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22 July 2026

To: The Independent Board Committee and the Independent Shareholders of AMS Public Transport Holdings Limited

Dear Sirs or Madams,

CONTINUING CONNECTED TRANSACTIONS — MINIBUS LEASING AGREEMENT

INTRODUCTION

We refer to our appointment as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders with regard to the continuing connected transactions in relation to the New Minibus Leasing Agreement. Details of the continuing connected transactions and the proposed caps for the period from 1 October 2026 to 30 September 2029 are set out in the "Letter from the Board" contained in the circular to the Shareholders dated 22 July 2026 (the "**Circular**"), of which this letter forms part. Unless otherwise stated, terms defined in the Circular shall have the same meanings in this letter.

Reference is made to the announcement of the Company dated 30 June 2026 in respect of the New Minibus Leasing Agreement and the New Annual Caps.

As set out in the Company's announcement of 30 June 2026, the Lessee, which is a wholly-owned subsidiary of the Company, entered into the New Minibus Leasing Agreement with the Owners under which the Lessee conditionally agreed to rent from the Owners certain minibuses owned by them, and the Owners conditionally agreed to lease such minibuses to the Lessee during the period from 1 October 2026 to 30 September 2029 (the "**Leasing Transactions**").

As each of the Owners, namely Maxson, HKCT and Big Three, is a connected person of the Company under the Listing Rules, and the PLBs leased under the New Minibus Leasing Agreement will be recognised as right-of-use assets in accordance with HKFRS 16, as a result, the transactions under the New Minibus Leasing Agreement will be recognised as the acquisition of right-of-use assets, which constitute non-exempt continuing connected transactions of the Group pursuant to the Listing Rules. Accordingly, the transactions under the New Minibus Leasing Agreement and the New Annual Caps are subject to reporting, announcement and annual review requirements and the approval of the Independent Shareholders under Chapter 14A of the Listing Rules.

THE INDEPENDENT BOARD COMMITTEE

The Independent Board Committee comprising all Independent Non-Executive Directors, namely, Prof. Chan Yuen Tak Fai, Dorothy, Mr. Kwong Ki Chi and Mr. James Mathew Fong, has been established to consider the terms of the New Minibus Leasing Agreement and the New Annual Caps for the three years ending 30 September 2029. As the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders, our role is to give an independent opinion to the Independent Board Committee and the Independent Shareholders as to whether (i) the New Minibus Leasing Agreement and the transactions contemplated thereunder and the New Annual Caps are in the interests of the Company and the Independent Shareholders as a whole and are fair and reasonable so far as the shareholders are concerned; (ii) the New Minibus Leasing Agreement and the transactions contemplated thereunder are on normal commercial terms and in the ordinary and usual course of business of the Group; and (iii) the Independent Shareholders should vote in favour of the resolutions to approve the New Minibus Leasing Agreement at the AGM.

OUR INDEPENDENCE

As at the Latest Practicable Date, we did not have any relationship with or interest in the Company and any other parties that could reasonably be regarded as relevant to our independence. During the past two years, we have not been appointed as an independent financial adviser for the Company. We were independent from and not connected with the Group under Rule 13.84 of the Listing Rules, and accordingly, qualified to give independent advice regarding the New Minibus Leasing Agreement and the transactions contemplated thereunder (including the New Annual Caps). Apart from the normal advisory fee payable to us in connection with our appointment as the Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders, no arrangement exists whereby we shall receive any other fees or benefits from the Company.

BASIS OF OUR ADVICE

In formulating our opinion and advice, we have relied on the statements, information, opinions and representations contained or referred to in this Circular and the representations made to us by the Directors and the management of the Company (the "**Management**"). We have assumed that all statements, information and representations provided by the Directors and the Management, for which they are solely responsible, are true and accurate at the time when they were provided and continue to be so as at the Latest Practicable Date. Shareholders will be notified of material changes as soon as possible, if any, to the information and representations provided and made to us after the Latest Practicable Date and up to and including the date of the AGM. We have also assumed that all statements of belief, opinion, expectation and intention made by the Directors in this Circular were reasonably made after due enquiry and careful consideration. We have no reason to suspect that any material facts or information have been withheld or to doubt the truth, accuracy and completeness of the information and facts contained in the Circular, or the reasonableness of the opinions expressed by the Company, its adviser and/or the Directors, which have been provided to us. We have also relied on certain information available to the public and have assumed such information to be accurate and reliable and there are no reasons to doubt the accuracy and reliability of such public information.

The Directors jointly and severally accept full responsibility for the accuracy of the information contained in this Circular and confirm, having made all reasonable enquiries, that to the best of their knowledge, opinions expressed in this Circular have been arrived at after due and careful consideration and there are no other facts not contained in this Circular, the omission of which would make any statement contained in this Circular misleading.

We consider that we have reviewed all currently available information and documents, among others: (i) the annual results announcement of the Company for the year ended 31 March 2026 (the "**Annual Results Announcement 2025/26**"); (ii) the annual report of the Company for the year ended 31 March 2025 (the "**Annual Report 2025**"); (iii) the New Minibus Leasing Agreement; (iv) the valuation report (the "**Valuation Report**") regarding market value of the rental payment of Green Minibus as at 19 May 2026 as appraised by HG Appraisal & Consulting Limited (the "**Valuer**") together with the relevant supporting documents; (v) the basis and assumptions of the New Annual Caps contemplated under the New Minibus Leasing Agreement; (vi) the minutes of the board meeting regarding the New Minibus Leasing Agreement; and (vii) the internal control measures governing continuing connected transactions.

We consider that we have reviewed sufficient information to reach an informed view and to provide a reasonable basis for our opinion. We have not, however, carried out any independent investigation into the business, affairs, borrowing, financial position or prospects of the Company or the Group.

This letter is issued for the information of the Independent Board Committee and the Independent Shareholders solely in connection with their consideration of the terms of the New Minibus Leasing Agreement and the transactions contemplated thereunder (including the New Annual Caps), and except for its inclusion in this Circular, is not to be quoted or referred to, in whole or in part, nor shall this letter be used for any other purposes, without our prior written consent.

PRINCIPAL FACTORS AND REASONS CONSIDERED

In arriving at our opinion and recommendation to the Independent Board Committee and the Independent Shareholders, in relation to the terms of the New Minibus Leasing Agreement and the transactions contemplated thereunder (including the New Annual Caps), we have considered the principal factors and reasons as set out below:

1. Background information of the parties to the New Minibus Leasing Agreement

1.1. Information of the Group and the Lessee

The Group, including the Lessee, is principally engaged in the operation of Green Minibus services in Hong Kong.

The Lessee is a direct wholly-owned subsidiary of the Company.

1.2. Historical financial information of the Group

The following is financial information of the Group for each of the three financial years ended 31 March 2024, 2025 and 2026, as extracted from the Annual Report 2025 and the Annual Results Announcement 2025/26, respectively.

	For the year ended 31 March		
	2026	**2025**	**2024**
	(audited)	*(audited)*	*(audited)*
	HK$'000	*HK$'000*	*HK$'000*
Revenue	436,137	415,029	393,686
– *Franchised PLB services income*	*428,998*	*408,087*	*387,379*
– *Residents' bus services income*	*7,139*	*6,942*	*6,307*
Gross profit	81,404	76,459	70,650
Operating profit	47,092	39,109	37,311
Profit/(loss) before income tax	24,492	12,881	(7,788)
Profit/(loss) for the year	17,969	8,396	(11,952)

According to the Annual Results Announcement 2025/26, the Group's total revenue was approximately HK$436.1 million for the year ended 31 March 2026, representing an increase of approximately 5.1% as compared to the revenue of approximately HK$415.0 million for the year ended 31 March 2025. The revenue generated from franchised public light bus ("**PLB**") services amounted to approximately HK$429.0 million for the year ended 31 March 2026, representing an increase of approximately 5.1% as compared to approximately HK$408.1 million for the prior financial year, while the revenue generated from residents' bus services amounted to approximately HK$7.1 million for the year ended 31 March 2026, representing an increase of approximately 2.8% as compared to approximately HK$6.9 million for the prior financial year. As understood from the Annual Results Announcement 2025/26, such increase was primarily attributable to the increase in patronage by approximately 3.2%, coupled with the full-year effect of fare increases approved in the prior financial year. According to the Annual Results Announcement 2025/26, the Group's franchised PLB services recorded an increase in patronage by approximately 3.2% to approximately 57.8 million for the year ended 31 March 2026, as compared to approximately 56.0 million for the year ended 31 March 2025. The acute driver shortage that previously impacted certain core operational routes was successfully mitigated during the year ended 31 March 2026, primarily through the integration of imported drivers from Mainland China under the relevant labour importation schemes initiated in the prior financial year. With an enhanced driver workforce, the Group was able to restore and optimise its service frequencies on affected routes.

According to the Annual Report 2025, the Group's total revenue was approximately HK$415.0 million for the year ended 31 March 2025, representing an increase of approximately 5.4% as compared to the revenue of approximately HK$393.7 million for the year ended 31 March 2024. The revenue generated from franchised PLB services amounted to approximately HK$408.1 million for the year ended 31 March 2025, representing an increase of approximately 5.3% as compared to approximately HK$387.4 million for the year ended 31 March 2024, while the revenue generated from residents' bus services amounted to approximately HK$6.9 million for the year ended 31 March 2025, representing an increase of approximately 10.1% as compared to approximately HK$6.3 million for the year ended 31 March 2024. Such increase was primarily driven by stable patronage and fare increases during the year. As set out in the Annual Report 2025, the patronage of the Group's franchised PLB services increased by approximately 0.9% to approximately 56.0 million for the year ended 31 March 2025, as compared to approximately 55.5 million for the year ended 31 March 2024. With the increasing number of trained imported captains from Mainland China in the second half of the year, the captain shortage issue on several routes was partially alleviated, enabling the Group to enhance its service frequency.

1.3 Information on the Owners and their respective ultimate beneficial owner(s)

As stated in the Letter from the Board, each of the Owners is principally engaged in the minibus leasing business in Hong Kong. As at the date of the New Minibus Leasing Agreement and the Latest Practicable Date:

1. Maxson and HKCT are principally engaged in minibus leasing business in Hong Kong. Maxson and HKCT are both owned as to 60% by All Wealth and 40% by Ms. Ng, Mr. Vincent Wong, Ms. Cecilia Wong, Ms. Maya Wong and Ms. Vivian Wong (as to 10%, 15%, 5%, 5% and 5% respectively). The holding company of All Wealth, Metro Success, is wholly and indirectly owned by the Trustee acting as the trustee of The JetSun Trust, a discretionary trust set up by Mr. Wong and the discretionary objects of which are Ms. Ng, Mr. Vincent Wong, Ms. Cecilia Wong, Ms. Maya Wong and Ms. Vivian Wong and the grandchildren of Mr. Wong. Since Mr. Vincent Wong, Ms. Ng, Ms. Maya Wong and Ms. Vivian Wong, who are all Directors and thus connected persons of the Company, are the discretionary objects of The JetSun Trust, the Trustee (acting in its capacity as the trustee of The JetSun Trust) and Maxson and HKCT, both being companies interested as to more than 30% by the Trustee (acting in its capacity as the trustee of The JetSun Trust), are also connected persons of the Company.

2. Big Three is principally engaged in minibus leasing business in Hong Kong. Big Three is owned as to (i) 40% by Mr. Vincent Wong (out of which 10% is held on trust for Mr. Chace Wong as beneficiary) and (ii) 60% by Ms. Ng, Ms. Vivian Wong, Ms. Cecilia Wong and Ms. Maya Wong (as to 10%, 30% (out of which 20% is held on trust for Mr. Chace Wong as beneficiary), 10% and 10% respectively). Mr. Vincent Wong, Ms. Ng, Ms. Vivian Wong and Ms. Maya Wong are Directors and thus connected persons of the Company. According to the Listing Rules, Big Three is an associate of Mr. Vincent Wong, Ms. Ng, Ms. Vivian Wong and Ms. Maya Wong and thus also a connected person of the Company.

2. Reasons and benefits for entering into the New Minibus Leasing Agreement

As understood from the 2025 Annual Report, the Group is principally engaged in the provision of franchised PLBs, commonly known as Green Minibus, and residents' bus transportation services in Hong Kong. In particular, the franchised PLB operation represents the core business and principal revenue contributor of the Group. The Group operates a sizeable network of Green Minibus routes in Hong Kong, and the availability of a sufficient and stable fleet of PLBs is therefore fundamental to the continuity, reliability and service capacity of its daily route operations.

The New Minibus Leasing Agreement will be the eighth agreement of its kind entered into between the Owners and the Group since 1 April 2003. The Original Minibus Leasing Agreement, being the latest agreement in force, was entered into on 29 June 2023 to further renew the lease for a term of three years from 1 October 2023 to 30 September 2026. Having considered the long-standing leasing arrangement between the Group and the Owners, and the continuing deployment of the leased PLBs in the Group's ordinary and usual course of business, we consider that the entering into of the New Minibus Leasing Agreement represents a continuation of the Group's existing operational arrangement.

As the Original Minibus Leasing Agreement will expire on 30 September 2026, it is expected that the Group will continue to require the PLBs leased from the Owners for the operation of its Green Minibus routes. According to the official website of the Transport Department of Hong Kong, Green Minibuses operate on fixed routes with scheduled headway and fixed fares, and their routes, fares, vehicle allocation and timetable are subject to approval by the Transport Department. Accordingly, any material disruption to the availability of PLBs may affect the Group's ability to maintain route coverage, service frequency and operational stability.

In addition, the usage and operation of each PLB in Hong Kong would require a vehicle registration licence to be obtained individually for such PLB ("**PLB licence**"). As the lease of each PLB under the New Minibus Leasing Agreement will cover the leasing of the relevant PLB licence, the arrangement enables the Group to secure both the vehicles and the corresponding PLB licences required for its Green Minibus operations.

The New Minibus Leasing Agreement therefore provides the Group with continued access to the leased PLBs and the relevant PLB licences for a further term of three years from 1 October 2026 to 30 September 2029, thereby supporting the continuity of the Group's core Green Minibus operations.

In view of the above, the Directors (including the Independent Non-Executive Directors) are of the view that the deployment of a greater number of leased minibuses for operation as Green Minibuses will further strengthen the Group's positioning as an operator of Green Minibus routes, rather than as an investor in minibus licences. Furthermore, in view of the past cooperation between the Group and the Owners, the Directors (including the Independent Board Committee) believe that the New Minibus Leasing Agreement will continue to facilitate the Group in focusing its business of Green Minibus routes operation and will therefore be in the interests of the Group and the Shareholders as a whole.

Having considered (i) the Group's principal business as a Green Minibus and residents' bus transportation service provider in Hong Kong; (ii) the operational necessity of maintaining a stable and sufficient fleet of PLBs for the Group's Green Minibus routes; (iii) the long-standing leasing arrangement between the Group and the Owners since 2003; (iv) the potential accounting volatility associated with owning PLB licences; (v) the flexibility afforded to the Group under the New Minibus Leasing Agreement as discussed below; and (vi) the internal control measures established for monitoring the continuing connected transactions under the New Minibus Leasing Agreement as referred to the sub-section headed 5. Conditions of the New Annual Caps below in this letter, we concur with the Directors' view that the entering into of the New Minibus Leasing Agreement will facilitate the Group in focusing on its core Green Minibus route operations and is in the interests of the Company and the Shareholders as a whole.

3. New Minibus Leasing Agreement

The principal terms under the New Minibus Leasing Agreement are set out below:

Date:	30 June 2026
Parties:	(i) Maxson;
	(ii) HKCT;
	(iii) Big Three (collectively as Owners); and
	(iv) the Lessee
Lease:	Each of the Owners agrees to make available for lease its PLBs and the Lessee agrees to accept the PLBs for lease as Leased Buses upon commencement of the Lease Period in respect of each PLB, pursuant and subject to the terms and conditions of the New Minibus Leasing Agreement (as a framework agreement establishing the terms and conditions applicable to the leasing of PLBs by the Owners to the Lessee on a continuing and recurring basis throughout the term of the New Minibus Leasing Agreement).
Term:	From 1 October 2026 to 30 September 2029, both days inclusive.

Rentals: Rentals shall be paid in advance on or before the 5th day of each calendar month. The rentals in respect of each Leased Bus shall be determined by reference to its age and carrying capacity in accordance with the following benchmark table ("**Benchmark Table**"):

Class *(Note 3)*	**Age**	**Daily rental payable under the Original Minibus Leasing Agreement** *(Note 1)*
1	2 years or below (19-seater PLBs)	HK$790
2	Over 2 years (19-seater PLBs)	HK$690
3	All ages (16-seater PLBs)	HK$490

Note:

1. The daily rental includes vehicle licence fees and insurance premium.

Class *(Note 3)*	**Age**	**Daily rental payable under the New Minibus Leasing Agreement** *(Note 1)*
1	2 years or below (19-seater PLBs)	HK$780
2	Over 2 years (19-seater PLBs) *(Note 2)*	HK$690
3	All ages (16-seater PLBs)	HK$480

Notes:

1. The daily rental includes vehicle licence fees and insurance premium.

2. It is estimated that the maximum age reached among the 19-seater PLBs would be approximately 13 years by the end of the term of the New Minibus Leasing Agreement.

3. The classification of the Rentals reflects the type and age of PLBs (i) leased under the Original Minibus Leasing Agreement; and (ii) to be made available for lease under the New Minibus Leasing Agreement.

Benchmark Table: The rentals in respect of each of the 19-seater PLBs will be reduced during their respective Lease Periods by reference to the age of each 19-seater PLB in accordance with the Benchmark Table. Subject to any annual review of the daily rentals payable by the Lessee under the Benchmark Table which may be required by the Independent Non-Executive Directors, the Benchmark Table will be applied throughout the term of the New Minibus Leasing Agreement and will be reviewed upon the renewal of the New Minibus Leasing Agreement.

Upon request of the Independent Non-Executive Directors *(Note 1)* for an annual review of the daily rentals payable by the Lessee under the Benchmark Table, the Lessee and the Owners shall jointly appoint an independent valuer *(Note 2)* to assess the prevailing market rentals of the PLBs. The Benchmark Table should then be adjusted in accordance with the then prevailing market rentals as so assessed by the independent valuer, whose decision shall be final and conclusive and binding on the parties to the New Minibus Leasing Agreement.

Notes:

1. In determining whether to request an annual review of Rentals payable by the Lessee under the Benchmark Table, the Independent Non-Executive Directors will consider factors including whether there is any material change in market conditions or Green Minibus-related laws and regulations.

2. HG Appraisal & Consulting Limited is qualified as registered professional surveyors and business valuers.

Number of PLBs available for lease: 286 PLBs (comprising 221 19-seater PLBs and 65 16-seater PLBs which are fuelled by diesel or liquefied petroleum gas) were initially identified as owned by the Owners and available for lease during the term of the New Minibus Leasing Agreement, provided that at any time and from time to time, the parties may by written agreement vary the number of PLBs to be made available for lease, add or remove any PLB subject to lease or replace any Leased Bus with another PLB and the Lessee may by one month's advance notice request to remove or replace any PLBs.

The Rentals of all the PLBs leased under the New Minibus Leasing Agreement are determined by the Benchmark Table and provided always that the Owners shall be obligated to increase the number of PLBs subject to lease under the New Minibus Leasing Agreement up to an aggregate of 315 (representing the original number of PLBs subject to the New Minibus Leasing Agreement as enlarged by approximately 10%) upon request of the Lessee.

(Notes:

1. As at the Latest Practicable Date, there are 286 PLBs leased by the Owners to the Lessee under the Original Minibus Leasing Agreement.

2. 286 PLBs owned by the Owners have been identified for lease to the Lessee under the New Minibus Leasing Agreement, which is an indicator of the number of PLBs available for lease if there is no variation by the parties as of the commencement of the term of the New Minibus Leasing Agreement (being 1 October 2026).

3. There is no specific requirement on the number of PLBs to be leased for each of the classes in the Benchmark Table under the New Minibus Leasing Agreement).

Right of first refusal: Under the New Minibus Leasing Agreement, the Lessee has the right of first refusal if any of the Owners proposes to sell or otherwise dispose of any of the PLBs during the term of the New Minibus Leasing Agreement. If the Lessee opts not to purchase the PLBs or it has failed to give such Owner a reply notice indicating whether it would purchase the PLBs within 28 days of the receipt of such notice of intention to sell/dispose of the PLB(s) from the Owner, the Owner may sell the PLBs to the third party purchaser.

Each of the Owners has undertaken that, in such case, it will only sell or dispose of the PLBs to the third party purchaser on terms and at the price no more favourable to the purchaser than the terms and the price as previously offered to the Lessee and on condition that (unless such condition is waived by the Lessee) the sale shall be subject to the existing lease, or the purchaser shall enter into a new lease with the Lessee on terms which are no less favourable to the Lessee as compared to the existing lease.

Note: The Company shall comply with the applicable requirements under Chapter 14 and/or 14A of the Listing Rules in the event that the Lessee exercises its right of first refusal.

Insurance and vehicle licence: The Lessee has agreed to arrange on behalf of the Owners for the following administration services in relation to the Leased Buses, including mainly taking out and maintaining relevant insurance policies, arranging the vehicle license renewal and handling the liaison work and other administrative procedures relevant to the payment of vehicle licence fees and insurance premium.

For avoidance of doubt, the vehicle licence fee and insurance premium shall be borne by the Owners (with any such payment incurred by the Lessee (if any) to be reimbursed by the Owners).

In consideration of such administration services, amongst others, the Owners shall pay to the Lessee a Monthly Administration Fee of HK$700 per Leased Bus, which is calculated based on the relevant labour and other office expenses involved at a premium rate of approximately 15% given in favour of the Lessee. The parties adhere to the same rate under the Original Minibus Leasing Agreement. Such fee shall be deducted from the rentals for the Leased Buses.

The Lessee shall indemnify the Owners against any loss and damage in excess of the insurance coverage arising from loss or damage to the Leased Buses or accidents involving the Leased Buses (other than accidents resulting from the act, neglect or default of the Owners or their employees, agents or contractors) during their respective Lease Periods, provided that the Owners shall first make a claim under the insurance policy.

Maintenance: The Lessee shall be responsible for the cost of service and maintenance in accordance with the cost of any necessary repairs and for all fuels and lubricants for the proper running of the Leased Buses.

Change of Owners: (1) Any third party(ies) beneficially and wholly owned by the Wong Family or any of its member(s); and/or (2) any member(s) of the Wong Family, shall be entitled, at any time with prior written notice from the relevant Owner(s) to the Lessee, to subrogate or supplement any of the Owner(s) insofar as the subject matter under the New Minibus Leasing Agreement (including but not limited to lease of the PLBs and the rights and obligations of each party thereto) is concerned. The provisions of the New Minibus Leasing Agreement shall apply, mutatis mutandis, to such third party(ies) and/or member(s). For the avoidance of doubt, such third party(ies) and/or member(s) shall include without limitation (1) company(ies) directly or indirectly and wholly owned by the Wong Family or any of its member(s); (2) trust(s) set up by the Wong Family or any of its member(s); and (3) Ms. Ng, Mr. Vincent Wong, Ms. Cecilia Wong, Ms. Maya Wong and Ms. Vivian Wong.

In connection therewith, the Owners shall procure that such third party(ies) and/or member(s) shall irrevocably submit to be bound by and act in accordance with the terms of the New Minibus Leasing Agreement as if it were a party(ies) thereto.

(i) Rentals

According to the Letter from the Board, the rentals in respect of the 19-seater PLBs will be reduced during the respective lease periods by reference to the age of each 19-seater PLB in accordance with the Benchmark Table, in addition, the rental of the 16-seater PLBs under the New Minibus Leasing Agreement has also decreased as compared to that under the Original Minibus Leasing Agreement.

Also, pursuant to the terms of the New Minibus Leasing Agreement, subject to any annual review of the daily rentals payable by the Lessee under the Benchmark Table which may be required by the Independent Non-Executive Directors, the Benchmark Table will be applied throughout the term of the New Minibus Leasing Agreement and will be reviewed upon renewal of the New Minibus Leasing Agreement. Upon request of the Independent Non-Executive Directors for an annual review of the daily rentals payable by the Lessee under the Benchmark Table, the Lessee and the Owners shall jointly appoint an independent valuer to assess the prevailing market rentals of the PLBs. The Benchmark Table should then be adjusted in accordance with the then prevailing market rentals as so assessed by the independent valuer, whose decision shall be final and conclusive and binding on the parties to the New Minibus Leasing Agreement.

We understand that the Benchmark Table was determined with reference to the Valuation Report regarding the valuation of the rental payment for PLBs carried out by the Valuer using the market approach. Set out below is our analysis of the Valuation Report.

From our review of the engagement letter dated 2 March 2026 in relation to the valuation entered into between the Valuer and the Company and our discussion with the Valuer, we understand that the works performed by the Valuer were generally in line with the scope of work set out in the engagement letter, which included, among others, designing and discussing with the Company the questionnaire and survey schedule, interviewing route operators and collecting market rent information for PLBs where possible, assessing the market rent based on the survey results, presenting the findings and conclusions of the PLB market rent survey, attending meetings and responding to enquiries relating to the survey, and preparing the survey report and providing its opinion on the market rent for PLBs.

We have also reviewed the qualifications and relevant experience of the person responsible for this valuation project, namely Mr. Raymond Ho ("**Mr. Ho**"), the Managing Director of the Valuer. We noted that Mr. Ho is a chartered and qualified surveyor with valuation experience for over 38 years, in a variety of industry sectors, asset types and geographical markets, including, among others, previous similar valuations in respect of PLBs for the Group, the valuation of various types of properties, business valuation, intangible assets valuation, purchase price allocation, and machineries and equipment valuation in Hong Kong, Mainland China and other countries/regions, for the purposes of initial public offerings, mergers and acquisitions, accounting, litigation, financing and mortgages, etc. Further, the Valuer confirmed during our interview that it is independent from, and suitable to act as an independent valuer for, the Company and the relevant parties in respect of the valuation.

Having considered the above, in particular the relevant qualifications and experience of Mr. Ho, and the scope of services performed under the engagement letter for the Valuation Report, we consider that the Valuer is suitably qualified and competent to act as the independent valuer to assess the prevailing market rentals of PLBs.

In addition, we have obtained and reviewed the Valuation Report regarding the market value of the rental payment for PLBs as of 19 May 2026 together with the relevant computation documents, and have discussed with the Valuer regarding (i) the valuation approach, (ii) the assumptions applied in the valuation; and (iii) the selection basis and coverage period of market rental data.

In assessing the market value of the rental payment for PLBs (the "**Rentals**"), the Valuer adopted the market approach. As advised by the Valuer, although there is no formal trading platform for the leasing of PLBs, a leasing market for PLBs exists, and PLB owners and route operators are able to access each other through dealers or direct contact and negotiate the Rentals with reference to market information. Such market interaction provides observable rental data and a reasonable indication of the market value of the Rentals. The Valuer also considered that the cost approach may have limitations in properly reflecting the market value of the Rentals, while the income approach would require estimation of the market required return rate on PLB licences, which may be subject to uncertainty and not easily observable in the market. Having considered the above, we consider the adoption of the market approach for the valuation of the Rentals to be fair and reasonable.

In assessing the market value of the Rentals, the Valuer assumes that (i) there will be no material change in existing political, legal, technological, fiscal or economic condition, which will adversely affect the normal operation of PLBs; (ii) the market position or the competitiveness of the Company does not change significantly during the period the Valuer conducted interviews; (iii) no uncontrollable factor in short term which could adversely impact on the Company and its business; and (iv) the market trend and conditions for the PLBs operation in Hong Kong will not deviate significantly from the economic forecasts in general (collectively, the "**Assumption**"). We have reviewed the existing government policies on minibus transportation and the data available from the Transport Department as provided by the Valuer and the Management, and we are not aware of any government policies or existing business environment that would bring about material adverse changes to the Company and its business. Accordingly, we consider the Assumptions adopted by the Valuer to be fair and reasonable.

We noted from the Valuation Report, the relevant computation documents and our discussion with the Valuer that the Valuer conducted interviews with five interviewees (the "**Comparable Interviewees**") comprising different market participants of varying sizes who are involved in, or familiar with, the ownership, leasing and/or operation of PLBs and who were willing to participate in the interviews. These interviewees included a minibus operator association whose members leased out about 1,000 minibuses; two PLB route operators which leased in/operated approximately 50 minibuses and 700 minibuses, respectively; and two PLB dealers, which leased out approximately 50 to 60 minibuses and 30 minibuses, respectively. In aggregate, the aforesaid Comparable Interviewees covered approximately 1,830 to 1,840 minibuses, representing approximately 45.2% to 45.4% of the total number of licensed PLBs of 4,053 as at the end of

2025 based on the information from the Transport Department. The interviews were conducted to obtain market information on the leasing of PLBs, including rental levels for 16-seater and 19-seater PLBs of different ages and the allocation of expenses such as insurance, maintenance expenses, and annual checking expenses between owners and lessees.

The Rentals data were based on the latest available market rental information for PLBs (the "**Latest Available Market Data**") obtained by the Valuer from the interview with the Comparable Interviewees.

We further noted that the Latest Available Market Data covered (a) different categories of PLBs, namely (i) 19-seater PLBs; and (ii) 16-seater PLBs, and (b) different age groups, namely (i) PLBs in operation for two years or less; and (ii) PLBs in operation for more than two years. In order to provide a comparable basis for the rental data collected, the Valuer adjusted the quoted market rentals, where necessary, by excluding maintenance expenses from the rental amount, such that the reported rental amount represented the rental payment under which the lessee bears the maintenance expenses and annual checking expenses, while the owner bears the insurance expenses.

Given that (i) there is no open and formal trading platform or publicly available market information regarding the market rental payments of PLBs; (ii) the Latest Available Market Data was obtained from different types and sizes of the Comparable Interviewees with different roles in the PLB market, comprising (a) a minibus operator association; (b) two PLB route operators; and (c) two PLB dealers, which covered market players with different levels of business scale and leasing experience, including market participants with leasing arrangements involving approximately 30 minibuses, 50 to 60 minibuses, 50 minibuses, 700 minibuses and about 1,000 minibuses; (iii) the Latest Available Market Data covered different categories of PLBs and different age groups; and (iv) the Comparable Interviewees covered approximately 1,830 to 1,840 minibuses in aggregate, representing approximately 45.2% to 45.4% of the total number of licensed PLBs as at the end of 2025, we consider that the selection basis of the Comparable Interviewees and the coverage of the Latest Available Market Data are representative, fair and reasonable.

Based on the Valuation Report, the workings provided by the Valuer and our discussion with the Valuer, we noted that the Valuer arrived at the market value of the Rentals for 19-seater PLBs in operation for two years or less, 19-seater PLBs in operation for more than two years and 16-seater PLBs in operation for more than two years at HK$780 per day, HK$703 per day and HK$481 per day, respectively. We have discussed with the Valuer regarding the calculation of the market value of the Rentals and noted that the Valuer adopted a weighted average calculation based on the comparable market rental data collected from the Comparable Interviewees. In simple terms, the Valuer multiplied each comparable rental by its relevant weighting, added up the weighted rental amounts, to arrive at the weighted average rental for each type of PLBs under the valuation. Given that the Valuer included all the Latest Available Market Data in its weighted average calculation, we are of the view that the calculation of the market value of the Rentals for 19-seater PLBs in operation for two years or less, 19-seater PLBs in operation for more than two years and 16-seater PLBs in operation for more than two years is fair and reasonable.

Having considered the assumptions, the methodology, and the basis applied by the Valuer in its assessment of the market rental for PLBs and its professional opinion that there is sufficient information from the market on the market rental for market data to be collected, indicating a benchmark or market equilibrium PLBs daily rental price, we consider that the valuation on the Rentals has been conducted on a fair and reasonable basis. As the proposed rental for each class of PLBs under the Benchmark Table is equal to or slightly less than the respective daily market rental concluded from the Valuation Report, we are of the view that the proposed rentals under the Benchmark Table are not less favourable than the prevailing rentals for PLBs in the market.

In addition, based on our discussion with the Management, we noted that the Group also leases PLBs from other PLB owners who are independent third parties. In this regard, we have obtained and reviewed two leasing agreements provided by the Management, and understand that such agreements represent all leasing agreements entered into by the Group with independent third parties as at the Latest Practicable Date, as confirmed by the Management. We have also discussed with the Management regarding the comparison between the daily rentals under the Benchmark Table and the existing daily rentals paid by the Group to independent third-party PLB owners. In this connection, we noted that, as at the Latest Practicable Date, the Group leased only two PLBs from independent third parties, both of which were 19-seater PLBs in operation for more than two years, with daily rentals of approximately HK$635 and HK$680, respectively. Such daily rentals are lower than the proposed daily rental of HK$690 for a 19-seater PLB in operation for more than two years under the Benchmark Table.

Although the rentals of such 19-seater PLBs are below the daily rentals agreed with the Owners, we understand from the Management that the rental arrangements with the independent third-party PLB owners were determined based on the pricing mechanisms under the respective existing leasing agreements previously entered into, and such rentals may be subject to review upon request by the relevant independent third-party PLB owners. We also noted from the Letter from the Board that, there has been no adjustment of the daily rentals for the PLBs respectively under the said lease agreements which remain subsisting as of the Latest Practicable Date, given that (i) the fact that each of the said independent third-party owners possesses only one single PLB, meaning that any vacancy would result in a total loss of leasing income for them; given this extremely limited scale of ownership, they have relatively weaker bargaining power, highly value a stable leasing relationship with the Group (which has been sustained for over 20 years), and have prioritised tenancy security over rental growth (thereby had not requested any rental adjustments); and (ii) that the Group is not mandated to make periodic rental adjustments for such lease agreements with independent third-party owners, having considered that the daily rentals payable thereunder remain on commercial terms or better. In addition, based on our review of the rental information provided by the five Comparable Interviewees as quoted by the Valuer, we noted that the rentals ranged from HK$403 to HK$800 per day for 19-seater PLBs in operation for two years or less, from HK$373 to HK$750 per day for 19-seater PLBs in operation for more than two years, and from HK$158 to HK$550 per day for 16-seater PLBs in operation for more than two years. We further noted that the proposed daily Rentals under the Benchmark Table are generally towards the upper end of the respective rental ranges quoted by the Comparable Interviewees. Based on our review of the Valuation Report and the relevant computation documents and our discussion with the Valuer, we understand that the Valuer applied a weighted-average calculation based on the number of PLBs covered by each Comparable Interviewee in determining the assessed market rentals. In this regard, the two largest Comparable Interviewees covered approximately 1,700 out of the aggregate 1,835 PLBs covered by the five Comparable Interviewees, representing approximately 92.6% of the total, and their adjusted rental quotations were generally towards the higher end of the respective ranges. Accordingly, such quotations carried greater weight in the calculation, resulting in assessed market rentals of approximately HK$780, HK$703 and HK$481 per day for 19-seater PLBs in operation for two years or less, 19-seater PLBs in operation for more than two years and 16-seater PLBs in operation for more than two years, respectively. Having considered that the weighting assigned to each Comparable Interviewee reflects the relative number of PLBs covered by its rental information, notwithstanding that the proposed daily Rentals under the Benchmark Table are close to the upper end of the respective rental ranges, we consider such Rentals to be justifiable.

Moreover, we have checked the rental information quoted from the Transport Department of Hong Kong and noted that the daily rentals for green minibus routes, regardless of age and seating capacity, ranged from HK$520 to HK$820 per day. Given that the proposed daily rental of HK$690 for 19-seater PLBs in operation for more than two years under the Benchmark Table falls within both (i) the range of daily rentals quoted from the Transport Department of Hong Kong; and (ii) the range of Rentals obtained from the independent PLB owners and market participants interviewed by the Valuer; we consider that the relatively lower daily rentals payable by the Group to the two independent third-party PLB owners are justifiable. Therefore, we are of the view that the Benchmark Table is favourable to the Company and is fair and reasonable so far as the Independent Shareholders are concerned. Moreover, given that the Benchmark Table will be subject to annual review if required by the Independent Non-Executive Directors and may be adjusted in accordance with the then prevailing market rentals as so assessed by an independent valuer, we are also of the view that any adjustment to be made to the Benchmark Table on such basis will be fair and reasonable.

We also noted that the Group has maintained a long-standing leasing relationship with Maxson, HKCT and Big Three, and that the New Minibus Leasing Agreement represents a continuation of the leasing arrangements between the Group and the Owners, which have been in place since 2003. Given that the Owners collectively own a substantial fleet of PLBs and have initially identified 286 PLBs for lease to the Lessee, with the capacity to make available up to 315 PLBs upon request by the Lessee, the leasing arrangement provides the Group with access to a sizeable and stable source of PLBs required for its route operations. Having considered the established relationship between the parties, the Owners' substantial fleet size and their ability to provide additional PLBs to meet the Group's operational requirements, we consider that the New Minibus Leasing Agreement supports the continuity, stability and flexibility of the Group's PLB operations and is therefore in the interests of the Company and the Shareholders as a whole.

Having considered that (i) the selection basis of the Comparable Interviewees and the coverage of the Latest Available Market Data are representative, fair and reasonable; (ii) the Benchmark Table is favourable to the Company and is fair and reasonable so far as the Independent Shareholders are concerned as discussed above; (iii) any changes to the

Benchmark Table will be subject to annual review if required by the Independent Non-Executive Directors; and (iv) the long-standing leasing relationship between the Group and the Owners, the substantial number of PLBs available for lease and the flexibility for the Lessee to request additional PLBs supports the continuity and stability of the Group's PLB operations; we consider the Rentals to be fair and reasonable.

(ii) Monthly Administration Fee

Under the New Minibus Leasing Agreement, the Group has agreed to arrange, on behalf of the Owners, the taking out and maintenance of insurance policies, payment of vehicle licence fees and renewal of vehicle licences in respect of the PLBs leased under the New Minibus Leasing Agreement, subject to reimbursement of such fees and expenses by the Owners (the "**Administrative Services**"). In consideration of the Administrative Services, the Owners shall pay to the Group a monthly administration fee of HK$700 per PLB (the "**Monthly Administration Fee**"), which shall be deducted from the rentals payable by the Company for the PLBs. On the other hand, the Group shall be responsible for the costs of service and maintenance, including but not limited to materials, oil, grease and lubricants, in accordance with the manufacturers' recommendations, together with the costs of any necessary repairs and all fuels and lubricants for the proper running of the PLBs.

As advised by the Valuer, the valuation of the market rentals of the PLBs was conducted on the basis that the lessee would bear the maintenance costs and annual vehicle examination/checking expenses in respect of the leased PLBs. Accordingly, the rental benchmarks adopted by the Valuer have been assessed on a like-for-like basis with reference to such cost allocation arrangement.

Given the above, we have discussed with the Company as to whether it expects to incur substantial costs of repairs and maintenance under the New Minibus Leasing Agreement. In this connection, we understand from the Company that its repair and maintenance costs have generally remained stable from year to year depending on the fleet size and fleet age and the Company does not expect to have any substantial increase in its repairs and maintenance costs as a result of the New Minibus Leasing Agreement. As explained by the Company, it has maintained a practice of carrying out routine maintenance under stringent standards so that the PLBs leased by the Group kept in good operating condition, which will also help the Group avoid any unexpected overhaul with substantial costs for the leased PLBs.

We understand from the Company that the Monthly Administration Fee was determined on a cost-plus basis with reference to the relevant labour costs and other office expenses expected to be incurred by the Lessee, with a mark-up of approximately 15%. The Company has provided us with its internal computation supporting the Monthly Administration Fee, which indicates that the projected administration fee income is expected to cover the estimated costs of providing the Administrative Services, including personnel costs and general administrative expenses, together with a mark-up broadly in line with the approximately 15% mark-up adopted by the Company. We have reviewed Departmental Interpretation and Practice Notes No. 24 (Revised) ("**DIPN 24**") issued by the Inland Revenue Department in July 2009, in particular paragraph 26 thereof, which states that, in the context of a service company arrangement, provided that the overall claim does not exceed the expenditure actually incurred, a margin not exceeding 12.5% of the cost element will generally be accepted as commercially realistic and as providing a reasonable approximation of those applicable in arm's length business operations. We consider the 12.5% margin referred to in DIPN 24 to be a useful reference point for assessing the commercial reasonableness of a cost-plus service fee arrangement. Having considered that the mark-up adopted by the Company is above such 12.5% reference margin, and that the Monthly Administration Fee was determined with reference to the estimated costs to be incurred by the Group in providing the Administrative Services, we consider the cost-plus basis for determining the Monthly Administration Fee to be reasonable.

As further advised by the Company, the arrangements for the Monthly Administration Fee between the Group and the Owners are on similar terms to those with independent third-party PLB owners who lease PLBs to the Group. In particular, the Company also charges the independent third party PLB owners a monthly administration fee of HK$700 per PLB and arranges on their behalf, the taking out and maintaining insurance policies, payment of vehicle licence fees and renewal of vehicle licences in respect of the PLBs leased to the Group. In this regard, we have reviewed both PLB leasing agreements entered into between the Group and independent third-party PLB owners, which are effective as at the Latest Practicable Date, and noted that the independent third-party PLB owners are also required to pay to the Group a monthly administration fees at HK$700 per PLB.

On the basis that (i) the Monthly Administration Fee is determined with reference to the estimated costs to be incurred by the Group in providing the Administrative Services, plus a mark-up of approximately 15%; (ii) the same monthly administration fee of HK$700 per PLB is also charged to independent third-party PLB owners; and (iii) the Monthly Administration Fee and the related payment arrangement are no more favourable to the Owners than those offered by the Company to independent third-party PLB owners, we consider that the Monthly Administration Fee and the related payment arrangement are fair and reasonable and on normal commercial terms as far as the Independent Shareholders are concerned.

Pursuant to the New Minibus Leasing Agreement, the Lessee shall indemnify the Owners against any loss or damage in excess of the insurance coverage arising from loss or damage to the PLBs or accidents involving the PLBs (other than accidents resulting from the act, neglect or default of the Owners or their employees, agents or contractors) during the lease period, provided that the Owners shall first make a claim under the insurance policy. As discussed with the Company, we understand that the Group has also given similar indemnities to other independent third party PLB owners from whom the Group leases PLBs. Given that lessees are basically the operators who would be responsible for traffic accidents arising from their misconduct, it would not be fair for the PLB owners to accept all the losses incurred from traffic accidents under the lessees' operation which could be significant. Based on the aforesaid practice and the rationale behind it, we are of the view that the indemnity to be given by the Lessee to the Owners is on normal commercial term and fair and reasonable.

(iii) Number of PLBs subject to lease

Pursuant to the New Minibus Leasing Agreement, the Group will lease a total of 286 PLBs from the Owners and such number of PLBs may be varied from time to time by written agreement between the parties, including by adding or removing any PLB or replacing any PLB with another PLB, provided that the rentals of all PLBs leased under the New Minibus Leasing Agreement shall be determined by reference to the Benchmark Table. In addition, the Owners shall be obligated to increase the number of PLBs subject to lease under the New Minibus Leasing Agreement up to an aggregate of 315 PLBs, representing the original number of PLBs subject to the New Minibus Leasing Agreement as enlarged by approximately 10%, upon request of the Lessee. As at the Latest Practicable Date, there were 286 PLBs leased by the Owners to the Lessee under the Original Minibus Leasing Agreement.

We understand from the Company that the number of PLBs initially subject to the New Minibus Leasing Agreement, being 286 PLBs, was determined with reference to the actual number of PLBs leased by the Owners to the Lessee under the Original Minibus Leasing Agreement as at the date of the New Minibus Leasing Agreement. Given that the New Minibus Leasing Agreement provides the Lessee with the right, but not the obligation, to request the Owners to make available additional PLBs for lease, subject to the aggregate number of PLBs leased thereunder not exceeding 315 PLBs, we consider that such arrangement provides the Group with flexibility to expand its PLB fleet size during the term of the New Minibus Leasing Agreement, if required. In addition, as the rentals of any additional PLBs to be leased under the New Minibus Leasing Agreement shall also be determined by reference to the Benchmark Table, we consider that the arrangement is on normal commercial terms and is in the interests of the Company and the Shareholders as a whole.

(iv) Right of first refusal

Pursuant to the New Minibus Leasing Agreement, the Lessee has the right of first refusal if any of the Owners proposes to sell or otherwise dispose of any of the PLBs during the term of the New Minibus Leasing Agreement. If the Lessee opts not to purchase the relevant PLB(s), or fails to give the relevant Owner a reply notice indicating whether it would purchase the relevant PLB(s) within 28 days of receipt of the notice of intention to sell or dispose of such PLB(s) from the Owner, the Owner may sell or dispose of the relevant PLB(s) to a third-party purchaser. Each of the Owners has undertaken that, in such case, it will only sell or dispose of the relevant PLB(s) to the third-party purchaser on terms and at a price no more favourable to the purchaser than the terms and price previously offered to the Lessee, and on condition that, unless such condition is waived by the Lessee, the sale shall be subject to the existing lease, or the purchaser shall enter into a new lease with the Lessee on terms which are no less favourable to the Lessee as compared to the existing lease.

Given that the leasing of PLBs is essential to the continuation of the Group's core business as a Green Minibus routes operator, we consider it important for the Group to have sufficient protection against any possible interruption to its use of the PLBs leased under the New Minibus Leasing Agreement. By virtue of the right of first refusal, where any Owner proposes to sell or otherwise dispose of any PLB during the term of the New Minibus Leasing Agreement, the Lessee will have the pre-emptive right to purchase such PLB(s). Even if the Lessee does not exercise such right, the relevant Owner may only sell or dispose of the PLB(s) to a third-party purchaser on terms and at a price no more favourable than those previously offered to the Lessee and, unless waived by the Lessee, subject to the existing lease or a new lease to be entered into by the purchaser with the Lessee on terms no less favourable to the Lessee. Accordingly, such arrangement helps safeguard the Group's ability to continue using the PLBs without material disruption arising from any disposal of the PLBs by the Owners.

Based on the above, we consider that the right of first refusal provides the Group with additional protection in respect of the continuity of its PLB fleet during the term of the New Minibus Leasing Agreement and is therefore fair and reasonable and in the interests of the Company and the Shareholders as a whole.

(v) Our view

On the basis that (i) the rentals payable under the New Minibus Leasing Agreement shall be determined in accordance with the Benchmark Table which is in line with the prevailing market rentals as appraised by the Valuer; (ii) the Monthly Administration Fee of HK$700 per PLB is the same as the monthly administration fee charged by the Group to independent third-party PLB owners; (iii) the right of first refusal granted to the Lessee under the New Minibus Leasing Agreement would help safeguard the Group's continued use of the leased PLBs and protect the Group from possible disruption to its operation arising from any potential disposal of the PLBs by the Owners; (iv) the Lessee has the right, but not the obligation, to request the Owners to make available additional PLBs for lease, which provides the Group with flexibility to expand its PLB fleet size during the term of the New Minibus Leasing Agreement, if required; (v) the long-standing leasing relationship between the Group and the Owners, the substantial number of PLBs available for lease and the flexibility for the Lessee to request additional PLBs supports the continuity and stability of the Group's PLB operations; and (vi) the New Minibus Leasing Agreement is substantially based on the terms and conditions of the Original Minibus Leasing Agreement, under which the past leasing transactions have been conducted in accordance with its terms and on normal commercial terms, we are of the view that the terms of the New Minibus Leasing Agreement are fair and reasonable so far as the Independent Shareholders are concerned, and the entering into of the New Minibus Leasing Agreement is in the interests of the Company and the Shareholders as a whole.

4. **The New Annual Caps**

(i) The estimated maximum rentals payable as well as the new annual caps for the right-of-uses assets

As set out in the Letter from the Board, pursuant to HKFRS 16 "Leases", the rental payments payable by the Lessee under the New Minibus Leasing Agreement shall be recognised as right-of-use assets (the "**ROU Assets**"), which shall be amortised over the term of the New Minibus Leasing Agreement. According to the requirements of the Stock Exchange, the Lessee is required to set annual caps on the total value of right-of-use assets relating to the leases entered into under the New Minibus Leasing Agreement.

Set out below are the tables setting out (i) the estimated maximum rentals payable by the Lessee to the Owners and (ii) the proposed annual caps on the ROU Assets.

The table below sets out the estimated maximum rentals payable by the Lessee to the Owners under the New Minibus Leasing Agreement in different periods:

	For the 6 months ending 31 March 2027	**For the year ending 31 March 2028**	**For the year ending 31 March 2029**	**For the 6 months ending 30 September 2029**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Estimated maximum rentals payable by the Lessee to the Owners	37,317	76,602	78,391	39,846

In light of HKFRS 16, the table below sets out the proposed annual caps on the ROU Assets in different periods:

	For the 6 months ending 31 March 2027	**For the year ending 31 March 2028**	**For the year ending 31 March 2029**	**For the 6 months ending 30 September 2029**
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Annual caps on the ROU Assets	211,513	23,195	14,187	4,419

Based on the Company's forecast of the leasing transactions to be carried out during the term of the New Minibus Leasing Agreement from 1 October 2026 to 30 September 2029, we noted that the initial number of PLBs to be leased from the Owners will be 286, which is based on the actual number of PLBs leased by the Owners to the Lessee under the Original Minibus Leasing Agreement as at the date of the New Minibus Leasing Agreement. We understand from the Company that it does not currently expect any material change to its fleet size in respect of the PLBs to be leased from the Owners in the near future.

As noted from the Letter from the Board, in determining the proposed annual caps on the ROU Assets under the New Minibus Leasing Agreement, the Directors have taken into account, among others, (i) the historical rental amounts under the Original Minibus Leasing Agreement; (ii) the daily rentals of the PLBs payable in accordance with the Benchmark Table based on the age and carrying capacity of the PLBs; (iii) the expected fleet size of the Group during the term of the New Minibus Leasing Agreement; (iv) the replacement of older PLBs by new PLBs, including the replacement of 16-seater PLBs by new 19-seater PLBs; (v) a 10% buffer rate to provide flexibility to meet unexpected circumstances, including the addition of PLBs to be leased and any possible adjustment to the market rentals payable under the Benchmark which may be required by the Independent Non-Executive Directors); and (vi) the value of the Group's rights to use the leased PLBs during the term of the New Minibus Leasing Agreement, which is initially measured on a present value basis and calculated by discounting the expected lease payments using the incremental borrowing rate as the discount rate.

To assess the estimated maximum rentals payable and the proposed annual caps on the ROU Assets, we obtained the New Annual Caps forecast calculation from Management (the "**Calculation**"), reviewed the Calculation and discussed the relevant underlying assumptions and methodology with the Management.

Based on our discussion with the Management, we understand that the estimated value of the ROU Assets in respect of the PLBs is calculated based on the present value of the future lease payments payable by the Lessee under the terms of the New Minibus Leasing Agreement, discounted by the applicable discount rate. Such discount rate is determined by reference to the lower of (i) the latest available HIBOR in Hong Kong plus 1.8%; and (ii) the latest available Prime Lending Rate in Hong Kong minus 0.75%. Based on the Calculation, the discount rate adopted was 4.25%, being the lower of HIBOR plus 1.8% and Prime Lending Rate minus 0.75%, with reference to the relevant rates as at 28 May 2026. We consider that the use of the discounted cash flow approach in determining the proposed annual caps for ROU Assets value is reasonable and consistent with the recognition basis of ROU Assets under HKFRS 16. We also consider the discount rate adopted by the Company to be fair and reasonable, as it was determined with reference to commonly adopted market interest rate benchmarks in Hong Kong, namely HIBOR and the Prime Lending Rate.

Based on our review of the Calculation, we noted that the Company has assumed an average number of 286 PLBs to be leased from the Owners throughout the term of the New Minibus Leasing Agreement, with no planned addition of PLBs from the Owners during the term, while older PLBs are expected to be replaced progressively by new 19-seater PLBs. In addition, we noted that the Company has included a 10% buffer in determining the proposed annual caps for ROU Assets. We consider such buffer rate to be fair and reasonable, given that the New Minibus Leasing Agreement provides the Lessee with the right, but not the obligation, to request the Owners to increase the number of PLBs subject to lease up to an aggregate of 315 PLBs, representing the original number of 286 PLBs subject to the New Minibus Leasing Agreement as enlarged by approximately 10%. Such buffer also provides flexibility to cater for possible additions of PLBs and any adjustment to the Benchmark Table following an annual review, while any rentals payable for additional PLBs shall continue to be determined by reference to the Benchmark Table.

We further noted the above table that the proposed annual cap on the ROU Assets for the six months ending 31 March 2027 is substantially higher than the proposed annual caps for the years ending 31 March 2028 and 2029, and the six months ending 30 September 2029, respectively. In this regard, we made enquiries with the Management and were advised that the Company expects to recognise the ROU Assets in respect of most of the PLB(s) available for lease under the New Minibus Leasing Agreement during the six months ending 31 March 2027. Accordingly, the proposed annual cap on the ROU Assets for such period reflects the initial recognition of the present value of lease payments for most of the PLBs to be leased under the New Minibus Leasing Agreement. For the years ending 31 March 2028 and 2029 and the six months ending 30 September 2029, the proposed annual caps on the ROU Assets are expected to be lower, as they are mainly attributable to the additional value of ROU Assets arising from the replacement of older PLBs by newer PLBs, including the replacement of 16-seater PLBs by new 19-seater PLBs, rather than the initial recognition of the entire fleet. On this basis, we consider it fair and reasonable that the proposed annual cap on the ROU Assets for the six months ending 31 March 2027 is significantly higher than those for the subsequent periods.

As advised by the Company, it is expected that the 16-seater PLBs will gradually be phased out and replaced by new 19-seater PLBs. The Directors have fixed the annual caps on the right-of-use assets for the two years ending 31 March 2029 and the six months ending 30 September 2029 to be approximately HK$23.2 million, HK$14.2 million and HK$4.4 million, respectively.

Given the aforesaid, we consider the estimated maximum rentals payable by the Lessee to the Owners and the proposed annual caps on the ROU Assets to be fair and reasonable.

(ii) The Proposed Annual Caps for the Monthly Administration Fee

As mentioned in the Letter from the Board, the Monthly Administration Fee shall be recognised as income of the Lessee over the term of the New Minibus Leasing Agreement and separate annual caps will be set on the Monthly Administration Fee.

The proposed annual caps in respect of the Monthly Administration Fee receivable under the New Minibus Leasing Agreement are as follows:

	For the 6 months ending 31 March 2027	For the year ending 31 March 2028	For the year ending 31 March 2029	For the 6 months ending 30 September 2029
	HK$'000	*HK$'000*	*HK$'000*	*HK$'000*
Annual caps on the Monthly Administration Fee	1,321	2,643	2,643	1,321

With reference to the Letter from the Board, in determining the proposed annual caps on the Monthly Administration Fee, the Directors have taken into account (i) the expected fleet size of the Group during the term of the New Minibus Leasing Agreement; and (ii) a 10% buffer to provide flexibility to meet unexpected circumstances, including the addition of PLBs to be leased. On such basis, the Directors have fixed the proposed annual caps on the Monthly Administration Fee at approximately HK$1.3 million, HK$2.6 million, HK$2.6 million and HK$1.3 million for the six months ending 31 March 2027, the years ending 31 March 2028 and 2029 and the six months ending 30 September 2029, respectively.

As the Monthly Administration Fee is charged at a fixed amount of HK$700 per PLB per month, we consider that the proposed annual caps on the Monthly Administration Fee have been principally determined with reference to the expected number of PLBs to be leased under the New Minibus Leasing Agreement, together with a 10% buffer to cater for possible additions of PLBs during the term of the New Minibus Leasing Agreement. Having also considered that the inclusion of such 10% buffer is consistent with the Lessee's right, but not obligation, to request the Owners to increase the number of PLBs subject to lease up to an aggregate of 315 PLBs under the New Minibus Leasing Agreement, we are of the view that the proposed annual caps on the Monthly Administration Fee are fair and reasonable.

5. Conditions of the New Annual Caps

There are certain conditions of the annual caps pursuant to the Listing Rules, in particular, (i) the restriction of the value of the leasing transactions by way of the annual cap for each period over the three-year term of the New Minibus Leasing Agreement ending 30 September 2029 (i.e. the New Annual Caps); and (ii) the annual review by the Independent Non-Executive Directors on whether the leasing transactions have been conducted in accordance with the terms of the New Minibus Leasing Agreement and whether the New Annual Caps have been exceeded, details of which must be included in the Company's subsequent published annual reports and accounts. In addition, pursuant to the Listing Rules, the auditors of the Company are required to provide a letter to the Board annually confirming, among other things, whether the leasing transactions have been conducted in accordance with the New Minibus Leasing Agreement and whether the New Annual Caps have not been exceeded. Further, pursuant to the Listing Rules, the Company shall publish an announcement if it knows or has reason to believe that the Independent Non-Executive Directors and/or its auditors will not be able to confirm the terms of the leasing transactions or the New Annual Caps not being exceeded.

For our assessment, we obtained and reviewed the supporting documents relating to the annual review of the continuing connected transactions under the Original Minibus Leasing Agreement. We noted that the audit committee of the Board (the "**Audit Committee**"), comprising the Independent Non-Executive Directors, reviewed the continuing connected transactions for the years ended 31 March 2025 and 2026. Based on the information reviewed, the Audit Committee confirmed that the transaction amounts did not exceed, or would not exceed, the approved annual caps. We also noted that the Audit Committee concluded that the transactions were conducted in accordance with the relevant agreements, on fair and reasonable terms, and in the interests of the Company and its Shareholders as a whole. Furthermore, we reviewed the internal control review reports prepared by the Group's internal auditors. We noted that the internal auditors had reviewed, among other things, the Group's internal control policies and procedures relating to related and connected party transactions, including the relevant approval processes and annual cap monitoring, and no deficiency was identified in this area.

Accordingly, we are of the view that appropriate measures have been put in place to govern the conduct of the transactions contemplated under the New Minibus Leasing Agreement and to safeguard the interests of the Independent Shareholders.

RECOMMENDATION

In formulating our recommendation to the Independent Board Committee and the Independent Shareholders, we have considered the above principal factors and reasons, in particular, the following:

(i) the background of and reasons for entering into the New Minibus Leasing Agreement;

(ii) the transactions contemplated under the New Minibus Leasing Agreement will be conducted in the ordinary and usual course of business of the Group;

(iii) the rental rates under the New Minibus Leasing Agreement are not less favourable to the Group than the prevailing market rental rates as assessed by the Valuer and are therefore fair and reasonable;

(iv) the Group has put in place procedures to monitor the transactions contemplated under the Original Minibus Leasing Agreement and such procedures and measures will continue to apply to the transactions contemplated under the New Minibus Leasing Agreement; and

(v) the value of, and the basis for determining, the New Annual Caps are fair and reasonable.

Based on the above considerations, we are of the opinion that the New Minibus Leasing Agreement is on normal commercial terms and in the ordinary and usual course of business of the Group, in the interests of the Company and the Shareholders as a whole, and the terms of the New Minibus Leasing Agreement and transactions contemplated thereunder (including the New Annual Caps) are fair and reasonable so far as the Independent Shareholders are concerned. Accordingly, we would advise the Independent Board Committee and the Independent Shareholders that the Independent Shareholders should vote in favour of the ordinary resolution to approve the New Minibus Leasing Agreement and the New Annual Caps at the AGM.

Yours faithfully,
For and on behalf of
Merdeka Corporate Finance Limited

Wallace So
Managing Director