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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)

ANNOUNCEMENT OF RESULTS FOR THE YEAR ENDED 31 DECEMBER 2015

- Revenue of the Group in 2015 was approximately RMB8,709,334,000, representing a decrease of approximately RMB1,168,738,000 or 12% over 2014.
- Net profit attributable to shareholders of the Parent Company for the year of 2015 was approximately RMB266,020,000, representing an increase of approximately RMB63,224,000 or 31% over 2014.
- Basic earnings per share attributable to shareholders of the Company for the year of 2015 was RMB0.42 per share, representing an increase of RMB0.10 or 31% over 2014.
- The Board recommended the payment of the final dividend of 2015: distribution of the final dividend of 2015 of RMB0.13 before tax per share.

The Board (the "**Board**") of Directors (the "**Directors**") of Guangdong Yueyun Transportation Company Limited (the "**Company**") is pleased to announce the consolidated results of the Company and its subsidiaries (the "**Group**") for the year ended 31 December 2015. The consolidated annual results of the Group have been reviewed by the audit and corporate governance committee of the Company (the "**Audit and Corporate Governance Committee**"), comprising a majority of independent non-executive Directors.

The figures in respect of the preliminary announcement of the Group's results for the financial year ended 31 December 2015 have been compared by the Company's auditor, KPMG Huazhen LLP with the amounts set out in the Group's audited consolidated financial statements for the year ended 31 December 2015 and the amounts were found to be in agreement. The work performed by KPMG Huazhen LLP in respect of this announcement did not constitute an audit, review or other assurance engagement and consequently no assurance has been expressed by KPMG Huazhen LLP on this announcement.

Consolidated balance sheet as at 31 December 2015

(Expressed in Renminbi Yuan)

	Note	**2015**	**2014**
Assets			
Current Assets			
Cash at bank and on hand		1,933,761,604.87	1,773,706,526.84
Bills receivable		41,465,258.58	1,500,000.00
Accounts receivable	3	641,484,078.84	668,287,137.36
Prepayments		211,651,614.28	188,767,804.38
Interest receivable		29,495.21	—
Dividends receivable		2,785,352.51	—
Other receivables		349,316,709.04	298,713,423.99
Inventories		93,067,920.45	153,138,610.49
Non-current assets due within one year		9,991,756.62	7,985,219.32
Other current assets		21,645,543.80	17,036,912.36
Total current assets		3,305,199,334.20	3,109,135,634.74
Non-current assets			
Long-term receivables		39,449,333.80	35,458,574.50
Long-term equity investments		212,740,678.19	204,665,915.87
Available-for-sale financial assets		563,228.22	8,238,722.82
Investment properties		175,171,640.98	152,693,971.95
Fixed assets		2,139,801,503.94	1,738,940,439.54
Construction in progress		187,410,267.89	172,616,315.39
Intangible assets		939,322,936.89	820,725,330.31
Goodwill		84,597,291.76	84,597,291.76
Long-term deferred expenses		27,255,996.55	25,994,397.66
Deferred tax assets		187,462,889.23	191,265,434.64
Other non-current assets		253,809,550.56	208,747,950.30
Total non-current assets		4,247,585,318.01	3,643,944,344.74
Total assets		7,552,784,652.21	6,753,079,979.48

Consolidated balance sheet as at 31 December 2015 (Continued)

(Expressed in Renminbi Yuan)

	Note	**2015**	**2014**
Liabilities and shareholders' equity			
Current liabilities			
Short-term loans	7	126,200,000.00	285,749,912.78
Bills payable		215,860,076.38	319,317,371.36
Accounts payable	8	877,405,239.57	961,762,867.70
Advances from customers		431,848,779.81	334,744,357.78
Employee benefits payable		159,510,179.61	146,784,610.23
Taxes payable		132,105,537.30	168,433,156.47
Interest payable		5,129,843.86	5,157,354.24
Dividends payable		17,584,988.32	22,183,255.35
Other payables		584,915,139.42	546,330,830.89
Non-current liabilities due within one year	9	147,920,412.08	411,602,480.02
Total current liabilities		2,698,480,196.35	3,202,066,196.82
Non-current liabilities			
Long-term loans	10	256,438,897.89	299,529,507.68
Bonds payable	11	773,068,638.74	—
Long-term payables		48,382,786.48	41,223,617.48
Long-term employee benefits payable		175,568,228.12	181,699,822.62
Deferred tax liabilities		33,405,016.44	31,129,102.06
Deferred income		520,851,562.14	285,528,984.00
Total non-current liabilities		1,807,715,129.81	839,111,033.84
Total liabilities		4,506,195,326.16	4,041,177,230.66

Consolidated balance sheet as at 31 December 2015 (Continued)

(Expressed in Renminbi Yuan)

	Note	**2015**	**2014**
Liabilities and shareholders'equity (continued)			
Shareholders' equity			
Share capital		626,462,800.00	417,641,867.00
Other equity instrument	12	281,810,000.00	281,810,000.00
Capital reserve		45,158,516.51	170,451,076.51
Other comprehensive income		(32,798,149.44)	(37,962,427.11)
Special reserve		30,225,215.67	22,864,907.64
Surplus reserve		142,234,113.99	136,839,287.38
Retained earnings	13	781,113,221.65	669,480,517.83
Total equity attributable to shareholders of the Company		1,874,205,718.38	1,661,125,229.25
Non-controlling interests		1,172,383,607.67	1,050,777,519.57
Total shareholders' equity		3,046,589,326.05	2,711,902,748.82
Total liabilities and shareholders' equity		7,552,784,652.21	6,753,079,979.48

Consolidated income statement for the year ended 31 December 2015

(Expressed in Renminbi Yuan)

	Note	**2015**	**2014**
I. Operating income		8,709,333,939.34	9,878,072,290.17
II. Less: Operating costs		7,402,569,258.76	8,834,334,349.78
Business taxes and surcharges		65,488,867.87	60,921,237.70
Selling and distribution expenses		82,320,420.06	63,415,746.33
General and administrative expenses		695,465,154.84	553,520,490.64
Financial expenses	14	69,998,910.60	63,343,464.01
Impairment losses		7,117,356.06	19,111,569.64
Add: Investment income	15	31,917,419.78	17,204,031.96
(Including: Income from investment in associates and joint ventures)		27,163,709.88	15,554,646.74
II. Operating profit		418,291,390.93	300,629,464.03
Add: Non-operating income	16	122,513,637.91	131,972,861.31
(Including: Gains from disposal of non-current assets)		9,776,812.31	19,410,509.37
Less: Non-operating expenses		10,392,655.92	11,914,706.33
(Including: Losses from disposal of non-current assets)		3,075,310.23	6,040,394.20
IV. Profit before income tax		530,412,372.92	420,687,619.01
Less: Income tax expenses	17	164,207,640.12	127,098,497.64
V. Net profit for the year		366,204,732.80	293,589,121.37
Attributable to:			
Shareholders of the Company		266,020,283.48	202,795,751.64
Non-controlling interests		100,184,449.32	90,793,369.73

Consolidated income statement for the year ended 31 December 2015 (Continued)

(Expressed in Renminbi Yuan) (Continued)

	Note	**2015**	**2014**
VI. Other comprehensive income, net of tax			
(I) Items that will not be reclassified to profit or loss			
1. Remeasurement of defined benefit plan liability		(5,396,725.64)	—
(II) Items that may be reclassified subsequently to profit or loss			
1. Translation differences arising from translation of foreign currency financial statements		14,183,009.01	785,846.04
2. Gains or losses arising from changes in fair value of available-for-sale financial assets		(752,563.35)	752,563.35
VII. Total comprehensive income for the year		374,238,452.82	295,127,530.76
Attributable to:			
Shareholders of the Company		271,184,561.15	203,719,948.24
Non-controlling interests		103,053,891.67	91,407,582.52
VIII. Earnings per share			
			Restated
(I) Basic earnings per share	18 (1)	0.42	0.32
(II) Diluted earnings per share	18 (2)	0.33	0.26

Notes

1 **Basis of preparation**

The consolidated results set out in this announcement do not constitute the Group's consolidated financial statements for the year ended 31 December 2015 but are extracted from those audited consolidated financial statements.

The financial statements of the Group have been prepared on the going concern basis.

The financial statements have been prepared in accordance with the requirements of Accounting Standard for Business Enterprises issued by the Ministry of Finance (MOF) of the PRC. These financial statements also comply with the applicable disclosure requirements of the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited and the applicable disclosure requirements of the Hong Kong Companies Ordinance.

2 CHANGES OF SCOPE OF CONSOLIDATION

(1) Subsidiaries acquired through establishment or investment during the year

No.	Full name of the subsidiary	Type	Incorporation place	Registration place	Business nature	Registration capital	Year end actual investment	Share holding percentage (%)	Voting rights percentage (%)
1	Zhaoqing Yueyun Travel Service Co., Ltd.	Domestic and non-financial	Guangdong China	Guangdong China	Tourism Services	RMB 1,000,000.00	RMB 1,000,000.00	100	100
2	Yangjiang Yueyun Langri Vehicle Driving Training Co., Ltd.	Domestic and non-financial	Guangdong China	Guangdong China	Motor Driver Training	RMB 3,000,000.00	RMB 500,000.00	100	100

(2) Subsidiaries acquired through business combination not under common control during the year

No.	Full name of the subsidiary	Type	Incorporation place	Registration place	Business nature	Registration capital	Year end actual investment	Share holding percentage (%)	Voting rights percentage (%)
1	Shanwei Yueyun Vehicles Transportation Co., Ltd.	Domestic and non-financial	Guangdong China	Guangdong China	Domestic Transportation	RMB 35,000,000.00	RMB 35,000,000.00	51	51
2	Lufeng Land Vehicles Transportation Co., Ltd.	Domestic and non-financial	Guangdong China	Guangdong China	Domestic Transportation	RMB 40,000,000.00	RMB 40,000,000.00	100	100
3	Haifeng Vehicles Transportation Co., Ltd.	Domestic and non-financial	Guangdong China	Guangdong China	Domestic Transportation	RMB 30,000,000.00	RMB 30,000,000.00	100	100
4	Shanwei General Vehicle Railway Station	Domestic and non-financial	Guangdong China	Guangdong China	Station Service	RMB 110,000.00	RMB 110,000.00	100	100
5	Shanwei City Special Line Bus Co., Ltd.	Domestic and non-financial	Guangdong China	Guangdong China	Domestic Transportation	RMB 580,000.00	RMB 580,000.00	54.74	54.74
6	Haifeng Vehicle Railway Stations	Domestic and non-financial	Guangdong China	Guangdong China	Station Service	RMB 6,640,000.00	—	100	100

2 CHANGES OF SCOPE OF CONSOLIDATION (Continued)

(3) Business combinations not involving enterprises under common control during the year

On 28 January 2015, the acquisition date, the Group's subsidiary, Guangdong Vehicles Transportation Group Co., Ltd. ("GVTG") acquired 51% equity interests of Shanwei Yueyun Vehicles Transportation Co., Ltd. by paying cash of RMB 66,846,000.00 as acquisition costs.

The fair value of the 51% equity interests as at the acquisition date was RMB 67,334,634.64.

Shanwei Yueyun Vehicles Transportation Co., Ltd. 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 Vehicles Transportation Co., Ltd. is as follows:

	From 28 January 2015 (acquisition date) to 31 December 2015
	RMB
Revenue	105,372,630.74
Net profit	2,551,540.99
Net cash outflow	2,513,593.96

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

2 CHANGES OF SCOPE OF CONSOLIDATION (Continued)

(4) Former subsidiaries that ceased to be consolidated during the year

Man Kam To Coach Management Co., Ltd. and Yangjiang City High-tech Zone Yueyun Langri Industrial Co., Ltd. , subsidiaries of the Group, completed their deregistration on 29 May 2015 and 7 September 2015 (date of deregistration) respectively. Their operating results and cash flows before the date of deregistration have been included in the Group's consolidated income statement and consolidated cash flow for the year 2015.

3 ACCOUNTS RECEIVABLE

The ageing analysis of accounts receivable is as follows:

As at 31 December 2015

	Amount	Provision for bad and doubtful debts	Carrying amount
	RMB	*RMB*	*RMB*
Within 3 months (inclusive)	469,553,051.38	—	469,553,051.38
Over 3 months and within 6 months (inclusive)	20,695,438.69	—	20,695,438.69
Over 6 months and within 1 year (inclusive)	29,902,804.34	—	29,902,804.34
Over 1 year and within 2 years (inclusive)	23,777,777.55	737,373.72	23,040,403.83
Over 2 years and within 3 years (inclusive)	5,630,226.68	1,419,584.21	4,210,642.47
Over 3 years	132,312,075.28	38,230,337.15	94,081,738.13
Total	681,871,373.92	40,387,295.08	641,484,078.84

As at 31 December 2014

	Amount	Provision for bad and doubtful debts	Carrying amount
	RMB	*RMB*	*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

The ageing is counted starting from the date when accounts receivable are recognised.

4 INVESTMENT PROPERTIES

	Buildings *RMB*	Land use rights *RMB*	Total *RMB*
Cost			
Balance at 1 January 2014	45,220,034.67	34,842,910.27	80,062,944.94
Additions during the year	1,346,229.83	41,971.70	1,388,201.53
Additions arising from business combinations not under common control during the year	99,507,253.57	—	99,507,253.57
Decrease during the year	(11,231,672.67)	—	(11,231,672.67)
Balance at 31 December 2014	134,841,845.40	34,884,881.97	169,726,727.37
Additions during the year	6,889,486.19	8,073,509.83	14,962,996.02
Additions arising from business combinations not under common control during the year	9,850,693.16	11,005,473.65	20,856,166.81
Decrease during the year	(10,110,630.74)	(4,579,027.15)	(14,689,657.89)
Balance at 31 December 2015	141,471,394.01	49,384,838.30	190,856,232.31
Accumulated depreciation or amortisation			
Balance at 1 January 2014	(11,624,056.20)	(2,927,174.71)	(14,551,230.91)
Additions during the year	(4,688,654.94)	(831,697.53)	(5,520,352.47)
Decrease during the year	3,038,827.96	—	3,038,827.96
Balance at 31 December 2014	(13,273,883.18)	(3,758,872.24)	(17,032,755.42)
Additions during the year	(4,735,920.31)	(1,856,657.18)	(6,592,577.49)
Decrease during the year	6,345,831.77	1,594,909.81	7,940,741.58
Balance at 31 December 2015	(11,663,971.72)	(4,020,619.61)	(15,684,591.33)
Carrying amounts			
As at 31 December 2015	129,807,422.29	45,364,218.69	175,171,640.98
As at 31 December 2014	121,567,962.22	31,126,009.73	152,693,971.95

4 INVESTMENT PROPERTIES (Continued)

Note1: The increase in cost for current year included purchase and transfer from construction in progress to investment properties of RMB 269,492.17, transfer from self-owned properties to investment properties of RMB 13,770,959.09 and translation differences of financial statements denominated in foreign currency of RMB 922,544.76. The decrease in cost included disposal of RMB 9,533,590.78 and the transfer from investment properties to self-owned properties of RMB 5,156,067.11.

Note2: The increase in accumulated depreciation and amortisation for current year included depreciation and amortisation charges of RMB 6,128,171.92, transfer from self-owned properties to investment properties of RMB 207,891.52 and translation differences of financial statements denominated in foreign currency of RMB 256,514.05. The decrease in accumulated depreciation and amortisation was due to disposal of RMB 6,125,143.83 and transfer from investment properties to self-owned properties of RMB 1,815,597.75.

Note3: The remaining period of amortisation of land use rights is 16 to 67 years.

Note4: As at 31 December 2015, investment properties with carrying amount of RMB 1,847,361.44 (31 December 2014: RMB 1,910,355.60) were pledged for short-term bank loans.

5 FIXED ASSETS

	Buildings RMB	Building improvements RMB	Machinery and equipment RMB	Electronic equipment, office equipment and others RMB	Transportation vehicles RMB	Pier RMB	Total RMB
Cost							
Balance as at 1 January 2014	589,738,031.53	113,992,901.56	103,470,106.50	160,848,823.90	1,527,194,054.46	60,228,941.19	2,555,472,859.14
Additions	22,525,422.16	—	1,590,595.37	19,400,904.60	134,186,020.82	—	177,702,942.95
Transfer from construction in progress	41,468,929.31	9,620,897.64	1,689,838.17	7,276,647.32	228,694,885.94	23,916,998.74	312,668,197.12
Additions arising from business combination not under common control	155,374,164.43	—	2,065,690.39	3,800,408.12	129,327,424.49	—	290,567,687.43
Disposals during the year	(102,082,253.66)	(10,722,496.62)	(994,162.16)	(9,675,432.48)	(197,070,106.51)	—	(320,544,451.43)
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	13,535,700.59	—	3,449,745.06	19,537,046.77	464,540,394.55	—	501,062,886.97
Transfer from construction in progress	88,289,217.96	1,246,968.24	5,832,489.74	11,325,992.33	162,597,911.03	6,482,521.95	275,775,101.25
Additions arising from business combination not under common control	30,598,728.23	—	348,866.14	205,601.16	23,106,550.02	—	54,259,745.55
Disposals during the year	(46,358,169.22)	—	(2,556,990.73)	(14,760,335.64)	(143,536,090.43)	—	(207,211,586.02)
Balance as at 31 December 2015	793,089,771.33	114,138,270.82	114,896,178.48	197,959,656.08	2,329,041,044.37	90,628,461.88	3,639,753,382.96
Accumulated depreciation							
Balance as at 1 January 2014	(136,510,438.34)	(80,943,381.04)	(39,454,945.89)	(99,734,753.95)	(826,818,168.82)	(3,744,892.08)	(1,187,206,580.12)
Charge for the year	(26,029,751.74)	(10,058,838.85)	(9,288,137.36)	(22,235,574.00)	(212,879,212.80)	(1,643,044.60)	(282,134,559.35)
Written off on disposal	14,864,707.30	—	184,719.79	9,236,583.07	169,004,185.64	—	193,290,195.80

5 FIXED ASSETS (Continued)

	Buildings RMB	Building improvements RMB	Machinery and equipment RMB	Electronic equipment, office equipment and others RMB	Transportation vehicles RMB	Pier RMB	Total RMB
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)
Charge for the year	(27,023,563.61)	(3,635,726.31)	(7,190,239.98)	(35,627,875.10)	(278,644,204.70)	(2,405,179.83)	(354,526,789.53)
Written off on disposal	5,736,935.49	—	2,428,794.78	10,980,793.21	112,355,182.70	—	131,501,706.18
Balance as at 31 December 2015	(168,962,110.90)	(94,637,946.20)	(53,319,808.66)	(137,380,826.77)	(1,036,982,217.98)	(7,793,116.51)	(1,499,076,027.02)
Provision for impairment							
Balance as at 1 January 2014, 31 December 2014 and 31 December 2015	—	—	(875,852.00)	—	—	—	(875,852.00)
Carrying amounts							
As at 31 December 2015	624,127,660.43	19,500,324.62	60,700,517.82	60,578,829.31	1,292,058,826.39	82,835,345.37	2,139,801,503.94
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

5 FIXED ASSETS (Continued)

As at 31 December 2015, the original costs of fixed assets that are fully depreciated but are still in use were RMB 664,020,690.76 (31 December 2014: RMB 506,029,996.37).

As at 31 December 2015, fixed assets with carrying amount of RMB 202,384,006.22 (31 December 2014: RMB 128,771,634.97) were pledged for bank loans, among which, RMB 201,137,259.11 were pledged for long-term loans and RMB 1,246,747.11 were pledged for short-term loans. As at 31 December 2015, there are no other restricted fixed assets than those pledged for bank loans.

As at 31 December 2015, the carrying amount of buildings without certificate or title of which had not been officially transferred in the Group was RMB 147,707,859.22 (31 December 2014: RMB 117,893,241.13).

The fixed assets acquired under finance leases as at 31 December 2015 are as follows:

	Transportation vehicles
	RMB
At the beginning of the year	
Cost	12,825,810.00
Less: Accumulated depreciation	(6,738,292.09)
Net book value	6,087,517.91
At the end of the year	
Cost	9,848,110.00
Less: Accumulated depreciation	(3,875,845.44)
Net book value	5,972,264.56

As at 31 December 2015, fixed assets with carrying amount of RMB 21,572,864.57 (2014: RMB 8,312,671.84) were leased out under operating leases.

6 INTANGIBLE ASSETS

	Land use rights RMB	Joint Operation earning rights RMB	Computer Software RMB	Coastline use rights RMB	Passenger service licenses RMB	Station and toll bridge franchise operating rights RMB	Line license use rights and route operation rights RMB	Trademark rights and others RMB	Total RMB
Cost									
Balances as at 1 January 2014	393,457,949.67	—	17,506,090.19	7,110,000.00	5,510,601.57	327,479,559.48	114,556,854.30	45,900.00	865,666,955.21
Additions	51,160,042.89	—	4,324,456.74	—	—	—	10,038,608.90	—	65,523,108.53
Reclassification	—	—	—	—	—	58,538,736.56	9,260,522.05	3,500,000.00	71,299,258.61
Additions arising from business combination not under common control	127,575,217.39	—	—	—	—	—	—	—	127,575,217.39
Foreign currency financial statement translation differences	119,149.82	—	—	—	18,924.73	—	—	—	138,074.55
Disposals during the year	(2,628,949.90)	—	—	—	—	—	(576,000.00)	—	(3,204,949.90)
Balances 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	5,564,036.63	42,747,190.60	6,553,653.30	—	11,349,532.88	1,460,160.22	21,755,437.77	130,000.00	89,560,011.40
Additions arising from business combination not under common control	88,817,104.62	—	—	—	—	—	378,924.80	—	89,196,029.42
Foreign currency financial statement translation differences	2,134,911.29	—	—	—	683,206.02	—	—	—	2,818,117.31
Transferred to investment properties	(7,787,811.81)	—	—	—	—	—	—	—	(7,787,811.81)
Disposals during the year	—	—	(14,002.08)	—	—	—	—	—	(14,002.08)
Balances as at 31 December 2015	658,411,650.60	42,747,190.60	28,370,198.15	7,110,000.00	17,562,265.20	387,478,456.26	155,414,347.82	3,675,900.00	1,300,770,008.63
Accumulated amortisation									
Balances as at 1 January 2014	(54,853,795.53)	—	(11,293,106.81)	(1,510,338.80)	—	(144,711,104.52)	(38,770,817.41)	(34,807.50)	(251,173,970.57)
Charge for the year	(10,584,383.82)	—	(2,235,537.93)	(155,266.20)	—	(29,954,104.98)	(10,010,386.34)	(237,639.84)	(53,177,319.11)
Reclassification	—	—	—	—	—	(1,619,410.01)	(799,933.61)	(92,105.26)	(2,511,448.88)
Foreign currency financial statement translation differences	(99,049.27)	—	—	—	—	—	—	—	(99,049.27)

6 INTANGIBLE ASSETS (Continued)

	Land use rights RMB	Joint Operation earning rights RMB	Computer Software RMB	Coastline use rights RMB	Passenger service licenses RMB	Station and toll bridge franchise operating rights RMB	Line license use rights and route operation rights RMB	Trademark rights and others RMB	Total RMB
Written off on disposal	273,453.75	—	—	—	—	—	416,000.00	—	689,453.75
Balances 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)
Charge for the year	(16,537,636.69)	(3,901,780.17)	(4,666,333.61)	(155,266.20)	—	(18,134,669.44)	(11,379,886.74)	(280,973.31)	(55,056,546.16)
Foreign currency financial statement translation differences	(614,081.48)	—	—	—	—	—	—	—	(614,081.48)
Transferred to investment properties	481,887.90	—	—	—	—	—	—	—	481,887.90
Written off on disposal	—	—	14,002.08	—	—	—	—	—	14,002.08
Balances as at 31 December 2015	(81,933,605.14)	(3,901,780.17)	(18,180,976.27)	(1,820,871.20)	—	(194,419,288.95)	(60,545,024.10)	(645,525.91)	(361,447,071.74)
Carrying amount									
As at 31 December 2015	576,478,045.46	38,845,410.43	10,189,221.88	5,289,128.80	17,562,265.20	193,059,167.31	94,869,323.72	3,030,374.09	939,322,936.89
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 31 December 2015, the Guang-Shen-Zhu Expressway Taiping Interchange franchise operating right with carrying amount of RMB 142,174,375.66 was pledged as counter guarantee to Guangdong Provincial Communication Group Company Limited ("GCGC") in connection with the issuance of the 2014 corporate bonds of the Company as mentioned in Note 11 (31 December 2014: Nil). In addition, intangible assets with carrying amount of RMB78,270,052.85 (31 December 2014: RMB 4,231,094.09) were pledged for bank loans, among which, RMB 42,282,981.17 were pledged for long-term loans and RMB 35,987,071.68 were pledged for short-term loans. As at 31 December 2015, there was no other restricted intangible assets of the Group.

As at 31 December 2015, the carrying amount of land use rights without certificate of title for the Group was RMB 3,900,107.80 (31 December 2014: RMB 7,682,418.62).

As at 31 December 2015, land use rights with original costs of RMB 36,761,641.08 (31 December 2014: RMB 32,307,747.95) were obtained through allocation. As the certificates of title did not stipulate useful life, these land use rights had not been amortised.

7 SHORT-TERM LOANS

	Note	**2015** **RMB**	**2014** **RMB**
Unsecured loans		91,300,000.00	257,700,000.00
Loans secured by mortgages	(1)	34,900,000.00	15,848,513.34
Loans secured by letter of credit	(2)	—	12,201,399.44
Total	(3)	126,200,000.00	285,749,912.78

Note 1: For the details of assets pledged for secured loans as at 31 December 2015, please refer to Note 4, 5 and 6.

Note 2: As at 31 December 2015, the Group had no loans secured by letter of credit. As at 31 December 2014, the loans secured by letter of credit of RMB 12,201,399.44 represented the loans from Agricultural Bank of China Hong Kong Branch, which were secured by the letter of credit issued by the Company to its subsidiary, Guangdong Yueyun Transportation (HK) Company Limited and were repaid in February 2015.

Note 3: As at 31 December 2015, the Group's short-term loans were bank borrowings within 1 year, which bear interest rates ranging from 5.60% - 6.00% per annum (31 December 2014: 5.60% - 8.10%). The Group had no overdue short-term loan as at 31 December 2015 (31 December 2014: Nil).

8 ACCOUNTS PAYABLE

The ageing analysis of accounts payable according to the date of transaction is as follows:

	2015 **RMB**	**2014** **RMB**
Within 3 months (inclusive)	642,421,416.64	713,148,402.84
Over 3 months and within 6 months (inclusive)	47,327,567.67	42,895,778.94
Over 6 months and within 1 year (inclusive)	38,523,740.82	55,363,083.79
Over 1 year and within 2 years (inclusive)	100,774,641.37	61,910,993.16
Over 2 years and within 3 years (inclusive)	19,019,994.29	56,800,532.77
Over 3 years	29,337,878.78	31,644,076.20
Total	877,405,239.57	961,762,867.70

9 NON-CURRENT LIABILITIES DUE WITHIN ONE YEAR

	Note	**2015**	**2014**
		RMB	*RMB*
Long-term loans due within one year	10	69,482,371.94	54,148,390.58
Long-term payables due within one year		42,749,365.73	53,978,917.13
Bonds payables due within one year *(Note 1)*		—	299,073,061.26
Deferred income due within one year		35,688,674.41	4,402,111.05
Total		147,920,412.08	411,602,480.02

Note 1: Bonds payables due within one year

Item	**Period**	**Issue date**	**Face value**	**Discount amount**	**Amortisation as at 1 January 2015**	**Amortisation for the year**	**Carrying amount as at 31 December 2015**
			RMB	*RMB*	*RMB*	*RMB*	*RMB*
Non-public directional debt financing	3 years	2012/11/30	300,000,000.00	(3,041,667.00)	2,114,728.26	926,938.74	—

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. On the maturity, the principal will be returned. GCGC provides unconditional and irrevocable joint guarantee in full on the principal and interest of the bond. As of 31 December 2015, GVTG had fully repaid the principal and relevant interests.

10 LONG-TERM LOANS

	Note	2015	2014
		RMB	*RMB*
Unsecured loans		8,307,959.44	133,298,553.34
Loans secured by mortgages	(1)	132,963,310.39	90,554,344.92
Pledged loans	(2)	184,650,000.00	129,825,000.00
Total	(3)	325,921,269.83	353,677,898.26
Less: long-term loans due within one year			
Including: Unsecured loans		3,115,077.15	4,004,780.89
Loans secured by Mortgages		66,367,294.79	50,143,609.69
Sub-total *(Note 9)*		69,482,371.94	54,148,390.58
Long-term loans due after 1 year		256,438,897.89	299,529,507.68
Including: Due after 1 year but within 2 years		43,402,151.39	37,493,441.35
Due after 2 years but within 5 years		213,036,746.50	262,036,066.33

Note 1: For the details of assets pledged for secured loans as at 31 December 2015, please refer to Note 5 and 6.

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 31 December 2015, all the Group's long-term loans were bank borrowings with interest rates ranging from 4.75% - 8.30% per annum (31 December 2014: 5.54% - 8.30% per annum). The Group did not have any expired but outstanding long-term loans as at 31 December 2015 (31 December 2014: Nil).

11 BONDS PAYABLE

Item	Period	Issue date	Face value	Discount amount	Amortisation as at 1 January 2015	Amortisation for the year	Carrying amount as at 31 December 2015
			RMB	*RMB*	*RMB*	*RMB*	*RMB*
2014 corporate bond (first phase)	7 years	28/09/2015	400,000,000.00	(3,620,513.00)	—	111,248.91	396,490,735.91
2014 corporate bond (second phase)	5 years	21/12/2015	380,000,000.00	(3,439,487.00)	—	17,389.83	376,577,902.83
Total			780,000,000.00	(7,060,000.00)	—	128,638.74	773,068,638.74

On 28 September 2015, the Company issued the 2014 corporate bonds (first phase) to the public in an aggregated nominal amount of RMB 400 million with a term of 7 years. Relevant interest is calculated and paid annually at a coupon rate of 4.20% per annum and the principal will be returned upon maturity. On 21 December 2015, the Company issued the 2014 corporate bonds (second phase) to the public in an aggregated nominal amount of RMB 380 million with a term of 5 years. Relevant interest is calculated and paid annually at a coupon rate of 3.58% per annum and the principal will be returned upon maturity. In connection with the issuance of these bonds, GCGC provided an unconditional and irrecoverable joint liability guarantee in full on the principal and interest of the bonds. In the meantime, the Company provided counter guarantee to GCGC with a pledge of the Guang-Shen-Zhu Expressway Taiping Intercharge franchise operating right.

12 OTHER EQUITY INSTRUMENTS

	2015	2014
	RMB	*RMB*
PSCS	281,810,000.00	281,810,000.00

Note 1: On 31 December 2012, the Company issued the Perpetual Subordinated Convertible Securities ("PSCS") to GCGC, with a principal amount of RMB 281,810,000.00, which equals to the issue price. According to the PSCS agreement, principle 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.

Note 2: As of 31 December 2015, no PSCS had been converted into domestic ordinary shares. In September 2015, the Company announced the distribution of annual earnings of PSCS for 2014 in an amount of RMB 2,818,100.00 to GCGC. As of 31 December 2015, the accumulated annual earnings of PSCS distributed to GCGC amounted to RMB 5,636,200.00.

Note 3: On 5 February 2016, the Company entered into a supplemental PSCS agreement with GCGC, whereby GCGC will execute the conversion of PSCS held by it with a principal amount of RMB 281,810,000. Taken into account of the diluted events such as capitalisation of share premium and distribution of profits, the adjusted conversion price is RMB 1.625333335 per share, and the number of shares to be converted is 173,385,000. As of the date of the approval of financial statements, such conversion is still pending the completion of registration procedures with China Securities Depository and Clearing Co., Ltd.

13 RETAINED EARNINGS

	Note	2015 *RMB*	2014 *RMB*
Retained earnings at the beginning of the year		669,480,517.83	517,684,409.50
Add: Net profit for the year attributable to the shareholders of the Company		266,020,283.48	202,795,751.64
Less: Appropriation for statutory surplus reserve		5,394,826.61	6,417,356.61
Final dividends in respect of the previous financial year, approved and declared during the year	(1)	62,646,280.05	41,764,186.70
Distribution of share dividends	(1)	83,528,373.00	—
Distribution of earnings of PSCS for previous year		2,818,100.00	2,818,100.00
Retained earnings at the end of the year	(2)	781,113,221.65	669,480,517.83
Including: Accumulated undistributed earnings attributable to the holder of PSCS	(4)	2,818,100.00	2,818,100.00

Note 1: The resolutions were approved at the Annual General Meeting held on 11 June 2015: (i) A final dividend of RMB 0.15 per share (tax included) for year 2014 with an aggregate amount of RMB 62,646,280.05 were approved for distribution by shareholders. (2014: RMB 0.10 per share (tax included), amounting to RMB 41,764,186.70 in total). (ii) Two bonus shares for every 10 shares by way of the capitalisation of the retained earnings based on the total share capital of 417,641,867 shares of the Company as at 31 December 2014, which resulted in a decrease in retained earnings of RMB 83,528,373.00.

Note 2: As at 31 December 2015, the Group's retained earnings included appropriation to surplus reserve by subsidiaries amounting to RMB 354,949,546.09 (31 December 2014: RMB 297,333,208.03).

Note 3: On 18 March 2016, the Board of Directors approved to recommend distribution of final dividend of 2015 of the Company of RMB 0.13 before tax per share, totalling RMB 81,440,164.00, calculated based on the total number of shares of 626,462,800 of the Company as of 31 December 2015. As mentioned in Note 12(3), according to the supplemental PSCS agreement entered into on 5 February 2016, GCGC will execute the conversion of PSCS. Should the conversion registration procedures be completed prior to the date of record of distribution of the 2015 final dividend, the 173,385,000 PSCS conversion shares would be entitled to the 2015 final dividend of the Company with an aggregated amount of RMB 22,540,050.00. Taking into account of PSCS

13 RETAINED EARNINGS (Continued)

conversion shares, grand total amount of 2015 final dividend recommended to be distributed is RMB 103,980,214.00, calculated based on the total number of shares of 799,847,800 including PSCS conversion shares. The above proposal is subjected to approval by the annual general meeting.

Note 4: As mentioned in Note 12, 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.

14 FINANCIAL EXPENSES

		Note	**2015**	**2014**
			RMB	*RMB*
Interest expense from loans, bonds and payables			69,743,262.79	80,217,703.58
Including:	Interest expenses from loans	(1)	68,319,047.45	80,217,703.58
Less:	Borrowing costs capitalised		1,424,215.34	—
Net interest expenses			68,319,047.45	80,217,703.58
Less:	Interest income		19,240,658.96	28,342,607.90
Net exchange losses			8,052,767.76	2,476,642.70
Amortisation of unrecognised financing charges			3,559,521.18	2,019,206.42
Bank charges			2,889,957.83	2,989,021.12
Others			6,418,275.34	3,983,498.09
Total			69,998,910.60	63,343,464.01

Note

(1) Interest expenses related to bank loans of the Group due within 5 years were RMB 48,368,235.16 (2014: RMB61,768,721.22). Interest expenses related to other loans were RMB 19,950,812.29 (2014: RMB18,448,982.36).

Capitalised interest expense of the Group in 2015 was RMB1,424,215.34 (2014: Nil).

15 INVESTMENT INCOME

	2015	2014
	RMB	*RMB*
Income from investments in associates accounting for using equity method	22,260,497.84	10,968,447.79
Income from investments in joint ventures accounting for using equity method	4,903,212.04	4,586,198.95
Gain on disposal of long-term equity investments	215,952.89	1,352,973.71
Income from financial products	—	44,975.35
Gain on disposal of available-for-sale financial assets	4,992,187.50	—
Others	(454,430.49)	251,436.16
Total	31,917,419.78	17,204,031.96
Including:		
Income from investment in associates accounting for using equity method attributable to shareholders of the parent company	22,178,696.77	11,401,157.15
Income from investment in joint ventures accounting for using equity method attributable to shareholders of the parent company	4,788,313.76	4,475,898.43

There are no significant restrictions on remittance of the Group's investment income.

16 NON-OPERATING INCOME

	2015	2014
	RMB	*RMB*
Total gains on disposal of non-current assets	9,776,812.31	19,410,509.37
Including: Disposal of fixed assets	9,731,209.35	17,245,224.61
Government grants	102,944,309.49	98,063,204.35
Compensations	1,787,798.01	366,186.68
Others	8,004,718.10	14,132,960.91
Total	122,513,637.91	131,972,861.31

17 INCOME TAX EXPENSES

(1) Income tax expenses

	2015	2014
	RMB	*RMB*
Current tax expense for the year based on tax law and regulations	156,680,904.03	137,194,559.47
Including: Mainland China	155,579,342.63	136,830,845.56
Hong Kong	1,101,561.40	363,713.91
Tax filing differences	188,816.10	(868,233.80)
Changes in deferred tax assets / liabilities	7,337,919.99	(9,227,828.03)
Total	164,207,640.12	127,098,497.64

(2) Reconciliation between income tax expense and accounting profit is as follows:

	2015	2014
	RMB	*RMB*
Profits before taxation	530,412,372.92	420,687,619.01
Expected income tax expense at tax rate of 25% (2014: 25%)	132,603,093.23	105,171,904.75
Effect of non-deductible expenses	11,553,291.46	6,285,047.03
Effect of equity transfer within the Group	6,253,525.77	—
Effect of non-taxable income	(11,511,446.20)	(5,352,446.61)
Effect of unrecognised deductible temporary differences and tax losses	23,174,296.33	26,366,959.94
Reversal of deferred tax asset that recognised in previous years	4,607,365.94	—
Effect of utilisation of tax losses and deductible temporary differences unrecognised in previous periods	(2,209,459.98)	(4,332,037.03)
Effect of different tax rates applied by certain subsidiaries	(451,842.53)	(172,696.64)
Effect of adjusting income tax in previous year	188,816.10	(868,233.80)
Total	164,207,640.12	127,098,497.64

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 year. The calculation is as follows:

	2015	**2014**
	RMB	*RMB*
Net profit attributable to shareholders of the Company	266,020,283.48	202,795,751.64
Less: Earnings attributable to the holder of PSCS	(2,818,100.00)	(2,818,100.00)
Net profit attributable to ordinary shareholders of the Company	263,202,183.48	199,977,651.64
Weighted average number of ordinary shares in issue during the year (2014 restated)	626,462,800.00	626,462,800.00
Basic earnings per share (RMB / share) (2014 restated)	0.42	0.32

Weighted average number of ordinary shares in issue during the year is calculated as follows:

	2015	**2014**
	Shares	*Shares Restated*
Issued ordinary shares at the beginning of the year	417,641,867.00	417,641,867.00
Effect of capitalisation of share premium	125,292,560.00	125,292,560.00
Effect of issue of bonus share	83,528,373.00	83,528,373.00
Issued ordinary shares at the end of the year (Note)	626,462,800.00	626,462,800.00

Note: The weighted average number of ordinary shares of 2014 was restated according to the capitalisation of share premium and issue of bonus share in 2015.

18 EARNINGS PER SHARE (Continued)

(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:

	2015	**2014**
	RMB	*RMB*
Net profit attributable to the shareholders of the Company	266,020,283.48	202,795,751.64
Weighted average number of ordinary shares in issue (diluted) (2014 restated)	799,847,800.00	789,798,800.00
Diluted earnings per share (RMB / share) (2014 restated)	0.33	0.26

Weighted average number of ordinary shares (diluted) in issue during the year is calculated as follows:

	2015	**2014**
	Shares	*Shares Restated*
Issued ordinary shares at the end of the year	626,462,800.00	626,462,800.00
Diluted adjustment: Effect of PSCS (Note)	173,385,000.00	163,336,000.00
Issued ordinary shares at the end of the year (diluted)	799,847,800.00	789,798,800.00

Note: As mentioned in Note 12, the Company's potential diluted shares are PSCS. Due to the occurrence of certain diluted events such as capitalisation of share premium and distribution of profits, the PSCS conversion price was adjusted accordingly. The number of PSCS conversion shares is calculated by dividing the principal amount of PSCS of RMB281,810,000.00 by the adjusted conversion price of RMB1.625333335 per share. Diluted earnings per share of 2014 was restated accordingly.

19 SUPPLEMENT TO INCOME STATEMENT

Expenses are analysed by their nature as follows:

		2015 *RMB*	2014 *RMB*
Operating income		8,709,333,939.34	9,878,072,290.17
Less:	Changes in finished goods	5,329,086,073.73	6,311,427,211.15
	Raw materials used	170,858,513.62	228,017,591.64
	Employee benefits expenses	1,526,599,145.96	1,132,678,205.33
	Depreciation	360,654,961.45	287,933,608.55
	Amortisation	65,794,280.99	60,566,740.94
	Impairment losses for assets	7,117,356.06	19,111,569.64
	Rental expenses	172,589,458.13	158,268,042.53
	Annual audit fee	6,380,000.00	5,640,000.00
	Financial expenses	69,998,910.60	63,343,464.01
	Other expenses	581,963,847.87	1,310,456,392.35
Operating profit		418,291,390.93	300,629,464.03

20 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 transportation and auxiliary services, material logistics services, expressway services and Taiping Interchange.

(1) Segment reporting

	2015						
	Motor transporting and auxiliary services	**Material logistics services**	**Expressway services**	**Taiping Interchange**	**Others**	**Inter-segment eliminations**	**Total**
	RMB	*RMB*	*RMB*	*RMB*	*RMB*	*RMB*	*RMB*
Operating income							
Operating income from external customers	3,028,006,011.13	4,656,192,398.63	830,386,645.99	191,298,681.29	3,450,202.30	—	8,709,333,939.34
Inter-segment operating income	11,023,651.60	—	3,666,316.48	—	9,333,556.50	(24,023,524.58)	—
Total segment operating income	3,039,029,662.73	4,656,192,398.63	834,052,962.47	191,298,681.29	12,783,758.80	(24,023,524.58)	8,709,333,939.34
Operating costs	2,288,099,989.70	4,485,455,879.12	598,331,055.10	38,754,947.53	5,273,842.12	(13,346,454.81)	7,402,569,258.76
Interest in the profit or loss of associates and joint ventures	8,607,080.06	—	3,356,695.11	—	15,199,934.71	—	27,163,709.88
Impairment loss	1,999,448.48	5,516,366.47	(398,458.89)	—	—	—	7,117,356.06
Depreciation and amortisation	351,905,951.35	19,467,771.10	34,418,870.59	17,345,890.35	5,354,083.37	(2,043,324.32)	426,449,242.44
Profit before income tax	276,199,603.24	48,095,216.26	123,038,734.06	72,341,950.31	41,033,226.75	(30,296,357.70)	530,412,372.92
Income tax expenses	97,428,841.91	24,709,735.41	28,982,860.27	12,034,576.90	—	1,051,625.63	164,207,640.12
Net profit	178,770,761.33	23,385,480.85	94,055,873.79	60,307,373.41	41,033,226.75	(31,347,983.33)	366,204,732.80
Total assets	4,908,948,817.53	1,860,450,454.13	1,007,624,881.67	2,929,153,959.06	41,257,726.58	(3,194,651,186.76)	7,552,784,652.21
Total liabilities	2,661,212,308.69	1,860,639,671.17	625,731,555.87	1,284,813,824.92	56,536,246.69	(1,982,738,281.18)	4,506,195,326.16
Other important non-cash items:							
- Investments in associates and joint ventures	134,059,742.80	—	23,173,878.47	—	55,507,056.92	—	212,740,678.19
- The amounts of increase / (decrease) of non-current assets other than long-term equity investments	621,524,863.57	(45,227,243.65)	11,775,220.87	(16,868,755.93)	(784,319.06)	36,624,485.16	607,044,250.96

20 SEGMENT REPORTING (Continued)

	2014						
	Motor transporting and auxiliary services	Material logistics services	Expressway services	Taiping Interchange	Others	Inter-segment eliminations	Total
	RMB	*RMB*	*RMB*	*RMB*	*RMB*	*RMB*	*RMB*
Operating income							
Operating income from external customers	2,503,719,420.52	6,491,250,400.01	706,300,116.35	173,173,952.08	3,628,401.21	—	9,878,072,290.17
Inter-segment operating income	3,735,083.87	—	912,516.65	—	4,831,622.35	(9,479,222.87)	—
Total segment operating income	2,507,454,504.39	6,491,250,400.01	707,212,633.00	173,173,952.08	8,460,023.56	(9,479,222.87)	9,878,072,290.17
Operating costs	1,941,660,285.58	6,305,801,120.86	552,873,779.87	39,355,276.28	2,931,423.58	(8,287,536.39)	8,834,334,349.78
Interest in the profit or loss of associates and joint ventures	2,911,648.65	—	3,135,045.04	—	9,507,953.05	—	15,554,646.74
Impairment loss	9,035,196.51	9,132,440.86	455,555.56	—	488,376.71	—	19,111,569.64
Depreciation and amortisation	267,617,582.51	16,668,294.41	33,743,247.08	28,518,715.91	1,952,509.58	—	348,500,349.49
Profit before income tax	244,011,778.30	44,675,485.12	61,647,869.15	59,171,638.01	46,965,084.11	(35,784,235.68)	420,687,619.01
Income tax expenses	87,964,310.29	8,157,753.59	14,829,906.16	15,211,603.51	13,393.27	921,530.82	127,098,497.64
Net profit	156,047,468.01	36,517,731.53	46,817,962.99	43,960,034.50	46,951,690.84	(36,705,766.50)	293,589,121.37
Total 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 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
Other important non-cash items:							
- Investments in associates and joint ventures	137,292,597.95	—	22,799,795.71	—	44,573,522.21	—	204,665,915.87
- The amounts of increase / (decrease) of non-current assets other than long-term equity investments	843,038,216.40	31,801,164.48	19,799,805.38	(27,590,056.27)	1,532,286.87	(33,449,031.77)	835,132,385.09

20 SEGMENT REPORTING (Continued)

(2) Geographic information

The following table sets out information about the geographical location of the Group's operating income from external customers and the Group's non-current assets (excluding financial instruments, deferred tax assets, same as below). The geographical information is based on the location of customers receiving services or goods. The geographical location of the specified non-current assets is based on the physical location of the asset, in the case of fixed assets; the location of the operation to which they are allocated, in the case of intangible assets and goodwill; and the location of operations, in the case of interests in associates and joint ventures.

	Operating income from external customers		Non-current assets	
	2015	**2014**	**2015**	**2014**
	RMB	*RMB*	*RMB*	*RMB*
China				
Including: Mainland China	8,485,421,090.90	9,653,090,123.24	3,906,345,848.17	3,322,281,459.66
Hongkong	223,912,848.44	224,982,166.93	153,213,352.39	122,158,727.62
Total	8,709,333,939.34	9,878,072,290.17	4,059,559,200.56	3,444,440,187.28

(3) Major customers

The Group had one customer (2014: one), the operating income from which is over 10% of the Group's total operating income. The operating income from this customer represents approximately 10.37% of the Group's total operating income (2014: 12.47%), which is summarised in the table below:

	2015	**2014**
	RMB	**RMB**
Guangdong Provincial Changda Highway Engineering Company Limited	903,367,453.95	1,231,875,773.13

21 NET CURRENT ASSETS / (LIABILITIES)

	2015 *RMB*	2014 *RMB*
Current assets	3,305,199,334.20	3,109,135,634.74
Less: Current liabilities	2,698,480,196.35	3,202,066,196.82
Net current assets / (liabilities)	606,719,137.85	(92,930,562.08)

22 TOTAL ASSETS LESS CURRENT LIABILITIES

	2015 *RMB*	2014 *RMB*
Total assets	7,552,784,652.21	6,753,079,979.48
Less: Current liabilities	2,698,480,196.35	3,202,066,196.82
Total assets less current liabilities	4,854,304,455.86	3,551,013,782.66

MANAGEMENT DISCUSSION AND ANALYSIS (All amounts are presented in RMB, unless otherwise stated)

BUSINESS REVIEW

In 2015, the Group continued to propel and implement the strategic development plan and annual development goals, strengthened resource acquisition and integration, optimized and adjusted business structure and introduced innovative business models to improve management efficiency. Meanwhile, the Group made greater efforts on internal control and risk management, strengthened talent development and improved the four-in-one incentive and restraint mechanism of "Strategy-Budget-Assessment-Salary (戰略－預算－考核－薪酬)", enabling each business segment to achieve collaborative steady development.

As at 31 December 2015, the Group's revenue was RMB8,709,334,000 (2014: RMB9,878,072,000), a year-on-year decrease of 12%. Gross profit was RMB1,306,765,000 (2014: RMB1,043,738,000), a year-on-year increase of 25%. The decrease in revenue for the year of 2015 was attributed to decreased price and supply for materials logistics business and the increase in gross profit for the year was attributed to the increase in gross profit of motor vehicle transportation and auxiliary services and expressway services business segments. Net profit for the year of 2015 was RMB366,204,000 (2014: RMB293,589,000), a year-on-year increase of 25%. Basic earnings per share was RMB0.42 (2014: RMB0.32 (restated)), a year-on-year increase of 31%, mainly due to the increase in profit for 2015. Net cash inflow from operating activities was RMB966,794,000 (2014: RMB701,088,000), a year-on-year increase of RMB265,706,000 or 38% for net cash inflow.

1. Motor vehicle transportation and auxiliary services

(1) *Business overview*

Domestic transportation business

The Group's domestic transportation business maintained continuous growth. By the end of 2015, the Group owned 3,650 licenses for passenger transportation routes, 1,393 passenger routes, 7,371 operating vehicles and 86 passenger terminals. A total of 90.0532 million passengers were carried for passenger transportation in 2015, representing an increase of 46.28% as compared with the same period in 2014.

The Group strengthened the acquisition and integration of road transportation resources. At the beginning of 2015, pursuant to the development model of "Acquisition-Consolidation-Growth (併購－整合－增長)", the Group completed the acquisition and consolidation of road transportation resources in Shanwei area. By the end of 2015, Shanwei City Yueyun Vehicles Transportation Company Limited (汕尾市粵運汽車運輸有限公司) ("**Shanwei Yueyun**") owned 473 operating vehicles and 10 terminals. This acquisition and integration has further improved the Group's road transportation network system. The Group cumulatively reclaimed 244 contracted vehicles to self-operate through enhancing the reclamation and self-operation of contracted vehicles, with a proportion of self-operated vehicles of 60.26% in 2015. Particularly, Qingyuan City Yueyun Vehicles Transportation Company Limited (清遠市粵運汽車運輸有限公司) ("**Qingyuan Yueyun**"), Shaoguan City Yueyun Vehicles Transportation Co., Ltd. (韶關市粵運汽車運輸有限公司) ("**Shaoguan Yueyun**") and Shanwei Yueyun totally reclaimed 178 contracted vehicles to self-operate in 2015, and thus the aforementioned three companies had a significantly higher proportion of self-operated vehicles compared with that prior to the acquisition. The Group enhanced resource integration for other transportation entities in the region where it operates. As a result, a proposed resource integration has been agreed between Qingyuan Yueyun and two local companies, i.e. Qingxin District Transportation Services Company Limited (清新區交通運輸服務有限公司) and Yangshan County Shuntong Transportation Services Company Limited (陽山縣順通運輸服務有限公司), and thus its market share in local transportation market is expected to increase further; Shaoguan Yueyun actively negotiated with other transportation entities in the region to effectively propel the acquisition and integration of regional road resources. The Group has implemented title consolidation to other transportation entities based in Guangzhou with smaller scale and stronger cooperativity, leading to further-improved organization structure and effective integration of various resources such as passenger transportation routes, urban public transport, tourism chartered buses and passenger terminals.

The Group implemented market-oriented optimization for its business portfolio. By closely seizing opportunities arising from cross-node adjustment to intercity passenger routes, the Group adjusted intercity passenger route signs across nodes to increase competitiveness for main transportation lines and effectively respond to impact from rail transportation. The Group put greater efforts on the expansion of the rural passenger transportation market, made arrangements in advance for rural passenger routes and terminals, took full use of the customer-attracting function of rural passenger terminals to enhance control over end-customer sources and form an effective complementary relationship with short-distance passenger transportation and long-distance routes, thus generating synergies with the Group's convenience stores business and package express business. By the end of 2015, the Group had 233 rural passenger transportation routes and 725 rural passenger vehicles. The Group actively promoted the establishment of package express platform by using existing resources such as passenger vehicles, passenger terminals, passenger routes and highway service zones to provide transshipment services, franchise services for package express and big data value-added services at a lower marginal cost on the unified network data platform with the help of "Internet +" and the brand advantage of Yueyun. This promoted the transformation and upgrading of existing businesses and enhanced the Group's growth momentum.

The Group actively explored new business models. As a strategic investor, the Group won a public transport project within 0-50 kilometers of the jurisdiction of Shanwei City through competitive negotiation. A strategic cooperation agreement has been signed between Shanwei Yueyun, Shanwei municipal government and BYD, pursuant to which Shanwei municipal government shall be responsible for operating vehicles of such operating entities as urban public transport, short-distance passenger transportation and rural passenger transportation, and gradually reclaim their operation rights upon expiration of the useful life and then pass them to Shanwei Yueyun to operate exclusively while providing land parcels for the construction of public transportation terminals; BYD shall be responsible for the comprehensive introduction of new energy vehicles such as pure electric coaches and pure electric cabs, as well as its established market-based scale operation management experience so as to provide the best funding solutions for Shanwei Yueyun to purchase motor vehicle by using its financing platform. Heyuan City Yueyun Vehicles Transportation Company Limited (河源市粵運汽車運輸有限公司) ("**Heyuan Yueyun**") adopted the cooperative operation model for high-quality routes with a longer contract term, arranged in advance for the reclamation of contracted vehicles to self-operate and shared benefits from route operation to reinforce control over transportation resources in the region.

The Group paid attention to and accelerated its information construction. According to the development plan of "Yueyun E+", the Group formulated the "Overall Information Construction Planning of Guangdong Yueyun Transportation Company Limited (廣東粵運交通股份有限公司信息化總體規劃項目)", and comprehensively implemented the construction of the master data standardization framework to promote the establishment of the information platform such as online ticketing, WeChat ticketing and fleet management system. By the end of 2015, 66 passenger terminals of the Group achieved ticket purchase by WeChat, with a total of 98,400 tickets sold and the ticket sales of RMB6.0558 million through the WeChat platform, attracting the attention of

334,000 persons. Some subsidiaries of the Group conducted effective innovation to the information platform through the combination of local market demand and their own business features, including the "Smart Passenger Transportation (智慧客運)" project of Shaoguan Yueyun, the "Hong Hai Tong (紅海通)" project of Shanwei Yueyun and the "Guangdong Pay (粵支付)" project of Heyuan Yueyun.

The Group attached importance to enhance transportation service quality. The Group actively propelled the construction of the passenger terminal network, and updated operating vehicles in a timely manner to enhance the convenience, comfort and safety for customer travel; Guangdong Yueyun Langri Company Limited (廣東粵運朗日股份有限公司) ("**Yueyun Langri**"), created a self-service ticketing center at Yangjiang passenger terminal to build up the 24-hour outdoor self-service ticketing network, and installed self-service checking ticket system and achieved full-range WIFI signal coverage within the terminal to further facilitate passenger travel; Zhaoqing City Yueyun Vehicles Transportation Co., Ltd. (肇慶市粵運汽車運輸有限公司) reduced bus stops in the midway by optimizing and adjusting passenger routes and achieved a full-range expressway connection in its best effort to shorten the time of driving and enhance the convenience for passenger travel.

Cross-border transportation business

The construction of the Group's cross-border passenger ticketing service platform has achieved initial success. The Group successfully developed the cross-border passenger ticketing system, which can provide ticket-selling service for over 130 offline terminals at the same time, and opened an official WeChat account named "Guangdong-Hong Kong Bus (粵港巴士)" at the same time, achieving the sale of tickets through WeChat platform. Customers can enjoy one-stop transportation service information inquiry and "Going Home with a Ticket (一票到家)" service through the cross-border passenger ticketing system or WeChat platform.

The Group introduced innovative business model for traditional cross-border transportation. The Group innovatively offered customized shuttle bus services adapting to the market need according to customer demand for travel and traffic conditions, with an aim to provide customers with convenient, personalized and integrated travel services. Currently, the customized shuttle bus line from the University Town in Guangzhou (大學城) to Prince Edward (太子) in Hong Kong has opened.

The Group continued to promote the project of "Guangdong-to-Hong Kong Direct Link Terminal (粵港直通車站)" and proposed to establish the "Guangdong-to-Hong Kong Direct Link Terminal" at Leliu Service Zone in the South Second Ring Expressway. Currently, relevant work such as project site planning, operation plan and security management has been completed for the project.

(2) ***Financial position***

Motor transportation and auxiliary service is one of the major revenue sources of the Group. The Group newly acquired Shanwei Yueyun through the "Acquisition- Consolidation-Growth (併購－整合－增長)" development model, and the regional companies improved benefits through the increased recovery of proprietary routes, the expansion of operation scope, the addition of new routes and customer sources, as well as relevant acquisition, reorganization and consolidation. Total assets of motor transportation and auxiliary service as at the end of 2015 were RMB4,909 million (2014: RMB3,873 million). Total liabilities were RMB2,661 million (2014: RMB2,113 million). Revenue was RMB3,028 million (2014: RMB2,504 million), representing approximately 35% (2014: 25%) of the Group's total revenue.

(3) ***Development prospects***

The Group strived to develop motor vehicle transportation as one of its core businesses. In 2016, the Group will continue to make solid progress in the acquisition and consolidation of road transportation resources in Guangdong Province by sticking to the "Acquisition-Consolidation-Growth (併購－整合－增長)" development model, further explore transportation terminal network in Guangdong Province to enhance the market share. In order to withstand the impact of railway transport, all local companies of the Group will make a layout in advance by exploring regional transportation market, consolidating other regional transportation companies on the basis of acquisition and growth pursuant to the development strategy of "forming a microcirculation by exploring the downstream market, focusing on strong trunk lines and seizing branch lines" (車頭向下，做強幹線、搶佔支線、打造微循環) to energetically develop urban and rural public transportation and rural passenger transportation while planning the implementation of service zone network, terminal network and convenience store network merging in one to achieve stable and sustainable sound development of motor vehicle transport, one of the core businesses. The Group will strengthen the micro-logistics network construction, boost the internet operation businesses such as express small freight, chartered vehicle, automobile leasing, implement the multi-network parallel operation strategy and grasp key points of these innovations and development so as to actively explore "Internet Plus", make innovation and development of the mobile internet service platform, and cultivate a new profit growth point to achieve business transition.

2. **Material logistics services**

(1) ***Business overview***

The Group spared no efforts in the material supply management of projects with GCGC. In 2015, the Group participated in the material supply of 28 projects under construction in total, including 11 projects with GCGC (including the expansion project of the Guangzhou-Qingyuan Expressway, Zhaoqing-Huadu Expressway, Baotou-Maoming Expressway, Chaozhou-Huilai Expressway, Humen Second Bridge, Pingyuan-Xingning Expressway, Jiangmen-Luoding Expressway, Jieyang-Boluo Expressway, Luoding-Yangjiang Expressway, Xingning- Wuhua section of Xingning-Shanwei Expressway and Lechang-Guangzhou Expressway) and 17 projects with parties other than GCGC (including Guangzhou Metro Line 6, Guangzhou Metro Line 8, Guangzhou Metro Line 21, Hong Kong-Zhuhai-Macau Bridge, Dongjiang Grand Bridge, Guangzhou-Gaoming Expressway, Guangzhou-Qingyuan Intercity Rail Transit, Guangzhou-Dongguan-Shenzhen Intercity Rail Transit, Dongguan- Huizhou Intercity Rail Transit, Foshan-Zhaoqing Intercity Rail Transit, Guangzhou-Foshan Ring City Rail Transit, Hubei Xiaogan Project, Hubei Communications Investment Commercial Project, Ren Xin Expressway Project, Zhanjiang-Xuzhou and Chongqing-Zhanjiang Maintenance Project (湛徐渝湛養護項目), Shenzhen Municipal Annual Maintenance Project (深圳市市政年度維修項目) and Northern Section in Guangdong of Beijing-Zhuhai Expressway Maintenance Project (京珠北養護項目)). The Group supplied 925,600 tons of steel, 4.2545 million tons of cement, 272,500 tons of asphalt throughout 2015.

The Group proactively explored the material supply business in the market not within GCGC. In 2015, the Group won a bid to supply 332,000 tons of steel in Guangzhou Metro Line Projects with a bidding amount of RMB1.24 billion and a bid to supply 838,000 tons of cement in Ren Xin Expressway Project (仁新高速公路項目) with a bidding amount of RMB320 million and a bid to supply 51,000 tons of asphalt in the commerce and trade project of Hubei Communication Investment with a bidding amount of RMB167 million.

The asphalt warehousing and terminal business of the Group maintained steady development. In 2015, the Group accumulated 203, 000 tons of asphalt inbound and 211,100 tons of asphalt outbound with 33 asphalt vessels docking. The Group actively promoted the construction of the wharf phase II project in

Dongguan and this project has currently passed initial acceptance with an overall objective of "completing as early as possible and producing efficiency as early as possible". The Group elaborated on a business development plan for the wharf to fully leverage asset efficiency for enhancement of operation efficiency based on the characteristics of the wharf resource and market condition. The Group attached great importance to the technical research and development of asphalt and completed the laboratory research of the nova-surfacing technologies in 2015 and successfully applied for and submitted to the Communications Department of Guangdong Province for approval of the Applied Research of Nova-Surfacing Technologies on Preventive Maintenance of Asphalt Road in the Southern Humid Areas as a science project with 8 utility model patents approved by the National Patent Office and obtained all patent certificates.

The Group strengthened its cost management and made the innovation of material supply management model to effectively prevent the risk exposure to receivables. In order to enhance the cost calculation management capability, the Group 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. The Group flexibly adjusted and controlled the inventories in accordance with the monthly material demand plan while ensuring timely project supply to rationalize inventory and enhance the material procurement efficiency. Meanwhile, 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 material quality management and quality certification. The Group increased its efforts on sample inspection of incoming material to improve quality by conducting a total of 1,001 sample inspections of materials with a pass rate of 100%. The Group was rated as AAA during the credit assessment in the national steel circulation industry, and as AA in the 2014 Credit Assessment on Highway Design Enterprises in Guangdong carried out by Department of Transportation of Guangdong Province, creating favorable conditions for the Group's participation in tender of material supply.

(2) ***Financial position***

Material logistics business is one of the major revenue sources of the Group. The decrease in price and supply level of the supplied materials led to the decrease of this business as compared to 2014. Total assets as at the end of 2015 were

RMB1,860 million (2014: RMB2,070 million). Total liabilities were RMB1,861 million (2014: RMB2,166 million). Revenue was RMB4,656 million (2014: RMB6,491 million), representing approximately 53% (2014: 66%) of the Group's total revenue.

(3) ***Development prospects***

Material logistics services is one of the Group's core businesses. In accordance with the Group's business development plan, this business needs transformation and upgrading to logistics park business. The Group will strengthen the integrated logistics network construction and actively propel the development of the logistics park pilot project and diversified business operation of Dongguan Jia Fu Wharf (東莞佳富碼頭) in 2016.

3. **Expressway services**

(1) ***Business overview***

The Group's expressway services business achieved steady growth in scale. By the end of 2015, the Group operated 88.5 pairs of service zones, 139 gas stations and 120 LOYEE convenience stores (including convenience stores in passenger terminals).

The Group actively promoted to obtain the entrusted operation rights of service zones and obtained the entrusted operation rights of 8 pairs of service zones of expressways including Baotou-Maoming Expressway, Jiexi-Boluo Expressway, Pingyuan-Xingning Expressway and Chaozhou-Huilai Expressway Phase I in 2015. By the end of 2015, the Group obtained the entrusted operation rights of up to 91 pairs of service zones.

The Group ensured the commencement and operation of service zones of newly opened sections of expressways. The Group has made geographical division, function positioning and infrastructure planning for 8 pairs of new service zones of expressways including Baotou-Maoming Expressway, Jiexi-Boluo Expressway, Pingyuan-Xingning Expressway and Chaozhou-Huilai Expressway Phase I based on various factors such as road characteristics, location of the service zones, vehicle types and traffic volumes, so as to achieve differentiated operations.

The Group steadily promoted the renovation and expansion of key node service zones such as Houmen Service Zone and Dahuai Service Zone. In January 2016, the Group had completed the acquisition of service zone assets for the renovation and expansion project of Houmen service zone and currently the Group is actively promoting the commercial planning and preparation of the project and other related work. The renovation and expansion project of Dahuai service zone has proceeded to land acquisition stage, and the Group is actively promoting such preparatory work as project investment feasibility report preparation, project establishment and environmental assessment.

The Group actively explored the energy business in pursuit of new profit growth point. In 2015, the Group formulated the Energy Business Development Strategy and Implementation Plan (《能源業務發展戰略及實施方案》) (the "**Implementation Plan**"). Pursuant to the Implementation Plan, during 2015, the Group signed the contracted management agreements for 16 new gas station projects of the service zones along the new expressways such as Jiexi-Boluo Expressway, Chaozhou-Huilai Expressway, Baotou-Maoming Expressway, Pingyuan-Xingning Expressway, and completed the planning confirmation application, construction, certificate issuance, commencement of operation and other works for gas station projects. At the same time, the Group explored 12 gas stations which will be self-established and self-operated by the service zones along certain sections of Chaozhou-Huilai Expressway and Jiangmen-Luoding Expressway.

The Group increased its efforts on the VI transformation of service zones in order to fully tap the commercial value of promotion projects. The Group implemented VI transformation work on 42 pairs of service zones and also carried out famous brand application and registration for Top-E so as to comprehensively enhance the overall service image of service zones and the influence of Top-E brand. The Group also fully sorted out shop resources, merchant resources, contract information, etc. of service zones and conducted data mining by formulating the Area Measurement Program on Commercial Land of Service Zones (《服務區商業用地面積測量工作方案》) to recognize such important information as major customer groups and values attributable to each format, so as to fully tap and revitalize the commercial value of service zones.

The Group steadily promoted the strategic development plans for retail of Yueyun and accelerated the layout of its convenience store network. The Group formulated the Implementation Plans for the Retail Network of Guangdong Yueyun Transportation Company Limited (2015-2019) (《廣東粵運交通股份有限公司零售網絡實施方案 (2015-2019 年) 》), actively expanded the convenience stores to expressway service zones and passenger terminals, and intended to expand to the third- and fourth-tier cities and the rural markets with an aim to establish the retail chain operational network across the whole province with its efforts over five years, while achieving synergies with small items express network, vehicle rental network, ticket service network, logistics and distribution network and supply network of production materials. As at the end of 2015, the Group operated 120 LOYEE convenience stores, including 16 convenience stores in passenger terminals.

The Group increased its access to the columns and other outdoor media resources along expressways. In 2015, the Group executed the expressway media entrusted operation contracts in respect of the sections along Jiangmen-Heshan Expressway, Erenhot-Guangzhou Expressway, Zhaoqing-Huadu Expressway, Foshan-Kaiping Expressway, Guangzhou-Lechang Expressway and Meizhou-Dabu Expressway Phase II. As at the end of 2015, the Group had a total of 367 outdoor ads columns along 50 highway sections, as well as three gantries ads facilities, five overpass bridges ads facilities, 11 billboards on the roof of toll stations and 15 billboards at toll square, which further expanded the scale of expressway media resources.

The Group strengthened the resource integration of passenger transportation media and focused on promoting the development of digital media. The Group integrated the media resources of passenger terminals, urban public transport buses and passenger buses. The Group further extended the content and promotion form of the "Quick delivery" project, and combined the static display of traditional print media with the interactive marketing features of the "Quick delivery", with its focus on the travelers in order to create a unique form of advertising, which improved the effect of precision marketing. The cooperation of the Group with Beijing Xinguang Digital Cinema (北京新光數字院線) has given full play to their respective advantages to explore the "digital cinema + advertising" project to the Group's passenger terminals at Grade II or above, which initially realized the integration of traditional media and digital media. The Group also comprehensively promoted the Internet digital media projects for large customers in order to carry out digital media marketing and precision marketing.

(2) ***Financial condition***

Expressway services business is one of the major revenue sources of the Group. As at 31 December 2015, the number of operating service zones of the Group amounted to 88.5 pairs (2014: 77.5 pairs), the increase in the number of service zones and the increase in revenue from one-off admission fees at petrol stations resulted in higher growth of this business as compared to 2014. Total assets as at the end of 2015 were RMB1,008 million (2014: RMB916 million). Total liabilities were RMB626 million (2014: RMB611 million). Revenue was RMB830 million (2014: RMB706 million), representing approximately 10% (2014: 7%) of the Group's total revenue.

(3) ***Development prospects***

Expressway service is also one of the Company's principal businesses. In 2016, in line with the development momentum of Internet economy, the Group will initiate the commodity retail network construction strategy to expand its convenience store network; initiate the commercial real estate development business to promote certain major projects such as Houmen Service Zone and Dahuai Service Zone and to cultivate network node for transportation real estate; initiate energy business to set up internal and external energy networks and to propel the integrated operation of gas station resources newly acquired in the motor vehicle transportation business. In 2016, the Group will continue to promote the implementation of new media advertising strategy in respect of advertising business, and also further explore and enlarge the commercial value of internal and external advertising media resources through leveraging on the platform of digital media companies with expressway network.

4. **Taiping Interchange**

The Taiping Interchange business recorded growth in 2015 as compared to 2014 due to the increase in traffic volume. Total assets as at the end of 2015 amounted to RMB2,929 million (2014: RMB2,084 million), total liabilities amounted to RMB1,285 million (2014: RMB477 million) and revenue for 2015 amounted to approximately RMB191 million (2014: RMB173 million), which continued to contribute stable cash flow to the Group.

5. **Commercial development of self-owned land**

(1) ***Progress in the development of the "Three Olds" transformation project on the land held by Guangdong Province Transportation Engineering Company Limited***

In 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 on Airport Road, Guangzhou held by Guangdong Province Transportation Engineering Company Limited, a wholly-owned subsidiary of the Company. The Group, in light of the development trend of the real estate market, carried out a new round of land planning optimization research, put forward the demand to relevant government authorities such as Guangzhou Planning Bureau and Baiyun District Planning Bureau for raising the volume rate indicators, and submitted the transformation application letter and transformation program to

Guangzhou Urban Renewal Bureau and Baiyun District Urban Renewal Bureau. Currently, the land use of the parcel under transformation has been adjusted to fully commercial use, and the planning and optimization for municipal roads has been realized according to the project planning. The Group has been carrying out negotiations with well-established real estate enterprises in order to speed up the preliminary study, joint development and investment solicitation of this project and other related work. 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" transformation policies 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.

(2) ***Commercial development of Yangxi Old Terminal***

At the beginning of 2015, the construction of Yangxi New Passenger Terminal under the management of Yueyun Langri was completed and put into operation, and the commercial development plan was initiated after the relocation of Yangxi Old Terminal had been completed. Yangxi Old Terminal was located at the prime region in Yangxi County, Yangjiang City, nearby the National Highway 325, with the site area of 9,350.95㎡ and the land use right type of granted land for commercial and residential purposes. At present, the land parcel is proposed to be developed at the volume rate of 1.99, the building density of 30% and the green space rate of 30%, while the final indicators are subject to the approval of government authorities. Currently, the project is at the early stage for obtaining the land planning permission and the state-owned land use certificates.

FINANCIAL REVIEW

The Group's annual results for the year ended 31 December 2015

In 2015, the revenue of motor vehicle transportation and auxiliary services and expressway services business segments steadily increased and net profits and net profits attributable to the owners of the Company both significantly increased as the Group expanded the scale of operations, vigorously pushed forward the consolidation of our resources and fully utilized synergy.

For the year ended 31 December 2015, revenue of the Group amounted to RMB8,709 million, representing a decrease of RMB1,169 million or 12% as compared with RMB9,878 million for 2014; gross profit amounted to RMB1,307 million, representing an increase of RMB263 million or approximately 25% as compared to RMB1,044 million for the same period in 2014. The decrease in revenue for 2015 was due to a year-on-year decrease in the price of material logistics business as affected by the market condition and decrease in the supply, and the increase in gross profit was mainly due to significant increase in the income of motor vehicle transportation and auxiliary services and expressway services business.

The Group recorded net profits attributable to the shareholders of the Company (the "**Shareholders**") of RMB266 million for the year ended 31 December 2015, representing an increase of 31% as compared with RMB203 million for 2014; basic earnings per share increased 31% from RMB0.32 for 2014 (restated) to RMB0.42 for 2015.

SEGMENT INFORMATION

Revenue

The revenue of the Group for 2015 was mainly derived from three business segments, namely provision of motor vehicle transportation and auxiliary services, provision of material logistics services and provision of expressway services. Revenue from the Taiping Interchange business was also included in the revenue of the Group. Revenue of the Group for 2015 amounted to RMB8,709 million (2014: RMB9,878 million), representing a decrease of RMB1,169 million or approximately 12% over the same period in 2014, which was mainly due to the reduction of income as a result of decrease in the price of material business and the supply during 2015.

Revenue by business segments (as at 31 December):

	2015		**2014**	
	RMB'000	*Percentage*	*RMB'000*	*Percentage*
Motor vehicle transportation and auxiliary services	3,028,006	35%	2,503,719	25%
Material logistics services	4,656,192	53%	6,491,250	66%
Expressway services	830,387	10%	706,300	7%
Taiping Interchange	191,299	2%	173,174	2%
Others	3,450	0%	3,629	0%
Total	8,709,334	100%	9,878,072	100%

1. ***Motor transportation and auxiliary services***

Motor transportation and auxiliary services are among the major sources of the Group's revenue. Such business recorded revenue of RMB3,028 million (2014: RMB2,504 million) for 2015, representing an increase of RMB524 million, or approximately 21%, as compared to the same period in 2014, and accounting for approximately 35% (2014: 25%) of the Group's total revenue. The increase in revenue was mainly due to (i) the regional companies' heightened synergy from mergers and acquisitions through the growth on the reclaim of proprietary routes, the expansion of the scope of operation and the extension of new routes and passenger sources; and (ii) the Group's acquisition of Shanwei Yueyun under its "merger and acquisition - consolidation - growth" development model in 2015.

2. ***Material logistics services***

Material logistics services are among the major sources of revenue of the Group. During 2015, revenue generated from such services amounted to RMB4,656 million (2014: RMB6,491 million), representing a decrease of RMB1,835 million, or approximately 28%, as compared to the same period in 2014, and accounting for approximately 53% (2014: 66%) of the Group's total revenue. The decrease in revenue was mainly due to a year-on-year decrease in the price of material business as affected by the market price and decrease in the supply.

3. ***Expressway services***

As at 31 December 2015, the number of the Group's operating service zones was 88.5 pairs (2014: 77.5 pairs). The revenue generated from expressway services amounted to RMB830 million (2014: RMB706 million), representing an increase of RMB124 million, or approximately 18%, as compared to the same period in 2014, and accounting for approximately 10% (2014: 7%) of the Group's total revenue. Such revenue growth was mainly attributable to an increased number of service zones and the growth of revenue from one-off admissions fees at petrol stations.

4. ***Taiping interchange***

Revenue from the Taiping Interchange amounted to RMB191 million (2014: RMB173 million) for 2015, representing an increase of RMB18 million, or approximately 10%, as compared to the same period last year. Such change was mainly due to organic increase in traffic volume.

Gross profit

Gross profit of the Group for 2015 amounted to RMB1,307 million (2014: RMB1,044 million), representing an increase of RMB263 million, or approximately 25%, as compared to the same period in 2014, which was mainly attributable to a year-on-year increase in gross profit of motor vehicle transportation and auxiliary services and expressway services business segments during the year.

Gross profit by business segments (as at 31 December):

	2015		2014	
	RMB'000	*Percentage*	*RMB'000*	*Percentage*
Motor vehicle transportation and auxiliary services	743,003	57%	562,059	54%
Material logistics services	179,928	13%	191,807	18%
Expressway services	233,114	18%	154,758	15%
Taiping Interchange	152,554	12%	133,819	13%
Others	(1,824)	0%	1,295	0%
Total	1,306,765	100%	1,043,738	100%

1. ***Motor transportation and auxiliary services***

   Gross profit of motor transportation and auxiliary services for 2015 amounted to RMB743 million (2014: RMB562 million), representing an increase of RMB181 million, or approximately 32%, as compared to the same period last year. Gross profit margin was 25% (2014: 22%) for the year. The increase in gross profit was mainly due to the expansion of the scale of operations and intensive operations in 2015, resulting in an increase in revenue.

2. ***Material logistics services***

   Gross profit from material logistics services business amounted to RMB180 million (2014: RMB192 million), representing a decrease of RMB118 million, or approximately 6%, as compared to the same period last year, which was mainly attributable to a year-on-year decrease in revenue. Gross profit margin was 4% (2014: 3%) for 2015.

3. ***Expressway services***

Expressway services business attained gross profit of RMB233 million (2014: RMB155 million) during 2015, representing an increase of RMB78 million, or approximately 51%, as compared to the same period last year. Gross profit margin was 28% (2014: 22%), which was mainly attributable to an increase in revenue.

4. ***Taiping Interchange***

Gross profit of the Taiping Interchange for 2015 amounted to RMB153 million (2014: RMB134 million), representing a year-on-year increase of RMB19 million or 14%. Gross profit margin was 80% (2014: 77%) for the year. The increase in gross profit margin was mainly due to an increase in revenue during 2015.

Business tax and other surcharges

Business taxes and other surcharges for 2015 amounted to RMB65 million, representing an increase of RMB4 million or 7% as compared with RMB61 million for 2014. The increase was mainly attributable to the business growth.

Selling and administrative expenses

The Group's selling and administrative expenses for 2015 amounted to RMB778 million, representing an increase of RMB161 million or 26% as compared to 2014, which was mainly attributable to (i) the increase in staff costs and remuneration for 2015; and (ii) the new subsidiaries acquired during 2015.

Finance costs

Finance costs incurred for 2015 amounted to RMB70 million, representing an increase of RMB7 million or 11% as compared to 2014, which was mainly due to (i) an expansion of consolidation; and (ii) an increase in net exchange losses.

Provision for impairment losses of assets

Provision for impairment losses of assets for the year amounted to RMB7 million, representing a decrease in impairment losses of RMB12 million or 63% as compared to 2014, mainly due to the decrease in provision for prepayables and other receivables.

Investment income

Investment income for 2015 amounted to RMB32 million, representing an increase of RMB15 million or 86% as compared with RMB17 million in 2014, which was mainly attributable to decrease in profitability of associates during 2015 as compared to 2014.

Liquidity and capital structure

The Group adopted prudent financial management policies towards its financial management. 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, and enhanced capital allocation within the Group through the operation of cash pooling, in order to effectively reduce the need for external borrowings and increase the efficiency of capital utilization.

Unit: RMB'000

Items	**As at 31 December 2015**	**As at 31 December 2014**
Borrowings	1,225,597	939,887
Less: Cash and cash equivalents	1,923,407	1,763,603
Net debt	(697,810)	(823,716)
Total liabilities	4,506,195	4,041,177
Total equity attributable to owners	3,046,589	2,711,903
Total equity	2,348,779	1,888,187
Total assets	7,552,785	6,753,080
Gearing ratio	(29.71%)	(43.62%)
Asset to liability ratio	59.66%	59.84%

Gearing ratio = Net debt/Total equity

Total equity = Net debt + Total equity attributable to owners

Asset to liability ratio = Total liabilities/Total assets

Cash flows

During 2015, the Group satisfied its requirement for payment of its obligations under contracts, expansion and development of core business and general working capital mainly through cash generated from operating activities and bank borrowings. Cash and cash equivalents during 2015 (after excluding the effect of exchange rate movement) were as follows:

Unit: RMB'000

	For the year ended 31 December		
Cash generated from/ (used in)	**2015**	**2014**	**Change**
Operating activities	966,794	701,088	265,706
Investing activities	(864,829)	(375,561)	(489,268)
Financing activities	52,257	(272,302)	324,559

Operating activities

The Group's net inflow from operating activities amounted to RMB967 million during 2015 (2014: net inflow of RMB701 million), representing an increase of RMB266 million, which was mainly attributable to the fact that the Company strengthened its working capital management measures, which resulted in the acceleration of recovery of trade receivables.

Investing activities

The net cash outflow from investing activities during 2015 was RMB864 million (2014: net cash outflow of RMB375 million, representing an increase of RMB489 million, which was mainly attributable to the acquisition of assets for its vehicle transportation and auxiliary services for RMB627 million.

Financing activities

The net cash inflow from financing activities during 2015 was RMB52 million (2014: net outflow of RMB272 million), representing an increase in net inflow of RMB324 million, which was mainly attributable to the issuance of corporate bonds of RMB780 million during the year.

Borrowings position

As at 31 December 2015, outstanding borrowings of the Group was RMB1,225 million, comprising (i) unsecured short-term loans of RMB91 million (31 December 2014: RMB270 million); (ii) secured short-term loans of RMB35 million (31 December 2014: RMB10 million); (iii) secured long-term loans of RMB133 million (31 December 2014: RMB91 million); (iv) unsecured long-term loans of RMB193 million (31 December 2014: RMB263 million); (v) finance lease payables of RMB0.4

million (31 December 2014: RMB1.4 million); and (vi) bonds payable of RMB773 million (31 December 2014: RMB299 million). As at 31 December 2015, the majority of the Group's borrowings were denominated in RMB and were subject to floating or fixed interest rates.

Major acquisitions and establishment of new companies

For the period ended 31 December 2015, the Group invested in the establishment of 2 new companies, including Zhaoqing City Yueyun Travel Agency Company Limited and Yangjiang City Yueyun Langri Motor Vehicles Driving Training Company Limited, and acquired 6 new subsidiaries, including Shanwei City Yueyun Vehicles Transportation Company Limited, Lufeng City Landway Vehicles Transportation Company Limited, Haifeng County Vehicles Transportation Company Limited, Shanwei City Yueyun Public Traffic Company Limited, Shanwei General Vehicles Terminal and Haifeng Vehicles Terminal. The Group had total investment costs of approximately RMB68 million in respect of these new companies.

Pledge of assets

As at 31 December 2015, investment properties at the net value of RMB2 million (31 December 2014: RMB2 million), fixed assets at the net value of RMB202 million (31 December 2014: RMB129 million) and land use rights at the net value of RMB78 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 related to cross-border transportation services. In 2015, the working capital and liquidity of the Group were slightly affected by exchange rate fluctuations. The Directors believe that the Group has sufficient foreign currency to meet its demand. 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

No material contingent liabilities were recorded as at 31 December 2015.

OUTLOOK AND PROSPECTS

In 2016, China's economic development is still confronted with lots of difficulties and challenges, especially severe structural overcapacity. The PRC government will focus on enhancing the supply front structural reform and take the promotion of such reform as an important initiative to adapt to and lead the new normal of economic development. Meanwhile, it will increase the reform and innovation to accelerate the growth of new kinetic energies and the transforming and upgrading of traditional kinetic energies. 2016 is the beginning year for the Group to implement the "13rd Five-Year" Plan in which the Group will pay close attention to macroeconomic trend and industry development, continue to promote the implementation of strategic development plans, accelerate the acquisition and integration of business resources, optimize the adjustment of business structure, leverage on the information-based means to explore customer's needs, increase the efficiency of resource consumption and promote a coordinated and rapid growth of all business segments.

The main business objectives of the Group in 2016 are as follows:

Motor vehicle transportation and auxiliary service

1. To promote the acquisition, merger and integration of motor vehicle transportation enterprises in line with its "Acquisition- Consolidation-Growth" development model.

2. To enhance the reclamation and self-operation of contracted vehicles; increase the cooperation, merger and integration with other transportation subjects within the operating scope to improve its market share on the basis of mutual respect and mutual benefit; strengthen the rural passenger transportation market development, expand the rural passenger terminal network and build a transportation network system integrating passenger transportation routes, urban public transport, taxis and passenger terminal to enhance the overall competitive edges of the transportation industrial chain and establish a differentiated transportation system that can effectively deal with railway transport ; further promote new energy vehicles in line with the State's new energy policies; and deepen the "Five Unification (五統一)" vehicles & accessories bidding and procurement procedures to lower management costs.

3. To integrate information resources and establish an information platform company to provide one-stop travel service solutions; promote the construction and operation of information-based platforms such as networking ticketing, WeChat ticketing and small items express through the internet and deeply explore the commercial value of customer's data resources; actively take part in the pilot reform on autonomous organization of passengers implemented by the Provincial Department of Transportation, study the trans-node adjustment of passenger transportation routes, customized regular bus, customized chartered vehicles, tourism chartered buses and driver training by combining with its own advantages in resources and being guided by market demand to further innovate its operating model and business model.

4. To continue to push forward the construction of passenger terminals; vitalize old terminal resources in ways such as autonomous commercial redevelopment, cooperative development and replacement to fully explore the commercial values of terminals.

5. To continue the improvement of cross-border passenger transportation ticketing platform and explore the function of mobile internet ticketing which is paid in Hong Kong dollars; continue to promote Hong Kong-to-Macao Direct Link Terminal transit project at expressway service zones; advance the layout for establishment of Hong Kong-to-Macao Direct Link Terminal in the western Pearl River Delta to prepare for the transportation business upon the opening of Hong Kong-Zhuhai-Macau Bridge.

Material logistics services

1. To seize the opportunity of accelerated construction of expressways in Guangdong Province to properly manage the material supply for commenced projects of GCGC and proactively develop material supply business for large infrastructure projects not undertaken by GCGC through leveraging on its advantages in resources and brands.

2. To accelerate investment attraction, management and development of Dongguan wharf phase II project to increase the wharf's operating efficiencies.

3. To enhance studies on and demonstration for the business model and profit model of logistics park project and approach advanced logistics enterprises in the industry to strengthen its cooperation with them on the basis of mutual respect and mutual benefit and create new profit growth drivers.

Expressway services

1. To obtain the entrusted operation rights of newly opened service zones and arrange well functional positioning, business planning, merchants' attraction and operation and other pre-stage preparations of such new service zones.

2. To push forward the preparatory work for business transformation of key-node service zones such as Houmen Service Zone and Dahuai Service Zone and excavate to a full extent the commercial value of service zones.

3. To expand oil, gas and electricity terminal business in line with energy development plan and realise self-establishment and self-operation of 12 gas stations along Chaozhou-Huilai Expressway and Jiangmen-Luoding Expressway.

4. To promote the strategies for development of Yueyun retail business, open 150 convenience stores as planned, realise the unified management for storage, logistics and marketing, accelerate the networking of convenience stores and promote the transformation of 3-in-1 stores integrating convenience stores, small items express and networking ticketing.

5. To obtain more outdoor advertising media resources along the expressways and accelerate investment in and construction of expressway new media resources, such as gantries and overpass bridges and other advertising facilities; integrate and develop passenger transportation media resources by extending "digital movie-line + advertisement" project to level II or above Yueyun passenger terminals and speed up the construction of Internet digital media platform; develop and market media resources through enhancement of abilities in marketing and planning as well as customer relationship management.

OTHER INFORMATION

Interests of Directors and Supervisors in Contracts

None of the Directors or Supervisors had any material interest, whether directly or indirectly, in any contract of significance to the business of the Group to which the Company or any of its subsidiaries was a party during the year ended 31 December 2015.

CLOSURE OF REGISTER OF MEMBERS

The AGM will be held on Tuesday, 7 June 2016 and the register of members of the Company will be closed in order to determine the qualification of Shareholders to attend and vote at the AGM and their entitlement to the proposed final dividend payment. The details are as follows:

(i) To determine the qualification of Shareholders to attend and vote at the AGM:

Deadline for lodging transfer documents for registration	4:30 p.m. on Friday, 6 May 2016
Closure of register of members	Monday, 9 May 2016 to Tuesday, 7 June 2016 (both days inclusive)
Date of record	Tuesday, 7 June 2016

(ii) To determine the Shareholders' entitlement to the proposed final dividend payment:

Deadline for lodging transfer documents for registration	4:30 p.m. on Monday, 13 June 2016
Closure of register of members	Tuesday, 14 June 2016 to Monday, 20 June 2016 (both days inclusive)
Date of record	Monday, 20 June 2016

The register of members of the Company will be closed during the above periods. In order to determine the qualification of Shareholders to attend and vote at the AGM and their entitlement to the proposed final dividend payment, all transfer documents accompanied by the relevant share certificates must be lodged with the Company's Hong Kong H share registrar, Computershare Hong Kong Investor Services Limited, at Shops 1712-1716, 17th Floor, Hopewell Centre, 183 Queen's Road East, Hong Kong for registration by the above mentioned deadlines.

PROPOSED PAYMENT OF FINAL DIVIDEND

On 18 March 2016, the Board recommended the distribution of the final dividend in cash of 2015 of RMB0.13 before tax per share. The proposed distribution is subject to approval by shareholders at the annual general meeting.

According to the Law on Enterprise Income Tax Law of the People's Republic of China and the Implementation Rules of the Enterprise Income Tax Law of the People's Republic of China adopted in 2008, the Company shall be obliged to withhold 10% enterprise income tax when it distributes the 2015 final dividend to non-resident enterprise shareholders of overseas H Shares (including Hong Kong Securities Clearing Company Nominees Limited, other corporate nominees or trustees, and other entities or organisations) whose names appear on the Company's H Share register of members at 4:30 p.m. on Monday, 20 June 2016.

According to Notice of the Ministry of Finance and the State Administration of Taxation on Certain Policies Regarding Individual Income Tax (CaiShuiZi [1994] No. 020) 財政部、國家稅務總局關於個人所得稅若干政策問題的通知》(財稅字[1994]020號), individual shareholders of overseas H shares whose names appear on the Company's H share register of members at 4:30 p.m. on Monday, 20 June 2016 and whose registered addresses are located in the Hong Kong or outside China are exempted from individual income tax of China when distribution of 2015 final dividend of the Company is made.

Pursuant to the Individual Income Tax Law of the People's Republic of China and its implementation rules and regulations, the Company shall be obliged to withhold 20% individual income tax when it distributes the 2015 final dividend to individual shareholders of H shares whose names appear on the H share register of members at 4:30 p.m. on Monday, 20 June 2016 and whose registered addresses are located in China.

Above relevant taxation laws and regulations shall be interpreted by the relevant local taxation authority and shall be amended from time to time. Shareholders are suggested to seek advice from their taxation consultants in relation to taxation impacts in the PRC and Hong Kong and other matters arising from the ownership and disposal of the H Shares.

CORPORATE GOVERNANCE

The Company believes that stringent corporate governance practices could enhance its credibility and transparency and are in the interests of the Shareholders. Accordingly, the Company has been making continuous efforts in enhancing its standard of corporate governance with reference to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Listing Rules**"), the articles of association of the Company (the "**Articles of Association**") and other applicable laws and regulations.

The Company had complied with all the provisions of the Corporate Governance Code (the "**CG Code**") contained in Appendix 14 to the Listing Rules for the year ended 31 December 2015.

The Company considers that sufficient measures have been taken to ensure that corporate governance practices of the Company were in line with the CG Code for the year ended 31 December 2015.

MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS AND SUPERVISORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") as set out in Appendix 10 to the Listing Rules as its own code of conduct regarding the Directors' and Supervisors' securities transactions for the Year. The Company had made specific enquiries of all Directors and Supervisors and they have confirmed that they had complied with the required standard as set out in the Model Code for the Year.

COMMITTEES OF THE BOARD

The Company has established the Audit and Corporate Governance Committee, the Remuneration Committee and the Nomination Committee.

The Company's Audit and Corporate Governance Committee, Remuneration Committee and Nomination Committee have laid down specific terms of reference, detailing the powers and responsibilities of these committees. All the committees report their decisions or submit their proposals to the Board within their authorities. Under certain circumstances, they have to request for the Board's approval before taking any actions.

Audit and Corporate Governance Committee

The Company has established the Audit and Corporate Governance Committee in compliance with the CG Code. The Company has been in compliance with the requirements relating to the audit committee as set out in Rule 3.21 of the Listing Rules for the year ended 31 December 2015. The primary duties of the Audit and Corporate Governance Committee are, among others, to appoint external auditors, review and supervise the Group's financial reporting process, review interim and annual results and internal control system of the Group and provide advice and comments to the Board, and monitor the corporate governance of the Company.

As at 31 December 2015, the Audit and Corporate Governance Committee had a total of three members, including two independent non-executive Directors, namely Mr. Peng Xiaolei (chairman) and Mr. Liu Shaobo, and one non-executive Director, namely Mr. Li Bin. The members of the Audit and Corporate Governance Committee met regularly with the management and external auditors and reviewed the external audit reports and financial statements of the Group, and made recommendations thereon. The Company has reported the financial position and internal audit results of the Company to the Audit and Corporate Governance Committee regularly. The Audit and Corporate Governance Committee has reviewed the audited financial statements of the Group for the year ended 31 December 2015 and recommended their adoption by the Board.

The Audit and Corporate Governance Committee reviews and monitors the Company's corporate governance, and makes recommendations thereon. The conduct, compliance and corporate governance of directors, supervisors, senior management and employees are regulated by the Articles of Association and internal rules and systems of the Company. The Audit and Corporate Governance Committee reviews and monitors whether the directors, management and employees of the Company have complied with the CG Code, the Articles of Association and internal rules and systems. The Company's supervision and audit department carries out audit and supervision on the internal control system construction and compliance of the Company and its subsidiaries in accordance with the term of reference, and reports to the Audit and Corporate Governance Committee on its works.

The Audit and Corporate Governance Committee held two meetings during the year ended 31 December 2015 with an average attendance rate of 100%. The Audit and Corporate Governance Committee members' attendance records of the Audit and Corporate Governance Committee's meetings for the year ended 31 December 2015 are set out below:

	Meetings attended/held	**Attendance rate**
Mr. Peng Xiaolei (Chairman)	2/2	100%
Mr. Liu Shaobo	2/2	100%
Mr. Li Bin	2/2	100%

Remuneration Committee

The Company has also established a remuneration committee (the "**Remuneration Committee**") to advise the Board in respect of the remuneration policy and structure of Directors and senior management of the Company and of the establishment of a formal and transparent remuneration policy; to review and approve the remuneration recommendations by the management according to the corporate policies and objectives set by the Board; to recommend to the Board the remuneration packages of Directors and senior management of the Company; to assess the performance of the executive Directors; to recommend and establish annual and long-term performance criteria and targets as well as to review and supervise the implementation of all executive compensation packages and employee benefit plans.

As at 31 December 2015, the Remuneration Committee comprised two independent non-executive Directors, Mr. Gui Shouping and Mr. Liu Shaobo, and one non-executive Director, Mr. Li Bin. Mr. Gui Shouping is the chairman of the Remuneration Committee. The Remuneration Committee held four meetings during the year with 100% attendance rate. The Remuneration Committee proposed recommendations on improving the Company's remuneration policy for 2015 and advised on the remuneration of newly appointed members of senior management.

The Remuneration Committee members' attendance records of the Remuneration Committee's meetings for the year ended 31 December 2015 are set out below:

	Meetings attended/held
Mr. Gui Shouping (Chairman)	4/4
Mr. Liu Shaobo	4/4
Mr. Li Bin	4/4

Nomination Committee

The Company has also established a nomination committee (the "**Nomination Committee**"), which is mainly responsible for reviewing the structure and composition of the Board and making recommendations on the appointment of Directors and shall be accountable to the Board. As at 31 December 2015, the Nomination Committee had one executive Director, Mr. Xuan Zongmin, and two independent non-executive Directors, Mr. Gui Shouping and Mr. Liu Shaobo. Mr. Xuan Zongmin is the chairman of the Nomination Committee.

The Board has adopted a board diversity policy and its aims to set out the approach to achieve diversity on the Board. The Company recognises and embraces the benefits of having a diverse Board to enhance the quality of its performance. It endeavours to ensure that the Board has a balance of skills, experience and diversity of perspectives appropriate to the requirements of the Company's business. The Nomination Committee reviews the measurable objectives for implementing diversity on the Board. Selection of candidates will be based on a range of diversity perspectives, including but not limited to gender, age, educational background, professional experience, skills and knowledge. The ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board.

The Nomination Committee nominates candidates for appointment as Directors. After considering the structure and personnel of the Board of Directors, provisions of the Articles of Association relevant to the Board, the education history, professional background and working experience of the proposed Director nominees, those who are considered to be suitable Director candidates will be recommended by members of the Nomination Committee to the Board of Directors for submission to the Shareholders' meeting by the Board for approval of appointments.

The Nomination Committee members' attendance records of the Nomination Committee's meetings for the year ended 31 December 2015 are set out below:

	Meeting attended/held
Mr. Xuan Zongmin (Chairman)	1/1
Mr. Liu Shaobo	1/1
Mr. Gui Shouping	1/1

SUPERVISORY COMMITTEE

The Supervisory Committee comprises seven members, including two independent Supervisors (namely, Ms. Lu Zhenghua and Mr. Bai Hua), two Supervisors appointed by Shareholders (namely, Ms. Ling Ping and Ms. Li Haihong), and three Supervisors representing the staff of the Group (namely, Ms. Zhang Linian, Ms. Zhang Anli and Mr. Zhen Jianhui). The Supervisory Committee is responsible for supervising the Board, the Directors as well as the senior management of the Company, so as to prevent them from abusing their power to damage the lawful rights and interests of the Shareholders, the Company and its staff. For the year ended 31 December 2015, the Supervisory Committee reviewed and examined the financial position and the legal compliance of the operations of the Company and performed its duties in a proactive and diligent manner under the principles of due care through convening the Supervisory Committee's meetings and attending the Board meetings of the Company.

During the year ended 31 December 2015, the Supervisory Committee held two meetings with 100% attendance rate.

Repurchase, Sale or Redemption of the Company's Shares

During the reporting period, the Company did not redeem any of its shares. Neither the Company nor its subsidiaries repurchased or sold any shares of the Company for the year ended 31 December 2015.

Pre-emptive Rights

The Articles of Association and the laws of the PRC contain no provision for any pre-emptive rights, requiring the Company to offer new shares to Shareholders on a pro-rata basis to their shareholdings.

EMPLOYEES AND REMUNERATION POLICIES

As at 31 December 2015, the Group had 20,516 (As at 31 December 2014: 18,633) employees and the staff costs (including remuneration of Directors) of the Group was RMB1,558 million (As at 31 December 2014: RMB1,161 million) for the year.

The remuneration of the employees of the Group (including the executive Directors) comprises of basic salary, allowance and performance bonus. The basic salary is determined according to the position, work experience, academic background and capacities of the employees. The performance bonus is determined according to the performance assessment results and contribution of the employees. The remuneration of the independent non-executive Directors of the Company is determined with reference to the remuneration standards in the capital market for independent non-executive directors of companies with similar business scope and scale. The non-executive Directors have agreed not to receive any remuneration as non-executive Directors of the Company.

AUDITOR

The Company has appointed KPMG Huazhen LLP as the auditor of the Company for the year ended 31 December 2015. KPMG Huazhen LLP has conducted the audit of the Group's 2015 annual financial statements which are prepared in accordance with the requirements of Accounting Standard for Business Enterprises and has issued an unqualified audit opinion thereon.

DISCLOSURE OF INFORMATION ON THE STOCK EXCHANGE AND THE COMPANY'S WEBSITE

The electronic version of this announcement has been published on the website of the Stock Exchange (http://www.hkex.com.hk). An annual report for the year ended 31 December 2015 containing all the information required by Appendix 16 to the Listing Rules will be dispatched to Shareholders and published on the website of the Stock Exchange in due course.

The Company maintains its website at http://www.gdyueyun.com, where extensive information and updates on the Company's business developments and operations, financial information, corporate governance practices and other information are posted.

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

Guangzhou, the PRC
18 March 2016

As at the date of this announcement, the Board comprises Mr. Xuan Zongmin, Mr. Tang Yinghai, Mr.Yao Hanxiong, Mr. Fei Dachuan and Mr. Guo Junfa as executive directors 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*