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 2019 INTERIM RESULTS

RESULTS AND BUSINESS HIGHLIGHTS:

	For the six months ended		
	30 June 2019	30 June 2018	**Change**
	RMB'000	*RMB'000*	*%*
	(unaudited)	*(unaudited)*	
		(restated)	
Revenue	**3,163,963**	3,183,477	(1%)
Net profit	**234,205**	224,833	4%
Net profit attributable to shareholders of the Company	**185,652**	198,312	(6%)
Basic earnings per share	**RMB0.23**	RMB0.25	(6%)
Diluted earnings per share	**RMB0.23**	RMB0.25	(6%)

- The revenue of the Group for the six months ended 30 June 2019 was approximately RMB3,163.963 million, representing a decrease of approximately RMB19.514 million or 1% as compared to the corresponding period in 2018.

- The net profit for the six months ended 30 June 2019 was approximately RMB234.205 million, representing an increase of approximately RMB9.372 million or 4% as compared to the corresponding period in 2018.

- Net profit attributable to shareholders of the Company for the six months ended 30 June 2019 was approximately RMB185.652 million, representing a decrease of approximately RMB12.660 million or 6% as compared to the corresponding period in 2018.

- For the six months ended 30 June 2019, both basic earnings per share and diluted earnings per share were RMB0.23.

- The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2019.

- A final dividend of RMB0.17 (inclusive of tax) per ordinary share for year 2018 was approved by shareholders of the Company at the annual general meeting held on 17 June 2019.

The board of directors (the “**Board**”) of Guangdong Yueyun Transportation Company Limited (the “**Company**”) is pleased to announce the unaudited consolidated interim results of the Company and its subsidiaries (the “**Group**”) for the six months ended 30 June 2019. The unaudited consolidated interim results of the Group for the six months ended 30 June 2019 have been reviewed by the Audit & Corporate Governance Committee of the Company (the “**Audit & Corporate Governance Committee**”). The auditor of the Company, KPMG Huazhen LLP, has also reviewed the unaudited consolidated interim results for the six months ended 30 June 2019 in accordance with Chinese Standards on Review No. 2101-Engagements to Review Financial Statements issued by the Chinese Institute of Certified Public Accountants. The majority of the members of the Audit & Corporate Governance Committee are independent non-executive Directors.

CONSOLIDATED BALANCE SHEET AS AT 30 JUNE 2019 (UNAUDITED)

(Expressed in Renminbi Yuan)

	Note	**As at 30 June 2019**	As at 31 December 2018 (Restated)	As at 1 January 2018 (Restated)
Assets				
Current Assets				
Cash at bank and on hand		**1,240,082,384.11**	1,143,157,699.63	1,876,354,128.50
Bills receivable		**536,544.00**	310,802.08	36,505,607.26
Accounts receivable	*4*	**483,789,122.60**	426,222,382.00	837,980,469.99
Prepayments		**209,357,177.53**	222,312,580.62	322,606,973.48
Other receivables		**538,367,087.65**	453,775,869.01	411,818,958.72
Inventories		**91,454,495.81**	106,939,985.13	190,235,150.79
Non-current assets due within one year		**1,443,009.93**	2,140,743.97	31,874,195.35
Other current assets		**40,409,352.06**	60,846,815.21	35,531,593.57
Total current assets		**2,605,439,173.69**	2,415,706,877.65	3,742,907,077.66
Non-current assets				
Long-term receivables		**1,891,222.11**	5,946,238.22	7,030,155.67
Long-term equity investments		**401,981,958.69**	381,990,308.58	332,013,785.00
Investments in other equity instruments		**1,217,588.22**	1,217,588.22	563,228.22
Investment properties		**110,428,103.70**	118,809,826.85	180,291,731.04
Fixed assets	*5*	**3,042,390,130.61**	2,763,675,916.53	2,550,000,887.54
Construction in progress		**567,907,784.88**	709,268,163.04	316,762,995.42
Right-of-use assets	*25*	**1,835,897,144.79**	1,902,086,097.35	1,678,863,130.14
Intangible assets	*6*	**1,061,516,913.66**	1,060,822,345.19	1,128,291,589.11
Goodwill		**104,166,326.02**	104,166,326.02	104,166,326.02
Long-term deferred expenses		**99,097,645.52**	93,418,686.31	49,115,649.79
Deferred tax assets		**253,406,892.01**	242,602,345.03	256,914,325.25
Other non-current assets		**277,759,107.28**	246,935,701.65	241,883,140.90
Total non-current assets		**7,757,660,817.49**	7,630,939,542.99	6,845,896,944.10
Total assets		**10,363,099,991.18**	10,046,646,420.64	10,588,804,021.76

CONSOLIDATED BALANCE SHEET AS AT 30 JUNE 2019 (UNAUDITED) (CONTINUED)
(Expressed in Renminbi Yuan)

	Note	**As at 30 June 2019**	As at 31 December 2018 (Restated)	As at 1 January 2018 (Restated)
Liabilities and shareholders' equity				
Current liabilities				
Short-term loans	*7*	**166,800,000.00**	109,800,000.00	217,806,642.67
Bills payable		**30,443,784.00**	12,944,770.00	787,530,251.25
Accounts payable	*8*	**707,676,621.07**	785,953,601.19	833,670,350.03
Advances from customers		**126,215,774.33**	123,093,399.15	138,115,894.24
Contract liabilities		**42,100,210.47**	40,781,584.69	58,385,230.80
Employee benefits payable		**178,313,777.79**	172,099,984.53	188,163,521.91
Taxes payable		**102,102,534.09**	91,056,056.87	174,924,497.04
Other payables		**882,993,815.57**	732,675,635.19	696,811,970.82
Non-current liabilities due within one year	*9*	**446,591,748.67**	412,432,246.82	234,379,452.04
Total current liabilities		**2,683,238,265.99**	2,480,837,278.44	3,329,787,810.80
Non-current liabilities				
Long-term loans	*10*	**737,185,696.74**	771,403,711.60	558,075,133.02
Bonds payable	*11*	**736,934,135.17**	736,339,628.81	775,310,816.19
Lease liabilities	*25*	**1,776,265,808.28**	1,847,447,781.79	1,610,306,451.87
Long-term payables		**227,347,071.41**	119,721,290.95	34,843,075.91
Long-term employee benefits payable		**157,335,747.44**	163,746,337.18	181,270,744.39
Provisions		**–**	428,464.61	1,646,679.43
Deferred income		**518,315,932.37**	489,864,404.78	520,711,271.94
Deferred tax liabilities		**57,816,153.55**	51,768,940.47	28,447,231.25
Total non-current liabilities		**4,211,200,544.96**	4,180,720,560.19	3,710,611,404.00
Total liabilities		**6,894,438,810.95**	6,661,557,838.63	7,040,399,214.80

CONSOLIDATED BALANCE SHEET AS AT 30 JUNE 2019 (UNAUDITED) (CONTINUED)

(Expressed in Renminbi Yuan)

	Note	**As at 30 June 2019**	As at 31 December 2018 (Restated)	As at 1 January 2018 (Restated)
Liabilities and shareholders' equity (continued)				
Shareholders' equity				
Share capital		**799,847,800.00**	799,847,800.00	799,847,800.00
Capital reserve		**18,800,491.50**	18,800,491.50	215,513,875.00
Other comprehensive income		**(22,490,062.32)**	(23,237,976.16)	(34,424,759.18)
Special reserve		**27,656,935.17**	27,547,836.20	34,202,615.37
Surplus reserve		**192,696,148.28**	193,639,642.56	186,668,434.59
Retained earnings	*12*	**1,276,069,167.09**	1,226,390,895.15	1,153,257,858.61
Equity attributable to shareholders of the Company		**2,292,580,479.72**	2,242,988,689.25	2,355,065,824.39
Non-controlling interests		**1,176,080,700.51**	1,142,099,892.76	1,193,338,982.57
Total shareholders' equity		**3,468,661,180.23**	3,385,088,582.01	3,548,404,806.96
Total liabilities and shareholders' equity		**10,363,099,991.18**	10,046,646,420.64	10,588,804,021.76

CONSOLIDATED INCOME STATEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2019 (UNAUDITED)

(Expressed in Renminbi Yuan)

		Note	For the six months ended 30 June	
			2019	2018 (Restated)
I.	Operating income		**3,163,962,846.12**	3,183,476,580.93
	Less: Operating costs		**2,561,897,578.81**	2,596,349,267.93
	Taxes and surcharges		**20,215,411.08**	22,347,398.47
	Selling and distribution expenses		**34,191,425.37**	30,237,807.58
	General and administrative expenses		**327,300,494.06**	324,233,014.88
	Research and development expenses		**–**	548,365.55
	Financial expenses	*13*	**87,789,235.35**	75,461,209.05
	Including: Interest expenses		**39,266,142.28**	31,766,878.18
	Interest income		**8,316,437.69**	10,756,159.67
	Impairment losses	*14*	**890,780.00**	3,049,432.24
	Accrual/(reversal) of credit losses	*15*	**5,663,737.89**	(47,965,656.73)
	Add: Other income	*16*	**163,770,273.49**	105,841,343.47
	Investment income	*17*	**18,252,363.48**	22,393,778.74
	Including: Income from investments in associates and joint ventures		**18,781,071.17**	22,616,451.30
	Gains from asset disposals	*18*	**3,143,405.50**	307,747.06
II.	Operating profit		**311,180,226.03**	307,758,611.23
	Add: Non-operating income	*19*	**5,748,313.20**	4,298,606.67
	Less: Non-operating expenses		**6,108,457.95**	5,597,529.91
III.	Profit before income tax		**310,820,081.28**	306,459,687.99
	Less: Income tax expenses	*20*	**76,615,503.51**	81,627,093.17

CONSOLIDATED INCOME STATEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2019 (UNAUDITED) (CONTINUED)

(Expressed in Renminbi Yuan)

	Note	For the six months ended 30 June **2019**	2018 (Restated)
IV. Net profit for the period		**234,204,577.77**	224,832,594.82
(1) Net profit classified by continuity of operations			
1. Net profit from continuing operations		**234,204,577.77**	224,832,594.82
2. Net profit from discontinued operations		**–**	–
(2) Net profit classified by ownership			
1. Non-controlling interests		**48,552,179.83**	26,520,299.52
2. Shareholders of the Company		**185,652,397.94**	198,312,295.30
V. Other comprehensive income, net of tax			
Other comprehensive income (net of tax) attributable to shareholders of the Company		**747,913.84**	1,362,564.69
(1) Items that will not be reclassified to profit or loss:			
1. Remeasurement of defined benefit plan		**(409,356.42)**	(308,723.92)
2. Changes in fair value of investments in other equity instruments		**–**	(102,484.19)
(2). Items that may be reclassified to profit or loss:			
1. Translation differences arising from translation of foreign currency financial statements		**1,157,270.26**	1,773,772.80
Other comprehensive income (net of tax) attributable to non-controlling interests		**609,473.25**	711,727.41
VI. Total comprehensive income for the period		**235,561,964.86**	226,906,886.92
Attributable to:			
Shareholders of the Company		**186,400,311.78**	199,674,859.99
Non-controlling interests		**49,161,653.08**	27,232,026.93
VII. Earnings per share			
(I) Basic earnings per share	*21*	**0.23**	0.25
(II) Diluted earnings per share	*21*	**0.23**	0.25

Note: For a business combination involving entities under common control which occurred in the six months ended 30 June 2018, the net profit of the investees before being consolidated was RMB5,282,794.19.

NOTES
(Expressed in Renminbi Yuan)

1 BASIS OF PREPARATION OF INTERIM FINANCIAL REPORT

The unaudited interim financial information was extracted from the interim financial report of the Group for the six months ended 30 June 2019.

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

2 CHANGES IN SIGNIFICANT ACCOUNTING POLICIES

(1) Description and reasons of the changes

In 2019, the Group has applied below revised accounting standards issued by the MOF in 2018 and 2019:

- CAS No.21 – Leases (Revised) (the "new leases standard")
- Notice on Revision of the 2019 Illustrative Financial Statements (Caikuai [2019] No.6)

The significant accounting policies after adopting the Accounting Standards for Business Enterprises mentioned above are listed as below:

New leases standard

A lease is a contract that conveys the right to use an asset for a period of time in exchange for consideration.

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange of consideration.

To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether:

– the contract involves the use of an identified asset. An identified asset may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified;

– the lessee has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of uses; and

– the lessee has the right to direct the use of the asset.

For a contract that contains multiple lease components, the lessee and lessor separates and accounts for each lease component as a lease separately. For a contract that contains lease and non-lease components, the lessee and lessor separates the lease and non-lease components. However, for the leases of land and buildings in which it is a lessee, the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component. When separating the lease and non-lease components of a contract, the lessee allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components. The lessor allocates the consideration in the contract in accordance with the principles of transaction price allocation described in the Standard of Revenue.

(i) the Group as a lessee

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The righ-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

If it is reasonably certain that the lease will transfer ownership of the underlying asset to the lessee by the end of the lease term, the Group depreciates the right-of-use asset from the commencement date to the end of the useful life of the underlying asset. Otherwise, the Group depreciate the right-of-use asset from the commencement date to the earilier of the end of the useful life of the right-of-use asset or the end of the lease term. Impairment losses are recognised in accordance with the accounting policy described in the Standard of Impairment of assets.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate.

The Group calculates interest expenses in each period during the lease term based on a constant periodic rate of interest, and recognizes the interest expenses in profit or loss or part of the cost of another related assets.Variable lease payments not included in the measurement of the lease liability are recognized in profit or loss or part of the cost of another related asset as incurred.

After the commencement date, the Group remeasures the lease liability by discounting the revised lease payments, if either:

– there is a change in the amounts expected to be payable under a residual value guarantee;

– there is a change in futhure lease payments resulting from a change in an index or a rate used to determine those payments;

– there is a change in the assessment of an option to purchase the underlying asset, to extend or terminate the lease, or the exercise of the option to extend or terminate the lease is different from the previous assessment.

When the lease liability is remeasured, the Group recognises the amount of the remeasurement of the lease liability as an adjustment to the righ-of-use asset. However, if the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Group recognises any remaining amount of the remeasurement in profit or loss.

The Group has elected not to recongise right-of-use assets and lease liabilities for short-term leases (leases that have a lease term of 12 months or less) and leases of low-value assets, and recognized the lease payments associated with these leases in profit or loss or part of the cost of another related assets on a straight-line basis over the lease term.

(ii) the Group as a lessor

At the lease inception date, the Group classify each of its leases as either a finance lease or an operating lease. A finance lease is a lease that transfers substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee, irrespective of whether the legal title to the asset is eventually transferred. An operating lease is a lease other than a finance lease.

When the Group is an intermediate lessor, it assesses the lease classification of a sublease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sublease as an operating lease.

Under finance leases, at the commencement date, the Group recognises finance lease receivable and derecognises the underlying assets. The Group initially measures finance lease receivable in the amount of net investment in the lease. Net investment in the lease is the sum of present value of unguaranteed residual value and the lease payments receivable at the commencement date, discounted at the interest rate implicit in the lease.

The Group calculates and recognises finance income in each period during the lease term, based on a constant periodic rate of interest. The derecognition and impairment losses are recognised in accordance with the accounting policy described in the Standard of Recognition and measurement of Financial instruments. Variable lease payments not included in the measurement of the net investment in the lease are recognized in profit or loss as incurred.

Lease payments received under operating leases are recognised as lease income on a straight-line basis over the lease term. The Group capitalises the initial direct costs incurred in obtaining an operating lease and recognises those costs as an expense over the lease term on the same basis as the lease income. Variable lease payments not included in the measurement of the net investment in the lease are recognized in profit or loss as incurred.

(2) Major impact of changes in accounting policies

(a) Caikuai [2019] No.6

The Group has prepared the interim financial statements for the six-month period ended 30 June 2019 in accordance with the presentation format of the financial statements specified in Caikuai [2019] No.6 and applied the new presentation requirements retrospectively.

Affected assets and liabilities items in the consolidated balance sheet as at 31 December 2018:

	Before adjustments	**Adjustments**	**After adjustments**
Bills and accounts receivable	426,533,184.08	(426,533,184.08)	–
Bills receivable	–	310,802.08	310,802.08
Accounts receivable	–	426,222,382.00	426,222,382.00
Bills and accounts payable (Note)	798,898,371.19	(798,898,371.19)	–
Bills payable	–	12,944,770.00	12,944,770.00
Accounts payable	–	785,953,601.19	785,953,601.19
Total		–	

Note: The impact of retrospective adjustments of the new leases standard (Note 2(2)(b)) has been considered.

(b) New leases standard

The new leases standard revised CAS No.21 – Leases issued by the MOF in 2006 (the "previous leases standard"). The Group has applied the new leases standard since 1 January 2019 and adjusted the related accounting policies.

The new leases standard introduces the definition of a lease. The Group assesses whether a contract is, or contains, a lease in accordance with the definition of a lease under the new leases standard. For contracts entered into before the date of initial application, the Group has elected not to reassess whether the contract is, or contains, a lease.

- the Group as a lessee

  Under the privious leases standard, the Group classifies each of its leases as either a finance lease or an operating lease, based on the assessment of whether the leaese transfer substantially all the risks and rewards incidental to ownership of an underlying asset to the Group.

  Under the new leases standard, the Group no longer classifies finance lease and operating lease. The Group recognises a right-of-use asset and a lease liability for all leases (except for short-term leases and leases of low-value assets which the Group elects to apply the simplified measurement method).

  When separating the lease and non-lease components of a contract, the lessee allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

  The Group has applied the new leases standard since 1 January 2019 and elected to restate the comparative information.

- the Group as a lessor

  Under the new leases standard, when the Group is an intermediate lessor, it assesses the lease classification of a sublease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. For subleases that were classified as operating leases before the date of initial application and are ongoing at the date of initial application, the Group reassess the subleases on the basis of the remaining contractual terms and conditions of the lead lease and sublease at the date of initial application and makes classification in accorandce with the requirements of the new leases standard. For subleases that were classified as operating leases applying the previous leases standard but finance leases applying the new leases standard, the Group accounts for the sublease as a new finance lease.

  As a lessor, there is no need for the Group to adjust the balance of retained earnings at the beginning of the year and other items of financial statements of the year of initial application. The Group accounts for the leases in accordance with the requirements of the new leases standard from the date of initial application.

  Under the new leases standard, the Group allocates the consideration in the contract to each lease component and non-lease component in accordance with the principles of transaction price allocation in the new revenue standard.

- Impact on the financial statements of applying the new leases standard since 1 January 2019

  Based on the comparative financial statements retrospectively adjusted in accordance with the requirements of Caikuai [2019] No.6, the summary of impact of applying the new leases standard on items of the consolidated balance sheet, consolidated income statement and consolidated cash flow statement is as below:

	As at 31 December 2017 Before adjustments	As at 1 January 2018 After adjustments	Adjustments
Prepayments	330,959,378.33	322,606,973.48	(8,352,404.85)
Fixed assets	2,683,689,257.33	2,550,000,887.54	(133,688,369.79)
Right-of-use assets	–	1,678,863,130.14	1,678,863,130.14
Long-term deferred expenses	52,170,691.55	49,115,649.79	(3,055,041.76)
Deferred tax assets	215,501,150.20	256,914,325.25	41,413,175.05
Other non-current assets	411,886,142.50	241,883,140.90	(170,003,001.60)
Accounts payable	854,672,300.91	833,670,350.03	(21,001,950.88)
Non-current liabilities due within one year	158,346,422.54	234,379,452.04	76,033,029.50
Lease liabilities	–	1,610,306,451.87	1,610,306,451.87
Long-term payables	165,168,357.56	34,843,075.91	(130,325,281.65)
Other comprehensive income	(34,414,839.74)	(34,424,759.18)	(9,919.44)
Retained earnings	1,275,233,926.21	1,153,257,858.61	(121,976,067.60)
Non-controlling interests	1,201,187,757.18	1,193,338,982.57	(7,848,774.61)

	As at 31 December 2018 Before adjustments	As at 31 December 2018 After adjustments	Adjustments
Prepayments	231,456,090.43	222,312,580.62	(9,143,509.81)
Non-current assets due within one year	3,484,750.69	2,140,743.97	(1,344,006.72)
Fixed assets	2,944,332,851.94	2,763,675,916.53	(180,656,935.41)
Right-of-use assets	–	1,902,086,097.35	1,902,086,097.35
Long-term deferred expenses	96,170,748.72	93,418,686.31	(2,752,062.41)
Deferred tax assets	195,669,154.81	242,602,345.03	46,933,190.22
Other non-current assets	411,720,977.48	246,935,701.65	(164,785,275.83)
Accounts payable	824,201,021.31	785,953,601.19	(38,247,420.12)
Non-current liabilities due within one year	319,724,895.49	412,432,246.82	92,707,351.33
Lease liabilities	–	1,847,447,781.79	1,847,447,781.79
Long-term payables	282,816,003.27	119,721,290.95	(163,094,712.32)
Other comprehensive income	(23,217,197.24)	(23,237,976.16)	(20,778.92)
Retained earnings	1,365,334,887.44	1,226,390,895.15	(138,943,992.29)
Non-controlling interests	1,151,610,624.84	1,142,099,892.76	(9,510,732.08)

	For the six months ended 30 June 2018 Before adjustments	For the six months ended 30 June 2018 After adjustments	Adjustments
Operating costs	2,625,163,950.43	2,596,349,267.93	(28,814,682.50)
Selling and distribution expenses	30,258,913.92	30,237,807.58	(21,106.34)
General and administrative expenses	324,341,814.19	324,233,014.88	(108,799.31)
Financial expenses	31,861,180.65	75,461,209.05	43,600,028.40
Gain from asset disposals	262,810.93	307,747.06	44,936.13
Income tax expenses	85,046,398.56	81,627,093.17	(3,419,305.39)
Non-controlling interests	27,367,078.27	26,520,299.52	(846,778.75)
Payment for goods and services	2,449,145,175.59	2,358,177,072.01	(90,968,103.58)
Payment relating to other operating activities	117,573,819.68	113,618,269.32	(3,955,550.36)
Payment for acquisition of fixed assets, intangible assets and other long-term assets	513,035,970.57	479,730,902.67	(33,305,067.90)
Payment for lease liability principal and interest	–	128,228,721.84	128,228,721.84

3 BUSINESS COMBINATIONS AND CONSOLIDATED INTERIM FINANCIAL REPORT

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

No.	Full name of the subsidiary	Type	Incorporation place	Registration place	Business nature	Registration capital *RMB*	Period end actual investment *RMB*	Share holding percentage *%*	Voting rights percentage *%*
1	Heyuan Yuancheng Yunshun Passenger Transport Co., Ltd.	Domestic and non-financial	Guangdong China	Guangdong China	Domestic transportation	100,000.00	100,000.00	100	100

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

No.	Full name of the subsidiary	Type	Incorporation place	Registration place	Business nature	Registration capital *RMB*	Period end actual investment *RMB*	Share holding percentage *%*	Voting rights percentage *%*
1	Shaoguan Jitongtu Automobile Transportation Co., Ltd.	Domestic and non-financial	Guangdong China	Guangdong China	Domestic transportation	16,180,000.00	16,180,000.00	100	100

(3) Former subsidiaries that ceased to be consolidated during the period

Guangdong Yueyun Transportation Technology Service (Guangzhou) Co., Ltd., a subsidiary of the Group, was deregistrated on 19 February 2019. Its operating results and cash flows before the date of deregistration have been included in the Group's consolidated income statement and consolidated cash flow statement for the six months ended 30 June 2019. Lianping Yueyun Passenger Transportation Co., Ltd., a subsidiary of the Group, was disposed on 28 June 2019. Its operating results and cash flows before the date of deregistration have been included in the Group's consolidated income statement and consolidated cash flow statement for the six months ended 30 June 2019.

4 ACCOUNTS RECEIVABLE

(1) The ageing analysis of accounts receivable is as follows:

Ageing	**As at 30 June 2019** ***RMB***	As at 31 December 2018 *RMB*
Within 3 months (inclusive)	**415,468,548.98**	364,964,328.60
Over 3 months and within 6 months (inclusive)	**63,761,178.99**	21,554,047.37
Over 6 months and within 1 year (inclusive)	**3,256,804.46**	24,531,868.92
Over 1 year and within 2 years (inclusive)	**9,221,678.23**	18,064,655.08
Over 2 years and within 3 years (inclusive)	**4,804,912.45**	7,071,593.91
Over 3 years	**38,772,801.85**	39,084,836.13
Sub-total	**535,285,924.96**	475,271,330.01
Less: Provisions for bad and doubtful debts	**(51,496,802.36)**	(49,048,948.01)
Total	**483,789,122.60**	426,222,382.00

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

(2) Impairment of accounts receivable

The Group measures loss allowances for accounts receivable at an amount equal to lifetime ECLs, which is calculated using a provision matrix based on ageing of accounts receivable. As the Group's historical credit loss experience indicates that significantly different loss patterns for different segments, the loss allowances based on ageing information is further distinguished between the Group's different customer bases, which include road passenger transportation and auxiliary services, expressway service zones services and constructions materials supply for the purpose of measuring ECLs.

	ECL	As at 30 June 2019 Book value *RMB*	As at 30 June 2019 Provisions for bad and doubtful debts *RMB*	As at 31 December 2018 Book value *RMB*	As at 31 December 2018 Provisions for bad and doubtful debts *RMB*
Road passenger transportation and auxiliary services					
Within one year (inclusive)	5%	**297,265,208.37**	**(14,877,255.64)**	186,234,578.55	(9,439,173.34)
Over 1 year and within 2 years (inclusive)	35%	**6,861,322.31**	**(2,409,372.72)**	6,437,650.75	(2,253,177.76)
Over 2 years and within 3 years (inclusive)	50%	**3,606,433.21**	**(1,804,581.65)**	2,626,414.34	(1,313,207.17)
Over 3 years	100%	**6,288,543.72**	**(6,288,543.72)**	5,527,868.11	(5,527,868.11)
Sub-total		**314,021,507.61**	**(25,379,753.73)**	200,826,511.75	(18,533,426.38)
Expressway service zones services					
Within one year (inclusive)	5%	**43,626,679.90**	**(2,199,607.98)**	49,618,374.29	(2,480,918.71)
Over 1 year and within 2 years (inclusive)	10%	**2,360,355.92**	**(236,035.59)**	3,061,576.56	(306,157.66)
Over 2 years and within 3 years (inclusive)	30%	**1,118,762.73**	**(335,628.82)**	661,008.44	(198,302.53)
Over 3 years	50%	**1,118,633.29**	**(559,316.65)**	848,734.90	(424,367.45)
Sub-total		**48,224,431.84**	**(3,330,589.04)**	54,189,694.19	(3,409,746.35)
Constructions materials supply					
Within one year (inclusive)	5%	**141,594,644.16**	**(7,079,732.22)**	175,197,292.05	(8,759,864.60)
Over 1 year and within 2 years (inclusive)	10%	**–**	**–**	8,565,427.77	(856,542.78)
Over 2 years and within 3 years (inclusive)	30%	**79,716.51**	**(23,914.95)**	3,784,171.13	(1,135,251.34)
Over 3 years	50%	**31,365,624.84**	**(15,682,812.42)**	32,708,233.12	(16,354,116.56)
Sub-total		**173,039,985.51**	**(22,786,459.59)**	220,255,124.07	(27,105,775.28)
Total		**535,285,924.96**	**(51,496,802.36)**	475,271,330.01	(49,048,948.01)

Expected loss rates are based on actual loss experience over the past years. These rates are adjusted to reflect differences between economic conditions during the period over which the historic data has been collected, current conditions and the Group's view of economic conditions over the expected lives of the receivables.

(3) The analysis of the movements of credit loss for accounts receivable for the six months ended 30 June 2019 and the year ended 31 December 2018 is as follows:

	For the six months ended 30 June **2019** ***RMB***	2018 *RMB*
Adjusted balance at the beginning of the period / year	**(49,048,948.01)**	(114,389,948.74)
(Addition) / reversal during the period / year	**(2,446,011.46)**	36,518,790.86
Written-off during the period / year	**2,808.00**	604,626.80
(Increase) / Decrease resulting from consolidation scope change during the period / year	**(4,650.89)**	28,217,583.07
Balance at the end of the period / year	**(51,496,802.36)**	(49,048,948.01)

5 FIXED ASSETS

	Note 3	Buildings and structures *RMB*	Building improvements *RMB*	Machinery and equipment *RMB*	Electronic equipment, office equipment and others *RMB*	Transportation vehicles *RMB*	Total *RMB*
Cost							
Balance as at 31 December 2018 (Restated)		1,398,426,706.45	189,680,156.46	88,112,537.47	327,549,202.79	3,338,348,881.96	5,342,117,485.13
Additions during the period		82,609.11	21,262,614.63	1,947,869.42	17,936,654.00	61,118,030.41	102,347,777.57
Transferred from construction in progress		75,061,081.18	60,680,679.49	2,422,852.47	11,916,523.33	309,371,567.98	459,452,704.45
Transferred from investment properties		9,826,244.44	–	–	–	–	9,826,244.44
Additions arising from business combinations not under common control	*(2)*	–	–	–	300,470.28	11,723,844.42	12,024,314.70
Foreign currency financial statement translation differences		153,667.64	–	4,489.13	28,553.54	1,013,889.28	1,200,599.59
Disposals during the period		(3,724,702.93)	(457,953.40)	(2,121,597.29)	(5,823,798.83)	(98,918,044.93)	(111,046,097.38)
Transferred to investment properties		(24,619.72)	–	–	–	–	(24,619.72)
Deductions resulting from consolidation scope change	*(3)*	–	–	–	(29,506.00)	(10,234,689.97)	(10,264,195.97)
Balance as at 30 June 2019		1,479,800,986.17	271,165,497.18	90,366,151.20	351,878,099.11	3,612,423,479.15	5,805,634,212.81

	Note 3	Buildings and structures *RMB*	Building improvements *RMB*	Machinery and equipment *RMB*	Electronic equipment, office equipment and others *RMB*	Transportation vehicles *RMB*	Total *RMB*
Less: Accumulated depreciation							
Balance as at 31 December 2018 (Restated)		(350,201,448.81)	(114,508,926.58)	(30,294,314.55)	(226,735,503.64)	(1,851,000,692.96)	(2,572,740,886.54)
Charges during the period		(23,951,460.35)	(3,269,225.29)	(6,091,455.92)	(24,709,089.27)	(221,722,037.68)	(279,743,268.51)
Transferred from investment properties		(3,283,957.64)	–	–	–	–	(3,283,957.64)
Transferred to investment properties		2,816.84	–	–	–	–	2,816.84
Foreign currency financial statement translation differences		(56,722.62)	–	(4,278.99)	(20,220.04)	(801,682.27)	(882,903.92)
Written off on disposal		3,164,927.56	–	87,612.73	5,594,123.63	84,906,661.72	93,753,325.64
Deductions resulting from consolidation scope change	*(3)*	–	–	–	24,307.36	4,950,175.17	4,974,482.53
Balance as at 30 June 2019		(374,325,845.02)	(117,778,151.87)	(36,302,436.73)	(245,846,381.96)	(1,983,667,576.02)	(2,757,920,391.60)
Less: Provision for impairment							
Balance as at 31 December 2018		–	–	–	–	(5,700,682.06)	(5,700,682.06)
Written off on disposal		–	–	–	–	376,991.46	376,991.46
Balance as at 30 June 2019		–	–	–	–	(5,323,690.60)	(5,323,690.60)
Carrying amount							
As at 30 June 2019		1,105,475,141.15	153,387,345.31	54,063,714.47	106,031,717.15	1,623,432,212.53	3,042,390,130.61
As at 31 December 2018 (Restated)		1,048,225,257.64	75,171,229.88	57,818,222.92	100,813,699.15	1,481,647,506.94	2,763,675,916.53

As at 30 June 2019, fixed assets with carrying amount of RMB184,566,961.66 (31 December 2018: RMB183,372,960.62) were pledged for bank borrowings, among which, RMB165,554,899.25 were pledged for long-term loans (31 December 2018: RMB165,645,309.27) and RMB19,012,062.41 were pledged for short-term loans (31 December 2018: RMB17,727,651.35).

On 30 June 2019, the buildings and structures in certain cities have not yet obtained the certificates of title. As at 30 June 2019, the carrying amount of such buildings was RMB228,773,279.83 (31 December 2018: RMB251,072,321.25).

6 INTANGIBLE ASSETS

	Land use rights *RMB*	Joint operation earning rights *RMB*	Software *RMB*	Passenger service licenses *RMB*	Station and toll bridge franchise operating rights *RMB*	Line license use rights *RMB*	Others *RMB*	Total *RMB*
Cost								
Balance as at 31 December 2018	858,533,697.82	42,747,190.60	58,433,491.77	38,397,151.83	387,478,456.26	211,240,494.78	4,246,379.48	1,601,076,862.54
Additions during the period	3,317,500.00	–	4,666,403.63	–	–	25,281,235.70	–	33,265,139.33
Foreign currency financial statement translation differences	151,237.66	–	–	153,378.26	–	–	–	304,615.92
Balance as at 30 June 2019	862,002,435.48	42,747,190.60	63,099,895.40	38,550,530.09	387,478,456.26	236,521,730.48	4,246,379.48	1,634,646,617.79
Accumulated amortisation								
Balance as at 31 December 2018	(131,957,394.46)	(15,607,120.68)	(30,411,954.75)	–	(248,805,230.09)	(112,180,297.35)	(1,292,520.02)	(540,254,517.35)
Charges during the period	(9,022,434.28)	(1,950,890.09)	(4,180,922.47)	–	(9,063,990.18)	(8,542,588.95)	(58,926.32)	(32,819,752.29)
Foreign currency financial statement translation differences	(55,434.49)	–	–	–	–	–	–	(55,434.49)
Balance as at 30 June 2019	(141,035,263.23)	(17,558,010.77)	(34,592,877.22)	–	(257,869,220.27)	(120,722,886.30)	(1,351,446.34)	(573,129,704.13)
Carrying amount								
As at 30 June 2019	720,967,172.25	25,189,179.83	28,507,018.18	38,550,530.09	129,609,235.99	115,798,844.18	2,894,933.14	1,061,516,913.66
As at 31 December 2018	726,576,303.36	27,140,069.92	28,021,537.02	38,397,151.83	138,673,226.17	99,060,197.43	2,953,859.46	1,060,822,345.19

As at 30 June 2019, land use rights with carrying amount of RMB88,667,372.03 (31 December 2018: RMB89,478,176.85) were obtained through allocation.

As at 30 June 2019, the Guang-Shen-Zhu Expressway Taiping Interchange franchise operating right with carrying amount of RMB82,985,337.22 (31 December 2018: RMB91,440,914.14) was pledged as counter guarantee to GCGC in connection with the issuance of the 2014 corporate bonds of the Group as mentioned in Note 11. In addition, land use rights with carrying amount of RMB159,669,488.35 (31 December 2018: RMB171,389,758.04) were pledged for bank loans, among which, RMB123,666,533.54 were pledged for long-term loans (31 December 2018: RMB155,809,179.83), RMB36,002,954.81 were pledged for short-term loans (31 December 2018: RMB15,580,578.21), and RMB931,902.00 were pledged for long-term payables (31 December 2018: RMB931,902.00). As at 30 June 2019, there were no other restricted intangible assets of the Group.

As at 30 June 2019, the carrying amount of the land use rights located in certain cities without certificates of title was RMB11,261,923.70 (31 December 2018: RMB14,685,234.20).

7 SHORT-TERM LOANS

		As at 30 June 2019 *RMB*	As at 31 December 2018 *RMB*
Unsecured loans		**72,000,000.00**	80,000,000.00
Including: Loans from banks		**42,000,000.00**	40,000,000.00
Loans from GCG Finance		**30,000,000.00**	40,000,000.00
Loans secured by mortgages	*Note 1*	**69,800,000.00**	29,800,000.00
Loans secured by pledges	*Note 2*	**25,000,000.00**	–
Total	*Note 3*	**166,800,000.00**	109,800,000.00

Note 1: For the details of assets pledged for secured loans as at 30 June 2019 and 31 December 2018, please refer to Note 5 and 6.

Note 2: As at 30 June 2019, the loans from Shanwei Rural Commercial Bank were secured by the pledged properties, which is the central grants receivable by subsidiaries of the Group, including Shanwei City Yueyun Public Transportation Co., Ltd., Haifeng Yueyun Public Transportation Co., Ltd., Lufeng Yueyun Public Transportation Co., Ltd. and Luhe Yueyun Public Transportation Co., Ltd., regarding to the 2017 & 2018 energy conservation and the operation of new energy public vehicles.

Note 3: As at 30 June 2019, the Group's short-term loans were borrowings from banks and other financial institutions within 1 year, which bear interest rates ranging from 4.26% to 4.35% per annum (31 December 2018: 4.26% to 4.35% per annum). The Group had no overdue short-term loans as at 30 June 2019 (31 December 2018: Nil).

8 ACCOUNTS PAYABLE

(1) The ageing analysis of accounts payable is as follows:

Ageing	**As at 30 June 2019** ***RMB***	As at 31 December 2018 *RMB* (Restated)
Within 3 months (inclusive)	**393,667,667.38**	585,826,661.79
Over 3 months and within 6 months (inclusive)	**55,139,789.88**	39,495,554.32
Over 6 months and within 1 year (inclusive)	**175,870,365.29**	81,254,774.62
Over 1 year and within 2 years (inclusive)	**45,047,117.40**	43,061,775.35
Over 2 years and within 3 years (inclusive)	**7,130,359.94**	8,814,955.24
Over 3 years	**30,821,321.18**	27,499,879.87
Total	**707,676,621.07**	785,953,601.19

(2) The nature analysis of accounts payable is as follows:

Items	**As at 30 June 2019** ***RMB***	As at 31 December 2018 *RMB* (Restated)
Materials payable	**88,328,459.91**	116,842,610.55
Transportation fee payable	**159,091,660.55**	123,813,486.50
Contract payments for cars	**229,155,563.49**	357,766,982.87
Progress payments for constructions	**145,097,376.76**	120,150,478.82
Contract payment for expressway service zone	**30,156,629.48**	7,469,545.93
Fuel expenses payable	**29,607,885.72**	12,140,234.77
Service fees	**8,691,884.66**	15,015,428.80
Others	**17,547,160.50**	32,754,832.95
Total	**707,676,621.07**	785,953,601.19

9 NON-CURRENT LIABILITIES DUE WITHIN ONE YEAR

	Note	**As at 30 June 2019** ***RMB***	As at 31 December 2018 *RMB* (Restated)
Long-term loans due within one year	*10*	**256,847,081.52**	174,492,358.73
Long-term payables due within one year		**27,889,631.00**	35,447,842.40
Deferred income due within one year		**–**	48,629,127.26
Lease liabilities due within one year	*25(2)*	**161,855,036.15**	153,862,918.43
Total		**446,591,748.67**	412,432,246.82

10 LONG-TERM LOANS

		As at 30 June 2019 RMB	As at 31 December 2018 RMB
Unsecured loans		**684,266,782.55**	630,073,915.15
Including: Loans from banks		**39,116,782.55**	42,873,915.15
Loans from GCG Finance		**645,150,000.00**	587,200,000.00
Loans secured by mortgages	*Note 1*	**69,659,917.99**	94,772,765.15
Guaranteed loans	*Note 2*	**50,749,794.99**	63,163,451.67
Guaranteed and mortaged loans	*Note 3*	**81,849,028.58**	83,348,674.29
Unsecured and mortaged loans	*Note 4*	**107,507,254.15**	74,537,264.07
Total	*Note 5*	**994,032,778.26**	945,896,070.33
Less: Long-term loans due within one year			
Including: Unsecured loans		**(200,997,771.42)**	(93,668,637.36)
Loans secured by mortgages		**(19,150,193.37)**	(48,687,943.77)
Guaranteed loans		**(23,597,188.36)**	(24,827,313.32)
Guaranteed and mortaged loans		**(11,101,928.37)**	(7,308,464.28)
Unsecured and mortaged loans		**(2,000,000.00)**	–
Sub-total *(Note 9)*		**(256,847,081.52)**	(174,492,358.73)
Long-term loans due after 1 year		**737,185,696.74**	771,403,711.60
Including: Due after 1 year but within 2 years		**300,648,614.92**	403,627,330.81
Due after 2 years but within 5 years		**436,537,081.82**	367,776,380.79

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

Note 2: As at 30 June 2019 and 31 December 2018, the Group's guaranteed loans were from the subsidiary Foshan City Yueyun Public Transportation Co., Ltd., which were guaranteed by the third party, Zhengzhou Anchi Bonding Co., Ltd.

Note 3: As at 30 June 2019 and 31 December 2018, Mortgage and guarantee loans held by the Group include the loans borrowed by the subsidiaries: Heyuan Yueyun Motor Transportation Co., Ltd. with land as collateral, and joint liability guaranteed by shareholders for the remaining exposures in proportion to their shareholdings; and the loans borrowed by Zhaoqing City Yueyun Motor Transportation Co., Ltd. Shaoguan Yueyun Vehicles Transportation Co., Ltd. and Meizhou Yueyun Motor Transportation Co., Ltd., with vehicles as collateral and Zhengzhou Anchi Bonding Co., Ltd. as joint liability guarantee.

Note 4: As at 30 June 2019 and 31 December 2018, Guangdong Top-E Expressway Service Zone Company Limited, a subsidiary of the Group, received loans on credit with additional guarantee by its land use rights and buildings.

Note 5: As at 30 June 2019, the Group's long-term loans were borrowings from banks and other financial institutions with interest rates ranging from 4.28% to 4.90% per annum (31 December 2018: 4.28% to 5.23% per annum). The Group did not have any expired but outstanding long-term loans as at 30 June 2019 (31 December 2018: Nil).

11 BONDS PAYABLE

Items	Face value	Issuing date	Period	Issuing amount	Carrying amount as at 1 January 2019	Amortisation for the period	Carrying amount as at 30 June 2019
	RMB			*RMB*	*RMB*	*RMB*	*RMB*
2014 corporate bond (first phase)	400,000,000.00	28/09/2015	7 years	400,000,000.00	397,924,333.14	257,620.22	398,181,953.36
2014 corporate bond (second phase)	340,000,000.00	17/12/2015	5 years	340,000,000.00	338,415,295.67	336,886.14	338,752,181.81
Total	740,000,000.00			740,000,000.00	736,339,628.81	594,506.36	736,934,135.17

The bonds are long-term bonds issued by the Company with the Morgan Stanley Huaxin Securities Company Limited as a lead underwriter. Relevant interest is calculated and paid annually at a coupon rate of 4.20% and 4.50% per annum respectively and the principal will be returned upon maturity, with the Company being entitled at its option to adjust its bond rate and its investors being entitled to request the Company to redeem all or a portion of the bonds after five and three years after the issue date respectively. 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 Interchange franchise operating right.

12 RETAINED EARNINGS

		For the six months ended 30 June	
		2019	2018
		RMB	*RMB*
			(Restated)
Retained earnings at the beginning of the period (Restated)		**1,226,390,895.15**	1,153,257,858.61
Add: Net profit attributable to the shareholders of the Company for the period		**185,652,397.94**	198,312,295.30
Less: Final dividends in respect of the previous financial year, approved and declared during the interim period	*Note 1*	**(135,974,126.00)**	(127,975,648.00)
Business combinations involving enterprises under common control		**–**	(88,466,457.62)
Retained earnings at the end of the period	*Note 2*	**1,276,069,167.09**	1,135,128,048.29
Including: Interim dividend approved and declared after the balance sheet date of the interim period	*Note 3*	**–**	–

Note 1: A final dividend of RMB0.17 per share (tax included) for year 2018 was approved for distribution by shareholders at the Annual General Meeting held on 17 June 2019. The total amount of 2018 final dividend was RMB135,974,126.00, calculated based on the total number of shares of 799,847,800 (corresponding period in 2018: RMB0.16 per share (tax included), amounting to RMB127,975,648.00 in total).

Note 2: As at 30 June 2019, the Group's retained earnings included appropriation to surplus reserve by subsidiaries amounting to RMB366,323,532.13 (31 December 2018: RMB366,366,703.44).

Note 3: The Board does not recommend distribution of an interim dividend for the period (corresponding period in 2018: Nil).

13 FINANCIAL EXPENSES

		For the six months ended 30 June	
		2019	2018
		RMB	*RMB*
			(Restated)
Interest expenses from loans and bonds	*Note 1*	**42,477,933.42**	34,671,095.53
Less: Borrowing costs capitalised	*Note 2*	**3,211,791.14**	2,904,217.35
Net interest expenses		**39,266,142.28**	31,766,878.18
Less: Interest income		**8,316,437.69**	10,756,159.67
Net exchange gains		**(1,859,488.37)**	(1,698,980.86)
Amortisation of unrecognised financial charges		**4,301,836.03**	3,047,646.47
Interest expenses from lease liabilities		**50,780,212.58**	48,681,929.16
Others		**3,616,970.52**	4,419,895.77
Total		**87,789,235.35**	75,461,209.05

Note 1: Interest expenses related to bank loans of the Group for current period due within 5 years were RMB26,665,011.45 (corresponding period in 2018: RMB18,921,480.56). Interest expenses related to other borrowings were RMB15,812,921.97 (corresponding period in 2018: RMB15,749,614.97).

Note 2: Capitalised interest expenses of the Group for current period were RMB3,211,791.14 (corresponding period in 2018: RMB2,904,217.35).

14 IMPAIRMENT LOSSES

	For the six months ended 30 June	
	2019	2018
	RMB	*RMB*
Inventories	**(39,220.00)**	–
Long-term equity investments	**930,000.00**	–
Fixed assets	**–**	665,909.49
Other non-current assets	**–**	2,383,522.75
Total	**890,780.00**	3,049,432.24

15 ACCRUAL/(REVERSAL) OF CREDIT LOSSES

	For the six months ended 30 June	
	2019	2018
	RMB	*RMB*
Accounts receivable	**2,446,011.46**	(32,318,700.98)
Other receivables	**3,217,726.43**	(15,646,955.75)
Total	**5,663,737.89**	(47,965,656.73)

16 GOVERNMENT GRANTS

Other income

		For the six months ended 30 June	
		2019	2018
		RMB	*RMB*
Government grants related to assets	*Note (1)*	**31,363,869.53**	21,566,599.85
Government grants related to income	*Note (2)*	**132,406,403.96**	84,274,743.62
Total		**163,770,273.49**	105,841,343.47

Non-operating income

	For the six months ended 30 June	
	2019	2018
	RMB	*RMB*
Government grants related to income	**1,588,466.08**	1,394,597.83

(1) Government grants related to assets

Government grants of the Group that are related to assets during this period are summarised as follows:

Items	Balance of deferred income at the beginning of the period *RMB*	Additions during the period *RMB*	Recognition as other income *RMB*	Balance of deferred income at the end of the period *RMB*
Subsidies for vehicles replacement	8,306,665.52	347,287.49	1,251,640.21	7,402,312.80
Subsidies for assets renovation	87,485,505.47	2,300,000.00	3,466,203.40	86,319,302.07
Tax subsidies for vehicle purchases	13,289,111.39	–	212,765.94	13,076,345.45
Subsidies of procurement of new energy vehicles	133,195,864.17	18,658,830.00	25,369,672.87	126,485,021.30
Software development subsidies	300,000.00	–	–	300,000.00
Other subsidies related to assets	3,965,347.91	4,412,936.88	1,063,587.11	7,314,697.68
Total	246,542,494.46	25,719,054.37	31,363,869.53	240,897,679.30

(2) Government grants related to income

Government grants of the Group that are related to income during this period are summarised as follows:

Impact on income statement items

(a) Offsetting against operation costs:

Item	For the six months ended 30 June **2019** *RMB*	2018 *RMB*
Fuel subsidies	**57,230,690.18**	46,909,583.69

(b) Recognising as other income:

Items	For the six months ended 30 June **2019** *RMB*	2018 *RMB*
Subsidies for operation of bus lines	**43,651,800.00**	22,197,416.29
Subsidies for operation of new energy vehicles	**77,915,000.00**	57,779,488.72
Subsidies of elderly concessionary travel card	**9,836,329.26**	3,296,638.59
Other subsidies	**1,003,274.70**	1,001,200.02
Total	**132,406,403.96**	84,274,743.62

(c) Recognising as non-operating income:

Items	For the six months ended 30 June **2019** *RMB*	2018 *RMB*
Subsidies for vehicle disposals	**364,000.00**	1,102,283.20
Other subsidies	**1,224,466.08**	292,314.63
Total	**1,588,466.08**	1,394,597.83

17 INVESTMENT INCOME

	For the six months ended 30 June	
	2019	2018
	RMB	*RMB*
Income from investments using equity method	**18,781,071.17**	22,616,451.30
Others	**(528,707.69)**	(222,672.56)
Total	**18,252,363.48**	22,393,778.74

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

18 GAINS FROM ASSET DISPOSALS

	For the six months ended 30 June	
	2019	2018
	RMB	*RMB*
		(Restated)
Gains on disposals of fixed assets	**2,197,528.21**	262,810.93
Gains on disposals of right-of-use assets	**945,877.29**	44,936.13
Total	**3,143,405.50**	307,747.06

19 NON-OPERATING INCOME

	For the six months ended 30 June	
	2019	2018
	RMB	*RMB*
Gains on disposals of non-current assets	**1,391,813.24**	384,519.47
Government grants	**1,588,466.08**	1,394,597.83
Others	**2,768,033.88**	2,519,489.37
Total	**5,748,313.20**	4,298,606.67

20 INCOME TAX EXPENSES

	For the six months ended 30 June	
	2019	2018
	RMB	*RMB*
		(Restated)
Current tax expenses for the period based on tax law and regulations	**80,865,438.28**	73,369,346.71
Changes in deferred tax	**(4,754,742.56)**	8,861,943.66
Adjustment of tax filing differences	**504,807.79**	(604,197.20)
Total	**76,615,503.51**	81,627,093.17

21 EARNINGS PER SHARE

(a) Basic earnings per share

Basic 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 during the period. The calculation is as follows:

	For the six months ended 30 June	
	2019	2018
	RMB	*RMB*
		(Restated)
Net profit attributable to shareholders of the Company	**185,652,397.94**	198,312,295.30
Weighted average number of ordinary shares in issue during the period	**799,847,800.00**	799,847,800.00
Basic earnings per share (RMB/share)	**0.23**	0.25

(b) Diluted earnings per share

The amounts of diluted earnings per share are the same as basic earnings per share as there were no dilutive potential ordinary shares in existence for the six months ended 30 June 2019 and 2018.

22 SEGMENT REPORTING

Based on the Group's internal organisation structure, management requirement and internal reporting policy, the operations of the Group were classified into three segments, including travel services, material logistics and other business. Each reportable segment is a separate business unit which offers different products and services, and is managed separately because they require different technology and marketing strategies.

(1) Segment reporting

	Travel services *RMB*	Material logistics *RMB*	Other business *RMB*	Inter-segment elimination *RMB*	Total *RMB*
For the six months ended 30 June 2019					
Operating income					
External income	2,945,798,165.50	214,275,184.31	3,889,496.31	–	3,163,962,846.12
Inter-segment income	–	–	3,179,687.17	(3,179,687.17)	–
Total segment operating income	2,945,798,165.50	214,275,184.31	7,069,183.48	(3,179,687.17)	3,163,962,846.12
Total segment operating costs	2,351,928,273.00	208,854,044.93	2,343,774.68	(1,228,513.80)	2,561,897,578.81
Segment operating profit	299,197,900.57	13,049,381.11	1,732,778.00	(2,799,833.65)	311,180,226.03
For the six months ended 30 June 2018					
Operating income					
External income	2,600,572,498.29	579,920,313.39	2,983,769.25	–	3,183,476,580.93
Inter-segment income	–	–	3,940,106.01	(3,940,106.01)	–
Total segment operating income	2,600,572,498.29	579,920,313.39	6,923,875.26	(3,940,106.01)	3,183,476,580.93
Total segment operating costs (Restated)	2,058,640,427.06	534,533,399.22	3,217,736.93	(42,295.28)	2,596,349,267.93
Segment operating profit (Restated)	233,124,681.84	74,423,431.84	521,063.36	(310,565.81)	307,758,611.23
As at 30 June 2019					
Total segment assets	13,106,403,971.80	30,914,615.70	41,621,347.69	(2,815,839,944.01)	10,363,099,991.18
Total segment liabilities	8,049,661,257.10	15,796,947.55	53,821,890.39	(1,224,841,284.09)	6,894,438,810.95
As at 31 December 2018					
Total segment assets (Restated)	12,532,269,467.72	30,868,726.02	40,553,542.25	(2,557,045,315.35)	10,046,646,420.64
Total segment liabilities (Restated)	7,507,040,930.75	18,583,961.48	54,011,017.78	(918,078,071.38)	6,661,557,838.63

(2) Geographic information

The Group's operating income comes from mainland China and Hong Kong, among which, the income comes from Hong Kong amounted to RMB165,401,859.40 in the current period (corresponding period in 2018: RMB128,741,583.16). As at 30 June 2019, the Group's non-current assets held by the Hong Kong operations amounted to RMB213,541,183.01 (31 December 2018 (restated): RMB221,993,540.96).

(3) Major customers

No operating income from one single customer of the Group was above 10% of the Group's total operating income for the current period and the corresponding period of 2018.

23 NET CURRENT LIABILITIES

	As at 30 June 2019 *RMB*	As at 31 December 2018 *RMB* (Restated)
Current assets	**2,605,439,173.69**	2,415,706,877.65
Less: Current liabilities	**2,683,238,265.99**	2,480,837,278.44
Net current liabilities	**(77,799,092.30)**	(65,130,400.79)

24 TOTAL ASSETS LESS CURRENT LIABILITIES

	As at 30 June 2019 *RMB*	As at 31 December 2018 *RMB* (Restated)
Total assets	**10,363,099,991.18**	10,046,646,420.64
Less: Current liabilities	**2,683,238,265.99**	2,480,837,278.44
Total assets less current liabilities	**7,679,861,725.19**	7,565,809,142.20

25 LEASES

(1) Right-of-use assets

	Buildings *RMB*	Transportation vehicles *RMB*	Lease of land *RMB*	Others *RMB*	Total *RMB*
Cost					
Balance as at 31 December 2018 (Restated)	2,212,709,783.00	255,765,698.27	109,253,783.42	22,748,493.32	2,600,477,758.01
Additions during the period	239,849,277.32	404,067.34	252,274.95	51,078.47	240,556,698.08
Decrease during the period	(225,784,172.90)	–	(262,228.94)	(444,253.17)	(226,490,655.01)
Balance as at 30 June 2019	2,226,774,887.42	256,169,765.61	109,243,829.43	22,355,318.62	2,614,543,801.08
Accumulated depreciation					
Balance as at 31 December 2018 (Restated)	(581,681,182.62)	(73,917,050.76)	(30,085,739.21)	(12,707,688.07)	(698,391,660.66)
Balance as at 30 June 2019	(635,379,121.07)	(94,533,014.69)	(33,503,358.77)	(15,231,161.76)	(778,646,656.29)
Carrying amount					
Balance as at 31 December 2018 (Restated)	1,631,028,600.38	181,848,647.51	79,168,044.21	10,040,805.25	1,902,086,097.35
Balance as at 30 June 2019	1,591,395,766.35	161,636,750.92	75,740,470.66	7,124,156.86	1,835,897,144.79

As at 30 June 2019 and 31 December 2018, transportation vehicles with carrying amount of RMB160,226,840.47 and RMB180,656,935.41 were pledged for obligations under leases.

(2) Lease liabilities

	Note	**As at 30 June 2019** ***RMB***	As at 31 December 2018 *RMB* (Restated)
Long-term lease liabilities		**1,938,120,844.43**	2,001,310,700.22
Less: Lease liabilities due within one year	*9*	**161,855,036.15**	153,862,918.43
Total		**1,776,265,808.28**	1,847,447,781.79

26 COMPARATIVE FIGURES

As described in Note 2, the Group has changed certain accounting policies and made retrospective adjustments where required (including adjustments to comparative figures).

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Group actively promoted the layout for travel service business and strived to integrate its operation into the development of the Guangdong-Hong Kong-Macao Greater Bay Area and the coordinated development and construction of Guangdong in the form of "one centre, one belt and one region" by actively advancing the development of its energy business, convenience stores business and merchant solicitation business as the three engines, which provided new driving forces for continuous transformation and upgrading of our travel service business. The Group highly emphasized on capital operations and expansion of value of its capital, and actively promoted the Company's return to the A-share market. During the first half of the year, the Company has completed the update on pre-disclosure of the application proof of its prospectus with an aim to become a "H+A" listed company in order to better leverage the capital markets in Mainland China and Hong Kong for higher quality, more efficient and more sustainable development.

TRAVEL SERVICES SEGMENT

1. Road passenger transportation and auxiliary services

As a leader in the road passenger transportation industry in the Guangdong province, the Group committed to the wisdom of Yueyun for adjustment and reform of the road passenger transportation industry policies and improving user experience by proposing the Yueyun proposal. By seeking support from governments at all level and market expansion, the Group has been expanding its regional transportation network, striving to achieve breakthrough in bottlenecks of business development and facilitating organic development of its passenger transportation business. The policy of "One County One Target" for consolidation of transportation resources was actively promoted. Solid efforts have been made to adjust the structure of the business and the new mode of operation through organic combination of franchised routes and areas was explored. We put efforts on promoting the development of the integrated transportation network services business that covers both rural passenger transportation and urban public transportation, and continued to promote public transportation transformation for inter-county routes and rural passenger transport lines. We accelerated our efforts to optimize the structure of models of vehicles to accelerate optimization and upgrading of capacities of vehicles. We accelerated our efforts to optimize the structure of transportation capacities of "big, medium and small-sized" models of vehicles. With focus on promoting rational and diverse operation of vehicles, we promote diverse services offering of core routes. We further promoted the application of new energy vehicles with 3,662 self-owned new energy vehicles, which represent a year-on-year increase of 36.74%. We vigorously promoted the development of the integrated urban and rural passenger transportation business and integrated travel services (including automobile leasing, charter coach, taxis and transportation +tourism services). We made solid efforts to integration of routes and cut certain underperforming long-haul routes. The Group actively promoted its regional companies to develop passenger transportation business, which enabled the smooth operation of public transportation TC (Transport Community) model in Zengcheng. During the first half of the year, we have reclaimed 643 contracted vehicles for self-operation. The proportion of our vehicles for self-operation to the total number of vehicles continued to increase. We have made efforts to improve our services and maintain our brand image, in order to improve efficiency of passenger transportation while effectively reduce the risk of accidents.

The Group is committed to construct an integrated comprehensive travel service platform with the support of informationization, and accelerated to promote online and offline vehicle resources integration of the Group, With Yuexing (悅行) platform and the WeChat Public Platform of Yueyun Transport to achieve the core objective of "travel with only one button", we successfully launched online travel products including ticketing with single network in the Guangdong province, charter coach for tourist travel and urban customized travel. We continued to deepen the transformation and upgrading of the digital road and passenger transportation business to achieve improvement experience. As at 30 June 2019, the total value of tickets sold online amounted to RMB312 million, representing a year-on-year increase of 21.44%, of which the value of tickets sold on the WeChat Public Platform of Yueyun Transport amounted to RMB149 million, representing a year-on-year increase of 227.8%. The Group has successively obtained the licenses for online taxi booking business operation in 7 cities, including Guangzhou, Zhongshan, Heyuan, Zhaoqing, Chaozhou, Shaoguan and Yangjiang. We will work with potential strategic partners in exploring possibilities of market-oriented development and actively response to the challenges in the passenger transportation market with evolving demand.

By active participation in constructing the comprehensive transportation network system of the Guangdong-Hong Kong-Macao Greater Bay Area, the Group has been performing well in the operation of the shuttle bus franchise project of the Hong Kong-Zhuhai-Macao Bridge. Having fully leveraged on the cross-border platform, our business has fully captured the unpreceded opportunities of development arising from the operation of the Hong Kong-Zhuhai-Macao Bridge and the construction of the Guangdong-Hong Kong-Macao Greater Bay Area. We fully played the role of "cross-border platform" in the areas of customized passenger transport lines, cross-border short-distance and charter coach and "cross-border transportation + domestic transportation" mode of transportation to facilitate quality development of the cross-border passenger transportation business.

During the first half of the year, we expanded mileages through the traffic rescue business in the area of rescue services on expressway, with mileages of 5124 kilometres, representing a year-on-year increase of 15.05%. "Yueyun Rescue" has gained greater advantages in terms of network and scale, with a year-on-year increase of 28.64% in the number of calls for rescue. Through standard management and optimizing the establishment of the stations, joint administration by road administration brigades and traffic police, the punctuality rate of onsite-rescue and clearance has been improving, which benefited us in enhancing our brand image and achieving improvement in economic and social benefits.

2. Expressway service zones operation

(1) Energy business

The Group has attached great importance to the strategic value of "Yueyun Energy", and has continued to expand its business scope and accelerated the expansion of the network of the self-operated stations, in order to steadily expand the market share of its gas stations and continuously expand influence of "Yueyun Energy" as our brand. As at 30 June 2019, the Group operated 34 self-operated gas stations, representing a year-on-year increase of 11 stations. We have commenced the upgrading and construction of four gas stations which have been reclaimed for self-operation in Shayong, Shunjing, Huanggang and Wengyuan. We are constructing four gas stations in Shaoguan, Chengbei and Yingde.

We continued to strengthen the supply of petroleum to some passenger transportation companies of the Group through equipment and facilities in the skidmounted stations, and thus effectively reduced fuel costs of passenger transportation companies of the Group. We have made thorough adjustments to the strategic cooperation with Sinopec and PetroChina, and accelerated the expansion in investment and capital contribution in the joint ventures, in order to develop new ways of cooperation for mutual benefits.

The Group vigorously improved service quality and operating capability of "Yueyun Energy" and attached great importance to sophisticated management. Through various measures of "one station, one strategy", standard management and marketing events for members, the operating efficiency have been improving. We continued to implement the incentive and assessment plan for total tonnage at gas stations, which benefited us in enhancing marketing capabilities in the gas station market.

The Group steadily promoted the establishment of the network of charging business in accordance with the business plans of charging piles, prioritized construction of inter-city power charging facilities on national expressways within the Guangdong Province according to the requirements of "One Vertical, One Horizontal and Two Radial" and as an auxiliary service in the service zones of expressways in the Pearl River Delta Region, and promoted the interconnection between urban charging stations and social charging platforms for increasing the utilization rate of urban charging piles. As at 30 June 2019, the Group built 41 charging stations for passenger transportation terminals, 516 charging piles, 65 charging stations in service zones and 226 charging piles.

(2) Convenience stores business

During the first half of the year, "Yueyun Loyee" convenience stores has steadily expanded scale of convenience stores with a focus on maximizing economic benefits. Through resources integration of online malls and offline stores, we introduced the "amoeba" mode of operating management, by which the retail business will be divided into units on the business boundaries of three major business centres, namely procurement and sales, delivery and retail, while internal rules and price will be determined for transactions and assessed value will be fixed through internal trading. This approach achieved actual participation by all employees in operation and management, effectively enhancing overall competitiveness of our business. As at 30 June 2019, the Group operated 534 convenience stores, representing a year-on-year increase of 87 stores.

We further strengthened our strategy of marketing of special local products in Guangdong by enhancing the development of supply chain for special local products in Guangdong and continued to fully implement the pilot operating system of special local products, under which we delegated the power of procurement and operation of special local products to various sites, improving flexibility in business. Currently, there are over 2,100 barcodes for various types of retail products. We actively promote the "large distribution" service of customized quality merchandises and materials for customers of group buying in need, with an aim to extend our industrial chain for sales of goods. We have strengthened our incentive mechanism for employees to improve services performed by our employees, optimize composition of employees at our stores, encourage employees to strengthen innovation and increase revenue and realize the arrangement of performance-based remuneration system.

(3) Merchant solicitation business

The Group has further maximize the value of the existing service zones with a focus on developing featured service zones with unique characters by selecting more service zones which have significant location advantages or making interchanges of expressways with large annual traffic volumes and large demand for logistics the planned extended areas for these service zones, which will be used for integrated commercial projects that combine various functions of logistics, catering, entertainment and shopping in the city, in order to make our contribution in developing cities with unique characteristics. The "Qiaoxiang Township"(僑鄉小鎮) thematic service zone in Dahuai that has been successfully put into operation has achieved favorable results towards its goals. The transformation project of the service zone in Yayao has commenced, with preliminary works of investment attraction completed. The commercial design for the commercial transformation projects of service zones in Xincheng, Luhe and Doumen has been completed, while preparation of transformation plan and assessment of consideration for the service zone in Fucheng has been commenced. Based on factors such as data of traffic of various models of vehicles, site areas of service zones and geographical locations, we selected service zones in the Guangdong Province and commenced works of planned pilots and the construction of service zones for goods vehicles. The Group has attached great importance to social responsibilities. The Group has been promoting the implementation of categorization of wastes of the service zones surrounding expressways, while further securing the results of "Toilet Revolution", realizing a waste categorization system with facilities, signs and guidelines in the service zones that optimize the environment for consumers in the service zones. As at 30 June 2019, the Company owned 290 service zones with operating right, representing a year-on-year increase of 26 service zones.

The Group improved and strengthened management of the merchant solicitation business, revitalized idle store resources, increased the utilization rate of commercial space and further exploit the potential value of new projects including automobile repair. We accelerated the connection of the service zone merchant information system, built a merchant solicitation information model and enhanced our single-district merchant solicitation capability and our capability to exploit the value of online merchants. We actively explored business models such as "platform + self-operation", "platform + collaboration"and "platform + franchise" and introduced social capital, partners and professional operation and management team with a more open mind.

(4) Advertising media business

The Group actively facilitated the advertising media business with its omnimedia development and upgrading strategy. Through exploiting internal resources of the Group, the Group put greater efforts in the acquisition of advertisement resources inside and outside of the system and the broadening of business collaboration, streamlined and formulated the standards for the planning and construction of advertising resources in service zones and terminals, expanded the advantages in media resources and built and solid support for the strategic business. The Group explored merger and acquisition towards an omnimedia, expanding and strengthening the cultural industry of the Group. We enhanced the expansion capabilities of the direct marketing and planning business and improved the efficiency of the channel business. We established an incentive mechanism that adapted to the market and strengthened the management and control over account receivables.

3. **Operation of Taiping Interchange assets**

The business of Taiping Interchange was affected by the Nansha Bridge and the traffic control of truck. The total traffic volume reached 18.630 million vehicles, representing a year-on-year decrease of 14.70%.

MATERIAL LOGISTICS SEGMENT

The Group continued to steadily perform the completion of material supply inventory businesses subject to controllable risks.

FINANCIAL REVIEW (THE CORRESPONDING PERIOD IN 2018 HAS BEEN RESTATED)

The Group's interim results for the six months ended 30 June 2019

For the six months ended 30 June 2019, operating income of the Group amounted to RMB3,163.963 million (the corresponding period in 2018: RMB3,183.477 million), representing a year-on-year decrease of RMB19.514 million or 1%. The year-on-year decrease in operating income was due to the decrease in income from material logistics business after the disposal of Guangdong South China Logistics Enterprise Company Limited and its subsidiaries (the "**South China Logistics Enterprise Group**"), but the income from travel services increased as a result of an expanded scale of the energy business and other business, partly compensating for the decrease in income from the material logistics business. Gross profit amounted to RMB602.066 million (the corresponding period in 2018: RMB587.128 million), representing a year-on-year increase of RMB14.938 million or 3%.

For the six months ended 30 June 2019, the Group realized net profit of RMB234.205 million (the corresponding period in 2018: RMB224.833 million), representing a year-on-year increase of RMB9.372 million or 4%; net profit attributable to the shareholders of the Company (the "**Shareholders**") was RMB185.652 million (the corresponding period in 2018: 198.312 million), representing a year-on-year decrease of RMB12.660 million or a decrease of 6%; basic earnings per share was RMB0.23 (the corresponding period in 2018: RMB0.25 per share), representing a decrease of 6%. Such decrease was mainly due to the combined effect of the following factors: (i) expanded business scales in service zones and reclaimed road passenger transportation and auxiliary services for self-operation, resulting in a year-on-year increase in net profit attributable to the Shareholders; and (ii) the impact of traffic diversion of Nansha Bridge on the operation business of Taiping Interchange Assets and flow restriction of big trucks, resulting in a year-on-year decrease in net profit attributable to the Shareholders.

In accordance with the requirements under the CAS No.21 – Leases (revised) (the "**New Leases Standard**") issued by the MOF in 2018, the Group has applied the New Leases Standard since 1 January 2019, and adjusted the related accounting policies and restated the comparative information. In light of the retrospective adjustment made according to the New Leases Standard, the Group's net profit from January to June 2018 was reduced by RMB11,191,000, the year-end shareholders' equity of the Group for 2018 was reduced by RMB148,475,000 and the year-end total assets of the Group for 2018 was increased by RMB1,590,338,000. Particulars of changes in relevant standards are disclosed in pages 11-15 of this announcement.

Operating income

Operating income of the Group for the first half of 2019 was mainly derived from travel services business segment. Operating income of the Group for the first half of 2019 amounted to RMB3,163.963 million (the corresponding period in 2018: RMB3,183.477 million), representing a year-on-year decrease of RMB19.514 million or 1%, which was mainly due to the impact of decrease in the income from the material logistics business after the disposal of the South China Logistics Enterprise Group, but the income from travel services increased as a result of an expanded scale of the energy business and other business, partly compensating for the impact of a decrease in income from the material logistics business.

Operating income by business segments:

	For the six months ended 30 June 2019		For the six months ended 30 June 2018	
	RMB'000	***Percentage***	*RMB'000 (Restated)*	*Percentage*
Travel services	**2,945,798**	**93%**	2,600,573	82%
Material logistics	**214,275**	**7%**	579,920	18%
Other business	**3,890**	**0%**	2,984	0%
Total	**3,163,963**	**100%**	3,183,477	100%

1. Travel services segment

Travel services segment is the major source of the Group's operating income. Operating income of such business amounted to RMB2,945.798 million (the corresponding period in 2018: RMB2,600.573 million) for the first half of 2019, representing a year-on-year increase of RMB345.225 million, or approximately 13%, and accounting for approximately 93% (the corresponding period in 2018: 82%) of the Group's total operating income, of which:

(1) Road passenger transportation and auxiliary services recorded operating income of RMB1,826.149 million (the corresponding period in 2018: RMB1,685.025 million) for the first half of 2019, representing a year-on-year increase of RMB141.124 million or approximately 8%, which was mainly due to reclamation of contracted vehicles for self-operation and operation optimization.

(2) Service zones operation recorded operating income of RMB1,033.596 million (the corresponding period in 2018: RMB808.288 million) for the first half of 2019, representing a year-on-year increase of RMB225.308 million or 28%, which was mainly due to a substantial increase in income from the energy business and merchant solicitation business. Among which:

a) For energy business, the operating income amounted to RMB572.466 million (the corresponding period in 2018: RMB423.061 million) for the first half of 2019, representing a year-on-year increase of RMB149.405 million or approximately 35%, mainly from a year-on-year increase in the number of self-operated gas stations.

b) For convenience stores retail business, the operating income amounted to RMB256.039 million (the corresponding period in 2018: RMB227.110 million) for the first half of 2019, representing a year-on-year increase of RMB28.929 million or approximately 13%, mainly due to a year-on-year increase in the number of self-operated convenience stores.

c) For merchant solicitation business, the operating income amounted to RMB161.944 million (the corresponding period in 2018: RMB119.108 million) for the first half of 2019, representing a year-on-year increase of RMB42.836 million or approximately 36%, mainly due to the increased number of service zones and utilization rate of the merchant solicitation zone.

d) For advertising media business, the operating income amounted to approximately RMB43.147 million (the corresponding period in 2018: RMB39.009 million) for the first half of 2019, representing a year-on-year increase of RMB4.138 million or approximately 11%.

(3) For operation of Taiping Interchange Assets, the operating income amounted to approximately RMB86.053 million (the corresponding period in 2018: RMB107.260 million) for the first half of 2019, representing a year-on-year decrease of RMB21.207 million or approximately 20%. The decrease was mainly attributable to the impact of Nansha Bridge and traffic control of big trucks.

2. Material logistics segment

Material logistics segment recorded operating income of RMB214.275 million (the corresponding period in 2018: RMB579.920 million) for the first half of 2019, representing a year-on-year decrease of RMB365.645 million, or approximately 63%, and accounting for approximately 7% (the corresponding period in 2018: 18%) of the Group's total operating income. The decrease in operating income was mainly due to the impact of the disposal of the South China Logistics Enterprise Group and the decrease in business volume.

Gross profit

Gross profit of the Group for the first half of 2019 amounted to RMB602.066 million (the corresponding period in 2018: RMB587.128 million), representing a year-on-year increase of RMB14.938 million or approximately 3%. Gross profit margin was 19.03% (the corresponding period in 2018: 18.44%).

Gross profit by business segments:

	For the six months ended 30 June 2019		For the six months ended 30 June 2018	
	RMB'000	***Percentage***	*RMB'000 (Restated)*	*Percentage*
Travel services	**593,870**	**99%**	541,975	92%
Material logistics	**5,421**	**1%**	45,387	8%
Other business	**2,775**	**0%**	(234)	(0%)
Total	**602,066**	**100%**	587,128	100%

1. Travel Services Segment

The travel services segment recorded gross profit of RMB593.870 million in the first half of 2019 (the corresponding period in 2018: RMB541.975 million), representing an increase of RMB51.895 million or approximately 10% as compared to the corresponding period in 2018, the gross profit margin was 20% (the corresponding period in 2018: 21%). The increase in gross profit was mainly due to the increase in revenue from road passenger transportation and auxiliary services as a result of the scale expansion in reclamation of contracted vehicles for self-operation and business of service zones operation.

(1) Road passenger transportation and auxiliary services generated gross profit of RMB307.592 million in the first half of 2019 (the corresponding period in 2018: RMB275.912 million), representing a year-on-year increase of RMB31.680 million, or approximately 11%. Gross profit margin was 17% (the corresponding period in 2018: 16%). The year-on-year increase in gross profit was mainly due to an increase of revenue from reclamation of contracted vehicles for self-operation and operation optimization.

(2) The business of service zones operation recorded a gross profit of RMB214.412 million in the first half of 2019 (the corresponding period in 2018: RMB173.532 million), representing a year-on-year increase of RMB40.880 million or approximately 24%, and the gross profit margin was 21% (the corresponding period in 2018: 21%). The year-on-year increase in gross profit was mainly attributable to the growth of business scale, including:

a) The energy business generated a gross profit of RMB82.591 million in the first half of 2019 (the corresponding period in 2018: RMB65.337 million), representing a year-on-year increase of RMB17.254 million or 26%. The gross profit margin was 14% (the corresponding period in 2018: 15%). The year-on-year increase in the gross profit was mainly due to the increase in the number of self-operated gas stations. The gross profit margin from purchase and sale in the first half of 2019 was 22% (the corresponding period in 2018: 20%).

b) The convenience stores retail business generated a gross profit of RMB44.783 million in the first half of 2019 (the corresponding period in 2018: RMB44.462 million), representing a year-on-year increase of RMB321,000 or approximately 1%. The gross profit margin was 18% (the corresponding period in 2018: 20%).

c) The merchant solicitation business generated a gross profit of RMB64.041 million in the first half of 2019 (the corresponding period in 2018: RMB45.601 million), representing a year-on-year increase of RMB18.440 million or 40%, and the gross profit margin was 40% (the corresponding period in 2018: 38%). The year-on-year increase in gross profit and gross profit margin was mainly due to the increase in operating income from merchant solicitation.

d) The advertising media business generated a gross profit of approximately RMB22.997 million in the first half of 2019 (the corresponding period in 2018: RMB18.132 million), representing a year-on-year increase of RMB4.865 million or 27%. The gross profit margin was 53% (the corresponding period in 2018: 46%). The year-on-year increase in gross profit and gross profit margin was mainly due to an increase in revenue as a result of the increase in advertisement resources.

(3) The operation business of Taiping Interchange Assets generated a gross profit of RMB71.866 million in the first half of 2019 (the corresponding period in 2018: RMB92.531 million), representing a year-on-year decrease of RMB20.665 million or approximately 22%. The gross profit margin was 84% (the corresponding period in 2018: 86%), which was mainly due to the decrease in income as a result of the traffic diversion of Nansha Bridge and traffic control of big trucks.

2. Material logistics segment

The material logistics segment generated a gross profit of RMB5.421 million in the first half of 2019 (the corresponding period in 2018: RMB45.387 million), representing a year-on-year decrease of RMB39.966 million or approximately 88%. The gross profit margin in the first half of 2019 was 3% (the corresponding period in 2018: 8%). The decrease in gross profit and year-on-year gross profit margin was mainly due to the disposal of the South China Logistics Enterprise Group and a decrease in business volume.

Taxes and surcharges

In the first half of 2019, taxes and surcharges amounted to RMB20.215 million (the corresponding period in 2018: RMB22.347 million), representing a year-on-year decrease of RMB2.132 million or approximately 10%.

Selling and distribution expenses

In the first half of 2019, selling and distribution expenses of the Group amounted to RMB34.191 million (the corresponding period in 2018: RMB30.238 million), representing a year-on-year increase of RMB3.953 million or approximately 13%, which was mainly attributable to an expanded scale of the selling and distribution businesses in the service zones.

General and administrative expenses, and research and development expenses

In the first half of 2019, the Group incurred general and administrative expenses, and research and development expenses of RMB327.300 million (the corresponding period in 2018: RMB324.781 million), representing a year-on-year increase of RMB2.519 million or approximately 1%.

Finance expenses

In the first half of 2019, finance expenses amounted to RMB87.789 million (the corresponding period in 2018: RMB75.461 million), representing an increase of RMB12.328 million or approximately 16%, which was mainly due to an increase of RMB249 million in the closing balance of debts bearing interest as compared to the corresponding period of last year.

Impairment losses of assets

Impairment losses of assets in the first half of 2019 was RMB0.891 million (the corresponding period in 2018: RMB3.049 million), representing a year-on-year decrease of RMB2.158 million or approximately 71%, which was mainly due to the decrease in impairment of the long-term assets of the Group during the period.

Reversal/(accrual) of credit losses

Credit impairment losses in the first half of 2019 was RMB5.664 million (the corresponding period in 2018: reversal of credit losses of RMB47.966 million), representing a year-on-year net decrease of RMB53.630 million or 112% in reversal of credit losses, which was mainly due to the year-on-year decrease in amount in respect of credit impairment losses provided previously being recovered by the Group for the period.

Other income

Other income derived in the first half of 2019 amounted to RMB163.770 million (the corresponding period in 2018: RMB105.841 million), representing a year-on-year increase of RMB57.929 million or approximately 55%, which was mainly due to the recognition of subsidies for operation of new energy vehicles and bus lines from Central Government for the period, contributing a year-on-year increase.

Investment income

Investment income derived in the first half of 2019 amounted to RMB18.252 million (the corresponding period in 2018: RMB22.394 million), representing a year-on-year decrease of RMB4.142 million or approximately 18%, which was mainly due to the impact of a year-on-year decrease in the net profit for the period from the associate of the Company, Southern United Assets & Equity Exchange Co., Ltd. (南方聯合交易中心有限責任公司).

Gains on disposal of assets

Gains on disposal of assets in the first half of 2019 amounted to RMB3.143 million (the corresponding period in 2018: RMB0.308 million), representing an increase of RMB2.835 million or approximately 920%, which was mainly the impact of a year-on-year increase in disposal of fixed assets for the period.

Non-operating income and expenditure

The net amount of non-operating income and expenditure in the first half of 2019 incurred a net expenditure of RMB0.360 million (the corresponding period in 2018: net expenditure of RMB1.299 million), representing a year-on-year decrease in net expenditure of RMB0.939 million or approximately 72%.

Liquidity and capital structure

The Group adopted prudent financial management policies towards its financial management, and implemented strict budget control towards use of funds. 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. The Group fully leveraged on the beneficial rate environment of bond market to optimize financial structure and lower overall financial cost through comparatively low cost financial channels such as issuance of corporate bond. The Group enhanced capital allocation through the operation of cash pooling, in order to effectively reduce the need for external borrowings and increase the efficiency of capital utilization. In the first half of 2019, benefiting from the strict budget control over the funds and the optimization of the financial structure, the balance of available facilities of the Group granted by banks and other financial institutions amounted to RMB4,111.452 million, which provided sufficient protection for the Group's operating loans and ensured repayment of principal and interest without risk.

Items	**As at 30 June 2019** *RMB' 000*	As at 31 December 2018 *RMB' 000* *(Restated)*
Borrowings (from banks and other financial institutions)	**2,083,072**	2,006,365
Less: Cash and cash equivalents	**1,222,862**	1,114,272
Net debt	**860,210**	892,093
Total liabilities	**6,894,439**	6,661,558
Total shareholder's equity	**3,468,661**	3,385,089
Total equity	**4,328,871**	4,277,182
Total assets	**10,363,100**	10,046,646
Gearing ratio	**19.87%**	21.10%
Asset to liability ratio	**66.53%**	66.31%

Gearing ratio = Net debt/Total equity
Total equity = Net debt + Total Shareholder's equity
Asset to liability ratio = Total liabilities/Total assets

Cash flows

In the first half of 2019, 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 long-term liabilities with low interest rates. In the first half of 2019, cash and cash equivalents of the Group were mainly denominated in RMB. Cash and cash equivalents (after excluding the effect of exchange rate movement) were as follows:

	For the six months ended 30 June		
Cash generated from/(used in)	**2019** *RMB' 000*	2018 *RMB' 000* *(Restated)*	Change *RMB' 000*
Operating activities	**688,867**	5,639	683,228
Investing activities	**(480,341)**	(585,916)	105,575
Financing activities	**(100,450)**	(38,865)	(61,585)

Operating activities

In the first half of 2019, the Group's net inflow from operating activities amounted to RMB688.867 million (the corresponding period in 2018: net inflow of RMB5.639 million). Year-on-year increase of RMB683.228 million in the net inflow was mainly attributable to enhanced capital recovery for travel services business and less prepayments for materials business as a result of the disposal of the South China Logistics Enterprise Group in the period.

Investing activities

In the first half of 2019, the net cash outflow from investing activities was RMB480.341 million (the corresponding period in 2018: net cash outflow of RMB585.916 million), representing a decrease in net outflow of RMB105.575 million, which was mainly attributable to a year-on-year decrease in payment for business combinations involving enterprises under common control and a net decrease in cash resulting from asset swap.

Financing activities

In the first half of 2019, the net cash outflow from financing activities was RMB100.450 million (the corresponding period in 2018: net outflow of RMB38.865 million), representing a increase in net outflow of RMB61.585 million, which was mainly attributable to a year-on-year increase in payment for dividend and profit distributions or interest and lease liability principle and interest, and a year-on-year decrease in proceeds from investors.

Borrowings

As at 30 June 2019, outstanding borrowings of the Group was RMB2,083.072 million (31 December 2018: RMB2,006.365 million), comprising (i) unsecured short-term loans of RMB72.000 million (31 December 2018: RMB80.000 million); (ii) secured short-term loans of RMB94.800 million (31 December 2018: RMB29.800 million); (iii) unsecured long-term loans of RMB735.017 million (31 December 2018: RMB693.237 million); (iv) secured long-term loans of RMB259.016 million (31 December 2018: RMB252.659 million); (v) finance lease payables of RMB185.305 million (31 December 2018: 214.330 million); and (vi) bonds payable of RMB736.934 million (31 December 2018: RMB736.340 million). As at 30 June 2019, the Group's borrowings were denominated in RMB and were subject to floating or fixed interest rates, of which borrowings with fixed interest rate accounted for approximately 61%.

Material subsequent events

Nil.

Major acquisitions and establishment of new companies

Nil.

Major properties held for investment

Name of property	Address	Usage	Types of lease
Hong Kong Plaza	Unit 13-14, 24/F and Unit 8-12, 31/F, Hong Kong Plaza, 188 Connaught Road West, Sai Wan, Hong Kong	Operating lease	Short-term (within 10 years)
Zijin Old Station — Main Building, Clock Tower, Office of Canteen	No. 99, Jinshan Boulevard Central, Zijin County, the PRC	Operating lease	Short-term (within 10 years)

Name of property	Address	Usage	Types of lease
King's Court, Wai Ching Street, Jordan Road, Kowloon	No. 1-2 office, 1/F, King's Court, No. 65, 67, 69, 71, 73, 75, Wai Ching Street, Jordan Road, Kowloon, Hong Kong	Operating lease	Short-term (within 10 years)
Underground Shop, Hang On Building, 159A Sai Yeung Choi Street North, Mongkok, Kowloon	Underground Shop, Hang On Building, 159A Sai Yeung Choi Street North, Mongkok, Kowloon, Hong Kong	Operating lease	Short-term (within 10 years)
Apartment for Drivers	Interchange between Fuqianxi Road and Huancheng Road, Qujiang District, Shaoguan City	Operating lease	Short-term (within 10 years)
Passenger Traffic Center Building in Lianzhou	No. 136, Beihu Road, Lianzhou	Operating lease	Short-term (within 10 years)
Complex Building of Vehicle Passenger Terminal in Danxia Mountain	Complex Building of Vehicle Passenger Terminal in Danxia Mountain	Operating lease	Short-term (within 10 years)

Pledge of assets

As at 30 June 2019, fixed assets at the net value of approximately RMB184.567 million (31 December 2018: RMB183.373 million) and land use rights at the net value of RMB160.601 million (31 December 2018: RMB172.322 million) and investment properties at the net value of RMB21.214 million (31 December 2018: RMB21.607 million) of the Group were pledged as security for borrowings of the Group. As at 30 June, 2019, transportation vehicles at the net value of approximately RMB160.227 million (31 December 2018: RMB180.657 million of the Group were pledged as security for lease of the Group.

Foreign exchange risk and hedging

Most of the revenue and expenditure of the Group are settled or denominated in RMB, except for the revenue and expenditure that relate to cross-border transportation services. In the first half of 2019, the working capital and liquidity of the Group were slightly affected by the fluctuations in foreign exchange rate. The directors of the Company (the "**Directors**") believe that the Group will have sufficient foreign currency to meet its demand. The Group will continue to pay close attention to the currency fluctuations of RMB, and will adopt proper measures to reduce the currency risk exposures of the Group based on its operating needs.

Contingent liabilities

As at 30 June 2019, the Group had no material contingent liabilities.

Key business developments of the Group in the second half of 2019 are as follows:

1. Road passenger transportation and supports

(1) To adhere to a connotative growth of passenger transportation business, by further strengthening operational advantages in regional passenger transportation network integration scale, enhancing core routes, expanding special route transportation, increasing the supply of transportation products suitable for customers in the market, and enabling transportation organizations to upgrade their production mode through an intelligent travel service platform.

(2) To continuously increase its efforts in the expansion of integrated and networked urban and rural passenger transportation operating model by further improving the plan for rural passenger terminals and expediting the construction of an integrated rural transportation service system with multiple functions such as "passenger transportation, logistics, commerce, tourism".

(3) To actively participate in the planning and development of urban comprehensive transportation services in the Guangdong-Hong Kong-Macao Greater Bay Area, and maintain good relations with the government to extend itself to transportation and tourism industry in three areas through leveraging favorable opportunity of expanding the transportation business in the Hong Kong-Zhuhai-Macao Bridge.

(4) To deepen the supply side reform of passenger transportation business and carry out the planning and system integration for transportation resources. "big changed to small", "high, medium and low" and other measures will be adopted to optimize vehicle model and structure, and vehicle model and structure will be adjusted or a portfolio of vehicle models will be enriched on a trial basis to enhance customers' experience. The Group will strive to pilot the multi-use of one license in shuttle bus routes and turn route license of shuttle bus into sign license of chartered cars to improve the mobility and convenience of passenger transportation operations.

(5) Committed to improving the information level of passenger transportation service platform development, further optimizing the functions of "Yuexing (悦行)" platform and WeChat public account online platform with "travel with only one button" as the core to optimize the ticket purchase process, and promoting the construction, popularization and application of mobile travel service information collection platform to provide users with diversified travel services, striving for continuous expansion in revenue from online car-hailing.

2. **Service zones operation**

(1) To advance and realize synchronous investment and operation of 13 pairs of service zones (including carpark zones) for 5 sections such as He-Hui-Guan, Qingyun and Gao'en with the opening of such sections as scheduled.

(2) To accelerate the construction, investment and operation of gas stations, and promote the construction of new gas stations in service zones including Chengbei, Yingde and Ketang as well as the renovation and construction of Shachong, Huanggang, Shunjing gas stations.

(3) To deepen its cooperation with Sinopec and PetroChina for the establishment of a new cooperation model of mutual benefit and actively promote in-depth cooperation with joint ventures in energy business such as gas stations.

(4) To strive to knit a net covering charging business in expressways and urban community by continuing to improve the layout and planning of urban charging network, promote the interconnection between urban charging stations and social charging platforms actively and promote construction layout of charging network in service zones steadily.

(5) To steadily expand the scale of "Yueyun Loyee" convenience stores, aiming to build 600 stores.

(6) To promote the operation capacity and system platform upgrading as well as data standardization for convenience store business, and optimize the convenience store retail operation and management and control mode in terms of local product operation, product structure optimization, supply chain value exploration, retail model innovation, etc.

(7) To complete the commercial upgrading and transformation projects in service zones such as Yayao, Luhe, Xincheng, Doumen and Fucheng, and build featured service zones accommodated to the local conditions, striving to achieve both social benefits and economic benefits in service zone operations.

(8) To strengthen the cultural industry of the Group by continuously exploring the resource value in development of advertising media business, enhancing self-operation and planning business expansion capability, optimizing revenue structure and benefit contribution, and forging toward an omin media.

Main business objectives and arrangement of investment funds in the second half of 2019

The Group will primarily use loan and funds generated from its operation to meet the funding requirements of its main business investments.

OTHER INFORMATION

Purchase, sale or redemption of listed shares of the company

The Company did not redeem any of its listed shares nor did the Company or any of its subsidiaries purchase or sell any of such shares during the six months ended 30 June 2019.

Compliance with Corporate Governance Code

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

For the six months ended 30 June 2019, the Company had complied with all the code provisions of the Corporate Governance Code contained in Appendix 14 to the Listing Rules.

Compliance with Model Code for Securities Transactions by Directors and Supervisors

The Company has adopted the Model Code (the "**Model Code**") set out in Appendix 10 to the Listing Rules as its own code of conduct regarding securities transactions by the Directors and the supervisors of the Company ("**Supervisors**"). Having made specific enquiry with all the Directors and Supervisors, each of the Directors and Supervisors confirmed that he/she had complied with the requirements set out in the Model Code for the six months ended 30 June 2019.

Board

As at 30 June 2019, the Board consisted of eleven members, including four executive Directors, namely Mr. Xuan Zongmin, Mr. Tang Yinghai, Mr. Yao Hanxiong and Mr. Weu Wu; three non-executive Directors, namely Mr. Guo Junfa, Mr. Chen Min, Mr. Chen Chuxuan; and four independent non-executive Directors, namely Mr. Jin Wenzhou, Ms. Lu Zhenghua, Mr. Zhan Xiaotong and Ms. Wen Huiying.

On 17 June 2019, Mr. Li Bin retired as a non-executive Director, Mr. Guo Junfa was re-designated as a non-executive Director, and the shareholders of the Company (the "**Shareholders**") appointed Mr. Chen Chuxuan as a non-executive Director at the annual general meeting ("**AGM**") of the Company held on 17 June 2019. For details, please refer to the announcements of the Company dated 18 April 2019 and 17 June 2019 and the circular dated 30 April 2019, respectively.

On 22 July 2019, Mr. Guo Junfa resigned as a non-executive Director, and the Shareholders appointed Mr. Zhang Xian as an executive Director at the extraordinary general meeting of the Company held on 22 July 2019. For details, please refer to the announcements of the Company dated 2 July 2019 and 22 July 2019 and the supplemental circular dated 5 July 2019, respectively.

Therefore, as at the date of this announcement, the Board consisted of 11 members, including five executive Directors, namely Mr. Xuan Zongmin, Mr. Tang Yinghai, Mr. Yao Hanxiong, Mr. Wen Wu and Mr. Zhang Xian; two non-executive Directors, namely Mr. Chen Min and Mr. Chen Chuxuan; and four independent non-executive Directors, namely Mr. Jin Wenzhou, Ms. Lu Zhenghua, Ms. Wen Huiying and Mr. Zhan Xiaotong.

Review by Audit & Corporate Governance Committees

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

The primary duties of the Audit & Corporate Governance Committee are, among other things, to appoint external auditors, review and supervise the financial reporting process, review interim and annual results, review and supervise the internal control system and risk management of the Group, and provide advice and comments to the Board and monitor the corporate governance of the Company. As at 30 June 2019, the Audit & Corporate Governance Committee comprised three members, namely Ms. Lu Zhenghua (Chairman) and Mr. Jin Wenzhou, two independent non-executive Directors, and Mr. Chen Chuxuan, a non-executive Director. The Audit & Corporate Governance Committee has reviewed the unaudited interim results of the Company for the six months ended 30 June 2019 and recommended its adoption by the Board. The independent auditor of the Company, KPMG Huazhen LLP, has also reviewed the unaudited interim results for the six months ended 30 June 2019 in accordance with Chinese Standards on Review No. 2101-Engagements to Review Financial Statements issued by the Chinese Institute of Certified Public Accountants.

Supervisory committee

As at 30 June 2019, the supervisory committee consisted of seven members, two of whom were independent Supervisors (namely Mr. Dong Yihua and Mr. Lin Hai), two of whom were Supervisors representing the Shareholders (namely Mr. Hu Xianhua and Mr. Wang Qingwei) and three of whom were Supervisors representing the employees of the Company (namely Mr. Zhen Jianhui, Ms. Li Xiangrong and Ms. Lian Yuebin).

Employees and remuneration policies

The Group had 23,080 employees as at 30 June 2019 (31 December 2018: 22,569). Total staff costs for the six months ended 30 June 2019, including the Directors' remuneration, amounted to approximately RMB968 million (the corresponding period in 2018: approximately RMB887 million).

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

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

Training of employees

The Group has always attached great importance to the training and development of human resources, and made endeavor to provide training and education to employees at all levels. The Group has faithfully implemented budgeted standard for training expenses and its implementation plan. As at 30 June 2019, the Group has conducted a total of 577 training courses (excluding network training courses) with 17,200 participants and total curriculum duration of approximately 10,755 hours. Among them, 68 management skills training courses (accounting for 12% of the total number of the training courses), 120 general skills training courses (accounting for 21% of the total number of the training courses), 354 professional skills training courses (accounting for 62 of the total number of the training courses) and 35 other skills training courses (accounting for 5% of the total number of the training courses) were held. Self-evaluation on the internal and external trainings by the participants showed that overall satisfaction rate was above 95% or a level of satisfactory was attained.

Dividend

The Board has not declared the payment of an interim dividend for the six months ended 30 June 2019.

On 13 March 2019, the Board recommended the payment of a final cash dividend of RMB0.17 per ordinary share (before tax) for the year 2018. Such proposal was approved by the Shareholders at the AGM. The final dividend will be paid on 21 August 2019 to Shareholders whose names appear on the Company's share register of members at 4:30 p.m. on 26 June 2019. For details, please refer to the announcements of the Company dated 13 March 2019 and 17 June 2019, respectively and the 2018 annual report of the Company published on 30 April 2019 by the Company.

Auditor of the Company

The Shareholders considered and approved the ordinary resolution in respect of the proposed appointment of KPMG Huazhen LLP as the auditor of the Company at the AGM for a term of office until the close of the next annual general meeting of the Company.

Disclosure of information on the Stock Exchange's website

The electronic version of this announcement has been published on the websites of the Stock Exchange (http://www.hkexnews.hk/) and the Company (http://www.gdyueyun.com). An interim report for the year ended 30 June 2019 containing all the information required under the Listing Rules will be dispatched to Shareholders and published on the websites of the Stock Exchange and the Company in due course.

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

Guangzhou, the PRC
19 August 2019

As at the date of this announcement, the Board comprises Mr. Xuan Zongmin, Mr. Tang Yinghai, Mr. Yao Hanxiong, Mr. Wen Wu and Mr. Zhang Xian as executive directors of the Company, Mr. Chen Min and Mr. Chen Chuxuan as non-executive directors of the Company, and Mr. Jin Wenzhou, Ms. Lu Zhenghua, Ms. Wen Huiying and Mr. Zhan Xiaotong as independent non-executive directors of the Company.

* *For identification purposes only*