



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)

2008 ANNUAL RESULTS ANNOUNCEMENT

The Board of Directors (the "Directors") of AMS Public Transport Holdings Limited (the "Company") is pleased to announce the consolidated results of the Company and its subsidiaries (collectively referred to as the "Group") for the year ended 31 March 2008 together with the comparative figures for the year ended 31 March 2007 as follows:

CONSOLIDATED INCOME STATEMENT

For the year ended 31 March 2008

	Notes	2008 HK\$'000	2007 HK\$'000
Turnover	4	395,776	363,373
Direct costs		(294,715)	(271,320)
		101,061	92,053
Other revenue	5	8,218	6,117
Administrative expenses		(49,719)	(44,797)
Other operating expenses		(2,298)	(1,813)
Operating profit	7	57,262	51,560
Finance costs	6	(6,923)	(7,441)
Share of results of a jointly controlled entity		(9)	(29)
Profit before income tax		50,330	44,090
Income tax expense	8	(10,840)	(8,467)
Profit for the year		39,490	35,623
Attributable to:			
Equity holders of the Company		37,067	33,436
Minority interest		2,423	2,187
Profit for the year		39,490	35,623
Dividends		22,750	27,300
Earnings per share for profit attributable to the equity holders of the Company			
– Basic	9	HK16.29 cents	HK14.70 cents
– Diluted	9	HK16.28 cents	N/A

CONSOLIDATED BALANCE SHEET

As at 31 March 2008

	Notes	2008 HK\$'000	2007 HK\$'000
ASSETS AND LIABILITIES			
Non-current assets			
Property, plant and equipment		63,343	69,945
Leasehold land		6,363	6,516
PLB licences		140,800	132,000
Goodwill		155,024	155,304
Interest in a jointly controlled entity		136	145
Deferred tax assets		182	2,475
		365,848	366,385
Current assets			
Trade and other receivables	10	14,705	15,301
Amount due from a jointly controlled entity		1,665	1,674
Tax recoverable		351	294
Bank balances and cash		33,968	28,694
		50,689	45,963
Current liabilities			
Borrowings		18,315	19,024
Trade and other payables	11	24,990	22,394
Current portion of deferred income		1,128	1,085
Other financial liability		4,650	4,650
Tax payable		3,759	1,681
		52,842	48,834
Net current liabilities		(2,153)	(2,871)
Total assets less current liabilities		363,695	363,514
Non-current liabilities			
Borrowings		107,409	125,417
Other non-current liability		2,830	2,670
Deferred income		573	1,555
Deferred tax liabilities		6,079	7,869
		116,891	137,511
Net assets		246,804	226,003
EQUITY			
Equity attributable to equity holder of the Company			
Share capital		22,750	22,750
Reserves		208,745	189,842
		231,495	212,592
Minority interest		15,309	13,411
Total equity		246,804	226,003

NOTES TO THE FINANCIAL STATEMENTS

1. BASIS OF PREPARATION

These financial statements have been prepared in accordance with Hong Kong Financial Reporting Standards (the “HKFRSs”) which collective term includes all applicable individual Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards and Interpretations issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”), accounting principles generally accepted in Hong Kong. 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 “Listing Rules”).

In preparing the financial statements, the Directors have carefully assessed the working capital and financing requirements of the Group in the foreseeable future, as the current liabilities of the Group exceeded its current assets by HK\$2,153,000 at the balance sheet date.

Taking into account the existing banking facilities, bank balances and cash of the Group and continuing profitable operations, the Directors are satisfied that the Group has sufficient resources to meet in full its financial obligations as they fall due in the foreseeable future. Accordingly, the financial statements have been prepared on a going concern basis.

The financial statements have been prepared on the historical cost basis except for public light bus (“PLB”) licences and other financial liability which are stated at fair value.

2. ADOPTION OF NEW OR AMENDED HKFRS

From 1 April 2007, the Group has adopted the new and amended HKFRSs which are relevant to its operations. These include the following new, revised and renamed HKFRSs:

HKAS 1 (Amendment)	Capital Disclosures
HKFRS 7	Financial Instruments: Disclosures
HK(IFRIC) – Interpretation 8	Scope of HKFRS 2
HK(IFRIC) – Interpretation 10	Interim Financial Reporting and Impairment
HK(IFRIC) – Interpretation 11	HKFRS 2 – Group and Treasury Share Transactions

The adoption of these new and amended HKFRSs did not result in significant changes in the Group’s accounting policies but gave rise to additional disclosures.

3. SEGMENT INFORMATION

In accordance with the Group's internal financial reporting policy, its segment information is presented by way of two segments format: (i) on a primary segment reporting basis, by business segment and (ii) on a secondary segment reporting basis, by geographical segment.

(a) Primary reporting – business segment

The Group is principally engaged in the provision of PLB and residents' bus services and in the provision of cross-boundary public bus services.

These two business segments are the basis on which the Group reports its primary segment information. Segment information about these business segments is presented as below:

	PLB and residents' bus services HK\$'000	Cross- boundary public bus services HK\$'000	Inter-segment elimination HK\$'000	Consolidation HK\$'000
2008				
Segment revenue	290,358	105,418	–	395,776
Segment results	37,655	19,607	–	57,262
Finance costs				(6,923)
Share of results of a jointly controlled entity	–	(9)	–	(9)
Profit before income tax				50,330
Income tax expense				(10,840)
Profit for the year				39,490
<u>Assets</u>				
Segment assets	194,641	221,668	(441)	415,868
Jointly controlled entity	–	136	–	136
Unallocated assets				533
Total assets				416,537
<u>Liabilities</u>				
Segment liabilities	13,765	13,367	(441)	26,691
Unallocated liabilities				143,042
Total liabilities				169,733
<u>Other information</u>				
Capital expenditure	1,577	6,699	–	8,276
Depreciation	3,854	8,749	–	12,603
Amortisation	153	–	–	153
Impairment of goodwill	–	300	–	300

3. SEGMENT INFORMATION (continued)
(a) Primary reporting – business segment (continued)

2007				
	PLB and residents' bus services HK\$'000	Cross- boundary public bus services HK\$'000	Inter-segment elimination HK\$'000	Consolidation HK\$'000
Segment revenue	279,985	83,388	–	363,373
Segment results	33,989	17,571	–	51,560
Finance costs				(7,441)
Share of results of a jointly controlled entity	–	(29)	–	(29)
Profit before income tax				44,090
Income tax expense				(8,467)
Profit for the year				35,623
<u>Assets</u>				
Segment assets	191,445	219,310	(1,321)	409,434
Jointly controlled entity	–	145	–	145
Unallocated assets				2,769
Total assets				412,348
<u>Liabilities</u>				
Segment liabilities	12,416	13,939	(1,321)	25,034
Unallocated liabilities				161,311
Total liabilities				186,345
<u>Other information</u>				
Capital expenditure	723	208,239	–	208,962
Depreciation	3,703	6,611	–	10,314
Amortisation	153	–	–	153

3. SEGMENT INFORMATION (continued)

(b) Secondary reporting – geographical segments

The Group's two business segments operate in two main geographical areas. The following table provides an analysis of the Group's sales by geographical market.

Hong Kong	Operation in Hong Kong
PRC – Hong Kong	Cross-boundary operation between Hong Kong and the PRC
Others	Other operations in Macau and the PRC

Turnover by geographical markets:

	2008	2007
	HK\$'000	HK\$'000
Hong Kong	290,358	281,228
PRC – Hong Kong	102,557	80,828
Others	2,861	1,317
	395,776	363,373

The following is an analysis of the carrying amount of segment assets, and additions to property, plant and equipment and intangible assets, analysed by the geographical area in which the assets are located.

	Segment assets		Capital expenditure	
	2008	2007	2008	2007
	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Hong Kong	194,201	190,661	1,577	1,169
PRC – Hong Kong	213,070	211,067	2,261	203,180
Others	8,597	7,706	4,438	4,613
	415,868	409,434	8,276	208,962

4. TURNOVER

	2008	2007
	HK\$'000	HK\$'000
PLB and residents' bus services income	288,424	278,074
Cross-boundary public bus services income	105,418	83,388
PLB rental income	1,934	1,911
	395,776	363,373

5. OTHER REVENUE

	2008 HK\$'000	2007 HK\$'000
Agency fee income	2,453	2,419
Rental income of cross-boundary quota	982	818
Repair and maintenance service income	892	521
Compensation from ex-shareholders of certain subsidiaries	870	–
Interest income	790	880
Gain on disposal of passenger service licences	500	–
Reversal of deficit on revaluation of a PLB licence	400	200
Advertising income	396	398
Net gain on disposal of property, plant and equipment	187	–
Management fee income	178	–
Travel agency income	38	296
Net exchange gain	–	202
Sundry income	532	383
	8,218	6,117

6. FINANCE COSTS

	2008 HK\$'000	2007 HK\$'000
Interest on bank loans and overdrafts:		
– wholly repayable within five years	5,572	4,030
– not wholly repayable within five years	1,300	1,542
Finance charges on finance leases	51	1,869
	6,923	7,441

7. OPERATING PROFIT

Operating profit is arrived at after charging the following:

	2008	2007
	HK\$'000	HK\$'000
Fuel cost	65,319	58,857
Employee benefit expense (including directors' emoluments)	137,012	129,338
Operating lease rental in respect of		
– land and buildings	1,725	1,376
– PLBs and public buses	63,058	59,892
– cross-boundary quotas	3,709	2,746
Depreciation of property, plant and equipment	12,603	10,314
Amortisation charge of leasehold land (included in administrative expenses)	153	153
Impairment of goodwill (included in other operating expenses)	300	–
Net loss on disposal of property, plant and equipment	–	77
Auditors' remuneration	1,052	762

8. INCOME TAX EXPENSE

Hong Kong profits tax has been provided at the rate of 17.5% (2007: 17.5%) on the estimated assessable profit for the year. Taxation on overseas profits has been calculated on the estimated assessable profit for the year at the rates of taxation prevailing in the countries in which the Group operates.

	2008	2007
	HK\$'000	HK\$'000
Current tax		
– Hong Kong profits tax		
Tax for the year	9,118	6,135
Under/(over) provision in prior years	1,052	(118)
	10,170	6,017
– Overseas taxation		
Tax for the year	167	36
	10,337	6,053
Deferred tax	503	2,414
Total income tax expense	10,840	8,467

9. 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 of HK\$37,067,000 (2007: HK\$33,436,000) and the weighted average number of 227,500,000 ordinary shares (2007: 227,500,000) in issue during the year.

(b) Diluted earnings per share

Diluted earnings per share is calculated based on the profit attributable to equity holders of the Company and the weighted average number of shares in issue during the year, after adjusting for dilution effect of the outstanding share options granted by the Company.

Details of calculation of diluted earnings per share for the year ended 31 March 2008 are shown as follows:

Profit attributable to equity holders of the Company for the year (in HK\$'000)	37,067
Weighted average number of ordinary shares in issue (in thousands)	227,500
Adjustments for the assumed conversion of share options (in thousands)	82
Weighted average number of shares for diluted earnings per share (in thousands)	227,582
Diluted earnings per share (in HK cents)	16.28

The share options have no dilutive effect on ordinary shares for the year ended 31 March 2007 because the exercise price of the Company's share options was higher than the average market price of the Company's shares in the year.

10. TRADE AND OTHER RECEIVABLES

	2008 HK\$'000	2007 HK\$'000
Trade receivables – gross	4,126	5,725
Less: Provision for impairment	(96)	(139)
Trade receivables – net	4,030	5,586
Other receivables	10,675	9,715
	14,705	15,301

Majority of the Group's turnover is attributable to PLB and residents' bus services which are on cash basis or collected on behalf by Octopus Cards Limited and remitted to the Group on the next business day of service rendered. The credit terms granted by the Group for other trade debtors range from 10 days to 90 days.

10. TRADE AND OTHER RECEIVABLES (continued)

The ageing analysis of trade receivables (net of provision for specific bad and doubtful debts), prepared in accordance with the due date of invoices, is as follows:

	2008	2007
	HK\$'000	HK\$'000
0 to 30 days	2,972	3,203
31 to 60 days	764	1,211
61 to 90 days	33	383
Over 90 days	261	789
	4,030	5,586

11. TRADE AND OTHER PAYABLES

	2008	2007
	HK\$'000	HK\$'000
Trade payables	7,331	6,494
Other payables and accruals	17,659	15,900
	24,990	22,394

The ageing analysis of trade payables is as follows:

	2008	2007
	HK\$'000	HK\$'000
0 to 30 days	6,475	5,342
31 to 60 days	295	477
61 to 90 days	–	47
Over 90 days	561	628
	7,331	6,494

DIVIDENDS

The Directors recommended the payment of a final dividend of HK10.0 cents per ordinary share (2007: HK12.0 cents per ordinary share) for the year ended 31 March 2008 totalling HK\$22,750,000 (2007: HK\$27,300,000) to the shareholders registered in the Company's register of members as at the close of business on 29 August 2008.

CLOSURE OF REGISTER OF MEMBERS

The register of members of the Company will be closed from 25 August 2008 to 29 August 2008, both days inclusive in order to determine those shareholders entitled to proposed final dividends.

In order to qualify for the dividends, all share certificates accompanied by the duly completed transfer forms must be lodged with Hong Kong share registrar and transfer office of the Company, Union Registrars Limited of Room 1901-02, Fook Lee Commercial Centre Town Place, 33 Lockhart Road, Wanchai, Hong Kong, not later than 4:00 p.m. on 22 August 2008.

REVIEW OF OPERATIONS

Franchised Public Light Bus (the "PLB") Operations

The local green minibus (the "GMB") industry in Hong Kong continues growing steadily over the years. The number of passengers carried by the local GMB sector grew by 2.4% for the year ended 31 March 2008 compared with the financial year 2007. As a leading GMB route operator in Hong Kong, the Group continued its efforts in raising the standard of the GMB industry and enjoyed a mild growth in turnover during the year under review.

The number of routes operated by the Group maintained at 49 (2007: 49) as at 31 March 2008. Nevertheless, to increase the fleet's capacity to meet the organic growth of passenger demand, the fleet size was expanded to 299 GMBs (2007: 295 GMBs) as at year end, reaching a historical high of the Group.

Through continuous route restructuring and deployment of extra minibuses, the patronage grew by 1.7% to 52.8 million (2007: 51.9 million), whilst the total mileage traveled increased by 2.6% to 38.9 million kilometers (2007: 37.9 million kilometers) during the year.

As a leading GMB route operator, the Group is committed to rendering safe and comfortable transport services to our passengers. As at 31 March 2008, 164 long-wheel base minibuses came into service which offered extra space to passengers. These long-wheel base minibuses were equipped with state-of-the-art facilities, such as LED destination displays, speed display units, high-backed seats, stop signal bells, luggage racks, skidproof floors, etc. Our average fleet age was maintained at 6.5 years as compared with 6.7 years as at 31 March 2007.

Cross-boundary Public Bus Operations

The cross-boundary public bus business, including the Tsuen Wan Line, has been facing even more intense competition following the opening of the Lok Ma Chau Spur Line in August 2007. Also, the newly opened Western Corridor control point shared the heavy traffic flow of the Lok Ma Chau control point and met the demands of travelers who proceed to the western area of Shenzhen (of the PRC). To catch up on the shift of traffic flow to the Western Corridor, the Chinalink Group launched 2 new shuttle routes running Kowloon-Shekou (of the PRC) and Kowloon-Shenzhen International Airport in July 2007 and October 2007 respectively. Furthermore, cooperating with Shenzhen International Airport, the Chinalink Group creates value for passengers by setting up the first In-town Check-in Center in the Kowloon station terminus in October 2007. Passengers may opt for checking-in in Hong Kong first before proceeding to Shenzhen International Airport.

While the 2 newly launched shuttle routes were welcomed by the passengers, the Chinalink Group cut the loss making Zhongshan route during the year in order to allocate the resources to the more profitable routes. As at 31 March 2008, the Chinalink Group operated 4 long-haul cross-boundary routes (2007: 5 routes) between Hong Kong and Guangzhou, Foshan, Yunfu and Wuzhou. Together with the 2 shuttle routes mentioned above, the Chinalink Group had provided passengers with about 20,000 journeys and carried 435,000 passengers during the year.

Sharing the same mission of providing passengers with fast, convenient and comfortable journeys as the minibus operations, the Chinalink Group maintains a young fleet with an average age of 4.8 years (2007: 4.5 years). As at 31 March 2008, the number of public buses operated by the Chinalink Group was 54 (2007: 58), of which 2 (2007: 4) were locally operated public buses and the remaining were for cross-boundary operations.

Although the cross-boundary public bus can enjoy a relatively lower fuel price in Mainland China, the surging fuel price is still a burden to the operating cost of the Company. We would continue to adopt strict cost-control and energy-efficient measures to relieve the impact from the rising operation costs.

FINANCIAL REVIEW

Consolidated results for the year

Group's turnover amounted to HK\$395,776,000, compared with HK\$363,373,000 for last corresponding year, representing a 8.9% growth. Profit attributable to shareholders was HK\$37,067,000, versus HK\$33,436,000 in 2007, representing an increase of 10.9%. Basic earnings per share were HK16.29 cents versus HK14.70 cents last year.

The turnover and operating profit generated from the two business segments of the Group are summarised as follows:

	Turnover		Operating profit	
	2008 HK\$'000	2007 HK\$'000	2008 HK\$'000	2007 HK\$'000
Franchised PLB operations	290,358	279,985	37,655	33,989
Cross-boundary public bus operations	105,418	83,388	19,607	17,571
	395,776	363,373	57,262	51,560
Finance costs			(6,923)	(7,441)
Share of results of a jointly controlled entity			(9)	(29)
Profit before income tax and minority interest			50,330	44,090
Income tax expense			(10,840)	(8,467)
Minority interest			(2,423)	(2,187)
Profit attributable to shareholders			37,067	33,436

The PLB segment result was HK\$37,655,000, representing a growth of 10.8% as compared with HK\$33,989,000 last year. As a result of stringent cost control, the segment profit margin slightly improved to 13.0% from 12.1% last year. After an encouraging performance during the first six-month interim period, the Group suffered from the fuel hike again starting from the second half of the financial year. Despite the fact that the turnover continued maintaining a mild growth, the surge of fuel cost in the second half year narrowed down the segment result.

After the acquisition of the Chinalink Group in May 2006, this financial year was the first full year of consolidating its results into the Group. Gross turnover of the Chinalink Group was HK\$105,418,000 (1.6.2006–31.3.2007: HK\$83,388,000), representing a growth of 26.4%. Segment profit contributed grew by 11.6% to HK\$19,607,000 compared with HK\$17,571,000 of 10-month period last year. The segment profit margin was 18.6%, compared with last year's 21.1%. The drop of segment profit margin was because of the decrease in patronage of the Tsuen Wan Line led by the competition from Lok Ma Chau railway. On the other hand, the inflation in Mainland China, especially the fuel cost, also imposed a negative effect to the segment profit margin.

Finance costs

Finance costs were saved by HK\$518,000 to HK\$6,923,000 (2007: HK\$7,441,000) for the year ended 31 March 2008 due to the sustained low interest environment in the year.

Income tax expense

Income tax expense for the year was HK\$10,840,000 (2007: HK\$8,467,000), representing an increase of 28.0% as compared with the last financial year. The effective tax rate for the year was 21.5% (2007: 19.2%).

Cash flow

The net cash inflow from operating activities of the Group was HK\$56,631,000 (2007: HK\$39,004,000). The net cash outflow from investing activities was HK\$5,086,000 (2007: HK\$73,755,000), the drop of which was attributable to the cash outflow from the acquisition of subsidiaries amounted to HK\$69,454,000 in the fiscal year ended 31 March 2007. The net cash outflow from financing activities was HK\$46,491,000 (2007: inflow HK\$29,012,000). The outflow was mainly for the repayment of borrowings (excluding bank overdrafts) of HK\$18,666,000 and dividends paid to the shareholders of the Company of HK\$27,300,000.

CAPITAL STRUCTURE, LIQUIDITY AND FINANCIAL RESOURCES

Liquidity and financial resources

The Group's operations were mainly financed by proceeds from operation in this financial year. In terms of liquidity, the current ratio (current assets/current liabilities) was maintained at 0.96 times at the year end compared with 0.94 times as at 31 March 2007.

As at 31 March 2008, the gearing ratio of the Group (defined as the ratio of total liabilities to shareholders' equity) improved to 73.3% (2007: 87.7%). First, the borrowings balance was decreased by HK\$18,717,000 due to the scheduled repayment and the fact that no new loan was incepted during the year. On the other hand, the shareholders' equity portion was strengthened owing to PLB licences revaluation surplus of HK\$8,400,000 and the increase of retained profit of HK\$37,067,000 deducting dividends paid of HK\$27,300,000.

Borrowings

The borrowings balance decreased to HK\$125,724,000 (2007: HK\$144,441,000). There was no inception of borrowings during the year and the decrease of the borrowings balance was due to the scheduled loans repayment.

Cash and bank deposits

As at 31 March 2008, the cash and bank deposits of the Group increased to HK\$33,968,000 (2007: HK\$28,694,000). About 84% (2007: 95%) of the cash and bank deposits were denominated in Hong Kong dollars, the remaining in Renminbi and Macau Patacu.

Banking facilities

As at 31 March 2008, the Group had banking facilities totalling HK\$137,945,000 (2007: HK\$156,234,000) of which approximately HK\$125,497,000 (2007: HK\$143,837,000) was utilised.

Credit risk management

The income receipt of the minibus operation of the Group is on cash basis or collected on behalf by Octopus Cards Limited and remitted to the Group on the next business day, thus, the operation does not have any significant credit risk.

For the cross-boundary public bus business, part of the income is on cash basis and the remaining is on credit basis. Since the Chinalink Group has implemented stringent credit control policy and the customer base is rather diverse, the Group has no significant concentrations of credit risk.

Foreign currency risk management

The Group is exposed to foreign exchange risk, although not significant as the majority of the income and expenditures of the Group are denominated in Hong Kong dollars, arising mainly from conversion from Renminbi.

Although conversion of Renminbi into foreign currencies is subject to rules and regulations of foreign exchange of the PRC government, the management considers that the overall exposure to foreign exchange risk is minimal. Nevertheless, the Group plans to collect part of the cross-boundary public bus income in Renminbi to cover the foreign exchange risk in the appreciation of Renminbi operating expenses through natural hedging.

Interest rate risk management

As for financing activities, all borrowings for the financial year ended 31 March 2008 were denominated in Hong Kong dollars and majority of them were 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.

Pledges of assets

The pledged assets are as follows:

	As at 31 March 2008 HK\$'000	As at 31 March 2007 HK\$'000
Net book value of leasehold land	5,169	5,295
Carrying value of PLB licences pledged	51,200	48,000
Net book value of property, plant and equipment pledged	51,184	58,619
Trade and other receivables pledged with floating charges	5,820	5,642
Other assets pledged with floating charges	8,693	5,609

CAPITAL EXPENDITURE AND COMMITMENT

During the year, the total capital expenditure was HK\$8,276,000 (2007: HK\$208,962,000). The amount was mainly for the replacement of PLBs and public buses of HK\$5,374,000 (2007: HK\$13,279,000). Capital commitment contracted and not provided for was HK\$2,582,000 (2007: HK\$5,415,000) as at 31 March 2008.

CONTINGENT LIABILITIES

As at 31 March 2008, the Group had contingent liabilities not provided for in the consolidated financial statements in respect of the contingent payment of HK\$6,000,000 as detailed in the annual report (2007: HK\$6,000,000).

EMPLOYEES AND REMUNERATION POLICIES

Since the minibus and cross-boundary public bus 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\$137,012,000 (2007: HK\$129,338,000), representing 37.6% (2007: 38.7%) of the total costs. Apart from the basic remuneration, double pay and discretionary bonus might be granted to eligible employees with reference to the Group's performance and individual's contribution. Other benefits included share option scheme, retirement and training schemes.

The headcounts of the Group are as follows:

	As at 31 March 2008	As at 31 March 2007
Drivers	939	920
Administrative staff	226	203
Technicians	48	47
Total	1,213	1,170

OUTLOOK

The drastic surge of fuel cost poses a major threat to the PLB business. Starting from April 2007 to mid June 2008, the diesel unit cost raised over 50%. Regarding the rising fuel cost, the management cannot overturn it under this tough operating environment for the transport industry. We hope that fare adjustment and the cancellation of Euro V diesel tax by the Hong Kong government can partially offset the rising operating costs. The management would continue to implement stringent cost reduction measures through optimisation of operational efficiency. We will do our best to keep a steady growth of turnover and hope it would alleviate the negative effect of rising fuel cost as far as practicable.

The cross-boundary public bus operation faces many challenges. First, there are intense competitions with railways and other public bus operators. The patronage of the Tsuen Wan Line and other cross-boundary routes has been inevitably affected. Besides, Mainland's fuel cost is expected to rise gradually in the future. In short term, we hope that the fuel shortage can be relieved soon. The continuous inflation, especially the fuel cost, and Renminbi appreciation also pose pressure on our operating expenses.

On the other hand, the 2 shuttle routes running the Western Corridor launched during the year under review become the future growth momentum to the Chinalink Group. Due to the geographical advantage of the Shenzhen Bay control point, the traveling distance from Hong Kong to Guangzhou area is shortened. The Shenzhen Bay control point adopts the co-location arrangement so that travelers would enjoy shorter clearance time at the customs. Thanks to the above merits, our focus will gradually shift to the Shenzhen Bay control point. When the ancillary transport facilities at the Shenzhen Bay control point improved, we are optimistic that these routes will contribute a stable income to the Group in the future and offset the unfavorable impact from the increasing operating costs.

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

During the year ended 31 March 2008, neither the Company nor any of the subsidiaries has purchased, sold or redeemed any of the Company's listed securities.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS (THE "MODEL CODE")

The Company has adopted codes of conduct regarding securities transactions by Directors (the "Securities Code") and relevant employees 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 2008. The Company had also made specific enquiries of 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.

COMPLIANCE WITH THE CODE ON CORPORATE GOVERNANCE PRACTICES

The Company has complied throughout the year ended 31 March 2008 with the code provisions set out in the Code on Corporate Governance Practices as contained in Appendix 14 of the Listing Rules.

REVIEWED 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 committee comprises the three Independent Non-Executive Directors of the Company. An audit committee meeting has been held on 18 July 2008 to review the Group's annual financial statements and annual results announcement and to provide advice and recommendations to the Directors of the Company.

PUBLICATION OF DETAILED ANNUAL RESULTS ON THE STOCK EXCHANGE'S WEBSITE

All information required by paragraphs 45(1) to 45(8) of Appendix 16 of the Listing Rules will be published on the Stock Exchange of Hong Kong Limited's website and the Company's website <http://www.amspt.com> in due course.

On Behalf of the Board
Wong Man Kit
Chairman

Hong Kong, 18 July 2008

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

Executive Directors

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

Independent Non-Executive Directors

Dr. Leung Chi Keung
Dr. Lee Peng Fei, Allen
Mr. Lam Wai Keung