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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)

RENEWAL OF ANNUAL CAPS FOR EXISTING CONTINUING CONNECTED TRANSACTIONS

Independent Financial Adviser to the Independent Board Committee and the Independent Shareholders

Vinco Financial Limited

RENEWAL OF ANNUAL CAPS FOR EXISTING CONTINUING CONNECTED TRANSACTIONS

The Company has complied with the disclosure and Independent Shareholders' approval requirements under the Listing Rules in respect of the annual caps for the three years ending 31 December 2025 relating to the transactions conducted under the Subcontracting Arrangements entered into by the Group pursuant to the First Right of Operation Agreement. As the terms of such Subcontracting Arrangements run beyond 31 December 2025, the Company proposes to renew the annual caps for a further term of three years commencing on 1 January 2026 and ending on 31 December 2028.

In addition, as the Rescue Services Entrustment Master Agreement will expire on 31 December 2025, the Company and GCGC have agreed to renew the agreement for an additional three-year term from 1 January 2026 to 31 December 2028, with its original terms remaining unchanged.

LISTING RULES IMPLICATIONS

As at the date of this announcement, GCGC is the controlling Shareholder of the Company as it, directly or indirectly, holds approximately 74.12% of the total issued share capital of the Company. As such, GCGC is a connected person of the Company under the Listing Rules and the transactions contemplated under the Continuing Connected Transactions Agreements constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

With respect to the Continuing Connected Transactions for 2026 to 2028, as the highest applicable percentage ratio in respect of the Proposed Annual Caps for the relevant transactions as calculated under Rule 14.07 of the Listing Rules exceeds 5%, the Continuing Connected Transactions for 2026 to 2028 are subject to the reporting, annual review, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

The Independent Board Committee, comprising all the independent non-executive Directors, has been formed in accordance with Chapter 14A of the Listing Rules to advise the Independent Shareholders on proposals in respect of the Continuing Connected Transactions Agreements and the Continuing Connected Transactions for 2026 to 2028 contemplated thereunder (including the respective Proposed Annual Caps).

Meanwhile, the Company has appointed Vinco Financial as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders on proposals in respect of the Continuing Connected Transactions Agreements and the Continuing Connected Transactions for 2026 to 2028 contemplated thereunder (including the respective Proposed Annual Caps).

EGM

The EGM will be held for the Independent Shareholders to consider and, if thought fit, approve the proposals in respect of the Continuing Connected Transactions Agreements and the Continuing Connected Transactions for 2026 to 2028 contemplated thereunder (including the respective Proposed Annual Caps).

GCGC and its associates and those who are interested in the Continuing Connected Transactions Agreements and the Continuing Connected Transactions for 2026 to 2028 contemplated thereunder will be required to abstain from voting on the related resolutions at the EGM. Save as aforementioned, to the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no other Shareholder has a material interest in the Continuing Connected Transactions Agreements and the Continuing Connected Transactions for 2026 to 2028 contemplated thereunder and therefore no other Shareholder is required to abstain from voting on the relevant resolutions at the EGM.

A circular containing, among other things, the following information will be dispatched to the Shareholders as soon as practicable:

(a) further details on proposals relating to the Continuing Connected Transactions Agreements and the Continuing Connected Transactions for 2026 to 2028 contemplated thereunder (including the Proposed Annual Caps);

(b) a letter from the Independent Board Committee with its recommendation to the Independent Shareholders on proposals in respect of the Continuing Connected Transactions Agreements and the Continuing Connected Transactions for 2026 to 2028 contemplated thereunder (including the Proposed Annual Caps);

(c) a letter from the Independent Financial Adviser containing its advice to the Independent Board Committee and the Independent Shareholders in respect of proposals on the Continuing Connected Transactions Agreements and the Continuing Connected Transactions for 2026 to 2028 contemplated thereunder (including the Proposed Annual Caps);

(d) other information as required under the Listing Rules; and

(e) a notice convening the EGM.

The circular is expected to be dispatched to the Shareholders on or around 1 December 2025. It is expected that the circular will be issued more than 15 business days after the publication of this announcement, as more time is needed for the preparation of certain information to be included in the circular.

I. RENEWAL OF ANNUAL CAPS FOR EXISTING CONTINUING CONNECTED TRANSACTIONS

A. INTRODUCTION

References are made to (1) the announcement of the Company dated 17 October 2022; and (2) the circular of the Company dated 10 November 2022, in relation to, among other things, the continuing connected transactions between the Group and the GCGC Group under the First Right of Operation Agreement and the Rescue Services Entrustment Master Agreement.

The Company has complied with the disclosure and Independent Shareholders' approval requirements under the Listing Rules in respect of the annual caps for the three years ending 31 December 2025 relating to the transactions conducted under the Subcontracting Arrangements entered into by the Group pursuant to the First Right of Operation Agreement. As the terms of such Subcontracting Arrangements run beyond 31 December 2025, the Company proposes to renew the annual caps for a further term of three years commencing on 1 January 2026 and ending on 31 December 2028.

In addition, as the Rescue Services Entrustment Master Agreement will expire on 31 December 2025, the Company and GCGC have agreed to renew the agreement for an additional three-year term from 1 January 2026 to 31 December 2028, with its original terms remaining unchanged.

B. THE FIRST RIGHT OF OPERATION AGREEMENT AND THE TRANSACTIONS CONTEMPLATED THEREUNDER

Details of the transactions

Agreement:	The First Right of Operation Agreement
Parties:	(1) The Company
	(2) GCGC

Nature of transactions: Pursuant to the First Right of Operation Agreement, GCGC has granted the Company a first right to operate the expressway service zones on expressways controlled by the GCGC Group.

Expressway Service Subcontracting Arrangements: Upon exercising the above right, members of the Group may enter into, and have previously entered into, the Expressway Service Subcontracting Arrangements with the relevant expressway owner (i.e. the GCGC Group), under which the Group is granted the right to operate the expressway service zones for the subcontracting fees payable to the GCGC Group.

The duration of the Expressway Service Subcontracting Arrangements are normally in line with the operating period of the respective expressways.

The contract sum under an implementation agreement entered into pursuant to the First Right of Operation Agreement charged by the GCGC Group is determined with reference to the following principles:

(1) the value of the right of operation of the relevant expressway service zones as appraised by an independent valuer;

(2) the discounted value of the total contracting fee calculated based on varying proportions of the investment amount for different facilities at the relevant expressway service zones (using a discount rate based on the bank loan interest rate for the same period);

(3) the contract sum of a specific implementation agreement calculated at a certain percentage (usually at approximately 50%) of the net profits of the service zones as a whole; or

(4) in addition, in respect of the new energy-related business (including distributed photovoltaic projects and heavy-duty truck ultra-fast charging projects in service areas), the pricing under the relevant specific implementation agreements shall be determined through mutual negotiation following the principles of fairness, reasonableness and marketization, taking into account factors such as the investment cost, construction conditions, operational risks, expected economic benefits of the project and the tariff policy in the region where the project is located, with reference to the revenue level and cooperation model of similar projects in the market, so as to ensure that the terms of the transaction are fair and reasonable and in the interests of the Company and its Shareholders as a whole.

In general, the Group shall take into account various factors and conduct arm's length commercial negotiations with the GCGC Group to determine the contract sum for a specific implementation agreement through one of the above pricing principles. The amount derived from dividing the contract sum by the operating years of the subcontracting agreement represents the annual subcontracting fee allocated for each year during the term of the implementation agreement.

In particular, when determining the contract sum through pricing principle (1), the Company will consider the value of the right to operate the relevant expressway service zones as appraised by a qualified independent valuer as one of the factors in determining the subcontracting fees for a new expressway service subcontracting agreement to be entered into between the Group and the GCGC Group. Prior to entering into a new expressway service subcontracting agreement, a qualified independent valuer, which shall be a PRC valuation firm designated by the relevant governmental authorities and qualified to conduct asset valuation including state-owned assets, will be engaged to conduct valuation of the right to operate the relevant expressway service zones. The relevant valuation report will be prepared in accordance with the requirements under the Asset Valuation Basic Standards issued by the Ministry of Finance of the PRC and the Practice Standards and Professional Ethics Standards on Assets Valuation issued by the China Appraisal Society. The valuation of the right to operate an expressway service area is practicable only when the relevant reference information such as traffic flow, commercial development level and financial analysis is available. Therefore, the pricing principle (1) is generally applicable to certain road sections with relatively stable traffic flow and relatively mature operation in the surrounding service areas. The independent valuer may value the right to operate with reference to other road sections with comparable traffic volumes and comparable commercial development levels.

In determining the contract sum through pricing principle (2), the Company will make reference to the relevant investment amount of the expressway service area which shall be determined based on the audit report issued by an independent auditor appointed by Transport Department of Guangdong Province. The amount of investment for each of the various facilities in the expressway service area stated in the audit report is a fixed amount. The Company will restate the investment amount of facilities according to different principles based on their types. In determining the contract sum of an expressway service subcontracting agreement relating to a certain expressway service zone, the contract sum equals to the discounted value of the sum of 100% of the investment amount of the operating facilities and 50% of the investment amount of the infrastructure facilities in the relevant expressway service zones using the bank loan interest rate for the same period as the discount rate.

Different types of facilities at the relevant expressway service zones are generally accounted for at different ratios according to the following principles:

(i) for operating facilities (which include facilities directly used for the provision of services, including restaurants, malls, tuck shops, hotels, gas stations and vehicle repair stations) in the service zones constructed with the investment of the expressway owner (i.e. the GCGC Group), 100% of the relevant investment amount is accounted for;

(ii) for infrastructure facilities (which include facilities for service and management purposes, including office and dormitory buildings, staff canteens, permanent water and electricity facilities and wastewater treatment equipment and relevant buildings) in the service zones constructed with the investment of the expressway owner (i.e. the GCGC Group), 50% of the relevant investment amount is accounted for;

(iii) for public facilities (which include facilities for public service and management purposes in the service zones, including acceleration and deceleration lanes, ramps, parking lots, public restrooms, internal roads (including cross-section roads), plazas, green spaces, monitoring systems, traffic signs and markings, high-mast lighting, slopes, side ditches, retaining walls, etc.) in the service zones constructed with the investment of the expressway owner (i.e. the GCGC Group), the relevant investment amount is not accounted for.

Pricing principle (3) is usually applicable to road sections with unstable or fluctuating traffic flow. As there is no road section with comparable traffic volume and commercial development level for reference, any valuation of the right to operate may result in material deviation when the profitability of the service areas of such road sections is unknown. As such, the Company believes that it is more reasonable to share the net profit or loss equally and the risk equally in such case. Accordingly, the Board is of the view that the determination of the total amount of subcontracting fees of relevant contract based on the pricing principle (3) is fair and reasonable and in the interests of the Company and its Shareholders as a whole.

Subcontracting fees for each year are usually settled in July (or such other month as determined after negotiations between the parties) during the year.

The Group conducts business negotiations and enters into the Expressway Service Subcontracting Arrangements with the GCGC Group based on the above basis for determining the subcontracting fees.

In the process of business negotiations, depending on the expressway, the subcontracting fees are also determined on normal commercial terms after arms' length negotiations with reference to various factors such as location, forecasted traffic flow, business development level and financial analysis of relevant expressway service zones. The Group will consider whether the service zone is located in a region with a relatively high level of economic development. The higher the level of economic development in the region, the higher the subcontracting fees will be; otherwise, the fees will be lower. Meanwhile, the higher the forecasted traffic flow of the road section where the service zone is located, the more favorable the operation of the service zone will be, and accordingly the subcontracting fees will be higher; otherwise, they will be lower. The higher the commercial maturity of the road section where the service zone is located, the easier it will be to attract consumer groups, which helps increase the operating income of the service zone. Accordingly, subcontracting fees will be relatively higher; otherwise, they will be lower. Therefore, taking into full account the above circumstances, the Group determines the specific subcontracting fees through commercial negotiations with the owners. Therefore, the Board considers the subcontracting fees under the Expressway Service Subcontracting Arrangements to be fair and reasonable.

Pricing principle (4) is applicable to new energy businesses. In respect of the new energy business, the pricing under the specific implementation agreements shall be determined following the principles of fairness, reasonableness and marketization, taking into account investment costs, operating conditions, risks and expected returns.

(1) Distributed photovoltaic project in service areas: Both parties shall determine the income distribution based on the installed capacity and actual power generation of the project. The pricing shall in principle refer to the local tariff policy and the average revenue level of similar distributed photovoltaic projects in the market, so that the distribution mechanism can reasonably reflect the power generation efficiency of the project and the investment of both parties; and

(2) Heavy-duty truck ultra-fast charging project in service areas: Both parties shall determine the income distribution proportion based on the actual operating benefits of the project, and the pricing shall in principle refer to the income distribution mode of charging facilities of similar service areas in the market, considering the investment scale, operating costs and risk factors of the project, to ensure that the return level is in line with the market condition.

Expressway Advertisement Subcontracting Arrangements:

Upon exercising the above right, members of the Group may enter into, and have previously entered into Expressway Advertisement Subcontracting Arrangements with the relevant expressway owner (i.e. the GCGC Group) for the right to operate the expressway advertisement resources.

The basis for determining the advertising subcontracting fees charged by the GCGC Group is that approximately 30% of the advertising revenue (the exact percentage to be agreed between the contracting parties depending on the location of the expressway, generally around 30%) will be paid to the expressway owner (i.e. the GCGC Group) as the subcontracting fee.

The Group and the expressway owner shall review and approve the advertising revenue for the previous year, and 30% of the advertising revenue shall be payable to the expressway owner by the Group as the subcontracting fee within 15 working days (or other payment date as determined after negotiations between the parties) after confirmation.

The Group conducts business negotiations and enters into the Expressway Advertisement Subcontracting Arrangements with the GCGC Group based on the above basis for determining the advertisement subcontracting fees.

In the process of business negotiations, depending on the expressway, the advertisement subcontracting fees are also determined on normal commercial terms after arms' length negotiations with reference to various factors such as location, forecasted traffic flow, business development level and financial analysis of relevant expressway service zones.

According to an analysis of the previous transactions between the Group and the GCGC Group in relation to the expressway advertising business, the operating costs of the advertising business include maintenance and upkeep cost, depreciation, insurance expenses, electricity charges, graphic production costs, and other expenses, accounting for approximately 20% of the revenue. Even with 30% of the revenue being deducted from the revenue and shared with the relevant expressway owner, the Company still enjoys a gross profit representing 50% of the revenue.

Additionally, the Group is entitled to the first right of operation but is not obligated to enter into the Expressway Service Subcontracting Arrangements under the First Right of Operation Agreement. In the event the proposed subcontracting rate exceeds 50% of the Group's operating revenue and the Group is therefore not expected to generate any profit for the operation of the relevant expressway advertising resources, the Group will not exercise such first right to enter into the Expressway Advertisement Subcontracting Arrangements in relation to operation of the relevant expressway advertising resources. Therefore, the Board considers the subcontracting fees under the Expressway Advertising Subcontracting Arrangements to be fair and reasonable and determined on normal commercial terms.

Historical transaction amounts, existing annual caps and Proposed Annual Caps

The table below sets out the historical transaction amounts, the existing annual caps and the Proposed Annual Caps relating to the Subcontracting Arrangements entered into and/or to be entered into by the Group pursuant to the First Right of Operation Agreement on a cumulative basis:

Year ended 31 December 2023		Year ended 31 December 2024		Year ending 31 December 2025			Year ending 31 December 2026	Year ending 31 December 2027	Year ending 31 December 2028
Annual cap	Actual amount	Annual cap	Actual amount	Annual cap	Actual amount up to 30 September 2025	Estimated amount up to 31 December 2025	Proposed Annual Cap	Proposed Annual Cap	Proposed Annual Cap
(RMB'000)		*(RMB'000)*		*(RMB'000)*	*(RMB'000)*	*(RMB'000)*	*(RMB'000)*	*(RMB'000)*	*(RMB'000)*
277,270	210,312	288,430	236,275	298,480	218,685	286,119	376,307	425,704	436,333

The above Proposed Annual Caps were determined with reference to: (i) the estimated value of transactions under new Subcontracting Arrangements that are expected to be entered into during the period from 2026 to 2028; and (ii) the contractual sum and estimated value of transactions that are required to fulfill the obligations under the existing Subcontracting Arrangements.

As at the date of this announcement, the Group had entered into 76 implementation agreements in respect of the Expressway Service Subcontracting Arrangements with the GCGC Group, pursuant to which the expected total amount payable by the Group to the GCGC Group is approximately RMB257,179,000, RMB226,476,000 and RMB226,779,000 for the years ending 31 December 2026, 2027 and 2028, respectively.

As at the date of this announcement, the Group had entered into 81 implementation agreements in respect of the Expressway Advertisement Subcontracting Arrangements with the GCGC Group, pursuant to which the expected total amount payable by the Group to the GCGC Group is approximately RMB20,756,000, RMB22,418,000 and RMB24,164,000 for the years ending 31 December 2026, 2027 and 2028, respectively.

It is expected that during the period from 2026 to 2028, the GCGC Group will enter into 22 new subcontracts for expressway service zones, and the Group intends to carry out business negotiations with the GCGC Group in respect of the first right of operation of such new service zones and enter into new Subcontracting Agreements accordingly. In addition, the Group expects to enter into implementation agreements in respect of the Expressway Advertisement Subcontracting Arrangements with the GCGC Group for 9 expressways controlled by the GCGC Group, and also plans to carry out other cooperative projects in the service areas, including the construction and operation of distributed photovoltaic power generation projects and heavy-duty truck ultra-fast charging facilities in service areas, to further expand the business scope of the Group in the service areas and enhance its comprehensive service capabilities. According to expectations, the estimated transaction amounts under such new Subcontracting Arrangements and cooperative projects to be entered into during the period from 2026 to 2028 are approximately RMB98,373,000, RMB176,809,000 and RMB185,389,000 for the years ending 31 December 2026, 2027 and 2028, respectively.

Having considered the basis of determination, the Board is of the view that the Proposed Annual Caps align with the Company's business objectives and needs.

Reasons for the transactions

The expressway service has been one of the Group's key businesses. In order to expand the network for the Group's expressway service operation, the Group will endeavour to subcontract new service zones and advertisement resources from expressway owners which may include the GCGC Group. Given the leading position of GCGC in the transportation network in Guangdong Province, the Directors believe that it is in the interest of the Company to have a first right to operate new expressway service zones and advertisement resource network controlled by the GCGC Group so as to maintain the Group's leading position over other competitors in Guangdong Province.

C. RESCUE SERVICES ENTRUSTMENT MASTER AGREEMENT AND TRANSACTIONS CONTEMPLATED THEREUNDER

Details of the transactions

Agreement:	The Rescue Services Entrustment Master Agreement
Parties:	(1) The Company (2) GCGC
Nature of transactions:	Pursuant to the Rescue Services Entrustment Master Agreement, the Group has agreed to provide the GCGC Group with the rescue services as described below: (1) vehicles towing services in the event of traffic accidents and malfunction of vehicles within the service area as stipulated under the relevant individual implementation agreements; (2) cleaning-up services on accident sites within the service area, namely, clearing of debris and oil spills and transportation of goods and passengers; (3) assistance in the management of cordoning of roads and maintaining traffic flow at the request of the traffic police department and the service provider; and (4) assistance in the maintenance of safety on accident sites.
Term:	The current term of the Rescue Services Entrustment Master Agreement will expire on 31 December 2025, which, subject to the relevant requirements under the Listing Rules, will be automatically renewed unless a notice of non-renewal is given by either party to the other party at least three months prior to the expiry of such term. The parties have agreed to renew the Rescue Services Entrustment Master Agreement for an additional three-year period commencing on 1 January 2026 and ending on 31 December 2028.
Condition:	The Rescue Services Entrustment Master Agreement and its performance are subject to compliance by the Company with any applicable disclosure and Shareholders' approval requirements in relation to connected transactions under the Listing Rules.
Individual implementation agreements:	The GCGC Group and the Group may enter into individual implementation agreements from time to time in respect of the provision of the rescue services on specific terms in compliance with those of the Rescue Services Entrustment Master Agreement as agreed between the relevant parties.

Consideration: Service fees for the rescue services are determined based on the General Pricing Principles. According to the General Pricing Principles, such consideration shall be based on State-prescribed prices, State-referenced prices, market prices, or if market prices are not available, based on the reasonable costs incurred for provision of the relevant services or products plus a reasonable profit margin. Based on the Group's experience in past transactions with the GCGC Group, reasonable costs for the relevant services or products are determined in accordance with industry norms and the historical costs incurred for similar types of services or products, and a reasonable profit margin is based on the nature of services or products provided and the scale of the business operations. Based on an analysis of the past transactions, the Group estimates that the costs primarily include (i) labor costs; (ii) fuel costs and (iii) depreciation expenses, repair and maintenance expenses, work safety expenses and office expenses. After arriving at an estimated cost, the Group would add a mark-up of 10% to 13%. Service fees for the rescue services are payable in such manner and in accordance with such timetable as agreed by the parties in the relevant individual implementation agreements.

Historical transaction amounts, existing annual caps and Proposed Annual Caps

The table below sets out the historical transaction amounts, the existing annual caps and the Proposed Annual Caps relating to the Rescue Services Entrustment Master Agreement:

Year ended 31 December 2023		Year ended 31 December 2024		Year ending 31 December 2025					
Annual cap	Actual amount	Annual cap	Actual amount	Annual cap	Actual amount up to 30 September 2025	Estimated amount up to 31 December 2025	Year ending 31 December 2026 Proposed Annual Cap	Year ending 31 December 2027 Proposed Annual Cap	Year ending 31 December 2028 Proposed Annual Cap
(RMB'000)		*(RMB'000)*		*(RMB'000)*	*(RMB'000)*	*(RMB'000)*	*(RMB'000)*	*(RMB'000)*	*(RMB'000)*
168,780	98,551	128,050	95,657	129,330	96,520	129,010	314,328	316,117	317,924

The Proposed Annual Caps in relation to the provision of the rescue services were determined with reference to (i) the expressway lengths for which the rescue services are engaged to be provided; and (ii) the toll standards for the provision of the rescue services.

In determining the Proposed Annual Cap for the year ending 31 December 2026, the Company has mainly considered the following factors:

(i) an estimated amount of approximately RMB135,370,000 for transactions to be conducted during year 2026 in fulfilling the Group's obligations under existing individual implementation agreements that remain effective at or beyond 31 December 2025 (the "**Existing Transactions**"), calculated based on the expressway lengths and toll standards set out in those individual implementation agreements; and

(ii) an increase in the rescue fee income expected to be received by the Group from the GCGC Group under the Rescue Services Entrustment Master Agreement as a result of a change in policy. According to Jiangsu Province document "Su Fa Gai Shou Fei Fa [2025] No.787 (《蘇發改收費發[2025]787號》)," starting from September 2025, towing and crane fees for disabled or accident vehicles on expressways will be waived for individual vehicle owners and instead borne by the road section operators. The Group expects that from 2026, the above rescue service fees will be charged to the GCGC Group instead, and such fees, which previously constituted independent third-party transactions, will be included in the scope of connected transactions. According to the Company's estimate, the fees charged for providing rescue services to individual vehicle owners on the above-mentioned road sections in 2025 will be approximately RMB137,660,000. The Group expects such rescue fee income to increase by approximately 30% in 2026 as compared to 2025, mainly reflecting the increased willingness of individual vehicle owners to accept rescue services following the introduction of free rescue services. The increase in rescue fee income is expected to slow down in 2027 and 2028, with an average growth rate of approximately 1%, reflecting stabilization of rescue fee income levels following the surge in 2026.

Reasons for the transactions

Pursuant to the requirements of notices and rules promulgated by the relevant PRC governmental authorities, in order to maintain traffic flow and ensure timely rescue services in the event of accidents and vehicle malfunctions and to comply with the policies of the relevant government authorities, the Rescue Services Entrustment Master Agreement was entered into by the parties for the provision by the Group of rescue services in respect of expressways managed by the GCGC Group. The Group benefits from the Rescue Services Entrustment Master Agreement as the Group is entitled to receive service fees from the GCGC Group.

II. 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 set up the discipline inspection and audit department and the Securities and Legal Department in charge of 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, regularly inspecting specific terms of the Company's transactions with connected persons and comparing with the terms of the same type transactions of the Company entered into with non-connected persons, to ensure that the pricing and other contract terms for 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 audit and corporate governance committee of the Company operates independently of the Board and performs supervisory duties over the Board, senior management and the Company. It conducts annual review over the Group's connected transactions and expresses its opinions in the annual report regarding whether such connected transactions would damage 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 provide advice to the Company in respect of 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 complete and submit a monthly statistical chart for continuing connected transactions to the Securities and Legal Department for compilation, analysis and follow-up. In the event that the amount of the continuing connected transactions incurred and to be incurred for a financial year is expected to potentially reach the annual cap, the Securities and Legal Department will follow up forthwith by reporting and proposing a corresponding solution to the management of the Company, and in case that an amendment to the annual caps is required, it will report particulars to the Board and hold a Board meeting for considering the matters thereabout to ensure compliance of the requirements under the Listing Rules.

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

III. DIRECTORS' VIEW

On 21 October 2025, the Company held a board meeting and reviewed proposals on the Continuing Connected Transactions for 2026 to 2028. The Board is of the opinion that the continuing connected transactions contemplated under the Continuing Connected Transactions Agreements have been and will continue to be beneficial to the Group and, to a certain extent, are inevitable due to the extensive business coverage of the GCGC Group in the development of transportation infrastructures in Guangdong Province. Due to the long-term relationship between the Group and the GCGC Group, the Board considers it to be beneficial to the Company to enter into the continuing connected transactions under each of the Continuing Connected Transactions Agreements as these transactions have facilitated and will facilitate the operation and growth of the Company's business.

The Directors (including the independent non-executive Directors) are of the view that the Continuing Connected Transactions Agreements and the Continuing Connected Transactions for 2026 to 2028 contemplated thereunder (including the respective Proposed Annual Caps) are conducted in the ordinary and usual course of business of the Group, on normal commercial terms, and that the relevant terms are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Mr. Yuan Dengping, a non-executive Director, is the general legal counsel of GCGC, and Mr. Cai Fen, a non-executive Director, is the deputy director of the investment management department of GCGC. They are considered to have a material interest in, and have therefore abstained from voting on the resolutions of the Board in relation to the Continuing Connected Transactions Agreements and the Continuing Connected Transactions for 2026 to 2028 contemplated thereunder (including the respective Proposed Annual Caps). Save as disclosed above, none of the Directors has a material interest in, or is required to abstain from voting on, the relevant Board resolutions.

IV. LISTING RULES IMPLICATIONS

As at the date of this announcement, GCGC is the controlling Shareholder of the Company as it, directly or indirectly, holds approximately 74.12% of the total issued share capital of the Company. As such, GCGC is a connected person of the Company under the Listing Rules and the transactions contemplated under the Continuing Connected Transactions Agreements constitute continuing connected transactions of the Company under Chapter 14A of the Listing Rules.

With respect to the Continuing Connected Transactions for 2026 to 2028, as the highest applicable percentage ratio in respect of the Proposed Annual Caps for the relevant transactions as calculated under Rule 14.07 of the Listing Rules exceeds 5%, the Continuing Connected Transactions for 2026 to 2028 are subject to the reporting, annual review, announcement and Independent Shareholders' approval requirements under Chapter 14A of the Listing Rules.

V. INFORMATION ON THE GROUP AND THE GCGC GROUP

Information on the Group

The Company was established under the laws of the PRC as a joint stock 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.

Information on the GCGC Group

GCGC is a wholly state-owned enterprise under the supervision of the State-owned Assets Supervision and Administration Commission of the People's Government of Guangdong Province. The GCGC Group is principally responsible for the investment, construction and management of expressways in Guangdong Province and is also engaged in logistics and transportation business.

VI. INDEPENDENT BOARD COMMITTEE AND INDEPENDENT FINANCIAL ADVISER

The Independent Board Committee, comprising all the independent non-executive Directors, has been formed in accordance with Chapter 14A of the Listing Rules to advise the Independent Shareholders on proposals in respect of the Continuing Connected Transactions Agreements and the Continuing Connected Transactions for 2026 to 2028 contemplated thereunder (including the respective Proposed Annual Caps).

Meanwhile, the Company has appointed Vinco Financial as the Independent Financial Adviser to advise the Independent Board Committee and the Independent Shareholders on proposals in respect of the Continuing Connected Transactions Agreements and the Continuing Connected Transactions for 2026 to 2028 contemplated thereunder (including the respective Proposed Annual Caps).

VII. EGM

The EGM will be held for the Independent Shareholders to consider and, if thought fit, approve the proposals in respect of the Continuing Connected Transactions Agreements and the Continuing Connected Transactions for 2026 to 2028 contemplated thereunder (including the respective Proposed Annual Caps).

GCGC and its associates and those who are interested in the Continuing Connected Transactions Agreements and the Continuing Connected Transactions for 2026 to 2028 contemplated thereunder will be required to abstain from voting on the related resolutions at the EGM. Save as aforementioned, to the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, no other Shareholder has a material interest in the Continuing Connected Transactions Agreements and the Continuing Connected Transactions for 2026 to 2028 contemplated thereunder and therefore no other Shareholder is required to abstain from voting on the relevant resolutions at the EGM.

A circular containing, among other things, the following information will be dispatched to the Shareholders as soon as practicable:

(a) further details on proposals relating to the Continuing Connected Transactions Agreements and the Continuing Connected Transactions for 2026 to 2028 contemplated thereunder (including the Proposed Annual Caps);

(b) a letter from the Independent Board Committee with its recommendation to the Independent Shareholders on proposals in respect of the Continuing Connected Transactions Agreements and the Continuing Connected Transactions for 2026 to 2028 contemplated thereunder (including the Proposed Annual Caps);

(c) a letter from the Independent Financial Adviser containing its advice to the Independent Board Committee and the Independent Shareholders in respect of proposals on the Continuing Connected Transactions Agreements and the Continuing Connected Transactions for 2026 to 2028 contemplated thereunder (including the Proposed Annual Caps);

(d) other information as required under the Listing Rules; and

(e) a notice convening the EGM.

The circular is expected to be dispatched to the Shareholders on or around 1 December 2025. It is expected that the circular will be issued more than 15 business days after the publication of this announcement, as more time is needed for the preparation of certain information to be included in the circular.

VIII. DEFINITIONS

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

"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: 03399), a joint stock 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
"Continuing Connected Transactions Agreements"	collectively, the First Right of Operation Agreement, and the Rescue Services Entrustment Master Agreement
"Continuing Connected Transactions for 2026 to 2028"	the continuing connected transactions contemplated to be conducted by the Group under the Continuing Connected Transactions Agreements for the period from 2026 to 2028
"Director(s)"	the director(s) of the Company
"EGM"	the extraordinary general meeting to be held by the Company by the end of December 2025 to consider and, if thought fit, approve, among other things, the proposals in respect of the Continuing Connected Transactions Agreements and the Continuing Connected Transactions for 2026 to 2028 contemplated thereunder (including the respective Proposed Annual Caps)
"Expressway Advertisement Subcontracting Arrangements"	the individual expressway advertisement subcontracting arrangements and relevant implementation agreements entered into and/or proposed to be entered into by the Group pursuant to the First Right of Operation Agreement
"Expressway Service Subcontracting Arrangements"	the individual expressway service subcontracting arrangements and relevant implementation agreements entered into and/or proposed to be entered into by the Group pursuant to the First Right of Operation Agreement

"First Right of Operation Agreement"	an agreement dated 15 September 2005 between the Company and GCGC under which GCGC has granted the Company a first right to operate the expressway service zones on expressways controlled by the GCGC Group, as amended and supplemented by the Supplemental First Right of Operation Agreement
"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 the controlling Shareholder of the Company
"GCGC Group"	GCGC and its associates
"General Pricing Principles"	general principles for determination of prices as follows: (1) State-prescribed prices, being the prices set by any relevant laws, regulations, decisions or orders issued by the relevant authorities of the PRC government or set by the relevant authorities in respect of the relevant type of services or products; (2) where there is no State-prescribed price, then according to the State-referenced prices, being the 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 PRC government or set by the relevant authorities in respect of the relevant type of services or products; (3) where there is no State-referenced price, then according to the relevant market prices, being the prices at which comparable services or products are provided by independent third parties in same or surrounding areas in the ordinary course of business; and (4) where there is no relevant market price, then according to the reasonable cost incurred for provision of the relevant services or products plus a reasonable profit margin.
"Group"	the Company and its subsidiaries
"Guangdong Province"	Guangdong Province of the PRC
"H Share(s)"	the overseas listed foreign share(s) in the share 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 PRC
"Independent Board Committee"	the independent board committee of the Company comprising all the independent non-executive Directors pursuant to the Listing Rules to advise the Independent Shareholders on proposals, among others, in relation to the Continuing Connected Transactions Agreements and the Continuing Connected Transactions for 2026 to 2028 contemplated thereunder (including the respective Proposed Annual Caps)
"Independent Financial Adviser" or "Vinco Financial"	Vinco Financial Limited, a corporation licensed to carry out business in type 1 (dealing in securities) and type 6 (advising on corporate finance) regulated activities under the Securities and Future Ordinance (Chapter 571 of the Laws of Hong Kong) and being the independent financial adviser appointed by the Company to advise the Independent Board Committee and the Independent Shareholders on proposals, among others, in respect of the Continuing Connected Transactions Agreements and the Continuing Connected Transactions for 2026 to 2028 contemplated thereunder (including the respective Proposed Annual Caps)
"Independent Shareholder(s)"	Shareholder(s) other than GCGC and its associates
"Listing Rules"	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
"PRC"	the People's Republic of China, for the purpose of this announcement, excluding Hong Kong, the Macau Special Administration Region of the People's Republic of China and Taiwan
"Proposed Annual Cap(s)"	the proposed annual cap(s) for the year(s) ending 31 December 2026, 2027 and/or 2028 (as the case may be)
"Rescue Services Entrustment Master Agreement"	a master agreement dated 30 September 2013 between the Company and GCGC in relation to provision of rescue services by the Group to the GCGC Group
"RMB"	Renminbi, the lawful currency of the PRC
"Securities and Legal Department"	the securities and legal department of the Company
"Shareholder(s)"	holder(s) of the Share(s) of the Company

"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Subcontracting Arrangements"	Expressway Advertisement Subcontracting Arrangements and Expressway Service Subcontracting Arrangements
"Supplemental First Right of Operation Agreement"	the supplemental agreement to the First Right of Operation Agreement dated 14 September 2018 entered into between the Company and GCGC
"%"	per cent

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

Guangzhou, the PRC
21 October 2025

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. Yuan Dengping and Mr. Cai Fen as non-executive Directors of the Company, and Mr. Su Wujun, Ms. Huang Yuan, Mr. Zhang Xiangfa and Ms. Mu Huihua as independent non-executive Directors of the Company.

* *For identification purpose only*