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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)

VOLUNTARY ANNOUNCEMENT - MEMORANDUM OF UNDERSTANDING WITH ZHANJIANG SASAC

The board of directors (the “**Board**”) of Guangdong Yueyun Transportation Company Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) is pleased to announce that on 25 August 2016, Guangdong Vehicle Transportation Group Co. Ltd. (a subsidiary of the Company) (“**GVTG**”) entered into a memorandum of understanding (the “**MOU**”) with the State-owned Assets Supervision and Administration Commission of the Zhanjiang City People’s Government (“**Zhanjiang SASAC**”) and Guangdong Province Zhanjiang Vehicle Transportation Group Co. Ltd. (廣東省湛江汽車運輸集團有限公司) (the “**Target Company**”), pursuant to which the parties proposed that GVTG will become a shareholder of the Target Company through share transfer, upon completion of which GVTG shall hold at least 51% of the equity interest in the Target Company (the “**Proposed Transaction**”).

The Target Company is principally engaged in the provision of road transportation services in Zhanjiang City, Guangdong Province. In June 2016, the Target Company was ranked No.43 on the list of “Top 100 Trustworthy Road Transportation Enterprises in China (2016) (中國道路運輸百強誠信企業 (2016年))” by the China Road Transport Association. As advised by the Target Company, the Target Company has 8 stations of grade three or above, approximately 980 route licences, and approximately 1200 operating vehicles in Zhanjiang City. The Board believes that the entering into of the MOU and the Proposed Transaction will enhance the Group’s cooperation with the Zhanjiang SASAC in the area of road transportation services and greatly expand the Group’s passenger transportation business in Zhanjiang City, where the Group foresees a large market size and growth potential in respect of road transportation services.

As at the date of this announcement, the Proposed Transaction is subject to valuation of the assets of the Target Company and public tendering process in accordance with applicable laws. The final terms and conditions of the Proposed Transaction, including the consideration amount, have not been agreed. The parties proposed that a formal legally-binding agreement setting out the final terms and conditions of the Proposed Transaction will be entered into after completion of the above procedures.

The Proposed Transaction, if materialised, may constitute a discloseable transaction for the Company under Chapter 14 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”). Further announcement(s) will be made by the Company in compliance with the Listing Rules as and when necessary.

No legally binding agreement has been entered into in relation to the Proposed Transaction, and the Proposed Transaction is subject to regulatory approvals and the public tendering process, and thus may or may not proceed. Shareholders and potential investors of the Company are advised to exercise caution when dealing in the shares of the Company.

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

Guangzhou, the PRC, 25 August 2016

As at the date of this announcement, the Board comprises Mr. Xuan Zongmin, Mr. Tang Yinghai, Mr. Yao Hanxiong, Mr. Fei Dachuan and Mr. Guo Junfa as executive Directors, Mr. Li Bin and Mr. Chen Min as non-executive Directors, and Mr. Gui Shouping, Mr. Peng Xiaolei, Mr. Jin Wenzhou and Ms. Lu Zhenghua as independent non-executive Directors.

** For identification purposes only*