011 HK$'000
ASSETS	
Non-current assets	
Property, plant and equipment	68,601
Public bus licences	5,196
Goodwill	158,474
Interest in a jointly controlled entity	136
Deferred tax assets	58
	232,465
Current assets	
Trade and other receivables	19,268
Amount due from a jointly controlled entity	1,065
Tax recoverable	770
Bank balances and cash	8,892
	29,995
Total assets	262,460

(c) Liabilities directly associated with assets held for sale

	As at 31 March 2011 HK$'000
LIABILITIES	
Non-current liabilities	
Deferred tax liabilities	6,928
Current liabilities	
Borrowings	82,280
Trade and other payables	15,074
Deferred income	5,368
Other financial liability	2,190
Tax payable	686
	105,598
Total liabilities	112,526

10. EARNINGS PER SHARE

(a) Basic earnings per share

The calculation of basic earnings per share is based on the profit attributable to equity holders of the Company (1) from continuing operation of HK$9,987,000 (2011: HK$29,488,000) and (2) from discontinued operation of HK$130,266,000 (2011: HK$2,348,000) and on the weighted average number of 259,065,000 ordinary shares (2011 (restated): 250,250,000 ordinary shares) in issue during the year.

(b) 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 year after adjusting for the effects of all dilutive potential ordinary shares.

Details of calculation of diluted earnings per share are shown as follows:

	2012	2011
	HK$'000	HK$'000
Profit attributable to equity holders of the Company for the year		
- From continuing operation	**9,987**	29,488
- From discontinued operation	**130,266**	2,348
	140,253	31,836
		(Restated)
Weighted average number of ordinary shares in issue during the year (in thousands)	**259,065**	250,250
Effect of dilutive potential shares on exercise of share options (in thousands)	**1,009**	201
Weighted average number of ordinary shares used in calculating diluted earnings per share (in thousands)	**260,074**	250,451
	HK cents	HK cents (Restated)
Diluted earnings per share		
- From continuing operation	**3.84**	11.77
- From discontinued operation	**50.09**	0.94
	53.93	12.71

The comparative figures have been restated to reflect the effect of the issue of bonus shares on 20 September 2011.

11. TRADE AND OTHER RECEIVABLES

	As at 31 March 2012 HK$'000	As at 31 March 2011 HK$'000
Trade receivables – gross	**2,007**	1,332
Less: provision for impairment	**-**	-
Trade receivables – net	**2,007**	1,332
Deposits, prepayments and other receivables	**7,099**	4,491
Deposit for acquisition of a subsidiary	**-**	32,000
	9,106	37,823

Majority of the Group's turnover is attributable to the franchised PLB services which is received in cash or collected by Octopus Cards Limited via Octopus cards 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:

	As at 31 March 2012 HK$'000	As at 31 March 2011 HK$'000
0 to 30 days	**1,860**	956
31 to 60 days	**88**	194
61 to 90 days	**40**	35
Over 90 days	**19**	147
	2,007	1,332

12. TRADE AND OTHER PAYABLES

	As at 31 March 2012 HK$'000	As at 31 March 2011 HK$'000
Trade payables	**7,393**	6,893
Other payables and accruals	**18,331**	10,274
	25,724	17,167

The Group was 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:

	As at 31 March 2012 HK$'000	As at 31 March 2011 HK$'000
0 to 30 days	**7,393**	6,893

13. BUSINESS COMBINATION

(a) On 1 April 2011, the Group's subsidiary, Gurnard Holdings Limited, acquired the entire interest in and shareholders' loans to 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$19,599,000 and net loss of HK$3,870,000 to the Group for the period from 1 April 2011 to 31 March 2012.

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

	HK$'000
Purchase consideration	**32,000**
Fair value of net assets acquired	**(13)**
Goodwill	**31,987**

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:

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

13. BUSINESS COMBINATION (Continued)

(b) On 7 September 2011, the Group's subsidiary, Gurnard Holdings Limited, entered into a sale and purchase agreement with So Sai Hung, Lo Hon Keung, Ip Po Fun, Jessie, Yip Chun, Tsui Po Keung and So Chi Hung to acquire 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.

CML contributed revenue of HK$10,802,000, net profit before revaluation of PLB licences of HK$2,025,000 and deficit on revaluation of PLB licences of HK$2,750,000 to the Group for the period from 1 November 2011 to 31 March 2012.

If the acquisition had occurred on 1 April 2011, the Group's revenue and net profit for the year ended 31 March 2012 would have been HK$348,673,000 and HK$140,944,000 respectively. This pro forma information is for illustrative purposes only and is not necessarily an indication of the revenue and results of operations of the Group that actually would have been achieved had the acquisition been completed on 1 April 2011, nor intended to be a projection of future results.

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)**
Goodwill	**40,951**

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:

	Acquiree's carrying amount HK$'000	**Fair value HK$'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)**
Net assets acquired	**4,641**	**96,853**

Purchase consideration settled in cash	**137,804**
Bank balances and cash of the acquired subsidiary	**-**
Net cash outflow on acquisition of the subsidiary	**137,804**

14. DISPOSAL OF SUBSIDIARIES

On 27 April 2011, the Company entered into an agreement with TLS, a wholly-owned subsidiary of Kwoon Chung Bus Holdings Limited, to dispose of its entire interest in the Disposal Group, at a consideration of HK$300,000,000, subject to adjustment. 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)**
Net assets	**184,721**
Non-controlling interests	**(20,095)**
Translation reserve	**(846)**
Gain on disposal of subsidiaries (note 9(a))	**127,498**
Expenses on disposal of subsidiaries	**5,207**
Total consideration	**296,485**
Satisfied by:	
Consideration settled in cash	**296,485**
Expenses paid on disposal of subsidiaries	**(1,035)**
Net cash inflow on disposal of subsidiaries	**295,450**

DIVIDENDS ATTRIBUTABLE TO THE YEAR

The Board recommended a final dividend of HK3.0 cents (2011: HK12.0 cents) per ordinary share and a special dividend of HK8.0 cents (2011: Nil) per ordinary share, totaling HK$29,274,000 (2011: HK$29,010,000) for the year ended 31 March 2012. Together with the special interim dividend of HK10.0 cents per ordinary share paid on 16 December 2011, the total amount of dividends declared for the year is HK21.0 cents per ordinary share, representing a total distribution for the year of HK$55,887,000 (2011: HK$29,010,000) and a payout ratio of about 39.8% (2011(restated): 91.1% [Note]).

Subject to the approval of shareholders at the forthcoming annual general meeting of the Company ("AGM") to be held on 31 August 2012, the final dividend and the special dividend will be payable on 12 September 2012.

Note: The payout ratio for the year ended 31 March 2011 was restated to include the dividends paid for the shares issued upon the exercise of share options after 31 March 2011.

CLOSURE OF REGISTER OF MEMBERS

In order to attend and vote at the AGM, all duly completed transfer documents accompanied by the relevant share certificates must be lodged with the Company's Hong Kong share registrar and transfer office, Union Registrars Limited, at 18th Floor, Fook Lee Commercial Centre, Town Place, 33 Lockhart Road, Wanchai, Hong Kong, for registration not later than 4:00 p.m. on 30 August 2012.

For determining the entitlements to the proposed final dividend and special dividend, the register of members of the Company will be closed from 6 September 2012 to 11 September 2012 (both days inclusive). In order to qualify for the proposed dividends, all share certificates accompanied by the duly completed transfer documents must be lodged with Union Registrars Limited not later than 4:00 p.m. on 5 September 2012.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW OF FRANCHISED PLB OPERATION

- On 1 April 2011 and 1 November 2011, the Group completed the acquisitions of the entire shareholding in HKM and CML respectively. As at 31 March 2012, HKM operated 4 routes with 31 GMBs running between Central/Causeway Bay and the Southern District, while CML operated 3 routes with 25 GMBs running between Central and the Southern District. As the dominant GMB operator in the Southern District of Hong Kong, the acquisitions of HKM and CML enable the Group to further expand its local franchised minibus network, thereby maximizing the synergy effect to the operation.

- The number of routes operated by the Group increased to 59 (2011: 50) as at 31 March 2012. Accordingly, the number of GMBs operated by the Group also increased by 65 GMBs to 374 GMBs (2011: 309 GMBs) as at 31 March 2012. Of the 65 GMBs increased, 56 were deployed for the newly acquired routes under HKM and CML and the remaining 9 were deployed for the other routes. As a result of the expansion of the fleet, the patronage of the franchised PLB operation grew by 6.8% to 59.5 million (2011: 55.7 million) whilst the total traveled mileage increased to around 42.5 million kilometers (2011: 39.1 million kilometers).

- In order to mitigate the impact brought by the surging international fuel prices, the Group has submitted a number of applications for fare adjustment to the Transport Department since October 2010. The Transport Department finally gave the green light during the year. Starting from early December 2011 and up to 31 March 2012, the fares of 26 routes have been raised at rates ranging from 4.5% to 10.0%. The management expects that the positive effect brought by the fare increase will be fully reflected in the next financial year.

- The average fleet age increased to 8.6 years as at 31 March 2012 (2011: 7.7 years). The replacement plan for aged minibuses has been suspended since the financial year 2009/10 because the management is of the opinion that there is no fit model of minibuses in the market at the moment.

FINANCIAL REVIEW

Consolidated results for the year

During the year under review, profit for the year from continuing franchised PLB operation dropped by 66.1% to HK$9,987,000 (2011: HK$29,488,000) and profit for the year (after non-controlling interests) from discontinued cross-boundary public bus operation was HK$130,266,000 (2011: HK$2,348,000), mainly attributable to the net gain on the disposal of the cross-boundary public operation. The overall profit attributable to equity holders of the Company was HK$140,253,000 (2011: HK$31,836,000). Basic earnings per share was HK54.14 cents as compared with HK12.72 cents (restated) last year.

Continuing operation — franchised PLB operation

- During the financial year under review, the total patronage increased by 6.8% to 59.5 million (2011: 55.7 million), which was mainly contributed by the newly acquired routes of HKM and CML. HKM and CML, which were acquired by the Group on 1 April 2011 and 1 November 2011 respectively, altogether operated 7 routes with 56 PLBs, representing approximately 15.0% of the total fleet size as at 31 March 2012.

- In addition to the growth in patronage, the average fare per passenger also increased as compared with last year owing to the fare rise in certain routes commencing from early December 2011 and higher fare per passenger contributed by the routes of HKM and CML. Up to 31 March 2012, the fares of 26 routes have been raised at rates ranging from 4.5% to 10.0% and the overall effect to the total turnover of the year was around 1%. As a result, the turnover of the franchised PLB operation grew by 9.6% or HK$29,222,000 to HK$334,447,000 (2011: HK$305,225,000).

- Although the turnover increased by HK$29,222,000 to HK$334,447,000, the operating profit fell by 61.1% or HK$22,082,000 to HK$14,038,000 this year (2011: HK$36,120,000). The major reasons for the drop in operating profit were as follows:

    1. Fuel costs increased by 32.0% or HK$18,378,000 to HK$75,792,000 (2011: HK$57,414,000) due to the drastic rise in international fuel prices and the increase in consumption as a result of the enlarged fleet size. The average diesel unit costs and liquefied petroleum gas unit costs jumped by 23% and 16% respectively. With the enlarged fleet size, the total travelled mileage increased by 8.7% to around 42.5 million kilometers (2011: 39.1 million kilometers) and the fuel consumption increased accordingly;

    2. Total staff costs increased by 18.3% or HK$21,650,000 to HK$139,854,000 (2011: HK$118,204,000), which was mainly due to the pay rise of 5.7% on weighted average to the captains and administrative staff and the increased headcount after enlarging the fleet size by 15.3% on average. In order to retain and recruit captains, the Group adjusted the captains' pay rate twice during the year and the average accumulated rise was approximately 11.4%;

    3. PLB rental expenses increased by 10.1% or HK$5,984,000 to HK$65,322,000 (2011: HK$59,338,000), owing to the enlarged fleet size; and

    4. A revaluation deficit of HK$2,750,000 was recorded as a result of the drop in market value of PLB licences as at 31 March 2012.

- Finance costs for the continuing operation were HK$1,776,000 (2011: HK$618,000). The increase was mainly due to the rise in the average borrowings after acquiring CML together with its borrowings of HK$77,107,000 on 1 November 2011.

- Income tax expenses for the continuing operation reduced to HK$2,275,000 (2011: HK$6,014,000), in line with the drop in profit before taxation. The effective tax rate for the year increased to 18.6% (2011: 16.9%) mainly because the deficit on revaluation of PLB licences of HK$2,750,000 was non-deductible according to the Hong Kong tax law.

Discontinued operation — cross-boundary public bus operation

On 27 April 2011, the Company entered into an agreement with TLS, a wholly owned subsidiary of Kwoon Chung Bus Holdings Limited, whereby TLS agreed to acquire and the Company agreed to sell its entire shareholding interest in ESG, a wholly owned subsidiary of the Company, at a consideration of HK$300,000,000 (subject to adjustment). ESG held an 80% shareholding interest in each of Chinalink Express Holdings Limited and Chinalink Transport Group Limited (together with their subsidiaries, collectively the "Chinalink Group"). The Chinalink Group was principally engaged in the provision of cross-boundary public bus services. The Disposal was completed on 31 July 2011. After the completion of the Disposal, the Group discontinued all its business in the cross-boundary public bus industry. The gain on the Disposal was HK$127,498,000.

Cashflow

	2012	2011
	HK$'000	HK$'000
Net cash from operating activities	**15,177**	47,723
Net cash from/(used in) investing activities	**112,832**	(52,432)
Net cash used in financing activities	**(40,765)**	(4,111)
Net increase/(decrease) in cash and cash equivalents	**87,244**	(8,820)

- The net cash from operating activities was HK$15,177,000, representing a drop of 68.2% or HK$32,546,000, as a result of the drop in operating profits by 61.1% as explained above.

- The net cash inflow in investing activities of HK$112,832,000 mainly represented the net proceeds from the Disposal of HK$295,450,000, net of (i) the cash paid for the acquisition of CML of HK$137,804,000; (ii) cash contributed to ESG of HK$31,454,000; and (iii) cash paid for purchasing 2 PLB licences of HK$13,074,000.

- The net cash used in financing activities was HK$40,765,000. The main components include (i) the cash paid as dividends to the equity holders of the Company of HK$55,623,000; (ii) repayment of borrowings and interests which amounted to HK$6,675,000; and net of (iii) the cash received upon exercising of share options by the directors and the employees of HK$22,478,000.

CAPITAL STRUCTURE, LIQUIDITY AND FINANCIAL RESOURCES

Liquidity and financial resources

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

The current ratio (current assets/current liabilities) increased to 3.52 at year end (2011: 2.42). The gearing ratio (total liabilities/shareholders' equity) as at year end reduced to 39.6% (2011: 61.8%), which was mainly attributable to the decrease in total liabilities of the Group and the increase in shareholders' equity after the Disposal.

As at 31 March 2012, the Group had bank facilities totaling HK$138,415,000 (2011: HK$192,996,000), of which HK$129,115,000 (2011: HK$139,017,000) were utilised.

Borrowings

As at 31 March 2012, the total borrowings balance was HK$129,115,000 (2011: HK$56,907,000). The significant increase in the borrowings balance was owing to the acquisition of CML, whose borrowings were HK$77,107,000 as at the date of the acquisition.

Bank balances and cash

As at 31 March 2012, the Group had bank balances and cash amounted to HK$108,067,000 (2011: HK$20,699,000). 96.3% (2011: 82.7%) of the bank balances and cash as at 31 March 2012 was denominated in Hong Kong dollars and the remaining bank balances and cash were denominated in Renminbi.

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 the income and expenditures of its operating activities, monetary assets and liabilities 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 31 March 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.

Pledge of assets

The pledged assets are as follows:

	As at 31 March 2012 HK$'000	As at 31 March 2011 HK$'000
PLB licences	**239,040**	104,300
Property, plant and equipment	**5,135**	4,591
Assets held for sale	**-**	65,677

Capital expenditure and commitment

During the year, the total capital expenditure was HK$262,953,000 (2011: HK$24,883,000), mainly for the acquisition of the goodwill, property, plant and equipment and PLB licences of HKM and CML which amounted to HK$246,476,000 and the purchase of 2 PLB licences of HK$13,074,000.

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. Employee benefit expenses of the franchised PLB operation incurred for the year were HK$139,854,000 (2011: HK$118,204,000), representing 42.4% (2011: 42.0%) of the total costs. Apart from the basic remuneration, double pay and/or a discretionary bonus were granted to eligible employees in accordance with the Group's performance and individual's contribution. Other benefits including share option scheme, retirement plan and training schemes were also provided to the staff members.

The headcount of the Group is as follows:

	As at 31 March 2012	As at 31 March 2011		
	Continuing operation	Continuing operation	Discontinued operation	Total
Captains	**1,154**	920	118	1,038
Administrative staff	**102**	85	199	284
Technicians	**44**	42	17	59
Total	**1,300**	1,047	334	1,381

Acquisitions completed during the year

- On 18 February 2011, the Group entered into a sale and purchase agreement with Mr. Ma Kiu Sang, Mr. Ma Kiu Mo and Mr. Ma Kiu Man, Vince to acquire the entire equity interest and the shareholders' loan in HKM at a consideration of HK$32,000,000. The acquisition of HKM was completed on 1 April 2011. As at 31 March 2012, HKM operated 4 routes with 31 PLBs running between Central/Causeway Bay and the Southern District. The goodwill arising from the acquisition of HKM was HK$31,987,000.

- On 7 September 2011, the Group entered into a sale and purchase agreement with Mr. So Sai Hung, Mr. Lo Hon Keung, Ms. Ip Po Fun, Jessie, Ms. Yip Chun, Mr. Tsui Po Keung and Mr. So Chi Hung to acquire the entire equity interest in CML at a consideration of HK$215,000,000. As at 31 March 2012, CML owned 25 PLBs and PLB licences and operated 3 GMB routes with 25 PLBs running between Central and Queen Mary Hospital/the Southern District. The acquisition of CML was completed on 1 November 2011. The goodwill arising from the acquisition of CML was HK$40,951,000.

Event after balance sheet date

After the balance sheet date, the Group purchased 7 PLB licences together with the 7 corresponding PLBs at a total consideration of HK$47,753,000 for operational purpose.

Outlook

Looking forward, we anticipate that the passenger demand of the minibus services will remain stable. Coupled with the fare rise of 42 routes (up to the date of this result announcement) ranging from 4.5% to 11.4% as approved by the Transport Department, we expect the turnover of the Group will grow steadily. On the operating costs side, we are glad to see that the international prices have fallen recently by around 27% as compared with their peak in March 2012. The latest local diesel and LPG unit prices have also reduced by around 15% and 31% from their peak in 2012 respectively. Although the decrease in fuel prices would help the Group improve its performance, we cannot deny that the profit of the Group in the coming year will still be under stress due to the other inflating operating costs, especially the PLB rental expenses and staff costs. Therefore, we are cautious about the prospect of the coming financial year.

Nevertheless, the Group will continue to do its utmost to take every possible way to create the greatest value for the shareholders. Apart from continuing to enhance fleet efficiency and implement cost saving plans, we will take the following actions in response to the challenges:

- To propose rationalization and route restructuring plans to the Transport Department and the local communities in order to strengthen the services in terms of convenience and frequency of the routes with growing demand. The key focus will be on the route restructuring of the routes under HKM and CML as we believe that their potential synergy with other routes of the Group has not been fully reflected during the first year of acquisitions and can be further maximized in the coming future;

- To continuously support the proposal of increasing the number of seats on minibuses from 16 to 20 as advocated by the GMB Maxicab Operators General Association and the Hong Kong Scheduled (GMB) Licensee Association. With the operators' commitments to freezing fares, offering concessionary fares to the elderly and deploying environmentally-friendly vehicles, we believe that increasing the number of seats on minibuses to 20 is in any way a win-win solution for both the operators and the general public as the former could increase revenue without transferring the costs to the public and affecting road conditions while the latter could ease their burden of transportation expenses under inflation;

- To join hands with the trade associations to demand the Government to extend the new concessionary fare scheme, which will enable the elderly aged 65 or above and eligible people with disabilities to travel on the general MTR lines, franchised buses and ferries anytime at a concessionary fare of $2 per trip, to the minibuses sector; and

- To pro-actively study the feasibility of deploying fuel saving minibuses. Fuel cost is the second largest operating cost to the business but the fuel prices are beyond our control. We have been trying to explore any possibilities to reduce the fuel consumption without affecting the operational efficiency. The fleet will deploy eight hybrid electric minibuses for trial in the second half of the next financial year and we hope that the result of the trial will be satisfactory for both operational efficiency and cost saving.

We hope that the above measures would mitigate the impact brought by the escalating costs. In case the operating costs continue to climb, we will have no choice but to consider applying for further fare rise in order to maintain the service and profitability of the Group.

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

During the year ended 31 March 2012, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS OF LISTED ISSUERS ("Model Code")

The Company has adopted codes of conduct regarding securities transactions by its directors and relevant employees ("Securities Code") on terms no less exacting than the required standard set out in the Model Code contained in Appendix 10 of the Listing Rules throughout the year ended 31 March 2012. Having made specific enquiries, all directors have confirmed that they have met the required standard set out in the Securities Code and the Model Code throughout the financial year under review.

COMPLIANCE WITH THE CODE ON CORPORATE GOVERNANCE PRACTICES ("Code")

The Company has complied throughout the year ended 31 March 2012 with the code provisions set out in the Code as contained in Appendix 14 of the Listing Rules.

REVIEW BY AUDIT COMMITTEE

The Company has an audit committee which was established in accordance with the requirements of the Code 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 of the Company and one of them possesses appropriate accounting or financial management expertise. An audit committee meeting was held on 28 June 2012 to review the Group's annual financial statements and annual results announcement, and provide advice and recommendations to the Board.

REVIEW BY AUDITORS

The figures in respect of this preliminary announcement of the Group's results for the year ended 31 March 2012 have been agreed by the Group's auditors, Grant Thornton (formerly known as "Grant Thornton Jingdu Tianhua"), to the figures set out in the Group's audited consolidated financial statements for the year. The work performed by Grant Thornton in this respect did not constitute an audit, review or other assurance engagement in accordance with "Hong Kong Standards on Auditing", "Hong Kong Standards on Review Engagements" or "Hong Kong Standards on Assurance Engagements" issued by the HKICPA, and consequently no assurance has been expressed by Grant Thornton on this preliminary announcement.

PUBLICATION OF DETAILED ANNUAL RESULTS AND ANNUAL REPORT

All the financial information and other related information of the Company for the year ended 31 March 2012 as required to be disclosed by the Listing Rules will be published on the Stock Exchange's website at www.hkex.com.hk and the Company's website at www.amspt.com in due course.

By Order of the Board
Wong Man Kit
Chairman

Hong Kong, 28 June 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