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)

PROFIT WARNING

This announcement is made by Guangdong Yueyun Transportation Company Limited (the "**Company**", together with its subsidiaries, the "**Group**") pursuant to Rule 13.09(2) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**") and the Inside Information Provisions (as defined in the Listing Rules) under Part XIVA of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "**SFO**").

The board of directors (the "**Board**") of the Company wishes to inform the shareholders of the Company (the "**Shareholders**") and potential investors that, based on the financial information currently available to the Company, it is expected that the Group will incur a net loss attributable to shareholders of the parent company of no more than RMB133,000,000 for the six months ended 30 June 2020 (the corresponding period of last year: net profit attributable to shareholders of the parent company of RMB185,652,000 (unrestated)).

The expected loss was mainly due to the impact of the COVID-19 epidemic (the "**Epidemic**") in the first quarter of 2020. The government took various prevention and control measures against the Epidemic, including suspension of operation, close of stations, reduction of routes and other travel restrictions and control to effectively stop the spread of the Epidemic, which resulted in a significant decrease in the routes and carriage rate of the Group's road passenger transportation and auxiliary services business. Meanwhile, toll fee exemption was implemented for Taiping Interchange from February to May 2020 in compliance with the requirements of the government. The aforementioned circumstances had a negative impact on the Group's operating results, which lead to the expected loss.

Facing the unfavorable situation of the external environment and unprecedented pressure on the industry, the Group proactively responded by implementing various strategic measures, strengthening operational risk management, and making full use of the government's epidemic policy. On the one hand, the Group vigorously develops strategic businesses such as energy business and strengthens the transportation guarantee work for the resumption of work and production; and on the other hand, it has adopted a number of measures to reduce expenditures and costs to make up for the loss from business operations in a multi-pronged manner with an aim to minimize the adverse impact of the Epidemic.

The Group believes that the measures taken by the government against the Epidemic are fairly effective and the economic recovery can be expected, and with the Group's solid business foundation in the field of travel service, the Group is cautiously optimistic about the business in the second half of the year.

The information contained in this announcement is a preliminary assessment by the management of the Company which is based on the consolidated management accounts of the Company and other information currently available to the Company and has not been reviewed or audited by the auditor of the Company. Details of the financial information of the Group for the six months ended 30 June 2020 will be disclosed in the interim results announcement of the Company.

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company.

By order of the Board of
Guangdong Yueyun Transportation Company Limited
Xuan Zongmin
Chairman of the Board

Guangzhou, the PRC
29 July 2020

As at the date of this announcement, the Board compromises Mr. Xuan Zongmin, Mr. Tang Yinghai, Mr. Yao Hanxiong, Mr. Wen Wu and Mr. Zhang Xian as executive directors of the Company; Mr. Chen Min and Mr. Chen Chuxuan as non-executive directors of the Company; and Mr. Jin Wenzhou, Ms. Lu Zhenghua, Ms. Wen Huiying and Mr. Zhan Xiaotong as independent non-executive directors of the Company.

* *For identification purpose only*