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 ANNUAL RESULTS FOR THE YEAR ENDED 31 MARCH 2013

The board of directors ("Board") of AMS Public Transport Holdings Limited ("Company") hereby announces the consolidated results of the Company and its subsidiaries (collectively "Group") for the year ended 31 March 2013, together with the comparative figures for the year ended 31 March 2012 as follows:

CONSOLIDATED INCOME STATEMENT

For the year ended 31 March 2013

	Notes	**2013 HK$'000**	2012 HK$'000
CONTINUING OPERATION:			
Turnover	4	**358,733**	334,447
Direct costs		**(326,250)**	(290,433)
Gross profit		**32,483**	44,014
Other revenue	5	**7,431**	7,529
Other net income	5	**1,265**	391
Deficit on revaluation of PLB licences	11	**(12,347)**	(2,750)
Administrative expenses		**(30,667)**	(32,938)
Other operating expenses		**(1,894)**	(2,208)
Provision for impairment of goodwill	12	**(31,987)**	-
Operating (loss) / profit		**(35,716)**	14,038
Finance costs	6	**(3,224)**	(1,776)
(Loss) / Profit before income tax	7	**(38,940)**	12,262
Income tax expense	8	**(623)**	(2,275)
(Loss) / Profit for the year from continuing operation		**(39,563)**	9,987
DISCONTINUED OPERATION:			
Profit for the year from discontinued operation	9	**-**	130,401
(Loss) / Profit for the year		**(39,563)**	140,388

CONSOLIDATED INCOME STATEMENT (Continued)

For the year ended 31 March 2013

	Notes	2013 HK$'000	2012 HK$'000
Attributable to :			
Equity holders of the Company			
- from continuing operation		**(39,563)**	9,987
- from discontinued operation		**-**	130,266
		(39,563)	140,253
Non-controlling interests			
- from discontinued operation		**-**	135
(Loss) / Profit for the year		**(39,563)**	140,388
		HK cents	HK cents
(Loss) / Earnings per share attributable to equity holders of the Company			
- Basic			
- from continuing operation		**(14.87)**	3.86
- from discontinued operation		**-**	50.28
	10(a)	**(14.87)**	54.14
- Diluted			
- from continuing operation		**(14.87)**	3.84
- from discontinued operation		**-**	50.09
	10(b)	**(14.87)**	53.93

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 March 2013

	Notes	2013 HK$'000	2012 HK$'000
(Loss) / Profit for the year		**(39,563)**	140,388
Other comprehensive income			
- Deficit on revaluation of PLB licences	11	**(7,616)**	(17,614)
- Exchange gain on translation of financial statements of foreign operations		**-**	160
- Reclassification adjustment relating to foreign operations disposed during the year		**-**	(846)
Other comprehensive income for the year		**(7,616)**	(18,300)
Total comprehensive income for the year		**(47,179)**	122,088
Attributable to:			
Equity holders of the Company		**(47,179)**	121,920
Non-controlling interests		**-**	168
Total comprehensive income for the year		**(47,179)**	122,088

CONSOLIDATED BALANCE SHEET
As at 31 March 2013

	Notes	**As at 31 March 2013 HK$'000**	As at 31 March 2012 HK$'000
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment		**18,020**	21,603
PLB licences	11	**352,240**	325,360
Public bus licences		**3,784**	-
Goodwill	12	**50,069**	82,056
Deferred tax assets		**2,652**	1,161
		426,765	430,180
Current assets			
Trade and other receivables	13	**8,274**	9,106
Tax recoverable		**159**	960
Bank balances and cash		**59,284**	108,067
		67,717	118,133
Current liabilities			
Borrowings		**8,837**	7,600
Trade and other payables	14	**21,183**	25,724
Tax payable		**566**	205
		30,586	33,529
Net current assets		**37,131**	84,604
Total assets less current liabilities		**463,896**	514,784
Non-current liabilities			
Borrowings		**147,286**	121,515
Deferred tax liabilities		**159**	365
		147,445	121,880
Net assets		**316,451**	392,904
EQUITY			
Share capital		**26,613**	26,613
Reserves		**289,838**	366,291
Total equity		**316,451**	392,904

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2013

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 sell 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 (the "Disposal"). The Disposal was completed on 31 July 2011. The Disposal Group carried out all 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 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 2012:

HKAS 12 (Amendments)	Income taxes — Deferred tax: Recovery of Underlying Assets
HKFRS 7 (Amendments)	Financial Instruments: Disclosures — Transfers of Financial Assets

The adoption of these new HKFRSs had no 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 the following new HKFRSs which have been issued and are relevant to the Group's financial statements but are not yet effective for the current accounting period:

HKAS 1 (Amendments)	Presentation of Items of Other Comprehensive Income[1]
HKAS 19 (2011)	Employee Benefits[2]
HKAS 32 (Amendments)	Offsetting Financial Assets and Financial Liabilities[3]
HKFRS 7 (Amendments)	Disclosures — Offsetting Financial Assets and Financial Liabilities[2]
HKFRS 9	Financial Instruments[4]
HKFRS 10	Consolidated Financial Statements[2]
HKFRS 13	Fair Value Measurement[2]

1 Effective for annual periods beginning on or after 1 July 2012
2 Effective for annual periods beginning on or after 1 January 2013
3 Effective for annual periods beginning on or after 1 January 2014
4 Effective for annual periods beginning on or after 1 January 2015

The directors anticipate that all of the new HKFRSs will be adopted in the Group's accounting policy for the first period beginning after the effective date. The adoption of new HKFRSs is not expected to have a material impact on the Group's financial statements.

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 for the year ended 31 March 2012: a) franchised PLB services; and b) cross-boundary public bus services which were 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 year ended 31 March 2013.

Information regarding the Group’s reportable segments for the year ended 31 March 2012 is set out below:

2012

	Continuing operation	Discontinued operation	
	Franchised PLB services HK$'000	Cross-boundary public bus services HK$'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
Other information			
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)

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

As at 31 March 2013 and 31 March 2012, after the Disposal (note 16), the only operating segment of the Group is the franchised PLB services. Therefore, no separate analysis of the reportable segment assets and liabilities by operating segment is necessary.

3. SEGMENT INFORMATION (Continued)

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

	Revenue from external customers		Non-current assets	
	2013	2012	**2013**	2012
	HK$'000	HK$'000	**HK$'000**	HK$'000
Continuing operation:				
Hong Kong (domicile)	**358,733**	334,447	**424,113**	429,019
Discontinued operation:				
PRC – Hong Kong	**-**	54,240	**-**	-
Others	**-**	58	**-**	-
	-	54,298	**-**	-
	358,733	388,745	**424,113**	429,019

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, or the place where they are allocated to for the intangible assets and goodwill.

4. TURNOVER

	2013	2012
	HK$'000	HK$'000
Franchised PLB services income	**358,733**	334,447

5. OTHER REVENUE AND OTHER NET INCOME

	2013	2012
	HK$'000	HK$'000
Other revenue		
Advertising income	**3,754**	2,115
Administration fee income	**2,518**	2,520
Interest income	**889**	1,604
Repair and maintenance service income	**211**	828
Management fee income	**59**	462
	7,431	7,529
Other net income		
Net gain on disposal of property, plant and equipment	**1,162**	42
Net exchange gain	**39**	124
Sundry income	**64**	225
	1,265	391
	8,696	7,920

6. FINANCE COSTS

	2013 **HK$'000**	2012 HK$'000
Interest on bank loans:		
- wholly repayable within five years	**8**	1
- not wholly repayable within five years	**3,216**	1,775
	3,224	1,776

7. (LOSS) / PROFIT BEFORE INCOME TAX

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

	2013 **HK$'000**	2012 HK$'000
Fuel cost	**77,359**	75,792
Employee benefit expense (including directors' emoluments)	**150,730**	139,854
Operating lease rental in respect of		
- land and buildings	**17**	12
- PLBs	**83,171**	65,322
Depreciation of property, plant and equipment	**1,843**	1,908
Provision for impairment of trade receivables	**1**	18
Deficit on revaluation of PLB licences	**12,347**	2,750
Provision for impairment of goodwill	**31,987**	-
Auditors' remuneration	**552**	515
Net exchange gain	**(39)**	(124)
Net gain on disposal of property, plant and equipment	**(1,162)**	(42)

8. INCOME TAX EXPENSE

Hong Kong profits tax has been provided at the rate of 16.5% (2012: 16.5%) on the estimated assessable profit for the year.

	2013 **HK$'000**	2012 HK$'000
Current tax		
- Hong Kong profits tax		
Current year	**2,448**	3,288
Over provision in prior years	**(128)**	(6)
	2,320	3,282
Deferred tax		
Current year	**(1,697)**	(1,007)
Total income tax expense	**623**	2,275

9. DISCONTINUED OPERATION

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

	Period from 1 April 2011 to 31 July 2011 HK$'000
Results	
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 16)	127,498
Profit for the year from discontinued operation	130,401

10. (LOSS) / EARNINGS PER SHARE

(a) Basic (loss)/earnings per share

The calculation of basic (loss)/earnings per share is based on the loss attributable to equity holders of the Company of HK$39,563,000 (2012: profit from continuing operation of HK$9,987,000 and from discontinued operation of HK$130,266,000) and on the weighted average number of 266,125,000 (2012: 259,065,000) ordinary shares in issue during the year.

(b) Diluted (loss)/earnings per share

The calculation of diluted (loss)/earnings per share is based on the (loss)/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.

The potential shares on exercise of share options were not included in the calculation of diluted loss per share for the year ended 31 March 2013 because they are anti-dilutive.

10. (LOSS) / EARNINGS PER SHARE (Continued)

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

Details of calculation of diluted (loss)/earnings per share are shown as follows:

	2013	2012
	HK$'000	HK$'000
(Loss)/Profit attributable to equity holders of the Company for the year		
- From continuing operation	**(39,563)**	9,987
- From discontinued operation	**-**	130,266
	(39,563)	140,253
Weighted average number of ordinary shares in issue during the year (in thousands)	**266,125**	259,065
Effect of dilutive potential shares on exercise of share options (in thousands)	**-**	1,009
Weighted average number of ordinary shares used in calculating diluted (loss)/earnings per share (in thousands)	**266,125**	260,074
	HK cents	HK cents
Diluted (loss)/earnings per share		
- From continuing operation	**(14.87)**	3.84
- From discontinued operation	**-**	50.09
	(14.87)	53.93

11. PLB licences

	2013	2012
	HK$'000	HK$'000
At the beginning of the year	**325,360**	163,900
Additions	**46,843**	13,074
Acquisition of subsidiaries (note 15)	**-**	168,750
Deficit on revaluation charged to income statement	**(12,347)**	(2,750)
Deficit on revaluation dealt with in revaluation reserve	**(7,616)**	(17,614)
At the end of the year	**352,240**	325,360

PLB licenses are regarded as having indefinite useful lives as there is no foreseeable limit to the period over which these assets are expected to generate net cash flows to the Group.

At the balance sheet date, PLB licences were revalued by Vigers Appraisal & Consulting Limited ("Vigers"), the independent qualified valuers. The valuation is determined based on the market approach with reference to recent market transactions. The key assumptions include the continuous existence of an open market for PLB licences and the trends, market conditions and government policies for PLB businesses remain unchanged. Vigers determined these assumptions based on past performance and expectations on market development.

The carrying amount of PLB licences at the balance sheet date would have been HK$305,743,000 (2012: HK$271,247,000) had they been stated at cost less accumulated impairment losses.

12. GOODWILL

	2013	2012
	HK$'000	HK$'000
Net carrying amount at the beginning of the year	**82,056**	9,118
Acquisition of subsidiaries (note 15)	**-**	72,938
Provision for impairment of goodwill	**(31,987)**	-
Net carrying amount at the end of the year	**50,069**	82,056

The impairment loss recognised during the year solely related to goodwill arising from acquisition of Hong Kong Maxicab Limited ("HKM") (note 15(a)). After the acquisition of HKM, the Group discussed with the Transport Department on several routes restructuring and rationalisation plans to improve the profitability of HKM and achieve the synergies effect. Finally, route rationalisation plans with some modifications were approved by the Transport Department in February 2013. Although the modified route rationalisation plans have improved the operating efficiency to a certain extent, the chance of generating profit by HKM in the near future remains slim owing to the high operating costs. To assist the directors on the impairment review on goodwill arising from acquisition of HKM, the Group engaged an independent professional valuer to carry out a valuation of routes operated by HKM as at 31 March 2013 and eventually recognised an impairment loss of HK$31,987,000, being the entire of goodwill on acquisition of HKM, for the year ended 31 March 2013.

13. TRADE AND OTHER RECEIVABLES

	As at 31 March 2013	As at 31 March 2012
	HK$'000	HK$'000
Trade receivables – gross	**3,152**	2,007
Less: provision for impairment	**-**	-
Trade receivables – net	**3,152**	2,007
Deposits, prepayments and other receivables	**5,122**	7,099
	8,274	9,106

Majority of the Group's turnover is attributable to 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:

	As at 31 March 2013	As at 31 March 2012
	HK$'000	HK$'000
0 to 30 days	**3,089**	1,860
31 to 60 days	**47**	88
61 to 90 days	**-**	40
Over 90 days	**16**	19
	3,152	2,007

14. TRADE AND OTHER PAYABLES

	As at 31 March 2013 HK$'000	As at 31 March 2012 HK$'000
Trade payables	**6,845**	7,393
Other payables and accruals	**14,338**	18,331
	21,183	25,724

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 2013 HK$'000	As at 31 March 2012 HK$'000
0 to 30 days	**6,845**	7,393

15. BUSINESS COMBINATION

(a) *For the year ended 31 March 2012*

On 1 April 2011, the Group's subsidiary, Gurnard Holdings Limited, acquired the entire interest in and shareholders' loan to 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 (note 12)	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.

15. BUSINESS COMBINATION (Continued)

(a) *For the year ended 31 March 2012 (Continued)*

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)

(b) *For the year ended 31 March 2012*

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 and 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.

15. BUSINESS COMBINATION (Continued)

(b) *For the year ended 31 March 2012 (Continued)*

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 (note 12)	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

16. DISPOSAL OF SUBSIDIARIES

For the year ended 31 March 2012

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. 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)	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 special dividend of HK5.0 cents per ordinary share (2012: a special interim dividend of HK10.0 cents per ordinary share, a final dividend of HK3.0 cents per ordinary share and a special dividend of HK8.0 cents per ordinary share), totaling HK$13,306,000 (2012: HK$55,887,000) for the year ended 31 March 2013.

Subject to the approval of shareholders at the forthcoming annual general meeting of the Company ("AGM") to be held on 30 August 2013, the special dividend will be payable on 11 September 2013.

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 29 August 2013.

For determining the entitlements to the proposed special dividends, the register of members of the Company will be closed from 5 September 2013 to 10 September 2013 (both days inclusive). In order to qualify for the proposed special 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 4 September 2013.

MANAGEMENT DISCUSSION AND ANALYSIS

REVIEW OF FRANCHISED PLB OPERATION

- The number of routes operated by the Group increased to 60 (2012: 59) as at 31 March 2013. Two new express ancillary routes 8X and 10P were introduced and route 10X was terminated as a part of the route rationalisation plan of HKM which was approved by the Transport Department in late February 2013. As a result of the termination of route 10X, the PLB fleet size reduced by 5 to 369 (2012: 374) as at 31 March 2013.

- Due to the full year effect of acquiring CML, the total mileage traveled by the Group increased by 3.1% to around 43.8 million kilometers (2012: 42.5 million kilometers). The patronage increased by 2.7% to around 61.1 million (2012: 59.5 million) accordingly.

- To alleviate the pressure from high fuel prices and other operating expenses, the Group has submitted a number of applications for fare adjustment to the Transport Department since October 2010. Since December 2011 and up to the year end, the fares of 44 routes have been raised, of which fare rise in 18 routes came into effect during the year, at rates ranging from 3.0% to 13.2%.

- The Group deployed 270 diesel PLBs (2012: 272) and 99 Liquefied Petroleum Gas ("LPG") PLBs (2012: 102). Comparing with the sharp rise in previous years, the increment of fuel prices for the year was relatively mild. With increased diesel rebates from the suppliers, the average diesel unit price dropped by 2.4% while average LPG unit price increased by 3.2%. In line with the increase in mileage traveled, the consumption of diesel and LPG for the year increased by 3.6% and 1.6% respectively. Thus, the overall fuel cost increased by 2.1% to HK$77,359,000 (2012: HK$75,792,000) compared to last year.

- The average PLB fleet age increased to 9.6 years (2012: 8.6) as at 31 March 2013. The replacement plan for aged minibuses has been suspended since the financial year 2009/10 due to unresolved technical problems found in the latest model of minibuses. Please refer to the annual report 2012/2013 for details.

FINANCIAL REVIEW

Consolidated results for the year

For the year ended 31 March 2013, the Group recorded an attributable loss of HK$39,563,000, compared to a profit attributable to equity holders of HK$140,253,000 in the previous year. The results for the year included a one-off provision for impairment of goodwill amounting to HK$31,987,000 and a significant non-cash deficit on revaluation of PLB licences of HK$12,347,000 (2012: HK$2,750,000) while that of last year included a non-recurring profit from discontinued operations of HK$130,266,000 (mainly representing the gain of HK$127,498,000 on the Disposal). Excluding the effect from these items, the results of the franchised PLB operation dropped by 62.5% or HK$7,966,000 to a profit of HK$4,771,000 (2012: HK$12,737,000), which was mainly owing to the increase in labour and PLB rental costs.

The details of the (loss)/profit from continuing operation are presented below:

Continuing operation:	**2013** **HK$'000**	2012 HK$'000	Increase/(decrease) HK$'000	In %
Turnover	**358,733**	334,447	24,286	+7.3
Other revenue and other net income	**8,696**	7,920	776	+9.8
Direct costs	**(326,250)**	(290,433)	35,817	+12.3
Administrative and other operating expenses	**(32,561)**	(35,146)	(2,585)	-7.4
Deficit on revaluation of PLB licences	**(12,347)**	(2,750)	9,597	+349.0
Provision for impairment of goodwill	**(31,987)**	-	31,987	N/A
Finance costs	**(3,224)**	(1,776)	1,448	+81.5
Income tax expense	**(623)**	(2,275)	(1,652)	-72.6
(Loss)/Profit for the year	**(39,563)**	9,987	(49,550)	-496.1
Profit for the year excluding deficit on revaluation of PLB licences and provision for impairment of goodwill	**4,771**	12,737	(7,966)	-62.5

- The turnover of the Group was up by 7.3% or HK$24,286,000 to HK$358,733,000 (2012: HK$334,447,000) as a result of the fare rise in 44 routes since December 2011 and the full year effect of the acquisition of CML.

- The increase in direct costs by 12.3% or HK$35,817,000 to HK$326,250,000 (2012: HK$290,433,000) are mainly attributable to:

  (i) The PLB rental expenses increased by 27.3% or HK$17,849,000 to HK$83,171,000 (2012: HK$65,322,000), which was attributable to an average increase of 36.2% in 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) Labour costs of captains increased by 12.1% or HK$12,646,000 to HK$116,917,000 (2012: HK$104,271,000) as a result of enlarging PLB fleet size by 5.0% on average, the rise of average captains' pay by 5.1% and the introduction of night shift allowances in the second half of the financial year.

- As at 31 March 2013, the fair value of a PLB licence dropped to HK$6,290,000 (2012: HK$6,640,000), thus, a revaluation deficit of HK$12,347,000 (2012: HK$2,750,000) was recorded.

  According to the applicable accounting standards, the PLB licences are revalued with reference to their market value at each reporting date. Nevertheless, instead of holding for investment purpose, all the PLB licences owned by the Group are for operational use. The accounting revaluation of the PLB licences should be considered separately because the volatility of their market value had no significant impact on the Group's core operation.

- Although the modified route rationalisation plans of HKM improved the operating efficiency of the routes to a certain extent, under the current high operating costs, the chance of generating profit by HKM in the near future remains slim. The Group engaged an independent professional valuer to carry out a valuation of routes operated by HKM as at 31 March 2013 and determined that it is appropriate to recognise an impairment loss of HK$31,987,000, being the entire of goodwill on acquisition of HKM, for the year ended 31 March 2013.

- The finance costs of the Group increased by 81.5% or HK$1,448,000 to HK$3,224,000 (2012: HK$1,776,000). The jump in finance costs was mainly due to the full year effect of acquiring CML together with its bank loans amounting to HK$77,107,000 on 1 November 2011 and new bank borrowings of HK$35,000,000 drawn for acquiring PLBs and PLB licences during the year.

- During the year, income tax expense decreased by 72.6% or HK$1,652,000 to HK$623,000 (2012: HK$2,275,000). Excluding the effect of deficit on revaluation of PLB licences and the provision for impairment of goodwill, both were non-deductible expenses, the effective tax rate for the year was 11.5% (2012: 15.2%). The effective tax rate for the reporting year was low mainly because of the gain from disposal of a property amounting to HK$1,157,000 not being subject to Hong Kong profits tax.

Cashflow

	2013	2012
	HK$'000	HK$'000
Net cash from operating activities	**2,564**	15,177
Net cash (used in)/from investing activities	**(45,896)**	112,832
Net cash used in financing activities	**(5,490)**	(40,765)
Net (decrease)/increase in cash and cash equivalents	**(48,822)**	87,244

The net cash from operating activities was HK$2,564,000 (2012: HK$15,177,000), representing a drop of 83.1% or HK$12,613,000, as a result of the drop in operating profits of the Group. The net cash used in investing activities of HK$45,896,000 was mainly for purchasing 7 PLB licences and 2 public bus licences. As for the net cash used in financing activities of HK$5,490,000, the main components included (i) the cash paid as dividends to the equity holders of the Company of HK$29,274,000; (ii) repayment of borrowings and interests which amounted to HK$11,216,000; and net of (iii) the cash received upon drawing down of new bank borrowings amounting to HK$35,000,000.

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) decreased to 2.21 at year end (2012: 3.52) as a result of the decrease in the cash and cash equivalents by HK$48,822,000 as explained above. The gearing ratio (total liabilities/shareholders' equity) as at year end increased to 56.3% (2012: 39.6%), which was mainly attributable to the increase in borrowings while the shareholders' equity reduced by HK$76,453,000 as at year end, compared with previous year.

As at 31 March 2013, the Group had bank facilities totaling HK$165,423,000 (2012: HK$138,415,000), of which HK$156,123,000 (2012: HK$129,115,000) were utilised.

Borrowings

As at 31 March 2013, the total borrowings balance was HK$156,123,000 (2012: HK$129,115,000). The increase in the borrowings balance was mainly owing to new bank loans drawn for purchasing 7 PLB licences during the year.

The maturity profiles of the borrowings were as follows:

	2013	2012
	HK$'000	HK$'000
Within one year	**8,837**	7,600
In the second year	**9,021**	7,757
In the third to fifth years	**28,209**	24,255
After the fifth year	**110,056**	89,503
	156,123	129,115

Bank balances and cash

As at 31 March 2013, the Group had bank balances and cash amounted to HK$59,284,000 (2012: HK$108,067,000). 92.0% (2012: 96.3%) of the bank balances and cash as at 31 March 2013 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 2013 were denominated in Hong Kong dollars and on a floating interest rate basis. The practice effectively eliminates the currency risk and the management is of the view that the Group is not subject to significant interest rate risk.

Pledge of assets

The pledged assets are as follows:

	As at 31 March 2013	As at 31 March 2012
	HK$'000	HK$'000
PLB licences	**270,470**	239,040
Property, plant and equipment	**4,749**	5,135

Capital expenditure and commitment

During the year, the total capital expenditure was HK$52,530,000 (2012: HK$262,953,000), mainly for purchasing 7 PLB licences and the corresponding PLBs and 2 public bus licences and the corresponding public buses. As at 31 March 2013, the capital commitment was HK$532,000 (2012: HK$9,855,000), mainly for purchasing a new public bus for replacement use.

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$150,730,000 (2012: HK$139,854,000), representing 41.6% (2012: 42.4%) 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.

Event after balance sheet date
Subsequent to the balance sheet date and up to 31 May 2013, based on the valuation estimated by the directors, the market price of a PLB licence further dropped to approximately HK$5,880,000 compared with its fair value of HK$6,290,000 as at 31 March 2013. Therefore, the unaudited deficit on revaluation of PLB licences charged to consolidated income statement for the 2 months ended 31 May 2013 was approximately HK$14,350,000.

Outlook
Looking ahead, the Group expects that passenger demand should remain stable as the minibuses will continue to be a popular transportation mode to the general public. Anticipating probable fare rise in certain routes, we are optimistic that the revenue shall continue to grow mildly in the coming year.

The profitability of the Group, however, shall depend on the operating costs. Cost control is the most challenging task to the Group in the coming years, even though the escalation of major operating costs is beyond its control. The fuel prices persistently remain high and the staff costs and other operating expenses are on the rise as well due to inflation. Presently we cannot foresee any circumstances which would drive the operating costs down in the short run. Therefore, we remain cautious about the prospect of the coming financial year.

Facing such adverse conditions, in addition to optimising operating costs internally, the Group has no choice but to continuously submit fare rise applications to the Transport Department so as to maintain its service frequency and quality. Route rationalisation is another good way of improving the efficiency of the fleet, although judging by our past experience, it takes time for the Transport Department to consult the District communities. Nevertheless, in order to close the gap, the management will take proactive steps to approach and communicate with the communities groups which may have special concerns on our route rationalisation plans. The Group will also continue to closely monitor the market and road conditions and propose further route rationalisation plans in order to provide the public with efficient journeys as well as responding to the railway development in Hong Kong.

Meanwhile, the Group will be keen on carrying out some other long term measures, such as increasing the capacity of minibuses to 20 seats, which we had discussed in our previous annual and interim reports. It is welcoming news that the 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 MTR, franchised buses and ferries at anytime at a concessionary fare of HK$2 per trip, to the minibus sector. Besides, we are informed that the Transport Department is processing the approval of the new hybrid electric minibuses. If approval is granted, the Group shall deploy eight hybrid electric minibuses as trial in the first phase. We hope that the result of the trial will be satisfactory for both operational efficiency and cost saving.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES
During the year ended 31 March 2013, 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 2013. 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 2013 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 27 June 2013 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 2013 have been compared by the Group's auditors, Grant Thornton Hong Kong Limited, to the amounts set out in the Group's draft consolidated financial statements for the year and the amounts were found to be in agreement. The work performed by Grant Thornton Hong Kong Limited in this respect was limited and 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 Hong Kong Limited 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 2013 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, 27 June 2013

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

Executive Directors	*Independent Non-executive Directors*
Mr. Wong Man Kit (Chairman)	Dr. Lee Peng Fei, Allen
Ms. Ng Sui Chun	Dr. Chan Yuen Tak Fai, Dorothy
Mr. Wong Ling Sun, Vincent	Mr. Kwong Ki Chi
Mr. Chan Man Chun	
Ms. Wong Wai Sum, May	