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)

ANNOUNCEMENT OF 2015 INTERIM RESULTS

RESULTS AND BUSINESS HIGHLIGHTS:

	For the six months ended		
	30 June 2015	30 June 2014	Change
	RMB'000 (unaudited)	*RMB'000 (unaudited)*	
Revenue	**3,899,149**	4,388,369	(11%)
Net profit attributable to Shareholders of the Company	**143,394**	103,686	38%
Basic earnings per share	**RMB0.34**	RMB0.24	42%

- The revenue of the Group for the six months ended 30 June 2015 was approximately RMB 3,899,149,000, representing a decrease of approximately RMB 489,220,000 or 11% as compared to the same period in 2014.
- Net profit attributable to shareholders of the Company for the six months ended 30 June 2015 was approximately RMB143,394,000, representing an increase of approximately RMB39,708,000 or 38% as compared to the same period in 2014.
- For the six months ended 30 June 2015, basic earnings per share was RMB 0.34.
- The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2015.
- A final dividend of RMB0.15 (tax included) per share for year 2014 was approved by shareholders of the Company at the annual general meeting held on 11 June 2015.

- The special resolution regarding the issue of bonus shares had been duly approved at the annual general meeting, H shares class meeting and domestic shares class meeting respectively on 11 June 2015, and the Company will proceed with the bonus shares issue (i) by way of the capitalisation of retained earnings of the Company, on the basis of two bonus shares for every ten existing shares held by the shareholders (except for the overseas shareholders) and (ii) by way of the capitalisation of share premium of the Company, on the basis of three bonus shares for every ten existing shares held by the Shareholders (except for the overseas shareholders), whose names appear on the register of members of the Company on the record date.

The board of directors (the "**Board**") of Guangdong Yueyun Transportation Company Limited (the "**Company**") is pleased to announce the unaudited consolidated interim results of the Company and its subsidiaries (the "**Group**") for the six months ended 30 June 2015. The unaudited consolidated interim results of the Group have been reviewed by the Audit & Corporate Governance Committee of the Company (the "**Audit & Corporate Governance Committee**"). The auditor of the Company, KPMG Huazhen LLP, has also reviewed the unaudited interim financial report for the period in accordance with China Standard on Review No. 2101-Engagements to Review Financial Statements issued by the Chinese Institute of Certified Public Accountants. The majority of members of the Audit & Corporate Governance Committee are independent non-executive directors of the Company.

CONSOLIDATED BALANCE SHEET AS AT 30 JUNE 2015 (UNAUDITED)

(Expressed in Renminbi Yuan)

Assets	*Note*	As at 30 June 2015	As at 31 December 2014
Current Assets			
Cash at bank and on hand		**1,560,591,733.39**	1,773,706,526.84
Bills receivable		**400,000.00**	1,500,000.00
Accounts receivable	3	**800,302,564.36**	668,287,137.36
Prepayments		**305,273,434.83**	188,767,804.38
Other receivables		**362,094,043.89**	298,713,423.99
Dividend receivables		**7,962,582.70**	—
Inventories		**169,325,039.39**	153,138,610.49
Non-current assets due within one year		**10,294,443.36**	7,985,219.32
Other current assets		**28,763,356.51**	17,036,912.36
Total current assets		**3,245,007,198.43**	3,109,135,634.74
Non-current assets			
Long-term receivables		**38,715,849.00**	35,458,574.50
Long-term equity investments		**198,792,175.81**	204,665,915.87
Available-for-sale financial assets		**563,228.22**	8,238,722.82
Investment properties		**177,171,599.92**	152,693,971.95
Fixed assets	4	**1,908,355,410.25**	1,738,940,439.54
Construction in progress		**121,417,024.67**	172,616,315.39
Intangible assets	5	**920,638,130.23**	820,725,330.31
Goodwill		**84,597,291.76**	84,597,291.76
Long-term deferred expenses		**28,226,027.28**	25,994,397.66
Deferred tax assets		**189,673,669.85**	191,265,434.64
Other non-current assets		**231,046,551.06**	208,747,950.30
Total non-current assets		**3,899,196,958.05**	3,643,944,344.74
Total assets		**7,144,204,156.48**	6,753,079,979.48

CONSOLIDATED BALANCE SHEET AS AT 30 JUNE 2015 (UNAUDITED) (CONTINUED)

(Expressed in Renminbi Yuan)

Liabilities and shareholders' equity	*Note*	As at 30 June 2015	As at 31 December 2014
Current liabilities			
Short-term loans	6	**404,865,462.01**	285,749,912.78
Bills payable		**150,000,000.00**	319,317,371.36
Accounts payable	7	**1,133,052,226.96**	961,762,867.70
Advances from customers		**349,315,144.65**	334,744,357.78
Employee benefits payable		**162,088,241.66**	146,784,610.23
Taxes payable		**147,768,223.32**	168,433,156.47
Interest payable		**17,557,715.40**	5,157,354.24
Dividends payable		**91,080,029.25**	22,183,255.35
Other payables		**540,077,471.95**	546,330,830.89
Non-current liabilities due within one year	8	**424,258,473.56**	411,602,480.02
Total current liabilities		**3,420,062,988.76**	3,202,066,196.82
Non-current liabilities			
Long-term loans	9	**298,685,297.96**	299,529,507.68
Long-term payables		**32,703,142.69**	41,223,617.48
Long-term employee benefits payable		**179,310,753.75**	181,699,822.62
Deferred tax liabilities		**28,133,902.68**	31,129,102.06
Deferred income		**308,998,677.95**	285,528,984.00
Total non-current liabilities		**847,831,775.03**	839,111,033.84
Total liabilities		**4,267,894,763.79**	4,041,177,230.66
Shareholders' equity			
Share capital		**417,641,867.00**	417,641,867.00
Other equity instrument	10	**281,810,000.00**	281,810,000.00
Capital reserve		**170,451,076.51**	170,451,076.51
Other comprehensive income		**(38,409,384.83)**	(37,962,427.11)
Special reserve		**27,447,542.59**	22,864,907.64
Surplus reserve		**136,839,287.38**	136,839,287.38
Retained earnings	11	**750,228,539.91**	669,480,517.83
Total equity attributable to shareholders of the Company	12	**1,746,008,928.56**	1,661,125,229.25
Non-controlling interests		**1,130,300,464.13**	1,050,777,519.57
Total shareholders' equity		**2,876,309,392.69**	2,711,902,748.82
Total liabilities and shareholders' equity		**7,144,204,156.48**	6,753,079,979.48

CONSOLIDATED INCOME STATEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2015 (UNAUDITED)
(Expressed in Renminbi Yuan)

	Note	For the six months ended 30 June **2015**	2014
I. Operating income		**3,899,149,114.56**	4,388,368,620.00
II. Less: Operating costs		**3,242,937,614.31**	3,892,937,456.97
Business taxes and surcharges		**31,227,528.73**	33,919,025.74
Selling and distribution expenses		**32,688,203.21**	29,696,569.56
General and administrative expenses		**328,390,549.36**	255,327,884.00
Financial expenses	13	**29,760,189.53**	32,438,704.98
Impairment losses (reversal) / provision		**(1,597,906.65)**	3,669,402.12
Add: Investment income	14	**7,523,339.45**	2,438,358.94
(Including: Income from investment in associates and joint ventures)		**2,760,842.65**	1,305,996.12
III. Operating profit		**243,266,275.52**	142,817,935.57
Add: Non-operating income	15	**46,373,857.02**	62,459,954.24
(Including: Gains from disposal of non-current assets)		**5,316,810.94**	2,758,707.49
Less: Non-operating expenses		**2,047,167.05**	1,955,056.37
(Including: Losses from disposal of non-current assets)		**648,903.66**	989,036.24
IV. Profit before income tax	17	**287,592,965.49**	203,322,833.44
Less: Income tax expenses	16	**87,631,534.67**	53,144,359.65
V. Net profit for the period		**199,961,430.82**	150,178,473.79
Attributable to:			
Shareholders of the Company		**143,394,302.13**	103,686,177.75
Non-controlling interests		**56,567,128.69**	46,492,296.04

CONSOLIDATED INCOME STATEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2015 (UNAUDITED) (CONTINUED)
(Expressed in Renminbi Yuan)

	Note	**For the six months ended 30 June** **2015**	2014
VI. Other comprehensive income for the period, net of tax			
(I) Items that will not be reclassified to profit or loss		**—**	—
(II) Items that may be reclassified subsequently to profit or loss:			
1. Gains or losses arising from changes in fair value of available-for-sale financial assets		**(752,563.35)**	—
2. Translation differences arising from translation of foreign currency financial statements		**(54,288.03)**	2,451,416.07
VII. Total comprehensive income for the period		**199,154,579.44**	152,629,889.86
Attributable to:			
Shareholders of the Company		**142,947,344.41**	105,244,216.50
Non-controlling interests		**56,207,235.03**	47,385,673.36
VIII. Earnings per share			
(I) Basic earnings per share	18(1)	**0.34**	0.24
(II) Diluted earnings per share	18(2)	**0.28**	0.20

Notes

(Expressed in Renminbi Yuan)

1 Basis of preparation

The interim financial report has been prepared on the going concern basis.

The interim financial report has been prepared on the going concern basis for the period from 1 July 2015 to 30 June 2016.

As at 30 June 2015, the Group's total current liabilities were in excess of total current assets by RMB 175,055,790.33. As of 30 June 2015, the Group had unutilised bank facilities amounting to RMB 5.032 billion. In addition, on 13 July 2015, China Securities Regulatory Commission approved the Company to conduct the public offering of corporate bonds to the public in a nominal amount not exceeding RMB 780 million. The Group's management believed that the Group has sufficient funds to operate as a going concern in the foreseeable future. Accordingly, the interim financial report is prepared on a going concern basis.

The interim financial report of the Group has been prepared in accordance with the requirements of "Accounting Standard for Business Enterprises No.32 — Interim Financial Reporting" issued by the Ministry of Finance (MOF) of the PRC, and the applicable disclosure requirements of Appendix 16 of the Rules Governing the Listing of Securities on SEHK (the "Listing Rules"). In accordance with the requirements of "Accounting Standard for Business Enterprises No.32 — Interim Financial Reporting", the explanatory notes to the interim financial report have been simplified as appropriate compared with the notes to the annual financial statements.

2 Changes of scope of consolidation

(1) *Subsidiaries acquired through business combination not under common control during the period*

No.	Full name of the subsidiary	Type	Incorporation place	Registration place	Business nature	Registration capital	Period end actual investment	Share holding percentage (%)	Voting rights percentage (%)
1	Shanwei Yueyun Transportation Company Limited	Domestic and non-financial	Guangdong China	Guangdong China	Domestic Transportation	RMB35,000,000.00	RMB35,000,000.00	51	51
2	Lufeng Land Transportation Company Limited	Domestic and non-financial	Guangdong China	Guangdong China	Domestic Transportation	RMB40,000,000.00	RMB40,000,000.00	100	100
3	Haifeng Transportation Company Limited	Domestic and non-financial	Guangdong China	Guangdong China	Domestic Transportation	RMB30,000,000.00	RMB30,000,000.00	100	100
4	Shanwei General Vehicle Station	Domestic and non-financial	Guangdong China	Guangdong China	Domestic Transportation	RMB 110,000.00	RMB 110,000.00	100	100
5	Shanwei City Bus Company Limited	Domestic and non-financial	Guangdong China	Guangdong China	Domestic Transportation	RMB 580,000.00	RMB 580,000.00	54.74	54.74

2 *Business combinations not involving enterprises under common control during the period*

On 28 January 2015, the acquisition date, the Group's subsidiary, Guangdong Vehicles Transportation Group Co., Ltd. acquired 51% equity interests of Shanwei Yueyun Transportation Company Limited by paying cash of RMB66,846,000.00 as acquisition costs.

The fair value of the 51% equity interests as at the acquisition date was RMB67,334,634.64.

Shanwei Yueyun Transportation Company Limited was established on 21 June 1988 in Shanwei, Guangdong, with its head office located in Shanwei City. It is mainly engaged in providing passenger and freight transportation services. Before the acquisition, its ultimate holding company was Shanwei State-owned Assets Supervision and Administration Commission.

Key financial information of Shanwei Yueyun Transportation Company Limited is as follows:

	From 28 January 2015 (acquisition date) to 30 June 2015
	RMB
Revenue	47,496,338.91
Net profit	3,156,922.97
Net cash inflow	7,281,647.08

The identifiable assets and liabilities:

	28 January 2015		**31 December 2014**
	Carrying amount	**Fair value**	**Carrying amount**
	RMB	*RMB*	*RMB*
Current assets	44,195,674.17	44,195,674.17	47,629,638.25
Investment properties	20,856,166.81	20,856,166.81	20,924,030.72
Fixed assets and construction in progress	61,645,094.17	61,645,094.17	53,932,453.56
Intangible assets	89,196,029.43	89,196,029.43	89,340,861.71
Other non-current assets	4,340,803.23	4,340,803.23	5,064,138.32
Current liabilities	(76,538,436.63)	(76,538,436.63)	(70,588,970.25)
Non-current liabilities	(11,656,791.23)	(11,656,791.23)	(13,311,799.86)
Identifiable net assets	132,038,539.95	132,038,539.95	132,990,352.45

3 **Accounts receivable**

(1) The Group assessed the credit worthiness of potential customers and set corresponding credit limits according to the internal credit assessment policies before accepting new customers. Apart from usually requiring new customers to make advance payments, various companies of the Group have different credit policies, depending on their business market and operation requirements. Credit period is generally 3 months, while the credit period to major customers can be extended to 6 months.

The ageing analysis of accounts receivable is as follows:

As at 30 June 2015

Ageing	**Amount** *RMB*	**Provision for bad and doubtful debts** *RMB*	**Carrying amount** *RMB*
Within 3 months (inclusive)	**496,276,942.65**	**—**	**496,276,942.65**
Over 3 months and within 6 months (inclusive)	**54,005,879.44**	**—**	**54,005,879.44**
Over 6 months and within 1 year (inclusive)	**60,910,393.50**	**89,764.00**	**60,820,629.50**
Over 1 year and within 2 years (inclusive)	**25,638,103.95**	**1,553,493.06**	**24,084,610.89**
Over 2 years and within 3 years (inclusive)	**10,513,145.63**	**571,429.69**	**9,941,715.94**
Over 3 years	**184,205,443.63**	**29,032,657.69**	**155,172,785.94**
Total	**831,549,908.80**	**31,247,344.44**	**800,302,564.36**

As at 31 December 2014

Ageing	**Amount** *RMB*	**Provision for bad and doubtful debts** *RMB*	**Carrying amount** *RMB*
Within 3 months (inclusive)	394,323,330.02	—	394,323,330.02
Over 3 months and within 6 months (inclusive)	37,144,021.08	—	37,144,021.08
Over 6 months and within 1 year (inclusive)	39,508,418.09	—	39,508,418.09
Over 1 year and within 2 years (inclusive)	30,110,893.01	506,425.30	29,604,467.71
Over 2 years and within 3 years (inclusive)	4,099,157.51	386,725.44	3,712,432.07
Over 3 years	193,775,501.63	29,781,033.24	163,994,468.39
Total	698,961,321.34	30,674,183.98	668,287,137.36

4 Fixed assets

	Buildings	Building improvements	Machinery and equipment	Electronic equipment, office equipment and others	Transportation vehicles	Pier	Total
	RMB	*RMB*	*RMB*	*RMB*	*RMB*	*RMB*	*RMB*
Cost							
Balance as at 31 December 2014	707,024,293.77	112,891,302.58	107,822,068.27	181,651,351.46	1,822,332,279.20	84,145,939.93	3,015,867,235.21
Additions during the period	632,066.00	—	1,658,068.91	11,726,509.82	165,471,583.93	—	179,488,228.66
Transferred from construction in progress	78,372,540.08	1,246,968.24	2,469,344.96	3,744,479.45	69,067,330.49	—	154,900,663.22
Additions arising from business combinations not under common control	30,598,728.23	—	348,866.14	205,601.16	23,106,550.02	—	54,259,745.55
Foreign currency financial statement translation differences	(6,172.95)	—	(366.22)	(2,301.64)	(78,204.37)	—	(87,045.18)
Disposals during the period	(31,459,966.35)	—	(508,831.94)	(1,687,457.05)	(95,369,640.58)	—	(129,025,895.92)
Transferred to investment properties	(481,042.86)	—	—	—	—	—	(481,042.86)
Balance as at 30 June 2015	784,680,445.92	114,138,270.82	111,789,150.12	195,638,183.20	1,984,529,898.69	84,145,939.93	3,274,921,888.68

	Buildings	Building improvements	Machinery and equipment	Electronic equipment, office equipment and others	Transportation vehicles	Pier	Total
	RMB	*RMB*	*RMB*	*RMB*	*RMB*	*RMB*	*RMB*
Accumulated depreciation							
Balance as at 31 December 2014	(147,675,482.78)	(91,002,219.89)	(48,558,363.46)	(112,733,744.88)	(870,693,195.98)	(5,387,936.68)	(1,276,050,943.67)
Charges during the period	(13,427,004.18)	(3,529,491.40)	(3,315,805.87)	(12,829,263.46)	(147,569,387.53)	(1,184,527.17)	(181,855,479.61)
Foreign currency financial statement translation differences	3,327.56	—	366.27	1,520.23	61,706.36	—	66,920.42
Written off on disposal	4,066,463.98	—	450,586.93	1,646,436.04	85,807,645.35	—	91,971,132.30
Transferred to investment properties	177,744.13	—	—	—	—	—	177,744.13
Balance as at 30 June 2015	(156,854,951.29)	(94,531,711.29)	(51,423,216.13)	(123,915,052.07)	(932,393,231.80)	(6,572,463.85)	(1,365,690,626.43)
Provision for impairment losses							
Balance as at 31 December 2014 and 30 June 2015	—	—	(875,852.00)	—	—	—	(875,852.00)
Carrying amount							
As at 30 June 2015	627,825,494.63	19,606,559.53	59,490,081.99	71,723,131.13	1,052,136,666.89	77,573,476.08	1,908,355,410.25
As at 31 December 2014	559,348,810.99	21,889,082.69	58,387,852.81	68,917,606.58	951,639,083.22	78,758,003.25	1,738,940,439.54

As at 30 June 2015, the original cost of fixed assets that are fully depreciated but are still in use is RMB 601,134,464.27 (31 December 2014: RMB 506,029,996.37).

As at 30 June 2015, fixed assets with carrying amount of RMB 149,629,937.57 (31 December 2014: RMB 128,771,634.97) were pledged for bank borrowings. As at 30 June 2015, there are no other restricted fixed assets than those pledged for bank borrowings.

As at 30 June 2015, the carrying amount of buildings without certificate or title of which had not been officially transferred in the Group was RMB 158,978,351.92 (31 December 2014: RMB 117,893,241.13).

5 Intangible assets

	Land use rights	Joint operation earning rights	Computer software	Coastline use right	Passenger service licenses	Station and toll bridge franchise operating rights	Line license use rights and route operation rights	Trademark rights and others	Total
	RMB	*RMB*	*RMB*	*RMB*	*RMB*	*RMB*	*RMB*	*RMB*	*RMB*
Cost									
Balance as at 31 December 2014	569,683,409.87	—	21,830,546.93	7,110,000.00	5,529,526.30	386,018,296.04	133,279,985.25	3,545,900.00	1,126,997,664.39
Additions during the period	133,598.68	34,207,670.62	116,686.32	—	—	—	7,431,905.05	60,000.00	41,949,860.67
Additions arising from business combinations not under common control	88,817,104.62	—	—	—	—	—	378,924.80	—	89,196,029.42
Foreign currency financial statement translation differences	(13,231.53)	—	—	—	(2,102.74)	—	—	—	(15,334.27)
Transferred to investment properties	(4,605,832.00)	—	—	—	—	—	—	—	(4,605,832.00)
Disposals during the period	(1,449,655.05)	—	(49,757.32)	—	—	—	(27,018.96)	—	(1,526,431.33)
Balance as at 30 June 2015	652,565,394.59	34,207,670.62	21,897,475.93	7,110,000.00	5,527,423.56	386,018,296.04	141,063,796.14	3,605,900.00	1,251,995,956.88

	Land use rights	Joint operation earning rights	Computer software	Coastline use right	Passenger service licenses	Station and toll bridge franchise operating rights	Line license use rights and route operation rights	Trademark rights and others	Total
	RMB	*RMB*	*RMB*	*RMB*	*RMB*	*RMB*	*RMB*	*RMB*	*RMB*
Accumulated amortisation									
Balance as at 31 December 2014	(65,263,774.87)	—	(13,528,644.74)	(1,665,605.00)	—	(176,284,619.51)	(49,165,137.36)	(364,552.60)	(306,272,334.08)
Charges during the period	(7,429,279.16)	(1,379,639.60)	(3,047,795.89)	(77,633.10)	—	(9,063,990.17)	(4,189,097.68)	(163,820.01)	(25,351,255.61)
Foreign currency financial statement translation differences	3,749.55	—	—	—	—	—	—	—	3,749.55
Transferred to investment properties	46,523.52	—	—	—	—	—	—	—	46,523.52
Disposals during the period	138,713.69	—	49,757.32	—	—	—	27,018.96	—	215,489.97
Balance as at 30 June 2015	(72,504,067.27)	(1,379,639.60)	(16,526,683.31)	(1,743,238.10)	—	(185,348,609.68)	(53,327,216.08)	(528,372.61)	(331,357,826.65)
Carrying amount									
As at 30 June 2015	580,061,327.32	32,828,031.02	5,370,792.62	5,366,761.90	5,527,423.56	200,669,686.36	87,736,580.06	3,077,527.39	920,638,130.23
As at 31 December 2014	504,419,635.00	—	8,301,902.19	5,444,395.00	5,529,526.30	209,733,676.53	84,114,847.89	3,181,347.40	820,725,330.31

As at 30 June 2015, intangible assets with carrying amount of RMB 70,558,818.53 (31 December 2014: RMB 4,231,094.09) were pledged for bank borrowings. As at 30 June 2015, there were no other restricted intangible assets than those pledged for bank borrowings.

As at 30 June 2015, the carrying amount of the land use rights without certificate or title of which had not been officially transferred in the Group was RMB 7,967,658.62 (31 December 2014: RMB 7,682,418.62).

As at 30 June 2015, land use rights with carrying amount of RMB 32,307,747.95 (31 December 2014: RMB 32,307,747.95) were obtained through allocation. As the title document did not stipulate the corresponding useful lives, these land use rights had not been amortised.

6 Short-term loans

	Note	**As at 30 June 2015** *RMB*	**As at 31 December 2014** *RMB*
Unsecured loans		358,700,000.00	257,700,000.00
Loans secured by mortgages	(1)	35,000,000.00	15,848,513.34
Loans secured by letter of credit	(2)	11,165,462.01	12,201,399.44
Total	(3)	404,865,462.01	285,749,912.78

Note 1: For the details of assets pledged for secured loans, please refer to Note 4 and 5.

Note 2: As at 30 June 2015, the loans were secured by the letter of credit issued by the Company to its subsidiary, Yueyun Transportation (HK) Company Limited. The loan period is 60 days (31 December 2014: 60 days).

Note 3: As at 30 June 2015, all the Group's short term loans are bank borrowings with loan period within 1 year and with fixed interest rates ranging from 1.74% - 6.00% per annum (31 December 2014: 1.71% - 6.00% per annum). According to the loan agreement, the Group had no overdue short-term loan as at 30 June 2015.

7 Accounts payable

The ageing analysis of accounts payable based on the transaction dates is as follows:

Ageing	**As at 30 June 2015** *RMB*	**As at 31 December 2014** *RMB*
Within 3 months (inclusive)	818,212,325.66	713,148,402.84
Over 3 months and within 6 months (inclusive)	70,858,658.46	42,895,778.94
Over 6 months and within 1 year (inclusive)	151,216,694.76	55,363,083.79
Over 1 year and within 2 years (inclusive)	55,492,327.92	61,910,993.16
Over 2 years and within 3 years (inclusive)	16,121,901.17	56,800,532.77
Over 3 years	21,150,318.99	31,644,076.20
Total	1,133,052,226.96	961,762,867.70

8 Non-current liabilities due within one year

	Note	As at 30 June 2015 RMB	As at 31 December 2014 RMB
Long-term borrowings due within one year (Note 9)		65,094,544.40	54,148,390.58
Long-term payables due within one year		55,233,620.92	53,978,917.13
Bonds payable due within one year	(1)	299,622,306.58	299,073,061.26
Deferred income due within one year		4,308,001.66	4,402,111.05
Total		424,258,473.56	411,602,480.02

Note 1: Bonds payable due within one year

Item	**Period**	**Issue date**	**Face value** *RMB*	**Discount amount** *RMB*	**Amortisation as at 1 January 2015** *RMB*	**Amortisation for the period** *RMB*	**Carrying amount as at 30 June 2015** *RMB*
Non-public directional debt financing	3 years	2012/11/30	300,000,000.00	(3,041,667.00)	2,114,728.26	549,245.32	299,622,306.58

On 30 November 2012, according to "GVTG non-public directional debt financing issuance agreement" and "GVTG underwriting of non-financial corporate debt financing instruments of inter-bank bond market agreement", GVTG entrusted the Bank of HuaXia as the underwriter to issue the non-public directional debt financing instrument for the first phase. The issued amount of first phase is RMB 300 million with a term of three years. The interest is calculated and paid annually at the coupon rate of 5.8% p.a.. The principal will be repaid on maturity. GCGC provides unconditional and irrevocable joint guarantee in full on the principal and interest of the bond. On 30 June 2015, the carrying balance of bonds payable will be due within one year, and was presented as non-current liabilities due within one year.

9 **Long-term loans**

	Note	As at 30 June 2015 *RMB*	As at 31 December 2014 *RMB*
Unsecured loans		131,303,921.81	133,298,553.34
Loans secured by mortgages	(1)	102,650,920.55	90,554,344.92
Pledged loans	(2)	129,825,000.00	129,825,000.00
Total	(3)	363,779,842.36	353,677,898.26
Less: long-term loans due within one year			
Including: Unsecured loans		3,204,962.40	4,004,780.89
Loans secured by Mortgages		61,889,582.00	50,143,609.69
Sub-total (Note 8)		65,094,544.40	54,148,390.58
Long-term loans due after 1 year		298,685,297.96	299,529,507.68
Including: Due after 1 year but within 2 years		19,813,504.64	37,493,441.35
Due after 2 years but within 5 years		278,871,793.32	262,036,066.33

Note 1: For the details of assets pledged for secured loans, please refer to Note 4 and 5.

Note 2: GVTG, a subsidiary of the Group, obtained the secured bank loans by pledge of 51% equity interests in each of Guangdong Shaoguan Vehicles Transportation Group Co., Ltd. and Qingyuan Yueyun Vehicles Transportation Co., Ltd..

Note 3: As at 30 June 2015, all the Group's long-term loans are bank borrowings with interest rates ranging from 5.54% - 8.30% per annum (31 December 2014: 5.54% - 7.50% per annum).

10 **Other equity instruments**

	As at 30 June 2015 *RMB*	As at 31 December 2014 *RMB*
PSCS	281,810,000.00	281,810,000.00

On 31 December 2012, the Company issued PSCS to GCGC, with a principal amount of RMB 281,810,000.00, which equals to the issue price. According to the "PSCS agreement", major terms of the PSCS are as follows:

(1) *Conversion*

The PSCS is perpetual without expiration date. GCGC may convert all or part of the PSCS into domestic ordinary shares at any time from the issue date, provided that such conversion complies with the terms of agreement and relevant laws and regulations. On or at any time 12 months after the date of issue of the PSCS, the Company may also, at its option, elect to convert the PSCS in whole or in part into domestic shares. The initial conversion price is RMB 2.74 per share. The number of domestic ordinary shares may be converted into is calculated by dividing the amount of principal by the conversion price. The conversion price is subject to adjustment in the event that the shares of the Company have been diluted.

(2) *Distribution of earnings*

GCGC is entitled to an annual earning calculated at 1% per annum on any outstanding principal amount of PSCS and on a time proportion of the actual days of holding PSCS in a year. Such earnings should be distributed before 30 September in the succeeding year. However, the Company may, at its sole discretion, elect to defer a distribution and the election by the Company to defer a distribution will not trigger any additional payment obligations on the Company. The number of optional deferrals of distributions by the Company is not restricted. The deferral of distribution is required to be informed GCGC in written no later than 10 days before the agreed date for distribution. In the event that all or part of the PSCS are converted into domestic shares, the Company may elect not to make any distribution of earnings that are attributable to those PSCS being converted.

(3) *Status and claims*

GCGC, as the holder of PSCS, is not entitled to shareholder's rights in the Company. In the event of winding-up of the Company, the rights and claims of GCGC, as the holder of PSCS, shall (i) rank ahead of those persons whose claims are in respect of any class of share capital of the Company; (ii) be subordinated in right of payment to claims of all other present and future preferential creditors of the Company, and (iii) rank pari passu with all the Company's other creditors.

As of 30 June 2015, no PSCS had been converted into domestic ordinary shares.

11 Retained earnings

		For the six months ended 30 June 2015 *RMB*	30 June 2014 *RMB*
Retained earnings at the beginning of the period		669,480,517.83	517,684,409.50
Add: Net profit attributable to the shareholders of the Company for the period		143,394,302.13	103,686,177.75
Less: Final dividends in respect of the previous financial year, approved and declared during the interim period	(1)	62,646,280.05	41,764,186.70
Retained earnings at the end of the period	(2)	750,228,539.91	579,606,400.55
Including: Interim dividend approved and declared after the balance sheet date of the interim period	(3)	—	—
Earnings attributable to the holder of PSCS	(4)	4,227,150.00	4,227,150.00

Note 1: A final dividend of RMB 0.15 (tax included) per share for year 2014 with an aggregate amount of RMB 62,646,280.05 were approved by shareholders in the annual general meeting held on 26 June 2015 (prior period in 2014: RMB 0.10 (tax included) per share, amounting to RMB 41,764,186.70 in total).

Note 2: As at 30 June 2015, the Group's retained earnings included appropriation to surplus reserve by subsidiaries amounting to RMB 297,333,208.03 (31 December 2014: RMB 297,333,208.03).

Note 3: The Board does not recommend distribution of an interim dividend for the period (prior period in 2014: RMB 0).

Note 4: As mentioned in Note 10, according to the PSCS agreement, the Company is required to distribute an annual earning to the holder of PSCS, which is calculated at 1% of the principal of RMB 281,810,000.00 and on a time proportion of the actual days of holding PSCS in a year.

12 Equity attributable to the shareholders of the Company

	For the six months ended	
	30 June 2015	**30 June 2014**
	RMB	*RMB*
(1) Equity attributable to the common share holders of the Company	1,459,971,778.56	1,274,606,774.31
(2) Equity attributable to holders of other equity instrument		
Including: Principal	281,810,000.00	281,810,000.00
Accumulated undistributed earnings at the beginning of the period	2,818,100.00	2,818,100.00
Add: Earnings and comprehensive income attributable for the period	1,409,050.00	1,409,050.00
Less: Earnings distributed during the period	—	—
Accumulated undistributed earnings at the end of the period	4,227,150.00	4,227,150.00
Subtotal	286,037,150.00	286,037,150.00
Total equity attributable to the shareholders of the Company	1,746,008,928.56	1,560,643,924.31

13 Financial expenses

	For the six months ended	
	30 June 2015	**30 June 2014**
	RMB	*RMB*
Interest expenses	33,924,914.65	34,591,333.43
Including: Interest expenses from loans	25,224,914.65	32,264,577.18
Less: Interest income	7,855,318.92	6,635,551.68
Net exchange losses	1,118,461.26	1,138,783.97
Amortisation of unrecognised financial charges	182,179.68	464,915.98
Others	2,389,952.86	2,879,223.28
Total	29,760,189.53	32,438,704.98

14 Investment income

	For the six months ended	
	30 June 2015	**30 June 2014**
	RMB	*RMB*
Income / (loss) from investments in associates under equity accounting	632,880.27	(673,116.06)
Income from investments in joint ventures under equity accounting	2,127,962.38	1,979,112.18
Income from disposal of available-for-sale financial assets	4,992,187.49	—
Gains on disposal of long-term equity investments	—	1,362,053.51
Others	(229,690.69)	(229,690.69)
Total	7,523,339.45	2,438,358.94
Including: Loss from investments in associates under equity accounting attributable to the shareholders of the Company	(790,405.36)	(641,343.32)
Income from investments in joint ventures under equity accounting attributable to the shareholders of the Company	1,971,811.78	1,940,583.67

15 Non-operating income

	For the six months ended	
	30 June 2015	**30 June 2014**
	RMB	*RMB*
Gains on disposals of non-current assets	5,316,810.94	2,758,707.49
Including: Gains on disposals of fixed assets	5,316,810.94	2,758,707.49
Government grants	35,262,795.50	58,653,978.32
Others	5,794,250.58	1,047,268.43
Total	46,373,857.02	62,459,954.24

16 **Income tax expenses**

	For the six months ended	
	30 June 2015	**30 June 2014**
	RMB	*RMB*
Current tax expense for the year based on tax law and regulations	87,133,058.56	58,988,027.45
Including: Mainland China	86,835,466.46	58,552,445.70
Hong Kong	297,592.10	435,581.75
Tax filing differences	1,433,047.18	(1,209,977.32)
Changes in deferred tax assets / liabilities	(934,571.07)	(4,633,690.48)
Total	87,631,534.67	53,144,359.65

17 **Profit before income tax**

Profit before income tax for the period is arrived at after charging / (crediting) the following:

	For the six months ended	
	30 June 2015	**30 June 2014**
	RMB	*RMB*
Depreciation of fixed assets	181,855,479.61	169,447,671.29
Depreciation of investment properties	2,435,335.11	706,448.30
Amortisation of intangible assets	25,351,255.61	18,571,131.10
Amortisation of long-term deferred expenses	5,527,025.19	3,941,609.58
(Reversal) / provision of bad debt provision	(1,597,906.65)	3,669,402.12
Rental expenses	60,514,033.58	20,177,959.00

18 **Earnings per share**

(1) *Basic earnings per share*

Basic earnings per share is calculated by dividing the net profit attributable to the ordinary share holders of the Company by the weighted average number of ordinary shares in issue during the period. The calculation is as follows:

	For the six months ended	
	30 June 2015	**30 June 2014**
	RMB	*RMB*
Net profit attributable to shareholders of the Company	143,394,302.13	103,686,177.75
Less: earnings attributable to the holder of PSCS	1,409,050.00	1,409,050.00

	For the six months ended	
	30 June 2015	**30 June 2014**
	RMB	*RMB*
Net profit attributable to ordinary shareholders of the Company	141,985,252.13	102,277,127.75
Weighted average number of ordinary shares in issue during the period	417,641,867.00	417,641,867.00
Basic earnings per share (RMB / share)	0.34	0.24

(2) *Diluted earnings per share*

Diluted earnings per share is calculated by dividing the net profit attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares in issue (diluted) (as if all PSCS has been converted into ordinary shares). The calculation is as follows:

	For the six months ended	
	30 June 2015	**30 June 2014**
	RMB	*RMB*
Net profit attributable to the shareholders of the Company	143,394,302.13	103,686,177.75
Weighted average number of ordinary shares in issue during the period	417,641,867.00	417,641,867.00
Add: Diluted adjustment assuming that all PSCS have been converted into ordinary shares (Note)	102,850,364.00	102,850,364.00
Weighted average number of ordinary shares in issue (diluted)	520,492,231.00	520,492,231.00
Diluted earnings per share (RMB / share)	0.28	0.20

Note: The Company's potential diluted shares are PSCS. The number of ordinary shares could be converted into is calculated by dividing the principal amount of PSCS of RMB 281,810,000.00 by the initial conversion price of RMB 2.74 per share. The initial conversion price is subject to adjustment where the shares of the Company are diluted.

19 Segment reporting

Based on the Group's internal organisation structure, management requirement and internal reporting policy, the operations of the Group are classified into four segments: motor vehicle transportation and auxiliary services, material logistics services, expressway service zones operation and Tai Ping Interchange.

(1) *Segment reporting*

	Motor vehicle transportation and auxiliary services	Material logistics services	Expressway service zones operation	Tai Ping Interchange	Others	Inter-segment elimination	Total
	RMB	*RMB*	*RMB*	*RMB*	*RMB*	*RMB*	*RMB*
For the six months ended 30 June 2015							
Operating income							
External income	**1,491,052,840.32**	**1,926,064,815.04**	**389,428,052.19**	**90,026,027.01**	**2,577,380.00**	**—**	**3,899,149,114.56**
Inter-segment income	**5,097,569.83**	**—**	**752,628.91**	**—**	**3,505,549.00**	**(9,355,747.74)**	**—**
Total segment operating income	**1,496,150,410.15**	**1,926,064,815.04**	**390,180,681.10**	**90,026,027.01**	**6,082,929.00**	**(9,355,747.74)**	**3,899,149,114.56**
Total segment operating costs	**1,100,835,822.53**	**1,850,799,531.13**	**279,473,139.28**	**16,876,856.72**	**1,414,825.79**	**(6,462,561.14)**	**3,242,937,614.31**
Segment operating profit	**108,350,303.01**	**27,286,790.31**	**56,363,680.07**	**50,953,671.74**	**761,651.07**	**(449,820.68)**	**243,266,275.52**
For the six months ended 30 June 2014							
Operating income							
External income	1,144,398,850.90	2,846,982,187.81	312,509,896.51	82,932,592.38	1,545,092.40	—	4,388,368,620.00
Inter-segment income	1,540,860.00	—	227,525.80	—	2,390,128.10	(4,158,513.90)	—
Total segment operating income	1,145,939,710.90	2,846,982,187.81	312,737,422.31	82,932,592.38	3,935,220.50	(4,158,513.90)	4,388,368,620.00
Total segment operating costs	881,506,757.29	2,755,558,705.60	244,515,686.29	10,754,467.96	601,839.83	—	3,892,937,456.97
Segment operating profit	51,489,123.01	20,763,562.47	25,139,476.23	45,942,324.22	368,581.71	(885,132.07)	142,817,935.57

	Motor vehicle transportation and auxiliary services	Material logistics services	Expressway service zones operation	Tai Ping Interchange	Others	Inter-segment elimination	Total
	RMB	*RMB*	*RMB*	*RMB*	*RMB*	*RMB*	*RMB*
As at 30 June 2015							
Total segment assets	**4,406,125,923.62**	**2,161,572,184.18**	**1,026,097,757.58**	**2,016,468,808.16**	**43,556,569.50**	**(2,509,617,086.56)**	**7,144,204,156.48**
Total segment liabilities	**2,522,720,972.60**	**2,240,968,870.68**	**674,732,229.53**	**428,839,523.15**	**56,845,470.46**	**(1,656,212,302.63)**	**4,267,894,763.79**
As at 31 December 2014							
Total segment assets	3,872,636,130.94	2,070,014,497.08	916,423,866.36	2,084,324,118.14	42,497,349.08	(2,232,815,982.12)	6,753,079,979.48
Total segment liabilities	2,113,021,519.24	2,165,797,081.71	611,277,025.39	477,088,172.18	56,547,901.11	(1,382,554,468.97)	4,041,177,230.66

(2) *Geographic information*

The Group's operating income comes from mainland China and Hong Kong, among which, the income comes from Hong Kong amounted to RMB 107,743,985.34 in the current period (prior period in 2014: RMB 115,571,064.72). As at 30 June 2015， the Group's non-current assets held by the Hong Kong operations amounted to RMB 176,359,517.29 (31 December 2014: RMB 122,158,727.62).

(3) *Major customers*

No operating income from one single customer of the Group is above 10% of the Group's total operating income for the current period. Operating income from Guangdong Provincial Changda Highway Engineering Company Limited amounting to RMB 557,497,287.08 represents over 10% of the Group's total operating income for the comparative period of 2014.

20 **Net current liabilities**

	As at 30 June 2015 *RMB*	**As at 31 December 2014** *RMB*
Current assets	3,245,007,198.43	3,109,135,634.74
Less: Current liabilities	3,420,062,988.76	3,202,066,196.82
Net current liabilities	(175,055,790.33)	(92,930,562.08)

21 **Total assets less current liabilities**

	As at 30 June 2015 *RMB*	**As at 31 December 2014** *RMB*
Total assets	7,144,204,156.48	6,753,079,979.48
Less: Current liabilities	3,420,062,988.76	3,202,066,196.82
Total assets less current liabilities	3,724,141,167.72	3,551,013,782.66

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

In the first half of 2015, the Group continued to implement its development strategic planning and achieved steady and rapid growth in motor transportation and auxiliary services driven by newly acquired projects, as well as expressway service zones driven by a new round of large-scale construction of expressways. As at 30 June 2015, details for each business segment are set out as follows:

Motor vehicle transportation and auxiliary services

(i) ***Domestic transportation business***

As at 30 June 2015, the Group owned 3,587 licenses for passenger transportation routes, 1,378 passenger transportation routes, 7,424 operating vehicles and controlled over 83 passenger terminals. Its business mainly covers various important cities in the Pearl River Delta, East Guangdong, West Guangdong, and North Guangdong. In the first half of 2015, a total of 45.246 million passengers were carried for passenger transportation, representing an increase of 58.40% as compared with the same period last year. The passenger turnover of regular coaches services is 4.28 billion passenger-kilometers, representing an increase of 11.46% as compared with the same period last year.

Pursuant to the development model of "Acquisition-Consolidation-Growth", the Group completed the acquisition and consolidation of road transportation resources in Shanwei City. As one of the transportation hub among North-east Guangdong, South-west Fujian and South Jiangxi, Shanwei City is located in the coastal area of East Guangdong and has abundant road transportation market. The road transportation resources in Shanwei City of the Group acted as a vital node between East Guangdong area and the Pear River Delta by connecting its road transportation market with that of Heyuan City Yueyun Vehicles Transportation Company Limited ("**Heyuan Yueyun**") and Meizhou City Yueyun Vehicles Transportation Company Limited under entrusted management to play a role as a central hub in promoting the scale expansion and intensive development of the road transportation business of the Group.

The Group intensified its efforts to consolidate the resources of the newly acquired enterprises. In the first half of 2015, Qingyuan City Yueyun Vehicles Transportation Company Limited reclaimed 60 contracted vehicles to self-operate, and conducted systematic management of passenger transportation resources such as internal passenger transportation routes and urban buses to enhance the operation efficiency of the passenger transportation resources, meanwhile it carried out rectification in the surrounding market of the terminals in cooperation with the local government and law enforcement authorities to guide passengers in entering the station, purchasing the tickets and taking the vehicles. Shaoguan Yueyun Vehicles Transport Company Limited ("**Shaoguan Yueyun**") reclaimed 43 contracted vehicles to self-operate by actively boosting the reclamation of contracted vehicles and self-operation in the first half of 2015. Shanwei City Yueyun Vehicles Transportation Company Limited ("**Shanwei Yueyun**") reclaimed 30 contracted vehicles to self-operate and carried out rectification in Luhe County transportation market in active coordination with the competent industry authority to guide passengers in entering the station so as to significantly improve the economic efficiency of Luhe station in the first half of 2015. Shanwei Yueyun enhanced the actual loading rate by implementing the routes bundling operation model and entering into cooperation agreements with its peers. Heyuan Yueyun strengthened the operation and safety management of passenger coaches and also further enhanced the operation efficiency of passenger coaches due to the change in the operation model from contract operation to cooperative operation for the unexpired contracted vehicles on the key routes with a longer contract term.

The Group actively explored the rural passenger transportation market. Guangdong Yueyun Langri Company Limited., a subsidiary of the Group, has formed a complete rural passenger transportation network in Yangjiang area from county to town, and from town to village. Among 34 rural passenger transportation routes in villages and towns under the jurisdiction of Yangjiang City, the access rate of the rural passenger transportation routes where road conditions meet traffic conditions is 100%. Zhaoqing Yueyun Vehicles Transport Company Limited ("**Zhaoqing Yueyun**"), a subsidiary of the Group, proactively expanded bus stops, routes in villages and towns, and rural bus routes in active response to the impact of Nanning-Guangzhou High-speed Rail and Guiyang-Guangzhou High-speed Rail. Shaoguan Yueyun, a subsidiary of the Group, strengthened its management on the county basic-level passenger terminals and actively applied for the opening of the rural passenger routes to make a geographical layout of the rural passenger transportation market in advance.

The Group developed a "Yueyun E +" development planning based on "Internet +" thinking, actively facilitated the establishment and promotion of "Yueyun Transport" WeChat Public Platform, and integrated and improved small items express business. As at 30 June 2015, 37 passenger terminals of the Group achieved ticket purchase by WeChat, with a total of 21,400 tickets sold and the ticket sales of RMB1.4069 million through the WeChat platform, attracting the attention of 235,600 persons. Zhaoqing Yueyun enhanced the marketing and promotion of the WeChat platform of "Yueyun Transport", improved its own online ticketing system to conduct online ticket booking, group purchase and two-dimensional code ticket punching so as for the passengers to travel more conveniently, and further enhanced the actual loading rates of the passenger coaches. The Group actively enhanced the integration of small items express business by upgrading the original small items express system and making better allocation in terms of Internet resource and staff for the development of the small items express business, while jointly forming a small items express working group with large transportation enterprises in Guangzhou, Shenzhen and other regions to accelerate the establishment of Level 1 information system platform for the small items express.

(ii) ***Cross-border transportation business***

The Group achieved favorable growth in operation efficiency by optimizing the integration of the passenger transportation routes resources, and made innovation in the routes transportation operation model in response to market demand by opening the first route with the feature of "route + travel (food, living, travel, shopping and entertainment)" from Hong Kong to Huizhou Xunliao Bay in cooperation with a number of travel agencies such as China Travel HK, creating a new mode for travel and transportation.

The Group deeply explored the advertising resources in the operating vehicles to develop a new profit growth point.

The Group successfully and independently developed an online cross-border ticketing system, which proved initially effective during the Spring Festival passenger peak, was favored by industry peers, and successfully attracted industry peers to join.

The Group actively explored the project of "Guangdong-to-Hong Kong Direct Link Terminal" and proposed to establish the "Guangdong-to-Hong Kong Direct Link Terminal" at Leiliu Service Zone in the South Second Ring Expressway, which has been accepted by Department of Transportation of Guangdong Province.

Material logistics service

The year 2015 has witnessed a peak of expressway construction in Guangdong Province. Guangdong Provincial Communication Group Company Limited

("**GCGC**") is targeting to complete a 478-kilometer expressway construction and open to traffic this year. The Group focused on completing the task of ensuring supply of materials and meanwhile proactively expanded the material supply market to parties other than GCGC.

In the first half of 2015, the Group completed the material supply of 21 projects in total, including 10 projects with GCGC (including the expansion project of the Guangzhou-Qingyuan Expressway, Zhaoqing-Huadu Expressway, Luoding-Yangjiang Expressway, Chaozhou-Huilai Expressway, Baotou-Maoming Expressway, Pingyuan-Xingning Expressway, Jieyang-Boluo Expressway, Humen Second Bridge, Jiangmen-Luoding Expressway, and Xingning-Wuhua section of Xingning-Shanwei Expressway) and 11 projects with parties other than GCGC (including Guangzhou Metro Line 6, Guangzhou Metro Line 8, Guangzhou Metro Line 21, Guangzhou-Qingyuan Intercity Rail Transit, Guangzhou-Foshan Ring City Rail Transit, Guangzhou-Dongguan-Shenzhen Intercity Rail Transit, Dongguan-Huizhou Intercity Rail Transit, Guangzhou-Gaoming Expressway, Zhuhai connection line of Hong Kong-Zhuhai-Macau Bridge, Foshan-Zhaoqing Intercity Rail Transit, Dongjiang Grand Bridge). The Group supplied 464,100 tons of steel, 2,193,100 tons of cement, 6,200 tons of asphalt in the first half of 2015.

The Group proactively involved in the market competition for the material logistics service for projects not within GCGC. In the first half of 2015, the Group won a bid to supply 330,000 tons of steel with a bidding amount of RMB1.211 billion and a bid to supply of 51,000 tons of asphalt with a bidding amount of RMB167 million.

The Group actively expanded its road maintenance business. In the first half of 2015, the Group provided road maintenance services for a total of four projects including Erenhot-Guangzhou Expressway, Foshan First Ring Expressway, Shenzhen-Shantou East Expressway and National Highway G205, with an aggregative supply of modified asphalt of 550 tons, representing an increase of 100% as compared to same period last year.

The asphalt warehousing and terminal business of the Group maintained steady development. In the first half of 2015, the Group accumulated of 52,900 tons of asphalt inbound and 43,600 tons of asphalt outbound with 11 asphalt vessels docking. The Group continued to actively promote the acceptance of the wharf phase II project in Dongguan and put it into use with an overall objective of "completing as early as possible and producing efficiency as early as possible".

The Group attached great importance to the research and development of asphalt. In the first half of 2015, the Group completed the laboratory research of the nova-surfacing technologies with six utility model patents approved by the National Patent Office and obtained six patent certificates.

The Group increased its efforts on the innovation of material supply management model and established a complete set of basic models for cost calculation. The Group achieved the control of comprehensive procurement costs through collecting and analyzing a large quantity of original procurement cost data and optimizing and integrating resource channels. At the same time, the Group implemented the delivery mechanism for dual control on credit periods and limits of receivables through adopting joint delivery control measures by business department, operation and management department and finance department in order to maintain the risk exposure to receivables within a controllable level.

The Group strengthened the quality management and after-sale services of the material supply service. In the first half of 2015, the Group conducted a total of 520 sample inspections on materials with a pass rate of 100%. In the satisfaction survey activities carried out in respect of material quality and after-sale services in the first half of 2015, the percentage of the "satisfied" rate or above amounted to 100%. The Group was rated as AA in the 2014 Credit Assessment on Highway Design Enterprises in Guangdong carried out by Department of Transportation of Guangdong Province, which created favorable conditions for the Group's participation in tender of material supply in the transportation industry.

Expressway service zones

As of 30 June 2015, the Group had 78.5 pairs of service zones in operation.

The Group actively promoted to obtain the entrusted operation rights of 8 pairs of service zones of new expressways including Jiexi-Boluo Expressway, Pingyuan-Xingning Expressway, Baotou-Maoming Expressway and Chaozhou-Huilai Expressway Phase I. At the same time, the Group completed the project construction drawing design and budget preparation of such service zones of new expressways.

The Group improved the overall commercial values of service zones through reconstruction of certain service zones. In the first half of 2015, the Group completed the reconstruction works of public toilet in Yuwan Service Zone, reconstruction works of retail shops in Taimei Service Zone as well as reconstruction works of intelligent systems of Longchuan Service Zone, Lankou Service Zone, Shangling Service Zone, Xingning Service Zone, Puning Service Zone and Nibei Service Zone. Dahuai Service Zone reconstruction and expansion project and Houmen Service Zone commercial upgrading project have been carried out as scheduled.

The Group successfully introduced Guangdong Guangye Oil & Gas Company Limited and Guangdong Shaoneng New Energy Company Limited as successful bidders of four gas stations in Meilin Service Zone and Daxi Service Zone through public tender, thereby resulting in a positive competitive landscape for the gas station business.

By the end of the first half of 2015, the Group completed a total of 196 project proposals for investment through public tender with a contract sum of RMB144,643,300. In addition to well-known brands such as “KFC”, “McDonald’s”, “ZKungfu” and “72 Street”, the Group introduced “Burger King”, a well-known brand, for the first time into Reshui Service Zone in order to attract more high quality projects to service zones.

As at 30 June 2015, the Group has commenced operation of 97 convenience stores, including 93 convenience stores in service zones and 4 convenience stores in passenger terminals. To further expand the operation scale of convenience stores, effectively integrate passenger terminal resources and achieve the synergetic development of the operation within and without the expressway, the Group formulated the “Strategic Plan and Design Proposal for Retail Business”. In order to support the effective implementation of such business strategy, the Group formulated the “Implementation Plan for Retail Business Integration and Business Structure Adjustment Plan”. At the same time, the Group actively explored the performance-linked retail business incentive mechanism.

The Group steadily pursued to obtain advertising media resources within GCGC. In the first half of 2015, the Group executed the expressway entrusted operation contracts with six owners of expressways including Meizhou-Dabu Expressway, Zhaoqing-Huadu Expressway, Erenhot-Guangzhou Expressway, Guangzhou-Zhuhai Expressway West Section, Foshan-Kaiping Expressway and Jiangmen-Zhongshan Expressway. At the same time, the Group actively promoted the resource integration of passenger transportation media. By the end of the first half of 2015, the Group had the operation rights of 355 outdoor columns along 48 highway sections.

The Group focused on the development of expressway new media such as gantries, overpass bridges, roof of toll stations and billboards at toll stations. In the first half of 2015, the Group mainly completed the development and construction of new media at highway sections such as Jiangmen-Zhaoqing Expressway, Guangzhou-Shaoguan Expressway and Guangzhou-Foshan Expressway. As at 30 June 2015, the Group owned three gantries ads facilities, four overpass bridges ads facilities, 10 billboards at toll square and eight billboards on the roof of toll stations. At the same time, the Group completed the surveying and planning of 18 new media ads places in highway sections. The Group also increased its marketing efforts through organizing the first resources fair and Winning Money Packet by Scanning Two-dimensional Code. At the same time, the “Kuaipai” business achieved initial success in Meizhou Fuli City project and the Group obtained distribution contracts in respect of Meizhou Fuli City project for the whole year of 2015.

Tai Ping Interchange

As at 30 June 2015, the Tai Ping Interchange recorded revenue of approximately RMB90 million, representing an increase of approximately 9% over the same period last year.

Development of land held by Guangdong Province Transportation Engineering Company Limited

At the beginning of 2015, Guangzhou Baiyun District government commenced the preparation of the Regulatory Plan for Guangzhou Western Baiyun District Tang Chong Area (《廣州市白雲西棠湧片區控制性詳細規劃》), the area plan of the Regulatory Plan for the Extension of Guangzhou Western Baiyun New Town (《廣州市白雲新城西部延伸區控制性詳細規劃》), and such plan covers the land held by Guangdong Province Transportation Engineering Company Limited. The Group, in light of the development trend of the real estate market, carried out a new round of land planning optimization research and made new land development demands to relevant government authorities such as Guangzhou Planning Bureau and Baiyun District Planning Bureau for adjustment to land use and optimization of surrounding roads. Currently, the initial results of such plan have reflected the land development demand of this project. The Group has been actively carrying out negotiations with well-established real estate enterprises in order to speed up the preliminary study and joint development of this project. The Group will closely track the preparation and implementation of the Regulatory Plan for Guangzhou Western Baiyun District Tang Chong Area (《廣州市白雲西棠湧片區控制性詳細規劃》) by Guangzhou Baiyun District government and continue to coordinate and promote the planning and optimization of specific land use indicators such as project volume rate. Subject to the implementation rules for the "Three Olds" policy and the Regulatory Plan for Guangzhou Western Baiyun District Tang Chong Area (《廣州市白雲西棠湧片區控制性詳細規劃》) duly issued and implemented by the Guangzhou government, the Group will fully promote the application and development process for the project. ("Three old" transformation refers to the mode of transformation of old towns, old factories and old villages in Guangdong Province.)

FINANCIAL REVIEW

Revenue

The revenue of the Group for the first half of 2015 mainly derived from three business segments, namely motor vehicle transportation and auxiliary services, material logistics services and expressway service zones operation. Revenue of Tai Ping Interchange was included in the revenue of the Group. The revenue of the Group for the first half of 2015 was RMB3,899 million (the same period in 2014: RMB4,388 million), representing a decrease of RMB489 million or approximately 11% over the same period last year. Such decrease was mainly attributable to year-on-year decrease in price of materials of material logistics services and completion of some projects.

Revenue by business segments:

	For the six months ended 30 June			
	2015		**2014**	
	RMB'000	***Percentage***	*RMB'000*	*Percentage*
Motor vehicle transportation and auxiliary services	**1,491,053**	**38.24%**	1,144,399	26.08%
Material logistics services	**1,926,065**	**49.40%**	2,846,982	64.88%
Expressway service zones	**389,428**	**9.99%**	312,510	7.12%
Tai Ping Interchange	**90,026**	**2.31%**	82,933	1.89%
Others	**2,577**	**0.06%**	1,545	0.03%
Total	**3,899,149**	**100.00%**	4,388,369	100.00%

Motor transportation and auxiliary services

Motor transportation and auxiliary services are one of the major sources of the Group's revenue. Such business recorded revenue of RMB1,491 million (the same period in 2014: RMB1,144 million) for the first half of 2015, representing an increase of RMB347 million or approximately 30% over the same period last year, and accounted for approximately 38.24% (the same period in 2014: approximately 26.08%) of the Group's total revenue. Such increase in revenue was mainly due to the completion of acquisition and consolidation of road transportation resources in three regions, namely Qingyuan, Shaoguan and Shanwei, by the Group pursuant to the development model of "Acquisition-Consolidation-Growth", and the increase in revenue by the regional companies through the increase of the recovery of proprietary routes, expansion of the scope of operation and the addition of new routes and customer sources.

Material logistics services

Material logistics service is one of the major sources of the Group's revenue. During the first half of 2015, the Group's revenue amounted to RMB1,926 million (the same period in 2014: RMB2,847 million), representing a decrease of RMB921 million or approximately 32% over the same period last year, and accounted for approximately 49.40% (the same period in 2014: approximately 64.88%) of the Group's total revenue. The decrease in revenue was mainly due to the year-on-year decrease of the material prices and completion of some projects.

Expressway service zones

As at 30 June 2015, the Group had 78.5 pairs (30 June 2014: 66.5 pairs) of operating expressway service zones. The revenue of expressway service zones amounted to RMB389 million (the same period in 2014: RMB313 million), representing an increase of RMB77 million or approximately 25% over the same period last year, and accounted for approximately 9.99% (the same period in 2014: approximately 7.12%) of the Group's total revenue. The increase in revenue was mainly due to the year-on-year increase in revenue from one-off admission fees at gas stations and the number of service zones during the current period.

Tai Ping Interchange

The revenue from Tai Ping Interchange amounted to RMB90 million (the same period in 2014: RMB83 million) for the first half of 2015, representing an increase of RMB7 million or approximately 9% over the same period last year. Such change was mainly due to organic growth in traffic flow during the current period.

Gross profit

Gross profit of the Group for the first half of 2015 amounted to RMB656 million (the same period in 2014: RMB495 million), representing an increase of RMB161 million or approximately 32% over the same period last year. Such increase was mainly due to the year-on-year increase in gross profit of motor vehicle transportation and auxiliary services and expressway service zones business. Gross profit margin for the first half of 2015 was 16.83% (the same period in 2014: 11.29%), representing an increase of 5.54 points as compared to the same period last year, which was mainly attributed to the increase in the income of motor vehicle transportation and auxiliary services business and expressway service zones and their increased percentage of contribution on a year-on-year basis. Gross profit by business segments:

	For the six months ended 30 June			
	2015		**2014**	
	RMB'000	***Percentage***	*RMB'000*	*Percentage*
Motor vehicle transportation and auxiliary services	**390,500**	**59.51%**	262,892	53.06%
Material logistics services	**75,290**	**11.47%**	91,424	18.46%
Expressway service zones	**112,279**	**17.11%**	67,994	13.72%
Tai Ping Interchange	**76,980**	**11.73%**	72,178	14.57%
Others	**1,163**	**0.18%**	943	0.19%
Total	**656,212**	**100.00%**	495,431	100.00%

Motor vehicle transportation and auxiliary services

Motor vehicle transportation and auxiliary services recorded gross profit of RMB391 million in the first half of 2015 (the same period in 2014: RMB263 million), representing an increase of RMB128 million or approximately 49%, with a gross profit margin of 26.19% (the same period in 2014: 22.97%). The year-on-year increase in gross profit and gross profit margin was mainly attributable to the increase in revenue resulting from the expansion of the scale of operations and intensive operations.

Material logistics services

Gross profit from material logistics services business amounted to RMB75 million in the first half of 2015 (the same period in 2014: RMB91 million), representing a decrease of RMB16 million or approximately 18% as compared to the same period last year. Gross profit margin was 3.91% (the same period in 2014: 3.21%). The decrease in gross profit was mainly attributable to the decrease in revenue, while the increase in gross profit margin was mainly attributable to the year-on-year increase in sales discount from the material suppliers.

Expressway service zones

Gross profit from expressway service zone business amounted to RMB112 million in the first half of 2015 (the same period in 2014: RMB68 million), representing an increase of RMB44 million or approximately 65%, with a gross profit margin of 28.83% (the same period in 2014: 21.76%). The increase in gross profit and gross profit margin was due to the year-on-year increase in revenue from one-off admission fees at gas stations.

Tai Ping Interchange

Gross profit of Tai Ping Interchange amounted to RMB77 million in the first half of 2015 (the same period in 2014: RMB72 million), representing an increase of RMB5 million or approximately 7%. Gross profit margin was 85.51% (the same period in 2014: 87.03%). The decrease in gross profit margin was mainly attributed to the slight increase in the maintenance cost as compared to the same period last year.

Business tax and other surcharges

In the first half of 2015, business taxes and other surcharges decreased to RMB31.2 million from RMB33.9 million for the same period last year, representing a decrease of RMB2.7 million or 8%. Such decrease was mainly attributable to the decrease in revenue from material logistics services business, leading to the decrease in the relevant surcharges on value-added tax paid.

Selling and administrative expenses

In the first half of 2015, selling and administrative expenses of the Group amounted to RMB361 million (the same period in 2014: RMB285 million), representing an increase of RMB76 million or approximately 27% over the same period last year. Such increase was attributable to (i) increased labor costs and (ii) increased number of new subsidiaries on a year-on-year basis.

Finance costs

In the first half of 2015, finance costs amounted to RMB30 million (the same period in 2014: RMB32 million), representing a decrease of RMB2 million or approximately 8% as compared to the same period last year. Such decrease was mainly attributable to the year-on-year decrease in interest rates.

Asset impairment losses

In the first half of 2015, the reversal of asset impairment losses amounted to RMB1.60 million (the same period in 2014: the provision of RMB3.67 million), representing a decrease of RMB5.27 million or approximately 144% as compared to the same period last year. Such decrease was mainly attributable to the reversal of impairment losses provided in the previous years as we received collectibles during the current period.

Investment income

In the first half of 2015, investment income amounted to RMB7.52 million (the same period in 2014: RMB2.44 million), representing an increase of RMB5.09 million or approximately 209% as compared to the same period last year. Such increase was mainly attributable to the investment income generated from the sale of available-for-sale equity instruments during the current period.

Net profit

The Group recorded net profit of RMB2.00 million for the six months ended 30 June 2015 (the same period in 2014: RMB150 million), representing an increase of RMB50 million or approximately 33% over the same period last year. Net profit attributable to shareholders of the parent company for the first half of 2015 amounted to RMB143 million (the same period in 2014: RMB104 million), representing an increase of RMB39 million or approximately 38% as compared to the same period last year. Such increase was mainly attributable to (i) the increase in profit from expressway service business of the Group compared to the same period in 2014 as a result of the newly established service zones; (ii) the increase in profit from Tai Ping

Interchange operations of the Group compared to the same period in 2014 arising from the increase in vehicle traffic; (iii) the year-on-year increase in profit from the newly acquired subsidiaries which engage in motor vehicle transportation and auxiliary services.

Liquidity and capital structure

As at 30 June 2015, cash and cash equivalents amounted to RMB1,551 million (31 December 2014: RMB1,764 million). As of 30 June 2015, the balance of bills payable amounted to RMB150 million (31 December 2014: RMB319 million); net current liabilities amounted to RMB175 million (31 December 2014: RMB93 million); current ratio was 0.95 times (31 December 2014: 0.97 times); gearing ratio was 59.74% (31 December 2014: 59.84%).

Cash flow

In the first half of 2015, the Group satisfied its requirement for cash in respect of its payment obligations under contracts, expansion and development of core business and general working capital mainly through cash generated from operating activities and bank borrowings.

Most of the cash and cash equivalents of the Group are denominated in Renminbi, except for the cash and cash equivalents that relate to cross-border transportation services. For the first half of 2015, the movements of cash and cash equivalents (after deducting the effect of foreign exchange) were as follows:

	For the six months ended 30 June		
	2015	**2014**	**Change**
	RMB'000	*RMB'000*	*RMB'000*
Cash from/(used in)			
Operating activities	**210,644**	107,840	102,804
Investing activities	**(443,774)**	(173,946)	(269,828)
Financing activities	**20,626**	(92,123)	112,749
Decrease in cash and cash equivalents	**(212,504)**	(158,229)	(54,275)

Operating activities

The net outflow from operating activities of the Company amounted to RMB211 million in the first half of 2015 (the same period in 2014: net cash inflow of RMB108 million), representing an increase in net inflow of RMB103 million. Such increase was mainly attributable to (i) the year-on-year increase in gross profit; and (ii) the fact that the Company strengthened the management and control of operating capital to speed up the collection of receivables.

Investing activities

The net cash used in investing activities in the first half of 2015 amounted to RMB444 million (the same period in 2014: net cash outflow of RMB174 million), which was mainly attributable to the utilisation of RMB403 million on purchase of fixed assets.

Financing activities

The net cash inflow from financing activities in the first half of 2015 amounted to RMB21 million (the same period in 2014: net outflow of RMB92 million), which was mainly attributable to the increase in borrowings.

Borrowings

As at 30 June 2015, outstanding borrowings of the Group was RMB1,070 million, including (i) unsecured short-term loans of RMB370 million (31 December 2014: RMB270 million); (ii) secured short-term loans of RMB35 million (31 December 2014: RMB16 million); (iii) secured long-term loans of RMB103 million (31 December 2014: RMB91 million); (iv) unsecured long-term loans of RMB261 million (31 December 2014: RMB263 million); (v) finance lease payables of RMB1 million (31 December 2014: RMB1 million); (vi) bonds payable of RMB300 million (31 December 2014: RMB299 million). Gearing ratio (total liabilities over total assets) as at 30 June 2015 remained steady at 59.74%, compared to 59.84% as at 31 December 2014.

As at 30 June 2015, the majority of the Group's borrowings were denominated in RMB and were subject to floating or fixed interest rates.

Acquisitions

As at 30 June 2015, the Group had no acquisitions pending for completion.

Post balance sheet date events

None

Major acquisitions and establishment of new companies

As at 30 June 2015, compared with 31 December 2014, the Group invested in the establishment of 5 new companies, including Shanwei Yueyun Transportation

Company Limited, Lufeng Land Transportation Company Limited, Haifeng Transportation Company Limited, Shanwei General Vehicle Station and Shanwei City Bus Company Limited. The Group had total investment costs of approximately RMB67 million in respect of these new companies.

Pledge of assets

As at 30 June 2015, fixed assets at the net value of RMB150 million (31 December 2014: RMB129 million) and land use right at the net value of RMB71 million (31 December 2014: RMB4 million) of the Group were pledged as security for bank borrowings.

Foreign exchange risk and hedging

Most of the revenue and expenditure of the Group are settled or denominated in Renminbi, except for the revenue and expenditure that relate to cross-border transportation services. In the first half of 2015, the working capital and liquidity of the Group were slightly affected by the fluctuations in currency exchange rate. The directors of the Company ("**Directors**") believe that the Group will have sufficient foreign currency to meet its demand. Meanwhile, the Group will continue to pay close attention to the currency fluctuations of Renminbi, and will adopt proper measures to reduce the currency risk exposures of the Group based on its operating needs.

Contingent liabilities

As at 30 June 2015, the Group had no material contingent liabilities.

OUTLOOK AND PROSPECTS

During the second half of 2015, despite the fact that the PRC economy is expected to stabilise, lingering market downturn may still bring some challenges to the development of Group's business. However, with constant advancing of mixed ownership reform, the Group will get more space for the development of its "Acquisition-Consolidation-Growth" model. Meanwhile, Guangdong Province's new round of highway construction, as well as industrial transformation and upgrade attributable to "Internet +", will provide precious opportunities for the development of existing businesses and the exploration of new businesses of the Group. Based on the "Yueyun E +" plan with resource optimization and integration as the direction, the Group will speed up the development of the "YUEYUN LOYEE" retail terminals to build the marketing network combining convenience stores, networking ticketing, small items express and other businesses to realize integration and sharing of the "three networks" of passenger terminals, passenger routes and expressway service zones for accelaration of business transformation and upgrade.

The main business objectives for the Group in the second half of 2015 are as follows:

Motor vehicle transportation and auxiliary service

1. To understand the dynamic status of the industry and to continue negotiation for cooperation with potential enterprises in line with its "Acquisition-Consolidation-Growth" development model.

2. To well arrange information-based overall planning in the concept of "Internet +" to promote deep integration of traditional passenger transport business with the Internet, to further improve the WeChat ticketing system for effective collection and mining of market data and innovation of services contents, to further accelerate construction of level 1 information system platform of small items express, and to sign franchise contracts for small items express business with previously franchised units, and to promote the development of mobile internet application for cross-border networking ticketing system.

3. To consolidate newly acquired projects under the "Five Unifications" (That is, unifed technical standards, unifed management rules, unified procurement, unified vehicle maintenance and unifed road insurance) management model, continue to enhance the reclamation and self-operation of contracted vehicles, expand the rural passenger transportation market, promote construction and commercial development of passenger terminals, so as to further improve the integrated transportation network system and enhance competitive differentiation for withstanding the impact of railway transport.

4. To communicate well with government authorities to facilitate examination and approval on Guangdong-to- Hong Kong Direct Link Terminal project of Leiliu Service Zone.

5. To explore business development direction and conduct feasibility studies on establishment of wholly-owned enterprises in the Guangdong Free Trade Area leveraging favorable policies thereof.

Material logistics services

1. To increase management efficiency through proper management of the material supply for expressway construction projects of GCGC and proactively develop material supply business for large infrastructure projects not undertaken by GCGC.

2. To accelerate to full extent exanimation and acceptance of Dongguan wharf phase II project.

3. To carry out preliminary stage studies on and demonstration for the integrated logistics park project.

4. To approach advanced domestic and foreign logistics enterprises proactively to seek opportunities for collaboration development and create new profit growth drivers.

Expressway service zones

1. To arrange well functional positioning, business planning, attracting merchants and operation preparation of new service zones by taking consideration of feature of highway sections, location of service zones, type of vehicles and traffic.

2. To continuingly push up business transformation of key service zones and "Qing Qing Ting (輕輕停)" convenient accommodation projects at service zones and introduce more quality partners to improve business formats and commercial value of service zones.

3. To carry on planning for the utilisation of new energies at service zones and passenger terminals and explore feasible means for self-operation of gas stations.

4. To accelerate the expansion of convenient stores in passenger terminals outside the service zones of expressways and optimise and fine-tune procedures of the retail business, so as to gradually establish the "YUEYUN LOYEE" retail network and increase profitability and brand recognition of convenience stores business.

5. To speed up exploitation of outdoor advertising media resources along, among others, the Guangzhou-Lechang Expressway, Bolo-Shenzhen Expressway and Shaoguan-Ganzhou Expressway and accelerate investment in expressway new media resources, such as gantries and overpass bridges resources; to leverage on mobile Internet technology for construction of Internet digital media platform integrating expressways, expressway service zones, long distance routes, passenger terminals and other transportation media resources for realization of integration of traditional media and digital media.

OTHER INFORMATION

PURCHASE, SALE OR REDEMPTION OF LISTED SHARES OF THE COMPANY

The Company did not redeem any of its listed Shares nor did the Company or any of its subsidiaries purchase or sell any of such Shares during the six months ended 30 June 2015.

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

The Company is committed to maintaining high standards of corporate governance in the Group and the board of Directors (the "**Board**") considers that effective corporate governance is crucial to the success of a company and to enhance shareholder's value.

The Company had complied with all the code provisions of the Corporate Governance Code as set out in Appendix 14 to the Listing Rules during the period from 1 January 2015 to 30 June 2015. The Company considers that sufficient measures have been taken to ensure that corporate governance practices of the Company were in line with the Corporate Governance Code during the six months ended 30 June 2015.

COMPLIANCE WITH MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS AND SUPERVISORS

The Company has adopted the Model Code (the "**Model Code**") set out in Appendix 10 to the Listing Rules as its own code of conduct regarding securities transactions by the Directors and the Supervisors. Having made a specific enquiry with all the Directors and Supervisors, each of the Directors and Supervisors confirmed that he/she had complied with the requirements set out in the Model Code for the six months ended 30 June 2015.

BOARD OF DIRECTORS

As at 30 June 2015, the Board consisted of 11 members, including 5 executive Directors, namely Mr. Xuan Zongmin, Mr. Tang Yinghai, Mr. Yao Hanxiong, Mr. Fei Dachuan and Mr. Guo Junfa; 2 non-executive Directors, namely Mr. Liu Hong and Mr. Li Bin; and 4 independent non-executive Directors, namely Mr. Gui Shouping, Mr. Liu Shaobo, Mr. Peng Xiaolei and Mr. Jin Wenzhou.

REVIEW BY AUDIT & CORPORATE GOVERNANCE COMMITTEES

The Company has established the Audit & Corporate Governance Committee in compliance with the Listing Rules.

The primary duties of the Audit & Corporate Governance Committee are, among other things, to appoint external auditors, review and supervise the financial reporting process, review interim and annual results and internal control system of the Group, provide advice and comments to the Board and monitor the corporate governance of the Company. As at 30 June 2015, the Audit & Corporate Governance Committee consisted of 3 members, namely Mr. Peng Xiaolei (Chairman) and Mr. Liu Shaobo, independent non-executive Directors, and Mr. Li Bin, a non-executive Director. The Committee has reviewed the unaudited interim financial report of the

Company for the six months ended 30 June 2015 and recommended its adoption by the Board. The independent auditor of the Company, KPMG Huazhen LLP, has also reviewed the unaudited interim financial report for the period in accordance with Chinese Standards on Review No. 2101- Engagements to Review Financial statements issued by the Chinese Institute of Certified Public Accountants.

SUPERVISORY COMMITTEE

As at 30 June 2015, the supervisory committee consisted of 7 members, 2 of whom were independent Supervisors (namely Mr. Bai Hua and Ms. Lu Zhenghua), 2 of whom were shareholder Supervisors (namely Ms. Ling Ping and Ms. Li Haihong) and 3 of whom were Supervisors representing the staff of the Company (namely Ms. Zhang Linian, Ms. Zhang Anli and Mr. Zhen Jianhui).

EMPLOYEES AND REMUNERATION POLICIES

The Group had 19,279 employees as at 30 June 2015 (31 December 2014: 18,633). Total staff cost for the six months ended 30 June 2015, including the Directors' remuneration, amounted to approximately RMB691 million (the same period in 2014: approximately RMB490 million).

The remuneration of the employees of the Group (including the executive Directors) comprises basic salary, performance bonus, allowance and subsidies. The basic salary is determined according to the position, work experience, education backgrounds, abilities and contributions of the employees. The performance bonus is determined according to the performance assessment results of the employees.

The remuneration of the independent non-executive Directors is determined by reference to the remuneration standards in the capital market for independent non-executive directors with similar business scope and scale. The non-executive Directors have agreed not to receive any remuneration for such positions.

DIVIDEND

The Board does not declare the payment of an interim dividend for the six months ended 30 June 2015.

On 25 March 2015, the Board recommended the payment of a final dividend of RMB0.15 per ordinary share (tax included) for the year of 2014. Such proposal was approved by the Shareholders at the AGM held on 11 June 2015. Please refer to the announcement dated 25 March 2015, the circular dated 23 April 2015 and the announcement dated 11 June 2015 of the Company for details.

ISSUE OF BONUS SHARES

On 25 March 2015, the Board recommended an issue of Bonus Shares to the Shareholders: (i) by way of the capitalisation of retained earnings of the Company, on the basis of two Bonus Shares for every ten existing Shares held by the Shareholders (except for the Overseas Shareholders); and (ii) by way of the capitalisation of share premium of the Company, on the basis of three Bonus Shares for every ten existing Shares held by the Shareholders (except for the Overseas Shareholders), whose names appear on the register of members of the Company on 22 June 2015. The special resolution regarding the issue of Bonus Shares was duly approved at the AGM, H Shares Class Meeting and Domestic Shares Class Meeting respectively on 11 June 2015. For details, please refer to the announcement dated 25 March 2015, the circular dated 23 April 2015 and the announcement dated 11 June 2015 of the Company.

AMENDMENTS TO THE ARTICLES OF ASSOCIATION

The Shareholders considered and approved certain amendments to the articles of association of the Company (the "**Articles of Association**") at the AGM. The purpose of the amendments to the Articles of Association is, conditional on the Bonus Shares Issue becoming unconditional upon the satisfaction of the conditions stated under the "Conditions for the Bonus Shares Issue" of the Circular, that the registered share capital of the Company will be increased upon completion of the Bonus Shares Issue, and Article 16 and Article 19 of the Articles of Association will be amended accordingly. For details, please refer to the announcement dated 25 March 2015, the circular dated 23 April 2015 and the announcement dated 11 June 2015 of the Company.

The legal advisers to the Company as to Hong Kong laws and laws of the PRC have respectively confirmed that the proposed amendments to the Articles of Association are in compliance with the requirements of the Listing Rules and do not violate the applicable laws of the PRC. The Company has confirmed that there is nothing unusual about the proposed amendments to the Articles of Association for a company listed in Hong Kong.

AUDITOR OF THE COMPANY

The Shareholders considered and approved the ordinary resolution in respect of the proposed appointment of KPMG Huazhen LLP as the auditor of the Company at the AGM.

Please refer to the Circular of the Company for details of the above appointment.

DISCLOSURE OF INFORMATION ON THE STOCK EXCHANGE'S WEBSITE

The electronic version of this announcement has been published on the HKExnews websites of the Stock Exchange (http://www.hkexnews.hk/) and the Company (http://www.gdyueyun.com). An interim report for the year ended 30 June 2015 containing all the information required by Appendix 16 to the Listing Rules will be dispatched to shareholders of the Company and published on the websites of the Stock Exchange and the Company in due course.

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

Guangzhou, the People's Republic of China
20 August 2015

As at the date of this announcement, the Board comprises Mr. Xuan Zongmin, Mr. Tang Yinghai, Mr. Yao Hanxiong, Mr. Fei Dachuan and Mr. Guo Junfa as executive directors of the Company, Mr. Liu Hong and Mr. Li Bin as non-executive directors of the Company, and Mr. Gui Shouping, Mr. Liu Shaobo, Mr. Peng Xiaolei and Mr. Jin Wenzhou as independent non-executive directors of the Company.

** for identification purposes only.*