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

2025 INTERIM REPORT

* For identification purposes only

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CAUTIONARY STATEMENTS REGARDING FORWARD-LOOKING STATEMENTS

This report contains certain forward-looking information and/or information that is not based on historical information and uses forward-looking expressions such as "anticipate", "believe", "intend", "could", "expect", "estimate", "may", "ought to", "should" or "will".

Readers are cautioned that reliance on any forward-looking statements involves risks and uncertainties and that, although the Group believes that assumptions on which the forward-looking statements are based are reasonable, any or all of those assumptions could prove to be incorrect and as a result, the inclusion of forward-looking statements in this report should not be regarded as representations by the Group concerning future performance of the Group and readers should not place undue reliance on such forward-looking statements. Unless required by regulatory authorities otherwise, the Group is not obliged or liable to update those forward-looking statements hereafter.

Company Profile

Guangdong Yueyun Transportation Company Limited (the "**Company**") and its subsidiaries (collectively, the "**Group**") is an integrated transportation service provider. The Company was established in 1999 and the H shares of which were listed on the Main Board of The Stock Exchange of Hong Kong Limited (Stock code: 03399) in 2005. Currently, the total share capital of the Company is 799,847,800 shares, with approximately 74.12% being held by its controlling shareholder, Guangdong Provincial Communication Group Company Limited ("**GCGC**"), and approximately 25.88% being held by H shareholders.

The Group is principally engaged in the travel services business which is categorized into:

- Expressway Service Zones Operation
  - Energy Business
  - Retail Business
  - Merchant Solicitation Business
  - Advertising Business
- Road Passenger Transportation and Auxiliary Services
- Taiping Interchange Operation and Other Business

The strategic positioning employed by the Company's "14th Five-Year" Development Plan for the Group: based on transportation and with the expressway travel service industry as the core, deeply operating transportation network resources, and using an intensive, digital, and professional operation model to deeply tap and amplify resource value, actively explore the new economy and create a leading integrated service platform for expressway travel services and integrated transportation and energy operation in China, with an aim to become a comprehensive transportation service group.

Company Information

LEGAL NAME OF THE COMPANY

Guangdong Yueyun Transportation Company Limited

STOCK CODE

03399

REGISTERED OFFICE

8th Floor, No. 1731-1735, Airport Road, Baiyun District,
Guangzhou, Guangdong Province, China

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Rooms 3108-3112, 31/F, Hong Kong Plaza,
188 Connaught Road West, Hong Kong

BOARD OF DIRECTORS

Executive Directors
Zhu Fang
Huang Wenban
Hu Xianhua
Hu Jian

Non-Executive Director
Chen Chuxuan

Independent Non-Executive Directors
Su Wujun
Huang Yuan
Shen Jialong
Zhang Xiangfa

COMPANY SECRETARY

Zhang Li

AUTHORISED REPRESENTATIVES

Zhu Fang
Hu Xianhua

AUDITOR

BDO CHINA Shu Lun Pan Certified Public Accountants LLP
(Public Interest Entity Auditor recognised in accordance with the Financial Reporting Council Ordinance)
4F, No. 61, East Nanjing Road, Shanghai, China

PRINCIPAL BANKS

Industrial and Commercial Bank of China
China Merchants Bank
China CITIC Bank
China Construction Bank
China Guangfa Bank

LEGAL ADVISER

Haiwen & Partners
Suites 1101-1104, 11/F, One Exchange Square,
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HONG KONG H SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited
17/F, Far East Finance Centre, 16 Harcourt Road,
Hong Kong

Financial Highlights

	30 June 2025 RMB'000	30 June 2024 RMB'000	Change
Results highlights			
Operating income			
Expressway service zones operation	**2,991,062**	2,621,531	14%
Road passenger transportation and auxiliary services	**723,616**	980,218	(26%)
Taiping Interchange operation and other business*	**55,350**	72,914	(24%)
Total operating income	**3,770,028**	3,674,663	3%
Gross profit			
Expressway service zones operation	**280,840**	336,662	(17%)
Road passenger transportation and auxiliary services	**(20,707)**	(18,295)	13%
Taiping Interchange operation and other business	**45,718**	60,768	(25%)
Total gross profit	**305,851**	379,135	(19%)
Taxes and surcharges	**(17,794)**	(21,594)	(18%)
Selling and distribution expenses	**(19,638)**	(32,928)	(40%)
General and administrative expenses, and research and development expenses	**(198,394)**	(250,263)	(21%)
Finance expenses	**(71,021)**	(75,507)	(6%)
Other income	**89,416**	145,649	(39%)
Investment income	**94,599**	50,596	87%
(Loss) of credit impairment	**(12,507)**	(11,214)	12%
(Loss) of asset impairment	**(1,042)**	(560)	86%
Gains from asset disposals	**6,334**	6,439	(2%)
Operating profit	**175,802**	189,754	(7%)
Non-operating income and expenses	**(183)**	1,182	N/A
Total profit	**175,619**	190,936	(8%)
Income tax expenses	**(41,205)**	(55,332)	(26%)
Net profit	**134,414**	135,604	(1)%
Of which: Net profit attributable to shareholders of the parent Company	**142,644**	138,669	3%
Profit and loss attributable to minority interests	**(8,230)**	(3,065)	169%
Basic earnings per share (RMB)	**0.18**	0.17	3%
Diluted earnings per Share (RMB)	**0.18**	0.17	3%

* Other operations are consolidated with the former Taiping Interchange operation and are no longer shown separately due to the decrease in material logistics inventory business.

Financial Highlights

	30 June 2025	31 December 2024	Change
	RMB'000	RMB'000	
Results highlights			
Total assets	**8,440,741**	8,724,060	(3%)
Total net assets	**2,669,160**	2,605,861	2%
Equity attributable to shareholders of the parent company	**2,168,198**	2,086,140	4%
Net assets per share attributable to owners of the Company (RMB)	**2.71**	2.61	4%
Gross profit margin	**8.11%**	9.03%	(10%)
Interest coverage ratio (times)	**3.21**	2.79	15%
Gearing ratio	**68.38%**	70.13%	(2%)
Current ratio (times)	**0.92**	0.98	(6%)

Gross profit margin = Gross profit/Revenue

Interest coverage ratio = Profit before interest and tax/(interest expenses + capitalized interest)

Gearing ratio = Total liabilities/Total assets

Current ratio = Total current assets/Total current liabilities

Chairman's Statement

In the first half of 2025, the global economic landscape was complicated and volatile with the economic growth of some developed economies slowing down. The aftermath of geopolitical conflicts continued to affect the stability of the global supply chain. The prices in the international energy market fluctuated frequently due to multiple factors, bringing many uncertainties to the recovery of the world economy. China's economy demonstrated strong resilience and vitality in such a complex environment. Due to precise and effective macroeconomic control policies, the accelerated emergence of new-quality productive forces and continuously optimized and upgraded economic structure, China's GDP grew by 5.3% year-on-year, maintaining the momentum of stable improvement and high-quality development.

Against this backdrop, Guangdong Province, as the vanguard of China's economic development, experienced steady progress with improved stability and quality in its economic performance. In the field of transportation, Guangdong Province continued to deepen reform and innovation and accelerated the construction of a modern comprehensive transportation system. As an important link in regional economic interaction, expressways have ushered in new development opportunities. The integration trend of new energy and expressways is increasingly evident with accelerated construction of infrastructure such as charging piles and battery replacement stations. The operations of service zones have been enriched with diversified and quality business types, promoting the transformation of expressway travel services towards higher quality and greater diversification. The Group kept abreast of industry developments, focused on its core business, strengthened refined management and vigorously promoted reform and innovation, resulting in positive progress across all its business operations, as well as steady improvement in its operating quality and efficiency.

Looking forward to the second half of the year, we will unswervingly adhere to the guidance of "focusing on core business, improving quality and efficiency, innovation-driven, transformation and development", place emphasis on "strengthening management, promoting standardization, improving quality and efficiency", accelerate the implementation of the reform of the management system and mechanism as well as the market-oriented operation model, and continue to deepen our presence in the expressway travel service field. In respect of energy business, we will increase our efforts in refined operations and continuously improve management efficiency; optimize the structure of the retail business, enrich merchandise categories and improve service standards; innovate the business development model, introduce more high-quality business types and enhance the commercial vitality of service zones; promote the digital transformation of the advertising business to maximize the value of advertising resources; and further improve the efficiency and quality of expressway rescue services to ensure road safety. At the same time, we will steadily promote the discontinuation of road passenger transportation business and invest resources in competitive industries. With the mission of "serving the society with better travel services", the Group will strive to develop itself into a leading integrated platform for expressway travel services in China.

Key business developments of the Group in the second half of 2025 are as follows:

TRAVEL SERVICES SEGMENT

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 standards of standardised 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 company 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 merchant solicitation and supply chain management 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 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 assistance and support 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 security to partners and support 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 decision-making for 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 advertising 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 improve advertising conversion efficiency. 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 development of 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 comprehensively improve the professional skills and emergency response capabilities of the rescue team members 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 every effort to ensure road safety and smooth traffic flow.

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 MATERIAL 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 main sources of funds include our own funds and bank loans. These investments are aimed at vigorously tapping into the growth potential of new energy business and building comprehensive energy supply stations in highway 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.

Zhu Fang
Executive Director and Chairman of the Board

Guangzhou, PRC
15 August 2025

BUSINESS REVIEW

In the first half of 2025, the Group closely followed the development trend of the industry, took expressway travel services as its business core, drove reform and innovation, and focused 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, including 220 oil stations under operation, of which 110 owned and operated oil stations, 12 cooperative operated oil stations and 98 oil stations were under contracted operations; 338 service zones equipped 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. The Group accurately identified the problems existing in the standardised management of gas stations through comprehensive inspection, and formulated specific solutions. By combining the actual operation scenarios of gas stations, the Group formulated detailed and practical operation guidelines, so that employees could have a better job at work 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 recall 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 and 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, the Group made preparations for supply guarantee in advance of the holidays, and formulated 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, the Group broadened expand the network of self-operated stores, expand sales channels in online shopping mall, and expanded the scale of group purchase and wholesale business within and outside the system; strengthened store business strategies and operation management, continued 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 Spring Festival, Qingming, May Day, Dragon Boat Festival and "Summer Luck (暑運)", 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 implementation of the tiered preferential 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 promotion 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 Group comprehensively enhanced its competitiveness and service quality of the service zones. As of the end of June 2025, 387 service zones had obtained operating rights with 365 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 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 were 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 had 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 focused 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) Utilizing innovative resources promotion models 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 Gongyun Coach Terminal Co., Ltd., and the withdrawal of controlling rights of Guangzhou City Yueyun Motor Transportation Co. Ltd. and Guangzhou City Zengcheng Automobile Passenger Traffic Station Co Ltd., achieving a smooth exit from the above-mentioned companies.

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, thereby ensuring the safety and efficiency of rescue work.

III. Taiping Interchange Operation

The Group continued 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 decline in traffic volume was mainly due to the diversion of traffic through the Shenzhen-Zhongshan Channel.

(2) Continuous implementation of maintenance and repair plans. In order to ensure the safe operation of structures, the Group regularly inspected and maintained 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)

Name of property	Address	Usage	Type of lease
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.

Other Information

SHARE CAPITAL

As at 30 June 2025, there were a total of 799,847,800 ordinary shares of the Company in issue, over 25% of which were held by the public. The public float satisfied the requirements under the Rules (the "**Listing Rules**") Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**"). So far as it was known to the Directors, as of 30 June 2025, the controlling shareholders and the ultimate controlling shareholder of the Company remained unchanged.

MAJOR SHAREHOLDERS WITH SHAREHOLDING OF 10% OR MORE IN THE COMPANY

As at 30 June 2025, GCGC directly held 592,847,800 domestic shares, representing 100% of the issued domestic shares and approximately 74.12% of the total issued share capital of the Company.

GCGC is a controlling shareholder of the Company. Its legal representative is Liu Xiaohua and its registered capital as at 30 June 2025 was RMB26.8 billion. It is principally engaged in investment, construction and management of expressways in the Guangdong Province, as well as logistics and transportation businesses.

INTERESTS OF MAJOR SHAREHOLDERS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 30 June 2025, so far as it was known to any Director or chief executive of the Company or otherwise notified to them, the following persons (other than the Directors, the supervisor(s) (the "**Supervisor(s)**") and chief executive of the Company) had 5% or more interests in the shares and underlying shares (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "**SFO**")) as recorded in the register required to be kept by the Company under section 336 of the SFO:

Name of Shareholder	Class of Shares	Number of Shares/ Underlying Shares held (Note 1)	Capacity	Approximate percentage of the relevant class of share capital	Approximate percentage of total share capital
GCGC	Domestic Shares	592,847,800	Beneficial owner	100%	74.12%
China Petrochemical Corporation	H Shares	33,570,000 (Note 2)	Interests of controlled corporation	16.22%	4.20%
China Petroleum & Chemical Corporation	H Shares	33,570,000 (Note 2)	Interests of controlled corporation	16.22%	4.20%
Sinopec Sales Company Limited	H Shares	33,570,000 (Note 2)	Interests of controlled corporation	16.22%	4.20%
Sinopec (Hong Kong) Limited	H Shares	33,570,000 (Note 2)	Beneficial owner	16.22%	4.20%
Pope Asset Management, LLC	H Shares	21,950,247	Investment manager	10.60%	2.74%
Shah Capital Management	H Shares	18,040,000	Investment manager	8.71%	2.26%

Note 1: The number of H shares are based on records filed by the shareholders and/or enquiries made by the Company on the shareholders, taking into account the issue of bonus shares by the Company in 2015.

Note 2: Sinopec (Hong Kong) Limited is a wholly-owned subsidiary of Sinopec Sales Company Limited and China Petroleum & Chemical Corporation holds as to 70.42% of Sinopec Sales Company Limited while China Petrochemical Corporation holds as to 68.96% of China Petroleum & Chemical Corporation. Accordingly, China Petrochemical Corporation, China Petroleum & Chemical Corporation and Sinopec Sales Company Limited are deemed to be interested in 33,570,000 H shares held by Sinopec (Hong Kong) Limited respectively.

Save as disclosed above, as at 30 June 2025, the Company was not aware of any other interests or short positions in the shares or underlying shares of the Company that are required to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or required to be recorded in the register required to be kept by the Company under Section 336 of the SFO.

Other Information

CHANGES IN SHARES

There had been no changes in the shares of the Company for the six months ended 30 June 2025.

PURCHASE, SALE OR REDEMPTION OF LISTED SHARES OF THE COMPANY

As at 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.

INTERESTS OF DIRECTORS, SUPERVISORS AND CHIEF EXECUTIVE IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND OTHER ASSOCIATED CORPORATIONS

As at 30 June 2025, the interests (or long positions) and short positions of the Directors, Supervisors and chief executive of the Company in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were required: (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO, or (b) pursuant to section 352 of the SFO, to be entered in the register as referred to therein, or (c) pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "**Model Code**") set out in Appendix C3 to the Listing Rules, to be notified to the Company and the Stock Exchange were as follows:

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

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

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

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 of 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 manager 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 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.

BOARD

As at 30 June 2025 and up to the date of this report, the Directors in office of the eighth session of the Board are as follows:

Name	Date of appointment as a Director
Executive Directors	
Mr. Zhu Fang	31 August 2022
Mr. Huang Wenban	22 December 2020
Mr. Hu Xianhua	31 August 2022
Mr. Hu Jian	15 June 2023
Non-executive Director	
Mr. Chen Chuxuan	17 June 2019
Independent Non-executive Directors	
Mr. Su Wujun	31 August 2022
Ms. Huang Yuan	31 August 2022
Mr. Shen Jialong	31 August 2022
Mr. Zhang Xiangfa	31 August 2022

Information in respect of and provided by the Directors, Supervisors and the chief executive officer is as follow:

Mr. Wang Qingwei resigned as a shareholder representative Supervisor of the Company due to work relocation on 23 January 2025. At the 2025 first extraordinary general meeting of the Company held on 23 January 2025, Ms. Wang Xiaobing was appointed as shareholder representative Supervisor of the Company. Please refer to the announcements of the Company dated 3 January 2025 and 23 January 2025 for details.

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 Group's internal control system and risk management, and provide advice and comments to the Board, and monitor the Company's corporate governance. 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 for 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-month period ended 30 June 2025 in accordance with the Chinese Standards on Review No. 2101 – Engagements to Review Financial Statements issued by the Chinese Institute of Certified Public Accountants.

SUPERVISORY COMMITTEE

As at 30 June 2025 and up to the date of this report, the Supervisory Committee comprised 7 Supervisors, and the Supervisors in office were as follows:

Name	Effective date of appointment as a Supervisor
Shareholder Representative Supervisors	
Mr. Zhou Yihua	31 August 2022
Ms. Wang Xiaobing	23 January 2025
Employee Representative Supervisors	
Mr. Zhen Jianhui	15 April 2014
Ms. Li Xiangrong	7 June 2016
Ms. Ou Lixu	16 January 2024
Independent Supervisors	
Mr. Duan Xinhong	31 August 2022
Ms. Meng Xue	31 August 2022

Other Information

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, allowances and subsidies. The basic salary is determined according to the position, working experience, education background, 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 this position.

TRAINING OF EMPLOYEES

The Group has always attached great importance to the training and development of human resources, and has made endeavors to provide training and education to employees at all levels. The Group has faithfully implemented budgeted standards for training expenses and its implementation plan, and has 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.

Review Report

Xin Kuai Shi Bao Zi [2025] No. ZC10388

To the shareholders of Guangdong Yueyun Transportation Company Limited:

We have reviewed the accompanying interim financial statements of Guangdong Yueyun Transportation Company Limited ("Yueyun Transportation"), which comprises the consolidated and company balance sheets as at 30 June 2025, the consolidated and company income statements, the consolidated and company cash flow statements, the consolidated and company statements of changes in shareholder's equity for the six months period then ended and notes to the interim financial statements. The management of Yueyun Transportation is responsible for preparing the interim financial statements in accordance with "Accounting Standard for Business Enterprises No. 32 – Interim Financial Reporting", issued by the Ministry of Finance of the People's Republic of China. Our responsibility is to issue a review report on the interim financial statements based on our review.

We conducted our review in accordance with "Standard on Review Engagements for Certified Public Accountants of China No. 2101 – Engagements to Review Financial Statements". This Standard requires that we plan and perform the review to obtain limited assurance as to whether the interim financial statements are free from material misstatement. A review is limited primarily to inquiries of personnel of Yueyun Transportation and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements are not prepared in accordance with "Accounting Standard for Business Enterprises No. 32 – Interim Financial Reporting".

BDO China SHU LUN PAN
Certified Public Accountants LLP

Certified Public Accountant of China:
Jiang Gan

Certified Public Accountant of China:
Chang Yuying

Shanghai • China

15 August 2025

Consolidated Balance Sheet (Unaudited)

As at 30 June 2025

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

	Note V	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	1	**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	2	**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	3	**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	4	**2,160,909,849.74**	2,310,143,470.51
Intangible assets	5	**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

The accompanying notes to the interim financial statements form part of the interim financial statements.

Consolidated Balance Sheet (Unaudited) (Continued)

As at 30 June 2025

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

	Note V	30 June 2025	31 December 2024
Liabilities and shareholders' equity			
Current liabilities:			
Short-term loans	6	**318,699,750.02**	368,550,148.34
Accounts payable	7	**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	8	**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	9	**53,568,466.85**	370,147,647.01
Lease liabilities	10	**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	11	**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

The accompanying notes to the interim financial statements form part of the interim financial statements.

Consolidated Balance Sheet (Unaudited) (Continued)

As at 30 June 2025

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

	Note V	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

The accompanying notes to the interim financial statements form part of the interim financial statements.

Zhu Fang	**Huang Wenban**	**Zeng Mengyun**
The person in charge of the Company	The person in charge of accounting affairs	The head of the accounting department

Company Balance Sheet (Unaudited)

As at 30 June 2025

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

	Note XII	30 June 2025	31 December 2024
Assets			
Current Assets:			
Cash at bank and on hand		**1,005,828,885.16**	872,853,135.03
Accounts receivable	1	**48,508,511.12**	12,605,951.73
Prepayments		**3,076,838.71**	3,136,256.55
Other receivables		**204,819,248.43**	217,981,638.66
Other current assets		**584,314.63**	97,938.75
Total current assets		**1,262,817,798.05**	1,106,674,920.72
Non-current assets:			
Long-term receivables		**47,700,000.00**	47,700,000.00
Long-term equity investments		**1,552,859,635.29**	1,589,840,653.92
Investments in other equity instruments		**777,412.45**	971,813.78
Fixed assets		**2,896,669.09**	2,905,872.72
Construction in progress		**8,961,360.80**	2,291,569.00
Right-of-use assets		**160,245,917.06**	98,386,945.17
Intangible assets		**20,141,113.73**	25,244,204.39
Long-term deferred expenses		**183,662.31**	498,224.34
Other non-current assets		**4,968,928.40**	–
Total non-current assets		**1,798,734,699.13**	1,767,839,283.32
Total assets		**3,061,552,497.18**	2,874,514,204.04

The accompanying notes to the interim financial statements form part of the interim financial statements.

Company Balance Sheet (Unaudited) (Continued)

As at 30 June 2025

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

	Note XII	30 June 2025	31 December 2024
Liabilities and shareholders' equity			
Current liabilities:			
Accounts payable		**19,162,977.70**	20,616,555.34
Contract liabilities		**6,833,884.05**	6,833,884.05
Employee benefits payable		**21,561,483.22**	22,342,053.20
Taxes payable		**4,969,552.25**	5,900,148.26
Other payables		**748,124,184.80**	552,563,218.67
Non-current liabilities due within one year		**261,257,571.45**	18,896,854.90
Total current liabilities		**1,061,909,653.47**	627,152,714.42
Non-current liabilities:			
Long-term loans		**–**	243,500,000.00
Lease liabilities		**155,805,091.19**	87,005,437.78
Deferred income		**783,500.00**	–
Total non-current liabilities		**156,588,591.19**	330,505,437.78
Total liabilities		**1,218,498,244.66**	957,658,152.20

The accompanying notes to the interim financial statements form part of the interim financial statements.

Company Balance Sheet (Unaudited) (Continued)

As at 30 June 2025

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

	Note XII	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		**117,238,669.53**	117,238,669.53
Other comprehensive income		**–**	44,401.33
Surplus reserve		**266,454,296.08**	266,454,296.08
Retained earnings		**659,513,486.91**	733,270,884.90
Total shareholders' equity		**1,843,054,252.52**	1,916,856,051.84
Total liabilities and shareholders' equity		**3,061,552,497.18**	2,874,514,204.04

The accompanying notes to the interim financial statements form part of the interim financial statements.

Zhu Fang	**Huang Wenban**	**Zeng Mengyun**
The person in charge of the Company	The person in charge of accounting affairs	The head of the accounting department

Consolidated Income Statement (Unaudited)

For the six months ended 30 June 2025

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

Items		Note V	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)

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

Items		Note V	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

The accompanying notes to the interim financial statements form part of the interim financial statements.

Zhu Fang	**Huang Wenban**	**Zeng Mengyun**
The person in charge of the Company	The person in charge of accounting affairs	The head of the accounting department

Company Income Statement (Unaudited)

For the six months ended 30 June 2025

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

Items		Note XII	Amount for the period	Amount for the previous period
I.	**Operating income**		**59,153,905.91**	78,849,509.49
	Less: Operating costs		**21,681,190.24**	15,872,897.50
	Taxes and surcharges		**438,807.18**	283,908.99
	Selling and distribution expenses		**–**	8,283.65
	General and administrative expenses		**28,055,687.33**	31,007,798.37
	Research and development expenses		**–**	–
	Financial expenses		**449,290.54**	(1,634,271.01)
	Add: Other income		**34,784.45**	–
	Investment income	2	**(8,179,718.63)**	17,116,924.66
	Accrual of credit losses		**(2,161,792.43)**	1,581,898.91
	Impairment losses		**–**	–
	Gains from asset disposals		**–**	–
II.	**Operating (loss)/profit**		**(1,777,795.99)**	52,009,715.56
	Add: Non-operating income		**–**	–
	Less: Non-operating expenses		**–**	–
III.	**(Loss)/profit before income tax**		**(1,777,795.99)**	52,009,715.56
	Less: Income tax expenses		**–**	–

Company Income Statement (Unaudited) (Continued)

For the six months ended 30 June 2025

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

Items		Note XII	Amount for the period	Amount for the previous period
IV.	**Net (loss)/profit**		**(1,777,795.99)**	52,009,715.56
	1. Net (loss)/profit from continuing operations		**(1,777,795.99)**	52,009,715.56
	2. Net (loss)/profit from discontinued operations		**–**	–
V.	**Other comprehensive income, net of tax**		**–**	(8,790.15)
	(1) Items that will not be reclassified to profit or loss		**–**	(8,790.15)
	1. Changes in fair value of investments in other equity instruments		**–**	(8,790.15)
	(2) Items that may be reclassified subsequently to profit or loss		**–**	–
VI.	**Total comprehensive (loss)/income**		**(1,777,795.99)**	52,000,925.41

The accompanying notes to the interim financial statements form part of the interim financial statements.

Zhu Fang	**Huang Wenban**	**Zeng Mengyun**
The person in charge of the Company	The person in charge of accounting affairs	The head of the accounting department

Consolidated Cash Flow Statement (Unaudited)

For the six months ended 30 June 2025

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

Items		Note V	Amount for the period	Amount for the previous period
I.	**Cash flows from operating activities**			
	Proceeds from sale of goods and rendering of services		**4,141,083,754.76**	4,031,689,733.36
	Cash received relating to other operating activities		**128,276,274.25**	253,322,180.53
	Sub-total of cash inflows		**4,269,360,029.01**	4,285,011,913.89
	Payment for goods and services		**2,944,754,718.24**	2,674,334,509.45
	Payment to and for employees		**674,597,297.68**	750,406,906.45
	Payment of various taxes		**162,246,087.49**	162,023,367.60
	Payment relating to other operating activities		**52,834,264.48**	75,045,769.59
	Sub-total of cash outflows		**3,834,432,367.89**	3,661,810,553.09
	Net cash inflow from operating activities	22	**434,927,661.12**	623,201,360.80

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

Items	Note V	Amount for the period	Amount for the previous period
II. Cash flows from investing activities			
Proceeds from disposal of investments		**4,847,680.40**	500,000.00
Proceeds from investment income		**23,845,086.19**	17,558,752.11
Net proceeds from disposal of fixed assets, intangible assets and other long-term assets		**12,611,301.02**	25,787,370.60
Net cash received from disposal of subsidiaries and other business entities	22	**21,397,324.96**	19,720,114.85
Sub-total of cash inflows		**62,701,392.57**	63,566,237.56
Payment for acquisition of fixed assets, intangible assets and other long-term assets		**127,003,025.37**	48,318,547.27
Payment for acquisition of investments		**–**	10,620,352.31
Sub-total of cash outflows		**127,003,025.37**	58,938,899.58
Net cash (outflow)/inflow from investing activities		**(64,301,632.80)**	4,627,337.98

Consolidated Cash Flow Statement (Unaudited) (Continued)

For the six months ended 30 June 2025

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

Items	Note V	Amount for the period	Amount for the previous period
III. Cash flows from financing activities			
Proceeds from borrowings		**169,252,618.59**	314,903,570.48
Sub-total of cash inflows		**169,252,618.59**	314,903,570.48
Repayments of borrowings		**225,571,271.88**	345,541,585.02
Payment for profit distributions or interest		**19,518,026.18**	30,390,796.58
Payments relating to other financing activities		**171,404,637.54**	162,946,942.97
Sub-total of cash outflows		**416,493,935.60**	538,879,324.57
Net cash outflow from financing activities		**(247,241,317.01)**	(223,975,754.09)

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

Items	Note V	Amount for the period	Amount for the previous period
IV. Effect of foreign exchange rate changes on cash and cash equivalents		**(912,032.61)**	592,988.40
V. Net increase in cash and cash equivalents		**122,472,678.70**	404,445,933.09
Add: Cash and cash equivalents at the beginning of the period		**1,425,056,954.63**	1,085,764,984.96
VI. Cash and cash equivalents at the end of the period		**1,547,529,633.33**	1,490,210,918.05

The accompanying notes to the interim financial statements form part of the interim financial statements.

Zhu Fang	**Huang Wenban**	**Zeng Mengyun**
The person in charge of the Company	The person in charge of accounting affairs	The head of the accounting department

Company Cash Flow Statement (Unaudited)

For the six months ended 30 June 2025

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

Items		Amount for the period	Amount for the previous period
I.	**Cash flows from operating activities**		
	Proceeds from sale of goods and rendering of services	**23,256,180.96**	84,928,757.27
	Cash received relating to other operating activities	**7,205,251.87**	7,477,615.35
	Sub-total of cash inflows	**30,461,432.83**	92,406,372.62
	Payment for goods and services	**12,159,087.74**	7,979,252.96
	Payment to and for employees	**21,481,604.05**	18,869,018.45
	Payment of various taxes	**1,954,380.16**	3,025,643.60
	Payment relating to other operating activities	**14,569,397.51**	20,900,783.21
	Sub-total of cash outflows	**50,164,469.46**	50,774,698.22
	Net cash (outflow)/inflow from operating activities	**(19,703,036.63)**	41,631,674.40

Company Cash Flow Statement (Unaudited) (Continued)

For the six months ended 30 June 2025

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

Items		Amount for the period	Amount for the previous period
II.	**Cash flows from investing activities**		
	Proceeds from disposal of investments	**25,252,800.00**	27,960,294.00
	Proceeds from investment income	**10,786,078.00**	18,352,160.40
	Cash received relating to other investing activities	**12,000,000.00**	–
	Sub-total of cash inflows	**48,038,878.00**	46,312,454.40
	Payment for acquisition of fixed assets, intangible assets and other long-term assets	**11,963,579.76**	23,879.00
	Sub-total of cash outflows	**11,963,579.76**	23,879.00
	Net cash inflow from investing activities	**36,075,298.24**	46,288,575.40

Company Cash Flow Statement (Unaudited) (Continued)

For the six months ended 30 June 2025

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

Items		Amount for the period	Amount for the previous period
III.	**Cash flows from financing activities**		
	Cash received from other financing activities	**126,277,418.67**	178,087,862.07
	Sub-total of cash inflows	**126,277,418.67**	178,087,862.07
	Repayments of borrowings	**1,000,000.00**	2,000,000.00
	Payment for profit distributions or interest	**2,779,279.17**	5,383,971.66
	Payments relating to other financing activities	**5,896,855.37**	3,346,621.44
	Sub-total of cash outflows	**9,676,134.54**	10,730,593.10
	Net cash inflow from financing activities	**116,601,284.13**	167,357,268.97
IV.	**Effect of foreign exchange rate changes on cash and cash equivalents**	**2,204.39**	–
V.	**Net increase in cash and cash equivalents**	**132,975,750.13**	255,277,518.77
	Add: Cash and cash equivalents at the beginning of the period	**872,853,135.03**	642,080,698.45
VI.	**Cash and cash equivalents at the end of the period**	**1,005,828,885.16**	897,358,217.22

The accompanying notes to the interim financial statements form part of the interim financial statements.

Zhu Fang	**Huang Wenban**	**Zeng Mengyun**
The person in charge of the Company	The person in charge of accounting affairs	The head of the accounting department

Consolidated Statement of Changes in Shareholders' Equity (Unaudited)

For the six months ended 30 June 2025

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

Items	Amount for the period								
	Attributable to shareholders of the Company								
	Share capital	Capital reserve	Other comprehensive income	Specific reserve	Surplus reserve	Retained earnings	Sub-total	Non-controlling interests	Total shareholders' equity
I. Balance as at 31 December 2024	799,847,800.00	21,781,436.03	(33,666,160.93)	36,096,290.62	259,176,302.97	1,002,904,081.67	2,086,139,750.36	519,720,854.91	2,605,860,605.27
II. Balance as at 1 January 2025	799,847,800.00	21,781,436.03	(33,666,160.93)	36,096,290.62	259,176,302.97	1,002,904,081.67	2,086,139,750.36	519,720,854.91	2,605,860,605.27
III. Changes in equity for the period	-	-	11,293,859.91	2,980,091.24	-	67,784,103.10	82,058,054.25	(18,758,729.45)	63,299,324.80
(I) Total comprehensive income	-	-	9,813,674.36	-	-	142,643,705.10	152,457,379.46	(9,405,761.52)	143,051,617.94
(II) Shareholders' contributions and reduction	-	-	-	-	-	-	-	(3,611,698.45)	(3,611,698.45)
1. Others	-	-	-	-	-	-	-	(3,611,698.45)	(3,611,698.45)
(III) Appropriation of profits	-	-	-	-	-	(71,986,302.00)	(71,986,302.00)	(6,860,000.00)	(78,846,302.00)
1. Distributions to shareholders	-	-	-	-	-	(71,986,302.00)	(71,986,302.00)	(6,860,000.00)	(78,846,302.00)
(IV) Internal transfer of equity	-	-	1,480,185.55	-	-	(2,873,300.00)	(1,393,114.45)	-	(1,393,114.45)
1. Transfer of other comprehensive income to retained earnings	-	-	2,835,598.67	-	-	(2,835,598.67)	-	-	-
2. Others	-	-	(1,355,413.12)	-	-	(37,701.33)	(1,393,114.45)	-	(1,393,114.45)
(V) Specific reserve	-	-	-	2,980,091.24	-	-	2,980,091.24	1,118,730.52	4,098,821.76
1. Accrued	-	-	-	13,489,430.41	-	-	13,489,430.41	3,442,029.15	16,931,459.56
2. Utilised	-	-	-	10,509,339.17	-	-	10,509,339.17	2,323,298.63	12,832,637.80
IV. Balance as at 30 June 2025	799,847,800.00	21,781,436.03	(22,372,301.02)	39,076,381.86	259,176,302.97	1,070,688,184.77	2,168,197,804.61	500,962,125.46	2,669,159,930.07

The accompanying notes to the interim financial statements form part of the interim financial statements.

Consolidated Statement of Changes in Shareholders' Equity (Unaudited) (Continued)

For the six months ended 30 June 2025

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

	Amount for the previous period								
	Attributable to shareholders of the Company								
Items	Share capital	Capital reserve	Other comprehensive income	Specific reserve	Surplus reserve	Retained earnings	Sub-total	Non-controlling interests	Total shareholders' equity
I. Balance as at 31 December 2023	799,847,800.00	21,862,542.66	(30,609,457.82)	33,769,964.27	246,913,317.41	842,647,338.85	1,914,431,505.37	702,473,850.86	2,616,905,356.23
II. Balance as at 1 January 2024	799,847,800.00	21,862,542.66	(30,609,457.82)	33,769,964.27	246,913,317.41	842,647,338.85	1,914,431,505.37	702,473,850.86	2,616,905,356.23
III. Changes in equity for the period	-	-	(6,636,134.91)	2,747,684.88	-	74,681,411.05	70,792,961.02	(57,236,798.79)	13,556,162.23
(I) Total comprehensive income	-	-	(6,636,134.91)	-	-	138,669,235.05	132,033,100.14	(2,630,468.97)	129,402,631.17
(II) Shareholders' contributions and reduction	-	-	-	-	-	-	-	(51,621,637.55)	(51,621,637.55)
1. Others	-	-	-	-	-	-	-	(51,621,637.55)	(51,621,637.55)
(III) Appropriation of profits	-	-	-	-	-	(63,987,824.00)	(63,987,824.00)	(5,929,090.45)	(69,916,914.45)
1. Distributions to shareholders	-	-	-	-	-	(63,987,824.00)	(63,987,824.00)	(5,929,090.45)	(69,916,914.45)
(IV) Internal transfer of equity	-	-	-	-	-	-	-	-	-
(V) Specific reserve	-	-	-	2,747,684.88	-	-	2,747,684.88	2,944,398.18	5,692,083.06
1. Accrued	-	-	-	17,428,123.28	-	-	17,428,123.28	7,256,393.84	24,684,517.12
2. Utilised	-	-	-	14,680,438.40	-	-	14,680,438.40	4,311,995.66	18,992,434.06
IV. Balance as at 30 June 2024	799,847,800.00	21,862,542.66	(37,245,592.73)	36,517,649.15	246,913,317.41	917,328,749.90	1,985,224,466.39	645,237,052.07	2,630,461,518.46

The accompanying notes to the interim financial statements form part of the interim financial statements.

Zhu Fang
The person in charge of the Company

Huang Wenban
The person in charge of accounting affairs

Zeng Mengyun
The head of the accounting department

Company Statement of Changes in Shareholders' Equity (Unaudited)

For the six months ended 30 June 2025

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

Items	Amount for the period						
	Share capital	Capital reserve	Other comprehensive income	Specific reserve	Surplus reserve	Retained earnings	Total shareholders' equity
I. Balance as at 31 December 2024	799,847,800.00	117,238,669.53	44,401.33	-	266,454,296.08	733,270,884.90	1,916,856,051.84
II. Balance as at 1 January 2025	799,847,800.00	117,238,669.53	44,401.33	-	266,454,296.08	733,270,884.90	1,916,856,051.84
III. Changes in equity for the period	-	-	(44,401.33)	-	-	(73,757,397.99)	(73,801,799.32)
(I) Total comprehensive income	-	-	-	-	-	(1,777,795.99)	(1,777,795.99)
(II) Shareholders' contributions and reduction	-	-	-	-	-	-	-
(III) Appropriation of profits	-	-	-	-	-	(71,986,302.00)	(71,986,302.00)
1. Distributions to shareholders	-	-	-	-	-	(71,986,302.00)	(71,986,302.00)
(IV) Internal transfer of equity	-	-	(44,401.33)	-	-	6,700.00	(37,701.33)
1. Transfer of other comprehensive income to retained earnings	-	-	(44,401.33)	-	-	44,401.33	-
2. Others	-	-	-	-	-	(37,701.33)	(37,701.33)
(V) Specific reserve	-	-	-	-	-	-	-
IV. Balance as at 30 June 2025	799,847,800.00	117,238,669.53	-	-	266,454,296.08	659,513,486.91	1,843,054,252.52

The accompanying notes to the interim financial statements form part of the interim financial statements.

Company Statement of Changes in Shareholders' Equity (Unaudited) (Continued)

For the six months ended 30 June 2025

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

	Amount for the previous period						
Items	Share capital	Capital reserve	Other comprehensive income	Specific reserve	Surplus reserve	Retained earnings	Total shareholders' equity
I. Balance as at 31 December 2023	799,847,800.00	117,238,669.53	73,272.98	–	254,191,310.52	677,622,326.07	1,848,973,379.10
Add: Others	–	–	–	–	–	9,269,512.83	9,269,512.83
II. Balance as at 1 January 2024	799,847,800.00	117,238,669.53	73,272.98	–	254,191,310.52	686,891,838.90	1,858,242,891.93
III. Changes in equity for the period	–	–	(8,790.15)	–	–	(11,978,108.44)	(11,986,898.59)
(I) Total comprehensive income	–	–	(8,790.15)	–	–	52,009,715.56	52,000,925.41
(II) Shareholders' contributions and reduction	–	–	–	–	–	–	–
(III) Appropriation of profits	–	–	–	–	–	(63,987,824.00)	(63,987,824.00)
1. Distributions to shareholders	–	–	–	–	–	(63,987,824.00)	(63,987,824.00)
(IV) Internal transfer of equity	–	–	–	–	–	–	–
(V) Specific reserve	–	–	–	–	–	–	–
1. Accrued	–	–	–	111,051.40	–	–	111,051.40
2. Utilised	–	–	–	111,051.40	–	–	111,051.40
IV. Balance as at 30 June 2024	799,847,800.00	117,238,669.53	64,482.83	–	254,191,310.52	674,913,730.46	1,846,255,993.34

The accompanying notes to the interim financial statements form part of the interim financial statements.

Zhu Fang	**Huang Wenban**	**Zeng Mengyun**
The person in charge of the Company	The person in charge of accounting affairs	The head of the accounting department

I. COMPANY PROFILE

Guangdong Yueyun Transportation Company Limited (the "Company") was established on 28 December 1999 as a limited company under the name of Guangdong Yuedi Communications Company Limited ("Yuedi Communications") by Guangdong Provincial Highway Construction Company Limited, Guangdong Communication Enterprise Investment Company Limited, Guangdong Province Road & Bridge Construction Development Company Limited, Guangdong Weisheng Transportation Enterprise Company Limited and Guangdong Guantong Expressway Assets Management Company Limited. On 25 December 2000, Guangdong Yuedi Communications Company Limited was converted to a joint stock limited company under the approval of the People's Government of Guangdong Municipality Yue Ban Han [2000] No. 685 and Economic and Trade Commission of Guangdong Province Yue Jing Mao Jian Du [2000] No. 1057. On 1 April 2002, under the approval of Administration of Industry and Commerce of Guangdong Province, Guangdong Yuedi Communications Company Limited was renamed as Guangdong South China Logistics Enterprise Limited. The registered capital of the Company was RMB292,187,322.00. On 5 August 2013, under the approval of Administration of Industry and Commerce of Guangdong Province, Guangdong South China Logistics Enterprise Limited was renamed as Guangdong Yueyun Transportation Company Limited.

In 2005, according to the shareholders' resolution of year 2004 and the revised Company's Memorandum and Articles, and being approved by State-owned Assets Supervision and Administration Commission of the State Council Guo Zi Gai Ge [2005] No. 62 and China Securities Regulatory Commission Zheng Jian Guo He Zi [2005] No. 21, the Company initially offered 138,000,000 H shares with a nominal value of RMB1 per H share on the Main Board of The Stock Exchange of Hong Kong Limited, including 125,454,545 new H shares, and 12,545,455 H shares converted from domestic shares. The registered capital of the Company was changed to RMB417,641,867.00 after the placing and public offer.

According to the resolution of the Annual General Meeting held on 11 June 2015, the Company issued two bonus shares for every 10 shares by way of the capitalisation of the retained earnings and three shares for every 10 shares by way of the capitalisation of the share premium based on the total share capital of 417,641,867 shares of the Company as at 31 December 2014. The registered capital of the Company was changed to RMB626,462,800.00 accordingly.

On 24 March 2016, Guangdong Provincial Communication Group Company Limited ("GCGC") executed the conversion of the Perpetual Subordinated Convertible Securities ("PSCS") held by it with a principal amount of RMB281,810,000.00 into domestic ordinary shares of the Company, which resulted in an increase of the Company's ordinary shares of 173,385,000. The registered capital of the Company was changed to RMB799,847,800.00 accordingly.

I. COMPANY PROFILE *(CONTINUED)*

The Company and its subsidiaries (the "Group") is a comprehensive transportation service group in Guangdong Province. The principal business of the Group mainly includes expressway service zones operation, road passenger transportation and auxiliary services.

The parent of the Company and its ultimate holding company is GCGC. The registered office is 8th floor, No. 1731-1735 Airport Road, Guangzhou, the PRC. The legal representative of the Company is Mr. Zhu Fang.

This financial statements were approved by the board of directors of the Company on 15 August 2025.

II. 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.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

The Group's accounting policies for the recognition and measurement of allowance for expected credit loss for receivables, recognition of cost of inventories, depreciation of fixed assets and right-of-use assets, amortisation of intangible assets, recognition and measurement of government grant and revenue, are adopted according to the specific characteristics of the Group's operations. Please refer to the relevant notes to the accounting policies.

1. Statement of compliance

The interim financial statements have been prepared in accordance with the requirements of Accounting Standards for Business Enterprises issued by the MOF ("CAS"). These interim financial statements present truly and completely the consolidated financial position and financial position of the Company as at 30 June 2025, and the consolidated financial performance and financial performance of the Company and the consolidated cash flows and cash flows of the Company for the six months period then ended.

2. Accounting period

The Group has adopted the calendar year as its accounting year, from 1 January to 31 December. The accounting period of the interim financial statements is from 1 January 2025 to 30 June 2025.

3. Operating cycle

The Group's operating cycle is 12 months.

4. Functional currency

Renminbi ("RMB") is the currency of the primary economic environment in which the Company and its domestic subsidiaries operate. Therefore, the Company and its domestic subsidiaries choose RMB as their functional currency. The Company's overseas subsidiaries choose Hong Kong dollar ("HK$") as their functional currency on the basis of the primary economic environment in which it operates. The Company adopts RMB to present its financial statements, and the financial statements of foreign subsidiaries have been translated based on the accounting policy as set out in Note III. 9. Foreign Currency Transactions and Translation of Financial Statements denominated in Foreign Currencies.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(CONTINUED)*

5. Accounting treatments for business combinations under common control and not under common control

Business combinations involving entities under common control: The assets and liabilities acquired by the acquirer through business combination shall be measured at the carrying value of the assets, liabilities of the acquiree (including goodwill incurred in the acquisition of the acquiree by ultimate controlling party) in the financial statements of the ultimate controlling party at the date of combination. The difference between the carrying amount of the net assets obtained and the carrying amount of the consideration paid for the combination (or total nominal value of the issued shares) is adjusted to capital premium in capital reserve. If the capital reserve is not sufficient to absorb the difference, any excess shall be adjusted against retained earnings.

Business combinations not involving entities under common control: The cost of combination is the fair value of assets paid, liabilities incurred or committed and issued shares by the acquirer to obtain control. Where the cost of combination is higher than the fair value of the identifiable net assets acquired from the acquiree in business combination, the Company shall recognise such difference as goodwill; where the cost of combination is less than the fair value of the identifiable net assets acquired from the acquiree in business combination, such difference shall be charged to current profit or loss. The identifiable assets acquired from the acquiree in a business combination that meet the recognition criteria, liabilities and contingent liabilities are measured at the fair value at the acquisition date.

The direct relevant expenses incurred for the business combinations are recognised as the profit or loss in the period when the costs are incurred; the transaction costs for the equity securities or debt securities issued for business combination shall be recognised as the initial recognition amount of equity securities or debt securities.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(CONTINUED)*

6. Judgment criteria of control and preparation of consolidated financial statements

1) Judgment criteria of control

The scope of consolidated financial statements is based on control and the consolidated financial statements comprise the Company and its subsidiaries. The Group controls an entity when has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

2) Consolidation procedure

The Company regards the entire enterprise group as an accounting entity and prepares consolidated financial statements in accordance with unified accounting policies to reflect the overall financial position, operating results and cash flow of the Group. The impact of internal transactions between the Company and its subsidiaries or between subsidiaries shall be offset. If internal transactions indicate that the relevant assets have suffered impairment losses, this part of losses shall be confirmed in full. If the accounting policies or accounting periods of a subsidiary are different from those of the Company, the consolidated financial statements of the subsidiary, upon preparation, will be adjusted according to the accounting policies and accounting periods of the Company.

The shareholders' equity, net profit or loss and other comprehensive income of subsidiaries for the period attributable to non-controlling shareholders are respectively and separately presented under the shareholders' equity in the consolidated balance sheet, the net profit in the consolidated income statement, and the total comprehensive income in the consolidated income statement. If the loss for the period shared by a non-controlling shareholder of a subsidiary exceeds the balances arising from the shares enjoyed by the non-controlling shareholder in the shareholders' equity of the subsidiary at the beginning of the period, non-controlling interest will be written down accordingly.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(CONTINUED)*

6. Judgment criteria of control and preparation of consolidated financial statements *(Continued)*

2) Consolidation procedure (Continued)

(1) Increase of subsidiaries or business

During the reporting period, where the Company acquired subsidiaries or business from the business combination under common control, the operating results and cash flows of the newly acquired subsidiaries or business from the beginning of the period for business combination to the end of the reporting period are included in the consolidated financial statements; the beginning amount of the consolidated financial statements and relevant items in the comparative statements are adjusted accordingly, as if the reporting entity after the business combination exists as of the time when the ultimate controller has the control.

Where control can be exercised on the investee under the common control for additional investment or other reasons, equity investments held before the control over the combined party is obtained, the related profits or losses, other comprehensive income as well as other changes in net assets recognised from the later between the date when the original equity is obtained and the date when the acquirer and the acquiree are under common control to the combination date will respectively write down the opening retained earnings or the current profit or loss during the period for comparing financial statements.

During the reporting period, if the Company acquired subsidiaries or business from the business combination not under common control, all identifiable assets, liabilities and contingent liabilities will be included in the consolidated financial statements from the acquisition date based on their fair value determined on the acquisition date.

Where the Company can control the investee not under common control for additional investments, it shall re-measure equity of the acquiree held before the acquisition date at the fair value of such equity on the acquisition date and include the difference between the fair value and book value in the current investment income. Where equity of the acquiree held before the acquisition date involves in other comprehensive income that can be reclassified into profit or loss and other changes in shareholders' equity accounted for under the equity method shall be transferred to the investment income in the year which the acquisition date falls in.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(CONTINUED)*

6. Judgment criteria of control and preparation of consolidated financial statements *(Continued)*

2) Consolidation procedure (Continued)

(2) Disposal of subsidiaries

① General treatment methods

When the Company losses the control over the investee due to disposal of partial equity investment or other reasons, the remaining equity investment after the disposal should be re-measured by the Company at the fair value thereof on the date of losing the control. The difference of total amount of the consideration from disposal of equities plus the fair value of the remaining equities less the shares calculated at the original shareholding ratio in net assets and goodwill of the original subsidiary which are continuously calculated as of the acquisition date or combination date shall be included in the investment income of the period at the loss of control. Other comprehensive income that will be reclassified into profit or loss later associated with the equity investments of the original subsidiary, or the changes in other shareholders' equity calculated under the equity method, shall be transferred into investment income of the current period when control is lost.

② Disposal of subsidiaries by stages

If the control is lost due to disposal of the equity investments in subsidiaries through multiple transactions by stages, and the terms, conditions and economic impact of the transactions related to the disposal of equity investments in subsidiaries meet one or more of the following circumstances, it usually indicates that multiple transactions will be treated a package deal:

i. The transactions are concluded at the same time or under the consideration of mutual effect;

ii. These transactions as a whole can reach a complete business result;

iii. The occurrence of a transaction depends on that of other transaction or more; and

iv. A single transaction is uneconomical but it is economical when considered together with other transactions.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(CONTINUED)*

6. Judgment criteria of control and preparation of consolidated financial statements *(Continued)*

2) Consolidation procedure (Continued)

(2) Disposal of subsidiaries (Continued)

② Disposal of subsidiaries by stages *(Continued)*

Where various transactions belong to a package deal, accounting treatment shall be made by the Company on the transactions as a transaction to dispose of subsidiaries and lose the control; the difference between each disposal cost and net asset share in the subsidiaries corresponding to each disposal of investments before loss of the control should be recognised as other comprehensive income in the consolidated financial statements and should be transferred into the current profit or loss at the loss of the control.

Where various transactions do not belong to a package deal, before the loss of the control, accounting treatment shall be made according to the partial disposal of equity investments in the subsidiary without losing control; at the loss of the control, accounting treatment shall be made according to general treatment methods for disposal of subsidiaries.

(3) Purchase of non-controlling interests in a subsidiary

The share premium in the capital reserves under the consolidated balance sheet will be adjusted at the difference between the long-term equity investment acquired by the Company for the purchase of non-controlling interest and the share of net assets calculated constantly from the acquisition date (or combination date) according to the newly increased shareholding ratio. If the share premium is insufficient to offset, retained earnings will be adjusted.

(4) Partial disposal of equity investments in subsidiaries without losing control

The share premium of capital reserves in the consolidated balance sheet will be adjusted according to the difference between the disposal price and the share of net assets of subsidiaries calculated from the acquisition date or the combination date corresponding to the disposal of long-term equity investments; if the share premium of capital reserves is insufficient, the retained earnings will be adjusted.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(CONTINUED)*

7. Classification of joint arrangements and accounting treatment

Joint arrangements can be classified into joint operations and joint ventures.

When the Group is a party to a joint arrangement and has rights to the assets, and obligations for the liabilities, relating to such arrangement, the joint arrangement is classified as a joint operation.

The Group recognises the following items in relation to its share of benefits in joint operations:

(1) the assets held solely by the Group and those jointly held on a pro-rata basis;

(2) the liabilities assumed solely by the Group and those jointly assumed on a pro-rata basis;

(3) the income generated from the sale of the products of the joint operation attributable to the Group;

(4) the income generated by the joint operation from the sale of products on a pro-rata basis;

(5) the expenses incurred solely by the Group and those incurred by the joint operation on a pro-rata basis.

The investment in joint ventures of the Group are accounted for under the equity method. For the details, please refer to Note III. 13. Long-term equity investments".

8. Cash and cash equivalent

Cash comprises cash on hand and deposits that can be readily withdrawn on demand. Cash equivalents are the Group's short-term and highly liquid investments, which are readily convertible into known amounts of cash and are subject to an insignificant risk of change in value.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(CONTINUED)*

9. Foreign currency transactions and translation of financial statements denominated in foreign currencies

1) Foreign currency transactions

Foreign currency transactions shall be translated into RMB at the spot exchange rate on the day when the transactions occurred.

Balance sheet date foreign currency monetary items shall be translated using the spot exchange rate at the balance sheet date. The resulting exchange difference are recognised in profit or loss for the current period, except for those differences related to a specific-purpose borrowing denominated in foreign currency for acquisitions and construction of the qualified assets, which should be capitalised as cost of the borrowings.

2) Translation of financial statements denominated in foreign currency

The assets and liabilities in the balance sheets are translated at the spot exchange rate on the balance sheet date. Except for "Retained earnings", all items under owner's equity are translated at the spot exchange rates when incurred. The income and expenses items in the income statement are translated at the spot exchange rates on the transaction dates.

On disposal of a foreign operation, the translation difference of the financial statements in foreign currency relating to that foreign operation is transferred from shareholders' equity to profit or loss of the period during which the disposal occurs.

10. Financial instruments

The Group recognises a financial asset, a financial liability or equity instrument when it becomes a party to the financial instrument contract.

1) Classification of financial instruments

The classification of financial assets is based on the business model in which a financial asset is managed and its contractual cash flow characteristics. At the initial recognition, a financial asset is classified as: financial assets at the amortised cost, financial assets measured at fair value through other comprehensive income and financial assets measured at fair value through profit or loss.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(CONTINUED)*

10. Financial instruments *(Continued)*

1) Classification of financial instruments (Continued)

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated at fair value through profit or loss:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A financial asset is measured at fair value through other comprehensive income (debt instruments) if it meets both of the following conditions and is not designated at fair value through profit or loss:

- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

At initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income (debt instruments). This designation is made on an investment-by-investment basis, and the related investment meets the definition of an equity instrument from the issuer's perspective.

All financial assets not classified as measured at amortised cost or fair value through other comprehensive income as described above are measured at fair value through profit or loss.

At initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at fair value through other comprehensive income as at fair value through profit or loss if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

At the initial recognition, financial liabilities are classified as: financial liabilities measured at fair value through profit or loss and financial liabilities measured at amortised cost.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(CONTINUED)*

10. Financial instruments *(Continued)*

2) Recognition basis and measurement method of financial instruments

(1) Financial assets at amortised cost

Financial assets measured at amortised cost include bills receivable and accounts receivable, other receivables, long-term receivables, and debt investment, etc., of which initial measurement is made at fair value, and relevant transaction costs are included in the initially recognised amount; exclude accounts receivable with significant financing component and accounts receivable with the financing component not exceeding one year and not considered by the Company, of which initial measurement is made at the contract transaction price.

During the holding period, the interest calculated with the effective interest method should be included in the current profit or loss.

At recovery or disposal, the difference between the purchase price obtained and the book value of such financial assets is included in the current profit or loss.

(2) Financial assets (debt instruments) at fair value through other comprehensive income

Financial assets (debt instruments) measured at fair value through other comprehensive income include other debt investment, of which initial measurement is made at fair value, and relevant transaction costs are included in the initially recognised amount.

The subsequent measurement of such financial assets is made at fair value. Changes in fair value are included in other comprehensive income except for the interest calculated by the effective interest method. The dividends received are included in the current profit or loss.

At derecognition, the accumulated gains or losses previously included in other comprehensive income are transferred from the other comprehensive income to the retained earnings.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(CONTINUED)*

10. Financial instruments *(Continued)*

2) Recognition basis and measurement method of financial instruments (Continued)

(3) Financial assets measured at fair value through profit or loss

Financial assets measured at fair value through profit or loss include trading financial assets, derivative financial assets and other non-current financial assets, of which initial measurement is made at fair value, and relevant transaction costs are included in the current profit or loss. The subsequent measurement of such financial assets is made at fair value, and changes in fair value are included in the current profit or loss.

(4) Financial liabilities measured at fair value through profit or loss

Financial liabilities measured at fair value through profit or loss include trading financial liabilities and derivative financial liabilities, of which initial measurement is made at fair value, and relevant transaction costs are included in the current profit or loss. The subsequent measurement of such financial liabilities is made at fair value, and changes in fair value are included in the current profit or loss.

At derecognition, the difference between the book value and the consideration paid of such financial liabilities is included in the current profit or loss.

(5) Financial liabilities measured at amortised cost

Financial liabilities measured at the amortised cost include short-term borrowings, accounts payable, other payables, long-term borrowings and long-term payables, of which initial measurement is made at fair value, and related transaction costs are included in the initially recognised amount.

During the holding period, the interest calculated by the effective interest method is included in the current profit or loss.

At derecognition, the difference between the consideration paid and the book value of such financial liabilities is included in the current period profit or loss.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(CONTINUED)*

10. Financial instruments *(Continued)*

2) Recognition basis and measurement method of financial instruments (Continued)

(6) Offsetting

Financial assets and financial liabilities are generally presented separately in the balance sheet, and are not offset. However, a financial asset and a financial liability are offset and the net amount is presented in the balance sheet when both of the following conditions are satisfied:

- the Group currently has a legally enforceable right to set off the recognised amounts;
- the Group intends either to settle on a net basis, or to realise the financial asset and settle the financial liability simultaneously.

3) Derecognition and transfer of financial assets

Where one of the following conditions is met, the Group shall derecognise financial assets:

- The contractual right of collecting cash flows of financial assets is terminated;
- The financial assets have been transferred, and nearly all of the risks and rewards related to the ownership of the financial assets have been transferred to the transferee;
- The financial assets have been transferred, and the Group does not retain the control over the financial assets through it has neither transferred nor retained nearly all risks and rewards related to the ownership of the financial assets.

At the transfer of financial assets, where nearly all of the risks and rewards related to the ownership of the financial assets have been retained, such financial assets shall not be derecognised.

In determining whether the transfer of a financial asset meets the above derecognition criteria of financial assets, the principle of substance over form will be adopted.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(CONTINUED)*

10. Financial instruments *(Continued)*

3) Derecognition and transfer of financial assets (Continued)

The Group divides the transfer of financial assets into entire transfer and partial transfer. Where the entire transfer of financial assets meets the derecognition conditions, the difference of the following two amounts is included in the current period profit or loss:

(1) The book value of the transferred financial asset;

(2) The sum of consideration received from the transfer, and the accumulated change amount of fair value originally recorded in shareholders' equity (the financial assets involved in the transfer are financial assets (debt instruments) measured at fair value through other comprehensive income).

Where the partial transfer of a financial asset meets the derecognition criteria, the entire book value of the financial asset transferred shall be allocated between the derecognised part and the recognised part based on the relative fair value, and the difference between the following two amounts shall be included in the current profit or loss:

(1) The book value of derecognised part;

(2) The sum of the consideration for the derecognised part and the amount corresponding to the derecognition part in the accumulated change amount of fair value originally and directly included in shareholders' equity (where the financial assets transferred are the financial assets (debt instruments) measured at fair value through other comprehensive income).

Where the transfer of financial assets does not meet the derecognition criteria, the financial assets shall continue to be recognised, and the consideration received shall be recognised as a financial liability.

4) Derecognition of financial liabilities

Where the present obligations of financial liabilities have been discharged in whole or in part, the financial liabilities or any part thereof shall be derecognised; if the Company signs an agreement with creditors to replace the existing financial liabilities by undertaking new financial liabilities, and the new financial liabilities are substantially different from the existing ones in terms of contract terms, the existing financial liabilities shall be derecognised, and at the same time, the new financial liabilities shall be recognised.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(CONTINUED)*

10. Financial instruments *(Continued)*

4) Derecognition of financial liabilities (Continued)

Where substantive changes are made to the contract terms of existing financial liabilities in whole or in part, the existing financial liabilities shall be derecognised in whole or in part, and the financial liabilities of which terms have been modified shall be recognised as the new financial liabilities.

Where financial liabilities are derecognised is whole or in part, the difference between the book value of the financial liabilities derecognised and the consideration paid (including non-cash assets surrendered and the new financial liabilities assumed) shall be included in current period profit or loss.

Where the Group redeems part of its financial liabilities, it shall, on the redemption date, allocate the entire book value of whole financial liabilities according to the relative fair value of the part that continues to be recognised and the derecognised part. The difference between the book value allocated to the derecognised part and the considerations paid (including non-ash assets surrendered and the new financial liabilities assumed) shall be included in the current period profit or loss.

5) Determination of fair value of financial assets and financial liabilities

Unless otherwise stated, the Group measures the fair value of financial assets and liabilities based on following principal:

Fair value refers to the price that market participants can receive for the sale of an asset or pay for the transfer of a liability in an orderly transaction that occurs on the measurement date.

When estimating the fair value, the Group considers the characteristics (including asset status and location, restrictions on the sale or use of assets, etc.) that market participants consider when pricing the relevant assets or liabilities on the measurement date, and adopts valuation techniques that are applicable to the current circumstance and is supported by sufficient available data and other information. The valuation techniques used mainly include market approach, income approach and cost approach.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(CONTINUED)*

10. Financial instruments *(Continued)*

6) Accounting treatment for impairment testing of financial assets

The Group recognise loss allowances for expected credit loss ("ECL") on:

- financial assets measured at amortised cost; and
- lease receivables.

Financial assets measured at fair value, including debt investments or equity securities at fair value through profit or loss, equity securities designated at fair value through other comprehensive income and derivative financial assets, are not subject to the ECL assessment.

(1) Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls, which is the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive.

The maximum period considered when estimating ECLs is the maximum contractual period (including extension options) over which the group is exposed to credit risk.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the balance sheet date (or a shorter period if the expected life of the instrument is less than 12 months).

Loss allowances for accounts receivable and lease receivables are always measured at an amount equal to lifetime ECLs. ECLs on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors and an assessment of both the current and forecast general economic conditions at the balance sheet date.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(CONTINUED)*

10. Financial instruments *(Continued)*

6) Accounting treatment for impairment testing of financial assets (Continued)

(1) Measurement of ECLs (Continued)

Except for accounts receivable and lease receivables, the Group measures loss allowance at an amount equal to 12-month ECLs for financial instruments which meet the following criteria, and at an amount equal to lifetime ECLs for all other financial instruments:

- If the financial instrument is determined to have low credit risk at the balance sheet date; or
- If the credit risk on a financial instrument has not increased significantly since initial recognition.

(2) Financial instruments that have low credit risk

The credit risk on a financial instrument is considered low if the financial instrument has a low risk of default, the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

(3) Significant increases in credit risk

In assessing whether the credit risk of a financial instrument has increased significantly since initial recognition, the Group compares the risk of default occurring on the financial instrument assessed at the balance sheet date with that assessed at the date of initial recognition.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(CONTINUED)*

10. Financial instruments *(Continued)*

6) Accounting treatment for impairment testing of financial assets (Continued)

(3) Significant increases in credit risk (Continued)

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort, including forward-looking information. In particular, the following information is taken into account:

- failure to make payments of principal or interest on their contractually due dates;
- an actual or expected significant deterioration in a financial instrument's external or internal credit rating (if available);
- an actual or expected significant deterioration in the operating results of the debtor; and
- existing or forecast changes in the technological, market, economic or legal environment that have a significant adverse effect on the debtor's ability to meet its obligation to the Group.

Depending on the nature of the financial instruments, the assessment of a significant increase in credit risk is performed on either an individual basis or a collective basis. When the assessment is performed on a collective basis, the financial instruments are grouped based on shared credit risk characteristics, such as past due status and credit risk ratings.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due. Unless the Group is able to obtain reasonable and well-founded information at no cost or effort to demonstrate that credit risk has not increased significantly since the initial recognition, although it exceeded the payment term agreed upon in the contract for 30 days.

The Group considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(CONTINUED)*

10. Financial instruments *(Continued)*

6) Accounting treatment for impairment testing of financial assets (Continued)

(4) Credit-impaired financial assets

At each balance sheet date, the Group assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract, such as a default or delinquency in interest or principal payments;
- for economic or contractual reasons relating to the borrower's financial difficulty, the Group having granted to the borrower a concession that would not otherwise consider;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for that financial asset because of financial difficulties.

(5) Presentation of allowance for ECL

ECLs are remeasured at each balance sheet date to reflect changes in the financial instrument's credit risk since initial recognition. Any change in the ECL amount is recognised as an impairment gain or loss in profit or loss. The Group recognises an impairment gains or loss for the financial assets at amortised cost with a corresponding adjustment to their carrying amount through a loss allowance account.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(CONTINUED)*

10. Financial instruments *(Continued)*

6) Accounting treatment for impairment testing of financial assets (Continued)

(6) Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. A write-off constitutes a derecognition event. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

Subsequent recoveries of an asset that was previously written off are recognised as a reversal of impairment in profit or loss in the period in which the recovery occurs.

7) Equity instruments

The consideration received from the issuance of equity instruments net of transaction costs is recognised in shareholders' equity. Consideration and transaction costs paid by the Group for repurchasing self-issued equity instruments are deducted from shareholders' equity.

11. Inventories

1) Classification and initial recognition

The Group's inventories are categorised as goods on hand, construction materials, spare parts, low-value consumables and packaging materials.

Inventories are initially measured at cost. Cost of inventories comprises all costs of purchase, costs of processing and other expenditures incurred in bringing the inventories to their present location and condition.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(CONTINUED)*

11. Inventories *(Continued)*

2) Cost of inventories transferred out

Cost of inventories transferred out is calculated using the weighted average method.

3) Basis for determining the net realisable value

At the balance sheet date, inventories are carried at the lower of cost and net realisable value. If the net realisable value is below the cost of inventories, a provision for decline in value of inventories is made. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion, the estimated costs necessary to make the sale and relevant taxes.

Net realisable values of merchandise inventories held directly for sale, such as finished goods, stock commodities, and available-for-sale materials, are measured at the estimated selling prices less estimated sales expenses and relevant taxes and surcharges in the normal production process. Net realisable values of material inventories which need further processing are measured at the estimated selling prices less the estimated costs of completion, estimated sales expenses and relevant taxes and surcharges in the normal production process. Net realisable values of inventories held for the purpose of fulfillment of sales contracts or service contracts are calculated on the basis of the contract prices; if the quantity of inventories held exceeds that stated in the contract, the net realisable values of the excessive part are calculated on the basis of normal selling prices.

When the provision for inventory impairment is made, where the previous factor rendering the write-down of the inventory value has been eliminated, for which the net realisable value of the inventory is higher than the book value of the same, the provision for inventory impairment shall be reversed from the amount of provision for inventory impairment originally made, and the reversed amount shall be included in the current profit or loss.

4) Inventory count system

The Group maintains a perpetual inventory system.

5) Amortisation method of low-value consumables and packaging materials

(1) Low-value consumables are amortised using one-off write-off method;

(2) Packaging materials are amortised using one-off write-off method.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(CONTINUED)*

12. Contract assets

1) Recognition and standard of contract assets

The Group presents contract assets or contract liabilities in the balance sheet based on the relationship between performance obligations and customer's payments. The consideration that the Group has the right (and this right depends on factors other than passage of time) to receive for goods transferred to customers is listed as contract assets. Contract assets and contract liabilities under the same contract shall be shown on a net basis. The Group has the right (only depends on the passage of time) to receive the consideration for goods to customers is listed as trade receivables individually.

2) Method of determination of expected credit loss of contract assets and accounting treatment

For the method of determination of expected credit loss of contract assets and accounting treatment methods, please refer to the Note III. 10. 6) "Accounting treatment for impairment testing of financial assets".

13. Long-term equity investments

1) Joint control or significant influence criterion

Joint control is the contractually agreed sharing of control of an arrangement, and exists only when decisions about the relevant activities of the arrangement require the unanimous consent of the parties sharing control. If the Group together with the other joint venture parties can jointly control over the investee and are entitled to the right of the net assets of the investee, the investee is joint venture of the Group.

Significant influence refers to the power to participate in making decisions on the financial and operating policies of an enterprise, but not the power to control, or jointly control, the formulation of such policies with other parties. Where the Group can exercise significant Influence over an investee, the investee is an associate of the Group.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(CONTINUED)*

13. Long-term equity investments *(Continued)*

2) Determination of initial investment cost

(1) Long-term equity investments acquired through a business combination

For business combinations involving entities under common control, the initial investment cost of long-term equity investments is its share of the book value of the shareholders' equity of the acquiree in the financial statements of the ultimate controlling party on the date of combinations. The difference between initial investment cost of long-term equity investment and the carrying value of consideration paid is to adjust share premium. If the balance of share premium is insufficient, any excess is adjusted to retained earnings. In connection with imposing control over the investee under joint control as a result of additional investment and other reasons, on the combination date, the initial cost of long-term equity investments shall be determined based on share of the carrying amount of the net assets of the combined party in the consolidated financial statement of the ultimate controlling party after the combination. The difference between initial investment cost of long-term equity investment the date of combination and the sum of the carrying value of long-term equity investment before combination and the carrying value of newly paid consideration for additional shares acquired on the date of combination is to adjust share premium. If the balance of share premium is insufficient, any excess is adjusted to retained earnings.

Business combinations involving entities not under common control: the cost of the combination determined on the date of acquisition shall be taken as the initial investment cost of the long-term equity investment. In connection with imposing control over the investee not under joint control as a result of additional investment and other reasons, the initial investment cost when changing to the cost method shall be the sum of the carrying value of the equity investment originally held and the newly increased initial investment cost.

(2) Long-term equity investments acquired other than through a business combination

The initial investment cost of a long-term equity investment obtained by the Group by cash payment shall be the purchase cost which is actually paid.

The initial investment cost of a long-term equity investment obtained by the Group by means of issuance of equity securities shall be the fair value of the equity securities issued.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(CONTINUED)*

13. Long-term equity investments *(Continued)*

3) Subsequent measurement and recognition of profit or loss

(1) Long-term equity investments accounted for under cost method

Long-term equity investments of the Company in its subsidiaries are accounted for under cost method unless such investments meet the conditions of holding for sale. Under the cost method, except for the actual price paid for acquisition of investment or the cash dividends or profits contained in the consideration which have been declared but not yet distributed, the Company recognises the proportion it shall enjoy in the cash dividends or profits declared by the investee as its investment income.

(2) Long-term equity investments accounted for under equity method

Long-term equity investments in associates and joint ventures are accounted for under equity method. Where the initial investment cost of a long-term equity investment exceeds the Group's interest in the fair value of the investee's identifiable net assets at the date of acquisition, the investment is initially recognised at the initial investment cost. Where the initial investment cost is less than the Group's interest in the fair value of the investee's identifiable net assets at the date of acquisition, the investment is initially recognised at the investor's share of the fair value of the investee's identifiable net assets, and the difference is charged to profit or loss.

The Group recognises its share of the investee's profit or loss and other comprehensive income as investment income or losses and other comprehensive income respectively, and adjusts the carrying amount of the investment accordingly. Once the investee declares any cash dividends or profit distributions, the carrying amount of the investment is reduced by that amount attributable to the Group. The Group adjusts the carrying amount of the long-term equity investment for changes in shareholders' equity of the investee other than those arising from net profits or losses and other comprehensive income and distributions to shareholders ("other changes in shareholders' equity"), and recognises the corresponding adjustment in shareholders' equity.

In calculating its share of the investee's net profits or losses, other comprehensive income and other changes in owners' equity, the Group recognises investment income and other comprehensive income after making appropriate adjustments to align the accounting policies or accounting periods with those of the Group based on the fair value of the investee's identifiable net assets at the date of acquisition.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(CONTINUED)*

13. Long-term equity investments *(Continued)*

3) Subsequent measurement and recognition of profit or loss (Continued)

(2) Long-term equity investments accounted for under equity method (Continued)

Unrealised profits and losses resulting from transactions between the Group and its associates or joint venture are eliminated to the extent of the Group's interest in the associates or joint venture, except for the invested or disposed of assets constituted a business. Unrealised losses resulting from transactions between the Group and its associates or joint ventures are eliminated in the same way as unrealised gains but only to the extent that there is no impairment.

The Group discontinues recognising its share of further losses of the investee after the carrying amount of the long-term equity investment and any long-term interest that in substance forms part of the Group's net investment in the joint venture or associate is reduced to zero, except to the extent that the Group has an obligation to assume additional losses. If the joint venture or associate subsequently reports net profits, the Group resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

(3) Disposal of long-term equity investments

For disposal of long-term equity investments, the difference between the book value and the actual price shall be included in the current investment income.

For long-term equity investments with partial disposal accounting by the equity method, where the remaining equity is still accounted for by the equity method, other comprehensive income recognised originally upon the accounting by the equity method shall be carried forward at the corresponding proportion on the basis same with that for the direct disposal of relevant assets or liabilities by the investee, and other changes in shareholders' equity shall be carried forward to the current profit or loss in proportion.

Where the Group loses the joint control over or significant influence on the investee on account of the disposal of equity investment and any other reason, when the accounting by the equity method is terminated, other comprehensive income recognised upon the accounting by the equity method from the original equity investment shall be subject to the accounting treatment which is made on the basis same with that for the direct disposal of relevant assets or liabilities by the investee, and other changes in shareholders' equity shall be transferred to the current profit or loss in full.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(CONTINUED)*

13. Long-term equity investments *(Continued)*

3) Subsequent measurement and recognition of profit or loss (Continued)

(3) Disposal of long-term equity investments (Continued)

Where the Group loses the control over the investee on account of the partial disposal and any other reason, at the preparation of any single financial statements, if the remaining equity has the joint control over or significant influence on the investee, the accounting shall be made by the equity method, and an adjustment shall be made as if the remaining equity was accounted for by the equity method at acquisition; other comprehensive income recognised before the control over the investee is obtained shall be carried forward on the basis same with that for the direct disposal of relevant assets or liabilities by the investee, and other changes in shareholders' equity recognised on account of the accounting by the equity method shall be carried forward to the current profit or loss in proportion; if the remaining equity has no joint control over or significant influence on the investee, relevant financial assets shall be recognised, the difference between the fair value on the day of losing control of such remaining equity and the book value of the same shall be included in the current profit or loss, and other comprehensive income and other changes in shareholders' equity which have been recognised before the control over the investee is obtained shall be carried forward in full.

Where the disposal of subsidiaries' equity investments till the loss of control by stages through multiple transactions belongs to a package deal, the accounting treatment shall be made by taking each transaction as the transaction where the subsidiaries' equity investments are disposed and the corresponding control is lost; before the loss of control, the difference between the disposal price and the book value of the long-term equity investment corresponding to the equity disposed shall be firstly recognised as other comprehensive income in the individual financial statements, and at the loss of control, all transferred to the profit or loss for the period when the control is lost. Where the aforesaid disposal does not belong to a package deal, the accounting treatment shall be made respectively for each transaction.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(CONTINUED)*

14. Investment properties

Investment properties are properties held either to earn rental income or for capital appreciation or for both, which include a land use right that is leased out, a land use right held for transfer upon capital appreciation and a building that is leased out (including after the completion of self-construction or development activities and buildings under development for future rental purpose).

Subsequently expenditures incurred for such investment property are included in the cost of the investment property if it is probable that economic benefits associated with an investment property will flow to the Group and the subsequent expenditures can be measured reliably. Other subsequent expenditures are recognised in profit or loss in the period in which they are incurred.

Investment properties are accounted for using the cost model. The Group adopts a depreciation or amortisation policy for the investment properties which is consistent with that for buildings or land use rights.

For the impairment of the investment properties, please refer to Note III. 21. Impairment of long-term assets.

When an investment property is sold, transferred, disposed or damaged, the Group recognises the amount of any proceeds on disposal net of the carrying amount and related taxes in profit or loss.

15. Fixed assets

1) Recognition and initial measurement of fixed assets

Fixed assets are tangible assets that are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes, and have useful lives of over one accounting year. A fixed asset is recognised only when:

(1) It is probable that economic benefits associated with the assets will flow into the Group; and

(2) The costs of the asset can be measured reliably.

The fixed assets are initially measured at cost (and by taking the impact of expected disposal costs).

Subsequent expenditures incurred for the fixed asset are included in the cost of the fixed asset and if it is probable that economic benefits associated with the expenditures will flow to the Group and the subsequent expenditures can be measured reliably. Meanwhile the carrying amount of the replaced part is derecognised. Other subsequent expenditures are recognised in profit or loss in the period in which they are incurred.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(CONTINUED)*

15. Fixed assets *(Continued)*

2) Depreciation method

Depreciation of the fixed assets is made using the straight-line method. The depreciation rates are determined according to the categories, estimated useful lives and estimated net residual rates of fixed assets. For fixed assets where the provision for impairment has been made, the depreciation amount in the future will be determined at the book value of the fixed assets where the provision for impairment has been deducted, based on the remaining useful life. Where various components of fixed assets are different in useful lives or bring economic benefits for the enterprise in different ways, then the Group should choose different depreciation rates or methods to separately provide for depreciation.

The depreciation methods, depreciation years, residual value rates and annual depreciation rates of fixed assets are presented by categories as follows:

Category	Useful lives (years)	Residual value rate (%)	Annual depreciation rate (%)
Building and structures	10-60	0-5	1.58-10.00
Building improvements	3-20	0	5.00-33.33
Transportation vehicles	3-8	0-5	11.88-33.33
Machinery and equipment	5-12	0-5	7.92-20.00
Electronic equipment, office equipment and others	3-10	0-5	9.50-33.33

The Group reviews the useful life and estimated net residual value of a fixed asset and the depreciation method applied at least once at each financial year end.

3) Disposal of fixed assets

The carrying amount of a fixed asset is derecognised when the fixed asset is on disposal or no future economic benefit is expected to be generated from its use or disposal. When a fixed asset is sold, transferred, disposed or damaged, the Group recognises the amount of any proceeds on disposal net of the carrying amount and related taxes in profit or loss for the period.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(CONTINUED)*

16. Construction in progress

Construction in progress is measured at its actual costs. The actual costs include construction costs, installation cost, borrowing costs capitalised which fulfill the capitalization criteria and other expenditures incurred before it is ready for intended use. Construction in progress is transferred to a fixed asset when it is ready for its intended use and the relevant fixed asset is deprecated starting from the following month after the transfer.

17. Borrowing costs

1) Recognition criteria of capitalisation of borrowing costs

The borrowing costs incurred to the Group and directly attributable to the acquisition and construction or production of assets eligible for capitalisation should be capitalised and recorded into relevant asset costs; other borrowing costs should be recognised as costs according to the amount incurred and be included into the current profit or loss.

Assets eligible for capitalisation refer to fixed assets, investment properties, inventories and other assets which may reach their intended use or sale status only after long-time acquisition and construction or production activities.

2) Capitalisation period for borrowing costs

Capitalisation period refers to the period from the beginning of capitalisation to the cease of capitalisation, excluding the period of capitalisation suspension of borrowing costs.

Capitalisation shall start when the following conditions are satisfied simultaneously:

(1) Asset expenditures, which include those incurred by cash payment, the transfer of non-cash assets or the undertaking of interest-bearing debts for acquiring and constructing or producing assets eligible for capitalisation, have already been incurred;

(2) Borrowing costs have already been incurred;

(3) The acquisition and construction or production activities which are necessary to prepare the assets for their intended use or sale have already been started.

Capitalisation of borrowing costs should be ceased when the acquired and constructed or produced assets eligible for capitalisation have reached their intended use or sale status.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(CONTINUED)*

17. Borrowing costs *(Continued)*

3) Capitalisation suspension period

If the acquisition, construction or production activities of assets eligible for capitalisation are abnormally interrupted and such interruption lasts for more than 3 months, the capitalisation of borrowing costs should be suspended; if the interruption is necessary for the acquired, constructed or produced assets eligible for capitalisation to reach the working condition for their intended use or sale, the borrowing costs will continue to be capitalised. Borrowing costs incurred during the interruption are recognised as the current profit or loss and the borrowing cost shall continue to be capitalised until the acquisition, construction or production of the assets restarts.

4) Measurement method of capitalisation rate and capitalised amounts of borrowing costs

For specific borrowings for acquiring, constructing or producing assets eligible for capitalisation, borrowing costs actually incurred during the period for specific borrowings less the interest income from the unused borrowings deposited in the bank or investment income from temporary investment with the unused borrowings should be recognised as the capitalisation amount of borrowing costs.

For general borrowings used for acquiring and constructing or producing assets eligible for capitalisation, the amount borrowing costs of general borrowings to be capitalised should be calculated by multiplying the weighted average of asset expenditure of the part of accumulated asset expenditure exceeding specific borrowings by the capitalisation rate for the used general borrowings. The capitalisation rate is determined based on the weighted average effective interest rate for general borrowings.

During the period for capitalisation, the exchange differences arising from translation of the principal and interest of the specific borrowings denominated in foreign currency should be capitalised, and included in the cost of assets eligible for capitalisation. The exchange differences arising from translation of the principal and interest of borrowings denominated in foreign currency other than the specific borrowings denominated in foreign currency should be included in the current profit or loss.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(CONTINUED)*

18. Intangible assets

1) Recognition and measurement of intangible assets

Intangible assets are initially measured at cost, except for the toll bridge franchise operating rights are determined based on the price invested by the shareholders.

The cost of a purchased intangible asset, including the acquisition price, associated taxes, and other directly attributable expenses incurred to bring the asset to its intended use.

When an intangible asset with a finite useful life is available for use, its original cost less estimated residual value and any accumulated impairment losses is amortised over its estimated useful life using the straight-line method. The Group regards intangible assets with unforeseeable future economic benefits as intangible asset with an indefinite useful life, and such intangible asset is not amortised.

The Group reassesses the useful lives of intangible assets with indefinite useful lives in each accounting period. If there is evidence indicating that the useful life of that intangible asset is finite, the Group estimates its useful life and accounts for it in accordance with the same policy as intangible assets with finite useful lives described above.

2) Estimate of useful lives for intangible assets

Category	Amortisation period (years)
Land use rights	20-70/uncertain
Joint operating earning rights	10
Software use right	5-10
Passenger service licenses	uncertain
Toll bridge franchise operating rights	28
Trademark rights	10
Line license use rights	3-20
Others	2-16.25

Useful lives and amortisation methods of intangible asset with finite useful life are reviewed at least at each year-end.

The joint operation earning rights held by the Group was the line operation earning right cooperated with third party.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(CONTINUED)*

18. Intangible assets *(Continued)*

2) Estimate of useful lives for intangible assets (Continued)

The passenger service licenses held by the Group was the passenger transportation license bought from third party to provide passenger transportation service in Hong Kong area.

The toll bridge franchise operating rights held by the Group is Tai Ping Interchange franchise operating right which was injected by a shareholder and was granted to the shareholder by government authority previously. The Group is entitled to the right to charge toll fees to users of relevant public services, however, the right does not constitute an unconditional right to receive cash and the toll fee amounts to be received are not guaranteed. Therefore, the Group recognises the concession right as intangible asset and amortises it over the concession period of 28 years using straight-line method.

As at the balance sheet date, the Group reassesses the useful lives for intangible assets with indefinite useful lives.

3) Specific criteria for classifying research and development phases

Expenditure on an internal research and development project of the Group is classified into expenditure on the research phase and expenditure on the development phase.

Research phase: Research phase is the stage when creative and planned investigation and research activities are conducted to acquire and understand new scientific or technological knowledge.

Development phase: Development phase is the phase when the research achievements and other knowledge are applied to a plan or design, prior to the commercial production or use, so as to produce any new or substantially improved material, device or product.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(CONTINUED)*

18. Intangible assets *(Continued)*

4) Criteria for capitalisation of development expenditures

The research expenditure is included in the current profit or loss when it incurred. The development expenditure is recognised as intangible assets when it meets the following conditions at the same time, and is included in the current profit or loss when it fails to meet the following conditions:

(1) The product or process is technically and commercially feasible;

(2) The Group has sufficient resources and intention to complete the development work;

(3) The expenditure attributable to the intangible assets during its development phase can be measured reliably.

If it is impossible to distinguish between research expenditure and development expenditure, all expenditure incurred will be included in the current profit or loss.

19. Goodwill

The initial cost of goodwill arising on a business combination not under common control, is the difference between the combination cost and the fair value share of the acquiree's identifiable net assets obtained in the combination.

Goodwill is transferred out when its related asset group or portfolio of asset group is disposed, and recognised in the profit and loss.

The Group does not amortise goodwill, regardless of whether there is indication of impairment, goodwill is tested for impairment at least annually at the end of each year.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(CONTINUED)*

20. Long-term deferred expenses

Expenditure incurred with beneficial period over one year is recognised as long-term deferred expenses. Long-term deferred expenses are stated in the balance sheet at cost less accumulated amortisation and impairment losses.

Long-term deferred expenses are amortised using the straight-line method within the benefit period. The respective amortisation periods for such expenses are as follows:

Category	Amortisation period (years)
Leasehold improvements	5-10
Others	2-23

21. Impairment of long-term assets

Long-term equity investment, investment properties measured using a cost model, fixed assets, construction in progress, right-of-use assets, intangible assets with finite useful lifes, long-term deferred expenses and other non-current assets, are tested for impairment if there is any indication that an asset may be impaired at the balance sheet date. If the result of the impairment test indicates that the recoverable amount of the asset is less than its carrying amount, an impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and the present value of the future cash flows expected to be derived from the asset. Provision for asset impairment is determined and recognised on the individual asset basis. If it is not possible to estimate the recoverable amount of an individual asset, the recoverable amount of a group of assets to which the asset belongs to is determined. A group of assets is the smallest group of assets that is able to generate cash inflows independently.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(CONTINUED)*

21. Impairment of long-term assets *(Continued)*

Goodwill through business combination with indefinite useful lives shall be subject to impairment test at each year end, irrespective of whether there is any indication of impairment.

When the Group performs impairment test on goodwill, the Group shall, as of the purchase day, allocate on a reasonable basis the carrying value of the goodwill through business combination to the relevant asset group, or if there is a difficulty in allocation, to allocate it to the set of asset groups. When the Group allocates the carrying value of goodwill, the allocation shall be made based on the relative benefits gained from the synergy of business combination by relevant asset group or set of asset groups, based on which impairment tests for goodwill shall be carried out.

For the purpose of impairment test on the relevant asset group or the set of asset groups containing goodwill, if any evidence shows that the impairment of asset group or set of asset groups related to goodwill is possible, an impairment test will be made firstly on the asset group or set of asset groups not containing goodwill, thus calculating the recoverable amount and comparing it with the relevant carrying value so as to recognise the corresponding impairment loss. Then the Group will perform an impairment test on the asset group or set of asset groups containing goodwill, and compare the carrying value of the asset group or set of asset groups (including the carrying value of the goodwill allocated thereto) with the recoverable amount. Where the recoverable amount of the relevant assets group or set of the asset groups is lower than the carrying value thereof, it shall recognise the impairment loss. The amount of the impairment loss shall first charge against the carrying value of any goodwill allocated to the asset group or set of asset groups, then charge it against the carrying value of other assets in proportion to the weight of other assets in the asset group or set of asset groups with goodwill excluded.

Once an impairment loss is recognised, it is not reversed in subsequent periods.

22. Contract liabilities

The Group has presented contract assets or contract liabilities in the balance sheet based on the connection between the fulfilment of performance obligations and payment of the customers. A contract liability represents the obligation to transfer goods or services to a customer for which the Group has received a consideration or an amount of consideration that is due from the customer. A contract asset and a contract liability relating to the same contract are accounted for and presented on a net basis.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(CONTINUED)*

23. Employee benefits

1) Accounting treatment on short-term employee benefits

In the accounting period in which employees provide service for the Group, short-term benefits actually incurred are recognized as liabilities and charged to profit or loss or cost of relevant assets.

With regard to contributions to social insurance schemes and housing funds and provision for labour union expenses and employee education expenses as required by regulations, the Group should calculate and recognize the corresponding employee benefits payables according to the appropriation basis and proportion as stipulated by relevant requirements in the accounting period in which employees provide service.

Welfare expenses incurred by the Group in profit or loss when incurred or costs related assets based on actual amount. Non-monetary employee benefits will be accounted for in accordance with their fair value if they can be measured reliably.

2) Accounting treatment on post-employment benefits

(1) Defined contribution plans

Pursuant to the relevant laws and regulations of the PRC, the Company and its domestic subsidiaries participated in a defined contribution basic pension insurance plan in the social insurance system established and managed by government organisations. The Company and its domestic subsidiaries makes contributions to basic pension insurance plans based on the applicable benchmarks and rates stipulated by the government. Basic pension insurance contributions payable is recognised as a liability as the employee provides services, with a corresponding charge to profit or loss or included in the cost of assets where appropriate.

Pursuant to the relevant laws and regulations of Hong Kong, subsidiaries of the Company in Hong Kong make contributions to the Mandatory Provident Fund Schemes for all Hong Kong employees at the lower of 5% of the monthly employee benefits or the cap (which is adjusted annually). The contributions are recognised as part of the cost of assets or charged to profit or loss when incurred.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(CONTINUED)*

23. Employee benefits *(Continued)*

2) Accounting treatment on post-employment benefits (Continued)

(2) Defined benefit plans

The qualified retired employees and early retired employees (until formal retirement) of the Group are entitled to certain amount of allowance for a period of time.

In accordance with the projected unit credit method, the Group measures the obligations under defined benefit plans using unbiased and mutually compatible actuarial assumptions to estimate related demographic variables and financial variables, and discount obligations under the defined benefit plans to determine the present value of the defined benefit liability.

The Group attributes benefit obligations under a defined benefit plan to periods of service provided by respective employees. Service cost and interest expense on the defined benefit liability are charged to profit or loss or recognised as part of the cost of assets, and remeasurements of the defined benefit liability are recognised in other comprehensive income.

3) Accounting treatment on termination benefit

When the Group terminates the employment with employees before the employment contracts expire, or provides compensation under an offer to encourage employees to accept voluntary redundancy, a provision is recognised with a corresponding expense in profit or loss at the earlier of the following dates:

– When the Group cannot unilaterally withdraw the offer of termination benefits because of an employee termination plan or a curtailment proposal;

– When the Group has a formal detailed restructuring plan involving the payment of termination benefits and has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it.

When the provision is not expected to be settled wholly within twelve months after the end of the reporting period, and the financial impact is material, the obligation shall be measured on a discounted basis using an appropriate discount rate.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(CONTINUED)*

24. Provision

A provision is recognised for an obligation related to a contingency if:

(1) the Group has a present obligation;

(2) it is probable that an outflow of economic benefits of the Group will be required to settle the obligation;

(3) the amount of obligation can be estimated reliably.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at initial recognition date.

When recognising the best estimate amount, the Group takes into account factors pertaining to a contingency such as the risks, uncertainties and time value of money. Where the effect of the time value of money is material, the amount of the provision is determined by discounting the related future cash outflows.

When all or some of the expenditure required to settle a provision is expected to be reimbursed by a third party, the reimbursement is recognised as a separate asset only when it is virtually certain that the reimbursement will be received, and the amount of reimbursement recognised does not exceed the carrying amount of the provisions.

The Group reviews the carrying amount of provision on the balance sheet date. If there is unambiguous evidence indicating that the carrying amount cannot reflect the current best estimate, such carrying amount will be adjusted based on the current best estimate.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(CONTINUED)*

25. Revenue

Revenue is the gross inflow of economic benefits arising in the course of the Group's ordinary activities when the inflows result in increase in shareholders' equity, other than increase relating to contributions from shareholders.

1) Accounting policies on revenue recognition and measurement

Revenue is recognised when the Group satisfies the performance obligation in the contract by transferring the control over relevant goods or services to the customers. Control over relevant goods or services refers to the ability to direct the use of the goods or services to obtain almost all of the economic benefits from the goods or services.

Where a contract has two or more performance obligations, the Group determines the stand-alone selling price at contract inception of the distinct good or service underlying each performance obligation in the contract and allocates the transaction price in proportion to those stand-alone selling prices. The Group recognises as revenue the amount of the transaction price that is allocated to each performance obligation.

The transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties and amounts expected to be returned to the customers. The Group determines the transaction price in accordance with the terms of the contract and together with its past customary practices. The Group considers the impact of variable consideration, significant financing components in the contract, non-cash consideration, consideration payable to customers and other factors. The Group recognises the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently resolved. Where the contract contains a significant financing component, the Group recognises the transaction price at an amount that reflects the price that a customer would have paid for the promised goods or services if the customer had paid cash for those goods or services when (or as) they transfer to the customer. The difference between the amount of promised consideration and the cash selling price is amortised using an effective interest method over the contract term. The Group does not adjust the consideration for any effects of a significant financing component if it expects, at contract inception, that the period between when the Group transfers a promised good or service to a customer and when the customer pays for that good or service will be one year or less.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(CONTINUED)*

25. Revenue *(Continued)*

1) Accounting policies on revenue recognition and measurement (Continued)

The Group satisfies a performance obligation over time if one of the following criteria is met; or otherwise, a performance obligation is satisfied at a point in time:

- the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;
- the customer can control the asset created or enhanced during the Group's performance;
- the Group's performance does not create an asset with an alternative use to it and the Group has an enforceable right to payment for performance completed to date.

For performance obligation satisfied over time, the Group recognises revenue over time by measuring the progress towards complete satisfaction of that performance obligation, except that the progress cannot be measured reasonably. The Group considers the nature of the goods or services to determine whether input method or output method shall be adopted to measure the progress towards complete satisfaction of the performance obligation. When the progress of the performance obligation cannot be measured reasonably, but the Group expects to recover the costs incurred in satisfying the performance obligation, the Group recognises revenue only to the extent of the costs incurred until such time that it can reasonably measure the outcome of the performance obligation.

For performance obligation satisfied at a point in time, the Group recognises revenue at the point in time at which the customer obtains control of relevant goods or services. To determine whether a customer has obtained control of goods or services, the Group considers the following indicators:

- the Group has a present right to payment for the goods or services, that is the customer has an obligation for a payment of goods or services;
- the Group has transferred the legal title of the goods to the customer, that is the customer has legal ownership of the goods;
- the Group has transferred physical possession of the goods to the customer, that is the customer has physical possession of the goods;
- the Group has transferred the significant risks and rewards of ownership of the goods to the customer, that is the customer bears the risks and rewards of the ownership of the goods; and
- the customer has accepted the goods or services.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(CONTINUED)*

25. Revenue *(Continued)*

1) Accounting policies on revenue recognition and measurement (Continued)

The Group assesses whether it is a principal or an agent to a transaction according to whether the Group controls the goods or services before they are transferred to the customers. When the Group is able to control the goods or services before they are transferred to the customers, the Group is considered a principal and recognises the gross amount of the consideration received or receivable as revenue; Otherwise, the Group is considered an agent that revenue shall be recognised according to the amount of the commission or handling charge the Group expects to have the right to receive. Such received or receivable amount represents the net amount of the gross consideration after deducting the considerations payable to other parties in the transaction, or the pre-determined commission amount or an amount calculated based on a pre-determined percentage.

2) The following is the description of accounting policies regarding revenue from the Group's principal activities

(1) Road passenger transportation and auxiliary services

Road passenger transportation and auxiliary services include passenger transportation services and passenger and freight station services.

Passenger transportation services include urban passenger transportation services and public transportation services and those provided in cities in Guangdong Province and cross-border transportation between Guangdong Province and Hong Kong. The Group recognises revenue when transportation services provided to customers are completed.

Passenger and freight station services include services provided to transportation companies for ticket sales, vehicle parking and etc. The Group recognises revenue when the transportation companies have accepted the services and the Group has a present right to payment.

(2) Sales of convenience store goods, petroleum and gasoline

Customers obtain control of convenience store goods, petroleum and gasoline when the goods are delivered to and have been accepted by the customers, customers have a present obligation to payment. Revenue is recognised at that point in time.

(3) Taiping interchange assets operation revenue

Taiping interchange assets operation revenue represents the toll revenue recognised from Taiping interchange franchise operating right. The Group completes the provision of service when vehicle pay the fee and pass through Taiping interchange and revenue is recognised at the same time.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(CONTINUED)*

26. Government grants

1) Classification

Government grants are non-reciprocal transfers of monetary or non-monetary assets which are classified as related to an asset or related to income.

Government grants related to an asset refer to government grants for acquiring, construction or other means to form a long-term asset. Government grants related to income refers to government grants other than those related to an asset.

2) Point of recognition

A government grant is recognised when there is reasonable assurance that the grant will be received and that the Group will comply with the conditions attaching to the grant.

3) Accounting treatment

If a government grant is in the form of a transfer of a monetary asset, it is measured at the amount received or receivable. If a government grant is in the form of a non-monetary asset, it is measured at fair value.

A government grant related to an asset is recognised as deferred income and amortised over the useful life of the related asset on a reasonable and systematic manner as other income or non-operating income. A grant that compensates the Group for expenses or losses to be incurred in the future is recognised as deferred income, and included in other income, non-operating income, or offset against related expenses in the periods in which the expenses or losses are recognised. Otherwise, the grant is recognised as other income, non – operating income, or offset against related expenses directly.

A government grant related to the ordinary activities of the Group shall be included in other income or offset against related expenses; a government grant unrelated to the ordinary activities of the Group shall be included in non-operating income.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(CONTINUED)*

27. Deferred tax assets and liabilities

The income tax expenses include current income tax and deferred income tax. Current and deferred tax expenses or income are recognised in profit or loss for the period, except when they arise from transactions or events that are directly recognised in other comprehensive income or in shareholders' equity, in which case they are recognised in other comprehensive income or in shareholders' equity.

At the balance sheet date, deferred tax liabilities (or assets) are measured at the applicable tax rates, according to tax laws, that are expected to apply in the period in which the liability is settled (or the asset is realised).

For temporary differences arise from the differences between the carrying amounts of certain assets or liabilities and their tax base, or between the nil carrying amount of those items that are not recognised as assets or liabilities and their tax base that can be determined according to tax laws, deferred tax assets and liabilities are recognised using the balance sheet liability method.

Under normal circumstances, deferred tax is recognised for all temporary differences. Deferred tax assets for deductible temporary differences are recognised to the extent that it is probable that taxable profits will be available against which the deductible temporary differences can be utilised. However, for temporary differences associated with the initial recognition of goodwill and the initial recognition of an asset or liability arising from a transaction (not a business combination) that affects neither the accounting profit nor taxable profits (or deductible losses) at the time of transaction, no deferred tax asset or liability is recognized.

For deductible losses and tax credits that can be carried forward, deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the deductible losses and tax credits can be utilised.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(CONTINUED)*

27. Deferred tax assets and liabilities *(Continued)*

Taxable temporary differences arising on investments in subsidiaries, associates and joint ventures are recognised as deferred tax liabilities unless the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deductible temporary differences arising on investments in subsidiaries, associates and joint ventures are recognised as deferred assets when it is probable that taxable profits will be available against which the deductible temporary differences can be utilized.

At the balance sheet date, deferred tax assets and liabilities are measured at the applicable tax rates, according to tax laws, that are expected to apply in the period in which the asset is realised or the liability is settled.

At the balance sheet date, the carrying amount of deferred tax assets is reviewed and reduced if it is no longer probable that sufficient taxable profits will be available in the future to allow the benefit of deferred tax assets to be utilised. Such reduction in amount is reversed when it becomes probable that sufficient taxable profits will be available.

When the Group has a legal right to settle current tax assets and liabilities on a net basis and it intends either to settle current tax assets and liabilities on a net basis or to realise the assets and liabilities simultaneously, current tax assets and liabilities are offset and presented on a net basis.

At the balance sheet date, deferred tax assets and liabilities can be offset and presented on a net basis if the following conditions are met:

– Taxpayers has a legal right to settle current tax assets and liabilities on a net basis; and

– Deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax assets and liabilities on a net basis or to realise the assets and liabilities simultaneously, in each future period in which significant amounts of deferred tax assets or liabilities are expected to be reversed.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(CONTINUED)*

28. Leases

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

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

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

- the contract involves the use of an identified asset. An identified asset may be specified explicitly or implicitly specified in a contract and should be physically distinct, or capacity portion or other portion of an asset that is not physically distinct but it represents substantially all of the capacity of the asset and thereby provides the customer with the right to obtain substantially all of the economic benefits from the use of the asset. If the supplier has a substantive substitution right throughout the period of use, then the asset is not identified;

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

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

For a contract that contains multiple lease components, the lessee and lessor separates and accounts for each lease component as a lease respectively. For a contract that contains lease and non-lease components, the lessee and lessor separates the lease and non-lease components. However, for the leases of land and buildings in which it is a lessee, the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component. When separating the lease and non-lease components of a contract, the lessee allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components. The lessor allocates the consideration in the contract in accordance with the principles of transaction price allocation described in Note III. 25 Revenue

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(CONTINUED)*

28. Leases *(Continued)*

1) The Group as a lessee

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

The right-of-use asset is depreciated using the straight-line method. If it is reasonably certain that the lease will transfers ownership of the underlying asset to the lessee by the end of the lease term, the Group depreciates the right-of-use asset from the commencement date to the end of the useful life of the underlying asset. Otherwise, the Group depreciate the right-of-use asset from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. Impairment losses are recognised in accordance with the accounting policy described in Note III. 21 Impairment of long-term assets.

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

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

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(CONTINUED)*

28. Leases *(Continued)*

1) The Group as a lessee (Continued)

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

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

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

– there is a change in the assessment of whether the Group will exercise a purchase, extension or termination option, or there is a change in the exercise of the extension or termination option.

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

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

If a lease changes and the following conditions are met, the Company shall treat the change of lease as a separate lease:

- the changes of lease expands the scope of the lease by adding the right to use one or more of the leased assets;

- the increased consideration is equivalent to the separate price for the extension of the lease, adjusted for the circumstances of the contract;

If the lease change is not accounted for as a separate lease, the company shall, on the effective date other lease change, re-measure the lease liability according to the present value calculated by the lease payment amount after the change and the revised discount rate, and adjust the carrying amount of the right to use assets accordingly.

If the lease change results in the narrowing of the lease scope or the shortening of the lease term, the Company shall correspondingly reduce the carrying amount of the right-of-use assets, and charge the gains or losses related to the partial or complete termination of the lease into the current profit or loss. If other lease changes result in the remeasurement of lease liabilities, the Company shall adjust the carrying amount of the right-of-use assets accordingly.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(CONTINUED)*

28. Leases *(Continued)*

2) The Group as a lessor

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

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

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

The Group calculates and recognises finance income in each period during the lease term, based on a constant periodic rate of interest. The derecognition and impairment losses are recognised in accordance with the accounting policy described in Note III. 10 Financial instruments. Variable lease payments not included in the measurement of the net instruments in the lease are recognized in profit or loss as incurred.

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

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(CONTINUED)*

29. Special reserve

The Group provided for safety expense according to the relevant regulations of the "Notice on Printing and Distributing the "Administrative Measures for the Provision and Utilisation of Safety production expenses" (Caiqi [2022] No. 136), issued by the MOF and the Ministry of Emergency Management.

Provisions for safety production expenses are included in the cost of related products or profit or loss of the current period and included in the "special reserve" account correspondingly.

When the provisions are utilised within the prescribed scope, if the expenditures are revenue in nature, those expenditures are offset directly against the special reserve; if the fixed assets are formed, the expenditures will be accumulated in "construction in progress" and transferred to fixed assets when the relevant safety project is completed and ready for its intended use. At the same time, the special reserve is reduced according to the cost of the fixed asset formed and the accumulated depreciation of the same amount is provided. The fixed asset will no longer be depreciated in future periods.

30. Segment reporting

Reportable segments are identified based on operating segments which are determined based on the structure of the Group's internal organisation, management requirements and internal reporting system. Two or more operating segments may be aggregated into a single operating segment if the segments have the similar economic characteristics and are same or similar in respect of the nature of each segment's products and services, the nature of production processes, the types or classes of customers for the products and services, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. The Group determines the reporting segment based on the operating segment and considering the principle of materiality.

Inter-segment revenues are measured on the basis of the actual transaction prices for such transactions for segment reporting. The accounting policies adopted in the preparation of segment reports are consistent with those adopted in the preparation of the Group's financial statements.

31. Profit distributions

Dividends or profit distributions proposed in the profit appropriation plan, which will be approved after the balance sheet date, are not recognised as a liability at the balance sheet date but are disclosed in the notes separately.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(CONTINUED)*

32. Related parties

If a party has the power to control, jointly control or exercise significant influence over another party, or vice versa, or where two or more parties are subject to common control or joint control from another party, they are considered to be related parties. The related parties of the Group also include the joint venture(s) or associate(s) of the other members (including the parent and subsidiaries) in the same group that includes the entity, and the other joint venture(s) or associate(s) of the investors who exercise joint control over the entity, etc. Related parties may be individuals or enterprises. Enterprises with which the Company is under common control only from the State and that have no other related party relationships are not regarded as related parties.

33. Significant accounting judgements and estimates

The preparation of the financial statements requires management to make estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates as well as underlying assumptions and uncertainties involved are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

The following are the key assumptions and uncertainties in accounting estimates at the balance sheet date, which have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities in future periods.

1) Loss allowances for accounts receivable

Loss allowances for accounts receivable are always measured at an amount equal to lifetime ECLs.

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls, which is the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive.

ECLs on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors and an assessment of both the current and forecast general economic conditions at the balance sheet date. When estimating lifetime ECLs, significant judgments need to be made on the risk of default, all cash flows expected to be received, etc.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(CONTINUED)*

33. Significant accounting judgements and estimates *(Continued)*

2) Impairment of assets except for inventories and financial assets

As described in Note III. 21 Impairment of long-term assets, assets other than inventories and financial assets are reviewed at each balance sheet date to determine whether the carrying amount exceeds the recoverable amount of the assets. If any such indication exists, an impairment loss is recognised.

The recoverable amount of an asset (or an asset group) is the greater of its fair value less costs to sell and its present value of expected future cash flows. Since a market price of the asset (or the asset group) cannot be obtained reliably, the fair value of the asset cannot be estimated reliably, the recoverable amount was calculated based on the present value of estimated future cash flows. In assessing value in use and the present value of estimated future cash flows, significant judgements are exercised over the asset's production, selling price, related operating expenses and discount rate to calculate the present value. All relevant materials which can be obtained are used for estimation of the recoverable amount, including the estimation of the production, selling price and related operating expenses based on reasonable and supportable assumptions.

Performing impairment test for goodwill requires a calculation of the present value of estimated future cash flows of the asset group or a set of asset groups related to the goodwill, and an estimation of the future cash flows expected to arise from such asset group or such a set of asset groups. It also requires determining a suitable interest rate before tax that reflects current market assessments of the time value of money and the risks specific to the asset.

3) Depreciation and amortisation of assets such as investment properties measured by cost model, fixed assets, intangible assets with limited useful life, right-of-use assets and long-term deferred expenses

Assets such as investment properties measured by cost model, fixed assets, intangible assets with limited useful life, right-of-use assets and long-term deferred expenses are depreciated and amortised over their useful lives after taking into account residual value. The estimated useful lives of the assets are regularly reviewed to determine the depreciation and amortisation costs charged in each reporting period. The useful lives of the assets are determined based on historical experience of similar assets and the estimated technical changes. If there have been significant changes in the factors used to determine the depreciation or amortisation, the rate of depreciation or amortisation is revised prospectively.

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES *(CONTINUED)*

33. Significant accounting judgements and estimates *(Continued)*

4) Deferred tax assets

When assessing whether there will be sufficient future taxable profits available against which the deductible temporary differences can be utilised, the Group recognises deferred tax assets to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences can be utilised, using tax rates that would apply in the period when the asset would be utilised. In determining the amount of deferred tax assets, the Group exercises judgements about the estimated timing and amount of taxable profits of the following periods, and of the tax rates applicable in the future according to the existing tax policies and other relevant regulations. Differences between such estimates and the actual timing and amount of future taxable profits and the actual applicable tax rates affect the amount of deferred tax assets that should be recognised.

5) Liabilities of retirement benefits

The Group recognises the defined benefit scheme provided to the retired and early retired employees in the future as a liability. The amount of the expenses and liabilities related to the scheme is calculated and paid based on various assumptions, including the discount rate, the growth rate of the salary during the retirement, the growth rate of medical expenses and other factors. Although management considers these assumptions to be reasonable, actual experience and changes in the assumptions will affect the expenses and liabilities related to the employee retirement benefits – defined benefit scheme of the Group.

6) Recognition of government subsidies

Specific conditions are generally attached to various subsidies obtained by the Group, which are subject to formal application and approval procedures. Management evaluates, on a periodic basis, whether the Group has complied with the relevant conditions attached to each subsidy and whether reasonable assurance has been obtained that the subsidies will be received, in order to determine the timing and amounts of subsidies to be recognised. The aforementioned assessment process involves significant management judgement.

34. Changes in significant accounting policies and accounting estimates

1) Significant accounting policy changes

There was no change in significant accounting policies of the Group during the period.

2) Changes in significant accounting estimates

There was no change in significant accounting estimates of the Group during the period.

IV. TAXATION

1. Main types of taxes and corresponding tax rates

Tax type	Tax basis	Tax rate
Cultural construction fee	Income from advertisements (Note 1)	3%
Corporate income tax	Taxable profit (Note 2)	25%, 20%
Hong Kong profits tax	Assessable profit (Note 3)	16.5%
Value added tax ("VAT")	Income from sale of goods (Note 4)	13%,9%
VAT	Transportation income (Note 4, Note 5)	9%, 3% or 1%, 0%, exempted
VAT	Income from prier rescue service	6%
VAT	Service income derived from highway facilities and other auxiliary facilities (Note 4)	9%, 6%, 5%
VAT	Income from toll (Note 5)	3%
City maintenance and construction tax	VAT paid (Note 4)	7%, 5%
Education surcharge and local education surcharge	VAT paid (Note 4)	3%, 2%
Land appreciation tax	Appreciation amount on property sold and applicable tax rate	40%, 60%
Property tax	The taxable residual value of the property	1.2%
Property tax	Rental income	12%

IV. TAXATION *(CONTINUED)*

1. Main types of taxes and corresponding tax rates *(Continued)*

Taxpayers with different enterprise income tax rates are the disclosure as follows:

Name of the taxpayers	Income tax rate
Meizhou Vehicle Materials Supply Co., Ltd.	20%
Jiaoling Vehicles Transportation Co., Ltd.	20%
Xingning Vehicles Transportation Co., Ltd.	20%
Meizhou Vehicles Passenger Transportation Co., Ltd.	20%
Meizhou Yueyun Investment Co., Ltd.	20%
Meizhou Automobile Freight Co., Ltd.	20%
Guangdong Yue Li Jia Passenger Transport Company (Guangzhou)	20%
Guangdong Guantong Expressway Luchan Operation Co., Ltd. (former name: Guangdong Tongyi Landscape Co., Ltd.)	20%
Yangshan County Yueyun Motor Inspection Co., Ltd.	20%
Shaoguan Polycom Motor Vehicles Driving Training Co., Ltd.	20%
Ruyuan Yao Autonomous County Shunda City-Village Public Passenger Transport Co., Ltd.	20%
Guangdong Gangtong Vehicles Transportation Company Limited	20%
Shenzhen City Shenwei Lighter Transportation Co., Ltd.	20%
Foshan City Yueyun Hexing Transportation Co., Ltd.	20%
Yueyun Transportation (HK) Company Limited	16.5%
The Motor Transport Company of Guangdong and Hong Kong Limited	16.5%
Guangdong Yue Li Jia Passenger Transport Company (Hong Kong)	16.5%
Gang Tong (HK) Motor Transport Company Limited	16.5%

IV. TAXATION *(CONTINUED)*

2. Tax incentives

Note 1: According to "The Announcement on continuing to Preferential Policies for Cultural Construction Fees by MOF" (Cai shui [2025] No. 7), the payable amount of cultural construction fee belonging to the central revenue shall be reduced by 50%; for the cultural construction fee belonging to the local income, the financial and party committee propaganda departments of all provinces (districts and cities) can reduce the payable amount within the range of 50% in combination with the local economic development level, the development of propaganda, ideological and cultural undertakings and other factors, from 1 January 2025 to 31 December 2027.

According to "The Announcement on continuing the implementation of Preferential Policies for Cultural Construction Fees" (Yue cai shui [2025] No. 15) issued by Department of Finance of Guangdong Province and National Tax Bureau of Guangdong Provincial, the payable amount of cultural construction fee belonging to the local income shall be reduced by 50%, from 1 January 2025 to 31 December 2027.

Note 2: According to the "Announcement of MOF and the State Administration of Taxation on the Further Implementation of the Preferential Income Tax Policy for Small and Micro Enterprises" (Announcement No. 13, 2022 of the MOF and State Administration of Taxation), which released at 14 March 2022, promulgated by the MOF and State Administration of Taxation, the Small-scaled minimal profit enterprise with an annual taxable income between RMB1,000,000 and RMB3,000,000 (RMB3,000,000 included) is entitled to a preferential tax treatment of 25% exemption of taxable income and application of income tax rate as 20%, from 1 January 2022 to 31 December 2024.

According to the "Announcement of the MOF and State Administration of Taxation on Preferential Income Tax Policies for Small and Micro Enterprises and Individual Industrial and Commercial Households" promulgated by the MOF and State Administration at 27 March 2023 (Announcement No. 6 [2023]), the Small-scaled minimal profit enterprise with an annual taxable income below RMB1,000,000 (RMB1,000,000 included) is entitled to a preferential tax treatment of 25% exemption of taxable income and application of income tax rate as 20%, from 1 January 2023 to 31 December 2024.

According to the "Announcement of the MOF and State Administration of Taxation on the Further Supporting the Development of Small and Micro Enterprises and Individual Industrial and Commercial Households "promulgated by the MOF and State Administration at 2 August 2023 (Announcement No. 12 [2023]), the policy of small-scaled minimal profit enterprise which is entitled to a preferential tax treatment of 25% exemption of taxable income and application of income tax rate as 20%, extends to 31 December 2027.

Certain subsidiaries of the Group meet the requirements of small-scaled minimal profit enterprise and subject to enterprise income tax calculated at a tax rate of 20%. Please refer to Note. "IV.1 Main types of taxes and corresponding tax rates for details". Furthermore, the statutory tax rate of the Group's other subsidiaries in Mainland china is 25% and the statutory tax rate was implemented during the current period (corresponding period in last year: 25%).

Note 3: The applicable Hong Kong profits tax rate for the period is 16.5% for the subsidiaries: Yueyun Transportation (HK) Company Limited, The Motor Transport Company of Guangdong and Hong Kong Limited, Gang Tong (HK) Motor Transport Company Limited and Guangdong Yue Li Jia Passenger Transport Company (Hong Kong) (corresponding period in last year: 16.5%).

Pursuant to the Financial Budget Proposal announced by Hong Kong government on 26 February 2025, enterprises registered in Hong Kong are entitled to a one-off preferential tax treatment of 100% exemption of profit tax in 2025 with the maximum of HK$1,500.

Pursuant to the Financial Budget Proposal announced by Hong Kong government on 28 February 2024, enterprises registered in Hong Kong are entitled to a one-off preferential tax treatment of 100% exemption of profit tax in 2024 with the maximum of HK$3,000.

IV. TAXATION *(CONTINUED)*

2. Tax incentives *(Continued)*

Note 4: On 2 August 2023, according to the Announcement on Individual Income Tax Preferential Policies for Small and Micro Enterprises and Individual Business Operators issued by the MOF and the State Taxation Administration (the Announcement No. 12 of the Ministry of Finance and the State Taxation Administration, 2023), from 1 January 2023 to 31 December 2027, the resource tax (excluding water resources tax), city maintenance and construction tax, property tax, city and town land use tax, stamp tax (excluding securities transaction stamp tax), farmland conversion tax, and education surcharge and local education surcharge shall be halved for value-added tax small-scale taxpayers, small and micro-profit enterprises and individual business operators.

Note 5: According to the provisions of the Announcement on Clarifying the Policy of VAT Reduction and Exemption for small-scale VAT Taxpayers promulgated by the MOF and the State Administration of Taxation on 9 January 2023 (Announcement No. 1[2023]), from 1 January 2023 to 31 December 2023, small-scale VAT taxpayers with monthly sales of less than RMB100,000 are exempt from VAT, and small-scale VAT taxpayers whose taxable sale income subject to 3% tax rate, VAT will be taxed at a reduced rate of 1%; for prepaid VAT items subject to 3% prepaid tax rate.

According to "The Announcement of VAT Reduction and Exemption for small-scale-VAT Taxpayers" promulgated by the MOF and the State Administration of Taxation on 1 August 2023 (Announcement No. 19[2023]), the policy of VAT reduction and Exemption for small-scale VAT taxpayers extends to 31 December 2027.

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. 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.

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(CONTINUED)*

1. Accounts receivable *(Continued)*

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

	30 June 2025					31 December 2024				
	Amount		Provision for bad and doubtful debts			Amount		Provision for bad and doubtful debts		
Category	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:

	30 June 2025			
Names	Amount	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		

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(CONTINUED)*

1. Accounts receivable *(Continued)*

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

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	

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(CONTINUED)*

1. Accounts receivable *(Continued)*

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

		Changes during the period				
Category	31 December 2024	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

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(CONTINUED)*

2. Long-term equity investments

Investee	Book balance as at 31 December 2024	Changes during this period							Book balance as at 30 June 2025	Provision for impairment as at 30 June 2025
		Additional investment	Reduce investment	Investment gains and losses recognized under the equity method	Other comprehensive income adjustment	Other changes in equity	Declaring cash dividends or profits	Others		
1. Joint ventures										
Guangdong Yuehuahui Business Management Co., Ltd. (Note 1)	9,400,884.06	-	-	422,595.77	-	-	-	-	9,823,479.83	-
Zhuhai Yuegong Xinhai Transportation Co., Ltd. (Note 2)	138,234,061.61	-	28,211,032.98	26,874,976.25	1,818,669.33	-	16,420,686.19	-	122,295,988.02	-
Guangdong Zhongyou Top-E Energy Trading Company Limited (Note 3)	34,772,842.51	-	-	178,265.51	-	-	-	-	34,951,108.02	-
Guangdong Roadnet Innovalues Media Information Technology Co., Ltd.	2,068,988.89	-	-	(376,652.06)	-	-	-	-	1,692,336.83	1,042,186.83
Guangzhou Hehe Intelligent Technology Co., Ltd.	-	-	-	-	-	-	-	-	-	-
Shaoguan Yuehong Bus Station Company Limited	2,033,665.41	-	2,033,665.41	-	-	-	-	-	-	-
Sub-total	186,510,442.48	-	30,244,698.39	27,099,185.47	1,818,669.33	-	16,420,686.19	-	168,762,912.70	1,042,186.83
2. Associates										
Southern United Assets and Equity Exchange Co., Ltd.	49,124,514.41	-	-	3,061,127.48	-	-	-	-	52,185,641.89	-
Guangdong South Passenger Network Center Company Limited (Note 4)	5,724,739.54	-	1,431,184.88	(162,561.59)	-	-	-	-	4,130,993.07	-
Qingyuan Zhongguan Development Co., Ltd.	368,531.18	-	-	8,364.72	-	-	-	-	376,895.90	-
Zhuhai Wandatong Hongkong-Zhuhai-Macau Bridge Port Passenger Service Co.Ltd.	949,455.22	-	949,455.22	-	-	-	-	-	-	-
Lufeng Shen-Shan Expressway Services Company Limited	3,106,693.03	-	-	765,131.49	-	-	-	-	3,871,824.52	-
Shantou City Chaonan Yueyun Sky Island Transportation Co., Ltd.	-	-	-	-	-	-	-	-	-	-
Guangzhou City Tianhe Coach Terminal Co., Ltd.	33,052,141.18	-	-	82,405.01	-	-	-	-	33,134,546.19	-
Guangdong Guangye Yueyun Natural Gas Company Limited	2,843,762.81	-	-	(147,362.03)	-	-	-	-	2,696,400.78	-
CNPC Yueyun Natural Gas Co. Ltd.	7,224,731.75	-	-	(3,688,015.05)	-	-	-	-	3,536,716.70	-

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(CONTINUED)*

2. Long-term equity investments *(Continued)*

Investee	Book balance as at 31 December 2024	Changes during this period							Book balance as at 30 June 2025	Provision for impairment as at 30 June 2025
		Additional investment	Reduce investment	Investment gains and losses recognized under the equity method	Other comprehensive income adjustment	Other changes in equity	Declaring cash dividends or profits	Others		
2. Associates (Continued)										
Shantou City Automobile Passenger Traffic Centre Co., Ltd.	20,003,019.34	-	-	(377,296.69)	-	-	-	-	19,625,722.65	-
Shantou City Chaoyang Yueyun Sky Island Transportation Co., Ltd.	-	-	-	-	-	-	-	-	-	-
Shenzhen Yueyun Investment Development Company Limited	47,354,182.65	-	-	249,684.40	-	-	-	-	47,603,867.05	-
Hui Ke Tong Technology (Zhuhai) Company Limited	-	-	-	-	-	-	-	-	-	-
Express Cross-Border Coach Management Company Limited	-	-	-	-	-	-	-	-	-	-
Hong Kong-Zhuhai-Macao Bridge Shuttle Bus Company Limited	54,543,485.09	-	-	11,483,594.07	-	-	6,984,400.00	(864,411.93)	58,178,267.23	-
Guangdong-Hong Kong-Macao System Technology Co., Ltd.	-	-	-	-	-	-	-	-	-	-
Shaoguan Libao Technology Company Limited	1,886,293.31	-	-	236,346.62	-	-	-	-	2,122,639.93	-
Shaoguan City Danxia Mountain Travel Bus Company Limited	7,123,038.04	-	7,123,038.04	-	-	-	-	-	-	-
Hong Kong & Macao International Airport Transportation Service (HK) Co., Limited	3,307,726.51	-	-	(312.56)	-	-	-	(50,325.74)	3,257,088.21	-
Hong Kong International Airport Passenger Service (Macao) Co., Ltd.	2,472,687.50	-	-	22,538.27	-	-	-	(37,795.62)	2,457,430.15	-
Guangzhou City Yueyun Motor Transportation Co. Ltd.	-	459,066.67	-	(125,915.61)	-	-	-	-	333,151.06	-
Guangzhou City Zengcheng Automobile Passenger Traffic Station Co Ltd.	-	11,701,216.79	-	(40,746.62)	-	-	-	-	11,660,470.17	-
Sub-total	239,085,001.56	12,160,283.46	9,503,678.14	11,366,981.91	-	-	6,984,400.00	(952,533.29)	245,171,655.50	-
Total	425,595,444.04	12,160,283.46	39,748,376.53	38,466,167.38	1,818,669.33	-	23,405,086.19	(952,533.29)	413,934,568.20	1,042,186.83

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(CONTINUED)*

2. Long-term equity investments *(Continued)*

Note 1: The Group holds 50% equity of Guangdong Yuehuahui Business Management Co., Ltd. (hereinafter referred to as "Guangdong Yuehuahui"). According to the articles of association of Guangdong Yuehuahui, the shareholders of the company exercise their voting rights in proportion to their capital contributions. The board of directors consists of 5 directors, of which 3 are appointed by the Group and 2 are appointed by third-party shareholders. The resolutions of the board of directors must be unanimously approved by two-thirds of the directors. Therefore, Guangdong Yuehuahui is a joint venture of the Group.

Note 2: On 22 January 2025, the Company completed the transfer of its 100% equity interest in Zhuhai Gongyun Coach Terminal Co., Ltd. ("Zhuhai Gongyun"). Before the transfer, Zhuhai Gongyun held a 10% equity of Zhuhai Yuegong Xinhai Transportation Co., Ltd. ("Yuegong Xinhai"). After the transfer, the Group holds a 39% equity of Yuegong Xinhai. According to the company's articles of association of Yuegong Xinhai, the resolution of the shareholders' meeting of the company must be unanimously passed by the voting rights held by the shareholders. Therefore, Yuegong Xinhai is a joint venture of the Group.

Note 3: The Group holds 51% equity of Guangdong Zhongyou Top-E Energy Trading Company Limited. According to the company's articles of association of Guangdong Zhongyou Top-E Energy Trading Company Limited, the shareholders of the company exercise their voting rights in proportion to their capital contributions, and the special resolutions of the shareholders' meeting are adopted by voting by shareholders representing more than two thirds of the voting rights. Therefore, Guangdong Zhongyou Top-E Energy Trading Company Limited is a joint venture of the Group.

Note 4: On 22 January 2025, the Company completed the transfer of its 100% equity interest in Zhuhai Gongyun. Before the transfer, Zhuhai Gongyun held a 4% equity of Guangdong Nanyuetong Passenger Transport Networking Center Co., Ltd. ("Nanyuetong"). After the transfer, the Group holds a 12% equity of Nanyuetong. According to the Articles of Association of Nanyuetong, resolutions of the company's shareholders' meeting must be passed by a majority of the voting rights held by the shareholders present at the meeting. According to the promoter agreement of Nanyuetong, the Company has appointed management personnel to serve as directors in Nanyuetong and enjoy the corresponding substantive right to participate in decision-making. Therefore, the Company has a significant influence on Nanyuetong, which is an associate of the Group.

3. 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

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(CONTINUED)*

3. Fixed assets *(Continued)*

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 at 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

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(CONTINUED)*

3. Fixed assets *(Continued)*

2) Details of fixed assets (Continued)

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. This 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 V.6 and 9.

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 V 9), among which, RMB4,458,351.19 (31 December 2024: RMB4,758,349.93) were sealed up. As at 30 June 2025, 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 V 6), 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).

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(CONTINUED)*

4. 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 at 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

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(CONTINUED)*

5. 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
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

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(CONTINUED)*

5. Intangible assets *(Continued)*

1) Details of intangible assets (Continued)

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 V 9). As at 30 June 2025, RMB17,457,868.39 (31 December 2024: RMB17,808,957.11) were pledged for short-term loans (Note V 6), among which, RMB3,507,142.58 (31 December 2024: RMB3,595,219.66) were sealed up (Note V 3).

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.

6. 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 l: 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 V.3 and 5.

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.

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(CONTINUED)*

6. Short-term loans *(Continued)*

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.

7. 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

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(CONTINUED)*

7. Accounts payable *(Continued)*

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	

8. Non-current liabilities due within one year

Items	Note V	30 June 2025	31 December 2024
Long-term loans due within one year	9	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	10	166,902,105.77	199,019,728.66
Total		745,410,537.00	505,826,347.00

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(CONTINUED)*

9. 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 V 8)	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

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(CONTINUED)*

9. Long-term loans *(Continued)*

1) Classification of long-term loans (Continued)

Note l: 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 V. 3 and 5.

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.

10. 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 V. 8)		**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

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(CONTINUED)*

11. Deferred income

Items	30 June 2025	31 December 2024
Government grant related to assets	**168,308,938.51**	200,013,585.66
Prepayments of contracts	**122,553,304.63**	130,602,628.44
Rental of stations and advertising sites	**10,719,541.08**	11,109,350.94
Total	**301,581,784.22**	341,725,565.04

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 been not 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 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.

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(CONTINUED)*

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. (Note)	**86,500.84**	743,925.50
Total	**89,415,971.27**	145,648,782.45

Note: Refer to Note IV 2 note 4 and note 5 for preferential policies of VAT reduction and exemption.

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(CONTINUED)*

14. Other income *(Continued)*

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 VI 3)	**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.

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(CONTINUED)*

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

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(CONTINUED)*

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

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(CONTINUED)*

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.

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(CONTINUED)*

22. Supplement to cash flow statement

1) Supplement to cash flow statement

Supplement	Amount for the period	Amount for the previous period
1. Reconciliation of net profit to cash flows from operating activities:		
Net profit	**134,413,582.58**	135,603,731.44
Add: Provisions for credit loss	**12,507,377.47**	11,213,944.19
Provisions for impairment of assets	**1,042,186.83**	560,250.00
Depreciation of fixed assets and investment properties	**173,759,157.92**	216,194,409.76
Depreciation of right-of-use assets	**105,994,331.81**	104,163,718.06
Amortisation of intangible assets	**19,117,441.50**	20,351,189.63
Amortisation of long-term deferred expenses	**32,447,398.48**	35,949,797.56
Gains on disposal of fixed assets, intangible assets and other long-term assets	**(6,334,016.13)**	(6,438,923.17)
(Gains)/losses on disposal of fixed assets	**(821,198.80)**	2,281,878.33
Financial expenses	**67,751,538.69**	76,286,307.82
Investment income	**(94,599,011.02)**	(50,596,083.00)
Increase in deferred tax assets	**(15,683,902.01)**	(7,638,301.87)
Decrease in deferred tax liabilities	**(3,986,699.03)**	(3,063,128.88)
(Increase)/decrease in inventories	**(1,607,802.03)**	7,037,434.40
Increase in operating receivables	**(14,912,518.14)**	(2,471,032.32)
Increase in operating payables	**20,189,312.51**	77,395,882.83
Increase in specific reserve	**5,650,480.49**	6,370,286.02
Net cash inflow from operating activities	**434,927,661.12**	623,201,360.80
2. Change in cash and cash equivalents		
Cash and cash equivalents at the end of the period	**1,547,529,633.33**	1,490,210,918.05
Less: Cash and cash equivalents at the beginning of the period	**1,425,056,954.63**	1,085,764,984.96
Net increase in cash and cash equivalents	**122,472,678.70**	404,445,933.09

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(CONTINUED)*

22. Supplement to cash flow statement *(Continued)*

2) Net cash received from disposal of subsidiaries during this period

Items	Amounts
Cash and cash equivalents received from disposal of subsidiaries	25,346,500.00
Including: Zhuhai Gongyun	25,096,100.00
Guangzhou City Yueyun Motor Transportation Co., Ltd.	250,400.00
Less: Cash and cash equivalents held on the date of loss of control over subsidiaries	3,949,175.04
Including: Zhuhai Gongyun	2,149,433.32
Guangzhou City Zengcheng Automobile Passenger Traffic Station Co., Ltd.	1,778,595.87
Guangzhou City Yueyun Motor Transportation Co., Ltd.	21,145.85
Net cash received from disposal of subsidiaries	21,397,324.96

3) Details of cash and cash equivalents

Items	30 June 2025	31 December 2024
I. Cash at bank and on hand	**1,547,529,633.33**	1,425,056,954.63
Including: Cash on hand	**3,334,361.31**	3,869,621.30
Bank deposits available on demand	**1,544,195,272.02**	1,421,187,333.33
II. Closing balance of cash and cash equivalents available on demand	**1,547,529,633.33**	1,425,056,954.63

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(CONTINUED)*

23. Assets with restricted ownership or right of use

Items	Book value at the end of the period	Restricted reason
Monetary funds	12,334,918.33	Performance security deposits, property maintenance funds, tourism quality deposits and judicial freeze
investment properties	164,681,239.81	Short-term loans mortgage, long-term loans mortgage
Fixed assets	146,739,514.33	Short-term loans mortgage, long-term loans mortgage, long-term payable mortgage guarantee, preservation of property
Intangible assets	56,695,150.37	Short-term loans mortgage, long-term loans mortgage, preservation of property
Total	380,450,822.84	

24. 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	

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(CONTINUED)*

24. Government grants *(Continued)*

2) Government grants related to income

Items	The amount included in the current profit and loss or offsetting the related costs and expenses		Items included in the current profit and loss or offsetting the related costs and expenses
	Amount for the period	Amount for the previous period	
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	

25. 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)

26. 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

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(CONTINUED)*

27. 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

VI. CHANGES IN THE SCOPE OF CONSOLIDATION

1. Business combinations not under common control

The Group did not have any business combination not under common control during this period.

2. Business combinations under common control

The Group did not have any business combination under common control during this period.

3. Disposal of subsidiaries

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	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

Note: On 22 January 2025, the Company completed the equity transfer in relation to Zhuhai Gongyun Coach Terminal Co., Ltd and its subsidiaries at a total consideration of RMB25,096,100.00.

4. 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	40.00	95.56
Guangdong Top-E Business Development Co., Ltd.	Newly established	2025-3-14	10.00	95.56

VII. INTERESTS IN OTHER ENTITIES

1. Interests in subsidiaries

1) Composition of the Group

Full name of the subsidiary	Incorporation place	Registered place	Kind of legal entity	Business nature	Registered capital (RMB million)	Direct and indirect holdings (%)	Voting rights (%)	Established or acquired
Guangdong Highway Media Company Limited	Guangdong China	Guangdong China	Limited liability company	Expressway services	33.00	100.00	100.00	Established
Yueyun Transportation (HK) Company Limited	Hong Kong China	Hong Kong China	Incorporated corporation	Material Logistics services	HKD1.5	100.00	100.00	Established
Guangdong Top-E Expressway Service Zone Company Limited	Guangdong China	Guangdong China	Limited liability company	Expressway services	100.00	95.56	95.56	Business combinations involving enterprises under common control
Guangdong Tongyi Ecological and Environmental Protection Construction Co., Ltd (former name: Guangdong Tongyi Landscape Co., Ltd.)	Guangdong China	Guangdong China	Limited liability company	Expressway services	20.00	100.00	100.00	Business combinations involving enterprises under common control
Guangdong Jindaoda Expressway Economic Development Company Limited	Guangdong China	Guangdong China	Limited liability company	Expressway services	10.00	100.00	100.00	Business combinations involving enterprises under common control
The Motor Transport Company of Guangdong and Hong Kong Limited (Note 1)	Hong Kong China	Hong Kong China	Incorporated corporation	Cross-border transportation services	HKD 9	62.00	71.43	Business combinations involving enterprises under common control
Gang Tong (HK) Motor Transport Company Limited	Hong Kong China	Hong Kong China	Limited liability company	Cross-border transportation services	HKD 0.01	100.00	100.00	Business combinations involving enterprises under common control

VII. INTERESTS IN OTHER ENTITIES *(CONTINUED)*

1. Interests in subsidiaries *(Continued)*

1) Composition of the Group (Continued)

Full name of the subsidiary	Incorporation place	Registered place	Kind of legal entity	Business nature	Registered capital (RMB million)	Direct and indirect holdings (%)	Voting rights (%)	Established or acquired
Guangdong Yue Li Jia Passenger Transport Company (Hong Kong)	Hong Kong China	Hong Kong China	Limited liability company	Cross-border transportation services	HKD 0.5	70.00	70.00	Business combinations involving enterprises under common control
The Motor Transport Company of Guangdong and Hong Kong (Guangzhou) Limited (Note 1)	Guangdong China	Guangdong China	Limited liability company	Cross-border transportation services	HKD 25	62.00	71.43	Business combinations involving enterprises under common control
Shenzhen Yuegang Transport Company Limited	Guangdong China	Guangdong China	Limited liability company	Cross-border transportation services	HKD 10.50	100.00	100.00	Business combinations involving enterprises under common control
Guangdong Yue Li Jia Passenger Transport Company (Guangzhou)	Guangdong China	Guangdong China	Limited liability company	Cross-border transportation services	HKD 3.5	70.00	70.00	Business combinations involving enterprises under common control
Guangdong Vehicles Transportation Group Co., Ltd.	Guangdong China	Guangdong China	Limited liability company	Investment and domestic transportation	68.00	100.00	100.00	Business combinations involving enterprises under common control
Foshan City Yueyun Public Transportation Co., Ltd. (Note 1)	Guangdong China	Guangdong China	Limited liability company	Domestic transportation	20.00	51.00	100.00	Business combinations involving enterprises under common control
Guangdong Yueyun Traffic Rescue Co., Ltd.	Guangdong China	Guangdong China	Limited liability company	Traffic Rescue	60.00	100.00	100.00	Business combinations involving enterprises under common control
Shenzhen City Shenwei Lighter Transportation Co., Ltd.	Guangdong China	Guangdong China	Limited liability company	Domestic transportation	12.00	55.00	55.00	Business combinations involving enterprises under common control

VII. INTERESTS IN OTHER ENTITIES *(CONTINUED)*

1. Interests in subsidiaries *(Continued)*

1) Composition of the Group (Continued)

Full name of the subsidiary	Incorporation place	Registered place	Kind of legal entity	Business nature	Registered capital (RMB million)	Direct and indirect holdings (%)	Voting rights (%)	Established or acquired
Heyuan City Yueyun Motor Transportation Co., Ltd.	Guangdong China	Guangdong China	Limited liability company	Domestic transportation	10.00	55.28	55.28	Business combinations involving enterprises under common control
Foshan City Yueyun Hexing Transportation Co., Ltd.	Guangdong China	Guangdong China	Limited liability company	Station services	1.020408	51.00	51.00	Business combinations involving enterprises under common control
Guangdong Gangtong Vehicles Transportation Company Limited	Guangdong China	Guangdong China	Limited liability company	Cross-border transportation services	HKD 5	100.00	100.00	Established
Heyuan City Chengnan Freight Station Co., Ltd.	Guangdong China	Guangdong China	Limited liability company	Station services	19.50	100.00	100.00	Established
Heyuan City Yueyun Lvdu Public Transportation Co., Ltd.	Guangdong China	Guangdong China	Limited liability company	Domestic transportation	58.00	100.00	100.00	Business combinations involving enterprises not under common control
Qingyuan Yueyun Vehicles Transportation Co., Ltd.	Guangdong China	Guangdong China	Limited liability company	Domestic transportation	50.00	66.39	66.39	Business combinations involving enterprises not under common control
Yangshan County Yueyun Motor Inspection Co., Ltd.	Guangdong China	Guangdong China	Limited liability company	Vehicle Testing	0.40	100.00	100.00	Business combinations involving enterprises not under common control
Qingyuan City Yueyun Public Transportation Co., Ltd.	Guangdong China	Guangdong China	Limited liability company	Domestic transportation	17.00	100.00	100.00	Business combinations involving enterprises not under common control
Shaoguan Yueyun Vehicles Transportation Co., Ltd.	Guangdong China	Guangdong China	Limited liability company	Domestic transportation	142.78	59.69	59.69	Business combinations involving enterprises not under common control

VII. INTERESTS IN OTHER ENTITIES *(CONTINUED)*

1. Interests in subsidiaries *(Continued)*

1) Composition of the Group (Continued)

Full name of the subsidiary	Incorporation place	Registered place	Kind of legal entity	Business nature	Registered capital (RMB million)	Direct and indirect holdings (%)	Voting rights (%)	Established or acquired
Shaoguan Polycom Motor Vehicles Driving Training Co., Ltd.	Guangdong China	Guangdong China	Limited liability company	Motor Driver Training	16.00	100.00	100.00	Business combinations involving enterprises not under common control
Ruyuan Yao Autonomous County Shunda City-Village Public Passenger Transport Co., Ltd.	Guangdong China	Guangdong China	Limited liability company	Domestic transportation	0.11	100.00	100.00	Business combinations involving enterprises not under common control
Shanwei Yueyun Vehicles Transportation Co., Ltd.	Guangdong China	Guangdong China	Limited liability company	Domestic transportation	35.00	51.00	51.00	Business combinations involving enterprises not under common control
Lufeng Yueyun Vehicles Transportation Co., Ltd.	Guangdong China	Guangdong China	Limited liability company	Domestic transportation	40.00	100.00	100.00	Business combinations involving enterprises not under common control
Shanwei City Yueyun New Energy Vehicles Service Co., Ltd.	Guangdong China	Guangdong China	Limited liability company	Automobile maintenance, construction and operation of charging piles	5.00	100.00	100.00	Business combinations involving enterprises not under common control
Shanwei City Yueyun Public Transportation Co., Ltd.	Guangdong China	Guangdong China	Limited liability company	Domestic transportation	0.58	85.00	85.00	Business combinations involving enterprises not under common control
Guangdong Yueyun Development Co., Ltd.	Guangdong China	Guangdong China	Limited liability company	Commercial Service	36.00	80.00	80.00	Established
Haifeng Yueyun Public Transportation Co., Ltd.	Guangdong China	Guangdong China	Limited liability company	Domestic transportation	20.00	100.00	100.00	Established

VII. INTERESTS IN OTHER ENTITIES *(CONTINUED)*

1. Interests in subsidiaries *(Continued)*

1) Composition of the Group (Continued)

Full name of the subsidiary	Incorporation place	Registered place	Kind of legal entity	Business nature	Registered capital (RMB million)	Direct and indirect holdings (%)	Voting rights (%)	Established or acquired
Luhe Yueyun Public Transportation Co., Ltd.	Guangdong China	Guangdong China	Limited liability company	Domestic transportation	20.00	100.00	100.00	Established
Lufeng Yueyun Public Transportation Co., Ltd.	Guangdong China	Guangdong China	Limited liability company	Domestic transportation	10.00	100.00	100.00	Established
Meizhou City Yueyun Motor Transportation Co., Ltd.	Guangdong China	Guangdong China	Limited liability company	Domestic transportation	38.00	100.00	100.00	Business combinations involving enterprises under common control
Meizhou Vehicles Passenger Transportation Co., Ltd.	Guangdong China	Guangdong China	Limited liability company	Domestic transportation	4.50	100.00	100.00	Business combinations involving enterprises under common control
Xingning Vehicles Transportation Co., Ltd.	Guangdong China	Guangdong China	Limited liability company	Domestic transportation	4.00	100.00	100.00	Business combinations involving enterprises under common control
Dapu Vehicles Transportation Co., Ltd.	Guangdong China	Guangdong China	Limited liability company	Domestic transportation	3.20	100.00	100.00	Business combinations involving enterprises under common control
Wuhua Vehicles Transportation Co., Ltd.	Guangdong China	Guangdong China	Limited liability company	Domestic transportation	4.50	100.00	100.00	Business combinations involving enterprises under common control
Pingyuan Vehicles Transportation Co., Ltd.	Guangdong China	Guangdong China	Limited liability company	Domestic transportation	3.20	100.00	100.00	Business combinations involving enterprises under common control
Jiaoling Vehicles Transportation Co., Ltd.	Guangdong China	Guangdong China	Limited liability company	Domestic transportation	12.60	100.00	100.00	Business combinations involving enterprises under common control

VII. INTERESTS IN OTHER ENTITIES *(CONTINUED)*

1. Interests in subsidiaries *(Continued)*

1) Composition of the Group (Continued)

Full name of the subsidiary	Incorporation place	Registered place	Kind of legal entity	Business nature	Registered capital (RMB million)	Direct and indirect holdings (%)	Voting rights (%)	Established or acquired
Meizhou Vehicle Materials Supply Co., Ltd.	Guangdong China	Guangdong China	Limited liability company	Domestic transportation	1.00	100.00	100.00	Business combinations involving enterprises under common control
Chaozhou City Yueyun Vehicle Transportation Co., Ltd.	Guangdong China	Guangdong China	Limited liability company	Domestic transportation	40.00	100.00	100.00	Business combinations involving enterprises under common control
Chaozhou City Yueyun Public Transportation Co., Ltd.	Guangdong China	Guangdong China	Limited liability company	Domestic transportation	18.983	100.00	100.00	Business combinations involving enterprises under common control
Chaozhou Changyun Service Co., Ltd.	Guangdong China	Guangdong China	Limited liability company	Hotel service	0.887	100.00	100.00	Business combinations involving enterprises under common control
Guangdong Zhong Yue Tong Oil Products Operation Company Limited	Guangdong China	Guangdong China	Limited liability company	Wholesale of oil	30.6123	51.00	51.00	Business combinations involving enterprises not under common control
Heyuan Yuancheng Xinyun Property Management Co., Ltd.	Guangdong China	Guangdong China	Limited liability company	Property Management	43.0742	100.00	100.00	Established
Meizhou Yueyun Investment Co., Ltd.	Guangdong China	Guangdong China	Limited liability company	Investment Management	1.00	100.00	100.00	Business combinations involving enterprises under common control
Meizhou Automobile Freight Co., Ltd.	Guangdong China	Guangdong China	Limited liability company	Domestic transportation	0.50	100.00	100.00	Business combinations involving enterprises under common control

Note 1: According to shareholders' agreements, the Group's percentage of voting right is more than the percentage of direct and indirect holdings.

VII. INTERESTS IN OTHER ENTITIES *(CONTINUED)*

1. Interests in subsidiaries *(Continued)*

2) Material non-wholly-owned subsidiaries

Name of the subsidiary	Proportion of ownership interest held by non-controlling interest ("NCI")	Profit or loss allocated to NCI during the period	Dividends paid to NCI during the period	Accumulated NCI at the end of the period
The Motor Transport Company of Guangdong and Hong Kong Limited (Hong Kong)	38.00	7,965,303.20	–	84,242,249.06
Foshan City Yueyun Public Transportation Co., Ltd.	49.00	193,588.37	6,860,000.00	136,114,526.85
Heyuan City Yueyun Motor Transportation Co., Ltd.	44.72	(12,440,836.06)	–	(26,400,812.07)
Qingyuan Yueyun Vehicles Transportation Co., Ltd.	33.61	(7,246,505.51)	–	98,430,643.00
Shaoguan Yueyun Vehicles Transportation Co., Ltd.	40.31	(7,039,613.49)	–	87,374,355.14
Guangdong Zhong Yue Tong Oil Products Operation Company Limited	49.00	13,043,188.54	–	114,997,080.65

VII. INTERESTS IN OTHER ENTITIES *(CONTINUED)*

2. Interests in joint arrangements or associates

1) Material joint ventures or associates

Name of enterprise	Incorporation place	Registered place	Business nature	Shareholding percentage (%)	Accounting for investments in joint ventures or associates	Strategic to the Group's activities
Guangdong Zhongyou Top-E Energy Trading Company Limited	Guangdong China	Guangdong China	Wholesale of oil	51.00	Equity method	Yes
Yuegong Xinhai	Guangdong China	Guangdong China	Road transportation	39.00	Equity method	Yes
Southern United Assets and Equity Exchange Company Limited	Guangdong China	Guangdong China	Property exchange	25.00	Equity method	Yes
Shenzhen Yueyun Investment Development Company Limited	Guangdong China	Guangdong China	Passenger terminal Operation	20.00	Equity method	Yes
Shantou City Automobile Passenger Traffic Centre Co., Ltd.	Guangdong China	Guangdong China	Passenger terminal Operation	35.00	Equity method	Yes
Guangzhou City Tianhe Coach Terminal Co., Ltd.	Guangdong China	Guangdong China	Station services	20.00	Equity method	Yes
Hong Kong-Zhuhai-Macao Bridge Shuttle Bus Co., Ltd.	Hong Kong China	Hong Kong China	Transportation	20.00	Equity method	Yes
CNPC Yueyun Natural Gas Co. Ltd.	Guangdong China	Guangdong China	Gas wholesale and retail	24.00	Equity method	Yes

Note: All joint ventures and associates of the Group are non-listed companies. As at 30 June 2025, the ability to transfer fund from the above joint ventures and associates to the Group is not restricted (31 December 2024: Nil).

VIII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS

1. Information on the parent of the Company

Parent company	Registered place	Business nature	Registered capital	Shareholding percentage (%)	Voting rights percentage (%)
GCGC	Gudongdong province, the PRC	Investment management	26,800,000,000.00	74.12	74.12

The ultimate holding company of the Group is GCGC.

2. Information on the subsidiaries of the Company

Information on the subsidiaries of the Company is disclosed in Note VII Interests in other entities.

3. Information on joint ventures and associates

For information about the joint ventures and associates of the Group, refer to Note V.2 Long-term equity investments.

4. Information on other related parties

Other related parties	Related party relationships
Guangdong Bo-Da Expressway Company Limited	Controlled by the ultimate holding company
Guangdong Chao-Hui Expressway Company Limited	Controlled by the ultimate holding company
Guangdong Chaoshan Circle Line Expressway Co., Ltd.	Controlled by the ultimate holding company
Guangdong Dachao Expressway Co., Ltd.	Controlled by the ultimate holding company
Guangdong Oriental Thought Co., Ltd.	Controlled by the ultimate holding company
Guangdong Guangfozhao Expressway Company Limited	Controlled by the ultimate holding company
Guangdong Guanghui Expressway Co., Ltd.	Controlled by the ultimate holding company
Guangdong Guangle Expressway Co., Ltd.	Controlled by the ultimate holding company
Guangdong Guangzhu Expressway West Section Co., Ltd.	Controlled by the ultimate holding company

VIII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS *(CONTINUED)*

1. Information on the parent of the Company *(Continued)*

Other related parties	Related party relationships
Guangdong Humen Bridge Co., Ltd.	Controlled by the ultimate holding company
Guangdong Jiangzhong Expressway Co., Ltd.	Controlled by the ultimate holding company
Guangdong Yunmao Expressway Co., Ltd.	Controlled by the ultimate holding company
Guangdong Jiaoke Testing Co., Ltd.	Controlled by the ultimate holding company
Guangdong Traffic Industry Investment Co., Ltd.	Controlled by the ultimate holding company
Guangdong Kaiyang Expressway Co., Ltd.	Controlled by the ultimate holding company
Guangdong Lea Top Technology Investment Co. Ltd.	Controlled by the ultimate holding company
Guangdong Lea Top Development Investment Co. Ltd.	Controlled by the ultimate holding company
Guangdong Union Electronic Services Co., Ltd.	Controlled by the ultimate holding company
Guangdong Maozhan Expressway Co., Ltd.	Controlled by the ultimate holding company
Guangdong Meihe Expressway Co., Ltd.	Controlled by the ultimate holding company
Guangdong Meiping Expressway Co., Ltd.	Controlled by the ultimate holding company
Guangdong Ninghua Expressway Co., Ltd.	Controlled by the ultimate holding company
Guangdong Pingxing Expressway Co., Ltd.	Controlled by the ultimate holding company
Guangdong Shanfen Expressway Co., Ltd.	Controlled by the ultimate holding company
Guangdong Provincial Expressway Development Co., Ltd.	Controlled by the ultimate holding company
Guangdong Provincial Freeway Co., Ltd.	Controlled by the ultimate holding company
Guangdong Provincial Highway Construction Co., Ltd.	Controlled by the ultimate holding company

VIII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS *(CONTINUED)*

1. Information on the parent of the Company *(Continued)*

Other related parties	Related party relationships
Guangdong Province Gongbei Vehicles Automobile Transportation Co., Ltd.	Controlled by the ultimate holding company
GCG Finance	Controlled by the ultimate holding company
Guangdong Province Road & Bridge Construction Development Co., Ltd.	Controlled by the ultimate holding company
Guangdong Taishan Coastal Expressway Co., Ltd.	Controlled by the ultimate holding company
Guangdong Xinyue Transportation Investment Co., Ltd.	Controlled by the ultimate holding company
Guangdong Yangmao Expressway Co., Ltd.	Controlled by the ultimate holding company
Guangdong Yuetongbao E-commerce Co., Ltd.	Controlled by the ultimate holding company
Guangdong Zhaoyang Expressway Co., Ltd.	Controlled by the ultimate holding company
Guangdong Zihui Expressway Co., Ltd.	Controlled by the ultimate holding company
Guangfo Expressway Co., Ltd.	Controlled by the ultimate holding company
Guang-Shen-Zhu Expressway Co., Ltd.	Controlled by the ultimate holding company
Heyuan Helong Expressway Co., Ltd.	Controlled by the ultimate holding company
Jingzhu Expressway Guangzhu Section Co., Ltd.	Controlled by the ultimate holding company
Kee Kwan Motor Road Co., Ltd.	Controlled by the ultimate holding company
Shenzhen Yueyun Investment Development Company Limited	Controlled by the ultimate holding company
Weisheng Transportation Enterprises Co., Ltd.	Controlled by the ultimate holding company
Guangzhou Xinyue Asphalt Co., Ltd.	Controlled by the ultimate holding company

VIII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS *(CONTINUED)*

1. Information on the parent of the Company *(Continued)*

Other related parties	Related party relationships
Yunfu City Guangyun Expressway Co., Ltd.	Controlled by the ultimate holding company
Dongguan Weisheng International Logistics Company Limited	Controlled by the ultimate holding company
Guangdong Lea Top Property Development Company Limited	Controlled by the ultimate holding company
Xin Yue (Guangzhou) Financial Leasing Co., Ltd.	Controlled by the ultimate holding company
Guangdong Lisheng Asset Operation Co., Ltd.	Controlled by the ultimate holding company
Guangdong Hualu Traffic Technology Co., Ltd.	Controlled by the ultimate holding company
Guangdong Provincial Transportation Development Co., Ltd	Controlled by the ultimate holding company
Guangdong Traffic Industry Investment Co., Ltd.	Controlled by the ultimate holding company
Guangdong Yuetongbao E-commerce Co., Ltd.	Controlled by the ultimate holding company
Guangzhou Xinyue Asphalt Co., Ltd.	Controlled by the ultimate holding company
Zhaoqing Yuezhao Highway Co., Ltd.	Joint venture of the ultimate holding company
Poly Changda Engineering Co., Ltd.	Associates of the ultimate controlling party
Guangdong Jingzhu Expressway Guangzhu North Section Co., Ltd.	Associates of the ultimate controlling party
Shenzhen Huiyan Expressway Co., Ltd.	Associates of the ultimate controlling party
Foshan Guangsan Expressway Co., Ltd.	Associates of the ultimate controlling party

VIII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS *(CONTINUED)*

5. Transactions between the Group and its related parties for the period

Transactions between the Group and its related parties for the period

Related party transactions that constitute to continuing connected transactions under Chapter 14A of the Listing Rules.

β Related party transactions that constitute to connected transactions under Chapter 14A of the Listing Rules.

The following related party transactions are conducted based on normal commercial terms or according to relevant agreements.

1) Purchases and rendering and receipt of services

Purchases and receipt of services

Related parties	Caption	Amount for the period	Amount for the previous period
Guangdong Yuehuahui	Purchase of materials	**15,864,706.46**	13,906,448.92
Shaoguan Libao Technology Company Limited	Purchase of materials	**286,637.17**	189,263.27
Total		**16,151,343.63**	14,095,712.19
Guangdong Humen Bridge Co., Ltd.#	Receipt of services	**2,558,063.25**	2,707,633.43
Guangzhou Hehe Intelligent Technology Co., Ltd.	Receipt of services	**2,057,303.30**	2,974,103.10
Others[β]	Receipt of services	**2,198,088.76**	1,941,618.62
Total		**6,813,455.31**	7,623,355.15

VIII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS *(CONTINUED)*

5. Transactions between the Group and its related parties for the period *(Continued)*

1) Purchases and rendering and receipt of services (Continued)

Sales of goods and rendering of services

Related parties	Descriptions	Amount for the period	Amount for the previous period
Guangdong Zhongyou Top-E Energy Trading Company Limited	Expressway service operation income	–	940,590.29
Guangdong Yuehuahui	Expressway service operation income	**1,320,292.48**	908,144.17
Guangdong Provincial Transportation Development Co., Ltd	Expressway service operation income	**1,065,892.18**	1,597,447.98
Others	Expressway service operation income	**1,486,296.08**	597,457.50
Total		**3,872,480.74**	4,043,639.94
Express Cross-Border Coach Management Company Limited[#]	Logistics service income	**2,373,182.79**	1,878,999.41
Guangdong Lea Top Technology Investment Co. Ltd.[#]	Logistics service income	**744,885.44**	–
Others[#]	Logistics service income	**1,819,918.45**	2,242,219.26
Total		**4,937,986.68**	4,121,218.67
Others	Repairing income	**–**	594,208.30
Total		**–**	594,208.30
Guangdong Union Electronic Services Co., Ltd.	Rendering of other services income	**4,727,956.13**	–
Others[β]	Rendering of other services income	**–**	517,599.52
Total		**4,727,956.13**	517,599.52

VIII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS *(CONTINUED)*

5. Transactions between the Group and its related parties for the period *(Continued)*

1) Purchases and rendering and receipt of services (Continued)

Sales of goods and rendering of services (Continued)

Related parties	Descriptions	Amount for the period	Amount for the previous period
Guangdong Province Road & Bridge Construction Development Co., Ltd.#	Road rescue service income	**9,879,662.16**	9,827,643.78
Guangdong Provincial Freeway Co., Ltd.#	Road rescue service income	**7,891,905.42**	13,347,755.16
Guangdong Provincial Highway Construction Co., Ltd.#	Road rescue service income	**3,759,027.00**	3,759,027.00
Guangdong Chao-Hui Expressway Company Limited#	Road rescue service income	**2,969,859.90**	2,846,593.86
Guangdong Guangle Expressway Co., Ltd.#	Road rescue service income	**2,381,603.76**	2,381,601.60
Guangdong Guangfozhao Expressway Company Limited#	Road rescue service income	**1,402,379.70**	1,402,379.70
Guangdong Guanghui Expressway Co., Ltd.#	Road rescue service income	**1,234,905.66**	1,234,905.66
Guangdong Bo-Da Expressway Company Limited#	Road rescue service income	**1,194,899.58**	919,972.62
Guangdong Meihe Expressway Co., Ltd.#	Road rescue service income	**1,156,882.08**	1,156,882.08
Guang-Shen-Zhu Expressway Co., Ltd.#	Road rescue service income	**1,072,297.20**	838,832.52
Guangdong Yunmao Expressway Co., Ltd.#	Road rescue service income	**1,041,009.42**	1,041,009.42
Guangdong Kaiyang Expressway Co., Ltd.#	Road rescue service income	**1,010,377.38**	1,010,377.38

VIII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS *(CONTINUED)*

5. Transactions between the Group and its related parties for the period *(Continued)*

1) Purchases and rendering and receipt of services (Continued)

Sales of goods and rendering of services (Continued)

Related parties	Descriptions	Amount for the period	Amount for the previous period
Guangdong Dachao Expressway Co., Ltd.#	Road rescue service income	**968,422.62**	968,422.62
Guangdong Zhaoyang Expressway Co., Ltd.#	Road rescue service income	**947,445.30**	947,445.30
Guangdong Maozhan Expressway Co., Ltd.#	Road rescue service income	**846,736.32**	433,018.86
Guangdong Pingxing Expressway Co., Ltd.#	Road rescue service income	**790,211.34**	790,211.30
Guangdong Taishan Coastal Expressway Co., Ltd.#	Road rescue service income	**691,859.88**	691,859.88
Guangdong Ninghua Expressway Co., Ltd.#	Road rescue service income	**673,945.74**	673,945.74
Guangdong Provincial Expressway Development Co., Ltd.#	Road rescue service income	**641,509.44**	641,509.44
Guangdong Yangmao Expressway Co., Ltd.#	Road rescue service income	**639,584.88**	639,584.88
Guangdong Chaoshan Circle Line Expressway Co., Ltd.#	Road rescue service income	**621,406.14**	596,443.38
Guangdong Zihui Expressway Co., Ltd.#	Road rescue service income	**620,740.56**	620,740.56
Others#	Road rescue service income	**2,983,203.42**	2,833,860.53
Total		**45,419,874.90**	49,604,023.27

VIII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS *(CONTINUED)*

5. Transactions between the Group and its related parties for the period *(Continued)*

2) Entrusted management and outsourcing

(1) Entrusted management:

Consignor	Contractor	Contract object	Start date	End date	Pricing basis	Contract cost for the period
Guang-Shen-Zhu Expressway Co., Ltd.	Guangdong Highway Media Company Limited	Expressway advertisement resources operation	2010-12-01	2027-06-30	Negotiated price	2,616,719.43
Foshan Guangsan Expressway Co., Ltd.	Guangdong Highway Media Company Limited	Expressway advertisement resources operation	2012-10-10	Termination date of the highway toll	Negotiated price	1,063,786.30
Guangdong Provincial Freeway Co., Ltd.	Guangdong Highway Media Company Limited	Expressway advertisement resources operation	2008-08-22	Termination date of the highway toll	Negotiated price	716,878.71
Guangfo Expressway Co., Ltd.	Guangdong Highway Media Company Limited	Expressway advertisement resources operation	2009-01-01	Termination date of the highway toll	Negotiated price	516,523.07
Guangdong Provincial Highway Construction Co., Ltd.	Guangdong Highway Media Company Limited	Expressway advertisement resources operation	2008-09-01	Termination date of the highway toll	Negotiated price	472,024.10
Guangdong Province Road & Bridge Construction Development Co., Ltd.	Guangdong Highway Media Company Limited	Expressway advertisement resources operation	2009-07-15	Termination date of the highway toll	Negotiated price	224,411.55
Others	Guangdong Highway Media Company Limited	Expressway advertisement resources operation			Negotiated price	2,508,438.62
Weisheng Freight Enterprises Co., Ltd. #	The Motor Transport Company of Guangdong and Hong Kong Limited	Passenger transportation contracting fee	2024-01-01	2026-12-31	Negotiated price	2,529,271.80
Weisheng Freight Enterprises Co., Ltd. #	The Motor Transport Company of Guangdong and Hong Kong Limited	Disbursements of passenger transportation contracting fee	2024-01-01	2026-12-31	Negotiated price	1,872,754.62

VIII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS *(CONTINUED)*

5. Transactions between the Group and its related parties for the period *(Continued)*

2) Entrusted management and outsourcing (Continued)

(2) Outsourcing:

Consignor	Contractor	Contract object	Start date	End date	Pricing basis	Contract expense for the period
The Motor Transport Company of Guangdong and Hong Kong Limited	Weisheng Freight Enterprises Co., Ltd. #	Freight transportation outsourcing income	2024-01-01	2026-12-31	Negotiated price	1,378,500.00
The Motor Transport Company of Guangdong and Hong Kong Limited	Weisheng Freight Enterprises Co., Ltd. #	Disbursements	2024-01-01	2026-12-31	Negotiated price	370,111.87

3) Lease

(1) The Group as the lessor:

Lessee	Type of assets leased	Lease income recognised for the period	Lease income recognised for the previous period
Express Cross-Border Coach Management Company Limited	Buildings and structures	184,981.83	139,153.50

VIII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS *(CONTINUED)*

5. Transactions between the Group and its related parties for the period *(Continued)*

3) Lease (Continued)

(2) The Group as the lessee:

(i) The Group's acquisition of right-of-use assets:

Lessor	Type of assets leased	Amount for the period	Amount for the previous period
Guangdong Provincial Freeway Co., Ltd.	Buildings and structures	**66,001,266.09**	–
Guangdong Provincial Expressway Development Co., Ltd.	Buildings and structures	**4,522,592.74**	–
Guangdong Lea Top Property Development Company Limited#	Buildings and structures	–	18,786,232.83
Guangdong Guangzhu Expressway West Section Co., Ltd.	Buildings and structures	–	8,155,389.60

VIII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS *(CONTINUED)*

5. Transactions between the Group and its related parties for the period *(Continued)*

3) Lease (Continued)

(2) The Group as the lessee: (Continued)

(ii) Lease of expressway service zone

Lessor	Lessee	Type of assets leased	Start date	End date	Basis of pricing	Leasing expenses for the period
Guangdong Provincial Freeway Co., Ltd. #	Guangdong Tongyi Expressway Service Area Co., Ltd.	Expressway services	2003-04-03	2045-09-25	Negotiated price	26,159,301.75
Guangdong Kaiyang Expressway Co., Ltd. #	Guangdong Tongyi Expressway Service Area Co., Ltd.	Expressway services	2020-07-09	2027-07-23	Negotiated price	25,281,733.83
Guangdong Humen Bridge Co., Ltd.#	Guangdong Tongyi Expressway Service Area Co., Ltd.	Expressway services	2022-01-08	2029-05-08	Negotiated price	8,822,504.34
Guangdong Yangmao Expressway Co., Ltd. #	Guangdong Tongyi Expressway Service Area Co., Ltd.	Expressway services	2004-12-01	2029-11-30	Negotiated price	7,397,790.93
Guangdong Zihui Expressway Co., Ltd. #	Guangdong Tongyi Expressway Service Area Co., Ltd.	Expressway services	2020-12-28	Termination date of the highway toll	Negotiated price	6,941,792.46
Guangdong Guangzhu Expressway West Section Co., Ltd. #	Guangdong Tongyi Expressway Service Area Co., Ltd.	Expressway services	2013-01-25	2038-01-23	Negotiated price	5,091,255.36
Guangdong Chao-Hui Expressway Company Limited#	Guangdong Tongyi Expressway Service Area Co., Ltd.	Expressway services	2003-12-29	2045-06-17	Negotiated price	4,866,742.03

VIII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS *(CONTINUED)*

5. Transactions between the Group and its related parties for the period *(Continued)*

3) Lease (Continued)

(2) The Group as the lessee: (Continued)

(ii) Lease of expressway service zone *(Continued)*

Lessor	Lessee	Type of assets leased	Start date	End date	Basis of pricing	Leasing expenses for the period
Guangdong Guangle Expressway Co., Ltd.#	Guangdong Tongyi Expressway Service Area Co., Ltd.	Expressway services	2014-09-27	2039-09-26	Negotiated price	4,845,025.77
Guangdong Province Road & Bridge Construction Development Co., Ltd.#	Guangdong Tongyi Expressway Service Area Co., Ltd.	Expressway services	2010-07-01	2040-12-31	Negotiated price	4,303,474.37
Lufeng Shen-Shan Expressway Services Company Limited#	Guangdong Tongyi Expressway Service Area Co., Ltd.	Expressway services	2021-09-20	2030-09-19	Negotiated price	3,919,481.16
Guangdong Guangfozhao Expressway Company Limited#	Guangdong Tongyi Expressway Service Area Co., Ltd.	Expressway services	2016-12-31	2041-12-31	Negotiated price	3,743,581.41
Guangdong Ninghua Expressway Co., Ltd.#	Guangdong Tongyi Expressway Service Area Co., Ltd.	Expressway services	2020-07-30	2042-09-27	Negotiated price	3,101,411.04
Guang-Shen-Zhu Expressway Co., Ltd.#	Guangdong Tongyi Expressway Service Area Co., Ltd.	Expressway services	2018-02-01	2027-06-30	Negotiated price	2,078,227.54

VIII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS *(CONTINUED)*

5. Transactions between the Group and its related parties for the period *(Continued)*

3) Lease (Continued)

(2) The Group as the lessee: (Continued)

(ii) Lease of expressway service zone *(Continued)*

Lessor	Lessee	Type of assets leased	Start date	End date	Basis of pricing	Leasing expenses for the period
Guangdong Bo-Da Expressway Company Limited#	Guangdong Tongyi Expressway Service Area Co., Ltd.	Expressway services	2013-03-31	2039-12-27	Negotiated price	1,952,402.45
Guangdong Meihe Expressway Co., Ltd.#	Guangdong Tongyi Expressway Service Area Co., Ltd.	Expressway services	2005-11-30	2033-12-27	Negotiated price	1,512,182.36
Guangdong Provincial Expressway Development Co., Ltd.#	Guangdong Tongyi Expressway Service Area Co., Ltd.	Expressway services	2012-12-26	2036-03-14	Negotiated price	1,253,101.60
Guangdong Dachao Expressway Co., Ltd.#	Guangdong Tongyi Expressway Service Area Co., Ltd.	Expressway services	2020-12-28	2045-12-29	Negotiated price	1,166,158.37
Guangdong Zhaoyang Expressway Co., Ltd.#	Guangdong Tongyi Expressway Service Area Co., Ltd.	Expressway services	2011-01-01	2039-12-31	Negotiated price	1,066,640.09
Guangdong Maozhan Expressway Co., Ltd.#	Guangdong Tongyi Expressway Service Area Co., Ltd.	Expressway services	2004-11-26	2040-12-29	Negotiated price	1,047,650.01
Others#	Guangdong Tongyi Expressway Service Area Co., Ltd.	Expressway services			Negotiated price	19,728,086.81

VIII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS *(CONTINUED)*

5. Transactions between the Group and its related parties for the period *(Continued)*

3) Lease (Continued)

(2) The Group as the lessee: (Continued)

(ii) Lease of expressway service zone *(Continued)*

Lessor	Lessee	Type of assets leased	Start date	End date	Basis of pricing	Leasing expenses for the period
Guangdong Provincial Freeway Co., Ltd.#	Guangdong Yueyun Transportation Company Limited.	Expressway services	2024-05-01	2041-09-29	Negotiated price	4,086,050.50
Guangdong Provincial Freeway Co., Ltd.#	Guangdong Yueyun Transportation Company Limited.	Expressway services	2024-08-25	2046-06-14	Negotiated price	5,013,230.66
Others#	Guangdong Yueyun Transportation Company Limited.	Expressway services			Negotiated price	199,131.41
Guangdong Guangzhu Expressway West Section Co., Ltd.#	Guangdong Highway Media Company Limited	Expressway advertisement resources operation	2024-01-01	2026-11-30	Negotiated price	2,584,599.68
Others#	Guangdong Highway Media Company Limited	Expressway advertisement resources operation			Negotiated price	669,282.93

Note: The Group has applied CAS No. 21–Leases (Revised) ("new leases standard") since 1 January 2019. Under new leases standard, service area management contracting expenses include depreciation expense of right-of-use assets, interest expenses of lease liabilities, and variable lease payments not included in the measurement of lease liabilities.

VIII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS *(CONTINUED)*

5. Transactions between the Group and its related parties for the period *(Continued)*

3) Lease (Continued)

(2) The Group as the lessee: (Continued)

(iii) Others

Lessor	Type of assets leased	Leasing expenses in for the period	Leasing expenses for the previous period
Guangdong Lea Top Property Development Company Limited[β]	Buildings and structures	**3,288,949.32**	3,403,958.88
Guangdong Lisheng Asset Operation Co., Ltd.[β]	Buildings and structures	**2,743,475.84**	3,694,289.46
Guangdong Province Gongbei Vehicles Automobile Transportation Co., Ltd.[β]	Buildings and structures	**–**	144,000.00
Kee Kwan Motor Road Co., Ltd.[β]	Buildings and structures	**–**	409,761.47
Others[β]	Buildings and structures	**253,834.96**	435,609.18

Note: The leasing expenses above include depreciation expense of right-of-use assets, interest expenses of lease liabilities, and short-term lease payments.

VIII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS *(CONTINUED)*

5. Transactions between the Group and its related parties for the period *(Continued)*

4) Guarantees

As at 30 June 2025, the Group has no guarantees to related parties.

5) Borrowing from and lending to related parties

Related parties	Annual interest rate	As at 1 January 2025	Loan amount	Repayment	As at 30 June 2025	Start date	End date
GCG Finance	3.25%	18,000,000.00	–	1,600,000.00	16,400,000.00	2024-02-02	2027-02-02
GCG Finance	2.95%	12,500,000.00	–	500,000.00	12,000,000.00	2018-01-25	2028-01-24
GCG Finance	2.95%	5,000,000.00	–	–	5,000,000.00	2018-05-28	2028-05-27
GCG Finance	2.95%	15,000,000.00	–	–	15,000,000.00	2018-08-09	2028-08-08
Total		50,500,000.00	–	2,100,000.00	48,400,000.00		

6) Interest expenses

Related parties	Descriptions	Amount for the period	Amount for the previous period
GCG Finance	Loan interest expense	**704,970.11**	937,099.30
Total		**704,970.11**	937,099.30

7) Cash pool arrangement

Pursuant to the relevant agreements, the Group centrally collects and manages the funds from bank accounts (the "Cash Pool Accounts") of certain related party companies. The funds received are recorded as "other payables" and bear the same interest rate as demand deposit. In amount for the period, the above deposit interest rate is from 0.05% to 0.10%（Amount for the previous period：0.10% to 0.20%).

VIII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS *(CONTINUED)*

5. Transactions between the Group and its related parties for the period *(Continued)*

8) Compensation for key management personnel

Item	Amount for the period	Amount for the previous period
Compensation for key management personnel	**2,528,967.99**	2,547,598.79

6. Amounts due from/to related parties

1) Amounts due from related parties

		30 June 2025		31 December 2024	
Items	Related parties	Amount	Provision for bad and doubtful debts	Amount	Provision for bad and doubtful debts
Accounts receivable	Guangdong Humen Bridge Co., Ltd.	**47,020,717.59**	**2,351,035.88**	3,813,028.80	190,651.44
	Guangdong Provincial Freeway Co., Ltd.	**2,924,591.04**	**412,118.78**	3,521,013.97	446,429.68
	Guangdong Province Road & Bridge Construction Development Co., Ltd.	**2,846,769.60**	**142,338.47**	3,216,727.97	160,538.55
	Express Cross-Border Coach Management Company Limited	**1,884,681.69**	**94,234.08**	509,322.00	53,247.30
	Guangdong Meihe Expressway Co., Ltd.	**1,621,695.97**	**801,127.99**	1,825,135.00	811,299.94
	Dongguan Weisheng International Logistics Company Limited	**1,519,059.60**	**732,998.81**	1,519,059.60	372,188.45
	Guangdong Guanghui Expressway Co., Ltd.	**1,419,601.21**	**108,606.06**	372,401.19	18,620.06
	Guangdong Zhaoyang Expressway Co., Ltd.	**1,296,699.17**	**64,834.97**	830,354.33	41,517.72
	Nanyuetong	**1,049,594.97**	**13,761.53**	1,020,395.87	51,019.81
	Guangdong Zhongyou Top-E Energy Trading Company Limited	**847,566.81**	**42,378.34**	–	–
	Guangdong Provincial Highway Construction Co., Ltd.	**718,427.21**	**35,921.37**	2,010,500.62	100,525.04
	Guangdong Chao-Hui Expressway Company Limited	**661,616.53**	**33,080.82**	598,228.87	29,911.44

VIII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS *(CONTINUED)*

6. Amounts due from/to related parties *(Continued)*

1) Amounts due from related parties (Continued)

Items	Related parties	30 June 2025 Amount	30 June 2025 Provision for bad and doubtful debts	31 December 2024 Amount	31 December 2024 Provision for bad and doubtful debts
	Guangdong Guangle Expressway Co., Ltd.	541,156.49	30,510.90	534,906.74	30,151.93
	GCGC	489,863.01	489,863.01	489,863.01	489,863.01
	Guangdong Yunmao Expressway Co., Ltd.	435,863.28	21,793.16	381,703.32	19,085.17
	Guangdong Lea Top Technology Investment Co. Ltd.	336,848.40	117,896.94	336,848.40	16,842.42
	Guangdong Guangfozhao Expressway Company Limited	297,304.50	14,865.23	297,304.50	14,865.23
	Guangdong Kaiyang Expressway Co., Ltd.	214,200.00	10,710.00	214,200.00	10,710.00
	Guangdong Maozhan Expressway Co., Ltd.	179,508.08	8,975.40	91,800.00	4,590.00
	Poly Changda Engineering Co., Ltd.	151,273.64	7,563.68	802,110.02	40,105.50
	Guangdong Shanfen Expressway Co., Ltd.	90,499.35	4,524.97	90,499.35	4,524.97
	Zhuhai Wandatong Hongkong-Zhuhai-Macau Bridge Port Passenger Service Co.Ltd.	-	-	759,005.00	262,753.15
	Others	3,177,529.72	227,930.27	2,560,350.39	213,827.29
	Total	69,725,067.86	5,767,070.66	25,794,758.95	3,383,268.10

VIII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS *(CONTINUED)*

6. Amounts due from/to related parties *(Continued)*

1) Amounts due from related parties (Continued)

Items	Related parties	30 June 2025 Amount	30 June 2025 Provision for bad and doubtful debts	31 December 2024 Amount	31 December 2024 Provision for bad and doubtful debts
Prepayments	Guangdong Union Electronic Services Co., Ltd.	**3,147,769.76**	**–**	1,124,894.48	–
	Guangdong Provincial Freeway Co., Ltd.	**917,961.26**	**–**	209,419.72	–
	Jingzhu Expressway Guangzhu Section Co., Ltd.	**883,293.30**	**–**	–	–
	Guangfo Expressway Co., Ltd.	**706,047.72**	**–**	–	–
	Shaoguan Libao Technology Company Limited	**651,690.00**	**–**	11,532.00	–
	Guangdong Provincial Highway Construction Co., Ltd.	**495,808.45**	**–**	382,926.00	–
	Guangdong Jingzhu Expressway Guangzhu North Section Co., Ltd.	**382,926.00**	**–**	3,343.64	–
	Guangdong Lea Top Development Investment Co. Ltd.	**201,161.79**	**–**	201,161.79	–
	Guangdong Guangfozhao Expressway Company Limited	**–**	**–**	243,336.86	–
	Others	**686,826.03**	**–**	73,059.98	–
	Total	**8,073,484.31**		2,249,674.47	

VIII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS *(CONTINUED)*

6. Amounts due from/to related parties *(Continued)*

1) Amounts due from related parties (Continued)

Items	Related parties	30 June 2025 Amount	30 June 2025 Provision for bad and doubtful debts	31 December 2024 Amount	31 December 2024 Provision for bad and doubtful debts
Other receivables	Guangdong Lisheng Asset Operation Co., Ltd.	41,540,220.00	–	41,567,188.00	–
	Guang-Shen-Zhu Expressway Co., Ltd.	3,058,200.00	–	3,563,000.00	–
	Shantou City Automobile Passenger Traffic Centre Co., Ltd.	3,521,868.79	3,521,868.79	3,521,868.79	3,326,475.39
	Shantou City Chaonan Yueyun Sky Island Transportation Co., Ltd.	3,005,433.26	3,005,433.26	3,005,433.26	3,005,433.26
	Guangdong Provincial Freeway Co., Ltd.	3,002,095.81	–	3,002,095.81	–
	Weisheng Transportation Enterprises Co., Ltd.	2,531,936.81	391,062.56	2,759,820.19	137,991.01
	Guangdong Province Road & Bridge Construction Development Co., Ltd.	1,830,000.00	–	2,000,000.00	–
	Guangdong Guangzhu Expressway West Section Co., Ltd.	1,628,300.00	–	1,628,300.00	–
	Guangdong Provincial Highway Construction Co., Ltd.	1,335,000.00	–	1,335,000.00	–
	Guangdong Maozhan Expressway Co., Ltd.	1,000,000.00	–	1,000,000.00	–
	Lufeng Shen-Shan Expressway Services Company Limited	1,000,000.00	–	1,000,000.00	–
	Guangdong Kaiyang Expressway Co., Ltd.	1,066,000.00	–	66,000.00	–
	Guangdong Union Electronic Services Co., Ltd.	999,959.81	644.74	930,343.28	70.74
	Guangdong Guangfozhao Expressway Company Limited	900,000.00	–	900,000.00	–
	Guangdong Yangmao Expressway Co., Ltd.	500,000.00	–	500,000.00	–
	Guangdong Chao-Hui Expressway Company Limited	401,000.00	–	401,000.00	–

VIII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS *(CONTINUED)*

6. Amounts due from/to related parties *(Continued)*

1) Amounts due from related parties (Continued)

Items	Related parties	30 June 2025 Amount	30 June 2025 Provision for bad and doubtful debts	31 December 2024 Amount	31 December 2024 Provision for bad and doubtful debts
	Guangdong Guangle Expressway Co., Ltd.	330,000.00	–	330,000.00	–
	Guangdong Bo-Da Expressway Company Limited	300,000.00	–	300,000.00	–
	Guangdong Yunmao Expressway Co., Ltd.	300,000.00	–	300,000.00	–
	Guangdong Provincial Transportation Development Co., Ltd	300,000.00	–	–	–
	Hui Ke Tong Technology (Zhuhai) Company Limited	262,426.02	26,242.60	–	–
	Guangdong Lea Top Property Development Company Limited	217,734.00	–	–	–
	Guangdong Guangye Yueyun Natural Gas Company Limited	204,782.53	42,524.40	204,782.53	42,524.40
	Others	2,742,689.72	238,211.41	2,605,200.02	115,299.57
	Total	71,977,646.75	7,225,987.76	70,920,031.88	6,627,794.37
Dividends receivable	Shaoguan Libao Technology Company Limited	–	–	440,000.00	–
	Total	–		440,000.00	

VIII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS *(CONTINUED)*

6. Amounts due from/to related parties *(Continued)*

2) Amounts due to related parties

Items	Related parties	30 June 2025	31 December 2024
Accounts payable	Guangdong Provincial Freeway Co., Ltd.	61,014,970.50	39,071,823.31
	Guangdong Yunmao Expressway Co., Ltd.	41,400,297.03	27,816,093.74
	Guangdong Yangmao Expressway Co., Ltd.	37,220,144.32	31,223,628.03
	Guang-Shen-Zhu Expressway Co., Ltd.	12,489,369.12	15,370,935.81
	Jingzhu Expressway Guangzhu Section Co., Ltd.	8,929,251.77	2,008,449.07
	Guangdong Province Road & Bridge Construction Development Co., Ltd.	4,808,116.29	7,514,748.57
	Guangdong Yuehuahui	3,910,861.36	6,381,574.16
	Guangdong Humen Bridge Co., Ltd.	3,159,367.05	1,699,702.58
	Poly Changda Engineering Co., Ltd.	2,328,744.61	2,543,272.91
	Guangdong Maozhan Expressway Co., Ltd.	2,197,331.02	2,482,629.75
	Foshan Guangsan Expressway Co., Ltd.	1,931,187.67	3,321,862.10
	Guangdong Union Electronic Services Co., Ltd.	1,839,137.66	1,099,715.60
	Guangdong Provincial Highway Construction Co., Ltd.	1,241,051.87	1,525,670.99
	Guangfo Expressway Co., Ltd.	1,084,576.73	568,053.66
	Guangdong Guangzhu Expressway West Section Co., Ltd.	1,061,700.00	3,028,879.93
	Guangdong Chao-Hui Expressway Company Limited	1,015,442.53	216,715.23
	Guangdong Xinyue Transportation Investment Co., Ltd.	800,000.00	2,148,124.11
	Guangdong Guangle Expressway Co., Ltd.	505,036.03	258,070.33
	Guangdong Hualu Traffic Technology Co., Ltd.	359,282.00	359,282.00
	Guangdong Kaiyang Expressway Co., Ltd.	295,134.41	70,839.96
	Yunfu City Guangyun Expressway Co., Ltd.	219,345.19	306,716.13
	Shaoguan Libao Technology Company Limited	88,616.50	4,151,695.33
	Guangdong Taishan Coastal Expressway Co., Ltd.	80,499.44	46,546.94
	Kee Kwan Motor Road Co., Ltd.	–	505,661.60
	Others	2,461,782.95	3,946,402.16
	Total	190,441,246.05	157,667,094.00

VIII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS *(CONTINUED)*

6. Amounts due from/to related parties *(Continued)*

2) Amounts due to related parties (Continued)

Items	Related parties	30 June 2025	31 December 2024
Advances from customers	Guangdong Chao-Hui Expressway Company Limited	**465,493.57**	465,493.57
	Guangdong Xinyue Transportation Investment Co., Ltd.	**340,558.40**	340,558.40
	Guangdong Provincial Freeway Co., Ltd.	**319,500.00**	–
	Guangdong Provincial Transportation Development Co., Ltd	**290,099.84**	–
	Guangdong Provincial Highway Construction Co., Ltd.	**217,890.00**	–
	Others	**248,165.18**	135,109.85
	Total	**1,881,706.99**	941,161.82
Contract liabilities	Guangdong Province Road & Bridge Construction Development Co., Ltd.	**3,734,819.27**	3,660,593.12
	Guangdong Yangmao Expressway Co., Ltd.	**904,388.01**	646,068.39
	Guangdong Pingxing Expressway Co., Ltd.	**679,581.70**	–
	Guangdong Yuehuahui	**594,000.03**	–
	Guangdong Meiping Expressway Co., Ltd.	**230,030.54**	–
	Guangdong Provincial Highway Construction Co., Ltd.	**79,142.93**	2,261,211.41
	Guangdong Ninghua Expressway Co., Ltd.	**–**	206,362.90
	Others	**672,780.13**	638,789.21
	Total	**6,894,742.61**	7,413,025.03

VIII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS *(CONTINUED)*

6. Amounts due from/to related parties *(Continued)*

2) Amounts due to related parties (Continued)

Items	Related parties	30 June 2025	31 December 2024
Other payables	GCGC	2,944,346.83	2,944,346.83
	Guangdong Lea Top Property Development Company Limited	1,693,568.78	1,693,568.78
	Guangdong Lea Top Development Investment Co. Ltd.	1,565,843.20	1,565,843.20
	Weisheng Transportation Enterprises Co., Ltd.	710,917.15	710,917.15
	Shaoguan Libao Technology Company Limited	693,748.00	1,290,203.12
	Guangdong Union Electronic Services Co., Ltd.	514,254.24	530,363.51
	Shenzhen Yueyun Investment Development Company Limited	359,840.92	359,840.92
	Express Cross-Border Coach Management Company Limited	235,647.88	–
	Shantou City Chaoyang Yueyun Sky Island Transportation Co., Ltd.	169,972.76	–
	Guangdong Province Gongbei Vehicles Automobile Transportation Co., Ltd.	–	19,451,211.68
	Kee Kwan Motor Road Co., Ltd.	–	8,886,673.86
	Shaoguan Yuehong Bus Station Company Limited	–	2,026,990.00
	Guang-Shen-Zhu Expressway Co., Ltd.	–	1,171,960.17
	Guangdong Roadnet Innovalues Media Information Technology Co., Ltd.	–	380,000.00
	Others	902,888.78	912,393.98
	Total	9,791,028.54	41,924,313.20
Long-term payables	Xin Yue (Guangzhou) Financial Leasing Co., Ltd.	–	2,200,000.00
	Total	–	2,200,000.00

VIII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS *(CONTINUED)*

6. Amounts due from/to related parties *(Continued)*

2) Amounts due to related parties (Continued)

Items	Related parties	30 June 2025	31 December 2024
Lease liabilities	Guangdong Kaiyang Expressway Co., Ltd.	598,996,595.39	661,467,155.25
	Guangdong Provincial Freeway Co., Ltd.	258,407,019.32	188,760,169.49
	Guangdong Zihui Expressway Co., Ltd.	154,822,530.05	152,181,919.96
	Guangdong Provincial Highway Construction Co., Ltd.	122,288,672.61	156,730,898.50
	Guangdong Province Road & Bridge Construction Development Co., Ltd.	100,257,660.41	105,168,256.81
	Guangdong Chao-Hui Expressway Company Limited	96,420,368.45	94,212,177.17
	Guangdong Guangle Expressway Co., Ltd.	77,168,257.73	83,556,598.62
	Guangdong Ninghua Expressway Co., Ltd.	65,918,357.99	64,569,855.39
	Guangdong Guangzhu Expressway West Section Co., Ltd.	42,673,236.42	49,298,954.91
	Guangdong Guangfozhao Expressway Company Limited	35,086,791.26	37,548,630.33
	Guangdong Bo-Da Expressway Company Limited	32,205,885.96	33,394,734.84
	Guangdong Dachao Expressway Co., Ltd.	30,360,532.31	29,802,078.75
	Lufeng Shen-Shan Expressway Services Company Limited	28,271,287.51	27,691,087.27
	Guangdong Provincial Expressway Development Co., Ltd.	25,322,055.67	20,209,145.23
	Guangdong Meihe Expressway Co., Ltd.	19,799,814.89	22,360,742.24
	Guangdong Zhaoyang Expressway Co., Ltd.	18,063,682.55	17,550,464.78
	Guangdong Pingxing Expressway Co., Ltd.	17,343,536.01	16,947,542.17
	Guangdong Yangmao Expressway Co., Ltd.	11,264,615.83	12,632,497.00
	Guang-Shen-Zhu Expressway Co., Ltd.	10,871,776.89	16,495,243.31
	Guangdong Maozhan Expressway Co., Ltd.	9,648,166.54	9,410,422.51
	Guangdong Jiangzhong Expressway Co., Ltd.	7,032,981.92	6,977,648.03
	Guangdong Provincial Transportation Development Co., Ltd	6,898,195.87	7,660,541.95
	Heyuan Helong Expressway Co., Ltd.	6,102,021.43	7,245,907.26
	Guangdong Meiping Expressway Co., Ltd.	5,887,529.93	5,750,954.90
	Zhaoqing Yuezhao Highway Co., Ltd.	5,153,082.91	4,990,532.79
	Guangdong Taishan Coastal Expressway Co., Ltd.	3,802,658.85	3,733,028.41
	Guangdong Lea Top Property Development Company Limited	3,160,274.66	6,321,677.20
	Jingzhu Expressway Guangzhu Section Co., Ltd.	2,279,709.33	1,687,816.34
	Guangdong Jingzhu Expressway Guangzhu North Section Co., Ltd.	1,288,380.70	1,719,599.67
	Yunfu City Guangyun Expressway Co., Ltd.	1,191,439.65	2,392,549.22
	Guangdong Lisheng Asset Operation Co., Ltd.	–	5,347.90
	Total	1,797,987,119.04	1,848,474,178.20

VIII. RELATED PARTIES AND RELATED PARTY TRANSACTIONS *(CONTINUED)*

6. Amounts due from/to related parties *(Continued)*

2) Amounts due to related parties (Continued)

Items	Related parties	30 June 2025	31 December 2024
Non-current liabilities due within one year	Guangdong Provincial Freeway Co., Ltd.	27,553,892.77	20,831,617.46
	Guangdong Kaiyang Expressway Co., Ltd.	17,101,835.42	16,735,314.50
	Guangdong Province Road & Bridge Construction Development Co., Ltd.	10,849,332.68	10,601,126.81
	Lufeng Shen-Shan Expressway Services Company Limited	6,315,155.89	6,171,664.69
	Guang-Shen-Zhu Expressway Co., Ltd.	6,196,403.05	5,775,123.50
	Guangdong Lea Top Property Development Company Limited	6,185,555.41	6,006,311.21
	Guangdong Provincial Highway Construction Co., Ltd.	6,184,089.56	7,439,299.39
	Guangdong Guangzhu Expressway West Section Co., Ltd.	5,138,144.62	5,007,096.38
	Guangdong Zihui Expressway Co., Ltd.	4,653,966.79	4,548,220.66
	Guangdong Chao-Hui Expressway Company Limited	4,610,238.47	4,496,417.51
	Guangdong Guangle Expressway Co., Ltd.	3,819,315.28	3,698,199.25
	Guangdong Shanfen Expressway Co., Ltd.	2,754,788.97	2,738,931.85
	Guangdong Yangmao Expressway Co., Ltd.	2,626,412.51	2,548,430.53
	Guangdong Ninghua Expressway Co., Ltd.	2,522,256.23	2,464,946.23
	Guangdong Meihe Expressway Co., Ltd.	2,251,749.42	2,185,072.72
	Guangdong Jiangzhong Expressway Co., Ltd.	2,199,605.74	2,147,004.13
	Guangdong Maozhan Expressway Co., Ltd.	2,113,823.19	2,058,036.66
	Guangdong Bo-Da Expressway Company Limited	1,810,267.69	1,759,193.09
	Guangdong Guangfozhao Expressway Company Limited	1,578,148.78	1,541,234.86
	Guangdong Provincial Expressway Development Co., Ltd.	1,337,240.68	1,176,605.92
	Guangdong Taishan Coastal Expressway Co., Ltd.	1,319,928.00	1,289,936.96
	Yunfu City Guangyun Expressway Co., Ltd.	1,140,395.16	1,113,123.63
	Guangdong Zhaoyang Expressway Co., Ltd.	1,044,079.03	1,012,393.12
	Heyuan Helong Expressway Co., Ltd.	915,317.51	888,140.42
	Guangdong Dachao Expressway Co., Ltd.	796,510.31	778,412.23
	Zhaoqing Yuezhao Highway Co., Ltd.	795,488.18	773,219.46
	Guangdong Pingxing Expressway Co., Ltd.	773,176.12	754,686.30
	Xin Yue (Guangzhou) Financial Leasing Co., Ltd.	–	2,119,792.00
	Others	977,115.73	976,254.89
	Total	125,564,233.19	119,635,806.36

IX. COMMITMENTS AND CONTINGENCIES

1. Significant commitments

At the balance sheet date, the Group has no significant commitments that need to be disclosed.

2. Contingency

At the balance sheet date, the Group has no significant contingencies that need to be disclosed.

X. EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

As at the date of approval of these financial statements, the Group has no significant events occurring after the balance sheet date that need to be disclosed.

XI. OTHER SIGNIFICANT MATTERS

1. Correction of prior years' accounting errors

During the reporting period, there was no correction of prior years' accounting errors.

2. 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.

XI. OTHER SIGNIFICANT MATTERS *(CONTINUED)*

2. Segment information *(Continued)*

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

XI. OTHER SIGNIFICANT MATTERS *(CONTINUED)*

2. Segment information *(Continued)*

2) Segment reporting (Continued)

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

XII. NOTES TO THE KEY ITEMS OF THE COMPANY'S FINANCIAL STATEMENTS

1. Accounts receivable

1) *Disclosure of accounts receivable by aging*

Aging	30 June 2025	31 December 2024
Within 3 months (inclusive)	**28,733,443.07**	8,921,336.80
Over 3 months but within 6 months (inclusive)	**18,250,282.56**	–
Over 3 years	**6,766,725.67**	6,766,725.67
Sub-total	**53,750,451.30**	15,688,062.47
Less: Provision for bad and doubtful debts	**5,241,940.18**	3,082,110.74
Total	**48,508,511.12**	12,605,951.73

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*

	30 June 2025					31 December 2024				
	Amount		Provision for bad and doubtful debts			Amount		Provision for bad and doubtful debts		
Items	Amount	Percentage (%)	Amount	Percentage (%)	Book value	Amount	Percentage (%)	Amount	Percentage (%)	Book value
Provision for bad debts is made on a collective basis	**53,750,451.30**	**100.00**	**5,241,940.18**	**9.75**	**48,508,511.12**	15,688,062.47	100.00	3,082,110.74	19.65	12,605,951.73
Including:										
Aging portfolio	**52,279,370.42**	**97.26**	**5,241,940.18**	**10.03**	**47,037,430.24**	9,082,781.59	57.90	3,082,110.74	33.93	6,000,670.85
Portfolio of the Group's scope of consolidation	**1,471,080.88**	**2.74**	**-**	**-**	**1,471,080.88**	6,605,280.88	42.10	-	-	6,605,280.88
Total	**53,750,451.30**	**100.00**	**5,241,940.18**		**48,508,511.12**	15,688,062.47	100.00	3,082,110.74		12,605,951.73

XII. NOTES TO THE KEY ITEMS OF THE COMPANY'S FINANCIAL STATEMENTS *(CONTINUED)*

1. Accounts receivable *(Continued)*

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

Provision for bad debts is made on a collective basis:

Items	30 June 2025		
	Amount	Provision for bad and doubtful debts	Provision ratio (%)
Aging portfolio			
Road transportation and other service			
Within 1 year (inclusive)	46,983,725.63	2,349,186.28	5.00
Over 3 years	489,863.01	489,863.01	100.00
Sub-total	47,473,588.64	2,839,049.29	
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	
Portfolio of the Group's scope of consolidation	1,471,080.88	–	
Total	53,750,451.30	5,241,940.18	

XII. NOTES TO THE KEY ITEMS OF THE COMPANY'S FINANCIAL STATEMENTS *(CONTINUED)*

1. Accounts receivable *(Continued)*

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	30 June 2025
Provision for bad debts is made on a collective basis	3,082,110.74	2,159,829.44	–	5,241,940.18
Total	3,082,110.74	2,159,829.44	–	5,241,940.18

2. Investment income

Items	Amount for the period	Amount for the previous period
Income from long-term equity investments under cost method	7,140,000.00	7,810,567.78
Income from long-term equity investments under equity method	3,321,161.66	4,478,625.04
Gains on disposal of long-term equity investments	(18,640,880.29)	4,827,731.84
Total	(8,179,718.63)	17,116,924.66