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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)

SUPPLEMENTAL ANNOUNCEMENT TO PROFIT ALERT

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

Reference is made to the announcement of the Company dated 17 February 2023 (the “**Original Announcement**”). Capitalized terms used and not otherwise defined in this announcement shall have the meanings given to them in the Original Announcement.

The Company would like to provide the following additional information in relation to the profit alert:

As disclosed in the Original Announcement, based on the financial information currently available to it, the Company expects a reduction in net losses attributable to shareholders of the parent company for the year ended 31 December 2022, approximately by 30% to 35%, compared to that of the corresponding period of 2021 (restated). Further details regarding the restatement of the Company’s net losses attributable to shareholders of the parent company in 2021 are as follows:

BACKGROUND

Reference is made to the announcement of the Company dated 4 November 2022 in relation to the Company’s acquisition of 100% equity interest in Meizhou Yueyun Investment Company Limited* (“**Meizhou Investment**”), a wholly-owned subsidiary of Guangzhou Liyun Investment and Development Company Limited (“**Liyun Investment**”). Upon completion of the equity transfer in December 2022, Meizhou Investment became a wholly-owned subsidiary of the Company, and its financial results were consolidated into and accounted for in the financial statements of the Group.

Guangdong Provincial Communication Group Company Limited* (the “**GCGC**”), a controlling shareholder of the Company, holds approximately 74.12% of the total issued capital of the Company and 100% equity interest in Guangdong Litong Development and Investment Company Limited* (“**Guangdong Litong**”). Liyun Investment is a wholly-owned subsidiary of Guangdong Litong. As GCGC ultimately controls the Company and Meizhou Investment both before and after the completion of the equity transfer and that control is not transitory, the equity transfer constitutes a business combination involving enterprises under same control pursuant to Article 5 of the Accounting Standards for Business Enterprises No. 20, and Articles 32, 38 and 43 of the Accounting Standards for Business Enterprises No. 33 (the “**Accounting Standards**”).

EFFECTS OF ACCOUNTING STANDARDS

Based on the Accounting Standards, where the Company has a new subsidiary due to business combination under the same control during a reporting period, in preparing a consolidated financial statement, the Company should consolidate the book value of assets and liabilities of the said subsidiary shown in the financial statements of the ultimate controller (i.e. GCGC in our case) into the financial statements of the Company as if the financial results of the subsidiary has been included in the consolidated financial statements of the Company since the date on which the ultimate controller first obtained control of the subsidiary. The opening balances for the reporting period and the comparative figures for the previous period in the consolidated financial statements should also be restated (“**Restatement**”) concurrently. Based on the audited 2021 annual report of the Company, net losses attributable to shareholders of the parent company was RMB220,330,000 for the year 2021. Based on the latest unaudited consolidated management accounts of the Company, the net losses attributable to shareholders of the parent company after Restatement was RMB220,312,000 for 2021. The difference was attributed to the net profit attributable to shareholders of the parent company of Meizhou Investment of RMB18,000.

Furthermore, the Company wishes to clarify a term in the Original Announcement:

The expected increase in the net profit attributable to shareholders of the parent company as stated in the second paragraph of the Original Announcement should be referring to the expected decrease in the net losses attributable to shareholders of the parent company.

As the Company is still in the process of finalizing the 2022 annual results, shareholders and potential investors shall read the annual results announcement of 2022 carefully, which is expected to be published on or before 31 March 2023.

Save for the above supplemental information, all other information contained in the Original Announcement remains unchanged.

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

By order of the Board
Guangdong Yueyun Transportation Company Limited
Guo Junfa
Chairman of the Board

Guangzhou, the PRC
21 February 2023

As at the date of this announcement, the Board comprises Mr. Guo Junfa, Mr. Zhu Fang, Mr. Huang Wenban and Mr. Hu Xianhua as executive directors of the Company, Mr. Chen Min and Mr. Chen Chuxuan as non-executive directors 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*