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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)

COMPLETION OF THE ACQUISITION OF 80% EQUITY INTEREST IN CHINALINK EXPRESS HOLDINGS LIMITED AND CHANGE OF USE OF PROCEEDS

Reference is made to the announcements of the Company dated 10 January 2006, 26 January 2006 and 27 April 2006 respectively (the "Announcements"). The Board is pleased to announce that the Acquisition has been completed on 30 May 2006. A circular containing further information on the Acquisition has been despatched to its shareholders on 30 May 2006.

The Board wishes to further announce that due to changing market conditions and to better utilise the cashflow of the Company, the use of the unused net proceeds received by the Company from the placing and initial public offer of the Company on 15 April 2004 (the "Share Offer") will be changed into funding for the Acquisition.

Reference is made to the Announcements. Unless otherwise defined, capitalised terms used herein shall have the same meaning as those used in the Announcements.

Completion of the Acquisition

The Board is pleased to announce that completion of the Acquisition has taken place on 30 May 2006. The circular containing further information on the Acquisition has been despatched to its shareholders on 30 May 2006.

Change of use of proceeds from the Share Offer

The net proceeds received by the Company from the Share Offer were approximately HK\$47.6 million. Prior to completion of the Acquisition, the Company had a total of approximately HK\$33.4 million of unused proceeds from the Share Offer. Set out below is a summary of the proposed uses of proceeds from the Share Offer as disclosed in the prospectus dated 30 March 2004 of the Company ("Prospectus") and their respective actual uses.

	As stated in Prospectus (In HK\$ million)	Actual uses (In HK\$ million)
Acquisition of other green minibus routes operators	22.0	NIL
As deposits and working capital for new GMB routes that may be tendered by the Group	10.0	NIL
Upgrade of information technology infrastructure	2.0	0.6
As general working capital of the Group	13.6	13.6
Total	<u>47.6</u>	<u>14.2</u>
Unused proceeds from the Share Offer		<u>33.4</u>

Due to changing market conditions and to better utilise the cashflow of the Company, the Directors have reassessed the Company's plan for use of the unused proceeds from the Share Offer and have considered the following factors:

1. change in market conditions;
2. no potential profitable route available for the Group to acquire in the current green minibus service market;
3. the Group is able to finance the upgrading of information technology infrastructure with its internal source of fund;
4. while the Group is enjoying a stable growth in service income following the strong rebound of local economy, it is also facing the increasing pressure from surging local operating costs, especially staff costs and fuel prices, hence the Group is looking for new transportation-related business opportunities that can improve the profit margin of the Group; and
5. leveraging on the lower operating costs in the Mainland, the Acquisition would improve the profit margin of the coming financial year after consolidating 80% of the results of Chinalink and there will not be any adverse impact on the Group's earnings as a result of the Acquisition.

In view of the above, the Directors consider that it is in the best interest of the Group and has decided on 29 May 2006 to change the application of the aforesaid unused proceeds of HK\$33.4 million into funding for the Acquisition.

By Order of the Board
Wong Man Kit
Chairman

Hong Kong, 30 May 2006

The directors of the Company as at the date of this announcement are as follows:–

Executive Directors:

Mr. Wong Man Kit, Ms. Ng Sui Chun, Mr. Wong Ling Sun, Vincent and Mr. Chan Man Chun

Independent Non-executive Directors:

Dr. Lee Peng Fei, Allen, Dr. Leung Chi Keung and Mr. Lam Wai Keung

"Please also refer to the published version of this announcement in The Standard."