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 2025 INTERIM RESULTS

RESULTS AND BUSINESS HIGHLIGHTS:

	For the six months ended		
	30 June 2025	30 June 2024	Change
	RMB'000	*RMB'000*	*%*
	(unaudited)	*(unaudited)*	
Revenue	**3,770,028**	3,674,663	3%
Net profit	**134,414**	135,604	(1%)
Net profit attributable to shareholders of the parent company	**142,644**	138,669	3%
Basic earnings per share	**RMB0.18**	RMB0.17	3%
Diluted earnings per share	**RMB0.18**	RMB0.17	3%

- The revenue of the Group for the six months ended 30 June 2025 was approximately RMB3,770.028 million, representing an increase of approximately RMB95.365 million or 3% as compared to the corresponding period in 2024.

- The net profit for the six months ended 30 June 2025 was approximately RMB134.414 million, representing a decrease of approximately RMB1.190 million or 1% as compared to the corresponding period in 2024.

- Net profit attributable to shareholders of the parent company for the six months ended 30 June 2025 was approximately RMB142.644 million, representing an increase of approximately RMB3.975 million or 3% as compared to the corresponding period in 2024.

- For the six months ended 30 June 2025, both basic earnings per share and diluted earnings per share were RMB0.18, representing an increase of approximately RMB0.01 or 3% as compared to 2024.

- The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2025.

The board of directors (the "**Board**") of Guangdong Yueyun Transportation Company Limited (the "**Company**") announces the unaudited consolidated interim results of the Company and its subsidiaries (the "**Group**") for the six months ended 30 June 2025. The unaudited consolidated interim results of the Group for the six months ended 30 June 2025 have been reviewed by the Audit & Corporate Governance Committee of the Company (the "**Audit & Corporate Governance Committee**"). The majority of the members of the Audit & Corporate Governance Committee are independent non-executive directors of the Company. The auditor of the Company, BDO China SHU LUN PAN Certified Public Accountants LLP, has also reviewed the consolidated financial statements of the Group for the six months ended 30 June 2025 in accordance with the Standard on Review Engagements for Certified Public Accountants of China No. 2101 – Engagements to Review Financial Statements.

CONSOLIDATED BALANCE SHEET (UNAUDITED)
As at 30 June 2025
(Unless otherwise stated, all amounts are denominated in Renminbi Yuan)

	Note	**30 June 2025**	31 December 2024
Assets			
Current assets:			
Cash at bank and on hand		**1,559,864,551.66**	1,443,130,391.29
Bills receivable		**1,068,194.51**	400,000.00
Accounts receivable	*3*	**284,903,739.33**	258,821,081.03
Prepayments		**218,718,938.53**	200,945,440.05
Other receivables		**495,103,988.91**	592,661,831.54
Inventories		**124,049,350.07**	122,641,321.68
Other current assets		**22,995,914.28**	48,005,033.04
Total current assets		**2,706,704,677.29**	2,666,605,098.63
Non-current assets:			
Long-term equity investments		**412,892,381.37**	425,595,444.04
Investments in other equity instruments		**–**	194,401.33
Investment properties		**259,653,989.77**	266,068,070.27
Fixed assets	*4*	**1,827,695,854.58**	1,959,016,114.87
Construction in progress		**29,994,681.73**	31,939,629.08
Right-of-use assets	*5*	**2,160,909,849.74**	2,310,143,470.51
Intangible assets	*6*	**559,541,405.26**	617,479,697.12
Development expenditure		**1,102,236.33**	1,102,236.33
Goodwill		**11,099,709.51**	11,099,709.51
Long-term deferred expenses		**224,929,214.00**	204,904,105.42
Deferred tax assets		**168,460,699.29**	152,776,797.28
Other non-current assets		**77,756,373.81**	77,135,003.44
Total non-current assets		**5,734,036,395.39**	6,057,454,679.20
Total assets		**8,440,741,072.68**	8,724,059,777.83

CONSOLIDATED BALANCE SHEET (UNAUDITED) (CONTINUED)

As at 30 June 2025

(Unless otherwise stated, all amounts are denominated in Renminbi Yuan)

	Note	**30 June 2025**	31 December 2024
Liabilities and shareholders' equity			
Current liabilities:			
Short-term loans	*7*	**318,699,750.02**	368,550,148.34
Accounts payable	*8*	**660,377,112.83**	676,079,874.58
Advances from customers		**113,554,919.33**	118,905,815.30
Contract liabilities		**84,497,367.52**	68,556,815.47
Employee benefits payable		**209,935,349.27**	209,816,524.65
Taxes payable		**80,157,191.35**	82,793,402.66
Other payables		**728,717,125.26**	694,955,680.63
Non-current liabilities due within one year	*9*	**745,410,537.00**	505,826,347.00
Total current liabilities		**2,941,349,352.58**	2,725,484,608.63
Non-current liabilities:			
Long-term loans	*10*	**53,568,466.85**	370,147,647.01
Lease liabilities	*11*	**2,281,821,076.15**	2,469,579,814.55
Long-term payables		**34,449,758.68**	34,599,960.41
Long-term employee benefits payable		**125,977,332.50**	139,841,506.26
Deferred income		**301,581,784.22**	341,725,565.04
Deferred tax liabilities		**32,833,371.63**	36,820,070.66
Total non-current liabilities		**2,830,231,790.03**	3,392,714,563.93
Total liabilities		**5,771,581,142.61**	6,118,199,172.56

CONSOLIDATED BALANCE SHEET (UNAUDITED) (CONTINUED)
As at 30 June 2025
(Unless otherwise stated, all amounts are denominated in Renminbi Yuan)

	Note	**30 June 2025**	31 December 2024
Liabilities and shareholders' equity (Continued)			
Shareholders' equity:			
Share capital		**799,847,800.00**	799,847,800.00
Capital reserve		**21,781,436.03**	21,781,436.03
Other comprehensive income		**(22,372,301.02)**	(33,666,160.93)
Specific reserve		**39,076,381.86**	36,096,290.62
Surplus reserve		**259,176,302.97**	259,176,302.97
Retained earnings	*12*	**1,070,688,184.77**	1,002,904,081.67
Total equity attributable to shareholders of the Company		**2,168,197,804.61**	2,086,139,750.36
Non-controlling interests		**500,962,125.46**	519,720,854.91
Total shareholders' equity		**2,669,159,930.07**	2,605,860,605.27
Total liabilities and shareholders' equity		**8,440,741,072.68**	8,724,059,777.83

CONSOLIDATED INCOME STATEMENT (UNAUDITED)
For the six months ended 30 June 2025
(Unless otherwise stated, all amounts are denominated in Renminbi Yuan)

Items	*Note*	**Amount for the period**	Amount for the previous period
I. Total operating income		**3,770,028,082.54**	3,674,662,696.59
Including: Operating income		**3,770,028,082.54**	3,674,662,696.59
II. Total operating costs		**3,771,025,108.71**	3,675,818,805.95
Including: Operating costs		**3,464,177,203.76**	3,295,527,395.40
Taxes and surcharges		**17,794,412.57**	21,593,995.48
Selling and distribution expenses		**19,638,063.22**	32,927,916.96
General and administrative expenses		**197,467,331.85**	245,738,070.04
Research and development expenses		**926,768.52**	4,524,303.98
Financial expenses	*13*	**71,021,328.79**	75,507,124.09
Add: Other income	*14*	**89,415,971.27**	145,648,782.45
Investment income	*15*	**94,599,011.02**	50,596,083.00
Accrual of credit losses	*16*	**(12,507,377.47)**	(11,213,944.19)
Impairment losses	*17*	**(1,042,186.83)**	(560,250.00)
Gains from asset disposals	*18*	**6,334,016.13**	6,438,923.17
III. Operating profit		**175,802,407.95**	189,753,485.07
Add: Non-operating income	*19*	**4,141,895.47**	8,552,021.60
Less: Non-operating expenses		**4,325,343.40**	7,369,606.96
IV. Profit before income tax		**175,618,960.02**	190,935,899.71
Less: Income tax expenses	*20*	**41,205,377.44**	55,332,168.27
V. Net profit		**134,413,582.58**	135,603,731.44
(1) Net profit classified by continuity of operations			
1. Net profit from continuing operations		**134,413,582.58**	135,603,731.44
2. Net profit from discontinued operations		**–**	–
(2) Net profit (loss) classified by ownership Attributable to:			
1. Shareholders of the Company		**142,643,705.10**	138,669,235.05
2. Non-controlling interests		**(8,230,122.52)**	(3,065,503.61)

CONSOLIDATED INCOME STATEMENT (UNAUDITED) (CONTINUED)
For the six months ended 30 June 2025
(Unless otherwise stated, all amounts are denominated in Renminbi Yuan)

Items	Note	Amount for the period	Amount for the previous period
VI. Other comprehensive income, net of tax		**8,638,035.36**	(6,201,100.27)
Other comprehensive income (net of tax) attributable to shareholders of the Company		**9,813,674.36**	(6,636,134.91)
(1) Items that will not be reclassified to profit or loss		**9,912,549.79**	(748,500.74)
1. Remeasurement of defined benefit plan		**9,912,549.79**	(739,710.59)
2. Changes in fair value of investments in other equity instruments		**–**	(8,790.15)
(2) Items that may be reclassified subsequently to profit or loss		**(98,875.43)**	(5,887,634.17)
1. Other comprehensive income that may be reclassified subsequently to profit or loss under the equity method		**1,818,669.33**	(6,691,625.45)
2. Translation differences arising from translation of foreign currency financial statements		**(1,917,544.76)**	803,991.28
Other comprehensive income (net of tax) attributable to non-controlling interests		**(1,175,639.00)**	435,034.64
VII. Total comprehensive income		**143,051,617.94**	129,402,631.17
Attributable to:			
Shareholders of the Company		**152,457,379.46**	132,033,100.14
Non-controlling interests		**(9,405,761.52)**	(2,630,468.97)
VIII. Earnings per share:			
(1) Basic earnings per share (RMB/share)	*21*	**0.18**	0.17
(2) Diluted earnings per share (RMB/share)	*21*	**0.18**	0.17

1. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

1) Basis of preparation

The interim financial statements of the Group have been prepared in accordance with the requirements of "Accounting Standard for Business Enterprises No.32 – Interim Financial Reporting" issued by the Ministry of Finance of the People's Republic of China ("**MOF**"), and the explanatory notes to the interim financial statements have been simplified as appropriate compared with the notes to the annual financial statements, and do not include all the information and disclosures presented in the annual financial statements. These interim financial statements should be read in conjunction with the annual financial statements for the year ended 31 December 2024 prepared by the Company. Furthermore, the interim financial statements also comply with the applicable disclosure requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the applicable disclosure requirements of the Hong Kong Companies Ordinance.

2) Going concern

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

2. CHANGES IN THE SCOPE OF CONSOLIDATION

1) Loss of control upon a single disposal of investment in subsidiaries

Name of subsidiaries	Consideration of disposal of equity	Percentage of disposal of equity (%)	Mode of disposal	Time of loss of control	Basis for determining the time of loss of control	The differences of consideration of disposal and shares in net assets of the original subsidiary at the consolidated financial statement level	Percentage of remaining equity at the date of loss of control	Carrying amount of remaining equity at the date of loss of control	Fair value of remaining equity at the date of loss of control	Gains or losses arising from remeasurement of remaining equity at the fair value	Determination method and major assumptions of the fair value of the remaining equity at the date of loss of control	The amount of other comprehensive income related to the equity investment of the original subsidiary transferred to the investment profit and loss
Zhuhai Gongyun Coach Terminal Co., Ltd. ("**Zhuhai Gongyun**")	25,096,100.00	100.00	Publicly listed for sale	2025/2/17	Completion of equity transfer	39,900,820.10	–	N/A	N/A	N/A	N/A	N/A
Guangzhou City Zengcheng Automobile Passenger Traffic Station Co., Ltd.	–	15.00	Publicly listed for sale	2025/5/22	Completion of equity transfer	8,358,848.11	45%	6,132,066.48	11,701,216.79	5,569,150.31	Evaluation by asset-based approach	N/A
Guangzhou City Yueyun Motor Transportation Co., Ltd.	250,400.00	18.00	Publicly listed for sale	2025/5/22	Completion of equity transfer	2,077,817.12	33%	652,261.12	459,066.67	(193,194.45)	Evaluation by asset-based approach	N/A

2) Other reasons for changes in the scope of consolidation

Name of the subsidiary	Method of equity acquisition	Establishment date	Registered capital *(million)*	Shareholding percentage *(%)*
Guangdong Loyee Commerce Top Co., Ltd.	Newly established	2025/3/14	40	95.56
Guangdong Top-E Business Development Co., Ltd.	Newly established	2025/3/14	10	95.56

3. ACCOUNTS RECEIVABLE

1) The aging analysis of accounts receivable is as follows:

Aging	**30 June 2025**	31 December 2024
Within 3 months (inclusive)	**163,010,938.61**	131,192,645.97
Over 3 months but within 6 months (inclusive)	**53,334,892.47**	38,340,384.58
Over 6 months but within 1 year (inclusive)	**49,392,132.29**	82,330,921.47
Over 1 year but within 2 years (inclusive)	**34,481,038.71**	19,113,279.43
Over 2 years but within 3 years (inclusive)	**11,252,464.50**	10,651,170.50
Over 3 years	**28,701,831.18**	25,491,579.91
Sub-total	**340,173,297.76**	307,119,981.86
Less: Provision for bad and doubtful debts	**55,269,558.43**	48,298,900.83
Total	**284,903,739.33**	258,821,081.03

Note: The aging is counted starting from the date when accounts receivable are recognised.

2) Disclosure of accounts receivable by provision methods for bad debts

Items	30 June 2025					31 December 2024				
	Amount		Provision for bad and doubtful debts			Amount		Provision for bad and doubtful debts		
	Amount	Percentage (%)	Amount	Provision ratio (%)	Book value	Amount	Percentage (%)	Amount	Provision ratio (%)	Book value
Provision for bad debts is made on an individual basis	**3,522,115.42**	**1.04**	**3,522,115.42**	**100.00**	**-**	3,825,180.63	1.25	3,825,180.63	100.00	-
Provision for bad debts is made on a collective basis	**336,651,182.34**	**98.96**	**51,747,443.01**	**15.37**	**284,903,739.33**	303,294,801.23	98.75	44,473,720.20	14.66	258,821,081.03
Including:										
Aging portfolio	**336,651,182.34**	**98.96**	**51,747,443.01**	**15.37**	**284,903,739.33**	303,294,801.23	98.75	44,473,720.20	14.66	258,821,081.03
Total	**340,173,297.76**	**100.00**	**55,269,558.43**		**284,903,739.33**	307,119,981.86	100.00	48,298,900.83		258,821,081.03

Provision for bad debts is made on an individual basis:

Names	Amount	30 June 2025 Provision for bad and doubtful debts	Provision ratio (%)	Reasons for accruing
Yingde Baixiu Talent Brand Management Co., Ltd.	744,171.92	744,171.92	100.00	Not expected to be recovered
China Travel Service (Zhuhai) Haiquan Bay Co., Ltd.	600,000.00	600,000.00	100.00	Not expected to be recovered
Guangdong Yuechahui Cultural Communication Co., Ltd.	545,000.00	545,000.00	100.00	Not expected to be recovered
Changsha Sail Advertising Co., Ltd.	500,000.00	500,000.00	100.00	Not expected to be recovered
Others	1,132,943.50	1,132,943.50	100.00	Not expected to be recovered
Total	3,522,115.42	3,522,115.42		

Provision for bad debts is made on a collective basis:

Items	Amount	30 June 2025 Provision for bad and doubtful debts	Provision ratio (%)
Aging portfolio			
Service zone operation			
Within 1 year (inclusive)	71,716,043.92	3,585,802.19	5.00
Over 1 year but within 2 years (inclusive)	10,499,935.27	1,049,993.76	10.00
Over 2 years but within 3 years (inclusive)	199,809.24	59,942.78	30.00
Over 3 years	402,873.18	201,436.59	50.00
Sub-total	82,818,661.61	4,897,175.32	
Road transportation and other service			
Within 1 year (inclusive)	194,020,777.58	9,701,038.92	5.00
Over 1 year but within 2 years (inclusive)	23,326,195.36	8,164,168.40	35.00
Over 2 years but within 3 years (inclusive)	10,195,193.20	5,097,596.67	50.00
Over 3 years	21,484,572.81	21,484,572.81	100.00
Sub-total	249,026,738.95	44,447,376.80	
Other business			
Over 3 years	4,805,781.78	2,402,890.89	50.00
Sub-total	4,805,781.78	2,402,890.89	
Total	336,651,182.34	51,747,443.01	

3) **Movements of provision for bad and doubtful debts for the period is as follows:**

Category	31 December 2024	Changes during the period: Charge into income statement	Written-off	Disposal of subsidiaries	Foreign currency financial statement translation differences	30 June 2025
Provision for bad debts is made on an individual basis	3,825,180.63	(100,697.89)	–	202,367.32	–	3,522,115.42
Provision for bad debts is made on a collective basis	44,473,720.20	9,353,023.45	438,120.23	1,639,601.98	(1,578.43)	51,747,443.01
Total	48,298,900.83	9,252,325.56	438,120.23	1,841,969.30	(1,578.43)	55,269,558.43

4. FIXED ASSETS

1) Fixed assets

Item	30 June 2025	31 December 2024
Fixed assets	**1,827,695,854.58**	1,959,016,114.87
Total	**1,827,695,854.58**	1,959,016,114.87

2) Details of fixed assets

Items	Buildings and structures	Buildings improvements	Machinery and equipment	Electronic equipment, office equipment and others	Transportation vehicles	Total
1. Cost						
(1) Balance as at 31 December 2024	1,773,563,141.99	233,457,733.93	100,528,879.95	364,377,672.10	2,740,739,081.78	5,212,666,509.75
(2) Additions during the period	36,968,136.85	–	1,545,874.75	18,891,859.62	13,882,007.57	71,287,878.79
– Purchases	20,035,443.27	–	1,545,874.75	7,554,133.44	13,882,007.57	43,017,459.03
– Transfer from construction in progress	16,932,693.58	–	–	11,337,726.18	–	28,270,419.76
(3) Reductions during the period	17,205,143.48	5,751,817.73	5,148,074.83	13,523,782.93	276,003,122.13	317,631,941.10
– Disposals or discarding	3,245,247.41	5,751,817.73	2,926,328.62	5,867,343.69	225,012,727.08	242,803,464.53
– Transfer to investment properties	267,590.00	–	–	–	–	267,590.00
– Disposals of subsidiaries	13,073,684.07	–	2,217,069.57	7,618,961.08	47,752,343.03	70,662,057.75
– Foreign currency financial statement translation differences	618,622.00	–	4,676.64	37,478.16	3,238,052.02	3,898,828.82
(4) Balance as at 30 June 2025	1,793,326,135.36	227,705,916.20	96,926,679.87	369,745,748.79	2,478,617,967.22	4,966,322,447.44
2. Accumulated depreciation						
(1) Balance as at 31 December 2024	673,718,838.17	180,568,491.60	67,455,475.95	215,721,061.19	2,107,926,538.83	3,245,390,405.74
(2) Additions during the period	39,230,903.86	8,730,932.51	3,915,537.52	5,910,997.95	111,180,743.24	168,969,115.08
– Accruals	39,230,903.86	8,730,932.51	3,915,537.52	5,910,997.95	111,180,743.24	168,969,115.08
(3) Reductions during the period	8,570,696.40	5,700,127.88	4,628,268.89	13,082,335.31	252,011,488.62	283,992,917.10
– Disposals or discarding	1,969,947.57	5,700,127.88	2,508,455.73	5,708,252.13	207,586,753.90	223,473,537.21
– Transfer to investment properties	160,446.67	–	–	–	–	160,446.67
– Disposals of subsidiaries	6,040,068.52	–	2,115,220.34	7,368,210.76	41,613,106.17	57,136,605.79
– Foreign currency financial statement translation differences	400,233.64	–	4,592.82	5,872.42	2,811,628.55	3,222,327.43
(4) Balance as 30 June 2025	704,379,045.63	183,599,296.23	66,742,744.58	208,549,723.83	1,967,095,793.45	3,130,366,603.72

Items	Buildings and structures	Buildings improvements	Machinery and equipment	Electronic equipment, office equipment and others	Transportation vehicles	Total
3. Provision of impairment						
(1) Balance as at 31 December 2024	4,211,963.05	–	–	–	4,048,026.09	8,259,989.14
(2) Additions during the period	–	–	–	–	–	–
(3) Reductions during the period	–	–	–	–	–	–
(4) Balance as at 30 June 2025	4,211,963.05	–	–	–	4,048,026.09	8,259,989.14
4. Book value						
(1) Book value as at 30 June 2025	1,084,735,126.68	44,106,619.97	30,183,935.29	161,196,024.96	507,474,147.68	1,827,695,854.58
(2) Book value as at 31 December 2024	1,095,632,340.77	52,889,242.33	33,073,404.00	148,656,610.91	628,764,516.86	1,959,016,114.87

Note 1: *As at 30 June 2025, certain subsidiaries of the Company, namely Heyuan City Yueyun Motor Transportation Co., Ltd., and Shanwei Yueyun Automobile Transportation Co., Ltd. (including their subsidiaries), defaulted on debt repayments and were sued by creditors, who filed applications for property preservation. Th*is resulted in the freezing of certain bank accounts and the seizure of certain assets of these subsidiaries. Details of the overdue debts are disclosed in Notes 7 and 10.

Note 2: As at 30 June 2025, fixed assets of the Group with carrying amount of RMB66,925,887.04 (31 December 2024: RMB144,314,101.68) were pledged for long-term loans (Note 10), among which, RMB4,458,351.19 (31 December 2024: RMB4,758,349.93) were sealed up. Fixed assets of the Group with carrying amount of RMB9,856,799.27 (31 December 2024: RMB11,825,996.17) were pledged for short-term loans (Note 7), among which, RMB2,233,092.56 (31 December 2024: RMB1,894,658.49) were sealed up. As at 30 June 2025, fixed assets of the Group with carrying amount of RMB69,956,828.02 (31 December 2024: RMB114,048,862.12) were pledged for long-term payables, among which, RMB32,293,235.58 (31 December 2024: RMB50,592,183.36) were sealed up.

3) Fixed assets for which the certificate of title has not been obtained

Certain buildings and structures of the Group located in Guangzhou, Qingyuan, Foshan, Shaoguan, Shanwei, Meizhou and Heyuan etc. have not yet obtained the certificate of title due to historical reasons. As at 30 June 2025, the carrying amount of such buildings and structures was RMB69,057,758.33 (31 December 2024: RMB75,140,219.15).

5. RIGHT-OF-USE ASSETS

Items	Buildings and structures	Lease of land	Transportation vehicles	Total
1. Cost				
(1) Balance as at 31 December 2024	3,574,999,551.00	88,879,146.68	247,814,049.60	3,911,692,747.28
(2) Additions during the period	54,811,862.88	–	–	54,811,862.88
– Additions of lease	54,811,862.88	–	–	54,811,862.88
(3) Reductions during the period	6,897,951.24	43,609,007.07	247,814,049.60	298,321,007.91
– Disposals or expiration	6,074,717.13	–	–	6,074,717.13
– Disposals of subsidiaries	796,104.81	43,609,007.07	247,814,049.60	292,219,161.48
– Foreign currency financial statement translation differences	27,129.30	–	–	27,129.30
(4) Balance as at 30 June 2025	3,622,913,462.64	45,270,139.61	–	3,668,183,602.25
2. Accumulated depreciation				
(1) Balance as at 31 December 2024	1,397,503,873.84	36,777,953.03	167,267,449.90	1,601,549,276.77
(2) Additions during the period	93,206,873.80	2,565,129.25	10,222,328.76	105,994,331.81
– Accrual	93,206,873.80	2,565,129.25	10,222,328.76	105,994,331.81
(3) Reductions during the period	6,409,321.84	16,370,755.57	177,489,778.66	200,269,856.07
– Disposals or expiration	6,074,717.13	–	–	6,074,717.13
– Disposals of subsidiaries	325,559.19	16,370,755.57	177,489,778.66	194,186,093.42
– Foreign currency financial statement translation differences	9,045.52	–	–	9,045.52
(4) Balance as 30 June 2025	1,484,301,425.80	22,972,326.71	–	1,507,273,752.51
3. Book value				
(1) As at 30 June 2025	2,138,612,036.84	22,297,812.90	–	2,160,909,849.74
(2) As at 31 December 2024	2,177,495,677.16	52,101,193.65	80,546,599.70	2,310,143,470.51

6. INTANGIBLE ASSETS

1) Details of intangible assets

Items	Land use rights	Computer software	Passenger service licenses	Station and toll bridge franchise operating rights	Line license use rights and route operation rights	Trademark rights and others	Total
1. Cost							
(1) Balance as at 31 December 2024	583,131,641.02	118,618,921.45	40,759,057.93	387,478,456.26	284,351,763.87	4,673,854.67	1,419,013,695.20
(2) Additions during the period	831,043.06	1,923,387.44	–	–	–	–	2,754,430.50
– Purchases	831,043.06	1,923,387.44	–	–	–	–	2,754,430.50
(3) Reductions during the period	2,845,507.26	1,812,535.98	620,162.33	59,998,896.78	–	–	65,277,102.35
– Disposals	2,043,064.04	1,569,073.36	–	–	–	–	3,612,137.40
– Disposals of subsidiaries	193,607.60	214,499.84	–	59,998,896.78	–	–	60,407,004.22
– Foreign currency financial statement translation differences	608,835.62	28,962.78	620,162.33	–	–	–	1,257,960.73
(4) Balance as at 30 June 2025	581,117,176.82	118,729,772.91	40,138,895.60	327,479,559.48	284,351,763.87	4,673,854.67	1,356,491,023.35
2. Accumulated amortization							
(1) Balance as at 31 December 2024	129,379,606.11	85,562,551.68	–	324,665,632.37	211,688,028.29	3,414,486.54	754,710,304.99
(2) Additions during the period	5,876,112.35	4,473,979.57	–	5,387,452.72	3,053,791.88	326,104.98	19,117,441.50
– Accrual	5,876,112.35	4,473,979.57	–	5,387,452.72	3,053,791.88	326,104.98	19,117,441.50
(3) Reductions during the period	2,416,236.50	1,588,546.66	–	19,697,038.33	–	–	23,701,821.49
– Disposals	2,043,064.04	1,361,079.29	–	–	–	–	3,404,143.33
– Disposals of subsidiaries	71,796.27	212,499.84	–	19,697,038.33	–	–	19,981,334.44
– Foreign currency financial statement translation differences	301,376.19	14,967.53	–	–	–	–	316,343.72
(4) Balance as at 30 June 2025	132,839,481.96	88,447,984.59	–	310,356,046.76	214,741,820.17	3,740,591.52	750,125,925.00

Items	Land use rights	Computer software	Passenger service licenses	Station and toll bridge franchise operating rights	Line license use rights and route operation rights	Trademark rights and others	Total
3. Provision of impairment							
(1) Balance as at 31 December 2024	2,956,979.57	–	–	–	43,866,713.52	–	46,823,693.09
(2) Additions during the period	–	–	–	–	–	–	–
(3) Reductions during the period	–	–	–	–	–	–	–
(4) Balance as at 30 June 2025	2,956,979.57	–	–	–	43,866,713.52	–	46,823,693.09
4. Book value							
(1) As at 30 June 2025	445,320,715.29	30,281,788.32	40,138,895.60	17,123,512.72	25,743,230.18	933,263.15	559,541,405.26
(2) As at 31 December 2024	450,795,055.34	33,056,369.77	40,759,057.93	62,812,823.89	28,797,022.06	1,259,368.13	617,479,697.12

Note 1: As at 30 June 2025, land use rights of the Group with carrying amount of RMB39,237,281.98 (31 December 2024: RMB40,397,549.17) were pledged for long-term loans (Note 10). RMB17,457,868.39 (31 December 2024: RMB17,808,957.11) were pledged for short-term loans (Note 7), among which, RMB3,507,142.58 (31 December 2024: RMB3,595,219.66) were sealed up (Note 4).

Note 2: Certain pieces of land of the Group located in the cities of Shanwei, Shaoguan and Meizhou etc. have not yet obtained the certificates of ownership. As at 30 June 2025, the carrying amount of land use rights without certificate of the title for the Group was RMB6,713,475.99 (31 December 2024: RMB6,794,825.79).

Note 3: As at 30 June 2025, land use rights with carrying amount of RMB81,334,312.88 (31 December 2024: RMB82,578,261.92) were obtained through allocation.

7. SHORT-TERM LOANS

1) Classification of short-term loans

Items	30 June 2025	31 December 2024
Pledged loan *(Note 2)*	**8,000,000.00**	12,700,000.00
Loans secured by mortgages *(Note 3)*	**116,860,000.00**	119,610,648.34
Pledged and mortgaged loans	**-**	7,600,000.00
Pledged and guaranteed loans *(Note 4)*	**13,131,750.02**	13,800,000.00
Unsecured loans	**180,708,000.00**	214,839,500.00
Including: Loans from banks	**180,708,000.00**	214,839,500.00
Total	**318,699,750.02**	368,550,148.34

Note 1: As at 30 June 2025, the Group's short-term loans were borrowings from banks within 1 year, which bear contractual interest rates ranging from 2.11% to 5.10% per annum (31 December 2024: 2.39% to 5.10%).

Note 2: As at 30 June 2025, the pledged loans held by the Group are the loans borrowed by the subsidiaries: the loans borrowed by Shanwei Yueyun Automobile Transportation Co., Ltd., with the subsidies for rural road passenger transport in Shanwei City in 2023 and the government subsidies for urban transport development incentives as collateral.

Note 3: For the details of assets mortgaged for secured loans as at 30 June 2025, please refer to Notes 4 and 6.

Note 4: As at 30 June 2025, the pledged and guaranteed loans held by the Group were borrowed by its subsidiary Shanwei Yueyun Automobile Transport Co., Ltd., with the New Energy Bus Demonstration and Promotion Application Period Operation Comprehensive Subsidy as pledged assets and guaranteed by Shanwei City Yueyun New Energy Vehicles Service Co., Ltd. at joint and several liabilities.

2) Overdue short-term loans

As at 30 June 2025, the outstanding balance of overdue short-term loans of Heyuan City Yueyun Motor Transportation Co., Ltd. and Shanwei Yueyun Automobile Transportation Co., Ltd., the subsidiaries of the Company, is RMB108,130,000.00 with bearing overdue interest rates ranging from 5.18% to 7.65% per annum.

8. ACCOUNTS PAYABLE

1) The nature analysis of accounts payable is as follows:

Items	**30 June 2025**	31 December 2024
Materials payable	**84,503,811.42**	82,001,906.93
Transportation fee payable	**62,405,691.02**	62,736,080.67
Contract payments for cars	**38,976,100.92**	42,833,590.92
Progress payments for constructions	**217,210,895.15**	229,785,343.99
Expressway service zones contracts fee payable	**188,628,662.33**	147,723,720.64
Fuel expenses payable	**11,121,202.82**	19,256,129.09
Service fees payable	**7,526,920.08**	11,574,063.91
Others	**50,003,829.09**	80,169,038.43
Total	**660,377,112.83**	676,079,874.58

2) The aging analysis of accounts payable according to the date of transaction is as follows:

Items	**30 June 2025**	31 December 2024
Within 1 year (inclusive)	**411,970,243.37**	468,885,160.18
Over 1 year but within 2 years (inclusive)	**139,264,105.47**	66,825,658.78
Over 2 years but within 3 years (inclusive)	**32,394,326.22**	30,616,021.41
Over 3 years	**76,748,437.77**	109,753,034.21
Total	**660,377,112.83**	676,079,874.58

3) Significant accounts payable with aging of more than one year:

Items	**30 June 2025**	**Reasons for unsettlement**
Guangxi Construction First Construction Engineering Group Co., Ltd.	**19,366,972.49**	Construction fee unsettled
Guangdong Wuhua Erjian Engineering Co., Ltd.	**12,853,284.24**	Construction fee unsettled
Total	**32,220,256.73**	

9. NON-CURRENT LIABILITIES DUE WITHIN ONE YEAR

Items	*Note*	30 June 2025	31 December 2024
Long-term loans due within one year	*10*	**452,758,451.40**	152,847,526.21
Long-term payables due within one year		**125,749,979.83**	153,959,092.13
Lease liabilities due within one year	*11*	**166,902,105.77**	199,019,728.66
Total		**745,410,537.00**	505,826,347.00

10. LONG-TERM LOANS

1) Classification of long-term loans

Items	30 June 2025	31 December 2024
Unsecured loans	**294,750,000.00**	300,597,625.00
Including: Loans from banks	**262,750,000.00**	268,000,000.00
Loans from Guangdong Provincial Communication Group Finance Company Limited	**32,000,000.00**	32,597,625.00
Loans secured by mortgages *(Note 2)*	**125,672,720.93**	133,336,604.76
Mortgaged and guaranteed loans *(Note 3)*	**41,431,898.64**	41,941,817.27
Pledged and mortgaged loans *(Note 4)*	**35,059,084.35**	36,698,726.19
Including: Loans from banks	**18,659,084.35**	18,698,726.19
Loans from Guangdong Provincial Communication Group Finance Company Limited	**16,400,000.00**	18,000,000.00
Pledged, mortgaged and guaranteed loans *(Note 5)*	**9,413,214.33**	10,420,400.00
Total	**506,326,918.25**	522,995,173.22
Less: Long-term loans due within one year		
Including: Unsecured loans	**260,250,000.00**	6,097,625.00
Loans secured by mortgages	**125,574,254.08**	84,023,577.93
Mortgaged and guaranteed loans	**41,431,898.64**	41,797,197.09
Pledged and mortgaged loans	**16,089,084.35**	10,508,726.19
Pledged, mortgaged and guaranteed loans	**9,413,214.33**	10,420,400.00
Sub-total *(Note 9)*	**452,758,451.40**	152,847,526.21
Long-term loans due after 1 year	**53,568,466.85**	370,147,647.01
Including: Due after 1 year but within 2 years	**23,568,466.85**	334,847,647.01
Due after 2 years but within 5 years	**30,000,000.00**	35,300,000.00

Note 1: As at 30 June 2025, the long-term borrowings of the Group bear contractual interest rates ranging from 2.80% to 5.00% per annum (31 December 2024: 2.80% to 5.00%).

Note 2: For the details of assets mortgaged for secured loans as at 30 June 2025, please refer to Notes 4 and 6.

Note 3: As at 30 June 2025, mortgaged and guaranteed loans held by the Group include the loans borrowed by the subsidiaries:① the loans borrowed by Heyuan City Yueyun Motor Transportation Co., Ltd., with land as collateral, and joint liability guaranteed by shareholders for the remaining exposures in proportion to their shareholdings; ②the loans borrowed by Meizhou Yueyun Motor Transportation Co., Ltd., with vehicles as collateral and Zhengzhou Anchi Bonding Co., Ltd., which is the third party, as joint liability guarantee.

Note 4: As at 30 June 2025, pledged and mortgaged loans held by the Group include the loans borrowed by the subsidiaries:①the loans borrowed by Shanwei Yueyun Automobile Transportation Co., Ltd., with the comprehensive operation subsidy during the demonstration, promotion and application period of new energy bus in Shanwei urban area from 2022 to 2025 as the pledged assets and land as the collateral; ②the loans borrowed by Shanwei Yueyun Automobile Transportation Co., Ltd., with the comprehensive operation subsidy during the demonstration, promotion and application period of new energy bus in Haifeng County from 2022 to 2024 as the pledged assets and vehicles as the collateral.

Note 5: As at 30 June 2025, pledged, mortgaged and guaranteed loans held by the Group are the loan borrowed by Shanwei Yueyun Automobile Transportation Co., Ltd., with the comprehensive operation subsidy during the demonstration, promotion and application period of new energy bus in Lufeng City in 2025 as pledged assets, with land as the collateral and guaranteed by the Company at 51% joint and several liabilities.

2) Overdue long-term loans

As at 30 June 2025, the outstanding balance of overdue long-term loans of Heyuan City Yueyun Motor Transportation Co., Ltd., Heyuan City Yueyun Lvdu Public Transportation Co., Ltd. and Shanwei Yueyun Automobile Transportation Co., Ltd, the subsidiaries of the Company, is RMB76,578,533.29 with overdue interest rates ranging from 6.83% to 7.50% per annum.

11. LEASE LIABILITIES

Items	**30 June 2025**	31 December 2024
Lease liabilities	**2,448,723,181.92**	2,668,599,543.21
Less: lease liabilities due within one year *(Note 9)*	**166,902,105.77**	199,019,728.66
Lease liabilities due after one year	**2,281,821,076.15**	2,469,579,814.55
Including: Due after 1 year but within 2 years	**150,349,982.17**	195,797,370.32
Due after 2 years but within 5 years	**443,006,752.00**	494,543,273.19
After 5 years	**1,688,464,341.98**	1,779,239,171.04

12. RETAINED EARNINGS

Items	**Amount for the period**	Amount for the previous period
Retained earnings at the beginning of the period	**1,002,904,081.67**	842,647,338.85
Add: Net profit for the period attributable to the shareholders of the Company	**142,643,705.10**	138,669,235.05
Less: Final dividends in respect of the previous financial year, approved and declared during the period *(Note 1)*	**71,986,302.00**	63,987,824.00
Transfer of other comprehensive income to retained earnings *(Note 2)*	**2,835,598.67**	–
Other	**37,701.33**	–
Retained earnings at the end of the period	**1,070,688,184.77**	917,328,749.90

Note 1: A final dividend of RMB0.09 per share (tax included) for the year ended 31 December 2024 were approved for distribution by shareholders at the Annual General Meeting held on 30 June 2025. The total amount of 2024 final dividend was RMB71,986,302.00, calculated based on the total number of shares of 799,847,800 (for the six months ended 30 June 2024: RMB63,987,824.00). As at 30 June 2025, the above cash dividend has not been paid.

Note 2: On 22 January 2025, the Company completed the transfer of its 100% equity interest in Zhuhai Gongyun. Upon this transfer, the cumulative losses previously recognized in other comprehensive income (OCI) during Zhuhai Gongyun's holding period of investments in other equity instruments were reclassified from OCI to retained earnings.

13. FINANCIAL EXPENSES

Items	**Amount for the period**	Amount for the previous period
Interest expenses from loans	**18,582,266.72**	28,185,796.58
Interest income	**(7,286,168.54)**	(9,986,035.48)
Exchange gains	**(1,291,239.55)**	(1,981,856.44)
Interest expenses from lease liabilities	**50,460,511.52**	47,295,704.83
Others	**10,555,958.64**	11,993,514.60
Total	**71,021,328.79**	75,507,124.09

14. OTHER INCOME

Items	**Amount for the period**	Amount for the previous period
Government grants related to assets	**25,494,983.18**	33,477,761.90
Government grants related to income	**63,834,487.25**	111,427,095.05
VAT reduction and exemption, etc.	**86,500.84**	743,925.50
Total	**89,415,971.27**	145,648,782.45

Government grants included in other income

Items	Amount for the period	Amount for the previous period	Related to assets/ Related to income
Subsidies for vehicles replacement	**4,597.55**	75,746.19	Related to assets
Subsidies for procurement of new energy vehicles	**21,137,724.79**	28,500,719.92	Related to assets
Subsidies for fixed assets renovation	**3,192,099.74**	3,444,137.87	Related to assets
Tax subsidies for vehicle purchase	**141,843.96**	212,765.94	Related to assets
Other subsidies related to assets	**1,018,717.14**	1,244,391.98	Related to assets
Subsidies for operation of bus line	**57,298,765.29**	101,593,749.10	Related to income
Subsidies of elderly concessionary travel card	**3,931,173.53**	4,576,165.74	Related to income
Others subsidies related to income	**2,604,548.43**	5,257,180.21	Related to income
Total	**89,329,470.43**	144,904,856.95	

15. INVESTMENT INCOME

Items	Amount for the period	Amount for the previous period
Income from long-term equity investments under equity method	**38,466,167.38**	48,107,071.06
Gains on disposal of subsidiaries *(Note 2.1)*	**55,713,441.19**	2,216,830.64
Others	**419,402.45**	272,181.30
Total	**94,599,011.02**	50,596,083.00

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

16. ACCRUAL OF CREDIT LOSS

Items	Amount for the period	Amount for the previous period
Accounts receivable	**(9,252,325.56)**	(5,913,485.27)
Other receivables	**(3,255,051.91)**	(5,300,458.92)
Total	**(12,507,377.47)**	(11,213,944.19)

17. IMPAIRMENT LOSSES

Items	Amount for the period	Amount for the previous period
Impairment losses on long-term equity investments	**(1,042,186.83)**	–
Impairment losses of fixed assets	**–**	(560,250.00)
Total	**(1,042,186.83)**	(560,250.00)

18. GAINS FROM ASSET DISPOSALS

Items	Amount for the period	Amount for the previous period
Gains from disposal of fixed assets	**6,334,016.13**	6,438,923.17
Total	**6,334,016.13**	6,438,923.17

19. NON-OPERATING INCOME

Items	Amount for the period	Amount for the previous period
Gains on scrapping of non-current assets	**2,961,370.84**	824,131.03
Government grants	**2,000.00**	–
Compensations	**52,372.02**	885,037.43
Others	**1,126,152.61**	6,842,853.14
Total	**4,141,895.47**	8,552,021.60

Government grants included in non-operating income

Subsidy items	Amount for the period	Amount for the previous period	Related to assets/ Related to income
Other subsidies	**2,000.00**	–	Related to income
Total	**2,000.00**	–	

20. INCOME TAX EXPENSES

1) Income tax expenses

Items	Amount for the period	Amount for the previous period
Current income tax expense	**60,924,373.21**	66,020,290.22
Deferred tax expense	**(19,718,995.77)**	(10,688,121.95)
Total	**41,205,377.44**	55,332,168.27

21. EARNINGS PER SHARE

1) Basic earnings per share

Basic earnings per share is calculated as dividing consolidated net profit attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding of the Company. The calculation is as follows:

Items	Amount for the period	Amount for the previous period
Consolidated net profit attributable to ordinary shareholders of the Company	**142,643,705.10**	138,669,235.05
Weighted average number of ordinary shares outstanding	**799,847,800.00**	799,847,800.00
Basic earnings per share (RMB/share)	**0.18**	0.17
Including: Basic earnings per share from continuing operations (RMB/share)	**0.18**	0.17

Weighted average number of ordinary shares is calculated as follows:

Items	Amount for the period	Amount for the previous period
Issued ordinary shares at the beginning and the end of the period	**799,847,800.00**	799,847,800.00
Weighted average number of ordinary shares at the end of the period	**799,847,800.00**	799,847,800.00

2) Diluted earnings per share

Diluted earnings per share is calculated as dividing consolidated net profit attributable to ordinary shareholders of the Company (diluted) by the weighted average number of ordinary shares outstanding (diluted). The calculation result is the same as basic earnings per share.

22. GOVERNMENT GRANTS

1) Government grants related to assets

Items	Balance	Balance sheet presentation items	The amount included in the current profit and loss or offsetting the related costs and expenses: Amount for the period	Amount for the previous period	Items included in the current profit and loss or offsetting the related costs and expenses
Subsidies for vehicles replacement	–	Deferred income	**4,597.55**	75,746.19	Other income
Subsidies for procurement of new energy vehicles	40,625,037.85	Deferred income	**21,137,724.79**	28,500,719.92	Other income
Subsidies for fixed assets renovation	122,574,012.22	Deferred income	**3,192,099.74**	3,444,137.87	Other income
Tax subsidies for vehicles purchase	–	Deferred income	**141,843.96**	212,765.94	Other income
Other subsidies related to assets	5,109,888.44	Deferred income	**1,018,717.14**	1,244,391.98	Other income
Total	168,308,938.51		**25,494,983.18**	33,477,761.90	

2) Government grants related to income

Items	The amount included in the current profit and loss or offsetting the related costs and expenses Amount for the period	 Amount for the previous period	Items included in the current profit and loss or offsetting the related costs and expenses
Fuel subsidies	**6,233,810.65**	15,388,330.77	Operating costs
Subsidies for operation of bus lines	**57,298,765.29**	101,593,749.10	Other income
Subsidies of elderly concessionary travel card	**3,931,173.53**	4,576,165.74	Other income
Other subsidies	**2,604,548.43**	5,257,180.21	Other income
Other subsidies	**2,000.00**	–	Non-operating income
Total	**70,070,297.90**	126,815,425.82	

23. NET CURRENT LIABILITIES

Items	30 June 2025	31 December 2024
Current assets	**2,706,704,677.29**	2,666,605,098.63
Less: Current liabilities	**2,941,349,352.58**	2,725,484,608.63
Net current liabilities	**(234,644,675.29)**	(58,879,510.00)

24. TOTAL ASSETS LESS CURRENT LIABILITIES

Items	30 June 2025	31 December 2024
Total assets	**8,440,741,072.68**	8,724,059,777.83
Less: Current liabilities	**2,941,349,352.58**	2,725,484,608.63
Total assets less current liabilities	**5,499,391,720.10**	5,998,575,169.20

25. LEASE

1) As a lessee

Items	Amount for the period	Amount for the previous period
Interest expense on lease liabilities	**50,460,511.52**	47,295,704.83
Short-term lease expenses applied the practical expedient	**34,501,516.01**	3,321,580.13
Variable lease payments not included in the measurement of lease liabilities	**12,048,005.63**	5,132,407.74
Income from sub-leasing right-of-use assets	**216,671,650.56**	245,101,426.32
Total cash outflow for leases	**177,358,838.77**	127,844,152.21

2) **As a lessor**

(1) ***Operating lease***

Items	**Amount for the period**	Amount for the previous period
Lease income	**239,553,662.27**	262,724,080.66
Including: income related to variable lease payments not included in lease receipts	**16,896,150.74**	18,660,634.34

The Group's undiscounted lease receipts to be received after the balance sheet date are as follows:

Remaining lease term	**30 June 2025**	31 December 2024
Within 1 year	**390,587,722.38**	466,167,281.03
Over 1 year but within 2 years	**337,160,325.38**	403,154,410.46
Over 2 years but within 3 years	**290,773,989.04**	337,607,201.63
Over 3 years but within 4 years	**241,755,588.13**	283,526,857.01
Over 4 years but within 5 years	**203,224,591.33**	204,390,022.58
Over 5 years	**696,662,561.54**	745,073,379.15
Total	**2,160,164,777.80**	2,439,919,151.86

26. SEGMENT INFORMATION

1) **Determination basis and accounting policies of reportable segments**

Based on the Group's internal organisation structure, management requirements and internal reporting system, the operations of the Group were classified into three segments, including expressway service zones operation, road passenger transportation and auxiliary, Taiping Interchange operation 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.

2) **Segment reporting**

For the six months ended 30 June 2025

Items	**Expressway service zones operation**	**Road passenger transportation and auxiliary**	**Taiping Interchange operation and other business**	**Inter-segment eliminations**	**Total**
Operating income	**2,992,593,473.23**	**727,786,156.29**	**55,349,807.67**	**(5,701,354.65)**	**3,770,028,082.54**
Including: Operating income from external customers	**2,991,061,827.71**	**723,616,447.16**	**55,349,807.67**	**–**	**3,770,028,082.54**
Inter-segment operating income	**1,531,645.52**	**4,169,709.13**	**–**	**(5,701,354.65)**	**–**
Operating costs	**2,713,675,090.85**	**733,779,983.17**	**20,646,690.24**	**(3,924,560.50)**	**3,464,177,203.76**
Profit/(loss) before income tax	**152,246,721.58**	**(9,984,588.24)**	**34,589,168.44**	**(1,048,893.83)**	**175,802,407.95**

For the six months ended 30 June 2024

Items	Expressway service zones operation	Road passenger transportation and auxiliary	Taiping Interchange operation and other business	Inter-segment eliminations	Total
Operating income	2,622,555,285.58	980,875,419.10	72,913,593.45	(1,681,601.54)	3,674,662,696.59
Including: Operating income from external customers	2,621,531,085.76	980,218,017.38	72,913,593.45	–	3,674,662,696.59
Inter-segment operating income	1,024,199.82	657,401.72	–	(1,681,601.54)	–
Operating costs	2,285,559,220.05	998,617,625.52	12,144,807.45	(794,257.62)	3,295,527,395.40
Profit/(loss) before income tax	177,075,599.42	(48,606,795.65)	62,172,025.22	(887,343.92)	189,753,485.07

As at 30 June 2025

Items	Expressway service zones operation	Road passenger transportation and auxiliary	Taiping Interchange operation and other business	Inter-segment eliminations	Total
Total assets	**4,564,007,434.66**	**3,324,008,757.66**	**3,061,552,497.18**	**(2,508,827,616.82)**	**8,440,741,072.68**
Total liabilities	**3,430,495,670.97**	**2,096,753,957.36**	**1,218,498,244.66**	**(974,166,730.38)**	**5,771,581,142.61**

As at 31 December 2024

Items	Expressway service zones operation	Road passenger transportation and auxiliary	Taiping Interchange operation and other business	Inter-segment eliminations	Total
Total assets	4,572,808,854.47	3,703,151,328.32	2,874,514,204.04	(2,426,414,609.00)	8,724,059,777.83
Total liabilities	3,561,155,893.04	2,456,002,046.66	957,658,152.20	(856,616,919.34)	6,118,199,172.56

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

In the first half of 2025, the Group will closely follow the development trend of the industry, take expressway travel services as its business core, drive reform and innovation, and focus on refined management, and remarkable progress was made in comprehensively promoting diversified business segments such as energy, retail, merchant solicitation, advertising and expressway rescue. During the period, the exit of the road passenger transport business was steadily progressed as planned, and the Group's overall operation showed a good momentum of steady progress and improvement in quality and efficiency.

I. Expressway Service Zone Operation

1. Energy Business

The Group has always been committed to expanding and strengthening its energy business, continuously expanding the scale of the comprehensive energy network, focusing on enhancing the market influence of its own brand name and striving to create a new momentum for energy development. As of the end of June 2025, the Group had 230 oil stations with operating right and 220 oil stations under operation, including 110 owned and operated oil stations, 12 cooperative oil stations and 98 oil stations under contracted operations; 338 service zones with charging stations, with 1,576 charging piles, 10 battery replacement stations, 4 gas stations and 1 photovoltaic point. We have mainly carried out the following tasks:

(1) Promoting standardized management and comprehensively improving the operation efficiency of petrol stations. In order to regulate the operation and management of petrol stations, the Group has formulated and issued operational guidelines for standardised management. Accurately identify the problems existing in the standardized management of gas stations through comprehensive inspection, and formulate specific solutions; combine the actual operation scenarios of gas stations, formulate detailed and practical operation guidelines, so that employees can have clear guidelines to follow. Meanwhile, managers (persons-in-charge) of gas stations were organized to carry out special trainings under the trinity model of "theoretical teaching + on-site practical operation + comprehensive assessment". Among them, the on-site practical operation focused on the in-depth transmission of inspection standards and practical operation methods, which helped employees strengthen their understanding of the operating guidelines and their ability to implement and apply them, so as to ensure that the training effects can be effectively transformed into management effectiveness.

(2) Expanding the network of petrol stations to consolidate the foundation for business development. The Group successfully completed the commissioning of three self-operated petrol stations in Xiaolan and Chengnan and the resumption of Lankou Petrol Station. In order to ensure the smooth operation of the petrol station, special safety inspections were carried out before the petrol station was put into operation to comprehensively identify and rectify potential safety hazards, and at the same time, detailed preparations for the opening of the petrol station were carried out such as personnel recruitment and training, commodity procurement and display, so as to lay a solid foundation for the scheduled operation of the petrol station.

(3) Strengthening the management of guaranteed oil product supply and ensuring stable supply throughout the whole chain. Strengthening the whole-chain management capability of guaranteed oil product supply. The Group adopted precise policies in three aspects to ensure the stable supply of oil products. First, the Group deepened the linkage mechanism with refined oil suppliers to establish long-term stable cooperation relationship and ensure the supply of source resources; Second, make preparations for supply guarantee in advance of the holidays, and formulate comprehensive emergency plans and distribution plans to ensure the safety and reliability of the supply chain; Third, the Group strengthened real-time communication with various petrol stations, established efficient information transmission channels, and strictly implemented the 24-hour uninterrupted operation mode during holidays to ensure the timely delivery of petrol products. Through multi-dimensional synergy, the supply of oil products at all petrol stations in the first half of the year was stable. In particular, there was no shortage of oil supply or supply interruption during key holidays such as the Spring Festival, Qingming Festival and May Day, which provided a reliable support for continuous operation.

(4) Deepening its marketing planning and promotion to enhance brand value and customer stickiness. The Group leveraged big data analysis to construct multi-dimensional customer profiles, which laid a solid foundation for precision marketing. Implementing differentiated strategies to target different consumer groups: customizing stored-value preferential packages for high-frequency customers (such as refills and complimentary gas credits or gifts); introducing gradient concession plans for price-sensitive customers (such as higher purchase volume with higher discounts). During the sensitive period of oil price fluctuation, the Group timely pushed price adjustment information and ancillary promotion activities through text messages and APP to effectively enhance customer stickiness. In the first half of the year, 28 marketing campaigns were launched, covering 63 campaigns at 1,388 stops, driving an increase in the number of diesel and gasoline passenger orders.

2. *Retail Business*

The Group actively promoted quality improvement and upgrading of its retail business and continuously expanded its sales channels. Focusing on improving the quality and efficiency of retail trade in service zones, we will further expand the network of self-operated stores, expand sales channels in online shopping mall, and expand the scale of group purchase and wholesale business within and outside the system; strengthen store business strategies and operation management, continue to optimize the "one store, one policy" and vertical management measures to promote the upgrading of the consumption environment. As of the end of June 2025, the total number of Loyee convenience stores reached 526. The main efforts put into the retail business include:

(1) Implementing refined operation to facilitate business expansion and vitality enhancement. The Group adhered to the refined operation philosophy of "one store, one policy" and formulated personalized operation strategies according to the geographical location and consumer groups of different stores. The Group promoted the opening of 8 new stores, and established a three-tier system of flagship stores, standard stores and ordinary stores. After the optimization of operations, the categories of commodities increased to 3,673, covering popular categories such as apparel, blind boxes and agarwood, meeting the needs of different consumers. At the same time, the Group continued to undertake local specialty products projects, and planned themed promotions such as the Spring Festival, Qingming Festival, May Day, Dragon Boat Festival and the Summer Transportation season which attracted a large number of consumers, with a 20% year-on-year increase in promotion contracts and a steady increase in market vitality.

(2) Optimizing the product selection and merchant solicitation model and broadening channels to achieve cost reduction and efficiency enhancement. The Group proactively sought changes, precisely adjusted its product selection strategy, and optimized the product selection criteria to a "four out of nine" model, which means that products are evaluated from nine dimensions and products with excellent performance in four dimensions are selected. In the first half of the year, three special merchant solicitations were launched, and more than 170 products were successfully introduced; during the merchant solicitation process, the combination of systematic lowest price review and commercial negotiation was adopted, which effectively contributed to the year-on-year decrease in the purchase price of goods. At the same time, the Group obtained the exclusive license for the service areas of two brands, consolidating the upstream resources; in terms of group purchase channels, the Group not only jointly established a broader supply system with partners to achieve resource sharing and complementary advantages, but also collaborated with other units within the Group to carry out group purchase activities and expanded the scale of group purchase business; the tiered preferential supply price of urea for the supply price of urea has significantly reduced the procurement cost compared with the original tender price, thus effectively achieving the target of cost reduction and efficiency improvement.

(3) Focusing on market demand orientation, the Group expanded product categories to enhance brand influence. The Group closely followed the market demand and selected some stores for pilot purposes, and took the lead in introducing two potential new categories of children's toys and pet products, among which the children's toys received an overwhelming response from the market and were well received by consumers; Five stores including Yangjiang set up special corners for pet products and snacks, forming a composite consumption scenario of "retail + lifestyle services", providing consumers with more convenience. By exploring deeply into consumers' preferences, the Group successfully developed and put on sale self-branded products such as Guandan playing cards, freshly ground coffee and lighters. At the same time, the "Deer" IP of Expressway was widely used in stores, such as the integration of "Deer" IP elements into the decoration and product packaging of stores, which further enhanced the brand recognition and influence.

(4) Supporting the rural revitalization strategy and establishing a dual-line consumption support system. Since the commencement of construction of the "Guangdong Rural Revitalization and High-quality Agricultural Products Station" in November 2023, the Group, relying on the platform resources of the service areas, has carefully created a variety of consumption assistance scenarios, which have achieved remarkable results. At present, the Group has set up local specialty product stores in 57 key service areas, established the "Yipinhui" rural revitalization and high-quality agricultural product stores, and set up rural revitalization specialty counters in 211 self-operated "Loyee" convenience stores; At the same time, the Group enriched the categories of "Guangdong Pass Mall" and launched businesses such as corporate group purchase and O2O self-pickup at the same time, achieving "two-line linkage" and contributing positively to rural revitalization.

3. *Merchant Solicitation Business*

The Group actively constructed a new operation system to promote the quality and upgrading of merchant solicitation business. By actively expanding business mode of service zones, promoting the in-depth integration of service zones with surrounding resources, deeply exploring the local characteristic business mode, and strengthening the refined management of commercial operations in the service zones, the comprehensive competitiveness and service quality of the service zones have been comprehensively improved. As of the end of June 2025, 387 service zones have obtained operating rights and 365 are in operation. We have mainly carried out the following tasks:

(1) Expanding the layout of self-operated projects and enriching the commercial formats in the service zones. On the basis of the successful implementation of self-operated KFC projects of international brands through franchising channels, the Group continued to explore business model innovation, and accelerated the implementation of self-operated catering projects in service zones through self-operated, franchising and cooperation modes. Taking into account the commercial plan, the site selection and layout for self-operated projects from 2025 to 2028 has been started; in which, the KFC outlets in Changshawan and Waxi have been successfully opened, and the design, construction and preliminary preparations for food selection of the first self-operated gourmet restaurant (Xinxu Service Area) are in progress. It is expected to be officially put into operation this year, which will bring more visitors and revenue to the service area.

(2) Implementing a unified cashier model to improve the efficiency of merchant management. The Group introduced mature cash register system operators and established a digital management system for merchants to meet core management needs such as unified cash register, automatic account separation, cash register supervision and operation data analysis. At present, the pilot project of unified cash register has been launched in 10 pairs of service areas. Through the accumulation of experience, the final selection of models will be determined after the completion of the pilot, which will lay a solid foundation for the promotion of the unified cash register model in all service areas.

(3) Formulating commercial investment plans to facilitate the featured development of service areas. Completing the preparation of commercial planning and investment plan, the Group actively communicated with the owners of the road sections to deeply understand the characteristics and needs of the road sections in accordance with the deployment requirements of the Special Action Plan for Quality Improvement and Upgrading within the Service Areas under the "Urban and Rural Coordinated Development Project", so as to deepen the business planning and integration of the business plans in the service areas, endeavored to build the service zones with "five refined" features and service zones to help farmers and promote business to further enhance the "three windows" of local featured culture, featured products and specialty cuisine, so as to enhance the cultural connotation and commercial value of the service zone.

(4) Strengthening commercial operation management and ensuring the service quality. The Group has set up a special working group to supervise, inspect and rectify the automobile repair and food safety businesses of all branches and service areas. The Group has formulated detailed inspection standards and procedures to regularly inspect the service quality and charging standards of automobile repair merchants, and strictly supervised food safety to ensure that the rights and interests of consumers are protected. The Group organized branches and service areas to increase the frequency of inspections, strictly implemented legal compliance operations, and maintained a good operation order in the service areas.

4. Advertising business

The Group took digital transformation as the starting point to accelerate the upgrade of advertising resources management and simultaneously expand the new media promotion matrix; innovated cooperation models to deepen customer relationships, and optimised operation and management on the basis of consolidating existing advertising resources, so as to drive the quality and efficiency of advertising business. As of the end of June 2025, the Group has operation rights of advertising on 79 expressways, and ownership of 536 resources, mainly including pillars, overpass bridges, gantry, billboards above toll stations, floor standing boards and billboards above service zones. We have mainly carried out the following tasks:

(1) Focusing on the development of direct sales business to enhance the effectiveness of advertising business. The Group focuses on expanding its customers in various sectors including travel, wine and regional consumer brands. Through in-depth insights into customers' needs and customized personalized advertising service solutions, the Group continued to deepen the stickiness of cooperation. At the same time, the Group flexibly utilized sales strategies such as short-term and medium-term packages to improve customer quality and optimize customer structure, which significantly improved the overall effectiveness of the advertising business.

(2) Implementing innovative resource promotion model to facilitate synergetic business development. The Group achieved breakthroughs in event planning, visual design and exploration of emerging business areas. In terms of event planning, the Group innovatively designed the process and links of the promotion conference, which attracted the active participation of many customers; in terms of visual design, adhering to the modern design concept, the Group produced high-quality promotional materials and display props, which fully demonstrated the Group's advantages in advertising resources. The successful holding of the media resources promotion conference has effectively promoted the coordinated development of diversified businesses, and the Group's core competitiveness has been continuously enhanced, laying a solid foundation for the comprehensive achievement of the annual business objectives.

II. Road Passenger Transportation and Auxiliary Business

1. Road passenger transportation business

Under the continuous impact of multiple travel modes such as high-speed rail, private cars and online car-hailing, the road passenger transport industry has shown a trend of gradual shrinkage. In order to effectively avoid the negative impact on the Company's profits, the Company resolutely implemented strategic adjustments and gradually withdrew from the passenger transportation business in accordance with the principle of "first easy then difficult, classified and divided into segments".

In the first half of the year, the Company has successfully completed the equity transfer of Zhuhai City Gongyun Bus Station Company Limited and the exit of controlling interest of Guangzhou City Yueyun Motor Transportation Co., Ltd. and Guangzhou City Zengcheng Automobile Passenger Traffic Station Co., Ltd., realizing the smooth exit of the above enterprises.

In the process of exiting the passenger transportation business, the Company actively took a number of measures to optimize the allocation of resources and management. The Group carried out a comprehensive inventory and assessment of the assets of the passenger transport enterprises, and successfully recovered funds through efficient disposal such as equity transfer and asset sales. The Group made reasonable diversion and proper placement of relevant personnel, and preferentially arranged for employees to transfer to other business segments of the Group. At the same time, the Company strengthened cost control and strictly controlled various expenses, which effectively reduced operating costs. In addition, the Company actively communicated and coordinated with government departments and actively sought government support to speed up the exit of road passenger transportation business.

2. Expressway Rescue Business

With a customer-centric approach, the Group focused on improving the quality of expressway rescue services and optimizing rescue efficiency to achieve refined monitoring of the system; focusing on key time periods, the Group strengthened the ability to ensure smooth traffic flow during holidays. The Group extended the application of digital technology to promote the development of "Digital Rescue" towards in-depth development. As of the end of June 2025, the expressway vehicle rescue service mileage was over 7,500 km on 84 road sections with 213 rescue station and 745 rescue vehicles of various types. We have mainly carried out the following tasks:

(1) Adhering to the principle of customer-centricity, focusing on further improvement of service quality. Focusing on process supervision, the Group achieved efficiency improvement through multi-dimensional supervision measures such as normalized inspection of operation videos and random inspections, and formed a whole-process supervision system of "monitoring-early-warning-handling-improvement" to ensure that the whole process of rescue services was controllable, traceable and optimized, and the quality of rescue services was improved. The intelligent dispatching information system has enabled the intelligent dispatching of rescue resources and rationally dispatching rescue forces based on factors such as the urgency of rescue needs and the location of rescue vehicles, which further improved the efficiency of rescue resources use and the efficiency of obstacle removal and rescue. With respect to the rescue operation sites estimated to take a long time, the Group conducted real-time research and judgment and remote technical guidance on the overtime rescue operation sites, and formulated scientific and reasonable rescue plans, which effectively improved the rescue efficiency.

(2) Combination of digital application and skills training enhanced the capability of obstacle removal and rescue. The Group continued to improve the construction of the "Digital Rescue" platform, and continuously optimized the functions of the platform, such as adding functions such as statistical analysis of rescue data and rescue plan recommendation, which provided strong technical support for rescue work. The Group has organized various trainings, rating assessments, and trainings on rescue skills, safety knowledge, emergency response, etc., to continuously improve the capabilities of rescue team members in safe operation and rescue skills to ensure the safety and efficiency of rescue work.

III. Taiping Interchange Operation

The Group continue to maintain the operational management of the Taiping Interchange, daily inspection for the entire road section has been carried out, maintenance and repair works have been organised and implemented.

(1) As of the end of June 2025, the accumulated toll traffic volume was approximately 14.62 million vehicle-trips, representing an average of approximately 81,200 vehicle-trips per day and a year-on-year decrease of approximately 25%. The decrease in traffic flow was mainly due to the traffic diversion of the Shenzhen-Zhongshan Bridge.

(2) Continuous implementation of maintenance and repair plans. In order to ensure the safe operation of structures, the Group regularly inspects and maintains the structures such as bridges and pavements of Taiping Interchange. Meanwhile, the maintenance of electromechanical systems, toll collection systems, communication systems and monitoring systems were strengthened, and equipment repair and upgrade were carried out on a regular basis to ensure the normal operation of each system, and the daily inspection system of Taiping Interchange have been continuously improved by increasing the intensity of inspection, so as to discover and handle various problems in a timely manner to ensure the safety and smooth flow on bridges and roads.

FINANCIAL REVIEW

THE GROUP'S INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2025

For the six months ended 30 June 2025, operating income of the Group amounted to RMB3,770.028 million (corresponding period in 2024: RMB3,674.663 million), representing a year-on-year increase of RMB95.365 million or 3%. Gross profit amounted to RMB305.851 million (corresponding period in 2024: RMB379.135 million), representing a year-on-year decrease of RMB73.284 million or 19%. The year-on-year growth in operating income was mainly because the Company actively focused on deepening the reform of expressway travel services business, resulting in a year-on-year increase in operating income of expressway service zones operational businesses. The year-on-year decrease in gross profit was mainly attributable to the adjustment in the prices of refined oil products, the fluctuation of international oil prices and the impact on sales of fuel from the continuous increase in the number of new energy vehicles, as well as the increase in costs as a result of the expansion of the service area.

For the six months ended 30 June 2025, the Group's cumulative net profit attributable to shareholders of the parent company (the "**Shareholders**") amounted to RMB142.644 million (corresponding period in 2024: RMB138.669 million), representing a year-on-year increase of RMB3.975 million or 3%; basic earnings per share was RMB0.18 (corresponding period in 2024: RMB0.17). The year-on-year increase in net profit attributable to shareholders of the parent company was mainly due to the increase in gains from the exit from transportation business and disposal of equity investments in subsidiaries and the corresponding decrease in administrative expenses.

Operating income

Operating income of the Group was mainly derived from expressway service zone operation business. In the first half of 2025, the Group's operating income amounted to RMB3,770.028 million (corresponding period of 2024: RMB3,674.663 million), representing a year-on-year increase of RMB95.365 million or 3%.

Operating income by business segment:

	For the six months ended 30 June 2025		For the six months ended 30 June 2024	
	RMB'000	***Percentage***	*RMB'000*	*Percentage*
Expressway service zone operation	**2,991,062**	**79%**	2,621,531	71%
Road passenger transportation and auxiliary business	**723,616**	**19%**	980,218	27%
Taiping Interchange operation and other business	**55,350**	**2%**	72,914	2%
Total	**3,770,028**	**100%**	3,674,663	100%

1. Expressway Service Zone Operation Business

Expressway service zone operation business recorded operating income of RMB2,991.062 million for the first half of 2025 (corresponding period in 2024: RMB2,621.531 million), representing a year-on-year increase of RMB369.531 million or 14%, of which:

(1) For energy business, the operating income amounted to RMB2,488.641 million for the first half of 2025 (corresponding period in 2024: RMB2,172.158 million), representing a year-on-year increase of RMB316.483 million or 15%, which was mainly due to the expansion of self-operated oil stations, and an increase in sales volume.

(2) For retail business, the operating income amounted to RMB305.742 million for the first half of 2025 (corresponding period in 2024: RMB277.386 million), representing a year-on-year increase of RMB28.356 million or 10%, which was mainly due to the increase in sales revenue from new stores.

(3) For merchant solicitation business, the operating income amounted to RMB166.153 million for the first half of 2025 (corresponding period in 2024: RMB141.754 million), representing a year-on-year increase of RMB24.399 million or 17%, which was mainly due to the rent reduction or exemption for tenants in the first half of the year.

(4) For advertising business, the operating income amounted to approximately RMB30.526 million for the first half of 2025 (corresponding period in 2024: RMB30.233 million), representing a year-on-year increase of RMB0.293 million or 1%.

2. Road Passenger Transportation and Auxiliary Business

Road passenger transportation and auxiliary business recorded operating income of RMB723.616 million for the first half of 2025 (corresponding period in 2024: RMB980.218 million), representing a year-on-year decrease of RMB256.602 million or 26%, which was mainly due to the gradual exit from passenger transport business.

3. Taiping Interchange Operation Business and Other Business

Taiping Interchange operation business and other business recorded operating income of approximately RMB55.350 million for the first half of 2025 (corresponding period in 2024: RMB72.914 million), representing a year-on-year decrease of RMB17.564 million or 24%, which was mainly due to the year-on-year decrease in traffic flow due to the diversion of traffic flow of the Shenzhen-Zhongshan Corridor.

GROSS PROFIT

The Group recorded a gross profit of RMB305.851 million for the first half of 2025 (corresponding period in 2024: RMB379.135 million), representing a year-on-year decrease of RMB73.284 million or 19%, with a gross profit margin of 8.11% (corresponding period in 2024: 10.32%).

Gross profit/(loss) by business segment:

	For the six months ended 30 June 2025		For the six months ended 30 June 2024	
	RMB'000	***Percentage***	*RMB'000*	*Percentage*
Expressway service zone operation	**280,840**	**92%**	336,662	89%
Road passenger transportation and auxiliary business	**(20,707)**	**(7%)**	(18,295)	(5%)
Taiping Interchange operation and other business	**45,718**	**15%**	60,768	16%
Total	**305,851**	**100%**	379,135	100%

1. Expressway Service Zone Operation

Expressway service zone operation business recorded a gross profit of RMB280.840 million for the first half of 2025 (corresponding period in 2024: RMB336.662 million), representing a year-on-year decrease of RMB55.822 million or 17%, with a gross profit margin of 9% (corresponding period in 2024: 13%). Of which:

(1) The energy business generated a gross profit of RMB232.685 million for the first half of 2025 (corresponding period in 2024: RMB275.241 million), representing a year-on-year decrease of RMB42.556 million or approximately 15%, with a gross profit margin of 9% (corresponding period in 2024: 13%), which was mainly due to adjustments in the price of refined oil products, decrease in the comprehensive selling price of oil products and increased costs resulting from the expanded scale.

(2) The retail business recorded a gross profit of RMB46.841 million for the first half of 2025 (corresponding period in 2024: RMB53.372 million), representing a year-on-year decrease of RMB6.531 million or 12%, with a gross profit margin of 15% (corresponding period in 2024: 19%), which was mainly due to the effect of the microrenovation of the Urban and Rural Coordinated Development Project and the diversion of traffic flow of the Shenzhen-Zhongshan Corridor.

(3) The merchant solicitation business recorded a gross loss of RMB13.039 million for the first half of 2025 (corresponding period in 2024: gross loss of RMB1.578 million), representing a year-on-year decrease of RMB11.461 million or a change of 726%. The gross loss margin was 8% (corresponding period in 2024: gross loss margin of 1%), which was mainly due to the decrease in the occupancy rate of shop areas as affected by the microrenovation of the Urban and Rural Coordinated Development Project and the increase in the size of the service areas, resulting in the increase in upfront investment costs.

(4) The advertising business recorded a gross profit of RMB14.353 million for the first half of 2025 (corresponding period in 2024: RMB9.627 million), representing a year-on-year increase of RMB4.726 million or 49%, with a gross profit margin of 47% (corresponding period in 2024: 32%), which was mainly due to the decrease in cost.

2. Road Passenger Transportation and Auxiliary Business

The road passenger transportation and ancillary business recorded a gross loss of RMB20.707 million for the first half of 2025 (corresponding period in 2024: a gross loss of RMB18.295 million), representing a year-on-year increase of RMB2.412 million or a change of 13%, with a gross loss margin of 3% (corresponding period in 2024: gross loss margin of 2%), which was mainly due the year-on-year increase in highway rescue service cost as a result of new road takeovers and expansion of standby personnel.

3. Taiping Interchange Operation Business and Other Business

Taiping Interchange operation business and other business recorded a gross profit of RMB45.718 million for the first half of 2025 (corresponding period in 2024: RMB60.768 million), representing a year-on-year decrease of RMB15.050 million or 25%, with a gross profit margin of 83% (corresponding period in 2024: 83%), which was mainly due to the decrease in revenue which was affected by the traffic flow.

Administrative and research and development expenses

In the first half of 2025, the Group's total administrative and research and development expenses amounted to RMB198.394 million (corresponding period in 2024: RMB250.263 million), representing a year-on-year decrease of RMB51.869 million or 21%, which was mainly due to steadily withdraw from the transportation business and effective control of expenses.

Finance expenses

In the first half of 2025, the Group incurred finance expenses of RMB71.021 million (corresponding period in 2024: RMB75.507 million), representing a year-on-year decrease of RMB4.486 million or 6%, which was mainly due to the effective reduction to the scale of interest-bearing debts.

Other income

In the first half of 2025, the Group incurred other income of RMB89.416 million (corresponding period of 2024: RMB145.649 million), representing a decrease of RMB56.233 million or 39% on the same period of last year. It was mainly due to the year-on-year decrease in government subsidies as a result of the exit from the transportation business.

Investment gains

In the first half of 2025, the Group recorded investment gains of RMB94.599 million (corresponding period in 2024: investment gains of RMB50.596 million), representing a year-on-year increase of RMB44.003 million or 87%, which was mainly due to the year-on-year increase in gains from the disposal of subsidiaries in passenger transportation business during the period.

Credit impairment losses

In the first half of 2025, the Group's credit impairment losses amounted to RMB12.507 million (corresponding period in 2024: RMB11.214 million), representing a year-on-year increase of RMB1.293 million or 12% in impairment losses, mainly due to the increase in provision for bad debts of accounts receivable which was based on the proportion of aging.

Asset impairment loss

In the first half of 2025, the Group's impairment loss of assets was RMB1.042 million (corresponding period in 2024: RMB0.56 million), representing an increase of loss of RMB0.482 million or 86% on a year-on-year basis, mainly due to the increase in provision for impairment losses on joint ventures during the period.

Gains on disposal of assets

In the first half of 2025, the Group recorded gains on disposal of assets of RMB6.334 million (corresponding period in 2024: RMB6.439 million), representing a year-on-year decrease of RMB0.105 million or 2%.

Non-operating income and expenses

In the first half of 2025, the Group's non-operating net expenses was RMB0.183 million (corresponding period in 2024: net income of RMB1.182 million), representing a year-on-year decrease of RMB1.365 million or a change of 116% in net income, which was mainly due to compensation income from the suspension of business in certain service areas in the corresponding period of the previous year.

Liquidity and Capital Structure

The Group adopted prudent financial management policies in its financial management and implemented strict budget control on the use of funds. The Group satisfied its cash requirements for payable contractual obligations and general working capital mainly through cash generated from operating activities and bank borrowings. The Group proactively reduced interest-bearing liabilities and strived to achieve the optimal financing cost. The Group enhanced internal allocation of funds through the operation of cash pooling to improve the efficiency of utilization of funds. Benefiting from the strict budget control over its funds and optimization of its financial structure, the Group's balance of available credit facilities granted by banks and other financial institutions amounted to RMB4,813.890 million as of 30 June 2025, which provided sufficient protection for the Group's operating loans and ensured repayment of principal and interest without risk.

Items	**30 June 2025** *RMB'000*	31 December 2024 *RMB'000*
Borrowings (from banks and other financial institutions)	**973,597**	1,183,416
Less: Cash and cash equivalents	**1,547,530**	1,425,057
Net debt	**(573,933)**	(241,641)
Total liabilities	**5,771,581**	6,118,199
Total shareholders' equity	**2,669,160**	2,605,861
Total equity	**2,095,227**	2,364,220
Total assets	**8,440,741**	8,724,060
Gearing ratio	**(27.39%)**	(10.22%)
Asset to liability ratio	**68.38%**	70.13%

Gearing ratio = Net debt/Total equity
Total equity = Net debt + Total shareholders' equity
Asset to liability ratio = Total liability/Total assets

Cash Flows

In the first half of 2025, the Group mainly used cash generated from operations and low-interest long-term liabilities to meet contractual commitments and general working capital requirements. The Group's cash and cash equivalents are basically denominated in Renminbi. After deducting the impact of exchange rate changes, the information of cash and cash equivalents is as follows:

Cash generated from/(used in)	**For the six months ended 30 June 2025** *RMB'000*	For the six months ended 30 June 2024 *RMB'000*	Change *RMB'000*
Operating activities	**434,928**	623,201	(188,273)
Investing activities	**(64,302)**	4,627	(68,929)
Financing activities	**(247,241)**	(223,976)	(23,265)

Operating activities

The Group's net cash inflow from operating activities amounted to RMB434.928 million in the first half of 2025 (corresponding period in 2024: net cash inflow of RMB623.201 million), representing a year-on-year decrease of net cash inflow of RMB188.273 million, which was mainly due to the increase in procurement cost of oil products for service areas during the period and the year-on-year increase in cash paid for purchase of goods and acceptance of labor services.

Investing activities

In the first half of 2025, the net cash outflow from investing activities was RMB64.302 million (corresponding period in 2024: net cash inflow of RMB4.627 million), representing an increase in net cash outflow of RMB68.929 million, which was mainly due to the year-on-year increase in expenses for construction and acquisition of long-term assets as a result of the expansion of service zone business.

Financing activities

In the first half of 2025, the net cash outflow from financing activities was RMB247.241 million (corresponding period in 2024: net cash outflow of RMB223.976 million), representing a increase in net cash outflow of RMB23.265 million.

Borrowings

As of 30 June 2025, the Group had outstanding borrowings of RMB973.597 million (31 December 2024: RMB1,183.416 million). Of which: (i) unsecured short-term loans: RMB180.708 million (31 December 2024: RMB214.840 million); (ii) secured short-term loans: RMB116.860 million (31 December 2024: RMB127.211 million); (iii) pledged short-term loans: RMB21.132 million (31 December 2024: RMB26.500 million); (iv) unsecured long-term loans: RMB294.750 million (31 December 2024: RMB300.597 million); (v) secured long-term loans: RMB211.577 million (31 December 2024: RMB222.397 million); (vi) finance lease payables: RMB148.570 million (31 December 2024: RMB291.871 million). As of 30 June 2025, the Group's borrowings are denominated in Renminbi and bear interest at floating or fixed rates, of which approximately 25% of the amount of borrowings bear interest at fixed rates. To the best of its knowledge, understanding and belief, the Board is of the view that although certain subsidiaries have overdue short-term and long-term loans, the impact on the overall business operations of the Group is limited and such defaults will not have a material adverse impact on the financial position of the Group.

Material subsequent events

Nil.

Significant investments, major acquisitions, disposals and establishment of new companies

During the reporting period, the Company did not conduct any material acquisitions, disposals of or establishment of subsidiaries, associates and joint ventures, or make any significant investment.

Major properties held for investment

Name of property	Address	Usage	Type of lease
Hong Kong Plaza	Unit 13-14, 24/F, Hong Kong Plaza, 188 Connaught Road West, Sai Wan, Hong Kong	Operating lease	Short-term (within 10 years)
No. 2 office, 1/F, King's Court, Wai Ching Street, Jordan Road, Kowloon	No. 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	Operating lease	Short-term (within 10 years)
Apartment of 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 City	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	Long-term (more than 10 years)

The Group has no freehold ownership over the above properties which are situated outside Hong Kong.

Pledge of assets

As at 30 June 2025, fixed assets at the net value of approximately RMB146.740 million (31 December 2024: RMB270.189 million) and land use rights at the net value of approximately RMB56.695 million (31 December 2024: RMB58.207 million) of the Group were pledged as security for borrowings and long-term payables. As at 30 June 2025, investment properties at the net value of approximately RMB164.681 million (31 December 2024: RMB168.267 million) of the Group were pledged as security for borrowings.

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 2025, the working capital and liquidity of the Group were slightly affected by the fluctuations in foreign exchange rate. The directors of the Company (the "**Director(s)**") believe that the Group will have sufficient amount of 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 in accord with its operation requirements to reduce the currency risk exposure of the Group.

Contingent liabilities

As of 30 June 2025, the Group had no material contingent liabilities.

KEY BUSINESS DEVELOPMENTS OF THE GROUP IN THE SECOND HALF OF 2025 ARE AS FOLLOWS:

I. Expressway Service Zones Operation

1. Energy Business

(1) Expanding the scale of traditional energy and consolidating business cooperation with state-owned enterprises. The Group will promote the construction of new gas stations and the recovery of operating rights of gas stations for self-operation and expand the sales scale of gas station terminals based on the ancillary needs of expressway construction and market demand. The Group plans to build 12 new self-operated gas stations and recover the operating rights of 10 gas stations for self-operation. The Group will strengthen the in-depth cooperation with state-owned enterprises in the supply and sales of oil products, establish a long-term and stable strategic partnership and ensure the supply stability and price advantages of oil products through joint procurement and resource sharing, thereby seizing larger market share in the fierce market competition.

(2) Implementing lean management and improving management efficiency through standardized operation. The Group will strictly follow the standardized management and operation guidelines and ensure that employees are proficient in operating standards through normalized layered and categorized training; strengthen the construction of on-site supervision team and appoint professionals to make regular inspections to correct irregularities in operation in a timely manner; establish a scientific assessment mechanism and link the assessment results directly with employees' performance and promotion. The Group will comprehensively improve the level of the standardized management of gas stations and organize skill competitions to stimulate employees' enthusiasm for service and improve their skills to strive to build benchmark gas stations in expressway service zones in Guangdong Province.

(3) Promoting the recovery of operating rights of gas stations for self-operation and accelerating the transformation of gas stations with operating rights recovered. The Group will, according to its established plan, promote the recovery of operating rights of gas stations with operating term expiring in an orderly manner. The Group will establish a special team for recovery of operating rights of gas stations to carry out relevant work in advance and go through various procedures in strict compliance with relevant laws and regulations and the Company's policies to ensure the legal compliance, openness and transparency of the recovery process. The Group will carry out standardized transformation simultaneously by inviting professional design institutes to participate in the design process and selecting construction service providers through public bidding with the construction process being supervised by a third-party supervision agency throughout the whole process for strict management of project quality and progress. The Group will organize inspection and acceptance in a timely manner and prepare for the commencement of operations to strive to achieve "early completion of construction, early commencement of operation and early revenue-generating", so as to lay a solid foundation for the sustainable development of the Group.

(4) Optimizing the supply chain management system for oil products and prepare emergency plans for distribution of oil products. The Group will continue to optimize the supply chain dispatch mechanism for oil products and introduce advanced supply chain management system to achieve real-time data sharing with suppliers and various oil stations. The Group will strengthen its synergy and interaction with suppliers and establish a normalized communication mechanism and emergency response plan to ensure the seamless integration of procurement, transportation and storage of oil products. For key periods such as the Summer Transportation season, Mid-Autumn Festival and National Day holiday, the Group will initiate the preparation for supply guarantee one month in advance, formulate refined emergency plans and multiple distribution plans. The Group will simultaneously increase the reserves of oil products and deploy emergency transportation vehicles to strengthen the system of supply guarantee. In case of possible unexpected circumstances such as transportation disruption caused by extreme weather conditions and surge in demand in certain regions, adequate countermeasures will be put in place to ensure sufficient supply of oil products, so as to provide solid and reliable refueling services for vehicles and passengers.

(5) Accelerating the commencement of operations of new energy business and focusing on the development of new energy business. The Group will establish a new energy branch to comprehensively coordinate the construction and promotion of the integrated solar-storage-charging project in the Dahuai service zone. By formulating a refined project system, the task nodes and responsibility boundaries of various processes are clearly defined, so as to ensure that the project will be put into operation as scheduled. To further expand the energy layout in service zones, the Group plans to construct photovoltaic power generation systems in 45 pairs of service zones. The Group will strengthen the refined cost control and risk prediction and prevention simultaneously to ensure the efficient and compliant implementation of projects. At the same time, the Group will accelerate the construction and development of an integrated digital energy management platform to integrate the operational data of traditional energy and new energy to achieve intelligent energy management and monitoring, improve energy utilization efficiency and provide data support for the development of the Group's energy business.

2. Retail Business

(1) Promoting store expansion and upgrade simultaneously to achieve improvement of both brand and merchandise categories. Based on the market demand and the actual situation of various service zones, the Group will establish a professional team to carry out in-depth market research, scientifically plan the layout of "Loyee" convenience stores, steadily increase the number of stores, promote the opening of 13 new stores and comprehensively upgrade and transform 16 stores. The Group will conduct hierarchical sorting of existing stores, promote upgrading and transformation according to a three-tier system of flagship stores, standard stores and ordinary stores, comprehensively optimize the visual image and service standards of stores, and systematically improve the overall image of stores and customer experience through optimization of internal layout, merchandise display and scene creation. The Group will innovate its business model with the core of "enriching structure and highlighting differences", adopt a flexible and diversified merchandise introduction mechanism, continuously optimize the category portfolio and brand matrix, increase investment in the research and development of self-branded products and focus on the development of featured merchandise in light of scenarios with high consumer demand to boost both brand influence and category richness. The Group will promote the opening and operation of self-operated local specialty product stores as planned, establish a professional procurement team to select featured and high-quality products in various regions, further improve the business matrix, broaden market coverage and strengthen regional market penetration.

(2) Comprehensively expanding sales channels and promoting the integrated development of online and offline channels. The Group will accelerate to broaden the sales channel of the online Loyee Mall, establish a professional e-commerce operation team, optimize the interface design and user experience of online platform and strengthen online promotion through, among other things, theme activities planning and member-exclusive benefits in combination with scenario-based marketing and targeted welfare distribution to increase online sales. The Group will actively expand the group-buying wholesale channel, deepen the cooperation with internal and external entities of the Group and launch personalized and tiered preferential policies for different customer groups to increase the demand for bulk purchases. Meanwhile, leveraging on the integrated advantages of warehousing and distribution at Loyee's main warehouse, the Group will strengthen online and offline inventory sharing and logistics synergy, and provide convenient services such as online ordering and offline self-collection to achieve efficient interaction among all channels and improve consumer satisfaction.

(3) Optimizing the management of merchant solicitation and supply chain to achieve cost reduction and efficiency improvement. The Group will innovate its merchant solicitation strategy and adopt a flexible and diversified merchandise introduction mechanism based on the "four out of nine" merchandise selection criteria (merchandise is comprehensively evaluated based on nine standards including product quality, price, brand influence, supply stability and after-sales services) and continuously optimize category portfolio and brand matrix to provide consumers with more abundant, high-quality and diversified shopping choices. The Group will give full play to the integrated advantages of warehousing and distribution of Loyee's main warehouse, expand the supply coverage of merchants, improve supply chain efficiency and strengthen the support capability for terminal stores and cooperative merchants. The Group will simultaneously promote refined management, efficiently complete the bidding for store operation facilities and equipment, comprehensively implement the "three unifications" management model (unified selection of maintenance partners, unified signing of maintenance framework agreements and unified and standardized fee settlement process), reduce operating costs through standardized management and improve the overall efficiency and resource utilization efficiency of supply chain and store operations.

(4) Carrying out precision marketing and increasing promotion efforts during core consumption nodes. The Group will focus on core consumption nodes such as the Summer Transportation season, Mid-Autumn Festival, National Day holiday and Christmas and New Year's Day and make preparation three months in advance by carefully organizing a series of themed promotion activities. In respect of online sales channel, the Group will carry out scenario-based marketing and targeted welfare distribution through WeChat official account, mini-programs and short video platforms. In respect of offline sales channel, the Group will set up exclusive promotion areas and creative display stands in stores to create a strong festive atmosphere and stimulate consumer demand. The Group will strengthen the application of the "Deer" IP and launch products with such IP image, such as stationery, toys and daily necessities, to enhance the brand recognition and the appeal of marketing activities. The Group will strive to improve the sales conversion of customer flow of stores through a series of measures.

(5) Facilitating the "rural revitalization" and deepening our efforts in assistance through synergies of online and offline channels. The Group will continue to improve the construction of the "Guangdong Rural Revitalization Quality Agricultural Products Stations", formulate unified construction and operation standards for such stations and further expand the coverage of local specialty stores and counters. The Group will deepen the stable supply chain model of "company + cooperatives + farmers", provide technical guidance and market information support to partners and ensure the quality and supply stability of agricultural products. The Group will promote the integrated online and offline development of "Guangdong Pass Mall" by setting up a special area for rural revitalization online and holding agricultural product experience activities and exhibitions offline, improve the distribution efficiency of agricultural products by relying on the Loyee supply chain system, and deepen the dual-channel consumption assistance to facilitate rural revitalization.

3. Merchant Solicitation Business

(1) Innovating merchant solicitation model and improving operational efficiency through digital empowerment. The Group will promote the improvement of quality and efficiency of commercial development, comprehensively reform the existing merchant solicitation model and vigorously implement the strategies of "digital merchant solicitation", "large-size merchant solicitation" and "solicitation of large merchants". The Group will invest special funds to build a digitalized merchant solicitation information platform that integrates merchant solicitation resources, merchant databases and market analysis data of service zones to achieve intelligent matching and management of merchant solicitation information and improve the efficiency and accuracy of merchant solicitation. The Group will establish a large-size merchant solicitation leading team to comprehensively coordinate merchant solicitation resources in service zones, make preliminary planning for merchant solicitation and formulate detailed targets and timetables for merchant solicitation.

(2) Expanding the scale of self-operation business and enhancing the brand influence of self-operation business. The Group will accelerate the layout of self-operated catering projects, establish professional merchant solicitation team and operation team, conduct in-depth research on and negotiate with well-known catering brands in the market and solicit more influential and competitive brands. In addition to continuing to expand the cooperation with KFC, the Group plans to expand the scale of its self-operation business through gourmet stores, coffee, light meals and other business types, and set up a self-operated project working group to coordinate decoration, personnel training, food ingredients procurement, etc. to ensure the smooth commencement of operations of self-operated projects. Leveraging on the successful experience of franchised KFC stores in service zones such as Changsha Wan and Waxi, the Group will further optimize the cooperation model, replicate the successful experience, develop more self-operated catering projects in the service zones and enhance the brand influence and profitability of self-operation business in the service zones.

(3) Comprehensively promoting unified cashiering to achieve digitalized management upgrade. On the basis of the pilot program of unified cashiering in service zones, the Group will organize professionals to conduct a comprehensive summary and assessment on the pilot program, analyse problems and deficiencies identified and improve the system functions in a targeted manner, such as optimizing cashiering speed, improving the accuracy of data statistics and increasing data analysis modules. The Group will formulate a detailed promotion plan to promote the unified cashiering model in all service zones in phases and batches, and set up a unified cashiering promotion working group for training and technical support, so as to gradually achieve full coverage of unified cashiering for merchants in service zones, improve the digitalized management level of service zones, facilitate the real-time monitoring and analysis of the business data of merchants and empower the decision-making of merchant solicitation.

(4) Introducing high-quality merchants and enhancing the value of commercial space. The Group will step up its efforts to introduce high-quality merchants, formulate selection criteria of and incentive policies for high-quality merchants, attract well-known brands and featured merchants by, among other things, holding merchant solicitation roadshow and proactive on-site visits, to improve the occupancy rate. The Group will deeply explore the commercial potential of the second floors of service zones by engaging professional business planning agency to carry out design and plan featured business types according to the characteristics of different service zones such as leisure and entertainment area and office service area, so as to enhance the overall commercial value. At the same time, the Group will establish a dynamic merchant management mechanism to provide assistance to or replace those merchants with poor management, so as to ensure the continuous commercial vitality of service zones.

(5) Creating featured service zones and promoting the integration of culture and commerce. The Group will formulate individualized construction plans in strict compliance with the requirements of the "Urban and Rural Coordinated Development Project", taking into account factors such as geographical location and local cultural characteristics of each service zone, and promote the construction of the "Five Excellent" featured service zones and the service zones with agricultural and industrial assistance. The Group will deeply explore cultural resources with local characteristics and integrate them into the decoration style, commodity sales and event holding of service zones; and actively introduce local featured products and food to create unique "Three Windows". The Group will regularly organize exhibitions and sales activities of local featured products, cultural performances, intangible cultural heritage display and other activities to enhance the attractiveness and popularity of various service zones and achieve the enhancement of both commercial value and social benefits.

(6) Strengthening refined management and standardizing operation order. The Group will strengthen its operation supervision system and build a standardized management brand. The Group will carry out supervision and inspection on commercial operations and cashiering inspections in service zones on a regular basis, with emphasis on special inspections on food safety before the Mid-Autumn Festival and the National Day to ensure consumption safety. For the new service zones opened in 2025, the Group will specially implement the actions to optimize and improve the management of commercial areas. At the same time, the Group will prepare visualized commercial operation management manual and consolidate the standardized operation capability of merchants through systematic training; develop a merchant management system to empower the whole-process merchant management with information technology, and create a unique management service brand.

4. *Advertising business*

(1) Focusing on the development of directly-operated business and deepening the cooperation with customers. In view of the macroeconomic pressure and the tightened budget of advertisers, the Group will focus on key industries such as tourism, liquor and alcoholic beverage and regional consumer brands, and establish professional industry marketing team to accurately target customers. The Group will have an in-depth understanding of customers' needs and market trends, and provide tailor-made personalized advertising solutions for customers, such as launching themed advertising packages in conjunction with festivals and holidays and selecting appropriate advertising space combinations based on product characteristics, to increase the stickiness of cooperation with customers. The Group will flexibly use sales strategies including short-term and medium-term packages, such as launching quarterly advertising packages, special advertising packages for festivals and holidays and combination advertisement packages. The Group will simultaneously focus on the improvement of customer quality and optimization of customer structure, and preferentially select customers with good reputation, strong capabilities and good brand image for cooperation to improve the overall effectiveness of advertising business.

(2) Accelerating the process of new media and digitalization to enhance the effect of advertisement conversion. The Group will promote the digital transformation of its advertising resources, carry out intelligent transformation of its existing advertising spaces and install electronic display screens and interactive advertising equipment on a large scale to enhance the display effect and interactivity of advertisements. The Group will optimize the layout of advertising spaces by organizing a professional team to conduct on-site measurement and analysis of the traffic flow and people flow in each service zone and reasonably planning the position and number of advertising spaces according to such data to improve the exposure rate of advertisements. The Group will actively explore the model of "offline traffic generation + online value conversion", such as adding exclusive QR codes to advertisements in service zones to guide consumers to scan the codes to follow the brand's online platform, participate in interactive activities or collect coupons, so as to achieve the effective interaction between offline advertising and offline marketing and improve the communication effect and conversion rate of advertisements.

(3) Expanding media resources and cultivating new digital media. The Group will maximize the development and utilization of expressway media resources in accordance with its overall goal of comprehensive utilization and development of resources. The Group will focus on the development of advertising resources in the Pearl River Delta region and supplement with the advertising resources of reconstructed and expanded road sections, so as to achieve the target of increasing media resources and drive the growth of overall revenue and profit. In light of the upgrading and transformation of service zones, the Group will explore the application of innovative media and gradually integrate into digital media to create the online and offline promotion to enhance the advertising effect. In the second half of the year, the Group plans to accelerate the construction of planned advertising facilities and cultivation advertising facilities for new digital media to lay a solid foundation for the sustainable growth of advertising business.

II. Road Passenger Transportation and Auxiliary Services

1. Steadily advancing the exit of the passenger transportation business

(1) In strict accordance with the principle of "first easy then difficult, classified and divided into segments", the Group will conduct a comprehensive review and analysis of the current road passenger transport enterprises, and formulate a detailed exit plan and timetable. For enterprises that meet the transfer conditions, actively seek suitable transferees and achieve exit through overall transfer; for enterprises with complex ownership structure, the Group's shareholding in the passenger transport enterprises will be gradually reduced by withdrawing controlling interest. During the exit process, properly handle the assets and personnel of the enterprise to ensure the safe disposal of assets and proper placement of personnel to ensure a smooth and orderly exit process.

(2) The Group will step up its efforts in asset disposal to ease the financial pressure arising from the exit of the passenger transportation business. The Group will strengthen the disposal of equity interests and existing assets, and revitalize the existing assets and recover funds through public auction and transfer by listing. The Group will conduct a comprehensive inventory and assessment of resources such as idle vehicles and venues, and efficiently dispose of them by means of leasing and selling to improve the efficiency of asset utilization. Meanwhile, by optimizing the staff structure and reducing operating costs, the loss of passenger transportation business will be reduced.

2. Innovative expressway vehicle rescue business

(1) Comprehensively improving service quality and efficiency. Relying on the "Digital Rescue" platform, the intelligent dispatching system will be further optimized to optimize the allocation of rescue resources based on factors such as the location of rescue vehicles, the skills of rescuers and the situation at the accident site, so as to improve the rescue speed and on-time arrival rate. The Group will establish a full-chain rescue information management system to form a closed-loop mechanism from the acquisition, processing and transmission of rescue information to ensure timely and accurate transmission of information and reduce the rate of vehicle rescue emptying.

(2) Strengthening team building and training. The Group will establish the mechanism of "case review – problem diagnosis – special training" to regularly collect typical cases in rescue operations, organize rescue personnel to conduct in-depth analysis and discussions, sum up experience and lessons, and accurately identify technical weaknesses in the rescue process. According to the identified problems, the Group will formulate targeted special skills training plans, and invite industry experts to give lectures and carry out practical drills to improve the professional skills and emergency response capabilities of the rescue team members comprehensively and ensure the safety and efficiency of rescue operations.

(3) Strengthening the ability to ensure smooth operation during holidays. The Group will formulate holiday rescue and support plans in advance, reasonably allocate rescue forces based on the traffic flow and rescue demand in previous years, and added temporary backup points on key road sections and accident-prone areas to shorten the rescue radius. The Company will strengthen the collaboration with the traffic police and road administration and establish a linkage mechanism to achieve information sharing and resource exchange, so as to ensure that various rescue incidents can be quickly and effectively handled during holidays and to make the best effort to ensure the safety and smooth flow of roads.

III. Deploying Strategic Emerging Industries to Accelerate Development

In terms of the layout of strategic emerging industries, the Company will, in light of the innovation and development trend of new economic formats, promote the development of related fields with diversified and synergetic ideas to provide support for high-quality development: promote the construction of the headquarters economic base in an orderly manner in the "Yueyun Changxing Industrial Park (粵運長興產業園)", promote the implementation of infrastructure and ancillary facilities based on the economic aggregation effect of the headquarters, and create a comprehensive industrial platform integrating functions such as corporate office and business collaboration, so as to help improve the level of regional industrial synergy; focusing on the development opportunities in the "low-altitude economy" field, the Group will explore diversified business scenarios such as low-altitude air rescue and logistics and distribution in light of the policy guidance, and gradually build a service system based on technological innovation and resource integration.

Future plans for significant investments and capital assets

In the second half of 2025, the Group plans to focus on investing in and constructing three business segments of new energy projects, namely photovoltaics, energy storage and heavy-duty truck supercharging, as well as new gas stations, the sources of funds mainly include own funds and bank loans. The purpose of such investment is to vigorously explore the growth poles of new energy business and build integrated energy supply stations in expressway service areas.

Key business developments and financing arrangements for the second half of 2025

The Group will use loans and funds generated from its operations to meet the funding requirements for business developments and financing arrangement for investments.

OTHER INFORMATION

PURCHASE, SALE OR REDEMPTION OF LISTED SHARES OF THE COMPANY

As of 30 June 2025, the Company does not hold any treasury shares (including any treasury shares held or deposited with the Central Clearing and Settlement System).

During the six months ended 30 June 2025, the Company did not redeem any of its listed shares. Neither the Company nor its subsidiaries repurchased or sold any shares of the Company (including sale of any treasury shares) for the six months ended 30 June 2025.

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 the growth of value to shareholders.

The Company has complied with all of the code provisions other than code provisions C.1.5 and C.2.1 set out in Part 2 of Appendix C1 to the Listing Rules during the six months ended 30 June 2025.

Code provision C.1.5 provides that generally independent non-executive Directors and other none-executive Directors should attend general meetings to gain and develop a balanced understanding of the views of shareholders. At 2025 first extraordinary general meeting of the Company held on 23 January 2025 and the 2024 annual general meeting held on 30 June 2025, Mr. Chen Chuxuan, a non-executive Director, did not attend due to work reasons. The Board considers that such deviation has not affected the Directors' understanding of the views or inquiries of the Shareholders, as other executive Directors and all of the independent non-executive Directors were present in the meeting and they could gain and develop a balanced understanding the Shareholders' views of the Company and give adequate answers to any questions raised by the Shareholders at the meeting. The Company will provide all Directors with electronic means such as telephone or video conferences in accordance with the provisions of the Articles of Association, so as to provide more flexible ways for our Directors to attend general meetings.

Pursuant to code provision C.2.1, the role of chairman and the chief executive should be separate and should not be performed by the same individual. Mr. Guo Junfa, the former chairman of the Board, resigned as an executive director, chairman of the Board and chairman of the nomination committee and strategy committee of the Company on 29 December 2023. In order to ensure the normal operation of the Board and the subordinate Board committees of the Company, Mr. Zhu Fang was appointed as the new chairman of the Board, chairman of the nomination committee and chairman of the strategy committee with effect from 21 March 2024. Mr. Zhu Fang continues to serve as the general manager of the Company upon his appointment as the chairman of the Board of the Company. Despite deviating from code provision C.2.1 of the Corporate Governance Code of the Listing Rules, Mr. Zhu Fang has provided and will continue to provide solid and continuous leadership to the Group with his extensive experience and knowledge in management and the support of other members of the Board. Moreover, the Board is of the view that having the same person as the chairman and general manger can facilitate the execution of the Group's business strategies and enhance its operational efficiency before the Company identifies a suitable candidate for the position of general manager. Under the supervision of existing members of the Board, the Board is appropriately structured with balance of power to provide sufficient checks to protect the interests of the Company and its shareholders. As such, the Board considers that the deviation from code provision C.2.1 of the Corporate Governance Code is appropriate in the said situation. In addition, the Board will periodically review the effectiveness of this arrangement and identify suitable candidates for a director and/or general manager as soon as possible and separate the roles of chairman of the Board and chief executive officer of the Company when it thinks appropriate, for the purpose of re-complying with the Corporate Governance Code and maintaining a high standard of corporate governance practices of the Company.

COMPLIANCE WITH MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS AND SUPERVISORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") set out in Appendix C3 to the Listing Rules as its own code of conduct regarding securities transactions by the Directors and the Supervisors of the Company. Having made specific enquiries 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 2025.

DIRECTORS AND SUPERVISORS' INTERESTS

Long positions in the Shares, underlying shares and debentures of the Company and associated corporations of the Company:

Name of associated corporation	Name of Director/ Supervisor	Capacity	Number and class of shares held	Approximate percentage in the relevant class of share capital
Guangdong Provincial Expressway Development Co. Ltd.	Chen Chuxuan	Beneficial owner	5,987 A shares	0.00046%

Save as disclosed above, as at 30 June 2025, none of the Directors, Supervisors or the chief executives of the Company had any interests or short positions in any shares or underlying shares or interests in debentures of the Company or any associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("**SFO**")) of the Company which were (i) required to be notified to the Company and the Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") pursuant to Divisions 7 and 8 of Part XV of the SFO; (ii) required, pursuant to section 352 of the SFO, to be entered in the register referred to therein; or (iii) required, pursuant to the Model Code, to be notified to the Company and the Stock Exchange.

BOARD

On 30 June 2025 and the date of this announcement, the Board of the Company consists of 9 members, namely 4 executive Directors, Mr. Zhu Fang, Mr. Huang Wenban, Mr. Hu Xianhua and Mr. Hu Jian; 1 non-executive Director, Mr. Chen Chuxuan; and 4 independent non-executive Directors, Mr. Su Wujun, Ms. Huang Yuan, Mr. Shen Jialong and Mr. Zhang Xiangfa.

REVIEW BY AUDIT & CORPORATE GOVERNANCE COMMITTEE

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 2025, the Audit & Corporate Governance Committee comprised three members, namely Mr. Su Wujun (Chairman) and Mr. Shen Jialong, two independent non-executive Directors, and Mr. Chen Chuxuan, a non-executive Director. The Audit & Corporate Governance Committee has reviewed the unaudited interim results the six months ended 30 June 2025 and recommended its adoption by the Board. The independent auditor of the Company, BDO China SHU LUN PAN Certified Public Accountants LLP, has also reviewed the unaudited consolidated financial statements for the six months ended 30 June 2025 in accordance with the Standard on Review Engagements for Certified Public Accountants of China No. 2101 – Engagements to Review Financial Statements.

SUPERVISORY COMMITTEE

As at 30 June 2025 and the date of this announcement, the Supervisory Committee comprised seven members, including two independent Supervisors, namely Mr. Duan Xinhong and Ms. Meng Xue, two shareholder representative Supervisors, namely Mr. Zhou Yihua and Mr. Wang Xiaobing, and three employee representative Supervisors, namely Mr. Zhen Jianhui, Ms. Li Xiangrong and Ms. Lian Yuebin.

EMPLOYEES AND REMUNERATION POLICIES

The Group had 9,855 employees as at 30 June 2025 (31 December 2024: 11,476). Total staff costs for the six months ended 30 June 2025, including the Directors' remuneration, amounted to approximately RMB652 million (corresponding period in 2024: approximately RMB749 million).

The remuneration of the employees (including executive Directors) of the Group comprises basic salary, performance bonus, allowance and subsidies. The basic salary is determined according to the position, working 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 Director has agreed not to receive any remuneration for such position.

TRAINING OF EMPLOYEES

The Group has always attached great importance to the training and development of human resources, made endeavors to provide training and education to employees at all levels. The Group has faithfully implemented budgeted standard for training expenses and its implementation plan, utilized the online platform and offline resources to enhance our internal talent nurturing and strived to establish different types of internal training courses. As of 30 June 2025, the Group has conducted a total of 181 training courses with 18,281 participants and total curriculum duration of approximately 150,278 hours.

DIVIDEND

The Board did not declare the payment of an interim dividend for the six months ended 30 June 2025.

AUDITOR OF THE COMPANY

The Shareholders considered and approved the ordinary resolution in respect of the proposed appointment of BDO China SHU LUN PAN Certified Public Accountants LLP as the auditor of the Company at the annual general meeting of the Company held on 30 June 2025 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), respectively. An interim report for the period ended 30 June 2025 containing all the information required by Appendix D2 to the Listing Rules will be published on HKEXnews website of the Stock Exchange and the Company's website in due course.

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

Guangzhou, the PRC
15 August 2025

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

* *For identification purpose only*