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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 ACQUISITION OF INTEREST IN HONG KONG MAXICAB LIMITED AND PROPOSED LEASING ARRANGEMENT

The Board is pleased to announce that on 18th February 2011, the Purchaser (a wholly owned subsidiary of the Company) and the Vendors entered into the Sale & Purchase Agreement, pursuant to which the Purchaser agreed to acquire and the Vendors agreed to sell (i) the Sale Shares and (ii) the Shareholders' Loan at a consideration of HK\$32,000,000.

Maxicab is currently running the Scheduled PLB Routes. Therefore, after the Acquisition, the Purchaser will control the operation of the Scheduled PLB Routes. In connection with the operation of the Scheduled PLB Routes, it is contemplated that the Purchaser will enter into the Minibus Leasing Agreements with the Lessor (being the Vendors themselves and / or party(ies) related or otherwise associated with them), pursuant to which the Purchaser will lease from the Lessor certain number of minibuses in the five years following the Completion Date at pre-determined daily rental, at a total consideration of not more than HK\$36,904,000.

Given the Vendors and the Lessor are either the same persons and / or party(ies) related or otherwise associated, the Acquisition and the Leasing Arrangement are aggregated pursuant to rules 14.22 and 14.23 of the Listing Rules.

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

BACKGROUND

The Board is pleased to announce that the Vendors and the Purchaser have concluded negotiations in relation to the Acquisition and the parties have entered into the Sale & Purchase Agreement, whereby the Vendors have agreed to sell and the Purchaser has agreed to purchase the Sale Shares and the Shareholders' Loan at a consideration of HK\$32,000,000.

Upon completion of the Acquisition, Maxicab will be wholly owned by the Purchaser and become

a wholly owned subsidiary of the Company.

Maxicab is currently running the Scheduled PLB Routes. Therefore, after the Acquisition, the Purchaser will control the operation of the Scheduled PLB Routes and need additional fleet of minibuses to operate such extra routes. In the light of the demand for more minibuses, it is proposed that the Purchaser enter into the Minibus Leasing Agreements with the Lessor for a term of five years; the total rental payable by the Purchaser to the Lessor thereunder will not be more than HK\$36,904,000.

The aggregated consideration under the Transactions is therefore not more than HK\$68,904,000.

SALE & PURCHASE AGREEMENT

Date

18th February 2011

Parties

- (1) The Vendors; and
- (2) The Purchaser

Subject Asset of the Acquisition

The Sale Shares, being the entire issued share capital of Maxicab and the Shareholders' Loan.

Consideration

The total consideration payable to the Vendors by the Purchaser for the Acquisition is HK\$32,000,000, which was determined after arm's length negotiations between the parties having regard to the future prospects of Maxicab, the synergy effect the Scheduled PLB Routes will have on the Group's existing routes and other potential benefits that will accrue to the Group after completion of the Acquisition. The Group intends to fund the Acquisition from its internal cash flows and bank loans.

Conditions Precedent

According to the key terms of the Sale & Purchase Agreement, completion of the Acquisition is conditional upon fulfillment of the following conditions precedent or waiver of the same by the relevant party:

- the requisite consents and approvals for executing the Sale & Purchase Agreement having been obtained by the Purchaser and the Vendors (if applicable);

- the audited account for the year ended 31st March 2010 and the management account made up to 31st January 2011 as certified by a director of Maxicab having been furnished by the Vendors to the Purchaser;
- satisfactory legal and financial due diligence findings by the Purchaser; and
- payment of the deposit, being a sum of HK\$16,000,000, by the Purchaser to the Vendors upon the signing of the Sale & Purchase Agreement.

Payment Terms

The Purchaser shall pay to the Vendors a deposit in the sum of HK\$16,000,000 upon the signing of the Sale & Purchase Agreement. The balance of the consideration, being a sum of HK\$16,000,000, shall become payable to the Vendors on the Completion Date, subject to fulfillment of all the conditions precedent by the relevant party.

MINIBUS LEASING AGREEMENTS

Under the Sale & Purchase Agreement, the Vendors have agreed to procure the Lessor to enter into the Minibus Leasing Agreements with the Purchaser before the Completion Date so as to enable the Purchaser to lease from the Lessor 33 minibuses in the five years following the Completion Date on such terms as highlighted below:

- the daily rental per minibus payable to the Lessor will be HK\$800 for the first year starting from 1st April 2011, HK\$850 for the second year, HK\$900 for the third year, and HK\$950 and HK\$1,000 for the fourth and fifth years respectively;
- the Purchaser will be entitled to lease from the Lessor 33 minibuses in the first year, but such number shall be reduced by at least 5 though not more than 8 in each 12-month period;
- during the term of the Minibus Leasing Agreements, the Purchaser will be responsible for the repair and maintenance and the annual checking of the minibuses leased thereunder, while the Lessor will be wholly liable for the costs of the vehicle licences, insurance and expenses arising from compliance with licence conditions or statutory requirements (such as costs of vehicle installation and modification); and
- the Purchaser will be free to designate the minibuses leased under the Minibus Leasing Agreements to run any route.

Assuming that the Purchaser will reduce the number of rental minibuses at the minimum rate of 5 minibuses per year (starting from the second year of the term), the total amount of consideration payable by the Purchaser to the Lessor under the Minibus Leasing Agreements will be HK\$36,904,000. The breakdown of the yearly rental payable during the 5-year term of the Minibus Leasing Agreements is HK\$9,662,000, HK\$8,687,000, HK\$7,556,000, HK\$6,241,000 and HK\$4,758,000 for the first, second, third, fourth and fifth years respectively.

PRINCIPAL BUSINESS ACTIVITIES OF THE GROUP

The Group is principally engaged in the operation of green minibus transportation service in Hong Kong and cross-boundary public bus transportation service between Hong Kong and the People's Republic of China.

INFORMATION OF MAXICAB

To the best knowledge of the Directors, the principal business activity of Maxicab is the provision of green minibus transportation service in Hong Kong and the operation of the Scheduled PLB Routes. The audited net liabilities of Maxicab as at 31st March 2010 were HK\$1,568,000. The audited net loss of Maxicab (both before and after taxation) for the year ended 31st March 2009 was HK\$145,000 and the audited net profit (both before and after taxation) for the year ended 31st March 2010 was HK\$377,000.

INFORMATION OF THE VENDORS

As at the date of this announcement, Ma Kiu Sang, Ma Kiu Mo and Ma Kiu Man, Vince respectively hold 3,667, 3,667 and 3,666 Shares. To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, the Vendors are the ultimate beneficial owners of the Sale Shares and the Shareholders' Loan and are third parties independent of the Company and each of them is not a connected person (as defined in the Listing Rules) of the Company.

REASONS FOR AND BENEFITS OF THE TRANSACTIONS

As provision of green minibus transportation service in Hong Kong constitutes one of the major businesses of the Group, which currently runs 26 routes with a total of 180 minibuses in the Southern District of Hong Kong Island (representing 58.3% of the total fleet size of the Group), the acquisition of Maxicab (being also a dominant provider of minibus service in the Southern District of Hong Kong Island) will enable the Group to further expand its local scheduled minibus network, in the said Southern District in particular, thereby maximizing the synergy effect to the operation, and strengthen the Group's share in the market as a whole. The Leasing Arrangement will enable the Group to capitalize further business opportunities through taking over the operation of the Scheduled PLB Routes with the availability of additional fleet of minibuses to be provided by the Lessor at pre-determined rental arrived at after arm's length negotiation between the parties with reference to the prevailing market practice.

In view of the potential benefit the Transactions will yield to the Group, the Board (including the independent non-executive Directors) considers that the terms thereof are on normal commercial terms, which are 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 Transactions or is required to abstain from voting on the Board resolution for considering and approving the same.

IMPLICATIONS UNDER THE LISTING RULES

Given that the Vendors and the Lessor are either the same persons or parties related or otherwise associated with one another; the Acquisition and the Leasing Arrangement are aggregated pursuant to rules 14.22 and 14.23 of the Listing Rules.

As the consideration ratio for the Transactions calculated pursuant to the Listing Rules is more than 5% but less than 25%, the 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:

“Acquisition”	the acquisition by the Purchaser of the Sale Shares and the Shareholders’ Loan pursuant to the terms of the Sale & Purchase Agreement;
“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;
“Completion Date”	31 st March 2011 or such other date as the Vendors and the Purchaser shall mutually agree in writing;
“Director(s)”	director(s) of the Company;
“Group”	the Company together with its subsidiaries;
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong;
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China;

“Leasing Arrangement”	the proposed arrangement for the leasing of minibuses by the Purchaser from the Lessor under the Minibus Leasing Agreements;
“Lessor”	being the Vendors themselves and / or party(ies) related or otherwise associated with them;
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange;
“Maxicab”	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 and all the issued Shares of which are legally and beneficially held by the Vendors;
“Minibus Leasing Agreement(s)”	the minibus leasing agreement(s) proposed to be entered into between the Purchaser and the Lessor in relation to the Leasing Arrangement;
“Purchaser”	Gurnard Holdings Limited, a limited liability company incorporated in the British Virgin Islands with I.B.C. number 523143 which is wholly owned by the Company;
“Sale & Purchase Agreement”	the agreement for the sale and purchase of Sale Shares and transfer of Shareholders’ Loan (股份及股東貸款轉讓協議) dated 18 th February 2011 entered into between the Vendors and the Purchaser in relation to the Acquisition;
“Sale Shares”	11,000 Shares, representing the entire issued share capital of Maxicab legally and beneficially held by the Vendors as at the date of this announcement;
“Scheduled PLB Routes”	four scheduled public light bus routes being: (i) Hong Kong Island route number 10 traveling between Jaffe Road, Causeway Bay and the public transport interchange at Cyberport; (ii) Hong Kong Island route number 10X traveling between Scenic Villas and Chater Road, Central; (iii) Hong Kong Island route number 11 traveling between Tin Wan Estate and Jaffe Road, Causeway Bay; and (iv) Hong Kong Island route number 31 traveling between Tin Wan Estate and Jaffe Road, Causeway Bay;
“Share(s)”	ordinary share(s) of nominal value of HK\$1.00 each in the issued share capital of Maxicab;

“Shareholders’ Loan”	the loan owed by Maxicab to its shareholders (being the Vendors), which amounts to HK\$5,887,286.98 as of the date of this announcement;
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Transactions”	collectively the Acquisition and the Leasing Arrangement;
“Vendors”	collectively Ma Kiu Sang (馬僑生), Ma Kiu Mo (馬僑武) and Ma Kiu Man, Vince (馬僑文), who together own the Sale Shares; and
“%”	per cent.

By Order of the Board
AMS Public Transport Holdings Limited
Wong Man Kit
Chairman

Hong Kong, 18th February 2011

As at the date of this announcement, the executive Directors are Mr. Wong Man Kit, Ms. Ng Sui Chun, Mr. Wong Ling Sun, Vincent and Mr. Chan Man Chun, and the independent non-executive Directors are Dr. Lee Peng Fei, Allen, Dr. Chan Yuen Tak Fai, Dorothy and Mr. Lam Wai Keung.