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廣東粵運交通股份有限公司

Guangdong Yueyun Transportation Company Limited*

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

(Stock Code: 03399)

DISCLOSEABLE AND CONNECTED TRANSACTIONS IN RELATION TO REPURCHASE OF EQUITY INTEREST AND SHARES IN SUBSIDIARIES

THE REPURCHASES

The Board announces that on 19 November 2026, (i) Guangzhou Company, Shenzhen Communication, the Company and Jing Mei entered into the Guangzhou Repurchase Agreement, pursuant to which, Guangzhou Company agreed to repurchase the 19% equity interest in Guangzhou Company held by Shenzhen Communication for RMB9,802,700, and cancel the relevant equity interest by way of a capital reduction; and (ii) Hong Kong Company and Shenzhen Communication entered into the Hong Kong Repurchase Agreement, pursuant to which Hong Kong Company conditionally agreed to repurchase 3,420 shares in Hong Kong Company held by Shenzhen Communication (representing 19% of the total number of its issued shares) for HK$119,621,500, and cancel the relevant shares.

As at the date of this announcement, Guangzhou Company and Hong Kong Company are each held as to 62%, 19% and 19% by the Company, Shenzhen Communication and Jing Mei, respectively. Upon completion of the respective repurchases and the relevant cancellations, the shareholding of the Company in the relevant companies will increase from 62% to approximately 76.54%, the shareholding of Jing Mei will increase from 19% to approximately 23.46%, and Shenzhen Communication will no longer hold any equity interest in the relevant companies. The two companies will remain as non-wholly-owned subsidiaries of the Company, and their financial results will continue to be consolidated into the financial statements of the Group.

IMPLICATIONS OF THE LISTING RULES

As both repurchases involve the repurchase by the Group of the interests in the subsidiaries held by Shenzhen Communication, the two repurchases are required to be aggregated pursuant to the Listing Rules. As one or more of the applicable percentage ratios, when aggregated, exceeds 5% but all applicable percentage ratios are less than 25%, the Repurchases constitute discloseable transactions for the Company under Chapter 14 of the Listing Rules, and are subject to the reporting and announcement requirements but exempt from the Shareholders' approval requirement.

In addition, Shenzhen Communication and Jing Mei each hold a 19% equity interest in Guangzhou Company and 19% of the issued shares in Hong Kong Company, and are both substantial shareholders of the two companies, and are connected persons of the Company at the subsidiary level merely by virtue of their status as such substantial shareholders. Therefore, the two repurchases also constitute connected transactions for the Company under Chapter 14A of the Listing Rules. The Board has approved the two repurchase agreements and the transactions contemplated thereunder; the independent non-executive Directors have also confirmed that the terms of the relevant transactions are fair and reasonable, are on normal commercial terms or better, and are in the interests of the Company and the Shareholders as a whole. Accordingly, pursuant to Rule 14A.101 of the Listing Rules, the relevant transactions are subject to the reporting and announcement requirements but are exempt from the circular, independent financial advice and Shareholders' approval requirements.

INTRODUCTION

The Board announces that on 19 November 2026, (i) Guangzhou Company, Shenzhen Communication, the Company and Jing Mei entered into the Guangzhou Repurchase Agreement, pursuant to which, Guangzhou Company agreed to repurchase the 19% equity interest in Guangzhou Company held by Shenzhen Communication for RMB9,802,700, and cancel the relevant equity interest by way of a capital reduction; and (ii) Hong Kong Company and Shenzhen Communication entered into the Hong Kong Repurchase Agreement, pursuant to which Hong Kong Company conditionally agreed to repurchase 3,420 shares in Hong Kong Company held by Shenzhen Communication (representing 19% of the total number of its issued shares) for HK$119,621,500, and cancel the relevant shares. Based on the exchange rate of HK$1.00 to RMB0.85563 as at the date of this announcement, the total consideration for the above two repurchases in aggregate is approximately RMB112,154,444 (being RMB9,802,700 plus the RMB equivalent of HK$119,621,500 converted at the above exchange rate). The above conversion is for the purpose of illustrating the RMB equivalent in this announcement only, and does not affect the consideration amounts of the two repurchases determined in RMB and HK$, respectively.

As at the date of this announcement, Guangzhou Company and Hong Kong Company are each held as to 62%, 19% and 19% by the Company, Shenzhen Communication and Jing Mei, respectively. Upon completion of the respective repurchases and the relevant cancellations, the shareholding of the Company in the relevant companies will increase from 62% to approximately 76.54%, the shareholding of Jing Mei will increase from 19% to approximately 23.46%, and Shenzhen Communication will no longer hold any equity interest in the relevant companies. The two companies will remain as non-wholly-owned subsidiaries of the Company, and their financial results will continue to be consolidated into the financial statements of the Group.

GUANGZHOU REPURCHASE AGREEMENT

Date

19 November 2026.

Parties

(i) Guangzhou Company, as the target company of the equity repurchase;

(ii) Shenzhen Communication, as the shareholder whose equity interest is being repurchased;

(iii) the Company, as another shareholder of Guangzhou Company; and

(iv) Jing Mei, as another shareholder of Guangzhou Company.

Subject Matter of the Repurchase

Guangzhou Company agreed to repurchase the entire 19% equity interest held by Shenzhen Communication, corresponding to its paid-up registered capital of HK$4,750,000. Upon the repurchase, such equity interest will be cancelled by way of capital reduction, and the registered capital of Guangzhou Company will be reduced from HK$25,000,000 to HK$20,250,000.

Shareholding Structure Before and After the Repurchase and Capital Reduction

Prior to the repurchase and capital reduction, the shareholding structure of Guangzhou Company was as follows:

Shareholder	**Subscribed registered capital** *(HK$'0,000)*	**Paid-up registered capital** *(HK$'0,000)*	**Shareholding percentage**
The Company	1,550	1,550	62.00%
Shenzhen Communication	475	475	19.00%
Jing Mei	475	475	19.00%
Total	**2,500**	**2,500**	**100.00%**

Following the repurchase and capital reduction, the shareholding structure of Guangzhou Company will be as follows:

Shareholder	**Subscribed registered capital** *(HK$'0,000)*	**Paid-up registered capital** *(HK$'0,000)*	**Shareholding percentage**
The Company	1,550	1,550	76.54%
Jing Mei	475	475	23.46%
Total	**2,025**	**2,025**	**100.00%**

Consideration and Basis of Determination

The consideration for the repurchase of the aforementioned 19% equity interest by Guangzhou Company is RMB9,802,700, which was determined by reference to the total value of the entire shareholders' equity of the Guangzhou Company of RMB51,593,000 (as appraised by China United Assets Appraisal with 31 December 2025 as the valuation benchmark date), being RMB9,802,670 calculated based on the 19% shareholding interest held by Shenzhen Communication, and rounded up to the nearest hundred yuan after negotiation between the parties to the agreement. The consideration was determined after arm's length negotiations between the parties with reference to the above valuation results. Details of the valuation method, principal assumptions and parameters are set out in the section headed "Valuation and Profit Forecast" below.

Payment Arrangements and Source of Funding

Guangzhou Company will pay the consideration in cash in two installments: (i) 50% of the consideration shall be paid within 15 business days from the effective date of the Guangzhou Repurchase Agreement; and (ii) the remaining 50% shall be paid within 15 business days after the resignation of the directors and senior management personnel appointed by Shenzhen Communication has been completed and the completion of the industrial and commercial registration procedures for the changes in relation to the repurchase and capital reduction. Each party shall bear the relevant taxes and fees in accordance with its respective applicable tax obligations. Guangzhou Company will fund the consideration with its internal resources. The consideration was determined based on the valuation as at 31 December 2025 and shall not be adjusted for any profit or loss during the transitional period from 1 January 2026 to the Completion Date. Upon Completion, all profits or losses arising from the ordinary course of business of the Guangzhou Company during the transitional period shall be enjoyed or borne by the Company and Jing Mei in proportion to their respective equity interests in the Guangzhou Company upon Completion. Shenzhen Communication shall no longer be entitled to any separate distribution of, or be obliged to make up for, any profit or loss during the transitional period.

Completion

The Guangzhou Repurchase Agreement shall become effective upon signing or affixing of seals by the contracting parties and approval of the Guangzhou Repurchase Agreement by the Board of the Company. As of the date of this Announcement, all of the conditions for effectiveness have been fulfilled and the Guangzhou Repurchase Agreement has become effective. The shareholders of Guangzhou Company passed a resolution approving the equity repurchase and capital reduction on 11 November 2026. Guangzhou Company shall fulfill the creditor notification and public announcement procedures in accordance with applicable PRC laws, and repay the debts or provide corresponding guarantees in accordance with the requests made by the creditors within the statutory time limit. The parties shall, within seven business days from the date of the completion of the public announcement procedures for capital reduction, complete the industrial and commercial registration for the capital reduction and the resulting changes in the shareholding structure. The date of completion of the registration of industrial and commercial changes shall be the completion date of the Guangzhou Repurchase. The Directors and other senior management of Guangzhou Company appointed by Shenzhen Communication shall resign in accordance with applicable procedures within the abovementioned period.

HONG KONG REPURCHASE AGREEMENT

Date

19 November 2026.

Parties

(i) Shenzhen Communication, as the shareholder selling the shares; and

(ii) Hong Kong Company, as the company repurchasing its own shares.

Hong Kong Company agrees to repurchase all of the 3,420 ordinary shares held by Shenzhen Communication, representing 19% of the 18,000 issued ordinary shares of Hong Kong Company as at the date of the agreement. The repurchased shares shall be repurchased free from any encumbrances upon completion, together with all rights and interests attaching or accruing thereto, including all dividends and distributions declared, made or paid from 1 January 2026. Upon cancellation of the repurchased shares, the total number of issued ordinary shares of Hong Kong Company will be reduced to 14,580 shares. The number of shares held by the Company and Jing Mei will remain at 11,160 shares and 3,420 shares, respectively.

Consideration and Basis of Determination

The consideration for the repurchase of the aforementioned 3,420 shares by Hong Kong Company is HK$119,621,500, which was determined by the parties after arm's length negotiations with reference to the value of the entire shareholders' equity of Hong Kong Company of HK$629,587,000 as appraised by China United Assets Appraisal using 31 December 2025 as the valuation benchmark date, and the 19% shareholding proportion of Shenzhen Communication.

Payment Arrangements and Source of Funding

Hong Kong Company will pay the consideration in cash in two installments: (i) 50% of the consideration, being HK$59,810,750, shall be paid within 15 Business Days from the date on which the Company has obtained all necessary consents and approvals required under the applicable Listing Rules, laws and regulations in respect of the Hong Kong Repurchase Agreement and the transactions contemplated thereunder; and (ii) the remaining 50%, being HK$59,810,750, shall be paid on the date of completion. The consideration will be funded by Hong Kong Company using its internal resources, and the repurchase will be made out of sufficient distributable profits.

Conditions Precedent

Completion is subject to the following non-waivable conditions precedent being fulfilled on or before the long stop date: (i) both parties having respectively obtained all necessary consents and approvals required for the Hong Kong Repurchase Agreement and the transactions contemplated thereunder; (ii) the Company has obtained all necessary consents and approvals required under the applicable Listing Rules, laws and regulations in respect of the related transactions (including approval from or filing with the Stock Exchange and/or other regulatory authorities, where applicable); (iii) The Directors and senior management of Hong Kong Company appointed by Shenzhen Communication have resigned; (iv) the warranties given by the parties shall remain true, accurate and not misleading in all material respects on the date of completion, and no event shall have occurred which would have a material adverse effect on the performance by either party of the Hong Kong Repurchase Agreement; (v) both parties having complied with all applicable laws and regulations. The long stop date shall be six months after the date of the Hong Kong Repurchase Agreement, or such later date as the parties may agree.

As of the date of this Announcement, conditions precedents (i) and (ii) have been fulfilled. Condition precedent (iii) remains subject to the resignation of the directors and senior management of Hong Kong Company appointed by Shenzhen Communication. Condition precedent (iv) is required to be confirmed on the Completion Date. The parties to the agreement are also required to comply with all applicable laws and regulations prior to and at the Completion in order to satisfy condition precedent (v).

If any of the conditions precedent is not fulfilled on or before the long stop date, the Hong Kong Repurchase Agreement shall terminate in accordance with its terms (save for certain surviving provisions), and Shenzhen Communication shall refund all the consideration received (if any) within seven business days from such date, without prejudice to the right of either party to make a claim in respect of any antecedent breaches.

Completion

Completion shall take place within fifteen business days after the fulfillment of all conditions precedent, or on such later date as may be agreed by both parties.

SHAREHOLDING STRUCTURE BEFORE AND AFTER THE REPURCHASES

The table below sets forth the shareholding percentages before and after the completion of each repurchase and cancellation:

Shareholder	Guangzhou Company prior to completion	Guangzhou Company after completion	Hong Kong Company prior to completion	Hong Kong Company after completion
The Company	62.00%	approximately 76.54%	62.00%	approximately 76.54%
Shenzhen Communication	19.00%	—	19.00%	—
Jing Mei	19.00%	approximately 23.46%	19.00%	approximately 23.46%
Total	100.00%	100.00%	100.00%	100.00%

The above shareholding percentages are calculated based on the number of equity interests or shares originally held by the Company and Jing Mei, divided by the relevant total equity interests or total number of issued shares following the respective repurchases and cancellations. Both companies will continue to be non-wholly-owned subsidiaries of the Company.

Valuation and Profit Forecast

China United Assets Appraisal conducted valuations on the total shareholders' equity of Guangzhou Company and Hong Kong Company as at 31 December 2025, respectively, and the relevant valuation results served as the reference basis for determining the considerations for the two repurchases. Both Valuation Reports adopted the asset-based approach and the income approach. After comparing the results obtained from the two approaches, the results obtained from the asset-based approach were selected as the final valuation conclusion.

The summaries of the valuations of Guangzhou Company and Hong Kong Company, including the valuation methodology, reasons for selection, key assumptions and parameters, valuation results and sensitivity analysis, are set out in Part A and Part B of Appendix I to this announcement respectively.

The Board has reviewed the two Valuation Reports, and discussed with China United Assets Appraisal the key assumptions, valuation methods and valuation results adopted for the valuation. The Board has considered that the key assumptions are based on the going concern and the current business conditions of the two companies, and considers such assumptions to be consistent with the purpose and basis of the valuation and reasonable. In respect of the valuation methods, the asset-based approach and the income approach conduct evaluations from the perspectives of the value of the existing assets and liabilities and the future operating income, respectively, and the Board is of the view that the aforementioned methods are in line with the business and asset nature of the two companies. Having considered the comparison of the results derived from the two methods, as well as the analysis made by China United Assets Appraisal that the asset-based approach can reflect the value of the major assets and relies relatively less on the overall future operating income forecasts of the enterprises, the Board is of the view that there is a reasonable basis for selecting the result of the asset-based approach as the final valuation conclusion. The Board has also considered the principal differences between the appraised values and the book values and the reasons for the appreciation as set out in Appendix I, and considers that the explanation provided in the Valuation Reports regarding the major sources of appreciation is consistent with the nature and valuation basis of the relevant assets. Having comprehensively considered the above factors, the Board is of the view that, for the purpose of this valuation, the basis, methods, key assumptions and overall valuation results of the valuation are reasonable, and considers it appropriate to use the relevant valuation results as a reference basis for determining the consideration for the two repurchases.

In addition, during the valuation process, the valuations of the two companies under the income approach are both based on projected future cash flows, while the valuations of certain equity investments and intangible assets in the asset-based approach valuation of Hong Kong Company are also based on projected dividends or operating revenue. Accordingly, such relevant valuations constitute profit forecast (the "Profit Forecast") under Rule 14.61 of the Listing Rules. The Company makes the relevant disclosures pursuant to Rules 14.60A and 14A.68(7) of the Listing Rules. The bases and principal assumptions (including commercial assumptions) upon which the Profit Forecast is based are set out in Appendix I to this announcement.

The Company has obtained a report in respect of the Profit Forecast issued by the auditor of the Company in accordance with Rule 14.60A(2) of the Listing Rules, the full text of which is set out in Appendix II to this announcement.

The Board confirms that the Profit Forecast has been made after due and careful enquiry. The letter of confirmation issued by the Board pursuant to Rule 14.60A(3) of the Listing Rules is set out in Appendix III to this announcement.

EXPERT'S INFORMATION AND CONSENT

Name	Qualification	Date of Report
China United Assets Appraisal Group Limited	Independent Professional Valuer	11 August 2026
KPMG Huazhen LLP	Certified Public Accountants of China	19 November 2026

Each of the above experts has given and has not withdrawn its written consent to the publication of this announcement with the inclusion of its report or opinion and references to its name in the form and context in which they appear. Based on reasonable enquiries made by the Directors, each of the above experts is independent of the Group and its connected persons, and does not have any shareholding in any member of the Group or the right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group, nor does it have any direct or indirect interest in any assets which have been, since 31 December 2025, acquired or disposed of by or leased to, or are proposed to be acquired or disposed of by or leased to the Group.

Financial impact of the Repurchases

Guangzhou Company and Hong Kong Company will pay the repurchase consideration of RMB9,802,700 and HK$119,621,500 respectively from their own internal resources. The payment of such consideration will correspondingly reduce the cash resources of the Group. Upon completion of the two repurchases, Guangzhou Company and Hong Kong Company will continue to be non-wholly-owned subsidiaries of the Company, and their financial results, assets and liabilities will continue to be consolidated into the financial statements of the Group.

As the Group's control over the two companies remains unchanged before and after the repurchases, the two repurchases are expected to be accounted for as equity transactions with non-controlling shareholders in the consolidated financial statements of the Group. The difference between the repurchase consideration and the amount by which the relevant non-controlling interests are adjusted will be recognised in equity, and no profit or loss will be recognised as a result of the repurchases themselves. Having considered the cash resources and working capital requirements of the two companies and the Group, the Board considers that the payment of the repurchase consideration will not have any material adverse impact on the operations and liquidity positions of the two companies or the Group.

Reasons for and benefits of the Repurchases

Shenzhen Communication intends to exit its investments in Guangzhou Company and Hong Kong Company. The exit arrangement of Shenzhen Communication can be implemented through the respective repurchases and cancellations of the equity interests and shares in the two companies held by Shenzhen Communication, which will reduce the number of shareholders of each of the two companies from three to two and simplify their shareholding structures.

Upon completion of the two repurchases, the Company's shareholding in each of Guangzhou Company and Hong Kong Company will increase from 62% to approximately 76.54%. Guangzhou Company provides support services relating to the cross-border transportation business of the Group, such as driver recruitment and agency payment of social insurance and housing provident funds, while Hong Kong Company is principally engaged in cross-border passenger transportation and related businesses. The Company is of the view that the two repurchases will simplify the shareholding structures of the existing businesses and increase the Company's interests and attributable proportion of future operating results in such businesses, which is in line with the business development direction of the Group.

The Board has considered and approved the Guangzhou Repurchase Agreement, the Hong Kong Repurchase Agreement and the transactions contemplated thereunder. Having considered the above reasons and benefits, the aforementioned review of and views on the valuation by the Board, the basis for determining the consideration, the principal terms of the agreements, and the financial impact of the two repurchases on the Group, the Board is of the view that, although the two repurchases are not conducted in the ordinary and usual course of business of the Group, the terms of the relevant agreements are fair and reasonable, are entered into on normal commercial terms or better, and are in the interests of the Company and the Shareholders as a whole. Mr. Huang Wenban as an executive director, by virtue of his position of a director of The Motor Transport Company of Guangdong and Hong Kong Limited, and Mr. Yuan Dengping and Mr. Cai Fen as non-executive directors, by virtue of their positions in Guangdong Provincial Communication Group Company Limited (廣東省交通集團有限公司), were deemed to have a material interest in the relevant agreements and transactions, and have abstained from voting on the relevant resolutions of the Board, and were not counted in the quorum for such resolutions. Save as disclosed above, none of the other Directors has a material interest in the relevant transactions or is required to abstain from voting.

The independent non-executive Directors, having reviewed the two repurchase agreements, the relevant independent valuation and financial information, and having considered the reasons for and benefits of the two repurchases, have confirmed that: (i) the terms of the relevant agreements are fair and reasonable; (ii) the two repurchases are conducted on normal commercial terms or better; and (iii) the two repurchases are in the interests of the Company and the Shareholders as a whole. The independent non-executive Directors have also confirmed that the two repurchases are not conducted in the ordinary and usual course of business of the Group.

INFORMATION ON THE PARTIES

The Company and the Group

The Company is a joint stock limited company incorporated in the PRC, whose H shares are listed on the main board of the Stock Exchange. The Group is an integrated transportation services provider principally engaged in energy business, retail trade business, commercial development business, road transportation and auxiliary business, as well as other businesses including expressway rescue services and the operation of Taiping Interchange.

The controlling Shareholder of the Company is Guangdong Provincial Communication Group Company Limited ("**GCGC**"), which directly holds approximately 74.12% of the issued share capital of the Company as at the date of this announcement. GCGC is a wholly state-owned enterprise supervised by the State-owned Assets Supervision and Administration Commission of Guangdong Province. The principal businesses of the enterprises under GCGC include the investment, construction and management of expressways within Guangdong Province, as well as logistics and transportation. GCGC is ultimately owned by the People's Government of Guangdong Province, and the ultimate beneficial owner of the Company is the People's Government of Guangdong Province.

Guangzhou Company and Hong Kong Company

Guangzhou Company is a limited liability company incorporated in the PRC and is principally engaged in ticketing and commercial agency services, and operation of international and domestic road passenger and freight transport business, and provision of supporting services including driver recruitment and payment of social security and housing provident funds for the Group's cross-border transportation business.

The key financial results of Guangzhou Company for the two years ended 31 December 2024 and 2025, prepared in accordance with the PRC Accounting Standards for Business Enterprises and audited by BDO China Shu Lun Pan Certified Public Accountants LLP, are as follows:

Item	For the year ended 31 December 2024 RMB Audited	For the year ended 31 December 2025 RMB Audited
Operating income	11,443,698.57	13,821,589.62
Net profit before tax	436,561.99	2,052,980.15
Net profit after tax	284,551.06	2,053,480.87

The asset information of Guangzhou Company presented in accordance with the above accounting standards and basis of preparation is as follows:

Item	As at 31 December 2024 RMB Audited	As at 31 December 2025 RMB Audited	As at 30 September 2026 RMB Unaudited
Total assets	82,832,833.35	88,386,963.55	94,705,504.23
Net assets	37,038,322.71	39,075,378.66	39,767,276.01

Hong Kong Company is a limited liability company incorporated in Hong Kong and is principally engaged in cross-border passenger transport, vehicle chartering and related businesses, and holds properties and equity investments in other enterprises.

The key financial results of Hong Kong Company for the two years ended 31 December 2024 and 2025, prepared in accordance with the PRC Accounting Standards for Business Enterprises and audited by BDO China Shu Lun Pan Certified Public Accountants LLP, are as follows::

Item	For the year ended 31 December 2024 RMB Audited	For the year ended 31 December 2025 RMB Audited
Operating income	201,314,497.57	245,872,548.85
Net profit before tax	25,048,730.28	42,266,691.73
Net profit after tax	23,951,870.98	38,076,830.51

The asset information of Hong Kong Company presented on the abovementioned accounting principles and basis of preparation is as follows:

Item	As at 31 December 2024 RMB Audited	As at 31 December 2025 RMB Audited	As at 30 September 2026 RMB Unaudited
Total assets	332,604,162.12	370,780,708.74	512,771,667.64
Net assets	209,458,673.69	242,760,385.44	372,722,626.42

Shenzhen Communication

Shenzhen Communication is a limited liability company incorporated in the PRC and is principally engaged in investment business in the transportation industry and holding equity interests in other companies. Shenzhen Communication is wholly-owned by Shenzhen Shengrongji Investment Co., Ltd.* (深圳市盛榮基投資有限公司), which is ultimately beneficially owned and controlled by Mr. Cao Jianshe (曹建社). Therefore, the ultimate beneficial owner of Shenzhen Communication is Mr. Cao Jianshe. As at the date of this announcement, Shenzhen Communication holds 19% equity interest in Guangzhou Company and 19% of the issued shares in Hong Kong Company, respectively.

Having made all reasonable enquiries, the Directors confirm that, save for the aforementioned connected relationship at the subsidiary level and as disclosed in this announcement, there is no other connected relationship between Shenzhen Communication and its ultimate beneficial owner, and the Company or its connected persons at the issuer level.

The original costs for Shenzhen Communication to acquire the 19% equity interest in Guangzhou Company and the 3,420 shares in Hong Kong Company were HK$4.75 million and HK$1.71 million, respectively.

Jing Mei

Jing Mei is a limited company incorporated in Hong Kong and is principally engaged in the trading of tourism services and holding equity interests in other companies. Jing Mei is wholly-owned by Guangdong Assets Management Ltd.* (粵海資產管理有限公司) and is an indirect wholly-owned subsidiary of Guangdong Holdings Limited* (廣東粵海控股集團有限公司). Guangdong Holdings Limited is held as to 90% and 10% of its equity interests by the People's Government of Guangdong Province and the Department of Finance of Guangdong Province, respectively.

Accordingly, Jing Mei is ultimately owned and controlled by the People's Government of Guangdong Province, and its ultimate beneficial owner is the People's Government of Guangdong Province.

As at the date of this announcement, Jing Mei holds 19% equity interest in Guangzhou Company and 19% of the issued shares in Hong Kong Company, respectively. It is a substantial shareholder of both companies, and is a connected person of the Company at the subsidiary level solely by virtue of its capacity as a substantial shareholder of the two companies. Jing Mei, as a continuing shareholder of Guangzhou Company, entered into the Guangzhou Repurchase Agreement to approve and facilitate the implementation of the relevant capital reduction arrangement, but it will not sell any equity interest or shares in the two repurchases, nor will it receive any repurchase consideration.

IMPLICATIONS OF THE LISTING RULES

The two repurchases and cancellations will result in an increase in the Company's shareholding in each of Guangzhou Company and Hong Kong Company from 62% to approximately 76.54%, and therefore constitute a deemed acquisition by the Company under Chapter 14 of the Listing Rules. As the two repurchases involve the same exiting shareholder, Shenzhen Communication, and form part of the overall arrangement for its exit from the investments in the two companies, the two repurchases are required to be aggregated pursuant to Rules 14.22 and 14.23, and Rules 14A.81 and 14A.82 of the Listing Rules. As the highest applicable percentage ratio in aggregate is more than 5% but less than 25%, the two repurchases constitute a discloseable transaction for the Company, and are subject to the relevant reporting and announcement requirements, but are exempt from the Shareholders' approval requirement under Chapter 14.

Shenzhen Communication and Jing Mei each hold 19% of the equity interest in Guangzhou Company and 19% of the issued shares in Hong Kong Company. They are both substantial shareholders of the two companies, and are connected persons of the Company at the subsidiary level solely by virtue of their capacities as substantial shareholders of the two companies. Therefore, the Guangzhou Repurchase Agreement, the Hong Kong Repurchase Agreement and the transactions contemplated thereunder also constitute connected transactions of the Company under Chapter 14A of the Listing Rules.

In respect of the two repurchase agreements and the transactions contemplated thereunder: (i) the Board has considered and approved such agreements and transactions; and (ii) the independent non-executive Directors have confirmed that the terms of such agreements are fair and reasonable, the relevant transactions are on normal commercial terms or better, and are in the interests of the Company and the Shareholders as a whole. Accordingly, pursuant to Rule 14A.101 of the Listing Rules, the transactions are subject to the reporting and announcement requirements under Chapter 14A, but are exempt from the circular, independent financial advice and Shareholders' approval requirements.

DEFINITIONS

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

"Company" or "Yueyun Transportation"	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 in the PRC with limited liability, the H shares of which are listed on the Main Board of the Stock Exchange
"Group"	the Company and its subsidiaries
"Director(s)" and "Board"	the director(s) and the board of directors of the Company, respectively
"Shareholder(s)"	shareholders of the Company
"Guangzhou Company"	The Motor Transport Company of Guangdong and Hong Kong (Guangzhou) Limited (粵港汽車運輸聯營有限公司(廣州))), a limited liability company incorporated in the PRC with unified social credit code 914400006174368249, being a 62%-owned subsidiary of the Company as at the date of this announcement

"Hong Kong Company"	The Motor Transport Company of Guangdong and Hong Kong Limited, a limited company incorporated in Hong Kong with business registration number 06641103, being a 62%-owned subsidiary of the Company as at the date of this announcement
"Shenzhen Communication"	The Traffic Bureau of Shenzhen* (深圳市交通運輸有限公司), which, as at the date of this announcement, holds 19% equity interest in the Guangzhou Company and 19% of the issued shares of the Hong Kong Company, respectively
"Jing Mei"	Jing Mei Travel & Trading Company Limited (真美旅遊貿易有限公司), a limited liability company incorporated in Hong Kong, which, as at the date of this announcement, holds 19% equity interest in the Guangzhou Company and 19% of the issued shares of the Hong Kong Company, respectively
"Guangzhou Repurchase Agreement"	the equity repurchase agreement entered into among Guangzhou Company, Shenzhen Communication, the Company and Jing Mei on 19 November 2026
"Hong Kong Repurchase Agreement"	the share repurchase agreement entered into between Hong Kong Company and Shenzhen Communication on 19 November 2026
"Guangzhou Repurchase"	the repurchase by Guangzhou Company of 19% equity interest held by Shenzhen Communication pursuant to the Guangzhou Repurchase Agreement, and the cancellation of such equity interest through capital reduction
"Hong Kong Repurchase"	the repurchase by Hong Kong Company of 3,420 ordinary shares held by Shenzhen Communication pursuant to the Hong Kong Repurchase Agreement, and the cancellation of such shares
"Repurchases"	the repurchase and cancellation of equity interests or shares by Guangzhou Company and Hong Kong Company pursuant to the Guangzhou Repurchase Agreement and the Hong Kong Repurchase Agreement, respectively
"China United Assets Appraisal" or "Valuer"	China United Assets Appraisal Group Limited
"Valuation Report(s)"	the asset valuation reports both dated 11 August 2026 and with report numbers 1111020008202602009 and 1111020008202602010 respectively, prepared by China United Assets Appraisal in respect of the total value of shareholders' equity of the Guangzhou Company and the Hong Kong Company respectively as at 31 December 2025

"Stock Exchange"	The Stock Exchange of Hong Kong Limited
"Listing Rules"	the Rules Governing the Listing of Securities on the Stock Exchange
"connected person(s)" and "substantial shareholder(s)"	each has the meaning ascribed to it under the Listing Rules
"PRC"	the People's Republic of China, which for the purpose of this announcement only, excludes Hong Kong, the Macao Special Administrative Region and Taiwan
"Hong Kong"	the Hong Kong Special Administrative Region of the PRC
"RMB"	Renminbi, the lawful currency of the PRC
"HK$"	Hong Kong dollar(s), the lawful currency of Hong Kong
"%"	per cent.

The two repurchases are not conditional upon each other, and completion of either repurchase is not conditional upon completion of the other repurchase. As each of the Repurchases remains subject to the completion of its respective applicable capital reduction, cancellation and other procedures, the Repurchases may be completed separately and may not be completed. Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company.

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

Guangzhou, the PRC, 19 November 2026

As at the date of this announcement, the Board comprises Mr. Zhu Fang, Mr. Huang Wenban and Mr. Hu Xianhua 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*

Part A

The contents set out in this Appendix are extracted from the asset valuation report issued by China United Assets Appraisal Group Limited in respect of the value of all shareholders' equity interests in Guangzhou Company as at the Valuation Benchmark Date. Unless otherwise stated in this Appendix, all amounts are denominated in RMB.

I. VALUATION ASSUMPTION

(I) General assumptions

1. Transaction assumption

The transaction assumption presupposes that all valuation assets are already in the process of a transaction, and the Valuer conducts the valuation by simulating a market based on, among other things, the transaction conditions of the valuation assets. The transaction assumption is one of the most fundamental prerequisite assumptions for the asset valuation to proceed.

2. Open market assumption

The open market assumption presumes that, for assets traded or intended to be traded in the market, the parties to the asset transaction are on an equal footing and both have the opportunity and time to obtain sufficient market information, so as to make rational judgments regarding the functions, uses, and transaction prices of the assets. The open market assumption is based on the premise that the assets can be publicly traded in the market.

3. Going concern assumption

The going concern assumption of the enterprise is an valuation assumption formulated by taking the assets of the enterprise as a whole as the valuation subject. That is, the enterprise, acting as an operating entity, will continue to operate in accordance with its business objectives within its external environment. The management of the enterprise is accountable and capable of assuming its responsibilities; the enterprise operates lawfully and is capable of generating appropriate profits to maintain its ability to continue as a going concern. With respect to the various operating assets of the enterprise, such assets can continue to be utilized in accordance with their current purposes, methods, scale, frequency, and environments of use, or be utilized on an altered basis.

Special assumptions

1. This valuation assumes that the external economic environment remains unchanged as at the Valuation Benchmark Date, and no material changes will occur to the current macroeconomic environment of the country;

2. There will be no material changes in the socio-economic environment in which the enterprise operates, as well as the applicable tax, tax rates and other policies;

3. The future management team of the enterprise will perform its duties diligently and will continue to maintain the existing operation and management model;

4. The valuation is based solely on the existing operating capacity as at the benchmark date. It does not take into account any potential expansion of operating capacity resulting from the management, business strategies, additional investments and other factors in the future, nor does it consider any subsequent changes that may occur in production and operations;

5. All assets under this valuation are premised on their actual quantities as at the Valuation Benchmark Date, and the current market prices of the relevant assets are based on the prevailing effective domestic prices as at the Valuation Benchmark Date;

6. This valuation assumes that the basic data and financial information provided by the principal and the appraised entity are true, accurate and complete;

7. The scope of valuation is strictly based on the valuation declaration schedules provided by the principal and the appraised entity, and does not take into account any potential contingent assets and contingent liabilities that may exist outside the lists provided by the principal and the appraised entity;

8. The parameters adopted in the calculations of this valuation do not take into account the impact of inflation factors;

In the event of any changes to the above conditions, the valuation results will generally become invalid.

II. VALUATION APPROACHES

(I) Overview of valuation approaches

In accordance with the provisions of the Asset Valuation Practice Standards – Enterprise Value (Zhong Ping Xie [2018] No. 38) and the Asset Valuation Practice Standards – Asset Valuation Methods (Zhong Ping Xie [2019] No. 35), when performing an enterprise value valuation engagement, the applicability of the three basic approaches, namely the income approach, the market approach, and the asset-based approach, shall be analyzed to select the valuation approaches based on the valuation purpose, the valuation object, the type of value, the applicable conditions of the valuation approaches, and the quality and quantity of data relied upon for the application of such valuation approaches.

The income approach in enterprise value valuation refers to a valuation method that determines the value of a valuation object by capitalizing or discounting the expected income. Asset valuation professionals shall appropriately consider the applicability of the income approach by taking into account the nature of the enterprise, asset scale, historical operating conditions, predictability of future income, and the sufficiency of the valuation data obtained.

The market approach in enterprise value valuation refers to a valuation method that determines the value of a valuation object by comparing it with comparable listed companies or comparable transaction precedents. Asset valuation professionals shall consider the applicability of the market approach based on the sufficiency and reliability of the operational and financial data obtained regarding comparable enterprises, as well as the number of comparable enterprises available for collection.

The asset-based approach in enterprise value valuation refers to a valuation method that determines the value of a valuation object by assessing the values of all identifiable on-balance sheet and off-balance sheet assets and liabilities, based on the balance sheet of the appraised entity as at the Valuation Benchmark Date.

(II) Selection of valuation approaches

The purpose of this valuation is in relation to the proposed repurchase by Guangzhou Company of the 19% equity interest held by The Traffic Bureau of Shenzhen.

The asset-based approach reflects the value of the enterprise from the perspective of enterprise construction. The materials provided by the appraised entity to the valuation agency for verification are relatively complete; therefore, the asset-based approach has been adopted for this valuation.

The appraised entity possesses the foundation and conditions for operating as a going concern, and its future returns and risks can be predicted and quantified; therefore, the income approach can be adopted for this valuation.

As it is difficult to obtain recent transaction cases involving enterprises of a similar scale around the Valuation Benchmark Date, and there are relatively few comparable listed companies with the same scale and business structure in the market, the market approach has not been adopted for this valuation.

Based on the above, it has been determined that the asset-based approach and the income approach are adopted for this valuation.

(III) Overview of the asset-based approach

The asset-based approach refers to the valuation method that determines the value of an appraised object based on the balance sheet of the appraised entity or operating entity as at the Valuation Benchmark Date, through appraising the values of all identifiable on-balance sheet and off-balance sheet assets and liabilities. Specifically, it refers to the method of deriving the enterprise value by aggregating the appraised values of various component assets constituting the enterprise and deducting the appraised value of liabilities.

The valuation methods for various types of assets and liabilities are as follows:

1. Current assets

(1) Cash at bank

For cash at bank denominated in RMB, the appraised value is determined based on the verified book value.

(2) Accounts receivable

Regarding the valuation of the accounts receivable, the valuers obtained an understanding of the existence and completeness of the accounts receivable. Upon verification without error, based on historical data and information obtained from on-site due diligence, the valuers specifically analyzed relevant matters such as the amounts, the age and reasons for the arrears, the recovery status, as well as the funds, credit, and current operational and management conditions of the debtors, so as to determine the recoverability of the accounts receivable.

When analyzing the recoverability of the accounts receivable, the valuation risk loss on the accounts receivable was estimated with reference to the corporate accounting method for calculating the provision for bad debts. Namely:

For receivables (including accounts receivable and other receivables) with an individually significant amount and for which there is objective evidence indicating that impairment has occurred, a provision for bad debts is made based on the difference by which the present value of their future cash flows is lower than their carrying value; for receivables (including accounts receivable and other receivables) with an individually insignificant amount, as well as those with an individually significant amount that are determined not to be impaired upon individual testing, the provision for bad debts may be made on a portfolio basis.

The appraised value of the accounts receivable is determined by the verified carrying amount of the accounts receivable less the valuation risk loss. Meanwhile, the provision for bad debts is valued at zero in accordance with the relevant valuation provisions.

2. Long-term equity investments

The long-term equity investments mainly comprise the equity investments made by the appraised entity in companies such as Shenzhen Yuegang, Guangdong Yue Li Jia and Guangdong Gangtong.

In respect of long-term equity investments, evidence gathering and verification were first conducted regarding the reasons for the formation of the long-term investments, their book values, and actual conditions, etc. Investment agreements, shareholders' resolutions, articles of association, and relevant accounting records were also reviewed to ascertain the authenticity and completeness of the long-term investments.

Guangzhou Company holds a 70% equity interest in both Shenzhen Yuegang and Guangdong Yue Li Jia. Shenzhen Yuegang and Guangdong Yue Li Jia are controlled subsidiaries of Guangzhou Company with no substantive business operations.

Shenzhen Yuegang holds land and properties in Shenzhen, and the majority of its properties are mainly provided to related parties for use free of charge, which yields no continuous and stable market-based revenue sources, and lacks a reliable forecasting basis for future revenue and profit models. Guangdong Yue Li Jia is a controlled subsidiary established to retain cross-border passenger transport operating quotas and possesses no continuous and stable market-based revenue sources; therefore, the income approach cannot be adopted for valuation. As it is difficult to obtain recent transaction cases involving enterprises of similar scale, and there are few comparable listed companies with the same scale and business structure in the market, the market approach cannot

be adopted for valuation. Therefore, in this asset valuation, for wholly-owned subsidiaries and controlled subsidiaries in which an equity interest of 50% or more is held, the asset-based approach was adopted to value the overall assets of the investees as at the Valuation Benchmark Date. The appraised value was then determined by multiplying the appraised value of the net assets of the investees as at the Valuation Benchmark Date by the shareholding percentage in the valuated entities:

Appraised value of long-term equity investment = Appraised value of the net assets of the investee after overall valuation × Shareholding percentage

Guangzhou Company holds a 49% equity interest in Guangdong Gangtong Company. Guangdong Gangtong Company is a company in which Guangzhou Company holds a non-controlling equity interest. Pursuant to the provisions of its articles of association, the shareholders' meeting exercises voting rights in proportion to the shareholding percentage. Guangzhou Company accounts for less than half of the appointed seats on the board of directors, holds no right of control, and does not participate in its operations. The valuers are unable to obtain the complete breakdown of assets and liabilities, business operation information, and future profitability plans of the investee, and are unable to perform necessary valuation procedures such as physical counting of assets and on-site inspection, which does not satisfy the implementation conditions and application prerequisites for the asset-based approach, the income approach, and the market approach. Taking into comprehensive consideration the shareholding percentage and the availability of information, the appraised value in this instance was determined by multiplying the net assets set out in the accounting statements of Guangdong Gangtong Company by the equity interest percentage.

In this valuation, when determining the appraised value of the long-term equity investments, the Valuers did not consider the premiums and discounts arising from factors such as a controlling interest and minority interests, nor did they consider the impact of the liquidity of equity interests on the valuation results.

3. Fixed assets – buildings and structures

(1) Selection of valuation approaches

Based on the purpose of this valuation, in accordance with the structural characteristics, nature of use, and other factors of the buildings and structures assets included in the scope of valuation, the reasonable valuation methods for the buildings and structures are ultimately determined as follows:

1) For real estate properties held by the enterprise that are currently being leased out or possess leasing potential, the income approach is adopted for the valuation.

(2) Overview of valuation approaches

1) Income approach

The income approach refers to the method of projecting the future normal net income of the valuation subject, selecting an appropriate discount rate to discount such income to the Valuation Benchmark Date and aggregating the discounted values, thereby estimating the objective and reasonable price or value of the valuation subject. The calculation formula is as follows:

$V = [A/(r - g)] \times [1 - ((1+g)/(1+r))^n] + V_n/(1+r)^n$

Where:

V: Property value;

A: Annual net income;

r: Discount rate;

g: Expected annual net income growth rate;

n: Income period;

V_n: Residual value of the buildings and structures at the end of the income period.

4. Fixed assets – equipment assets

According to the purpose of this valuation and in accordance with the principle of continuous use, the replacement cost approach is primarily adopted for the valuation based on market prices, taking into consideration the characteristics of the equipment included in the valuation scope and the gathered documentations.

According to the purpose of this valuation and in accordance with the principle of continuous use, different approaches are adopted for the valuation based on market prices, taking into consideration the characteristics of the equipment subject to valuation and the gathered documentations.

For equipment in normal operation, the replacement cost approach is primarily adopted for the valuation. For used equipment whose prices are available in the second-hand market, the market approach is adopted for the valuation.

(1) Valuation of transportation vehicles

1) Determination of the full replacement price of transportation vehicles

Based on sales information in the local vehicle market and other recent vehicle market price data, the current tax-inclusive purchase price of the vehicles as at the Valuation Benchmark Date is determined. On this basis, the vehicle purchase tax, new vehicle license fee, and other miscellaneous fees are included in accordance with the provisions of the Vehicle Purchase Tax Law of the People's Republic of China. According to the provisions of the Notice on Comprehensively Promoting the Pilot Program of the Collection of Value-Added Tax in Lieu of Business Tax (Cai Shui [2016] No. 36), (Cai Shui [2018] No. 32), and the Announcement No. 39 of 2019 of the Ministry of Finance, the State Taxation Administration and the General Administration of Customs, for enterprises meeting the criteria for value-added tax (VAT) deduction, the full replacement price of the vehicles is:

Full replacement price (tax-exclusive) = Purchase price + Vehicle purchase tax + License fee and other miscellaneous fees - Deductible VAT

Deductible VAT amount = Purchase price/1.13 × 13%

A. Vehicle purchase price

The vehicle purchase price for this valuation is determined based on vehicle market information and recent vehicle market price data from sources such as the PCauto Automobile Quotation Database and Bitauto, with reference to the market prices of the latest transactions of similar vehicle models in the locality of the vehicles; for vehicles that were purchased a long time ago and the original model specifications of which can no longer be found, the prices of similar vehicles with the same engine displacement are referred to as the reference prices for the vehicle purchase prices in the valuation.

B. Vehicle purchase tax

Pursuant to the relevant provisions of the Vehicle Purchase Tax Law of the People's Republic of China: Tax payable for vehicle purchase tax = Taxable price × 10%. Such "taxable price of a vehicle purchased by a taxpayer for own use shall not include the value-added tax amount". Therefore: Purchase-added tax = Purchase price ÷ (1 + Value-added tax rate) × 10%

C. New vehicle license fees etc.

The fees shall be determined based on the particulars and amount of such fees at the location of the vehicle.

2) Vehicle newness rate

Pursuant to the relevant provisions of the Provisions on Compulsory Scrappage Standards for Motor Vehicles (Decree No. 12 of 2012 issued by the Ministry of Commerce, the National Development and Reform Commission, the Ministry of Public Security and the Ministry of Environmental Protection), the newness rate of a vehicle shall be determined in accordance with the following methods, with the lower of the two being adopted as the final newness rate, namely:

Newness rate based on useful life = (1 - Serviced life/Prescribed useful life or economic useful life) × 100%

Newness rate based on mileage = (1 - Driven mileage/Prescribed mileage) × 100%

Newness rate = Min (Newness rate based on useful life, Newness rate based on mileage)

Concurrently, necessary inspection and appraisal shall be conducted on the vehicle under valuation. Should there be a material discrepancy between the results of the inspection and appraisal and the newness rate determined under the methods above, an appropriate adjustment shall be made; if both results are comparable, no adjustment shall be made. Namely:

Newness rate = Min (Newness rate based on useful life, Newness rate based on mileage) + a

a: Adjustment coefficient for special conditions of the vehicle.

3) Determination of appraised value

Appraised value = Full replacement price × Vehicle newness rate

(2) Valuation of electronic equipment

1) Determination of the full replacement price of electronic equipment

Based on local market information and recent market price data from sources such as Zhongguancun Online and Pacific Computer Network, the price of the electronic equipment as at the Valuation Benchmark Date is determined. As general manufacturers or agents provide free transportation, installation and commissioning, the full replacement price is determined based on the tax-exclusive purchase price:

Full replacement price (tax-exclusive) = Purchase price - Deductible value-added tax

Deductible value-added tax amount = Purchase price/1.13 × 13%

2) Newness rate of electronic equipment

Newness rate = [Remaining useful life ÷ (Serviced life + Remaining useful life)] × 100%

3) Determination of the appraised value

Appraised value = Full replacement price × Newness rate of electronic equipment

5. Intangible assets

The intangible assets within the scope of the valuation declared by Guangzhou Company consist of 1 registered trademark, 1 patent right, and 1 filed domain name that are unrecorded in the books.

(1) Trademarks

Guangzhou Company holds 1 trademark, which is in substance used and managed by Hong Kong Yuegang. As at the Valuation Benchmark Date, Guangzhou Company no longer had any motor transport-related business. The trademark held by it is used on the buses during the daily operations of Hong Kong Yuegang, and Hong Kong Yuegang uses such trademark free of charge. For the purpose of this valuation, the trademark is considered to be appraised under Hong Kong Yuegang; therefore, its appraised value under Guangzhou Company is zero.

(2) Patent rights

A total of 1 design patent is included in the scope, which is owned by Guangzhou Company. As at the Valuation Benchmark Date, the patent is due to expire and terminate on 16 October 2025. Such design patent is a relatively old exterior design patent for a bus, and the appraised entity does not intend to renew it. As confirmed by the appraised entity, it has no subsequent derivative use value; therefore, it is valued at 0 in this valuation.

(3) Valuation approach for domain names

The domain name under valuation is a domain name for self-use by Guangzhou Company. Taking into account the current operational status of the appraised enterprise, and following communication with and confirmation by the management, such domain name solely serves an identification purpose and has not generated any excess earnings. Accordingly, the value of the domain name in this valuation is determined based on the replacement value of its acquisition cost.

(4) Valuation approach for route signboard assets

The route signboard assets included in the scope comprise 7 Shenzhen-Shantou inter-city passenger transport route signboards and 3 Shenzhen-Puning inter-city passenger transport route signboard assets. The aforementioned route signboard assets were acquired by Guangzhou Company from Guangdong Vehicles Transportation Group Co., Ltd. in December 2015. The business scope under the road transport operation license of Guangzhou Company is cross-border passenger transport and does not include inter-city passenger transport. In reality, such assets have ceased to exist. As confirmed by the appraised entity, they have no subsequent derivative use value; therefore, it is valued at 0 in this valuation.

6. Right-of-use assets

The items accounted for as right-of-use assets mainly comprise the right-of-use assets arising from the properties, land, etc. leased by the appraised entity.

Right-of-use assets refer to the rights of a lessee to use the leased assets during the lease term. The enterprise performs accounting treatments and recognizes the right-of-use assets and lease liabilities in accordance with the provisions of the Accounting Standard for Business Enterprises No. 21 – Leases (Revised).

The valuers checked the general ledger, subsidiary ledgers, financial statements, and detailed inventory and valuation schedules of the enterprise, and reviewed the relevant original vouchers and lease contracts. The valuers analyzed the accuracy and reasonableness of the initial measurement and amortization amounts of each leased asset, concluding that they comply with the accounting provisions of the lease accounting standards. The book balance reasonably reflects the value of the rights and interests of the relevant right-of-use assets to which the enterprise was entitled as at the Valuation Benchmark Date. Therefore, the appraised value in this valuation is determined based on the verified book value.

7. Liabilities

The appraised value is determined by examining and verifying the actual debtors and amounts of the respective liabilities upon the realization of the valuation purpose, based on the liability items and amounts actually required to be assumed by the owner of the property rights upon the realization of the valuation purpose.

(IV) Overview of the income approach

1. Overview

According to the Asset Valuation Practice Standards – Enterprise Value, the income approach in enterprise valuation, also known as the discounted cash flow method, refers to the valuation method whereby the expected future cash flows and associated risks of an enterprise or an income-generating unit are projected, and an appropriate discount rate is selected to discount and aggregate such future cash flows. The basic concept of the income approach is to derive the appraised value by estimating the expected future net cash flows of the asset and discounting them to their present value using an appropriate discount rate. The prerequisites for the application of the income approach are as follows: the enterprise possesses the basis and conditions to operate

as a going concern; a relatively stable correlation exists between its operations and income; and its future income and risks are predictable and quantifiable. The primary challenge in adopting the discounted cash flow method lies in the projection of expected future cash flows, as well as the objectivity and reliability of data collection and processing. Provided that the projection of expected future cash flows is relatively objective and fair, and the selection of the discount rate is reasonable, the valuation results present a sound degree of objectivity.

2. Valuation concept

Based on the circumstances of this due diligence, and the asset composition and principal business characteristics of the appraised entity, this valuation estimates its equity capital value on the basis of the consolidated financial statements of the appraised entity. The basic valuation concept of this valuation is:

Based on the circumstances of this due diligence, and the asset composition and principal business characteristics of the appraised entity, this valuation estimates its equity capital value based on the financial statements of the appraised entity. The basic valuation approach of this valuation is:

(1) for the assets and principal business included in the scope of the financial statements, to project the expected returns (net cash flows) in accordance with the changing trends of the historical operating conditions and business types, and to discount the same to derive the value of the operating assets;

(2) to define the assets (liabilities) that are included in the scope of the financial statements but not taken into consideration in the projection of the expected returns (net cash flows), as surplus or non-operating assets (liabilities) existing as at the benchmark date, and to separately project their values;

(3) to separately project the values of long-term equity investments that are included in the scope of the financial statements but not taken into consideration in the projection of the expected returns (net cash flows);

(4) aggregating the values of the abovementioned assets and liabilities to derive the enterprise value of the appraised entity, and deducting the value of the interest-bearing debts as at the benchmark date to obtain the value of the equity capital (total shareholders' equity) of the appraised entity.

3. Valuation model

(1) Basic model

The basic model for this valuation is:

$$E = B - D \quad (1)$$

B: Enterprise value of the valuation target;

D: Value of interest-bearing debts of the appraised entity;

$$B = P + F + C \quad (2)$$

P: Value of operating assets of the appraised entity;

F: Value of long-term equity investments of the appraised entity;

C: Value of surplus or non-operating assets (liabilities) of the appraised entity as at the benchmark date;

$$P = \sum_{i=1}^{n} \frac{R_i}{(1+r)^i} + \frac{R_{n+1}}{r(1+r)^n} \quad (3)$$

Where:

R_i: Expected income (free cash flow) of the appraised entity in the i-th year in the future;

r: Discount rate;

n: Future operating period of the appraised entity;

$$C = C_1 + C_2 \quad (4)$$

C_1: Value of current surplus or non-operating assets (liabilities) as at the benchmark date;

C_2: Value of non-current surplus or non-operating assets (liabilities) as at the benchmark date.

(2) Income indicator

In this valuation, the free cash flow to the firm is adopted as the income indicator for the operating assets of the appraised entity. Its basic definition is as follows:

R = Net profit + Depreciation and amortization + After-tax interest expenses on interest-bearing debts - Capital expenditure - Increase in net working capital (5)

Based on the operating history and future market developments of the appraised entity, its free cash flows during the future operating period are estimated. The free cash flows during the future operating period are then discounted and aggregated to calculate the value of the operating assets of the enterprise.

(3) Discount rate

In this valuation, the weighted average cost of capital (WACC) model is adopted to determine the discount rate r

$$r = r_d \times w_d + r_e \times w_e \quad (6)$$

Where:

W_d: Debt ratio of the appraised entity;

$$w_d = \frac{D}{(E+D)} \quad (7)$$

W_e: Equity ratio of the appraised entity;

$$w_e = \frac{E}{(E+D)} \quad (8)$$

r_d: After-tax interest rate on interest-bearing debts;

r_e: Cost of equity capital; in this valuation, the capital asset pricing model (CAPM) is adopted to determine the cost of equity capital r_e;

$$r_e = r_f + \beta_e \times (r_m - r_f) + \varepsilon \quad (9)$$

Where:

r_f: Risk-free rate of return;

r_m: Expected market rate of return;

ε: Specific risk adjustment coefficient of the appraised entity;

β_e: Expected market risk coefficient of equity capital of the appraised entity;

$$\beta_e = \beta_u \times (1 + (1-t) \times \frac{D}{E}) \quad (10)$$

β_u: Expected unlevered market risk coefficient of comparable companies;

$$\beta_u = \frac{\beta_t}{1 + (1-t)\frac{D_i}{E_i}} \quad (11)$$

β_t: Expected average market risk coefficient of stocks (assets) of comparable companies;

$$\beta_t = 34\%K + 66\%\beta_x \quad (12)$$

Where:

K: Average risk value of the stock market over a certain period, usually assuming K=1;

β_x: Historical average market risk coefficient of stocks (assets) of comparable companies;

D_i, E_i: Interest-bearing debts and equity capital of comparable companies, respectively.

4. Determination of the forecast period

Based on the actual operating conditions and future development plans of Guangzhou Company, a two-stage model is adopted for the income forecast for the future operating period of Guangzhou Company. Specifically, from the Valuation Benchmark Date to 2030, reasonable forecasts are made in respect of the enterprise's income, costs and expenses, profit, etc. based on factors including the actual conditions of the company and the market. For each year subsequent to 2030, such figures will remain flat at the 2030 level.

5. Income period

As at the Valuation Benchmark Date, the appraised entity is operating normally. There is no restriction imposed on the useful life of the core assets that affect the continued operation of the enterprise, nor any restriction on the term of production and operation of the enterprise or the term of investors' ownership, etc.; alternatively, the abovementioned restrictions can be lifted, and perpetual use can be achieved by way of renewal. Therefore, this valuation assumes that the appraised entity will operate perpetually after the Valuation Benchmark Date, and the corresponding income period is indefinite.

6. Determination of future income

(1) Estimation of operating income and operating costs

This forecast is conducted in accordance with its historical operating conditions and development trends, as well as the business plans formulated by the project company. Guangzhou Company has no substantive business operations. Given that the operating license of Hong Kong Yuegang permits it to recruit a certain number of mainland drivers, Guangzhou Company serves essentially as a functional center for Hong Kong Yuegang, undertaking functions on its behalf such as recruiting mainland drivers and making contributions to social insurance and housing provident funds. Its agency fee income is derived by applying a 10% mark-up to its cost base (being the principal operating costs less premises leasing expenses, plus its administrative expenses); this ratio is the contractually agreed ratio between Guangzhou Company and Hong Kong Yuegang. Given that the labor costs of mainland drivers are relatively cheaper than those of Hong Kong drivers, as at the Valuation Benchmark Date, Hong Kong Yuegang had already fully recruited the number of mainland drivers stipulated by the operating license. The management has forecast the principal operating income, principal operating costs, and administrative expenses based on the actual operations of Guangzhou Company and the number of mainland drivers recruited. The principal operating income mainly comprises the agency fee income charged to Hong Kong Yuegang.

The operating income and costs of the valuation target in recent years are set out in the table below:

Historical Operating Income of the Appraised Entity

Unit: RMB'0000

Business type	Note	2022	2023	2024	2025
Total income		598.11	870.96	902.73	993.27
Business 1	**Agency fee income, chartered vehicle income – Guangzhou Company**				
Income		598.11	870.96	902.73	993.27
Costs		492.85	750.56	825.26	973.88

Historical Operating Costs of the Appraised Entity

Unit: RMB'0000

Item	2022	2023	2024	2025
Total costs of principal operations	492.85	750.56	825.26	973.88
Employee benefits	394.85	651.25	693.70	975.33
Work safety expenses	–	–	0.13	–
Repair and maintenance expenses	1.21	1.41	0.75	0.81
Transportation management fees and route signboard fees	7.84	9.63	11.86	7.11
Lease expenses/site rental fees	50.72	41.92	(80.37)	(83.13)
Low-value consumables	0.27	–	0.37	0.96
Depreciation of fixed assets	18.68	18.50	139.98	21.20
Business entertainment expenses	–	0.69	0.02	–
Others (cleaning and sanitation expenses, office expenses, environmental protection and landscaping expenses)	19.28	27.15	58.81	51.59

1) Operating income forecast

This forecast is conducted in accordance with its historical operating conditions and development trends, as well as the business plans formulated by the project company. Guangzhou Company has no substantive business operations. Given that the operating license of Hong Kong Yuegang permits it to recruit a certain number of mainland drivers, Guangzhou Company serves essentially as a functional center for Hong Kong Yuegang, undertaking functions on its behalf such as recruiting mainland drivers and making contributions to social insurance and housing provident funds. Its agency fee income is derived by applying a 10% mark-up to its cost base (being the principal operating costs less premises leasing expenses, plus its administrative expenses); this ratio is the contractually agreed ratio between Guangzhou Company and Hong Kong Yuegang. Given that the labor costs of mainland drivers are relatively cheaper than those of Hong Kong drivers, as at the Valuation Benchmark Date, Hong Kong Yuegang had already fully recruited

the number of mainland drivers stipulated by the operating license. The management has forecast the principal operating income, principal operating costs, and administrative expenses based on the actual operations of Guangzhou Company and the number of mainland drivers recruited. The principal operating income mainly comprises the agency fee income charged to Hong Kong Yuegang. The operating income forecast is set out in the table below.

Forecast Table of Operating Income

Unit: RMB'0000

Business type	**Note**	**2026**	**2027**	**2028**
Total income		1,250.58	1,262.73	1,275.00
Business 1	**Agency fee income, chartered vehicle income – Guangzhou Company**			
Income		1,250.58	1,262.73	1,275.00
Costs		1,147.50	1,159.30	1,171.28

(Continued from the above table)

Business type	**Note**	**2029**	**2030**	**Stabilization year**
Total income		1,287.40	1,299.92	1,299.92
Business 1	**Agency fee income, chartered vehicle income – Guangzhou Company**			
Income		1,287.40	1,299.92	1,299.92
Costs		1,183.39	1,195.64	1,195.64

Other income primarily represents rental income from the properties held by Guangzhou Company. In this valuation, the management has forecasted other income by applying a 2% growth rate based on the leasing status of the relevant properties as at the Valuation Benchmark Date and the changes in market rents. The forecast of other income is set out as follows:

No.	**Item**	**2026**	**2027**	**2028**	**2029**	**2030**	**Terminal year**
1	Rental income from Rooms 702 and 703, Yihe Building – Guangzhou Company	18.05	18.41	18.78	19.16	19.54	19.54
	Total other business income	**18.05**	**18.41**	**18.78**	**19.16**	**19.54**	**19.54**

2) Forecast of production costs of the appraised entity

The cost forecast primarily estimates the operating costs for future years based on the historical composition and fluctuation trends of the operating costs of the appraised entity, as well as the characteristics of individual cost items. Given that the operating license of Hong Kong Yuegang permits it to recruit a certain number of mainland drivers whose labor costs of mainland drivers are relatively cheaper than those of Hong Kong drivers, and as at the Valuation Benchmark Date Hong Kong Yuegang had already fully recruited the number of mainland drivers stipulated by the operating license and had been providing free accommodation to its mainland drivers, the remuneration level of the mainland drivers as at the Valuation Benchmark Date was already at a relatively high level within the industry. Consequently, the management has considered projecting the future labor costs by applying a 1% growth rate on the basis of the labor cost level as at the Valuation Benchmark Date. The forecast results of the operating costs are set out in the table below.

Forecast Table of Operating Cost

Unit: RMB'0000

Item	2026	2027	2028	2029	2030	Terminal year
Total costs of principal operations	**1,160.23**	**1,176.11**	**1,188.44**	**1,200.89**	**1,213.64**	**1,213.64**
Employee benefits	985.09	994.94	1,004.89	1,014.94	1,025.08	1,025.08
Work safety expenses						
Repair and maintenance expenses	0.81	0.82	0.83	0.84	0.85	0.85
Transportation management fees and route signboard fees	7.18	7.25	7.32	7.40	7.47	7.47
Lease expenses/site rental fees	82.06	87.47	89.24	91.02	92.99	92.99
Low-value consumables	0.97	0.98	0.99	1.00	1.01	1.01
Depreciation of fixed assets	32.01	32.01	32.01	32.01	32.01	32.01
Business entertainment expenses						
Others (cleaning and sanitation expenses, office expenses, environmental protection and landscaping expenses)	52.11	52.63	53.16	53.69	54.22	54.22

(2) Forecast of taxes and surcharges

The taxes and surcharges of the appraised entity include urban maintenance and construction tax, education surcharge and local education surcharge, among others. The urban maintenance and construction tax, education surcharge and local education surcharge are calculated using the value-added tax (VAT) payable as the tax base, with tax rates of 7%, 3% and 2%, respectively. During the future forecast period, taxes and surcharges are forecasted on the basis of the projected income of each respective entity. For the urban maintenance and construction tax, education surcharge and local education surcharge, the payable taxes and surcharges for the forecast period are calculated separately based on their future taxable income. The vehicle and vessel usage tax is primarily incurred by Guangzhou Company. As the appraised entity will not have any expansionary capital expenditure on vehicles in the future, the vehicle and vessel usage tax is forecasted with

reference to the level as at the benchmark date. The land use tax is incurred by Guangzhou Company. As the appraised entity will not have any expansionary capital expenditure on land in the future, the land use tax is forecasted with reference to its actual land use tax policy. The property tax (levied on a rental basis) is incurred by Guangzhou Company, therefore, the property tax (levied on a rental basis) is forecasted with reference to the future property rental income.

The forecast of taxes and surcharges is set out in the table below.

Forecast Table of Taxes and Surcharges

Unit: RMB'0000

Name	2026	2027	2028	2029	2030	Stabilization year
Total taxes and surcharges	**12.90**	**13.00**	**13.12**	**13.24**	**13.37**	**13.37**
Urban maintenance and construction tax	4.94	4.97	5.01	5.06	5.11	5.11
Education surcharge	3.53	3.55	3.58	3.61	3.65	3.65
Land use tax	0.18	0.18	0.18	0.18	0.18	0.18
Property tax	2.17	2.21	2.25	2.30	2.34	2.34
Vehicle and vessel tax	2.09	2.09	2.09	2.09	2.09	2.09

(3) Forecast of period expenses

1) Forecast of selling expenses

As the appraised enterprise is a cross-border passenger transport service company, it incurs no selling expenses, and staff salaries are uniformly expensed in administrative expenses.

2) Forecast of administrative expenses

The administrative expenses of the appraised entity mainly include management employee benefits, repair and maintenance expenses, depreciation expenses, business entertainment expenses, and travelling expenses. Employee benefits represents the labor costs of personnel in logistics and administrative departments, and is forecasted with reference to the historical headcount and salary growth levels. Depreciation expenses include buildings and structures, electronic equipment, and transportation vehicles, which are provided for by category using the straight-line method. The depreciation rates are determined based on the categories, estimated useful lives, and estimated net residual value rates of the fixed assets. Before the assets reach an equilibrium between depreciation and new additions, depreciation is calculated using the depreciation periods stipulated in the accounting policies of the enterprise; once the equilibrium between depreciation and new additions is reached, depreciation is calculated using the economic useful lives in accordance with the requirements for operational replacement. Depreciation is apportioned to administrative expenses based on historical proportions. For the purpose of this valuation, the administrative expenses for each future year are estimated taking into account the composition and fluctuation trends of administrative expenses in historical years, as well as the characteristics of each administrative expense item.

Forecast Table of Administrative Expenses

Unit: RMB'0000

Item	2026	2027	2028	2029	2030	Stabilization year
Total	**58.72**	**59.30**	**59.90**	**60.50**	**61.10**	**61.10**
Employee benefits	12.73	12.86	12.98	13.11	13.24	13.24
Office expenses	0.10	0.10	0.10	0.11	0.11	0.11
Repair and maintenance expenses						–
Vehicle operating expenses	4.24	4.28	4.32	4.36	4.41	4.41
Business entertainment expenses	1.30	1.31	1.33	1.34	1.35	1.35
Travelling expenses						–
Audit fees	15.71	15.86	16.02	16.18	16.34	16.34
Party building work expenses						–
Disabled persons' employment security fund	6.14	6.20	6.26	6.33	6.39	6.39
Others (personnel agency fees, training expenses)	18.50	18.69	18.88	19.06	19.25	19.25

3) Forecast of research and development expenses

As at the Valuation Benchmark Date, the enterprise incurred no research and development expenses.

4) Forecast of finance costs

As at the Valuation Benchmark Date, the finance costs of Guangzhou Company principally comprised interest income from deposits and interest expenses on long-term lease liabilities.

Based on the assumptions of this valuation, as the monetary funds or bank deposits of the enterprise fluctuate frequently or significantly during the course of production and operation, this valuation does not take into account the interest income generated from deposits; given that handling fees accounted for a relatively low proportion in the historical period and are subject to substantial uncertainties in the future, this valuation does not take into account the relevant handling fee expenses going forward.

(4) Forecast of depreciation and amortization

The fixed assets of the valuation target mainly comprise buildings and structures, equipment, etc. Fixed assets are stated at the actual cost upon acquisition. In this valuation, calculations have been made based on the enterprise's current depreciation (amortization) periods, residual value rates, and the amounts of depreciation (amortization) already provided for. Based on the original classifications of the fixed assets, the calculated depreciation and amortization are recorded under the cost of principal operations and administrative expenses. For the forecast results, please refer to the forecast schedule of the cost of principal operations for future years and the forecast schedule of administrative expenses for future years.

(5) Forecast of additional capital

Additional capital refers to the additional working capital and long-term capital investment of over one year required by the enterprise to maintain continuous operations without altering the current business operation conditions. Such capital includes capital investments required for the expansion of the operating scale (such as the acquisition of fixed assets or other non-current assets), as well as the newly required working capital and asset renewals necessary for continuous operations. Namely, the additional capital defined in this report is as follows:

Additional capital = Asset renewals + Increase in working capital

(6) Estimation of asset renewal investments

Based on the premises and basis of the income forecast, and in conjunction with the asset renewals and depreciation recovery in the historical years of the enterprise, future expenditures for asset renewal and upgrading are projected. Considering that the company is primarily a transportation enterprise, the actual useful lives of long-term assets such as machinery and equipment, buildings and structures, and land use rights are longer than their depreciable lives. As such, this valuation adopts a target newness rate and annuitization to estimate the amount of renewal investments for future years. The forecast results are set out in the table below.

Unit: RMB'0000

Item	2026	2027	2028	2029	2030	Stabilization year
Replacement CAPEX	14.55	14.55	14.55	14.55	14.55	14.55
Expansion CAPEX	–	–	–	–	–	–

(7) Estimation of incremental working capital

Incremental working capital refers to the newly added working capital required by an enterprise to maintain its ability to continue as a going concern without changing the conditions of its current principal operations, such as the essential capital required for cash maintained for normal operations, purchase of product inventories, payments advanced on behalf of customers for purchases (accounts receivable), as well as payables. The addition of working capital refers to the cash tied up by obtaining commercial credit from others along with changes in the enterprise's operating activities, as well as the cash and inventories required to be maintained for normal operations; meanwhile, in economic activities, the provision of commercial credit can correspondingly reduce immediate cash payments. Generally, the underlying items accounted for under other receivables and other payables are mostly temporary transactions or are unrelated to the principal operations, which need to be specifically screened and individually determined depending on their relevance to the estimated operating business. Therefore, in principle, the estimation of incremental working capital only needs to consider principal factors such as cash, receivables, inventories, and payables required to be maintained for normal operations. The incremental working capital as defined in this report is:

Incremental working capital = working capital of the current period – working capital of the previous period

This valuation forecasts the future scale of working capital based on the proportion of overall working capital to revenue. Based on the investigation into the operating conditions of the valuation target, the statistical analysis of assets, profit or loss, income, and costs and expenses from historical operations as at the benchmark date, and the estimated results of income and costs for each year during the future operating period, the incremental working capital for each year during the future operating period can be obtained in accordance with the aforementioned definition. The specific forecast results are set out in the table below:

Item	2026	2027	2028	2029	2030	Perpetual year
Working capital balance	**(29.86)**	**(30.15)**	**(30.45)**	**(30.75)**	**(31.05)**	**(31.05)**
Working capital turnover ratio	-42.49	-42.49	-42.49	-42.49	-42.49	-42.49
Total income	1,268.63	1,281.14	1,293.79	1,306.56	1,319.46	1,319.46
Incremental working capital	**17.83**	**(0.29)**	**(0.30)**	**(0.30)**	**(0.30)**	**–**

(V) Determination of discount rate

1. Determination of the risk-free rate

Based on a search of the website of the China Appraisal Society, the government bond yields provided by China Central Depository & Clearing Co., Ltd. (CCDC) as published on the website are set out in the table below:

Table 6-16 China Government Bond Yields

Date	Term	On the day (%)
31 December 2025	3 months	1.27
	6 months	1.34
	1 year	1.34
	2 years	1.36
	3 years	1.38
	5 years	1.63
	7 years	1.74
	10 years	1.85
	30 years	2.27

This valuation is based on a going concern assumption, and the income period of the appraised entity is an infinite period. Pursuant to the requirements of the Asset Valuation Expert Guidelines No. 12 – Measurement of Discount Rate in Assessing Enterprise Value by Income Approach (Zhong Ping Xie [2020] No. 38, the yield to maturity of government bonds with a remaining maturity of ten years or more may be adopted as the risk-free rate. This valuation adopts the 10-year government bond yield as the risk-free rate, i.e., $r_f = 1.85\%$.

2. Determination of the market risk premium

It is generally recognized that the volatility of a stock index can reflect the overall market volatility, and the long-term average rate of return of the index can reflect the average expected rate of return of the market. By calculating the average rate of return of the Shanghai Stock Exchange Composite Index for the period from 21 May 1992, when stock prices were fully liberalized and free competitive bidding was implemented, to 31 December 2025, an approximation of the expected rate of return of the market was derived, namely: $r_m = 9.30\%$.

Market risk premium = $r_m - r_f = 9.30\% - 1.85\% = 7.45\%$.

3. Determination of the capital structure

The appraised entity belongs to the transportation industry. After years of development, the appraised entity is in a mature stage of development and its capital structure has been relatively stable in recent years. Since the profit forecast prepared by the management of the appraised entity is based on its own financing capability and on the premise of maintaining a stable capital structure, this valuation adopts the enterprise's own stable capital structure as at the Valuation Benchmark Date to calculate the discount rate for the future years. When calculating the capital structure, the values of both equity and debt are estimated based on their market values.

4. Determination of the β coefficient

By selecting the stocks of similar comparable listed companies on the Shanghai and Shenzhen stock exchanges and making calculations and estimates based on their market prices for the recent 250 weeks as of the Valuation Benchmark Date, the historical market average risk coefficient β_x of the stocks of such comparable companies was obtained. Subsequently, the expected market average risk coefficient β_t of the valuation subject was calculated through the formula $\beta_t = 34\%K + 66\%\beta_x$, and the estimated value of the expected unlevered risk coefficient β_u of the valuation subject was further calculated through the formula $\beta_u = \frac{\beta_t}{1+(1-t)\frac{D_i}{E_i}}$.

In this valuation, A-share listed companies in the transportation industry on the Shanghai and Shenzhen stock exchanges were selected, and the β_x values of such companies were queried through the Wind Financial Terminal (start trading date: 1 January 2021; end trading date: 31 December 2025; calculation period: weekly; return rate algorithm: ordinary return rate; underlying index: CSI 300). Subsequently, the expected market average risk coefficient β_t of the comparable companies was calculated through the formula $\beta_t = 34\%K + 66\%\beta_x$, and the estimated value of the expected unlevered risk coefficient β_u of the comparable companies was further calculated through the formula $\beta_u = \frac{\beta_t}{1+(1-t)\frac{D_i}{E_i}}$. For specific calculations, please refer to the table below:

Security code	Security name	Listing date	Historical β_x	Adjusted β_t	Asset β_u	Equity ratio	Income tax rate (%)
002357. SZ	Fulin Transportation	2010/02/10	0.3869	0.5953	0.5238	86.16%	15
600561. SH	Jiangxi Changyun	2002/07/16	0.5432	0.6985	0.4045	50.79%	25
600611. SH	Dazhong Transportation	1992/08/07	0.4946	0.6664	0.4487	60.73%	25
600650. SH	Jin Jiang Online	1993/06/07	0.5103	0.6768	0.6640	97.49%	25
603069. SH	Haiqi Transportation Group	2016/07/12	1.1554	1.1026	1.0102	89.13%	25
	Arithmetic mean		0.6181	0.7479	0.6102	76.86%	

Furthermore, the expected market risk coefficient of the equity capital of the valuation subject is calculated using the formula $\beta_e = \beta_u \times (1+(1-t) \times \frac{D}{E})$:

Item	2026	2027	2028	2029	2030	2030 and stabilization year
β_e	0.6102	0.6102	0.6102	0.6102	0.6102	0.6102

5. Cost of equity capital r_e

Table 1 For the purpose of this valuation, taking into consideration the company-specific risks that may arise from the differences between the valuation subject and the comparable listed companies in terms of financing conditions, capital liquidity and corporate governance structure, the company-specific risk adjustment coefficient ε is set at 1.00%. Ultimately, the cost of equity re of the valuation subject is calculated using the formula $r_e = r_f + \beta_e \times (r_m - r_f) + \varepsilon$:

Item	2026	2027	2028	2029	2030	2030 and stabilization year
r_e	7.40%	7.40%	7.40%	7.40%	7.40%	7.40%

6. Determination of the specific risk coefficient

When determining the discount rate, it is necessary to consider the differences between the valuation target and listed companies in terms of company size, corporate development stage, core competitiveness, reliance on major customers and key suppliers, corporate financing capability and financing cost, the robustness of profit forecasts, etc., to determine the specific risk coefficient. During the valuation process, the valuers conducted a comparative analysis between the enterprise and comparable listed companies, and derived a specific risk coefficient of ε=1.00%.

7. Determination of expected rate of return on debt (r_d)

The expected rate of return on debt is the cost of capital of the enterprise's debt financing. The capital structure adopted in this valuation is the enterprise's own capital structure. In accordance with the principle of matching the cost of debt with the capital structure, the expected rate of return on debt is determined based on the weighted average cost of capital of the enterprise's debt. Upon calculation, the enterprise has no debt capital.

8. Calculation of the discount rate (WACC)

By substituting the respective parameters obtained above into the formula, the discount rate is obtained as shown in the table below:

Calculation Table of Discount Rate

Item	2026	2027	2028	2029	2030	2030 and stabilization year
Risk-free rate	1.85%	1.85%	1.85%	1.85%	1.85%	1.85%
Expected market return	9.30%	9.30%	9.30%	9.30%	9.30%	9.30%
Equity β	0.6102	0.6102	0.6102	0.6102	0.6102	0.6102
Specific risk coefficient	0.01	0.01	0.01	0.01	0.01	0.01
Cost of equity capital	7.40%	7.40%	7.40%	7.40%	7.40%	7.40%
Proportion of equity	1.000	1.000	1.000	1.000	1.000	1.000
Cost of debt capital	2.25%	2.25%	2.25%	2.25%	2.25%	2.25%
Proportion of debt	0.000	0.000	0.000	0.000	0.000	0.000
Weighted average cost of capital	7.40%	7.40%	7.40%	7.40%	7.40%	7.40%
Discount rate	7.40%	7.40%	7.40%	7.40%	7.40%	7.40%

(VI) Calculation process and results of the appraised value under the income approach

1. Determination of the appraised value of operating assets

The forecast results of the net cash flows of the appraised entity during the future operating period are set out in the table below. The estimation of future returns in this valuation represents a professional judgment made primarily based on the verification of the historical operating income, costs, and financial data disclosed in the consolidated financial statements of the appraised entity, and the business development plans formulated by the enterprise, taking into comprehensive consideration its operating history, future market developments, and other overall circumstances. The estimation does not take into account non-operating income and expenses, subsidy income, and the profit or loss generated from other non-recurring operations.

Forecast Table of the Enterprise Free Cash Flows

Unit: RMB'0000

No.	Item	2026	2027	2028	2029	2030	Perpetual year
1	**I. Operating income**	**1,268.63**	**1,281.14**	**1,293.79**	**1,306.56**	**1,319.46**	**1,319.46**
	Including: Income from principal operations	1,250.58	1,262.73	1,275.00	1,287.40	1,299.92	1,299.92
	Other operating income	18.05	18.41	18.78	19.16	19.54	19.54
2	**Less: Operating costs**	**1,160.23**	**1,176.11**	**1,188.44**	**1,200.89**	**1,213.64**	**1,213.64**
	Including: Costs of principal operations	1,160.23	1,176.11	1,188.44	1,200.89	1,213.64	1,213.64
	Other operating costs	–	–	–	–	–	–
3	Taxes and surcharges	12.90	13.00	13.12	13.24	13.37	13.37
4	Selling expenses	–	–	–	–	–	–
5	Administrative expenses	58.72	59.30	59.90	60.50	61.10	61.10
6	Research and development expenses	–	–	–	–	–	–
7	Finance costs	–	–	–	–	–	–
	Including: Interest expenses	–	–	–	–	–	–
	Interest income	–	–	–	–	–	–
8	**II. Operating profit**	**36.78**	**32.74**	**32.34**	**31.93**	**31.36**	**31.36**

No.	Item	2026	2027	2028	2029	2030	Perpetual year
9	Add: Non-operating income	–	–	–	–	–	–
10	Less: Non-operating expenses	–	–	–	–	–	–
11	**III. Total profit**	**36.78**	**32.74**	**32.34**	**31.93**	**31.36**	**31.36**
12	Less: Income tax expenses	9.33	8.32	8.22	8.12	7.97	7.97
13	**IV. Net profit**	**27.46**	**24.42**	**24.12**	**23.81**	**23.38**	**23.38**
14	**Add: Depreciation and amortization**	**32.01**	**32.01**	**32.01**	**32.01**	**32.01**	**32.01**
15	Depreciation	32.01	32.01	32.01	32.01	32.01	32.01
16	Amortization	–	–	–	–	–	–
17	**Add: After-tax interest**	**–**	**–**	**–**	**–**	**–**	**–**
18	**Less: Additional capital**	**32.38**	**14.25**	**14.25**	**14.25**	**14.24**	**14.55**
19	Increase in working capital	17.83	(0.29)	(0.30)	(0.30)	(0.30)	–
20	Asset renewal	14.55	14.55	14.55	14.55	14.55	14.55
21	Capital expenditure	–	–	–	–	–	–
	Add: Other cash inflows (outflows represented by "-")	**–**	**–**	**–**	**–**	**–**	**–**
	Recovery of deductible input VAT	–	–	–	–	–	–
	Others.....						
22	**V. Free cash flow to the enterprise**	**27.09**	**42.18**	**41.88**	**41.58**	**41.15**	**40.84**
	VI. Discount rate	7.40%	7.40%	7.40%	7.40%	7.40%	7.40%
	VII. Discount factor	0.9649	0.8984	0.8365	0.7789	0.7252	9.8005
	VIII. Present value of free cash flow to the enterprise	**26.14**	**37.89**	**35.03**	**32.38**	**29.84**	**400.30**
	IX. Total present value of free cash flow to the enterprise	**561.59**					

2. Determination of the appraised value of non-operating or surplus assets (liabilities)

Surplus or non-operating assets (liabilities) refer to the assets and related liabilities that are not directly related to the operating income of the enterprise and are not included in the scope of the income forecast. When calculating the overall enterprise value, the value shall be separately estimated based on the appraised value under the cost approach. The value of the surplus assets is -RMB28.1782 million.

The details of the surplus assets and liabilities as at the benchmark date are as follows:

(1) There were surplus funds of RMB3.8349 million in the monetary funds; therefore, the surplus monetary funds as at the Valuation Benchmark Date were RMB3.8349 million.

(2) The non-operating balances in other receivables amounted to RMB7.8594 million.

(3) The non-operating balances in other payables amounted to RMB39.8725 million.

Aggregating the above items, the value of the surplus or non-operating assets of the appraised entity as at the benchmark date was:

C = -RMB28.1782 million

Determination of the valuation of interest-bearing debts

As at the Valuation Benchmark Date, the appraised entity had no interest-bearing debts; therefore, the appraised value of the interest-bearing debts = 0.

3. Valuation results under the income approach

Substituting the obtained value of operating assets P = RMB5.6159 million, the value of non-operating or surplus assets as at the benchmark date C = -RMB28.1782 million, and the value of long-term equity investment as at the benchmark date F = RMB76.2139 million into Equation (2) yields the enterprise value of the appraised entity as at the benchmark date as follows:

B=P+C+F=561.59 +(-2,817.82)+7,621.39 = RMB53.6517 million

The value of the interest-bearing debts of the appraised entity as at the benchmark date is D = 0.

Substituting the enterprise value of the appraised entity B = RMB53.6517 million and the value of interest-bearing debts D = 0 into Equation (1) yields the value of total shareholders' equity of the appraised entity attributable to the parent company:

E=B-D=5,365.17-0=53.6517 million

(VII) Sensitivity analysis

Assuming that future estimated factors such as income, costs and period expenses remain unchanged, a sensitivity analysis of the appraised value by varying the discount rate is as follows:

1. An upward adjustment of 1% to the discount rate will lead to a decrease of RMB0.6576 million in the appraised value, bringing the adjusted appraised value to RMB52.9941 million, representing a decrease of 1.23%.

2. A downward adjustment of 1% to the discount rate will lead to an increase of RMB0.8629 million in the appraised value, bringing the adjusted appraised value to RMB54.5146 million, representing an increase of 1.61%.

3. An upward adjustment of 0.5% to the discount rate will lead to a decrease of RMB0.3496 million in the appraised value, bringing the adjusted appraised value to RMB53.3021 million, representing a decrease of 0.65%.

4. A downward adjustment of 0.5% to the discount rate will lead to an increase of RMB0.4002 million in the appraised value, bringing the adjusted appraised value to RMB54.0519 million, representing an increase of 0.75%.

III. VALUATION CONCLUSION AND ANALYSIS

Based on the judgments of the appraised entity and the management of the enterprise on future development trends and business planning, and in accordance with the relevant laws, regulations, and asset valuation standards, having implemented valuation procedures such as checking and verification, on-site inspection, market research, and evaluation and estimation, we have adopted the asset-based approach and the income approach to conduct on-site inspections, market research, and valuation calculations on the assets included in the scope of valuation in relation to the entire equity interest of the shareholders of The Motor Transport Company of Guangdong and Hong Kong Limited, and arrived at the following conclusion:

(I) Valuation conclusion under the asset-based approach

By adopting the asset-based approach, the valuation conclusion of the appraised entity as at the Valuation Benchmark Date of 31 December 2025 is as follows:

The total assets had a book value of RMB58.1723 million and an appraised value of RMB98.3068 million, representing a valuation appreciation of 40.1345 million and an appreciation rate of 68.99%.

The liabilities had a book value of RMB46.7138 million and an appraised value of RMB46.7138 million, recording no appreciation or depreciation.

The net assets had a book value of RMB11.4585 million and an appraised value of RMB51.5930 million, representing a valuation appreciation of RMB40.1345 million and an appreciation rate of 350.26%. Details are set out in the table below.

Summary Table of the Asset Valuation Results

Valuation Benchmark Date: 31 December 2025

Appraised Entity: The Motor Transport Company of Guangdong and Hong Kong Limited

Unit: RMB'0000

Item		Book value A	Appraised value B	Amount of depreciation or appreciation C=B-A	Appreciation rate % D=C/A×100
1	Current assets	1,315.88	1,315.88	–	–
2	Non-current assets	4,501.35	8,514.80	4,013.45	89.16
3	Including: Long-term equity investments	3,605.90	7,621.39	4,015.49	111.36
4	Investment properties	–	–	–	
5	Fixed assets	285.46	283.28	-2.18	-0.76
6	Construction in progress	–	–	–	
7	Intangible assets	–	0.14	0.14	
7-1	Including: Land use rights	–	–	–	
8	Right-of-use assets	609.99	609.99	–	–
9	**Total assets**	**5,817.23**	**9,830.68**	**4,013.45**	**68.99**
10	Current liabilities	4,181.38	4,181.38	–	–
11	Non-current liabilities	490.00	490.00	–	–
12	**Total liabilities**	**4,671.38**	**4,671.38**	**–**	**–**
13	**Net assets (Owners' equity)**	**1,145.85**	**5,159.30**	**4,013.45**	**350.26**

(II) Valuation conclusion under the income approach

By adopting the income approach, the valuation conclusion in respect of the appraised entity as at the Valuation Benchmark Date of 31 December 2025 is as follows:

The book value of net assets is RMB11.4585 million, and the appraised value is RMB53.6517 million, representing a valuation appreciation of RMB42.1932 million and an appreciation rate of 368.23%. The appraised value under the income approach corresponding to the 19% equity interest in The Motor Transport Company of Guangdong and Hong Kong Limited is RMB10.1938 million.

(III) Analysis of difference in valuation results

The value of the net assets (total shareholders' equity) assessed using the income approach in this valuation is RMB53.6517 million, which is RMB2.0587 million higher than the value of the net assets (total shareholders' equity) of RMB51.5930 million assessed using the asset-based approach, representing a difference rate of 3.99%. The main reasons for the difference between the two valuation approaches are:

1. The valuation under the asset-based approach adopts the replacement cost of assets as the standard of value, which reflects the socially necessary labor expended on asset inputs (purchase and construction costs). Such purchase and construction costs will typically vary in tandem with changes in the national economy. The core assets of the appraised entity comprise long-term equity investments and fixed assets. The asset-based approach adopts appropriate valuation methods to fairly value the fixed assets and conducts a look-through valuation on the controlling long-term equity investments, under which the underlying investment properties, fixed assets, and land are all fairly valued by adopting appropriate valuation methods, thereby comprehensively capturing the current value of the core assets of the appraised entity;

2. The valuation under the income approach adopts the expected income of the assets as the standard of value, which reflects the magnitude of the operating capacity (profitability) of the assets. Such profitability is typically subject to various conditions including the macroeconomic environment, government controls, and the effective utilization of the assets. From a going concern perspective, the income approach reflects the overall dynamic profitability of the enterprise by discounting its future expected income, which essentially represents the cross-cyclical dynamic expected value of the enterprise's profitability.

In summary, the aforementioned factors give rise to the difference between the two valuation methods.

(IV) Selection of valuation results

Guangzhou Company was set up in 1980 as the first cross-border road transportation enterprise in the PRC established with the approval of the governments of Guangdong and Hong Kong. It was jointly funded and founded by the Department of Transport of Guangdong Province, Hong Kong China Merchants Steam Navigation Company Limited and Hong Kong Inchcape Enterprises Limited. Guangzhou Company marked the beginning of Sino-British corporate cooperation, and pioneered direct cross-border passenger and freight road transportation between Hong Kong and the mainland.

Since the income approach assesses the value of the enterprise based on its future operating conditions and the overall market performance, the valuation results of the asset-based approach serves as a reasonable reflection of the enterprise's intrinsic value. Given that the objective of this valuation is for the proposed repurchase by Guangzhou Company of the 19% equity interest held by The Traffic Bureau of Shenzhen, this valuation report adopts the valuation results of the asset-based approach as the valuation conclusion. The analysis is set out as follows:

1. The asset-based approach valuation utilizes the replacement cost of assets as the standard of value, reflecting the socially necessary labor consumed in asset investment (construction cost). Taking into consideration the circumstances of this valuation, the appraised entity has provided detailed information relating to its assets and liabilities, and the valuer has also collected information externally to satisfy the requirements of the asset-based approach to conduct a comprehensive inventory and valuation of the assets and liabilities of the appraised entity. The asset-based approach applied appropriate valuation methods to determine the fair values of investment properties, fixed assets, land, and long-term equity investments, which requires fewer assumptions and involves fewer uncontrollable factors, thereby resulting in less future uncertainty. As such, comparatively speaking, the valuation results of the asset-based approach is more robust and reliable.

2. The income approach valuation adopts the expected return of assets as the standard of value, reflecting the magnitude of the operating capability (profitability) of the assets. The income approach valuation utilizes future profit forecasts to determine the appraised value, where the future forecasts involve a multitude of assumptions and considerable uncertainties. Given that the appraised entity is a transportation enterprise, its future operations will be subject to the impact of national macroeconomic controls and changes in industry policies. The business of the appraised entity primarily comprises agency fee income from related parties and the leasing of self-owned properties, which are susceptible to market fluctuations. Therefore, the conclusion of the income approach cannot robustly reflect the value of the owners' equity (net assets) of the appraised entity.

Therefore, on a comparative basis, the valuation results of the asset-based approach is considered more reasonable. As a result, this valuation adopts the valuation results of the asset-based approach as the final valuation conclusion.

Based on the foregoing analysis, the value of the total shareholders' equity in The Motor Transport Company of Guangdong and Hong Kong Limited as at the valuation date is thereby concluded at 51.593 million. The corresponding appraised value of the 19% shareholders' equity in The Motor Transport Company of Guangdong and Hong Kong Limited is RMB9.8027 million.

(V) Analysis of reasons for valuation appreciation and depreciation

The book value of net assets was 11.4585 million, and the appraised value was RMB51.593 million, representing a valuation appreciation of 40.1345 million and an appreciation rate of 350.26%.

The net book value of long-term equity investment was RMB36.0591 million, and the appraised value was RMB76.2139 million, representing a valuation appreciation of RMB40.1548 million and an appreciation rate of 111.36%. The valuation appreciation of the long-term equity investment in this valuation was mainly attributable to a substantial increase in the market value of the real estate in the Shenzhen region held by the investee, Shenzhen Yuegang, compared to its historical book cost. The buildings and structures and land use rights owned by the investee were acquired at an early stage, with their book values recorded as the net values of historical costs less depreciation and amortization. Due to factors such as the scarcity of land resources in Shenzhen, the continuous upward trend in real estate market prices, the upgrading of regional supporting facilities, and the increase in construction and installation costs, the appraised value of the real estate in this valuation was significantly higher than its book value, thereby driving the valuation appreciation of the net assets of the investee, which was ultimately reflected as the valuation appreciation of the long-term equity investment.

The net book value of fixed assets – buildings and structures was RMB2.2365 million, and the appraised value was RMB2.3117 million, representing a valuation appreciation of RMB0.0752 million and an appreciation rate of 3.36%. The book value of the buildings and structures of the appraised entity was their historical costs less depreciation made in accordance with the accounting policies of the appraised entity. The income approach was adopted in this valuation of the buildings and structures, with its valuation premise being the sum of the present values of the expected future returns of the assets. The properties possess earning capacity and market value, and such excess earning capacity cannot be reflected in the accounting books, but can be quantified by adopting the income approach, which resulted in the valuation appreciation of the appraised net value of the buildings and structures over their book value in this valuation.

The net book value of fixed assets – vehicles was RMB0.5876 million, and the appraised value was RMB0.4903 million, representing a valuation depreciation of RMB0.0973 million and a depreciation rate of 16.56%. The depreciation was primarily attributable to the fact that the purchase price of the vehicles as at the Valuation Benchmark Date was lower than the price at the time when the vehicles were acquired.

The net book value of fixed assets – electronic equipment was RMB0.0305 million, and the appraised value was RMB0.0308 million, representing a valuation appreciation of RMB0.0003 million and an appreciation rate of 0.98%. The appreciation was due to the fact that the economic useful life of the electronic equipment is longer than its accounting depreciation life.

The net book value of intangible assets was nil, and the appraised value was RMB0.0014 million, representing a valuation appreciation of RMB0.0014 million. The appreciation was mainly because the domain names were not capitalized and entered into the accounts, leaving no corresponding value records in the books. In this valuation, the eligible domain names were identified as identifiable intangible assets and their values were measured, resulting in the valuation appreciation of intangible assets.

IV. EXPLANATIONS ON SPECIAL MATTERS

(I) Reference to Conclusions of Reports Issued by Other Institutions

The book values of the respective assets and liabilities as at the benchmark date in this valuation report represent the audit results set out in the audit report with a standard unqualified opinion, namely the "Audit Report and Financial Statements of The Motor Transport Company of Guangdong and Hong Kong Limited (Guangzhou)" (Xin Kuai Shi Bao Zi [2026] No. ZC10059) issued by BDO China Shu Lun Pan Certified Public Accountants LLP. The valuation is conducted on the basis of the enterprise having been audited. The valuation is conducted on the basis of the enterprise having been audited. Save for the above, this asset valuation does not make reference to the conclusions of reports issued by any other institutions.

(II) Matters regarding incomplete title information or title defects

Within the scope declared for valuation by the appraised entity, certain buildings and structures have not obtained property ownership certificates. The enterprise undertakes that such portion of assets belongs to it, and any disputes that may arise from the title of such assets shall bear no relation to the valuation agency. Due to historical reasons left over by the developer, Yihe Building is unable to process the completion acceptance and fire safety acceptance procedures, and is consequently unable to obtain the real estate title certificates. The gross floor area (GFA) data adopted in this asset valuation is declared by the appraised entity based on the commodity property sale and purchase contract. The valuation professionals have verified the relevant GFA information through the Yangguang Jiayuan platform on the website of the Guangzhou Municipal Housing and Urban-Rural Development Bureau. Upon verification, the total GFA stated in the commodity property sale and purchase contract is 195.49 sq. m., and the total GFA disclosed on the Yangguang Jiayuan platform is 194.79 sq. m. As the difference between the two is minimal, this asset valuation adopts the GFA declared by the appraised entity based on the commodity property sale and purchase contract for valuation. Should the appraised entity apply for the relevant title certificates in the future and its GFA is inconsistent with the declared GFA, the valuation results shall be adjusted according to the GFA stated on the title certificates. According to the commodity property sale and purchase contract and the relevant information disclosed on the Yangguang Jiayuan platform on the website of the Guangzhou Municipal Housing and Urban-Rural Development Bureau, the building is of an office nature. Based on the information disclosed in the commodity property sale and purchase contract, the building where the commissioned valuation property is located is Building A-1, and its underlying land nature is "comprehensive or other land use". The statutory land grant term for land of such nature is 50 years, with the land grant date being 16 February 2000 and the land expiry date being 15 February 2050. This asset valuation is assessed based on the land expiry date of 15 February 2050. Should the appraised entity apply for the relevant title certificates in the future and the land expiry date is inconsistent with the land expiry date adopted in the valuation, the valuation results shall be adjusted according to the land expiry date stated on the title certificates. Please refer to the table below for details:

Table of Properties without Property Ownership Certificates

No.	Name of building	Structure	Date of completion	Unit of measurement	Gross floor area
1	Yihe Building 0702	Reinforced concrete	6 August 2014	㎡	130.47
2	Yihe Building 0703	Reinforced concrete	6 August 2014	㎡	65.02

(III) Circumstances of restricted valuation procedures or incomplete valuation information

There are no circumstances in which the valuation procedures are restricted or the valuation information is incomplete in this asset valuation.

(IV) Pending legal, economic and other matters as at the Valuation Benchmark Date

There are no circumstances in which the valuation procedures are restricted or the valuation information is incomplete in this asset valuation.

(V) Nature and amounts of matters such as guarantees, leases and contingent liabilities (or contingent assets) and their relationships with the appraised object

During this asset valuation, no mortgages, guarantees or contingent liabilities (or contingent assets) of the appraised entity have been identified.

As at the Valuation Benchmark Date, details of the leased assets of the appraised entity are as follows:

Name of leased asset	Usage	Unit of measurement	Leased area	Commencement date	Expiry date
Property of Guangdong Guest House	Operation	㎡	841.36	2025/05	2030/05

(VI) Material subsequent events

Subsequent events refer to material events occurring after the Valuation Benchmark Date but prior to the issuance of the valuation report.

No material subsequent events have been identified in this asset valuation.

(VII) Defective circumstances in the economic transaction underlying this valuation that may have a material impact on the valuation conclusion

No defective circumstances within the appraised entity that may have a material impact on the valuation conclusion have been identified in this asset valuation.

V. OTHER MATTERS REQUIRING EXPLANATION

(I) Guangzhou Company holds a design patent, which will terminate upon the expiry of its term on 16 October 2025. Such design patent relates to a relatively old exterior design of buses, and the appraised entity does not consider renewing it. As confirmed by the appraised entity, the patent possesses no subsequent derivative use value, and is therefore assessed at zero in this valuation.

(II) As at the Valuation Benchmark Date, Guangzhou Company no longer possessed any vehicle transportation-related business. The trademark held by it is used on the buses in the daily operations of Hong Kong Yuegang. As confirmed by the appraised entity, Hong Kong Yuegang uses such trademark free of charge. The appraised value of such trademark is reflected in the intangible asset value of Hong Kong Yuegang in this valuation.

(III) The legal responsibility of the valuer and the valuation agency is to formulate a professional judgment on the value of the assets for the valuation purpose stated in this report, and does not involve the valuer and the valuation agency making any judgment on the economic activity corresponding to such valuation purpose. The valuation work relies, to a large extent, on the relevant information provided by the principal and the appraised entity. Therefore, the valuation work is premised on the authenticity and legality of the relevant documents in respect of the economic activity, documents of asset ownership, certificates and accounting vouchers, as well as relevant legal documents provided by the principal and the appraised entity.

(IV) During the valuation process, the valuers observed the exterior of the buildings and structures being appraised, inspected the interior decoration and usage conditions to the extent possible, and did not conduct any structural or material testing. When conducting site inspections of the equipment, due to limitations in inspection methods and the fact that certain equipment was in operation, the assessment of the equipment's condition primarily relied on the valuers' visual observations, the recent inspection records provided by the appraised entity, and inquiries made to relevant operation and usage personnel.

(V) The purpose of the valuer in performing the asset valuation engagement is to estimate the value of the appraised subject and express a professional opinion, and the valuer does not assume any responsibility for the decision-making of the relevant parties. The valuation conclusion shall not be construed as a guarantee of the realizable price of the appraised subject.

(VI) The profit forecast of the appraised enterprise obtained by the valuation institution forms the basis of the income approach in this valuation report. The valuers have conducted necessary investigations, analyses, and judgments on the profit forecast of the appraised enterprise. Following multiple discussions with the management and major shareholders of the appraised enterprise, and upon further amendments and improvements by the appraised enterprise, the valuation institution has adopted the relevant data from the profit forecast of the appraised enterprise. The utilization of the profit forecast of the appraised enterprise by the valuation institution does not constitute a guarantee of the future profitability of the appraised enterprise.

(VII) In respect of the scope of this valuation, as well as the data, financial statements, and relevant materials provided by the appraised entity and adopted herein, the principal and the appraised entity shall be responsible for the authenticity and completeness of the materials they provided.

(VIII) The documents of title and relevant materials involved in the valuation report are provided by the appraised entity. The principal and the appraised entity shall bear legal responsibilities for the authenticity and legality thereof.

(IX) During the validity period subsequent to the Valuation Benchmark Date, if there is any change in the quantity of assets and pricing standards, such changes shall be dealt with in accordance with the following principles:

1. When there is a change in the quantity of assets, corresponding adjustments shall be made to the amount of assets based on the original valuation method;

2. When the asset pricing standards change and exert a material impact on the asset valuation results, the principal shall promptly engage a qualified asset valuation agency to re-determine the appraised value;

3. In respect of the changes in the quantity of assets and pricing standards subsequent to the Valuation Benchmark Date, the principal shall give due consideration and make corresponding adjustments upon the actual pricing of the assets.

(X) The conclusion of this valuation is established on the premise of the accurate judgment made by the property rights holder and the management of the valuation target on the future development trends of the enterprise, the implementation of relevant plans, and the continuous operation of the enterprise. In the event that the actual operating conditions of the enterprise deviate from its business plans in the future, and the appraised entity and its then management fail to take corresponding effective measures to rectify such deviations, the valuation conclusion will be subject to material changes. The users of this report are specifically advised to pay attention to this matter.

(XI) The scope of this valuation is based solely on the asset valuation breakdown schedules provided by the principal and the appraised entity, and does not take into account any potential contingent assets and contingent liabilities beyond the lists provided by the principal and the appraised entity.

(XII) This valuation does not take into account any premium or discount arising from factors such as controlling interests and minority interests.

VI. EXPLANATION OF LIMITATIONS ON THE USE OF THE VALUATION REPORT

This valuation report may only be used for the valuation purposes and uses set out herein. Furthermore, the conclusion of this valuation reflects the current fair market value of the appraised entity determined in accordance with open market principles for the purpose of this valuation; it does not take into account the impact on the appraised value of any pledges or guarantees that may be undertaken in the future, nor any additional premiums that special transaction counterparties might pay. Moreover, this report has not considered the impact on asset prices arising from changes in national macroeconomic policies, natural forces, and other force majeure events. Should there be changes in the aforementioned conditions or in other circumstances such as the going concern principle adhered to in the valuation, the valuation conclusion will generally become invalid. The valuation agency shall bear no legal liabilities in relation to the invalidity of the valuation results arising from changes in such conditions.

The prerequisite for the validity of this valuation report is that the economic activity in question complies with the relevant provisions of national laws and regulations, and has obtained approvals from the relevant authorities.

This valuation report may only be used by the user(s) of the valuation report set out herein. The right to use the valuation report is vested in the principal. Without the consent of the principal, this valuation agency will not arbitrarily disclose it to any third party.

Where the principal or any other user of the asset valuation report fails to use the asset valuation report in accordance with the provisions of laws and administrative regulations as well as the scope of use set out in the asset valuation report, the asset valuation agency and its asset valuer(s) shall assume no liability.

Except for the principal, other user(s) of the asset valuation report as agreed in the asset valuation engagement contract, and user(s) of the asset valuation report as stipulated by laws and administrative regulations, no other institution or individual may become a user of the asset valuation report.

Without the prior consent of this valuation agency and its review of the relevant contents, the valuation report, whether in whole or in part, shall not be extracted, quoted, or disclosed in any public media, unless otherwise stipulated by laws and regulations or agreed by the relevant parties.

The user(s) of the asset valuation report shall correctly understand and use the valuation conclusions. The valuation conclusions are not equivalent to the realizable price of the valuation subject, nor should the valuation conclusions be construed as a guarantee of the realizable price of the valuation subject.

Validity period of the valuation conclusions: In accordance with relevant laws and regulations on asset valuation, any asset valuation report involving statutory valuation business shall be used only after the principal has performed the supervisory and regulatory procedures for asset valuation as required by laws and regulations. The valuation results shall be valid for use for a period of one year, calculating from 31 December 2025, being the Valuation Benchmark Date, to 30 December 2026. Where the period exceeds one year, a new asset valuation must be conducted.

Part B

The contents set out in this Appendix are extracted from the asset valuation report issued by China United Assets Appraisal Group Limited in respect of the value of all shareholders' equity interests in Hong Kong Company as at the Valuation Benchmark Date. Unless otherwise stated in this Appendix, all amounts are denominated in Hong Kong dollars.

I. VALUATION ASSUMPTION

(I) General assumptions

1. Transaction assumption

The transaction assumption presupposes that all valuation assets are already in the process of a transaction, and the Valuer conducts the valuation by simulating a market based on, among other things, the transaction conditions of the valuation assets. The transaction assumption is one of the most fundamental prerequisite assumptions for the asset valuation to proceed.

2. Open market assumption

The open market assumption presumes that, for assets traded or intended to be traded in the market, the parties to the asset transaction are on an equal footing and both have the opportunity and time to obtain sufficient market information, so as to make rational judgments regarding the functions, uses, and transaction prices of the assets. The open market assumption is based on the premise that the assets can be publicly traded in the market.

3. Going concern assumption

The going concern assumption of the enterprise is an valuation assumption formulated by taking the assets of the enterprise as a whole as the valuation subject. That is, the enterprise, acting as an operating entity, will continue to operate in accordance with its business objectives within its external environment. The management of the enterprise is accountable and capable of assuming its responsibilities; the enterprise operates lawfully and is capable of generating appropriate profits to maintain its ability to continue as a going concern. With respect to the various operating assets of the enterprise, such assets can continue to be utilized in accordance with their current purposes, methods, scale, frequency, and environments of use, or be utilized on an altered basis.

(II) Special assumptions

1. This valuation assumes that the external economic environment remains unchanged as at the Valuation Benchmark Date, and no material changes will occur to the current macroeconomic environment of the country.

2. It is assumed that the operators of the appraised entity are responsible, and the management of the company is competent to discharge its duties.

3. Unless otherwise stated, it is assumed that the company fully complies with all relevant laws and regulations.

4. It is assumed that the accounting policies to be adopted by the appraised entity in the future are substantially consistent in all material respects with the accounting policies adopted in the preparation of this report.

5. It is assumed that, based on the existing management mode and management level, the business scope and operating mode of the company will remain consistent with its current direction.

6. In this valuation, it is assumed that during the future forecast period, the structure of the principal business, the composition of revenue and costs, as well as the sales strategies and cost control of the valuation subject will maintain stable and continuous, without material changes.

7. During the future forecast period, the various period expenses of the valuation subject will not experience material changes from the existing basis; they will continue to maintain the variation trends of recent years, and will vary correspondingly with changes in the scale of operations.

8. Given that the cash and cash equivalents or bank deposits of the enterprise fluctuate frequently during the course of production and operations, and that all idle funds have been accounted for as surplus assets, the interest income generated from deposits is not considered in the valuation, nor are other uncertain gains or losses other than interest-bearing debts.

9. There will be no material changes in the socio-economic environment in which the enterprise operates, as well as the applicable tax and standards, tax rates and other policies.

10. There are no other force majeure events or unforeseeable factors that would have a material adverse effect on the enterprise.

11. The valuation is based solely on the existing operating capacity as at the benchmark date. It does not take into account any potential expansion of operating capacity resulting from the management, business strategies, additional investments and other factors in the future, nor does it consider any subsequent changes that may occur in production and operations.

12. All assets under this valuation are premised on their actual quantities as at the Valuation Benchmark Date, and the current market prices of the relevant assets are based on the prevailing effective domestic prices as at the Valuation Benchmark Date.

13. In respect of Hong Kong-Zhuhai-Macao Bridge Shuttle Bus Company Limited, an investee company in which Hong Kong Company holds a 7.6% equity interest on a look-through basis, the project operation period of this company is up to 23 October 2026. However, the terms of the investment agreement provide that an extension may be negotiated upon expiry. Based on the information provided and confirmed by the client, there are no material impediments to the extension of this project. This valuation assumes that the operation period of Hong Kong-Zhuhai-Macao Bridge Shuttle Bus Company Limited is extended to 22 October 2027.

14. This valuation assumes that the basic data and financial information provided by the principal and the appraised entity are true, accurate and complete.

15. This valuation assumes that the appraised entity will comply with the relevant laws and regulations, and there will be no material non-compliance incidents that would affect the development of the company and the realization of its revenue;

16. This valuation assumes that the rateable value of the relevant properties held by the appraised entity will remain at the level as at the benchmark date and will not change;

17. The scope of valuation is strictly based on the valuation declaration schedules provided by the principal and the appraised entity, and does not take into account any potential contingent assets and contingent liabilities that may exist outside the lists provided by the principal and the appraised entity.

In the event of any changes to the above conditions, the valuation results will generally become invalid. Where material changes occur in the future economic environment, the valuation agency shall assume no responsibility for any different valuation conclusions derived as a result of changes in the assumptions.

II. VALUATION APPROACHES

(I) Overview of valuation approaches

In accordance with the provisions of the Asset Valuation Practice Standards – Enterprise Value (Zhong Ping Xie [2018] No. 38) and the Asset Valuation Practice Standards – Asset Valuation Methods (Zhong Ping Xie [2019] No. 35), when performing an enterprise value valuation engagement, the applicability of the three basic approaches, namely the income approach, the market approach, and the asset-based approach, shall be analyzed to select the valuation approaches based on the valuation purpose, the valuation object, the type of value, the applicable conditions of the valuation approaches, and the quality and quantity of data relied upon for the application of such valuation approaches.

The income approach in enterprise value valuation refers to a valuation method that determines the value of a valuation object by capitalizing or discounting the expected income. Asset valuation professionals shall appropriately consider the applicability of the income approach by taking into account the nature of the enterprise, asset scale, historical operating conditions, predictability of future income, and the sufficiency of the valuation data obtained.

The market approach in enterprise value valuation refers to a valuation method that determines the value of a valuation object by comparing it with comparable listed companies or comparable transaction precedents. Asset valuation professionals shall consider the applicability of the market approach based on the sufficiency and reliability of the operational and financial data obtained regarding comparable enterprises, as well as the number of comparable enterprises available for collection.

The asset-based approach in enterprise value valuation refers to a valuation method that determines the value of a valuation object by assessing the values of all identifiable on-balance sheet and off-balance sheet assets and liabilities, based on the balance sheet of the appraised entity as at the Valuation Benchmark Date.

(II) Selection of valuation approaches

The purpose of this valuation is in relation to the proposed repurchase by Hong Kong Company of the 19% equity interest held by The Traffic Bureau of Shenzhen.

The asset-based approach reflects the value of the enterprise from the perspective of enterprise construction. The materials provided by the appraised entity to the valuation agency for verification are relatively complete; therefore, the asset-based approach has been adopted for this valuation.

The appraised entity possesses the foundation and conditions for operating as a going concern, and its future returns and risks can be predicted and quantified; therefore, the income approach can be adopted for this valuation.

As it is difficult to obtain recent transaction cases involving enterprises of a similar scale around the Valuation Benchmark Date, and there are relatively few comparable listed companies with the same scale and business structure in the market, the market approach has not been adopted for this valuation.

Based on the above, it has been determined that the asset-based approach and the income approach are adopted for this valuation.

(III) Overview of the asset-based approach

The asset-based approach refers to the valuation method that determines the value of an appraised object based on the balance sheet of the appraised entity or operating entity as at the Valuation Benchmark Date, through appraising the values of all identifiable on-balance sheet and off-balance sheet assets and liabilities. Specifically, it refers to the method of deriving the enterprise value by aggregating the appraised values of various component assets constituting the enterprise and deducting the appraised value of liabilities.

The valuation methods for various types of assets and liabilities are as follows:

1. Current assets

(1) Cash at bank

The functional currency of Hong Kong Company is Hong Kong dollars. For cash at bank denominated in Hong Kong dollars, the appraised value is determined based on the verified book value. For cash at bank denominated in foreign currencies, the appraised value is determined by multiplying the verified amount in the original currency by the exchange rate as at the Valuation Benchmark Date.

(2) Accounts receivable

Regarding the valuation of the accounts receivable, the valuers obtained an understanding of the existence and completeness of the accounts receivable. Upon verification without error, based on historical data and information obtained from on-site due diligence, the valuers specifically analyzed relevant matters such as the amounts, the age and reasons for the arrears, the recovery status, as well as the funds, credit, and current operational and management conditions of the debtors, so as to determine the recoverability of the accounts receivable.

When analyzing the recoverability of the accounts receivable, the valuation risk loss on the accounts receivable was estimated with reference to the corporate accounting method for calculating the provision for bad debts. Namely:

For receivables (including accounts receivable and other receivables) with an individually significant amount and for which there is objective evidence indicating that impairment has occurred, a provision for bad debts is made based on the difference by which the present value of their future cash flows is lower than their carrying value; for receivables (including accounts receivable and other receivables) with an individually insignificant amount, as well as those with an individually significant amount that are determined not to be impaired upon individual testing, the provision for bad debts may be made on a portfolio basis.

The appraised value of the accounts receivable is determined by the verified carrying amount of the accounts receivable less the valuation risk loss. Meanwhile, the provision for bad debts is valued at zero in accordance with the relevant valuation provisions.

(3) Prepayments

Regarding the valuation of prepayments, upon verification without error, the valuers, based on historical data and information obtained from on-site due diligence, specifically analyzed the amounts, the age and reasons for the arrears, the recovery status, as well as the funds, credit, and current operational and management conditions of the debtors, so as to determine whether such debtors were subject to bankruptcy, deregistration, or unable to provide goods or services on time as stipulated in the contracts. In the absence of the aforementioned abnormalities, the verified book values were adopted as the appraised values.

(4) Inventories

Inventories consist entirely of raw materials. No provision for impairment of inventories has been made. The specific valuation methods and procedures for inventories are as follows:

Raw materials primarily comprise spare parts and components used for equipment maintenance. During the inventory verification, the balances in the financial statements, detailed ledgers and valuation schedules were cross-checked, and relevant physical assets were inspected and counted on a sample basis on site. The condition of the raw materials was assessed, and the declared quantities were verified against the actual quantities. Most of the raw materials were not subject to overstocking, deterioration, damage or obsolescence. Upon confirming that the accounting records were consistent with the relevant schedules and that there were no abnormalities in either quantities or amounts, the appraised value in this valuation was determined based on the verified book value.

2. Long-term equity investments

In respect of long-term equity investments, evidence gathering and verification were first conducted regarding the reasons for the formation of the long-term investments, their book values, and actual conditions, etc. Investment agreements, shareholders' resolutions, articles of association, and relevant accounting records were also reviewed to ascertain the authenticity and completeness of the long-term investments.

Hong Kong Company holds a 70% equity interest in Hong Kong Yue Li Jia and 100% equity interest in Hong Kong Gangtong. Hong Kong Yue Li Jia and Hong Kong Gangtong are controlled subsidiaries of Hong Kong Company. Hong Kong Yue Li Jia has no substantive business operations, and Hong Kong Gangtong operates the Yau Tsim Line business.

Hong Kong Gangtong operates the Yau Tsim Line business, which has suffered a severe decline due to the impact of market conditions, and there is a lack of reliable forecasting basis for future revenue and profit models. Hong Kong Yue Li Jia is a controlled subsidiary established to retain cross-border passenger transport operating quotas and possesses no continuous and stable market-based revenue sources; therefore, the income approach cannot be adopted for valuation. As it is difficult to obtain recent transaction cases involving enterprises of similar scale, and there are few comparable listed companies with the same scale and business structure in the market, the market approach cannot be adopted for valuation. Therefore, for wholly-owned subsidiaries and controlled subsidiaries in which an equity interest of 50% or more is held, the asset-based approach was adopted to value the overall net assets of the investees as at the Valuation Benchmark Date. The appraised value was then determined by multiplying the appraised value of the net assets of the investees as at the Valuation Benchmark Date by the shareholding percentage in the appraised entities:

The management of the appraised entity can make relatively reasonable forecasts of the company's future income based on its future business plans. The two controlled subsidiaries within the scope of this valuation are included in the scope of the consolidated financial statements. The valuers have analyzed the applicability of various valuation methods in light of the actual circumstances of the valuation subject. Considering that the investees of the long-term equity investments and the appraised entity are both engaged in the transportation industry and have strong business correlations, therefore, the income approach on a consolidated basis has been adopted for this valuation.

Appraised value of long-term equity investment = Appraised value of the net assets of the investee after overall valuation × Shareholding percentage

Regarding the investee companies, Hong Kong & Macao International Airport Transportation Service (HK) Co. Limited and Hong Kong International Airport Passenger Service (Macao) Co., Ltd., an analysis was conducted based on their specific circumstances. Pursuant to the provisions of their articles of association, voting rights are exercised in proportion to the shareholding percentages at shareholders' meetings. As the appointed directors do not occupy a majority of the seats on the board of directors, there is neither control over nor participation in operations. Consequently, the appraised entity does not participate in the operation of the companies' affairs. These two companies are currently in the growth stage, and Yuegang Company (粵港公司) invested in them in December 2023. As at the Valuation Benchmark Date, there was no clear dividend plan for these two long-term equity investments. Therefore, the appraised value in this asset valuation was determined by adopting the net assets as set out in their financial statements multiplied by the percentage of equity interest.

Regarding the investee company, Hong Kong-Zhuhai-Macao Bridge Shuttle Bus Company Limited, as Hong Kong Company does not have control over it, the valuers were unable to independently conduct on-site inspection and verification procedures on the company during this valuation. However, they were able to obtain its financial statements for the last three years and the latest period, as well as other materials, to understand its operating conditions. The said company has entered a stable return period with a well-established dividend policy, and has continuously distributed dividends since 2024. Given that the amount and timing of future dividend distributions can be reasonably forecast, the dividend discount model (DDM) was adopted in this asset valuation to determine the appraised value.

Hong Kong Company invested in Guangdong Hong Kong Macau Port Service Company Limited in September 2025. As at the Valuation Benchmark Date, the company had not yet commenced business operations and had not established its accounting books; therefore, it was valued at its book cost for the purpose of this valuation.

EXPRESS CROSS-BORDER COACH MGT. CO. LIMITED is accounted for using the equity method. As this company has incurred losses for consecutive years and its net assets have remained consistently negative, the appraised entity considered making a full provision for impairment based on the principle of prudence. Upon verification by the valuers, although the said investee company remains in operation, it continues to incur substantial losses, and as at the Valuation Benchmark Date, its core business was depleted. The appraised entity confirmed that the company currently has no way to turn around its losses, possesses no capacity to distribute dividends, and has no potential transferees for its equity interests. Therefore, its value for the purpose of this valuation was determined to be 0.

In this valuation, when determining the appraised value of the long-term equity investments, the valuers did not consider the premiums and discounts arising from factors such as a controlling interest and minority interests, nor did they consider the impact of the liquidity of equity interests on the valuation results.

3. Investment properties

In accordance with the requirements of the *Asset Valuation Practice Standards — Real Estate* (《資產評估執業準則——不動產》) and the *Guiding Opinions on the Valuation of Investment Properties* (《投資性房地產評估指導意見》), when conducting real estate valuation engagements, the applicability of the three basic asset valuation approaches, namely the market approach, the income approach and the cost approach, as well as derivative methods such as the hypothetical development method and the benchmark land price correction method, shall be analyzed based on circumstances including the purpose of valuation, the valuation subject, the value type and data collection, in order to select the valuation approach.

The valuers analyzed the applicability of different valuation approaches. Considering that the relevant investment properties are currently being leased out or possess leasing potential, the income approach has been adopted for this valuation.

(1) Income approach

The income approach refers to the method of projecting the future normal net income of the valuation subject, selecting an appropriate discount rate to discount such income to the Valuation Benchmark Date and aggregating the discounted values, thereby estimating the objective and reasonable price or value of the valuation subject. As the investment properties under appraisal were subject to existing leases as at the benchmark date, and land in Hong Kong can be renewed through the payment of an annual government rent, an infinite-term income model has been adopted for the income approach in this property valuation. The calculation formula is as follows:

$V = \Sigma[a_t/(1+r)^t] + a_{n+1}/[(r - g) \times (1+r)^n]$

Where:

V: Property value;

a_t: Net operating income for the t-th year;

r: Discount rate;

n: Lease term;

g: Annual net income growth rate.

(2) Investment properties – land

For Investment properties – land, the valuers inspected and verified the title deeds of the relevant properties to confirm their correspondence with the properties. Regarding the value of such land, the income approach was adopted in the valuation of the properties, which reflected the combined value of the buildings and the land. Therefore, the corresponding investment properties – land was valued at 0. In respect of the agricultural land at No. 107 Ho Sheung Heung Road, Kwu Tung, Sheung Shui classified under investment properties – land, according to the information provided by the appraised entity, the New Development Area Section of the Lands Department of the Government of the Hong Kong Special Administrative Region (hereinafter referred to as the "Hong Kong Government") issued Land Compensation Agreements No. 107 and No. 455 to Hong Kong Company on 15 November 2025 and 12 December 2025. The agreements require the resumption of the agricultural land held by Hong Kong Company at Lot Nos. 106, 108, 109, 110, 112, 113, 114, 115, 116, 117, 118, 119, 120, 122 and 165A in Demarcation District No. 95 situated at No. 107 Ho Sheung Heung Road, Kwu Tung, Sheung Shui, with a total area of 116,743 sq. ft. (approximately 10,845.69 sq. m.). Based on a compensation price calculated at HK$1,267 per sq. ft., the land compensation value is calculated to be HK$147,913,381.00. Hong Kong Company received a payment of HK$124,425,735.00 on 13 January 2026 and a payment of HK$23,487,646.00 on 18 June 2026. The relevant land compensation has been received in full. This valuation is conducted based on the compensation value under the land compensation agreements issued by the Hong Kong Government to Hong Kong Company.

4. Fixed assets – buildings and structures

(1) Selection of valuation approaches

Based on the purpose of this valuation, in accordance with the structural characteristics, nature of use, and other factors of the buildings and structures assets included in the scope of valuation, the reasonable valuation methods for various buildings and structures are ultimately determined as follows:

The buildings and structures assets were all acquired by the enterprise through external purchases and are used as dormitories for the employees and senior management of Hong Kong Company, which are properties necessary for the operations of the enterprise. Considering the value contributed by such assets to shareholders' equity, as well as the availability of objective market rental rates, the income approach is therefore adopted for the valuation;

(2) Overview of valuation approaches

The income approach refers to the method of projecting the future normal net income of the valuation subject, selecting an appropriate discount rate to discount such income to the Valuation Benchmark Date and aggregating the discounted values, thereby estimating the objective and reasonable price or value of the valuation subject. The calculation formula is as follows:

P= (a)/(r-g)

Where:

P: Property value;

a: Annual net income;

r: Discount rate;

g: Annual net income growth rate.

As land in Hong Kong can be renewed through the payment of an annual government rent, an infinite-term income model has been adopted for the income approach in this property valuation.

5. Fixed assets – equipment assets

According to the purpose of this valuation and in accordance with the principle of continuous use, the replacement cost approach is primarily adopted for the valuation based on market prices, taking into consideration the characteristics of the equipment included in the valuation scope and the gathered documentations.

According to the purpose of this valuation and in accordance with the principle of continuous use, different approaches are adopted for the valuation based on market prices, taking into consideration the characteristics of the equipment subject to valuation and the gathered documentations.

For equipment in normal operation, the replacement cost approach is primarily adopted for the valuation. For used equipment whose prices are available in the second-hand market, the market approach is adopted for the valuation.

(1) Valuation of machinery and equipment

Appraised value = Full replacement price × Newness rate

1) Full replacement price of machinery and equipment

Full replacement price = Equipment purchase price + Transportation and miscellaneous expenses + Installation and commissioning expenses + Preliminary project expenses and other expenses + Cost of funds

A. Purchase price

Purchase prices of equipment are comprehensively determined primarily through online price inquiries, consultations with manufacturers or trading companies regarding the latest market transaction prices, and the enterprise's recent purchase prices for similar equipment. For a small number of equipment for which the purchase prices could not be obtained, their purchase prices are extrapolated and determined by applying a price variation rate based on a comparison of the functions and production capacities of similar equipment from the same period.

B. Transportation and miscellaneous expenses

Based on the purchase price, transportation and miscellaneous expenses are calculated at varying rates according to the loading and unloading, transportation, storage, insurance, and other relevant expenses incurred between the manufacturer and the location of the equipment. Where the purchase price is inclusive of transportation expenses, no further transportation and miscellaneous expenses shall be calculated. Given that the purchase prices of the relevant vehicles, machinery and equipment, and electronic equipment of Hong Kong Company include transportation and miscellaneous expenses, no further transportation and miscellaneous expenses are calculated for the relevant vehicles, machinery and equipment, and electronic equipment under this project.

C. Installation and commissioning expenses

The installation and commissioning rates are determined primarily with reference to the installation rates of relevant equipment set forth in the *Manual of Common Data and Parameters for Asset Valuation* (《資產評估常用數據與參數手冊》), taking into account the consumption of auxiliary materials for the equipment, the condition of the installation foundation, the degree of difficulty of installation, and an analysis of the historical expenditure incurred by the appraised entity in respect of equipment installation. As the relevant vehicles, machinery and equipment, and electronic equipment of Hong Kong Company do not require installation and therefore do not involve any corresponding installation and commissioning expenses, no installation and commissioning fees have been provided for in respect of the relevant vehicles, machinery and equipment, and electronic equipment under this project.

D. Preliminary project expenses and other expenses, cost of funds

As the relevant vehicles, machinery and equipment, and electronic equipment in Hong Kong Company relevant to this project do not require installation, no preliminary project expenses and other expenses or financing costs have been provided for such vehicles, machinery and equipment, and electronic equipment.

2) Newness rate of machinery and equipment

For the newness rate of machinery and equipment, with reference to the economic useful life of the equipment, and through on-site inspection of the current condition of the equipment as well as a review of relevant records and documents concerning the operation, repair and management of the equipment, each component of the equipment is inspected and the remaining useful life of the equipment is determined on a comprehensive basis.. On this basis, the newness rate N is calculated as follows:

N = Remaining useful life/(Actual years used + Remaining useful life) ×100%

3) Determination of the appraised value

Appraised value=Full replacement price × Newness rate

(2) Valuation of transportation vehicles

1) Determination of the full replacement price of transportation vehicles

Based on sales information in the local vehicle market and other recent vehicle market price data, the current tax-inclusive purchase price of the vehicles as at the Valuation Benchmark Date is determined. On this basis and the vehicle purchase tax, new vehicle license fee, and other miscellaneous fees, the full replacement price of the vehicles is:

Full replacement price = Purchase price + License fee and other miscellaneous fees

A. Vehicle purchase price

The vehicle purchase price for this valuation is determined based on recent vehicle market price data, with reference to the market prices of the latest transactions of similar vehicle models in the locality of the vehicles; for vehicles that were purchased a long time ago and the original model specifications of which can no longer be found, the prices of similar vehicles with the same engine displacement are referred to as the reference prices for the vehicle purchase prices in the valuation.

B. New vehicle license fees etc.

The fees shall be determined based on the particulars and amount of such fees at the location of the vehicle.

2) Vehicle newness rate

With reference to the data on the vehicle service life and mileage of historical Hong Kong Company vehicles at the time of scrapping the newness rate of a vehicle shall be determined in accordance with the following methods, with the lower of the two being adopted as the final newness rate, namely:

Newness rate based on useful life = (1 – Serviced life/Economic useful life) × 100%

Newness rate based on mileage = (1 – Driven mileage/Economic mileage) × 100%

Newness rate = Min (Newness rate based on useful life, Newness rate based on mileage)

Of which: the economic useful life and economic mileage are determined with reference to the useful life and mileage of the scrapped vehicles of Hong Kong Company during the historical period.

Concurrently, necessary inspection and appraisal shall be conducted on the vehicle under valuation. Should there be a material discrepancy between the results of the inspection and appraisal and the newness rate determined under the methods above, an appropriate adjustment shall be made; if both results are comparable, no adjustment shall be made. Namely:

Newness rate = Min (Newness rate based on useful life, Newness rate based on mileage) + a

a: Adjustment coefficient for special conditions of the vehicle.

3) Determination of appraised value

Appraised value = Full replacement price × Vehicle newness rate

(3) Valuation of electronic equipment

1) Determination of the full replacement price of electronic equipment

Based on recent market price data, the price of the electronic equipment as at the Valuation Benchmark Date is determined. As general manufacturers or agents provide free transportation, installation and commissioning, the full replacement price is determined based on the purchase price:

Full replacement price (tax-exclusive) = Purchase price

In addition: Certain electronic equipment is appraised using the market approach.

2) Newness rate of electronic equipment

Newness rate = [Remaining useful life ÷ (Serviced life + Remaining useful life)] × 100%

In addition: for electronic equipment appraised directly based on second-hand market prices, calculation of the newness rate is not required.

3) Determination of the appraised value

Appraised value = Full replacement price × Newness rate of electronic equipment

6. Right-of-use assets

The items accounted for as right-of-use assets mainly comprise the right-of-use assets arising from the properties, land, etc. leased by the appraised entity.

Right-of-use assets refer to the rights of a lessee to use the leased assets during the lease term. The enterprise performs accounting treatments and recognizes the right-of-use assets and lease liabilities in accordance with the provisions of the *Accounting Standard for Business Enterprises No. 21 – Leases (Revised)*.

The valuers checked the general ledger, subsidiary ledgers, financial statements, and detailed inventory and valuation schedules of the enterprise, and reviewed the relevant original vouchers and lease contracts. The valuers analyzed the accuracy and reasonableness of the initial measurement and amortization amounts of each leased asset, concluding that they comply with the accounting provisions of the lease accounting standards. The book balance reasonably reflects the value of the rights and interests of the relevant right-of-use assets to which the enterprise was entitled as at the Valuation Benchmark Date. Therefore, the appraised value in this valuation is determined based on the verified book value.

7. Intangible assets – land use rights

For the intangible assets – land use rights included in the scope of this valuation, the valuers analysed the applicability of different valuation approaches with reference to the location, land use nature, utilisation conditions and local land market conditions of the appraised subject, and ultimately determined the appropriate valuation rationale and valuation methodology.

Where land use rights can be appraised together with buildings and structures or investment properties, the value of such land use rights shall not be appraised separately, and shall be included in the appraised value of the relevant buildings and structures or investment properties.

8. Intangible assets – vehicle operating licenses, licenses and trademarks

Given the regional monopolistic nature of the enterprise's principal businesses such as cross-border passenger transport, the value created by the vehicle operating licenses, licenses and trademarks is theoretically the value jointly created for social capital by the combination of all intangible assets (including the contributions from vehicle operating licenses, licenses, trademarks, human resources and other unidentifiable intangible assets or resources) along with relevant fixed assets and working capital, which reflects the comprehensive profitability of various assets. Such profitability is the result of the combined effects of all environmental factors and internal conditions of the operator, and is typically influenced by various factors including macroeconomic conditions, government control and the effective utilization of assets.

We believe that in calculating the value of intangible assets, it is necessary to deduct the contribution of working capital, assembled workforce and long-term assets (excluding operating certificates and licenses recorded on the books) from the overall gain, and to treat the residual gain as the contribution value of the intangible assets. Through the management's scoring on the impact of the intangible assets' contribution to the enterprise value, this appraisal adopts the Analytic Hierarchy Process (AHP) to calculate the split rate of the intangible assets, so as to obtain the allocation rates of the operating certificates, licenses and trademarks, thereby calculating the appraised values of the operating certificates, licenses and trademarks. Based on the above, the intangible assets income is as follows:

Intangible assets income=EBITDA-working capital contribution amounts – assembled workforce contribution amounts – other long-term assets contribution amounts

Based on the valuation methodology, the specific calculation formulas for the value of the vehicle operating licenses, license plates and trademarks are as follows:

$$V = \sum_{i=1}^{n} \frac{EBITDAi - WCRi - AWRi - FARi}{(1+Rfi)^{i}}$$

Where: V – Value of vehicle operating licenses, license plates and trademarks

EBITDAi – Earnings before interest, taxes, depreciation and amortization in year i

WCRi – Working capital contribution amounts in year i

AWRi – Assembled workforce contribution amounts in year i

FARi – Other long-term assets contribution amounts in year i

EBITDAi = Total profit + finance costs (interest expenses) + depreciation and amortization

WCRi = Average balance of working capital utilized in year i × rate of return on working capital investment

AWRi = Average value of assembled workforce in year i × rate of return on assembled workforce investment

FARi = Other long-term assets in year i × rate of return on other long-term assets investment

Rfi – Discount rate for intangible assets

$$Rfi = \frac{\text{Total assets}}{\text{Intangible assets}} \times \left(r - Rc \times \frac{\text{Working capital}}{\text{Total operating assets}} - Ra \times \frac{\text{Other long-term assets}}{\text{Total operating assets}}\right)$$

Where: r – rate of return on equity capital

Rc – rate of return on working capital

Ra – rate of return on other long-term assets

Rw – rate of return on assembled workforce

9. Intangible assets – other intangible assets

Other intangible assets represent externally purchased office software.

For the externally purchased office software under intangible assets, the valuers verified the relevant software purchase contracts, invoices and vouchers of the enterprise, and determined the appraised value based on the current tax-exclusive prices obtained by making inquiries with the software suppliers or conducting online searches.

10. Liabilities

The appraised value is determined by examining and verifying the actual debtors and amounts of the respective liabilities upon the realization of the valuation purpose, based on the liability items and amounts actually required to be assumed by the owner of the property rights upon the realization of the valuation purpose.

(IV) Overview of the income approach

1. Overview

According to the *Asset Valuation Practice Standards – Enterprise Value*, the income approach in enterprise valuation, also known as the discounted cash flow method, refers to the valuation method whereby the expected future cash flows and associated risks of an enterprise or an income-generating unit are projected, and an appropriate discount rate is selected to discount and aggregate such future cash flows. The basic concept of the income approach is to derive the appraised value by estimating the expected future net cash flows of the asset and discounting them to their present value using an appropriate discount rate. The prerequisites for the application of the income approach are as follows: the enterprise possesses the basis and conditions to operate as a going concern; a relatively stable correlation exists between its operations and income; and its future income and risks are predictable and quantifiable. The primary challenge in adopting the discounted cash flow method lies in the projection of expected future cash flows, as well as the objectivity and reliability of data collection and processing. Provided that the projection of expected future cash flows is relatively objective and fair, and the selection of the discount rate is reasonable, the valuation results present a sound degree of objectivity.

2. Valuation concept

Based on the circumstances of this due diligence, and the asset composition and principal business characteristics of the appraised entity, this valuation estimates its equity capital value on the basis of the consolidated financial statements of the appraised entity. The basic valuation concept of this valuation is:

(1) for the assets and principal business (including the business of controlled subsidiaries) included in the scope of the financial statements, to project the expected returns (net cash flows) in accordance with the changing trends of the historical operating conditions and business types, and to discount the same to derive the value of the operating assets;

(2) to define the assets (liabilities) that are included in the scope of the financial statements but not taken into consideration in the projection of the expected returns (net cash flows), as surplus or non-operating assets (liabilities) existing as at the benchmark date, and to separately project their values;

(3) to separately project the values of long-term equity investments that are included in the scope of the financial statements but not taken into consideration in the projection of the expected returns (net cash flows);

(4) aggregating the values of the abovementioned assets and liabilities to derive the enterprise value of the appraised entity, and deducting the value of the interest-bearing debts as at the benchmark date to obtain the value of the equity capital (total shareholders' equity) of the appraised entity.

In determining the value of the total shareholders' equity, the valuer did not take into account the premium or discount arising from factors such as controlling interest and minority interest, nor did it consider the impact of equity liquidity on the valuation results.

3. Valuation model

(1) Basic model

The basic model for this valuation is:

$$P = E - M \quad (1)$$

Where:

P: Appraised value of equity attributable to owners of the parent;

E: Appraised value of owner's equity;

M: Appraised value of minority interests;

Where:

$$E = B - D \tag{2}$$

B: Enterprise value of the valuation target;

D: Value of interest-bearing debts of the appraised entity;

$$B = P + F + C \tag{3}$$

P: Value of operating assets of the appraised entity;

F: Value of long-term equity investments of the appraised entity;

C: Value of surplus or non-operating assets (liabilities) of the appraised entity as at the benchmark date;

$$P = \sum_{i=1}^{n} \frac{R_i}{(1+r)^i} + \frac{R_{n+1}}{r(1+r)^n} \tag{4}$$

Where:

R_i: Expected income (free cash flow) of the appraised entity in the i – year in the future;

r: Discount rate;

n: Future operating period of the appraised entity;

$$C = C_1 + C_2 \tag{5}$$

C_1: Value of current surplus or non-operating assets (liabilities) as at the benchmark date;

C_2: Value of non-current surplus or non-operating assets (liabilities) as at the benchmark date.

Where:

M: Appraised value of minority shareholders' equity = appraised value of shareholders' equity of the appraised entity × shareholding percentage of minority shareholders.

(2) Income indicator

In this valuation, the free cash flow to the firm is adopted as the income indicator for the operating assets of the appraised entity. Its basic definition is as follows:

R = Net profit + Depreciation and amortization + After-tax interest expenses on interest-bearing debts – Capital expenditure – Increase in net working capital (6)

Based on the operating history and future market developments of the appraised entity, its free cash flows during the future operating period are estimated. The free cash flows during the future operating period are then discounted and aggregated to calculate the value of the operating assets of the enterprise.

(3) Discount rate

In this valuation, the weighted average cost of capital (WACC) model is adopted to determine the discount rate r

$$r = r_d \times w_d + r_e \times w_e \tag{7}$$

Where:

W_d: Debt ratio of the appraised entity;

$$w_d = \frac{D}{(E+D)} \tag{8}$$

W_e: Equity ratio of the appraised entity;

$$w_e = \frac{E}{(E+D)} \tag{9}$$

r_d: After-tax interest rate on interest-bearing debts;

r_e: Cost of equity capital; in this valuation, the capital asset pricing model (CAPM) is adopted to determine the cost of equity capital r_e;

$$r_e = r_f + \beta_e \times (r_m - r_f) + \varepsilon \tag{10}$$

Where:

r_f: Risk-free rate of return;

r_m: Expected market rate of return;

ε: Specific risk adjustment coefficient of the appraised entity;

β_e: Expected market risk coefficient of equity capital of the appraised entity;

$$\beta_e = \beta_u \times (1 + (1 - t) \times \frac{D}{E}) \tag{11}$$

β_u: Expected unlevered market risk coefficient of comparable companies;

$$\beta_u = \frac{\beta_t}{1+(1-t)\ \frac{D_i}{E_i}} \tag{12}$$

β_t: Expected average market risk coefficient of stocks (assets) of comparable companies;

$$\beta_t = 34\%K + 66\%\beta_x \tag{13}$$

Where:

K: Average risk value of the stock market over a certain period, usually assuming K=1;

β_x: Historical average market risk coefficient of stocks (assets) of comparable companies;

D_i, E_i: Interest-bearing debts and equity capital of comparable companies, respectively.

4. Determination of the forecast period

Based on the actual operating conditions and future development plans of Hong Kong Company, a two-stage model is adopted for the income forecast for the future operating period of Hong Kong Company. Specifically, from the Valuation Benchmark Date to 2030, reasonable forecasts are made in respect of the enterprise's income, costs and expenses, profit, etc. based on factors including the actual conditions of the company and the market. Such figures will remain stable for the years after 2030.

5. Income period

As at the Valuation Benchmark Date, the appraised entity is operating normally. There is no restriction imposed on the useful life of the core assets that affect the continued operation of the enterprise, nor any restriction on the term of production and operation of the enterprise or the term of investors' ownership, etc.; alternatively, the abovementioned restrictions can be lifted, and perpetual use can be achieved by way of renewal. Therefore, this valuation assumes that the appraised entity will operate perpetually after the Valuation Benchmark Date, and the corresponding income period is indefinite.

6. Determination of future income

(1) Estimation of operating income and operating costs

The revenue from the principal business of the enterprise is primarily derived from revenue from Hong Kong Company charter, revenue from Hong Kong Gang Tong charter, revenue from Hong Kong-Zhuhai-Macao vehicle rental, revenue from long-distance scheduled routes, revenue from express shuttle bus, revenue from terminal and revenue from passenger cars for tourism business.

In this valuation, investigations were conducted into the aforementioned operating routes, passenger volume, departure frequencies and ticket fares, and discussions and analyses were held with the management of the appraised entity taking into consideration information such as historical prices, supply and demand dynamics, and industry development trends.

Other business revenue primarily comprises rental income from the external leasing of relevant properties in Hong Kong and the quotas revenue of Hong Kong Yuelijia.

The operating income and costs of the valuation target in recent years are set out in the table below:

Historical Operating Revenue of the Appraised Entity

Unit: HK$'0000

Breakdown of revenue	**2022**	**2023**	**2024**	**2025**
Revenue from Hong Kong Company charter	**41.28**	**856.69**	**1,594.41**	**1,810.25**
Revenue from Hong Kong Gang Tong charter	**9.12**	**125.70**	**40.67**	**1.33**
Revenue from long-distance scheduled routes		**11,514.73**	**10,817.72**	**14,087.35**
Revenue from express shuttle		**1,418.53**	**3,430.78**	**3,364.33**
Revenue from Hong Kong-Zhuhai-Macao vehicle rental		**2,765.73**	**3,898.62**	**5,153.65**
Revenue from terminal – Hong Kong Company	**0.53**	**13.22**	**198.97**	**132.48**
Tourism business/passenger cars – Hong Kong Company	**–**	**122.89**	**193.74**	**135.96**
Total revenue from principal businesses	**50.92**	**16,817.50**	**20,174.91**	**24,685.35**
Other business revenue	1,220.95	2,017.93	1,800.26	2,196.84
Total operating revenue	**1,271.87**	**18,835.43**	**21,975.17**	**26,882.19**

Historical Operating Costs of the Appraised Entity

Unit: HK$'0000

Breakdown of operating costs	**2022**	**2023**	**2024**	**2025**
Employee benefits	1,680.00	4,962.09	6,739.15	8,288.92
Fuel expenses	22.42	2,551.64	2,778.87	2,936.92
Work safety expenses	13.60	59.04	262.47	308.38
Repair and maintenance expenses	362.47	1,534.41	1,188.68	408.53
Terminal service fees	227.84	457.94	397.05	141.22
Agency fees	755.22	1,366.15	1,779.62	2,031.55
Bridge, ferry, road and tunnel fees	8.86	1,236.17	1,941.90	1,730.96
Communication fees	20.03	26.91	29.11	48.89
Insurance fees	146.08	312.45	273.62	252.00
Parking fees	75.76	252.59	340.83	413.72
Vehicle annual inspection fees	13.63	38.58	111.57	73.52
Lease expenses/site rental fees	26.59	178.77	174.91	366.13
Lease expenses/office rent	6.47	289.64	295.29	281.71
Lease expenses/staff quarters rent	37.92	82.07	101.68	144.43
Lease expenses/vehicle rental fees	300.00	348.22	452.69	323.14
Amortization of low-value consumables	0.54	55.91	29.92	20.83
Utilities	11.08	68.16	100.97	90.62
Depreciation of fixed assets	1,957.87	1,187.19	934.17	1,014.14
Amortization of long-term prepaid expenses				–
Amortization of intangible assets	–	–	83.88	–
Office expenses	10.67	137.00	158.21	71.92
Business entertainment expenses	14.16	93.34	79.19	64.33
Vehicle quota fees	619.09	126.00	126.00	241.27
Tax audit fees	70.43	–	–	–
Advertising expenses	–	121.67	173.21	31.13
Taxes and surcharges	–	–	24.65	3.91
Vehicle operating expenses				133.15

Breakdown of operating costs	2022	2023	2024	2025
Others (cleaning and sanitation expenses, office expenses, environmental protection and landscaping expenses)	46.71	318.50	298.44	500.78
Total costs of principal operations	6,427.44	15,804.44	18,876.08	19,922.10
Other operating costs	73.11	615.49	146.51	573.04
Total operating costs	6,500.56	16,419.93	19,022.60	20,495.15

1) Operating income forecast

For the purpose of this valuation, the management has taken into account the historical scheduling of the respective operational routes and passenger volumes of the enterprise, as well as the future judgement on the industry, to calculate the future passenger volumes of the routes and the number of chartered vehicles. The forecast is made based on the ticket prices of the respective routes as at the benchmark date, and revenue from other businesses is projected based on a certain estimated growth rate. The operating income forecast is set out in the table below.

Forecast Table of Operating Revenue

Unit: HK$'0000

Breakdown of revenue	2026	2027	2028	2029	2030	Stabilization year
Revenue from Hong Kong Company charter	1,846.46	1,883.39	1,921.05	1,959.48	1,998.67	1,998.67
Revenue from Hong Kong Gang Tong charter	1.34	1.36	1.37	1.38	1.40	1.40
Revenue from long-distance scheduled routes	14,351.23	14,620.08	14,894.06	15,174.01	15,458.50	15,458.50
Revenue from express shuttle	3,423.86	3,463.65	3,504.59	3,545.90	3,587.60	3,587.60
Revenue from Hong Kong-Zhuhai-Macao vehicle rental	5,308.26	4,423.98	–	–	–	–
Revenue from terminal – Hong Kong Company	135.13	137.83	140.59	143.40	146.27	146.27
Tourism business/passenger cars – Hong Kong Company	137.32	140.06	142.86	145.72	148.64	148.64
Total revenue from principal businesses	**25,203.60**	**24,670.35**	**20,604.53**	**20,969.89**	**21,341.06**	**21,341.06**
Other business revenue	**1,900.98**	**1,927.22**	**1,940.08**	**1,948.79**	**1,957.66**	**1,957.66**
Total operating revenue	**27,104.58**	**26,597.57**	**22,544.61**	**22,918.68**	**23,298.72**	**23,298.72**

The Hong Kong-Zhuhai-Macao vehicle rental revenue is derived from the leasing of the relevant operating buses of Hong Kong Company for the Hong Kong-Zhuhai-Macao Bridge Shuttle Bus Project. The vehicle rental contract is valid until 31 May 2026, while the overall operation period of such project will end in October 2026. Therefore, the management of the appraised entity is unable to determine whether the relevant vehicle rental contract is sustainable. For the revenue forecast under this valuation, the Hong Kong-Zhuhai-Macao vehicle rental revenue is projected based on the contract term ending upon the conclusion of the project operation.

2) Forecast of production costs of the appraised entity

Based on the historical production costs of the appraised entity, its costs include fuel expenses, repair and maintenance expenses, terminal service expenses, agency fees, employee benefits, parking fees, work safety expenses, insurance fees and depreciation, among others. The future costs are determined based on the current cost levels with a slight increase.

Forecast Table of Operating Cost

Unit: HK$'0000

Breakdown of operating costs	2026	2027	2028	2029	2030	Perpetual period
Employee benefits	7,460.26	7,302.42	6,098.94	6,207.09	6,316.95	6,316.95
Fuel expenses	2,753.53	2,695.27	2,251.07	2,290.99	2,331.54	2,331.54
Work safety expenses	262.48	257.83	215.32	219.33	223.56	223.56
Repair and maintenance expenses	383.02	374.92	313.13	318.68	324.32	324.32
Terminal service fees	132.41	129.60	108.24	110.16	112.11	112.11
Agency fees	1,904.69	1,864.39	1,557.13	1,584.74	1,612.79	1,612.79
Bridge, ferry, road and tunnel fees	1,784.69	1,787.20	1,467.13	1,494.74	1,522.79	1,522.79
Communication fees	45.84	44.87	37.47	38.14	38.81	38.81
Insurance fees	236.27	231.27	193.16	196.58	200.06	200.06
Parking fees	387.88	379.68	317.10	322.73	328.44	328.44
Vehicle annual inspection fees	68.93	67.47	56.35	57.35	58.37	58.37
Lease expenses/site rental fees	373.46	380.92	388.54	396.31	404.24	404.24
Lease expenses/office rent	287.34	293.09	298.95	304.93	311.03	311.03
Lease expenses/staff quarters rent	147.31	150.26	153.27	156.33	159.46	159.46
Lease expenses/vehicle rental fees	323.37	323.60	323.84	324.08	324.32	324.32
Amortization of low-value consumables	19.53	19.11	15.96	16.25	16.53	16.53
Utilities	84.96	83.16	69.46	70.69	71.94	71.94
Depreciation of fixed assets	1,838.96	1,791.49	1,977.32	1,977.32	1,977.24	1,977.24
Amortization of long-term prepaid expenses	–	–	–	–	–	–
Amortization of intangible assets	–	–	–	–	–	–
Office expenses	67.43	66.00	55.12	56.10	57.09	57.09
Business entertainment expenses	60.31	59.03	49.31	50.18	51.07	51.07
Vehicle quota fees	241.27	241.27	241.27	241.27	241.27	241.27
Tax audit fees	–	–	–	–	–	–
Advertising expenses	29.19	28.57	23.86	24.29	24.72	24.72
Taxes and surcharges	–	–	–	–	–	–
Vehicle operating expenses	124.88	122.25	102.20	104.00	105.84	105.84
Others (cleaning and sanitation expenses, office expenses, environmental protection and landscaping expenses)	469.51	459.58	383.84	390.64	397.56	397.56
Total costs of principal operations	**19,205.71**	**18,877.43**	**16,467.59**	**16,718.44**	**16,973.43**	**16,973.43**
Other operating costs	**604.31**	**577.88**	**588.27**	**598.87**	**609.69**	**609.69**
Total operating costs	**19,810.02**	**19,455.31**	**17,055.86**	**17,317.32**	**17,583.12**	**17,583.12**

(2) Forecast of taxes and surcharges

The taxes and surcharges of the appraised entity include other taxes and surcharges incurred in daily operations and stamp duty, which are forecast with reference to the payment rules of the relevant taxes in Hong Kong.

The forecast of taxes and surcharges is set out in the table below.

Forecast Table of Taxes and Surcharges

Unit: HK$'0000

Tax type	2026	2027	2028	2029	2030	Perpetual period
Stamp duty	0.51	0.59	0.61	0.62	0.63	0.63
Other taxes and surcharges	3.87	3.95	4.03	4.11	4.19	4.19
Total	4.38	4.53	4.63	4.73	4.82	4.82

(3) Forecast of period expenses

1) Forecast of selling expenses

As the appraised enterprise is a cross-border passenger transport service company, it incurs no selling expenses, and staff salaries are uniformly expensed in administrative expenses.

2) Forecast of administrative expenses

The administrative expenses of the appraised entity mainly include management employee benefits, maintenance expenses, depreciation expenses, business entertainment expenses, and travelling expenses. Employee benefits represents the labor costs of personnel in logistics and administrative departments, and is forecasted with reference to the historical headcount and salary growth levels. Depreciation expenses include buildings and structures, electronic equipment, and transportation vehicles, which are provided for by category using the straight-line method. The depreciation rates are determined based on the categories, estimated useful lives, and estimated net residual value rates of the fixed assets. Before the assets reach an equilibrium between depreciation and new additions, depreciation is calculated using the depreciation periods stipulated in the accounting policies of the enterprise; once the equilibrium between depreciation and new additions is reached, depreciation is calculated using the economic useful lives in accordance with the requirements for operational replacement. Depreciation is apportioned to administrative expenses based on historical proportions. For the purpose of this valuation, the administrative expenses for each future year are estimated taking into account the composition and fluctuation trends of administrative expenses in historical years, as well as the characteristics of each administrative expense item.

Forecast Table of Administrative Expenses

Unit: HK$'0000

Breakdown of administrative expenses	2026	2027	2028	2029	2030	Perpetual period
Employee benefits	1,825.90	1,791.23	1,496.03	1,522.55	1,549.50	1,549.50
Office expenses	214.81	210.05	175.44	178.55	181.71	181.71
Repair and maintenance expenses	12.12	11.86	9.91	10.08	10.26	10.26
Vehicle operating expenses	29.55	28.93	24.16	24.59	25.02	25.02
Business entertainment expenses	55.57	54.40	45.43	46.24	47.06	47.06
Consultation fees	400.03	391.56	327.03	332.83	338.72	338.72
Travelling expenses	23.95	23.44	19.58	19.92	20.28	20.28
Audit fees	30.37	29.73	24.83	25.27	25.72	25.72
Property insurance fees	22.27	21.80	18.21	18.53	18.86	18.86
Amortization of low-value consumables	12.92	12.64	10.56	10.75	10.94	10.94
Depreciation expenses	293.18	285.71	330.11	330.11	330.09	330.09
Amortization of intangible assets	240.82	240.82	240.82	240.82	240.82	240.82
Cleaning and sanitation expenses	12.74	12.47	10.41	10.60	10.78	10.78
Tax audit fees	–	–	–	–	–	–
Information technology and maintenance expenses	4.81	4.71	3.94	4.00	4.08	4.08
Advertising and promotion expenses	8.47	8.29	6.92	7.04	7.17	7.17
Taxes and surcharges	–	–	–	–	–	–
Other administrative expenses	5.81	5.69	4.75	4.83	4.92	4.92
Total administrative expenses	**3,193.32**	**3,133.33**	**2,748.12**	**2,786.72**	**2,825.93**	**2,825.93**

3) Forecast of research and development expenses

As at the Valuation Benchmark Date, the enterprise incurred no research and development expenses.

4) Forecast of finance costs

Given the enterprise's ample cash flows, finance costs are not considered. In the valuation, neither the interest income generated from deposits nor other uncertain gains or losses, other than interest-bearing debts, are taken into account.

(4) Forecast of depreciation and amortization

The assets of the appraised entity subject to depreciation are fixed assets, mainly including vehicles and others. Fixed assets are stated at the actual cost upon acquisition. For the purpose of this valuation, in accordance with the fixed asset depreciation policy adopted by the enterprise, the depreciation charges for future operating periods are estimated based on factors including the original book value of the fixed assets as at the benchmark date, the estimated useful lives, and the weighted depreciation rates.

The assets of the appraised entity subject to amortization are intangible assets, which mainly include intangible assets – land use rights, externally purchased software, as well as operating permits and licenses recorded in the accounts. For the purpose of this valuation, the amortization amounts for the future operating periods are estimated based on factors such as the actual useful life, in accordance with the amortization policy adopted by the enterprise. Details of the specific forecast results are set out in the forecast table of the enterprise free cash flows.

(5) Forecast of additional capital

Additional capital refers to the additional working capital and long-term capital investment of over one year required by the enterprise without altering the current operating and production conditions. Such capital includes capital investments required for the expansion of the scale of production capacity (such as the acquisition of fixed assets or other non-current assets), as well as the newly required working capital and asset renewals necessary for continuous operations.

In this valuation, it is assumed that the valuation subject will no longer make capital investments in its existing operating capacity, and the additional capital during the future operating periods will primarily comprise the renewal of existing assets as at the benchmark date and the increase in working capital required for continuous operations. Namely, the additional capital defined in this report is as follows:

Additional capital = Asset renewals + Increase in working capital + Capital expenditure

(6) Estimation of asset renewal investments

Based on the premises and basis of the income forecast, for the future years, it is only necessary to meet the renewal investment expenditure required to maintain the production and operations following the capacity expansion. Depreciation of fixed assets and intangible assets is provided in accordance with the accounting policy standards adopted by the enterprise. For the perpetual period, replacements are forecasted on the assumption that renewal equals depreciation. The forecast of capital expenditure is set out in the table below:

Unit: HK$'0000

No.	Item	2026	2027	2028	2029	2030	Perpetual year
1	Transportation equipment renewal expenditure	1,889.59	1,834.65	2,064.87	2,064.87	2,064.87	2,064.87
2	Buildings and structures renewal expenditure	–	–	–	–	75.22	75.22
3	Machinery and equipment renewal expenditure	2.19	2.19	2.19	2.19	2.19	2.19
4	Electronic equipment renewal expenditure	21.53	21.53	21.53	21.53	21.98	21.98
5	Investment properties renewal expenditure	–	–	–	–	25.27	25.27
6	Intangible assets renewal	41.11	41.11	240.82	240.82	240.82	240.82
7	Transportation equipment expansion expenditure	1,732.00	620.00				
8	**Capital expenditure – total renewal expenditure**	**3,686.42**	**2,519.48**	**2,329.41**	**2,329.41**	**2,430.35**	**2,430.35**

(7) Estimation of incremental working capital

Incremental working capital refers to the newly added working capital required by an enterprise to maintain its ability to continue as a going concern without changing the conditions of its current principal operations, such as the essential capital required for cash maintained for normal operations, purchase of product inventories, payments advanced on behalf of customers for purchases (accounts receivable), as well as payables. The incremental working capital refers to the cash tied up by obtaining commercial credit from others along with changes in the enterprise's operating activities, as well as the cash and inventories required to be maintained for normal operations; meanwhile, in economic activities, the provision of commercial credit can correspondingly reduce immediate cash payments. Generally, the underlying items accounted for under other receivables and other payables are mostly temporary transactions or are unrelated to the principal operations, which need to be specifically screened and individually determined depending on their relevance to the estimated operating business. Therefore, in principle, the estimation of incremental working capital only needs to consider principal factors such as cash, receivables, inventories, and payables required to be maintained for normal operations. The incremental working capital as defined in this report is:

Incremental working capital = working capital of the current period – working capital of the previous period

This valuation forecasts the future scale of working capital based on the proportion of overall working capital to revenue. Based on the investigation into the operating conditions of the valuation target, the statistical analysis of assets, profit or loss, income, and costs and expenses from historical operations as at the benchmark date, and the estimated results of income and costs for each year during the future operating period, the incremental working capital for each year during the future operating period can be obtained in accordance with the aforementioned definition. The specific forecast results are set out in the table below:

Item	2026	2027	2028	2029	2030	Perpetual year
Working capital balance	**1,863.89**	**1,829.03**	**1,550.32**	**1,576.04**	**1,602.17**	**1,602.17**
Working capital turnover ratio	14.54	14.54	14.54	14.54	14.54	14.54
Operating income	27,104.58	26,597.57	22,544.61	22,918.68	23,298.72	23,298.72
Increase in working capital	**(2,724.37)**	**(34.87)**	**(278.71)**	**25.72**	**26.13**	**–**

(V) Determination of discount rate

1. Determination of the risk-free rate

This valuation is based on a going concern assumption, and the income period of the appraised entity is an infinite period. Pursuant to the requirements of the Asset Valuation Expert Guidelines No. 12 – Measurement of Discount Rate in Assessing Enterprise Value by Income Approach (Zhong Ping Xie [2020] No. 38), the yield to maturity of government bonds with a remaining maturity of ten years or more may be adopted as the risk-free rate. Based on data queried through the WIND Financial Terminal, the yield on 10-year government bonds issued by the Government of the Hong Kong Special Administrative Region of the PRC is 3.10%. With reference to relevant expert guidelines, this valuation adopts the yield on the 10-year government bonds issued by the Government of the Hong Kong Special Administrative Region of the PRC as the risk-free rate, i.e., $r_f = 3.10\%$.

2. Determination of the market risk premium

Market risk premium refers to the expected excess return required by investors for an equity investment with the same average risk as the overall market, representing the risk compensation in excess of the risk-free rate. The market risk premium can generally be estimated using historical risk premium data of the market. In this valuation, the long-term average rate of return of the stock market index of Hong Kong, China is adopted as the expected rate of return of the market, r_m, and the portion of the expected rate of return of the market in excess of the risk-free rate is adopted as the market risk premium.

Based on data queried from the BLOOMBERG Data terminal (Bloomberg) (Hong Kong market return as at the benchmark date), the expected rate of return of the market in Hong Kong, China as at the Valuation Benchmark Date is r_m =10.092%.

Market risk premium = $r_m - r_f$ = 10.092% − 3.10% = 6.99% 。

3. Determination of the capital structure

The enterprise is a cross-border passenger transport service company. After years of development, the enterprise is in the mature stage and its capital structure has been relatively stable in recent years. Since the profit forecast prepared by the management of the enterprise is based on its own financing capability and on the premise of maintaining a stable capital structure, this valuation adopts the enterprise's own stable capital structure as at the Valuation Benchmark Date to calculate the discount rate for the future years. When calculating the capital structure, the values of both equity and debt are estimated based on their market values.

4. Determination of the β coefficient

Based on queries for shares of relevant peer listed companies in Hong Kong using the BLOOMBERG Data terminal (Bloomberg), and taking into consideration the comparability between the appraised enterprise and the comparable companies in terms of factors such as business type, enterprise scale, profitability, growth potential, industry competitiveness, and development stage of the enterprise, appropriate comparable companies were selected. Calculations were performed based on the market prices as at the Valuation Benchmark Date, with a calculation period of 250 weeks prior to the Valuation Benchmark Date, yielding an estimated expected unlevered risk coefficient β_u = 0.4309 for the shares of the comparable companies. Calculated in accordance with the enterprise's own capital structure, the expected market risk coefficient of equity capital for the appraised entity was determined to be β_e = 0.4309.

For specific calculations, please refer to the table below:

Security code	Security name	Listing date	Historical β_x	Adjusted β_t	Asset β_u	Equity ratio	Income tax rate (%)
0062. HK	TRANSPORT INTL	1961/05/01	0.4877	0.6619	0.4092	57.49%	16.50
0306. HK	KWOON CHUNG BUS	1996/9/25	0.5098	0.6764	0.3360	45.18%	16.50
0077. HK	AMS PUBLIC TRANS	2004/4/15	0.3169	0.5491	0.3185	53.56%	16.50
3399. HK	YUEYUN TRANS-H	2005/10/26	0.7193	0.8148	0.6599	76.17%	25.00
Arithmetic mean			0.5084	0.6756	0.4309	58.10%	

5. Determination of the specific risk coefficient

When determining the discount rate, it is necessary to consider the differences between the valuation target and listed companies in terms of company size, corporate development stage, core competitiveness, reliance on major customers and key suppliers, corporate financing capability and financing cost, the robustness of profit forecasts, etc., to determine the specific risk coefficient. During the valuation process, the valuers conducted a comparative analysis between the enterprise and comparable listed companies, and derived a specific risk coefficient of ε=1.00%.

6. Determination of expected rate of return on debt (r_d)

The expected rate of return on debt is the cost of capital of the enterprise's debt financing. The capital structure adopted in this valuation is the enterprise's own capital structure. In accordance with the principle of matching the cost of debt with the capital structure, the expected rate of return on debt is determined based on the weighted average cost of capital of the enterprise's debt. Upon calculation, the enterprise has no debt capital.

7. Calculation of the discount rate (WACC)

By substituting the respective parameters obtained above into the formula, the discount rate is obtained as shown in the table below:

Calculation Table of Discount Rate

Item/year	2026	2027	2028	2029	2030	Perpetual period
Equity ratio	1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
Debt ratio	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000
Weighted average lending rate	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Treasury bond yield	3.10%	3.10%	3.10%	3.10%	3.10%	3.10%
Return of comparable companies	10.092%	10.092%	10.092%	10.092%	10.092%	10.092%
Applicable tax rate	16.5%	16.5%	16.5%	16.5%	16.5%	16.5%
Historical β	0.5084	0.5084	0.5084	0.5084	0.5084	0.5084
Adjusted β	0.6756	0.6756	0.6756	0.6756	0.6756	0.6756
Unlevered β	0.4309	0.4309	0.4309	0.4309	0.4309	0.4309
Equity β	0.4309	0.4309	0.4309	0.4309	0.4309	0.4309
Specific risk coefficient	1.00%	1.00%	1.00%	1.00%	1.00%	1.00%
Cost of equity	7.11%	7.11%	7.11%	7.11%	7.11%	7.11%
Cost of debt (after-tax)	2.51%	2.51%	2.51%	2.51%	2.51%	2.51%
WACC	**7.11%**	**7.11%**	**7.11%**	**7.11%**	**7.11%**	**7.11%**
Discount rate	**7.11%**	**7.11%**	**7.11%**	**7.11%**	**7.11%**	**7.11%**

(VI) Calculation process and results of the appraised value under the income approach

1. Determination of the appraised value of operating assets

The forecast results of the net cash flows of the appraised entity during the future operating period are set out in the table below. The estimation of future returns in this valuation represents a professional judgment made primarily based on the verification of the historical operating income, costs, and financial data disclosed in the consolidated financial statements of the appraised entity, and the business development plans formulated by the enterprise, taking into comprehensive consideration its operating history, future market developments, and other overall circumstances. The estimation does not take into account non-operating income and expenses, subsidy income, and the profit or loss generated from other non-recurring operations.

Forecast Table of the Enterprise Free Cash Flows

Unit: HK$'0000

Item	2026	2027	2028	2029	2030	Perpetual year
I. Operating income	**27,104.58**	**26,597.57**	**22,544.61**	**22,918.68**	**23,298.72**	**23,298.72**
Including: Income from principal operations	25,203.60	24,670.35	20,604.53	20,969.89	21,341.06	21,341.06
Other operating income	1,900.98	1,927.22	1,940.08	1,948.79	1,957.66	1,957.66
Less: Operating costs	**19,810.02**	**19,455.31**	**17,055.86**	**17,317.32**	**17,583.12**	**17,583.12**
Including: Costs of principal operations	19,205.71	18,877.43	16,467.59	16,718.44	16,973.43	16,973.43
Other operating costs	604.31	577.88	588.27	598.87	609.69	609.69
Taxes and surcharges	4.38	4.53	4.63	4.73	4.82	4.82
Selling expenses	–	–	–	–	–	–
Administrative expenses	3,193.32	3,133.33	2,748.12	2,786.72	2,825.93	2,825.93
Research and development expenses	–	–	–	–	–	–
Finance costs	–	–	–	–	–	–
II. Operating profit	**4,096.86**	**4,004.40**	**2,735.99**	**2,809.91**	**2,884.86**	**2,884.86**
Add: Non-operating income	–	–	–	–	–	–
Less: Non-operating expenses	–	–	–	–	–	–
III. Total profit	**4,096.86**	**4,004.40**	**2,735.99**	**2,809.91**	**2,884.86**	**2,884.86**
Less: Income tax expenses	675.98	660.73	451.44	463.64	476.00	476.00
Statutory tax rate	16.5%	16.5%	16.5%	16.5%	16.5%	16.5%
IV. Net profit	**3,420.88**	**3,343.68**	**2,284.55**	**2,346.27**	**2,408.86**	**2,408.86**
Add: Depreciation and amortization	**2,467.79**	**2,376.23**	**2,606.45**	**2,606.45**	**2,606.36**	**2,606.36**
Depreciation	2,226.97	2,135.41	2,365.63	2,365.63	2,365.54	2,365.54
Amortization	240.82	240.82	240.82	240.82	240.82	240.82
Add: After-tax interest	–	–	–	–	–	–
Less: Additional capital	**962.05**	**2,484.61**	**2,050.70**	**2,355.14**	**2,456.49**	**2,430.35**
Increase in working capital	(2,724.37)	(34.87)	(278.71)	25.72	26.13	–
Asset renewal	1,954.42	1,899.48	2,329.41	2,329.41	2,430.35	2,430.35
Capital expenditure	1,732.00	620.00	–	–	–	–
Add: Other cash inflows (outflows represented by "-")		**218.00**	**–**			
Deductible input VAT						
Others		218.00				

Item	2026	2027	2028	2029	2030	Perpetual year
V. Free cash flow to the enterprise	4,926.62	3,453.29	2,840.30	2,597.59	2,558.73	2,584.87
Number of periods	1.00	2.00	3.00	4.00	5.00	6.00
Discount rate	7.11%	7.11%	7.11%	7.11%	7.11%	7.11%
Discount factor	0.9336	0.8716	0.8138	0.7598	0.7093	9.9765
VI. Present value of free cash flow to the enterprise	4,599.59	3,010.05	2,311.40	1,973.56	1,814.99	25,788.05
VII. Total present value of free cash flow to the enterprise			**39,497.64**			

2. Determination of the appraised value of non-operating or surplus assets (liabilities)

Upon verification, the value of certain assets (liabilities) recorded on the books of the appraised enterprise as at the benchmark date was not taken into account in the net cash flows estimated in this valuation, and such items constitute surplus or non-operating assets (liabilities) outside the scope of the cash flows estimated in this valuation. Based on the audited financial statements, this valuation has separately estimated the value of such assets (liabilities), arriving at the appraised value of the surplus or non-operating assets (liabilities) of the appraised enterprise as at the benchmark date as follows:

The carrying amount of the prepayments for vehicles included in prepayments is 387,500, and its appraised value is 387,500. As such amount has already been taken into account in capital expenditure, therefore, its valuation is considered to be added back separately as a surplus;

The carrying amount of the prepayments for equipment included in other receivables is 50,200, and its appraised value is 50,200. As such amount has already been taken into account in capital expenditure, therefore, its valuation is considered to be added back separately as a surplus;

The carrying amount of the Hong Kong Government subsidy for European Union diesel vehicles included in other payables is -97,300, and its appraised value is -97,300. As it represents a non-operating liability, therefore, its valuation is considered to be added back separately as a surplus;

Included in the fixed assets are scrapped fixed assets – transportation equipment with a carrying amount of nil as at the Valuation Benchmark Date and an appraised value of 687,900. As such assets are non-operating assets of the appraised entity, therefore, its valuation is considered to be added back separately as a surplus;

The carrying amount of the Kwu Tung land parcel under investment properties is 14.5951 million, and as at the benchmark date, such land parcel has been resumed by the Government of the Hong Kong Special Administrative Region. According to the information provided by the appraised entity, the New Development Area Section of the Lands Department of the Government of the Hong Kong Special Administrative Region (hereinafter referred to as the "**Hong Kong Government**") issued Land Compensation Agreements No. 107 and No. 455 to Hong Kong Company on 15 November 2025 and 12 December 2025. The agreements require the resumption of the agricultural land held by Hong Kong Company at Lot Nos. 106, 108, 109, 110, 112, 113, 114,

115, 116, 117, 118, 119, 120, 122 and 165A in Demarcation District No. 95 situated at No. 107 Ho Sheung Heung Road, Kwu Tung, Sheung Shui, with a total area of 116,743 sq. ft. (approximately 10,845.69 sq. m.). Based on a compensation price calculated at HK$1,267 per sq. ft., the land compensation value is calculated to be HK$147,913,381.00. Hong Kong Company received a payment of HK$124,425,735.00 on 13 January 2026 and a payment of HK$23,487,646.00 on 18 June 2026. The relevant land compensation has been received in full. This valuation is conducted based on the compensation value under the land compensation agreements issued by the Hong Kong Government to Hong Kong Company. The appraised value in this valuation is HK$147.9134 million. The cash flows estimated in this valuation did not take into account the impact of this matter; therefore, its valuation is considered to be added back separately as a surplus.

As at the benchmark date, the appraised entity had deferred income tax liabilities arising from accounting and tax differences of fixed assets, with a carrying amount of HK$1.8561 million and an appraised value of HK$1.8561 million. The cash flows estimated in this valuation did not take into account the impact of this matter; therefore, its valuation is considered to be added back separately as a surplus;

C=38.75+5.02-9.73+68.79+14,791.34-185.61= HK$147.2803 million

3. Appraised value of long-term equity investments

There were a total of 8 long-term equity investments, comprising 1 wholly-owned subsidiary, 1 controlled subsidiary and 6 investee companies. As at the Valuation Benchmark Date, the original carrying amount was HK$82.1177 million, and a provision for impairment of HK$37,000 was made, resulting in a net carrying amount of HK$82.0807 million.

Regarding the investee companies, Hong Kong & Macao International Airport Transportation Service (HK) Co. Limited and Hong Kong International Airport Passenger Service (Macao) Co., Ltd., an analysis was conducted based on their specific circumstances. Pursuant to the provisions of their articles of association, voting rights are exercised in proportion to the shareholding percentages at shareholders' meetings. As the appointed directors do not occupy a majority of the seats on the board of directors, there is neither control over nor participation in operations. Consequently, the appraised entity does not participate in the operation of the companies' affairs. These two companies are currently in the growth stage, and Yue Gang Company (粵港公司) invested in them in December 2023. As at the Valuation Benchmark Date, there was no clear dividend plan for these two long-term equity investments. Therefore, the appraised value in this asset valuation was determined by adopting the net assets as set out in their financial statements multiplied by the percentage of equity interest.

Regarding the investee company, Hong Kong-Zhuhai-Macao Bridge Shuttle Bus Company Limited, as Hong Kong Company does not have control over it, the valuers were unable to independently conduct on-site inspection and verification procedures on the company during this valuation. However, they were able to obtain its financial statements for the last three years and the latest period, as well as other materials, to understand its operating conditions. The said company has entered a stable return period with a well-established dividend policy, and has continuously distributed dividends since 2024. Given that the amount and timing of future dividend distributions can be reasonably forecast, the dividend discount model (DDM) was adopted in this asset valuation to determine the appraised value.

Hong Kong Company invested in Guangdong Hong Kong Macau Port Service Company Limited in September 2025. As at the Valuation Benchmark Date, the company had not yet commenced business operations and had not established its accounting books; therefore, it was valued at its book cost for the purpose of this valuation.

EXPRESS CROSS-BORDER COACH MGT. CO. LIMITED is accounted for using the equity method. As this company has incurred losses for consecutive years and its net assets have remained consistently negative, the appraised entity considered making a full provision for impairment based on the principle of prudence. Upon verification by the valuers, although the said investee company remains in operation, it continues to incur substantial losses, and as at the Valuation Benchmark Date, its core business was depleted. The appraised entity confirmed that the company currently has no way to turn around its losses, possesses no capacity to distribute dividends, and has no potential transferees for its equity interests. Therefore, its value for the purpose of this valuation was determined to be 0.

In this valuation, when determining the appraised value of the long-term equity investments, the valuers did not consider the premiums and discounts arising from factors such as a controlling interest and minority interests, nor did they consider the impact of the liquidity of equity interests on the valuation results.

The appraised value of the long-term equity investments of the appraised entity as at the benchmark date was:

I = 137.2996 million

4. Determination of the valuation of interest-bearing debts

As at the Valuation Benchmark Date, the appraised entity had no interest-bearing debts; therefore, the appraised value of the interest-bearing debts = 0.

5. Valuation results under the income approach

By substituting the obtained value of operating assets P = HK$394.9723 million, the value of other surplus or non-operating assets existing as at the benchmark date C = HK$147.2803 million, and the long-term equity investments I = HK$137.2996 million into the formula, the enterprise value of the valuation subject B = HK$679.5562 million is obtained.

The value of the interest-bearing debts of the enterprise as at the benchmark date was D = HK$0.0000 million, the value of minority interests = HK$-2.3584 million, according to the company, the value of equity attributable to the owners of the parent company of the valuation subject is derived

E=B-D-M=67,955.62-0-(-235.84)= HK$681.9147 million

For the purpose of this valuation, the benchmark exchange rate announced by the People's Bank of China as at 31 December 2025, being RMB0.90322 to HK$1, was selected for translation, the income approach valuation conclusion for the total shareholders' equity interests in The Motor Transport Company of Guangdong and Hong Kong Limited as at the Valuation Benchmark Date as at 31 December 2025 was RMB615.9190 million.

(VII) Sensitivity analysis

Assuming that future estimated factors such as income, costs and period expenses remain unchanged, a sensitivity analysis of the appraised value by varying the discount rate is as follows:

1. An upward adjustment of 1% to the discount rate will lead to a decrease of HK$45.2218 million in the appraised value, bringing the adjusted appraised value to HK$636.6929 million, representing a decrease of 6.63%.

2. A downward adjustment of 1% to the discount rate will lead to an increase of HK$59.9049 million in the appraised value, bringing the adjusted appraised value to HK$741.8196 million, representing an increase of 8.78%.

3. An upward adjustment of 0.5% to the discount rate will lead to a decrease of HK$24.0848 million in the appraised value, bringing the adjusted appraised value to HK$657.8299 million, representing a decrease of 3.53%.

4. A downward adjustment of 0.5% to the discount rate will lead to an increase of HK$27.7008 million in the appraised value, bringing the adjusted appraised value to HK$709.6155 million, representing an increase of 4.06%.

III. VALUATION CONCLUSION AND ANALYSIS

Based on the judgments of the appraised entity and the management of the enterprise on future development trends and business planning, and in accordance with the relevant laws, regulations, and asset valuation standards, having implemented valuation procedures such as checking and verification, on-site inspection, market research, and evaluation and estimation, we have adopted the asset-based approach and the income approach to conduct on-site inspections, market research, enquiries and valuation calculations on the assets included in the scope of valuation in relation to the value of entire equity interest of the shareholders of The Motor Transport Company of Guangdong and Hong Kong Limited, and arrived at the following conclusion:

(I) Valuation conclusion under the asset-based approach

By adopting the asset-based approach, the valuation conclusion of the appraised entity as at the Valuation Benchmark Date of 31 December 2025 is as follows:

The total assets had a book value of HK$390.1642 million and an appraised value of HK$759.3570 million, representing a valuation appreciation of HK$369.1928 million and an appreciation rate of 94.62%.

The liabilities had a book value of HK$129.7700 million and an appraised value of HK$129.7700 million, recording no change in valuation.

The net assets had a book value of HK$260.3942 million and an appraised value of HK$629.5870 million, representing a valuation appreciation of HK$369.1928 million and an appreciation rate of 141.78%. Details are set out in the table below.

Summary Table of the Asset Valuation Results

Valuation Benchmark Date: 31 December 2025

Unit: HK$'0000

Item		Book value A	Appraised value B	Amount of depreciation or appreciation C=B-A	Appreciation rate % D=C/A×100
1	Current assets	17,519.86	17,519.86	–	–
2	Non-current assets	21,496.56	58,415.84	36,919.28	171.75
3	Including: Long-term equity investments	8,208.07	16,412.55	8,204.48	99.96
4	Investment properties	2,733.91	18,435.34	15,701.43	574.32
5	Fixed assets	5,514.22	18,332.08	12,817.86	232.45
6	Construction in progress	–	–	–	
7	Intangible assets	4,984.21	5,179.71	195.50	3.92
7-1	Including: Land use rights	1,067.29	–	-1,067.29	-100.00
8	Right-of-use assets	56.16	56.16	–	–
9	**Total assets**	**39,016.42**	**75,935.70**	**36,919.28**	**94.62**
10	Current liabilities	12,977.00	12,977.00	–	–
11	Non-current liabilities	–	–	–	
12	**Total liabilities**	**12,977.00**	**12,977.00**	**–**	**–**
13	**Net assets (Owners' equity)**	**26,039.42**	**62,958.70**	**36,919.28**	**141.78**

For the details of valuation conclusion under the asset-based approach, please refer to the valuation breakdown schedules.

For the purpose of this valuation, the benchmark exchange rate announced by the People's Bank of China as at 31 December 2025, being RMB0.90322 to HK$1, was selected for conversion, the asset-based approach valuation conclusion for the total shareholders' equity interests in The Motor Transport Company of Guangdong and Hong Kong Limited as at the Valuation Benchmark Date as at 31 December 2025 was RMB568.6556 million. The appraised value corresponding to the 19% equity interest in The Motor Transport Company of Guangdong and Hong Kong Limited was HK$119.6215 million, which translates into a concluded value of RMB108.0445 million.

(II) Valuation conclusion under the income approach

By adopting the income approach, the valuation conclusion in respect of the appraised entity as at the Valuation Benchmark Date of 31 December 2025 is as follows:

The book value of net assets of the parent company of The Motor Transport Company of Guangdong and Hong Kong Limited is HK$260.3942 million, and the appraised value is HK$681.9147 million, representing a valuation appreciation of HK$421.5205 million and an appreciation rate of 161.88%.

For the purpose of this valuation, the benchmark exchange rate announced by the People's Bank of China as at 31 December 2025, being RMB0.90322 to HK$1, was selected for translation, the income approach valuation conclusion for the total shareholders' equity interests in The Motor Transport Company of Guangdong and Hong Kong Limited as at the Valuation Benchmark Date as at 31 December 2025 was RMB615.9190 million. The appraised value under income approach corresponding to the 19% equity interest in The Motor Transport Company of Guangdong and Hong Kong Limited was HK$129.5638 million, which translates into a concluded value of RMB117.0246 million.

(III) Analysis of difference in valuation results

The value of the net assets (total shareholders' equity) assessed using the income approach in this valuation is HK$681.9147 million, which is HK$52.3277 million higher than the value of the net assets (total shareholders' equity) of HK$629.5870 million assessed using the asset-based approach, representing a difference rate of 8.31%. The main reasons for the difference between the two valuation approaches are:

1. The valuation under the asset-based approach adopts the replacement cost of assets as the standard of value, which reflects the socially necessary labor expended on asset inputs (purchase and construction costs). Such purchase and construction costs will typically vary in tandem with changes in the national economy. The core assets of the appraised entity comprise long-term equity investments and fixed assets. The asset-based approach adopts appropriate valuation methods to fairly value the fixed assets and conducts a look-through valuation on the controlling long-term equity investments, under which the underlying investment properties, fixed assets, and land are all fairly valued by adopting appropriate valuation methods, thereby comprehensively capturing the current value of the core assets of the appraised entity.

2. The valuation under the income approach adopts the expected income of the assets as the standard of value, which reflects the magnitude of the operating capacity (profitability) of the assets. Such profitability is typically subject to various conditions including the macroeconomic environment, government controls, and the effective utilization of the assets. From a going concern perspective, the income approach reflects the overall dynamic profitability of the enterprise by discounting its future expected income, which essentially represents the cross-cyclical dynamic expected value of the enterprise's profitability.

In summary, the aforementioned factors give rise to the difference between the two valuation methods.

(IV) Selection of valuation results

Yue Gang Company was set up in 1980 as the first cross-border road transportation enterprise in the PRC established with the approval of the governments of Guangdong and Hong Kong. It was jointly funded and founded by the Department of Transport of Guangdong Province, Hong Kong China Merchants Steam Navigation Company Limited and Hong Kong Inchcape Enterprises Limited. Yue Gang Company marked the beginning of Sino-British corporate cooperation, and pioneered direct cross-border passenger and freight road transportation between Hong Kong and the mainland. At present, Yue Gang Company, as a leading enterprise in the industry with the longest-established brand, the highest brand recognition, the broadest scheduled-route coverage and the greatest market influence, ranks third in the industry in terms of its overall operating quotas

and indicators and the scale of its vehicle fleet. Yue Gang Company possesses transportation resource advantages spanning Guangdong, Hong Kong and Macao, as well as relatively extensive terminal network and scheduled-route network resources. It has the most prominent brand and the broadest and most comprehensive scheduled-route network in the industry. It is responsible for the coordination and management of the Hong Kong-Zhuhai-Macao Bridge Shuttle Bus Company, and has significant flexibility and resource allocation capabilities in responding to market changes. Yue Gang Company has also established a comprehensive, standardised, flexible and efficient management mechanism and system, supported by an outstanding team of carefully selected drivers with extensive driving experience and a highly qualified management team with substantial experience in cross-border passenger transport operations.

Since the income approach assesses the value of the enterprise based on its future operating conditions and the overall market performance, the valuation results of the asset-based approach serve as a reasonable reflection of the enterprise's intrinsic value. Given that the objective of this valuation is for the proposed repurchase by Hong Kong Company of the 19% equity interest held by The Traffic Bureau of Shenzhen, this valuation report adopts the valuation results of the asset-based approach as the valuation conclusion. The analysis is set out as follows:

1. The asset-based approach valuation utilizes the replacement cost of assets as the standard of value, reflecting the socially necessary labor consumed in asset investment (construction cost). Taking into consideration the circumstances of this valuation, the appraised entity has provided detailed information relating to its assets and liabilities, and the valuer has also collected information externally to satisfy the requirements of the asset-based approach to conduct a comprehensive inventory and valuation of the assets and liabilities of the appraised entity. The asset-based approach applied appropriate valuation methods to determine the fair values of investment properties, fixed assets, land, and long-term equity investments, which requires fewer assumptions and involves fewer uncontrollable factors, thereby resulting in less future uncertainty. As such, comparatively speaking, the valuation results of the asset-based approach is more robust and reliable.

2. The income approach valuation adopts the expected return of assets as the standard of value, reflecting the magnitude of the operating capability (profitability) of the assets. The income approach valuation utilizes future profit forecasts to determine the appraised value, where the future forecasts involve a multitude of assumptions and considerable uncertainties. Given that the appraised entity is a transportation enterprise, its future operations will be subject to the impact of national macroeconomic controls and changes in industry policies. The profit of the business of the appraised entity is susceptible to market fluctuations. Therefore, the conclusion of the income approach cannot robustly reflect the value of the owners' equity (net assets) of the appraised entity.

Therefore, on a comparative basis, the valuation results of the asset-based approach is considered more reasonable. As a result, this valuation adopts the valuation results of the asset-based approach as the final valuation conclusion.

Based on the foregoing analysis, the value of the total shareholders' equity in The Motor Transport Company of Guangdong and Hong Kong Limited as at the valuation date is thereby concluded at HK$629.5870 million. For the purpose of this valuation, the benchmark exchange rate announced by the People's Bank of China as at 31 December 2025, being RMB0.90322 to HK$1, was selected for translation, the market value of the total shareholders' equity interests in The Motor Transport Company of Guangdong and Hong Kong Limited as at the Valuation Benchmark Date as at 31 December 2025 was RMB568.6556 million. The appraised value under income approach corresponding to the 19% equity interest in The Motor Transport Company of Guangdong and Hong Kong Limited was HK$119.6215 million, which translates into a concluded value of RMB108.0445 million.

(V) Analysis of reasons for valuation appreciation and depreciation

The book value of net assets was HK$260.3942 million, and the appraised value was HK$629.5870 million, representing a valuation appreciation of HK$369.1928 million and an appreciation rate of 141.78%.

The net book value of long-term equity investment was HK$82.0807 million, and the appraised value was HK$164.1255 million, representing a valuation appreciation of HK$82.0448 million and an appreciation rate of 99.96%. The valuation appreciation of the long-term equity investment in this valuation was mainly attributable to a substantial increase in the market value of the real estate in the Shenzhen region and the real estate in Hong Kong region held by the investees, Shenzhen Yuegang and Hong Kong Gangtong, respectively, compared to its historical book cost. The buildings and structures and land use rights owned by the investee were acquired at an early stage, with their book values recorded as the net values of historical costs less depreciation and amortization. Due to factors such as the scarcity of land resources in Shenzhen and Hong Kong regions, the upgrading of regional supporting facilities, and the increase in construction and installation costs, the appraised value of the real estate in this valuation was significantly higher than its book value, Hong Kong-Zhuhai-Macao Bridge Shuttle Bus Company Limited, an equity investee company, has entered a period of stable development and offers high dividend returns, thereby driving the valuation appreciation of the net assets of the investee, which was ultimately reflected as the valuation appreciation of the long-term equity investment.

The net book value of investment properties was HK$27.3391 million, and the appraised value was HK$184.3534 million, representing a valuation appreciation of HK$157.0143 million and an appreciation rate of 574.32%. The appreciation in investment properties was primarily attributable to the substantial increase in the market value of the real properties in Hong Kong held by Hong Kong Company as compared with their historical carrying costs. The buildings and structures and land use rights held by Hong Kong Company were acquired at an earlier time, and their carrying amounts represent net values after deduction of depreciation and amortisation from historical costs. Due to factors such as the scarcity of land resources in Hong Kong, upgrading of regional supporting facilities, and the increase in construction and installation costs, the value of the real properties subject to this valuation was significantly higher than their carrying amounts. The Government of the Hong Kong Special Administrative Region provided compensation for the resumption of agricultural land located in Kwu Tung held by Hong Kong Company. The valuation appreciation resulted from the valuation being conducted based on the compensation value set out in the land compensation agreement issued by the Hong Kong Government to Hong Kong Company.

The net book value of fixed assets was HK$55.1422 million, and the appraised value was HK$183.5085 million, representing a valuation appreciation of HK$128.3663 million and an appreciation rate of 232.79%. Which:

The net book value of fixed assets – buildings and structures was HK$8.8537 million, and the appraised value was HK$94.2333 million, representing an appreciation rate of 964.33%. The appreciation in the buildings and structures was attributable to the fact that the buildings and structures and land use rights owned by it were acquired at an earlier time, with their carrying amounts being the net historical costs after depreciation and amortisation. Due to factors including the scarcity of land resources in Hong Kong, upgrading of regional supporting facilities, and the increase in construction and installation costs, the value of the real properties appraised in this valuation was significantly higher than their carrying amounts.

The net book value of fixed assets – machinery and equipment was HK$12,200, and the appraised value was HK$27,300, representing a valuation appreciation of HK$15,100 and an appreciation rate of 123.91%. The reason for the appreciation is that the economic useful life of the machinery and equipment is longer than the accounting depreciation period.

The net book value of fixed assets – vehicles was HK$46.1363 million, and the appraised value was HK$88.8032 million, representing a valuation appreciation of HK$42.6669 million and an appreciation rate of 123.91%. The appreciation was due to the economic useful lives of the vehicles being longer than their accounting depreciation periods.

The net book value of fixed assets – electronic equipment was HK$139,900, and the appraised value was HK$444,700, representing a valuation appreciation of HK$304,700 and an appreciation rate of 217.77%. The appreciation was due to the fact that the economic useful life of the electronic equipment is longer than its accounting depreciation life.

The net book value of intangible assets was HK$49.8421 million, and the appraised value was HK$51.7971 million, representing a valuation appreciation of HK$1.9550 million and an appreciation rate of 3.92%. The appreciation is due the substantial number of off-balance-sheet operating licence quotas, as well as trademark, patent and domain name assets, held by the Group in Hong Kong and Guangdong-Hong Kong. The relevant operating licence quotas, trademarks and patents generated excess earnings, resulting in the appreciation of intangible assets.

IV. EXPLANATIONS ON SPECIAL MATTERS

(I) Reference to Conclusions of Reports Issued by Other Institutions

The book values of the respective assets and liabilities as at the benchmark date in this valuation report represent the audit results set out in the audit report with a standard unqualified opinion, namely the "Audit Report and Financial Statements of The Motor Transport Company of Guangdong and Hong Kong Limited (Hong Kong)" (Xin Kuai Shi Bao Zi [2026] No. ZC10057) issued by BDO China Shu Lun Pan Certified Public Accountants LLP. The valuation is conducted on the basis of the enterprise having been audited. The valuation is conducted on the basis of the enterprise having been audited. Save for the above, this asset valuation does not make reference to the conclusions of reports issued by any other institutions.

(II) Matters regarding incomplete title information or title defects

In the course of this asset valuation verification, it was identified that, in respect of 13 vehicles recorded in the accounts, the registered owners as stated in the vehicle registration certificates were inconsistent with the actual beneficial owners. Upon verification with the appraised entity, which has provided a letter of undertaking, all such vehicles were assets purchased by Hong Kong Company, and the ownership thereof belongs to Hong Kong Company. Any disputes that may arise as a result of the potential defects in the title to such assets shall be unrelated to the valuation institution. Details of the vehicles with defective title are as follows:

No.	Vehicle registration plate	Registration plate in Hong Kong	Name of vehicle	Initial registration date	Registered rights holder
1	Yue BM091W	No Hong Kong license plate	Shenzhen branch Teana small vehicle Yue BM091W	2011/12/30	The Motor Transport Company of Guangdong and Hong Kong Limited Shenzhen branch
2	Yue B2712U	No Hong Kong license plate	Official vehicle Yue B2712U	2012/4/28	The Motor Transport Company of Guangdong and Hong Kong Limited Shenzhen branch
3	Yue BX5P23	No Hong Kong license plate	Yue BX5P23 official vehicle	2012/11/23	The Motor Transport Company of Guangdong and Hong Kong Limited Shenzhen branch
4	Yue B2ZV15	No Hong Kong license plate	Repair plant 2ZV15 emergency official vehicle	2013/10/28	The Motor Transport Company of Guangdong and Hong Kong Limited Shenzhen branch
5	Yue ZHM99	GX602	Sania 47-seater big bus HM99/GX602	2014/9/3	Guangdong Hui-Qing Expressway Company Limited
6	Yue ZJE31	MS3837	Sania 47-seater big bus JE31/MS3837	2014/8/12	Guangdong Hui-Qing Expressway Company Limited
7	Yue ZHM31	GX7623	Scania 47-seater operating big bus HM31/GX7623	2015/4/22	Guangdong Hui-Qing Expressway Company Limited
8	Yue ZJB50	DK2122	Scania 47-seater big bus JB50/ DK2122	2016/7/21	Guangdong Hui-Qing Expressway Company Limited
9	Yue ZYU59	MD1600	Big bus AF82/MD1600	2017/11/14	Guangdong Hong Kong-Zhuhai-Macao Bridge Shuttle Bus Company Limited
10	Yue B81R03	No Hong Kong license plate	Buick G18	2018/10/15	The Motor Transport Company of Guangdong and Hong Kong Limited Shenzhen branch
11	No Chinese Mainland license plate	VT5691	47-seater big bus VT5691	2018/10/2	Guangdong Hui-Qing Expressway Company Limited
12	Yue B7FR83	No Hong Kong license plate	Official vehicle Yue B7FR83-SZ	2019/8/8	Shenzhen Yuegang Transport Company Limit
13	Yue Z DQ16	WN4587	SCANIA47-seater big bus Vehicle license plate: DQ16/WN4587	2025/11	Kwong Fat Transport Company Limited

(III) Circumstances of restricted valuation procedures or incomplete valuation information

There are no circumstances in which the valuation procedures are restricted or the valuation information is incomplete in this asset valuation.

(IV) Pending legal, economic and other matters as at the Valuation Benchmark Date

In respect of the agricultural land under investment properties – lands located at No. 107 Ho Sheung Heung Road, Kwu Tung, Sheung Shui, based on the information provided by the appraisee, the New Development Area Section of the Lands Department of the Government of the Hong Kong Special Administrative Region (the "Hong Kong Government") issued Land Compensation Agreements numbered 107 and 455 to Hong Kong Company on 15 November 2025 and 12 December 2025, respectively, requiring the resumption of the agricultural land held by Hong Kong Company at Lots Nos. 106, 108, 109, 110, 112, 113, 114, 115, 116, 117, 118, 119, 120, 122 and 165A in Demarcation District No. 95, No. 107 Ho Sheung Heung Road, Kwu Tung, Sheung Shui, with an aggregate area of 116,743 square feet (approximately 10,845.69 square metres). The compensation price was calculated at HK$1,267 per sq. ft., resulting in a land compensation value of HK$147,913,381.00. Hong Kong Company received payments of HK$124,425,735.00 on 13 January 2026 and HK$23,487,646.00 on 18 June 2026. The relevant land compensation had been received in full. This valuation was conducted based on the compensation value set out in the Land Compensation Agreements issued by the Hong Kong Government to Hong Kong Company.

(V) Nature and amounts of matters such as guarantees, leases and contingent liabilities (or contingent assets) and their relationships with the appraised object

During this asset valuation, no matters such as guarantees or contingent liabilities (or contingent assets) of the appraised entity have been identified.

The leasing information of Hong Kong Company is as follows:

No.	Name of building	Location	Lease expiry date	Lessee	Monthly rental during lease (HK$/square feet)	Leasing area (m^2)
1	Rooms 2413-2414, Hong Kong Plaza	No. 188 Connaught Road West, Sai Wan, Hong Kong	2027/11/30	Faith Food Company Limited	22.00	192.58
2	Room 1, 1/F, King's Court, No. 65-75 Wai Ching Street, Kowloon	Nos. 65, 67, 69, 71, 73 and 75, Wai Ching Street, Jordan, Kowloon	2026/12/31	Gang Tong (HK) Motor Transport Company Limited	11.00	268.49
3	Room 2, 1/F, King's Court, No. 65-75 Wai Ching Street, Kowloon	Nos. 65, 67, 69, 71, 73 and 75, Wai Ching Street, Jordan, Kowloon	2026/2/28	Express Cross-Border Coach Management Company Limited	25.00	67.35
4	Ground floor, Hang On Building, No. 159A Sai Yeung Choi Street North, Mong Kok, Kowloon	Ground floor, Hang On Building, No. 159A Sai Yeung Choi Street North, Mong Kok, Kowloon	2029/7/31	NEW POWER FOOD & BEVERAGE LIMITED	69.00	74.32
5	Room A, 4/F, Nanking Building, Kowloon	Room A, 4/F, Nanking Building, Kowloon	2026/9/2	PUN KARNA BAHADUR	Residential	38.00

No.	Name of asset	Lease expiry date	Lessee	Annual rental during lease (HK$'0000)	Leasing subject
1	Hong Kong Company freight vehicles, tractor units, trailers, containers and indicators	2033/12/31	Weisheng Transportation Enterprises Company Limited	500.04	Freight vehicles, tractor and trailers, containers and freight operating indicators held by Hong Kong Company

The information on the assets leased in by Hong Kong Company is as follows:

No.	Name of building	Location	Lease expiry date	Lessee	Monthly rental during lease (HK$/square feet)	Leasing area (m^2)
1	Property of Unit A, Ground Floor, No. 155 Capricorn Centre, Sai Yeung Choi Street North, Prince Edward, Kowloon, Hong Kong	Shop A, Ground Floor, Capricorn Centre, No. 155 Sai Yeung Choi Street North, Prince Edward, Yau Tsim Mong District, Kowloon	2026/7/24	PROFIT GO LIMITED	9.13	Not expressly stipulated in the contract

No.	Name of asset	Lease expiry date	Lessee	Annual rental during lease (HK$'0000)	Leasing subject
1	Passenger transportation vehicles and passenger transportation quotas of Weisheng Company	2033/12/31	The Motor Transport Company of Guangdong and Hong Kong Limited	300.00	Passenger transportation vehicles and passenger transportation and operating license quotas held by Weisheng Company

(VI) Material subsequent events

Hong Kong Company received land compensation payments in respect of lands in Kwu Tung in the amounts of HK$124,425,735.00 on 13 January 2026 and HK$23,487,646.00 on 18 June 2026, respectively. The relevant land compensation payments have been received in full. This valuation was conducted based on the compensation value set out in the Land Compensation Agreements issued by the Hong Kong Government to Hong Kong Company.

(VII) Defective circumstances in the economic transaction underlying this valuation that may have a material impact on the valuation conclusion

No defective circumstances within the appraised entity that may have a material impact on the valuation conclusion have been identified in this asset valuation.

(VIII) Other Matters Requiring Explanation

1. Pursuant to the Extension of Government Leases Ordinance, which came into effect in 2024 and was promulgated by the Hong Kong Government, general commercial, residential and industrial land leases will be automatically extended for a term of 50 years without payment of any land premium. Owners are only required to pay annual government rent equivalent to 3% of the rateable value. In this valuation, the income approach has been adopted for the valuation of investment properties and buildings and structures, with their income periods assessed on a perpetuity basis. Government rent has been included as an expense under the income approach, while repair costs for the buildings and structures have been determined based on an annuity calculated with reference to the replacement cost of the buildings. Users of this report are invited to note the above.

2. In this valuation of the long-term equity investment in Hong Kong-Zhuhai-Macao Bridge Shuttle Bus Company Limited, the financial statement data obtained were prepared on a consolidated basis for Guangdong Hong Kong-Zhuhai-Macao Bridge Shuttle Bus Co., Ltd., a consortium comprising three Hong Kong, Macao and Guangdong Hong Kong-Zhuhai-Macao bus companies. Hong Kong-Zhuhai-Macao Bridge Shuttle Bus Co., Ltd. holds only a 38% interests in the consortium, while Hong Kong Company holds a 20% equity interests in Hong Kong-Zhuhai-Macao Bridge Shuttle Bus Co., Ltd. Accordingly, the valuation of Hong Kong-Zhuhai-Macao Bridge Shuttle Bus Co., Ltd. was determined using the dividend discount model (DDM), and was then multiplied by Hong Kong Company's effective shareholding percentage of 7.6% (7.6% = 38% × 20%). Users of this report are advised to take note of the above.

3. In respect of Hong Kong-Zhuhai-Macao Bridge Shuttle Bus Company Limited, an investee company, Hong Kong Company indirectly holds a 7.6% equity interests therein. The project operation period of such company expired on 23 October 2026. However, the terms of the investment agreement provide that an extension may be negotiated upon expiry. Based on the information provided and confirmation given by the principal, there are no substantive impediments to the extension of the project. This valuation assumes that the operation period of Hong Kong-Zhuhai-Macao Bridge Shuttle Bus Company Limited will be extended to 22 October 2027. Users of this report are advised to note the above.

4. The area data adopted for the valuation of the property are derived from the saleable area data of the property as registered with the Rating and Valuation Department of the Government of the Hong Kong Special Administrative Region. Users of this report are hereby reminded to take note thereof.

5. The legal responsibility of the valuer and the valuation agency is to formulate a professional judgment on the value of the assets for the valuation purpose stated in this report, and does not involve the valuer and the valuation agency making any judgment on the economic activity corresponding to such valuation purpose. The valuation work relies, to a large extent, on the relevant information provided by the principal and the appraised entity. Therefore, the valuation work is premised on the authenticity and legality of the relevant documents in respect of the economic activity, documents of asset ownership, certificates and accounting vouchers, as well as relevant legal documents provided by the principal and the appraised entity.

6. During the valuation process, the valuers observed the exterior of the buildings and structures being appraised, inspected the interior decoration and usage conditions to the extent possible, and did not conduct any structural or material testing. When conducting site inspections of the equipment, due to limitations in inspection methods and the fact that certain equipment was in operation, the assessment of the equipment's condition primarily relied on the valuers' visual observations, the recent inspection records provided by the appraised entity, and inquiries made to relevant operation and usage personnel.

7. The purpose of the valuer in performing the asset valuation engagement is to estimate the value of the appraised subject and express a professional opinion, and the valuer does not assume any responsibility for the decision-making of the relevant parties. The valuation conclusion shall not be construed as a guarantee of the realizable price of the appraised subject.

8. The profit forecast of the appraised enterprise obtained by the valuation institution forms the basis of the income approach in this valuation report. The valuers have conducted necessary investigations, analyses, and judgments on the profit forecast of the appraised enterprise. Following multiple discussions with the management and major shareholders of the appraised enterprise, and upon further amendments and improvements by the appraised enterprise, the valuation institution has adopted the relevant data from the profit forecast of the appraised enterprise. The utilization of the profit forecast of the appraised enterprise by the valuation institution does not constitute a guarantee of the future profitability of the appraised enterprise.

9. In respect of the scope of this valuation, as well as the data, financial statements, and relevant materials provided by the appraised entity and adopted herein, the principal and the appraised entity shall be responsible for the authenticity and completeness of the materials they provided.

10. The documents of title and relevant materials involved in the valuation report are provided by the appraised entity. The principal and the appraised entity shall bear legal responsibilities for the authenticity and legality thereof.

11. During the validity period subsequent to the Valuation Benchmark Date, if there is any change in the quantity of assets and pricing standards, such changes shall be dealt with in accordance with the following principles:

(1) When there is a change in the quantity of assets, corresponding adjustments shall be made to the amount of assets based on the original valuation method;

(2) When the asset pricing standards change and exert a material impact on the asset valuation results, the principal shall promptly engage a qualified asset valuation agency to re-determine the appraised value;

(3) In respect of the changes in the quantity of assets and pricing standards subsequent to the Valuation Benchmark Date, the principal shall give due consideration and make corresponding adjustments upon the actual pricing of the assets.

12. The conclusion of this valuation is established on the premise of the accurate judgment made by the property rights holder and the management of the valuation target on the future development trends of the enterprise, the implementation of relevant plans, and the continuous operation of the enterprise. In the event that the actual operating conditions of the enterprise deviate from its business plans in the future, and the appraised entity and its then management fail to take corresponding effective measures to rectify such deviations, the valuation conclusion will be subject to material changes. The users of this report are specifically advised to pay attention to this matter.

13. The scope of this valuation is based solely on the asset valuation breakdown schedules provided by the principal and the appraised entity, and does not take into account any potential contingent assets and contingent liabilities beyond the lists provided by the principal and the appraised entity.

14. This valuation does not take into account any premium or discount arising from factors such as controlling interests and minority interests.

V. EXPLANATION OF LIMITATIONS ON THE USE OF THE VALUATION REPORT

This valuation report may only be used for the valuation purposes and uses set out herein. Furthermore, the conclusion of this valuation reflects the current fair market value of the appraised entity determined in accordance with open market principles for the purpose of this valuation; it does not take into account the impact on the appraised value of any pledges or guarantees that may be undertaken in the future, nor any additional premiums that special transaction counterparties might pay. Moreover, this report has not considered the impact on asset prices arising from changes in national macroeconomic policies, natural forces, and other force majeure events. Should there be changes in the aforementioned conditions or in other circumstances such as the going concern principle adhered to in the valuation, the valuation conclusion will generally become invalid. The valuation agency shall bear no legal liabilities in relation to the invalidity of the valuation results arising from changes in such conditions.

The prerequisite for the validity of this valuation report is that the economic activity in question complies with the relevant provisions of national laws and regulations, and has obtained approvals from the relevant authorities.

This valuation report may only be used by the user(s) of the valuation report set out herein. The right to use the valuation report is vested in the principal. Without the consent of the principal, this valuation agency will not arbitrarily disclose it to any third party.

Where the principal or any other user of the asset valuation report fails to use the asset valuation report in accordance with the provisions of laws and administrative regulations as well as the scope of use set out in the asset valuation report, the asset valuation agency and its asset valuer(s) shall assume no liability.

Except for the principal, other user(s) of the asset valuation report as agreed in the asset valuation engagement contract, and user(s) of the asset valuation report as stipulated by laws and administrative regulations, no other institution or individual may become a user of the asset valuation report.

Without the prior consent of this valuation agency and its review of the relevant contents, the valuation report, whether in whole or in part, shall not be extracted, quoted, or disclosed in any public media, unless otherwise stipulated by laws and regulations or agreed by the relevant parties.

The user(s) of the asset valuation report shall correctly understand and use the valuation conclusions. The valuation conclusions are not equivalent to the realizable price of the valuation subject, nor should the valuation conclusions be construed as a guarantee of the realizable price of the valuation subject.

Validity period of the valuation conclusions: In accordance with relevant laws and regulations on asset valuation, any asset valuation report involving statutory valuation business shall be used only after the principal has performed the supervisory and regulatory procedures for asset valuation as required by laws and regulations. The valuation results shall be valid for use for a period of one year, calculating from 31 December 2025, being the Valuation Benchmark Date, to 30 December 2026. Where the period exceeds one year, a new asset valuation must be conducted.

The following is the text of a report received from the Company's auditor, KPMG Huazhen LLP, for inclusion in this announcement.



REPORT ON THE CALCULATION OF DISCOUNTED FUTURE CASH FLOWS IN CONNECTION WITH THE BUSINESS VALUATION OF THE MOTOR TRANSPORT COMPANY OF GUANGDONG AND HONG KONG (GUANGZHOU) LIMITED* AND THE MOTOR TRANSPORT COMPANY OF GUANGDONG AND HONG KONG LIMITED

TO THE BOARD OF DIRECTORS OF GUANGDONG YUEYUN TRANSPORTATION COMPANY LIMITED*

We refer to the discounted future cash flows on which the business valuation ("the Valuation") dated 11 August 2026 prepared by China United Assets Appraisal Group Limited in respect of the appraisal of the fair value of The Motor Transport Company of Guangdong and Hong Kong (Guangzhou) Limited and The Motor Transport Company of Guangdong and Hong Kong Limited ("the Target Companies") as at 31 December 2025 is based. The Valuation is prepared based in part on the discounted future cash flows and is regarded as a profit forecast under paragraph 14.61 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules").

Directors' Responsibilities

The directors of Guangdong Yueyun Transportation Company Limited (the "Directors") are responsible for the preparation of the discounted future cash flows in accordance with the bases and assumptions determined by the Directors and as set out in the Valuation. This responsibility includes carrying out appropriate procedures relevant to the preparation of the discounted future cash flows for the Valuation and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.

Our Independence and Quality Management

We have complied with the independence and other ethical requirements of the Code of Ethics for Professional Accountants issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA"), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies Hong Kong Standard on Quality Management (HKSQM) 1 "Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements" which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Reporting Accountants' Responsibilities

Our responsibility is to report, as required by paragraph 14.60A(2) of the Listing Rules, on the calculations of the discounted future cash flows used in the Valuation. The discounted future cash flows do not involve the adoption of accounting policies.

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* *For identification purpose only*

Basis of Opinion

We conducted our engagement in accordance with the Hong Kong Standard on Assurance Engagements 3000 (Revised) "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" issued by the HKICPA. This standard requires that we plan and perform our work to obtain reasonable assurance as to whether, so far as the calculations are concerned, the Directors have properly compiled the discounted future cash flows in accordance with the bases and assumptions adopted by the Directors as set out in the Valuation. We performed procedures on the arithmetical calculations and the compilations of the discounted future cash flows in accordance with the bases and assumptions adopted by the Directors. Our work is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing issued by the HKICPA. Accordingly, we do not express an audit opinion.

Opinion

In our opinion, so far as the calculations are concerned, the discounted future cash flows have been properly compiled in all material respects in accordance with the bases and assumptions adopted by the Directors as set out in the Valuation.

Other matters

Without qualifying our opinion, we draw to your attention that we are not reporting on the appropriateness and validity of the bases and assumptions on which the discounted future cash flows are based and our work does not constitute any valuation of the Target Companies or an expression of an audit or review opinion on the Valuation.

The discounted future cash flows depend on future events and on a number of assumptions which cannot be confirmed and verified in the same way as past results and not all of which may remain valid throughout the period. Further, since the discounted future cash flows relates to the future, actual results are likely to be different from the discounted future cash flows because events and circumstances frequently do not occur as expected, and the differences may be material. Our work has been undertaken for the purpose of reporting solely to you under paragraph 14.60A(2) of the Listing Rules and for no other purpose. We accept no responsibility to any other person in respect of, arising out of or in connection with our work.

KPMG Huazhen LLP

Beijing, the People's Republic of China
19 November 2026

To: The Stock Exchange of Hong Kong Limited

Dear Sirs,

DISCLOSEABLE AND CONNECTED TRANSACTION IN RELATION TO THE REPURCHASE OF EQUITY INTERESTS AND SHARES BY TWO SUBSIDIARIES

Reference is made to the announcement of Guangdong Yueyun Transportation Company Limited (the "Company") dated 19 November 2026 (the "Announcement") in relation to the repurchases of equity interests held by Shenzhen Communication by Guangzhou Company and Hong Kong Company respectively. Unless otherwise defined herein, terms used in this letter shall have the same meanings as those defined in the Announcement.

The Board of the Company has reviewed the Valuation Reports prepared by China United Assets Appraisal both dated 11 August 2026, in respect of the value of the total shareholders' equity interests in Guangzhou Company and Hong Kong Company as at 31 December 2025. Both reports adopted the asset-based approach and the income approach, and selected the results of the asset-based approach as the final conclusions. In particular, the valuations of both companies under the income approach were based on projected future cash flows, while the valuations of certain equity investments and intangible assets of Hong Kong Company under the asset-based approach were also based on projected dividends or operating revenue. Therefore, such relevant valuations are regarded as profit forecasts under Rule 14.61 of the Listing Rules (the "Profit Forecast"), the specific scope of which is consistent with that covered by the auditor's report in Appendix II.

We have discussed with the valuer regarding various aspects, including the bases and assumptions upon which the valuations have been prepared, and have reviewed the valuations for which the valuer is responsible. We have also considered the report issued by the auditor of the Company, KPMG Huazhen LLP, on the forecasts pursuant to Rule 14.60A(2) of the Listing Rules, and we noted that, so far as the arithmetical accuracy of the calculations of the discounted future estimated cash flows is concerned, the Profit Forecast has been properly compiled in all material respects in accordance with the bases and assumptions set out in the asset Valuation Reports.

Based on the above review and enquiries, the Board confirms pursuant to Rule 14.60A(3) of the Listing Rules that the forecasts have been made after due and careful enquiry by the Directors.

Guangdong Yueyun Transportation Company Limited
Chairman of the Board
Zhu Fang

19 November 2026