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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)**

## **CONNECTED TRANSACTION DISPOSAL OF EQUITY INTEREST IN ZHUHAI GONGYUN**

### **THE DISPOSAL**

The Board hereby announces that on 22 January 2025, the Company and Kee Kwan entered into the Equity Transaction Agreement, pursuant to which Kee Kwan conditionally agreed to acquire and the Company conditionally agreed to sell 100% equity interest in Zhuhai Gongyun held by the Company at a Consideration of RMB25,096,100.

### **LISTING RULES IMPLICATIONS**

As at the date of this announcement, GCGC is the controlling shareholder of the Company as it directly and indirectly, holds approximately 74.12% of the total issued share capital of the Company. Therefore, GCGC is a connected person of the Company under the Listing Rules. Kee Kwan is a wholly-owned subsidiary of GCGC and therefore is a connected person of the Company.

As the highest applicable percentage ratio calculated in accordance with the Listing Rules in respect of the Disposal exceeds 0.1% but is less than 5%, the Disposal constitutes a connected transaction of the Company. As such, it is subject to the reporting and announcement requirements, but is exempt from independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

### **I. INTRODUCTION**

The Board hereby announces that on 22 January 2025, the Company and Kee Kwan entered into the Equity Transaction Agreement, pursuant to which Kee Kwan conditionally agreed to acquire and the Company conditionally agreed to sell 100% equity interest in Zhuhai Gongyun held by the Company at a Consideration of RMB25,096,100.

## II. THE EQUITY TRANSACTION AGREEMENT

The principal terms of the Equity Transaction Agreement are as follows:

### **Date**

22 January 2025

### **Parties**

- (i) the Company (as seller); and
- (ii) Kee Kwan (as purchaser).

### **Subject Matter**

Pursuant to the Equity Transaction Agreement, the Company has agreed to dispose of, and Kee Kwan has agreed to acquire, 100% of the equity interest in the Target Company, subject to the terms and conditions set forth therein.

### **Consideration**

The Consideration for the Disposal is RMB25,096,100, which was determined after arm's length negotiations between the Company and Kee Kwan with reference to the appraised value of total equity in the Target Company as at the Base Date, amounting to RMB 25,096,100, as set out in the asset valuation report prepared by the independent Valuer.

The Consideration under the Equity Transaction Agreement will be paid as follows:

The Consideration shall be paid through a dedicated settlement account of Guangdong United Assets and Equity Exchange. Guangdong United Assets and Equity Exchange shall transfer the security deposit of RMB2,500,000, paid by Kee Kwan, to the Company without interest, and such amount shall be automatically applied to the Consideration from the date of receipt by the Company. The remaining amount of the Consideration of RMB22,596,100, after deducting the security deposit, shall be paid in a lump sum by Kee Kwan to Guangdong United Assets and Equity Exchange within 5 working days from the effective date of the Equity Transaction Agreement.

Guangdong United Assets and Equity Exchange shall, within three working days from the date following the receipt of the Consideration and the full payment of service fee by Kee Kwan, transfer RMB25,045,955.85, being the remaining amount after deducting the service fee payable by the Company in the amount of RMB50,144.15, to the designated account of the Company, without interest.

## Profit and Loss Distribution

The profits and losses of the Target Company incurred during the period from the Base Date up to and including the date of completion of industrial and commercial registration of changes related to the Disposal shall be borne and shared by the shareholders of the Target Company in proportion to their respective equity interests, following the completion of such registration.

## Completion

With the cooperation between the Company and Kee Kwan, the industrial and commercial registration of changes related to the transferred equity, the completion of which will signify the completion of the Disposal, shall be completed by Kee Kwan within 30 days after the execution of the Equity Transaction Agreement.

### III. INFORMATION ON THE TARGET COMPANY

The Target Company is a company established under the laws of the PRC with limited liability and a subsidiary of the Company. Prior to the completion of the Disposal, the Company holds 100% of the equity interest in the Zhuhai Gongyun. The Target Company is principally engaged in the businesses of road passenger transportation operations and road passenger transportation station operations.

Set out below is the financial information of the Target Company prepared in accordance with the Chinese Accounting Standards for Business Enterprises for each of the three financial years ended 31 December 2022, 31 December 2023 and 31 December 2024:

	<b>For the year ended 31 December 2022 RMB (audited)</b>	<b>For the year ended 31 December 2023 RMB (audited)</b>	<b>For the year ended 31 December 2024 RMB (unaudited)</b>
Profit/(loss) before tax	(25,166,040.39)	5,490,617.15	2,344,351.48
Profit/(loss) after tax	(25,166,040.39)	5,490,617.15	2,614,239.93

#### IV. VALUATION AND PROFIT FORECAST

As of 30 June 2024, the book value of the Target Company's total equity was RMB13.7646 million, while the assessed value of the total equity amounted to RMB25.0961 million, reflecting an appreciation of RMB11.3315 million or a value-added rate of 82.32%. The appreciation was mainly attributable to the appreciation in the valuation of long-term equity investments and the appreciation in intangible assets and fixed assets. The specific details are as follows:

- (1) an appreciation of the appraised value of 10% equity interests in Zhuhai Yuegong Xinhai Transportation Co., Ltd. held by the Target Company: the appraised value of equity investments was RMB38,544,652.41, while the book value was RMB33,662,367.20, representing an appreciation of RMB4,882,285.21, or 14.50%;
- (2) the appraised value of the fixed assets (equipment) was RMB5,291,100.00, while the net book value was RMB511,425.81, representing an appreciation of RMB4,779,674.19, or 934.58%;
- (3) the appraised value of the intangible assets related to operating rights for passenger transport on 130 road routes is RMB2,307,300.00, while the net book value is RMB0, reflecting an appreciation of RMB2,307,300.00.

The independent Valuer's valuation of the total equity value of the Target Company's shareholders forms the basis for determining the Consideration of the Disposal. The independent Valuer employed both the asset-based approach and the income approach when preparing the asset valuation report. After analyzing and comparing the results from both approaches, the asset-based approach was chosen as the basis for the final valuation conclusion. For details on the valuation approaches, key input parameters, and the analysis and selection of valuation results, please refer to the asset valuation report in Appendix IV to this announcement. As the income approach was one of the valuation approaches used in estimating the total equity value of the Target Company in the asset valuation report, the valuation conducted under the income approach is deemed to be a profit forecast in accordance with Rule 14.61 of the Listing Rules. Accordingly, the Company provides the following valuation details in compliance with Rule 14.60A of the Listing Rules.

The details of the key assumptions (including commercial assumptions) upon which the relevant profit forecast was based (“**Assumptions Used in the Profit Forecast**”) extracted from the asset valuation report are set out in Appendix I to this announcement.

The Company’s auditor confirms that it has reviewed the arithmetical accuracy of calculations of the discounted future estimated cash flows upon which the asset valuation report is based and prepared a letter (the “**Letter of BDO**”) thereon. Please refer to the letter from the auditor in the Appendix II to this announcement.

The Board has confirmed that such a profit forecast is made after prudent and careful enquiry. Please refer to the letter from the Board (the “**Letter from the Board**”) in the Appendix III to this announcement.

**V. EXPERT AND CONSENT**

The qualifications of the experts who have made statements in this announcement are as follows:

<b>Name</b>	<b>Qualification</b>
Guangdong Zhixin Asset Appraisal Real Estate and Land Appraisal Limited*	independent Valuer
BDO China Shu Lun Pan Certified Public Accountants LLP	certified public accountant

Guangdong Zhixin and BDO have given and have not withdrawn their written consent to the publication of this announcement, including inclusion of their report and the reference to their name in the form and context in which they appear.

To the best knowledge, information and belief of the Board after having made all reasonable enquiries, Guangdong Zhixin and BDO are third parties independent of the Group and are not connected persons of the Group. As at the date of this announcement, Guangdong Zhixin and BDO do not have any shareholding, directly or indirectly, in any member of the Group or any right (whether legally enforceable or not) to subscribe for or to nominate person(s) to subscribe for securities in any member of the Group.

As at the date of this announcement, Guangdong Zhixin and BDO do not have any direct or indirect interests in any assets which have been, since 31 December 2023 (the date to which the latest published annual results of the Group were prepared), acquired or disposed of by or leased to any member of the Group, or are proposed to be acquired or disposed of by or leased to any member of the Group.

## **VI. FINANCIAL EFFECT OF THE DISPOSAL**

As at the date of this announcement, the Company holds 100% of the equity interest in the Target Company. Upon completion of the Disposal, the Company will cease to have any interest in the Target Company. Consequently, the Target Company will cease to be a subsidiary of the Group and its financial results, assets and liabilities will no longer be consolidated into the consolidated financial statements of the Group.

It is estimated that the Group will recognise a gain of approximately RMB38,390,347.60 from the Disposal, which is calculated based on the difference between (i) the Consideration; and (ii) the book value of 100% of the equity interest held by the Company in the Target Company. The actual gain or loss on the Disposal to be recorded by the Group will depend on the fair value of the Target Company recorded on the Group's financial statements on the completion date and therefore may be different from the above-mentioned amount. The Company intends to apply the proceeds of the Disposal to supplement its working capital.

## **VII. REASONS FOR AND BENEFITS OF THE DISPOSAL**

In recent years, the rapid development of the high-speed railway network and the widespread adoption of online ride-hailing services have posed significant challenges to traditional road passenger transportation. The new travel behaviors have exacerbated the operational difficulties faced by passenger industry. At the same time, there have been substantial changes in people's travel behaviors and habits. Private travel options, such as customized private cars, online ride-hailing services, and carpooling, have become increasingly popular. This shift is largely attributable to the relatively rigid business model of traditional passenger terminals, which has failed to meet the increasingly diversified and personalized travel needs of modern passengers, resulting in a sharp decline in the number of customers. As a result of these factors, Zhuhai Gongyun has experienced a significant decline in passenger traffic and revenue from its passenger transportation business. It has recorded consecutive losses from 2020 to 2022, with a moderate profit in 2023. In light of these financial difficulties, the transfer of its equity interests is conducive to reducing the loss-making enterprises of the Group and enhancing the overall profitability.

## **VIII. DIRECTORS' OPINIONS**

The Consideration for the Disposal was determined following arm's length negotiations between the parties, on normal commercial terms, and with reference to the appraised value of the total equity of the Target Company as of the Base Date, as set out in the asset valuation report prepared by the independent Valuer engaged by the Company. The Directors believe that, although the Equity Transaction Agreement and the Disposal contemplated therein are not entered into in the ordinary course of business of the Group, the terms of the Equity Transaction Agreement are fair and reasonable, reflect normal commercial terms, and are in the best interests of the Company and its shareholders as a whole.

Mr. Chen Chuxuan, a non-executive Director of the Company, also holds the positions of Party Committee Secretary and Chairman of Guangdong Urban Transportation Investment Co., Ltd.\* and Guangdong Litong Development and Investment Company Limited\*, both of which are subsidiaries of GCGC. Due to his roles at these entities, Mr. Chen is considered unable to provide independent recommendations to the Board regarding the Equity Transaction Agreement and the transaction thereunder. As a result, Mr. Chen Chuxuan has abstained from voting on the resolution approving the Equity Transaction Agreement and the Disposal thereunder. Save as disclosed above, none of the other Directors has any material interest in the Equity Transaction Agreement or the Disposal thereunder, and therefore, none is required to abstain from voting on the related resolution.

## **IX. LISTING RULES IMPLICATIONS**

As at the date of this announcement, GCGC is the controlling shareholder of the Company as it directly and indirectly, holds approximately 74.12% of the total issued share capital of the Company. Therefore, GCGC is a connected person of the Company under the Listing Rules. Kee Kwan is a wholly-owned subsidiary of GCGC and therefore is a connected person of the Company.

As the highest applicable percentage ratio calculated in accordance with the Listing Rules in respect of the Disposal exceeds 0.1% but is less than 5%, the Disposal constitutes a connected transaction of the Company. As such, it is subject to the reporting and announcement requirements, but is exempt from independent shareholders' approval requirement under Chapter 14A of the Listing Rules.

## **X. INFORMATION ON OTHER PARTIES**

### **The Group**

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

### **GCGC**

GCGC is a controlling shareholder of the Company which holds approximately 74.12% of the entire issued share capital of the Company as at the date of this announcement. GCGC is a state-owned enterprise in the PRC and is wholly owned by Guangdong State-owned Asset Supervision and Administration Commission. GCGC and its subsidiaries are principally responsible for the investment, construction and management of the expressways in the Guangdong Province and are also engaged in the logistics and transportation.

### **Kee Kwan**

Kee Kwan, incorporated in May 1982, is a wholly-owned subsidiary of GCGC. The company operates within the road transportation industry, with its principal business activities including international road passenger transportation, international road cargo transportation, road passenger transportation services, and the operation of road passenger transportation stations, among other related activities.



## XI. DEFINITIONS

Unless otherwise defined or the context otherwise requires, the capitalised terms used in this announcement shall have the following meanings:

“Base Date”	30 June 2024
“BDO”	BDO China Shu Lun Pan Certified Public Accountants LLP
“Board”	the board of directors of the Company
“Company”	Guangdong Yueyun Transportation Company Limited* (廣東粵運交通股份有限公司), a joint stock limited company incorporated under the laws of the PRC with limited liability, the H Shares of which are listed on the Main Board of the Stock Exchange (Stock Code: 03399)
“Consideration”	the consideration payable by Kee Kwan for the acquisition of 100% equity interest in Target Company held by the Company under the Equity Transaction Agreement
“Director(s)”	the director(s) of the Company
“Disposal”	the disposal by the Company of 100% equity interest in Target Company to Kee Kwan in accordance with the terms and conditions of the Equity Transaction Agreement
“Equity Transaction Agreement”	the equity transaction agreement dated 22 January 2025 entered into between the Company and Kee Kwan
“Group”	the Company and its subsidiaries from time to time
“Kee Kwan”	Kee Kwan Motor Road Co., Ltd.
“Listing Rules”	the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited
“PRC”	the People’s Republic of China
“RMB”	Renminbi, the lawful currency of the PRC
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Target Company” or “Zhuhai Gongyun”	Zhuhai Gongyun Bus Terminal Co., Ltd.* (珠海市拱運汽車客運站有限公司)



“Valuer” or Guangdong Zhixin Asset Appraisal Real Estate and Land Appraisal  
“Guangdong Zhixin” Limited

“%” per cent

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

Guangzhou, the PRC  
22 January 2025

*As at the date of this announcement, the Board comprises Mr. Zhu Fang, Mr. Huang Wenban, Mr. Hu Xianhua and Mr. Hu Jian as executive directors of the Company, Mr. Chen Chuxuan as non-executive director of the Company, and Mr. Su Wujun, Ms. Huang Yuan, Mr. Shen Jialong and Mr. Zhang Xiangfa as independent non-executive directors of the Company.*

\* *For identification purpose only*

## **APPENDIX I ASSUMPTIONS USED IN THE PROFIT FORECAST**

The valuation is based on the following premises and assumptions:

### **(I) General assumptions**

#### **1. *Going concern assumption***

The going concern assumption assumes that the business of the appraised entity is legitimate, there are no unforeseen factors that would cause it to fail to continue as a going concern, and the existing use of the subject of valuation remains unchanged and remains operational on the site.

#### **2. *Transaction assumption***

The transaction assumption assumes that all the subjects of the valuation are in the course of transaction and the valuation assessed by the Valuers is based on a simulated market which involves the transaction conditions of the subjects of the valuation. The transaction assumption is one of the most fundamental assumptions for the performance of asset valuation.

#### **3. *Open market assumption***

The open market assumption assumes that both parties to the asset transaction or the proposed asset transaction in the market are in equal position and have the opportunities and time to obtain sufficient market information in order to make a rational judgment on the assets, including their functions, uses and transaction prices. The basis of open market assumption is that the assets can be traded openly in the market.

### **(II) Special assumptions**

1. This valuation takes the specific valuation purposes set out in this asset valuation report as its basic assumption premises.
2. Stable economic environment assumption: assuming there are no material changes to the prevailing law, regulations, policies and macroeconomic conditions of the PRC as well as the political, economic and social environment of regions in which the parties involved operate, and there is no material adverse impact arising from other unforeseeable events and force majeure events after the Valuation Base Date.
3. No material changes assumption: assuming there are no material changes to the relevant interest rates, exchange rates, taxation bases and tax rates and policy-based levies in the PRC.
4. No adverse impact assumption: assuming there are no force majeure and unforeseeable factors that will have a material adverse effect on the client's subject of valuation.
5. True data assumption: assuming that the annual financial report of the subject of valuation could truly reflect its actual conditions.
6. Consistency of policy assumption: assuming there are no material changes in the accounting policy and auditing methods adopted by the appraised entity.

## APPENDIX II LETTER OF BDO

### INDEPENDENT AUDITOR'S ASSURANCE REPORT ON THE DISCOUNTED FUTURE ESTIMATED CASH FLOWS IN CONNECTION WITH THE VALUATION OF ZHUHAI GONGYUN BUS TERMINAL CO., LTD.

Xin Kuai Shi Bao Zi [2025] No. ZC10001  
(Page 1 of 2)

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

We have completed our assurance engagement to report on the arithmetical accuracy of calculations of the discounted future estimated cash flows on which the asset valuation report (Zhi Xin Zi Ping Bao Zi [2024] No. 247) (the “**Valuation**”) dated 17 October 2024 prepared by Guangdong Zhixin Asset Appraisal Real Estate and Land Appraisal Limited in respect of the appraisal of the fair value of the 100% equity interests in Zhuhai Gongyun Bus Terminal Co., Ltd. (“**Zhuhai Gongyun**”) as at 30 June 2024 is based. The Valuation is set out in Appendix V of the announcement of the Guangdong Yueyun Transportation Company Limited (the “**Company**”) dated 22 January 2025 (the “**Announcement**”) in connection with the disposal of 100% of equity interests in Zhuhai Gongyun. The Valuation based on the discounted future estimated cash flows is regarded as a profit forecast under Rule 14.61 of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

#### Directors' Responsibility for the Discounted Future Estimated Cash Flows

The directors of the Company are responsible for the preparation of the discounted future estimated cash flows, including the bases and assumptions set in Appendix V of the Announcement. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation of the discounted future estimated cash flows 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 China Code of Ethics for Certified Public Accountants (the “**Code**”) issued by the Chinese Institute of Certified Public Accountants (“**CICPA**”), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies China Standards on Quality Management for Firms (“**CSQMs**”) 5101, Engagement Quality Management, 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 Accountant's Responsibilities**

It is our responsibility pursuant to paragraph 14.60A (2) of the Listing Rules, to express an opinion on the arithmetical accuracy of calculations of the discounted future estimated cash flows, and to report our opinion solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

We conducted our work in accordance with China Standard on Other Assurance Engagements No. 3101 *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information*. This standard requires that we plan and perform our work to form the opinion.

This assurance engagement involved performing procedures to obtain sufficient appropriate evidence as to whether the discounted future estimated cash flows, so far as the arithmetical accuracy of calculations are concerned, have been properly compiled, in all material respects, in accordance with the bases and assumptions set out in Appendix V of the Announcement. The extent of procedures selected depends on our judgement and our assessment of the engagement risk. Within the scope of our work, we, amongst others, checked the arithmetical accuracy of calculations of the discounted future estimated cash flows prepared in accordance with the bases and assumptions.

The discounted future estimated cash flows do not involve the adoption of accounting policies. The discounted future estimated cash flows have been prepared using a set of bases and assumptions that include hypothetical assumptions about future events and management's actions that cannot be confirmed and verified in the same way as past results and that are not necessarily expected to occur. Even if the events anticipated under the hypothetical assumptions described above occur, actual results are still likely to be different from the discounted future estimated cash flows since other anticipated events frequently do not occur as expected and the variation may be material. We are not reporting on the appropriateness and validity of the bases and assumptions on which the discounted future estimated cash flows are based and our work does not constitute any valuation of Zhuhai Gongyun.

## **Opinion**

In our opinion, based on the foregoing, so far as the arithmetical accuracy of calculations of the discounted future estimated cash flows are concerned, the discounted future estimated cash flows, have been properly compiled, in all material respects, in accordance with the bases and assumptions adopted by the directors of the Company as set out in Appendix V of the Announcement.

BDO CHINA Shu Lun Pan Certified Public Accountants LLP  
Shanghai, China  
22 January 2025

## APPENDIX III LETTER FROM THE BOARD



# 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)**

Dear Sir or Madam,

Re: Connected Transaction in Relation to the Disposal of Equity Interest in Zhuhai Gongyun

Reference is made to the announcement of the Company dated 22 January 2025 (the “**Announcement**”) in relation to the disposal of 100% equity interest in Zhuhai Gongyun held by the Company. Unless otherwise specified, capitalised terms used herein shall have the same meanings as those defined in the Announcement.

As disclosed in the Announcement, as the income approach was one of the valuation approaches used in estimating the total equity value of Zhuhai Gongyun in the asset valuation report, the valuation conducted under the income approach is deemed to be a profit forecast in accordance with Rule 14.61 of the Listing Rules.

We have discussed various aspects with the Valuer, including the basis and assumptions for preparing the valuation, and have reviewed the valuation for which Valuer is responsible. We have also taken into consideration the letter from BDO China Shu Lun Pan Certified Public Accountants LLP, the auditor of the Company, regarding whether the profit forecasts, so far as the arithmetical accuracy of calculations of the discounted future estimated cash flows are concerned, have been properly complied, in all material respects, in accordance with the bases and assumptions set out in the asset valuation report. We noted that the profit forecasts are mathematically accurate and the discounted cash flows will not be affected by accounting policies.

Based on the foregoing and pursuant to the requirements of Rule 14.60A(3) and Rule 14A.68(7) of the Listing Rules, the Board confirmed that the profit forecast has been made after due and careful enquiry.

**Guangdong Yueyun Transportation Company Limited**

**Zhu Fang**

*Chairman of the Board*

22 January 2025

## **APPENDIX IV ASSET VALUATION REPORT**

This asset valuation report is prepared in accordance with China's asset valuation standards

### **Proposed Equity Transfer of Guangdong Yueyun Transportation Company Limited Involves the Value of All Shareholders' Equity of Zhuhai Gongyun Bus Terminal Co., Ltd. Asset Valuation Report**

**(Two chapters in total, Chapter 1)**  
Zhi Xin Zi Ping Bao Zi (2024) No. 247

**Guangdong Zhixin Asset Appraisal Real Estate and Land Appraisal Limited**  
**(廣東致信資產評估房地產土地估價有限公司)**  
**17 October 2024**

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## **Text of Asset Valuation Report**

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## STATEMENT

I. This asset valuation report is prepared in accordance with the Asset Valuation Basic Standards issued by the Ministry of Finance and the Practice Standards for Asset Valuation and Code of Professional Ethics issued by the China Appraisal Society.

II. The asset evaluation institution and its asset appraisers shall abide by laws, administrative regulations and asset valuation standards, adhere to the principles of independence, objectivity and impartiality, and assume responsibility for the asset valuation report issued by them in accordance with the laws.

III. The principal or other users of the asset valuation report shall use the asset valuation report according to the provisions of laws and administrative regulations and the scope of use specified in the asset valuation report; where the principal or other users of the asset valuation report use the asset valuation report in violation of the foregoing provisions, the asset evaluation institution and its asset appraisers shall not be liable.

This asset valuation report is only for the use of the principal, other users of the asset valuation report as agreed in the asset valuation engagement contract and users of the asset valuation report as stipulated by laws and administrative regulations; in addition to that, no other institution or individual shall be a user of the asset valuation report.

The asset evaluation institution and the asset appraisers suggest that the users of the asset valuation report shall understand the valuation conclusion correctly. The valuation conclusion is not equivalent to the price that the subject of valuation can realize, therefore, the valuation conclusion should not be considered as a guarantee for the price that the subject of valuation can realize.

IV. The list of assets and liabilities and the business operation forecast information related to the subject of valuation shall be declared by the principal and the appraised entity, and confirmed by them with signature, seal or by other means permitted by laws; the principal and other relevant parties shall be responsible for the authenticity, completeness and legality of the information provided by them according to the laws.

V. The asset appraisers have carried out an on-site investigation on the subject of valuation and the assets involved; they have paid necessary attention to the subject of valuation and the legal ownership status of the assets involved, verified the subject of valuation and the legal ownership information of the assets involved, disclosed the problems found truthfully, and proposed the principal and other relevant parties to improve the property rights to meet the requirements of issuing the asset valuation report.

VI. The asset evaluation institution and the asset appraisers have no existing or expected interest relationship with the subject of valuation in the asset valuation report, have no existing or expected interest relationship with the relevant parties, and have no bias against the relevant parties.

VII. The analysis, judgment and results in the asset valuation report issued by the asset evaluation institution are subject to the assumptions and restrictions in the asset valuation report, and the users of the asset valuation report shall fully consider the assumptions, restrictions and special matters stated in the asset valuation report and their impact on the valuation conclusion.

**Proposed Equity Transfer of Guangdong Yueyun Transportation  
Company Limited Involves the Value of All Shareholders’  
Equity of Zhuhai Gongyun Bus Terminal Co., Ltd.  
ASSET VALUATION REPORT (SUMMARY)**

Zhi Xin Zi Ping Bao Zi (2024) No. 247

Guangdong Yueyun Transportation Company Limited:

Guangdong Zhixin Asset Appraisal Real Estate and Land Appraisal Limited accepts the engagement of the Company to conduct a valuation on the market value of all shareholders’ equity of Zhuhai Gongyun Bus Terminal Co., Ltd. as at 30 June 2024 involved in the proposed equity transfer by Guangdong Yueyun Transportation Company Limited, pursuant to the laws, administrative regulations and asset valuation standards, and by adhering to the principles of independence, objectivity and impartiality and adopting the asset-based approach and income approach in accordance with the necessary appraising procedures. The valuation is summarized as follows:

**I. Principal:** Guangdong Yueyun Transportation Company Limited

**II. Appraised entity:** Zhuhai Gongyun Bus Terminal Co., Ltd.

**III. Purpose of valuation:** Guangdong Yueyun Transportation Company Limited proposed to transfer entity. As such, it entrusted the Company to evaluate the value of all shareholders’ equity of Zhuhai Gongyun Bus Terminal Co., Ltd. as at the Valuation Base Date, being 30 June 2024. The valuation conclusion provides a value reference for the above economic behavior of the principal.

**IV. Subject and scope of valuation:** According to the background of the relevant economic behavior, the subject of the asset valuation is the value of all shareholders’ equity of Zhuhai Gongyun Bus Terminal Co., Ltd. The valuation scope is all the assets and liabilities declared by Zhuhai Gongyun Bus Terminal Co., Ltd. audited and confirmed by Guangdong Zhongsui Certified Public Accountants Co., Ltd as at the Valuation Base Date, being 30 June 2024, including current assets, non-current assets, current liabilities and non-current liabilities.

**V. Type of value:** According to the purpose of valuation, the type of valuation value of this project is market value.

**VI. Valuation Base Date:** 30 June 2024, all pricing standards are effective price standards at the Valuation Base Date.

**VII. Valuation methods:** Based on the purpose of this valuation and asset features of the subject of valuation, the asset-based approach and income approach are adopted in this valuation.

**VIII. Valuation conclusion:** After implementing the above asset valuation procedures and approaches, the valuation conclusion is made based on the above valuation:

Upon the implementation of valuation procedures such as check and verification, on-site investigation, market survey and assessment and estimation, the asset-based approach was adopted to arrive at the valuation results. As of the Valuation Base Date, being 30 June 2024, the book value of the assets of Zhuhai Gongyun Bus Terminal Co., Ltd. (珠海市拱運汽車客運站有限公司) was RMB52,021,400 and the appraised value of the assets was RMB63,352,900; the book value of the liabilities was RMB38,256,800 and the appraised value of the liabilities was RMB38,256,800; the book value of the shareholders' equity was RMB13,764,600 and the appraised value of the shareholders' equity was RMB25,096,100, representing an appreciation of the appraised value of RMB11,331,500, or 82.32%. For details of the valuation conclusion, please refer to the valuation breakdown.

### Consolidated Table of the Asset Valuation Results

Unit: RMB0'000

Items		Book value	Appraised value	Amount of appreciation or depreciation	Appreciation rate %
		B	C	D=C-B	E=D/B×100%
Current assets	1	1,556.27	1,556.27	–	–
Non-current assets	2	3,645.87	4,779.02	1,133.15	31.08
Including: Available-for-sale financial assets	3	–	–	–	
Held-to-maturity investments	4	–	–	–	
Long-term receivables	5	–	–	–	
Long-term equity investments	6	3,366.24	3,854.47	488.23	14.50
Investments in other equity instruments	7	200.00	136.23	-63.77	-31.89
Investment properties	8	–	–	–	
Fixed assets	9	51.14	529.11	477.97	934.63
Intangible assets	18	–	230.73	230.73	
Long-term deferred expenses	22	28.49	28.49	–	–
<b>Total assets</b>	<b>25</b>	<b>5,202.14</b>	<b>6,335.29</b>	<b>1,133.15</b>	<b>21.78</b>
Current liabilities	26	3,825.68	3,825.68	–	–
Non-current liabilities	27	–	–	–	
<b>Total liabilities</b>	<b>28</b>	<b>3,825.68</b>	<b>3,825.68</b>	<b>–</b>	<b>–</b>
<b>Net assets (shareholders' equity)</b>	<b>29</b>	<b>1,376.46</b>	<b>2,509.61</b>	<b>1,133.15</b>	<b>82.32</b>

## **IX. Special matters:**

(I) The specific scope of this valuation is based on declaration form for various asset valuation provided by the appraised entity. The valuation of the book value declared has been audited and confirmed by Guangdong Zhongsui Certified Public Accountants Co., Ltd (廣東中穗會計師事務所有限公司) who has issued a special audit report (Report No.: Zhong Sui Shen Zi (2024) No. B117) to be brought to the attention of the users of the report;

(II) This report is prepared based on the economic behavior documents, business licenses, property right certificates, financial statements, accounting vouchers, asset ledger and other relevant information concerning the valuation provided by the principal and the appraised entity. The principal, the appraised entity and the related parties shall be responsible for the authenticity, validity and integrity of the original data provided in relation to the abovementioned valuation. The Company has independently examined the relevant economic behavior documents, business licenses, property rights certificates, accounting vouchers and other information provided by the principal and the appraised entity, but is not responsible for the authenticity of the above information;

(III) In accordance with the letter of commitment to valuation issued by the principal and the appraised entity and the principles based on which our Company has issued this report, this valuation report serves only to fulfill the purpose of the valuation as set out in the report for the principal, and all the contents in the report (including, but not limited to, the main text, valuation breakdown, valuation explanations and valuation report annexes) shall not be held liable for any subsequent and other matters other than the fulfillment of the purpose of the valuation. The principal and the appraised entity also undertake not to pursue any part of the valuation report issued for this project for any subsequent and other matters, which is brought to the attention of the users of the report;

(IV) It is the responsibility of the asset appraiser to estimate the value of the subject of valuation and express its professional opinions, in compliance with the relevant laws, regulations and principles of asset valuation. It is the responsibility of the principal and the related parties to provide the necessary information and to ensure its truthfulness, legitimacy and completeness, and to use the valuation report in a proper manner. The valuation conclusion shall not be deemed as a guarantee as to the realizable price of the subject of valuation;

(V) If there are any defects in the enterprise that may affect the asset appraised value, and there is no special explanation made at the time of commission, and the Valuers have completed the valuation procedures but are still unable to obtain information, the valuation institution and Valuers shall not be held responsible;

(VI) The valuation conclusion reflects the current price of the subject of valuation for this valuation purpose determined in accordance with the principles of the open market. This report has taken no account of the impact of the additional amount possible to be paid by the special counterparty on the appraised value, or the impact on assets' price from changes to the national macroeconomic policies and occurrence of natural forces and other force majeure. In the event of changes in the aforementioned conditions and the continuing operation principle adopted in the course of the valuation, the valuation conclusion will generally become invalid;

(VII) We have not considered some factors that may affect the value, such as the expenses and taxes assumed for disposal of the subject of valuation declared, and we have not considered any tax as may be levied in respect of the revaluation gain and loss of asset value in each category of assets;

(VIII) We have not considered the premium and discount of controlling and minority interest in the valuation, or the discount in relation to the lack of liquidity for the equity interest of the Company.

**X. Validity period of valuation conclusion:** This valuation report will remain valid for one year from the Valuation Base Date, i.e. from 30 June 2024 to 29 June 2025.

**XI. Date of asset valuation report:** 17 October 2024.

**The above contents are extracted from the main text of the valuation report. To understand the details and have a reasonable understanding on the valuation conclusion of this valuation project, the main text of the valuation report should be read.**

**Proposed Equity Transfer of Guangdong Yueyun Transportation Company  
Limited Involves the Value of All Shareholders' Equity  
of Zhuhai Gongyun Bus Terminal Co., Ltd.  
ASSET VALUATION REPORT (MAIN TEXT)**

Zhi Xin Zi Ping Bao Zi (2024) No. 247

Guangdong Yueyun Transportation Company Limited:

Guangdong Zhixin Asset Appraisal Real Estate and Land Appraisal Limited accepts the engagement of the Company to conduct a valuation on the market value of all shareholders' equity of Zhuhai Gongyun Bus Terminal Co., Ltd. as at 30 June 2024 involved in the proposed equity transfer by Guangdong Yueyun Transportation Company Limited, pursuant to the laws, administrative regulations and asset valuation standards, and by adhering to the principles of independence, objectivity and impartiality and adopting the asset-based approach and income approach in accordance with the necessary appraising procedures. The valuation is reported as follows:

**I. OVERVIEW OF PRINCIPAL, APPRAISED ENTITY AND OTHER USERS OF THE ASSET VALUATION REPORT AS AGREED IN THE ASSET VALUATION ENGAGEMENT CONTRACT**

The principal of asset valuation project was Guangdong Yueyun Transportation Company Limited, and the appraised entity was Zhuhai Gongyun Bus Terminal Co., Ltd.

**(I) Overview of the enterprise**

**1. Basic information of the principal**

Name of enterprise: Guangdong Yueyun Transportation Company Limited

Unified social credit code: 91440000719285123G

Type: joint stock company with limited liability (listed joint venture in Taiwan, Hong Kong, Macau and the PRC)

Address: 8th Floor, No.1731-1735 Airport Road, Baiyun District, Guangzhou

Legal representative: Zhu Fang

Registered capital: RMB799.8478 million

Date of establishment: 28 December 1999

Term of business: 28 December 1999 to non-fixed term



Registration authority: Guangdong Administration for Market Regulation

Scope of business: inter-provincial scheduled passenger transport, inter-city scheduled passenger transport, inter-provincial chartered passenger transportation and inter-city chartered passenger transportation; development of high technologies in the transportation sector; investment in the development of transportation network, investment in transportation industry and expressway service industry; wholesale and retail of means of industrial production (excluding gold, silver and hazardous chemicals), and construction materials (establishment of new stores subject to separate approval); agency for cargo transshipment, agency for cargo sourcing, operation and agency of import and export of various commodities and technologies, except for commodities and technologies that are restricted or prohibited from import and export by the country; advertising, internet advertising services, and other advertising services; retail, wholesale and online sales: primary agricultural products, agricultural and sideline products, aquatic products, tea, food, health products, pharmaceuticals, wine, functional beverages, daily necessities, audio and video products, publications; processing of aquatic products; making and sales of snacks and Chinese food; provision of tourism, transportation, accommodation, catering and other agency services to tourists (excluding travel agency business); passenger ticketing agency; software development; development of AI application software; information system integration services; information consulting service (not including licensing information consulting service); data processing and storage support service. (For items that are subject to approval in accordance with the laws, business activities can only be carried out after approval by the relevant departments)

## ***2. Basic information of the appraised entity***

Name of enterprise: Zhuhai Gongyun Bus Terminal Co., Ltd.

Unified social credit code: 91440400MA53D45374

Type: limited liability company (sole proprietorship of legal person invested or controlled by natural persons)

Address: No. 18, Youyi Road, Xiangzhou District, Zhuhai

Legal representative: Huang Chengmian

Registered capital: RMB4.8 million

Date of establishment: 18 June 2019

Term of business: 18 June 2019 to non-fixed term

Registration authority: Administration for Market Regulation in Xiangzhou District, Zhuhai

Scope of business: Permitted items: road passenger transportation operations; road passenger transportation station operation. (For items that are subject to approval in accordance with the laws, business activities can only be carried out after approval by the relevant departments. Specific operating items are subject to the approval documents or licenses of the relevant departments) General items: internet sales (excluding goods subject to license); warehousing services for general goods (excluding dangerous chemicals and items that require permits and approvals); passenger ticket agent; domestic cargo transport agency; motor vehicle repair and maintenance; manufacture of automotive components and parts; sales of charging motor vehicles; sales of food (sales of prepackaged food only); parking lot services. (except for items subject to approval required by the laws, business activities set forth in the business license may be conducted independently in accordance with the laws)

### **3. The shareholding structure of the appraised entity**

As of 30 June 2024, the shareholding structure of Zhuhai Gongyun Bus Terminal Co., Ltd. is as follows:

No.	Name of shareholder	Shareholding percentage	Subscribed capital contribution	Subscription percentage	Paid-in capital contribution	Paid-in percentage
1	Guangdong Yueyun Transportation Company Limited	100%	RMB 4.8 million	100.00%	RMB 4.8 million	100.00%
	Total	100%	RMB 4.8 million	100.00%	RMB 4.8 million	100.00%

### **4. Historical development of the appraised entity**

Zhuhai Gongyun Bus Terminal Co., Ltd., incorporated in June 2019, is a wholly-owned subsidiary of Guangdong Yueyun Transportation Company Limited and its predecessor is Guangdong Province Gongbei Vehicles Automobile Transportation Co., Ltd. Gongbei Bus Station (廣東省拱北汽車運輸有限責任公司拱北汽車客運站) which is reorganized into an independent legal entity due to corporate reform, and the labor contracts of the staff of the original Guangdong Province Gongbei Vehicles Automobile Transportation Co., Ltd. Gongbei Bus Station were transferred to Zhuhai Gongyun Bus Terminal Co., Ltd.

As of 30 June 2024, Zhuhai Gongyun Bus Terminal Co., Ltd. has two wholly-owned subsidiaries in total, being Zhuhai Gongqi Taxi Co., Ltd. and Zhuhai Qiguan Sightseeing Bus Co., Ltd. respectively.

### **5. The conditions of the assets, finance and liabilities and operating results of the enterprise in recent years**

(1) *The conditions of the assets, finance and liabilities and operating results of the parent company*

As of the Valuation Base Date, being 30 June 2024, Zhuhai Gongyun Bus Terminal Co., Ltd. recorded total assets of RMB52,021,400, total liabilities of RMB38,256,800 and owner's equity of RMB13,764,600. It achieved operating income of RMB10,223,400, operating profit of RMB7,870,000 and net profit of RMB7,873,500 from January to June 2024.

The data in relation to the financial position of Zhuhai Gongyun Bus Terminal Co., Ltd. from 2021 to June 2024. is as follows:

**A statement of financial position (parent company)**

*Unit: RMB0'000*

Items	31 December 2021	31 December 2022	31 December 2023	30 June 2024
Current assets	1,641.66	1,428.67	1,489.97	1,556.27
Non-current assets	2,807.43	2,616.52	2,995.48	3,645.87
Total assets	4,449.10	4,045.19	4,485.45	5,202.14
Current liabilities	1,848.93	3,619.45	3,752.84	3,825.68
Non-current liabilities	195.00	227.72	–	–
Total liabilities	2,043.93	3,847.17	3,752.84	3,825.68
Net assets	2,405.16	198.02	732.61	1,376.46
Gearing ratio	45.94%	95.10%	83.67%	73.54%
Current ratio	88.79%	39.47%	39.70%	40.68%

**A statement of operating results (parent company)**

*Unit: RMB0'000*

Items	2021	2022	2023	From January to June 2024
<b>I. Operating income</b>	<b>1,752.80</b>	<b>1,195.89</b>	<b>2,271.34</b>	<b>1,022.34</b>
Less: Operating costs	2,410.69	1,936.30	1,969.20	893.74
Taxes and surcharges	3.33	3.44	6.74	1.66
Selling and distribution expenses	–	–	281.08	–
General and administrative expenses	391.33	964.63	–	147.41
Research and development expenses	–	–	–	–
Financial expenses	27.45	13.22	18.78	11.19
Add: Other income	23.99	7.29	0.18	0.05
Investment income (Loss represented in “-” signs)	–	-447.59	759.27	817.88
Gain from net exposure hedges (Loss represented in “-” signs)	–	–	–	–
Gain on fair value changes (Loss represented in “-” signs)	–	–	–	–
Credit impairment loss (Loss represented in “-” signs)	-3.13	-5.33	-7.08	0.73
Asset impairment loss (Loss represented in “-” signs)	–	–	–	–
Disposal gain on asset (Loss represented in “-” signs)	47.88	51.40	1.91	–

Items	2021	2022	2023	From January to June 2024
<b>II. Operating profit (Loss represented in “-” signs)</b>	<b>-1,616.62</b>	<b>-2,115.93</b>	<b>749.82</b>	<b>787.00</b>
Add: Non-operating income	0.12	0.17	1.63	0.34
Less: Non-operating expenses	0.11	0.02	0.39	-
<b>III. Total profit (Loss represented in “-” signs)</b>	<b>-1,616.62</b>	<b>-2,115.78</b>	<b>751.05</b>	<b>787.35</b>
Less: Income tax expenses	-	-	-	-
<b>IV. Net profit (Loss represented in “-” signs)</b>	<b>-1,616.62</b>	<b>-2,115.78</b>	<b>751.05</b>	<b>787.35</b>
<b>V. Return on Equity (ROA)</b>	<b>-79.09%</b>	<b>-55.00%</b>	<b>20.01%</b>	<b>20.58%</b>

(2) *The conditions of the consolidated assets, finance and liabilities and operating results*

① Scope of consolidation

No.	Name of company	Shareholding percentage %	Level
1	Zhuhai Gongyun Bus Terminal Co., Ltd.	-	Parent company
1	Zhuhai Gongqi Taxi Co., Ltd.	100	Subsidiary
2	Zhuhai Qiguan Sightseeing Bus Co., Ltd.	100	Subsidiary

② Asset operation of enterprise at the consolidated level

### A statement of financial position (consolidated)

*Unit: RMB0'000*

Items	2021	2022	2023	From January to June 2024
Current assets	1,219.86	673.97	844.77	817.83
Non-current assets	3,872.56	3,572.23	3,600.30	4,094.93
Total assets	5,092.42	4,246.20	4,445.07	4,912.76
Current liabilities	3,195.97	4,957.70	5,614.76	5,266.89
Non-current liabilities	1,068.19	1,047.90	270.94	563.82
Total liabilities	4,264.16	6,005.60	5,885.70	5,830.71
Net assets	828.26	-1,759.41	-1,440.63	-917.96
Gearing ratio	83.74%	141.43%	132.41%	118.69%
Current ratio	38.17%	13.59%	15.05%	15.53%

## A statement of operating results (consolidated)

*Unit: RMB0'000*

Items	2021	2022	2023	From January to June 2024
I. Operating income	3,656.18	2,746.41	4,653.77	2,101.80
Less: Operating costs	4,300.07	3,497.02	4,114.63	1,814.51
Taxes and surcharges	8.99	5.28	12.14	4.61
Selling and distribution expenses	-	-	-	-
General and administrative expenses	793.92	1,369.64	657.17	257.47
Research and development expenses	-	-	-	-
Financial expenses	42.69	53.14	55.57	27.45
Add: Other income	30.59	44.95	0.30	0.17
Investment income (Loss represented in "-" signs)	-605.37	-447.59	759.27	817.88
Gain from net exposure hedges (Loss represented in "-" signs)	-	-	-	-
Gain on fair value changes (Loss represented in "-" signs)	-	-	-	-
Credit impairment loss (Loss represented in "-" signs)	-12.78	-11.78	-31.84	-37.76
Asset impairment loss (Loss represented in "-" signs)	-	-	-	-
Disposal gain on asset (Loss represented in "-" signs)	63.30	76.74	5.64	-
II. Operating profit (Loss represented in "-" signs)	-2,013.75	-2,516.35	547.61	778.05
Add: Non-operating income	0.12	0.17	1.86	0.34
Less: Non-operating expenses	2.41	0.42	0.41	117.53
III. Total profit (Loss represented in "-" signs)	-2,016.05	-2,516.60	549.06	660.87
Less: Income tax expenses	0.01	-	-	-
IV. Net profit (Loss represented in "-" signs)	-2,016.05	-2,516.60	549.06	660.87
V. Return on Equity (ROA)	-243.41%	N/A	-38.11%	-71.99%

The financial position from 2021 to June 2024 was provided by the appraised entity. The financial statements for 2022 have been audited and confirmed by BDO China Shu Lun Pan Certified Public Accountants LLP who issued Audit Report and Financial Statements of Zhuhai Gongyun Bus Terminal Co., Ltd. for 2022 (Report No.: Xin Kuai Shi Bao Zi [2023] No. ZM20022). The financial statements for 2023 have been audited and confirmed by BDO China Shu Lun Pan Certified Public Accountants LLP who issued Audit Report and Financial Statements of Zhuhai Gongyun Bus Terminal Co., Ltd. for 2023 (Report No.: Xin Kuai Shi Bao Zi [2024] No. ZC10055). The financial statements for June 2024 have been audited and confirmed by Guangdong Zhongsui Certified Public Accountants Co., Ltd who issued a special audit report (Report No.: Zhong Sui Shen Zi (2024) No. B117).

## **6. Description of the background of the economic behavior underlying this asset valuation**

The relevant economic behavior involved in this valuation commissioned by Guangdong Yueyun Transportation Company Limited has been approved by the party committee. Upon the implementation of this economic behavior, it constituted the transfer of the control of Zhuhai Gongyun Bus Terminal Co., Ltd.

### **(II) Relationship between the principal and the appraised entity**

Guangdong Yueyun Transportation Company Limited, as the principal, is the shareholder of the appraised entity.

### **(III) Other users of the asset valuation report as agreed in the asset valuation engagement contract**

Given that the users of the valuation report as agreed in the asset valuation engagement contract are the principal and shareholders of the principal, there are the state-owned assets management department, industry and commerce and other governmental departments that need to use this report in accordance with the national laws and regulations for the purpose of realizing the relevant economic behavior. The asset valuation report shall be used only by the users as agreed in this contract and as stipulated by the laws and administrative regulations, and no other institution or individual shall be a user of the asset valuation report.

## **II. PURPOSE OF VALUATION**

As Guangdong Yueyun Transportation Company Limited intends to carry out an equity transfer, therefore, Guangdong Yueyun Transportation Company Limited has entrusted the Company to evaluate the value of all shareholders' equity of Zhuhai Gongyun Bus Terminal Co., Ltd. as at the Valuation Base Date (being 30 June 2024), this valuation conclusion provides a reference for value for the above economic behaviour of the principal.

## **III. SUBJECT AND SCOPE OF VALUATION**

### **(I) Subject of valuation**

Based on the background of relevant economic behaviour, the subject of this asset valuation is the value of all shareholders' equity of Zhuhai Gongyun Bus Terminal Co., Ltd.

## (II) Scope of valuation

The scope of valuation covers all assets and liabilities of Zhuhai Gongyun Bus Terminal Co., Ltd. as at the Valuation Base Date, being 30 June 2024, including current assets, non-current assets, current liabilities and non-current liabilities. The reported book value of the various assets and liabilities under appraisal as at the Valuation Base Date are set out in the table below:

*Unit: RMB*

Assets	Book value	Percentage of assets	Liabilities and shareholders' equity	Book value	Percentage of liabilities
Current assets:			Current liabilities:		
Cash at bank and on hand	1,723,790.82	3.31%	Accounts payable	6,322,026.06	16.53%
Account receivable	933,777.29	1.79%	Contract liabilities	10.00	0.00%
Prepayments	449,372.90	0.86%	Employee benefits payable	4,434,384.00	11.59%
Other receivables	12,293,510.84	23.63%	Tax payable	102,315.78	0.27%
Other current assets	162,290.76	0.31%	Other payables	25,287,373.09	66.10%
			Non-current liabilities due within one year	2,110,735.00	5.52%
<b>Total current assets</b>	<b>15,562,742.61</b>	<b>29.90%</b>	<b>Total current liabilities</b>	<b>38,256,843.93</b>	<b>100.01%</b>
Non-current assets:			Non-current liabilities:		
Long-term equity investment	33,662,367.20	64.71%			
Other equity instrument investments	2,000,000.00	3.84%			
Fixed assets	511,425.81	0.98%			
Other non-current assets	284,875.55	0.55%	<b>Total non-current liabilities</b>	<b>-</b>	<b>0.00%</b>
<b>Total non-current assets</b>	<b>36,458,668.56</b>	<b>70.08%</b>	<b>Total liabilities</b>	<b>38,256,843.93</b>	<b>100.00%</b>
<b>Total assets</b>	<b>52,021,411.17</b>	<b>100.00%</b>	<b>Shareholders' equity</b>	<b>13,764,567.24</b>	

The specific scope of the valuation is based on the financial statements and valuation declaration form provided by Zhuhai Gongyun Bus Terminal Co., Ltd., and all assets listed and verified in the form are included in the scope of this valuation. The book value of the valuation declared above has been audited and confirmed by Guangdong Zhongsui Certified Public Accountants Co., Ltd, which has issued a special audit report (Report No.: Zhong Sui Shen Zi (2024) No. B117).



### (III) The legal ownership, economic and physical status of major assets

#### 1. Equipment assets

The original book value of equipment assets included in the scope of this valuation was RMB20,114,896.52 and the net book value was RMB511,425.81, which were distributed in the office premises and vehicle stations of Zhuhai Gongyun Bus Terminal Co., Ltd. Among them:

There were 24 machinery and equipment in total, mainly including central air-conditioning, monitoring equipment 2, non-cash self-service ticket vending machines, security check machines and other equipment. The machinery and equipment were acquired successively after 2008. As of the Valuation Base Date, the machinery and equipment were generally maintained and could be used normally.

There were 36 vehicles in total, mainly including Zhengzhou Yutong buses, Toyota Camry sedans and Yutong buses (19-seater), etc. The vehicles were acquired successively after 2016. As of the Valuation Base Date, the vehicles were generally maintained and could be used normally.

There were 153 electronic equipment in total, mainly including electronic equipment such as ticket vending machine application servers (Dell), 2 Dell computers, Canon black-and-white laser printers and air-conditioning, etc. The electronic equipment was acquired successively after 2005. As of the Valuation Base Date, the electronic equipment was generally maintained and could be used normally.

#### 2. Long-term equity investments

The book value of the long-term equity investments included in the scope of valuation was RMB33,662,367.20, including a total of 4 items. For details, please see the table below:

*Unit: RMB*

No.	Name of the investee	Date of investment	Investment horizon as agreed	Shareholding percentage %	Investment cost	Book value
1	Zhuhai Gongqi Taxi Co., Ltd.	1 November 2016	Long-term	100	4,500,000.00	2,661,466.33
2	Zhuhai Qiguan Sightseeing Bus Co., Ltd.	1 December 2018	Long-term	100	800,000.00	-
3	Zhuhai Yuegong Xinhai Transportation Co., Ltd.	25 June 2019	Long-term	10	18,726,630.42	27,262,161.66
4	Zhuhai Wandatong Hongkong-Zhuhai-Macau Bridge Port Passenger Service Co. Ltd.	25 June 2019	Long-term	30	9,000,000.00	3,738,739.21

According to the document of Guangdong Provincial Communication Group Company Limited titled the Approval on the Resources Integration of Passenger Transportation Business of Guangdong Province Gongbei Vehicles Automobile Transportation Co., Ltd. 《關於廣東省拱北汽車運輸有限責任公司客運業務資源整合的批覆》(Yue Jiao Ji Tou [2019] No. 77 (粵交集投[2019]77號)): as at the base date (being 31 December 2018), 100% equity interests in Zhuhai Qiguan Sightseeing Bus Co., Ltd. (hereinafter referred to as Sightseeing Bus Company), 100% equity interests in Zhuhai Gongqi Taxi Co., Ltd., 10% equity interests in Zhuhai Yuegong Xinhai Transportation Co., Ltd. and 30% equity interests in Zhuhai Wandatong Hongkong-Zhuhai-Macau Bridge Port Passenger Service Co. Ltd. were transferred to Zhuhai Gongyun Bus Terminal Co., Ltd. at no consideration.

(1) *Zhuhai Gongqi Taxi Co., Ltd. (100% shareholding)*

① Basic information

Corporate name: Zhuhai Gongqi Taxi Co., Ltd.

Unified social credit code: 91440400MA4UK5N009

Type: Limited liability company (sole proprietorship of legal person invested or controlled by natural persons)

Address: Room 318, 3/F, Plant No. 1, No. 6698 Zhuhai Avenue, Hongqi Town, Jinwan District, Zhuhai

Legal representative: Huang Chengmian

Registered capital: RMB4.5 million

Date of establishment: 25 November 2015

Term of business: Long-term

② Scope of business

Taxi operation, inter-provincial scheduled and chartered passenger transportation, inter-city scheduled and chartered passenger transportation, inter-county scheduled and chartered passenger transportation, automobile driving training, automobile leasing, automobile sales, retail of auto parts, automobile repair and service, management of internet automobile service platform, insurance business agency, logistics, cargo transportation and leasing of properties. (For items that are subject to approval in accordance with the laws, business activities can only be carried out after approval by the relevant departments).

### ③ Corporate overview

Zhuhai Gongqi Taxi Co., Ltd. is a limited liability company incorporated in Zhuhai City, Guangdong Province on 25 November 2015, with a registered capital of RMB4,500,000. Before 28 June 2019, its parent company was Guangdong Province Gongbei Vehicles Automobile Transportation Co., Ltd. According to the Approval on the Resources Integration of Passenger Transportation Business of Guangdong Province Gongbei Vehicles Automobile Transportation Co., Ltd. (Yue Jiao Ji Tou [2019] No. 77) issued on 28 June 2019, Gongbei Vehicles Automobile Transportation transferred 100% equity interests held by it to Zhuhai Gongyun Bus Terminal Co., Ltd. at no consideration. On 28 June 2019, the above equity transfer was completed, and the parent company of the company was changed to Zhuhai Gongyun. The intermediate holding company of the company is Guangdong Yueyun Transportation Company Limited and its ultimate holding company is Guangdong Provincial Communication Group Company Limited.

The company's principal operating activities are: road passenger transportation and auxiliary service businesses, such as taxi operations.

### ④ The conditions of the assets, finance and liabilities and operating results of the enterprise

As of the Valuation Base Date, being 30 June 2024, Zhuhai Gongqi Taxi Co., Ltd. recorded total assets of RMB5,640,600, total liabilities of RMB3,311,600 and owner's equity of RMB2,329,000. It achieved operating income of RMB1,950,400, operating profit of RMB-62,700 and net profit of RMB-62,700 from January to June 2024.

The data in relation to the financial position of Zhuhai Gongqi Taxi Co., Ltd. as at 30 June 2024 are as follows:

#### **A statement of financial position**

*Unit: RMB0'000*

<b>Items</b>	<b>30 June 2024</b>
Current assets	305.96
Non-current assets	258.10
Total assets	564.06
Current liabilities	107.34
Non-current liabilities	223.82
Total liabilities	331.16
Net assets	232.89
Gearing ratio	58.71%
Current ratio	285.04%

## A statement of operating results

*Unit: RMB0'000*

Items	From January to June 2024
<b>I. Operating income</b>	<b>195.04</b>
Less: Operating costs	120.81
Taxes and surcharges	0.35
Selling and distribution expense	–
General and administrative expenses	74.44
Research and development expenses	–
Financial expenses	7.36
Add: Other income	0.04
Investment income (Loss represented in “-” signs)	–
Gain from net exposure hedges (Loss represented in “-” signs)	–
Gain on fair value changes (Loss represented in “-” signs)	–
Credit impairment loss (Loss represented in “-” signs)	1.63
Asset impairment loss (Loss represented in “-” signs)	–
Disposal gain on asset (Loss represented in “-” signs)	–
<b>II. Operating profit (Loss represented in “-” signs)</b>	<b>-6.27</b>
Add: Non-operating income	–
Less: Non-operating expenses	–
<b>III. Total profit (Loss represented in “-” signs)</b>	<b>-6.27</b>
Less: Income tax expenses	–
<b>IV. Net profit (Loss represented in “-” signs)</b>	<b>-6.27</b>
<b>V. Return on Equity (ROA)</b>	<b>-2.69%</b>

(2) *Zhuhai Qiguan Sightseeing Bus Co., Ltd. (100% shareholding)*

① Basic information

Name of enterprise: Zhuhai Qiguan Sightseeing Bus Co., Ltd.

Unified social credit code: 91440400723845568W

Type: Limited liability company (sole proprietorship of legal person invested or controlled by non-natural persons)

Address: No. 28, Youyi Road, Xiangzhou District, Zhuhai

Legal representative: Huang Chengmian

Registered capital: RMB800,000

Date of establishment: 19 June 2000

Term of business: Long-term

② Scope of business

Permitted items: road passenger transportation operations. (For items that are subject to approval in accordance with the laws, business activities can only be carried out after approval by the relevant departments. Specific operating items are subject to the approval documents or licenses of the relevant departments) General items: advertising design and agency. (except for items subject to approval required by the laws, business activities set forth in the business license may be conducted independently in accordance with the laws).

③ Corporate overview

Zhuhai Qiguan Sightseeing Bus Co., Ltd. is a limited liability company incorporated in Zhuhai City, Guangdong Province on 19 June 2000, with a registered capital of RMB800,000. The parent company of the company was Guangdong Province Gongbei Vehicles Automobile Transportation Co., Ltd. before 28 June 2019. According to the Approval on the Resources Integration of Passenger Transportation Business of Guangdong Province Gongbei Vehicles Automobile Transportation Co., Ltd. (Yue Jiao Ji Tou [2019] No. 77) issued on 28 June 2019, Gongbei Vehicles Automobile Transportation transferred 100% equity interests held by it to Zhuhai Gongyun Bus Terminal Co., Ltd. at no consideration. Upon the completion of the above equity transfer on 28 June 2019, the parent company of the company was changed to Zhuhai Gongyun, the intermediate holding company of which was Gongbei Vehicles Automobile Transportation. As at 21 November 2019, Guangdong Yueyun Transportation Company Limited acquired 100% equity interests of Zhuhai Gongyun, thus the intermediate holding company of the company was changed to Yueyun Transportation. The ultimate holding company of the company is Guangdong Provincial Communication Group Company Limited.

The company's business activities mainly include: inter-county passenger transportation coach service, county passenger transportation coach service; inter-county passenger transportation chartered coach service, public passenger transport; sales of travel goods; design, production, publication and agency of various advertisements; car rental.

④ The conditions of the assets, finance and liabilities and operating results of the enterprise

As of the Valuation Base Date, being 30 June 2024, Zhuhai Qiguan Sightseeing Bus Co., Ltd. recorded total assets of RMB7,887,800, total liabilities of RMB30,499,400 and owner's equity of RMB-22,611,600. It achieved operating income of RMB8,845,900, operating profit of RMB407,200 and net profit of RMB-768,100 from January to June 2024.

The data in relation to the financial position of Zhuhai Qiguan Sightseeing Bus Co., Ltd. as at 30 June 2024 is as follows:

### A statement of financial position

*Unit: RMB0'000*

Items	30 June 2024
Current assets	331.67
Non-current assets	457.11
Total assets	788.78
Current liabilities	2,709.94
Non-current liabilities	340.00
Total liabilities	3,049.94
Net assets	-2,261.16
Gearing ratio	386.67%
Current ratio	12.24%

## A statement of operating results

*Unit: RMB0'000*

Items	From January to June 2024
<b>I. Operating income</b>	<b>884.59</b>
Less: Operating costs	799.78
Taxes and surcharges	2.60
Selling and distribution expense	–
General and administrative expenses	35.62
Research and development expenses	–
Financial expenses	8.88
Add: Other income	0.08
Investment income (Loss represented in “-” signs)	–
Gain from net exposure hedges (Loss represented in “-” signs)	–
Gain on fair value changes (Loss represented in “-” signs)	–
Credit impairment loss (Loss represented in “-” signs)	2.94
Asset impairment loss (Loss represented in “-” signs)	–
Disposal gain on asset (Loss represented in “-” signs)	–
<b>II. Operating profit (Loss represented in “-” signs)</b>	<b>40.72</b>
Add: Non-operating income	–
Less: Non-operating expenses	117.53
<b>III. Total profit (Loss represented in “-” signs)</b>	<b>-76.81</b>
Less: Income tax expenses	–
<b>IV. Net profit (Net loss represented in “-” signs)</b>	<b>-76.81</b>
<b>V. Return on Equity (ROA)</b>	<b>N/A</b>

(3) *Zhuhai Yuegong Xinhai Transportation Co., Ltd. (10% shareholding)*

① Basic information

Name of enterprise: Zhuhai Yuegong Xinhai Transportation Co., Ltd.

Unified social credit code: 91440400MA4WNQA2X4

Type: Other limited liability company

Address: 1811-3, Block 2, No.88 Gang'ao Avenue, Hengqin New District, Zhuhai

Legal representative: Hu Xianhua

Registered capital: RMB10 million

Date of establishment: 13 June 2017

Term of business: Long-term

② Scope of business

Permitted items: international road passenger transportation; road passenger transportation operations; road passenger transportation station operation; online data processing and transaction processing business (operating e-commerce). (For items that are subject to approval in accordance with the laws, business activities can only be carried out after approval by the relevant departments. Specific operating items are subject to the approval documents or licenses of the relevant departments) General items: investment activities with its own funds; services of residents' daily life; general cargo warehousing services (excluding dangerous chemicals and items that require permits and approvals); passenger ticketing agency; domestic freight forwarding agency; repair and maintenance of motor vehicles; retail of auto parts; processing of mechanical parts and components; centralised quick charging stations; food sales (only sales of pre-packaged food); car park services; leasing of non-residential properties; advertising design and agency; production of advertisements; publication of advertisement. (except for items subject to approval required by the laws, business activities set forth in the business license may be conducted independently in accordance with the laws).



### ③ Company Profile

Zhuhai Yuegong Xinhai Transportation Co., Ltd. is a limited liability company incorporated on 13 June 2017 in Zhuhai, Guangdong Province with a registered capital of RMB10 million. Prior to 28 June 2019, the parent company of the company was Guangdong Province Gongbei Vehicles Automobile Transportation Co., Ltd. Pursuant to the Approval on the Resources Integration of Passenger Transportation Business of Guangdong Province Gongbei Vehicles Automobile Transportation Co., Ltd. (Yue Jiao Ji Tou [2019] No. 77) dated 28 June 2019, Gongbei Vehicles Automobile Transportation transferred its 10% equity interest in the company to Zhuhai Gongyun Bus Terminal Co., Ltd. at no consideration. On 28 June 2019, the equity interest transfer above was completed and the parent company of the company was changed to Zhuhai Gongyun and the intermediate holding company was Gongbei Vehicles Automobile Transportation. On 21 November 2019, Guangdong Yueyun Transportation Company Limited acquired 100% equity interest in Zhuhai Gongyun and the intermediate holding company of the company was changed to Yueyun Transportation. The ultimate holding company of the company is Guangdong Provincial Communication Group Company Limited.

The main operating activities of the company are: entry-exit passenger transportation, inter-city scheduled passenger transportation, inter-city chartered passenger transportation, intra-city scheduled passenger transportation, and intra-city chartered passenger transportation.

The capital contributors and their percentages of capital contribution are set out below:

<b>Capital contributor</b>	<b>Capital contribution payable</b>	<b>Percentage of capital contribution payable</b>
Guangdong Vehicles Transportation Group Co., Ltd. (廣東省汽車運輸集團有限公司)	3,900,000.00	39.00%
Zhuhai Public Transportation Group Co., Ltd. (珠海公共交通運輸集團有限公司)	3,000,000.00	30.00%
Zhuhai High-speed Passenger Ferry Co., Ltd. (珠海高速客輪有限公司)	2,100,000.00	21.00%
Zhuhai Gongyun Bus Terminal Co., Ltd. (珠海市拱運汽車客運站有限公司)	1,000,000.00	10.00%
<b>Total</b>	<b>10,000,000.00</b>	<b>100.00%</b>

Joint ventures and associates of the company as disclosed in accordance with the audit report:

Name of joint ventures or associates	Incorporation place	Registered place	Business nature	Shareholding percentage (%)	
				Direct	Indirect
Hong Kong-Zhuhai-Macao Bridge Shuttle Bus (Guangdong) Company Limited (廣東港珠澳大橋穿梭巴士有限公司)	Zhuhai, Guangdong	Zhuhai, Guangdong	Transportation	51	
Hong Kong-Zhuhai-Macao Bridge Shuttle Bus (Macao) Company Limited (港珠澳大橋穿梭巴士(澳門)有限公司)	Macau, the PRC	Macau, the PRC	Transportation	51	
Hong Kong-Zhuhai-Macao Bridge Shuttle Bus (Hong Kong) Company Limited (港珠澳大橋穿梭巴士(香港)有限公司)	Hong Kong, the PRC	Hong Kong, the PRC	Transportation	51	

④ The conditions of the assets, finance and liabilities and operating results of the enterprise

As of the Valuation Base Date, being 30 June 2024, Zhuhai Yuegong Xinhai Transportation Co., Ltd. recorded total assets of RMB207,287,400, total liabilities of RMB157,200 and owner's equity of RMB207,130,200. It achieved operating income of RMB0, operating profit of RMB-18,600 and net profit of RMB-20,200 from January to June 2024.

(4) *Zhuhai Wandatong Hongkong-Zhuhai-Macau Bridge Port Passenger Service Co. Ltd. (30% Shareholding)*

① Basic information

Name of enterprise: Zhuhai Wandatong Hongkong-Zhuhai-Macau Bridge Port Passenger Service Co. Ltd.

Unified social credit code: 91440400MA51DCYE1F

Type: Other limited liability company

Address: A8, 1/F, Passenger Transportation Building, No. 33 Mingzhu Road North, Zhuhai

Legal representative: Lu Huixiang (盧輝祥)

Registered capital: RMB30 million

Date of establishment: 12 March 2018

Term of business: Long-term

② Scope of business

Permitted items: road passenger transportation operations; road passenger transportation station operation; road cargo transportation (excluding dangerous goods). (For items that are subject to approval in accordance with the laws, business activities can only be carried out after approval by the relevant departments. Specific operating items are subject to the approval documents or licenses of the relevant departments) General items: advertisement publication; advertising design and agency; minibus leasing operation services; repair and maintenance of motor vehicles; passenger ticketing agency. (except for items subject to approval required by the laws, business activities set forth in the business license may be conducted independently in accordance with the laws.)

③ Corporate overview

Zhuhai Wandatong Hongkong-Zhuhai-Macau Bridge Port Passenger Service Co. Ltd. is a limited liability company established with joint contribution by Zhuhai Public Transport Xinhe Changyun Co., Ltd. (珠海公交信禾長運股份有限公司), Zhuhai Gree Hong Kong-Zhuhai-Macao Bridge Zhuhai Port Construction Management Co., Ltd (珠海格力港珠澳大橋珠海口岸建設管理有限公司) and Guangdong Province Gongbei Vehicles Automobile Transportation Co., Ltd. on 12 March 2018.

Before 28 June 2019, the parent company of the company was Guangdong Province Gongbei Vehicles Automobile Transportation Co., Ltd. According to the Approval on the Resources Integration of Passenger Transportation Business of Guangdong Province Gongbei Vehicles Automobile Transportation Co., Ltd. (Yue Jiao Ji Tou [2019] No. 77) issued on 28 June 2019, Gongbei Vehicles Automobile Transportation transferred 30% equity interests held by it to Zhuhai Gongyun Bus Terminal Co., Ltd. at no consideration. On 28 June 2019, the above equity transfer was completed, and the parent company of the company was changed to Zhuhai Gongyun and the intermediate holding company of the company was Gongbei Vehicles Automobile Transportation. On 21 November 2019, Guangdong Yueyun Transportation Company Limited acquired 100% equity interests of Zhuhai Gongyun, thus the intermediate holding company of the company was changed to Yueyun Transportation. The ultimate holding company of the company is Guangdong Provincial Communication Group Company Limited.

The company's principal operating activities are: road passenger transportation operations; road passenger transportation station operations; road cargo transportation (excluding dangerous goods).

The company published an ordinary deregistration notice on 15 December 2023.

④ The conditions of the assets, finance and liabilities and operating results of the enterprise

As of the Valuation Base Date, being 30 June 2024, Zhuhai Wandatong Hongkong-Zhuhai-Macau Bridge Port Passenger Service Co. Ltd. recorded total assets of RMB17,342,300, total liabilities of RMB1,451,500 and owner's equity of RMB15,890,800. It achieved operating income of RMB549,400, operating profit of RMB-3,848,400 and net profit of RMB-3,410,400 from January to June 2024.

### 3. *Investment in other equity instruments*

The book value of investment in other equity instruments included in the scope of valuation was RMB2,000,000.00, including a total of 2 items. For details, please see the table below:

*Unit: RMB*

No.	Name of the investee	Nature	Date of investment	Acquisition cost	Book value
1	Guangdong South Passenger Network Center Company Limited	Equity investment	25 June 2019	2,000,000.00	2,000,000.00
2	Zhuhai Gongyun Vehicle Transportation Co., Ltd.	Equity investment	25 June 2019	2,880,000.00	–

According to the document of Guangdong Provincial Communication Group Company Limited titled the Approval on the Resources Integration of Passenger Transportation Business of Guangdong Province Gongbei Vehicles Automobile Transportation Co., Ltd. (Yue Jiao Ji Tou [2019] No. 77): as at the base date (being 31 December 2018), 10% equity interests in Zhuhai Gongyun Vehicle Transportation Co., Ltd. and 4% equity interests in Guangdong South Passenger Network Center Company Limited were transferred to Zhuhai Gongyun Bus Terminal Co., Ltd. at no consideration.

(1) *Guangdong South Passenger Network Center Company Limited (4% shareholding)*

① Basic information

Name of enterprise: Guangdong South Passenger Network Center Company Limited

Unified social credit code: 91440101320981792C

Type: Other limited liability company

Address: Rooms 1601-1604, 16/F, Complex Building, Guangdong Expressway Building, No. 83 Baiyun Road, Yuexiu District, Guangzhou (office use only)

Legal representative: Li Sa (李颯)

Registered capital: RMB50 million

Date of establishment: 28 November 2014

Term of business: Long-term

② Scope of business

Permitted items: domestic freight forwarding agency; passenger ticketing agency; software development; information system integration services; information technology consulting services; data processing and storage support services; internet sales (except for the sales of goods requiring permits); internet data services; internet security services; network technology services; big data services; computer system services; ticketing agency services; corporate management consulting; advertisement publication (non-radio stations, television stations, newspaper publishing organisations); education consulting services (excluding education training activities involving permit and approval); business training (excluding training requiring permits such as education training and vocational skills training); class II value-added telecommunications services

③ The conditions of the assets, finance and liabilities and operating results of the enterprise

As of the Valuation Base Date, being 30 June 2024, Guangdong South Passenger Network Center Company Limited recorded total assets of RMB51,182,000, total liabilities of RMB17,125,400 and owner's equity of RMB34,056,700. It achieved operating income of RMB4,440,400, operating profit of RMB-1,576,100 and net profit of RMB-1,571,100 from January to June 2024.

(2) *Zhuhai Gongyun Vehicle Transportation Co., Ltd. (10% shareholding)*

① Basic information

Name of enterprise: Zhuhai Gongyun Vehicle Transportation Co., Ltd.

Unified social credit code: 9144040074706765XQ

Type: Other limited liability company

Address: 4/F, Passenger Transportation Building, Nanwan Passenger and Cargo Transportation Terminal, No. 2 Ping Dong Sixth Road, Nanping, Xiangzhou District, Zhuhai

Legal representative: Lin Rongcheng (林榮城)

Registered capital: RMB500,000

Date of establishment: 11 February 2003

Term of business: Long-term

② Scope of business

Automobile passenger and freight transportation, automobile repair (operated by branches only); sales: automotive components. (For items that are subject to approval in accordance with the laws, business activities can only be carried out after approval by the relevant departments).

③ The conditions of the assets, finance and liabilities and operating results of the enterprise

As of the Valuation Base Date, being 30 June 2024, Zhuhai Gongyun Vehicle Transportation Co., Ltd. recorded total assets of RMB38,255,400, total liabilities of RMB59,944,000 and owner's equity of RMB-21,688,700. It achieved operating income of RMB0, operating profit of RMB-1,690,900 and net profit of RMB-1,690,800 from January to June 2024.

**(IV) Intangible assets recorded or not recorded in books as declared by the enterprise**

For this valuation project, the appraised entity declared an intangible asset not recorded in books, namely "operating rights of 130 passenger transportation route licenses", with the book value of RMB0. On 27 June 2019, Zhuhai Transportation Bureau issued the Approval of the Zhuhai Transportation Bureau on Adjusting the Operating Entities of Road Passenger Transportation and Chartered Passenger Transportation (《珠海市交通運輸局關於調整道路班線客運及包車客運經營主體的批覆》), approving the transfer of the "operating rights of 130 road passenger transportation indicators" to Zhuhai Gongyun Bus Terminal Co., Ltd.

For details, please see the table below:

No.	Content or Name	Acquisition date	Legal/Expected service life	Original book value	Book value
1	Operating rights of 130 road passenger transportation indicators	27 June 2019	Non-fixed term	-	-

**(V) Type, quantities and book value (or appraised value) of assets incorporated herein by reference to the conclusions in the report issued by other institutions**

This valuation report has made a reference to the appraised value audited and confirmed by Guangdong Zhongsui Certified Public Accountants Co., Ltd issuing the special audit report (Report No.: Zhong Sui Shen Zi (2024) No. B117) as the book value.

**IV. TYPE OF VALUE**

**(I) Type of value**

The type of value used in this valuation is market value.

**(II) Definition of value type**

Market value refers to the estimated amount at which a willing purchaser and a willing seller will carry out a normal transaction at arm's length in respect of the subject of valuation on the Valuation Base Date under rational circumstances without any coercion.

**(III) Reasons for selecting the value type**

The reason for applying that type of market value is that compared with other types of value, the former is able to better reflect fairness and soundness for both parties, enabling the valuation results to meet demand for the purpose of this valuation.

**V. VALUATION BASE DATE**

**(I) Pursuant to the asset valuation engagement contract, the base date of this valuation is 30 June 2024.**

**(II) The Valuation Base Date is selected upon negotiation by the client and appraised entity on the basis of the following conditions.**

1. The Valuation Base Date is consistent with the date of the financial statement, which will facilitate the use of accounting information.
2. The Valuation Base Date is relatively close to the date of valuation, which will reduce the workload for adjustment, and improve the accuracy and transparency of inquiry of market price and credit investigation.
3. The Valuation Base Date is determined closely to the date of realization of the purpose of the valuation to the maximum extent, which is conducive to guaranteeing the valuation results to effectively serve the purpose of the valuation.

**(III) Price standards applied in this valuation are all effective on the Valuation Base Date.**

When the selected Valuation Base Date got closer, there were no major fluctuations in the international and domestic markets; the prices of all kinds of goods, means of production and labor services were generally stable, and the market exchange rate of RMB against foreign currencies was within the normal range of fluctuation. Therefore, the selection of the Valuation Base Date will not materially affect the valuation results due to various market prices at different time points.



## **VI. BASIS OF VALUATION**

### **(I) Basis of conduct**

1. Minutes of General Manager's Working Meeting of Yueyun Transportation [2022] No. 22, Resolutions of the Party Committee Meeting of Guangdong Yueyun Transportation Company Limited (2022) No. 35-2, and Minutes of General Manager's Working Meeting of Yueyun Transportation [2024] No. 15.

### **(II) Legal basis**

1. Company Law of the People's Republic of China;
2. Asset Valuation Law of the People's Republic of China (Order No. 46 of the President of the PRC);
3. Enterprise Income Tax Law of the People's Republic of China (Order No. 63 of the President of the PRC);
4. Detailed Rules for the Implementation of the Provisional Regulations on Value-added Tax of the People's Republic of China (Order No. 50 of the Ministry of Finance/State Taxation Administration);
5. Notice on Carrying out Pilot Operation of Change from Business Tax to Value-added Tax (Cai Shui [2016] No. 36);
6. Measures for the Administration of State-owned Assets Appraisal (Order No. 91 of the State Council);
7. Detailed Rules for the Implementation of the Measures for the Administration of Assessment of State-owned Assets (Guo Zi Ban Fa [1992] No. 36);
8. Interim Measures for the Administration of Assessment of State-owned Assets of Enterprises (Order No. 12 of the State-owned Assets Supervision and Administration Commission of the State Council);
9. Measures for the Supervision and Administration of Transactions of State-owned Assets of Enterprises (Order No. 32 of the State-owned Assets Supervision and Administration Commission of the State Council and the Ministry of Finance);
10. Administration Measures for the Approval of State-owned Asset Valuation Project (Cai Qi Zi [2001] No. 801);
11. Administrative Measures for the Filing of State-owned Asset Valuation Project (Cai Qi Zi [2001] No. 802);
12. Provisional Regulations on the Supervision and Administration of State-owned Assets of Enterprises (Order No. 378 of the State Council);



13. Implementation Measures for the Administration of Assessment of State-owned Assets of Guangdong Provincial Enterprises (Yue Guo Zi Chan Quan [2005] No. 265);
14. Policies and regulations on finance, accounting, taxation and asset management of enterprises formulated by the Ministry of Finance, the People's Bank of China, the State Taxation Administration and the former National State-owned Assets Administration Bureau;
15. Other laws, regulations and rules related to asset valuation.

### **(III) Basis of standards**

1. Basic Standards for Asset Valuation (Cai Zi [2017] No. 43);
2. Code of Professional Ethics for Asset Valuation (Zhong Ping Xie [2017] No. 30);
3. Practicing Guidelines for Asset Valuation – Asset Valuation Procedures (Zhong Ping Xie [2018] No. 36);
4. Practicing Guidelines for Asset Valuation – Asset Valuation Reports (Zhong Ping Xie [2018] No. 35);
5. Practicing Guidelines for Asset Valuation – Asset Valuation Engagement Contracts (Zhong Ping Xie [2017] No. 33);
6. Practicing Guidelines for Asset Valuation – Asset Valuation Files (Zhong Ping Xie [2018] No. 37);
7. Practice Guidelines for Asset Valuation – Use of Expert Work and Related Reports (Zhong Ping Xie [2017] No. 35);
8. Practicing Guidelines for Asset Valuation – Enterprise Values (Zhong Ping Xie [2018] No. 38);
9. Practicing Guidelines for Asset Valuation – Intangible Assets (Zhong Ping Xie [2017] No. 37);
10. Practicing Guidelines for Asset Valuation – Real Estate (Zhong Ping Xie [2017] No. 38);
11. Practicing Guidelines for Asset Valuation – Machinery and Equipment (Zhong Ping Xie [2017] No. 39);
12. Practicing Guidelines for Asset Valuation – Asset Valuation Approach (Zhong Ping Xie [2019] No. 35);
13. Guidelines for State-owned Assets Evaluation Report of Enterprises (Zhong Ping Xie [2017] No. 42);

14. Guidelines for Business Quality Control of Asset Valuation Institutions (Zhong Ping Xie [2017] No. 46);
15. Guiding Opinions on Types of Values for Asset Valuation (Zhong Ping Xie [2017] No. 47);
16. Guiding Opinions on Legal Ownership of the Subjects of Valuation (Zhong Ping Xie [2017] No. 48);
17. Measures for Fiscal Supervision and Administration of the Asset Valuation Industry (Order No. 86 of the Ministry of Finance);
18. Other standards related to asset valuation.

#### **(IV) Basis of ownership**

1. Copies of vehicle registration certificates;
2. Contracts, invoices, financial statements and other information related to the acquisition and use of the enterprise's assets.

#### **(V) Basis for price determination**

1. Records made by the Valuers during on-site inspection and information held by the valuation institution;
2. Manual of Commonly Used Data and Parameters for Asset Valuation;
3. Valuation indicators related to listed companies statistically released by the website named Appraisal Information (評估資訊網);
4. Operating data related to listed companies released by Wind and IFinD Information;
5. Accounting books, accounting vouchers and other relevant financial information of the enterprise;
6. Contracts and agreements signed by the enterprise.

#### **(VI) Other reference basis**

1. The Asset Valuation Declaration Form completed by the appraised entity;
2. Historical business operation data provided by the appraised entity;
3. Accounting Standards for Business Enterprises – Basic Standards, specific standards, accounting standards application guidelines and interpretations, etc. (promulgated by the Ministry of Finance in 2006);
4. Records made by the Valuers during on-site check and verification, information collected during on-site inspection and relevant information collected for selection of parameter data during the valuation.

## **VII. VALUATION METHODS**

### **(I) Selection of valuation methods**

The basic methods for enterprise value evaluation include the asset-based approach, income approach and market approach. With reference to the enterprise value evaluation, it shall analyze the applicability of three basic methods of asset valuation based on the relevant conditions such as the subject of valuation, value type and data collection, and shall properly select one or more basic methods of asset valuation.

#### ***1. Analysis on applicability of the market approach***

##### ***(1) Introduction to market approach***

The market approach refers to the valuation concept that compares the subject of valuation with comparable enterprises, enterprises with transactions in the market, shareholders' equity, securities and other equity assets to determine the value of the subject of valuation. Two methods commonly used in the market approach are the comparable enterprise method and the comparable merger and acquisition method. The comparable enterprise method refers to calculating an appropriate value ratio or economic indicator through analysis on the operation and financial data of a listed company which is in the same or similar industry as the appraised entity in the capital market, and then deriving the enterprise value of the appraised entity based on the comparable analysis with the appraised entity; the comparable merger and acquisition method refers to calculating an appropriate value ratio or economic indicator through analysis on the trading, acquisition and merge cases of a company which is in the same or similar industry as the appraised entity, obtaining and analyzing the data and information about such transactions, and then deriving the enterprise value of the appraised entity based on the comparable analysis with the appraised entity.

The market approach is applicable to enterprises under the conditions that there are sufficient market data and comparable enterprises or transactions. The basic prerequisites for the application of the market approach are that:

- ① A well-developed and active capital market is available;
- ② There are adequate number of comparable enterprises that are the same or similar with the subject of valuation in the above capital market or sufficient transactions in the capital market;
- ③ It is able to collect and obtain market information, financial data and other relevant information about comparable enterprises or transactions;
- ④ The information and data with recognized basis are representative and reasonable, and are effective on the Valuation Base Date.

(2) *Analysis on applicability of the market approach:*

- ① Judging from the volume and activeness of stock market and the quantity of comparable enterprises

Currently, the open and active main boards in the Chinese Mainland are the Shanghai and Shenzhen stock markets. There are thousands of listed companies' shares being traded on the main boards of the Shanghai and Shenzhen stock markets, which can meet the conditions of market-based appraisal concerning the "volume and activeness of market".

According to the market information, externally audited financial information and other relevant information which is published by listed companies and provided by [www.ipol23.com.cn](http://www.ipol23.com.cn) (中國上市公司網) and WIND Financial Terminal, it is known that: in the capital market of Chinese Mainland, although there are a lot of listed companies which are in the same industry with the appraised entity, there exists huge disparity in business scopes of the listed companies due to significant difference in business scale and the relatively single business scope of the appraised entity, therefore, it is difficult to meet the requirements of the market-based appraisal concerning the "quantity" of comparable enterprises (cases).

- ② Judging from the comparability of the comparable enterprises

Among the listed companies that are in the same industry as the appraised entity, after comparing with the appraised entity or the subject of valuation in respect to their establishment date, listing date, operation scope, business scale, main products, business composition, operation indicators, operation mode, operation stage, financial data or trading purposes of transactions, trading date, trading situation, trading prices, etc., it is known that: it is difficult to find adequate listed companies that are basically comparable to the appraised entity, therefore, it cannot meet the requirement of the market approach concerning the "comparability" of adequate comparable enterprises.

In combination with the conclusion of the above analysis, the asset valuation professionals consider that: the market approach is not appropriate for this valuation both in theory and in practice.

**2. *Analysis on applicability of the income approach***

Income approach refers to the valuation approach to determine the value of the subject of valuation by capitalization or discounting the anticipated income. Income approach is applicable to enterprises that have been established for a long time, have a relatively complete history of operation and stable profitability, and also the future revenue of which can be reasonably forecasted. The appraised entity has provided the historical data relating to the assets and liabilities within the valuation scope, operation and financial information during historical years as well as the data and information relating to the forecast of future operation revenue.

Through analysis on the relevant national policy, national economic operation environment, the development of relevant industry and the Company's operation, it is concluded that Zhuhai Gongyun Bus Terminal Co., Ltd. currently operates normally, and its management team and other key employees and operation environment are relatively stable. Under certain conditions of assumptions, it is able to conduct a relatively reasonable forecast and estimation on the period of future revenue and the corresponding benefits and risks of Zhuhai Gongyun Bus Terminal Co., Ltd., therefore, this valuation on Zhuhai Gongyun Bus Terminal Co., Ltd. meets the conditions for adopting income approach.

### **3. Analysis of applicability of the asset-based approach**

The Valuer conducts a comprehensive analysis based on the asset situation, operation status and other relevant information provided by the appraised entity. Zhuhai Gongyun Bus Terminal Co., Ltd. has complete financial information and asset management information available, the sources of relevant data and information of asset reacquisition costs are relatively wide, and there exist internal connections and replacement between the replacement cost of assets and the current market value and current revenue of assets, therefore, this valuation meets the conditions for adopting the asset-based approach.

After comprehensively considering various influencing factors, the asset-based approach and income approach are adopted in this valuation to assess the value of the entire shareholders' equity of Zhuhai Gongyun Bus Terminal Co., Ltd.

#### **(II) Valuation based on the asset-based approach**

The asset-based approach for enterprise value evaluation refers to the valuation concept of determining the value of the subject of valuation on the basis of a reasonable appraisal of the value of various assets and liabilities of an enterprise. It is a method to arrive at the value of the shareholders' equity (net asset) of an enterprise by aggregating the appraised values of assets which constitute various key elements of an enterprise and then deducting the appraised values of liabilities. The basic formula is as follows:

The appraised value of net asset = the sum of appraised values of a single asset - the sum of appraised values of liabilities

Among which, the appraised value of each asset is calculated based on the appropriate valuation method selected according to the specific circumstance of the subject of valuation.

##### **1. Current assets**

The current assets included in the scope of this valuation include cash at bank and on hand, accounts receivable, prepayments, other receivables and other current assets.

###### **(1) Cash at bank and on hand, mainly bank deposits**

For bank deposits, the Valuer verifies and calculates bank accounts based on sub-ledger, general ledger and the statement of bank deposits, and conducts a survey and analysis on the reason, occurring date of outstanding account existed, so as to determine the actual amount of bank deposits on the Valuation Base Date.

###### **(2) Receivables, including accounts receivable and other receivables**

For valuation of accounts receivable and other receivables, on the basis that receivables have been verified and taking into account the elements derived from history data and current investigation, the Valuer has made a specific analysis about the amount, date and reason of the receivables, recovery particulars of the amount, as well as the liquidity, credit and current operational conditions of the debtors, and assessed losses of valuation risk for receivables using both individual identification method and aging analysis method.

### *(3) Prepayment*

For prepayment of goods delivered or services rendered on the date of on-site verification conducted by the Valuer, it shall take the book value as the appraisal value after verification; for prepayment of goods not delivered or services not rendered on the date of on-site verification conducted by the Valuer, it shall take the estimated value of the amount of the recoverable goods, acquired service or recovered cash at bank and on hand which can be developed into the corresponding assets and interests as the appraisal value. The provision for bad debts was assessed to be zero in accordance with relevant appraisal provisions.

### *(4) Other current assets*

The Valuer shall check general ledger, sub-ledger, accounting statements and valuation breakdown. For other current assets resulting from the deductible input VAT, it shall take the book value as the appraisal value after verification based on the evidence relating to the deductible input VAT.

## **2. Non-current assets**

The non-current assets included in the scope of this valuation include long-term equity investment, investments in other equity instruments, fixed assets and long-term deferred expenses.

### *(1) Long-term equity investment*

Generally, long-term equity investments are treated in the following manners:

- ① For controlling long-term equity investments, the method of conducting the overall valuation for the investee is to determine the appraised value by multiplying the appraised net assets by the shareholding ratio;
- ② For long-term equity investments with a small shareholding ratio, the appraised value is determined by multiplying the audited statement net assets on the Valuation Base Date by the shareholding ratio;
- ③ For investments that have been in existence for a short period of time and for which the account record and the actual status for the assets of the investee are basically consistent, the appraisal value is determined based on the net assets as shown on the audited balance sheet of the investee on the Valuation Base Date, multiplied by the shareholding ratio.

As at the Valuation Base Date, Zhuhai Gongyun Bus Terminal Co., Ltd. has a total of 4 long-term equity investments, namely Zhuhai Gongqi Taxi Co., Ltd. (100% shareholding), Zhuhai Qiguan Sightseeing Bus Co., Ltd. (100% shareholding), Zhuhai Yuegong Xinhai Transportation Co., Ltd. (10% shareholding), and Zhuhai Wandatong Hongkong-Zhuhai-Macau Bridge Port Passenger Service Co. Ltd. (30% shareholding), of which Zhuhai Gongqi Taxi Co., Ltd. and Zhuhai Qiguan Sightseeing Bus Co., Ltd. are controlling long-term equity investments, therefore, the investee is assessed individually under the asset-based approach, and the wholly-owned subsidiaries and the parent company are consolidated to assess under the income approach; Zhuhai Yuegong Xinhai Transportation Co., Ltd. is a non-controlling long-term equity investment, and it started to pay dividends in the first half of 2024. After analyzing and judging its ability to pay dividends on a continuous basis, it is assessed under the dividend discount method (DDM); Zhuhai Wandatong Hongkong-Zhuhai-Macau Bridge Port Passenger Service Co. Ltd. is a non-controlling long-term equity investment, and the liquidation procedures of such company have been initiated (but have not yet completed) on the Valuation Base Date, with all operations phased out, therefore the appraisal value is determined by multiplying the statement net assets on the Valuation Base Date by the shareholding ratio.

### *(2) Investments in other equity instruments*

For investments in other equity instruments, due to a small shareholding ratio of Guangdong South Passenger Network Center Company Limited, we are unable to obtain sufficient information to conduct the valuation for it, therefore the appraisal value is determined by multiplying the statement net assets on the Valuation Base Date by the shareholding ratio; the registered capital of Zhuhai Gongyun Vehicle Transportation Co., Ltd. was RMB500,000, and Zhuhai Gongyun Bus Terminal Co., Ltd. contributed RMB50,000, which accounted for 10% of the shareholding, and the other RMB2.83 million of the original investment cost was only accounted for as a current account and was not treated as the capital increase by Zhuhai Gongyun Vehicle Transportation Co., Ltd. For the annual audit of 2023, the accountant has adjusted the entire investment cost of RMB2.88 million to 0. Based on the above, we consider Zhuhai Gongyun Bus Terminal Co., Ltd. is only responsible for the operating loss in respect to its capital contribution of RMB50,000, thus the appraised value of such equity instrument is assessed as 0.

### *(3) Fixed assets – equipment assets*

According to the valuation purpose, the replacement cost method is adopted for the valuation of the equipment assets, that means, on the basis of continuing use, we determine the replacement cost based on the prevailing market value for redeployment of such asset, and determine the comprehensive newness rate by site investigation and comprehensive technical analysis, so as to calculate the appraised value. Its calculation formula is as follows:

The appraised value of the equipment = the replacement cost of the equipment × comprehensive newness rate



① Machinery and equipment

A. Determination of full replacement price

Full replacement price = equipment purchase price + transportation and miscellaneous expenses + installation cost + basic cost + other expenses + capital cost

Determination of equipment purchase price: we ask manufacturers and sales units for the prevailing market price of the equipment, and also conduct market research and collect the information on current price with the Valuers, so as to determine the purchase price of the equipment.

Determination of transportation and miscellaneous expenses: Transportation and miscellaneous expenses of the equipment are the transportation expenses from the place of origin to the site where the equipment is installed. The rate of transportation and miscellaneous expenses is based on the purchase price of the equipment, and is calculated at different rates depending on the distance between the manufacturer and the location where the equipment is installed. If it is agreed in the conditions of supply that the supplier is responsible for transportation and installation (the price of which is included in the purchase price), no transportation and miscellaneous expenses will be charged.

Determination of installation and debugging costs: with reference to information such as the Manual of Commonly Used Data and Parameters for Asset Valuation, installation and debugging costs are calculated at different installation rates in accordance with the characteristics, weight and difficulty of installation of the equipment, based on the tax-inclusive purchase price of the equipment. For small equipment that does not require to be installed, installation and debugging costs are not taken into consideration.

Determination of basic cost: depending on the specific condition of the equipment, such cost is not considered if there is no equipment base; the basic cost of small equipment is included in the equipment installation cost; and the basic rate for other equipment is considered on a case-by-case basis.

Determination of other expenses: such expenses are considered based on the specific condition of assets.

Determination of capital cost: Capital cost is the capital cost for the funds occupied by the project during the normal construction period. The capital cost rate is the People's Bank of China lending rate in force as at the Valuation Base Date. It is calculated based on the reasonable construction period for the project and the even fund investments over the entire construction period.

Capital cost = (purchase price + transportation and miscellaneous expenses + installation and debugging costs + basic cost + other expenses) × loan rate × construction period × 1/2

For equipment that does not need to be installed and those with a short installation period, the capital cost will not be considered.



B. Determination of comprehensive newness rate

- a Analysis of functional depreciation: The Valuer judges whether there is a functional depreciation mainly based on the circumstances that the effectiveness of the asset, the production and processing capacity, the level of labor consumption, material consumption and energy consumption have not increased the cost and reduced the benefit from the perspective of functions.
- b Analysis of economic depreciation: The Valuer judges whether there is an economic depreciation based on whether the utilization rate of the equipment in operation is at a reasonable level, whether it is idle, and whether the operating income is reduced due to the assets.
- c Analysis of physical depreciation: The newness rate in this valuation is determined by a combination of the on-site inspection newness rate determined by the scoring method and the theoretical newness rate determined by the life method. The weighted average concluded from the two methods is used as the comprehensive newness rate.

The comprehensive newness rate is determined comprehensively by the service life method and the observation and analysis method.

The service life method mainly considers the use time, use frequency, perfectness ratio, failure rate, utilization ratio, repair status, heavy repair and technical innovation of equipment, working environment, equipment precision, function and other factors to comprehensively determine the comprehensive newness rate. This is based on the assumption that during the whole service life of machinery equipment, the substantive loss is on linear increment as time goes by, and the reduction in the value of the equipment will follow its wastage. The formula is as follows:

Newness rate of the life method = (economic service life – serviced life)/economic service life × 100%

Under the observation and analysis method, the Valuer estimated the newness rate of the equipment through comprehensive analysis based on the on-site technical appraisal and observation of the equipment, combined with the economic and technical parameters such as the use time, actual working time, load degree and manufacturing quality of the equipment.

## ② Vehicles

The replacement cost approach is adopted in this valuation according to the purpose of the valuation.

### ➤ Replacement cost method

#### A. Determination of full replacement price

The replacement cost is determined based on the current selling prices in vehicle trading market where the subject of valuation is located, vehicle purchase surcharge as well as vehicle inspection and licensing expenses stipulated uniformly by the state.

Full replacement price = vehicle purchase price + purchase surcharge + vehicle inspection and licensing expenses

#### B. Determination of comprehensive depreciation rate

- a Analysis of functional depreciation: The Valuer judges whether there is a functional depreciation mainly based on the circumstances that the effectiveness of the asset, the production and processing capacity, the level of labor consumption, material consumption and energy consumption have not increased the cost and reduced the benefit from the perspective of functions.
- b Analysis of economic depreciation: The Valuer judges whether there is an economic depreciation based on whether the utilization rate of the equipment in operation is at a reasonable level, whether it is idle, and whether the operating income is reduced due to the assets.
- c Analysis of physical depreciation: The newness rate in this valuation is determined by a combination of the on-site inspection newness rate determined by the scoring method and the theoretical newness rate determined by the life method. The weighted average concluded from the two methods is used as the comprehensive newness rate of the transport vehicles. The determination of the theoretical newness rate of vehicles is mainly achieved by investigating the specified mileage, the actual driving mileage, the specified service life and the actual service life of the vehicles. According to the relevant requirements of the latest vehicle scrappage standards promulgated by the relevant national departments, the newness rate is calculated based on the actual service life and the actual driving mileage of the vehicles, respectively, whichever is lower, shall be the theoretical newness rate of the transport vehicles. That is:

The newness rate based on the life method = (economic lifespan – actual service life)/economic lifespan × 100%

The newness rate based on the mileage method = (economic driving mileage – actual driving mileage)/economic driving mileage × 100%

The comprehensive newness rate is finally determined by correcting the theoretical newness rate on the basis of determination of the theoretical newness rate and taking into account conditions of vehicles such as performance, appearance and maintenance.

### ③ Electronic equipment

#### A. Determination of full replacement price

Full replacement price = equipment purchase price + transportation and miscellaneous expenses + installation cost + basic cost + other expenses + capital cost

Determination of equipment purchase price: we ask manufacturers and sales units for the prevailing market price of the equipment, and also conduct market research and collect the information on current price with the Valuers, so as to determine the purchase price of the equipment.

Determination of transportation and miscellaneous expenses: Transportation and miscellaneous expenses of the equipment are the transportation expenses from the place of origin to the site where the equipment is installed. The rate of transportation and miscellaneous expenses is based on the purchase price of the equipment, and is calculated at different rates depending on the distance between the manufacturer and the location where the equipment is installed. If it is agreed in the conditions of supply that the supplier is responsible for transportation and installation (the price of which is included in the purchase price), no transportation and miscellaneous expenses will be charged.

Determination of installation and debugging costs: with reference to information such as the Manual of Commonly Used Data and Parameters for Asset Valuation, installation and debugging costs are calculated at different installation rates in accordance with the characteristics, weight and difficulty of installation of the equipment, based on the tax-inclusive purchase price of the equipment. For small equipment that does not require to be installed, installation and debugging costs are not taken into consideration.

Determination of basic cost: depending on the specific condition of the equipment, such cost is not considered if there is no equipment base; the basic cost of small equipment is included in the equipment installation cost; and the basic rate for other equipment is considered on a case-by-case basis.

Determination of other expenses: such expenses are considered based on the specific condition of assets.

Determination of capital cost: Capital cost is the capital cost for the funds occupied by the project during the normal construction period. The capital cost rate is the People's Bank of China lending rate in force as at the Valuation Base Date. It is calculated based on the reasonable construction period for the project and the even fund investments over the entire construction period.

Capital cost = (purchase price + transportation and miscellaneous expenses + installation and debugging costs + basic cost + other expenses) × loan rate × construction period × 1/2

For equipment that does not need to be installed and those with a short installation period, the capital cost will not be considered.

B. Determination of comprehensive newness rate

- a Analysis of functional depreciation: The Valuer judges whether there is a functional depreciation mainly based on the circumstances that the effectiveness of the asset, the production and processing capacity, the level of labor consumption, material consumption and energy consumption have not increased the cost and reduced the benefit from the perspective of functions.
- b Analysis of economic depreciation: The Valuer judges whether there is an economic depreciation based on whether the utilization rate of the equipment in operation is at a reasonable level, whether it is idle, and whether the operating income is reduced due to the assets.
- c Analysis of physical depreciation: The newness rate in this valuation is determined by a combination of the on-site inspection newness rate determined by the scoring method and the theoretical newness rate determined by the life method. The weighted average concluded from the two methods is used as the comprehensive newness rate of such electronic equipment.

The comprehensive newness rate is determined comprehensively by the service life method and the observation and analysis method.

The service life method mainly considers the use time, use frequency, perfectness ratio, failure rate, utilization ratio, repair status, heavy repair and technical innovation of equipment, working environment, equipment precision, function and other factors to comprehensively determine the comprehensive newness rate. This is based on the assumption that during the whole service life of machinery equipment, the substantive loss is on linear increment as time goes by, and the reduction in the value of the equipment will follow its wastage. The formula is as follows:

Newness rate of the life method = (economic service life – serviced life)/economic service life × 100%

Under the observation and analysis method, the Valuer estimated the newness rate of the equipment through comprehensive analysis based on the on-site technical appraisal and observation of the equipment, combined with the economic and technical parameters such as the use time, actual working time, load degree and manufacturing quality of the equipment.

*(4) For operating rights, the excess income method is used for valuation.*

The excess income method is a valuation method that determines the value of an interest in an appraised contract as at the Valuation Base Date by calculating the excess income generated by the enterprise through the relevant long-term service contract and selecting an appropriate discount rate to discount its present value as at the Valuation Base Date.

The formula for the appraised value is:

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

Where: P: Appraised value;

$R_i$ : Excess income for the  $i$  year of the project;

$r$ : Discount rate;

$n$ : Income period;

$i$ : Age of income period.

#### (5) *Long-term deferred expenses*

For long-term deferred expenses, the appraisal value is determined based on the value of assets and rights that still exist in the appraised entity after the fulfillment of the valuation purpose and that do not duplicate those of other subjects of the valuation.

### 3. *Liabilities*

The focus of the liability valuation is to examine and verify the actual debtors and amounts of each liability after the fulfillment of the valuation purpose, without omission or mis-recording, so as to accurately reveal the liabilities of the enterprise. The appraised value of liabilities is determined based on the actual liabilities and amounts that the appraised entity needs to bear after the fulfillment of the valuation purpose. The appraised value is recognized at nil for liabilities for which the appraised entity is not actually liable after the fulfillment of the valuation purpose.

### (III) Valuation based on the income approach

The income approach in enterprise value appraisal refers to a valuation approach that the expected income shall be capitalized or discounted to determine the value of the subject of valuation. The specific approaches commonly used by the income approach include the dividend discount approach and the discounted cash flow approach. Upon comprehensive analysis, the discounted cash flow approach and the discounted free cash flow model of the enterprise are adopted in this valuation based on the income approach, the formula for the model is as follows:

Value of total shareholders' equity = overall enterprise value – value of interest-bearing debts

## 1. Overall enterprise value

The overall enterprise value is the sum of the value of total shareholders' equity and the value of interest-bearing debts, which is calculated as follows:

Overall enterprise value = value of operating assets + value of surplus assets + net value of non-operating assets

### (1) Value of operating assets

Operating assets refer to the assets and liabilities involved in the free cash flow forecast of the enterprise related to the normal production and operation of the appraised entity. A one-stage model was used in this valuation. The formula for the value of operating assets is as follows:

$$P = \sum_{t=1}^n \frac{FCFF_t}{(1 + WACC)^t} + \frac{FCFF_{n+1}}{(WACC - g) \times (1 + WACC)^n}$$

Where: P – Value of operating assets;

n – Years under forecast;

WACC – Weighted average cost of capital;

FCFF<sub>n+1</sub> – Free cash flow of the enterprise in the year n+1.

#### ① Income period and forecast period

As no matters affecting the enterprise's operation on an on-going basis are identified through analyzing the development prospect of the industry where the appraised entity operates and its own business conditions, the income period is determined as an infinite period.

Generally, in contrast to the poor accuracy of the predictions on forward income, the recent income of the enterprise can be predicted in a relatively accurate manner. Based on the situation of the appraised entity, the income period of the enterprise is divided into the forecast period and the post-forecast period.

#### ② Free cash flow of the enterprise during the forecast period

The formula for the free cash flow of the enterprise for each year during the forecast period is as follows:

Free cash flow of the enterprise = net profit + depreciation and amortization + interest after-tax – capital expenditure – increase of working capital

③ Discount rate

The free cash flow of the enterprise is the measurement of income in this valuation. According to the principle of consistency between the amount of income and the discount rate, the discount rate is determined under the weighted average cost of capital model (WACC). The formula of which is as follows:

$$WACC = K_e \times \frac{E}{(D + E)} + K_d \times \frac{D}{(D + E)} \times (1 - T)$$

Where:  $K_e$  – Cost of equity capital;

$K_d$  – Cost of debt capital;

$E/(D+E)$  – Percentage of equity capital to total capital;

$D/(D+E)$  – Percentage of debt capital to total capital;

$T$  – Income tax rate.

Of which, the cost of equity capital  $K_e$  is calculated using the Capital Asset Pricing Model (CAPM). The formula of which is as follows:

$$K_e = R_f + \beta_L \times MRP + R_c$$

Where:  $R_f$  – Risk-free rate of return;

$L$  – Systematic risk coefficient for shareholders' equity;

$MRP$  – Market risk premium;

$R_c$  – Enterprise-specific risk adjustment coefficient.

④ Free cash flow (final value) of the enterprise after the forecast period

The free cash flow (final value) of the enterprise after the forecast period refers to the value discounted from the free cash flow of the enterprise after the forecast period to the last year of the forecast period. In this valuation, it is assumed that the appraised entity will operate in on-going concern and is expected to maintain stable operating income after the forecast period, the formula for calculating the cash flow (final value) after the forecast period is as follows:

$$P_n = \frac{FCFF_{n+1}}{(WACC - g) \times (1 + WACC)^n}$$

Where:  $P_n$  – Free cash flow (final value) of the enterprise after the forecast period;

$g$  – Fixed growth rate;

$FCFF_{n+1}$  – Free cash flow of the enterprise for the year after the forecast period.

Of which, the free cash flow of the enterprise for the year after the forecast period shall be adjusted and determined with reference to the free cash flow of the enterprise for the last year of the forecast period.

(2) *Value of surplus assets*

The surplus assets represent the assets not directly relating to the enterprise's revenue, including surplus cash and invalid assets, etc. This valuation is conducted using appropriate methods based on the nature and characteristics of the assets and liabilities, respectively.

(3) *Net value of non-operating assets*

Net value of non-operating assets represents the net value of assets and liabilities not relating to the normal operation of the enterprise and not involved in the forecast of the free cash flow of the enterprise. This valuation is conducted using appropriate methods based on the nature and characteristics of the assets and liabilities, respectively.

**2. Value of interest-bearing debts**

Interest-bearing debts represent the debts that need to pay interest as at the Valuation Base Date, including short-term borrowings and borrowings in other payables, etc., the appraised value of which is determined by the verified book value or the actual liabilities to be borne by the enterprise.



## **VIII. IMPLEMENTATION PROCESS AND DETAILS OF VALUATION PROCEDURES**

Upon acceptance of the asset valuation engagement, the Company selected the Valuers to establish the asset valuation team, which commenced the preliminary preparation on 14 September 2024, formally stationed at the enterprise on 18 September, completed the on-site work on 20 September, and issued the valuation report on 17 October 2024. The entire valuation process includes acceptance of the engagement, inspection of assets, assessment and estimation, summary of valuation and submission of the report, etc. The specific process is as follows:

### **(I) Acceptance of the engagement**

1. To understand the basic information of the appraised entity and the subject of valuation, and analyze the risk of valuation;
2. To clarify the purpose, subject and scope of the valuation, and determine the Valuation Base Date as 30 June 2024 in accordance with the schedule of the proposed equity transfer by Guangdong Yueyun Transportation Company Limited;
3. To accept the project engagement and sign the asset valuation engagement contract;
4. To arrange the asset valuation declaration work of the appraised entity;
5. To identify the project leader, prepare the valuation plan, organize the Valuers and establish the valuation teams according to the location of the assets.

### **(II) Inspection of assets**

1. To guide the enterprise to conduct the inspection of assets and issue letters of enquiry on asset confirmation. Based on the inspection of assets, to help the enterprise to fill in the declaration form for asset valuation and assist the enterprise in the asset valuation declaration;
2. To listen to the introduction of the relevant personnel of the enterprise about the situation of the entity and the history and current status of the subject of valuation, and understand the operation, management and efficiency of assets of the enterprise;
3. To conduct the on-site physical verification, inspection and recording in accordance with the contents of the declaration form for asset valuation, and carry out the necessary identification at the same time;
4. To inspect the ownership certificates and documents, etc. of the subject of valuation.

### **(III) Assessment and estimation**

1. To develop specific valuation methods for various types of assets based on the on-site inspection and valuation, taking into account the actual conditions and characteristics of the subject of valuation, and to exchange views with the principal;
2. To carry out market research, request quotations and collect market information;
3. To assess various assets and liabilities and estimate their appraised value.

### **(IV) Summary of valuation**

1. To summarize the preliminary valuation results of the valuation teams;
2. To analyze the valuation results, identify any duplications and omissions in the valuation, and then adjust, revise and improve the preliminary valuation results;
3. To prepare technical instructions on the valuation of various assets and liabilities, and draft the asset valuation report;
4. To review the internal valuation results within the evaluation institution and sort out the working draft for the asset valuation.

### **(V) Submission of the report**

According to the valuation work, we submitted the first draft of the asset valuation report to the principal, made necessary amendments to the valuation report after fully exchanging opinions with the appraised entity, and finally submitted the formal asset valuation report to the principal.

## **IX. VALUATION ASSUMPTIONS**

Due to the changes in the environment where the enterprise is operating and the changing factors affecting the value of assets, it is necessary to establish some assumptions so that the Valuers conduct judgement on the value of the assets, to fully support our conclusion on the valuation. This valuation is based on the following premises and assumptions:

### **(I) General assumptions**

#### ***1. Going concern assumption***

The going concern assumption assumes that the business of the appraised entity is legitimate, there are no unforeseen factors that would cause it to fail to continue as a going concern, and the existing use of the subject of valuation remains unchanged and remains operational on the site.

## **2. *Transaction assumption***

The transaction assumption assumes that all the subjects of the valuation are in the course of transaction and the valuation assessed by the Valuers is based on a simulated market which involves the transaction conditions of the subjects of the valuation. The transaction assumption is one of the most fundamental assumptions for the performance of asset valuation.

## **3. *Open market assumption***

The open market assumption assumes that both parties to the asset transaction or the proposed asset transaction in the market are in equal position and have the opportunities and time to obtain sufficient market information in order to make a rational judgment on the assets, including their functions, uses and transaction prices. The basis of open market assumption is that the assets can be traded openly in the market.

## **(II) Special assumptions**

1. This valuation takes the specific valuation purposes set out in this asset valuation report as its basic assumption premises.
2. Stable economic environment assumption: assuming there are no material changes to the prevailing law, regulations, policies and macroeconomic conditions of the PRC as well as the political, economic and social environment of regions in which the parties involved operate, and there is no material adverse impact arising from other unforeseeable events and force majeure events after the Valuation Base Date.
3. No material changes assumption: assuming there are no material changes to the interest rates, exchange rates, taxation base and tax rates and other policy-based levies in the PRC.
4. No adverse impact assumption: assuming there are no force majeure and unforeseeable factors that will have a material adverse effect on the client's subject of valuation.
5. True data assumption: assuming that the annual financial report of the subject of valuation could truly reflect its actual conditions.
6. Consistency of policy assumption: assuming there are no material changes in the accounting policy and auditing methods adopted by the appraised entity.

This valuation result will generally be invalidated upon the occurrence of events that are inconsistent with the aforesaid assumptions.

## X. VALUATION CONCLUSION

After implementing the above asset valuation procedures and methods, the valuation conclusion was made based on the above valuation:

### (I) Valuation results under asset-based approach

Upon the implementation of valuation procedures such as check and verification, on-site investigation, market survey and assessment and estimation, the asset-based approach was adopted to arrive at the valuation results. As of the Valuation Base Date, being 30 June 2024, the book value of the assets of Zhuhai Gongyun Bus Terminal Co., Ltd. (珠海市拱運汽車客運站有限公司) was RMB52,021,400 and the appraised value of the assets was RMB63,352,900; the book value of the liabilities was RMB38,256,800 and the appraised value of the liabilities was RMB38,256,800; the book value of the shareholders' equity was RMB13,764,600 and the appraised value of the shareholders' equity was RMB25,096,100, representing an appreciation of the appraised value of RMB11,331,500, or 82.32%. For details of the valuation conclusion, please refer to the valuation breakdown.

#### Consolidated Table of the Asset Valuation Results

Unit: RMB0'000

Items		Book value	Appraised value	Amount of appreciation or depreciation	Appreciation rate %
		B	C	D=C-B	E=D/B×100%
Current assets	1	1,556.27	1,556.27	–	–
Non-current assets	2	3,645.87	4,779.02	1,133.15	31.08
Including: Available-for-sale financial assets	3	–	–	–	
Held-to-maturity investments	4	–	–	–	
Long-term receivables	5	–	–	–	
Long-term equity investments	6	3,366.24	3,854.47	488.23	14.50
Other equity investment instruments	7	200.00	136.23	-63.77	-31.89
Investment properties	8	–	–	–	
Fixed assets	9	51.14	529.11	477.97	934.63
Intangible assets	18	–	230.73	230.73	
Long-term deferred expenses	22	28.49	28.49	–	–
<b>Total assets</b>	<b>25</b>	<b>5,202.14</b>	<b>6,335.29</b>	<b>1,133.15</b>	<b>21.78</b>
Current liabilities	26	3,825.68	3,825.68	–	–
Non-current liabilities	27	–	–	–	
<b>Total liabilities</b>	<b>28</b>	<b>3,825.68</b>	<b>3,825.68</b>	<b>–</b>	<b>–</b>
<b>Net assets (shareholders' equity)</b>	<b>29</b>	<b>1,376.46</b>	<b>2,509.61</b>	<b>1,133.15</b>	<b>82.32</b>

## **(II) Valuation results based on income approach**

As of the Valuation Base Date, the book value of consolidated assets of Zhuhai Gongyun Bus Terminal Co., Ltd. was RMB49,127,600, the book value of consolidated liabilities was RMB58,307,100, and the book value of equity attributable to shareholders of the parent company was RMB-9,179,600. After valuation, the appraised value of the total shareholders' equity was RMB21,655,400, representing an appreciation amount of RMB30,835,000 and an appreciation rate of 235.91%. For details of the valuation conclusion, please refer to the valuation breakdown. For more details, please refer to the value of all shareholders' equity — the table of forecast based on income approach.

## **(III) The valuation results finally recognized and the reasons thereof**

The asset-based approach and income approach are used in this valuation to appraise the value of all shareholders' equity of the appraised entity. The valuation result based on the asset-based approach was RMB25,096,100, and the valuation result based on the income approach was RMB21,655,400. The difference was RMB3,440,700, representing a difference rate of 13.71%. The main reason for the difference was that: under the asset-based approach, the appraised value of an enterprise was determined based on the balance sheet of the enterprise, which may be greatly affected by the asset replacement costs, newness status, the extent of asset and liabilities of the enterprise; while under the income approach, the value of an enterprise is reflected mainly from the perspective of net cash flow generated from the operating activities of the enterprise in the future, which may be greatly affected by its future profitability and operational risks. Different influencing factors lead to different valuation results.

Through analyzing the calculation process and the data quality of the two approaches, we notice that the asset-based approach is to indirectly evaluate the fair market value of assets from the perspective of asset replacement. When the asset-based approach is applied in the overall asset assessment, each asset is evaluated separately, and the contribution of each asset to the enterprise value is comprehensively reflected, which reflects the enterprise value from the perspective of its purchase and construction and provides a basis for the enterprise's operation, management and evaluation after its economic behaviors have been realized. The income approach is to evaluate assets from the perspective of the expected profitability of such assets which serves as the fundamental basis for determining the current fair market value of such assets.

The income approach hinges on the projection for future cash flows, which requires the collection of detailed information regarding revenue, cost, price, and others. The appraised entity, Zhuhai Gongyun Bus Terminal Co., Ltd., is an integrated transportation enterprise principally engaged in highway passenger transportation, public bus transportation and passenger terminal operation. As an impact of the COVID-19 pandemic, Guang-Zhu Intercity Railway and online car-hailing services in recent times, its core business operations have recorded continuing losses. Although it has transcended the nadir induced by the pandemic in 2023, with the ascendance of novel transportation modalities such as high-speed railways and online car-hailing services, the traditional transportation undertakings of the appraised entity have also been substantially influenced, which makes the future business situation highly variable. Even if the Valuers have made a prediction of the future operation of the enterprise by leveraging historical data, it is difficult to eliminate the prediction inaccuracies from fluctuations in the actual future operation. In light of the above factors and considering the requirements of this valuation purpose, the appraised value determined by the asset-based approach can more objectively and comprehensively reflect the value of all shareholders' equity of the enterprise at present.

In summary, combining with the specific purpose of this valuation, the asset-based approach reflects the enterprise's value from the perspective of enterprise architecture, which provides a basis for the enterprise's operation management and evaluation after its economic behaviors have been realized. Therefore, we use the appraised results determined by asset-based approach as the conclusion of this valuation.

Upon the implementation of valuation procedures such as check and verification, on-site investigation, market survey and assessment and estimation, the asset-based approach was adopted to arrive at the valuation results. As of the Valuation Base Date, being 30 June 2024, the book value of the assets of Zhuhai Gongyun Bus Terminal Co., Ltd. was RMB52,021,400 and the appraised value of the assets was RMB63,352,900; the book value of the liabilities was RMB38,256,800 and the appraised value of the liabilities was RMB38,256,800; the book value of the shareholders' equity was RMB13,764,600 and the appraised value of the shareholders' equity was RMB25,096,100, representing an appreciation of the appraised value of RMB11,331,500, or 82.32%.

## **XI. EXPLANATIONS ON SPECIAL MATTERS**

### **(I) Title defects**

1. According to the valuation declaration form provided by the appraised entity, there are no title defects found in the asset of the appraised entity.

### **(II) Restrictions on the valuation procedures**

There are no restrictions on the valuation procedures.

### **(III) Uncertainties such as outstanding matters, contingencies and legal disputes**

As of the date of the asset valuation report, the Valuers did not find any uncertainties such as outstanding matters, contingencies and legal disputes affecting the valuation results in the appraised entity.

### **(IV) Material subsequent events**

The subsequent events after the Valuation Base Date refer to the events that significantly affect the appraised value from the Valuation Base Date to the date of submission of the valuation report, such as asset quantity and changes in price standards. Subsequent events will affect the use of the valuation results.

As of the date of the asset valuation report, the Valuers did not find any other subsequent events significantly affecting this valuation result.

### **(V) Adoption of procedures and methods different from those stipulated in the asset valuation standards subject to the basic requirements of the asset valuation standards.**

No procedures and methods different from those stipulated in the asset valuation standards were adopted in this valuation.

## **(VI) Other matters**

1. The specific scope of this valuation is based on declaration form for various asset valuation provided by the appraised entity. The declared book value in the valuation has been audited and confirmed by Guangdong Zhongsui Certified Public Accountants Co., Ltd (廣東中穗會計師事務所有限公司) who has issued a special audit report (Report No.: Zhong Sui Shen Zi (2024) No. B117) to be brought to the attention of the users of the report;
2. This report is prepared based on the economic behavior documents, business licenses, property right certificates, financial statements, accounting vouchers, asset ledger and other relevant information concerning the valuation provided by the principal and the appraised entity. The principal, the appraised entity and the related parties shall be responsible for the authenticity, validity and integrity of the original data provided in relation to the abovementioned valuation. The Company has independently examined the relevant economic behavior documents, business licenses, property rights certificates, accounting vouchers and other information provided by the principal and the appraised entity, but is not responsible for the authenticity of the above information;
3. In accordance with the letter of commitment to valuation issued by the principal and the appraised entity and the principles based on which our Company has issued this report, this valuation report serves only to fulfill the purpose of the valuation as set out in the report for the principal, and all the contents in the report (including, but not limited to, the main text, valuation breakdown, valuation explanations and valuation report annexes) shall not be held liable for any subsequent and other matters other than the fulfillment of the purpose of the valuation. The principal and the appraised entity also undertake not to pursue any part of the valuation report issued for this project for any subsequent and other matters, which is brought to the attention of the users of the report;
4. It is the responsibility of the asset appraiser to estimate the value of the subject of valuation and express its professional opinions, in compliance with the relevant laws, regulations and principles of asset valuation. It is the responsibility of the principal and the related parties to provide the necessary information and to ensure its truthfulness, legitimacy and completeness, and to use the valuation report in a proper manner. The valuation conclusion shall not be deemed as a guarantee as to the realizable price of the subject of valuation;
5. If there are any defects in the enterprise that may affect the asset appraised value, and there is no special explanation made at the time of commission, and the Valuers have completed the valuation procedures but are still unable to obtain information, the valuation institution and Valuers shall not be held responsible;
6. The valuation conclusion reflects the current price of the subject of valuation for this valuation purpose determined in accordance with the principles of the open market. This report has taken no account of the impact of the additional amount possible to be paid by the special counterparty on the appraised value, or the impact on assets' price from changes to the national macroeconomic policies and occurrence of natural forces and other force majeure. In the event of changes in the aforementioned conditions and the continuing operation principle adopted in the course of the valuation, the valuation conclusion will generally become invalid;



7. We have not considered some factors that may affect the value, such as the expenses and taxes assumed for disposal of the subject of valuation declared, and we have not considered any tax as may be levied in respect of the revaluation gain and loss of asset value in each category of assets;
8. We have not considered the premium and discount of controlling and minority interest in the valuation, or the discount in relation to the lack of liquidity for the equity interest of the Company.

Users of the valuation report should pay attention to the impact of the abovementioned special matters on the valuation conclusion.

## **XII. NOTES ON THE LIMITATIONS ON USE OF THE ASSET VALUATION REPORT**

- (I) The asset valuation report shall be used for the purposes and uses of valuation set out in the report only.
- (II) If the principal or other users of the asset valuation report fail to use the asset valuation report in accordance with the laws, administrative regulations and the scope of use specified in the asset valuation report, the asset valuation institution and its asset valuation professionals disclaim any liability arising therefrom.
- (III) Except for the principal, other users of the asset valuation report as agreed in the asset valuation engagement contract and users of the asset valuation report as stipulated by laws and administrative regulations, no other institution or individual shall be a user of the asset valuation report.
- (IV) The users of the asset valuation report shall have a correct understanding of the valuation conclusion and use it correctly, which does not represent the realisable price of the subject of valuation and shall not be deemed a guarantee for the realisable price of the subject of valuation.
- (V) All or any part of the asset valuation report shall not be extracted, cited or disclosed in the public media without the consent of the asset valuation institution and its review of the relevant contents, unless otherwise provided in the laws or regulations or agreed between the relevant parties.
- (VI) The valuation conclusion is valid for one year from the Valuation Base Date, that is, the validity period of the valuation conclusion is from 30 June 2024 to 29 June 2025.

## **XIII. DATE OF ASSET VALUATION REPORT**

The date of the asset valuation report is 17 October 2024.



(This page is intended for signature and seal page of the asset evaluation institution and asset appraisers)

Asset evaluation institution: Guangdong Zhixin Asset Appraisal Real Estate and Land Appraisal Limited (廣東致信資產評估房地產土地估價有限公司)



Legal representative: Zhang Xuedong (張學東)



Asset appraiser: Jian Zhihang (簡智航)  
44210276



Asset appraiser: Cui Yongqing (崔永慶)  
37040134



## **APPENDIX V TECHNICAL INSTRUCTIONS ON THE VALUATION OF INCOME APPROACH**

### **Assumptions Used in the Profit Forecast**

Due to the changes in the environment where the enterprise is operating and the changing factors affecting the value of assets, it is necessary to establish some assumptions so that the Valuers conduct judgement on the value of the assets, to fully support our conclusion on the valuation. This valuation is based on the following premises and assumptions:

#### **(I) General assumptions**

##### **1. *Going concern assumption***

The going concern assumption assumes that the business of the appraised entity is legitimate, there are no unforeseen factors that would cause it to fail to continue as a going concern, and the existing use of the subject of valuation remains unchanged and remains operational on the site.

##### **2. *Transaction assumption***

The transaction assumption assumes that all the subjects of the valuation are in the course of transaction and the valuation assessed by the Valuers is based on a simulated market which involves the transaction conditions of the subjects of the valuation. The transaction assumption is one of the most fundamental assumptions for the performance of asset valuation.

##### **3. *Open market assumption***

The open market assumption assumes that both parties to the asset transaction or the proposed asset transaction in the market are in equal position and have the opportunities and time to obtain sufficient market information in order to make a rational judgment on the assets, including their functions, uses and transaction prices. The basis of open market assumption is that the assets can be traded openly in the market.

#### **(II) Special assumptions**

1. This valuation takes the specific valuation purposes set out in this asset valuation report as its basic assumption premises.
2. Stable economic environment assumption: assuming there are no material changes to the prevailing law, regulations, policies and macroeconomic conditions of the PRC as well as the political, economic and social environment of regions in which the parties involved operate, and there is no material adverse impact arising from other unforeseeable events and force majeure events after the Valuation Base Date.
3. No material changes assumption: assuming there are no material changes to the interest rates, exchange rates, taxation base and tax rates and other policy-based levies in the PRC.
4. No adverse impact assumption: assuming there are no force majeure and unforeseeable factors that will have a material adverse effect on the principal's subject of valuation.

5. True data assumption: assuming that the annual financial report of the subject of valuation could truly reflect its actual conditions.
6. Consistency of policy assumption: assuming there are no material changes in the accounting policy and auditing methods adopted by the appraised entity.

This valuation conclusion will generally be invalidated upon the occurrence of events that are inconsistent with the aforesaid assumptions.

## **Technical Instructions on the Valuation of Income Approach**

### **I. Subject of Valuation**

Based on relevant economic behavior documents, the subject of this valuation is the value of all shareholders' equity of Zhuhai Gongyun Bus Terminal Co., Ltd.

### **II. Analysis on Applicability of the Income Approach**

Income approach in enterprise value appraisal refers to the valuation approach that the expected income shall be capitalized or discounted to determine the value of the subject of valuation. The prerequisites for the application of income approach are: ① the expected future income of and the risks to obtain the expected income borne by the appraised enterprise shall be measurable in currency; ② the expected income period of the appraised enterprise can be forecasted.

Income approach refers to the valuation approach that the expected income shall be capitalized or discounted to determine the value of the subject of valuation. Income approach is applicable to enterprises that have been established for a long time, and have a relatively complete history of operation and stable profitability, and whose future income can be reasonably forecasted. The appraised enterprise has provided the historical data relating to the assets and liabilities within the valuation scope, operation and financial information during historical years as well as the data and information relating to the forecast of future operation revenue. Through analysis on the relevant information provided by the appraised enterprise, combined with the preliminary analysis on the macroeconomic situation, the development prospects of the industry in which the appraised enterprise operates and the operation status of the appraised enterprise, the Valuer concludes that this valuation on Zhuhai Gongyun Bus Terminal Co., Ltd. meets the conditions for adopting income approach.

### **III. Due Diligence on Income Forecast**

The steps and content of due diligence in the valuation with income approach are as follows:

- (1) Referring to the financial statements and other relevant information over the years, analyzing the composition and reasons for changes in operating income, costs and relevant expenses of the appraised enterprise over the years, and analyzing the causes of changes in various economic and technical indicators and financial indicators of the enterprise.
- (2) Investigating and collecting relevant information and materials that affect the operations of the appraised enterprise, including the macroeconomic situation, the policies, status quo and development prospects of the industry in which the appraised enterprise operates, the tax and other preferential policies enjoyed by the appraised enterprise, etc.

- (3) Analyzing the assets and liabilities of the enterprise and verifying whether there are surplus assets, non-operating assets and liabilities.
- (4) Interviewing relevant personnel of the appraised enterprise about its future business planning and development prospects.
- (5) Analyzing relevant data and information provided by the appraised enterprise to forecast future operating income.

#### **IV. Assumptions of Income Forecast**

The assumptions followed in predicting income are as follows:

Stable economic environment assumption: assuming there are no material changes to the prevailing laws, regulations, policies and macroeconomic conditions of the PRC as well as the political, economic and social environment of regions in which the parties involved operate, and there is no material adverse impact arising from other unforeseeable events and force majeure events after the Valuation Base Date.

1. No material changes assumption: assuming there are no material changes to the interest rates, exchange rates, taxation base and tax rates and policy-based levies in the PRC.
2. No adverse impact assumption: assuming there are no other force majeure and unforeseeable factors that will have a material adverse effect on the client's assets to be appraised.
3. No defects assumption: assuming that the assets to be appraised have no ownership defects, or that all existing ownership defects have been revealed.
4. True data assumption: assuming that the annual financial report of the assets to be appraised could truly reflect its actual conditions.
5. Consistency of policy assumption: assuming there are no material changes in the accounting policy and auditing methods adopted by the appraised entity.
6. Simple reproduction assumption: assuming that the appraised enterprise's annual depreciation of fixed assets could meet the renewal expenditure of the input needed to maintain the scale of fixed assets, and such measures are sufficient to maintain the sustainable operation and production capacity of the enterprise.
7. Balanced operation assumption: assuming that the operating income and costs of the appraised enterprise occur evenly;
8. Stable income assumption: assuming that the appraised enterprise is able to operate on an on-going basis in the future, generate cash flows in the middle of each forecast period, and obtain stable income on the basis of the actual stock at the Valuation Base Date.
9. Consistency assumption: assuming that the appraised enterprise's business scope and approach are in line with those of the present based on its existing management approach and management standard.

10. Unchanged profitability assumption: assuming that the appraised enterprise's operating conditions and profitability do not change with the equity change behavior.

## V. Operations, Assets and Financial Analysis of the Enterprise

### (I) *Analysis of the development status of China's urban passenger transportation industry in recent years*

#### 1. *Overview of the urban passenger transportation industry*

Urban public transportation industry is a public welfare industry characterized by business operation not for profit, large amount of capital investment and a scale effect that can be produced by monopoly operation, with wide coverage and concerning the vital interests of residents, so its service price, line setting, operation time, vehicle configuration and other aspects are strictly controlled and supervised by relevant government authorities.

As an important public utility industry that affects urban development, national economy and people's livelihood, passenger transport business is less affected by macroeconomic fluctuations, which makes it a non-cyclical industry. As an important public utility industry that affects urban development, national economy and people's livelihood, urban public transport industry is strictly controlled and supervised by relevant government authorities. With relatively fixed operating costs, the benefits of enterprises largely depend on the pricing of service products set by the government. Factors such as fuel prices, labor costs, preferential rides and the dramatic expansion of rail transit have become the main factors affecting the industry.

#### 2. *Development of the urban passenger transport industry*

##### (1) Infrastructure

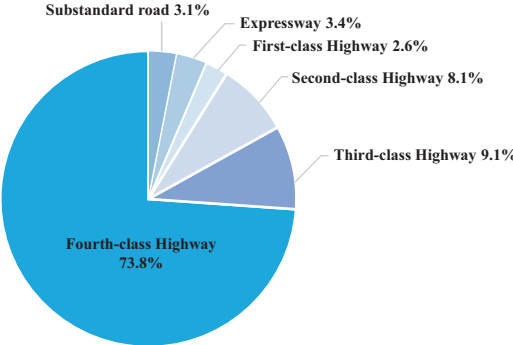
At the end of 2023, China's highway mileage was 5,436,800 km, representing an increase of 82,000 km over the end of the previous year; and the highway density was 56.63 km/100 km<sup>2</sup>, representing an increase of 0.85 km/100 km<sup>2</sup>.

#### China's highway mileage and highway density from 2019 to the end of 2023

China's highway mileage (0'000 km)		China's highway density (km/100 km <sup>2</sup> )
543.68	2023	56.63
535.48	2022	55.78
528.07	2021	55.01
519.81	2020	54.15
501.25	2019	52.21

At the end of 2023, the mileage of fourth-class and above highways in China was 5,270,100 km, representing an increase of 107,600 km over the end of the previous year, and accounting for 96.9% of the total highway mileage, with an increase of 0.5 percentage point. Among them, the mileage of second-class and above highways was 762,200 km, representing an increase of 18,600 km, and accounting for 14.0% of the total highway mileage, with an increase of 0.1 percentage point; and the expressway mileage was 183,600 km, representing an increase of 6,400 km, and the national expressway mileage was 122,300 km, representing an increase of 2,400 km.

**Composition of China’s highway mileage at the end of 2023 (by technical grade)**



At the end of 2023, the national highway mileage was 384,000 km, and the provincial highway mileage was 404,100 km in China. The rural road mileage was 4,598,600 km, including the county highway mileage of 696,700 km, the rural highway mileage of 1,242,800 km and the backroad mileage of 2,659,100 km.

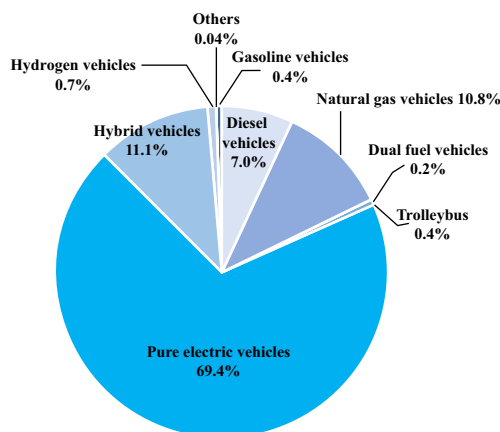
At the end of 2023, there were 1,079,300 highway bridges, with a total length of 95,288,200 linear meters in China, representing an increase of 46,100 bridges and 9,523,300 linear meters over the end of the previous year, respectively. Among them, there were 10,239 grand bridges, with a total length of 18,730,100 linear meters, and 177,700 bridges, with a total length of 49,943,700 linear meters. There were 27,297 road tunnels, with a total length of 30,231,800 linear meters, representing an increase of 2,447 tunnels and 3,447,500 linear meters. Among them, there were 2,050 extra-long tunnels, with a total length of 9,240,700 linear meters, and 7,552 long tunnels, with a total length of 13,213,800 linear meters.

At the end of 2023, there were 79,800 operation lines of public buses and trams in China, representing an increase of 1,800 lines over the end of the previous year, with a total length of operation lines of 1,733,900 km, representing an increase of 69,400 km. Among them, the length of bus lanes was 20,300 km, representing an increase of 405.3 km. There were 308 operation lines of the urban rail transit, representing an increase of 16 lines, with a total operating mileage of 10,158.6 km, representing an increase of 604.0 km, including 256 subway lines with a total mileage of 9,042.3 km, and 7 light rail lines with a total mileage of 267.5 km. There were 80 operation routes of the urban passenger ferries, representing an increase of 1 route, with the total length of operation routes of 306.4 km, representing a decrease of 28.2 km.

## (2) Transportation equipment

At the end of the year, there were 682,500 public buses and trams in China, representing a decrease of 20,700 vehicles over the end of the previous year. Among them, there were 473,900 pure electric vehicles, representing an increase of 18,500 vehicles, and accounting for 69.4% of the total number of public buses and trams, with an increase of 4.7 percentage points. There were 66,700 urban rail transit vehicles, representing an increase of 4,100 vehicles. There were 1,367,400 cruising taxis, representing an increase of 5,400 vehicles. There were 180 urban passenger ferry vessels.

### Composition of public buses and trams at the end of 2023 (by fuel type)



### The number of China's urban passenger transportation equipment from 2019 to the end of 2023

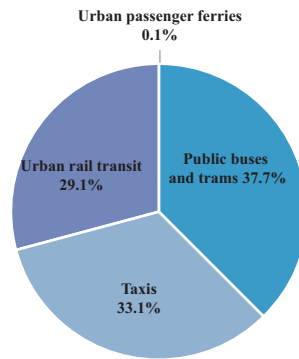
Year	Public buses and trams (0'000 vehicles)	Urban rail transit vehicles (0'000 vehicles)	Cruising taxis (0'000 vehicles)	Urban passenger ferry vessels (vessels)
2023	68.25	6.67	136.74	180
2022	70.32	6.26	136.20	183
2021	70.94	5.73	139.13	196
2020	70.44	4.94	139.40	194
2019	69.33	4.10	139.16	224



(3) Transportation services

In 2023, the annual urban passenger transport volume reached 101 billion, representing an increase of 27.7% over the previous year. Among them, the urban passenger volume of public buses and trams was 38.05 billion, representing an increase of 18.0%; the urban rail transit passenger volume was 29.389 billion, representing an increase of 52.2%; the urban passenger volume of taxis was 33.478 billion, representing an increase of 21.7%; and the passenger volume of urban passenger ferry was 83 million, representing an increase of 85.3%.

**Composition of China’s urban passenger volume in 2023 (by transportation mode)**



3. *Overall layout of the urban passenger transportation industry*

Urban public transportation is a social public welfare undertaking that meets the basic travel needs of the people, an important part of the transportation service industry, closely related to the production and living of the people, inextricably linked to the operation of the city and economic development, and a major livelihood project. Promoting the healthy development of the urban public transportation industry and ensuring the smooth and orderly operation of urban public transportation are crucial to promoting sustainable economic and social development, improving the urban living environment, and protecting the basic travel rights and interests of the general public. The period of the “14th Five-Year Plan” is a critical period when China is transiting from the stage of building a moderately prosperous society in all respects to the stage when socialist modernization is basically realized, the construction of new urbanization is advancing rapidly, and the development of urban public transportation will usher in an important period of strategic opportunities and challenges.

- (1) Enhancing the rapidity of public transportation travel. Building a rapid commuting system for urban public transportation. Cities with a permanent urban population of more than 3 million have basically built a dedicated public transportation network, which, together with the urban rail transit and the rapid public transportation system, constitutes the urban rapid commuting system. Accelerating the construction of intercity rail transit, and forming an intercity passenger rapid commuting system with an intercity rail transit network as the main backbone in major urban agglomerations such as the Yangtze River Delta, the Pearl River Delta, Beijing-Tianjin-Hebei, the middle reaches of the Yangtze River, Chengdu-Chongqing and central China.



- (2) Building an intelligent application system for urban public transportation. Deepening the demonstration project of intelligent application of urban public transportation, accelerating the in-depth development and comprehensive utilization of urban public transportation information resources, and providing support for scientific decision-making of management departments and operating enterprises. Cities with a permanent urban population of more than 1 million have fully established urban public transportation operation and dispatching management systems, safety monitoring systems and emergency response systems. Promoting the development of “Internet + urban public transportation”. Making full use of social resources and enterprise strength, vigorously promoting the wide application of big data, cloud computing, and mobile Internet technology in the field of urban public transportation travel information service, promoting the construction of intelligent comprehensive travel information service system with convenient travel guidance for urban public transportation, and providing the public with “one-stop” information service for comprehensive transportation in the whole chain, all modes and all regions.
- (3) Easing urban traffic congestion. Selecting traffic diversion measures reasonably, taking full account of differences in population size, geographic pattern, spatial layout and stage of transportation development, and guiding all regions to establish differentiated traffic congestion management measures based mainly on economic means and supplemented by administrative means in accordance with the law. Improving the environment for slow transportation. Building a “safe, fair, convenient, continuous, comfortable and beautiful” walking, cycling and other slow transportation systems, and guiding the public to choose green ways of transportation. Strengthening urban static traffic management, scientific planning of parking facilities, and supporting the implementation of differentiated parking fee policies for central urban areas by regions, time periods and standards. Implementing the traffic impact assessment system for urban construction projects. Organizing traffic impact assessments for the planning and construction of large-scale construction projects such as airports, railway passenger terminals, waterway passenger terminals, highway passenger terminals, residential areas and commercial areas.

#### 4. *Analysis of the competitive landscape of the urban passenger transportation industry*

The major competitors in the road passenger transport market include large state-owned transport enterprises, local transport enterprises and emerging Internet travel platforms. These competitors compete fiercely in different fields and market segments, attracting passengers mainly through price competition and service quality competition. Large passenger transport enterprises dominate the market, with significant market share and brand influence. However, with the continuous emergence of new technologies and models, the market landscape is also changing, with emerging enterprises gradually coming to the fore.

The road passenger transportation industry is facing competitive pressure from various travel modes such as high-speed railways and private cars. At the same time, there are also problems such as fierce competition and uneven service quality within the industry. With the acceleration of the urbanization process and the coordinated development of the regional economy, the road passenger transportation industry still has a large space for development. In addition, the continuous emergence of new technologies also provides the industry with more innovation opportunities and development space.

The future development trend and prospect forecast of the road passenger transportation industry market show that the industry will present a diversified development trend such as technological innovation, service model innovation and policy-based support. At the same time, such characteristics that market scale will continue to grow, competition patterns will change, and green development will become the mainstream trend will also bring new development opportunities and challenges to the industry.

#### 5. *Development trends of the urban passenger transportation industry*

With the continuous development of technologies such as intelligence and informatization, the road passenger transportation industry is gradually moving towards intelligence and greenness. For example, the application of technologies such as electronic tickets and intelligent dispatching is improving the convenience and efficiency of road passenger transportation. In order to meet the diverse needs of passengers, road passenger transportation enterprises are constantly innovating service models and service content, for example, providing customized passenger transportation services, strengthening the connection with other modes of transportation, etc. The government has continuously increased its support for the road passenger transportation industry and introduced a series of policies and measures to promote the development of the industry. For example, the implementation of policies such as tax cuts and fee reductions as well as financial subsidies has provided strong support for road passenger transportation enterprises.

With the continuous development of intelligent driving, the Internet of Things, big data and other technologies, the road passenger transportation industry will usher in intelligent upgrading. The application of intelligent driving technology will improve the safety and comfort of vehicle driving, the Internet of Things technology will realize the interconnectivity between vehicles and infrastructure and passengers, and the big data technology will help enterprises more accurately analyze market demand and optimize operational strategies. The promotion and application of new energy buses will become an important development direction of the industry. With the advancement of the battery technology and the improvement of charging infrastructure, new energy vehicles such as pure electric buses and hydrogen fuel cell buses will gradually replace traditional fuel buses, and promote the development of the industry in the direction of green and low-carbon.

With the improvement of global environmental awareness and the strict requirements of governments on vehicle emission standards, the green development will become the dominant trend in the road passenger transportation industry. The promotion and application of new energy buses will promote the development of the industry in a low-carbon and environmental-friendly direction. Meanwhile, enterprises will also intensify investment and research and development efforts in energy conservation, emission reduction and green technologies to meet market demands and environmental protection requirements.

**(II) Historical annual financial analysis of the enterprise**

1. Financial position and operating results in historical years and the balance sheet of the appraised enterprise in recent years are as follows:

**Consolidated Balance Sheet***Unit: RMB*

<b>Lines</b>	<b>Items</b>	<b>31 December 2021</b>	<b>31 December 2022</b>	<b>31 December 2023</b>	<b>30 June 2024</b>
<b>1</b>	<b>I. Total current assets</b>	<b>12,198,589.92</b>	<b>6,739,659.32</b>	<b>8,447,662.87</b>	<b>8,178,265.79</b>
2	Cash at bank and on hand	4,698,402.50	705,097.79	2,389,586.33	2,626,220.85
3	Financial assets held for trading				
4	Bills receivable				
5	Account receivable	2,095,026.57	2,464,657.06	3,896,965.84	3,564,908.57
6	Prepayments	3,539,351.46	2,181,627.55	999,401.98	1,090,933.32
7	Dividends receivable				
8	Interest receivable				
9	Other receivables	1,864,994.44	1,343,629.59	1,010,195.93	733,912.29
10	Inventories				
11	Deferred expenses				
12	Non-current assets due within one year				
13	Other current assets	814.95	44,647.33	151,512.79	162,290.76
<b>14</b>	<b>II. Total non-current assets</b>	<b>38,725,567.71</b>	<b>35,722,328.86</b>	<b>36,003,016.71</b>	<b>40,949,284.23</b>
15	Available-for-sale financial assets	4,880,000.00	4,880,000.00		
16	Held-to-maturity investments				
17	Long-term equity investments	15,603,268.17	15,813,176.66	24,187,750.48	31,000,900.87
18	Other equity instrument investments			2,000,000.00	2,000,000.00
19	Investment properties				
20	Long-term receivables				
21	Fixed assets	17,502,746.39	13,846,901.16	9,439,455.16	7,663,507.81
22	Right-of-use assets		624,568.93		
23	Construction in progress				
24	Fixed assets pending for disposal				
25	Intangible assets				

Lines	Items	31 December 2021	31 December 2022	31 December 2023	30 June 2024
26	Development expenditure				
27	Goodwill				
28	Long-term deferred expenses	739,553.15	557,682.11	375,811.07	284,875.55
29	Deferred tax assets				
30	Other non-current assets				
<b>31</b>	<b>III. Total assets</b>	<b>50,924,157.63</b>	<b>42,461,988.18</b>	<b>44,450,679.58</b>	<b>49,127,550.02</b>
<b>32</b>	<b>IV. Total current liabilities</b>	<b>31,959,680.94</b>	<b>49,577,047.97</b>	<b>56,147,619.56</b>	<b>52,668,926.67</b>
33	Short-term loans				
34	Trading financial liabilities				
35	Bills payable				
36	Accounts payable	6,563,751.60	7,682,811.91	7,737,205.58	8,738,390.52
37	Advances from customers	19,557.75	18,142.20		
38	Contract liabilities			542,308.86	437,133.20
39	Employee benefits payable	101,841.81	6,883,819.32	5,417,399.65	4,445,882.67
40	Taxes payable	502,694.48	356,587.85	522,533.19	448,733.11
41	Interests payable				
42	Other unpaid expenses				
43	Other payables	21,238,548.30	31,938,489.03	33,434,180.28	34,009,084.17
44	Non-current liabilities due within one year	3,533,287.00	2,697,197.66	8,493,992.00	4,589,703.00
45	Other current liabilities				
46	Provision (due within one year)				
47	Deferred income (due within one year)				
<b>48</b>	<b>V. Total non-current liabilities</b>	<b>10,681,900.00</b>	<b>10,479,000.06</b>	<b>2,709,400.00</b>	<b>5,638,200.00</b>
49	Long-term loans				
50	Lease liabilities		327,200.06		
51	Long-term payables	10,681,900.00	10,151,800.00	2,709,400.00	5,638,200.00
52	Specific payment				
53	Provision (long-term debt)				
54	Other non-current liabilities				
55	Deferred income (long-term debt)				
56	Deferred tax liabilities				
<b>57</b>	<b>X. Total liabilities</b>	<b>42,641,580.94</b>	<b>60,056,048.03</b>	<b>58,857,019.56</b>	<b>58,307,126.67</b>
<b>58</b>	<b>XI. Shareholders' equity</b>	<b>8,282,576.69</b>	<b>-17,594,059.85</b>	<b>-14,406,339.98</b>	<b>-9,179,576.65</b>

2. The income statement of the appraised enterprise in recent years is as follows:

### Consolidated Income Statement

*Unit: RMB*

No.	Items	2021	2022	2023	From January to June 2024
1	Operating income	36,561,770.39	27,464,114.48	46,537,679.80	21,018,009.81
2	Operating costs	43,000,654.34	34,970,228.55	41,146,297.17	18,145,131.00
3	Taxes and surcharges	89,856.03	52,837.78	121,424.34	46,112.31
4	Add: Profit from other operations				
5	Selling and distribution expense				
6	General and administrative expenses	7,939,183.23	13,696,389.71	6,571,723.32	2,574,660.14
7	Research and development expenses				
8	Financial expenses	426,899.28	531,413.79	555,697.00	274,488.74
9	Add: Other income (additional deduction)	305,869.24	449,502.84	2,967.28	1,695.78
10	Investment income	-6,053,688.71	-4,475,878.45	7,592,652.16	8,178,788.24
11	Asset impairment loss				
12	Credit impairment loss	-127,849.19	-117,841.04	-318,416.34	-377,559.10
13	Disposal loss and gain on asset	632,994.63	767,430.59	56,356.55	
<b>14</b>	<b>Operating profit</b>	<b>-20,137,496.52</b>	<b>-25,163,541.41</b>	<b>5,476,097.62</b>	<b>7,780,542.54</b>
15	Non-operating income	1,150.01	1,746.29	18,613.68	3,439.08
16	Non-operating expenses	24,111.07	4,245.27	4,094.15	1,175,280.00
<b>17</b>	<b>Total profit</b>	<b>-20,160,457.58</b>	<b>-25,166,040.39</b>	<b>5,490,617.15</b>	<b>6,608,701.62</b>
18	Income tax	88.35			-
<b>19</b>	<b>Net profit</b>	<b>-20,160,545.93</b>	<b>-25,166,040.39</b>	<b>5,490,617.15</b>	<b>6,608,701.62</b>

### *(III) Analysis of Asset Allocation*

#### *1. Analysis of operating assets*

Operating assets refer to the assets and liabilities involved in the free cash flow forecast of the enterprise related to the normal production and operation of the appraised enterprise.

## 2. *Analysis of non-operating assets*

Non-operating assets refer to the assets and liabilities not relating to the normal operation of the enterprise and not involved in the forecast of the free cash flow of the enterprise.

## 3. *Analysis of surplus assets*

Surplus assets refer to the assets more than required by normal operation of the enterprise and are not involved in the forecast of the free cash flow of the enterprise.

# VI. SELECTION OF INCOME MODELS

The income approach in enterprise value appraisal refers to a valuation approach that the expected income shall be capitalized or discounted to determine the value of the subject of valuation. The specific approaches commonly used by the income approach include the dividend discount approach and the discounted cash flow approach. Upon comprehensive analysis, the discounted cash flow approach and the discounted free cash flow model of the enterprise are adopted in this valuation based on the income approach, the formula for the model is as follows:

Value of total shareholders' equity = overall enterprise value – value of interest-bearing debts

## 1. *Overall enterprise value*

The overall enterprise value is the sum of the value of total shareholders' equity and the value of interest-bearing debts, the formula of which is as follows:

Overall enterprise value = value of operating assets + value of surplus assets + net value of non-operating assets

### (1) *Value of operating assets*

Operating assets refer to the assets and liabilities involved in the free cash flow forecast of the enterprise related to the normal production and operation of the appraised enterprise. The formula for the value of operating assets is as follows:

$$P = \sum_{t=1}^n \frac{FCFF_t}{(1 + WACC)^t} + \frac{FCFF_{n+1}}{(WACC - g) \times (1 + WACC)^n}$$

Where: P – Value of operating assets;

n – Years under forecast;

WACC – Weighted average cost of capital;

FCFF<sub>n+1</sub> – Free cash flow of the enterprise in the year n+1.

① Income period and forecast period

As no matters affecting the enterprise's operation on an on-going basis are identified through analyzing the development prospect of the industry where the appraised enterprise operates and its own business conditions, the income period is determined as an infinite period.

Generally, in contrast to the poor accuracy of the predictions on forward income, the recent income of the enterprise can be predicted in a relatively accurate manner. Based on the situation of the appraised enterprise, the income period of the enterprise is divided into the forecast period and the post-forecast period.

② Free cash flow of the enterprise during the forecast period

The formula for the free cash flow of the enterprise for each year during the forecast period is as follows:

Free cash flow of the enterprise = net profit + depreciation and amortization + interest expense after-tax – capital expenditure – changes of working capital

③ Discount rate

The free cash flow of the enterprise is the measurement of income in this valuation. According to the principle of consistency between the amount of income and the discount rate, the discount rate is determined under the weighted average cost of capital model (WACC). The formula of which is as follows:

$$WACC = K_e \times \frac{E}{(D + E)} + K_d \times \frac{D}{(D + E)} \times (1 - T)$$

Where:  $K_e$  – Cost of equity capital;

$K_d$  – Cost of debt capital;

$E/(D + E)$  – Percentage of equity capital to total capital;

$D/(D + E)$  – Percentage of debt capital to total capital;

$T$  – Income tax rate.

Of which, the cost of equity capital  $K_e$  is determined using the Capital Asset Pricing Model, which is calculated using CAPM indirectly. The formula of which is as follows:

$$K_e = R_f + \beta_L \times RPM + R_c$$

Where:  $R_f$  – Risk-free rate of return;

$\beta_L$  – Systematic risk coefficient for shareholders’ equity;

RPM – Market risk premium;

$R_c$  – Enterprise-specific risk adjustment coefficient.

④ Free cash flow (final value) of the enterprise after the forecast period

The free cash flow (final value) of the enterprise after the forecast period refers to the value discounted from the free cash flow of the enterprise after the forecast period to the last year of the forecast period. In this valuation, it is assumed that the appraised enterprise will operate in on-going concern and is expected to maintain stable operating income after the forecast period, the formula for calculating the cash flow (final value) after the forecast period is as follows:

$$P_n = \frac{FCFF_{n+1}}{(WACC - g) \times (1 + WACC)^n}$$

Where:  $P_n$  – Free cash flow (final value) of the enterprise after the forecast period;

$g$  – Fixed growth rate;

$FCFF_{n+1}$  – Free cash flow of the enterprise for the year after the forecast period.

Of which, the free cash flow of the enterprise for the year after the forecast period shall be adjusted and determined with reference to the free cash flow of the enterprise for the last year of the forecast period.



(2) *Value of surplus assets*

The surplus assets represent the assets not directly relating to the enterprise's revenue, including surplus cash and invalid assets, etc. This valuation is conducted using appropriate methods based on the nature and characteristics of the assets and liabilities, respectively.

(3) *Net value of non-operating assets*

Net value of non-operating assets represents the net value of assets and liabilities not relating to the normal operation of the enterprise and not involved in the forecast of the free cash flow of the enterprise. This valuation is conducted using appropriate methods based on the nature and characteristics of the assets and liabilities, respectively.

**2. Value of interest-bearing debts**

Interest-bearing debts represent the debts that need to pay interest as at the Valuation Base Date, including short-term borrowings, long-term borrowings and borrowings in other payables, etc., the appraised value of which is determined by the verified book value or the actual liabilities to be borne by the enterprise.

**VII. Calculation Process**

**(I) Determination of income period and forecast period**

As the appraised enterprise's operation has not been restricted obviously through analyzing the development prospect of the industry where the appraised enterprise operates and its own business conditions, the income period is determined as an infinite period in this valuation.

Generally, in contrast to the poor accuracy of the predictions on forward income, the recent income of the enterprise can be predicted in a relatively accurate manner. Based on the situation of the appraised enterprise, the income period of the enterprise is divided into the forecast period and the post-forecast period.

**(II) Forecast of free cash flow of the enterprise during the forecast period**

**1. Forecast of operating income**

Zhuhai Gongyun Bus Terminal Co., Ltd. mainly operates long distance routes business in Pearl River Delta. Zhuhai Qiguan Sightseeing Bus Co., Ltd. mainly operates customized routes from Tanzhou, Zhongshan to Gongbei, Zhuhai, the commuting routes of Livzon Pharmaceutical Company and other retailed chartered cars business. The two companies above have 76 operating vehicles in total, of which, the Bus Terminal Company has 32 operating vehicles, and the Sightseeing Bus Company has 44 operating vehicles (25 Electric Vehicles and 19 fuel vehicles). Zhuhai Gongqi Taxi Co., Ltd. mainly operates taxi rental business and has 52 existing taxis.

(1) Past historical data

The operating income of the enterprise mainly are passenger transportation income of taxis, sightseeing bus and bus terminal and the station income of bus terminal and so on. The past annual operating income of the appraised entity is presented in the statement below:

**Historical Annual Operating Income Statement**

*Unit: RMB*

Item	Name of product or service	Historical years			January to June 2024
		2021	2022	2023	
Income of principal businesses	Taxis – passenger transportation income	5,756,260.70	3,535,362.21	4,311,228.90	1,950,359.21
	Sightseeing buses – passenger transportation income	13,277,520.94	11,958,580.44	19,435,256.87	8,668,365.70
	Sightseeing buses – other transportation income				16,748.29
	Bus terminals – passenger transportation income	13,525,375.21	9,989,114.92	19,329,015.36	8,884,020.07
	Bus terminals- station income	4,002,613.54	1,969,788.39	3,384,350.36	1,339,377.89
	<b>Subtotal</b>	<b>36,561,770.39</b>	<b>27,452,845.96</b>	<b>46,459,851.49</b>	<b>20,858,871.16</b>
Income of other businesses	Bus terminals- income of other businesses	-	11,268.52	77,828.31	159,138.65
	<b>Subtotal</b>	<b>-</b>	<b>11,268.52</b>	<b>77,828.31</b>	<b>159,138.65</b>
	<b>Total</b>	<b>36,561,770.39</b>	<b>27,464,114.48</b>	<b>46,537,679.80</b>	<b>21,018,009.81</b>

(2) Future Income Forecast

The Valuers interviewed relevant personnel from Zhuhai Gongyun Bus Terminal Co., Ltd. and discovered that the competition in passenger transportation market is currently intense. Passenger transportation traffic and fares have been affected by the COVID-19 pandemic and the increasing popularity of online ride-hailing services to varying degrees, which led to some operating routes needing to be adjusted. In addition, taxi operating licenses are set to expire in the coming years, which will also affect taxi income. To forecast future operating income, we first sorted out and made a statistical analysis based on the detailed composition of each business from 2021 to 2024 provided by the appraised entity, based on this basis, we combined this analysis with information on the actual operating conditions and future development plans of the enterprise and have made a forecast of its operating income, as follows:

① Zhuhai Gongqi Taxi Co., Ltd.

A. Historical annual operating income breakdown:

**Operation Income Statistics from January to December 2021**

*Unit: RMB*

Item	January	February	March	April	June	July	August	September	October	November	December
Taxi ownership	140.00	140.00	140.00	140.00	140.00	140.00	140.00	140.00	140.00	140.00	140.00
Number of taxis let	91.00	82.00	83.00	102.00	106.00	105.00	90.00	90.00	88.00	84.00	74.00
Occupancy rate	65%	59%	59%	73%	76%	75%	64%	64%	63%	60%	53%
Income per taxi	5,441.76	5,282.20	5,350.38	5,576.58	5,544.53	5,012.00	4,548.72	5,383.20	5,948.30	5,548.21	5,576.35

**Operation Income Statistics from January to December 2022**

*Unit: RMB*

Item	January	February	March	April	June	July	August	September	October	November	December
Taxi ownership	125.00	125.00	125.00	125.00	125.00	125.00	125.00	125.00	125.00	125.00	125.00
Number of taxis let	68.00	62.00	62.00	46.00	55.00	55.00	55.00	52.00	55.00	56.00	55.00
Occupancy rate	54%	50%	50%	37%	44%	44%	44%	42%	44%	45%	44%
Income per taxi	3,955.78	4,485.05	4,497.06	4,769.35	5,761.84	5,590.09	5,790.36	5,862.02	6,338.18	6,171.43	4,938.36

**Operation Income Statistics from January to December 2023**

*Unit: RMB*

Item	January	February	March	April	June	July	August	September	October	November	December
Taxi ownership	52.00	52.00	52.00	52.00	52.00	52.00	52.00	52.00	52.00	52.00	52.00
Number of taxis let	50.00	52.00	51.00	52.00	51.00	51.00	52.00	52.00	52.00	52.00	52.00
Occupancy rate	96%	100%	98%	100%	98%	98%	100%	100%	100%	100%	100%
Income per taxi	4,801.00	6,665.00	7,170.59	6,807.31	7,230.39	7,186.27	7,152.88	7,119.62	7,019.51	7,180.58	7,007.12

**Operation Income Statistics from January to June 2024**

*Unit: RMB*

Item	January	February	March	April	June
Taxi ownership	52.00	52.00	52.00	52.00	52.00
Number of taxis let	51.00	48.00	49.00	48.00	48.00
Occupancy rate	98%	92%	94%	92%	92%
Income per taxi	7,134.61	5,708.96	7,165.71	7,089.17	6,997.92

## B. Income forecast

After statistical analysis, we noted that the taxi ownership of the taxi company decreased and the company also did not add any new taxis. Interviews with the management revealed that all taxis operate under a license valid for five years. Each vehicle corresponds to a single operating license, and once the license expires, the vehicle must be scrapped. The company currently conducts operations only with its existing licensed taxis and their respective licenses, and does not plan to purchase new vehicles or apply for new operating licenses.

As a result, we make a forecast on the future operating income of the taxi company based on the existing taxis and their respective operating licenses. The taxi company will cease to generate operating income once all its operating licenses expire. The forecast is as follows:

### Income Forecast Table

*Unit: RMB*

Income years/forecast years	July to December 2024	2025	2026	2027	2028	2029
Total number at the beginning	52.0	47.0	47.0	27.0		
Expected vacancy	4.0	2.0	1.0	1.0		
Scrapping in advance	1.0					
Number of taxis let at the beginning	47.0	45.0	46.0	26.0		
Number of remaining taxis let for the period	44.00	45	26.00	0		
Remaining months	3.00	12	4	2		
Income forecast (excluding tax)	1,828,800.00	3,617,500.00	3,161,900.00	509,100.00	-	-

② Zhuhai Qiguan Sightseeing Bus Co., Ltd.

A. Historical annual operating income breakdown:

**Operation Income Statistics from January to December 2023**

*Unit: RMB*

Item	January	February	March	April	May	June	July	August	September	October	November	December
<b>Non-fixed route</b>	<b>68,000.00</b>	<b>-</b>	<b>58,400.00</b>	<b>13,835.00</b>	<b>24,550.00</b>	<b>15,350.00</b>	<b>73,900.00</b>	<b>3,049.00</b>	<b>16,400.00</b>	<b>1,100.00</b>	<b>2,900.00</b>	<b>64,500.00</b>
Separate chartered coach	68,000.00	-	58,400.00	13,835.00	24,550.00	15,350.00	73,900.00	3,049.00	16,400.00	1,100.00	2,900.00	64,500.00
<b>Fixed route</b>	<b>737,055.85</b>	<b>2,019,594.25</b>	<b>1,546,763.67</b>	<b>1,726,393.70</b>	<b>1,712,400.71</b>	<b>1,696,297.45</b>	<b>1,513,378.25</b>	<b>1,674,102.85</b>	<b>1,590,098.50</b>	<b>1,608,984.15</b>	<b>1,711,402.40</b>	<b>2,106,858.79</b>
Novotown commuter line (創新方通勤線)		579,085.00	176,790.00	213,760.00	183,676.00	187,374.00	204,995.00	198,765.00	183,685.00	190,075.00	205,308.00	200,360.00
No. 1 High School of Doumen Line (斗門一中班線)	9,262.80	32,985.00	49,224.60	74,133.00	41,944.50	42,442.20	9,846.00	11,664.00	50,411.70	61,638.30	67,272.30	61,092.90
Jinan University Zhuhai Campus (暨南大學珠海校區)		4,000.00	16,800.00	17,600.00	16,000.00	18,000.00	8,000.00		17,300.00	14,400.00	17,600.00	21,200.00
Jing'an												
Livzon Pharmaceutical	15,840.00	28,800.00	28,800.00	30,240.00	28,800.00	28,800.00	31,680.00	33,120.00	30,960.00	25,920.00	33,120.00	36,000.00
Jade Bird Experimental School		82,500.00	101,200.00	131,750.00	93,400.00	116,000.00	50,200.00		81,540.00	81,540.00	122,700.00	137,900.00
Tanzhou Line (坦洲線)	661,953.05	833,212.25	856,187.55	939,186.60	994,833.30	1,001,952.35	990,201.00	1,087,374.75	1,021,624.30	1,000,534.65	1,063,546.05	1,218,006.40
Xinhui Experimental School		96,300.00	132,000.00	128,800.00	130,400.00	179,500.00	47,600.00	3,000.00	102,400.00	121,600.00	121,600.00	144,500.00
Changyi Bus Terminal (長溢汽車客運站)		105,712.00	57,200.00	66,200.00	97,100.00	58,800.00	109,000.00	106,000.00	38,300.00	51,000.00	40,300.00	47,400.00
Governmental epidemic prevention bus												
Transportation expenses of relocation of SYSU								170,000.00				-27,593.00
Zhuhai Health School												
Jindi Tanzhou Line (金帝坦洲線)	50,000.00	47,000.00	78,091.52	60,864.10	66,506.91	63,428.90	61,856.25	64,179.10	63,877.50	62,276.20	39,956.05	16,872.26
Yangyang Bus Taishan Customized Line (樣樣 巴士台山定制班車)		210,000.00	50,470.00	63,860.00	59,740.00							213,188.38
Chimelong Special Line (長隆專線)												37,931.85

## Operation Income Statistics from January to June 2024

*Unit: RMB*

Item	January	February	March	April	May	June
<b>Non-fixed route</b>	<b>42,000.00</b>	<b>1,300.00</b>	<b>13,441.00</b>	<b>9,100.00</b>	<b>29,500.00</b>	<b>81,800.00</b>
Separate chartered coach	42,000.00	1,300.00	13,441.00	9,100.00	29,500.00	81,800.00
<b>Fixed route</b>	<b>1,336,393.35</b>	<b>1,447,067.80</b>	<b>1,520,964.30</b>	<b>1,605,230.40</b>	<b>1,304,971.30</b>	<b>1,536,648.50</b>
Novotown commuter line	203,085.00	197,092.00	190,000.00	216,180.00		160,880.00
No. 1 High School of Doumen Line	50,714.10	19,008.00	44,308.80	53,115.30	49,819.50	50,633.10
Jinan University Zhuhai Campus Jing'an	7,200.00	-	16,800.00	17,600.00	16,000.00	18,100.00
Livzon Pharmaceutical	25,920.00	20,880.00	30,240.00	18,720.00	15,120.00	14,400.00
Jade Bird Experimental School	68,840.00	27,180.00	108,720.00	108,720.00	122,700.00	121,920.00
Tanzhou Line	858,734.25	952,507.80	958,695.50	984,895.10	945,931.80	966,015.40
Xinhui Experimental School	37,900.00	11,200.00	114,200.00	108,800.00	108,800.00	155,200.00
Changyi Bus Terminal	84,000.00	219,200.00	58,000.00	97,200.00	46,600.00	49,500.00
<b>Total</b>	<b>1,378,393.35</b>	<b>1,448,367.80</b>	<b>1,534,405.30</b>	<b>1,614,330.40</b>	<b>1,334,471.30</b>	<b>1,618,448.50</b>

## B. Income Forecast

After statistical analysis, we noted that the number of fixed customized lines offered by the sightseeing bus company decreased. We learned through interviews with the management that some customized lines were adjusted by the management of the company due to poor operating efficiency.

Accordingly, we forecast the projection for the future operating income of the Sightseeing Bus Company based on the existing customized routes. The forecast is as follows:

**Income Forecast Table**

*Unit: RMB*

<b>Project/Forecast Period</b>	<b>July to December 2024</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>	<b>2028</b>	<b>2029</b>
Separate chartered coach	194,500.00	389,000.00	389,000.00	389,000.00	389,000.00	389,000.00
Novotown commuter line	1,103,600.00	2,207,100.00	2,207,100.00	2,207,100.00	2,207,100.00	2,207,100.00
No.1 High School of Doumen route	218,700.00	437,500.00	437,500.00	437,500.00	437,500.00	437,500.00
Zhuhai campus of Jinan University	71,700.00	143,300.00	143,300.00	143,300.00	143,300.00	143,300.00
Livzon Pharmaceutical	116,900.00	233,800.00	233,800.00	233,800.00	233,800.00	233,800.00
Jade Bird Experimental School	510,700.00	1,021,300.00	1,021,300.00	1,021,300.00	1,021,300.00	1,021,300.00
Tanzhou line	5,527,600.00	11,055,100.00	11,055,100.00	11,055,100.00	11,055,100.00	11,055,100.00
Xinhui Experimental School	443,200.00	886,500.00	886,500.00	886,500.00	886,500.00	886,500.00
Changyi Bus Terminal	547,200.00	1,094,500.00	1,094,500.00	1,094,500.00	1,094,500.00	1,094,500.00
<b>Total passenger transportation income</b>	<b>8,734,100.00</b>	<b>17,468,100.00</b>	<b>17,468,100.00</b>	<b>17,468,100.00</b>	<b>17,468,100.00</b>	<b>17,468,100.00</b>
Other transportation income	16,900.00	33,800.00	33,800.00	33,800.00	33,800.00	33,800.00

③ Zhuhai Gongyun Bus Terminal Co., Ltd.

A. Breakdown of historical annual income:

**Statistics of Ticket Sales by Year**

Year Project	<i>Unit: person</i>			
	2021	2022	2023	2024
One-way pick-up (drop-off) of passengers in Macau	–			
Chartered bus line (high speed)	–	–	–	40.00
Spring Garden (春天花園) (new)	–			
Dongguan line	4,139.00			
Xinwei School of Domen (斗門新微學校)		–	–	45.00
Xinwei School of Domen (by gas)		–		
No.1 High School of Doumen (picking up students) round trip		–	–	90.00
Auxiliary mileage	–	–	–	–
Gongbei-Jinwan-Zhujiang New Town (online car-hailing)		–	5,325.00	10,060.00
Guangdong Polytechnic of Science and Technology line (廣科院線)	2,721.00			
Guangzhou Jinan University line (廣州暨大線)	22,892.00	4,173.00	121.00	
Guangzhou Chimelong (廣州長隆)			5,506.00	9,969.00
Guangzhou SYSU line (廣州中大線)	120,032.00	49,502.00	136,257.00	77,762.00
Guangzhou Zhujiang New Town (online booking line)		–	41,979.00	20,992.00
Guangzhou Zhujiang New Town-Jinwan (online booking line)		–	89.00	101.00
Huizhou line	2,254.00			
Jinan University Garden (暨大花園)	–			
Jinan University Garden (new)	–			
Jiangmen line (江門線)		2,025.00	42,768.00	29,091.00
Pick up from Macau for epidemic prevention (hotel quarantine)		–		
Jinwan-Shenzhen (online booking line)		–		
Kaiping line (開平線)	12,713.00	11,136.00	35,326.00	18,076.00
Nanxi (南溪) (new)	–			
Nanxi line (南溪線)	–			
Sanzao(三灶)-Guangzhou line		9,805.00	21,080.00	4,121.00
Shenzhen Futian line	–			
Taishan line (台山線)	21,512.00	18,272.00	45,290.00	20,621.00
Xinhui line (新會線)	73,908.00	40,498.00	96,304.00	51,174.00
Zhaoqing line (肇慶線)	31.00			
SYSU (campus relocation)			–	
Zhongshan International Hotel		5,122.00	60,336.00	19,351.00
Zhongshan New State production line (中山新國生線)	77,146.00	13,532.00		
Zhuhai mobile cabin hospital (珠海方艙醫院)		–	–	
Zhuhai air show routes (round trip)		–		
Zhuhai Lianzhou Airport (round trip)			–	
<b>Total</b>	<b>337,348.00</b>	<b>154,065.00</b>	<b>490,381.00</b>	<b>261,493.00</b>



## Statistics of Ticket Sales by Year

*Unit: RMB*

Year Project	2021	2022	2023	2024
One-way pick-up (drop-off) of passengers in Macau	–			
Chartered bus line (high speed)	–	–	–	–
Spring Garden (new)	–			
Dongguan line	309,583.00			
Xinwei School of Domen		–	–	–
Xinwei School of Domen (by gas)		–		
No.1 High School of Doumen (picking up students) round trip		–	–	–
Auxiliary mileage	–	–	–	–
Gongbei-Jinwan-Zhujiang New Town (online car-hailing)		–	421,100.00	603,500.00
Guangdong Polytechnic of Science and Technology line	100,412.00			
Guangzhou Jinan University line	872,571.60	158,507.40	4,598.00	
Guangzhou Chimelong			–	–
Guangzhou SYSU line	4,796,655.00	1,976,980.00	5,445,050.00	3,107,865.00
Guangzhou Zhujiang New Town (online booking line)		–	–	–
Guangzhou Zhujiang New Town-Jinwan (online booking line)		–	–	–
Huizhou line	263,225.00			
Jinan University Garden	–			
Jinan University Garden (new)	–			
Jiangmen line		71,560.10	1,153,668.00	909,428.00
Pick up from Macau for epidemic prevention (hotel quarantine)		–		
Jinwan-Shenzhen (online booking line)		–		
Kaiping line	761,566.00	653,104.50	2,164,762.50	1,072,836.00
Nanxi (new)	–			
Nanxi line	–			
Sanzao(三灶)-Guangzhou line		194,139.00	417,384.00	81,595.80
Shenzhen Futian line	–			
Taishan line	766,239.00	675,688.50	1,656,820.33	758,473.00
Xinhui line	3,011,118.00	1,483,945.50	3,486,240.50	1,907,215.00
Zhaoqing line	3,238.00			
SYSU (campus relocation)			–	
Zhongshan International Hotel		153,360.00	1,405,255.80	516,126.60
Zhongshan New State production line	2,132,423.00	386,606.00		
Zhuhai mobile cabin hospital		–	–	
Zhuhai air show routes (round trip)		–		
Zhuhai Lianzhou Airport (round trip)			–	
<b>Total</b>	13,017,030.60	5,753,891.00	16,154,879.13	8,957,039.40

## B. Income forecast

Through statistical analysis, we found that the number of ticket purchases and income levels of the regular service route in the bus terminal have transcended the nadir in 2022. We understood that the current routes of the bus terminal are fixed by means of interviewing with the management.

Accordingly, we forecast the projection for the future operating income of the bus terminal company based on the existing fixed routes. The forecast is as follows:

### Income Forecast Table

*Unit: RMB*

Project	July to December 2024	2025	2026	2027	2028	2029
Gongbei-Jinwan-Zhujiang New Town (online car-hailing)	402,900.00	805,800.00	805,800.00	805,800.00	805,800.00	805,800.00
Guangzhou SYSU line	2,675,400.00	5,350,800.00	5,350,800.00	5,350,800.00	5,350,800.00	5,350,800.00
Jiangmen line	830,400.00	1,660,800.00	1,660,800.00	1,660,800.00	1,660,800.00	1,660,800.00
Kaiping line	1,034,400.00	2,068,800.00	2,068,800.00	2,068,800.00	2,068,800.00	2,068,800.00
Sanzao(三灶)-Guangzhou line	162,000.00	324,000.00	324,000.00	324,000.00	324,000.00	324,000.00
Taishan line	771,300.00	1,542,600.00	1,542,600.00	1,542,600.00	1,542,600.00	1,542,600.00
Xinhui line	1,779,300.00	3,558,600.00	3,558,600.00	3,558,600.00	3,558,600.00	3,558,600.00
Zhongshan International Hotel	720,000.00	1,440,000.00	1,440,000.00	1,440,000.00	1,440,000.00	1,440,000.00
Passenger transportation income	8,375,700.00	16,751,400.00	16,751,400.00	16,751,400.00	16,751,400.00	16,751,400.00
Station income	1,515,800.00	3,031,600.00	3,031,600.00	3,031,600.00	3,031,600.00	3,031,600.00
Income of other businesses	67,900.00	135,700.00	135,700.00	135,700.00	135,700.00	135,700.00

In summary, the operating income for future years is as follows:

### Operating Income Forecast Table for Future Years

Unit: RMB

Project	Name of product or service	July to December 2024	Years under forecast				
			2025	2026	2027	2028	2029
Income of principal businesses	Taxi-passenger transportation income	1,828,800.00	3,617,500.00	3,161,900.00	509,100.00	-	-
	Sightseeing bus-passenger transportation income	8,734,100.00	17,468,100.00	17,468,100.00	17,468,100.00	17,468,100.00	17,468,100.00
	Sightseeing bus-other transportation income	16,900.00	33,800.00	33,800.00	33,800.00	33,800.00	33,800.00
	Bus terminal-passenger transportation income	8,375,700.00	16,751,400.00	16,751,400.00	16,751,400.00	16,751,400.00	16,751,400.00
	Bus terminal-station income	1,515,800.00	3,031,600.00	3,031,600.00	3,031,600.00	3,031,600.00	3,031,600.00
	<b>Sub-total</b>	<b>20,471,300.00</b>	<b>40,902,400.00</b>	<b>40,446,800.00</b>	<b>37,794,000.00</b>	<b>37,284,900.00</b>	<b>37,284,900.00</b>
Income of Other businesses	Bus terminal – income of other businesses	67,900.00	135,700.00	135,700.00	135,700.00	135,700.00	135,700.00
	<b>Sub-total</b>	<b>67,900.00</b>	<b>135,700.00</b>	<b>135,700.00</b>	<b>135,700.00</b>	<b>135,700.00</b>	<b>135,700.00</b>
	<b>Total</b>	<b>20,539,200.00</b>	<b>41,038,100.00</b>	<b>40,582,500.00</b>	<b>37,929,700.00</b>	<b>37,420,600.00</b>	<b>37,420,600.00</b>

## 2. Forecast of operating costs

As disclosed in the statement, operating costs mainly include: safety production expenses, insurance fees, remuneration-related fees, fuel costs, depreciation expenses, etc. The operating costs of the appraised entity in previous years are set out in the following table:

### Historical Annual Operating Costs Table

Unit: RMB

Items	Name of product or service	Historical years			January to June 2024
		2021	2022	2023	
Core business costs	Safety production expenses	511,432.87	548,426.59	525,069.87	341,232.60
	Office expenses	47,722.84	26,712.60	44,829.86	14,354.64
	Insurance fees	1,756,952.81	1,341,383.19	1,017,956.82	447,465.21
	Material expenses	1,158,783.68	696,518.90	1,265,947.52	599,471.17
	Travel expenses	10,887.00	6,500.00	12,103.00	2,320.00
	Annual vehicle inspection fees	135,320.00	52,170.00	128,630.00	17,110.00
	Vehicle cleaning and pollutant discharge fees	547,538.00	130,491.00	609,956.00	184,764.00
	Purified water expenses	78,400.00	24,322.00	74,529.00	26,800.00
	Agency fees	123,746.76	373,642.98	314,812.68	69,737.81

Items	Name of product or service	Historical years			January to June 2024
		2021	2022	2023	
	Amortization of low-value consumables	14,103.47	1,037.05	1,793.58	
	Remuneration-related fees	15,560,898.72	13,479,185.73	15,082,071.65	7,134,825.45
	Transportation expenses	173.90	92.00	192.00	29.00
	Labor protection fees	2,948.52			
	Labor costs	731,860.92	352,524.23	924,389.24	231,137.74
	Tyre fees	416,083.00	423,420.00	500,040.00	229,730.00
	Other passenger transportation expenses	734,455.85	382,269.59	298,311.44	76,071.45
	Bridge, ferry, road, tunnel tolls	1,953,349.38	1,215,152.44	2,081,951.79	1,193,814.01
	Fuel costs	4,058,329.59	4,435,990.86	7,713,969.17	4,054,413.84
	Equipment usage fees	34,728.83	-880.00	-450.00	26,020.00
	Accident loss expenses	-23,457.89	-5,250.00	-10,400.00	-3,500.00
	Utilities	134,649.55	190,382.89	252,379.51	91,694.97
	Taxes				
	Parking fees	20,348.00	1,171.00	12,120.00	
	Communication expenses	173,552.78	156,839.05	143,384.11	60,391.28
	Maintenance costs	1,610,821.46	975,897.84	1,242,326.96	488,291.73
	Stationery and printing costs	46,298.13	27,347.21	26,085.21	18,461.28
	Station service fees	45,780.19	5,385.05	14,466.67	19,200.00
	Amortization of long-term deferred expenses	121,154.10	145,384.92	145,384.92	72,692.46
	Depreciation expenses	8,218,796.69	5,520,473.80	4,402,999.91	1,775,947.35
	Leasing expenses	4,774,995.19	4,463,637.63	4,321,446.26	972,655.01
Other business costs					
	<b>Sub-total</b>	-	-	-	-
	<b>Total</b>	<b>43,000,654.34</b>	<b>34,970,228.55</b>	<b>41,146,297.17</b>	<b>18,145,131.00</b>

The proportion of operating costs to the operating income of the appraised entity remained relatively stable from 2021 to 2023. For the forecast of operating costs, the safety production expenses are calculated at 1.5% of last year's revenue. The remuneration-related fees, depreciation and amortization, and leasing expenses are calculated at the current level, and other expenses are predicted according to the average proportion of various operating costs to the operating income of the appraised entity in previous years. Operating costs for future years are set out in the following table:

### Future Annual Operating Costs Forecast Table

*Unit: RMB*

Items	Name of product or service	Years under forecast					
		July to					
		December 2024	2025	2026	2027	2028	2029
Core business costs	Safety production expenses	344,254.17	619,447.84	615,571.50	608,737.50	561,309.00	561,309.00
	Office expenses	20,442.14	40,877.36	40,798.68	40,340.56	40,252.64	40,252.64
	Insurance fees	649,387.90	1,293,789.00	1,237,157.53	907,412.21	844,130.65	844,130.65
	Material expenses	584,133.65	1,167,875.97	1,163,462.03	1,137,761.16	1,132,828.89	1,132,828.89
	Travel expenses	4,758.89	9,517.79	9,517.79	9,517.79	9,517.79	9,517.79
	Annual vehicle inspection fees	43,140.97	86,048.19	83,394.28	67,941.49	64,975.94	64,975.94
	Vehicle cleaning and pollutant discharge fees	222,824.04	445,646.44	445,646.44	445,646.44	445,646.44	445,646.44
	Purified water expenses	30,629.08	61,258.14	61,258.14	61,258.14	61,258.14	61,258.14
	Agency fees	141,900.37	283,799.60	283,799.60	283,799.60	283,799.60	283,799.60
	Amortization of low-value consumables	2,399.45	4,798.91	4,798.91	4,798.91	4,798.91	4,798.91
	Remuneration-related fees	7,212,763.74	14,417,988.39	14,332,332.25	13,833,586.43	13,737,871.90	13,737,871.90
	Transportation expenses	64.46	128.92	128.92	128.92	128.92	128.92
	Labor protection fees	415.98	831.96	831.96	831.96	831.96	831.96
	Labor costs	332,697.01	665,394.02	665,394.02	665,394.02	665,394.02	665,394.02
	Tyre fees	257,750.35	515,499.09	515,499.09	515,499.09	515,499.09	515,499.09
Other passenger transportation expenses	235,181.01	470,115.62	467,330.83	451,115.99	448,004.19	448,004.19	

Items	Name of product or service	Years under forecast					
		July to					
		December	2025	2026	2027	2028	2029
	2024						
	Bridge, ferry, road, tunnel tolls	1,043,987.04	2,087,972.58	2,087,972.58	2,087,972.58	2,087,972.58	2,087,972.58
	Fuel costs	3,328,084.90	6,657,725.25	6,675,554.97	6,779,371.23	6,799,294.66	6,799,294.66
	Equipment usage fees	12,053.13	24,106.13	24,106.13	24,106.13	24,106.13	24,106.13
	Accident loss expenses	-6,511.11	-13,022.17	-13,022.17	-13,022.17	-13,022.17	-13,022.17
	Utilities	108,019.15	216,028.26	215,914.41	215,251.52	215,124.30	215,124.30
	Taxes	-	-	-	-	-	-
	Parking fees	4,625.17	9,250.33	9,250.33	9,250.33	9,250.33	9,250.33
	Communication expenses	84,826.83	169,525.62	168,072.35	159,610.47	157,986.54	157,986.54
	Maintenance costs	679,444.11	1,358,222.12	1,350,691.40	1,306,842.66	1,298,427.63	1,298,427.63
	Stationery and printing costs	19,306.88	38,613.77	38,613.77	38,613.77	38,613.77	38,613.77
	Station service fees	13,791.47	27,582.93	27,582.93	27,582.93	27,582.93	27,582.93
	Amortization of long-term deferred expenses	90,935.54	169,709.03	24,230.82	-	-	-
	Depreciation expenses	1,710,528.92	3,335,548.66	2,862,118.60	1,028,526.35	474,637.63	421,141.15
	Leasing expenses	818,739.78	1,637,479.56	1,637,479.56	1,637,479.56	1,610,935.56	1,610,935.56
Other business costs							
	<b>Sub-total</b>	-	-	-	-	-	-
	<b>Total</b>	<b>17,990,600.00</b>	<b>35,801,800.00</b>	<b>35,035,500.00</b>	<b>32,335,400.00</b>	<b>31,547,200.00</b>	<b>31,493,700.00</b>

### 3. Forecasts of Taxes and Surcharges

Taxes and surcharges applicable to the enterprise include: urban construction tax and education surcharge. Urban construction tax is paid at 7% of the VAT amount; education surcharge is paid at 3% of the VAT amount; and local education surcharge is paid at 2% of the VAT amount. The ratios of taxes and surcharges to operating incomes from 2021 to June 2024 are relatively stable. The forecast is based on the average ratio of each tax and surcharge to the operating income of the appraised entity in historical years. The forecasts of taxes and surcharges for future years are as follows:

**Table of Taxes and Surcharges Forecasts**

*Unit: RMB*

No.	Items	Applicable tax rates	July to December 2024	Forecast years				
				2025	2026	2027	2028	2029
<b>I</b>	<b>Taxes and Surcharges</b>							
1	Vehicle and vessel tax		10,491.49	20,967.14	20,787.86	19,743.95	19,543.61	19,543.61
2	Urban maintenance and construction tax	7.00%	19,186.82	38,348.48	38,063.76	36,405.93	36,087.78	36,087.78
3	Local education surcharge	2.00%	5,397.74	10,788.30	10,706.95	10,233.29	10,142.39	10,142.39
4	Education surcharge	3.00%	8,306.76	16,602.75	16,480.72	15,770.23	15,633.88	15,633.88
5	Stamp duty		2,247.51	4,489.85	4,431.18	4,089.61	4,024.06	4,024.06
	<b>Total</b>		<b>45,600.00</b>	<b>91,200.00</b>	<b>90,500.00</b>	<b>86,200.00</b>	<b>85,400.00</b>	<b>85,400.00</b>

#### 4. *Forecasts of General and Administrative Expenses*

General and administrative expenses mainly include employee benefits, business hospitality expenses, travel expenses, office expenses, depreciation expenses, maintenance expenses, etc. The breakdown of the assessed enterprise's general and administrative expenses for historical years is as follows:

**Table of General and Administrative Expenses for Historical Years**

*Unit: RMB*

No.	Years	Historical years			January to June 2024
	Items	2021	2022	2023	
1	Office expenses	27,568.75	17,946.36	12,023.37	553.12
2	Employment security funds for the disabled	75,273.17	56,352.05	57,586.03	
3	Travel expenses	1,779.00	500.00	200.00	164.00
4	Vehicle fee	79,493.34	69,876.90	46,956.03	22,194.19
5	Party-building expenses			4,737.37	
6	Salary expenses	7,340,592.31	13,457,665.27	6,230,194.21	2,342,670.59
7	Fees for engaging agencies	210,283.02	20,117.93		50,000.00
8	Other administrative expenses	700.00	980.00	1,980.00	
9	Audit fees	110,000.00	11,000.00	102,727.44	90,000.00
10	Taxes				
11	Litigation fees	363.00	21.00	50.00	-223.00
12	Retirement costs	41,177.50	36,380.04	79,611.20	36,473.94
13	Business hospitality expenses	42,832.00	19,434.00	35,103.50	32,827.30
14	Depreciation expense	9,121.14	6,116.16	554.17	
	<b>Total</b>	<b>7,939,183.23</b>	<b>13,696,389.71</b>	<b>6,571,723.32</b>	<b>2,574,660.14</b>



The forecasts of General and administrative expenses are based on the average ratio of each expense to operating income in historical years. Forecasts of general and administrative expenses for future years are as follows:

**Table of General and Administrative Expenses Forecasts for Future Years**

*Unit: RMB*

No.	Years Items	Forecast years					
		July to December 2024	2025	2026	2027	2028	2029
1	Office expenses	9,198.09	18,396.07	18,396.07	18,396.07	18,396.07	18,396.07
2	Employment security funds for the disabled	28,865.87	57,731.58	57,731.58	57,731.58	57,731.58	57,731.58
3	Travel expenses	406.33	812.65	812.65	812.65	812.65	812.65
4	Vehicle fee	32,287.45	64,491.61	63,546.00	58,040.00	56,983.35	56,983.35
5	Party-building expenses	515.77	1,031.54	1,031.54	1,031.54	1,031.54	1,031.54
6	Salary expenses	2,739,751.44	4,911,232.60	4,765,943.74	3,919,977.31	3,757,627.53	3,757,627.53
7	Fees for engaging agencies	25,424.14	50,848.13	50,848.13	50,848.13	50,848.13	50,848.13
8	Other administrative expenses	562.55	1,125.10	1,125.10	1,125.10	1,125.10	1,125.10
9	Audit fees	32,953.80	65,907.61	65,907.61	65,907.61	65,907.61	65,907.61
10	Taxes	-	-	-	-	-	-
11	Litigation fees	-10.28	-20.34	-17.78	-2.86	-	-
12	Retirement costs	31,126.69	62,253.21	62,253.21	62,253.21	62,253.21	62,253.21
13	Business hospitality expenses	21,718.70	43,434.92	43,407.04	43,244.71	43,213.55	43,213.55
14	Depreciation expenses	67,992.26	267,740.07	268,635.11	225,652.37	52,354.12	36,282.27
	<b>Total</b>	<b>2,990,800.00</b>	<b>5,545,000.00</b>	<b>5,399,600.00</b>	<b>4,505,000.00</b>	<b>4,168,300.00</b>	<b>4,152,200.00</b>

## 5. Forecasts of Finance Costs

Finance costs mainly include interest income from bank deposits, interest expenses and handling charges.

Since interest income from bank demand deposits and handling charges from financial institutions are non-recurring gains or losses, they are not forecasted. For interest-bearing liabilities, forecasts are made in accordance with the principal and interest repayment schedules provided by the enterprise.

**Table of Finance Costs Forecasts for Future Years**

*Unit: RMB*

No.	Items\Years	Forecast years					
		July to December 2024	2025	2026	2027	2028	2029
1	Loan interests	161,778.03	217,436.00	76,328.00	-	-	-
2	Internal interest settlement expenses						
3	Others						
4	Bank interest income						
5	Handling charges						
	<b>Total</b>	<b>161,778.03</b>	<b>217,436.00</b>	<b>76,328.00</b>	<b>-</b>	<b>-</b>	<b>-</b>

## 6. Forecast of gains or losses on disposal of assets

Gains or losses on the disposal of assets mainly include income from the disposal of existing vehicles.

As the operating licenses of taxis will expire over the forecast period and will be subject to mandatory scrapping upon their expirations, the forecasts of gains or losses on disposal of assets for the future years are as follows:

**Table of Forecasts of Gains or Losses on Disposal of Assets for Future Years**

*Unit: RMB*

No.	Year Items	Years under forecast					
		July to December 2024	2025	2026	2027	2028	2029
1	Disposal gains on fixed assets	5,850.00	-	23,400.00	31,590.00	-	-
2	Disposal gains on other non-current assets and disposal groups						
	<b>Total</b>	<b>5,850.00</b>	<b>-</b>	<b>23,400.00</b>	<b>31,590.00</b>	<b>-</b>	<b>-</b>

7. *Forecast of non-operating income and expenses*

Non-operating income and expenses are mainly the operating income and expenses not clearly defined, which are non-recurring gains or losses. Therefore, this valuation does not make a forecast of non-operating income and expenses.

8. *Income tax forecast*

The corporate income tax rate of Zhuhai Gongyun Bus Terminal Co., Ltd. is 25%.

Zhuhai Gongqi Taxi Co., Ltd. and Zhuhai Qiguan Sightseeing Bus Co., Ltd., which meet the conditions of small low-profit enterprises, that is, “Pursuant to Article 1 of the Announcement of the Ministry of Finance and the State Administration of Taxation No. 6 of 2023, from 1 January 2023 to 31 December 2024, for small low-profit enterprises, the portion of their annual assessable income not exceeding RMB1 million shall be included in the assessable income at a reduced rate of 25% and the corporate income tax shall be paid at a rate of 20%. Pursuant to Article 3 of the Announcement of the Ministry of Finance and the State Administration of Taxation No. 12 of 2023, the policy that small low-profit enterprises’ annual assessable income shall be included in the taxable income at a reduced rate of 25% and the corporate income tax shall be paid at the tax rate of 20% shall continue to be implemented until 31 December 2027.”, pay corporate income tax at a rate of 20%, and such tax preferential policy will continue until 2027. In this forecast, the corporate income tax rate of Zhuhai Gongqi Taxi Co., Ltd. and Zhuhai Qiguan Sightseeing Bus Co., Ltd. after 2027 is calculated at 25%.

The income tax forecast for future years is shown in the cash flow forecast table.

9. *Calculation of interest after-tax (net of tax effects)*

The income indicator for this valuation is the free cash flow of the entire investment, which requires net profit plus after-tax interest expenses. The forecast of interest after-tax is shown in the cash flow forecast table.

## 10. Depreciation and amortization forecast

For the depreciation and amortization forecast, the depreciation and amortization amount for each coming year is calculated based on the Company's existing fixed assets and increased fixed assets, combined with the national and corporate fixed asset depreciation policy and intangible asset amortization policy. The forecast of depreciation and amortization for future years is as follows:

### Depreciation and Amortization Forecast Table for Future Years

*Unit: RMB*

Classification	July to December 2024	2025	2026	2027	2028	2029
Depreciation of existing fixed assets	1,622,963.60	2,965,177.19	2,474,919.00	596,766.72	-	-
Total depreciation of existing fixed assets renewal	155,557.59	638,111.54	655,834.72	657,412.00	526,991.75	457,423.42
Depreciation of incremental fixed assets	-	-	-	-	-	-
<b>Total depreciation</b>	<b>1,778,521.18</b>	<b>3,603,288.73</b>	<b>3,130,753.71</b>	<b>1,254,178.72</b>	<b>526,991.75</b>	<b>457,423.42</b>
Amortization	90,935.54	169,709.03	24,230.82	-	-	-
<b>Total depreciation and amortization</b>	<b>1,869,456.73</b>	<b>3,772,997.76</b>	<b>3,154,984.53</b>	<b>1,254,178.72</b>	<b>526,991.75</b>	<b>457,423.42</b>

## 11. Capital expenditure forecast

Capital expenditure refers to the expenditure on fixed assets, the expenditure on the replacement of existing fixed assets that are set to be replaced at book value, mainly including vehicles, electronic equipment, etc., and the expenditure on incremental fixed assets, which are necessary to maintain the normal operation of the enterprise in the future. The forecast of capital expenditure for future years is as follows:

### Capital Expenditure Forecast Table for Future Years

*Unit: RMB*

No.	Items	Annual capital expenditure during the forecast period					
		July to December 2024	2025	2026	2027	2028	2029
<b>I</b>	<b>Existing fixed assets renewal</b>	<b>2,762,715.66</b>	<b>96,959.11</b>	<b>11,051.95</b>	<b>513,467.49</b>	<b>19,200.00</b>	<b>138,715.93</b>
(I)	Buildings and structures	-	-	-	-	-	-
(II)	Machinery and equipment	1,364,561.50	4,180.00	-	407,446.65	-	131,315.93
(III)	Vehicles	700,400.00	-	-	6,400.00	19,200.00	-
(IV)	Electronic equipment	697,754.16	92,779.11	11,051.95	99,620.84	-	7,400.00
<b>II</b>	<b>Incremental fixed assets expenditure</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
(I)	Buildings and structures						
(II)	Machinery and equipment						
(III)	Vehicles						
(IV)	Electronic equipment						
	<b>Total</b>	<b>2,762,715.66</b>	<b>96,959.11</b>	<b>11,051.95</b>	<b>513,467.49</b>	<b>19,200.00</b>	<b>138,715.93</b>

## 12. Forecast of changes in working capital

In general, the increase in working capital is calculated by the following formula:

Increase in working capital = working capital in the current period – working capital in the previous period

Of which:

Working capital = current assets – current liabilities

Minimum cash on hand = total cash costs ÷ 12 × average number of cash payments for the year

Total cash costs = costs of principal businesses + selling expenses + general and administrative expenses + financial expenses – total non-cash costs

The working capital for future years is calculated with the above methods with details shown in the table below:

### Forecast Table on Amount of Increase in Working Capital

Unit: RMB

Item	Forecast Period					
	July to December 2024	2025	2026	2027	2028	2029
Working capital	1,275,068.93	1,584,256.94	1,657,924.15	1,802,423.60	1,856,208.44	1,864,960.54
Amount of increase in working capital	7,155,898.89	309,188.01	73,667.21	144,499.45	53,784.83	8,752.10

### 13. Forecast results of free cash flow of the enterprise during the forecast period

Pursuant to the forecasts above, the forecast results of free cash flow of the enterprise during the forecast period are as follows:

### Forecast Table on Free Cash Flow of the Enterprise

Unit: RMB

Item	Forecast Period					
	July to December 2024	2025	2026	2027	2028	2029
Operating income	20,539,200.00	41,038,100.00	40,582,500.00	37,929,700.00	37,420,600.00	37,420,600.00
Operating costs	17,990,600.00	35,801,800.00	35,035,500.00	32,335,400.00	31,547,200.00	31,493,700.00
Taxes and surcharges	45,600.00	91,200.00	90,500.00	86,200.00	85,400.00	85,400.00
Selling expenses	-	-	-	-	-	-
General and administrative expenses	2,990,800.00	5,545,000.00	5,399,600.00	4,505,000.00	4,168,300.00	4,152,200.00
Research and development expenses	-	-	-	-	-	-
Financial expenses	161,778.03	217,436.00	76,328.00	-	-	-
Add: Other income (additional deduction)	-	-	-	-	-	-
Investment income	-	-	-	-	-	-
Asset impairment loss	-	-	-	-	-	-
Credit impairment loss	-	-	-	-	-	-
Profit or loss from disposal of assets	5,850.00	-	23,400.00	31,590.00	-	-
Operating profit	-643,728.03	-617,336.00	3,972.00	1,034,690.00	1,619,700.00	1,689,300.00
Non-operating income	-	-	-	-	-	-
Non-operating expenses	-	-	-	-	-	-
Total profit	-643,728.03	-617,336.00	3,972.00	1,034,690.00	1,619,700.00	1,689,300.00
Income tax	-	-	-	-	349,324.49	422,325.00
Net profit	-643,728.03	-617,336.00	3,972.00	1,034,690.00	1,270,375.51	1,266,975.00
Add: Interest expense (net of tax effects)	128,496.12	173,948.80	61,062.40	-	-	-
Depreciation	1,778,521.18	3,603,288.73	3,130,753.71	1,254,178.72	526,991.75	457,423.42
Amortization	90,935.54	169,709.03	24,230.82	-	-	-
Less: Capital expenditure	2,762,715.66	96,959.11	11,051.95	513,467.49	19,200.00	138,715.93
Less: Increase in working capital	7,155,898.89	309,188.01	73,667.21	144,499.45	53,784.83	8,752.10
Free cash flow of the enterprise	-8,564,389.73	2,923,463.44	3,135,299.77	1,630,901.78	1,724,382.42	1,576,930.39

### (III) Determination of discount rate in the forecast period

The free cash flow of the enterprise is the measurement of income in this valuation. According to the principle of consistency between the amount of income and the discount rate, the weighted average cost of capital (WACC) is selected as the discount rate. The formula of which is as follows:

$$WACC = K_e \times \frac{E}{(D + E)} + K_d \times \frac{D}{(D + E)} \times (1 - T)$$

Where:  $K_e$ ——Cost of equity capital;

$K_d$ ——Cost of debt capital;

$E/(D+ E)$ ——Percentage of equity capital to total capital;

$D/(D+ E)$ ——Percentage of debt capital to total capital;

T ——Income tax rate.

#### 1. Cost of equity capital $K_e$

The cost of equity capital  $K_e$  is calculated using the Capital Asset Pricing Model and CAPM is applied indirectly. The formula of which is as follows:

$$K_e = R_f + \beta_L \times RPM + R_c$$

Where:  $R_f$ ——Risk-free rate of return;

L ——Systematic risk coefficient for shareholders' equity;

RPM ——Market risk premium;

$R_c$  ——Enterprise-specific risk adjustment coefficient.

#### (1) Risk-free rate of return $R_f$

The determined risk-free rate of return in the Risk-free rate of return  $R_f$ , also known as safe rate of return, represents the lowest rate of return that is supposed to be available for investors in the current market condition. In the PRC, the treasury bond is a safe investment option, thus the interest rate of treasury bond can be regarded as the safest and lowest rate of return (being the safe rate of return) in the investment scheme. Such rate of return is the arithmetic average of annual yield to maturity of long-term treasury bonds with over ten years from set date to maturity date. Through inquiry on the yield of the ten-year treasury bonds of the PRC on the Valuation Benchmark Date, which are published by China Appraisal Society, it was concluded that  $R_f=2.38\%$ .

Inquiry Results			
Set date (year-month-day)	Risk-free rate (Rf1)	Excess risk rate of return [E(Rm)-Rf2]	CAPM Formula with given parameters
2024-06-30	2.38%	6.60%	$E(Re)=2.38\%+\beta\times 6.60\%+a$

(2) Systematic risk coefficient for shareholders' equity  $\beta_L$

$\beta$  is an indicator for measuring systematic risks of enterprise. In this valuation, as the evaluated company is unlisted, we can not obtain its  $\beta$  directly. We are therefore in need of analysis towards domestic listed peer companies to confirm  $\beta$  indirectly. The valuers conducted investigation on the Shanghai and Shenzhen stock markets.

The evaluated company engages in road transportation, therefore the valuers measure listed peer companies (excluding companies with ST title). They calculate Beta of each listed company with no financial leverage according to their respective Beta, reaching the average Beta of listed peer companies without financial leverage, and then concluding Beta of the target company with financial leverage with reference to its debt-to-equity ratio (D/E). The formula of which is as follows:

$$\beta_L = [1 + (1 - T) \times \frac{D}{E}] \times \beta_u$$

Where:  $\beta_L$  represents Beta with financial leverage

$\beta_u$  represents Beta without financial leverage

T represents current income tax rate of the target enterprise

D/E represents the debt-to-equity ratio of the target enterprise

The valuers select the stocks of comparable listed peer companies through inquiry on the website of Appraisal Information. After calculation and estimation based on the SSE Composite Index as at 30 June 2024 (as the market return rate), it is concluded that Beta of the target comparable listed peer company after deducting financial leverage is 0.7269. The selection process is as follows:

### Parameters set by user

Name	Value
Calculation basis of market return rate	SSE Composite Index
Benchmark date for cutting off calculation	2024/6/30
Calculation term	52 weeks
Method for time division	By week
Weighting method for $\beta$ coefficient of individual stock	Simple arithmetic mean

### Parameters in calculation

Stock code	Stock name	Number of phases in the Calculation	Beginning date of actual calculation	Termination date of actual calculation	Original $\beta$ coefficient of individual stock	Parameters in calculation		Sample validity	
						Original $\beta$ coefficient of individual stock (after deducting financial leverage)	Adjusted $\beta$ coefficient of individual stock (after deducting financial leverage)		
600269	Ganyue Expressway	50	2023/6/30	2024/6/28	0.588	0.3965	0.724	0.5957	Valid
600561	Jiangxi Changyun	50	2023/6/30	2024/6/28	1.2245	0.5447	1.1504	0.6949	Valid
600368	Wuzhou Communications	50	2023/6/30	2024/6/28	0.6883	0.5452	0.7912	0.6953	Valid
601188	Heilongjiang Transport	50	2023/6/30	2024/6/28	0.9821	0.9785	0.988	0.9856	Valid
600033	Fujian Expressway	50	2023/6/30	2024/6/28	0.5385	0.4972	0.6908	0.6631	Valid



### Calculation results

**Based on the calculation parameters you provided, we have performed inspection on the selected stock and conducted calculation to  $\beta$  coefficient of the industry with valid samples within the inspection. The results are as follows:**

Total number of samples selected	5
Invalid samples	0
Valid samples	5
Original $\beta$ coefficient of the industry/portfolio (after deducting financial leverage)	0.5924
Adjusted $\beta$ coefficient of the industry/portfolio (after deducting financial leverage)	0.7269

Upon calculation, D/E of the target enterprise is 40.53%, details of which are as follows:

No.	Stock code	Name	Termination date (Q2 2024)		D/E
			D	E	
1	600033.SH	Fujian Expressway	1,019,178,202.23	9,193,740,000.00	11.09%
2	600269.SH	Ganyue Expressway	7,772,338,253.52	12,074,054,262.38	64.37%
3	600368.SH	Wuzhou Communications	2,009,827,196.63	5,746,464,273.06	34.98%
4	600561.SH	Jiangxi Changyun	1,722,915,715.71	1,035,495,552.00	166.39%
5	601188.SH	Heilongjiang Transport	19,005,576.34	3,881,841,784.45	0.49%
6	601518.SH	Jilin Expressway	21,947,675.00	4,612,949,732.36	0.48%
7	603032.SH	DELIXI NEW ENERGY TECHNOLOGY	156,406,595.42	2,653,929,171.63	5.89%
		<b>Average</b>	1,436,617,797.28	4,703,358,194.02	40.53%

$$\beta_L = \left[ 1 + (1 - T) \times \frac{D}{E} \right] \times \beta_u$$

Therefore,

$$= [1 + (1 - 25\%) \times 40.53\%] \times 0.7269$$

$$= 0.9478$$

(3) Market risk premium RPM

By using the system formula of the Appraisal Information, the excess risk rate of return inquired by the valuer with 30 June 2024 as the Benchmark Date is 6.60%. The inquiry process is as follows:

Set date (year-month-day)	Risk-free rate ( $R_{f1}$ )	Excess risk rate of return [ $E(R_m) - R_{f2}$ ]
2024/6/30	2.38%	6.60%

(4) Enterprise-specific risk adjustment coefficient  $R_c$

Upon analysis, the scale of the appraised enterprise is smaller than that of the comparable enterprises. Considering that the appraised entity has been established for a long period, with a good historical operation of the enterprise, sound internal management and control mechanisms and experienced management personnel, the enterprise-specific risk adjustment coefficient is determined to be 3.1% after comprehensive analysis.

(5) Cost of equity capital

According to the parameters as determined above, the cost of equity capital is calculated as follows:

$$\begin{aligned}
 K_e &= 2.38\% + 0.9478 \times 6.60\% + 3.1\% \\
 &= 11.74\%
 \end{aligned}$$

2. Cost of debt capital ( $K_d$ )

Cost of debt capital represents the cost of borrowings and bond issuance, including interest on borrowings or bonds and financing expenses. In this valuation, the cost of debt capital is based on the 3-year loan prime rate (LPR) as announced by the National Interbank Funding Center, namely 3.95%.

### 3. Weighted average cost of capital (WACC)

$$\begin{aligned}
 WACC &= K_e \times \frac{E}{(D+E)} + K_d \times \frac{D}{(D+E)} \times (1-T) \\
 &= 11.74\% \times 71.16\% + 3.95\% \times 28.84\% \times (1-25\%) \\
 &= 9.21\%
 \end{aligned}$$

The process of comprehensive calculation is as follows:

Items	Formula	Amount
Discount rate, i.e. weighted average cost of capital	$WACC = K_e \times E / (D + E) + K_d \times D / (D + E) \times (1 - T)$	9.21%
Cost of equity capital	$K_e = R_f + \beta_L \times R_{pm} + R_c$	11.74%
Risk-free rate of return	$R_f$	2.38%
Financial leverage Beta	$\beta_L = (1 + (1 - T) \times D / E) \times \beta_U$	0.9478%
Income tax rate	$T$	25.0%
Market risk premium	$R_{pm}$	6.60%
Enterprise-specific risk adjustment coefficient	$R_c$	3.10%
Target enterprise capital structure	$D/E$	40.53%
E	$E / (D + E)$	71.16%
D	$D / (D + E)$	28.84%
Cost of debt capital (before tax)	$K_d$	3.95%

### (IV) Measurement of free cash flow (final value) of the enterprise after the forecast period

The free cash flow (final value) of the enterprise after the forecast period refers to the value discounted from the free cash flow of the enterprise after the forecast period to the last year of the forecast period. In this valuation, it is assumed that the appraised enterprise will operate in on-going concern and is expected to maintain stable operating income after the forecast period, the formula for calculating the free cash flow of the enterprise after the forecast period is as follows:

Free cash flow of the enterprise = net profit + depreciation and amortization + interest after-tax – capital expenditure – increase of working capital

The formula for calculating the cash flow (final value) after the forecast period is as follows:

$$P_n = \frac{FCFF_{n+1}}{(WACC - g) \times (1 + WACC)^n}$$

Where:  $P_n$  ——Free cash flow (final value) of the enterprise after the forecast period;

$g$  ——Fixed growth rate;

$FCFF_{n+1}$  ——Free cash flow of the enterprise for the year after the forecast period.

1. *Determination of net profit before interest and after tax after the forecast period*

Under the assumed conditions set in this valuation, it is expected to maintain stable operating income and operational risks of the enterprise after the forecast period, thus the net profit is equal to the net profit of RMB1,266,975.00 in 2029.

2. *Determination of discount rate after the forecast period*

Under the assumed conditions set in this valuation, it is expected to maintain stable operating income and operational risks of the enterprise after the forecast period, thus the discount rate after the forecast period is 9.21%.

3. *Forecast of free cash flow of the enterprise for the year after the forecast period*

The free cash flow of the enterprise for the year after the forecast period shall be adjusted and determined with reference to the free cash flow of the enterprise for the last year of the forecast period, and the items and the amount of the adjustment are as follows:

(1) Adjustment of depreciation and amortization and capital expenditure

Based on the assets scale for the end of the forecast period and under the premise of simple reproduction, and comprehensively considering the factors such as update cycle and update cost of various types of assets, by using annual evolution measurement, depreciation and amortization and capital expenditure for the year after the forecast period are consistent, being RMB5,710,100.00.

(2) Adjustment of change of working capital

Considering that the operation scale of the enterprise is maintained stable after the forecast period, its working capital recycled from property management service basically meets its ordinary and normal operating expenses, thus the change of working capital is RMBnil.

After the above adjustment, the free cash flow of the enterprise for the year after the forecast period shall be RMB1,266,975.00.

4. *Measurement result of the discount value of the free cash flow (final value) of the enterprise after the forecast period*

According to the calculation formula of the free cash flow (final value) of the enterprise after the forecast period:

$$P_n = \frac{FCFF_{n+1}}{(WACC - g) \times (1 + WACC)^n}$$

Discounted value of the free cash flow (final value) of the enterprise after the forecast period = RMB8,868,264.10.

**(V) Value of operating assets**

Value of operating assets = discounted value of the free cash flow of the enterprise during the forecast period, the calculation results of the discounted value of the free cash flow of the enterprise are as follows:

*Unit: RMB*

Item	During the forecast period						After the forecast period 2030 to perpetual period
	July to December 2024	2025	2026	2027	2028	2029	
Free cash flow of the enterprise	-8,564,389.73	2,923,463.44	3,135,299.77	1,630,901.78	1,724,382.42	1,576,930.39	1,266,975.00
Discount rate	9.21%	9.21%	9.21%	9.21%	9.21%	9.21%	9.21%
Discount life	0.25	1.00	2.00	3.00	4.00	5.00	
Discount coefficient	0.9782	0.9157	0.8384	0.7677	0.7030	0.6437	
Present value of free cash flow of the enterprise	-8,377,686.04	2,677,015.48	2,628,635.33	1,252,043.29	1,212,240.84	1,015,070.09	8,855,159.33

The calculation result of the value of operating assets was RMB9,262,478.32.

**(VI) Value of surplus assets**

Surplus monetary funds refer to the monetary funds held by the enterprise in excess of the amount required for ordinary operation. The minimum cash on hand of the enterprise is determined in accordance with its cash policies and the size of the cash cost, and any monetary fund that exceeds such amount is taken as the surplus monetary fund. The specific formula is as follows:

Minimum cash on hand = total cash costs ÷ 12 × average number of cash payments for the year (annual cash investment, which should be no less than the total cash costs for 3 months)

Total cash costs = costs of principal businesses + selling expenses + general and administrative expenses + finance expenses – total non-cash costs

As at the Valuation Base Date, the minimum cash on hand of the appraised entity was calculated to be RMB9,426,454.12, which was greater than the monetary fund of RMB2,626,220.85 as at the Valuation Base Date, therefore, the value of surplus monetary assets of the appraised enterprise was 0.

### ***(VII) Net value of non-operating assets***

The net value of non-operating assets represents the net value of assets and liabilities not relating to the normal operation of the enterprise and not involved in the forecast of the free cash flow of the enterprise. As analyzed, non-operating assets and liabilities mainly consist of non-operating claims and debts. The valuation results of each asset and liability under asset-based approach were adopted as the appraised value for each asset and liability. The valuation result of the net value of non-operating assets was RMB18,009,427.44, and the valuation process was as follows:

<b>Item</b>	<b>Appraised value</b>
<b>1. Non-operating assets:</b>	<b>52,018,511.61</b>
Other equity instrument investments	1,362,266.59
Long-term equity investment:	
Zhuhai Yuegong Xinhai Transportation Co., Ltd.	44,992,795.97
Zhuhai Wandatong Hongkong-Zhuhai-Macau Bridge Port Passenger Service Co. Ltd.	4,767,246.00
Other receivables	733,912.29
Other current assets	162,290.76
<b>2. Non-operating liabilities</b>	<b>34,009,084.17</b>
Other payables	34,009,084.17
<b>3. Net value of non-operating assets</b>	<b>18,009,427.44</b>

### ***(VIII) Value of interest-bearing debts***

Interest-bearing debts consist of short-term borrowings, long-term borrowings, long-term payables – finance lease charges, etc. The interest-bearing debts of the appraised enterprise as at the Valuation Base Date were RMB5,638,200.00.

## **VIII. Valuation Results**

### ***(I) Overall enterprise value***

Overall enterprise value = value of operating assets + value of surplus assets + value of non-operating assets – value of non-operating liabilities

$$= 9,262,478.32 + 0.00 + 52,018,511.61 - 34,009,084.17$$

$$= \text{RMB}27,271,905.76$$

## (II) Value of total shareholders' equity

Value of total shareholders' equity = overall enterprise value – value of interest-bearing debts

$$= 27,271,905.76 - 5,638,200.00$$

$$= \text{RMB}21,633,710.00$$

## (III) Breakdown table of the valuation results based on income approach

### Breakdown Table of the Valuation Results Based on Income Approach

Unit: RMB0'000

Item	During the forecast period						After the forecast period 2030 to perpetual period
	July to December 2024	2025	2026	2027	2028	2029	
Operating income	2,053.92	4,103.81	4,058.25	3,792.97	3,742.06	3,742.06	
Operating costs	1,799.06	3,580.18	3,503.55	3,233.54	3,154.72	3,149.37	
Sales taxes and surcharges	4.56	9.12	9.05	8.62	8.54	8.54	
Selling expenses	-	-	-	-	-	-	
General and administrative expenses	299.08	554.50	539.96	450.50	416.83	415.22	
Research and development expenses	-	-	-	-	-	-	
Financial expenses	16.18	21.74	7.63	-	-	-	
Add: Other income (additional deduction)	-	-	-	-	-	-	
Investment income	-	-	-	-	-	-	
Asset impairment loss	-	-	-	-	-	-	
Profit or loss from disposal of assets	0.59	-	2.34	3.16	-	-	
Operating profit	-64.37	-61.73	0.40	103.47	161.97	168.93	
Non-operating income	-	-	-	-	-	-	
Non-operating expenses	-	-	-	-	-	-	
Total profit	-64.37	-61.73	0.40	103.47	161.97	168.93	
Income tax	-	-	-	-	34.93	42.23	

Item	During the forecast period						After the
	July to December 2024	2025	2026	2027	2028	2029	forecast period 2030 to perpetual period
Net profit	-64.37	-61.73	0.40	103.47	127.04	126.70	126.70
Add: Interest expense (net of tax effects)	12.85	17.39	6.11	-	-	-	-
Add: Depreciation	177.85	360.33	313.08	125.42	52.70	45.74	571.01
Amortization	9.09	16.97	2.42	-	-	-	-
Less: Capital expenditure	276.27	9.70	1.11	51.35	1.92	13.87	571.01
Less: Increase in working capital	715.59	30.92	7.37	14.45	5.38	0.88	-
Free cash flow of the enterprise	-856.44	292.35	313.53	163.09	172.44	157.69	126.70
Discount rate	9.21%	9.21%	9.21%	9.21%	9.21%	9.21%	9.21%
Discount life	0.25	1.00	2.00	3.00	4.00	5.00	
Discount coefficient	0.9782	0.9157	0.8384	0.7677	0.7030	0.6437	
Present value of free cash flow of the enterprise	-837.77	267.70	262.86	125.20	121.22	101.51	885.52
Operating value during the forecast period	926.25						
Add: Surplus assets	-						
Net value of non-operating assets	1,800.94						
Enterprise value	2,727.19						
Less: interest-bearing debts	563.82						
Value of total shareholders' equity	2,163.37						