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廣東粵運交通股份有限公司

Guangdong Yueyun Transportation Company Limited*

(A joint stock limited company incorporated in the People's Republic of China with limited liability)

(Stock Code: 03399)

DISCLOSEABLE TRANSACTION DISPOSAL OF EQUITY INTERESTS IN YUEYUN LANGRI

THE DISPOSAL

The Board hereby announces that on 9 October 2024, the Company and Yangjiang Investment entered into the Equity Transaction Agreement and Supplemental Agreement, pursuant to which Yangjiang Investment conditionally agreed to purchase and the Company conditionally agreed to sell 51% equity interest in Yueyun Langri held by the Company at a Consideration of RMB99,612,282.

LISTING RULES IMPLICATIONS

Pursuant to Chapter 14 of the Listing Rules, as the highest applicable percentage ratio in respect of the Disposal under the Equity Transaction Agreement and Supplemental Agreement is more than 5% but less than 25%, the Disposal constitutes a discloseable transaction of the Company and is subject to reporting and announcement requirements but exempt from the shareholders' approval requirement under Chapter 14 of the Listing Rules.

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EQUITY TRANSACTION AGREEMENT AND SUPPLEMENTAL AGREEMENT

The principal terms of the Equity Transaction Agreement and Supplemental Agreement are as follows:

Date

9 October 2024

Parties

- (1) The Company; and
- (2) Yangjiang Investment

ASSETS TO BE DISPOSED OF

The 51% equity interest in Yueyun Langri held by the Company as at the date of this announcement

THE CONSIDERATION AND BASIS OF DETERMINATION

The Consideration of the Disposal is RMB99,612,282, which was determined after arm's length negotiations between the Company and Yangjiang Investment with reference to (a) the appraised value (i.e. RMB195,318,200) of all shareholders' equity of Yueyun Langri as at the valuation Base Date set out in the asset valuation report (Cai Xing Zi Ping Zi (2024) No. 298) prepared by the independent Valuer using the asset-based approach; and (b) the percentage of equity interests to be disposed of by the Company under the Equity Transaction Agreement and Supplemental Agreement.

Payment of the Consideration

The Consideration shall be paid through a dedicated settlement account of Guangdong United Assets and Equity Exchange. Guangdong United Assets and Equity Exchange shall transfer the security deposit of RMB9,900,000, paid by Yangjiang Investment to it, to the Company without interest, which shall be automatically applied to the Consideration from the date of receipt by the Company. The amount of RMB89,712,282, being the remainder payment of the Consideration after deducting the security deposit shall be paid in one lump sum by Yangjiang Investment to Guangdong United Assets and Equity Exchange within 5 working days from the effective date of the Equity Transaction Agreement.

Guangdong United Assets and Equity Exchange shall, within three working days from the date following the receipt of the Consideration and the full payment of service fee by Yangjiang Investment, transfer RMB99,450,363.58, being the remaining amount after deducting the service fee payable by the Company of RMB161,918.42 from the Consideration, to the designated account of the Company, without interest.

Profit and Loss Distribution

The profits and losses of Yueyun Langri incurred during the period from the Base Date up to and including the date of completion of industrial and commercial registration of changes relating to the Disposal shall be borne and shared by the shareholders of Yueyun Langri in proportion to their respective equity interests after the completion of the industrial and commercial registration.

Completion

The industrial and commercial registration of the Disposal relevant changes relevant to the Disposal shall be completed by Yangjiang Investment within 30 days after the execution of the Equity Transaction Agreement.

Effectiveness

The Equity Transaction Agreement and Supplemental Agreement shall become effective when it is signed by legal representatives or authorized agent of the contracting parties and affixed with their official seals.

Liability for breach

If Yangjiang Investment fails to pay the Consideration before the contractual deadline, it shall pay liquidated damages to the Company for overdue payment. At 3 of the unpaid Consideration payable per day during the period of delayed payment. If the payment is overdue for more than 30 days, the Company also has the right to require Yangjiang Investment to assume the default liability at 10% of the Consideration, and to require Yangjiang Investment to bear the losses suffered by the Company and Yueyun Langri as a result, and the Company has the right to terminate the Equity Transaction Agreement. The security deposit paid by Yangjiang Investment is non-refundable, and will be directly transferred by Guangdong United Assets and Equity Exchange to the Company for the settlement of the aforesaid liquidated damages and the losses of the Company within 5 working days after preferential deduction of the service fees payable by the Yangjiang Investment to Guangdong United Equity Exchange. If the security deposit is insufficient to cover the aforesaid liquidated damages and the Company's losses, the deficit shall be covered by Yangjiang Investment.

FINANCIAL IMPACT OF THE DISPOSAL

Upon completion of the Disposal, the Company will cease to hold any interest in Yueyun Langri. The financial results of Yueyun Langri will no longer be consolidated into the financial statements of the Company.

The Group expects to record a gain from the Disposal of approximately RMB8,109,314.56, which is calculated as the Consideration minus the Company's share of Yueyun Langri's consolidated net assets based on its shareholding ratio on the date of the latest financial statements, and minus the book value of goodwill of Yueyun Langri in the consolidated financial statements attributed to the Company. The actual gain from the Disposal to be recorded by the Group is subject to the final review by the Company's auditor.

The Company expects that the proceeds from the Disposal will be used as general working capital of the Group.

REASONS FOR AND BENEFITS OF THE DISPOSAL

Yueyun Langri primarily operates in the road passenger transport business. However, with the diversification of people's travel methods, the continuous expansion of high-speed rail and light rail networks in recent years, the growing number of private cars, and the changing of travel habits, the road passenger transport market has been severely impacted. Passenger flow has drastically decreased, and Yueyun Langri's business volume of Yueyun Langri has continued to decline. The Disposal will help optimize the Company's asset structure, enhance its overall profitability, and the proceeds from the Disposal will be used to supplement the Company's general working capital, which will be beneficial to the Company's overall development.

In view of the above, the Directors are of the view that the Disposal is in the interests of the Company and its shareholders as a whole, and the terms and conditions of the Equity Transaction Agreement, the Supplemental Agreement and the transaction thereunder are fair and reasonable, on normal commercial terms and in the interests of the Company and its shareholders as a whole.

INFORMATION ON THE PARTIES

Yueyun Langri

Yueyun Langri is a limited liability company established in the PRC with a registered capital of RMB156.75 million. It is principally engaged in road passenger transportation businesses. As at the date of this announcement, the Company, Yangjiang City Langri Hezheng Investment Consulting Co., Ltd.* and 9 natural persons including Ms. Li Yuning, hold approximately 51%, 48.82% and 0.18% equity interests in Yueyun Langri, respectively.

Yueyun Langri's main financial data for the years ended 31 December 2022 and 2023, and the six months ended 30 June 2024, prepared in accordance with the Chinese Accounting Standard for Business Enterprises, are set out below:

	For the year ended 31 December 2022 RMB (Audited)	For the year ended 31 December 2023 RMB (Audited)	For the period ended 30 June 2024 RMB (Unaudited)
Total assets	544,031,786.61	542,236,667.08	517,136,859.48
Net assets	181,492,692.25	189,422,399.50	166,757,335.59
Revenue	270,496,389.46	292,656,001.36	146,757,581.54
Profit/(loss) before taxation	(46,594,388.46)	8,256,216.24	(20,657,903.42)
Profit/(loss) after taxation	(46,835,439.82)	8,693,051.56	(20,648,229.00)

The Company

The Company was established under the laws of the PRC as a joint stock limited company with its H shares listed on the Stock Exchange. The Company is principally engaged in the business of travel services.

Yangjiang Investment

Yangjiang Investment is principally engaged in investment in transportation industry; engineering construction and management of railways, highways, airports and ports; operation, warehousing and logistics of railways, highways, airports and ports; investment, construction, and operation management of transportation infrastructure and industrial park projects; land management and development; corporate asset management and operations; venue leasing, etc. The ultimate beneficial owner of Yangjiang Investment is State-owned Assets Supervision and Administration Commission of Yangjiang Municipal Government. To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, Yangjiang Investment and its ultimate beneficial owner are third parties independent of the Company and its connected persons.

LISTING RULES IMPLICATIONS

Pursuant to Chapter 14 of the Listing Rules, as the highest applicable percentage ratio in respect of the Disposal under the Equity Transaction Agreement and Supplemental Agreement is more than 5% but less than 25%, the Disposal constitutes a disclosable transaction of the Company and is subject to the reporting and announcement requirements but is exempt from the shareholders' approval requirement under Chapter 14 of the Listing Rules.

DEFINITIONS

Unless the context otherwise requires, the capitalised terms used in this announcement shall have the following meanings:

“Base Date”	31 March 2024
“Board”	the board of directors of the Company
“Company”	Guangdong Yueyun Transportation Company Limited (Stock Code: 03399), a joint stock limited company incorporated under the laws of the PRC with limited liability, the H shares which are listed on the Main Board of the Stock Exchange
“Director(s)”	the director(s) of the Company
“Consideration”	the Consideration receivable by the Company for the disposal of 51% equity interest in Yueyun Langri held by the Company to Yangjiang Investment under the Equity Transaction Agreement
“Disposal”	the disposal by the Company of 51% equity interest in Yueyun Langri to Yangjiang Investment in accordance with the terms and conditions of the Equity Transaction Agreement and the Supplemental Agreement
“Equity Transaction Agreement”	the equity transaction agreement dated 9 October 2024 entered into between the Company and Yangjiang Investment
“Group”	the Company and its subsidiaries from time to time
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“PRC”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC

“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Supplemental Agreement”	the supplemental agreement of the Equity Transaction Agreement dated 9 October 2024 entered into between the Company and Yangjiang Investment
“Valuer”	Guangdong Caixing Asset Appraisal Land Real Estate Appraisal Co., Ltd.*
“Yangjiang Investment”	Yangjiang Transportation Investment Group Co., Ltd.
“%”	per cent

By order of the Board
Guangdong Yueyun Transportation Company Limited
Zhu Fang
Chairman of the Board

Guangzhou, the PRC
9 October 2024

As at the date of this announcement, the Board comprises Mr. Zhu Fang, Mr. Huang Wenban, Mr. Hu Xianhua and Mr. Hu Jian as executive directors of the Company, Mr. Chen Chuxuan as non-executive director of the Company, and Mr. Su Wujun, Ms. Huang Yuan, Mr. Shen Jialong and Mr. Zhang Xiangfa as independent non-executive directors of the Company.

* *For identification purpose only*