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**AMS PUBLIC TRANSPORT HOLDINGS LIMITED**
  
 進智公共交通控股有限公司
   
*(incorporated in the Cayman Islands with limited liability)*
  
**(Stock Code: 77)**

**ANNOUNCEMENT OF UNAUDITED INTERIM RESULTS  
FOR THE SIX MONTHS ENDED 30 SEPTEMBER 2009**

The board of directors (the “Board”) of AMS Public Transport Holdings Limited (the “Company”) is pleased to announce the unaudited consolidated results of the Company and its subsidiaries (collectively referred to as the “Group”) for the six months ended 30 September 2009, together with the unaudited comparative figures for the corresponding period in 2008. The unaudited condensed consolidated financial statements have been reviewed by the Company’s Audit Committee.

**CONDENSED CONSOLIDATED INCOME STATEMENT**

For the six months ended 30 September 2009

	Notes	For the six months ended 30 September	
		2009 Unaudited HK\$'000	2008 Unaudited HK\$'000
Turnover	3	213,211	205,932
Direct costs		<u>(158,569)</u>	<u>(163,464)</u>
Gross profit		54,642	42,468
Other revenue	4	3,389	3,084
Other net income	4	868	172
Administrative expenses		(28,598)	(25,738)
Other operating expenses		<u>(965)</u>	<u>(1,293)</u>
Operating profit		29,336	18,693
Finance costs		(1,098)	(1,854)
Share of results of a jointly controlled entity		<u>199</u>	<u>121</u>
Profit before income tax	6	28,437	16,960
Income tax expense	7	<u>(4,924)</u>	<u>(2,956)</u>
Profit for the period		<u><u>23,513</u></u>	<u><u>14,004</u></u>
Profit for the period attributable to:			
Equity holders of the Company		22,673	12,563
Minority interest		<u>840</u>	<u>1,441</u>
		<u><u>23,513</u></u>	<u><u>14,004</u></u>
Earnings per share for profit attributable to the equity holders of the Company			
– Basic (HK cents)	9	<u>9.97</u>	<u>5.52</u>
– Diluted (HK cents)	9	<u>N/A</u>	<u>N/A</u>

## CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 September 2009

	For the six months ended 30 September	
	2009 Unaudited HK\$'000	2008 Unaudited HK\$'000
Profit for the period	23,513	14,004
Other comprehensive income		
- Surplus / (Deficit) on revaluation of PLB licences	6,090	(6,300)
- Exchange gain on translation of financial statements of foreign operations	-	141
Other comprehensive income for the period	6,090	(6,159)
Total comprehensive income for the period	29,603	7,845
Total comprehensive income attributable to:		
Equity holders of the Company	28,763	6,404
Minority interest	840	1,441
	29,603	7,845

## CONDENSED CONSOLIDATED BALANCE SHEET

As at 30 September 2009

		30 September 2009 Unaudited HK\$'000	31 March 2009 Audited HK\$'000
	Notes		
<b>ASSETS AND LIABILITIES</b>			
<b>Non-current assets</b>			
Property, plant and equipment		69,846	58,937
Leasehold land		6,134	6,210
PLB licences		131,560	125,180
Goodwill		167,592	164,445
Interest in a jointly controlled entity		333	134
Deferred tax assets		245	85
		<u>375,710</u>	<u>354,991</u>
<b>Current assets</b>			
Trade receivables	10	5,747	6,014
Other receivables		13,967	13,196
Amount due from a jointly controlled entity		1,017	1,252
Tax recoverable		-	56
Bank balances and cash		34,794	38,524
		<u>55,525</u>	<u>59,042</u>
<b>Current liabilities</b>			
Borrowings		42,607	28,262
Trade payables	11	7,891	7,765
Other payables		20,465	18,161
Deferred income		4,553	3,785
Other financial liability		4,650	4,650
Other current liability		6,000	9,000
Tax payable		8,017	5,452
		<u>94,183</u>	<u>77,075</u>
<b>Net current liabilities</b>		<u>(38,658)</u>	<u>(18,033)</u>
<b>Total assets less current liabilities</b>		<u>337,052</u>	<u>336,958</u>
<b>Non-current liabilities</b>			
Borrowings		73,174	80,743
Deferred tax liabilities		5,743	4,933
		<u>78,917</u>	<u>85,676</u>
<b>Net assets</b>		<u>258,135</u>	<u>251,282</u>
<b>EQUITY</b>			
<b>Equity attributable to equity holders of the Company</b>			
Share capital		22,750	22,750
Reserves		216,475	210,462
		<u>239,225</u>	<u>233,212</u>
<b>Minority interest</b>		<u>18,910</u>	<u>18,070</u>
<b>Total equity</b>		<u>258,135</u>	<u>251,282</u>

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2009

## 1. Corporate information and basis of preparation

The Company was incorporated in the Cayman Islands on 18 March 2003 as an exempted company with limited liability under the Companies Law, Cap. 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands. The Company is an investment holding company and its subsidiaries are principally engaged in the provision of franchised public light bus (“PLB”) transportation services in Hong Kong and cross-boundary public bus transportation services between Hong Kong and The People’s Republic of China (“PRC”). The shares in the Company have been listed on the Main Board (the “Main Board”) of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) since 15 April 2004.

The unaudited condensed consolidated financial statements have been prepared in accordance with Hong Kong Accounting Standards (the “HKASs”) No. 34 “Interim Financial Reporting” issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”) and the applicable disclosure requirements of Appendix 16 to the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”).

The unaudited condensed consolidated financial statements have been prepared in accordance with the same accounting policies adopted in the annual financial statements for the year ended 31 March 2009, except for the adoption of the new and revised Hong Kong Financial Reporting Standards (the “HKFRSs”) (which include individual Hong Kong Financial Reporting Standards, HKASs and Interpretations) as disclosed in note 2 to the condensed consolidated financial statements.

These condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements for the year ended 31 March 2009.

## 2. Adoption of new and revised HKFRSs

The accounting policies and methods of computation used in the preparation of these condensed consolidated financial statements are consistent with those used in the Group's audited annual financial statements for the year ended 31 March 2009.

In the current period, the Group has adopted the following new and revised accounting standards and interpretations of 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 2009:

HKAS 1 (Revised 2007)	Presentation of Financial Statements
HKAS 23 (Revised)	Borrowing Costs
HKFRS 1 and HKAS 27 (Amendments)	Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate
HKFRS 2 (Amendment)	Share-based Payment – Vesting Conditions and Cancellations
HKFRS 8	Operating Segments
Various	Improvements to HKFRSs 2008

Other than as noted below, the adoption of these new and revised HKFRSs did not change the Group's accounting policies as followed in the preparation of the Group's annual financial statements for the year ended 31 March 2009.

### HKAS 1 (Revised 2007) Presentation of Financial Statements

The adoption of HKAS 1 (Revised 2007) makes certain changes to the format and titles of the primary financial statements and to the presentation of some items within these statements. It also gives rise to additional disclosures. The measurement and recognition of the Group's assets, liabilities, income and expenses are unchanged. However, some items that were recognised directly in equity are now recognised in other comprehensive income. HKAS 1 (Revised 2007) affects the presentation of owner changes in equity and introduces a "Statement of Comprehensive Income". Comparatives have been restated to conform with the revised standard.

### HKFRS 8 Operating Segments

The adoption of HKFRS 8 has not affected the identified and reportable operating segments for the Group. However, reported segment information is now based on internal management reporting information that is regularly reviewed by the chief operating decision makers. In the previous annual financial statements, segments were identified by reference to the dominant source and nature of the Group's risks and returns. Comparatives have been provided on a basis consistent with the new standard.

### 3. Turnover

	For the six months ended 30 September	
	2009	2008
	Unaudited	Unaudited
	HK\$'000	HK\$'000
Franchised PLB services income	150,695	146,497
Cross-boundary public bus services income	62,516	59,435
	<u>213,211</u>	<u>205,932</u>

### 4. Other revenue and other net income

	For the six months ended 30 September	
	2009	2008
	Unaudited	Unaudited
	HK\$'000	HK\$'000
<b>Other revenue</b>		
Agency fee income	1,252	1,252
Repair and maintenance service income	623	422
Rental income of cross-boundary quota	491	491
Advertising income	336	510
Travel agency income	334	-
Management fee income	268	282
Licence fee income	53	-
Interest income	32	127
	<u>3,389</u>	<u>3,084</u>
<b>Other net income</b>		
Reversal of deficit on revaluation of PLB licences	290	-
Net gain on disposal of property, plant and equipment	25	-
Exchange gain	7	-
Sundry income	546	172
	<u>868</u>	<u>172</u>
	<u>4,257</u>	<u>3,256</u>

## 5. Segment information

On adoption of HKFRS 8 *Operating Segments*, the Group has identified its operating segments and prepared segment information based on the regular internal financial information reported to the Group's executive directors for their decisions about resources allocation to the Group's business components and review of these components' performance. The business components in the internal reporting to the executive directors are determined following the Group's major service lines. The Group has identified two reportable segments: i) franchised PLB services and ii) cross-boundary public bus services. The Board considers that the adoption of HKFRS 8 has not changed the identified operating segments for the Group as reported in the Group's annual financial statements for the year ended 31 March 2009.

Information regarding the Group's reportable segments is set out below:

	Franchised PLB services HK\$'000	Cross- boundary public bus services HK\$'000	Inter-segment elimination HK\$'000	Total HK\$'000
<b>For the six months ended 30 September 2009 (Unaudited)</b>				
Segment revenue	<u>150,695</u>	<u>62,516</u>	-	<u>213,211</u>
Segment profit before income tax	23,192	5,245	-	28,437
Income tax expense	<u>(3,876)</u>	<u>(1,048)</u>	-	<u>(4,924)</u>
Profit for the period	<u>19,316</u>	<u>4,197</u>	-	<u>23,513</u>
Minority interest				<u>(840)</u>
Profit attributable to equity holders				<u>22,673</u>
<b>For the six months ended 30 September 2008 (Unaudited)</b>				
Segment revenue	<u>146,497</u>	<u>59,435</u>	-	<u>205,932</u>
Segment profit before income tax	8,407	8,553	-	16,960
Income tax expense	<u>(1,611)</u>	<u>(1,345)</u>	-	<u>(2,956)</u>
Profit for the period	<u>6,796</u>	<u>7,208</u>	-	<u>14,004</u>
Minority interest				<u>(1,441)</u>
Profit attributable to equity holders				<u>12,563</u>
<b>As at 30 September 2009 (Unaudited)</b>				
Reportable segment assets	<u>183,293</u>	<u>247,942</u>	-	<u>431,235</u>
<b>As at 31 March 2009 (Audited)</b>				
Reportable segment assets	<u>179,149</u>	<u>234,902</u>	(18)	<u>414,033</u>

## 6. Profit before income tax

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

	<b>For the six months ended 30 September</b>	
	<b>2009</b>	<b>2008</b>
	<b>Unaudited</b>	<b>Unaudited</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
Fuel cost	<b>33,133</b>	44,262
Employee benefit expense (including directors' emoluments)	<b>72,578</b>	70,504
Operating lease rental in respect of		
- PLBs and public buses	<b>32,523</b>	32,607
- cross-boundary quotas	<b>2,587</b>	2,312
- land and buildings	<b>2,075</b>	1,178
Depreciation of property, plant and equipment	<b>5,499</b>	5,193
Amortisation charge of leasehold land included in administrative expenses	<b>76</b>	76
Net exchange (gain) / loss	<b>(7)</b>	17
(Reversal of deficit) / deficit on revaluation of PLB licences charged to income statement	<b>(290)</b>	300
Net (gain) / loss on disposal of property, plant and equipment	<b>(25)</b>	153

## 7. Income tax expense

Hong Kong profits tax has been provided at the rate of 16.5% (2008: 16.5%) on the estimated assessable profit for the period. Overseas taxation has been calculated on the estimated assessable profit for the period at the rates of taxation prevailing in the countries in which the Group operates. The amount of taxation charged to the condensed consolidated income statement represents:

	<b>For the six months ended 30 September</b>	
	<b>2009</b>	<b>2008</b>
	<b>Unaudited</b>	<b>Unaudited</b>
	<b>HK\$'000</b>	<b>HK\$'000</b>
Current tax		
- Hong Kong profits tax	<b>4,164</b>	3,142
- Overseas taxation	<b>110</b>	135
	<b>4,274</b>	3,277
Deferred tax	<b>650</b>	(321)
Income tax expense	<b>4,924</b>	2,956



## 8. Dividends

	For the six months ended 30 September	
	2009	2008
	Unaudited	Unaudited
	HK\$'000	HK\$'000
2009 final dividend of HK10.0 cents (2008: HK10.0 cents) per ordinary share	<u>22,750</u>	<u>22,750</u>

### Notes:

- (i) For the year ended 31 March 2009, the Board declared a final dividend of HK10.0 cents (2008: HK10.0 cents) per ordinary share on 22 July 2009. The final dividend attributable to the previous financial year was approved and paid during the interim period.
- (ii) The Board does not recommend payment of any interim dividend for the six months ended 30 September 2009 (2008: Nil).

## 9. Earnings per share

### ***Basic earnings per share***

Basic earnings per share is calculated by dividing the profit attributable to equity holders of the Company of HK\$22,673,000 (2008: HK\$12,563,000) by the weighted average number of 227,500,000 (2008: 227,500,000) ordinary shares in issue during the period.

### ***Diluted earnings per share***

The calculation of diluted earnings per share is based on the profit attributable to equity holders of the Company and the weighted average number of ordinary shares in issue during the period, after adjusting the dilutive effect of the outstanding share options granted by the Company.

The share options have no dilutive effect on ordinary shares for the six months ended 30 September 2009 and 30 September 2008 because the exercise price of the Company's share options was higher than the average market price of the Company's shares in the period.

## 10. Trade receivables

Majority of the Group's turnover is attributable to the franchised PLB services which is received in cash or collected by Octopus Cards Limited and remitted to the Group on the next business day of the service rendered. The credit terms granted by the Group to other trade debtors range from 0 days to 90 days.

The ageing analysis of trade receivables is as follows:

	<b>30 September 2009 Unaudited HK\$'000</b>	31 March 2009 Audited HK\$'000
0 to 30 days	4,747	4,396
31 to 60 days	336	1,159
61 to 90 days	350	216
Over 90 days	314	243
	<hr/> <b>5,747</b> <hr/>	<hr/> <b>6,014</b> <hr/>

## 11. Trade payables

The ageing analysis of trade payables is as follows:

	<b>30 September 2009 Unaudited HK\$'000</b>	31 March 2009 Audited HK\$'000
0 to 30 days	7,135	6,433
31 to 60 days	300	703
61 to 90 days	332	104
Over 90 days	124	525
	<hr/> <b>7,891</b> <hr/>	<hr/> <b>7,765</b> <hr/>

## 12. Business combination

On 31 August 2009, the Group's subsidiary, Chinalink Transport Group Limited, acquired 100% of the equity interests of Wai Lok Tours and Coach Company Limited ("Wai Lok"), a company principally engaged in the provision of passenger transportation services in Hong Kong and the PRC.

Wai Lok contributed no revenue but net profit of HK\$62,000 to the Group for the interim period.

Had the acquisition taken place on 1 April 2009, the Group's revenue and net profit before allocations for the period would have been HK\$213,658,000 and HK\$23,103,000 respectively. Such pro forma information is for illustrative purposes only and does not necessarily serve as an indication of revenue and results of operations that the Group would actually have achieved had the acquisition been completed on 1 April 2009, and is not intended to be a projection of future results of the Group.

Details of the net assets / (liabilities) acquired and goodwill are as follows:

	<b>Unaudited HK\$'000</b>
Purchase consideration:	
- cash paid	1,509
- cash payable	1,891
- direct costs relating to the acquisition	28
<hr/>	
Total purchase consideration	3,428
Fair value of net assets acquired	(281)
<hr/>	
Goodwill	3,147
<hr/>	

The goodwill is attributable to the high profitability of the business of Wai Lok and the significant synergies expected to arise after the acquisition.

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

	<b>Acquiree's carrying amount Unaudited HK\$'000</b>	<b>Fair value Unaudited HK\$'000</b>
Property, plant and equipment	757	2,400
Trade and other payables	(170)	(170)
Borrowings	(1,949)	(1,949)
<hr/>		
Net assets / (liabilities) acquired	(1,362)	281
<hr/>		
Purchase consideration settled in cash		1,531
Bank balances and cash of the subsidiary acquired		-
<hr/>		
Cash outflow on acquisition		1,531
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## MANAGEMENT DISCUSSION AND ANALYSIS

### Interim Results

For the six months ended 30 September 2009, the Group achieved a total turnover of HK\$213,211,000, representing a growth of 3.5% compared with the same period of last year's HK\$205,932,000. Profit attributable to equity holders of the Company was HK\$22,673,000 versus HK\$12,563,000 in 2008, representing a significant increase of 80.5%. Gross profit margin for the period rebounded to 25.6% from 20.6% reported in the corresponding period of last year. The jump in gross profit margin and net profit was mainly attributable to the fall in fuel costs during the period under review. The Board does not recommend payment of any interim dividend for the six months ended 30 September 2009.

## MANAGEMENT REVIEW AND OUTLOOK

### Review of Operations and Segment Results

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

	For the six months ended 30 September					
	Franchised PLB services		Cross-boundary public bus services		Total	
	2009	2008	2009	2008	2009	2008
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Segment revenue	<b>150,695</b>	146,497	<b>62,516</b>	59,435	<b>213,211</b>	205,932
Segment operating profit	<b>23,913</b>	9,680	<b>5,423</b>	9,013	<b>29,336</b>	18,693
Finance costs	<b>(721)</b>	(1,273)	<b>(377)</b>	(581)	<b>(1,098)</b>	(1,854)
Share of results of a jointly controlled entity	-	-	<b>199</b>	121	<b>199</b>	121
Segment profit before income tax	<b>23,192</b>	8,407	<b>5,245</b>	8,553	<b>28,437</b>	16,960
Income tax expense	<b>(3,876)</b>	(1,611)	<b>(1,048)</b>	(1,345)	<b>(4,924)</b>	(2,956)
Profit for the period	<b>19,316</b>	6,796	<b>4,197</b>	7,208	<b>23,513</b>	14,004
Minority interest					<b>(840)</b>	(1,441)
Profit attributable to equity holders					<b>22,673</b>	12,563

### *Franchised Public Light Bus Operations*

As public transport is a kind of necessity to the daily life of the general public, the passenger demand of the minibus services remained stable despite the economic downturn. During the period under review, no new route was introduced (30 September 2009 and 31 March 2009: 49) while the fleet size was slightly enlarged to 300 (31 March 2009: 299). The turnover from the franchised PLB services slightly increased by 2.9% or HK\$4,198,000 to HK\$150,695,000 (2008: HK\$146,497,000) during the period under review. The Group has not increased any minibus fare since late 2008.

On the costs side, benefiting from the decrease in international fuel price since the outbreak of financial tsunami in 2008, the fuel costs for the period under review largely reduced to HK\$24,550,000 (2008: HK\$35,417,000), thus saving the Group HK\$10,867,000 or 30.7% compared with the last period.

Helped by the two main factors above, the profit for the period of the minibus operations jumped by 184% or HK\$12,520,000 to HK\$19,316,000 (2008: HK\$6,796,000).

The Group is dedicated to protecting the environment by replacing aged minibuses with new environmentally friendly Euro models in recent years. However, the replacement plan was suspended during the period under review because some mechanical features of the latest Euro IV minibuses had seriously affected operational efficiency and increased the repair costs. The Group has communicated the problems to the Transport Department and the manufacturers, and hopes that the problems could be resolved in the near future.

The average fleet age remained at 5.9 years as at 30 September 2009 (31 March 2009: 5.9 years).

#### *Cross-boundary Public Bus Operations*

The cross-boundary public bus business, however, has been subject to intense market competition and is sensitive to the economic situation. During the period under review, the turnover from the joint venture 24-hour cross-boundary Tsuen Wan-Huanggang (of Shenzhen) shuttle route (the "Tsuen Wan Line") continued to drop as a result of the competition from the Lok Ma Chau spur line and the diversion of traffic flow to the Shenzhen Bay control point. Besides, as the competition among the long-haul routes operators had become more intense and a price war was triggered in the market, a drop in revenues from long-haul routes was resulted. Nevertheless, the overall turnover from the cross-boundary public bus operations was up by 5.2% or HK\$3,081,000 to HK\$62,516,000 (2008: HK\$59,435,000) due to the continuous patronage growth in the Shenzhen shuttles routes running between the Shenzhen International Airport, Baoan and Shajing districts of Shenzhen and Hong Kong via the Shenzhen Bay control point (the "Shenzhen Shuttles Routes").

Despite the growth in turnover, the profit for the period of the cross-boundary public bus operations fell by 41.8% or HK\$3,011,000 to HK\$4,197,000 (2008: HK\$7,208,000), which was mainly attributable to the drop in operating profit of the Tsuen Wan Line and the increase in administrative expenses.

With relatively higher frequency and loading, the Tsuen Wan Line has a higher profit margin compared with other routes. Therefore, the growth in patronage of other routes was not able to make up for the decline in patronage of the Tsuen Wan Line during the period under review. Also, in order to further promote the popularity of the Shenzhen Shuttles Routes, the Group had further expanded its business to provide one-stop hotel and air tickets booking services and has put more resources into advertisement and promotional campaigns. As a result, administrative expenses, particularly rental expenses, staff costs and advertising costs, had increased significantly.

During the period, a new long-haul route running between Jiangmen and Hong Kong was introduced. Together with the existing 4 routes of Guangzhou, Foshan, Yunfu and Wuzhou, there were a total of 5 long-haul cross-boundary routes as at 30 September 2009 (31 March 2009: 4). The fleet size of public buses was expanded to 69 as at 30 September 2009 (31 March 2009: 62) and the average fleet age was 4.3 years (31 March 2009: 5.1 years).

## **Finance costs**

Finance costs dropped significantly by 40.8% or HK\$756,000 to HK\$1,098,000 (2008: HK\$1,854,000) during the period under review due to the low interest rate environment as compared with the same period of last year.

## **Income tax expense**

Income tax expense increased by HK\$1,968,000 to HK\$4,924,000 (2008: HK\$2,956,000) alongside the rise in profit before income tax during the period under review. The effective tax rate was 17.3% for the period (2008: 17.4%).

## **Capital structure, liquidity and financial resources**

### **Liquidity and financial resources**

The Group's operations were mainly financed by proceeds from operations during the period under review. In terms of liquidity, the current ratio (current assets/current liabilities) was 0.59 times (31 March 2009: 0.77 times). The drop in the ratio was mainly attributable to the increase in current portion of bank borrowings by HK\$14,345,000 and the decrease in bank balances and cash after payment of final dividends for the last financial year end. As at 30 September 2009, the Group had net current liabilities of HK\$38,658,000 (31 March 2009: HK\$18,033,000).

The Group entered into an agreement with a bank to refinance a loan amounted to HK\$52,000,000 on 20 October 2009. Had the refinancing taken place on 30 September 2009, the net current liabilities and the current ratio as at 30 September 2009 would have been HK\$23,058,000 and 0.71 times respectively.

As at 30 September 2009, the bank balances and cash of the Group amounted to HK\$34,794,000 in aggregate (31 March 2009: HK\$38,524,000). About 93% (31 March 2009: 81%) of the bank balances and cash were denominated in Hong Kong Dollars, while the remaining were in Renminbi ("RMB") and Macau Patacu.

### **Borrowings**

The short-term and long-term borrowings were HK\$42,607,000 (31 March 2009: HK\$28,262,000) and HK\$73,174,000 (31 March 2009: HK\$80,743,000) respectively. New borrowing of HK\$14,482,000 was incepted during the period for the purchase of cross-boundary public buses. As a result, the gearing ratio (total liabilities/shareholders' equity) of the Group as at 30 September 2009 was slightly up to 72.4%, compared with that of 69.8% as at 31 March 2009.

All borrowings as at 30 September 2009 and 31 March 2009 were denominated in Hong Kong Dollars and a majority of them were made on a floating interest rate basis.

## Banking facilities

As at 30 September 2009, the Group had banking facilities totaling HK\$127,449,000 (31 March 2009: HK\$125,849,000), of which approximately HK\$113,192,000 (31 March 2009: HK\$108,073,000) was utilised. Certain property, plant and equipment, leasehold land, PLB licences, trade and other receivables and other assets at a total net book value of approximately HK\$107,499,000 (31 March 2009: HK\$113,510,000) were pledged to banks for securing banking facilities granted to the Group.

## Foreign currency risk management

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

To minimise the foreign exchange risk, the Group collects part of the cross-boundary public bus income in RMB to cover the operating expenses in RMB through natural hedging.

## Contingent liabilities

As at 30 September 2009 and 31 March 2009, the Group had no contingent liabilities not provided for in the consolidated financial statements.

## Employees and remuneration policies

Since the PLB industry and the cross-boundary public bus industry are labour intensive in nature, employee benefit expenses account for a substantial part of the total operating costs of the Group. Employee benefit expenses incurred for the period amounted to HK\$72,578,000 (2008: HK\$70,504,000), which represented 37.4% (2008: 36.1%) 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 plans and training schemes.

The headcounts of the Group were as follows:

	<b>As at 30 September 2009</b>	As at 31 March 2009
Captains	<b>1,007</b>	1,011
Sales and administrative staff	<b>273</b>	242
Technicians	<b>50</b>	50
Total	<b>1,330</b>	1,303

## **Outlook**

The Group remains confident in the future of the franchised PLB operations. The demand for minibus services is stable and the fuel price has returned to a more reasonable level. Nevertheless, the Group may face pressure from the gradually climbing fuel price, labour costs and repair costs in the coming year. The Group will continue to enhance fleet efficiency and implement cost saving plans, and will consider applying for fare adjustment if the fuel price hikes again.

On the contrary, the coming year will be a difficult time for the cross-boundary public bus operations. The fear over swine flu has eased but not totally swept yet. Its impact on tourism of Hong Kong in the coming year is still unpredictable. Also, with increased traffic flow in the Shenzhen Bay control point, the competition faced by the Shenzhen Shuttle Routes has become more intense. In order to boost the public awareness of our services, the Group will carry out intensive advertising and promotional plans to publicise our public bus, air ticket and hotel booking services. Also, the Group will continue to invest more resources in improving operational efficiency and developing new ancillary routes for the convenience of our passengers. The Group is committed to exploring new business opportunities to bring robust returns to our shareholders.

## **CORPORATE GOVERNANCE**

The Company has complied with the code provisions set out in Appendix 14 “Code on Corporate Governance Practices” of the Listing Rules for the six months ended 30 September 2009.

## **MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS**

The Company has adopted a code of conduct regarding directors’ securities transactions on terms no less exacting than the required standard of dealings as set out in the Model Code for Securities Transactions by Directors of Listed Companies contained in Appendix 10 of the Listing Rules (the “Model Code”) throughout the six months ended 30 September 2009. 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.



## **AUDIT COMMITTEE**

The Audit Committee comprises three independent non-executive directors, namely Dr. Lee Peng Fei, Allen, Dr. Leung Chi Keung and Mr. Lam Wai Keung. The Audit Committee has reviewed with the management the accounting principles and practices adopted by the Group and discussed internal control and financial reporting matters, including the review of the unaudited interim financial statements.

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

During the six months ended 30 September 2009, neither the Company nor any of the subsidiaries has purchased, sold or redeemed any of the Company's listed securities.

## **PUBLICATION OF DETAILED INTERIM RESULTS**

All the financial and other related information of the Company required by the Listing Rules will be published on the Stock Exchange's website at [www.hkex.com.hk](http://www.hkex.com.hk) and the Company's website at [www.amspt.com](http://www.amspt.com) respectively in due course.

By Order of the Board  
Wong Man Kit  
*Chairman*

Hong Kong, 17 December 2009

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

*Executive Directors*

Mr. Wong Man Kit (Chairman)  
Ms. Ng Sui Chun  
Mr. 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