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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)

DISCLOSEABLE TRANSACTION FINANCE LEASES ARRANGEMENT

The Board is pleased to announce that, for the purpose of financing the purchase of new PLBs for fleet replacement, HKM (a wholly owned subsidiary of the Company) entered into the four HP Agreements with Hang Seng Bank on 26 September 2019 (“**HP Transactions**”). As far as the HP Transactions are concerned, the total hire purchase price under the HP Agreements is approximately HK\$13,604,000.

As the consideration ratio for the HP Transactions calculated pursuant to the Listing Rules is more than 5% but less than 25% and all other applicable ratios are less than 5%, the HP Transactions therefore constitute a discloseable transaction for the Company and are subject to the reporting and announcement requirements under rule 14.33 of the Listing Rules.

THE HP TRANSACTIONS

The HP Agreements

Date

26 September 2019 (after trading hours)

Parties

- (1) HKM as hirer; and
- (2) Hang Seng Bank as owner.

Subject Assets under the HP Agreements

The subject assets under the HP Agreements are four PLB Licences and the four corresponding PLBs (“**Subject Assets**”). HKM sold the Subject Assets to Hang Seng Bank at an aggregate purchase consideration of HK\$11,812,000 (“**Purchase Consideration**”), which was determined after arm’s length negotiations between the parties having regard to the market value of the Subject Assets, and Hang Seng Bank then leases back the Subject Assets to HKM for use on and subject to the terms and conditions of the HP Agreements. The total book value of the Subject Assets is HK\$13,462,000 as at the date of this announcement. For the years ended 31 March 2018 and 2019, the net losses before taxation and extraordinary items attributable to the Subject Assets were approximately HK\$2,640,000 and HK\$3,995,000 respectively, and the net losses after taxation and extraordinary items attributable to the Subject Assets were approximately HK\$2,749,000 and HK\$4,095,000 respectively. If excluding the deficit on revaluation of the Subject Assets, for the years ended 31 March 2018 and 2019, the net profits before taxation and extraordinary items attributable to the Subject Assets were approximately HK\$660,000 and HK\$605,000 respectively, and the net profits after taxation and extraordinary items attributable to the Subject Assets were approximately HK\$551,000 and HK\$505,000 respectively

Hire purchase price and the hiring terms

Under the HP Agreements, the aggregate hire purchase price payable by HKM is approximately HK\$13,604,000, comprising the Purchase Consideration of HK\$11,812,000 and the aggregate hire charges of approximately HK\$1,792,000 (subject to adjustment as explained below), payable in 180 monthly instalments in 15 years, which shall be the hire period. The hire charges denote interest on the principal advanced by Hang Seng Bank calculated at the rate equivalent to Hong Kong interbank offered rate plus 1.3% per annum, which shall be capped at Hong Kong dollar prime rate minus 2.625% per annum, which is, as at the date of this announcement, equivalent to 2.5% per annum under the prevailing prime rate fixed by Hang Seng Bank.

After entering into the HP Agreements, HKM could receive an aggregate actual sum advanced by Hang Seng Bank of HK\$8,950,000, which would be used in purchasing new PLBs for fleet replacement.

After entering into the HP Agreements, in substance, HKM retains all the risks and rewards incidental to the ownership of the Subject Assets and enjoys substantially the same rights to their use as before the financing arrangement under the HP Agreements. Therefore, from the accounting prospective, the arrangement under the HP Agreements will be recognised and booked as bank borrowings from Hang Seng Bank instead of finance leases in the financial statements of HKM.

Ownership of the Subject Assets

Ownership of the Subject Assets during the hire period shall vest in Hang Seng Bank. Upon expiry of the hire period and subject to the full payment of the entire amount of the hire purchase price and other fees and expenses under the HP Agreements, HKM is eligible to redeem the Subject Assets at a nominal purchase price of HK\$100 each.

Corporate Guarantee

The Company has provided a corporate guarantee to Hang Seng Bank to secure the obligations of HKM under the HP Agreements. The Directors are of the view that such guarantee is made for the benefit of the Group on normal commercial terms. No security over the assets of the Company or other security is given or required as part of or in connection with the HP Agreements.

PRINCIPAL BUSINESS ACTIVITIES OF THE GROUP

The Group is principally engaged in the operation of green minibus transportation service in Hong Kong.

INFORMATION OF HANG SENG BANK

Hang Seng Bank and its subsidiaries are principally engaged in the provision of banking and related financial services in Hong Kong. Hang Seng Bank is listed on the main board of the Stock Exchange (Stock Code: 11). To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, Hang Seng Bank and its ultimate beneficial owners are third parties independent of the Company and the connected persons of the Company (as defined in the Listing Rules).

REASONS FOR AND BENEFITS OF THE HP TRANSACTIONS

The Board considers that entering into the HP Transactions would enable the Group to have sufficient financial resource to purchase new PLBs for fleet replacement, which would increase mechanical stability of the PLBs and enhance passengers' comfort and safety. The Directors consider that the entering into of the HP Agreements and the terms thereof, and the provision of the corporate guarantee by the Company as aforesaid and the terms thereof are all fair and reasonable and in the interests of the Company and its shareholders as a whole.

None of the Directors has a material interest in the HP Agreements or the said corporate guarantee or is required to abstain from voting on the Board resolutions for considering and approving the entering into of the HP Agreements and the transactions contemplated thereunder including the said corporate guarantee.

IMPLICATIONS UNDER THE LISTING RULES

As the consideration ratio for the HP Transactions calculated pursuant to the Listing Rules is more than 5% but less than 25% and all other applicable ratios calculated with reference to the same are less than 5%, the HP Transactions constitute a discloseable transaction of the Company under rule 14.06(2) of the Listing Rules and is subject to the reporting and announcement requirements pursuant to rule 14.33 of the Listing Rules.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following terms have the following meanings:

“ Board ”	the board of Directors;
“ Company ”	AMS Public Transport Holdings Limited (進智公共交通控股有限公司), a company incorporated in the Cayman Islands with limited liability, which issued shares are listed on the Stock Exchange (Stock Code: 77);
“ Director(s) ”	director(s) of the Company;
“ Group ”	the Company together with its subsidiaries;
“ HK\$ ”	Hong Kong dollars, the lawful currency of Hong Kong;
“ Hang Seng Bank ”	Hang Seng Bank Limited, a licensed bank in Hong Kong whose issued shares are listed on the main board of Stock Exchange (Stock Code: 11);
“ Hong Kong ”	the Hong Kong Special Administrative Region of the People’s Republic of China;
“ HKM ”	Hong Kong Maxicab Limited (香港專線小巴有限公司), a limited liability company incorporated in Hong Kong with company number 130942 which is wholly owned by the Company;
“ HP Agreements ”	the four hire purchase agreements all dated 26 September 2019 entered into between HKM as hirer and Hang Seng Bank as owner in relation to the hire purchase arrangement of four PLB Licences and the four corresponding PLBs respectively;
“ Listing Rule ”	the Rules Governing the Listing of Securities on the Stock Exchange;
“ PLB(s) ”	public light bus(es) being minibus(es) that is/are licensed to each carry a maximum of 19 passengers in Hong Kong;
“ PLB Licences ”	public light bus licences;

“**Stock Exchange**”

The Stock Exchange of Hong Kong Limited;

“**%**”

per cent.

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

Hong Kong, 26 September 2019

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