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 2015

The board of directors (the "Board") of AMS Public Transport Holdings Limited (the "Company") hereby announces the consolidated results of the Company and its subsidiaries (collectively referred to as the "Group") for the year ended 31 March 2015, together with the comparative figures for the year ended 31 March 2014 as follows:

CONSOLIDATED INCOME STATEMENT

For the year ended 31 March 2015

	Notes	**2015** **HK$'000**	2014 HK$'000
Revenue	4	**356,449**	357,446
Direct costs		**(310,287)**	(320,512)
Gross profit		**46,162**	36,934
Other revenue	5	**8,268**	7,959
Other net income	5	**559**	404
Deficit on revaluation of public light bus ("PLB") licences	10	**(10,500)**	(26,250)
Administrative expenses		**(32,882)**	(31,358)
Other operating expenses		**(1,407)**	(1,181)
Provision for impairment of goodwill	11	**(27,151)**	-
Operating loss		**(16,951)**	(13,492)
Finance costs	6	**(3,142)**	(3,227)
Loss before income tax	7	**(20,093)**	(16,719)
Income tax expense	8	**(2,809)**	(1,425)
Loss for the year		**(22,902)**	(18,144)
Loss per share attributable to equity holders of the Company			
- Basic (In HK cents)	9(a)	**(8.61)**	(6.82)
- Diluted (In HK cents)	9(b)	**(8.61)**	(6.82)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 March 2015

	Notes	2015 HK$'000	2014 HK$'000
Loss for the year		**(22,902)**	(18,144)
Other comprehensive expense			
Item that will not be reclassified subsequently to income statement			
- Deficit on revaluation of PLB licences	10	**(6,300)**	(15,750)
Total comprehensive expense for the year		**(29,202)**	(33,894)

CONSOLIDATED BALANCE SHEET

As at 31 March 2015

	Notes	As at 31 March 2015 HK$'000	As at 31 March 2014 HK$'000
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment		**16,952**	17,565
PLB licences	10	**293,440**	310,240
Public bus ("PB") licences		**11,384**	7,584
Goodwill	11	**22,918**	50,069
Deferred tax assets		**3,449**	3,596
		348,143	389,054
Current assets			
Trade and other receivables	12	**9,011**	9,370
Tax recoverable		**16**	202
Bank balances and cash		**49,275**	48,393
		58,302	57,965
Current liabilities			
Borrowings		**9,506**	9,320
Trade and other payables	13	**21,058**	20,341
Tax payable		**455**	553
		31,019	30,214
Net current assets		**27,283**	27,751
Total assets less current liabilities		**375,426**	416,805
Non-current liabilities			
Borrowings		**137,911**	147,416
Deferred tax liabilities		**127**	138
		138,038	147,554
Net assets		**237,388**	269,251
EQUITY			
Share capital		**26,613**	26,613
Reserves		**210,775**	242,638
Total equity		**237,388**	269,251

1. BASIS OF PREPARATION

The financial statements have been prepared in accordance with the Hong Kong Financial Reporting Standards ("HKFRSs"). The term HKFRSs 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"). Applicable disclosure requirements of the predecessor Hong Kong Companies Ordinance (Cap. 32) and the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Stock Exchange") (the "Listing Rules") have also been complied with in the financial statements.

The financial statements have been prepared on the historical cost basis except for PLB licences which are stated at fair values.

2. ADOPTION OF NEW OR AMENDED HKFRSs

In the current year, the Group has applied for the first time the following new and revised 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 2014:

HKAS 32 Amendments	Offsetting Financial Assets and Financial Liabilities
HKAS 36 Amendments	Recoverable Amount Disclosures for Non-Financial Assets

Other than as noted below, the adoption of the new HKFRSs has no material impact on how the results and financial position for the current and prior periods have been prepared and presented.

HKAS 32 Amendments — Offsetting Financial Assets and Financial Liabilities

The amendments clarify the application of certain offsetting criteria in HKAS 32, including the meaning of "currently has a legally enforceable right of set-off" and that some gross settlement systems may be considered equivalent to net settlement.

The amendments have been applied retrospectively in accordance with their transitional provisions. As the Group does not currently present any of its financial assets and financial liabilities on a net basis using the provisions of HKAS 32, these amendments had no material effect on the consolidated financial statements for any period presented.

HKAS 36 Amendments — Recoverable Amount Disclosures for Non-Financial Assets

The amendments clarify the requirements to disclose the recoverable amount of an asset (or cash generating unit) whenever an impairment loss has been recognised or reversed in the period. In addition, they introduce several new disclosures required to be made when the recoverable amount of impaired asset (or cash generating unit) is based on fair value less costs of disposal. The Group has applied the amendments retrospectively in accordance with their transitional provisions and the disclosures about the Group's impaired non-financial assets are set out in note 19 to the financial statements contained in the annual report 2014/2015.

2. ADOPTION OF NEW OR AMENDED HKFRSs (Continued)

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	Disclosure Initiative[2]
HKAS 16 and HKAS 38 Amendments	Clarification of Acceptable Methods of Depreciation and Amortisation[2]
HKAS 27 Amendments	Equity Method in Separate Financial Statements[2]
HKFRS 9	Financial Instruments[4]
HKFRS 15	Revenue from Contracts with Customers[3]
Annual Improvements Project	Annual Improvements to HKFRSs 2010–2012 Cycle[1]
Annual Improvements Project	Annual Improvements to HKFRSs 2011–2013 Cycle[1]
Annual Improvements Project	Annual Improvements to HKFRSs 2012–2014 Cycle[2]

[1] Effective for annual periods beginning on or after 1 July 2014
[2] Effective for annual periods beginning on or after 1 January 2016
[3] Effective for annual periods beginning on or after 1 January 2017
[4] Effective for annual periods beginning on or after 1 January 2018

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 only operating segment of the Group is the franchised PLB and residents' bus services. No separate analysis of the reportable segment results by operating segment is necessary.

Since the Group's revenue and non-current assets are attributed to Hong Kong, which is also the place of domicile as the Group only engages its business in Hong Kong, no geographical information is presented.

No individual customers contributed over 10% of the Group's revenue for the years ended 31 March 2015 and 2014.

4. REVENUE

	2015 **HK$'000**	2014 HK$'000
Services income	**356,449**	357,446

5. OTHER REVENUE AND OTHER NET INCOME

	2015 HK$'000	2014 HK$'000
Other revenue		
Advertising income	**5,273**	4,799
Administration fee income	**2,505**	2,512
Interest income	**412**	503
Management fee income	**64**	58
Repair and maintenance service income	**14**	87
	8,268	7,959
Other net income		
Net gain/(loss) on disposal of property, plant and equipment	**238**	(80)
Net exchange (loss)/gain	**(79)**	72
Sundry income	**400**	412
	559	404
	8,827	8,363

6. FINANCE COSTS

	2015 HK$'000	2014 HK$'000
Interest on bank loans:		
- not wholly repayable within five years	**3,142**	3,227

7. LOSS BEFORE INCOME TAX

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

	2015 HK$'000	2014 HK$'000
Fuel cost in direct costs	**59,704**	72,886
Employee benefit expense (including directors' emoluments)	**160,513**	152,609
Operating lease rental in respect of		
- land and buildings	**21**	19
- PLBs	**77,769**	80,834
Depreciation of property, plant and equipment	**1,584**	1,724
Deficit on revaluation of PLB licences	**10,500**	26,250
Provision for impairment of goodwill	**27,151**	-
Auditors' remuneration	**587**	574
Net exchange loss / (gain)	**79**	(72)
Net (gain) / loss on disposal of property, plant and equipment	**(238)**	80

8. INCOME TAX EXPENSE

Hong Kong profits tax has been provided at the rate of 16.5% (2014: 16.5%) on the estimated assessable profit for the year.

	2015	2014
	HK$'000	HK$'000
Current tax		
- Hong Kong profits tax		
Current year charged to income statement	**2,763**	2,498
Over provision in prior years	**(90)**	(108)
	2,673	2,390
Deferred tax		
Current year charged / (credited) to income statement	**136**	(965)
Total income tax expense	**2,809**	1,425

9. LOSS PER SHARE

(a) Basic loss per share

The calculation of basic loss per share is based on the loss attributable to equity holders of the Company of HK$22,902,000 (2014: HK$18,144,000) and on the weighted average number of 266,125,000 (2014: 266,125,000) ordinary shares in issue during the year.

(b) Diluted loss per share

Diluted loss per share is the same as basic loss per share for the years ended 31 March 2015 and 2014, as the share options have no dilutive effect on ordinary shares for the years because the exercise price of the Company's share options was higher than the average market price of the Company's share in the years.

10. PLB LICENCES

	2015	2014
	HK$'000	HK$'000
At the beginning of the year	**310,240**	352,240
Deficit on revaluation charged to income statement	**(10,500)**	(26,250)
Deficit on revaluation dealt with in revaluation reserve	**(6,300)**	(15,750)
At the end of the year	**293,440**	310,240

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, the PLB licences were revalued by Vigers Appraisal & Consulting Limited ("Vigers"), the independent qualified valuer. The fair value of PLB licences is determined under the market approach with reference to the recent market-quoted prices. The key assumptions under such approach include the continuous existence of an open market for PLB licences and the status-quo of the trends, market conditions and government policies for PLB industry. Vigers made these assumptions based on past performance and expectations on the market development.

11. GOODWILL

	2015 HK$'000	2014 HK$'000
Net carrying amount at the beginning of the year	**50,069**	50,069
Provision for impairment of goodwill	**(27,151)**	-
Net carrying amount at the end of the year	**22,918**	50,069

Impairment on goodwill allocated to cash-generating unit ("CGU") of Central Maxicab Limited ("CML")

Since the MTR West Island Line ("WIL") opened on 28 December 2014, the performances of some PLB routes of the Group operating in the vicinity have been affected to various degrees. Amongst the routes, PLB routes 54 and 55 running between Central and Queen Mary Hospital, which are operated under the CGU of CML, a wholly-owned subsidiary of the Company, were particularly affected. Whilst the Group has proposed route re-structuring plans to the Transport Department in the hope of minimising the influence from the WIL, it is still awaiting the decisions from the Government. The management therefore considers that it would be prudent to assume that the profitability of the CGU will be weakened in the long run, unless and until firm decisions about the route re-structuring plans have been received from the Government. Therefore, the management was of opinion that the carrying amount of goodwill allocated to the CGU of CML was impaired as at 31 March 2015. The gross carrying amount allocated to the CGU of CML was HK$40,951,000 as at 31 March 2015 (2014: HK$40,951,000).

Vigers was engaged to carry out a business valuation on the CGU of CML as at 31 March 2015. According to the business valuation carried out by Vigers, the recoverable amount of the CGU of CML, which represented its value in use, was HK$13,800,000. As a result, the impairment loss charged against its goodwill was HK$27,151,000 for the year ended 31 March 2015 (2014: Nil).

12. TRADE AND OTHER RECEIVABLES

	2015 HK$'000	2014 HK$'000
Trade receivables – gross	**1,394**	1,327
Less: provision for impairment	**-**	-
Trade receivables – net	**1,394**	1,327
Deposits, prepayments and other receivables	**7,617**	8,043
	9,011	9,370

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

The ageing analysis of trade receivables prepared in accordance with the invoice dates, is as follows:

	2015 HK$'000	2014 HK$'000
0 to 30 days	**1,224**	1,264
31 to 60 days	**170**	59
61 to 90 days	**-**	-
Over 90 days	**-**	4
	1,394	1,327

13. TRADE AND OTHER PAYABLES

	2015	2014
	HK$'000	HK$'000
Trade payables	**4,781**	6,110
Other payables and accruals	**16,277**	14,231
	21,058	20,341

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:

	2015	2014
	HK$'000	HK$'000
0 to 30 days	**4,781**	6,110

DIVIDENDS ATTRIBUTABLE TO THE YEAR

Having carefully considered the financial performance and the future cashflows of the Group under the challenging business environment, the Board recommended a special dividend of HK5.0 cents per ordinary share (2014: a special dividend of HK1.0 cent per ordinary share), totaling HK$13,306,000 (2014: HK$2,661,000) for the year ended 31 March 2015. No final dividend was recommended by the Board for the years ended 31 March 2015 and 2014.

Subject to the approval of shareholders at the forthcoming annual general meeting of the Company ("AGM") to be held on 31 August 2015, the special dividend will be payable on 11 September 2015.

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 A18th Floor, Asia Orient Tower, Town Place, 33 Lockhart Road, Wanchai, Hong Kong, for registration not later than 4:00 p.m. on 28 August 2015.

For determining the entitlements to the proposed special dividends, the register of members of the Company will be closed from 7 September 2015 to 10 September 2015 (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 2015.

MANAGEMENT DISCUSSION AND ANALYSIS

REVIEW OF OPERATION

- During the year, in order to improve operational efficiency and cope with the possible demands brought by the railway development, the Group completed a series of routes re-organisations involving six franchised PLB routes and two residents' bus routes. Apart from terminating a low demand PLB route, the Group launched two PLB ancillary routes running between Kennedy Town MTR station and Queen Mary Hospital/Bel-Air on the Peak and one residents' bus route running between Tai Po Market Station and Tung Tsz Villa, Tai Po. As at 31 March 2015, the Group operated 61 PLB routes (2014: 60) and 3 residents' bus routes (2014: 2).

- Owing to the aggravated shortage of captains and traffic congestion, the service frequency and patronage of the PLB service were inevitably affected. Furthermore, after assessing the latest passenger demand and the impact from the Government's Public Transport Fare Concession Scheme for the Elderly and Eligible Persons with Disabilities (the "Fare Concession Scheme"), which had not extended to the green minibus sector until 29 March 2015, and WIL, the Group rationalised its fleet size by reducing seven PLBs during the year. Thus, the PLB fleet size of the Group was slightly reduced by 1.9% to 357 (2014: 364) as at 31 March 2015. On the other hand, with the introduction of a new residents' bus route, the fleet size of the residents' bus routes increased to 5 (2014: 3).

- Attributable to the fleet size reduction, the aggravated shortage of captains and traffic congestion, the number of journeys traveled for the year was 4.14 million, representing a drop of 1.7% compared to that of last year (2014: 4.21 million). The total mileage traveled by the Group also decreased by 2.3% to around 41.7 million kilometers (2014: 42.7 million kilometers). The patronage of the Group decreased by 3.7% to around 56.5 million (2014: 58.7 million) compared with that of last year.

- To ease the pressure from the high operating costs, especially the inflating staff costs, the Group continued to submit fare increase applications during the year. Although the Group was granted approval to raise the fares in 32 routes at rates ranging from 3.8% to 22.5% during the year (2014: 45 routes at rates ranging from 2.3% to 15.4%), the drop in patronage drove the revenue down slightly by HK$997,000 or 0.3% to HK$356,449,000 (2014: HK$357,446,000) during the year.

- The new MTR WIL extending the MTR Island Line service from Sheung Wan to Kennedy Town opened on 28 December 2014. To seize the opportunities brought by the railway development, the Group launched two ancillary routes to meet the demand for feeder services and co-operated with the MTR to offer concessionary fares to passengers commuting from/to Kennedy Town MTR station. However, the WIL also poses a great challenge to some routes of the Group operating in the vicinity and the performances of these routes have been affected to various degrees. Amongst the routes, the revenue of PLB routes 54 and 55 (the "Routes"), which run between Central and Queen Mary Hospital, dropped by around 25% since the WIL came into service and up to year end. Whilst the Group has proposed route re-structuring plans to the Transport Department in the hope of minimising the influence from the WIL, it is still awaiting the decisions from the Government. The management therefore considers that it would be prudent to assume that the profitability of the Routes will be weakened in the long run, unless and until firm decisions about the route re-structuring plans have been received from the Government. On this basis, a business valuation of the Routes has been carried out by an independent qualified valuer. Based on this business valuation, a significant impairment loss of HK$27,151,000 was charged against the goodwill arising from acquisition of CML.

FINANCIAL REVIEW

Consolidated results for the year

For the year ended 31 March 2015, the Group recorded a loss attributable to equity holders of HK$22,902,000 (2014: HK$18,144,000). The details of the consolidated results are presented below:

	2015	2014	Increase/(decrease)	
	HK$'000	HK$'000	HK$'000	In %
Revenue	**356,449**	357,446	(997)	-0.3
Other revenue and other net income	**8,827**	8,363	464	+5.5
Direct costs	**(310,287)**	(320,512)	(10,225)	-3.2
Administrative and other operating expenses	**(34,289)**	(32,539)	1,750	+5.4
Finance costs	**(3,142)**	(3,227)	(85)	-2.6
Income tax expense	**(2,809)**	(1,425)	1,384	+97.1
Profit for the year excluding deficit on revaluation of PLB licences and provision for impairment of goodwill	**14,749**	8,106	6,643	+82.0
Deficit on revaluation of PLB licences	**(10,500)**	(26,250)	(15,750)	-60.0
Provision for impairment of goodwill	**(27,151)**	-	27,151	N/A
Loss for the year	**(22,902)**	(18,144)	4,758	+26.2

- Although the fare increase of 32 routes at rates ranging from 3.8% to 22.5% was effective during the year, its effect was completely offset by the drop in patronage by 3.7%. Thus, the revenue of the Group was slightly reduced by HK$997,000 or 0.3% to HK$356,449,000 (2014: HK$357,446,000).

- The major direct costs of the Group are labour costs, PLB rental expenses and fuel costs, which altogether made up around 84.2% of the total direct costs (2014: 84.5%) for the year ended 31 March 2015. The changes on these major costs are as follows:

  - Labour costs: During the year, the Group continued to face the problem of shortage of captains. Following the 5.4% in weighted average pay rise in late October 2013, the Group raised the captains' pay by around 7.6% in weighted average in late July 2014 in order to attract and retain the captains. Thus, despite a slight downsizing of the PLB fleet, the total labour costs of captains increased by HK$6,757,000 or 5.8% to HK$123,791,000 (2014: HK$117,034,000) compared with last year;

  - Fuel costs: Due to the drop in international fuel prices starting from the second half of the financial year and the increased rebates from the suppliers, the saving in fuel costs for the year was significant and it became the main reason to the increase in operating profit for the year (excluding the non-cash deficit on revaluation of PLB licences and provision for impairment of goodwill). During the year, the average diesel and LPG unit prices dropped by 16.4% and 12.2% respectively. Coupled with the drop in fuel consumption owing to the reduced mileage traveled by the Group, the fuel costs for the year decreased by HK$13,182,000 or 18.1% to HK$59,704,000 (2014: HK$72,886,000); and

- PLB rental expenses: The PLB rental expenses dropped by HK$3,065,000 or 3.8% to HK$77,769,000 (2014: HK$80,834,000), which was mainly attributable to the reduced use of seven leased PLBs following the reduction in fleet size. Furthermore, according to a minibus leasing agreement dated 23 June 2014 entered between the Group and the connected parties, which has been approved by the shareholders of the Company in the annual general meeting 2014, the PLB hiring rates paid to the connected parties decreased by 2.9% in average with effect from 1 October 2014. The PLB rental expense paid to the connected parties for the year therefore decreased by HK$897,000 or 1.3% to HK$70,224,000 (2014: HK$71,121,000) compared with last year.

Combining the changes in the above major costs, the total direct costs for the year decreased by HK$10,225,000 or 3.2% to HK$310,287,000 (2014: HK$320,512,000).

- The administrative and other operating expenses increased by HK$1,750,000 or 5.4% to HK$34,289,000 (2014: HK$32,539,000), which was mainly caused by the increase in staff costs and the professional fees and administrative costs paid for the renewal of continuing connected transactions during the year.

- The market interest rates remained stable during the year. The average borrowing interest rates of the Group was 2.07% (2014: 2.06%), a similar level as last year. The balances of outstanding bank loans reduced as a result of scheduled repayments, the finance costs of the Group for the year slightly decreased by HK$85,000 or 2.6% to HK$3,142,000 (2014: HK$3,227,000).

- During the year, income tax expense increased by HK$1,384,000 or 97.1% to HK$2,809,000 (2014: HK$1,425,000). Excluding the effect of deficit on revaluation of PLB licences and the provision for impairment of goodwill, both being non-deductible expenses, the effective tax rate for the year was 16.0% (2014: 15.0%).

- During the year, the rate of decline of the PLB licences price slowed down. As compared with the 11.9% decrease in last year, the fair value of a PLB licence was down by 5.4% to HK$5,240,000 as at 31 March 2015 (2014: HK$5,540,000). The carrying amount of the PLB licences of the Group, hence, dropped by HK$16,800,000 to HK$293,440,000 (2014: HK$310,240,000). The deficit on revaluation of PLB licences charged to income statement was HK$10,500,000 (2014: HK$26,250,000), representing a significant decrease of HK$15,750,000 or 60.0% compared with last year.

  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 has no significant impact on the Group's core operation.

- Having carefully considered the business valuation of the Routes operated by CML, the Group recognised an impairment of goodwill amounting to HK$27,151,000, being 66.3% of the gross carrying value of the goodwill arising from the acquisition of CML.

Cashflow

	2015	2014
	HK$'000	HK$'000
Net cash from operating activities	**18,452**	11,543
Net cash used in investing activities	**(2,448)**	(6,586)
Net cash used in financing activities	**(15,122)**	(15,920)
Net increase/(decrease) in cash and cash equivalents	**882**	(10,963)

The net cash from operating activities increased by HK$6,909,000 or 59.9% to HK$18,452,000 (2014: HK$11,543,000), as a result of the improved operating performance of the Group. The net cash used in investing activities of HK$2,448,000 was mainly for the balancing payment for purchasing one PB licence and two PBs. The net cash used in financing activities was HK$15,122,000, which included the repayment of borrowings and interests amounting to HK$12,461,000 and the dividends payment to the equity holders of the Company of HK$2,661,000.

Capital structure, liquidity and financial resources

Liquidity and financial resources

The Group's operations are mainly financed by proceeds from its operations. The Group carefully assesses and monitors its liquidity to ensure that it has sufficient cash and standby bank facilities to meet its daily operational needs.

As at 31 March 2015, the Group had net current assets of HK$27,283,000 (2014: HK$27,751,000) and current ratio (current assets/current liabilities) of 1.88 (2014: 1.92), both stood at similar level as last year.

As at 31 March 2015, the Group had bank balances and cash amounted to HK$49,275,000 (2014: HK$48,393,000). 99.7% (2014: 89.5%) of the bank balances and cash as at 31 March 2015 was denominated in Hong Kong dollars and the remaining bank balances and cash were denominated in Renminbi.

As at 31 March 2015, the Group had bank facilities totaling HK$156,717,000 (2014: HK$166,036,000), of which HK$147,417,000 (2014: HK$156,736,000) were utilised.

Borrowings

As at 31 March 2015, the total borrowings balance of the Group decreased by HK$9,319,000 or 5.9% to HK$147,417,000 (2014: HK$156,736,000). There was no new borrowing incepted during the year and the decrease in the borrowings balance was solely due to scheduled repayments.

The maturity profiles of the borrowings are as follows:

	2015	2014
	HK$'000	HK$'000
Within one year	**9,506**	9,320
In the second year	**9,710**	9,512
In the third to fifth years	**30,199**	29,758
After the fifth year	**98,002**	108,146
	147,417	156,736

The gearing ratio (total liabilities/shareholders' equity) as at year end increased to 71.2% (2014: 66.0%) due to the decrease in the balance of shareholders' equity by HK$31,863,000 to HK$237,388,000 (2014: HK$269,251,000) at year end, compared with previous year. The drop in balance of shareholders' equity for the year was mainly attributable to the deficit on revaluation of PLB licences totaling HK$16,800,000 (2014: HK$42,000,000), of which HK$10,500,000 (2014: HK$26,250,000) was charged to income statement, and the impairment loss on goodwill arising from CML amounting to HK$27,151,000 (2014: Nil).

Pledge of assets

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

	2015	2014
	HK$'000	HK$'000
PLB licences	**235,800**	249,300
Property, plant and equipment	**4,010**	4,368

Credit risk management

The income of the franchised PLB operation of the Group is either received in cash or collected via Octopus Cards Limited and remitted to the Group on the next business day. Also, the Group does not provide guarantees to third parties which would expose the Group to credit risk. 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 2015 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.

Capital expenditure and commitment

The total capital expenditure for the year was HK$4,771,000 (2014: HK$5,156,000), mainly for purchasing one PB licence and two PBs. As at 31 March 2015, the capital commitment was HK$43,000 (2014: HK$2,013,000).

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 incurred for the year were HK$160,513,000 (2014: HK$152,609,000), representing 45.8% (2014: 42.7%) of the total costs. Apart from the basic remuneration, double pay and/or a discretionary bonus are 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 are also provided to the staff members. For the headcount of the Group, please refer to the corporate social responsibility report of the annual report 2014/2015.

PROSPECT

The management remains cautiously optimistic to the performance of the Group in the coming financial year. The Group has been encountering difficulties in retaining and recruiting captains since the Minimum Wage Ordinance came into effect in mid 2011. The management expects the condition would worsen after the pre-service course for new PLB captains requirement comes into effect on 1 June 2015. Apart from the compulsory 16-hour pre-service course, the applicants for a PLB driving licence are also required by the Transport Department to pass a course-end assessment. These measures would probably discourage new labour supply to the minibus industry and further drive the captains' pay up. After the pay rise in July 2014, the Group has again increased the captains' remunerations by 3.9% to 8.3% in certain routes in April 2015. As such, the increasing labour costs will still be the most critical financial issue facing by the Group for the next financial year.

Although the Group would benefit from the decline in fuel prices, it is uncertain that how long would the lower fuel prices sustain. To cope with the inflating operating costs, the Group would continue to enhance its operation efficiency by propelling route restructuring, particularly the routes affected by WIL, and optimising fleet size and service frequency. The Group will also continue to submit fare increase applications to the Transport Department so as to enable itself to maintain the reliability and quality of its service.

The Fare Concession Scheme eventually extended to the green minibus sector by phase starting from 29 March 2015. All PLB routes of the Group have joined the Fare Concession Scheme in the first phase. As per our management's observation, the patronage of the Group has been improved after implementing the Fare Concession Scheme. Riding on the convenience and efficiency of our minibus services, the management expects the Fare Concession Scheme would increase the competitiveness of our service and reduce the impact from WIL on the patronage of the Group.

According to a work plan for the Public Transport Strategy Study ("Study") unveiled by the Government on 25 November 2014, the Government is currently reviewing the feasibility and desirability of increasing the number of passenger seats of the PLBs. Our management team member also expressed the Group's view on a special meeting of the Panel on Transport of the Legislative Council on 5 May 2015. The Group reiterates that increasing the number of seats on PLBs 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 shorten the minibus waiting time. Therefore, the Group hopes the result of the Study would reflect the current needs of the community.

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

During the year ended 31 March 2015, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

CORPORATE GOVERNANCE

The Company has complied with the provisions of the code as set out in Appendix 14 "Corporate Governance Code and Corporate Governance Report" of the Listing Rules for the year ended 31 March 2015.

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 under Appendix 10 of the Listing Rules (the "Model Code") throughout the year ended 31 March 2015. 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.

REVIEW BY AUDIT COMMITTEE

The Audit Committee was established in accordance with the requirements under the Listing Rules and guidance 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 three 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 5 June 2015 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 the preliminary announcement of the Group's results for the year ended 31 March 2015 are based on the Group's audited consolidated financial statements for the year which have been agreed with the auditors, Grant Thornton Hong Kong Limited. 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 2015 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 Ling Sun, Vincent
Chairman

Hong Kong, 5 June 2015

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

Executive Directors
Mr. Wong Ling Sun, Vincent *(Chairman)*
Mr. Wong Man Kit *(Honorary chairman)*
Ms. Ng Sui Chun
Mr. Chan Man Chun *(Chief Executive Officer)*
Ms. Wong Wai Sum, May

Independent Non-executive Directors
Dr. Lee Peng Fei, Allen
Dr. Chan Yuen Tak Fai, Dorothy
Mr. Kwong Ki Chi