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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)**

## CONTINUING CONNECTED TRANSACTIONS

### CONTINUING CONNECTED TRANSACTIONS

The Board is pleased to announce, on 20 December 2023,

1. the Company and Humen Bridge Company renewed the Existing Tai Ping Interchange Management Agreement. Pursuant to the Renewed Tai Ping Interchange Management Agreement, Humen Bridge Company agreed to provide entrusted toll fee collection and other operation and management services in respect of Taiping Interchange to the Company for a term of three years from 1 January 2024 to 31 December 2026;
2. Guangdong and Hong Kong Company and Weisheng renewed the Existing Guangdong and Hong Kong Transportation Branch Outsourcing Agreement. Pursuant to the Renewed Guangdong and Hong Kong Transportation Branch Outsourcing Agreement, Guangdong and Hong Kong Company agreed to outsource the business of Guangdong and Hong Kong Transportation Branch to Weisheng for a term of three years from 1 January 2024 to 31 December 2026;
3. Guangdong and Hong Kong Company and Weisheng renewed the Existing Weisheng Bus Outsourcing Agreement. Pursuant to the Renewed Weisheng Bus Outsourcing Agreement, Weisheng agreed to outsource the business of Weisheng Bus to Guangdong and Hong Kong Company for a term of three years from 1 January 2024 to 31 December 2026;
4. the Company and GD Litong renewed the Existing Property Lease Framework Agreement. Pursuant to the Renewed Property Lease Framework Agreement, the Group agreed to lease properties from GD Litong and its subsidiaries for a term of three years from 1 January 2024 to 31 December 2026;
5. the Company and GCGC renewed the Existing Transportation Service Framework Agreement. Pursuant to the Renewed Transportation Service Framework Agreement, the Group agreed to provide vehicle rental, provincial and municipal charter and other relevant transportation services to GCGC Group for a term of three years from 1 January 2024 to 31 December 2026; and
6. Kee Kwan and Zhuhai Gongyun renewed the 2023 Kee Kwan Lease Agreement. Pursuant to the 2024 Kee Kwan Lease Agreement, Kee Kwan agreed to lease up to 28 car parking spaces to Zhuhai Gongyun for a term of one year from 1 January 2024 to 31 December 2024.

## **IMPLICATIONS UNDER THE LISTING RULES**

As at the date of this announcement, GCGC is the controlling shareholder of the Company as it, directly and indirectly, holds approximately 74.12% of the total issued share capital of the Company. Each of Weisheng, GD Litong and Kee Kwan is a wholly-owned subsidiary of GCGC. Humen Bridge Company is a joint venture of GCGC with 50% of its equity interests indirectly held by GCGC. Therefore, each of Weisheng, GD Litong, Kee Kwan and Humen Bridge Company is an associate of GCGC and a connected person of the Company. Accordingly, the transactions contemplated under each of the Renewed Agreements constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules. In addition, as the transactions contemplated under each of the Renewed Agreements will be conducted on a continuing basis, the transactions contemplated under each of the Renewed Agreements also constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratios in respect of the proposed annual caps of transactions contemplated under each of (a) the Renewed Tai Ping Interchange Management Agreement, (b) the Renewed Guangdong and Hong Kong Transportation Branch Outsourcing Agreement, (c) the Renewed Weisheng Bus Outsourcing Agreement and (d) the Renewed Transportation Service Framework Agreement exceed 0.1% but are under 5%, the transactions contemplated by such four agreements are subject to the announcement, reporting and annual review requirements but are exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratio in respect of the total amount of rent under the 2024 Kee Kwan Lease Agreement and the right-of-use assets under the Renewed Property Lease Framework Agreement on aggregation basis exceeds 0.1% but is less than 5%, the 2024 Kee Kwan Lease Agreement and the Renewed Property Lease Framework Agreement and the respective transactions contemplated thereunder are subject to the reporting, announcement and annual review requirements but are exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

## I. INTRODUCTION

Reference is made to the announcements of the Company dated 31 December 2020, 5 July 2021 and 30 December 2022, in relation to, among other things, the Existing Tai Ping Interchange Management Agreement, the Existing Guangdong and Hong Kong Transportation Branch Outsourcing Agreement, the Existing Weisheng Bus Outsourcing Agreement, the Existing Property Lease Framework Agreement, the Existing Transportation Service Framework Agreement and the 2023 Kee Kwan Lease Agreement. As previously disclosed, the above agreements will expire on 31 December 2023. Therefore, on 20 December 2023,

1. the Company and Humen Bridge Company renewed the Existing Tai Ping Interchange Management Agreement. Pursuant to the Renewed Tai Ping Interchange Management Agreement, Humen Bridge Company agreed to provide entrusted toll fee collection and other operation and management services in respect of Taiping Interchange to the Company for a term of three years from 1 January 2024 to 31 December 2026;
2. Guangdong and Hong Kong Company and Weisheng renewed the Existing Guangdong and Hong Kong Transportation Branch Outsourcing Agreement. Pursuant to the Renewed Guangdong and Hong Kong Transportation Branch Outsourcing Agreement, Guangdong and Hong Kong Company agreed to outsource the business of Guangdong and Hong Kong Transportation Branch to Weisheng for a term of three years from 1 January 2024 to 31 December 2026;
3. Guangdong and Hong Kong Company and Weisheng renewed the Existing Weisheng Bus Outsourcing Agreement. Pursuant to the Renewed Weisheng Bus Outsourcing Agreement, Weisheng agreed to outsource the business of Weisheng Bus to Guangdong and Hong Kong Company for a term of three years from 1 January 2024 to 31 December 2026;
4. the Company and GD Litong renewed the Existing Property Lease Framework Agreement. Pursuant to the Renewed Property Lease Framework Agreement, the Group agreed to lease properties from GD Litong and its subsidiaries for a term of three years from 1 January 2024 to 31 December 2026;
5. the Company and GCGC renewed the Existing Transportation Service Framework Agreement. Pursuant to the Renewed Transportation Service Framework Agreement, the Group agreed to provide vehicle rental, provincial and municipal charter and other relevant transportation services to GCGC Group for a term of three years from 1 January 2024 to 31 December 2026; and
6. Kee Kwan and Zhuhai Gongyun renewed the 2023 Kee Kwan Lease Agreement. Pursuant to the 2024 Kee Kwan Lease Agreement, Kee Kwan agreed to lease up to 28 car parking spaces to Zhuhai Gongyun for a term of one year from 1 January 2024 to 31 December 2024.

Details of each of the above Renewed Agreements are set out below.

## II. RENEWED AGREEMENTS

### 1. Renewed Tai Ping Interchange Management Agreement

The principal terms of the Renewed Tai Ping Interchange Management Agreement are set forth below:

Parties	:	(1) the Company (as entrustor); and (2) Humen Bridge Company (as trustee).
Nature of transaction	:	Humen Bridge Company shall provide the entrusted toll fee collection and other operation and management services in respect of Tai Ping Interchange to the Company.
Term	:	From 1 January 2024 and ending on 31 December 2026.
Service fees	:	RMB5,000,000 per annum of which RMB2,500,000 is payable in June and December each year.

The annual service fees payable under the 2024 Renewed Tai Ping Interchange Management Agreement were agreed between the parties after arm's length negotiations with reference to, among other things, the Group's expected toll fee entitlement and the actual management costs to be incurred for the collection of toll fees.

#### *Historical transaction amounts and existing annual caps*

The table below sets out the historical transaction amounts and existing annual caps under the Existing Tai Ping Interchange Management Agreement:

For the year ended 31 December 2021 (RMB'000)		For the year ended 31 December 2022 (RMB'000)		For the year ending 31 December 2023 (RMB'000)	
Annual cap	Actual amount	Annual cap	Actual amount	Annual cap	Actual amount incurred for the eleven months ended 30 November 2023
<u>4,800</u>	<u>4,800</u>	<u>4,800</u>	<u>4,800</u>	<u>4,800</u>	<u>2,400<sup>(Note)</sup></u>

*Note:* Pursuant to the Existing Tai Ping Interchange Management Agreement, a service fee of RMB2,400,000 is payable in June and December each year. Therefore, the annual service fee for 2023 is expected to be RMB4,800,000.

### ***Proposed annual caps***

The table below sets out the proposed annual caps under the Renewed Tai Ping Interchange Management Agreement for the three years ending 31 December 2026:

<b>Proposed annual cap for the year ending 31 December 2024 (RMB'000)</b>	<b>Proposed annual cap for the year ending 31 December 2025 (RMB'000)</b>	<b>Proposed annual cap for the year ending 31 December 2026 (RMB'000)</b>
<u>5,000</u>	<u>5,000</u>	<u>5,000</u>

The proposed annual caps for the three years ending 31 December 2026 have been determined with reference to the annual service fees payable under the Renewed Tai Ping Interchange Management Agreement.

### ***Reasons for and benefits of the transactions***

The arrangement of the toll collection and management of the Tai Ping Interchange by Humen Bridge Company was originally established and approved by the relevant government authorities when the Tai Ping Interchange commenced operations in 1999. Details of the aforesaid arrangement were set out in the prospectus of the Company dated 14 October 2005. In addition, the Directors believe that the collection of toll fees and management of the Tai Ping Interchange by Humen Bridge Company on behalf of the Company in accordance with the arrangement set out in the Renewed Tai Ping Interchange Management Agreement could achieve better cost and operating efficiency for the Company, and could save substantive human resources of the Company in managing the daily operations of the Tai Ping Interchange.

## **2. Renewed Guangdong and Hong Kong Transportation Branch Outsourcing Agreement**

The principal terms of the Renewed Guangdong and Hong Kong Transportation Branch Outsourcing Agreement are set forth below:

Parties	:	(1) Guangdong and Hong Kong Company (as contractee); and (2) Weisheng (as contractor).
Nature of transaction	:	Guangdong and Hong Kong Company will outsource the operation of Guangdong and Hong Kong Transportation Branch to Weisheng, which include, among other things, 76 quotas for Guangdong – Hong Kong cross-border lorries, 28 lorries, the Kwu Tung parking lot in New Territories and 24 drivers.

Term : From 1 January 2024 and ending on 31 December 2026.

Outsourcing fees : HK\$5,000,000 per annum.

The outsourcing fees payable under the Renewed Guangdong and Hong Kong Transportation Branch Outsourcing Agreement were HK\$5,000,000, which were agreed between the parties after arm's length negotiations with reference to, among other factors, the operating results and financial data of Guangdong and Hong Kong Transportation Branch for the recent three years.

Payment : The monthly outsourcing fees of HK\$417,000 shall be payable by Weisheng to Guangdong and Hong Kong Company before the 25th day of each month.

Expense : Disbursements shall be payable by Guangdong and Hong Kong Company on behalf of Weisheng, including depreciation expenses, insurance fees, license plate fees, GPS surveillance fees, labor costs, parking fees and remuneration-related fees, etc. Weisheng shall deposit the disbursements payable by Guangdong and Hong Kong Company into a designated bank account within five business days after it receives the relevant notice from Guangdong and Hong Kong Company.

### ***Historical transaction amounts and existing annual caps***

The table below sets out the historical transaction amounts and existing annual caps under the Existing Guangdong and Hong Kong Transportation Branch Outsourcing Agreement:

<b>For the year ended 31 December 2021 (HK\$'000)</b>		<b>For the year ended 31 December 2022 (HK\$'000)</b>		<b>For the year ending 31 December 2023 (HK\$'000)</b>		
<b>Annual cap</b>	<b>Actual amount</b>	<b>Annual cap</b>	<b>Actual amount</b>	<b>Annual cap</b>	<b>Actual amount for the eleven months ended 30 November 2023</b>	<b>Estimated amount up to 31 December 2023</b>
<u>15,290</u>	<u>11,128</u>	<u>15,290</u>	<u>11,436</u>	<u>15,290</u>	<u>9,821</u>	<u>11,008</u>

### ***Proposed annual caps***

The table below sets out the proposed annual caps under the Renewed Guangdong and Hong Kong Transportation Branch Outsourcing Agreement for the three years ending 31 December 2026:

<b>Proposed annual cap for the year ending 31 December 2024 (HK\$'000)</b>	<b>Proposed annual cap for the year ending 31 December 2025 (HK\$'000)</b>	<b>Proposed annual cap for the year ending 31 December 2026 (HK\$'000)</b>
<u>11,510</u>	<u>11,510</u>	<u>11,510</u>

The proposed annual caps for the three years ending 31 December 2026 have been determined with reference to the estimated annual total amount payable under the Renewed Guangdong and Hong Kong Transportation Branch Outsourcing Agreement (which includes the outsourcing fees and disbursements payable).

### ***Reasons for and benefits of the transactions***

In line with the Group's development strategy to further professionalize its business, and taking into account Weisheng's extensive experience and professional teams in cross-border freight transportation, Guangdong and Hong Kong Company agreed to cooperate with Weisheng in the specialization of resources, and Weisheng would undertake contracted business related to freight transportation from Guangdong and Hong Kong Company. The Board is of the view that the provision of services by Weisheng to Guangdong and Hong Kong Company under the Renewed Guangdong and Hong Kong Transportation Branch Outsourcing Agreement will help Guangdong and Hong Kong Company to enhance its professionalism in providing freight services. In addition, Guangdong and Hong Kong Company and Weisheng have been in such transactions for years, and Guangdong and Hong Kong Company and Weisheng have established a long-term strategic and strong cooperative relationship. The Directors believe that continuing those transactions will be beneficial to the enhancement of operational efficiency and business stability of Guangdong and Hong Kong Company and is in the interests of the Company and its shareholders as a whole.

### **3. Renewed Weisheng Bus Outsourcing Agreement**

The principal terms of the Renewed Weisheng Bus Outsourcing Agreement are set forth below:

Parties	:	(1) Guangdong and Hong Kong Company (as contractor); and (2) Weisheng (as contractee).
Nature of transaction	:	Weisheng will outsource the operation of Weisheng Bus to Guangdong and Hong Kong Company, which include among other things, 20 quotas, 8 passenger transportation vehicles, 3 drivers and 3 Hong Kong-PRC passenger transportation routes.

Term : From 1 January 2024 and ending on 31 December 2026.

Outsourcing fees : HK\$3,000,000 per annum.

The outsourcing fees payable under the Renewed Weisheng Bus Outsourcing Agreement were agreed between the parties after arm's length negotiations with reference to, among other things, the operating results and financial data of Weisheng Bus for the recent three years.

Payment : The monthly outsourcing fees of HK\$250,000 shall be payable by Guangdong and Hong Kong Company to Weisheng before the 25th day of each month.

Expenses : Disbursements shall be payable by Weisheng on behalf of Guangdong and Hong Kong Company, including depreciation expenses, insurance fees, license plate fees, GPS surveillance fees, labor costs, parking fees and remuneration-related fees, etc.. Guangdong and Hong Kong Company shall deposit the disbursements payable by Weisheng into a designated bank account within five business days after receipt of such relevant notice from Weisheng.

### ***Historical transaction amounts and existing annual caps***

The table below sets out the historical transaction amounts and the existing annual caps under the Existing Weisheng Bus Outsourcing Agreement:

<b>For the year ended 31 December 2021 (HK\$'000)</b>		<b>For the year ended 31 December 2022 (HK\$'000)</b>		<b>For the year ending 31 December 2023 (HK\$'000)</b>		
<b>Annual cap</b>	<b>Actual amount</b>	<b>Annual cap</b>	<b>Actual amount</b>	<b>Annual cap</b>	<b>Actual amount for the eleven months ended 30 November 2023</b>	<b>Estimated amount up to 31 December 2023</b>
<u>7,490</u>	<u>3,836</u>	<u>7,490</u>	<u>3,366</u>	<u>7,490</u>	<u>3,647</u>	<u>4,050</u>



### ***Proposed annual caps***

The table below sets out the proposed annual caps under the Renewed Weisheng Bus Outsourcing Agreement for the three years ending 31 December 2026:

<b>Proposed annual cap for the year ending 31 December 2024 (HK\$'000)</b>	<b>Proposed annual cap for the year ending 31 December 2025 (HK\$'000)</b>	<b>Proposed annual cap for the year ending 31 December 2026 (HK\$'000)</b>
4,200	4,200	4,200

The proposed annual caps for the three years ending 31 December 2026 have been determined with reference to the estimated annual total amount payable under the Renewed Weisheng Bus Outsourcing Agreement (which includes the outsourcing fees and disbursements payable).

### ***Reasons for and benefits of the transactions***

In line with the Group's development strategy to further specialize its business, and taking into account the competitive edge which Guangdong and Hong Kong Company possesses in cross-border transportation services, Guangdong and Hong Kong Company agreed to cooperate with Weisheng in the specialization of resources, and Guangdong and Hong Kong Company would undertake contracted business related to passenger transportation from Weisheng. The Board considers that such transactions under the Renewed Weisheng Bus Outsourcing Agreement expand the sources of revenue of the Company and are in the interests of the Company and its shareholders as a whole.

#### **4. Renewed Property Lease Framework Agreement**

The principal terms of the Renewed Property Lease Framework Agreement are set forth below:

Parties	:	(1) GD Litong (as lessor); and (2) the Company (as lessee).
Term	:	From 1 January 2024 and ending on 31 December 2026. The parties may renew such agreement for three years through friendly negotiations, subject to compliance with the relevant requirements of the Listing Rules and all other applicable laws and regulations.

Leasing target : The parties have agreed that the Company or its subsidiaries may lease the properties of GD Litong or its subsidiaries.

The parties or their respective subsidiaries shall enter into an individual property leasing agreement in respect of each actual transaction based on the terms of the Renewed Property Lease Framework Agreement. Each individual property leasing agreement shall contain the specific details of the leased property and must comply with the agreed terms of the Renewed Property Lease Framework Agreement in all material aspects.

Rent and other fees : The Company or its subsidiaries shall negotiate the monthly rent with GD Litong or its subsidiaries based on the actual area of the leased property, and settle the rental payment on a monthly basis.

The deposit, rent, property management fees, cleaning fees, daily maintenance service fees, vehicle custody fees, air conditioning fees and other relevant charges and expenses in relation to the properties leased by the Company or its subsidiaries shall be determined between the parties after arm's length negotiations with reference to the market prices, being the relevant prices charged by independent third parties on normal commercial terms for comparable properties at the same or nearby locations.

The water and electricity charges in relation to the properties leased by the Company or its subsidiaries shall be determined based on the relevant prices fixed by the water supply companies and the electricity supply companies.

### ***Historical transaction amounts and existing annual caps***

The table below sets out the historical transaction amounts and existing annual caps under the Existing Property Lease Framework Agreement:

For the year ended 31 December 2021 (RMB'000)		For the year ended 31 December 2022 (RMB'000)		For the year ending 31 December 2023 (RMB'000)		
Annual cap	Actual amount	Annual cap	Actual amount	Annual cap	Actual amount for the eleven months ended 30 November 2023	Estimated amount up to 31 December 2023
28,360	12,713	3,290	937	3,400	1,713	2,094

### ***Proposed annual caps***

The table below sets out the proposed annual caps under the Renewed Property Lease Framework Agreement for the three years ending 31 December 2026:

<b>Proposed annual cap for the year ending 31 December 2024 (RMB'000)</b>	<b>Proposed annual cap for the year ending 31 December 2025 (RMB'000)</b>	<b>Proposed annual cap for the year ending 31 December 2026 (RMB'000)</b>
40,720	5,410	5,430

The proposed annual caps for the three years ending 31 December 2026 were determined with reference to the estimated total value of right-of-use assets relating to leases to be entered into by the Group under the Renewed Property Lease Framework Agreement and the management fees and other relevant charges and expenses payable by the Group under the Renewed Property Lease Framework Agreement. The estimated value of the right-of-use assets to be recognised by the Company under the Renewed Property Lease Framework Agreement is approximately RMB33.40 million. A discount rate of 2.8%-4.2% is adopted in calculating the present value of the lease payment. The proposed annual cap for the year ending 31 December 2024 was determined with reference to the sum of the estimated value of the right-of-use assets to be recognised by the Company under the Renewed Property Lease Framework Agreement and the management fees and other relevant charges and expenses payable by the Group for the year 2024. The proposed annual caps for the year ending 31 December 2025 and 2026 were determined with reference to the management fees and other relevant charges and expenses payable by the Group for 2025 and 2026 under the the Renewed Property Lease Framework Agreement.

### ***Reasons for and benefits of the transactions***

In view of the Group's business development needs and GD Litong's extensive experience and expertise in the field of property management, and the favorable geographical location where the properties are situated, which is conducive to the Company's business needs, the Directors consider the renewal of the Existing Property Lease Framework Agreement with GD Litong necessary for the Group to continue to lease the properties used for for offices and commercial purposes.

## **5. Renewed Transportation Service Framework Agreement**

The principal terms of the Renewed Transportation Service Framework Agreement are set forth below:

Parties : (1) GCGC (as entrustor); and  
(2) the Company (as trustee).

Subject matter	:	The Group will provide GCGC Group with vehicle rental, provincial and municipal charter and other relevant transportation services.
Term	:	From 1 January 2024 and ending on 31 December 2026. The parties may renew such agreement for three years through friendly negotiations, subject to compliance with the relevant requirements of the Listing Rules and all other applicable laws and regulations.
Condition	:	The Renewed Transportation Service Framework Agreement and its performance are subject to compliance by the Company with applicable disclosure requirements in relation to connected transactions under the Listing Rules.
Individual agreements	:	GCGC Group and the Group may enter into individual implementation agreements from time to time in respect of the provision of the transportation services upon specific terms and other specific regulations in accordance with the principles of the Renewed Transportation Service Framework Agreement as agreed between the relevant parties.
Consideration	:	Prices are determined based on the general pricing principles, and are payable in such manner and such timetable as agreed by the parties in the relevant individual agreements. The prices for providing the transportation services are primarily determined with reference to the mileage and market price of the services.
Pricing principles	:	<p>General principles for determination of prices as follows:</p> <ol style="list-style-type: none"> <li>(1) state-prescribed prices, being the prices set by any relevant laws, regulations, decisions or orders issued by the relevant authorities of the Chinese government or set by such authorities in respect of the relevant types of services or products;</li> <li>(2) where there is no state-prescribed price, then may be based on state-reference prices, being prices determined by the parties within the price ranges set by any relevant laws, regulations, decisions or orders issued by the relevant authorities of the Chinese government or set by such authorities in respect of the relevant types of services or products; and</li> <li>(3) where there is no state-reference price, then may be based on relevant market prices, being prices at which comparable services or products are provided by independent third parties in the same or surrounding areas in the ordinary course of businesses.</li> </ol>

### ***Historical transaction amounts and existing annual caps***

The table below sets out the historical transaction amounts and existing annual caps under the Existing Transportation Service Framework Agreement:

<b>For the year ended 31 December 2021 (RMB'000)</b>		<b>For the year ended 31 December 2022 (RMB'000)</b>		<b>For the year ending 31 December 2023 (RMB'000)</b>		
<b>Annual cap</b>	<b>Actual amount</b>	<b>Annual cap</b>	<b>Actual amount</b>	<b>Annual cap</b>	<b>Actual amount for the eleven months ended 30 November 2023</b>	<b>Estimated amount up to 31 December 2023</b>
<u>21,740</u>	<u>8,736</u>	<u>22,240</u>	<u>8,367</u>	<u>22,840</u>	<u>10,056</u>	<u>10,946</u>

### ***Proposed annual caps***

The table below sets out the proposed annual caps under the Renewed Transportation Service Framework Agreement for the three years ending 31 December 2026:

<b>Proposed annual cap for the year ending 31 December 2024 (RMB'000)</b>	<b>Proposed annual cap for the year ending 31 December 2025 (RMB'000)</b>	<b>Proposed annual cap for the year ending 31 December 2026 (RMB'000)</b>
<u>8,260</u>	<u>8,100</u>	<u>8,100</u>

The proposed annual caps for the three years ending 31 December 2026 have been determined with reference to (i) the estimated transaction value under the individual agreements expected to be entered into between 2024 and 2026; and (ii) the mileages and the market prices of major reference services.

### ***Reasons for and benefits of the transactions***

The provision of the transportation services to GCGC Group under the Renewed Transportation Service Framework Agreement will bring the Group additional income in the form of service fees, which is conducive to the Group's financial conditions. Meanwhile, the continuing connected transactions under the Renewed Transportation Service Framework Agreement have been and will be beneficial to the Group on an ongoing basis. Due to the established long-term business relationship between the Group and GCGC Group, the Board is of the view that entering into the continuing connected transactions under the Renewed Transportation Service Framework Agreement is in the interest of the Company and its shareholders, as these transactions are conducive to the operation and growth of the Company's business.

## 6. 2024 Kee Kwan Lease Agreement

The principal terms of the 2024 Kee Kwan Lease Agreement are set forth below:

Parties	:	(1) Kee Kwan (as lessor); and (2) Zhuhai Gongyun (as lessee).
Premises	:	28 parking spaces under the dam of Zhuxiandong Reservoir, Nanwan Avenue, Wanzai, Zhuhai
Term	:	From 1 January 2024 to 31 December 2024. Upon expiration of the term and subject to compliance with the Listing Rules, Zhuhai Gongyun has the first right of renewal to the lease, provided it shall give Kee Kwan advance notice in writing of not less than 30 days prior to the expiration date. The rent and fees for renewal will be determined separately.
Rent and other frees	:	The monthly rent and fees payable by Zhuhai Gongyun are RMB42,000 (tax inclusive), which shall be settled on monthly basis.

During the term of the lease, Zhuhai Gongyun shall pay the rent and fees for the respective month to Kee Kwan before the fifth day of each calendar month.

For the year ending 31 December 2024, the Company estimates a maximum of 28 parking spaces will be leased from Kee Kwan per month under 2024 Kee Kwan Lease Agreement based on the business needs of Zhuhai Gongyun. Accordingly, for the year ending 31 December 2024, the maximum monthly rent and fees payable by Zhuhai Gongyun under the 2024 Kee Kwan Lease Agreement will be RMB42,000 (tax inclusive). For the year ended 31 December 2024, the maximum rent and fees payable by Zhuhai Gongyun under the 2024 Kee Kwan Lease Agreement will be RMB504,000 (tax inclusive). The monthly rent and fees payable are determined after arm's length negotiations with reference to the market prices, and the rent and fees payable for a particular month will depend on the business needs of the Group and the ultimate number of parking spaces leased from Kee Kwan during that month, yet the amount shall not exceed RMB42,000 (tax inclusive).

Deposit	:	The total amount of deposit is RMB100,000 which is non-interest bearing, but is required to be refunded, without interest, to the lessee (subject to deduction, if applicable) upon expiration of the term of the agreement.
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### ***Historical transaction amounts and existing annual caps***

The table below sets out the historical transaction amounts and existing annual caps under the 2021 Kee Kwan Lease Agreement, 2022 Kee Kwan Lease Agreement and 2023 Kee Kwan Lease Agreement:

<b>For the year ended 31 December 2021 (RMB'000)</b>		<b>For the year ended 31 December 2022 (RMB'000)</b>		<b>For the year ending 31 December 2023 (RMB'000)</b>		
<b>Annual cap</b>	<b>Actual amount</b>	<b>Annual cap</b>	<b>Actual amount</b>	<b>Annual cap</b>	<b>Actual amount for the eleven months ended 30 November 2023</b>	<b>Estimated amount up to 31 December 2023</b>
<u>1,800</u>	<u>1,397</u>	<u>1,260</u>	<u>694</u>	<u>900</u>	<u>462</u>	<u>504</u>

### ***Proposed annual cap***

As disclosed above, the proposed annual cap for the year ending 31 December 2024 under the 2024 Kee Kwan Lease Agreement is RMB504,000, which was determined with reference to the maximum rent and fees payable for each month by Zhuhai Gongyun under the agreement.

### ***Reasons for and benefits of the transactions***

Zhuhai Gongyun is a wholly-owned subsidiary of the Company. It is principally engaged in passenger transportation service, chartered coaches, operation of bus terminals and tourist transportation service. In order to maintain a smooth daily operation in relevant areas, Zhuhai Gongyun needs to lease parking spaces from third parties. As the terms offered by Kee Kwan are more favourable than those available from independent third party service providers and having considered the flexibility in the leasing arrangement and the optimal geographic locations of those leased parking spaces, the Group entered into the 2024 Kee Kwan Lease Agreement. The rent and fees payable by the Group under the 2024 Kee Kwan Lease Agreement have been determined between the parties after arm's length negotiations with reference to the then prevailing market prices, being the relevant prices charged by independent third parties on normal commercial terms for leasing similar premises at the same or nearby locations. Therefore, the Directors (including the independent non-executive Directors) are of the view that the transactions contemplated under the 2024 Kee Kwan Lease Agreement are in the interests of the Company and the Shareholders as a whole.

### III. INTERNAL CONTROL AND RISK MANAGEMENT MEASURES

In addition to compliance with the requirements on annual review by external auditors and independent non-executive Directors under the Listing Rules in respect of the Group's continuing connected transactions, the Company has established the discipline inspection and audit department and the securities and legal department responsible for internal control and risk management to perform internal review and control over the continuing connected transactions of the Company, including reviewing contracts signed between the Company and connected persons, supervising the performance of procedures prior to signing of contracts as well as the fulfilment of transactions thereunder, conducting regular checks on specific terms of the Company's transactions with connected persons and comparing such with the terms of transactions of the Company of similar types that it entered into with non-connected persons, to ensure that the pricing and other contractual terms of the Group's continuing connected transactions are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders and that the continuing connected transactions are conducted as agreed in the contracts and in compliance with the laws and regulations.

The supervisory committee of the Company operates independently of the Board and performs supervisory duties over the Board, senior management of the Company and the Company. It conducts annual review over the Group's connected transactions and expresses its opinions in the annual Supervisors' Report on whether such connected transactions of the Group are detrimental to the interests of the Shareholders and the Company.

The audit and corporate governance committee of the Company holds interim and annual meetings with its external auditors to, among other things, review and discuss the Group's connected transactions and make recommendations and comments to the Company on matters discovered.

To ensure the continuing connected transactions do not exceed the annual caps, the relevant business departments of the Company and its subsidiaries shall fill in and submit monthly statistical charts for continuing connected transactions to the securities and legal department and the financial department of the Company for aggregation, analysis and tracking. In the event that the amount of the continuing connected transactions incurred and to be incurred for a financial year is expected to possibly reach the annual caps, the securities and legal department of the Company will follow up forthwith by reporting and proposing countermeasures to the management of the Company, and in case that an amendment to the annual caps is required, report particulars to the Board and hold a Board meeting for considering the matters thereabout to ensure compliance with the requirements under the Listing Rules.

The Company arranges compliance trainings for the Directors, supervisors, senior management and staff from the relevant departments of the Company and its subsidiaries from time to time, primarily focusing on the connected transactions rules under Chapter 14A of the Listing Rules.



#### **IV. DIRECTORS' VIEWS**

The Directors (including the independent non-executive Directors) are of the view that the Renewed Agreements were entered into in the ordinary and usual course of business of the Group, the transactions contemplated under the Renewed Agreements and the proposed annual caps were on normal commercial terms, and are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Mr. Guo Junfa, an executive Director of the Company, serves as the assistant to the general manager of GCGC. Mr. Chen Chuxuan, a non-executive Director of the Company, serves as the chairman of Guangdong Urban Transportation Investment Co., Ltd., a subsidiary of GCGC. They are considered to have material interests in transactions contemplated under the Renewed Agreements, and have therefore abstained from voting. Save as disclosed, none of the Directors has material interest in, or is required to abstain from voting on, the relevant Board resolutions.

#### **V. IMPLICATIONS UNDER THE LISTING RULES**

As at the date of this announcement, GCGC is the controlling shareholder of the Company as it, directly and indirectly, holds approximately 74.12% of the total issued share capital of the Company. Each of Weisheng, GD Litong and Kee Kwan is a wholly-owned subsidiary of GCGC. Humen Bridge Company is a joint venture of GCGC with 50% of its equity interests indirectly held by GCGC. Therefore, each of Weisheng, GD Litong, Kee Kwan and Humen Bridge Company is an associate of GCGC and a connected person of the Company. Accordingly, the transactions contemplated under each of the Renewed Agreements constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules. In addition, as the transactions contemplated under each of the Renewed Agreements will be conducted on a continuing basis, the transactions contemplated under each of the Renewed Agreements also constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

As the highest applicable percentage ratios in respect of the proposed annual cap of transactions contemplated under each of (a) the Renewed Tai Ping Interchange Management Agreement, (b) the Renewed Guangdong and Hong Kong Transportation Branch Outsourcing Agreement, (c) the Renewed Weisheng Bus Outsourcing Agreement and (d) the Renewed Transportation Service Framework Agreement exceed 0.1% but are under 5%, the transactions contemplated under (a) the Renewed Tai Ping Interchange Management Agreement, (b) the Renewed Guangdong and Hong Kong Transportation Branch Outsourcing Agreement, (c) the Renewed Weisheng Bus Outsourcing Agreement and (d) the Renewed Transportation Service Framework Agreement are subject to the announcement, reporting and annual review requirements but are exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

In respect of the transactions contemplated under the Renewed Property Lease Framework Agreement, the Group is required to recognise the properties thereunder as the right-of-use assets, thus the transactions contemplated under the Renewed Property Lease Framework Agreement will be regarded as an acquisition of assets by the Group under Chapter 14 of the Listing Rules. In respect of the 2024 Kee Kwan Lease Agreement, as the lease term is 12 months, the Group has elected not to recognise right-of-use assets and lease liabilities associated with the leases under the 2024 Kee Kwan Lease Agreement.

As the highest applicable percentage ratio in respect of the total amount of rent under the 2024 Kee Kwan Lease Agreement and the right-of-use assets under the Renewed Property Lease Framework Agreement on aggregation basis exceed 0.1% but is less than 5%, the 2024 Kee Kwan Lease Agreement and the Renewed Property Lease Framework Agreement and the respective transactions contemplated thereunder are subject to the reporting, announcement and annual review requirements but are exempt from the independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

## **VI. INFORMATION OF THE PARTIES**

### **The Group**

The Company was established under the laws of the PRC as a joint stock limited company with limited liability and its H Shares are listed on the Stock Exchange. The Group is principally engaged in the provision of travel service business.

### **Guangdong and Hong Kong Company**

Guangdong and Hong Kong Company is a company incorporated in Hong Kong with limited liability and a non-wholly owned subsidiary of the Company. It is principally engaged in cross-border transportation services.

### **Zhuhai Gongyun**

Zhuhai Gongyun is a company established in the PRC with limited liability and a wholly-owned subsidiary of the Company. It is principally engaged in passenger transportation service, charter coach, operation of bus terminals and tourist transportation service.

### **GCGC Group**

GCGC is a wholly state-owned enterprise under the supervision of the Guangdong State-owned Assets Commission. The GCGC Group is principally responsible for the investment, construction and management, and road transportation and logistics of the expressways in the Guangdong Province.

## **Weisheng**

Weisheng is a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of GCGC. It is principally engaged in cross-border freight transportation and warehousing services.

## **GD Litong**

GD Litong is a company established in the PRC with limited liability and a wholly-owned subsidiary of GCGC. It is principally engaged in the business of property development and property management.

## **Humen Bridge Company**

Humen Bridge Company is a company established in the PRC with limited liability and a joint venture of GCGC with 50% of its equity interests indirectly held by GCGC. It is principally engaged in the construction, operation and management of Humen Bridge and related auxiliary facilities.

## **Kee Kwan**

Kee Kwan is a company established in the PRC with limited liability and a wholly-owned subsidiary of GCGC. It is principally engaged in passenger and freight transportation in expressways.

## **VII. DEFINITIONS**

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

“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of directors of the Company
“Company”	Guangdong Yueyun Transportation Company Limited* (廣東粵運交通股份有限公司) (Stock Code: 3399), a joint stock limited company incorporated under the laws of the PRC with limited liability, the H Shares of which are listed on the Main Board of the Stock Exchange
“connected person(s)”	has the meaning ascribed to it under the Listing Rules
“continuing connected transaction(s)”	has the meaning ascribed to it under the Listing Rules

“controlling shareholder”	has the meaning ascribed to it under the Listing Rules
“Director(s)”	the director(s) of the Company
“Existing Guangdong and Hong Kong Transportation Branch Outsourcing Agreement”	an outsourcing agreement entered into between Guangdong and Hong Kong Company and Weisheng on 27 December 2017 and renewed on 31 December 2020 with a term of three years effective from 1 January 2021 in relation to the outsourcing of the business of Guangdong and Hong Kong Transportation Branch by Guangdong and Hong Kong Company to Weisheng, details of which are set out in the announcement of the Company dated 31 December 2020
“Existing Property Lease Framework Agreement”	a property lease framework agreement entered into between the Company (as the lessee) and GD Litong (as the lessor) on 31 December 2020 with a term of three years effective from 1 January 2021, details of which are set out in the announcement of the Company dated 31 December 2020
“Existing Tai Ping Interchange Management Agreement”	the agreement entered into between the Company and Humen Bridge Company on 27 December 2017 and renewed on 31 December 2020 with a term effective from 1 January 2021 to 31 December 2023
“Existing Transportation Service Framework Agreement”	the agreement entered into between the Company and GCGC on 5 July 2021 in relation to the provision of transportation services with a term effective from 5 July 2021 to 31 December 2023
“Existing Weisheng Bus Outsourcing Agreement”	the agreement entered into between Guangdong and Hong Kong Company and Weisheng on 27 December 2017 and renewed on 31 December 2020 with a term effective from 1 January 2021 to 31 December 2023
“GCGC”	Guangdong Provincial Communication Group Company Limited* (廣東省交通集團有限公司), a state-owned enterprise established in the PRC and a controlling shareholder of the Company
“GCGC Group”	GCGC and its associates
“GD Litong”	Guangdong Litong Development and Investment Company Limited* (廣東利通發展投資有限公司), a company established in the PRC with limited liability and a wholly-owned subsidiary of GCGC
“Group”	the Company and its subsidiaries

“Guangdong and Hong Kong Company”	The Motor Transport Company Of Guangdong and Hong Kong Limited* (粵港汽車運輸聯營有限公司), a company incorporated in Hong Kong with limited liability and a non-wholly owned subsidiary of the Company
“Guangdong and Hong Kong Transportation Branch”	The Motor Transport Company of Guangdong and Hong Kong Transportation Branch* (粵港汽車運輸貨運分公司), a branch of Guangdong and Hong Kong Company incorporated in Hong Kong in January 2012
“H Share(s)”	the overseas listed foreign share(s) in the capital of the Company with a RMB-denominated par value of RMB1.00 each which are subscribed for and traded in Hong Kong dollars, and listed on the Main Board of the Stock Exchange
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Humen Bridge”	a toll bridge located in Humen Town, Dongguan City, Guangdong Province, the PRC
“Humen Bridge Company”	Guangdong Humen Bridge Company Limited* (廣東虎門大橋有限公司), a company established in the PRC and an associate of GCGC, which is indirectly owned as to 50% by GCGC
“Kee Kwan”	Kee Kwan Motor Road Company Limited* (岐關車路有限公司), a company established in the PRC and a wholly-owned subsidiary of GCGC
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“PRC”	the People’s Republic of China, and for the purpose of this announcement only, excluding Hong Kong, the Macau Special Administrative Region and Taiwan
“Renewed Agreements”	collectively, Renewed Tai Ping Interchange Management Agreement, Renewed Guangdong and Hong Kong Transportation Branch Outsourcing Agreement, Renewed Weisheng Bus Outsourcing Agreement, Renewed Transportation Service Framework Agreement, 2024 Kee Kwan Lease Agreement and Renewed Property Lease Framework Agreement
“Renewed Guangdong and Hong Kong Transportation Branch Outsourcing Agreement”	the agreement dated 27 December 2017 entered into between Guangdong and Hong Kong Company and Weisheng in relation to the outsourcing of the business of Guangdong and Hong Kong Transportation Branch to Weisheng, as renewed by the parties on 20 December 2023 for a term commencing from 1 January 2024 to 31 December 2026, details of which are set out in the section head “2. Renewed Guangdong and Hong Kong Transportation Branch Outsourcing Agreement” in this announcement

“Renewed Property Lease Framework Agreement”	the agreement dated 31 December 2020 entered into between the Company and GD Litong in relation to the lease of certain properties from GD Litong or its subsidiaries to the Company or its subsidiaries, as renewed by the parties on 20 December 2023 for a term commencing from 1 January 2024 to 31 December 2026, the details of which are set out in the section headed “4. Renewed Property Lease Framework Agreement” in this announcement
“Renewed Tai Ping Interchange Management Agreement”	the agreement dated 27 December 2017 entered into between the Company and Humen Bridge Company in relation to the provision of entrusted toll fee collection and other operation and management services in respect of Tai Ping Interchange by Humen Bridge Company to the Company, as renewed by the parties on 20 December 2023 for a term commencing from 1 January 2024 to 31 December 2026, details of which are set out in the section headed “1. Renewed Tai Ping Interchange Management Agreement” in this announcement
“Renewed Transportation Service Framework Agreement”	the agreement dated 5 July 2021 entered into between the Company and GCGC in relation to the provision of vehicle rental, provincial and municipal charter and other relevant transportation services by the Group to GCGC and GCGC Group, as renewed by the parties on 20 December 2023 for a term commencing from 1 January 2024 to 31 December 2026, details of which are set out in the section headed “5. Renewed Transportation Service Framework Agreement” in this announcement
“Renewed Weisheng Bus Outsourcing Agreement”	the agreement dated 27 December 2017 entered into between Guangdong and Hong Kong Company and Weisheng in relation to outsourcing the business of Weisheng Bus by Weisheng to Guangdong and Hong Kong Company, as renewed by the parties on 20 December 2023 for a term commencing from 1 January 2024 to 31 December 2026, details of which are set out in the section headed “3. Renewed Weisheng Bus Outsourcing Agreement” in this announcement
“Shareholder(s)”	holder(s) of the share(s) of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Tai Ping Interchange”	Taiping Interchange, a transportation hub connecting Guangshen Highway and Humen Bridge, which is located at about 4 kilometers away from the east of Humen Town, Dongguan City and linked up with the eastern approach road of Humen Bridge to the west as well as Guangshen Highway to the east
“Weisheng”	Weisheng Transportation Enterprises Company Limited* (威盛運輸企業有限公司), a company incorporated in Hong Kong with limited liability and a subsidiary of GCGC

“Weisheng Bus”	Weisheng Bus Limited* (威盛直通巴士有限公司), a company incorporated in Hong Kong with limited liability and a wholly-owned subsidiary of Weisheng
“Zhuhai Gongyun”	Zhuhai Gongyun Coach Terminal Company Limited* (珠海市拱運汽車客運站有限公司), a company incorporated in the PRC with limited liability and a wholly-owned subsidiary of the Company
“2021 Kee Kwan Lease Agreement”	a lease agreement entered into between Zhuhai Gongyun (as lessee) and Kee Kwan (as lessor) on 31 December 2020 with a term of one year effective from 1 January 2021 in relation to the leasing of parking spaces, details of which are set out in the announcement of the Company dated 31 December 2020
“2022 Kee Kwan Lease Agreement”	a lease agreement entered into between Zhuhai Gongyun (as lessee) and Kee Kwan (as lessor) on 28 December 2021 with a term of one year effective from 1 January 2022 in relation to leasing of parking spaces, details of which are set out in the announcement of the Company dated 18 December 2021
“2023 Kee Kwan Lease Agreement”	a lease agreement entered into between Zhuhai Gongyun (as lessee) and Kee Kwan (as lessor) on 30 December 2022 with a term of one year effective from 1 January 2023 in relation to leasing of parking spaces, details of which are set out in the announcement of the Company dated 30 December 2022
“2024 Kee Kwan Lease Agreement”	the agreement dated 20 December 2023 which Zhuhai Gongyun entered into for the leasing of parking spaces, the details of which are set out in the section headed “6. 2024 Kee Kwan Lease Agreement” in this announcement
“%”	per cent

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

Guangzhou, the PRC  
20 December 2023

*As at the date of this announcement, the Board comprises Mr. Guo Junfa, 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