



# 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



2024

INTERIM REPORT

\* For identification purposes only

# Contents

<b>Company Profile</b>	2
<b>Company Information</b>	3
<b>Financial Highlights</b>	4
<b>Chairman's Statement</b>	6
<b>Management Discussion and Analysis</b>	13
<b>Other Information</b>	31
<b>Unaudited Interim Financial Statements</b>	39
<b>Review Report</b>	39
<b>Consolidated Balance Sheet</b>	40
<b>Company Balance Sheet</b>	43
<b>Consolidated Income Statement</b>	46
<b>Company Income Statement</b>	48
<b>Consolidated Cash Flow Statement</b>	50
<b>Company Cash Flow Statement</b>	54
<b>Consolidated Statement of Changes in Shareholders' Equity</b>	57
<b>Company Statement of Changes in Shareholders' Equity</b>	59
<b>Notes to the Interim Financial Statements</b>	61

## CAUTIONARY STATEMENTS REGARDING FORWARD-LOOKING STATEMENTS

This report may contain certain forward-looking data and/or data that is not based on historical data 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**”) are integrated transportation and logistics service providers. The Company was established in 1999 and the H shares of which became 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 Busine
  - 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 transportation and energy operation in China, with an aim to become a comprehensive transportation service group.

## LEGAL NAME OF THE COMPANY

Guangdong Yueyun Transportation Company Limited

## STOCK CODE

03399

## REGISTERED OFFICE

8th Floor, No. 1731-1735, Airport Road, Guangzhou, Guangdong Province, The People's Republic of 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  
4F, No.61, East Nanjing Road, Huangpu District, Shanghai, China

## PRINCIPAL BANKS

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

## LEGAL ADVISER

Haiwen & Partners LLP (as to Hong Kong laws)  
Suites 1101-1104, 11/F, One Exchange Square,  
8 Connaught Place, Central, Hong Kong

## HONG KONG H SHARE REGISTRAR AND TRANSFER OFFICE

Computershare Hong Kong Investor Services Limited  
17M Floor, Hopewell Centre, 183 Queen's Road East,  
Wanchai, Hong Kong

## Financial Highlights

	30 June 2024 RMB'000	30 June 2023 RMB'000	Change
<b>Results highlights</b>			
Operating income			
Expressway service zones operation	2,621,531	2,388,803	10%
Road passenger transportation and auxiliary services	980,218	1,041,882	(6%)
Taiping Interchange operation and other business*	72,914	67,581	8%
Total operating income	<u>3,674,663</u>	<u>3,498,266</u>	5%
Gross profit			
Expressway service zones operation	336,662	216,887	55%
Road passenger transportation and auxiliary services	(18,295)	26,147	(170%)
Taiping Interchange operation and other business	60,768	55,391	10%
Total gross profit	<u>379,135</u>	<u>298,425</u>	27%
Taxes and surcharges	(21,594)	(22,550)	(4%)
Selling and distribution expenses	(32,928)	(29,118)	13%
General and administrative expenses, and research and development expenses	(250,263)	(214,439)	17%
Finance expenses	(75,507)	(86,573)	(13%)
Other income	145,649	174,779	(17%)
Investment income	50,596	40,197	26%
(Loss of) credit impairment	(11,214)	(8,703)	29%
(Loss of) asset impairment	(560)	–	Not applicable
Gains from asset disposals	6,439	24,084	(73%)
Operating profit	<u>189,754</u>	<u>176,100</u>	8%
Non-operating income and expenses	<u>1,182</u>	<u>1,941</u>	(39%)
Total profit	<u>190,936</u>	<u>178,041</u>	7%
Income tax expenses	<u>(55,332)</u>	<u>(33,949)</u>	63%
Net profit	<u>135,604</u>	<u>144,092</u>	(6%)
Of which: Net profit attributable to shareholders of the parent Company	<u>138,669</u>	<u>122,634</u>	13%
Profit and loss attributable to minority interests	<u>(3,065)</u>	<u>21,458</u>	(114%)
Basic earnings per share (RMB)	<u>0.17</u>	<u>0.15</u>	13%
Diluted earnings per Share (RMB)	<u>0.17</u>	<u>0.15</u>	13%

\* 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 2024	31 December 2023	Change
	RMB'000	RMB'000	
<b>Results highlights</b>			
Total assets	<b>8,592,319</b>	8,603,368	0%
Total net assets	<b>2,630,462</b>	2,616,905	1%
Equity attributable to shareholders of the parent Company	<b>1,985,224</b>	1,914,432	4%
Net assets per share attributable to owners of the Company (RMB)	<u><b>2.48</b></u>	<u>2.39</u>	<u>4%</u>
Gross profit margin	<b>10.32%</b>	8.53%	21%
Interest coverage ratio (times)	<u><b>3.44</b></u>	<u>2.96</u>	<u>16%</u>
Gearing ratio	<b>69.39%</b>	69.58%	0%
Current ratio (times)	<u><b>1.00</b></u>	<u>0.96</u>	<u>4%</u>

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 2024, international economic growth remained resilient and high inflation showed a moderating trend, but the complexity and severity of the economic environment continued to rise, and we are still facing various challenges and risks, such as prolonged high interest rates, debt distress, geopolitical tensions, and a worsening of the climate crisis. The Chinese government has developed new support through the continuous release of the effects of macro policies, the rebound of external demand and the accelerated development of new quality productive forces, which has resulted in the overall stable operation of the national economy, with progress being made amidst steady development, stable growth in production, sustained recovery in demand, overall stable employment and prices, continued increase in residents' income, accelerated growth of new driving forces and new progress in high-quality development.

Against this backdrop, Guangdong Province, being an important engine of China's economy, has responded positively to the call of the State and pushed forward the supply-side structural reforms in depth, with its economy generally characterizing by strong resilience, full of vitality and great potential, as well as various indicators having continued to lead the whole country, making it a benchmark for the promotion of China's high-quality economic development. In the first half of the year, the transportation industry in Guangdong Province maintained a strong growth momentum. By seizing major opportunities such as the "Belt and Road" Initiative and the construction of the Guangdong-Hong Kong-Macao Greater Bay Area, improving its integrated transportation system, strengthening the modernization of its safety management system and capabilities, actively introducing and applying technological innovations, and vigorously promoting new quality productive forces such as new-energy vehicles, autonomous driving and low-altitude economy, the industry has been fueled with new vitality and momentum for development, thereby realizing its stable and orderly operation and high-quality development. The Group kept abreast of the times and aimed at high-quality development. Through the precise implementation of "one enterprise, one strategy", the Group was able to keep its operating fundamentals continuously improving, and achieved steady growth in operating income while making progress in various indicators.

In the second half of the year, we will continue to play a strategic leading role and proactively forge ahead in terms of "changing modes, adjusting structure, improving quality and enhancing efficiency" by focusing on expressway travel services in depth, increasing investment in emerging industries such as photovoltaic and charging piles, facilitating the exit of our domestic road passenger transportation business in a steady and orderly manner, realizing optimization and adjustment of industrial structure, targeting at new industries, serving the new economy, stimulating new momentum and achieving new breakthroughs. With the mission of "serving the society and having better trips", we strive to become a leading integrated service platform for expressway travel services and integrated operation of transportation and energy in China.

Key business developments of the Group in the second half of 2024 are as follows:

## TRAVEL SERVICES SEGMENT

### I. Expressway Service Zones Operation

#### 1. *Energy Business*

- (1) Strengthening the achievements of traditional energy development. The Group will expand its strategic cooperation with energy enterprises and rapidly expand its business scale by taking advantage of the cooperation platform; and continue to promote the cooperation plans with state-owned oil companies to actively carry out resource expansion and strategic alliances. The Group will constantly expand the scale of its self-operated gas stations under "Yueyun Energy" and continue to promote the newly construction, recovery and commencement of operation of gas stations, thereby developing a more intensive terminal sales network of self-operated gas stations.
- (2) Optimizing the energy structure and deploying clean energy. The Group will develop the photovoltaic "source grid load storage integration" new energy project in Dahuai Service Zone and establish a carbon emission management information system, thereby becoming a national benchmarking "zero-carbon" and "low-carbon" demonstration service zone. The Group will accelerate its deployment of new energy industries such as charging piles, battery swap stations and photovoltaics and establish a one-stop platform for the operation and management of battery "charging, discharging and selling" network for all expressways across Guangdong Province, thereby reducing operating costs and achieving carbon emission reduction.
- (3) Broadening the pipeline of oil procurement and proactively planning to ensure supply. The Group will seize the favourable window of sales peaks during the summer transportation season, the Mid-Autumn Festival and the National Day in the second half of the year, and take into account the implementation of the international and domestic refined oil markets to formulate phased procurement strategies, thereby striving to reduce procurement costs; and, at the same time, with reference to the historical sales data of gas stations, timely determine the peak time of sales, and continue to strengthen the connection and communication with gas stations and refined oil suppliers to make timely deployment so as to increase transportation capacity, thereby providing stable and convenient refined oil supply services for past customers.
- (4) Carrying out reform and innovation to expand brand effectiveness. The Group will conduct a series of marketing activities to create characteristics of its self-operated gas stations, and adopt the "one station, one strategy" approach to determine its operating model according to various factors such as the region and route of the gas stations, the traffic flow and the development of the road network.



# Chairman's Statement

## 2. Retail Business

- (1) Continuing to enhance operation capacity of our retail business, expanding the retail network scale of Leyi, our well-known convenience store brand in expressway service areas, and steadily opening more convenience stores.
- (2) Vigorously continuing to develop our group-buying, wholesaling sales business and sharpening our edges in this sector. Our Group's domestic and overseas customer bases will be expanded so as to enlarge the business scale. Coverage of the business will also be extended to diversified products such as grain and oil, stationery and gifts. By relying on an efficient delivery service mechanism, our existing clients' expanded shopping lists will be surely satisfied and our group-buying, wholesaling sales business volume can be increased significantly. While retaining our supply strength in the existing product spectrum, we will keep introducing new products such as labor protection supplies. Marketing campaigns will be carefully designed to successfully enrich our product lines and enhance market attractiveness.
- (3) Proactively carrying out our sales promotion strategy of identifying and introduction of new high-quality products or brands. During the process, the Group will rationally optimize sales categories by establishing a sound mechanism for the management of incoming and outgoing products. In view of the unique characteristics of expressway service areas, a reasonable gross profit margin range for each product category is set and this pricing strategy is strictly implemented. In the second half of the year, we will steadily implementing the said product management efforts according to the established annual category planning and institutional framework to ensure the continuous optimization and update of our product portfolio.
- (4) Actively connecting with the market by formulation and implementation of individualized business strategies according to the actual conditions of different stores. The Group will have centralized planning and adjustments for the business model of human-machine collaboration and unmanned retail. Idle, with expired contract or inefficient stores shall be closed down with an aim to further achieve effective cost control and efficiency enhancement by optimizing store operation models and staff allocation, thereby enhancing the profitability of each store. In the second half of the year, we will continue to flexibly adjust operation tactics of some of our stores in accordance with the plan for adjusting the operating approach of our stores to adapt to market changes and maintain the continuous growth of our business.
- (5) Strengthening the incentive mechanism to promote the revenue generation and management improvement of our stores. We have developed a sales incentive plan for Leyi and implemented a full commission system.

### 3. **Merchant Solicitation Business**

- (1) Continuing to promote quality improvement and upgrade projects within the characteristic service areas under the "Urban and Rural Coordinated Development Project" and strengthening commercial planning to foster exploration the new development model of the "transportation + agriculture, cultural and tourism business" around our expressway service areas. In the second half of the year, we will be forging ahead for the high-quality development of 4 areas namely Changsha Bay, Huangtian, Huangmaohai and Maoming as both characteristic service zones and agricultural demonstration service zones, so as to achieve dual advancement in commercial values and public service standards of these communities.
- (2) Fully utilizing the relevant platform resources, enriching the business model, and enhancing the commercial value of our service areas. We will further subdivide the business formats of our service zones and continue to promote the planning, merchant solicitation and growth of those platform projects. Taking advantage of the "Urban and Rural Coordinated Development Project" and "Rural Revitalization", the Group will actively explore the integration of roads and land, and cooperate with local agricultural, cultural and tourism business resources to further expand the business ecosystem of our service areas. We will further nurture our self-operated brands such as "Yipinhui", "Letuhui" and "Dashihui" through opening more new stores and bolster the core competitiveness of these brands.
- (3) Continuously optimizing the business operation model of our service areas, accelerating business response and improving management efficiency. We will keep learning from our previous experience and improving the commercial operation management system of our service areas. Through training, supervision and other means, the commercial sense and capability of our service area management personnel will be comprehensively enhanced. By reforming the management and organizational structure of our service areas, optimizing the management and control system of our business, gradually carrying out the overall outsourcing of property management, introducing qualified professional property management companies, we will strengthen the property management, improve the management quality as well as reduce the management cost in our service areas.

# Chairman's Statement

## 4. *Advertising business*

- (1) Furthering utilization of our service area resources to make service area advertising a new growth engine of our revenue and profit. For our service areas, we can formulate high-standard advertising facilities planning solutions which will assist brand customers to carry out on-site promotion activities with our vigorous development in digital media business and our sales campaigns.
- (2) Strengthening marketing efforts and reducing under-use advertising resources. We will provide good service to old customers and acquire customers from other segments. For remote areas, we will adopt various measures to support local advertising partners to extend our service coverage and exposure, cater more clients' need as well as strive to employ every kind of resources which are available and feasible.
- (3) Continuously improving the systematic and standardized framework for the development of our event planning business. With comprehensive consideration of many aspects of the event planning business which include project development, product packaging, product promotion, project implementation, customer evaluation, case display and other aspects, the Group has established a matrix project team system to continuously improve our professionalism in project implementation.
- (4) Relying on the expansion in our self-operated business, we will continue to broaden our customer resources and explore the development of external marketing business.

### II. Road Passenger Transportation and Auxiliary Services

#### 1. *Adhering to classified policies and optimizing business structures*

- (1) Focusing on key tasks such as steadily advancing the comprehensive and orderly exit of the passenger transportation business and resolving debt risks, comprehensively implementing industrial transformation and improving in quality and efficiency. The passenger transportation business will actively seek government subsidies, intensify efforts in equity and asset disposal, and accelerate the revitalization and disposal of passenger transport resources. We aim to complete the exit of 2 to 3 regional passenger transportation enterprises within the year.
- (2) Continuously promoting the digitalization of passenger transport. Relying the Didi platform to explore digital passenger transport for achieving full coverage of the existing passenger transportation business information platform and exiting traditional passenger transport routes, transferring resources to off-station and customized passenger transportation businesses, while transferring the resources to off-station and customized passenger transportation businesses.
- (3) Continuing to optimize the personnel structure of the passenger transportation business and continuously optimize the management structure.
- (4) Continuing to promote the disposal of low-effective and ineffective assets of passenger transportation companies. For equity-holding companies with no hope of turning a profit, formulating a "one policy for one enterprise" exit implementation plan and steadily adopting various methods such as overall transfer, business divestiture, spinoff and disposal, withdrawal of enterprise controlling interest, closure and liquidation for disposal, business stripping and splitting, divesting enterprise control, or even closure and liquidation.

# Chairman's Statement

## 2. Continuing to develop expressway vehicle rescue business

- (1) Actively improving service quality. Solidly ensuring a 30-minute on-site punctuality rate and a 60-minute obstacle clearance punctuality rate for road rescue services to enhance highway rescue guarantee efficiency. Leveraging the 5G+AI system to improve service process monitoring and command capabilities; continuing to optimize the layout of rescue stations and utilizing the scale advantages of the road network to further enhance resource output efficiency.
- (2) Building the Yangguang Rescue network (陽光救援網) driven by technology and empowered by data. Through the application of big data, cloud computing and visualization technologies, achieving integrated information, unified platforms and data interoperability for vehicle rescue across the province's highways, which strongly supporting the digital transformation and upgrade of expressway vehicle rescue service for meeting the need for building an ecological road rescue service framework.
- (3) Continuously strengthening the marketing and promotion of gold card membership products to further expand market scale. First, improving and revising the marketing incentive measures following the price increase of membership service products to enhance the marketing enthusiasm of all employees. Second, increasing investment in marketing and promotion to raise the exposure and recognition of the product services.
- (4) Continuing to enhance platform operation cooperation, actively providing technical and business service support, assisting in formulating feasible operation plans, and further increasing the sales scale of Yuetongyilianhe (粵通易聯合) membership products.
- (5) Strengthening cooperation with external business units to leverage industry synergy effects. Continuing to seek partnerships with external units, jointly exploring vehicle rescue service products based on each other's service advantages.

## FUTURE PLANS FOR SIGNIFICANT INVESTMENTS AND CAPITAL ASSETS

As at 30 June 2024, the Group had no other plan for material investments or capital assets.

## KEY BUSINESS DEVELOPMENTS AND FINANCING ARRANGEMENTS FOR THE SECOND HALF OF 2024

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  
22 August 2024

## BUSINESS REVIEW

In the first half of 2024, as China's economy enters a new stage of sustained recovery and steady growth, the Group has closely kept abreast of the times. With the overall concept of "promoting transformation and quality improvement to achieve industrial reform," we have steadily advanced the restructuring and reform of our expressway service zone business. We have proactively cultivated new productive forces, fully developed our core business of expressway comprehensive energy and new energy platform, fostered the growth of emerging economic industries, and steadily advanced the complete and orderly exit from the passenger transportation business.

### I. Expressway Service Zone Operation

The Group has thoroughly implemented the development strategy of the "14th Five-Year Plan", by closely following new market trends, and comprehensively enhancing management efficiency and service quality. We focused on deepening the reform of expressway travel service business, actively expanding the development of energy, investment, retail and advertising businesses, and stimulating new growth vitality, thereby injecting new momentum into the sustainable development of the Group.

#### 1. Energy Business

The Group continued to expand and strengthen its energy business, expand the scale of the comprehensive energy network, enhance its own brand name and create a new momentum for energy development. As of the end of June 2024, the Company had 221 oil stations with operating right and 204 oil stations under operation, including 81 owned and operated oil stations, 11 cooperative oil stations and 112 oil stations under contracted operations; 239 service zones with charging stations, with 1,264 charging piles, 7 battery replacement stations and 4 gas stations. We have mainly carried out the following tasks:

- (1) Actively acquiring gas station resources and expanding scale and size of gas stations. In the first half of 2024, we completed the construction, recovery and operation of nine gas stations, including Northern Guangdong West Oil Gas Station, Yunyan East and West Gas Station, Shatian North and South Gas Station, Henghe West Gas Station, Yuemei Gas Station, and Taimei East and West Gas Station.

## Management Discussion and Analysis

- (2) Actively promoting the development of new energy business. We are piloting the construction of photovoltaic “source grid load storage integration” new energy project in service zones, equipped with carbon emission management information systems for the service zones. We have engaged third-party professional institutions to provide overall planning for the Dahuai near-zero carbon demonstration service zone. Combined with the preliminary design plan for charging piles, we fully utilize technologies such as AC/DC microgrids, DC stacking storage and comprehensive energy smart management platform systems to integrate the design plans for supercharging stations, photovoltaic and energy storage projects in the service zone. Currently, we have completed the feasibility study for the construction of super-fast charging stations in 30 selected service zones, continuously strengthening the value creation of the energy supply industry chain.
- (3) Broadening sales channels for gas stations and further increase fuel sales. We are vigorously conducting diesel marketing activities to boost diesel sales, achieving significant year-on-year growth in diesel sales. We have launched 40 marketing campaigns such as “one station, one strategy,” commuter station gasoline prepayment and membership development to further enhance customer stickiness.

### 2. Retail Business

The Group comprehensively integrated retail resources, expanded the scale of business development, optimized its business structure and enhanced market competitiveness of the “Loyee” brand. As of the end of June 2024, the Group has 500 “Loyee” convenience stores. The main efforts put into the retail business include:

- (1) Leveraging the advantages of retail distribution to expand and strengthen the group purchase and wholesale business. Combining with advantages in distribution services to extend the reach and deeply explore the annual procurement volume of existing customers and expand the scale of group purchases and wholesale. Reducing distribution and procurement costs, in the first half of 2024, we optimized two distribution routes by resource allocation and optimization, saving approximately 73 kilometers per delivery.
- (2) Completing the development of Loyee mall by realizing the one-click distribution function for multi-category of products, compiling the operation plan of Loyee mall to further realize the integrated development of online and offline retail business, and to integrate timely the development platform for “Guangdong Pass” according to the business development in the next stage.
- (3) Reforming the retail business operating model. To meet new business development needs, we launched differentiated business models based on store policies, such as “man + machine”, “staffed unmanned stores” and “fully unmanned stores”; integrated retail business resources in service zones and promoted the development of “big retail” business in service zones.

## Management Discussion and Analysis

### 3. Merchant Solicitation Business

The Group continued to explore diversified expressway business formats, promotes professional commercial operation management in service zones, and enhances platform development capabilities. We have mainly carried out the following tasks:

- (1) Promoting the reform of merchant solicitation business in the service zones. Attempting to implement a new model of comprehensive lease-based merchant solicitation at Henghe, Changshawan and Renshan service zones, successfully securing tenants; promoting new cooperative models for proprietary commercial brands in the characteristic food areas at Shatian, Henghe, Shenshan, Renshan and Taohe service zones. Accelerating the expansion of KFC franchise store's locations, with the Yayao KFC opened in early July, and completed project approvals for KFC franchises at Changshawan and Shatian service areas. Continuing to advance the construction of the commercial operation system for service zones, enhancing the overall image and service quality of service zones throughout the province through training on commercial operation management systems, on-site business inspections and guidance.
- (2) Conducting commercial planning for featured service zones. We have completed commercial planning for the first batch of six pairs of featured service zones (Changshawan, Wayaogang, Dongsheng, Taimei, Pingtian and Jiuling) and the second batch of three pairs of featured service zones (Chengnan, Shuiche and Jixiang). We have coordinated with local governments and support teams to hold 31 specialty exhibitions, including local agricultural products, orchids and ceramics, in 26 agricultural demonstration service zones. Reached strategic cooperation with the Guangdong Restaurant Association, organizing leading brand merchants to visit and inspect the Yayao, Shengtang, Dahuai and Yangjiang service zones along the Guangzhou-Zhanjiang Line, aiming to expand the brand portfolio. Leveraging the momentum from merchant solicitation promotional fairs to continuously promote service area quality improvement and upgrade projects through self-media in stages.
- (3) Promoting service zone merchant solicitation activities through various methods and channels. In the first half of 2024, the Group held its first out-of-province expressway service zone merchant solicitation promotion fair and service zone quality upgrading project promotion and merchant solicitation conference, conducting comprehensive promotions for 31 pairs of featured service zones and 104 pairs of agricultural demonstration service areas.
- (4) Expanding new quality productive force business. We have completed the cooperative model plan and related research and study report for the "low-altitude economy" business expansion, established a cooperation model with professional airlines for resource development. A strategic cooperation agreement has been entered, and relevant business activities are planned to be carried out at the Xuwen service zone on the Shenhai Expressway.



# Management Discussion and Analysis

## 4. Advertising Business

The Group continued to improve its refined management capabilities, explored the potential value of advertising resources, and focused on the development of all-media advertising business. As of the end of June 2024, the Group has operation rights of advertising on 76 expressways, and ownership of 512 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) Optimizing the organizational structure to align with market development. In the first half of 2024, we optimized our marketing functions to integrate resources, strengthen collaboration and create synergy in the marketing end. By closely aligning with the market, we aim to uncover potential customer needs and achieve value-added gains; develop new online marketing and promotion business models to cultivate new revenue growth highlights.
- (2) Ensuring the continued expansion of resources based on existing ones. Strengthening communication and coordination with various road expansion offices to implement demolition, relocation or reconstruction of original resources in sync with expressway reconstruction and expansion as much as possible.
- (3) Consolidating existing customers and expanding new resources and new customers. Enhancing communication with cooperative customers, maintaining good service relationships with existing customers, deeply exploring their needs and empowering value addition. This approach aims to strengthen cooperation, ensuring that original business is not reduced while identifying new growth points for collaboration.

## II. Road Passenger Transportation and Auxiliary Business

In accordance with the strategic guidance requirements “the overall strategic contraction of the passenger transport business, a gradual and orderly withdrawal from the domestic passenger transport business, and the steady development of the cross-border passenger transport business”, we formulated the work plan of “one policy for one enterprise” to carry out refined management of transportation enterprises, and vigorously promoted transformational development of passenger transportation business to achieve new results. We have mainly carried out the following tasks:

### 1. *Actively promoting “one policy for one enterprise”*

- (1) Promoting the exit of the passenger transport business in a steady and orderly manner. In the first half of 2024, we have completed the equity transfer of Maoming Dianbai Yueyun Vehicles Transportation Co., Ltd., and partial equity transfer of Foshan City Sanshui District Yueyun Traffic Co., Ltd.
- (2) Continuously promoting the optimization of personnel structure, reasonably controlling the total number of employees, strengthening cost control.
- (3) Reducing interest-bearing liabilities and financial expenses. As of the end of June 2024, the interest-bearing liabilities ratio decreased by 7.61% as compared with that at the beginning of the year.

## Management Discussion and Analysis

### **2. *Strengthening efforts to realise transformational development of the passenger transportation business***

- (1) Actively utilizing “digital passenger transport” to revitalize existing passenger transportation resources. We have completed the upgrade and optimization of passenger order, pickup, electronic invoicing, dispatching and operations management functions for the bus stop project. The bus stop service now has 686 registered routes, covering 20 cities across the province, with an average daily passenger traffic volume of 18,000 and a peak of 41,000 daily passenger-times in the first half of the year.
- (2) Carrying out all-staff marketing. Marketing efforts have been increased and actively expand customized, chartered vehicles, commuting, research and study tours, school buses, travel and other out-of-station businesses through all-staff marketing.

### **3. *Deeply developing the Hong Kong market based on market demand.***

In response to the market changes of “Hong Kong residents traveling northward for consumption,” we have concentrated resources to expand border crossing business. We dispatched 19,555 short-distance express trips and 56,676 long-distance trips, transporting over one million passengers. Additionally, we explored the new market for cross-border transportation of foreign labor in Hong Kong. Leveraging the shuttle bus coordination platform, we launched a transportation support project for foreign labor at Hong Kong Airport (within the Hong Kong region) in April this year and extended the project to include the Shenzhen construction workers’ commute in June.

## III. Continuous Development of Expressway Vehicle Rescue Business

The Group continues to expand its expressway vehicle rescue business. As of the end of June 2024, the Group has established three rescue centres in northern Guangdong, eastern Guangdong and western Guangdong, respectively, with 207 rescue stations across the province. The expressway vehicle rescue service mileage reached 7,432 km on 83 road sections with 676 rescue vehicles of various types. We have mainly carried out the following tasks:

- (1) Continuously improving traffic smooth flow capabilities during holidays. To ensure traffic safety and smooth flow during holidays and enhance public travel satisfaction, we added over double the number of temporary standby points on top of the existing permanent rescue points during the three major holidays of 2024: Spring Festival, Qingming Festival and May 1st. This significantly reduced the physical distance to incident sites and maximized the scale effect of the road network, with 5,843 coordinated dispatches ensuring rapid arrival and timely clearance of obstructions.
- (2) Optimizing the setup of rescue points and continuing to enhance rescue stations. Through spatiotemporal data analysis of rescue incidents, we continuously optimized the layout of rescue standby points, and leveraged the scale advantage of the road network to further improve resource output efficiency. In the first half of the year, we added 10 new permanent rescue points and optimized the adjustment of 2 existing points. This optimization of rescue points further enhanced the allocation of rescue resources and improved service efficiency.
- (3) Enhancing service process monitoring and command capabilities using 5G+AI systems. In the first half of 2024, we opened 70 vehicle rescue cloud service platform accounts based on 5G+AI technology for various road section owners across the province. This enabled data sharing of rescue operation progress, operation process videos and vehicle operating status, providing technical support for jointly managing and control production safety and rescue service quality and efficiency for owners. We continuously strengthened data analysis of existing operation site handling efficiency, improving service levels through real-time monitoring, case analysis and training. By leveraging the command center of the call dispatch monitoring system, we enhanced accurate information transmission with road section monitoring centers and joint units, effectively reducing duplicate dispatches and continuously improving rescue efficiency.
- (4) Carrying out the development of the “Digital Rescue” platform. The “Digital Rescue” platform has completed 80% of its overall functionality development, its core business processes are now fundamentally operational, initially supporting the smooth implementation of rescue operations.

# Management Discussion and Analysis

## IV. Taiping Interchange Operation

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

- (1) As of the end of June 2024, the accumulated toll traffic volume was approximately 19.51 million vehicle-trips, representing an average of approximately 108,300 vehicle-trips per day and a year-on-year increase of approximately 6.89%.
- (2) Continuous implementation of maintenance and repair plans. In order to ensure the safe operation of structures, the maintenance of electromechanical systems, toll collection systems, communication systems and monitoring systems was strengthened, and the daily inspections of the Taiping Interchange have been continuously improved 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 2024

For the six months ended 30 June 2024, operating income of the Group amounted to RMB3,674.663 million (corresponding period in 2023: RMB3,498.266 million), representing a year-on-year increase of RMB176.397 million or 5%. Gross profit amounted to RMB379.135 million (corresponding period in 2023: RMB298.425 million), representing a year-on-year increase of RMB80.710 million or 27%. The year-on-year growth in operating income and gross profit was mainly because the Company actively focused on deepening the reform of expressway travel services business, resulting in a year-on-year increase in both operating income and gross profit of expressway service zones operational businesses.

For the six months ended 30 June 2024, the Group's cumulative net profit attributable to shareholders of the parent company (the "**Shareholders**") amounted to RMB138.669 million (corresponding period in 2023: RMB122.634 million), representing a year-on-year increase of RMB16.035 million; basic earnings per share was RMB0.17 (corresponding period in 2023: RMB0.15), representing a year-on-year increase of RMB0.02 per share. The year-on-year increase in net profit attributable to shareholders of the parent company was mainly due to the year-on-year increase in gross profit of the Company's overall business as a result of the growth in expressway service zones operational businesses.

# Management Discussion and Analysis

## Operating income

Operating income of the Group was mainly derived from expressway service zone operation business and road passenger transportation and auxiliary business. In the first half of 2024, the Group's operating income amounted to RMB3,674.663 million (corresponding period of 2023: RMB3,498.266 million), representing a year-on-year increase of RMB176.397 million or 5%.

### Operating income by business segment:

	For the six months ended 30 June 2024		For the six months ended 30 June 2023	
	RMB'000	Percentage	RMB'000	Percentage
Expressway service zone operation	2,621,531	71%	2,388,803	68%
Road passenger transportation and auxiliary business	980,218	27%	1,041,882	30%
Taiping Interchange operation and other business	72,914	2%	67,581	2%
Total	<u>3,674,663</u>	<u>100%</u>	<u>3,498,266</u>	<u>100%</u>

### 1. Expressway Service Zone Operation Business

Expressway service zone operation business recorded operating income of RMB2,621.531 million for the first half of 2024 (corresponding period in 2023: RMB2,388.803 million), representing a year-on-year increase of RMB232.728 million or 10%, of which:

- (1) For energy business, the operating income amounted to RMB2,172.158 million for the first half of 2024 (corresponding period in 2023: RMB1,978.699 million), representing a year-on-year increase of RMB193.459 million or 10%, which was mainly due to the expansion of oil stations, and increase in sales volume.
- (2) For retail business, the operating income amounted to RMB277.386 million for the first half of 2024 (corresponding period in 2023: RMB265.487 million), representing a year-on-year increase of RMB11.899 million or 4%.

## Management Discussion and Analysis

- (3) For merchant solicitation business, the operating income amounted to RMB141.754 million for the first half of 2024 (corresponding period in 2023: RMB114.617 million), representing a year-on-year increase of RMB27.137 million or 25%, which was mainly due to the increase in merchant solicitation and leasing, resulting in the decrease of vacant shops.
- (4) For advertising business, the operating income amounted to approximately RMB30.233 million for the first half of 2024 (corresponding period in 2023: RMB30.000 million), representing a year-on-year increase of RMB0.233 million or 1%.

### **2. Road Passenger Transportation and Auxiliary Business**

Road passenger transportation and auxiliary business recorded operating income of RMB980.218 million for the first half of 2024 (corresponding period in 2023: RMB1,041.882 million), representing a year-on-year decrease of RMB61.664 million or 6%, which was mainly due to the active promotion of “one enterprise, one policy” and the orderly withdrawal from the road transportation business.

### **3. Taiping Interchange Operation Business and Other Business**

Taiping Interchange operation business and other business recorded operating income of approximately RMB72.914 million for the first half of 2024 (corresponding period in 2023: RMB67.581 million), representing a year-on-year increase of RMB5.333 million or 8%, of which Taiping Interchange recorded operating income of approximately RMB72.914 million for the first half of 2024 (corresponding period in 2023: RMB67.432 million), representing a year-on-year increase of RMB5.482 million or 8%, which was mainly due to the year-on-year increase in the daily average vehicle traffic flow, while the materials logistics business had no operating income in the first half of 2024 (corresponding period in 2023: RMB0.149 million) due to a decrease in the inventory business.



# Management Discussion and Analysis

## GROSS PROFIT

The Group recorded a gross profit of RMB379.135 million for the first half of 2024 (corresponding period in 2023: RMB298.425 million), representing a year-on-year increase of RMB80.710 million or 27%, with a gross profit margin of 10.32% (corresponding period in 2023: 8.53%).

### Gross profit/(loss) by business segment:

	For the six months ended 30 June 2024		For the six months ended 30 June 2023	
	RMB'000	Percentage	RMB'000	Percentage
Expressway service zone operation	336,662	89%	216,887	73%
Road passenger transportation and auxiliary business	(18,295)	(5%)	26,147	9%
Taiping Interchange operation and other business	60,768	16%	55,391	18%
Total	<u>379,135</u>	<u>100%</u>	<u>298,425</u>	<u>100%</u>

### 1. Expressway Service Zone Operation

Expressway service zone operation business recorded a gross profit of RMB336.662 million for the first half of 2024 (corresponding period in 2023: RMB216.887 million), representing a year-on-year increase of RMB119.775 million or 55%, with a gross profit margin of 13% (corresponding period in 2023: 9%). Of which:

- (1) The energy business generated a gross profit of RMB275.241 million for the first half of 2024 (corresponding period in 2023: RMB182.944 million), representing a year-on-year increase of RMB92.297 million or approximately 50%, with a gross profit margin of 13% (corresponding period in 2023: 9%), which was mainly due to the year-on-year increase in revenue from the energy business.
- (2) The retail business recorded a gross profit of RMB53.372 million for the first half of 2024 (corresponding period in 2023: RMB39.358 million), representing a year-on-year increase of RMB14.014 million or 36%, with a gross profit margin of 19% (corresponding period in 2023: gross profit margin was 15%), which was mainly due to the increase in marketing efforts by the Company, while reforming its business model and reducing operating costs.

## Management Discussion and Analysis

- (3) The merchant solicitation business recorded a gross loss of RMB1.578 million for the first half of 2024 (corresponding period in 2023: gross loss of RMB17.062 million), representing a year-on-year increase of RMB15.484 million or a change of 91%. The gross loss margin was 1% (corresponding period in 2023: gross loss margin of 15%), which was mainly due to the year-on-year increase in revenue from the merchant solicitation business.
- (4) The advertising business recorded a gross profit of RMB9.627 million for the first half of 2024 (corresponding period in 2023: RMB11.647 million), representing a year-on-year decrease of RMB2.020 million or 17%, with a gross profit margin of 32% (corresponding period in 2023: 39%), which was mainly due to the year-on-year increase in business costs.

### **2. Road Passenger Transportation and Auxiliary Business**

The road passenger transportation and ancillary business recorded a gross loss of RMB18.295 million for the first half of 2024 (corresponding period in 2023: a gross profit of RMB26.147 million), representing a year-on-year decrease of RMB44.442 million or a change of 170%, with a gross loss margin of 2% (corresponding period in 2023: gross profit margin of 3%), which was mainly due to the orderly withdrawal from the transportation business and the year-on-year decrease in fuel subsidies.

### **3. Taiping Interchange Operation Business and Other Business**

Taiping Interchange operation business and other business recorded a gross profit of approximately RMB60.768 million for the first half of 2024 (corresponding period in 2023: RMB55.391 million), representing a year-on-year increase of RMB5.377 million or 10%, of which Taiping Interchange operation business recorded a gross profit of RMB60.768 million for the first half of 2024 (corresponding period in 2023: RMB55.384 million), representing a year-on-year increase of RMB5.384 million or 10%, with a gross profit margin of 83% (corresponding period in 2023: 82%), which was mainly due to a year-on-year increase in daily average vehicle traffic flow that resulted in the increase in revenue, while the material logistics business had no gross profit in the first half of 2024 (the same period of 2023: RMB7,000) due to a decrease in the inventory business.

### **Administrative and research and development expenses**

In the first half of 2024, the Group's total administrative and research and development expenses amounted to RMB250.263 million (corresponding period in 2023: RMB214.439 million), representing a year-on-year increase of RMB35.824 million or 17%, which was mainly due to the promotion of business reform and the transformation of employment model that resulted in the year-on-year increase in dismissal benefits.

# Management Discussion and Analysis

## Finance expenses

In the first half of 2024, the Group incurred finance expenses of RMB75.507 million (corresponding period in 2023: RMB86.573 million), representing a year-on-year decrease of RMB11.066 million or 13%, which was mainly due to a year-on-year decrease in interest-bearing liabilities.

## Other income

In the first half of 2024, the Group recorded other income of RMB145.649 million (corresponding period in 2023: RMB174.779 million), representing a year-on-year decrease of RMB29.130 million or 17%, which was mainly due to the year-on-year decrease in government grants.

## Investment gains

In the first half of 2024, the Group recorded investment gains of RMB50.596 million (corresponding period in 2023: investment gains of RMB40.197 million), representing a year-on-year increase of RMB10.399 million or 26% in gains, which was mainly due to the year-on-year increase in net profit of associates and joint ventures for the current period.

## Credit impairment losses

In the first half of 2024, the Group's credit impairment losses amounted to RMB11.214 million (corresponding period in 2023: RMB8.703 million), representing a year-on-year increase of RMB2.511 million or 29% in impairment losses, mainly due to the increase in credit impairment losses in proportion to the aging of the current period.

## Gains on disposal of assets

In the first half of 2024, the Group recorded gains on disposal of assets of RMB6.439 million (corresponding period in 2023: RMB24.084 million), representing a year-on-year decrease of RMB17.645 million or 73%, mainly due to the large number of items in disposal of assets and higher gains in the same period of last year.

## Non-operating income and expenses

In the first half of 2024, the Group's non-operating net income was RMB1.182 million (corresponding period in 2023: net income of RMB1.941 million), representing a year-on-year decrease of RMB0.759 million or 39% in net income, which was mainly due to the year-on-year increase in the damage and scrapping losses of non-current assets.

# Management Discussion and Analysis

## 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 RMB3,515.468 million as of 30 June 2024, which provided sufficient protection for the Group's operating loans and ensured repayment of principal and interest without risk.

Items	30 June 2024	31 December 2023
	RMB'000	RMB'000
Borrowings (from banks and other financial institutions)	<b>1,731,294</b>	1,801,551
Less: Cash and cash equivalents	<b>1,490,211</b>	1,085,765
Net debt	<b>241,083</b>	715,786
Total liabilities	<b>5,961,857</b>	5,986,463
Total shareholders' equity	<b>2,630,462</b>	2,616,905
Total equity	<b>2,871,545</b>	3,332,691
Total assets	<b>8,592,319</b>	8,603,368
Gearing ratio	<b>8.40%</b>	21.48%
Asset to liability ratio	<b>69.39%</b>	69.58%

Gearing ratio = Net debt/Total equity

Total equity = Net debt + Total shareholders' equity

Asset to liability ratio = Total liability/Total assets

# Management Discussion and Analysis

## Cash Flows

In the first half of 2024, 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:

	<b>For the six months ended 30 June 2024</b>	For the six months ended 30 June 2023	Change
<b>Cash generated from/(used in)</b>	<b>RMB'000</b>	RMB'000	RMB'000
Operating activities	<b>623,201</b>	395,513	227,688
Investing activities	<b>4,627</b>	(20,824)	25,451
Financing activities	<b>(223,976)</b>	(292,816)	68,840

## Operating activities

The Group's net cash inflow from operating activities amounted to RMB623.201 million in the first half of 2024 (corresponding period in 2023: net cash inflow of RMB395.513 million), representing a year-on-year increase of net cash inflow of RMB227.688 million, which was mainly due to a year-on-year increase in revenue for the period resulting in a year-on-year increase in cash received from product sales and provision of labour services.

## Investing activities

In the first half of 2024, the net cash inflow from investing activities was RMB4.627 million (corresponding period in 2023: net cash outflow of RMB20.824 million), representing an increase in net cash inflow of RMB25.451 million, which was mainly attributable to strengthened control over investment scale and reduction in the acquisition and construction of long-term assets like vehicles.

## Financing activities

In the first half of 2024, the net cash outflow from financing activities was RMB223.976 million (corresponding period in 2023: net cash outflow of RMB292.816 million), representing a decrease in net cash outflow of RMB68.840 million, which was mainly due to a year-on-year decrease in debt repayment expenses.

# Management Discussion and Analysis

## Borrowings

As of 30 June 2024, the Group had outstanding borrowings of RMB1,731.294 million (31 December 2023: RMB1,801.551 million). Of which: (i) unsecured short-term loans: RMB316.731 million (31 December 2023: RMB309.297 million); (ii) secured short-term loans: RMB138.166 million (31 December 2023: RMB136.575 million); (iii) pledged short-term loans: RMB9.000 million (31 December 2023: nil); (iv) unsecured long-term loans: RMB504.077 million (31 December 2023: RMB561.010 million); (v) secured long-term loans: RMB431.996 million (31 December 2023: RMB423.727 million); (vi) finance lease payables: RMB331.324 million (31 December 2023: RMB370.942 million). As of 30 June 2024, the Group's borrowings are denominated in Renminbi and bear interest at floating or fixed rates, of which approximately 49% of the amount of borrowings bear interest at fixed rates.

## Material subsequent events

Nil.

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

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

## Major properties held for investment

Name of property	Address	Usage	Type of lease
Hong Kong Plaza	Unit 13-14, 24/F, Hong Kong Plaza, 188 Connaught Road West, Sai Wan, Hong Kong	Operating lease	Short-term (within 10 years)
No. 2 office, 1/F, King's Court, Wai Ching Street, Jordan Road, Kowloon	No. 2 office, 1/F, King's Court, No.65, 67, 69, 71, 73, 75, Wai Ching Street, Jordan Road, Kowloon, Hong Kong	Operating lease	Short-term (within 10 years)
Underground Shop, Hang On Building, 159A Sai Yeung Choi Street North, Mongkok, Kowloon	Underground Shop, Hang On Building, 159A Sai Yeung Choi Street North, Mongkok, Kowloon	Operating lease	Short-term (within 10 years)
Apartment of Drivers	Interchange between Fuqianxi Road and Huancheng Road, Qujiang District, Shaoguan City	Operating lease	Short-term (within 10 years)
Passenger Traffic Center Building in Lianzhou	No. 136, Beihu Road, Lianzhou City	Operating lease	Short-term (within 10 years)
Complex Building of Vehicle Passenger Terminal in Danxia Mountain	Complex Building of Vehicle Passenger Terminal in Danxia Mountain	Operating lease	Long-term (over 10 years)

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

# Management Discussion and Analysis

## Pledge of assets

As at 30 June 2024, fixed assets at the net value of approximately RMB305.119 million (31 December 2023: RMB367.736 million) and land use rights at the net value of approximately RMB72.084 million (31 December 2023: RMB111.669 million) of the Group were pledged as security for borrowings and long-term payables. As at 30 June 2024, investment properties at the net value of approximately RMB210.853 million (31 December 2023: RMB192.034 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 2024, 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 2024, the Group had no material contingent liabilities.

### SHARE CAPITAL

As at 30 June 2024, 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 2024, the controlling shareholders and the actual controller of the Company remained unchanged.

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

As at 30 June 2024, 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 Deng Xiaohua and its registered capital as at 30 June 2024 was RMB26.8 billion. It is principally engaged in investment, construction and management of the expressways in the Guangdong Province, as well as logistics and transportation business.



## Other Information

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

As at 30 June 2024, so far as it was known by or otherwise notified to any Director or chief executive of the Company, 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 in the relevant class of share capital	Approximate percentage in 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	24,280,247	Investment manager	11.73%	3.04%
Shah Capital Management	H Shares	18,040,000	Investment manager	8.72%	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 2024, 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.

### CHANGES IN SHARES

There had been no changes in the shares of the Company for the six months ended 30 June 2024.

### PURCHASE, SALE OR REDEMPTION OF LISTED SHARES OF THE COMPANY

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 2024, 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 2024.

### 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 2024, 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 in 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 2024, 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 of Hong Kong Limited (“**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.

## Other Information

### 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.1.6 and C.2.1 set out in Part 2 of Appendix C1 to the Listing Rules during the six months ended 30 June 2024.

Code provision C.1.6 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 the 2023 annual general meeting of the Company held on 28 June 2024, 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 of the Shareholders or their responses to the Shareholders' inquiries, as other executive Directors and all of the independent non-executive Directors were present in the meeting and they could gain and develop a balanced understanding the Shareholders' views of the Company and give adequate answers to any questions raised by the Shareholders at the meeting. The Company will provide all Directors with electronic means such as telephone or video conferences in accordance with the provisions of the Articles of Association, so as to provide more flexible ways for our Directors to attend general meetings.

Pursuant to code provision C.2.1, the role of chairman and the chief executive should be separate and should not be performed by the same individual. Mr. Guo Junfa, the former chairman of the Board, resigned as an executive director, chairman of the Board of the Company 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 of the Company 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. However the Board considers such arrangement is temporary in nature. Despite deviating from code provision C.2.1 of the Corporate Governance Code of the Listing Rules, Mr. Zhu Fang has provided and will continue to provide solid and continuous leadership to the Group with his extensive experience and knowledge in management and the support of other members of the Board. Moreover, the Board is of the view that having the same person as the chairman and general manger can facilitate the execution of the Group's business strategies and enhance its operational efficiency before the Company identifies a suitable candidate for the position of general manager. Under the supervision of other 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 2024.

### BOARD

As at 30 June 2024 and up to the date of this report, the Directors in office of the eighth session of the Board were as follows:

<b>Name</b>	<b>Date of appointment as a Director</b>
<b>Executive Directors</b>	
Mr. Zhu Fang	31 August 2022
Mr. Huang Wenban	22 December 2020
Mr. Hu Xianhua	31 August 2022
Mr. Hu Jian	15 June 2023
<b>Non-executive Director</b>	
Mr. Chen Chuxuan	17 June 2019
<b>Independent Non-executive Directors</b>	
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 Directors, Supervisors and chief executive officer are as follow:

Mr. Zhu Fang was appointed as the new chairman of the Board, chairman of the nomination committee and chairman of the strategy committee of the Company on 21 March 2024 to fill the vacancy following the resignation of Mr. Guo Junfa on 29 December 2023. At the same time, Mr Hu Xianhua, an executive director of the Company, was appointed as a member of the strategic committee of the Company with effect from the same date. Please refer to the announcement of the Company dated 21 March 2024 for details.

Ms. Lian Yuebin resigned as an employee representative Supervisor of the Company on 16 January 2024 due to retirement. On the same day, the meeting of the employee representatives of the Company resolved to appoint Ms. Ou Lixu as an employee representative Supervisor of the Company. Please refer to the announcement of the Company dated 16 January 2024 for details.

## Other Information

### REVIEW BY AUDIT & CORPORATE GOVERNANCE COMMITTEE

The Company has established the Audit & Corporate Governance Committee in compliance with the Listing Rules. The primary duties of the Audit & Corporate Governance Committee are, among other things, to appoint external auditors, review and supervise the financial reporting process, review interim and annual results, review and supervise the internal control system and risk management of the Group, and provide advice and comments to the Board and monitor the corporate governance of the Company. As at 30 June 2024, 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 2024 and recommended its adoption by the Board. The independent auditor of the Company, BDO China SHU LUN PAN Certified Public Accountants LLP, has also reviewed the unaudited consolidated financial statements for the six months period ended 30 June 2024 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 2024 and up to the date of this report, the Supervisory Committee comprised 7 Supervisors, and the Supervisors in office were as follows:

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

### EMPLOYEES AND REMUNERATION POLICIES

The Group had 13,850 employees as at 30 June 2024 (31 December 2023: 14,558). Total staff costs for the six months ended 30 June 2024, including the Directors' remuneration, amounted to approximately RMB749 million (corresponding period in 2023: approximately RMB819 million).

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

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

### TRAINING OF EMPLOYEES

The Group has always attached great importance to the training and development of human resources, made endeavors to provide training and education to employees at all levels. The Group has faithfully implemented budgeted standard for training expenses and its implementation plan, utilized the online platform and offline resources to enhance our internal talent nurturing and strived to establish different types of internal training courses. As of 30 June 2024, the Group has conducted a total of 228 training courses with 15,938 participants and total curriculum duration of approximately 203,171 hours. Self-evaluation on the internal and external trainings by the participants showed that overall satisfaction rate was above 95% or a level of satisfactory was attained.

### DIVIDEND

The Board did not declare the payment of an interim dividend for the six months ended 30 June 2024.

### 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 28 June 2024 for a term of office until the close of the next annual general meeting of the Company.

## Other Information

### MATERIAL LITIGATION AND ARBITRATION

As of the date of this report, the Company was involved the following material litigation:

The Company brought a legal proceeding before the Guangzhou Intermediate People's Court against Tangshanshi Shuihou Zhagang Yi Chang (唐山市稅後軋鋼一廠), Tangshan Xingye Gongmao Jituan Co., Ltd (唐山興業工貿集團有限公司) and Tangshanshi Kaipingqu Xingye Zhazhichang (唐山市開平區興業軋製廠) to recover the sum paid in advance by the Company for purchase of steel products in the amount of RMB472,397,000 and a compensation for breach of contracts by the defendants. The Company applied to the court for a charging order against the defendants' assets. The Guangzhou Intermediate People's Court gave its judgement on 7 June 2011, pursuant to which the defendants had to repay the prepayments of the Company together with compensation for breach of contract in the total amount of RMB477,490,263.25. On 12 July 2011, the Guangzhou Intermediate People's Court issued a "certificate of judgement" to confirm that the judgement came into effect on 30 June 2011. The Company applied to the court for execution of the judgement. During the course of execution of this case, the debtor Tangshan Xingye Gongmao Jituan Co., Ltd filed a bankruptcy petition to Tangshan Kaiping People's Court on the ground of insolvency, and the court decided to accept the bankruptcy petition on 28 February 2014. In March 2015, the bankruptcy administrator of Tangshan Xingye Gongmao Jituan Co., Ltd notified the Company that Tangshan Kaiping People's Court had accepted the joint bankruptcy case in respect of seven related enterprises, including Tangshanshi Shuihou Zhagang Yi Chang, Tangshan Xingye Gongmao Jituan Co., Ltd and Tangshanshi Kaipingqu Xingye Zhazhichang. The Guangzhou Intermediate People's Court then ruled that the above execution case was terminated on the ground that the parties subject to enforcement were insolvent enterprises under the joint bankruptcy case in the course of execution of the above case. The Company continued to actively pursue recovery of the defaulted prepayments. In 2015 and 2019, the Company received three properties from the partners of Tangshanshi Kaipingqu Xingye Zhazhichang to settle the outstanding debt amount of RMB3,424,779.00 and a bankruptcy distribution amount of RMB5,301,120.45 from Tangshan Xingye Gongmao Jituan Co., Ltd., respectively. At present, the balance of the sum paid in advance by the Company to Tangshan Xingye Group is RMB468,764,363.80. The Company has made impairment provision for the full amount such that the net book value is zero. Since the possibility of recovering the relevant prepayment remains uncertain, the Company has written off the amount. Please refer to the relevant announcement published by the Company on 9 December 2022 for details. In 2023, the Company received a distribution of RMB1,150,000.00 from the bankruptcy administrator of Tangshan Xingye Gongmao Jituan Co., Ltd.

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 2024, 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

22 August 2024



# Consolidated Balance Sheet (Unaudited)

As at 30 June 2024

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

	Note V	30 June 2024	31 December 2023
<b>Assets</b>			
<b>Current assets:</b>			
Cash at bank and on hand		1,502,482,033.61	1,102,710,458.51
Bills receivable		1,358,693.50	500,000.00
Accounts receivable	1	345,393,310.43	343,606,007.30
Prepayments		188,629,570.77	177,212,248.22
Other receivables		619,736,639.10	676,364,559.01
Inventories		109,356,585.39	116,394,019.79
Other current assets		24,484,349.45	37,121,903.49
<b>Total current assets</b>		<b>2,791,441,182.25</b>	<b>2,453,909,196.32</b>
<b>Non-current assets:</b>			
Long-term equity investments	2	464,116,880.14	395,888,181.67
Investments in other equity instruments		214,482.83	223,272.98
Investment properties		357,592,772.82	340,597,127.55
Fixed assets	3	2,082,511,719.78	2,390,537,513.74
Construction in progress		28,888,038.16	20,061,156.78
Right-of-use assets	4	1,723,723,273.12	1,800,019,149.39
Intangible assets	5	653,503,809.17	691,758,827.36
Development expenditure		1,102,236.33	522,421.15
Goodwill		26,744,839.64	26,744,839.64
Long-term deferred expenses		229,364,473.58	253,860,802.09
Deferred tax assets		140,579,284.82	132,940,982.95
Other non-current assets		92,536,217.97	96,304,833.99
<b>Total non-current assets</b>		<b>5,800,878,028.36</b>	<b>6,149,459,109.29</b>
<b>Total assets</b>		<b>8,592,319,210.61</b>	<b>8,603,368,305.61</b>

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

# Consolidated Balance Sheet (Unaudited) (Continued)

As at 30 June 2024

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

	Note V	30 June 2024	31 December 2023
<b>Liabilities and shareholders' equity</b>			
<b>Current liabilities:</b>			
Short-term loans	6	463,897,235.35	445,872,428.68
Accounts payable	7	551,511,631.81	557,734,954.12
Advances from customers		108,708,556.39	81,161,524.13
Contract liabilities		69,153,067.12	58,497,321.69
Employee benefits payable		252,338,951.41	207,817,120.80
Taxes payable		94,236,109.41	91,842,732.06
Other payables		769,858,063.26	696,061,086.14
Non-current liabilities due within one year	8	487,153,095.54	421,415,221.31
<b>Total current liabilities</b>		<b>2,796,856,710.29</b>	<b>2,560,402,388.93</b>
<b>Non-current liabilities:</b>			
Long-term loans	9	771,934,297.05	872,009,713.05
Lease liabilities	10	1,768,815,709.26	1,833,134,415.92
Long-term payables		101,337,485.88	140,351,914.14
Long-term employee benefits payable		148,514,061.44	157,202,263.47
Deferred income	11	331,774,765.87	368,225,943.95
Deferred tax liabilities		42,624,662.36	55,136,309.92
<b>Total non-current liabilities</b>		<b>3,165,000,981.86</b>	<b>3,426,060,560.45</b>
<b>Total liabilities</b>		<b>5,961,857,692.15</b>	<b>5,986,462,949.38</b>

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

# Consolidated Balance Sheet (Unaudited) (Continued)

As at 30 June 2024

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

	Note V	30 June 2024	31 December 2023
<b>Liabilities and shareholders' equity (continued)</b>			
<b>Shareholders' equity:</b>			
Share capital		799,847,800.00	799,847,800.00
Capital reserve		21,862,542.66	21,862,542.66
Other comprehensive income		(37,245,592.73)	(30,609,457.82)
Specific reserve	12	36,517,649.15	33,769,964.27
Surplus reserve		246,913,317.41	246,913,317.41
Retained earnings	13	917,328,749.90	842,647,338.85
		<u>1,985,224,466.39</u>	<u>1,914,431,505.37</u>
Total equity attributable to shareholders of the Company			
Non-controlling interests		645,237,052.07	702,473,850.86
		<u>2,630,461,518.46</u>	<u>2,616,905,356.23</u>
<b>Total shareholders' equity</b>		<b>2,630,461,518.46</b>	<b>2,616,905,356.23</b>
<b>Total liabilities and shareholders' equity</b>		<b>8,592,319,210.61</b>	<b>8,603,368,305.61</b>

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

## Cao Guangtang

The head of the  
accounting department

# Company Balance Sheet (Unaudited)

As at 30 June 2024

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

	Note XII	30 June 2024	31 December 2023
<b>Assets</b>			
<b>Current Assets:</b>			
Cash at bank and on hand		897,358,217.22	642,080,698.45
Accounts receivable	1	14,998,239.94	15,133,117.91
Prepayments		4,253,628.56	6,277,876.25
Other receivables		222,189,408.36	222,708,526.78
Inventories		134,966.64	134,966.64
Other current assets		736,444.52	527,005.09
<b>Total current assets</b>		<b>1,139,670,905.24</b>	<b>886,862,191.12</b>
<b>Non-current assets:</b>			
Long-term receivables		47,700,000.00	47,700,000.00
Long-term equity investments		1,713,060,435.11	1,722,444,859.40
Investments in other equity instruments		991,895.28	1,000,685.43
Fixed assets		2,472,034.17	3,114,626.63
Construction in progress		2,291,569.00	2,276,000.00
Right-of-use assets		16,406,179.17	1,651,930.35
Intangible assets		30,555,722.17	35,948,853.27
Long-term deferred expenses		1,144,182.65	1,461,944.68
<b>Total non-current assets</b>		<b>1,814,622,017.55</b>	<b>1,815,598,899.76</b>
<b>Total assets</b>		<b>2,954,292,922.79</b>	<b>2,702,461,090.88</b>

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

# Company Balance Sheet (Unaudited) (Continued)

As at 30 June 2024

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

	Note XII	30 June 2024	31 December 2023
<b>Liabilities and shareholders' equity</b>			
<b>Current liabilities:</b>			
Accounts payable		14,948,970.70	13,725,149.34
Contract liabilities		6,783,884.05	5,258,859.68
Employee benefits payable		21,221,180.62	20,931,359.81
Taxes payable		5,482,734.03	5,730,801.24
Other payables		649,872,817.62	411,187,611.61
Non-current liabilities due within one year		9,937,354.70	4,261,147.74
		<u>708,246,941.72</u>	<u>461,094,929.42</u>
<b>Total current liabilities</b>			
<b>Non-current liabilities:</b>			
Long-term loans		389,500,000.00	391,500,000.00
Lease liabilities		10,289,987.73	892,782.36
		<u>399,789,987.73</u>	<u>392,392,782.36</u>
<b>Total non-current liabilities</b>			
		<u>1,108,036,929.45</u>	<u>853,487,711.78</u>
<b>Total liabilities</b>			

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

# Company Balance Sheet (Unaudited) (Continued)

As at 30 June 2024

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

	Note XII	30 June 2024	31 December 2023
<b>Liabilities and shareholders' equity (Continued)</b>			
<b>Shareholders' equity:</b>			
Share capital		799,847,800.00	799,847,800.00
Capital reserve		117,238,669.53	117,238,669.53
Other comprehensive income		64,482.83	73,272.98
Surplus reserve		254,191,310.52	254,191,310.52
Retained earnings		674,913,730.46	677,622,326.07
<b>Total shareholders' equity</b>		<b>1,846,255,993.34</b>	<b>1,848,973,379.10</b>
<b>Total liabilities and shareholders' equity</b>		<b>2,954,292,922.79</b>	<b>2,702,461,090.88</b>

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

**Cao Guangtang**

The head of the  
accounting department

# Consolidated Income Statement (Unaudited)

For the six months ended 30 June 2024

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

Items	Note V	Amount for the period	Amount for the previous period
<b>I. Total operating income</b>		<b>3,674,662,696.59</b>	3,498,266,113.58
Including: Operating income		<u>3,674,662,696.59</u>	<u>3,498,266,113.58</u>
<b>II. Total operating costs</b>		<b>3,675,818,805.95</b>	3,552,521,726.49
Including: Operating costs		<b>3,295,527,395.40</b>	3,199,841,491.34
Taxes and surcharges		<b>21,593,995.48</b>	22,550,126.34
Selling and distribution expenses		<b>32,927,916.96</b>	29,117,916.36
General and administrative expenses		<b>245,738,070.04</b>	213,112,406.51
Research and development expenses		<b>4,524,303.98</b>	1,326,633.35
Financial expenses	14	<b>75,507,124.09</b>	86,573,152.59
Add: Other income	15	<b>145,648,782.45</b>	174,778,978.53
Investment income	16	<b>50,596,083.00</b>	40,196,861.00
Accrual of credit losses	17	<b>(11,213,944.19)</b>	(8,703,453.77)
Impairment losses	18	<b>(560,250.00)</b>	–
Gains from asset disposals	19	<b>6,438,923.17</b>	24,083,715.73
<b>III. Operating profit</b>		<b>189,753,485.07</b>	176,100,488.58
Add: Non-operating income	20	<b>8,552,021.60</b>	5,936,624.04
Less: Non-operating expenses		<b>7,369,606.96</b>	3,995,931.91
<b>IV. Profit before income tax</b>		<b>190,935,899.71</b>	178,041,180.71
Less: Income tax expenses	21	<b>55,332,168.27</b>	33,948,683.95
<b>V. Net profit</b>		<b>135,603,731.44</b>	144,092,496.76
(1) Net profit classified by continuity of operations			
1. Net profit from continuing operations		<b>135,603,731.44</b>	144,092,496.76
2. Net profit from discontinued operations		<b>–</b>	–
(2) Net profit classified by ownership Attributable to:			
1. Shareholders of the Company		<b>138,669,235.05</b>	122,634,003.74
2. Non-controlling interests		<b>(3,065,503.61)</b>	21,458,493.02

# Consolidated Income Statement (Unaudited) (Continued)

For the six months ended 30 June 2024

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

Items	Note V	Amount for the period	Amount for the previous period
<b>VI. Other comprehensive income, net of tax</b>		<b>(6,201,100.27)</b>	4,740,143.57
Other comprehensive income (net of tax) attributable to shareholders of the Company		<b>(6,636,134.91)</b>	2,982,077.46
(1) Items that will not be reclassified to profit or loss		<b>(748,500.74)</b>	91,371.57
1. Remeasurement of defined benefit plan		<b>(739,710.59)</b>	91,371.57
2. Changes in fair value of investments in other equity instruments		<b>(8,790.15)</b>	–
(2) Items that may be reclassified subsequently to profit or loss		<b>(5,887,634.17)</b>	2,890,705.89
1. Other comprehensive income that may be reclassified subsequently to profit or loss under the equity method		<b>(6,691,625.45)</b>	–
2. Translation differences arising from translation of foreign currency financial statements		<b>803,991.28</b>	2,890,705.89
Other comprehensive income (net of tax) attributable to non-controlling interests		<b>435,034.64</b>	1,758,066.11
<b>VII. Total comprehensive income</b>		<b>129,402,631.17</b>	148,832,640.33
Attributable to:			
Shareholders of the Company		<b>132,033,100.14</b>	125,616,081.20
Non-controlling interests		<b>(2,630,468.97)</b>	23,216,559.13
<b>VIII. Earnings per share:</b>			
(1) Basic earnings per share (RMB/share)	22	<b>0.17</b>	0.15
(2) Diluted earnings per share (RMB/share)	22	<b>0.17</b>	0.15

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

**Cao Guangtang**

The head of the  
accounting department



# Company Income Statement (Unaudited)

For the six months ended 30 June 2024

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

Items	Note XII	Amount for the period	Amount for the previous period
<b>I. Operating income</b>		<b>78,849,509.49</b>	75,870,797.56
Less: Operating costs		<b>15,872,897.50</b>	20,001,538.18
Taxes and surcharges		<b>283,908.99</b>	373,435.76
Selling and distribution expenses		<b>8,283.65</b>	7,714.00
General and administrative expenses		<b>31,007,798.37</b>	31,382,992.29
Research and development expenses		–	528,151.64
Financial expenses		<b>(1,634,271.01)</b>	867,340.36
Add: Other income		–	–
Investment income	2	<b>17,116,924.66</b>	1,954,359.67
Accrual of credit losses		<b>1,581,898.91</b>	(570,820.47)
Impairment losses		–	–
Gains from asset disposals		–	–
		<hr/>	<hr/>
<b>II. Operating profit</b>		<b>52,009,715.56</b>	24,093,164.53
Add: Non-operating income		–	–
Less: Non-operating expenses		–	17,026.46
		<hr/>	<hr/>
<b>III. Profit before income tax</b>		<b>52,009,715.56</b>	24,076,138.07
Less: Income tax expenses		–	–
		<hr/>	<hr/>

# Company Income Statement (Unaudited) (Continued)

For the six months ended 30 June 2024

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

Items	Note XII	Amount for the period	Amount for the previous period
<b>IV. Net profit</b>		<b>52,009,715.56</b>	24,076,138.07
1. Net profit from continuing operations		52,009,715.56	24,076,138.07
2. Net profit from discontinued operations		—	—
<b>V. Other comprehensive income, net of tax</b>		<b>(8,790.15)</b>	—
(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		—	—
<b>VI. Total comprehensive income</b>		<b>52,000,925.41</b>	24,076,138.07

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

**Cao Guangtang**

The head of the  
accounting department

# Consolidated Cash Flow Statement (Unaudited)

For the six months ended 30 June 2024

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

Items	Note V	Amount for the period	Amount for the previous period
<b>I. Cash flows from operating activities</b>			
Proceeds from sale of goods and rendering of services		4,031,689,733.36	3,792,983,682.66
Cash received relating to other operating activities		253,322,180.53	230,231,755.35
Sub-total of cash inflows		4,285,011,913.89	4,023,215,438.01
Payment for goods and services		2,674,334,509.45	2,607,981,019.39
Payment to and for employees		750,406,906.45	824,581,492.58
Payment of various taxes		162,023,367.60	148,466,297.15
Payment relating to other operating activities		75,045,769.59	46,674,103.37
Sub-total of cash outflows		3,661,810,553.09	3,627,702,912.49
Net cash inflow from operating activities	23	623,201,360.80	395,512,525.52

# Consolidated Cash Flow Statement (Unaudited) (Continued)

For the six months ended 30 June 2024

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

Items	Note V	Amount for the period	Amount for the previous period
<b>II. Cash flows from investing activities</b>			
Proceeds from disposal of investments		500,000.00	182,905.99
Proceeds from investment income		17,558,752.11	12,983,676.00
Net proceeds from disposal of fixed assets, intangible assets and other long-term assets		25,787,370.60	41,825,302.17
Net cash received from disposal of subsidiaries and other business entities		19,720,114.85	–
Proceeds from other investing activities		–	12,536,479.02
Sub-total of cash inflows		<u>63,566,237.56</u>	<u>67,528,363.18</u>
Payment for acquisition of fixed assets, intangible assets and other long-term assets		48,318,547.27	87,904,755.02
Payment for acquisition of investments		10,620,352.31	–
Payments relating to other investing activities		–	447,265.25
Sub-total of cash outflows		<u>58,938,899.58</u>	<u>88,352,020.27</u>
Net cash inflow/(outflow) from investing activities		<u>4,627,337.98</u>	<u>(20,823,657.09)</u>

## Consolidated Cash Flow Statement (Unaudited) (Continued)

For the six months ended 30 June 2024

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

Items	Note V	Amount for the period	Amount for the previous period
<b>III. Cash flows from financing activities</b>			
Proceeds from borrowings		314,903,570.48	811,983,576.64
Cash received from other financing activities		—	3,000,000.00
Sub-total of cash inflows		314,903,570.48	814,983,576.64
Repayments of borrowings		345,541,585.02	903,497,554.01
Payment for profit distributions or interest		30,390,796.58	37,608,824.04
Payments relating to other financing activities		162,946,942.97	166,693,437.58
Sub-total of cash outflows		538,879,324.57	1,107,799,815.63
Net cash outflow from financing activities		(223,975,754.09)	(292,816,238.99)

# Consolidated Cash Flow Statement (Unaudited) (Continued)

For the six months ended 30 June 2024

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

Items	Note V	Amount for the period	Amount for the previous period
<b>IV. Effect of foreign exchange rate changes on cash and cash equivalents</b>		592,988.40	1,232,364.20
<b>V. Net increase in cash and cash equivalents</b>		404,445,933.09	83,104,993.64
Add: Cash and cash equivalents at the beginning of the period		1,085,764,984.96	945,099,019.66
<b>VI. Cash and cash equivalents at the end of the period</b>		1,490,210,918.05	1,028,204,013.30

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

**Cao Guangtang**

The head of the  
accounting department

# Company Cash Flow Statement (Unaudited)

For the six months ended 30 June 2024

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

Items	<b>Amount for the period</b>	Amount for the previous period
<b>I. Cash flows from operating activities</b>		
Proceeds from sale of goods and rendering of services	<b>84,928,757.27</b>	80,661,098.43
Cash received relating to other operating activities	<b>7,477,615.35</b>	5,932,110.65
	<hr/>	<hr/>
Sub-total of cash inflows	<b>92,406,372.62</b>	86,593,209.08
	<hr style="border-top: 1px dashed black;"/>	<hr style="border-top: 1px dashed black;"/>
Payment for goods and services	<b>7,979,252.96</b>	6,281,262.72
Payment to and for employees	<b>18,869,018.45</b>	21,032,979.37
Payment of various taxes	<b>3,025,643.60</b>	2,641,429.14
Payment relating to other operating activities	<b>20,900,783.21</b>	44,653,025.62
	<hr/>	<hr/>
Sub-total of cash outflows	<b>50,774,698.22</b>	74,608,696.85
	<hr style="border-top: 1px dashed black;"/>	<hr style="border-top: 1px dashed black;"/>
Net cash inflow from operating activities	<b>41,631,674.40</b>	11,984,512.23
	<hr style="border-top: 1px dashed black;"/>	<hr style="border-top: 1px dashed black;"/>

# Company Cash Flow Statement (Unaudited) (Continued)

For the six months ended 30 June 2024

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

Items	<b>Amount for the period</b>	Amount for the previous period
<b>II. Cash flows from investing activities</b>		
Proceeds from disposal of investments	<b>27,960,294.00</b>	447,265.25
Proceeds from investment income	<b>18,352,160.40</b>	–
Net proceeds from disposal of fixed assets, intangible assets and other long-term assets	–	4,340.00
Cash received relating to other investing activities	–	24,403,757.47
	<hr/>	<hr/>
Sub-total of cash inflows	<b>46,312,454.40</b>	24,855,362.72
	<hr/>	<hr/>
Payment for acquisition of fixed assets, intangible assets and other long-term assets	<b>23,879.00</b>	303,449.00
Payments relating to other investing activities	–	6,000,000.00
	<hr/>	<hr/>
Sub-total of cash outflows	<b>23,879.00</b>	6,303,449.00
	<hr/>	<hr/>
Net cash inflow from investing activities	<b>46,288,575.40</b>	18,551,913.72



## Company Cash Flow Statement (Unaudited) (Continued)

For the six months ended 30 June 2024

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

Items	Amount for the period	Amount for the previous period
<b>III. Cash flows from financing activities</b>		
Proceeds from borrowings	–	248,500,000.00
Cash received from other financing activities	<b>178,087,862.07</b>	–
Sub-total of cash inflows	<b>178,087,862.07</b>	248,500,000.00
Repayments of borrowings	<b>2,000,000.00</b>	249,500,000.00
Payment for profit distributions or interest	<b>5,383,971.66</b>	6,678,000.14
Payments relating to other financing activities	<b>3,346,621.44</b>	84,577,543.94
Sub-total of cash outflows	<b>10,730,593.10</b>	340,755,544.08
Net cash inflow/(outflow) from financing activities	<b>167,357,268.97</b>	(92,255,544.08)
<b>IV. Effect of foreign exchange rate changes on cash and cash equivalents</b>	–	–
<b>V. Net increase/(decrease) in cash and cash equivalents</b>	<b>255,277,518.77</b>	(61,719,118.13)
Add: Cash and cash equivalents at the beginning of the period	<b>642,080,698.45</b>	531,227,776.24
<b>VI. Cash and cash equivalents at the end of the period</b>	<b>897,358,217.22</b>	469,508,658.11

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

**Cao Guangtang**

The head of the  
accounting department

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

For the six months ended 30 June 2024

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

Items	Amount for the period								
	Attributable to shareholders of the Company							Non-controlling interests	Total shareholders' equity
	Share capital	Capital reserve	Other comprehensive income	Specific reserve	Surplus reserve	Retained earnings	Sub-total		
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.

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

For the six months ended 30 June 2024

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

Items	Amount for the previous period								Total shareholders' equity
	Attributable to shareholders of the Company							Non-controlling interests	
	Share capital	Capital reserve	Other comprehensive income	Specific reserve	Surplus reserve	Retained earnings	Sub-total		
I. Balance as at 31 December 2022	799,847,800.00	18,675,842.63	(36,126,897.89)	27,978,954.27	241,393,938.42	646,279,200.57	1,698,048,838.00	783,706,638.19	2,481,755,476.19
II. Balance as at 1 January 2023	799,847,800.00	18,675,842.63	(36,126,897.89)	27,978,954.27	241,393,938.42	646,279,200.57	1,698,048,838.00	783,706,638.19	2,481,755,476.19
III. Changes in equity for the period	-	-	2,982,077.46	3,543,626.75	-	122,634,003.74	129,159,707.95	22,885,669.28	152,045,377.23
(I) Total comprehensive income	-	-	2,982,077.46	-	-	122,634,003.74	125,616,081.20	23,216,559.13	148,832,640.33
(II) Shareholders' contributions and reduction	-	-	-	-	-	-	-	(808,932.44)	(808,932.44)
1. Others	-	-	-	-	-	-	-	(808,932.44)	(808,932.44)
(III) Appropriation of profits	-	-	-	-	-	-	-	(351,131.95)	(351,131.95)
1. Distributions to shareholders	-	-	-	-	-	-	-	(351,131.95)	(351,131.95)
(IV) Internal transfer of equity	-	-	-	-	-	-	-	-	-
(V) Specific reserve	-	-	-	3,543,626.75	-	-	3,543,626.75	829,174.54	4,372,801.29
1. Accrued	-	-	-	16,396,606.28	-	-	16,396,606.28	7,935,750.58	24,332,356.86
2. Utilised	-	-	-	12,852,979.53	-	-	12,852,979.53	7,106,576.04	19,959,555.57
IV. Balance as at 30 June 2023	799,847,800.00	18,675,842.63	(33,144,820.43)	31,522,581.02	241,393,938.42	768,913,204.31	1,827,208,545.95	806,592,307.47	2,633,800,853.42

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

**Cao Guangtang**

The head of the  
accounting department

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

For the six months ended 30 June 2024

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

Items	Amount for the period						Total shareholders' equity
	Share capital	Capital reserve	Specific reserve	Other comprehensive income	Surplus reserve	Retained earnings	
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: 1. 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.

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

For the six months ended 30 June 2024

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

Items	Amount for the previous period						Total shareholders' equity
	Share capital	Capital reserve	Specific reserve	Other comprehensive income	Surplus reserve	Retained earnings	
I. Balance as at 31 December 2022	799,847,800.00	117,238,669.53	-	-	248,671,931.53	627,947,915.17	1,793,706,316.23
II. Balance as at 1 January 2023	799,847,800.00	117,238,669.53	-	-	248,671,931.53	627,947,915.17	1,793,706,316.23
III. Changes in equity for the period	-	-	-	-	-	24,076,138.07	24,076,138.07
(I) Total comprehensive income	-	-	-	-	-	24,076,138.07	24,076,138.07
(II) Shareholders' contributions and reduction	-	-	-	-	-	-	-
(III) Appropriation of profits	-	-	-	-	-	-	-
(IV) Internal transfer of equity	-	-	-	-	-	-	-
(V) Specific reserve	-	-	-	-	-	-	-
1. Accrued	-	-	114,866.50	-	-	-	114,866.50
2. Utilised	-	-	114,866.50	-	-	-	114,866.50
IV. Balance as at 30 June 2023	799,847,800.00	117,238,669.53	-	-	248,671,931.53	652,024,053.24	1,817,782,454.30

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

**Cao Guangtang**

The head of the  
accounting department

# Notes to the Interim Financial Statements

For the six months ended 30 June 2024

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

## 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.

# Notes to the Interim Financial Statements

For the six months ended 30 June 2024

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

## 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. In addition, the Group also engaged in construction material supply and logistics service and other business in the reporting period.

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 interim financial statements were approved by the board of directors of the Company on 22 August 2024.

## 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 2023 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.

# Notes to the Interim Financial Statements

For the six months ended 30 June 2024

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

## 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 2024, 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 Year

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 2024 to 30 June 2024.

### 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.



# Notes to the Interim Financial Statements

For the six months ended 30 June 2024

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

## 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.

# Notes to the Interim Financial Statements

For the six months ended 30 June 2024

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

## 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.

# Notes to the Interim Financial Statements

For the six months ended 30 June 2024

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

## 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.

# Notes to the Interim Financial Statements

For the six months ended 30 June 2024

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

## 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 loses 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.

# Notes to the Interim Financial Statements

For the six months ended 30 June 2024

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

## 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.

# Notes to the Interim Financial Statements

For the six months ended 30 June 2024

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

## 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.

# Notes to the Interim Financial Statements

For the six months ended 30 June 2024

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

## 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.

# Notes to the Interim Financial Statements

For the six months ended 30 June 2024

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

## 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. 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.



# Notes to the Interim Financial Statements

For the six months ended 30 June 2024

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

## 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 receivables financing and 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, impairment losses or reversal, and exchange gains or losses.

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

# Notes to the Interim Financial Statements

For the six months ended 30 June 2024

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

## 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, bills payable, accounts payable, other payables, long-term borrowings, bonds payable 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.

# Notes to the Interim Financial Statements

For the six months ended 30 June 2024

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

## 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.

# Notes to the Interim Financial Statements

For the six months ended 30 June 2024

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

## 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.

# Notes to the Interim Financial Statements

For the six months ended 30 June 2024

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

## 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 in 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-cash 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.

# Notes to the Interim Financial Statements

For the six months ended 30 June 2024

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

## 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.

# Notes to the Interim Financial Statements

For the six months ended 30 June 2024

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

## 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.

# Notes to the Interim Financial Statements

For the six months ended 30 June 2024

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

## 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.



# Notes to the Interim Financial Statements

For the six months ended 30 June 2024

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

## 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.

# Notes to the Interim Financial Statements

For the six months ended 30 June 2024

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

## 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.

# Notes to the Interim Financial Statements

For the six months ended 30 June 2024

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

## 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.

# Notes to the Interim Financial Statements

For the six months ended 30 June 2024

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

## 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.

# Notes to the Interim Financial Statements

For the six months ended 30 June 2024

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

## 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.

# Notes to the Interim Financial Statements

For the six months ended 30 June 2024

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

## 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.

# Notes to the Interim Financial Statements

For the six months ended 30 June 2024

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

## 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.

# Notes to the Interim Financial Statements

For the six months ended 30 June 2024

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

## 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.



# Notes to the Interim Financial Statements

For the six months ended 30 June 2024

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

## 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.

# Notes to the Interim Financial Statements

For the six months ended 30 June 2024

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

## 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.

# Notes to the Interim Financial Statements

For the six months ended 30 June 2024

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

## 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 depreciated 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.

# Notes to the Interim Financial Statements

For the six months ended 30 June 2024

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

## 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.

# Notes to the Interim Financial Statements

For the six months ended 30 June 2024

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

## 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*

<b>Category</b>	<b>Amortisation period (years)</b>
Land use rights	20-70/uncertain
Joint operating earning rights	10
Software use right	5-10
Passenger service licenses	uncertain
Station franchise operating rights	38
Toll bridge franchise operating rights	28
Trademark rights	10
Trade mark 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.

# Notes to the Interim Financial Statements

For the six months ended 30 June 2024

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

## 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 station franchise operating rights held by the Group is the Xintang Passenger Station franchise operating right obtained from government authority. The Group is entitled to the right to charge fees from customers of relevant public services during the concession period, however, the right does not constitute an unconditional right to receive cash and the 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 using straight-line method.

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.

# Notes to the Interim Financial Statements

For the six months ended 30 June 2024

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

## 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.

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

### 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.

# Notes to the Interim Financial Statements

For the six months ended 30 June 2024

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

## 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 lives, 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.



# Notes to the Interim Financial Statements

For the six months ended 30 June 2024

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

## 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.

# Notes to the Interim Financial Statements

For the six months ended 30 June 2024

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

## 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.

# Notes to the Interim Financial Statements

For the six months ended 30 June 2024

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

## 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.

# Notes to the Interim Financial Statements

For the six months ended 30 June 2024

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

## 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.

# Notes to the Interim Financial Statements

For the six months ended 30 June 2024

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

## 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.

# Notes to the Interim Financial Statements

For the six months ended 30 June 2024

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

## 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.

# Notes to the Interim Financial Statements

For the six months ended 30 June 2024

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

## 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.

# Notes to the Interim Financial Statements

For the six months ended 30 June 2024

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

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

### 25. Revenue (Continued)

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

##### (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.

##### (4) *Sales of construction materials*

Sales of construction materials is the selling of construction materials. Customers obtain control of construction materials when the goods are delivered to designated locations and accepted. Revenue is recognised at that point in time and the credit term is three months with no cash discount.

For the transfer of construction materials with a right of return, revenue is recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. Therefore, the amount of revenue recognised is adjusted for the amount expected to be returned, which are estimated based on the historical data. The Group recognises a refund liability based on the amount expected to be returned. An asset is initially measured by reference to the former carrying amount of the product expected to be returned less any expected costs to recover those products (including potential decreases in the value to the Group of returned products).



# Notes to the Interim Financial Statements

For the six months ended 30 June 2024

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

## 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.

# Notes to the Interim Financial Statements

For the six months ended 30 June 2024

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

## 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.

# Notes to the Interim Financial Statements

For the six months ended 30 June 2024

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

## 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.

# Notes to the Interim Financial Statements

For the six months ended 30 June 2024

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

## 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

# Notes to the Interim Financial Statements

For the six months ended 30 June 2024

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

## 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.

# Notes to the Interim Financial Statements

For the six months ended 30 June 2024

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

## 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.

# Notes to the Interim Financial Statements

For the six months ended 30 June 2024

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

## 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.

# Notes to the Interim Financial Statements

For the six months ended 30 June 2024

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

## 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.



# Notes to the Interim Financial Statements

For the six months ended 30 June 2024

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

## 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.

# Notes to the Interim Financial Statements

For the six months ended 30 June 2024

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

## 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, 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.

# Notes to the Interim Financial Statements

For the six months ended 30 June 2024

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

## 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.

# Notes to the Interim Financial Statements

For the six months ended 30 June 2024

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

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

### 34. Changes in significant accounting policies and accounting estimates

#### 1) Significant accounting policy changes

##### (1) Implementation of Accounting Standards for Business Enterprises Interpretation No. 17

On 25 October 2023, the MOF published Accounting Standards for Business Enterprises Interpretation No. 17 (Cai Kuai [2023] No.21, hereinafter referred to as "Interpretation No. 17").

##### ① The division of current liabilities and non-current liabilities

Interpretation No. 17 makes clear:

- If an enterprise does not have a substantial right at the balance sheet date to defer the settlement of a liability to more than one year after the balance sheet date, the liability shall be classified as a current liability.
- For liabilities arising from an enterprise's loan arrangement, the enterprise's right to defer repayment of the debt until more than one year after the balance sheet date may depend on whether the enterprise has complied with the conditions set forth in the loan arrangement (hereinafter referred to as contractual conditions). In determining whether its substantive right to defer repayment of the debt exists, the enterprise should only consider the contractual conditions to be followed on or before the balance sheet date. The contractual conditions to which the business is subject after the balance sheet date should not be taken into account.
- When dividing the liquidity of liabilities, debt settlement refers to the discharge of liabilities by the transfer of cash, other economic resources (such as goods or services) or the enterprise's own equity instruments to the counterparty. If the terms of the liability cause the enterprise to pay off by delivering its own equity instruments at the option of the counterparty, if the enterprise classifies the said option as an equity instrument and recognizes it separately as an equity component of a composite financial instrument in accordance with Accounting Standard for Business Enterprises No. 37 – Presentation of Financial Instruments, This provision does not affect the liquidity division of the liability.

# Notes to the Interim Financial Statements

For the six months ended 30 June 2024

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

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

### 34. Changes in significant accounting policies and accounting estimates (Continued)

#### 1) Significant accounting policy changes (Continued)

(1) Implementation of Accounting Standards for Business Enterprises Interpretation No. 17 (Continued)

② Disclosure of supplier financing arrangements

Interpretation No. 17 requires an enterprise to aggregate and disclose information related to supplier financing arrangements when making notes to financial statements to help users of financial statements assess the impact of these arrangements on the enterprise's liabilities, cash flows, and its liquidity exposure. The impact of supplier financing arrangements should also be considered when identifying and disclosing liquidity risk information. This disclosure requirement applies only to supplier financing arrangements. A supplier financing arrangement is a transaction in which one or more financing providers provide funds for the enterprise to pay the amount due to the supplier and agree that the enterprise will repay the financing provider on or after the day the payment is received by its supplier in accordance with the terms and conditions of the arrangement. Supplier financing arrangements extend the payment period of the enterprise or advance the collection period of the enterprise's suppliers compared to the original payment due date.

③ Accounting for sales and leaseback transactions

Interpretation No. 17 provides that the lessee, in subsequent measurement of the lease liability arising from the sale and leaseback, shall not determine the amount of the lease payment or the amount of the modified lease payment in such a way that it recognises a gain or loss in relation to the use rights acquired by the leaseback. When the first implementation of this provision, the enterprise should retroactively adjust the sale and leaseback transactions carried out after the first implementation of the Accounting Standard for Enterprises No. 21 – Leasing.

The Group has implemented these provisions of Interpretation No. 17 with effect from 1 January 2024 and the implementation of these provisions have no material impact on the Group's interim financial statements.

#### 2) Changes in significant accounting estimates

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

# Notes to the Interim Financial Statements

For the six months ended 30 June 2024

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

## 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%

# Notes to the Interim Financial Statements

For the six months ended 30 June 2024

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

## 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
Guangdong Yangjiang Vehicles Transportation Co., Ltd.	20%
Yangchun City Yueyun Langri City-Village Railway Station Service Co., Ltd.	20%
Yangjiang City Hailing Yueyun Langri Travel Transportation Co., Ltd.	20%
Yangxi County Yueyun Langri Passenger Transportation Co., Ltd.	20%
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%
Zhuhai Gongqi Taxi Co., Ltd.	20%
Zhuhai Qiguan Sightseeing Bus Co., Ltd.	20%
Meizhou Yueyun Investment Co., Ltd.	20%
Meizhou Automobile Freight Co., Ltd.	20%
Guangdong Yue Li Jia Passenger Transport Company (Guangzhou)	20%
Shenzhen City Man Kam To Bus station Co., Ltd.	20%
Guangdong Tongyi Ecological and Environmental Protection Construction Co., Ltd (Name used before: 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%

# Notes to the Interim Financial Statements

For the six months ended 30 June 2024

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

## IV. TAXATION (CONTINUED)

### 2. Tax incentives

Note 1: According to "The Announcement of adjustment on some government funds Policy by MOF" (Cai shui [2019] No.46), 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 July 2019 to 31 December 2024.

According to "The Announcement of reduction on cultural construction fee Policy" (Yue cai shui [2019] No.8) 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 July 2019 to 31 December 2024.

Note 2: On 14 March 2022, 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) 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.

On 27 March 2023, 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 (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.

On 2 August 2023, in accordance with the Announcement No. 12 of 2023 issued by the MOF and the State Administration of Taxation titled "Announcement on Preferential Tax Policies for Small and Micro Enterprises and Individual Business Operators," the small-scaled minimal profit enterprise will continue to benefit from a reduced taxable income calculation at a rate of 25% and a corporate income tax payment policy at a rate of 20% until 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 during the current 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 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.

Pursuant to the Financial Budget Proposal announced by Hong Kong government on 22 February 2023, enterprises registered in Hong Kong are entitled to a one-off preferential tax treatment of 100% exemption of profit tax in 2023 with the maximum of HK\$6,000.



# Notes to the Interim Financial Statements

For the six months ended 30 June 2024

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

## 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 (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 on the Reduction and Exemption of Value-added Tax for Small-scale VAT Payers Issued by the MOF and the State Taxation Administration (the Announcement No. 19 of the Ministry of Finance and the State Taxation Administration, 2023), the VAT reduction and exemption policy for small-scale VAT payers will be continued until 31 December 2027.

# Notes to the Interim Financial Statements

For the six months ended 30 June 2024

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

## V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 1. Accounts receivable

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

Aging	30 June 2024	31 December 2023
Within 3 months (inclusive)	221,635,488.21	249,538,395.73
Over 3 months but within 6 months (inclusive)	39,094,178.05	39,960,178.29
Over 6 months but within 1 year (inclusive)	76,747,917.24	44,586,220.38
Over 1 year but within 2 years (inclusive)	27,474,070.50	29,665,700.80
Over 2 years but within 3 years (inclusive)	12,012,757.44	9,343,757.50
Over 3 years	45,561,570.20	47,967,225.23
Sub-total	<u>422,525,981.64</u>	<u>421,061,477.93</u>
Less: Provision for bad and doubtful debts	<u>77,132,671.21</u>	<u>77,455,470.63</u>
Total	<u>345,393,310.43</u>	<u>343,606,007.30</u>

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

# Notes to the Interim Financial Statements

For the six months ended 30 June 2024

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

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

### 1. Accounts receivable (Continued)

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

Items	30 June 2024					31 December 2023				
	Amount		Provision for bad and doubtful debts		Book value	Amount		Provision for bad and doubtful debts		Book value
	Amount	Percentage (%)	Amount	Provision ratio (%)		Amount	Percentage (%)	Amount	Provision ratio (%)	
Provision for bad debts is made on an individual basis	24,280,544.60	5.75	24,280,544.60	100.00	-	25,117,280.29	5.97	25,117,280.29	100.00	-
Provision for bad debts is made on a collective basis	398,245,437.04	94.25	52,852,126.61	13.27	345,393,310.43	395,944,197.64	94.03	52,338,190.34	13.22	343,606,007.30
Including:										
Aging portfolio	398,245,437.04	94.25	52,852,126.61	13.27	345,393,310.43	395,944,197.64	94.03	52,338,190.34	13.22	343,606,007.30
<b>Total</b>	<b>422,525,981.64</b>	<b>100.00</b>	<b>77,132,671.21</b>	<b>18.25</b>	<b>345,393,310.43</b>	<b>421,061,477.93</b>	<b>100.00</b>	<b>77,455,470.63</b>	<b>18.40</b>	<b>343,606,007.30</b>

Provision for bad debts is made on an individual basis:

Items	30 June 2024			
	Amount	Provision for bad and doubtful debts	Provision ratio (%)	Reasons for accruing
Shenzhen Hongbao Trading Co., Ltd.	14,264,922.29	14,264,922.29	100.00	Not expected to be recovered
Guangzhou Junfa Trading Co., Ltd.	2,914,775.00	2,914,775.00	100.00	Not expected to be recovered
Guangdong Black & White Advertising Co., Ltd	1,740,239.14	1,740,239.14	100.00	Not expected to be recovered
Zhuhai Yuexinyuan Trade Development Co., Ltd.	1,285,603.65	1,285,603.65	100.00	Not expected to be recovered
Others	4,075,004.52	4,075,004.52	100.00	Not expected to be recovered
<b>Total</b>	<b>24,280,544.60</b>	<b>24,280,544.60</b>	<b>100.00</b>	

# Notes to the Interim Financial Statements

For the six months ended 30 June 2024

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

## 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	30 June 2024		
	Amount	Provision for bad and doubtful debts	Provision ratio (%)
Aging portfolio			
Road transportation and other service			
Within 1 year (inclusive)	248,067,106.79	12,397,220.44	5.00
Over 1 year but within 2 years (inclusive)	23,573,915.05	8,250,870.50	35.00
Over 2 years but within 3 years (inclusive)	8,978,208.29	4,489,104.18	50.00
Over 3 years	19,098,508.42	19,098,508.42	100.00
Sub-total	299,717,738.55	44,235,703.54	
Service zone operation			
Within 1 year (inclusive)	86,860,098.62	4,343,004.93	5.00
Over 1 year but within 2 years (inclusive)	3,037,183.53	303,718.35	10.00
Over 2 years but within 3 years (inclusive)	1,727,541.94	518,262.58	30.00
Over 3 years	2,037,225.58	1,018,612.80	50.00
Sub-total	93,662,049.67	6,183,598.66	
Constructions material supply			
Over 3 years	4,865,648.82	2,432,824.41	50.00
Sub-total	4,865,648.82	2,432,824.41	
Total	398,245,437.04	52,852,126.61	

# Notes to the Interim Financial Statements

For the six months ended 30 June 2024

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

## 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:

Category	31 December 2023	Charge into income statement	Changes during the period		Foreign currency financial statement translation differences	30 June 2024
			Written-off	Disposal of subsidiaries		
Provision for bad debts is made on an individual basis	25,117,280.29	(836,735.69)	-	-	-	24,280,544.60
Provision for bad debts is made on a collective basis	52,338,190.34	6,750,220.96	3,277,034.60	2,962,265.07	3,014.98	52,852,126.61
Total	<u>77,455,470.63</u>	<u>5,913,485.27</u>	<u>3,277,034.60</u>	<u>2,962,265.07</u>	<u>3,014.98</u>	<u>77,132,671.21</u>

#### 4) Accounts receivable of actual written-off during the period is as follow:

Items	Written-off amount
Accounts receivable of actual written-off	<u>3,277,034.60</u>

# Notes to the Interim Financial Statements

For the six months ended 30 June 2024

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

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

### 2. Long-term equity investments

Investee	Book balance as at 31 December 2023	Changes during this period					Book balance as at 30 June 2024	Provision for impairment as at 30 June 2024
		Additional investment	Investment gains and losses recognized under the equity method	Other comprehensive income adjustment	Other changes in equity	Declaring cash dividends or profits		
<b>1. Joint ventures</b>								
Guangdong Yuehuahui Business Management Co., Ltd. (Note 1)	8,731,479.59	-	394,270.44	-	-	-	9,125,750.03	-
Zhuhai Yuegong Xinhai Transportation Co., Ltd. (Note 2)	105,837,366.14	-	34,438,851.47	(6,691,625.45)	-	-	133,584,592.16	-
Guangdong Zhongyou Top-E Energy Trading Company Limited (Note 3)	35,117,296.38	-	617,433.09	-	-	-	35,734,729.47	-
Guangdong Roadnet Innovalues Media Information Technology Co., Ltd.	2,756,457.90	-	(431,790.66)	-	-	-	2,324,667.24	-
Guangzhou Hehe Intelligent Technology Co., Ltd.	-	-	-	-	-	-	-	-
Shaoguan Yuehong Bus Station Company Limited	2,333,769.65	-	(128,445.21)	-	-	-	2,205,324.44	-
Sub-total	154,776,369.66	-	34,890,319.13	(6,691,625.45)	-	-	182,975,063.34	-
<b>2. Associates</b>								
Southern United Assets and Equity Exchange Co., Ltd.	58,754,878.31	-	4,200,121.69	-	-	-	62,955,000.00	-
Guangdong South Passenger Network Center Company Limited (Note 4)	5,603,422.47	-	(154,356.12)	-	-	-	5,449,066.35	-
Qingyuan Zhongguan Development Co., Ltd.	348,779.03	-	12,316.90	-	-	-	361,095.93	-
Zhuhai Wandatong Hongkong-Zhuhai- Macau Bridge Port Passenger Service Co.Ltd.	4,761,846.63	-	(1,023,107.42)	-	-	-	3,738,739.21	-
Lufeng Shen-Shan Expressway Services Company Limited	4,815,031.31	-	812,896.93	-	-	1,181,591.71	4,446,336.53	-
Shantou City Chaonan Yueyun Sky Island Transportation Co., Ltd.	-	-	-	-	-	-	-	-
Guangzhou City Tianhe Coach Terminal Co., Ltd.	32,480,905.51	-	256,000.00	-	-	-	32,736,905.51	-

# Notes to the Interim Financial Statements

For the six months ended 30 June 2024

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

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

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

Investee	Book balance as at 31 December 2023	Changes during this period					Book balance as at 30 June 2024	Provision for impairment as at 30 June 2024	
		Additional investment	Investment gains and losses recognized under the equity method	Other comprehensive income adjustment	Other changes in equity	Declaring cash dividends or profits			Others
<b>2. Associates (Continued)</b>									
Guangdong Guangye Yueyun Natural Gas Company Limited	3,125,526.49	-	(132,218.48)	-	-	-	-	2,993,308.01	-
CNPC Yueyun Natural Gas Co. Ltd.	9,149,293.24	-	(384,878.26)	-	-	-	-	8,764,414.98	-
Shantou City Automobile Passenger Traffic Centre Co., Ltd.	20,697,284.58	-	(184,805.66)	-	-	-	-	20,512,478.92	-
Shantou City Chaoyang Yueyun Sky Island Transportation Co., Ltd.	-	-	-	-	-	-	-	-	-
Shenzhen Yueyun Investment Development Company Limited	46,979,582.47	-	349,032.89	-	-	-	-	47,328,615.36	-
Hui Ke Tong Technology (Zhuhai) Company Limited	-	-	-	-	-	-	-	-	-
Express Cross-Border Coach Management Company Limited	-	-	-	-	-	-	-	-	-
Hong Kong-Zhuhai-Macao Bridge Shuttle Bus Company Limited	43,357,117.98	-	9,759,355.10	-	-	-	343,194.61	53,459,667.69	-
Guangdong-Hong Kong-Macao System Technology Co., Ltd.	-	-	-	-	-	-	-	-	-
Shaoguan Libao Technology Company Limited	2,665,684.80	-	246,853.41	-	-	1,280,000.00	-	1,632,538.21	-
Shaoguan City Danxia Mountain Travel Bus Company Limited	8,372,459.19	-	(859,638.35)	-	-	-	-	7,512,820.84	-
Foshan City Sanshui District Yueyun Traffic Co., Ltd.	-	24,383,408.88	-	-	-	-	-	24,383,408.88	-
Hong Kong & Macao International Airport Transportation Service (HK) Co. Limited	-	2,603,723.62	183,994.12	-	-	-	643.33	2,788,361.07	-
Hong Kong International Airport Passenger Service (Macao) Co., Ltd.	-	1,943,401.47	135,185.18	-	-	-	472.66	2,079,059.31	-
Sub-total	241,111,812.01	28,930,533.97	13,216,751.93	-	-	2,461,591.71	344,310.60	281,141,816.80	-
Total	395,888,181.67	28,930,533.97	48,107,071.06	(6,691,625.45)	-	2,461,591.71	344,310.60	464,116,880.14	-

# Notes to the Interim Financial Statements

For the six months ended 30 June 2024

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

## 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: The Group holds a 49% stake in Zhuhai Yuegong Xinhai Transportation Co., Ltd. (hereinafter referred to as "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: The Company and its subsidiary Zhuhai Gongyun Bus Terminal Co., Ltd. respectively hold 12% and 4% equity in Guangdong Nanyuetong Passenger Transport Networking Center Co., Ltd. (hereinafter referred to as "Nanyuetong"). 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 2024	31 December 2023
Fixed assets	<u>2,082,511,719.78</u>	<u>2,390,537,513.74</u>
Total	<u>2,082,511,719.78</u>	<u>2,390,537,513.74</u>



# Notes to the Interim Financial Statements

For the six months ended 30 June 2024

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

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

### 3. Fixed assets (Continued)

#### 2) Fixed assets

Items	Buildings and structures	Buildings improvements	Machinery and equipment	Electronic equipment, office	Transportation vehicles	Total
				and others		
<b>1. Cost</b>						
(1) Balance as at 31 December 2023	1,846,446,961.28	263,240,207.04	131,171,021.11	378,214,246.02	3,455,813,458.19	6,074,885,893.64
(2) Additions during the period	7,040,152.62	-	3,063,882.71	11,615,252.67	7,197,486.71	28,916,774.71
- Purchases	1,895,773.15	-	3,061,707.97	9,071,944.27	5,834,926.58	19,864,351.97
- Transfer from construction in progress	4,860,752.92	-	-	2,528,476.18	-	7,389,229.10
- Foreign currency financial statement translation differences	283,626.55	-	2,174.74	14,832.22	1,362,560.13	1,663,193.64
(3) Reductions during the period	19,756,568.98	13,004,086.03	1,913,284.24	15,532,550.88	378,606,691.03	428,813,181.16
- Disposals or discarding	11,274,103.19	13,004,086.03	1,402,495.03	13,886,505.30	129,677,274.40	169,244,463.95
- Transfer to investment properties	8,482,465.79	-	-	-	-	8,482,465.79
- Disposals of subsidiaries	-	-	510,789.21	1,646,045.58	248,929,416.63	251,086,251.42
(4) Balance as at 30 June 2024	1,833,730,544.92	250,236,121.01	132,321,619.58	374,296,947.81	3,084,404,253.87	5,674,989,487.19
<b>2. Accumulated depreciation</b>						
(1) Balance as at 31 December 2023	658,111,842.06	189,672,058.33	78,992,432.02	253,793,323.77	2,499,730,697.63	3,680,300,353.81
(2) Additions during the period	40,026,971.08	64,062.18	6,917,005.63	16,269,448.03	147,753,543.94	211,031,030.86
- Accruals	39,851,659.73	64,062.18	6,914,830.89	16,269,359.53	146,477,537.67	209,577,450.00
- Foreign currency financial statement translation differences	175,311.35	-	2,174.74	88.50	1,276,006.27	1,453,580.86
(3) Reductions during the period	13,671,571.18	12,741,519.79	1,820,936.98	14,013,117.70	261,214,747.70	303,461,893.35
- Disposals or discarding	9,569,770.26	12,741,519.79	1,330,613.84	12,935,707.71	109,201,616.58	145,779,228.18
- Transfer to investment properties	4,101,800.92	-	-	-	-	4,101,800.92
- Disposals of subsidiaries	-	-	490,323.14	1,077,409.99	152,013,131.12	153,580,864.25
(4) Balance as at 30 June 2024	684,467,241.96	176,994,600.72	84,088,500.67	256,049,654.10	2,386,269,493.87	3,587,869,491.32

# Notes to the Interim Financial Statements

For the six months ended 30 June 2024

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

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

### 3. Fixed assets (Continued)

#### 2) Fixed assets (Continued)

Items	Buildings and structures	Buildings improvements	Machinery and equipment	Electronic	Transportation vehicles	Total
				equipment, office and others		
<b>3. Provision of impairment</b>						
(1) Balance as at 31 December 2023	-	-	-	-	4,048,026.09	4,048,026.09
(2) Additions during the period	-	-	-	560,250.00	-	560,250.00
– Accruals	-	-	-	560,250.00	-	560,250.00
(3) Reductions during the period	-	-	-	-	-	-
(4) Balance as at 30 June 2024	-	-	-	560,250.00	4,048,026.09	4,608,276.09
<b>4. Book value</b>						
(1) Book value as at 30 June 2024	<u>1,149,263,302.96</u>	<u>73,241,520.29</u>	<u>48,233,118.91</u>	<u>117,687,043.71</u>	<u>694,086,733.91</u>	<u>2,082,511,719.78</u>
(2) Book value as at 31 December 2023	<u>1,188,335,119.22</u>	<u>73,568,148.71</u>	<u>52,178,589.09</u>	<u>124,420,922.25</u>	<u>952,034,734.47</u>	<u>2,390,537,513.74</u>

Note: As at 30 June 2024, fixed assets of the Group with carrying amount of RMB214,940,205.55 (31 December 2023: RMB214,729,021.65) were pledged for bank loans, among which, RMB203,994,383.38 (31 December 2023: RMB205,635,516.22) were pledged for long-term loans, RMB10,945,822.17 (31 December 2023: RMB9,093,505.43) were pledged for short-term loans and RMB90,178,993.18 (31 December 2023: RMB153,006,500.89) were pledged for long-term payables. As at 30 June 2024, fixed assets of the Group with carrying amount of RMB40,958,939.46 were sealed up (31 December 2023: Nil).

#### 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 2024, the book value of such buildings and structures was RMB76,300,279.33 (31 December 2023: RMB 79,731,369.89).

# Notes to the Interim Financial Statements

For the six months ended 30 June 2024

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

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

### 4. Right-of-use assets

Items	Buildings and structures	Lease of land	Transportation vehicles	Total
<b>1. Cost</b>				
(1) Balance as at 31 December 2023	2,860,852,908.08	95,308,943.20	247,814,049.60	3,203,975,900.88
(2) Additions during the period	26,953,935.09	5,717,579.56	–	32,671,514.65
– Additions of lease	26,941,623.23	5,717,579.56	–	32,659,202.79
– Foreign currency financial statement translation differences	12,311.86	–	–	12,311.86
(3) Reductions during the period	18,470,970.18	5,090,478.99	–	23,561,449.17
– Disposals	11,459,262.18	5,090,478.99	–	16,549,741.17
– Disposals of subsidiaries	7,011,708.00	–	–	7,011,708.00
(4) Balance as at 30 June 2024	<u>2,869,335,872.99</u>	<u>95,936,043.77</u>	<u>247,814,049.60</u>	<u>3,213,085,966.36</u>
<b>2. Accumulated depreciation</b>				
(1) Balance as at 31 December 2023	1,225,724,514.20	41,631,773.67	136,600,463.62	1,403,956,751.49
(2) Additions during the period	85,440,502.77	3,401,165.22	15,333,493.14	104,175,161.13
– Accrual	85,429,059.70	3,401,165.22	15,333,493.14	104,163,718.06
– Foreign currency financial statement translation differences	11,443.07	–	–	11,443.07
(3) Reductions during the period	13,678,740.39	5,090,478.99	–	18,769,219.38
– Disposals	11,459,262.18	5,090,478.99	–	16,549,741.17
– Disposals of subsidiaries	2,219,478.21	–	–	2,219,478.21
(4) Balance as at 30 June 2024	<u>1,297,486,276.58</u>	<u>39,942,459.90</u>	<u>151,933,956.76</u>	<u>1,489,362,693.24</u>
<b>3. Book value</b>				
(1) As at 30 June 2024	<u>1,571,849,596.41</u>	<u>55,993,583.87</u>	<u>95,880,092.84</u>	<u>1,723,723,273.12</u>
(2) As at 31 December 2023	<u>1,635,128,393.88</u>	<u>53,677,169.53</u>	<u>111,213,585.98</u>	<u>1,800,019,149.39</u>

# Notes to the Interim Financial Statements

For the six months ended 30 June 2024

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

## 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
<b>1. Cost</b>							
(1) Balance as at 31 December 2023	658,050,064.54	112,985,901.72	39,886,693.32	387,478,456.26	304,786,470.91	4,673,854.67	1,507,861,441.42
(2) Additions during the period	279,139.68	823,586.61	284,332.76	-	-	-	1,387,059.05
- Purchases	-	823,586.61	-	-	-	-	823,586.61
- Foreign currency financial statement translation differences	279,139.68	-	284,332.76	-	-	-	563,472.44
(3) Reductions during the period	30,338,715.10	-	-	-	-	-	30,338,715.10
- Transfer to investment properties	30,338,715.10	-	-	-	-	-	30,338,715.10
(4) Balance as at 30 June 2024	<u>627,990,489.12</u>	<u>113,809,488.33</u>	<u>40,171,026.08</u>	<u>387,478,456.26</u>	<u>304,786,470.91</u>	<u>4,673,854.67</u>	<u>1,478,909,785.37</u>
<b>2. Accumulated amortization</b>							
(1) Balance as at 31 December 2023	157,324,792.95	76,847,471.22	-	313,365,715.85	224,647,850.90	2,875,698.78	775,061,529.70
(2) Additions during the period	6,413,265.09	4,263,126.44	-	5,634,239.60	3,845,462.28	326,104.98	20,482,198.39
- Accrual	6,282,256.33	4,263,126.44	-	5,634,239.60	3,845,462.28	326,104.98	20,351,189.63
- Foreign currency financial statement translation differences	131,008.76	-	-	-	-	-	131,008.76
(3) Reductions during the period	11,178,836.25	-	-	-	-	-	11,178,836.25
- Transfer to investment properties	11,178,836.25	-	-	-	-	-	11,178,836.25
(4) Balance as at 30 June 2024	<u>152,559,221.79</u>	<u>81,110,597.66</u>	<u>-</u>	<u>318,999,955.45</u>	<u>228,493,313.18</u>	<u>3,201,803.76</u>	<u>784,364,891.84</u>
<b>3. Provision of impairment</b>							
(1) Balance as at 31 December 2023	2,956,979.57	-	-	-	38,084,104.79	-	41,041,084.36
(2) Additions during the period	-	-	-	-	-	-	-
(3) Reductions during the period	-	-	-	-	-	-	-
(4) Balance as at 30 June 2024	<u>2,956,979.57</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>38,084,104.79</u>	<u>-</u>	<u>41,041,084.36</u>
<b>4. Book value</b>							
(1) As at 30 June 2024	<u>472,474,287.76</u>	<u>32,698,890.67</u>	<u>40,171,026.08</u>	<u>68,478,500.81</u>	<u>38,209,052.94</u>	<u>1,472,050.91</u>	<u>653,503,809.17</u>
(2) As at 31 December 2023	<u>497,768,292.02</u>	<u>36,138,430.50</u>	<u>39,886,693.32</u>	<u>74,112,740.41</u>	<u>42,054,515.22</u>	<u>1,798,155.89</u>	<u>691,758,827.36</u>

# Notes to the Interim Financial Statements

For the six months ended 30 June 2024

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

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

### 5. Intangible assets (Continued)

#### 1) Details of intangible assets (Continued)

Note 1: As at 30 June 2024, land use rights with carrying amount of RMB71,058,411.46 (31 December 2023: RMB110,642,877.76) were pledged for bank loans, among which, RMB54,297,414.49 (31 December 2023: RMB59,008,987.31) were pledged for long-term loans, RMB16,760,996.97 (31 December 2023: RMB51,633,890.45) were pledged for short-term loans. As at 30 June 2024, land use rights with carrying amount of RMB1,025,674.00 (31 December 2023: RMB1,025,674.00) were pledged for long-term payables. As at 30 June 2024, land use rights of the Group with carrying amount of RMB3,659,590.10 were sealed up (31 December 2023: Nil).

Note 2: Certain pieces of land of the Group located in the cities of Heyuan, Shanwei, Shaoguan, Yangjiang and Meizhou etc. have not yet obtained the certificates of ownership. As at 30 June 2024, the carrying amount of land use rights without certificate of the title for the Group was RMB6,870,802.69 (31 December 2023: RMB6,957,525.39).

Note 3: As at 30 June 2024, land use rights with carrying amount of RMB83,200,236.44 (31 December 2023: RMB83,822,210.96) were obtained through allocation.

### 6. Short-term loans

#### 1) Classification of short-term loans

Items	30 June 2024	31 December 2023
Pledged loan (Note 2)	9,000,000.00	–
Including: Loans from banks	9,000,000.00	–
Loans secured by mortgages (Note 3)	138,165,754.42	136,575,342.46
Unsecured loans	316,731,480.93	309,297,086.22
Including: Loans from banks	316,731,480.93	309,297,086.22
Total	463,897,235.35	445,872,428.68

Note 1: As at 30 June 2024, the Group's short-term loans were borrowings from banks within 1 year, which bear interest rates ranging from 2.00% ~ 5.10% per annum (31 December 2023: 2.00% ~ 5.10%).

Note 2: As at 30 June 2024, the pledged loans held by the Group are the loans borrowed by the subsidiary of the Company, 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 2024, please refer to Notes V 3 and 5.

# Notes to the Interim Financial Statements

For the six months ended 30 June 2024

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

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

### 6. Short-term loans (Continued)

#### 2) Overdue short-term loans

As at 30 June 2024, the outstanding balance of the Group's overdue short-term loans was RMB17,750,000.00 at an interest rate of 4.80% per annum.

### 7. Accounts payable

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

Items	30 June 2024	31 December 2023
Materials payable	78,419,781.44	79,309,182.67
Transportation fee payable	74,372,441.92	66,193,883.05
Contract payments for cars	4,498,500.00	5,652,172.18
Progress payments for constructions	165,097,047.65	191,379,479.64
Expressway service zones contracts fee payable	122,069,555.50	115,795,970.57
Fuel expenses payable	22,950,147.76	18,606,391.41
Service fees payable	7,445,155.91	14,315,395.53
Others	76,659,001.63	66,482,479.07
Total	<u>551,511,631.81</u>	<u>557,734,954.12</u>

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

Items	30 June 2024	31 December 2023
Within 1 year (inclusive)	331,056,388.62	326,983,018.81
Over 1 year but within 2 years (inclusive)	65,193,177.95	56,657,261.79
Over 2 years but within 3 years (inclusive)	28,126,401.50	142,895,962.46
Over 3 years	127,135,663.74	31,198,711.06
Total	<u>551,511,631.81</u>	<u>557,734,954.12</u>

# Notes to the Interim Financial Statements

For the six months ended 30 June 2024

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

## 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 2024	Nature and reasons for unsettlement
Guangxi Construction First Construction Engineering Group Co., Ltd.	30,700,849.22	Construction fee unsettled
Guangdong Wuhua Erjian Engineering Co., Ltd.	15,099,419.94	Construction fee unsettled
Total	<u>45,800,269.16</u>	

### 8. Non-current liabilities due within one year

Items	Note V	30 June 2024	31 December 2023
Long-term loans due within one year	9	164,139,086.75	112,726,491.96
Long-term payables due within one year		156,216,314.38	147,778,059.39
Lease liabilities due within one year	10	166,797,694.41	160,910,669.96
Total		<u>487,153,095.54</u>	<u>421,415,221.31</u>

# Notes to the Interim Financial Statements

For the six months ended 30 June 2024

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

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

### 9. Long-term loans

#### 1) Classification of long-term loans

Items	30 June 2024	31 December 2023
Unsecured loans	504,077,486.88	561,009,396.46
Including: Loans from banks	471,077,486.88	505,606,077.01
Loans from GCG Finance	33,000,000.00	55,403,319.45
Loans secured by mortgages (Note 2)	337,756,916.69	349,230,532.07
Mortgaged and guaranteed loans (Note 3)	42,448,438.56	51,158,778.25
Pledged and mortgaged loans (Note 4)	39,355,180.56	8,878,189.20
Pledged, mortgaged and guaranteed loans (Note 5)	12,435,361.11	14,459,309.03
Total	936,073,383.80	984,736,205.01
Less: Long-term loans due within one year		
Including: Unsecured loans	18,789,986.88	40,153,319.45
Loans secured by mortgages	108,308,129.88	32,034,040.99
Mortgaged and guaranteed loans	17,940,428.32	27,601,633.29
Pledged and mortgaged loans	6,665,180.56	8,878,189.20
Pledged, mortgaged and guaranteed loans	12,435,361.11	4,059,309.03
Sub-total (Note V 8)	164,139,086.75	112,726,491.96
Long-term loans due after 1 year	771,934,297.05	872,009,713.05
Including: Due after 1 year but within 2 years	650,748,404.04	397,944,748.27
Due after 2 years but within 5 years	121,185,893.01	474,064,964.78



# Notes to the Interim Financial Statements

For the six months ended 30 June 2024

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

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

### 9. Long-term loans (Continued)

#### 1) Classification of long-term loans (Continued)

Note 1: As at 30 June 2024, all the Group's long-term loans were from banks and Guangdong Provincial Communication Group Finance Company Limited ("GCG Finance") with interest rates ranging from 2.80%-5.90% per annum (31 December 2023: 2.80%-5.90%).

Note 2: For the details of assets mortgaged for secured loans as at 30 June 2024, please refer to Notes V 3 and 5.

Note 3: As at 30 June 2024, mortgaged and guaranteed loans held by the Group include the loans borrowed by the subsidiaries: ①Heyuan 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 2024, the pledged and mortgaged loans held by the Group include the loans borrowed by the subsidiaries: ①Shanwei Yueyun Automobile Transport Co., Ltd., with the comprehensive subsidy for the demonstration and promotion of new energy buses in Shanwei urban area from 2022 to 2025 as pledged assets and land as collateral; ②Shanwei Yueyun Automobile Transport Co., Ltd., with the comprehensive subsidy for the demonstration and promotion of new energy buses in Haifeng from 2022 to 2024 as pledged assets and vehicles as collateral.

Note 5: As at 30 June 2024, the pledged, mortgaged, and guaranteed loans held by the Group were borrowed by its subsidiary Shanwei Yueyun Automobile Transport Co., Ltd., with the 2025 Lufeng New Energy Bus Demonstration and Promotion Application Period Operation Comprehensive Subsidy as pledged assets, with land as collateral and guaranteed by the Company at 51% joint and several liabilities.

#### 2) Overdue long-term loans

As at 30 June 2024, the outstanding balance of the Group's overdue long-term loans was RMB9,922,836.52 at an interest rate of 4.55% per annum.

### 10. Lease liabilities

Items	30 June 2024	31 December 2023
Lease liabilities	1,935,613,403.67	1,994,045,085.88
Less: lease liabilities due within one year (Note V. 8)	166,797,694.41	160,910,669.96
Total	<u>1,768,815,709.26</u>	<u>1,833,134,415.92</u>

# Notes to the Interim Financial Statements

For the six months ended 30 June 2024

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

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

### 11. Deferred income

Items	30 June 2024	31 December 2023
Government grant related to assets	181,063,826.05	209,266,251.25
Prepayments of contracts	139,211,779.02	147,070,722.04
Rental of stations and advertising sites	11,499,160.80	11,888,970.66
Total	331,774,765.87	368,225,943.95

### 12. Specific reserve

Item	31 December 2023	Additions during the period	Reductions during the period	30 June 2024
Safety specific reserve	33,769,964.27	17,428,123.28	14,680,438.40	36,517,649.15
Total	33,769,964.27	17,428,123.28	14,680,438.40	36,517,649.15

Note: According to "The announcement of the administration instruction on using and provision of enterprises' safety specific reserve" (Cai Qi [2022] No.136) issued by MOF and the Ministry of Emergency Management and Administration instruction of safely operation of Guangdong Yueyun Transportation Co., Ltd., transportation enterprises should provide safety reserve monthly based on last year's actual operating income, at the rates of 1% for ordinary freight transportation service and 1.5% for passengers transportation service, respectively. Enterprises serve for production and storage of hazardous goods should set provision of safety reserve monthly based on last year's actual operating income.

# Notes to the Interim Financial Statements

For the six months ended 30 June 2024

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

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

### 13. Retained earnings

Items	Amount for the period	Amount for the previous period
Retained earnings at the beginning of the year	842,647,338.85	646,279,200.57
Add: Net profit for the period attributable to the shareholders of the Company	138,669,235.05	122,634,003.74
Less: Final dividends in respect of the previous financial year, approved and declared during the period (note)	63,987,824.00	—
Retained earnings at the end of the period	<u>917,328,749.90</u>	<u>768,913,204.31</u>

Note: A final dividend of RMB0.08 per share (tax included) for the year ended 31 December 2023 were approved for distribution by shareholders at the Annual General Meeting held on 28 June 2024. The total amount of 2023 final dividend was RMB63,987,824.00, calculated based on the total number of shares of 799,847,800 (for the six months ended 30 June 2023: no dividend was declared). As at 30 June 2024, the above cash dividend has not been paid.

### 14. Financial expenses

Items	Amount for the period	Amount for the previous period
Interest expenses from loans	28,185,796.58	37,675,898.59
Interest income	(9,986,035.48)	(8,619,173.96)
Exchange gains	(1,981,856.44)	(2,673,602.05)
Interest expenses from lease liabilities	47,295,704.83	50,491,300.24
Others	11,993,514.60	9,698,729.77
Total	<u>75,507,124.09</u>	<u>86,573,152.59</u>

# Notes to the Interim Financial Statements

For the six months ended 30 June 2024

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

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

### 15. Other income

Items	Amount for the period	Amount for the previous period
Government grants related to assets	33,477,761.90	41,702,288.07
Government grants related to income	111,427,095.05	127,119,536.68
VAT reduction and exemption, etc. (Note)	743,925.50	5,957,153.78
Total	<u>145,648,782.45</u>	<u>174,778,978.53</u>

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

#### 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	75,746.19	1,528,503.87	Related to assets
Subsidies for procurement of new energy vehicles	28,500,719.92	34,952,972.92	Related to assets
Subsidies for fixed assets renovation	3,444,137.87	3,526,335.02	Related to assets
Tax subsidies for vehicle purchase	212,765.94	212,765.94	Related to assets
Other subsidies related to assets	1,244,391.98	1,481,710.32	Related to assets
Subsidies for operation of bus line	101,593,749.10	97,417,704.12	Related to income
Subsidies of elderly concessionary travel card	4,576,165.74	13,492,920.93	Related to income
Others subsidies related to income	5,257,180.21	16,208,911.63	Related to income
Total	<u>144,904,856.95</u>	<u>168,821,824.75</u>	

# Notes to the Interim Financial Statements

For the six months ended 30 June 2024

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

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

### 16. Investment income

Items	Amount for the period	Amount for the previous period
Income from long-term equity investments under equity method	48,107,071.06	40,115,400.24
Gains on disposal of subsidiaries (Note VI 3)	2,216,830.64	–
Others	272,181.30	81,460.76
Total	<u>50,596,083.00</u>	<u>40,196,861.00</u>

Note 1: There is no significant restrictions on remittance of the Group's investment income.

### 17. Accrual of credit loss

Items	Amount for the period	Amount for the previous period
Accounts receivable	(5,913,485.27)	(8,765,429.95)
Other receivables	(5,300,458.92)	61,976.18
Total	<u>(11,213,944.19)</u>	<u>(8,703,453.77)</u>

### 18. Impairment losses

Items	Amount for the period	Amount for the previous period
Impairment loss of fixed assets	(560,250.00)	–
Total	<u>(560,250.00)</u>	<u>–</u>

# Notes to the Interim Financial Statements

For the six months ended 30 June 2024

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

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

### 19. Gains from asset disposals

Items	Amount for the period	Amount for the previous period
Gains from disposal of fixed assets	6,438,923.17	11,505,179.59
Gains from disposal of other non-current assets	–	12,488,933.41
Gains from disposal of right-of-use assets	–	89,602.73
Total	<u>6,438,923.17</u>	<u>24,083,715.73</u>

### 20. Non-operating income

Items	Amount for the period	Amount for the previous period
Gains on scrapping of non-current assets	824,131.03	947,872.19
Government grants	–	83,290.00
Compensations	885,037.43	2,350,559.76
Others	6,842,853.14	2,554,902.09
Total	<u>8,552,021.60</u>	<u>5,936,624.04</u>

#### *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	–	83,290.00	Related to income
Total	<u>–</u>	<u>83,290.00</u>	

# Notes to the Interim Financial Statements

For the six months ended 30 June 2024

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

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

### 21. Income tax expenses

#### 1) Income tax expenses

Items	Amount for the period	Amount for the previous period
Current income tax expense	66,020,290.22	43,443,469.90
Deferred tax expense	(10,688,121.95)	(9,494,785.95)
Total	<u>55,332,168.27</u>	<u>33,948,683.95</u>

### 22. 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	138,669,235.05	122,634,003.74
Weighted average number of ordinary shares outstanding	<u>799,847,800.00</u>	<u>799,847,800.00</u>
Basic earnings per share (RMB/share)	0.17	0.15
Including: Basic earnings per share from continuing operations (RMB/share)	<u>0.17</u>	<u>0.15</u>

# Notes to the Interim Financial Statements

For the six months ended 30 June 2024

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

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

### 22. Earnings per share (Continued)

#### 1) Basic earnings per share (Continued)

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	<u>799,847,800.00</u>	<u>799,847,800.00</u>

#### 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.



# Notes to the Interim Financial Statements

For the six months ended 30 June 2024

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

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

### 23. Supplement to cash flow statement

#### 1) Supplement to cash flow statement

Supplement	Amount for the period	Amount for the previous period
<b>1. Reconciliation of net profit to cash flows from operating activities:</b>		
Net profit	135,603,731.44	144,092,496.76
Add: Provisions for credit loss	11,213,944.19	8,703,453.77
Provisions for impairment of assets	560,250.00	–
Depreciation of fixed assets and investment properties	216,194,409.76	246,385,923.15
Depreciation of right-of-use assets	104,163,718.06	141,239,713.87
Amortisation of intangible assets	20,351,189.63	30,760,329.36
Amortisation of long-term deferred expenses	35,949,797.56	38,159,771.54
Gains on disposal of fixed assets, intangible assets and other long-term assets	(6,438,923.17)	(24,083,715.73)
Losses/(gains) on disposal of fixed assets	2,281,878.33	(23,959.52)
Financial expenses	76,286,307.82	86,658,991.08
Investment income	(50,596,083.00)	(40,196,861.00)
Increase in deferred tax assets	(7,638,301.87)	(4,662,895.26)
Decrease in deferred tax liabilities	(3,063,128.88)	(4,831,890.69)
Decrease/(increase) in inventories	7,037,434.40	(1,610,853.74)
Increase in operating receivables	(2,471,032.32)	(146,190,850.07)
Increase/(decrease) in operating payables	77,395,882.83	(82,430,754.75)
Increase in specific reserve	6,370,286.02	3,543,626.75
	<u>623,201,360.80</u>	<u>395,512,525.52</u>
<b>2. Change in cash and cash equivalents</b>		
Cash and cash equivalents at the end of the period	1,490,210,918.05	1,028,204,013.30
Less: Cash and cash equivalents at the beginning of the period	1,085,764,984.96	945,099,019.66
	<u>404,445,933.09</u>	<u>83,104,993.64</u>

# Notes to the Interim Financial Statements

For the six months ended 30 June 2024

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

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

### 23. 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	27,960,294.00
Including: Maoming City Dianbai District Xinjieyun City Transportation Co., Ltd. (former name: Maoming City Dianbai District Yueyun Vehicles Transportation Co., Ltd.)	17,800,540.30
Foshan City Sanshui District Yueyun Traffic Co., Ltd.	10,159,753.70
Less: Cash and cash equivalents held on the date of loss of control over subsidiaries	8,240,179.15
Including: Maoming City Dianbai District Xinjieyun City Transportation Co., Ltd. (former name: Maoming City Dianbai District Yueyun Vehicles Transportation Co., Ltd.)	1,265,071.51
Foshan City Sanshui District Yueyun Traffic Co., Ltd.	6,975,107.64
Net cash received from disposal of subsidiaries	<u>19,720,114.85</u>

#### 3) Details of cash and cash equivalents

Items	30 June 2024	31 December 2023
I. Cash at bank and on hand	1,490,210,918.05	1,085,764,984.96
Including: Cash on hand	3,323,268.24	4,007,698.06
Bank deposits available on demand	1,486,887,649.81	1,081,757,286.90
II. Closing balance of cash and cash equivalents available on demand	<u>1,490,210,918.05</u>	<u>1,085,764,984.96</u>

# Notes to the Interim Financial Statements

For the six months ended 30 June 2024

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

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

### 24. Assets with restricted ownership or right of use

Items	Book value at the end of the period	Restricted reason
Monetary funds	12,271,115.56	Performance security deposits, property maintenance funds, tourism quality deposits and other deposits
investment properties	210,853,398.12	Mortgage loan
Fixed assets	346,078,138.19	Mortgage loan, long-term payable mortgage guarantee, seal up
Intangible assets	75,743,675.56	Mortgage loan, long-term payable mortgage guarantee, seal up
Total	<u>644,946,327.43</u>	

### 25. Government grants

#### 1) Government grants related to assets

Items	Balance	Balance sheet presentation items	Amount for the period	The amount included in the current profit and loss or offsetting the related costs and expenses	
				Amount for the previous period	Items included in the current profit and loss or offsetting the related costs and expenses
Subsidies for vehicles replacement	4,565.94	Deferred income	75,746.19	1,528,503.87	Other income
Subsidies for procurement of new energy vehicles	67,634,343.44	Deferred income	28,500,719.92	34,952,972.92	Other income
Subsidies for fixed assets renovation	93,378,887.51	Deferred income	3,444,137.87	3,526,335.02	Other income
Tax subsidies for vehicles purchase	10,961,452.02	Deferred income	212,765.94	212,765.94	Other income
Other subsidies related to assets	9,084,577.14	Deferred income	1,244,391.98	1,481,710.32	Other income
Total	<u>181,063,826.05</u>		<u>33,477,761.90</u>	<u>41,702,288.07</u>	

# Notes to the Interim Financial Statements

For the six months ended 30 June 2024

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

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

### 25. 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	15,388,330.77	89,311,966.79	Operating costs
Subsidies for operation of bus lines	101,593,749.10	97,417,704.12	Other income
Subsidies of elderly concessionary travel card	4,576,165.74	13,492,920.93	Other income
Other subsidies	5,257,180.21	16,208,911.63	Other income
Other subsidies	-	83,290.00	Non-operating income
Total	<u>126,815,425.82</u>	<u>216,514,793.47</u>	

### 26. Net current liabilities

Items	30 June 2024	31 December 2023
Current assets	2,791,441,182.25	2,453,909,196.32
Less: Current liabilities	<u>2,796,856,710.29</u>	<u>2,560,402,388.93</u>
Net current liabilities	<u>(5,415,528.04)</u>	<u>(106,493,192.61)</u>

### 27. Total assets less current liabilities

Items	30 June 2024	31 December 2023
Total assets	8,592,319,210.61	8,603,368,305.61
Less: Current liabilities	<u>2,796,856,710.29</u>	<u>2,560,402,388.93</u>
Total assets less current liabilities	<u>5,795,462,500.32</u>	<u>6,042,965,916.68</u>

# Notes to the Interim Financial Statements

For the six months ended 30 June 2024

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

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

### 28. Lease

#### 1) As a lessee

Items	Amount for the period	Amount for the previous period
Interest expense on lease liabilities	47,295,704.83	50,491,300.24
Short-term lease expenses applied the practical expedient	3,321,580.13	15,051,319.74
Variable lease payments not included in the measurement of lease liabilities	5,132,407.74	8,816,339.25
Income from sub-leasing right-of-use assets	245,101,426.32	211,875,186.39
Total cash outflow for leases	127,844,152.21	157,797,424.63

#### 2) As a lessor

##### (1) Operating lease

Items	Amount for the period	Amount for the previous period
Lease income	262,724,080.66	231,417,963.31
Including: income related to variable lease payments not included in lease receipts	18,660,634.34	11,241,496.85

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

Remaining lease term	30 June 2024	31 December 2023
Within 1 year	497,788,105.43	491,609,268.54
Over 1 year but within 2 years	436,569,493.25	453,936,749.57
Over 2 years but within 3 years	369,493,965.73	381,507,162.92
Over 3 years but within 4 years	310,462,156.13	322,254,930.99
Over 4 years but within 5 years	247,412,952.76	270,555,117.05
Over 5 years	889,707,145.08	977,236,470.22
Total	2,751,433,818.38	2,897,099,699.29

# Notes to the Interim Financial Statements

For the six months ended 30 June 2024

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

## 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
Maoming City Dianbai District Xinjeyun City Transportation Co., Ltd. (former name: Maoming City Dianbai District Yueyun Vehicles Transportation Co., Ltd.)	17,800,540.30	51.00	Publicly listed for sale	2024/1/10	Completion of equity transfer	(1,161,868.31)	-	N/A	N/A	N/A	N/A	-
Foshan City Sanshui District Yueyun Traffic Co., Ltd.	10,159,753.70	15.00	Publicly listed for sale	2024/6/25	Completion of equity transfer	3,280,915.98	36%	24,285,625.91	24,383,408.88	97,782.97	Evaluation by income method	-

# Notes to the Interim Financial Statements

For the six months ended 30 June 2024

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

## 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	Percentage (%)		Established or acquired
					(RMB million)	Shareholding	Voting rights	
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 (Name used before: 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

# Notes to the Interim Financial Statements

For the six months ended 30 June 2024

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

## 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	Percentage		Established or acquired
					(RMB million)	Shareholding	Voting rights	
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
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



# Notes to the Interim Financial Statements

For the six months ended 30 June 2024

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

## 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	Percentage (%)		Established or acquired
					(RMB million)	Shareholding	Voting rights	
Guangdong Yueyun Langri Co., Ltd.	Guangdong China	Guangdong China	Incorporated corporation	Domestic transportation	156.75	51.00	51.00	Business combinations involving enterprises under common control
Yangchun City Yueyun Langri City-Village Railway Station Service Co., Ltd. (Note 1)	Guangdong China	Guangdong China	Limited liability company	Station services	0.50	60.00	100.00	Business combinations involving enterprises under common control
Yangjiang City Yueyun Langri Public Transportation Co., Ltd.	Guangdong China	Guangdong China	Limited liability company	Domestic transportation	74.8240	65.00	65.00	Business combinations involving enterprises under common control
Yangchun City Yueyun Langri Public Transportation Co., Ltd.	Guangdong China	Guangdong China	Limited liability company	Domestic transportation	0.15	100.00	100.00	Business combinations involving enterprises under common control
Yangxi County Yueyun Langri Passenger Transportation Co., Ltd.	Guangdong China	Guangdong China	Limited liability company	Domestic transportation	1.00	100.00	100.00	Business combinations involving enterprises under common control
Guangzhou City Yueyun Motor Transportation Co., Ltd.	Guangdong China	Guangdong China	Limited liability company	Domestic transportation	0.50	51.00	51.00	Business combinations involving enterprises under common control
Guangzhou City Zengcheng Automobile Passenger Traffic Station Co., Ltd.	Guangdong China	Guangdong China	Limited liability company	Station services	30.00	60.00	60.00	Business combinations involving enterprises under common control
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

# Notes to the Interim Financial Statements

For the six months ended 30 June 2024

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

## 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	Percentage		Established or acquired
					(RMB million)	Shareholding	Voting rights	
Yangjiang City Yueyun Langri Passenger Transport Co., Ltd.	Guangdong China	Guangdong China	Limited liability company	Domestic transportation	20.00	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
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

# Notes to the Interim Financial Statements

For the six months ended 30 June 2024

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

## 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	Percentage (%)		Established or acquired
					(RMB million)	Shareholding	Voting rights	
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	90.00	90.00	Established
Hai Feng Yueyun Public Transportation Co., Ltd.	Guangdong China	Guangdong China	Limited liability company	Domestic transportation	20.00	100.00	100.00	Established
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
Yangjiang City Hailing Yueyun Langri Travel Transportation Co., Ltd.	Guangdong China	Guangdong China	Limited liability company	Domestic transportation	10.00	65.00	65.00	Established
Guangdong Yangjiang Vehicles Transportation Co., Ltd.	Guangdong China	Guangdong China	Limited liability company	Domestic transportation	47.321932	100.00	100.00	Business combinations involving enterprises under common control
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

# Notes to the Interim Financial Statements

For the six months ended 30 June 2024

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

## 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	Percentage		Established or acquired
					(RMB million)	Shareholding	Voting rights	
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
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
Shenzhen City Man Kam To Bus station Co., Ltd.	Guangdong China	Guangdong China	Limited liability company	Property Management	0.50	100.00	100.00	Established
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

# Notes to the Interim Financial Statements

For the six months ended 30 June 2024

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

## 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	Percentage (%)		Established or acquired
					(RMB million)	Shareholding	Voting rights	
Zhuhai Gongyun Coach Terminal Co., Ltd.	Guangdong China	Guangdong China	Limited liability company	Domestic transportation	4.80	100.00	100.00	Business combinations involving enterprises under common control
Zhuhai Gongqi Taxi Co., Ltd.	Guangdong China	Guangdong China	Limited liability company	Domestic transportation	4.50	100.00	100.00	Business combinations involving enterprises under common control
Zhuhai Qiguan Sightseeing Bus Co., Ltd.	Guangdong China	Guangdong China	Limited liability company	Domestic transportation	0.80	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.

# Notes to the Interim Financial Statements

For the six months ended 30 June 2024

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

## 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	12,215,632.23	–	81,408,019.53
Foshan City Yueyun Public Transportation Co., Ltd.	49.00	350,821.38	(2,205,000.00)	142,882,160.14
Guangdong Yueyun Langri Co., Ltd.	49.00	(9,865,894.47)	–	94,548,702.37
Heyuan City Yueyun Motor Transportation Co., Ltd.	44.72	(9,866,899.88)	–	(7,908,635.27)
Qingyuan Yueyun Vehicles Transportation Co., Ltd.	33.61	(4,692,482.35)	–	100,450,905.35
Shaoguan Yueyun Vehicles Transportation Co., Ltd.	40.31	(11,159,560.79)	(3,724,090.45)	85,811,150.84
Guangdong Zhong Yue Tong Oil Products Operation Company Limited	49.00	23,347,366.40	–	145,389,995.91

# Notes to the Interim Financial Statements

For the six months ended 30 June 2024

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

## 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	49.00	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 Terminal 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 2024, the ability to transfer fund from the above joint ventures and associates to the Group is not restricted (31 December 2023: Nil).

# Notes to the Interim Financial Statements

For the six months ended 30 June 2024

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

## 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	Guangdong 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

Guangdong Bo-Da Expressway Company Limited

Guangdong Chao-Hui Expressway Company Limited

Guangdong Chaoshan Circle Line Expressway Co., Ltd.

Guangdong Dachao Expressway Co., Ltd.

Guangdong Oriental Thought Co., Ltd.

Guangdong Guangfozhao Expressway Company Limited

Guangdong Guanghui Expressway Co., Ltd.

Guangdong Guangle Expressway Co., Ltd.

#### Related party relationships

Controlled by the ultimate holding company

Controlled by the ultimate holding company

Controlled by the ultimate holding company

Controlled by the ultimate holding company

Controlled by the ultimate holding company

Controlled by the ultimate holding company

Controlled by the ultimate holding company

Controlled by the ultimate holding company



# Notes to the Interim Financial Statements

For the six months ended 30 June 2024

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

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

### 4. Information on other related parties (Continued)

#### Other related parties

#### Related party relationships

Guangdong Guangzhu Expressway West Section Co., Ltd.	Controlled by the ultimate holding company
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 Luoyang Expressway 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 South China Logistics Enterprise 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

# Notes to the Interim Financial Statements

For the six months ended 30 June 2024

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

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

### 4. Information on other related parties (Continued)

Other related parties	Related party relationships
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
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

# Notes to the Interim Financial Statements

For the six months ended 30 June 2024

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

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

### 4. Information on other related parties (Continued)

#### Other related parties

#### Related party relationships

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
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 Province Transportation Engineering Company Limited	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

# Notes to the Interim Financial Statements

For the six months ended 30 June 2024

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

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

### 4. Information on other related parties (Continued)

#### Other related parties

Zhaoqing Yuezhao Highway Co., Ltd.

Poly Changda Engineering Co., Ltd.

Guangdong Jingzhu Expressway Guangzhou  
North Section Co., Ltd.

Shenzhen Huiyan Expressway Co., Ltd.

Foshan Guangsan Expressway Co., Ltd.

Zhuhai Wandatong Hongkong-Zhuhai-Macau  
Bridge Port Passenger Service Co. Ltd.

Guangdong Transportation Planning and  
Design Research Institute Group Co. Ltd.

#### Related party relationships

Joint venture of the ultimate holding company

Associates of the ultimate controlling party

Associates of the ultimate controlling party

Associates of the ultimate controlling party

Associates of the ultimate controlling party

Associates of the ultimate controlling party

Associates of the ultimate controlling party

# Notes to the Interim Financial Statements

For the six months ended 30 June 2024

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

## 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	13,906,448.92	15,143,850.96
Shaoguan Libao Technology Company Limited	Purchase of materials	189,263.27	346,600.56
Others	Purchase of materials	—	37,735.85
Total		<u>14,095,712.19</u>	<u>15,528,187.37</u>
Guangdong Humen Bridge Co., Ltd.#	Receipt of services	2,707,633.43	2,400,000.00
Guangdong Oriental Thought Co., Ltd.#	Receipt of services	819,000.00	—
Guangzhou Hehe Intelligent Technology Co., Ltd.#	Receipt of services	2,974,103.10	3,736,331.26
Others <sup>β</sup>	Receipt of services	<u>1,122,618.62</u>	<u>100,232.70</u>
Total		<u>7,623,355.15</u>	<u>6,236,563.96</u>

# Notes to the Interim Financial Statements

For the six months ended 30 June 2024

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

## 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	802,575.66
Guangdong Yuehuahui	Expressway service operation income	908,144.17	658,648.47
Guangdong Provincial Transportation Development Co., Ltd	Expressway service operation income	1,597,447.98	–
Others	Expressway service operation income	597,457.50	777,295.76
Total		<u>4,043,639.94</u>	<u>2,238,519.89</u>
Express Cross-Border Coach Management Company Limited <sup>#</sup>	Logistics service income	1,878,999.41	–
Guangdong Chao-Hui Expressway Company Limited <sup>#</sup>	Logistics service income	70,239.81	385,424.53
Guangdong Lea Top Technology Investment Co. Ltd. <sup>#</sup>	Logistics service income	–	904,396.23
Others <sup>#</sup>	Logistics service income	2,171,979.45	3,373,137.10
Total		<u>4,121,218.67</u>	<u>4,662,957.86</u>
Others	Repairing income	594,208.30	–
Total		<u>594,208.30</u>	<u>–</u>
Guangdong Roadnet Innovalues Media Information Technology Co., Ltd.	Rendering of other services income	–	151,721.30
Others <sup>®</sup>	Rendering of other services income	517,599.52	565,982.08
Total		<u>517,599.52</u>	<u>717,703.38</u>

# Notes to the Interim Financial Statements

For the six months ended 30 June 2024

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

## 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 Provincial Freeway Co., Ltd.#	Road rescue service income	13,347,755.16	12,039,473.73
Guangdong Province Road & Bridge Construction Development Co., Ltd.#	Road rescue service income	9,827,643.78	8,924,054.32
Guangdong Chao-Hui Expressway Company Limited#	Road rescue service income	2,846,593.86	2,685,465.90
Guangdong Provincial Highway Construction Co., Ltd.#	Road rescue service income	3,091,231.74	4,160,638.91
Guangdong Guangle Expressway Co., Ltd.#	Road rescue service income	2,381,601.60	2,246,793.96
Guangdong Guanghui Expressway Co., Ltd.#	Road rescue service income	1,234,905.66	1,165,005.34
Guangdong Meihe Expressway Co., Ltd.#	Road rescue service income	1,156,882.08	1,091,398.19
Guangdong Yunmao Expressway Co., Ltd.#	Road rescue service income	1,041,009.42	982,084.36
Guangdong Kaiyang Expressway Co., Ltd.#	Road rescue service income	1,010,377.38	953,186.21
Guangdong Dachao Expressway Co., Ltd.#	Road rescue service income	968,422.62	913,606.25
Guangdong Zhaoyang Expressway Co., Ltd.#	Road rescue service income	947,445.30	480,958.08
Guangdong Bo-Da Expressway Company Limited#	Road rescue service income	919,972.62	1,127,263.69

# Notes to the Interim Financial Statements

For the six months ended 30 June 2024

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

## 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
Guang-Shen-Zhu Expressway Co., Ltd.#	Road rescue service income	838,832.52	896,865.00
Guangdong Pingxing Expressway Co., Ltd.#	Road rescue service income	790,211.30	745,482.36
Guangdong Taishan Coastal Expressway Co., Ltd.#	Road rescue service income	691,859.88	652,698.00
Guangdong Ninghua Expressway Co., Ltd.#	Road rescue service income	673,945.74	635,797.87
Guangdong Luoyang Expressway Co., Ltd.#	Road rescue service income	667,795.26	629,995.53
Guangdong Provincial Expressway Development Co., Ltd.#	Road rescue service income	641,509.44	–
Guangdong Yangmao Expressway Co., Ltd.#	Road rescue service income	639,584.88	2,715,218.92
Guangdong Zihui Expressway Co., Ltd.#	Road rescue service income	620,740.56	585,604.30
Guangdong Maozhan Expressway Co., Ltd.#	Road rescue service income	433,018.86	1,225,525.09
Guangdong Guangfozhao Expressway Company Limited#	Road rescue service income	1,402,379.70	1,322,999.72
Others#	Road rescue service income	3,430,303.91	3,780,596.90
Total		<u>49,604,023.27</u>	<u>49,960,712.63</u>



# Notes to the Interim Financial Statements

For the six months ended 30 June 2024

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

## 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	4,065,274.35
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	1,292,357.93
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	1,252,637.67
Guangfo Expressway Co., Ltd.	Guangdong Highway Media Company Limited	Expressway advertisement resources operation	2009-01-01	Termination date of the highway toll	Negotiated price	474,776.78
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	353,321.59
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	283,566.23
Others	Guangdong Highway Media Company Limited	Expressway advertisement resources operation			Negotiated price	1,635,797.57
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	1,364,250.00
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	385,993.38

# Notes to the Interim Financial Statements

For the six months ended 30 June 2024

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

## 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	2,504,763.00
The Motor Transport Company of Guangdong and Hong Kong Limited	Weisheng Freight Enterprises Co., Ltd.*	Disbursements	2024-01-01	2026-12-31	Negotiated price	2,161,980.53

#### 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	139,153.50	97,945.20
Others	Buildings and structures	—	—

# Notes to the Interim Financial Statements

For the six months ended 30 June 2024

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

## 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 Guangzhu Expressway West Section Co., Ltd.	Buildings and structures	8,155,389.60	—
Guangdong Lea Top Development Investment Co. Ltd.#	Buildings and structures	18,786,233.63	—
Guangdong Zihui Expressway Co., Ltd.	Buildings and structures	—	172,313,527.07

(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 Kaiyang Expressway Co., Ltd.#	Guangdong Tongyi Expressway Service Area Co., Ltd.	Expressway services	2020-07-09	2027-07-23	Negotiated price	31,837,778.15
Guangdong Provincial Freeway Co., Ltd.#	Guangdong Tongyi Expressway Service Area Co., Ltd.	Expressway services	2003-04-03	2045-09-25	Negotiated price	12,596,317.55
Guangdong Humen Bridge Co., Ltd.#	Guangdong Tongyi Expressway Service Area Co., Ltd.	Expressway services	2022-01-08	2029-05-08	Negotiated price	9,061,488.66
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	7,128,372.38

# Notes to the Interim Financial Statements

For the six months ended 30 June 2024

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

## 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 Zihui Expressway Co., Ltd.*	Guangdong Tongyi Expressway Service Area Co., Ltd.	Expressway services	2020-12-28	Termination date of the highway toll	Negotiated price	7,042,737.27
Guangdong Provincial Highway Construction Co., Ltd.*	Guangdong Tongyi Expressway Service Area Co., Ltd.	Expressway services	2019-12-03	2041-12-28	Negotiated price	6,356,149.44
Guangdong Chao-Hui Expressway Company Limited*	Guangdong Tongyi Expressway Service Area Co., Ltd.	Expressway services	2003-12-29	2045-06-17	Negotiated price	4,997,201.50
Guangdong Guangle Expressway Co., Ltd.*	Guangdong Tongyi Expressway Service Area Co., Ltd.	Expressway services	2014-09-27	2039-09-26	Negotiated price	4,960,087.17
Guangdong Guangzhu Expressway West Section Co., Ltd.*	Guangdong Tongyi Expressway Service Area Co., Ltd.	Expressway services	2013-01-25	2038-01-23	Negotiated price	4,360,818.37
Lufeng Shen-Shan Expressway Services Company Limited*	Guangdong Tongyi Expressway Service Area Co., Ltd.	Expressway services	2021-09-20	2030-09-19	Negotiated price	4,064,700.76
Guangdong Guangfozhao Expressway Company Limited*	Guangdong Tongyi Expressway Service Area Co., Ltd.	Expressway services	2016-12-31	2041-12-31	Negotiated price	3,773,964.46

# Notes to the Interim Financial Statements

For the six months ended 30 June 2024

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

## 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
Guang-Shen-Zhu Expressway Co., Ltd.#	Guangdong Tongyi Expressway Service Area Co., Ltd.	Expressway services	2018-02-01	2027-06-30	Negotiated price	3,655,821.14
Guangdong Ninghua Expressway Co., Ltd.#	Guangdong Tongyi Expressway Service Area Co., Ltd.	Expressway services	2020-07-30	2042-09-27	Negotiated price	3,155,330.24
Guangdong Bo-Da Expressway Company Limited#	Guangdong Tongyi Expressway Service Area Co., Ltd.	Expressway services	2013-03-31	2039-12-27	Negotiated price	2,003,823.78
Guangdong Meihe Expressway Co., Ltd.#	Guangdong Tongyi Expressway Service Area Co., Ltd.	Expressway services	2005-11-30	2033-12-27	Negotiated price	1,579,031.67
Guangdong Yangmao Expressway Co., Ltd.#	Guangdong Tongyi Expressway Service Area Co., Ltd.	Expressway services	2004-12-01	2029-11-30	Negotiated price	1,315,347.77
Guangdong Dachao Expressway Co., Ltd.#	Guangdong Tongyi Expressway Service Area Co., Ltd.	Expressway services	2020-12-28	2045-12-29	Negotiated price	1,176,602.16
Guangdong Maozhan Expressway Co., Ltd.#	Guangdong Tongyi Expressway Service Area Co., Ltd.	Expressway services	2004-11-26	2040-12-29	Negotiated price	1,100,600.47

# Notes to the Interim Financial Statements

For the six months ended 30 June 2024

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

## 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 Zhaoyang Expressway Co., Ltd.*	Guangdong Tongyi Expressway Service Area Co., Ltd.	Expressway services	2011-01-01	2039-12-31	Negotiated price	1,099,740.00
Others*	Guangdong Tongyi Expressway Service Area Co., Ltd.	Expressway services			Negotiated price	5,761,679.52
Guangdong Guangzhu Expressway West Section Co., Ltd.*	Guangdong Highway Media Company Limited	Expressway advertisement resources operation	2013-12-01	2023-11-30	Negotiated price	2,016,818.72
Guangdong Jingzhu Expressway Guangzhu North Section Co., Ltd.*	Guangdong Highway Media Company Limited	Expressway advertisement resources operation	2010-07-01	2030-06-30	Negotiated price	292,710.12
Jingzhu Expressway Guangzhu Section Co., Ltd.*	Guangdong Highway Media Company Limited	Expressway advertisement resources operation	2009-01-01	2030-05-12	Negotiated price	239,585.31
Others*	Guangdong Highway Media Company Limited	Expressway advertisement resources operation			Negotiated price	114,343.89

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.

# Notes to the Interim Financial Statements

For the six months ended 30 June 2024

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

## 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 Development Investment Co. Ltd. <sup>β</sup>	Buildings and structures	3,403,958.88	3,179,248.61
Guangdong Province Gongbei Vehicles Automobile Transportation Co., Ltd. <sup>β</sup>	Buildings and structures	144,000.00	1,218,000.00
Kee Kwan Motor Road Co., Ltd. <sup>β</sup>	Buildings and structures	409,761.47	326,744.05
Guangdong Province Transportation Engineering Company Limited <sup>β</sup>	Buildings and structures	3,694,289.46	3,367,586.28
Others <sup>β</sup>	Buildings and structures	435,609.18	269,444.82

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

# Notes to the Interim Financial Statements

For the six months ended 30 June 2024

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

## 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 2024, the Group has no guarantees to related parties.

#### 5) Borrowing from and lending to related parties

Related parties	Annual interest rate	As at		Repayment	As at		Start date	End date
		1 January 2024	Loan amount		30 June 2024			
GCG Finance	3.60%	-	20,000,000.00	1,000,000.00	19,000,000.00	2024-02-02	2027-02-02	
GCG Finance	3.80%	21,800,000.00	-	21,800,000.00	-	2019-08-08	2024-02-21	
GCG Finance	3.95%	13,500,000.00	-	500,000.00	13,000,000.00	2018-01-25	2028-01-24	
GCG Finance	3.95%	5,000,000.00	-	-	5,000,000.00	2018-05-28	2028-05-27	
GCG Finance	3.95%	15,000,000.00	-	-	15,000,000.00	2018-08-09	2028-08-08	
Total		55,300,000.00	20,000,000.00	23,300,000.00	52,000,000.00			

#### 6) Interest expenses

Related party	Descriptions	Amount for the period	Amount for the previous period
GCG Finance	Loan interest expense	937,099.30	1,451,556.52
Xin Yue (Guangzhou) Financial Leasing Co., Ltd.	Loan interest expense	261,210.03	266,557.27
Total		1,198,309.33	1,718,113.79



# Notes to the Interim Financial Statements

For the six months ended 30 June 2024

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

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

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

#### 7) Compensation for key management personnel

Item	Amount for the period	Amount for the previous period
Compensation for key management personnel	<b>2,547,598.79</b>	<b>2,841,345.09</b>

### 6. Amounts due from/to related parties

#### 1) Amounts due from related parties

Items	Related parties	30 June 2024		31 December 2023	
		Amount	Provision for bad and doubtful debts	Amount	Provision for bad and doubtful debts
<b>Accounts receivable</b>	Guangdong Humen Bridge Co., Ltd.	11,703,522.33	585,176.12	5,722,048.01	286,102.40
	Guangdong Meihe Expressway Co., Ltd.	1,600,095.97	800,047.99	1,816,435.00	810,864.94
	Poly Changda Engineering Co., Ltd.	1,294,107.24	383,702.87	2,275,990.03	113,799.50
	Guangdong Dachao Expressway Co., Ltd.	1,162,107.19	58,105.36	-	-
	Guangdong Zhongyou Top-E Energy Trading Company Limited	893,428.51	44,671.42	-	-
	Guangdong Provincial Freeway Co., Ltd.	862,659.83	308,789.98	2,207,005.33	110,350.50
	Zhuhai Wandatong Hongkong-Zhuhai-Macau Bridge Port Passenger Service Co.Ltd.	759,005.00	58,242.40	1,164,848.00	58,242.40
	Guangdong Transportation Development Co., LTD	667,853.10	33,392.66	-	-
	Nanyuetong	619,729.84	145,423.11	1,086,607.34	155,958.78
	GCGC	537,637.72	532,854.47	532,602.72	532,602.72
	Guangdong Hualu Traffic Technology Co., Ltd.	498,000.00	33,946.80	-	-
	Guangdong Guangle Expressway Co., Ltd.	488,592.81	24,429.64	487,665.35	24,383.27
	Guangdong Zhaoyang Expressway Co., Ltd.	459,552.94	22,977.65	-	-
	Guangdong Chao-Hui Expressway Company Limited	451,218.21	22,560.91	712,925.46	35,827.11
	Guangdong Maozhan Expressway Co., Ltd.	433,018.86	21,650.94	86,603.77	4,330.19
	Guangdong Yunmao Expressway Co., Ltd.	381,703.36	19,085.17	589,905.26	29,495.26
Guangdong Guanghui Expressway Co., Ltd.	372,401.19	18,620.06	374,401.19	18,720.06	

# Notes to the Interim Financial Statements

For the six months ended 30 June 2024

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

## 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 2024		31 December 2023	
		Amount	Provision for bad and doubtful debts	Amount	Provision for bad and doubtful debts
	Jingzhu Expressway Guangzhu Section Co., Ltd.	318,746.59	15,937.33	-	-
	Guang-Shen-Zhu Expressway Co., Ltd.	309,662.63	15,483.13	-	-
	Guangdong Kaiyang Expressway Co., Ltd.	296,075.51	14,803.78	296,075.49	14,803.77
	Guangdong Roadnet Innovalues Media Information Technology Co., Ltd.	294,511.23	14,725.56	-	-
	Guangdong Guangfozhao Expressway Company Limited	280,475.85	14,023.79	280,507.75	14,033.35
	Guangdong Yangmao Expressway Co., Ltd.	280,189.89	14,009.49	-	-
	Guangdong Luoyang Expressway Co., Ltd.	267,117.92	13,355.90	267,117.95	13,355.90
	Guangdong Shanfen Expressway Co., Ltd.	90,499.32	4,524.97	90,499.35	4,524.97
	Guangdong Province Road & Bridge Construction Development Co., Ltd.	2,000.00	100.00	3,021,771.61	151,088.58
	Dongguan Weisheng International Logistics Company Limited	-	-	1,203,170.30	181,214.38
	Guangdong Provincial Highway Construction Co., Ltd.	-	-	549,002.16	27,450.11
	Express Cross-Border Coach Management Company Limited	-	-	434,985.60	21,749.28
	Guangdong Lea Top Technology Investment Co. Ltd.	-	-	333,374.00	16,668.70
	Shenzhen Huiyan Expressway Co., Ltd.	-	-	258,426.00	12,921.30
	Others	1,550,284.35	110,550.88	4,370,243.81	262,807.82
	<b>Total</b>	<b>26,874,197.39</b>	<b>3,331,192.38</b>	<b>28,162,211.48</b>	<b>2,901,295.29</b>

# Notes to the Interim Financial Statements

For the six months ended 30 June 2024

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

## 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 2024		31 December 2023	
		Amount	Provision for bad and doubtful debts	Amount	Provision for bad and doubtful debts
Prepayments	Shaoguan Libao Technology Company Limited	1,013,757.50	-	113,116.50	-
	Guangdong Union Electronic Services Co., Ltd.	863,432.89	-	906,403.48	-
	Guangdong Provincial Highway Construction Co., Ltd.	419,917.46	-	-	-
	Guangdong Xinyue Transportation Investment Co., LTD	350,000.00	-	-	-
	Guangdong Guangzhu Expressway West Section Co., Ltd.	238,289.61	-	-	-
	Guangdong Lea Top Development Investment Co. Ltd.	201,161.79	-	201,161.79	-
	Guangdong Jingzhu Expressway Guangzhu North Section Co., Ltd.	48,697.70	-	188,713.00	-
	Guang-Shen-Zhu Expressway Co., Ltd.	-	-	590,856.75	-
	Others	319,791.67	-	151,429.85	-
	Total	3,455,048.62	-	2,151,681.37	-
Other receivables	Guangdong Province Transportation Engineering Company Limited	41,631,900.00	42,143.00	40,884,286.00	42,143.00
	Shantou City Automobile Terminal Co., Ltd.	3,932,738.01	3,871,868.79	3,871,868.79	3,871,868.79
	Guang-Shen-Zhu Expressway Co., Ltd.	3,584,000.00	-	3,584,000.00	-
	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.	3,000,445.81	26,916.04	2,271,542.69	26,470.86
	Guangdong Province Road & Bridge Construction Development Co., Ltd.	2,000,000.00	-	1,323,105.87	155.29
	Guangdong Guangzhu Expressway West Section Co., Ltd.	1,628,300.00	-	1,628,300.00	-

# Notes to the Interim Financial Statements

For the six months ended 30 June 2024

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

## 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 2024		31 December 2023	
		Amount	Provision for bad and doubtful debts	Amount	Provision for bad and doubtful debts
	Guangdong Provincial Highway Construction Co., Ltd.	1,435,000.00	-	706,124.58	-
	Guangdong Union Electronic Services Co., Ltd.	1,401,755.78	1,970.78	134,067.03	2,982.53
	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 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	-
	Guangdong Guangle Expressway Co., Ltd	330,000.00	-	330,000.00	-
	Guangdong Yunmao Expressway Co., Ltd.	300,000.00	-	300,000.00	-
	Weisheng Transportation Enterprises Co., Ltd.	278,384.96	278,384.96	6,459,221.45	566,654.00
	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
	Guangdong Bo-Da Expressway Company Limited	-	-	300,000.00	-
	Others	2,418,693.23	132,735.57	4,606,550.89	100,684.23
	<b>Total</b>	<b>69,170,167.58</b>	<b>7,401,976.80</b>	<b>73,410,283.09</b>	<b>7,658,916.36</b>
<b>Dividends receivable</b>	Southern United Property Rights Exchange Center Co., Ltd.	-	-	16,057,160.40	-
	Shaoguan Libao Technology Company Limited	960,000.00	-	-	-
	<b>Total</b>	<b>960,000.00</b>	<b>-</b>	<b>16,057,160.40</b>	<b>-</b>

# Notes to the Interim Financial Statements

For the six months ended 30 June 2024

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

## 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 2024	31 December 2023
<b>Accounts payable</b>	Guangdong Kaiyang Expressway Co., Ltd.	67,546,013.43	46,515,617.64
	Guang-Shen-Zhu Expressway Co., Ltd.	14,850,542.89	17,640,855.49
	Guangdong Yuehuahui	10,729,929.22	3,817,623.11
	Guangdong Province Road & Bridge Construction Development Co., Ltd.	10,177,593.65	6,913,674.99
	Guangdong Provincial Freeway Co., Ltd.	9,485,057.43	5,777,422.78
	Guangdong Humen Bridge Co., Ltd.	6,927,703.98	8,452,825.83
	Shaoguan Libao Technology Company Limited	2,292,547.83	2,436,216.75
	Foshan Guangsan Expressway Co., Ltd.	2,177,349.51	2,208,971.59
	Jingzhu Expressway Guangzhu Section Co., Ltd.	1,397,672.13	1,596,608.93
	Guangdong Provincial Highway Construction Co., Ltd.	1,222,501.83	1,149,586.18
	Poly Changda Engineering Co., Ltd.	1,115,675.67	1,980,663.19
	Guangdong Yangmao Expressway Co., Ltd.	795,246.51	933,938.51
	Guangdong Maozhan Expressway Co., Ltd.	736,596.88	876,033.38
	Guangdong Union Electronic Services Co., Ltd.	576,056.49	1,159,850.25
	Kee Kwan Motor Road Co., Ltd.	505,661.60	505,661.60
	Guangdong Guangzhu Expressway West Section Co., Ltd.	451,500.00	3,318,128.10
	Guangfo Expressway Co., Ltd.	428,186.30	2,002,600.85
	Guangdong Transportation Planning and Design Research Institute Group Co. LTD	369,641.44	–
	Guangdong Hualu Traffic Technology Co., Ltd.	344,781.85	344,781.85
	Guangdong Chao-Hui Expressway Company Limited	280,818.22	278,453.92
Guangdong Guangle Expressway Co., Ltd.	243,965.61	155,517.13	
Yunfu City Guangyun Expressway Co., Ltd.	120,109.94	150,682.47	
Guangdong Taishan Coastal Expressway Co., Ltd.	15,492.84	15,225.00	
Guangdong Jiangzhong Expressway Co., Ltd.	–	730,804.34	
Others	1,414,307.23	2,551,985.85	
	<b>Total</b>	<b>134,204,952.48</b>	<b>111,513,729.73</b>

# Notes to the Interim Financial Statements

For the six months ended 30 June 2024

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

## 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 2024	31 December 2023
<b>Advances from customers</b>	Guangdong Chao-Hui Expressway Company Limited	465,493.57	537,840.57
	Guangdong Provincial Highway Construction Co., Ltd.	217,890.00	217,890.00
	Others	162,473.83	175,930.00
	<b>Total</b>	<b>845,857.40</b>	<b>931,660.57</b>
<b>Contract liabilities</b>	Guangdong Province Road & Bridge Construction Development Co., Ltd.	2,121,258.75	2,364,973.14
	Guangdong Provincial Freeway Co., Ltd.	1,411,919.86	–
	Guangdong Ninghua Expressway Co., Ltd.	206,362.91	206,362.90
	Guangdong Provincial Highway Construction Co., Ltd.	69,208.32	107,928.50
	Others	111,085.04	324,748.55
	<b>Total</b>	<b>3,919,834.88</b>	<b>3,004,013.09</b>
<b>Other payables</b>	Guangdong Province Gongbei Vehicles Automobile Transportation Co., Ltd.	18,507,172.89	8,921,257.11
	Kee Kwan Motor Road Co., Ltd.	7,767,018.89	7,394,984.62
	Foshan City Sanshui District Yueyun Traffic Co., Ltd.	7,239,002.08	–
	Shaoguan Yuehong Bus Station Company Limited	2,236,514.00	2,168,191.00
	Guangdong Lea Top Property Development Company Limited	1,703,156.98	115,570.98
	Guangdong Lea Top Development Investment Co. Ltd.	1,565,843.20	1,565,843.20
	GCGC	984,346.83	2,944,346.83
	Weisheng Transportation Enterprises Co., Ltd.	710,917.15	769,173.95
	Guangdong Provincial Transportation Development Co., Ltd	672,715.11	–
	Guangdong Union Electronic Services Co., Ltd.	579,914.72	686,583.87
	Guangdong Provincial Freeway Co., Ltd.	436,660.52	–

# Notes to the Interim Financial Statements

For the six months ended 30 June 2024

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

## 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 2024	31 December 2023
	Guangdong Roadnet Innovalues Media Information Technology Co., Ltd.	380,000.00	380,000.00
	Shenzhen Yueyun Investment Development Company Limited	359,840.92	674,390.63
	Shaoguan Libao Technology Company Limited	220,236.50	678,624.12
	Yuegong Xinhai	–	5,573,227.22
	Others	206,896.01	879,674.31
	<b>Total</b>	<b>43,570,235.80</b>	<b>32,751,867.84</b>
<b>Long-term payables</b>	Xin Yue (Guangzhou) Financial Leasing Co., Ltd.	2,238,200.00	2,709,400.00
	<b>Total</b>	<b>2,238,200.00</b>	<b>2,709,400.00</b>
<b>Lease liabilities</b>	Guangdong Zihui Expressway Co., Ltd.	160,227,268.84	156,730,140.65
	Guangdong Provincial Highway Construction Co., Ltd.	139,873,298.75	143,054,109.71
	Guangdong Province Road & Bridge Construction Development Co., Ltd.	111,136,697.86	115,800,845.69
	Guangdong Provincial Freeway Co., Ltd.	103,925,598.32	112,775,273.72
	Guangdong Chao-Hui Expressway Company Limited	92,937,783.99	98,708,594.63
	Guangdong Guangle Expressway Co., Ltd.	80,987,572.94	87,254,797.77
	Guangdong Ninghua Expressway Co., Ltd.	63,164,042.76	61,758,230.14
	Guangdong Guangzhu Expressway West Section Co., Ltd.	48,516,748.73	49,394,810.92
	Guangdong Guangfozhao Expressway Company Limited	36,664,940.05	39,089,865.07
	Lufeng Shen-Shan Expressway Services Company Limited	34,586,443.41	33,862,751.92
	Guangdong Bo-Da Expressway Company Limited	34,016,153.72	35,153,928.05
	Guangdong Dachao Expressway Co., Ltd.	29,232,089.59	28,655,537.92

# Notes to the Interim Financial Statements

For the six months ended 30 June 2024

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

## 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 2024	31 December 2023
	Guangdong Provincial Expressway Development Co., Ltd.	23,720,997.68	23,053,212.95
	Guangdong Kaiyang Expressway Co., Ltd.	22,104,063.42	21,678,083.22
	Guangdong Meihe Expressway Co., Ltd.	22,051,564.33	24,545,814.97
	Guangdong Zhaoyang Expressway Co., Ltd.	19,107,761.56	18,222,740.10
	Guangdong Luoyang Expressway Co., Ltd.	19,102,379.65	18,652,141.21
	Guangdong Pingxing Expressway Co., Ltd.	18,116,712.22	17,702,228.52
	Guang-Shen-Zhu Expressway Co., Ltd.	17,505,725.62	14,067,538.74
	Guangdong Yangmao Expressway Co., Ltd.	12,241,206.99	15,179,660.36
	Guangdong Maozhan Expressway Co., Ltd.	11,761,989.72	11,468,459.23
	Guangdong Lea Top Property Development Company Limited	9,765,652.49	–
	Heyuan Helong Expressway Co., Ltd.	7,017,338.87	8,134,047.60
	Guangdong Jiangzhong Expressway Co., Ltd.	6,869,712.50	6,761,776.98
	Zhaoqing Yuezhaoh Highway Co., Ltd.	6,635,654.79	6,450,835.93
	Guangdong Meiping Expressway Co., Ltd.	6,090,155.40	5,948,782.98
	Guangdong Taishan Coastal Expressway Co., Ltd.	5,122,586.80	5,022,965.28
	Guangdong Shanfen Expressway Co., Ltd.	2,754,788.95	2,738,931.84
	Jingzhu Expressway Guangzhu Section Co., Ltd.	2,673,179.51	2,592,433.79
	Yunfu City Guangyun Expressway Co., Ltd.	2,331,834.83	3,505,672.78
	Guangdong Jingzhu Expressway Guangzhu North Section Co., Ltd.	1,669,400.83	2,089,497.00
	Total	1,151,911,345.11	1,170,053,709.67



# Notes to the Interim Financial Statements

For the six months ended 30 June 2024

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

## 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 2024	31 December 2023
<b>Non-current liabilities due within one year</b>	Guangdong Provincial Freeway Co., Ltd.	15,373,037.13	14,657,231.32
	Guangdong Province Road & Bridge Construction Development Co., Ltd.	9,971,588.66	10,100,861.78
	Xin Yue (Guangzhou) Financial Leasing Co., Ltd.	7,989,703.00	8,493,992.00
	Guangdong Lea Top Property Development Company Limited	6,088,153.16	–
	Lufeng Shen-Shan Expressway Services Company Limited	6,032,073.95	6,350,634.51
	Guangdong Provincial Highway Construction Co., Ltd.	5,584,320.58	5,892,483.22
	Guang-Shen-Zhu Expressway Co., Ltd.	5,449,606.75	6,291,224.68
	Guangdong Zihui Expressway Co., Ltd.	4,437,181.94	4,326,143.23
	Guangdong Chao-Hui Expressway Company Limited	4,381,587.57	4,266,757.66
	Guangdong Guangzhu Expressway West Section Co., Ltd.	4,161,556.94	1,885,449.63
	Guangdong Guangle Expressway Co., Ltd.	3,577,412.15	3,456,625.03
	Guangdong Shanfen Expressway Co., Ltd.	2,657,817.97	2,576,704.10
	Guangdong Yangmao Expressway Co., Ltd.	2,474,846.06	2,398,727.21
	Guangdong Ninghua Expressway Co., Ltd.	2,406,191.14	2,347,436.04
	Guangdong Kaiyang Expressway Co., Ltd.	2,354,505.09	6,627,043.46
	Guangdong Meihe Expressway Co., Ltd.	2,120,328.40	2,055,584.09
	Guangdong Jiangzhong Expressway Co., Ltd.	2,096,437.24	2,045,870.34
	Guangdong Maozhan Expressway Co., Ltd.	2,004,194.78	1,950,352.90
	Guangdong Bo-Da Expressway Company Limited	1,708,135.68	1,657,078.27
	Guangdong Guangfozhao Expressway Company Limited	1,503,409.14	1,465,583.42
Guangdong Taishan Coastal Expressway Co., Ltd.	1,260,889.09	1,231,841.21	
Yunfu City Guangyun Expressway Co., Ltd.	1,086,826.74	1,060,529.85	
Guangdong Zhaoyang Expressway Co., Ltd.	980,960.98	949,528.83	
Heyuan Helong Expressway Co., Ltd.	861,800.73	835,461.04	
Guangdong Luoyang Expressway Co., Ltd.	786,632.35	766,517.71	
Guangdong Dachao Expressway Co., Ltd.	752,965.95	740,644.68	
Guangdong Pingxing Expressway Co., Ltd.	735,853.07	717,019.83	
Zhaoqing Yuezhaoh Highway Co., Ltd.	64,528.98	730,005.81	
Others	377,619.88	1,980,786.39	
	<b>Total</b>	<b>99,280,165.11</b>	<b>97,858,118.24</b>

# Notes to the Interim Financial Statements

For the six months ended 30 June 2024

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

## 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.

# Notes to the Interim Financial Statements

For the six months ended 30 June 2024

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

## XI. OTHER SIGNIFICANT MATTERS (CONTINUED)

### 2. Segment information (Continued)

#### 2) Segment reporting

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

For the six months ended 30 June 2023

Items	Expressway service zones operation	Road passenger transportation and auxiliary	Taiping Interchange operation and other business	Inter-segment eliminations	Total
Operating income	2,391,832,146.63	1,042,196,970.03	67,581,766.42	(3,344,769.50)	3,498,266,113.58
Including: Operating income from external customers	2,388,802,548.28	1,041,881,798.88	67,581,766.42	-	3,498,266,113.58
Inter-segment operating income	3,029,598.35	315,171.15	-	(3,344,769.50)	-
Operating costs	2,172,230,839.56	1,018,807,321.17	12,048,230.11	(3,244,899.50)	3,199,841,491.34
Profit before income tax	103,421,462.67	18,531,773.05	54,147,252.86	-	176,100,488.58

# Notes to the Interim Financial Statements

For the six months ended 30 June 2024

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

## XI. OTHER SIGNIFICANT MATTERS (CONTINUED)

### 2. Segment information (Continued)

#### 2) Segment reporting (Continued)

As at 30 June 2024

Items	Expressway service zones operation	Road passenger transportation and auxiliary	Taiping Interchange operation and other business	Inter-segment eliminations	Total
Total assets	3,929,323,016.52	4,209,672,306.43	2,954,292,922.79	(2,500,969,035.13)	8,592,319,210.61
Total liabilities	2,921,689,372.62	2,784,771,079.91	1,108,036,929.45	(852,639,689.83)	5,961,857,692.15

As at 31 December 2023

Items	Expressway service zones operation	Road passenger transportation and auxiliary	Taiping Interchange operation and other business	Inter-segment eliminations	Total
Total assets	3,696,393,256.87	4,521,553,424.87	2,702,461,090.88	(2,317,039,467.01)	8,603,368,305.61
Total liabilities	2,831,151,353.98	2,931,207,574.10	853,487,711.78	(629,383,690.48)	5,986,462,949.38

# Notes to the Interim Financial Statements

For the six months ended 30 June 2024

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

## 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 2024	31 December 2023
Within 3 months (inclusive)	11,678,247.00	8,150,535.66
Over 3 months but within 6 months (inclusive)	–	259,119.00
Over 6 months but within 1 year (inclusive)	–	301,572.93
Over 1 year but within 2 years (inclusive)	–	1,319,603.59
Over 3 years	26,228,965.48	29,760,771.91
Sub-total	37,907,212.48	39,791,603.09
Less: Provision for bad and doubtful debts	22,908,972.54	24,658,485.18
Total	14,998,239.94	15,133,117.91

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

# Notes to the Interim Financial Statements

For the six months ended 30 June 2024

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

## 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

Items	30 June 2024					31 December 2023				
	Amount		Provision for bad and doubtful debts		Book value	Amount		Provision for bad and doubtful debts		Book value
	Amount	Percentage	Amount	Percentage		Amount	Percentage	Amount	Percentage	
		(%)		(%)	(%)		(%)			
Provision for bad debts is made on an individual basis	18,465,300.94	48.71	18,465,300.94	100.00	-	18,465,300.94	46.41	18,465,300.94	100.00	-
Provision for bad debts is made on a collective basis	19,441,911.54	51.29	4,443,671.60	22.86	14,998,239.94	21,326,302.15	53.59	6,193,184.24	29.04	15,133,117.91
Including:										
Aging portfolio	17,970,830.66	47.41	4,443,671.60	24.73	13,527,159.06	19,855,221.27	49.89	6,193,184.24	31.19	13,662,037.03
Portfolio of the Group's scope of consolidation	1,471,080.88	3.88	-	-	1,471,080.88	1,471,080.88	3.70	-	-	1,471,080.88
Total	37,907,212.48	100.00	22,908,972.54		14,998,239.94	39,791,603.09	100.00	24,658,485.18		15,133,117.91

# Notes to the Interim Financial Statements

For the six months ended 30 June 2024

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

## 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 an individual basis:

Items	30 June 2024			
	Amount	Provision for bad and doubtful debts	Provision ratio (%)	Reasons for accruing
Shenzhen Hongbao Trading Co., Ltd.	14,264,922.29	14,264,922.29	100.00	Not expected to be recovered
Zhuhai Yuexinyuan Trade Development Co., Ltd.	1,285,603.65	1,285,603.65	100.00	Not expected to be recovered
Guangzhou Junfa Trading Co., Ltd.	2,914,775.00	2,914,775.00	100.00	Not expected to be recovered
Total	<u>18,465,300.94</u>	<u>18,465,300.94</u>		

## Notes to the Interim Financial Statements

For the six months ended 30 June 2024

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

### 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 2024		
	Amount	Provision for bad and doubtful debts	Provision ratio (%)
Aging portfolio			
Road transportation and other service			
Within 1 year (inclusive)	11,678,247.00	583,912.35	5.00
Over 3 years	1,426,934.84	1,426,934.84	100.00
Sub-total	13,105,181.84	2,010,847.19	
Constructions material supply			
Over 3 years	4,865,648.82	2,432,824.41	50.00
Sub-total	4,865,648.82	2,432,824.41	
Portfolio of the Group's scope of consolidation	1,471,080.88	-	
Total	19,441,911.54	4,443,671.60	



# Notes to the Interim Financial Statements

For the six months ended 30 June 2024

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

## 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	Changes during the period			30 June 2024
	31 December 2023	Charge into income statement	Written-off	
Provision for bad debts is made on an individual basis	18,465,300.94	-	-	18,465,300.94
Provision for bad debts is made on a collective basis	6,193,184.24	(1,749,512.64)	-	4,443,671.60
Total	24,658,485.18	(1,749,512.64)	-	22,908,972.54

### 2. Investment income

Items	Amount for the period	Amount for the previous period
Income from long-term equity investments under cost method	7,810,567.78	-
Income from long-term equity investments under equity method	4,478,625.04	4,381,764.36
Gains on disposal of long-term equity investments	4,827,731.84	(2,427,404.69)
Total	17,116,924.66	1,954,359.67