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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)

PROFIT WARNING AND BUSINESS UPDATE

This announcement is made by AMS Public Transport Holdings Limited (the “**Company**”), together with its subsidiaries collectively referred to as the “**Group**”) pursuant to Part XIVA of the Securities and Futures Ordinance of Hong Kong and Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited.

Profit warning

The board of directors of the Company (the “**Board**”) wishes to inform the shareholders of the Company (the “**Shareholders**”) and potential investors that, based on the preliminary review of the Group’s unaudited consolidated management accounts for the year ended 31 March 2020, it is expected that the Group would record a decrease in profit before deficit on revaluation of Public Light Bus (“**PLB**”) licences for the year by around 60% compared with last year. Nevertheless, since the deficit on revaluation of PLB licences for the year would reduce by around 34% to approximately HK\$47.1 million (2019: HK\$71.5 million) due to the slower drop in market value of PLB licences, the Group expects to record a decrease in net loss for the year by around 17% compared with last year after taking account of the non-cash deficit on revaluation of PLB licences.

Since mid-2019, some of the Group’s franchised PLB services were intermittently disrupted by the social unrest. The outbreak of COVID-19 epidemic in Hong Kong since late January 2020 has brought even severer impact to the transport industry. Anti-epidemic measures like school suspension, work-from-home arrangements adopted by public and private sectors and reduction of social gatherings etc. led to an approximately 23% drop in patronage of the Group’s franchised PLB services for the fourth quarter of the financial year compared with same quarter last year. The Group has been trying its best endeavor to control operating costs by reducing the frequency of service and saving resources. Nevertheless, the loss incurred in the fourth quarter caused a significant decrease in profit before deficit on revaluation of PLB licences for the year by around 60% compared with last year.

Business update

There was an increase in the number of new COVID-19 confirmed cases in late March 2020, therefore, the Government have launched more stringent anti-epidemic measures. The patronage of the Group's franchised PLB services dropped continuously by approximately 34% in April 2020 compared with same month last year and it is expected that the Group would inevitably continue to record operating loss in April 2020.

To cope with the unprecedented challenges brought by the COVID-19 epidemic, the Hong Kong Government has launched two rounds of Anti-epidemic Fund to assist the affected industries and the public. The Group expects it would be eligible to receive fuel subsidies, wage subsidies and a one-off green minibus passenger service license holder subsidy from the Government during the financial year ending 31 March 2021. The Government subsidies will relieve part of the financial burdens of the Group. However, the on-going financial performance of the Group in the coming financial year would depend on the development of the COVID-19 epidemic and the progress of economic recovery in Hong Kong. The management of the Group is confident that the patronage of the Group would rebound gradually after the members of the general public resume their normal daily lives. The management would continue to closely monitor the passenger needs and optimise the Group's operations efficiently.

The Company is in the process of finalising the consolidated financial results of the Group for the year ended 31 March 2020. The information contained in this announcement is based on the preliminary assessment made by the Board with reference to the unaudited consolidated management accounts of the Group for the year ended 31 March 2020 and the information currently available, which have not been confirmed or reviewed by the Company's auditors or audit committee. The actual financial results of the Group for the year ended 31 March 2020 ("**Annual Results**") may be different. The details of the Annual Results will be disclosed in the final results announcement, which will be published before the end of June 2020.

Shareholders and potential investors of the Company are advised to exercise caution when dealing in the securities of the Company.

By Order of the Board
AMS Public Transport Holdings Limited
Wong Ling Sun, Vincent
Chairman

Hong Kong, 13 May 2020

As at the date of this announcement, the Executive Directors are Mr. Wong Ling Sun, Vincent (Chairman), Ms. Ng Sui Chun, Mr. Chan Man Chun (Chief Executive Officer) and Ms. Wong Wai Sum, Maya, Non-Executive Director is Ms. Wong Wai Man, Vivian, and the Independent Non-Executive Directors are Dr. Lee Peng Fei, Allen, Dr. Chan Yuen Tak Fai, Dorothy and Mr. Kwong Ki Chi.