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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 2010

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 2010, together with the unaudited comparative figures for the corresponding period in 2009. 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 2010

	Notes	For the six months ended 30 September	
		2010 Unaudited HK\$'000	2009 Unaudited (Restated) HK\$'000
Turnover	3	224,911	213,211
Direct costs		(176,723)	(158,569)
Gross profit		48,188	54,642
Other revenue	4	3,810	3,451
Other net income	4	175	806
Administrative expenses		(32,019)	(28,538)
Other operating expenses		(944)	(965)
Operating profit		19,210	29,396
Finance costs		(1,426)	(1,098)
Share of results of a jointly controlled entity		175	199
Profit before income tax	6	17,959	28,497
Income tax expense	7	(3,344)	(4,924)
Profit for the period		14,615	23,573
Profit for the period attributable to:			
Equity holders of the Company		14,776	22,733
Non-controlling interests		(161)	840
		14,615	23,573
Earnings per share for profit attributable to the equity holders of the Company			
– Basic (HK cents)	9	6.50	10.00
– Diluted (HK cents)	9	6.49	N/A

## CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the six months ended 30 September 2010

	For the six months ended 30 September	
	2010 Unaudited HK\$'000	2009 Unaudited (Restated) HK\$'000
Profit for the period	14,615	23,573
Other comprehensive income		
- Surplus on revaluation of PLB licences	7,180	6,090
- Exchange gain on foreign operations	80	-
Other comprehensive income for the period	7,260	6,090
Total comprehensive income for the period	21,875	29,663
Total comprehensive income attributable to:		
Equity holders of the Company	22,036	28,823
Non-controlling interests	(161)	840
	21,875	29,663

## CONDENSED CONSOLIDATED BALANCE SHEET

As at 30 September 2010

		30 September 2010 Unaudited HK\$'000	31 March 2010 Audited (Restated) HK\$'000
	Notes		
<b>ASSETS AND LIABILITIES</b>			
<b>Non-current assets</b>			
Property, plant and equipment		87,642	80,403
PLB licences		150,260	143,000
Goodwill		167,592	167,592
Interest in a jointly controlled entity		310	135
Deferred tax assets		260	107
		<u>406,064</u>	<u>391,237</u>
<b>Current assets</b>			
Trade receivables	10	6,604	7,484
Other receivables		17,002	16,993
Amount due from a jointly controlled entity		964	1,133
Tax recoverable		2,940	1,908
Bank balances and cash		28,188	38,252
		<u>55,698</u>	<u>65,770</u>
<b>Current liabilities</b>			
Borrowings		89,146	90,811
Trade payables	11	10,457	10,630
Other payables		26,227	18,488
Deferred income		4,689	4,041
Other financial liability		2,190	2,190
Tax payable		6,494	3,934
		<u>139,203</u>	<u>130,094</u>
<b>Net current liabilities</b>		<u>(83,505)</u>	<u>(64,324)</u>
<b>Total assets less current liabilities</b>		<u>322,559</u>	<u>326,913</u>
<b>Non-current liabilities</b>			
Borrowings		23,405	24,623
Deferred tax liabilities		6,195	6,181
		<u>29,600</u>	<u>30,804</u>
<b>Net assets</b>		<u>292,959</u>	<u>296,109</u>
<b>EQUITY</b>			
<b>Equity attributable to equity holders of the Company</b>			
Share capital		22,750	22,750
Reserves		250,639	253,628
		<u>273,389</u>	<u>276,378</u>
<b>Non-controlling interests</b>		19,570	19,731
<b>Total equity</b>		<u>292,959</u>	<u>296,109</u>

# NOTES TO THE UNAUDITED CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the six months ended 30 September 2010

## 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 (the “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 Standard (the “HKAS”) 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 2010, except for the adoption of the new and revised Hong Kong Financial Reporting Standards (“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 2010.

The unaudited condensed consolidated interim financial statements were approved by the Board on 30 November 2010.

## 2. Changes in accounting policies

### *Adoption of new and amended HKFRSs*

In the current period, the Group has applied for the first time, the following new standards, amendments and interpretations (the new "HKFRSs") issued by the HKICPA, which are relevant to and effective for the Group's financial statements for the annual period beginning on 1 April 2010:

HKAS 27 (Revised)	Consolidated and Separate Financial Statements
HKFRS 3 (Revised)	Business Combinations
HK-Int 5	Presentation of Financial Statements - Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause
Various	Annual Improvements to HKFRSs 2009

Other than as noted below, the adoption of the new HKFRSs had no material impact on the Group's condensed consolidated interim financial statements.

- (i) The Annual Improvements to HKFRSs 2009 consist of further amendments to existing standards, including an amendment to HKAS 17 Leases. The amendment to HKAS 17 deletes specific guidance regarding classification of leases of land, so as to eliminate inconsistency with the general guidance on lease classification. As a result, leases of land should be classified as either finance or operating lease using the general principles of HKAS 17, i.e. whether the lease transfer substantially all the risks and rewards of ownership of an asset to the lessee. Prior to the amendment, land is classified as under operating lease when the title to that land is not expected to pass to the Group at the end of the lease term.

The amendment to HKAS 17 has been applied retrospectively for annual periods beginning on 1 April 2010. The Group has reassessed the classification of unexpired leases of land as at 1 April 2010 on the basis of information existing at the inception of those leases and recognised the leasehold land in Hong Kong as finance lease retrospectively. As a result of the reassessment, the Group has reclassified the leasehold land from operating lease to finance lease. Accordingly, the Group has reclassified these interests from "Leasehold land" amortised over lease term to "Property, plant and equipment" depreciated over the lease term.

The effect of the adoption of the amendment to HKAS 17 is summarised below.

### **Consolidated balance sheet**

	<b>30 September 2010 HK\$'000</b>	31 March 2010 HK\$'000	1 April 2009 HK\$'000
<b><u>Assets</u></b>			
Increase in property, plant and equipment	<b>7,147</b>	7,163	7,194
Decrease in leasehold land	<b>(5,981)</b>	(6,057)	(6,210)
<b><u>Equity</u></b>			
Increase in retained profits	<b>1,166</b>	1,106	984

## 2. Changes in accounting policies (Continued)

### Consolidated income statement

	For the six months ended 30 September	
	2010 HK\$'000	2009 HK\$'000
Decrease in administrative expenses and increase in profit for the period	<u>60</u>	60
Increase in profit for the period attributable to equity holders of the Company	<u>60</u>	60
Increase in earnings per share		
- Basic (HK cents)	<u>0.03</u>	0.03
- Diluted (HK cents)	<u>0.03</u>	N/A

- (ii) The adoption of Hong Kong Interpretations 5 (“HK-Int 5”) - Presentation of Financial Statements - Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause has resulted in a change in the accounting policies on the classification of borrowings. HK-Int 5 has clarified that the classification of a term loan as a current or non-current liability in accordance with paragraph 69(d) of HKAS 1 shall be determined by reference to the rights and obligations of the lender and the borrower, as contractually agreed between the two parties and in force as of the reporting date. In this regard, the probability of the lender choosing to exercise its rights within the next twelve months after the reporting date is not relevant.

The Group has reassessed the classification of the borrowings as at 30 September 2010 and 31 March 2010. The effect of the adoption of the HK-Int 5 is summarised below.

### Consolidated balance sheet

	30 September 2010 HK\$'000	31 March 2010 HK\$'000
<u>Current liabilities</u>		
Increase in borrowings	<u>54,890</u>	62,119
<u>Non-current liabilities</u>		
Decrease in borrowings	<u>(54,890)</u>	(62,119)

The adoption of HK – Int 5 had no effect to the consolidated income statement.

### 3. Turnover

	For the six months ended 30 September	
	2010	2009
	Unaudited	Unaudited
	HK\$'000	HK\$'000
Franchised PLB services income	152,677	150,695
Cross-boundary public bus services income	72,234	62,516
	<u>224,911</u>	<u>213,211</u>

### 4. Other revenue and other net income

	For the six months ended 30 September	
	2010	2009
	Unaudited	Unaudited (Restated)
	HK\$'000	HK\$'000
<b>Other revenue</b>		
Agency fee income	1,259	1,252
Repair and maintenance service income	806	623
Travel agency income	797	334
Advertising income	365	336
Management fee income	326	268
Handling fee income	162	115
Rental income of cross-boundary quota	90	491
Interest income	5	32
	<u>3,810</u>	<u>3,451</u>
<b>Other net income</b>		
Reversal of deficit on revaluation of PLB licences	80	290
Exchange gain	27	7
Net (loss)/gain on disposal of property, plant and equipment	(45)	25
Write-back of trade and other payables	-	222
Sundry income	113	262
	<u>175</u>	<u>806</u>
	<u>3,985</u>	<u>4,257</u>

## 5. Segment information

The Group identifies its operating segments and prepares 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 the performance of these components. The business components in the internal financial information reported to the executive directors are determined following the Group's major service lines.

The Group has identified two reportable segments: i) franchised PLB services; and ii) cross-boundary public bus services.

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

	Franchised PLB services HK\$'000	Cross- boundary public bus services HK\$'000	Total HK\$'000
<b><u>For the six months ended 30 September 2010 (Unaudited)</u></b>			
Reportable segment revenue	152,677	72,234	224,911
Reportable segment profit	19,191	19	19,210
Finance costs			(1,426)
Share of results of a jointly controlled entity			175
Profit before income tax			17,959
Income tax expense			(3,344)
Profit for the period			14,615
Non-controlling interests			161
Profit attributable to equity holders			14,776
<b><u>For the six months ended 30 September 2009 (Unaudited), (Restated)</u></b>			
Reportable segment revenue	150,695	62,516	213,211
Reportable segment profit	23,973	5,423	29,396
Finance costs			(1,098)
Share of results of a jointly controlled entity			199
Profit before income tax			28,497
Income tax expense			(4,924)
Profit for the period			23,573
Non-controlling interests			(840)
Profit attributable to equity holders			22,733
<b><u>As at 30 September 2010 (Unaudited)</u></b>			
Reportable segment assets	203,637	254,615	458,252
Unallocated assets			3,510
Group assets			461,762
<b><u>As at 31 March 2010 (Audited), (Restated)</u></b>			
Reportable segment assets	204,140	250,717	454,857
Unallocated assets			2,150
Group assets			457,007

## 6. Profit before income tax

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

	For the six months ended 30 September	
	2010	2009
	Unaudited	Unaudited (Restated)
	HK\$'000	HK\$'000
Fuel cost	39,352	33,133
Employee benefit expense (including directors' emoluments)	78,915	72,578
Operating lease rental in respect of		
- PLBs and public buses	33,804	32,523
- cross-boundary quotas	3,953	2,587
- land and buildings	2,877	2,075
Depreciation of property, plant and equipment	6,771	5,515
Net loss / (gain) on disposal of property, plant and equipment	45	(25)
Net exchange gain	(27)	(7)
Reversal of deficit on revaluation of PLB licences credited to income statement	(80)	(290)

## 7. Income tax expense

Hong Kong profits tax has been provided at the rate of 16.5% (2009: 16.5%) on the estimated assessable profit for the period. Taxation on overseas profits has been calculated on the estimated assessable profit for the period at the rates of taxation prevailing in the respective jurisdictions in which the Group operates.

	For the six months ended 30 September	
	2010	2009
	Unaudited	Unaudited
	HK\$'000	HK\$'000
Current tax		
- Hong Kong profits tax	3,303	4,164
- Overseas taxation	180	110
	3,483	4,274
Deferred tax	(139)	650
Total income tax expense	3,344	4,924

## 8. Dividends

	For the six months ended 30 September	
	2010 Unaudited HK\$'000	2009 Unaudited HK\$'000
2010 final dividend of HK11.0 cents (2009: HK10.0 cents) per ordinary share	<u>25,025</u>	<u>22,750</u>

Notes:

- (i) For the year ended 31 March 2010, the Board declared a final dividend of HK11.0 cents (2009: HK10.0 cents) per ordinary share on 15 July 2010. 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 2010 (2009: Nil).

## 9. Earnings per share

### **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\$14,776,000 (2009: HK\$22,733,000, as restated) and on the weighted average number of 227,500,000 (2009: 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 outstanding during the period after adjusting for the effects of all dilutive potential ordinary shares.

Details of calculation of diluted earnings per share for the six months ended 30 September 2010 are shown as follows:

	For the six months ended 30 September 2010 Unaudited
Profit attributable to equity holders of the Company for the period (in HK\$'000)	<u>14,776</u>
Weighted average number of ordinary shares outstanding during the period (in thousands)	227,500
Effect of deemed issue of ordinary shares on exercise of share options (in thousands)	<u>126</u>
Weighted average number of ordinary shares used in calculating diluted earnings per share (in thousands)	<u>227,626</u>
Diluted earnings per share (HK cents per share)	<u>6.49</u>

The share options have no dilutive effect on ordinary shares for the six months ended 30 September 2009 because the exercise prices of the Company's share options were 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 Group normally granted a credit term ranging from 0 days to 30 days to other trade debtors.

The ageing analysis of trade receivables is as follows:

	<b>30 September 2010 Unaudited HK\$'000</b>	31 March 2010 Audited HK\$'000
0 to 30 days	<b>4,921</b>	4,909
31 to 60 days	<b>1,132</b>	2,376
61 to 90 days	<b>404</b>	60
Over 90 days	<b>147</b>	139
	<b>6,604</b>	7,484

## 11. Trade payables

The ageing analysis of trade payables is as follows:

	<b>30 September 2010 Unaudited HK\$'000</b>	31 March 2010 Audited HK\$'000
0 to 30 days	<b>8,294</b>	8,543
31 to 60 days	<b>1,220</b>	1,302
61 to 90 days	<b>281</b>	358
Over 90 days	<b>662</b>	427
	<b>10,457</b>	10,630

## 12. Comparative figures

Certain comparative figures of other revenue and other net income have been re-classified to conform to current period's presentation. The management believes that the reclassification is a fairer presentation to the Group's activities.

## MANAGEMENT DISCUSSION AND ANALYSIS

### Interim Results

For the six months ended 30 September 2010, the Group's turnover for the period had increased by 5.5% to HK\$224,911,000 (2009: HK\$213,211,000). However, the profit attributable to equity holders was HK\$14,776,000 (2009: HK\$22,733,000, as restated), representing a drop of 35.0%, as a result of the rising fuel and staff costs in the franchised PLB operations and the underperformance of the cross-boundary public bus operations.

The Board does not recommend payment of any interim dividend for the six months ended 30 September 2010.

## 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	
	2010	2009	2010	2009	2010	2009
	Unaudited	Unaudited (Restated)	Unaudited	Unaudited	Unaudited	Unaudited (Restated)
	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000	HK\$'000
Segment revenue	<b>152,677</b>	150,695	<b>72,234</b>	62,516	<b>224,911</b>	213,211
Segment operating profit	<b>19,191</b>	23,973	<b>19</b>	5,423	<b>19,210</b>	29,396
Finance costs					<b>(1,426)</b>	(1,098)
Share of results of a jointly controlled entity					<b>175</b>	199
Profit before income tax					<b>17,959</b>	28,497
Income tax expense					<b>(3,344)</b>	(4,924)
Profit for the period					<b>14,615</b>	23,573
Non-controlling interests					<b>161</b>	(840)
Profit attributable to equity holders					<b>14,776</b>	22,733

### Franchised Public Light Bus Operations

The Hong Kong economy had gradually recovered from the global financial crisis. During the period under review, the passenger demand of the franchised PLB transportation services remained stable. The turnover grew by 1.3% or HK\$1,982,000 to HK\$152,677,000 (2009: HK\$150,695,000). The Group has not raised any minibuss fare since November 2008.

The recovery of global financial market had also driven the fuel prices up again. The diesel unit cost and liquefied petroleum gas unit cost had risen by 11% and 34% respectively, compared with the same period of last year. Therefore, the total fuel costs of the PLB operations increased by HK\$3,723,000 to HK\$28,273,000 (2009: HK\$24,550,000). Also, the staff costs increased by HK\$3,146,000 to HK\$58,778,000 (2009: HK\$55,632,000), which was mainly attributable to the enlarged fleet size and wage increment. Owing to these two main reasons, the segment profit dropped by HK\$4,782,000 or 19.9% to HK\$19,191,000 (2009: HK\$23,973,000, as restated).

As at 30 September 2010, the Group operated 50 routes (31 March 2010: 50 routes; 30 September 2009: 49 routes) with 308 PLBs (31 March 2010: 307 PLBs; 30 September 2009: 300 PLBs). The average fleet age was 6.8 years (31 March 2010: 6.9 years).

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

Driven by the continuous patronage growth in the shuttle routes running between the Shenzhen International Airport, Baoan district of Shenzhen and Hong Kong via the Shenzhen Bay control point (“Shenzhen Shuttle Routes”), the segment revenue of the cross-boundary public bus operations increased by HK\$9,718,000 or 15.5% to HK\$72,234,000.

In order to raise the fleet capacity and make good use of the new cross-boundary quota granted by the Transport Department in March 2010, the Group’s fleet size of public buses had been expanded to 78 as at 30 September 2010 (31 March 2010: 74; 30 September 2009: 69). The frequency of the Shenzhen Shuttle Routes had been then increased so as to provide more convenient services to our passengers. Also, a new long-haul route running between Kaiping and Hong Kong was launched and at the same time, the services of long-haul routes and the Shenzhen Shuttle Routes had been extended to Hong Kong International Airport starting from July 2010. These measures successfully boosted the ridership but it was not able to outweigh the increased operating costs as the average loading dropped in the short run. Furthermore, the hike in fuel prices and reduced profit from the Tsuen Wan-Huanggang (of Shenzhen) shuttle route put the gross profit under pressure. As a result, the segment result for the period dropped to HK\$19,000 (2009: HK\$5,423,000).

Together with the existing 5 routes of Guangzhou, Foshan, Yunfu, Wuzhou and Jiangmen, there were a total of 6 long-haul cross-boundary routes as at 30 September 2010 (31 March 2010: 5; 30 September 2009: 5). The average fleet age was 4.4 years (31 March 2010: 5.2 years).

### **Income tax expense**

During the period, income tax expense decreased to HK\$3,344,000 (2009: HK\$4,924,000) along with the drop in profit before tax. The effective tax rate was 18.6% for the period (2009: 17.3%).

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

#### **Liquidity and financial resources**

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

The current ratio (current assets / current liabilities) dropped to 0.40 times (31 March 2010: 0.51 times, as restated), which was mainly attributable to the decrease in bank balances and cash after payment of final dividends for the last financial year end, and the increase in current portion of bank borrowings and other payables for the acquisition of public buses. As at 30 September 2010, the Group had net current liabilities of HK\$83,505,000 (31 March 2010: \$64,324,000, as restated).

As at 30 September 2010, the Group had banking facilities totalling HK\$131,746,000 (31 March 2010: HK\$146,101,000) of which HK\$20,841,000 (31 March 2010: HK\$32,800,000) was unutilised.

## Borrowings

Total outstanding borrowings decreased slightly during the period by HK\$2,883,000 to HK\$112,551,000 (31 March 2010: HK\$115,434,000). The new bank loans of HK\$7,950,000 incepted during the period were mainly for the acquisition of public buses.

The gearing ratio (total liabilities / shareholders' equity) of the Group as at 30 September 2010 increased to 61.7%, compared with that of 58.2%, as restated, as at 31 March 2010.

All borrowings as at 30 September 2010 and 31 March 2010 were denominated in Hong Kong dollars and the majority of them were made on a floating interest rate basis.

## Pledge of assets

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

	<b>As at 30 September 2010 HK\$'000</b>	As at 31 March 2010 (Restated) HK\$'000
PLB licences	<b>54,640</b>	52,000
Property, plant and equipment	<b>30,124</b>	33,425
Trade and other receivables	<b>12,252</b>	14,227
Bank balances and cash	<b>5,811</b>	7,110
Other assets	<b>3,732</b>	2,515

## Foreign currency risk management

The Group is exposed to foreign exchange risk, arising mainly from the conversion of Renminbi. However, the foreign exchange risk is not significant as the majority of the transactions, monetary assets and liabilities of the Group are denominated in the functional currency of the group entities.

Although the conversion of Renminbi into foreign currencies is subject to the foreign exchange rules and regulations of the government of the PRC, 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 operating expenses in Renminbi so as to minimise the foreign exchange risk through natural hedging.

## Interest rate risk management

The Group's interest rate risk arises primarily from its borrowings. The majority of the Group's bank borrowings were committed on a floating rate basis.

The Group currently does not have an interest rate hedging policy. However, the management monitors the Group's interest rate exposure and will consider hedging significant interest rate risk exposure should the need arise.

## Employees and remuneration policies

Since the minibus 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 were HK\$78,915,000 (2009: HK\$72,578,000), representing 36.8% (2009: 37.4%) of the total costs. Apart from the basic remuneration, double pay and/or 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 2010</b>	As at 31 March 2010
Captains	<b>1,018</b>	1,036
Sales and administrative staff	<b>292</b>	278
Technicians	<b>61</b>	60
Total	<b>1,371</b>	1,374

## Prospects

Looking ahead, the Group expects that the minibus service demand will continue to grow mildly. However, we anticipate the inflation, especially the rising fuel expenses and staff costs, will inevitably bring pressure to the cost of franchised PLB operations. The Group will continue to enhance fleet efficiency and implement cost saving plans, and will consider applying for fare adjustment in due course.

For the cross-boundary public bus operations, in order to tackle the surge of operating costs, the Group will focus on cost control by maintaining our fleet efficiency and managing the capacity in a cost effective manner. On the other hand, the Group will strengthen the sales networks through our online ticketing system. The Group expects that this online ticketing system would serve as a cost effective channel to attract more passengers. The competition with railways and other operators is expected to be increasingly fierce. However, the Group remains optimistic about the future of the industry and look forward to the completion of huge infrastructure projects like the Hong Kong-Zhuhai-Macao Bridge and the Guangshen Coastal Expressway in the coming few years. The Group believes they would connect Hong Kong and mainland and create opportunities to the industry.

## 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 2010.

## **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 in Appendix 10 of the Listing Rules (the "Model Code") throughout the six months ended 30 September 2010. 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. Chan Yuen Tak Fai, Dorothy 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 2010, 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 for the six months ended 30 September 2010 as required to be disclosed 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) in due course.

By Order of the Board  
Wong Man Kit  
*Chairman*

Hong Kong, 30 November 2010

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

### *Executive Directors*

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

### *Independent Non-executive Directors*

Dr. Lee Peng Fei, Allen  
Dr. Chan Yuen Tak Fai, Dorothy  
Mr. Lam Wai Keung