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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)

### **MAJOR TRANSACTION**

### **ACQUISITION OF 100% INTEREST IN CENTRAL MAXICAB LIMITED**

The Board is pleased to announce that on 7<sup>th</sup> September 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 the Sale Shares at a consideration of HK\$215,000,000.

CML is currently running the Scheduled PLB Routes. Therefore, after the Acquisition, the Purchaser will control the operation of the Scheduled PLB Routes.

As the consideration ratio for the Acquisition calculated pursuant to the Listing Rules is more than 25% but less than 100%, the Acquisition therefore constitutes a major transaction for the Company and is subject to the reporting and announcement, circular and shareholders' approval requirements under rule 14.33 of the Listing Rules.

Since no Shareholders are required to abstain from voting if the Company were to convene a general meeting to approve the Acquisition, the Sale & Purchase Agreement and the transaction contemplated thereunder, on 7<sup>th</sup> September 2011, the controlling Shareholder, Skyblue Group Limited, which holds 63.61% of the entire issued share capital of the Company and has the right to attend and vote at such general meeting, has given to the Company its written approval for the Acquisition, the Sale & Purchase Agreement and the transaction contemplated thereunder. As such, an application for waiver of the Shareholders' meeting will be made to the Stock Exchange pursuant to rule 14.44 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, representing the entire issued share capital of CML, at a consideration of HK\$215,000,000.

Upon completion of the Acquisition, CML will be wholly owned by the Purchaser and become a wholly owned subsidiary of the Company.

CML is currently running the Scheduled PLB Routes. Therefore, after the Acquisition, the Purchaser will control the operation of the Scheduled PLB Routes.

## **SALE & PURCHASE AGREEMENT**

### **Date**

7<sup>th</sup> September 2011

### **Parties**

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

### **Subject Asset of the Acquisition**

The Sale Shares, being the entire issued share capital of CML. The assets owned by CML consisted of the Property, the Minibuses and all rights and benefits pertinent to the operation of the Scheduled PLB Routes.

### **Consideration**

The total consideration payable to the Vendors by the Purchaser for the Acquisition is HK\$215,000,000, which was determined after arm's length negotiations between the parties having regard to the future prospects of CML, 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 by the relevant party:

- the requisite consents and approvals under the Listing Rules, including but not limited to the consent and approval of the Shareholders, having been obtained by the Purchaser and / or the Company;
- the necessary authorizations, consents and approval for executing the Sale & Purchase Agreement and related documents having been obtained by the Vendors (if applicable) prior to the signing of the Sale & Purchase Agreement;
- the original audited account for the year ended 31<sup>st</sup> March 2010, as certified true and correct

by a director of CML, having been furnished by the Vendors to the Purchaser prior to the signing of the Sale & Purchase Agreement;

- all necessary assistance having been rendered by the Vendors to the Purchaser to enable the carrying out of legal and financial due diligence on CML and the Sale Shares and the results of which being to the satisfaction of the Purchaser (the relevant legal due diligence shall include but not limited to the marketability of the title to the Property and the non-existence of any encumbrances and charges thereon) after the signing of the Sale & Purchase Agreement and before completion;
- the original management account for the period from 1<sup>st</sup> April 2010 to 31<sup>st</sup> August 2011, as certified true and correct by a director of CML, having been furnished by the Vendors to the Purchaser after the signing of the Sale & Purchase Agreement and before completion;
- the absolute discharge of all liabilities, penalties and outstanding debts of the Company (save and except for the debts under the relevant hire purchase agreements in respect of the Minibuses mentioned below), and of encumbrance and mortgage charged on the Property having been completed by CML after the signing of the Sale & Purchase Agreement and before completion.

### **Payment Terms**

The Purchaser shall pay to the Vendors a deposit, being the sum of HK\$35,000,000, upon the signing of the Sale & Purchase Agreement. The balance of the consideration of HK\$215,000,000 shall be paid as follows:

- on the day immediately following the Completion Date, the Purchaser shall repay for the Vendors in full all outstanding sums owed by CML under the relevant hire purchase agreements in respect of the Minibuses (the aggregate repayment amount thereunder shall not exceed HK\$80,000,000); and
- on the day immediately following the full repayment of the said outstanding sums under the relevant hire purchase agreements in respect of the Minibuses and completion of the execution of new hire purchase agreements by CML in respect of the Minibuses, the Purchaser shall pay to the Vendors the balance of the consideration net of the said outstanding sums and the deposit of HK\$35,000,000.

### **Other Relevant Terms**

According to the terms of the Sale & Purchase Agreement, the Purchaser will allow the Vendors to use the Property at nil consideration for a period of six months from the Completion Date, to enable the Vendors to complete the transition consequential to the Acquisition. The Vendors shall unconditionally deliver up the Property to the Purchaser (in the same state as at the Completion Date) upon expiration of the said six months' period. Notwithstanding the foregoing, the Purchaser will still have the unfettered right to use the Property during the said period.

## **PRINCIPAL BUSINESS ACTIVITIES OF THE GROUP**

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

## **INFORMATION OF CML**

To the best knowledge of the Directors, the principal business activity of CML is the provision of green minibus transportation service in Hong Kong and the operation of the Scheduled PLB Routes. The unaudited net book value of CML as at 31<sup>st</sup> March 2011 was HK\$11,977,000. The audited net profit of CML (both before and after taxation) for the year ended 31<sup>st</sup> March 2010 was HK\$5,966,000 and HK\$4,920,000 respectively and the unaudited net profit (both before and after taxation) for the year ended 31<sup>st</sup> March 2011 was HK\$5,548,000 and HK\$4,502,000 respectively.

## **INFORMATION OF THE VENDORS**

As at the date of this announcement, So Sai Hung, Lo Hon Keung, Ip Po Fun, Jessie, Yip Chun, Tsui Po Keung and So Chi Hung are respectively holders of 600 shares, 400 shares, 200 shares, 200 shares, 100 shares and 100 shares in CML, being the entire issued share capital thereof. 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 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 ACQUISITION**

As provision of green minibus transportation service in Hong Kong constitutes core business of the Group, which currently runs 30 routes with a total of 213 minibuses in the Southern District of Hong Kong Island (representing 61.9% of the total fleet size of the Group), the acquisition of CML (being also a provider of minibus service in the Southern and Central 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.

In view of the potential benefit the Acquisition 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 the Shareholders as a whole.

None of the Directors has a material interest in the Acquisition or is required to abstain from voting on the Board resolution for considering and approving the same.

## IMPLICATIONS UNDER THE LISTING RULES

As the consideration ratio for the Acquisition calculated pursuant to the Listing Rules is more than 25% but less than 100%, the Acquisition therefore constitutes a major transaction for the Company and is subject to the reporting, announcement, circular and shareholders' approval requirements under rule 14.33 of the Listing Rules.

Since no Shareholders are required to abstain from voting if the Company were to convene a general meeting to approve the Acquisition, the Sale & Purchase Agreement and the transaction contemplated thereunder, on 7<sup>th</sup> September 2011, the controlling Shareholder, Skyblue Group Limited, which holds 63.61% of the entire issued share capital of the Company and has the right to attend and vote at such general meeting), has given to the Company their written approval for the Acquisition, the Sale & Purchase Agreement and the transaction contemplated thereunder. As such, an application for waiver of the Shareholders' meeting will be made to the Stock Exchange pursuant to rule 14.44 of the Listing Rules.

A circular containing, among other things, further details of the Acquisition, financial information of the Group and other information as required by the Listing Rules, is expected to be despatched to the Shareholders on or before 27<sup>th</sup> October 2011. The dispatch of the circular is expected to be more than 15 Business Days after the publication of this announcement due to consideration of the time it will take to gather the necessary information and conduct the requisite audit on CML.

## DEFINITIONS

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

<b>“Acquisition”</b>	the acquisition by the Purchaser of the Sale Shares pursuant to the terms of the Sale & Purchase Agreement;
<b>“Board”</b>	the board of Directors;
<b>“CML”</b>	Central Maxicab Limited (中環專線小巴有限公司), a limited liability company incorporated in Hong Kong with company number 536899, all the issued shares of which are legally and beneficially held by the Vendors;
<b>“Company”</b>	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;
<b>“Completion Date”</b>	31 <sup>st</sup> October 2011 or such other date as the Vendors and the Purchaser shall mutually agree in writing;

<b>“Director(s)”</b>	director(s) of the Company;
<b>“Group”</b>	the Company together with its subsidiaries;
<b>“HK\$”</b>	Hong Kong dollars, the lawful currency of Hong Kong;
<b>“Hong Kong”</b>	the Hong Kong Special Administrative Region of the People’s Republic of China;
<b>“Listing Rules”</b>	the Rules Governing the Listing of Securities on the Stock Exchange;
<b>“Minibuses”</b>	the 25 public light buses together with public light bus licences owned by CML;
<b>“Property”</b>	a property owned by CML situated at Flat D on 19 <sup>th</sup> Floor, Hung Kei Mansion, Nos. 5-8 Queen Victoria Street, Hong Kong with floor area of approximately 500 square feet;
<b>“Purchaser”</b>	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;
<b>“Sale &amp; Purchase Agreement”</b>	the agreement for the sale and purchase of Sale Shares (股份轉讓協議) dated 7 <sup>th</sup> September 2011 entered into between the Vendors and the Purchaser in relation to the Acquisition;
<b>“Sale Shares”</b>	1,600 ordinary shares of nominal value of HK\$1.00 each, representing the entire issued share capital of CML legally and beneficially held by the Vendors as at the date of this announcement;
<b>“Scheduled PLB Routes”</b>	three scheduled public light bus routes being: (i) Hong Kong Island route number 54 traveling between Central Pier (International Finance Centre Two) to Queen Mary Hospital (circular route); (ii) Hong Kong Island route number 54S traveling between Mountain Davis Road to the Central Pier; and (iii) Hong Kong Island route number 55 traveling between Queen Mary Hospital to Central MTR station (Worldwide House, Connaught Road Central) (circular route);
<b>“Share(s)”</b>	ordinary share(s) of HK\$1.00 each in the issued share capital of the Company;

“Shareholder(s)”	holder(s) of Share(s);
“Stock Exchange”	The Stock Exchange of Hong Kong Limited;
“Vendors”	collectively So Sai Hung (蘇世雄), Lo Hon Keung (盧漢強), Ip Po Fun, Jessie (葉寶芬), Yip Chun (葉珍), Tsui Po Keung (徐保強) and So Chi Hung (蘇志雄) 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, 7<sup>th</sup> September 2011

*As at the date of this announcement, the executive Directors are Mr. Wong Man Kit (Chairman), 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. Kwong Ki Chi.*