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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)

CONTINUING CONNECTED TRANSACTIONS AMENDMENT TO THE MINIBUS LEASING AGREEMENT AND THE SUPPLEMENTAL AGREEMENT

Reference is made to the Announcement dated 29 June 2017 (“**First Announcement**”), the Announcement dated 9 April 2018 (“**Second Announcement**”) and the Circular dated 19 July 2017 (“**Circular**”) in relation to, among others, the New Minibus Leasing Agreement entered into between the Owners and the Lessee with a view to renewing the leasing arrangements for another term of 3 years running from 1 October 2017 to 30 September 2020 (“**Minibus Leasing Agreement**”) as varied and supplemented by the Supplemental Agreement. Capitalised terms used herein shall have the same meanings as defined in the First Announcement, the Second Announcement and the Circular unless the context herein requires otherwise.

AMENDMENT TO THE MINIBUS LEASING AGREEMENT AND THE SUPPLEMENTAL AGREEMENT

Pursuant to the Minibus Leasing Agreement and the Supplemental Agreement, the Owners and the Lessee agreed that (i) the daily rentals for 16-seater PLBs, which are determined by reference to the vehicle age, stipulated in the Benchmark Table shall apply to the 19-seater PLBs until 31 December 2018; and (ii) the Owners and the Lessee shall jointly appoint an independent valuer in December 2018 at the cost of the Lessee to assess the prevailing market rentals for the 19-seater PLBs, whose decision shall be final and conclusive and binding on the Owners and Lessee. The Benchmark Table shall be adjusted vis-à-vis 19-seater PLBs according to such prevailing market rentals as assessed by the independent valuer with effect from 1 January 2019. For the avoidance of doubt, the Benchmark Table as adjusted in the foregoing manner were to apply prospectively with effect from 1 January 2019.

According to the information provided by the Transport Department of the Government of Hong Kong, the number of 19-seater PLBs in the market as at 30 November 2018 was 845, representing around 19.4% of the total number of PLBs in Hong Kong. The Owners and the Lessee consider that the transaction volume in the rental market in respect of 19-seater PLBs is still limited. Also, by reference to the rental information available in the market, there is no strong evidence to support that the rental rate of 19-seater PLBs should be significantly higher

than that of 16-seater PLBs. Therefore, the Owners and the Lessee have entered into a Second Supplemental Agreement on 8 January 2019 (“**Second Supplemental Agreement**”) to further amend and supplement the Minibus Leasing Agreement and the Supplemental Agreement under which it is agreed that the daily rentals for 16-seater PLBs, which are determined by reference to the vehicle age, as stipulated in the Benchmark Table shall apply to the 19-seater PLBs as well until the end of the term of the Minibus Leasing Agreement. In other words, by virtue of the Second Supplemental Agreement, the daily rentals for the 19-seater PLBs shall remain at the same level as those for 16-seater PLBs throughout the whole term of the Minibus Leasing Agreement. As at the date of this announcement, the Lessee leases 115 19-seater PLBs from the Owners.

The terms of the Second Supplemental Agreement have been approved by the Board and the Board (including all independent non-executive directors of the Company) are of the view that (i) the terms of the Second Supplemental Agreement do not constitute a material change to the terms of the Minibus Leasing Agreement, and they are fair and reasonable; (ii) the transactions thereunder are on normal commercial terms and in the ordinary and usual course of business of the Group; and (iii) the entering into of the Second Supplemental Agreement and the transactions thereunder are in the interests of the Group and the Shareholders as a whole.

As disclosed in the First Announcement, the calculation of the New Annual Cap took into account the expected number and the estimated rentals of the leased 19-seater PLBs which were calculated with reference to the rental rates applicable to the existing 16-seater PLBs on a pro-rata basis according to simple calculation method of average rentals per seat. Given that the rentals of 16-seater PLBs shall also apply to 19-seater PLBs pursuant to the Second Supplemental Agreement, the New Annual Cap as originally approved by the independent Shareholders at the annual general meeting of the Company held on 29 August 2017 is not expected to be exceeded.

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

Hong Kong, 8 January 2019

Executive Directors

Mr. Wong Ling Sun, Vincent (Chairman)

Ms. Ng Sui Chun

Mr. Chan Man Chun (Chief Executive Officer)

Ms. Wong Wai Sum, May

Non-Executive Director

Ms. Wong Wai Man, Vivian

Independent Non-Executive Directors

Dr. Lee Peng Fei, Allen

Dr. Chan Yuen Tak Fai, Dorothy

Mr. Kwong Ki Chi