



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 Annual Report



* For identification purpose only

COMPANY PROFILE

Guangdong Yueyun Transportation Company Limited (the “**Company**”) and its subsidiaries (collectively, the “**Group**”) are integrated transportation service providers. The Company was established in 1999 and became listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) (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 (廣東省交通集團有限公司) (“**GCGC**”), and approximately 25.88% being held by H shareholders.

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

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

The strategic positioning employed by the Company’s “14th Five-Year” Development Plan for the Group: based on transportation and with the expressway transportation services 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 transportation services and transportation and energy operation in China, with an aim to become a comprehensive transportation service group.

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COMPANY INFORMATION

LEGAL NAME OF THE COMPANY

Guangdong Yueyun Transportation Company Limited

STOCK CODE

03399

REGISTERED OFFICE

8th Floor,
No.1731-1735 Airport Road
Baiyun District,
Guangzhou,
Guangdong Province,
People's Republic of China

PLACE OF BUSINESS IN HONG KONG

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

BOARD OF DIRECTORS

Executive Directors

Zhu Fang
Huang Wenban
Hu Xianhua
Hu Jian

Non-Executive Director

Chen Chuxuan

Independent Non-Executive Directors

Su Wujun
Huang Yuan
Shen Jialong
Zhang Xiangfa

COMPANY SECRETARY

Zhang Li

AUTHORISED REPRESENTATIVES

Zhu Fang
Hu Xianhua

AUDITOR

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

LEGAL ADVISER AS TO HONG KONG LAW

Haiwen & Partners
Suites 1101-1104, 11/F, One Exchange Square,
8 Connaught Place, Central, Hong Kong

HONG KONG H SHARE REGISTRAR AND TRANSFER OFFICE

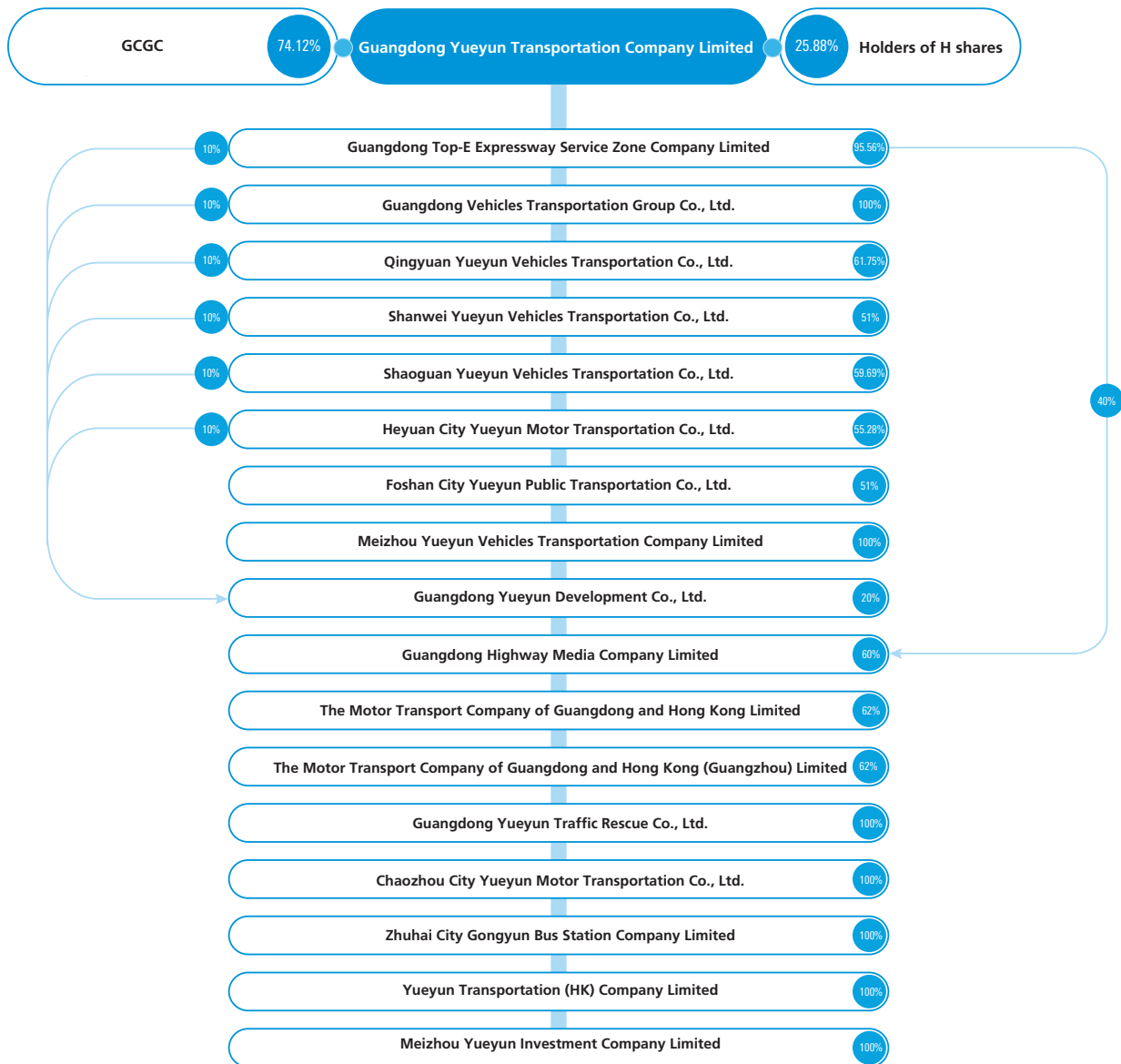
Tricor Investor Services Limited
17/F, Far East Finance Centre,
16 Harcourt Road,
Hong Kong

PRINCIPAL BANKS

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

COMPANY STRUCTURE

THE COMPANY STRUCTURE AS AT 31 DECEMBER 2024:



FINANCIAL HIGHLIGHTS

	2024 RMB'000	2023 RMB'000	Change
Results highlights			
Operating income			
Operating business of expressway service zones	5,233,405	4,954,993	6%
Road passenger transportation and auxiliary business	1,834,359	2,128,605	(14%)
Taiping Interchange operation business	132,574	143,366	(8%)
Other businesses	0	267	(100%)
Total operating income	7,200,338	7,227,231	(0%)
Gross profit			
Operating business of expressway service zones	582,683	494,437	18%
Road passenger transportation and auxiliary business	(34,365)	38,738	(189%)
Taiping Interchange operation business	101,632	113,641	(11%)
Other businesses	0	(36)	(100%)
Total gross profit	649,950	646,780	(0%)
Taxes and surcharges	(46,387)	(47,794)	(3%)
Selling and distribution expenses	(64,062)	(58,758)	9%
General and administrative expenses, and research and development expenses	(476,479)	(499,649)	(5%)
Finance expenses	(199,982)	(180,285)	11%
Other income	343,126	362,143	(5%)
Investment income	95,945	96,909	(1%)
Loss of credit impairment	(5,062)	(18,378)	(72%)
Loss of asset impairment	(11,121)	(39,381)	(72%)
Gains from asset disposals	23,510	34,209	(31%)
Operating profit (losses)	309,438	295,797	5%
Non-operating income and expenses	(1,350)	2,768	(149%)
Total profit (losses)	308,088	298,565	3%
Income tax expenses	(78,795)	(84,738)	(7%)
Net profit (losses)	229,293	213,827	7%
Of which: Net profit (losses) attributable to shareholders of the Company	236,508	201,888	17%
Profit and loss attributable to minority interests	(7,215)	11,939	(160%)
Basic earnings (losses) per share (RMB)	0.30	0.25	17%
Diluted earnings (losses) per share (RMB)	0.30	0.25	17%



FINANCIAL HIGHLIGHTS

	31 December 2024 RMB'000	31 December 2023 RMB'000	Change
Results highlights			
Total assets	8,724,060	8,603,368	1%
Total net assets	2,605,861	2,616,905	(0%)
Equity attributable to shareholders of the parent company	2,086,140	1,914,432	9%
Net assets per share attributable to owners of the Company (RMB)	2.61	2.39	9%
Ratio			
Gross profit margin (%)	9.03%	8.95%	1%
Interest coverage ratio (times)	2.79	2.66	5%
Gearing ratio (%)	70.13%	69.58%	1%
Current ratio (times)	0.98	0.96	2%

Gross profit margin = Gross profit/Revenue

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

Gearing ratio = Total liabilities/Total assets

Current ratio = Total current assets/Total current liabilities

MAJOR EVENTS

In January 2024, a “One-click Rescue” function was newly added to WeChat mini program Yueyun Trailer. It could address the pain points encountered by vehicle owners during highway rescues, such as complicated procedures, unclear location descriptions and low efficiency.

On 1 January 2024, the first self-operated KFC store under Guangdong Top-E Expressway Service Zone Company Limited (廣東通驛高速公路服務區有限公司) (“Top-E Company”) opened in Lantang Service Area along the Zijin-Huiyang Expressway for two-way services, covering an area of nearly 200 sq.m. and having the capacity to serve up to 100 customers at the same time.

On 4 January 2024, “Driver’s Homes” in Shengtang Service Area along the Shenyang-Haikou Expressway and Xincheng Service Area along the Shenzhen-Cenxi Expressway under Top-E Company were awarded the 2023 National Warmhearted Service “Driver’s Home”, the list of which was announced by the General Office of the Ministry of Transport and the General Office of All-China Federation of Trade Unions.

On 26 January 2024, a KFC franchised store under Top-E Company in Yangjiang Service Area was officially opened for business.

On 27 January 2024, the independent gas station in the Northern Guangdong Parking Area along the Beijing-Hongkong & Macao Expressway was officially opened for business.

On 29 January 2024, the Company issued a positive profit forecast announcement, stating that the net profit attributable to shareholders of the parent company for the year ended 31 December 2023 was expected to be no less than RMB180,000,000, making a turnaround from the loss recorded in 2022.

On 30 January 2024, the gas station in Yunyan Service Area along the G4 Beijing-Hongkong & Macao Expressway was officially opened for business.

On 7 March 2024, Guangdong Province released a list of recognized high-tech enterprises. Upon review at the municipal and provincial levels, submission for national filing, public announcement and approval, Guangdong Yueyun Development Co., Ltd. (廣東粵運發展有限公司) (“Yueyun Development Company”) officially obtained the certificate of High and New Technology Enterprise, injecting new vitality into the Company’s digital transformation, technological innovation, product research and development, and market talents bring-in.

On 15 March 2024, the Company published the 2023 annual results announcement. The operating revenue of Yueyun Transportation for 2023 was approximately RMB7,227,230,000, the net profit attributable to shareholders of the parent company in 2023 was approximately RMB201,890,000, and the basic earnings per share for 2023 were RMB0.25.

On 21 March 2024, Mr. Zhu Fang was appointed as the new chairman of the Board, chairman of the nomination committee of the Company (the “Nomination Committee”) and chairman of the strategy committee of the Company (the “Strategy Committee”).

On 28 March 2024, GCGC held an invest promotion and business solicitation conference concerning the quality improvement and upgrading plan for service areas at Baiyun International Convention Center, showcasing 70 pairs of service areas and 179 investment projects promoted on-site. More than 500 guests from Guangdong and other provinces and cities including Beijing, Shanghai, Chongqing, Hebei, Zhejiang, Fujian, Hunan, and Jiangxi attended the merchant solicitation conference.

On 28 March 2024, the gas station in Shatian Service Area along the Shenzhen-Shantou Expressway was officially opened for business.



MAJOR EVENTS

On 20 April 2024, regular-speed trains were suspended in many places of Qingyuan City due to continuous heavy rainfall. In response, Qingyuan Yueyun Vehicles Transportation Co., Ltd. (清遠市粵運汽車運輸有限公司) ("Qingyuan Yueyun Company") established a flood-control emergency task force. A total of 29 "Yueyun Expresses" and "Yueyun Buses" were then quickly deployed to form an emergency vehicle task force to assist in transferring over 1,600 passengers in a safe and orderly manner, marking the successful completion of the emergency transfer mission.

On 20 April 2024, some trains on the Beijing-Guangzhou Railway were suspended due to continuous heavy rainfall. In response, Shaoguan Yueyun Vehicles Transportation Co., Ltd. (韶關市粵運汽車運輸有限公司) quickly deployed 14 "Yueyun Expresses" and "Yueyun Buses" to urgently transfer more than 1,980 passengers stranded at Lechang Railway Station.

On 23 April 2024, "LoYee" brand of Top-E Company listed among the Top 100 Chain Stores in Guangdong in 2023.

On 23 April 2024, the poverty-alleviation consumption platform with a concept of "convenience store + rural revitalization", established by "LoYee" brand of Top-E Company, was recognized as an Excellent Case of Guangdong Commercial Social Responsibility in 2023-2024.

From 23 to 24 April 2024, the 11th Guangdong Convenience Store Development Seminar on the theme of "Integration and Development with Quality and Efficiency Improvement" was held in Dongguan. LoYee store under Top-E Company in Liangjinshan Service Area was recognized as the Most Beautiful Store of Guangdong Convenience Stores.

On 24 April 2024, Dahuai Service Area of Top-E Company was awarded the honorary title of the 2nd Most Beautiful Highway Team by the Department of Transport of Guangdong Province and the All-China Federation of Trade Unions.

On 24 April 2024, the government of Datang Town in Foshan City, together with Top-E Company and other enterprises, jointly celebrated the inauguration of Guangdong Rural Revitalization Premium Agricultural Products Station in Datang Service Area along the Zhaoqing-Huadu Expressway. This initiative further deepens into the "capillaries" of poverty-alleviation consumption campaigns and promotes the realization of "Small Station, Big Consumption (小驛站, 大消費)".

On 26 April 2024, Top-E Company entered into the Kuigang Gas Station Lease and Operation Contract with Guangdong Provincial Transportation Development Co., Ltd. (廣東省交通開發有限公司) and obtained the operation right of Kuigang Gas Station.

On 30 April 2024, the gas station (west station) in Henghe Service Area along the Xuchang-Guangzhou Expressway was officially opened for business.

On 17 May 2024, the Guangdong Federation of Trade Unions announced the list of "May 1st" Labor Award of Guangdong Province, "May 1st" Labor Medal of Guangdong Province, and Workers' Pioneer of Guangdong Province for 2024, among which, Liangjinshan Service Area along the Kaiping-Yangjiang Expressway under Top-E Company was included in the list of Workers' Pioneer of Guangdong Province.

On 25 May 2024, a promotion event on the theme of "five trees, one fish, and one table of dishes (五棵樹一條魚一桌菜)" in Maoming was held in Dianbai Service Area along the Maoming-Zhanjiang Expressway (towards Guangzhou) under the management of Western Guangdong Branch of Top-E Company to present the special agricultural products of Maoming to visitors, in an effort to help the rural revitalization.

On 28 May 2024, the Company amended the provisions of the Articles of Association regarding going paperless in accordance with the paperless requirements of the Stock Exchange, which was approved at the annual general meeting.

In June 2024, the Yuetongyi (粤通易) project team was organized to complete the research on the membership and marketing status of retail, energy and rescue businesses, as well as prepare the “Benefits Package Product Collaboration Proposal for Yuetongyi and ETC Yuetong Card”. The benefits package product of Yueyun Expressway was established through integrating the gold card benefits for expressway towing service of Yueyun Rescue, the discounts on refueling and non-refueling service of Yueyun Energy (粤运能源), and the product discounts of LoYee convenience stores, which was on sale from 27 June 2024.

In June 2024, Yueyun Development Company entered into the Expert Workstation Cooperation Agreement with the School of Automation of Guangdong Polytechnic Normal University. In addition, it obtained the certification of National Science and Technology-based Small and Medium-sized Enterprise on 5 September and completed the application for establishment of Guangdong Science and Technology Expert Workstation on 18 October 2024.

On 5 June 2024, LoYee convenience stores of Top-E Company won the reputation of the Most Valuable Brand in Investment at the 2023-2024 Kylin Award Gala, a major business event in China.

On 5 June 2024, Top-E Company entered into the Property Management Service Contract for the 2024-2029 Property Management Service Project (Section 1, Section 2, and Section 3) of the Highway Service Areas (Parking Areas) of Guangdong Top-E Expressway Service Zone Limited with AVIC Property Management Co., Ltd., Country Garden Life Services Group Co., Ltd., and Poly Property Services Co., Ltd, respectively.

On 7 June 2024, Yuemei Gas Station (independent and offline services only) on Yuemei Road, Meijiang District, Meizhou City was officially opened for business.

From 7 to 9 June 2024, the Company formed a caring fleet to provide delivery services for candidates during the college entrance examination.

On 12 June 2024, the Company completed the Report on Special Action Plan for the Control of “Two Funds” by Yueyun Transportation, aiming to continuously strengthen the management and control of the inventories and accounts receivable in corporate governance, thereby improving the competitiveness and achieving high-quality development of the Company.

On 15 June 2024, Pingtian Service Area and Jiuling Service Area under the Urban and Rural Coordinated Development Project were simultaneously opened for business.

On 20 June 2024, 2024 Guangdong Chain Industry Ecology Conference and 28th Anniversary Celebration of Guangdong Chain Operations Association were grandly held in Zhongshan city of Guangdong Province. The conference released the list of Top 100 Chain Stores in Guangdong in 2023, among which, “LoYee” brand of Top-E Company ranked 29th.

On 20 June 2024, the gas station in Taimei Service Area on Hehui section along the Changchun-Shenzhen Expressway was officially opened for business.

On 27 June 2024, LoYee Mall was officially launched online. In September, the O2O Click-and-Collect function was added.

On 28 June 2024, the Company convened the 2023 Annual General Meeting, at which, the directors’ report for 2023, the supervisors’ report for 2023, the auditor’s report for 2023, the appointment of an auditor, the grant of the authorization to the Board to determine the remuneration of directors and supervisors, the payment of dividends of RMB0.08 per share (tax inclusive) for 2023, the amendment to the Articles of Association and other matters were considered and approved.

In July 2024, “One-click Refueling (一鍵加油)” function was newly added to WeChat Mini Program Yueyun Energy, which provides vehicle owners with services including gas station search, online payment and order invoicing, allowing them to pay for refueling without getting out of their vehicles.



MAJOR EVENTS

On 1 July 2024, a KFC franchised store under Top-E Company in Yayao Service Area was officially opened for business.

On 2 July 2024, the gas station in Reshui Service Area along the Guangdong-Jiangxi Expressway was officially opened for business.

On 3 July 2024, the gas station in Heping Service Area along the Longnan-Heyuan Expressway was officially opened for business.

On 3 July 2024, the release event of the 2nd National Most Beautiful Highway Team was held in Chengdu, Sichuan. The management team of Dahuai Service Area of Top-E Company won the title of the Most Beautiful Highway Team.

On 15 July 2024, the lecturer team of Guangdong Yueyun Traffic Rescue Co., Ltd. (廣東粵運交通拯救有限公司) ("Yueyun Rescue Company") went to Ningxia again to hold a clearance and rescue business skills training course for Ningxia Communications Investment Expressway Management Co., Ltd., the vehicle rescue practitioners of which attended the training.

From 17 to 19 July 2024, the Company held a special training class for press spokespersons and publicity work for 2024 at the Science and Education Center of Guangzhou Headquarters, with an aim to further strengthen the construction of press spokespersons and publicity team as well as improve their business capabilities and standards.

In August 2024, Guangdong Highway Media Company Limited (廣東高速傳媒有限公司) ("Highway Media Company") was awarded the qualification certificate of Guangdong First-class Advertising Enterprise (OutdoorMedia Service) by Guangdong Advertising Association.

On 1 August 2024, the gas station (north station) in Changsha Bay Service Area along the G15 Shenyang-Haikou Expressway was officially opened for business.

On 9 August 2024, the Kuigang Gas Station (independent and offline services only) at the Kuigang interchange exit of Meizhou-Heyuan Expressway was officially opened for business.

On 12 August 2024, the gas station (south station) in Changsha Bay Service Area along the G15 Shenyang-Haikou Expressway was officially opened for business.

On 13 August 2024, Longtou Service Area under the Urban and Rural Coordinated Development Project was officially opened for business.

On 22 August 2024, the Company announced its interim results for 2024. Operating income for the six months ended 30 June 2024 was approximately RMB3,674,660,000, representing an increase of approximately RMB176,400,000 as compared with the corresponding period in 2023; net profit was approximately RMB135,600,000, representing a decrease of approximately RMB8,490,000 as compared with the corresponding period in 2023; net profit attributable to shareholders of the parent company amounted to approximately RMB138,670,000, representing an increase of approximately RMB16,040,000 as compared with the corresponding period in 2023; basic earnings per share were RMB0.17.

From 23 to 25 August 2024, 2024 Guangdong-Hong Kong-Macao Greater Bay Area (Guangzhou) Smart Transportation Industry Expo was held in Zone D of the Canton Fair Complex. The Company was invited to participate in the expo, and joined hands with Didi Chuxing to present the innovative development solution of "Internet + Customized Passenger Transport", which captured widespread interest across the industry.

In September 2024, the WeChat mini program Yueyun Energy was integrated with the comprehensive intelligent energy management platform of the Company, offering charging-related services including top-up, refund, start/stop charging and others.

On 12 September 2024, the Company received the first prize of Award for 2024 Excellent ITS Cases in Guangdong for promotion and application of the provincial intelligent video surveillance and alarm technology for "two passenger, one hazardous material and one heavy-loaded transportation (兩客一危一重)" vehicles, which was jointly developed with the Guangdong Road Transport Affairs Center (廣東省道路運輸事務中心).

From 25 to 28 September 2024, the 4th China Expressway Gourmet Food Festival and the 6th Expressway Service Area Gourmet Food Tasting Event on the theme of “Enjoy Delicacy while Traveling in Guangdong (粤行悦美味)” were held at the Liangjinshan Service Area along the Kaiping-Yangjiang Expressway with unique cultural features of Qiaoxiang (the hometown of overseas Chinese). The event was guided by China Highway and Transportation Society and sponsored by Service Area Working Committee of China Highway and Transportation Society and GCGC.

On 28 September 2024, the gas station in Pingtian Service Area along the Nanxiong-Xinfeng Expressway was officially opened for business.

On 30 September 2024, the gas station in Puning Service Area along the S17 Jieyang-Puning-Huilai Expressway was officially opened for business.

On 30 September 2024, the gas station (east station) in Henghe Service Area along the Xuchang-Guangzhou Expressway was officially opened for business.

On 30 September 2024, the ceramics museum on the theme of “Hakka Cultural Ceramics” was officially opened in Guangde Service Area along the Dabu-Chaozhou Expressway.

In October 2024, our WeChat mini program LoYee Chain Convenience Store launched LoYee Mall and store O2O service to provide customers with one-click delivery and click-and-collect shopping services.

In October 2024, the Company established a task force for promoting the business digitalization in service areas headed by the chairman of the Board, Zhu Fang, and set the target of fully rolling out the “centralized cashier” among the newly contracted merchants in the service areas under the “collection and advance payment on behalf of others” model by the end of June 2025.

On 9 October 2024, the Company and Yangjiang Transportation Investment Group Co., Ltd. entered into the Equity Transaction Agreement, pursuant to which the Company sold its 51% equity interest in Guangdong Yueyun Langri Co., Ltd. (廣東粵運朗日股份有限公司) (“Yueyun Langri”) at a consideration of RMB99,612,282. Upon completion of the disposal, the Company ceases to hold any interest in Yueyun Langri.

On 26 October 2024, Henghe Service Area under the Urban and Rural Coordinated Development Project was officially opened for business.

In November 2024, Top-E Company was rated as a 5A service area management company in the 6th Comprehensive Strength Evaluation of Expressway Service Area Management Companies in 2024 by China Highway and Transportation Society, LoYee was rated as a 5A service area retail brand, Yipinhui was rated as a 4A service area retail brand, and Yueyun Energy was rated as a 4A service area energy and new energy brand.

On 10 November 2024, the digital DC microgrid mutual assistance demonstration project developed by the Company was officially started at Dahuai Service Area on Kaiyang section of Shenyang-Haikou Expressway. The main works of the demonstration project include the integrated source-grid-load-storage charging facility project and the distributed photovoltaic power generation project.

On 15 November 2024, the Company conducted a production safety accident emergency drill and an electrical fire accident emergency drill in the expressway service area at Lantang Service Area along the Guangzhou-Longchuan Expressway to further assess and enhance the coordination capabilities and emergency response mechanisms among different departments.

On 20 November 2024, Huangtian Service Area, a comprehensive leasing project under the Urban and Rural Coordinated Development Project, was officially opened for business.

On 20 November 2024, the gas station in Sihui Service Area on Guanghe section along the Erenhot-Guangzhou Expressway was officially opened for business.



MAJOR EVENTS

On 20 November 2024, Sihui Service Area along the Guanghe Expressway was officially opened for business, integrating traditional architectural elements such as Huo'er walls (鑊耳牆), sloping roofs (坡屋面), terracing (退台), atriums (中庭) and arcades (騎樓) with modern 3D large naked-eye screens, jade sculptures and large LED columns.

On 25 November 2024, the Company issued an announcement on amendments to its business scope in the Articles of Association, which was approved at an extraordinary general meeting held on 11 December 2024.

On 25 November 2024, Baiqiao Service Area along the Baotou-Maoming Expressway, the first one in Guangdong Province featuring lychee culture, was invited to participate in 2024 City Art Season-Guangzhou International Public Art Expo and the First Bay Area Pop Toy IP Exhibition with its profound Lingnan cultural heritage and unique artistic charm.

On 27 November 2024, the gas station in Wayaogang Service Area along the G4 Beijing-Hongkong & Macao Expressway was officially opened for business.

On 28 November 2024, the gas station in Xinxu Service Area on Yangmao section along the Shenyang-Haikou Expressway was officially opened for business.

On 29 November 2024, the Financial Sharing Center of Yueyun Transportation was officially inaugurated at No. 682 Xingke Road, Tianhe District, Guangzhou.

On 1 December 2024, Changsha Bay Service Area, a comprehensive leasing project under the Urban and Rural Coordinated Development Project, was officially opened for business.

On 2 December 2024, the gas station in Dianbai Service Area along the Shenyang-Haikou Expressway was officially opened for business.

On 10 December 2024, the Guangdong Federation of Trade Unions officially announced the directory of 2024 provincial construction sites for Driver's Home and major engineering projects. Among them, the Driver's Home in Yangjiang Service Area along the Kaiping-Yangjiang Expressway under Top-E Company stood out and was successfully selected as a construction site for Driver's Home in Guangdong Province, providing an additional warm and comfortable rest station for drivers and passengers on long-distance trips. The service area also simultaneously built Workers' Home (職工小家) and Labor Union's Love Station (工會愛心驛站), realizing efficient integration and sharing of resources.

On 11 December 2024, Huangmaohai Service Area, a comprehensive leasing project under the Urban and Rural Coordinated Development Project, was officially opened for business.

On 12 December 2024, LoYee brand of Top-E Company was recognized as one of the Top 100 Commercial Franchise Brand in Guangdong in 2024.

On 12 December 2024, KFC franchised store in Shatian Service Area of Top-E Company, a western fast-food project, was officially opened for business.

On 12 December 2024, the Huangmaohai Service Area on the theme of "Embarking on a Voyage with Fresh Melodies from Diaolou (碉樓新韻, 揚帆起航)" was officially opened for business. The service area covers an area of approximately 137 mu and is equipped with over 400 parking spaces and 40 new energy charging piles. Its comprehensive ancillaries including Wuyi Specialty Food Corner, Hong Kong and Macau Specialty Center, LoYee Store, celebrity coffee shop, etc., are available to meet diversified needs of passengers.

In 2024, a total of 71 pairs of service areas of Top-E Company were awarded the plaque of Guangdong Rural Revitalization Premium Agricultural Products Station by the Department of Agriculture and Rural Affairs of Guangdong Province (廣東省農業農村廳), with a cumulative sales of more than RMB100 million under poverty-alleviation consumption project.

INVESTMENT VALUE OF THE COMPANY

EXPRESSWAY SERVICE ZONE OPERATION

1 ENERGY BUSINESS

- By mainly developing the self-built and self-operated gas stations under “Yueyun Energy”, we have established a sales network consisting of 107 self-built and self-operated gas stations in the expressway service zones by the end of 2024. The number of self-operated gas stations is expected to exceed 138 at the end of 14th Five-Year Plan period. With continuous increase in operating revenue, it will become the first core supporting business of the Group.
- We have continuously enhanced cooperation with large-sized energy companies such as Sinopec and PetroChina in respect of capital and operation. As a result, we have established a number of joint venture companies to carry out the expressway gasoline and gas refueling business. In the future, we will strengthen the cooperation on gasoline supply and develop the warehousing, wholesale and transportation businesses, so as to enhance the influence of “Yueyun Energy” in the province.
- We have actively promoted the growth in the number of expressways service zones (carpark zones), the construction of service zones and the construction and deployment of additional gas stations at the exit and entrance of expressways and off-route local gas stations.
- We have established 338 service zones with charging stations, with 1576 charging piles. In cooperating with a brand enterprise, Weilai, for expansion of our battery replacement stations, 8 battery replacement stations have commenced operations, which jointly formed a provincial charging service network.
- We implemented all-staff marketing, strengthened brand promotion, continuously expanded the number of refueling customers, and issued a total of 1.28 million electronic membership cards of Yueyun Energy.

- The innovative digital DC microgrid mutual assistance demonstration project was officially launched in the Dahuai Service Zone. The demonstration project integrates new energy sources such as photovoltaics, energy storage and charging with gas stations of Yueyun Energy through a smart integrated energy management system, and builds a new digital integrated energy supply station in the service zones.
- Yueyun Energy was rated as a 4A-level energy and new energy brand of service zones in the “Brand Influence Evaluation of Service Zones” activity organized by the China Highway and Transportation Society.

2 RETAIL BUSINESS

- “Loyee”, a well-known convenience store brand in the expressway service zones, owns 522 outlets. On the basis of maintaining a certain number of outlets, it has gradually optimized staff deployment with operation mode of the outlets adjusted according to their varied operating condition, and continuously improved the service quality of the outlets and the efficiency of individual outlets.
- Our convenience store retail business covers all the service zones across the province, possessing network advantage covering the entire province and certain scale advantages.
- We officially launched the digital retail system and initiated online mall mini program of “Loyee mall” simultaneously, tried to use new system to carry out online enterprise group purchase business and O2O self-pickup service to complete the data connection with “Guangdong Pass” and expand online business channels.
- We carried out display and promotion activities in multiple periods in conjunction with the holidays to create a good promotion atmosphere. Through various themed promotional marketing such as “special area gifts” and “trunk economy”, we create a “people, vehicle, and life” concept consumption scenario and achieve continuous growth in promotional display income.



INVESTMENT VALUE OF THE COMPANY

- Focus on rural revitalization and promote new models for rural revitalization to assist in the sales of agricultural products. A total of 71 pairs of service zones were awarded the plaque of “Guangdong Rural Revitalization and High-quality Agricultural Products Station” by the Provincial Department of Agriculture and Rural Affairs. The “Guangdong Rural Revitalization and High-quality Agricultural Products Counters” have been set up in 210 self-operated “Loyee” convenience stores. By actively communicating with multiple channels such as local governments, agriculture and rural bureaus, supply and marketing cooperatives, local leading agricultural and sideline products enterprises, industry associations and provincial enterprises in the locations where the service zones are located, we promoted the introduction of products with local characteristics.
- In 2024, the “Loyee” brand was selected into the List of 2023 Guangdong Chain Store TOP100. The “convenience store + rural revitalization” consumer assistance complex built by the “Loyee” brand was selected as one of the “2023-2024 Guangdong Excellent Commercial Social Responsibility Cases”. “Loyee” convenience store was listed as the “Brand with the Most Investment Value” by China Commercial Kylin Award (中國商業麒麟獎) for 2023-2024. “Loyee” brand was rated as a 5A-level service zone retail brand in the “Brand Influence Evaluation of Service Zones” activity organized by the China Highway and Transportation Society.
- We focused on the completion of the commercial planning, investment promotion and conceptual design of the Baiqiao Service Zone to accelerate the development of the landmark project of the “Urban and Rural Coordinated Development Project” in Guangdong Province. The Company overfulfilled the commercial planning for 20 pairs of characteristic service zones, and gradually promoted the implementation of investment promotion projects for characteristic service zones. We have completed the investment promotion for 8 pairs of characteristic service zones including Changsha Bay.
- We successfully established two “Letuhui” comprehensive shopping experience stores in Liangjinshan Service Area, and launched a pilot cooperation project with 8 “Dashihui” restaurants in 6 pairs of service zones such as Shatian, continuously exploring new cooperation models for its own commercial brands and continuously improving its commercial value. Actively expanding brand merchant resources, we increased 8 new brands with a total of 142 brand merchant resource libraries. The expansion of KFC franchise locations has been accelerated, and the number of franchise stores has increased to 8.
- We have created a “rural revitalization” platform in the service zones. Relying on the “integrated” operational advantages of the provincial service zones, we have built a “rural revitalization” platform covering the entire province, expanding “rural revitalization” specialty stores, creating local specialty catering, building agricultural product exhibitions and sales zones, introducing local famous and high-quality products for exhibition and sales, and promoting business innovation, business incubation, and creating service windows to assist and benefit farmers.
- “Yipinhui” was rated as a 4A-level retail brand of service zones in the “Brand Influence Evaluation of Service Zones” activity organized by the China Highway and Transportation Society.

3 MERCHANT SOLICITATION BUSINESS

- We have the largest number of expressway service zones operating rights in Guangdong Province (386 zones, of which 364 are in operation) and enjoy network and scale advantages relying on the huge expressway traffic in Guangdong Province.
- We undertook the promotion and investment promotion meetings of quality improvement and upgrading projects of Provincial Communication Group, promoted 70 pairs of service zones and 179 investment projects on the spot. Pooling various high-quality commercial resources, we provided support for building characteristic service zones into a new platform for rural revitalization and driving local economic development.

4 ADVERTISING BUSINESS

- We have coordinated and integrated the advertising resources of expressways and passenger transportation terminals. We are responsible for managing 509 billboards on expressways, including 315 pillars, 3 gantries, 57 overpass bridges, 70 floor standing boards, 48 billboards above toll stations and 14 billboards above service zones.
- During the year, we added 3 overpass bridges on the South Second Ring Road and 4 column resources at the Boshen section of the Wushen Expressway with the increase of advertising area by 1,215 square meters as compared with the same period of last year.
- We continued to promote new customer acquisition, optimised business expansion strategies, and successfully approached a number of well-known companies, fully leveraging its planning, design and integrated marketing capabilities. Our directly-operated customers business grew significantly, and both directly-operated contract revenue and gross profit increased significantly.
- We undertook major events such as “the 4th China Expressway Gourmet Festival and the 6th Expressway Service Area Gourmet Food Appreciation Conference” and fulfilled our social responsibilities, demonstrating corporate value and providing a solid guarantee for sustainable development.

ROAD PASSENGER TRANSPORTATION AND AUXILIARY SERVICES

- Each transportation enterprise shall implement a series of reforms under the principle of “one policy for one enterprise”, promote the transformation and development of traditional transportation business, implement the “slimming and fitness” plan, remove and reduce redundant personnel, fully withdraw from loss-making lines and markets and devote greater effort to revitalize passenger transportation terminals and property resources.
- Our “Yueyun Rescue” road rescue business has established an efficient road rescue service monitoring and command system, serving 84 expressway sections with total mileage of 7,500 kilometres, representing approximately 65% of the expressway mileage in Guangdong Province. Possessing 211 permanent rescue points and 740 sets of various rescue equipment, we are the largest professional vehicle rescue company in Guangdong Province, ranking among the top in the country.
- Our Yueyun Rescue Company actively promoted “Yangguang Rescue(陽光救援)” platform service project of expressways in Guangdong Province and entered into relevant contracts with Department of Transport of Guangdong Province under which Our Yueyun Rescue Company will provide relevant services to Department of Transport of Guangdong Province.



CHAIRMAN'S STATEMENT

In 2024, the world economy was characterized by insufficient momentum and unbalanced growth in its sluggish recovery. At the same time, problems such as the escalation of geopolitical conflicts and the deepening of supply chain restructuring still existed, the complexity, severity and uncertainty of the global economic environment continued to rise. Confronted with a complex and severe situation with increasing external pressure and internal difficulties, China's monetary policy and fiscal policy worked together to provide strong support for the stable growth and high-quality development of the economy. China's economy has demonstrated strong resilience and potential to the world. The economic development remained stable on the whole while making progress and major targets and tasks for economic and social development have been successfully achieved.

The Guangdong Provincial Government pointed out at the provincial economic work conference that the past year was a year of great significance in the course of

Guangdong's reform and development. President Xi Jinping visited Macao and attended a series of celebration activities for the Celebration of 25th anniversary of Macau reverting to Mainland China. He delivered a series of important speeches and made a series of important instructions, which further pointed out the direction and injected strong impetus for the construction of the Guangdong-Hong Kong-Macao Greater Bay Area and the development of Guangdong. In 2025, the Guangdong Provincial Government will continue to materialize the new positioning of the "one point for two places (一點兩地)" in the Guangdong-Hong Kong-Macao Greater Bay Area, promote the integration of the Greater Bay Area market and enhance its innovation capabilities and radiation driving effect. At the same time, we will expand domestic demand in all aspects, cultivate a complete domestic demand system, enhance the adaptability of supply and demand, accurately and effectively release the potential of consumption and investment, and further smooth the economic cycle.



In 2024, the Group achieved remarkable results in asset layout optimization, organizational structure adjustment, management and control model reform and risk prevention through measures such as optimizing the business layout in the service zones, improving the operating efficiency of the service zones and exiting the road passenger transport business in an orderly manner, which enabled the asset quality of the Group to continue improvement and its profitability to keep increasing.

2025 is the “Year for Improving Management” of the Group. Focusing on the main business of expressway transportation services, we will implement a series of measures of “strengthening management, promoting standardization, and improving quality and efficiency”, accelerate the implementation of the reform of management system and mechanism and market-oriented operation model, continue to promote the standardized operation of business and functional management, continuously improve resource allocation efficiency, accelerate the nurture and development of new quality productivity, layout strategic emerging industries, and comprehensively enhance the core competitiveness of the major responsibilities and businesses of the Group.

Major investments and key business developments of the Group in 2025 are as follows:

TRANSPORTATION SERVICES SEGMENT

I. Expressway Service Zones Operation

1. Energy Business

- (1) Deepening the layout of integrated energy business and promoting the optimization of industrial structure. We will continue to promote the construction of new gas stations and self-operated recycling projects, and deepen the cooperation with central enterprises in the supply and sales of oil products, further expand the revenue from traditional oil products business and the scale of sales of gas station terminals, accelerate the construction of an integrated energy business service network, including diversified energy services such as charging piles, battery swap stations, photovoltaic power generation integration, create integration service platform of expressway photovoltaic storage and charging and integrated energy, and realize the intelligent, efficient and green energy supply.



CHAIRMAN'S STATEMENT

- (2) Expanding the clean energy landscape and improving the level of green development. We will accelerate the promotion of project of the integration of photovoltaic, storage and charging in the Dahuai Service Zone to ensure the completion of project construction and commencement of operation of the project in 2025, simultaneously promote the bidding and software development of the smart integrated energy management platform under the principle of "self-generation, self-consumption and surplus on-grid connection", complete the deployment in the data center of the provincial transportation group; establish a professional operation and management team, launch a comprehensive energy smart management platform of source grid load storage integration, and improve the intelligent level of energy management; further increase investment in new energy projects such as photovoltaics, energy storage, and supercharging, and continue to promote the green transformation of energy structure of the service zones.
- (3) Strengthening business synergy and enhancing brand influence. We will strengthen our cooperation with enterprises such as Guangdong UETC and expand the scope of cooperation, to enhance brand awareness and influence. We will accurately and effectively implement the "one station, one strategy" marketing plan, realize price reduction of diesel, etc. in order to initiate themed marketing activities and promote and sharpen oil product and non-oil product business. We will enhance the specialized operation capabilities of gas stations, vigorously develop "digital energy", improve service quality through various measures, and create a competitive energy brand.
- (4) Increasing investment in scientific research and innovation to promote business transformation and upgrading. Relying on the results of the deployment of emerging industries, we will formulate a roadmap for scientific and technological innovation plan, combine the new energy application scenarios in the service zones, actively carry out joint innovation with leading scientific research institutes and leading new energy manufacturing companies in the industry, apply for scientific research and innovation projects and strive for policy subsidies, and promote the transformation of operations and the development of new quality productivity of the Company through the comprehensive promotion and application of new technologies and new equipment.

2. *Retail Business*

- (1) Promoting quality improvement and upgrading of business and expanding sales channels. Focusing on improving the quality and efficiency of retail trade in service zones, we will further expand the network of self-operated stores, expand sales channels in online shopping mall, and expand the scale of group purchase and wholesale business within and outside the system; strengthen store business strategies and operation management, continue to optimize the "one store, one policy" and vertical management measures to promote the upgrading of the consumption environment.

- (2) Improving the category operation system and enhancing logistics distribution capacity. We will comprehensively coordinate and optimize the logistics distribution routes of retail business, reduce distribution mileage, save logistics costs, and actively expand the incremental development space of future retail trade business. We will formulate a work plan for cold chain logistics projects, intend to conduct research and exploration in the integration of cold chain transportation resources, cold chain distribution, and network establishment in expressways by leveraging the perfect network nodes in service zones. By actively taking the advantages of cargo transportation capacity and platform technology of leading companies, we will cooperate with them to build a logistics network operation platform.
- (3) Optimizing informatization construction and opening up the ecological chain. Leveraging the digital and intelligent capabilities of the leading platforms, we will improve the construction of "digital retail", enhance the comprehensive strength of retail brands, further integrate and activate resources, innovate the business management model in service zones, and bring new revenue to the Company through business model innovation. Through the integration of information digital resources and the reorganization of business process, we will realize the business operation control in service zones, unify cashier supervision, standardize the business and financial operation control methods in service zones, form a "centralised, systematic, professional" business model to promote management improvement to achieve cost reduction and efficiency improvement. We will regularly analyze data such as service zones, stores and passengers which are related to retail to provide more scientific analysis basis for corporate development decisions, and provide a better service experience for highway travelers and merchants. We will explore innovative services such as customer operations, supply chain cooperation, take-out and drone delivery.

3. Merchant Solicitation Business

- (1) Constructing a new operation system to promote the quality promotion and upgrading of merchant solicitation business. The Company will actively expand business mode of service zones, promote the in-depth integration of service zones with surrounding resources, deeply explore characteristic business mode, and try to implement specific projects to achieve co-construction, sharing and win-win results; Through the implementation of "digital investment promotion", "large-scale investment promotion" and "soliciting large-scale investment", we will comprehensively coordinate investment resources in service zones and enhance leasing effort to improve occupancy rate. Through the implementation of "digital investment promotion" strategy, we will comprehensively coordinate and plan investment resources to improve the efficiency and quality of investment promotion. Through creating the "online service area" function on the platform, establishing and promoting the business district in the service zones, we implement the unified deployment and migration of transportation services and vehicle-related scene applications to the "Guangdong Pass" platform in steps; we will cooperate with the "Guangdong Pass" platform to achieve a unified entrance for car owners to provide external services; The comprehensive competitiveness and service level of the service areas are improved by innovative services such as deepening the construction of cross-sector membership system, strengthening the synergy of the whole supply chain and promoting the deployment of smart logistics network.



CHAIRMAN'S STATEMENT

- (2) Exploring self-operated model for catering and innovating the business model. We will summarize and evaluate the overall status of KFC franchise projects, and conduct feasibility study and analysis of project promotion; explore ways to expand and strengthen self-operated catering business, and continuously innovate business models and development paths; we will strengthen cooperation and exchanges with other catering brands and learn advanced experience and management model from others to enhance the competitiveness and influence of the self-operated catering business of the Group.
- (3) Implementing "Urban and Rural Coordinated Development Project" and boosting rural revitalization. We will bolster our service zones with "five refined" features, namely more precise planning and positioning, more refined design and implementation, more refined operation and management, more refined business formats and products, and more refined service experience, focus on the investment promotion and operation of benchmark projects of "Urban and Rural Coordinated Development Project" in Baiqiao (Maoming) Service Area, and complete the commercial planning, investment promotion and operation of characteristic service areas such as Xiaolan with high quality; we will implement the rural revitalization strategy deployment of the "Million RMB Consumption Project", promote more local characteristic products to enter into the service zones for exhibition and sales, and strive to create another 30 pairs of "Guangdong Rural Revitalization Stations with High-quality Agricultural Products" in service zones; we will actively carry out the upgrading and renovation of service zones to help farmers and promote business, and realize the operation of micro-renovation characteristic service zones such as Dianbai to help farmers and promote business.
- (4) Renovating and upgrading the services of the service zones to create a new comprehensive travel experience. We will promote the transformation and upgrading of travel consumption structure in service zones by promoting service zones from hardware upgrade and transformation to service quality improvement and upgrade, and gradually provide customers with the best comprehensive travel solutions on the basis of providing high-quality characteristic products and services in service zones to continuously meet the high-quality travel needs of the people; we will accelerate the implementation of the "silver economy" in service zones, fully complete the construction and upgrading of "elderly-friendly" hardware facilities in service zones, and promote the optimization and improvement of "aging-friendly" operation and management in service zones.

4. Advertising Business

- (1) Accelerating the digitalization of advertising resource management and expanding new media publicity. We will continue to promote the improvement of our advertising resources management platform, and promote the connection between the management platform and "Guangdong Pass" to realize mobile work function and improve management efficiency; We will initially select 18 pairs of service zones to carry out investment and construction of light box advertising facilities in 2025 according to the advertising digitalization planning scheme in service zones and initially build the scale of the digital advertising network in the service zones; We will improve the operation system of video account and Douyin account, simultaneously explore the operation of live streaming studio, further broaden the modes of advertising promotion and accelerate the integration of digital media; we will innovate its business model for planning to cultivate new business models for film and television production and investment; we have integrated Yueyun Rescue Gold Card Expressway Trailer Rights, discounts on refueling and non-fuel consumption of Yueyun Energy and discounts on Leyi convenience store products to establish a privileged product package of Yueyun Expressway to promote cooperation in the sales of such products.
- (2) Innovating cooperation model and strengthening customer relationship. We will integrate existing professional community resources for outdoor advertising to achieve efficient use and sharing of resources; we will actively participate in industry information exchange activities and professional exhibitions to broaden horizons and enhance popularity and influence in the industry; we will deeply explore and make full use of professional network platforms of customers, accurately target professionals and corporate decision makers in the outdoor advertising industry, and improve the pertinence and effectiveness of customer expansion; we will publicize and promote outdoor advertising vacant resources through multiple online and offline channels, help customers increase brand awareness and market share, and establish a closer cooperative relationship with customers.
- (3) Maintaining the increase of advertising resources and optimizing operation and management. We will strive to relocate advertising facilities simultaneously during the expansion process to reduce the impact on operations; we will continue to follow up on the legal procedures for overpass bridges advertising in accordance with the latest design policies from government on overpass bridges advertising, and vigorously develop overpass bridges advertising resources; we will strengthen the management and maintenance of advertising resources, improve the efficiency and value of resource utilization to provide solid resource guarantees for the transformation, upgrading and sustainable development of advertising business.



CHAIRMAN'S STATEMENT

II. Road Passenger Transportation and Auxiliary Services

1. *Comprehensive exit of the road passenger transportation business*

- (1) Implementing exit plans for passenger transport enterprises. Strictly adhering to the lump-sum contract for sharding and plan arrangement of senior management, the Group will urge its affiliated passenger transport enterprises to strictly implement the "one enterprise, one policy" plan for exiting passenger transportation business, efficiently promote equity transfer, and fully promote the orderly exit of traditional passenger transportation business in 2025 through business divestiture, overall equity transfer, transfer of controlling rights, and bankruptcy liquidation, and simultaneously implement special actions for the disposal of "non-core and no advantage business" and "low efficiency and non-performing assets" and the governance of loss-making subsidiaries.
- (2) Strictly controlling the debt risk of passenger transport enterprises. We will continuously track the financial position of its affiliated passenger transport enterprises, include its affiliated enterprises with excessively high debt ratios and tight liquidity in the key control list, track and implement the debt resolution plan on a monthly basis in combination with the "one enterprise, one policy" and disposal plan, cooperate to promote the smooth and orderly exit of passenger transport business of highly indebted enterprises to prevent systemic debt risks; by actively coordinating and communicating with financial institutions, we consolidate the strategic cooperation relationship between banks and enterprises, maintain the overall credit line level, optimize the debt structure and ease the debt repayment pressure; we will continue to promote the revitalization and utilization of assets, and prioritize the use of existing funds for repayment of principal and interest.

2. *Continuing to develop the expressway vehicle rescue business*

- (1) Strengthening and optimizing our major business, and continuously enhancing our core competitiveness. We will strengthen the accuracy of rescue information transmission, and realize joint operation and interaction with the road section monitoring center, road administration and local traffic police departments by mastering key information from the source to ensure rapid entry, rapid arrival and rapid disposal of vehicle rescue work; We will improve the efficiency of rescue and clearance of obstructions, strengthen the analysis and summary of overtime rescue cases, develop corresponding training materials, organize front-line employees to conduct special training to improve the service level and rescue skills of the rescue team and improve the efficiency of rescue and obstacle removal; we will update rescue equipment, strengthen the ability to ensure smooth traffic, optimize the vehicle model structure of rescue equipment, strengthen the research and application of rescue auxiliary equipment, and continuously promote rescue technology innovation to improve rescue response speed and emergency response capabilities.
- (2) Actively exploring the market and expanding the business presence. Focusing on the vehicle rescue main business market, we will strengthen the investigation of the existing market conditions and road section information to improve the accuracy and timeliness of the data obtained, and actively complete the acceptance work on the expressway sections, and strive for rescue business through market-oriented competition; we will continue to explore market-oriented business, actively explore diversified sales channels, understand market demand through visits, tap cooperation potential to strive for more cooperation opportunities.

- (3) Consolidating the achievements of digital transformation and achieving high-quality development. We will improve the construction of the "Digital Rescue" platform, strengthen the construction and management of the internal management information platform, carry out the demand survey for the second phase on the basis of the first phase of the project, and promote the second phase of the "Digital Rescue" project; promote the construction of "Yangguang Rescue (陽光救援)" platform for expressways in Guangdong Province, continue to assist the Department of Transport of Guangdong Province to complete the data governance related work of the "Yangguang Rescue" for expressways, pay attention to the progress of the project, regularly summarize the project situation, explore a scientific and effective "Yangguang Rescue" operation model of Guangdong Province, and provide support for subsequent operational decisions.

Save as disclosed above, as of the date of this report, the Group has no plan for any acquisition of capital assets. As a prudent group that focuses on risk management, the Group always adheres to a prudent and sound policy in financial management to ensure efficient use of funds and controllability of risks. The Group exercises strict budget control on the utilisation of funds and regularly reviews its cash flow position and financial position to adapt to market changes and make necessary adjustments. For future investment plans and general working capital needs, the Group mainly relies on cash flow generated from operations and external financing channels such as bank loans to ensure sufficient capital to support daily operations and scheduled investment projects. Currently, the Group has no immediate or long-term financing plan, and will make timely assessment of its capital needs and make decisions in accordance with the actual situation and changes in market conditions.



MANAGEMENT DISCUSSION AND ANALYSIS

(all amounts are presented in RMB unless otherwise stated)



BUSINESS REVIEW

In 2024, the annual GDP of the PRC grew by 5% year-on-year, showing a sustained economic recovery. With the overall concept of “promoting transformation and quality improvement to achieve industrial reform,” the Group implemented the eight quality improvement actions: “enhancing corporate cohesion, building service zones to strengthen the main business, serving the new economy to stimulate new momentum, orderly exiting road passenger transportation business, integrating development of digital technology and the main business, promoting industrial transformation through enterprise-specific policies, stimulating potential to improve quality and efficiency, and managing risks”, to promote the reform of the Company, so that the its fundamentals continue to improve.

TRANSPORTATION SERVICES SEGMENT

I. EXPRESSWAY SERVICE ZONES OPERATION

In accordance with the mid-term adjustments to the “14th Five-Year Plan”, the Group actively responded to market trends, continuously optimized its systems, mechanisms and operating models through the restructuring and reform of its service zones business, and improved the quality of transportation services, resulting in varying degrees of growth in energy, merchant solicitation, retail and other businesses.

MANAGEMENT DISCUSSION AND ANALYSIS

(all amounts are presented in RMB unless otherwise stated)



1. Energy Business

The Group adhered to its energy development strategy. While further expanding the scale of its oil station network, it actively promoted the construction of clean energy industry and improved the industrial chain capability of "Yueyun Energy". As of the end of December 2024, the Group had 226 oil stations with operating right, including 112 self-operated gas stations, 11 cooperative gas stations, 98 contracted gas stations, 5 gas stations under construction or renovation, 55 charging stations under management, 279 charging piles under management, and 8 battery replacement stations under operation. The main operating measures were as follows:

- (1) Expanding traditional energy and promoting balanced development of benefits and scale. We continued to expand the scale of our

gas station network, completed recovery and operation of 25 gas stations including Yuebei Gas Station, Yunyan Gas Station and Shatian Gas Station, and completing the construction of 12 new gas stations including Henghe Gas Station, Changshawan Gas Station and Pingtian Gas Station. The Group focused on the intensive and large-scale development of refined oil business and enhanced its bargaining power in external cooperation for highway gas stations and refined oil. It has completed the formulation of cooperative operation plans between its gas stations and central state-owned oil companies, explored and studied various forms of cooperation, and expanded the operating scale and economic benefits of gas stations.

MANAGEMENT DISCUSSION AND ANALYSIS

(all amounts are presented in RMB unless otherwise stated)

- (2) Strengthening comprehensive energy and building a new energy management platform. We renewed contracts for 49 charging stations in service zones with Guangdong Power Grid Co., Ltd., completed the bidding and signing contracts for 10 battery replacement stations in service zones, 8 of which had been put into operation; utilized the site of approximately 30 mu at the Yunfu West Interchange exit and the idle land of the interchange to build gas stations, convenience stores, and distributed photovoltaic and charging (battery replacement) stations, and actively expanded more new energy projects; established a new energy development team, completed the feasibility study of self-built and self-operated supercharging stations, charging piles, and photovoltaic projects, and actively piloted the Dahuai (near) zero-carbon digital DC microgrid mutual assistance demonstration project, installed photovoltaic systems on carports of the car park and the roofs of the service buildings in the service zones, built 84 new charging parking spaces, and used the smart integrated energy management system to digitally aggregate and control charging facilities, distributed photovoltaic and energy storage systems, to build a green electricity self-consistent and mutually beneficial new energy industry chain ecosystem based on the charging needs of new energy vehicles.
- (3) Optimizing brand operation and implementing all-employee marketing. During the year, 63 phases and 1,600 times of theme marketing activities were carried out; 36 new major refueling customers were signed, and refueling volume of major customers exceeded 36,000 tons, representing a year-on-year increase of 52%; 365,700 new electronic members of Yueyun Energy were added; and gas product sales reached 284,900 tons within the year.

2. Retail Business

The Group comprehensively enhanced the operational capabilities of retail business in the service zones through innovative operation and management models supplemented by digital construction methods. As of the end of December 2024, the Group had 522 “Loyee” convenience stores. The main operating measures were as follows:

- (1) Innovating store operating model. By implementing differentiated management for store operating model based on business volume, we gradually adjust stores with lower business volume to unmanned sales or “vending machine + 2 men” operating model in stages to reduce management costs; innovatively adjust store incentive and assessment system to enhance store sales enthusiasm and service quality, and effectively increase the transaction per customer of the stores.
- (2) Digital intelligence empowering and driving business development. We successfully established the Loyee online mall to realize the O2O pick-up function of the online mall, expanded the group-buying and wholesale business and gained 17 new group-buying customers leveraging on the scale advantage of our retail network; introduced a new commodity merchant solicitation system and formulated operational guidelines for the introduction of core products to address the practical difficulties in the introduction of new products; comprehensively coordinated and optimized the logistics and distribution routes of the retail business to reduce distribution mileage and logistics costs.

MANAGEMENT DISCUSSION AND ANALYSIS

(all amounts are presented in RMB unless otherwise stated)

- (3) Strengthening retail supply chain management. We launched 4 phases of commodity merchant solicitation activities in stores across the province, which effectively reduced procurement costs, with the procurement of some commodities falling by up to 18%; increased the investment of cold-chain transportation vehicles to achieve full coverage of cold-chain commodity distribution in stores in service zones in the province; completed the analysis on raw material supply and cold chain demand of the deli stores in the service zones, made use of the completeness of the network nodes in the service area, integrated cold chain transportation resources, established connection with leading cold chain enterprises and prepared for cooperation matters.
- (4) Deeply cultivating the target market for marketing. We created the concept consumption scenarios of “people, cars and life”, and launched various themed sales promotions such as “free gift zone” and “car trunk economy”, which effectively stimulated the increase in revenue from sales promotions and displays; promoted a new model of agricultural product sales to support rural revitalization, with a total of 71 pairs of service zones being awarded the plaque of “Guangdong Rural Revitalization High-quality Agricultural Products Station” by the Provincial Department of Agriculture and Rural Affairs, and “Guangdong Rural Revitalization High-quality Agricultural Products Counters” being set up in 210 self-operated Loyee convenience stores; promoted the introduction of local specialty products by actively engaging with the local governments, agriculture and rural affairs bureaus, supply and marketing cooperatives, local leading agricultural and sideline products enterprises, industry associations, provincial enterprises and other channels in the regions where our service zones are located.

3. Merchant Solicitation Business

The Group strengthened its platform operation capabilities through professional upgrade and refined business planning and merchant solicitation business in the service zones. As of the end of December 2024, 386 service zones have obtained operating rights and 364 are in operation. The main operating measures were as follows:

- (1) Planning first to improve service quality. We focused on the completion of the business planning, merchant solicitation and conceptual design of Baiqiao Service Zone to accelerate the promotion of the iconic “Urban and Rural Coordinated Development Project” in Guangdong Province; overfulfilled the business planning for 20 pairs of characteristic service zones, and gradually promoted the implementation of merchant solicitation projects in these characteristic service zones; completed the merchant solicitation work for 7 pairs of characteristic service zones including Changshawan Service Zone. Among them, a new model of overall leasing and operating merchant solicitation had been tried to implement in the Changshawan Service Zone and the Henghe Service Zone, which had been gradually put into operation in line with the construction progress of the owners’ units.
- (2) Improving the quality of existing assets and tapping into development potential. We had a total commercial area of 185,100 square meters, of which 145,100 square meters had been leased, with a commercial area occupancy rate of approximately 78%; comprehensively coordinated merchant solicitation projects, increased the disclosure of merchant solicitation information, and continuously increased merchant solicitation income; launched 135 projects for leasing, and 78 had been successfully leased, with a leasing success rate of 57.78%, and achieved a total rental price of RMB55.48 million in the first year of winning bids; actively explored a new format for “low-altitude economy” transportation services and orderly promoted the “low-altitude economy” related work in the Xuwen Service Zone.



MANAGEMENT DISCUSSION AND ANALYSIS

(all amounts are presented in RMB unless otherwise stated)

- (3) Promoting the high-quality development of commercial brands through innovation and change. We actively promoted the construction of our own brands, and established a number of specialty products sales stores with local characteristics under the “Yipinhui” brand, successfully set up two “Letuhui” comprehensive shopping experience stores in the Liangjinshan Service Zone, and launched a pilot cooperation project of 8 “Dashihui” restaurants in 6 pairs of service zones including Shatian Service Zone, continued to explore new cooperation models of self-owned commercial brands, and continuously improved commercial value; actively expanded the coverage of brand merchants with 8 new ones, bringing the total number of brand merchants to 142; accelerated the expansion of KFC franchise locations, which had expanded to 6 stores, and the store revenue has continued to increase.

4. Advertising Business

The Group further expanded its influence in the industry while consolidating the existing market share of its advertising business through various measures such as continuous optimization of management mechanism, enhancement of resources integration and promotion of digital transformation. As of the end of December 2024, the Group operated and managed 516 advertising resources on 76 expressways, including billboards above service zones, billboards above toll stations, gantries, pole billboards, overpass bridges, floor standing billboards, etc. The main operating measures were as follows:

- (1) Consolidating existing business and expanding market territory. We strengthened marketing efforts and successfully signed a number of projects through media promotion conferences and other activities, resulting in a significant increase in the contract value; actively promoted resource development and signed a number of important contracts, including for 3 new overpass bridges on the Southern Second Ring Road and 4 pole billboards such as the one at the Boshen section of Wuhan-Shenzhen Expressway throughout the year, with a year-on-year increase of 1,215 square meters in advertising area.

- (2) Actively expanding directly operated customers and enhancing market competitiveness. We continued to promote new customer development, optimized business expansion strategies, and successfully contacted many well-known companies; fully utilized our planning, design and integrated marketing capabilities, and achieved significant growth in directly operated customer business. Revenue from direct sales contracts amounted to RMB19.67 million, representing a year-on-year increase of 36%, and gross profit of new direct sales business increased by 50% year-on-year.
- (3) Strengthening the business planning capability and cultivating core business; undertaking major events such as the “4th China Expressway Food Festival and the 6th Expressway Service Zone Food Tasting Conference” and fulfilling social responsibilities to enhance corporate social value and provide a solid guarantee for corporate sustainable development.

II. ROAD PASSENGER TRANSPORTATION AND AUXILIARY

Currently, the traditional road passenger transport market is facing shrinking demand, and due to the public welfare characteristics of the equalization business of road passenger transport such as urban public transport and rural passenger transport, the Group’s passenger transport business is facing greater operating pressure. The Group was committed to revitalizing the existing resources through digital transformation, so as to ensure the operating cash flow of the passenger transport companies, while continuing to promote the “one enterprise, one policy” to achieve a safe and orderly exit from the passenger transport business.

MANAGEMENT DISCUSSION AND ANALYSIS

(all amounts are presented in RMB unless otherwise stated)

1. Road Passenger Transportation Business

As of the end of December 2024, the Group had 8 directly-affiliated road passenger transport companies, managed 55 passenger terminals, and operated 5,558 vehicles, including 922 chartered buses, 758 rural passenger vehicles, including 522 town-to-village buses, and 3,720 urban buses, including 1,021 pure electric buses; 117 taxis, rental cars and school buses; a total of 679 road passenger operation routes, of which 168 routes and 750 vehicles are connected to the operation safety digital early warning management system, with a total of 1,296 risk points.

- (1) Stabilizing the fundamentals of passenger transportation business through digitalization and customized services. We cooperated with Didi, China's leading Internet transportation platform, to develop station buses and intercity carpooling businesses, mobilize offline existing resources, increase actual load rate and total passenger volume, and strive to increase revenue. Among them, the station bus routes covered 18 cities in Guangdong Province, with an average daily passenger flow of 23,100, and had cultivated three boutique routes with an average daily passenger flow of more than 500 people, namely Guangzhou – Futian of Shenzhen, Guangzhou – Longgang of Shenzhen, and Guangzhou-Meizhou; 13 routes had been opened in Guangdong Province for the intercity carpooling business, covering 11 cities; 12 routes were introduced under the cooperative operation of Baiyun Bus Terminal, with 17 daily departures.
- (2) Continuing to optimize capital layout in accordance with the principle of "one enterprise, one policy". We implemented the conditional overall exit of passenger transport companies, and completed the overall withdrawal of equity in three regional passenger transport companies, namely Yueyun Langri, Foshan City Sanshui District Yueyun Traffic Co., Ltd. and Maoming City Dianbai District Yueyun Vehicles Transportation Co., Ltd.

- (3) Optimizing the business model to reduce operating costs. We Continued to promote the matching of the personnel size, personnel structure and labor cost of passenger transportation companies with the existing business scale, and the number of employees in the passenger transportation business decreased by 25.34% throughout 2024.
- (4) Effectively reducing interest-bearing liabilities. We actively coordinated the collection of government subsidies and urged all passenger transport companies to collect sufficient subsidy funds from existing policy documents to enhance the effect of subsidy collection; promoted passenger terminals at all levels to reduce the functional area and grade, revitalized property assets to achieve "rent-all-use" and increase revenue; increased asset disposal and made use of the policy of reactivating the government's special bonds to be used for land acquisition and storage, actively strive for local governments to acquire and store idle land for of passenger transportation business, to revitalize assets and reduce corporate debt ratio. As of 31 December 2024, interest-bearing liabilities of passenger transport companies recorded a decrease of approximately 37% from the beginning of the year.

2. Expressway vehicle rescue business

The Group is committed to ensuring smooth traffic on expressways. While enhancing vehicle rescue services, it is also actively expanding the scope of expressway rescue business. As of the end of December 2024, the vehicle rescue service mileage reached 7,500 kilometres, with a total of 83 road sections, 211 rescue stations, and 740 various rescue equipment. The main operating measures are as follows:

- (1) Steadily developing the rescue business and improving service quality. In 2024, we successfully undertook the vehicle rescue services on multiple expressways including Guangfo Expressway, Fokai Expressway and Xiongxin Expressway, with the service mileage increasing significantly; we focused on improving service quality through measures such as optimizing the rescue process and



MANAGEMENT DISCUSSION AND ANALYSIS

(all amounts are presented in RMB unless otherwise stated)

strengthening staff training, leading to a satisfaction rate of over 90% among vehicle owners for our rescue services; we actively utilized 5G+AI technology to provide data sharing and technical support to owners, further enhancing the efficiency and quality of rescue services.

- (2) Expanding the market and broadening business channels. We strengthened collaboration and negotiations with external enterprises, further widening our sales channels; we focused on the marketing and promotion of internal membership service products, which enhanced employees' enthusiasm for expanding market operations; we actively explored the "low-altitude economy" service model, and developed a manned helicopter highway emergency rescue drill plan that clearly defines helicopter dispatch procedures, flight route planning, and emergency response processes, ensuring that rescue can be carried out quickly and effectively in case of emergency and thus opening up a new direction for future business development.
- (3) Significantly enhancing management level through business digitization. We completed the first phase of the "Digital Rescue" platform and officially launched its operation. The launch of the new system has enabled the Company to manage rescue business more efficiently and improved its work efficiency; we actively promoted the "Sunshine Rescue" platform service project for expressways in Guangdong Province, signed relevant contracts with the Department of Transport of Guangdong Province to provide relevant services; we strengthened the informatization construction in safety management, and carried out safety supervision on the job site through technical means such as video surveillance, effectively improving the level of safety management.

3. TAIPING INTERCHANGE OPERATION

The Group strengthened daily inspections of Taiping Interchange and organized and implemented maintenance and repairs. Affected by the traffic diversion of the Humen Bridge after the opening of the Shenzhen-Zhongshan Bridge, the traffic of Taiping Interchange slightly decreased, but the overall operation remained stable. As of the end of December 2024, the Taiping Interchange project had a cumulative toll traffic volume of 35.31 million vehicles, with an average of 92,300 vehicles per day, representing a year-on-year decrease of 7.12%.

4. OTHER BUSINESSES

The material supply business was substantially discontinued.

FINANCIAL REVIEW

The Group's Annual Results for the year ended 31 December 2024

For the year ended 31 December 2024, operating income of the Group amounted to RMB7,200,338,000 (2023: RMB7,227,231,000), representing a year-on-year decrease of RMB26,893,000; gross profit amounted to RMB649,950,000 (2023: RMB646,780,000), representing a year-on-year increase of RMB3,170,000. Operating income and gross profit was essentially flat year-on-year.

For the year ended 31 December 2024, the Group's cumulative net profit attributable to shareholders of the parent company was RMB236,508,000 (2023: RMB201,888,000), representing a year-on-year increase of RMB34,620,000; basic earnings per share was RMB0.30 (2023: RMB0.25), representing a year-on-year increase in profit of RMB0.05 per share. The year-on-year increase in profit was mainly due to the fact that the Company promoted the restructuring and reform of service zone business and continued to optimize the system, mechanism and business model, resulting in the growth of energy and other businesses to different extent.

MANAGEMENT DISCUSSION AND ANALYSIS

(all amounts are presented in RMB unless otherwise stated)

SEGMENT INFORMATION

Operating Income

Operating income of the Group in 2024 amounted to RMB7,200,338,000 (2023: RMB7,227,231,000), representing a year-on-year decrease of RMB26,893,000.

Operating income by business segment:

	For the year ended 31 December 2024		For the year ended 31 December 2023	
	RMB'000	Percentage	RMB'000	Percentage
Expressway service zones operation business	5,233,405	73%	4,954,993	69%
Road passenger transportation and auxiliary business	1,834,359	25%	2,128,605	29%
Taiping Interchange operation	132,574	2%	143,366	2%
Other businesses	0	0%	267	0%
Total	7,200,338	100%	7,227,231	100%

1. Expressway Service Zones Operation Business

The expressway service zones operation business recorded operating income of RMB5,233,405,000 (2023: RMB4,954,993,000) in 2024, representing a year-on-year increase of RMB278,412,000 or 6%, of which:

- (1) For energy business, the operating income amounted to RMB4,336,355,000 (2023: RMB4,086,296,000) in 2024, representing a year-on-year increase of RMB250,059,000 or 6%, which was mainly due to the increase in revenue as a result of the addition of new gas stations.
- (2) For retail business, the operating income amounted to RMB530,906,000 (2023: RMB529,035,000) in 2024, representing a year-on-year increase of RMB1,871,000 or 0%, which was substantially flat year-on-year.

- (3) For merchant solicitation business, the operating income amounted to RMB300,085,000 (2023: RMB273,243,000) in 2024, representing a year-on-year increase of RMB26,842,000 or 10%, which was mainly due to the year-on-year increase in the occupancy rate of commercial spaces, leading to higher revenue this year.

- (4) For advertising business, the operating income amounted to approximately RMB66,059,000 (2023: RMB66,419,000) in 2024, representing a year-on-year decrease of RMB360,000 or 1%, which was substantially flat year-on-year.

2. Road Passenger Transportation and Auxiliary Business

The road passenger transportation and auxiliary business recorded operating income of RMB1,834,359,000 (2023: RMB2,128,605,000) in 2024, representing a year-on-year decrease of RMB294,246,000 or 14%. It was mainly due to the continuous optimization of capital layout and the prudent and orderly exit from the passenger transportation business.

MANAGEMENT DISCUSSION AND ANALYSIS

(all amounts are presented in RMB unless otherwise stated)

3. Taiping Interchange Operation

Taiping Interchange operation recorded operating income of approximately RMB132,574,000 (2023: RMB143,366,000) in 2024, representing a year-on-year decrease of RMB10,792,000 or 8%, which is mainly due to the decrease in traffic flow.

4. Other Businesses

Other Businesses recorded operating income of RMB0 (2023: RMB267,000) in 2024, representing a year-on-year decrease of RMB267,000 or 100%. It was because the material supply business was substantially discontinued.

Gross profit

The gross profit of the Group in 2024 was RMB649,950,000 (2023: RMB646,780,000), representing a year-on-year increase of RMB3,170,000 or 0%, with a gross profit margin of 9.03% (2023: 8.95%).

Gross profit by business segments:

	For the year ended 31 December 2024		For the year ended 31 December 2023	
	RMB'000	Percentage	RMB'000	Percentage
Expressway service zones operation business	582,683	90%	494,437	76%
Road passenger transportation and auxiliary business	(34,365)	(5%)	38,738	6%
Taiping Interchange operation	101,632	15%	113,641	18%
Other businesses	0	0%	(36)	0%
Total	649,950	100%	646,780	100%

MANAGEMENT DISCUSSION AND ANALYSIS

(all amounts are presented in RMB unless otherwise stated)

1. Expressway Service Zones Operation Business

The expressway service zones operation business recorded gross profit of RMB582,683,000 (2023: RMB494,437,000) in 2024, representing a year-on-year increase of RMB88,246,000 or 18%, and the gross profit margin was 11% (2023: 10%), of which:

- (1) The energy business generated gross profit of RMB539,891,000 (2023: RMB447,826,000) in 2024, representing a year-on-year increase of RMB92,065,000 or approximately 21%. The gross profit margin was 12% (2023: 11%). It was mainly due to the year-on-year increase in revenue as a result of new gas stations.
- (2) The retail business generated gross profit of RMB68,852,000 (2023: RMB64,044,000) in 2024, representing a year-on-year increase of RMB4,808,000 or 8%. The gross profit margin was 13% (2023: gross profit margin of 12%). It was mainly due to the effective cost control.
- (3) The merchant solicitation business generated gross loss of RMB49,762,000 in 2024 (2023: gross loss of RMB40,047,000), representing a year-on-year increase in gross loss of RMB9,715,000 or a change of 24%. The gross loss margin was 17% (2023: gross loss margin of 15%). It was mainly due to the increase in decoration expenditure for the minor renovation of service zones.

- (4) The advertising business generated gross profit of RMB23,702,000 in 2024 (2023: RMB22,614,000), representing a year-on-year increase of RMB1,088,000 or 5%. The gross profit margin was 36% (2023: 34%). It was mainly due to the effective cost control.

2. Road Passenger Transportation and Auxiliary Business

Road passenger transportation and auxiliary business generated gross loss of RMB34,365,000 in 2024 (2023: gross loss of RMB38,738,000), representing a year-on-year decrease in gross profit of RMB73,103,000 or 189%, and the gross loss margin was 2% (2023: gross profit margin of 2%). It was mainly due to orderly exit from the passenger transportation business.

3. Taiping Interchange operation

Taiping Interchange operation generated gross profit of RMB101,632,000 in 2024 (2023: RMB113,641,000), representing a year-on-year decrease of RMB12,009,000 or 11%. The gross profit margin was 77% (2023: 79%). It was mainly due to the impact of year-on-year decrease in revenue.

4. Other Businesses

Other businesses generated gross loss of RMB0 in 2024 (2023: gross loss of RMB36,000), representing a year-on-year decrease of RMB36,000 or 100%. The gross loss margin was 0% (2023: gross loss margin of 13%). It was mainly because the material supply business was substantially discontinued.



MANAGEMENT DISCUSSION AND ANALYSIS

(all amounts are presented in RMB unless otherwise stated)

ADMINISTRATIVE AND R&D EXPENSES

In 2024, the Group incurred administrative and research and development expenses of RMB476,479,000 in total (2023: RMB499,649,000), representing a year-on-year decrease of RMB23,170,000 or 5%, which was mainly attributable to the continuous promotion of “one enterprise, one policy” for road transportation business, orderly exit from the passenger transportation business and effective cost control.

FINANCE EXPENSES

In 2024, the Group incurred finance expenses of RMB199,982,000 (2023: RMB180,285,000), representing a year-on-year increase of RMB19,697,000 or 11%, mainly due to the corresponding increase in lease liabilities as a result of the expansion of service zone and the year-on-year increase in interest expense accrued during the period.

OTHER INCOME

In 2024, the Group incurred other income of RMB343,126,000 (2023: RMB362,143,000), representing a year-on-year decrease of RMB19,017,000 or 5%, which was mainly due to a year-on-year decrease in government subsidies and VAT reduction and exemption.

INVESTMENT GAIN

In 2024, the Group incurred investment gain of RMB95,945,000 (2023: RMB96,909,000), representing a year-on-year decrease of gain of RMB964,000 or a decrease of 1%, which was essentially flat year-on-year.

CREDIT IMPAIRMENT LOSSES

Credit impairment losses of the Group in 2024 was RMB5,062,000 (2023: RMB18,378,000), representing a year-on-year decrease of losses of RMB13,316,000 or 72%, which was mainly attributable to an increase in the provision for credit impairment losses on certain amounts on an individual basis for the previous year.

IMPAIRMENT LOSSES OF ASSETS

Impairment losses of assets of the Group in 2024 was RMB11,121,000 (2023: RMB39,381,000), representing a year-on-year decrease of losses of RMB28,260,000 or 72%, which was mainly due to the provision for impairment losses of license use rights assets of transportation units for the previous year.

GAINS ON DISPOSAL OF ASSETS

In 2024, the Group incurred gains on disposal of assets of RMB23,510,000 (2023: RMB34,209,000), representing a year-on-year decrease of RMB10,699,000 or 31%, which was mainly due to the impact of a year-on-year decrease in disposal of assets for the year.

MANAGEMENT DISCUSSION AND ANALYSIS

(all amounts are presented in RMB unless otherwise stated)

NON-OPERATING INCOME AND EXPENDITURE

The net amount of non-operating income and expenditure in 2024 incurred a net expenditure of RMB1,350,000 (2023: a net income of RMB2,768,000), representing a year-on-year decrease in net income of RMB4,118,000 or 149%, which was mainly due to a year-on-year decrease in government subsidies.

LIQUIDITY AND CAPITAL STRUCTURE

The Group adopted prudent financial management policies towards its financial management, and implemented strict budget control towards the use of funds. The Group satisfied its requirements for cash in respect of its payment obligations under contracts and general working capital mainly through cash generated from operating activities and bank borrowings. The Group optimized its financial structure to minimize financing costs. The Group enhanced capital allocation through the operation of cash pooling, in order to increase the efficiency of capital utilization. Benefitting from the strict budget controls towards the funds and the improvements on the financial structure, at the end of 2024, the balance of bank and financial institution facilities available to the Group amounted to RMB5,149,000,000, which provided sufficient protection for the Group's operating loans, ensuring repayment of principal and interest without risk of default.

Items	31 December 2024	31 December 2023
	RMB'000	RMB'000
Borrowings (banks and other financial institutions)	1,183,416	1,801,551
Less: Cash and cash equivalents	1,425,057	1,085,765
Net debt	(241,641)	715,786
Total liabilities	6,118,199	5,986,463
Total shareholders' equity	2,605,861	2,616,905
Total equity	2,364,220	3,332,691
Total assets	8,724,060	8,603,368
Gearing ratio	(10.22%)	21.48%
Asset to liability ratio	70.13%	69.58%

Gearing ratio = Net debt/Total equity

Total equity = Net debt + Total shareholders' equity

Asset to liability ratio = Total liabilities/Total assets

MANAGEMENT DISCUSSION AND ANALYSIS

(all amounts are presented in RMB unless otherwise stated)

CASH FLOWS

In 2024, the Group satisfied its requirements for payment obligations under contracts and general working capital mainly through cash generated from operating activities and long-term debt with low interest rates. Cash and cash equivalents of the Group were mainly denominated in RMB. Cash and cash equivalents (after excluding the effect of exchange rate movement) were as follows:

	For the year ended 31 December		Change
	2024	2023	
	RMB'000	RMB'000	RMB'000
Cash generated from/(used in)			
Operating activities	1,152,440	1,003,889	148,551
Investing activities	(38,508)	(35,703)	(2,805)
Financing activities	(776,302)	(827,994)	51,692

OPERATING ACTIVITIES

The Group's net cash inflow from operating activities amounted to RMB1,152,440,000 in 2024 (2023: net cash inflow of RMB1,003,889,000), representing a year-on-year increase of net cash inflow of RMB148,551,000 or 15%, which was mainly due to the year-on-year increase in gross profit for the year, resulting in a year-on-year increase in net cash inflows.

INVESTING ACTIVITIES

In 2024, the net cash outflow from investing activities was RMB38,508,000 (2023: net cash outflow of RMB35,703,000), representing a year-on-year increase in net cash outflow of RMB2,805,000 or 8%, which was mainly due to increases in fixed assets under construction in service zones. etc.

MANAGEMENT DISCUSSION AND ANALYSIS

(all amounts are presented in RMB unless otherwise stated)

FINANCING ACTIVITIES

The net cash outflow from financing activities in 2024 was RMB776,302,000 (2023: net cash outflow of RMB827,994,000), representing a year-on-year decrease of RMB51,692,000 or 6% in net cash outflow, which was mainly due to the effective reduction of interest-bearing liabilities and the year-on-year decrease in debt repayment expenses.

BORROWINGS

As of 31 December 2024, outstanding loans of the Group amounted to RMB1,183,416,000 (31 December 2023: RMB1,801,551,000), comprising (i) unsecured short-term loans of RMB214,840,000 (31 December 2023: RMB309,297,000); (ii) secured short-term loans of RMB127,211,000 (31 December 2023: RMB136,575,000); (iii) pledged short-term loans of RMB26,500,000 (31 December 2023: nil); (iv) unsecured long-term loans of RMB300,597,000 (31 December 2023: RMB561,010,000); (v) secured long-term loans of RMB222,397,000 (31 December 2023: RMB423,727,000); (vi) financing leases payable of RMB291,871,000 (31 December 2023: RMB370,942,000). As of 31 December 2024, the Group's borrowings were denominated in RMB and were subject to floating or fixed interest rates, of which borrowings with fixed interest rate accounted for approximately 38%.

MATERIAL SUBSEQUENT EVENTS

On 22 January 2025, the Company entered into a property rights transaction contract with Kee Kwan Motor Road Company Limited pursuant to which the Company transferred its 100% equity interests in its subsidiary, Zhuhai City Gongyun Bus Station Company Limited, to Kee Kwan Motor Road Company Limited. The consideration for the equity transfer was RMB25.0961 million. For details, please refer to the announcement of the Company dated 22 January 2025.

MAJOR INVESTMENTS HELD

Nil.

MAJOR ACQUISITIONS, DISPOSALS AND ESTABLISHMENT OF NEW COMPANIES

On 9 October 2024, the Company entered into an equity transaction contract and a supplemental agreement with Yangjiang Transportation Investment Group Co., Ltd., pursuant to which Yangjiang Transportation Investment Group Co., Ltd. conditionally agreed to purchase, and the Company conditionally agreed to sell 51% equity interest in Yueyun Langri held by the Company, at a consideration of RMB99,612,282.00. Upon completion of the disposal transaction, the Company no longer holds equity interests in Yueyun Langri, and the financial results of Yueyun Langri is no longer consolidated into the Company's financial statements. For details, please refer to the relevant announcements issued by the Company on 9 October 2024 and 24 October 2024.



MANAGEMENT DISCUSSION AND ANALYSIS

(all amounts are presented in RMB unless otherwise stated)

MAJOR PROPERTIES HELD FOR INVESTMENT

Set out below are the major properties held for investment by the Group as at 31 December 2024:

Name of property	Address	Usage	Types 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. 1-2 office, 1/F, King's Court, No. 65, 67, 69, 71, 73, 75, Wai Ching Street, Jordan Road, Kowloon, Hong Kong	Operating lease	Short-term (within 10 years)
Underground Shop, Hang On Building, 159A Sai Yeung Choi Street North, Mongkok, Kowloon	Underground Shop, Hang On Building, 159A Sai Yeung Choi Street North, Mongkok, Kowloon	Operating lease	Short-term (within 10 years)
Apartment of Drivers*	Interchange between Fuqianxi Road and Huancheng Road, Quijiang 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 interest in these properties.

PLEDGE OF ASSETS

As at 31 December 2024, fixed assets at the net value of approximately RMB270,189,000 (31 December 2023: RMB367,736,000) and land use rights at the net value of approximately RMB58,207,000 (31 December 2023: RMB111,669,000) of the Group were pledged as security for borrowings. As at 31 December 2024, investment properties at the net value of approximately RMB168,267,000 (31 December 2023: RMB192,034,000) of the Group were pledged as security for borrowings.

FOREIGN EXCHANGE RISK AND HEDGING

Most of the operating income and expenditure of the Group are settled or denominated in RMB, except for the revenue and expenditure related to cross-border transportation services. In 2024, the impact of exchange rate fluctuations on the working capital and liquidity of the Group was relatively small. The Directors of the Company believe that the Group has sufficient foreign currency to meet its demand. The Group will continue to pay close attention to the currency fluctuations of RMB, and will adopt proper measures to reduce the currency risk exposures of the Group based on its operating needs.

CONTINGENT LIABILITIES

As of 31 December 2024, the Group had no material contingent liabilities.

MANAGEMENT DISCUSSION AND ANALYSIS

(all amounts are presented in RMB unless otherwise stated)

POTENTIAL RISK EXPOSURE

The Group's scope of business includes various business segments, including energy business, retail business, merchant solicitation business, advertising business within the expressway service zones, road passenger transportation and auxiliary services and operation of Taiping Interchange, with relatively strong resistance against risks as a whole.

Major risk exposures and uncertainties to the Group include fluctuations in international oil prices, stability maintenance risks arising from the exit of traditional road transport enterprises and operational safety of passenger transportation business. These factors may have impacts on business operation and financial performance of the Group. In this regard, the Group has formulated and implemented corresponding risk management measures and countermeasures to mitigate the potential impact of these risks. Furthermore, while adverse weather and natural disasters, operating risks and epidemics are not the major risk factors to the Group, the Group will closely monitor the development of these matters and take appropriate actions when necessary to protect stable operation of the Group. The risk exposures to the Group include:

1. Fluctuations in international oil prices

Oil business is an important part of the Group's energy business. Oil prices are determined comprehensively based on factors such as the oil prices in the international market and the national control policies on oil prices. The future price trend is subject to certain uncertainties. Fluctuations in international oil prices will directly affect the operating costs of the Group's energy business. If the oil prices continue to rise in the future, it will affect the stability of the profitability of the Group's energy business to a certain extent.

The Group achieved the intensive and large-scale development of oil business through its subsidiary "Yueyun Energy", to improve the premium capacity of external cooperation for expressway gas stations and refined oil products; established long-term and stable cooperative relations with suppliers to ensure the quality and stability of fuel supply, while strengthening the risk assessment and monitoring of the supply chain to detect and respond to potential risks in a timely manner; reduced dependence on fuel by increasing the investment and use of other energy sources such as natural gas, hydrogen and solar energy, to reduce the impact of price fluctuations; paid close attention to the dynamics of government policies and adjusted the business model and operation strategies in a timely manner to adapt to the challenges and opportunities presented by policy changes.

2. Stability maintenance risks arising from the exit of traditional road transport enterprises

Road passenger transportation is one of the businesses of the Group. With increasing efforts in economic development and transportation infrastructure investment, high-speed railway and inter-city light rail transportation will have increasing impact on road transportation, and the traditional road passenger transportation market is shrinking further. Therefore, the Group has determined the strategic adjustment to gradually exit the traditional road passenger transportation business in a comprehensive and orderly manner. The traditional road passenger transportation business involves a large number of employees. If mass incidents occur, the reputation and normal operations of the Group will be negatively affected.

In order to avoid mass incidents due to the overall exit from traditional passenger transport business, the Group formulated the "one enterprise, one policy" plan for passenger transport enterprises to carry out classified management according to the actual situation of the enterprises, supervise the remuneration payment of the passenger transport enterprises with serious losses, and make good capital raising plans to maintain the stability of the workforce; urged the passenger transport enterprises to formulate comprehensive staff placement plans; prepared a list of responsibilities to resolve by hierarchy based on the principle of "territorial management and hierarchical responsibility", and designated personnel to follow up and supervise the handling, so as to resolve conflicts and eliminate hidden dangers in a timely manner.



MANAGEMENT DISCUSSION AND ANALYSIS

(all amounts are presented in RMB unless otherwise stated)

3. Operational safety of passenger transportation business

The Group engages in the road passenger transportation business, where there are safety accident risks arising from factors such as road condition, vehicle condition and safety management. In the event of an accident, the Group may face economic compensation liabilities and penalties from the traffic and transport authorities. A major traffic accident may severely affect the Group's reputation and normal operations.

In order to cope with the relevant risks, the Group has established a comprehensive production safety management system, the safety indicators are significantly higher than the industry standards and continue to maintain a high level. In addition, by centralized management of insurance, the Group maintained sufficient insurance coverage to vehicles and personnel, expanded the scope of coverage to enhance the protective ability, so as to effectively control the economic losses that may result from safety accidents.

In road transportation segment, the Group has comprehensively promoted the "four-in-one" intelligent control system. The system realized real-time monitoring of driver's operating behavior and vehicle running status, effectively reducing drivers' violations of laws and regulations and unscrupulous driving habits. At the same time, the system promoted the improvement of driver's safety behavior, enhanced the supervision capacity and efficiency of fundamental safety, improved accident prevention and control capabilities, and strengthened the support of the intelligent control system to safety production.

4. Inclement weather and natural disasters

Guangdong Province is located at the southeast coastal region of China, it is in the sub-tropical climatic and monsoon wind region with abundant rainfall. Active warm and wet air currents blowing from the southwest is a usual phenomenon in late spring and early summer days each year, heavy rainfall or continuous rainstorms may be resulted, it is also affected by typhoons in the summer season. Regions with strong rainstorms may occur geological disasters easily, such as mountain collapse, landslide, mudflow or ground collapse. The characteristics of sudden occurrence and beyond control of these disasters may have direct impact on the road passenger transportation business, service zones operation, retail business and energy business of the Group.

5. Operational risk

Taiping Interchange is a transportation hub connecting the Humen Bridge and Guangzhou-Shenzhen Expressway. However, with the opening of the Shenzhen-Zhongshan Bridge and the future establishment of the Lotus Mountain Tunnel, part of the traffic between Western Guangdong, such as Zhongshan, Zhuhai, and Eastern Guangdong, such as Shenzhen, Dongguan, which originally travelled through the Humen Bridge, will be diverted to the Shenzhen-Zhongshan Bridge, etc., resulting in traffic diversion of Taiping Interchange. In addition, if the economic environment fluctuates substantially, or an overhaul for maintenance are conducted for the Humen Bridge and the related sections of the expressway, or the toll standard rates and charging method of the Humen Bridge and Taiping Interchange change, the traffic of Taiping Interchange will be affected, which in turn will affect its toll revenue.

MANAGEMENT DISCUSSION AND ANALYSIS

(all amounts are presented in RMB unless otherwise stated)

6. Epidemic disease

The expressway service zones are important places for drivers and passengers to rest, eat, refuel and use the toilet during long-distance travel. Therefore, the mobility of people is large and it is easy for people to gather. During a pandemic outbreak, the service zones may become a high risk area for disease spread. During the pandemic period, in order to control the spread of the epidemic, the service zones may adjust their business operations based on the epidemic situation. The service zones in high-risk areas may close some unnecessary operations, which may negatively affect the related business.

SIGNIFICANT INVESTMENT PLANS IN 2025

For significant investment and business development plans in 2025, please refer to Chairman's Statement in this annual report. The financing arrangements required by the Group will be obtained through various means such as self-funding and bank loans.

FIVE-YEAR FINANCIAL SUMMARY

(Amounts are presented in RMB'000)

For the year ended 31 December	2024	2023	2022	2021 (restated)	2020
Operating income	7,200,338	7,227,231	5,819,528	6,271,137	5,585,541
Total profit	308,088	298,565	(18,030)	(241,874)	(238,597)
Income tax expenses	(78,795)	(84,738)	(190,950)	(81,467)	(76,577)
Net profit/net (loss)	229,293	213,827	(208,980)	(323,341)	(315,174)
Of which: Net profit attributable to shareholders of the Company	236,508	201,888	(150,423)	(220,312)	(229,193)
Profit and loss attributable to minority interests	(7,215)	11,939	(58,557)	(103,029)	(85,981)

ASSETS AND LIABILITIES

As at 31 December	2024	2023	2022	2021 (restated)	2020
Total assets	8,724,060	8,603,368	9,215,602	10,554,449	11,052,730
Total liabilities	6,118,199	5,986,463	6,733,847	7,801,241	7,902,617
Net assets	2,605,861	2,616,905	2,481,755	2,753,208	3,150,113

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

As at the date of this report, the Company has nine directors and seven supervisors as well as a group of senior management members. There is no relationship (including financial, business, family or other material/relevant relationship(s)) between any of the directors of the Company (the “Directors”), the supervisors of the Company (the “Supervisors”) or the senior management.

DIRECTORS

As at the date of this report, the Company has four executive Directors, one non-executive Director and four independent non-executive Directors. All Directors sitting on the Board were appointed for a term of office until the expiration of eighth session of the Board.

EXECUTIVE DIRECTORS

Mr. Zhu Fang (朱方), aged 52, is the Party committee secretary, an executive Director, the chairman of the Board and the general manager of the Company. Main positions previously held by Mr. Zhu include: an officer of the Audit Department of Guangdong Province, a staff member of the investment fund department of Guangdong Investment and Development Company (廣東投資開發公司), the deputy manager and manager of the capital operation department of Guangdong Guangye Investment Group Co., Ltd. (廣東廣業投資集團有限公司), the head of the financial department and deputy general manager of Dongguan Jiufeng Energy Co., Ltd. (東莞九豐能源有限公司), a member of the Party committee and the deputy general manager of Guangdong Guangye Investment Group Co., Ltd. (廣東廣業投資集團有限公司), a member of the Party committee, a director and the deputy general manager of Nanyue Transportation Investment and Construction Co., Ltd. (南粵交通投資建設有限公司). Mr. Zhu obtained an on-the-job postgraduate degree from Guangdong Academy of Social Sciences (廣東省社科院) and possesses the title of auditor.

Mr. Huang Wenban (黃文伴), aged 52, is a member of the Party committee, an executive Director and the chief accountant of the Company. Main positions previously held by Mr. Huang include: an accountant of Kwong Fat Transport Limited (廣發運輸有限公司), the finance manager of Guangdong Vehicles Transportation Group Company Limited Transportation Branch (廣東省汽車運輸集團有限公司貨運分公司), the deputy business supervisor of the financial audit department of GCGC, the manager of the finance department, a director and the chief accountant of Kee Kwan Motor Road Limited (岐關車路有限公司), a member of the Party committee, a director and the chief

accountant of Guangdong Gongbei Vehicles Transportation Company Limited (廣東省拱北汽車運輸有限公司). Mr. Huang obtained a bachelor’s degree in accounting and a bachelor’s degree in economics from Xi’an Highway University (西安公路交通大學) and a master of business administration from Jinan University (暨南大學), and obtained a doctoral degree in accounting from Dalian University of Technology (大連理工大學), and he possesses the title of senior economist and accountant.

Mr. Hu Xianhua (胡賢華), aged 50, is a member of the Party committee, an executive Director and the deputy general manager of the Company. Mr. Hu previously served as the chairman of the Supervisory Committee of the Company. Main positions previously held by Mr. Hu include: serving in the finance division of Guangzhou Bonded Zone Guangda Technology Co., Ltd. (廣州保稅區廣大科技有限公司), manager of the finance department of Guangshan Highway Huizhou Section Co. Ltd. (廣汕公路惠州段有限公司), project manager of Xin Yue Company Limited (新粵有限公司), serving in Guangdong Nan Yue Logistics Company Limited (廣東南粵物流股份有限公司) (and was temporarily dispatched to engage in audit work in the financial audit department of GCGC during his service period), grade one staff member (一級職員) of the financial audit department and the audit and supervision department, deputy business supervisor and business supervisor of the audit and supervision department as well as the dispatched supervisory committee chairman of GCGC. Mr. Hu obtained a bachelor’s degree in auditing and a bachelor’s degree in economics from Wuhan University (武漢大學) and possesses the title of senior accountant.



DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Mr. Hu Jian (胡健), aged 44, is the dedicated deputy secretary of the Party Committee, an executive director and the chairman of the labour union of the Company. Main positions previously held by Mr. Hu include: a staff member of Guangdong Chenyun Information Technology Co., Ltd. (廣東晨韻信息科技有限公司), a staff member of Guangdong Provincial Transportation Archives Information Management Centre (廣東省交通檔案信息管理中心), a staff member of the Office of Guangdong Provincial Department of Transportation, the deputy chief staff member and chief staff member of the Office of Guangdong Provincial Department of Transportation, head of the Comprehensive Affairs Department, Secretary of the board of directors, employee director, and head of the human resources department of Guangdong Nanyue Transportation Investment and Construction Co., Ltd. (廣東省南粵交通投資建設有限公司). Mr. Hu obtained his undergraduate degree in law profession and a bachelor's degree in law from Sun Yat-sen University and possesses the title of political engineer.

NON-EXECUTIVE DIRECTOR

Mr. Chen Chuxuan (陳楚宣), aged 57, is a non-executive Director of the Company. Mr. Chen currently serves as the Party committee secretary and chairman of Guangdong Urban Transportation Investment Co., Ltd. (廣東城市交通投資有限公司) and Guangdong Litong Development Investment Co., Ltd. (廣東利通發展投資有限公司). Mr. Chen has served as a Supervisor of the Company from March 2009 to December 2012 and the chairman of the Supervisory Committee from April 2009 to December 2012. Main positions previously held by Mr. Chen include: the accountant of the second branch office of the Guangdong Provincial Highway Engineering Company (廣東省公路工程公司), head of the operations and finance department of the Technology Development Branch of Guangdong Changda Highway Engineering Company Limited (廣東省長大公路工程有限公司技術開發分公司), the chief accountant of the third branch office of Guangdong Changda Highway Engineering Company Limited (廣東省長大公路工程有限公司), the chief accountant of Guangdong Guanyue Highway & Bridge Company Limited (廣東冠粵路橋有限公司), the chairman of the external supervisory committee of GCGC; the deputy chief accountant and head of Strategic Development Department of GCGC. From March 2008 to March 2009, he was assigned to the State-owned Assets Supervision and Administration Commission of Guangdong Province acting as the deputy head of the

office of the supervisory committee. Mr. Chen obtained a bachelor's degree in engineering and financial accounting and a bachelor's degree in management from Changsha Communications University (長沙交通學院), and a master's degree in accounting from Jinan University (暨南大學), and he possesses the title of senior accountant and senior economist.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Su Wujun (蘇武俊), aged 60, is currently a professor of Guangdong University of Finance & Economics (廣東財經大學), and once was concurrently an expert consultant on legislation of the Standing Committee of the People's Congress of Guangdong Province (廣東省人大常委會), an evaluation expert of the "Zhujiang Talent Plan – Entrepreneur Leaders (珠江人才計劃 – 創業領軍人才)" of Guangdong Province, chairman of the Education Accounting Society of Guangdong Province (廣東省教育會計學會), argumentation expert on significant administrative policies of Guangzhou and argumentation expert on consultation of significant administrative decisions of Shaoguan City. Mr. Su has served in Hunan University of Finance and Economics (湖南財經學院) and Hunan University (湖南大學) engaging in teaching and scientific research. Mr. Su has obtained a bachelor's degree in economics, a master's degree in management and a doctoral degree in economics from Hunan University of Finance and Economics (湖南財經學院), Shaanxi Institute of Finance & Economics (陝西財經學院) and Fujian Normal University (福建師範大學), respectively.

Ms. Huang Yuan (黃媛), aged 48, is currently an associate professor and supervisor of doctoral students in the School of Accounting and Finance of The Hong Kong Polytechnic University. Ms. Huang is currently a lecturer in the courses of financial accounting, management accounting, financial management and accounting research methods for undergraduates and postgraduate students in master and doctoral programmes, many of her research projects receive funding from the University Grants Committee in Hong Kong, and the research results have been published in a number of international renowned journals. Ms. Huang successively obtained a bachelor's degree and a master's degree from the School of Economics of Wuhan University (武漢大學經濟學院), and obtained a doctoral degree from the Business School of The Hong Kong University of Science and Technology (香港科技大學商學院).

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Mr. Shen Jialong (沈家龍), aged 45, is currently the deputy chief engineer of Guangdong Xinyi Engineering Consulting Co., Ltd. (廣東信怡工程諮詢有限公司), and the head of the consulting department of Guangdong Petroleum and Chemical Industry Association (廣東省石油和化學工業協會). After graduation in 2015, he has been dedicating long-term efforts in consulting work on the planning, research feasibility and energy saving of projects in the energy, petrochemical, chemical industry, light industry and pharmaceutical sectors, and is now a listed evaluation and review expert for the Technology Department of Guangdong Province (廣東省科技廳), Guangdong Gas Association (廣東省石油燃氣協會), Guangdong Energy Conservation Association (廣東省節能協會), Guangdong Petroleum and Chemical Industry Association (廣東省石油和化學工業協會), Guangzhou Municipal Industry and Information Technology Bureau (廣州市工信局), Department of Science and Technology of Guangdong Province (廣州市科技廳) and Guangzhou Municipal Public Resources Exchange Centre (廣州市公共資源交易中心). Mr. Shen obtained a bachelor's degree and master's degree from South China University of Technology (華南理工大學), and owns a number of qualifications or certificates such as professorate senior engineer, national registered consulting engineer and national registered moderator (Specialist).

Mr. Zhang Xiangfa (張祥發), aged 49, is currently a senior partner/director of the board of Beijing Dentons Law Offices LLP (Guangzhou) (北京大成(廣州)律師事務所), and a registered foreign lawyer of Wong Poon Chan Law & Co., a law firm in Hong Kong. Mr. Zhang served as a teacher for higher education in Jiaying University (廣東嘉應學院), and he has been a practicing lawyer in both Mainland China and Hong Kong after obtaining the legal practitioner qualification as a professional lawyer with in-depth knowledge on the legal rules of both places. He has accumulated abundant experience in providing legal services for a large volume of offshore IPOs (in US and Hong Kong) of China enterprises and cross-border financing, merger and acquisitions. Mr. Zhang graduated from the Faculty of Foreign Languages of South China Normal University (華南師範大學) with a bachelor's degree in English and obtained a master's degree in international law from Sun Yat-Sen University (中山大學), he is the deputy director of the One Belt One Road Professional Committee of the Law Society of Guangzhou (廣州律協一帶一路專業委員會), and a pioneer in the Pool of Leading Talents of Foreign Lawyers of the Law Society of Guangdong Province (廣東省律協涉外律師領軍人才庫).

SUPERVISORS

As at the date of this report, the Company has seven Supervisors, including two independent Supervisors (namely, Mr. Duan Xinhong (段昕宏) and Ms. Meng Xue (蒙雪)), three employee representative Supervisors (namely, Mr. Zhen Jianhui (甄健輝), Ms. Li Xiangrong (李向榮) and Ms. Ou Lixu (歐麗絮) and two Supervisors appointed by the shareholders of the Company (the "Shareholders") (namely, Mr. Zhou Yihua (周燭華) and Ms. Wang Xiaobing (王曉冰)). All Supervisors sitting on the committee were appointed for a term of office until the expiration of eighth session of the supervisory committee.

Mr. Zhou Yihua (周燭華), aged 47, is a Supervisor and the chairman of the supervisory committee of the Company. Mr. Zhou's previous positions include staff, supervisor and deputy manager of the financial management department of Guangdong Meihe Expressway Co., Ltd. (廣東梅河高速公路有限公司), manager of the financial management department of Guangdong Pingxing Expressway Co., Ltd. (廣東平興高速公路有限公司), deputy head of the financial management department of Guangdong Communications Industry Investment Co., Ltd. (廣東交通實業投資有限公司), and manager of the financial management department, deputy chief accountant and chief account of Kee Kwan Motor Road Company Limited (岐關車路有限公司). He obtained a bachelor's degree, postgraduate qualification and a master's degree in accounting from Jiangxi University of Finance and Economics (江西財經大學) and obtained and the qualification of an intermediate accountant.

Ms. Wang Xiaobing (王曉冰), aged 54, is a Supervisor and is currently a dispatched supervisor of GCGC. Ms. Wang's other major work experiences include: manager of sales department and secretary to president of Zhanjiang Securities Co., Ltd. (湛江證券有限公司) and supervisor of both of Guangdong Litong Real Estate Investment Co., Ltd. (廣東利通置業投資有限公司) and Guangdong Communications Industrial Investment Co., Ltd. (廣東交通實業投資有限公司). Ms. Wang obtained a bachelor's degree in English for Specific Purposes (International Trade) and a bachelor's degree in Arts from the International Trade Department of Guangdong University of Foreign Studies (廣州外國語學院). She also holds the professional titles of senior economist and accountant. Currently, Ms. Wang is a supervisor of both of Guangdong Provincial Communication Group Finance Co., Ltd. (廣東省交通集團財務有限公司) and Guangdong Provincial Expressway Development Co., Ltd. (廣東省高速公路發展股份有限公司).

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Mr. Duan Xinhong (段昕宏), aged 50. Mr. Duan has been engaged in financial standardization consulting work on the listing, merger and acquisition of enterprises for a long period of time, and is currently the general manager of Wuhan Wopu Management Consulting Co., Ltd. (武漢沃浦管理諮詢有限公司). Mr. Duan has served as the auditor of China Railway Siyuan Survey and Design Group Co., Ltd. (中鐵第四勘察設計院集團公司), head of management accounting of Dongfeng Cummins Engine Co., Ltd. (東風康明斯發動機有限公司), finance manager of Wuhan Kaidi Blue Sky Science Technology Co., Ltd. (武漢凱迪藍天科技有限公司), financial controller of Beijing Huayang Energy Group (北京華陽能源集團), chief financial officer of Wuhan Twin-Tigers Coatings Group Co., Ltd. (武漢雙虎塗料集團有限公司) and general manager of Wuhan Haorui Tianzhi Asset Management Co., Ltd. (武漢浩睿天智資產管理有限公司). Since 2013, Mr. Duan has been serving as the general manager of Wuhan Wopu Management Consulting Co., Ltd. (武漢沃浦管理諮詢有限公司). Mr. Duan possesses the qualifications or titles of certified public accountant in the PRC, certified tax accountant in the PRC, international certified internal auditor, legal counsel of the PRC, certified asset appraiser of the PRC and auditor of the PRC. Mr. Duan obtained a bachelor's degree in economics from Wuhan University (武漢大學). Mr. Duan is the sole author of published works, including Financial Thinking of Managers 《管理者的財務思維》, Financial Standards for Listing of Enterprises 《企業上市財務規範》 and Bona Fide Budget Management 《坦誠預算管理》 which are published and distributed by Posts & Telecom Press Co., Ltd. (中國人民郵電出版社).

Ms. Meng Xue (蒙雪), aged 50, has been engaged in teaching, scientific research and practical work of laws for a long period of time. She is currently an associate professor of Guangzhou Sport University (廣州體育學院) and part-time practicing lawyer of Guangdong United Intellectus Law Firm (廣東智洋律師事務所). Ms. Meng has been teaching in Guangzhou Sport University (廣州體育學院) since 2001, where she has served as a lecturer and is currently an associate professor. Ms. Meng has been serving as a part-time practicing lawyer in Guangdong United Intellectus Law Firm (廣東智洋律師事務所) since 2010. Ms. Meng obtained a master's degree in laws from Zhongnan University of Economics and Law (中南財經政法大學).

Mr. Zhen Jianhui (甄健輝), aged 53, is a Supervisor and a deputy manager at the discipline inspection and audit department of the Company. Mr. Zhen joined Guangdong Vehicles Transportation Group Company Limited (which was acquired by the Company in 2012) in September 1997, and his previous positions include accountant of the finance department, the chief accountant of the financial audit department and deputy manager of the supervision and audit department of GVTG, deputy manager at the finance department of Kee Kwan Motor Road Company Limited (岐關車路有限公司) and head of the internal audit. Mr. Zhen obtained a bachelor's degree in finance from South China University of Technology (華南理工大學) and holds the title of accountant.

Ms. Li Xiangrong (李向榮), aged 53, is a Supervisor, deputy secretary of the discipline inspection committee, secretary of the Party branch of the discipline inspection and audit department and a manager of the discipline inspection and audit department of the Company. Ms. Li joined the Company in August 2009. Ms. Li's other main work experiences include, among others, serving as cashier of the finance department of Zhuzhou Qingyun Decoration Co., Ltd. (株洲慶雲裝飾有限責任公司), director of the finance department of Zhuzhou Qingyun Real Estate Co., Ltd. (株洲慶雲房地產有限責任公司), the financial chief staff of the finance department of Hunan Jinde Development Co., Ltd. (湖南金德發展股份有限公司), deputy director, director and deputy manager of the audit and supervision department, deputy chief economist and employee representative Supervisor of the Company. Ms. Li obtained her bachelor's degree in political laws from the Correspondence College of the Party School of the CPC Central Committee (中共中央黨校函授學院), and owns a number of qualifications or certificates such as senior accountant, certified tax agent, international certified internal auditor and international certification in risk management assurance.

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Ms. Ou Lixu (歐麗絮), aged 54, is a Supervisor, member of the Discipline Inspection Commission, vice chairman of the labor union, and manager of the Party and Mass Work Department. Ms. Ou joined Guangdong Vehicles Transportation Group Company Limited (廣東省汽車運輸集團有限公司) (which was acquired by the Company in 2012) in 1997. Ms. Ou has held various major positions such as a member of office staff, the officer-in-charge, and the deputy manager of the Party and Mass Work Department of Guangdong Vehicles Transportation Group Company Limited and the deputy manager of the Party and Mass Work Department of the Company. Ms. Ou graduated from the Correspondence College of the Party School of Guangdong Provincial CPC Committee (中共廣東省委黨校函授學院) with a major in economics and management and from the Correspondence College of the Party School of the CPC Central Committee (中共中央黨校函授學院) with a major in law respectively. Ms. Ou holds the title of senior political engineer.

OTHER SENIOR MANAGEMENT

Mr. Xu Dongpeng (許東鵬), aged 55, is a member of the Party committee and deputy general manager of the Company. Mr. Xu's other major work experience include, among others, an accountant of Guangdong Foundation Engineering Group Co., Ltd. (廣東省基礎工程公司); an accountant of Guangmei Food Co., Ltd. (廣美食品有限公司); an accountant of Guangdong Provincial Shipping Research Institute (廣東省航運研究所); an accountant of the finance and audit department of Guangdong Expressway Co., Ltd. (廣東省高速公路有限公司), manager of the finance department of Guangdong Kaiyang Expressway Co., Ltd. (廣東開陽高速公路有限公司), manager of the finance department of Guangdong Yuzhan Expressway Co., Ltd. (廣東渝湛高速公路有限公司), director of the finance department and director of the land acquisition department of Guangqing Expressway Expansion Project Management Office (廣清高速公路擴建工程管理處), deputy director of Guangqing Expressway Expansion Project Management Office (廣清高速公路擴建工程管理處), general manager of Guangdong Shenshan Expressway East Section Co., Ltd. (廣東深汕高速公路東段有限公司), secretary of the Party branch of Guangdong

Kaiyang Expressway Project Expansion Management Office (廣東開陽高速公路項目擴建工程管理處), general manager of Guangdong Kaiyang Expressway Co., Ltd. (廣東開陽高速公路有限公司), the secretary of the Party branch of Kaiyang Expansion Management Office (開陽擴建管理處) and general manager of Guangdong Guanghui Expressway Co., Ltd. (廣東廣惠高速公路有限公司); full-time external director of Guangdong Litong Real Estate Investment Co., Ltd. (廣東利通置業投資有限公司), Guangdong Expressway Co., Ltd. (廣東省高速公路有限公司) and Guangdong Nanyue Transportation Investment and Construction Co., Ltd. (廣東省南粵交通投資建設有限公司). Mr. Xu obtained a bachelor's degree in administration and management from Lanzhou University (蘭州大學) and holds the title of senior political worker and accountant.

Mr. Guan Zhong (關眾), aged 55, is currently a member of the Party Committee and secretary of the Discipline Inspection Commission of the Company. His other main work experience includes: serving as a clerk in the accounting department of the Dalian Economic and Technological Development Zone Branch of the People's Bank of China, a clerk in the Accounting Department of the Jinzhou Branch of the People's Bank of China, and a cooperative deputy section chief of the Financial Institution Management Section, deputy section chief of the Money and Credit Management Section, deputy manager of the general department and director of the Party and Mass Department (Director of the Supervision Office) of Guangdong United Electronic Toll Collection Co., Ltd. (廣東聯合電子收費股份有限公司), director of the Party and Mass Department (Director of the Supervision Office), deputy secretary of the Commission for Discipline Inspection (Director of the Supervision Office), assistant to the general manager and director of the office, member of the Commission for Discipline Inspection, assistant to the general manager and director of the General Affairs Department of Guangdong United Electronic Services Co., Ltd. (廣東聯合電子服務股份有限公司). Mr. Guan obtained bachelor's degrees in accounting and economics from Anhui University of Finance and Economics (安徽財貿學院), a master's degree in public administration from Central University of Finance and Economics (中央財經大學), and holds the titles of senior political engineer and accountant.

DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Mr. Qin Jinsong (秦勁松), aged 55, is the deputy general manager of the Company. Mr. Qin has held various major positions such as a teacher of the First Education and Training Center of Baling Petrochemical Company (巴陵石油化工有限公司第一教育培訓中心), a teacher of the Mathematics Department of Hunan Yueyang Normal College (湖南岳陽師範專科學校), a staff member of the business department, a head of the investment and operation department and a manager of the investment and operation department of Guangdong Nanyue Logistics Co., Ltd. (廣東南粵物流股份有限公司), an executive director and general manager of Guangdong Weisheng International Freight Forwarding Co., Ltd. (廣東威盛國際貨運代理有限公司), a manager of the Taiping Interchange Network Charging Project Department of Guangdong South China Logistics Enterprise Limited (廣東南粵物流股份有限公司), manager of the investment development department of Guangdong South China Logistics Enterprise Limited (廣東南粵物流股份有限公司) (concurrently serving as the chairman of Guangdong Oriental Thought Technology Company Limited (廣東東方思維科技有限公司)), manager of the investment development department of Guangdong Yueyun Transportation Company Limited (廣東粵運交通股份有限公司), secretary of the Party committee, chairman and general manager of Qingyuan Yueyun Automobile Transportation Co., Ltd. (清遠市粵運汽車運輸有限公司). Mr. Qin has successively obtained a bachelor's degree in mathematics and a bachelor's degree in science from Peking University (北京大學), an postgraduate degree in finance and a master's degree in economics from Hunan University (湖南大學), and holds the title of senior economist.

Mr. Chen Zhiqiang (陳志強), aged 51, is currently a member of the Party Committee and Deputy General Manager of the Company. Mr. Chen has held various major positions such as: technician, deputy director of the monitoring center, director of the monitoring center of Guangdong Guanghua Expressway Company (廣東省廣花高速公路公司), head of the toll management department of Guanghua Branch of Guangdong Expressway Co., Ltd. (廣東省高速公路有限公司), deputy manager of the electromechanical department, director of the North Guan Management Office, manager of the toll management department, and deputy general manager of Guangdong Kaiyang Expressway Co., Ltd. (廣東開陽高速公路有限公司), deputy manager of the Beijing-Zhuhai North Branch and the Heyuan Branch of Guangdong Expressway Co., Ltd., general manager of Guangdong Yuedong Expressway Industrial Development Co., Ltd. (廣東粵東高速公路實業發展有限公司), manager and general manager of Guangqing Branch of Guangdong Expressway Co., Ltd. (廣東省高速公路有限公司), deputy secretary of the Party Committee, director, and general manager of Guangdong Tongyi Expressway Service Area Co., Ltd (廣東通驛高速公路服務區有限公司). Mr. Chen obtained a undergraduate degree in computer science and technology from the School of Distance Learning, Peking University. He also holds the title of senior economist.

CORPORATE GOVERNANCE REPORT

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

The Company has complied with all of the code provisions set out in Part 2 of the Corporate Governance Code (the “CG Code”) contained in Appendix C1 to the Listing Rules for the year ended 31 December 2024, except for code provisions C.1.6 and C.2.1.

Code provision C.1.6 provides that generally independent non-executive Directors and other non-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, the 2024 First Extraordinary General Meeting and the 2024 Second Extraordinary General Meeting held on 28 June 2024, 30 July 2024 and 11 December 2024, respectively, Mr. Chen Chuxuan, a non-executive Director, was unable to attend them all 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 officer 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 on 29 December 2023. In order to ensure the normal operation of the Board and the subordinate Board committees of the Company, Mr. Zhu Fang was appointed as the new chairman of the Board, chairman of the Nomination Committee and chairman of the Strategy Committee with effect from 21 March 2024. Mr. Zhu Fang continues to serve as the general manager of the Company upon his appointment as the chairman of the Board of the Company. However, the Board considers such arrangement is temporary in nature. Despite deviating from code provision C.2.1 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 the Shareholders. As such, the Board considers that the deviation from code provision C.2.1 of the CG 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 general manager and/or director 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 CG Code and maintaining a high standard of corporate governance practices of the Company.



CORPORATE GOVERNANCE REPORT

BOARD OF DIRECTORS

1. COMPOSITION OF THE BOARD OF DIRECTORS

As at the date of this report, the Directors in office of the eighth session of the Board were as follows:

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

The biographies of the current Directors are set out in the section headed “Directors, Supervisors and Senior Management” of this Annual Report.

The Board considers that during the year ended 31 December 2024, the composition of the Board with four executive Directors, one non-executive Director and four independent non-executive Directors is reasonably balanced. The one non-executive Director and four independent non-executive Directors have participated actively in the formulation of the Company’s policies to represent the interests of Shareholders as a whole.

2. INDEPENDENCE AND THE INDEPENDENT VIEWS MECHANISMS

The Company has established a comprehensive Board independence assessment mechanism to ensure that the Board has strong independence, which enables it to exercise independent judgement and protect the interests of the Shareholders. To further enhance the independence of the Board, the Company has adopted various measures to ensure that the independent non-executive Directors can provide valuable independent views and suggestions without interference and play an active role in the decision-making process.

Firstly, to ensure that independent non-executive Directors can fully exert their independence, the Company has set up dedicated channels for independent non-executive directors to present their independent views to the Board directly and transparently. These channels include but not limited to regular Board meetings, individual meetings between the Directors and management and communication meetings between independent non-executive Directors. Independent non-executive Directors may, based on their professional judgment, make suggestions to the management or raise doubts as necessary, so as to further improve the Company’s governance structure.

In relation to the election and appointment of independent non-executive Directors and the protection of their rights, the Company ensures that independent non-executive Directors represent more than one-third of the Board, and requires them to have sufficient professional knowledge and experience to discharge their independent functions. This proportion helps to ensure that the independent non-executive Directors are fully represented by the Board in all major decisions and protects the Board of Directors’ decision-making process from being influenced by any single interest group.

In addition, the Company has established an independence review mechanism and regularly assess the independence of each independent non-executive Director. This assessment is based on whether the independent non-executive Directors have any interest that may affect their independent judgment, including but not limited to factors such as relationship with management and past business dealings. This review is conducted by the Nomination Committee of the Board, and requires each Independent Non-executive Director to clarify in the independence confirmation submitted each year whether he or she meets the relevant independence standards and undertake to complying with the corporate governance requirements.

To further ensure that the independent non-executive Directors can perform their functions without interference, the Company also arranges regular “Independent Non-executive Directors’ Meeting”, which is only attended by the independent non-executive Directors, without management or other non-independent non-executive Directors. Such meetings provide a platform for the independent non-executive Directors to fully discuss issues such as business development, risk management and internal control, and to ensure that the independent non-executive Directors’ professional advices are fully considered by the Board when making major decisions.

In conclusion, the Company has adopted multi-channel independence protection mechanisms to ensure that the views of the independent non-executive Directors can be effectively incorporated into the Board, and that the independence and transparency of the Board operations can be maintained. The Board will review the implementation of such mechanism annually and make adjustments based on the results of the assessment to ensure its continued effectiveness, thereby improving corporate governance and protecting the interests of Shareholders.

For the year ended 31 December 2024, the Board has reviewed the implementation and effectiveness of the assessment mechanism for Board independence and is satisfied with the assessment results and considers that the mechanism has operated smoothly and has achieved the expected results.

According to Rule 3.10A of the Hong Kong Listing Rules, independent non-executive Directors should represent at least one third of the board of listed companies, according to which the Company has appointed adequate number of independent non-executive Directors. The Board has received the annual confirmation of each of the independent non-executive Directors’ independent capacity for the year 2024 and has recognized the independency of each of the independent non-executive Directors.

All Directors sitting on the Board were appointed for a term of office until the expiration of eighth session of the Board and are eligible for re-election upon the expiry of their terms.

3. INFORMATION IN RESPECT OF AND PROVIDED BY DIRECTORS, SUPERVISORS AND CHIEF EXECUTIVE OFFICER

Ms. Lian Yuebin resigned as the employee representative supervisor of the Company 16 January 2024 due to retirement. On the same date, the Company’s employee representative meeting decided to appoint Ms. Ou Lixu as the employee representative Supervisor of the Company. For details, please refer to the relevant announcement published by the Company on 16 January 2024.

Mr. Zhu Fang was appointed as the new chairman of the Board, chairman of the Nomination Committee and chairman of the Strategy Committee on 21 March 2024 to fill the vacancy following the resignation of Mr. Guo Junfa. 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.

Mr. Wang Qingwei resigned as a Shareholder representative Supervisor of the Company due to work relocation on 3 January 2025. The Company appointed Ms. Wang Xiaobing as the Company’s Shareholder representative Supervisor at the 2025 first extraordinary general meeting of the Company held on 23 January 2025. For details, please refer to the Company’s announcements published on 3 January 2025 and 23 January 2025.



CORPORATE GOVERNANCE REPORT

4. RECORD OF ATTENDING BOARD MEETINGS AND GENERAL MEETINGS

Apart from the regular Board meetings, the Board met on other occasions when a board-level decision on a particular matter was required. The Chairman also had meetings with the independent non-executive Directors, without the presence of the other Directors, to consider issues. This mechanism ensured that the Board had access to independent views and opinions. The Board has reviewed the implementation of the mechanism and considered that the mechanism was more effective for the Board to obtain independent views and opinions on corporate matters during the year ended 31 December 2024. For the year ended 31 December 2024, the Company held a total of 21 Board meetings with an average attendance rate of 100%. The Directors received details of agenda items and minutes of the committee meetings in advance of each Board meeting. The Company kept detailed minutes for the business considered and approved on such meetings. The minutes are filed and kept by the Secretary to the Board.

The Secretary to the Board is responsible for distributing detailed documents to the Directors prior to the Board meeting to ensure that the Directors are able to make informed decisions regarding the matters discussed in the meetings. All Directors have access to the advice and services of the Secretary to the Board with a view to ensuring that the Board procedures and all applicable laws and regulations are followed.

For the year ended 31 December 2024, the Company held three general meetings.

The table below sets forth the details of attendance records of the Directors at Board meetings and general meetings in the year of 2024.

	Board meetings attended/to be attended	General meetings attended/to be attended
Executive Directors		
Mr. Zhu Fang	21/21	3/3
Mr. Huang Wenban	21/21	3/3
Mr. Hu Xianhua	21/21	3/3
Mr. Hu Jian	21/21	3/3
Non-executive Director		
Mr. Chen Chuxuan (Note)	20/20	0/2
Independent Non-executive Directors		
Mr. Su Wujun	21/21	3/3
Ms. Huang Yuan	21/21	3/3
Mr. Shen Jialong	21/21	3/3
Mr. Zhang Xiangfa	21/21	3/3

Note:

Mr. Chen Chuxuan served as the secretary of the Standing Committee of Party Committee and the chairman of the Board of Guangdong Urban Transportation Investment Co., Ltd. and Guangdong Litong Development Investment Co., Ltd.. Therefore, in 2024, as each of them during their term of office as director was deemed to have a material interest in the transactions under the following connected transactions agreements, respectively, and as such they had abstained from voting at the following Board meetings held to approve the related connected transactions agreements and respective transactions contemplated thereunder and were not counted for in the quorum present at the meetings:

- (1) At the extraordinary Board meeting held on 22 March 2024, for the purpose of considering and approving to acquire the 4.44% equity interest in Guangdong Top-E Expressway Service Zone Limited (廣東通驛高速公路服務區有限公司) held by Guangdong Expressway Company Limited (廣東高速公路有限公司), Mr. Chen Chuxuan was deemed to be unable to provide recommendations to the Board in an independent capacity in respect of entering into the equity transfer contract and the transactions contemplated thereunder and Mr. Chen Chuxuan abstained from voting and was not counted in the quorum present at the meeting. For details, please refer to the announcement of the Company dated 22 March 2024.

5. RESPONSIBILITY AND OPERATION OF THE BOARD

The Directors shall perform their duties in accordance with the relevant laws and regulations in a diligent manner. Board members connectively and individually accept the responsibility for the management and control of the Company for the interests of the Shareholders.

The main duties of the Board (among others) are: determining the business strategy of the Company, approving the operating plans and investment proposals of the Company, making out annual financial budget of the Company, bringing out profit distribution plan of the Company, ensuring and implementing prudent and effective internal control system as well as overseeing the performance of the management, convening general meetings and executing the resolutions passed in general meetings of the Company. The interests of Shareholders and the Company are the primary concern for every member of the Board.

Moreover, the Board is also responsible for reporting an accurate and objective assessment of the Company's performance and prospects. The Directors acknowledge their responsibilities for the preparation of the Group's financial statements, ensure that the financial statements are prepared in accordance with the requirements of laws and regulations and applicable accounting standards, give a true and fair view of the Company's financial position on a going concern basis, and ensure the timely publication of the Group's financial statements. As of the date of this report, the Company is not aware of any material uncertainty or condition that may materially and adversely affect the Company's ability to continue as a going concern. The Directors are also responsible for the disclosure of inside information announcements.

The independent non-executive Directors appointed by the Company have professional backgrounds in energy, accounting, finance and law with extensive and professional experience. The participation of the independent non-executive Directors in the Board brings independent judgment on issues relating to the Group's strategies, performance, conflicts of interest, connected transactions, significant events and management system, and also provides professional advice for the long-term stable development of the business of the Group in order to ensure that the interests of all Shareholders of the Company have been duly considered.

The Articles of Association explicitly provides the rights of the Directors, including the right to attend, receive notices of, and to vote in Board meetings and the rules of procedure for the Board meetings were specifically formulated and implemented to regulate the conduct and procedures of the Board meetings.

The division of power between the Board and management strictly complies with the Company's Articles of Association and relevant regulations. The management is responsible for implementing the policies and strategies of the Board, and is delegated with the daily operations and administration of the Company, ensuring the effective operation and sustainable development of the Group.



CORPORATE GOVERNANCE REPORT

6. MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS AND SUPERVISORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”) as set out in Appendix C3 of the Listing Rules as its own code of conduct regarding the securities transactions of Directors and Supervisors for the year ended 31 December 2024. The Company had made specific enquiries of all Directors and Supervisors and each of the Directors and Supervisors have confirmed that they had complied with the required standard as set out in the Model Code for the year ended 31 December 2024.

7. DIRECTORS’ TRAINING AND PROFESSIONAL DEVELOPMENT

In order to ensure that the Directors have the comprehensive information, knowledge and skills required to perform their duties, the Company has provided each newly appointed director with training regarding their roles of being a director, among which it summarized the duties and legal responsibilities for directors of Hong Kong listed companies, the Articles of Association and the Guidance of Directors’ Responsibilities issued by the Companies Registry in Hong Kong, to ensure that they have a comprehensive understanding of their duties and obligations under the Listing Rules and other regulatory requirements.

The Company has distributed relevant information and/or provided training to Directors from time to time for communicating the relevant requirements in the aspects of laws and regulations and the Listing Rules to the Directors.

Directors are encouraged to participate in professional development courses and seminars to develop and refresh their knowledge and skills. According to the records maintained by the Company and after making specific enquiries of the Directors, the Directors received the following training with an emphasis on the roles, functions and duties of a director of a listed company in compliance with the requirements of the CG Code on continuous professional development during the year:

Name of Directors	Reading materials	Participation in training
Mr. Zhu Fang	√	√
Mr. Huang Wenban	√	√
Mr. Hu Xianhua	√	√
Mr. Hu Jian	√	√
Mr. Chen Chuxuan	√	√
Mr. Su Wujun	√	√
Ms. Huang Yuan	√	√
Mr. Shen Jialong	√	√
Mr. Zhang Xiangfa	√	√

8. COMMITTEES OF THE BOARD

In accordance with the requirements under the Listing Rules, the Company has established the audit and corporate governance committee (the “Audit and Corporate Governance Committee”), the remuneration committee (the “Remuneration Committee”) and the Nomination Committee. Meanwhile, the Company has also established the Strategy Committee and the compliance committee (the “Compliance Committee”) in accordance with its own requirements for governance.

Each of the Audit and Corporate Governance Committee, the Remuneration Committee and the Nomination Committee under the Board has its specific terms of reference, stipulating the power and responsibilities of the respective committee. All the committees report their decisions or submit their proposals to the Board within their authorities. Under certain circumstances, they have to request for the Board’s approval before taking any actions.

(1) Audit and Corporate Governance Committee

The primary duties of the Audit and Corporate Governance Committee are (among others): to provide advice to the Board regarding the appointment, re-appointment and dismissal of the external auditors; to review and monitor the external auditors as to whether they are independent and objective and whether their auditing procedures are valid in accordance with applicable standards; to formulate and implement policies on the engagement of external auditors to provide non-audit services; to monitor the completeness of the financial statements, annual reports and accounts, half-yearly reports of the Company, and review the material advice in respect of financial reporting as set out in the financial statements and reports; to review the financial control of the Company and review the risk management and internal control systems of the Company; to discuss the risk management and internal control systems with management to ensure that management has fulfilled its responsibilities in establishing effective systems; to conduct investigation, on its own or as delegated by the Board, on important findings of investigation on risk management and internal control matters and management's responses to the findings; to ensure that the work of the internal and external auditors are coordinated; to ensure that the internal audit function is adequately resourced and has an appropriate status within the issuer; to review and monitor its effectiveness; to review the financial and accounting policies and practices of the Company; to review the external auditor's management letter, any material queries raised by the auditor to management about the accounting records, financial accounts or systems of control and management's response; to ensure that the Board will provide a timely response to the issues raised in the external auditor's management letter; to report to the Board on the aforementioned matters; and to study other topics defined by the Board; to formulate the Company's corporate governance policies and practices, to perform corporate governance functions, to review and monitor the corporate governance of the Company and make suggestions to the Board; to review and monitor the training and continuous professional development of Directors and the senior management personnel; to review and monitor the policies and practices of the Company in complying with laws and regulatory regulations; to develop, review and monitor codes of conduct for employees and Directors; to review the compliance with the Corporate Governance Code and disclosures in the Corporate Governance Report. In addition, the Audit and Corporate Governance Committee shall ensure that appropriate arrangements are in place for employees of the Company to raise concerns, in confidence, about possible improprieties in financial reporting, internal control or other aspects, so that the Company can conduct fair and independent investigations into such matters and take appropriate actions. At the same time, the Audit and Corporate Governance Committee serves as the principal representative between the Company and the external auditors and is responsible for overseeing the relationship between the two. The detailed terms of reference of the Audit and Corporate Governance Committee are set out in the Working Rules for the Audit and Corporate Governance Committee of the Board published on the websites of the Stock Exchange and the Company.

The corporate governance policy of the Company is contained in the Articles of Association, the rules of procedure for the general meeting, the rules of procedure for the Board and the rules of procedure for the Supervisory Committee and other internal rules and regulations of the Company. During the year of 2024, the Audit and Corporate Governance Committee reviewed and monitored the training and continuous professional development of Directors and senior management, the Company's policies and practices on compliance with legal and regulatory requirements, and compliance by the employees and Directors of the Company with their respective applicable code of conduct. In addition, the Audit and Corporate Governance Committee reviewed the disclosures in the corporate governance report of the Company for the year ended 31 December 2024 and reviewed the corporate governance of the Company according to its responsibilities.

In the year of 2024, the members of the Audit and Corporate Governance Committee met regularly with the senior management of the Company and external auditors and reviewed the audit reports and financial statements of the Group, and listened to the work reports from the management and financial management department, and provided advice and recommendations to the management. The Audit and Corporate Governance Committee has reviewed the audited financial statements of the Group for the year ended 31 December 2024 and recommended their adoption by the Board.

In the year of 2024, the members of the Audit and Corporate Governance Committee reviewed the effectiveness of the internal control systems (including measures on financial, operational, compliance control and risk management) of the Group by reviewing the work of the internal auditing departments of the Company and the external auditors and the report by the Company on risk management and internal auditing as well as reviewing the internal audit plan of the Company, ensuring the efficiency of the business operation of the Company and achieving the goal and strategy of the Company.



CORPORATE GOVERNANCE REPORT

As of 31 December 2024, the Audit and Corporate Governance Committee of the eighth session of the Board of the Company consisted of two independent non-executive Directors (namely Mr. Su Wujun and Mr. Shen Jialong) and one non-executive Director (namely Mr. Chen Chuxuan). Mr. Su Wujun is the chairman of the Audit and Corporate Governance Committee. The Audit and Corporate Governance Committee members' attendance records of the Audit and Corporate Governance Committee's meetings for the year ended 31 December 2024 are as follow:

Committee members	Number of Meetings entitled to attend	Attendance	Attendance rate
Mr. Su Wujun	3	3	100%
Mr. Chen Chuxuan	3	3	100%
Mr. Shen Jialong	3	3	100%

(2) Remuneration Committee

The primary duties of the Remuneration Committee are (among others): to advise the Board in respect of the remuneration policy and structure of all the Directors and senior management; to review and approve the remuneration recommendations by the management according to the corporate policies and objectives set by the Board; to recommend to the Board the remuneration packages of Directors and senior management; to assess the performance of the executive Directors; to recommend and establish annual and long-term performance criteria and targets as well as to review and supervise the implementation of all executive compensation packages and employee benefit plans of the Company; to make recommendations to the Board on the remuneration of non-executive Directors; to consider the remuneration paid by similar companies, the time commitment and responsibilities and terms of employment elsewhere within the Group; to review and approve compensation payable to executive Directors and senior management for their loss or termination of office or appointment to ensure that such compensation is consistent with the contractual terms, or, if not, it is fair and reasonable and not excessive; to review and approve compensation arrangements in respect of a director being dismissed or removed for misconduct, to ensure that such arrangements are consistent with the contractual terms; if not, such compensation is reasonable and appropriate; to ensure that any Director or any of his or her associates are not involved in deciding his or her own remuneration; and to review and/or approve matters relating to share schemes as set out in Chapter 17 of the Listing Rules. The detailed terms of reference of the Remuneration Committee are set out in the Working Rules for the Remuneration Committee of the Board published on the websites of the Stock Exchange and the Company.

As of 31 December 2024, the Remuneration Committee of the eighth session of the Board of the Company consisted of two independent non-executive Directors (namely Mr. Zhang Xiangfa and Mr. Su Wujun) and one non-executive Director (namely Mr. Chen Chuxuan). Mr. Zhang Xiangfa is the chairman of the Remuneration Committee. During the year ended 31 December 2024, the Remuneration Committee held one meeting and reviewed the implementation of the Directors' remuneration policy and the performance of the Executive Directors. During the Reporting Period, the Remuneration Committee adopted model (ii) described in provision E.1.2(c) of the CG Code, i.e. to make recommendations to the Board on the remuneration packages of individual executive Directors and senior management, including non-monetary interests, pension rights and monies (including compensation for loss or termination of services or appointments).

The Remuneration Committee members' attendance records of the Remuneration Committee's meetings for the year ended 31 December 2024 are as follow:

Committee members	Number of Meetings entitled to attend	Attendance	Attendance rate
Mr. Zhang Xiangfa	1	1	100%
Mr. Su Wujun	1	1	100%
Mr. Chen Chuxuan	1	1	100%

(3) *Nomination Committee*

The primary duties of the Nomination Committee are (among others): to review the structure, size and composition of the Board (including in terms of skills, knowledge and experience) at least annually and make recommendation on any proposed changes to the Board to complement the issuer's corporate strategy; to identify individuals with suitable qualifications to be director and to select or make recommendations to the Board on nominations for directorship; to assess the independence of independent non-executive Directors; and to make recommendations to the Board on the appointment or re-appointment of directors and succession plans for directors (in particular the Chairman and the Chief Executive Officer). The detailed terms of reference of the Nomination Committee are set out in the Working Rules for the Nomination Committee of the Board published on the websites of the Stock Exchange and the Company.

Factors to be considered by the Nomination Committee of the Company in searching for and screening candidates for directorship are set out as follows:

- (1) the composition and diversity of the Board, including but not limited to gender, age, cultural and educational background, professional experience, skills, knowledge and length of service;
- (2) candidates' commitment in devoting sufficient time to the Board and diligent discharge of duties;
- (3) potential or actual conflict of interest if the candidates were to be appointed; and
- (4) length of the service and independence of the candidates to be re-elected as independent non-executive directors.

Procedures to be followed by the Nomination Committee of the Company in proposing nominees for directorship are set out as follows:

- (1) The Nomination Committee shall conduct personal interviews with candidates who possess adequate qualifications for holding the office of director and background check (if necessary);
- (2) The Nomination Committee shall evaluate the candidates based on the written information provided by the candidates, board diversity policy of the Company, and the Nomination Committee shall meet to discuss the nomination, put it to vote and submit the resolutions to the Board of the Company for further action;
- (3) The Board appoints directors as per the resolutions of the general meetings.

As of 31 December 2024, the Nomination Committee under the eighth session of the Board of the Company consisted of one executive Director, Mr. Zhu Fang and two independent non-executive Directors, namely Ms. Huang Yuan and Mr. Zhang Xiangfa. Mr. Zhu Fang was the chairman of the Nomination Committee.

The Nomination Committee members' attendance records of the Nomination Committee's meetings for the year ended 31 December 2024 are as follow:

Committee members	Number of Meetings entitled to attend	Attendance	Attendance rate
Mr. Zhu Fang	1	1	100%
Ms. Huang Yuan	1	1	100%
Mr. Zhang Xiangfa	1	1	100%

CORPORATE GOVERNANCE REPORT

(4) Strategy Committee

As of 31 December 2024, the Strategy Committee consisted of Mr. Zhu Fang (the chairman of the Strategy Committee) and Mr. Hu Xianhua as executive Directors, and Mr. Su Wujun as independent non-executive Director.

The Strategy Committee established according to the Company's management and control requirements is mainly responsible for researching and making recommendations on the long-term development strategy and major investment decisions of the Company.

(5) Compliance Committee

As of 31 December 2024, the Compliance Committee consisted of Mr. Zhu Fang (the chairman of the Compliance Committee), Mr. Huang Wenban and Mr. Hu Xianhua as executive Directors.

The Compliance Committee established according to the Company's management and control requirements is mainly responsible for supervising the compliance of the connected transactions of the Group, and making relevant recommendations in relation to the improvements to the Board.

9. BOARD DIVERSITY

The Company is committed to providing equal opportunities to and does not discriminate against candidates for directorship on grounds of gender, family status, disability, nationality, race, ethnicity, age or any other factor.

The Board has adopted a board diversity policy, and the Board reviews the implementation and effectiveness of the policy annually and firmly recognizes the benefits of having a diverse Board to enhance the quality of its performance. It endeavours to ensure that the Board has a balance of skills, experience and diversity of perspectives appropriate to the requirements of the Company's business. Members of the Nomination Committee consider the Board diversity in accordance with the board diversity policy from several aspects, including but not limited to gender, age, educational background, professional experience, skills, knowledge and length of service. The ultimate recommendation on appointments will be made by the Nomination Committee to the Board based on the merits of candidates and contributions that the selected candidates will bring to the Board and then the Board will submit relevant proposals on the recommended appointments to general meetings for approval.

Currently, the Company already has one female Director sitting on the Board and has achieved gender diversity on the Board level. Nonetheless, the Board has set down its goals to appoint more females in the coming future as Board members as part of its effort to achieve diversity, subject to our business development needs and merits of the candidates. The Nomination Committee will continue to monitor and actively consider different aspects of diversity in the boardroom and recommend further actions or plans to the Board when necessary.

10. STAFF DIVERSITY

The Group operates in a historically male-dominated industry. As at 31 December 2024, the Group had 11,476 employees, of which approximately 22.95% were female employees and all senior management were male. Taking into account the characteristics of the industry in which the Group operates and the operational needs of the Group, the Board considers that the current gender ratio of the Group's staff is appropriate. Although this is common in the industry, the Group attaches great importance to the issue of gender diversity among employees and has taken active measures to promote related work. The Group always adheres to the principles of fairness and impartiality in employment, ensuring that all employees have equal opportunities in recruitment, promotion and other aspects. The selection criteria are strictly based on their capabilities, skills and work experience, while also valuing the alignment between employees' values and our corporate culture. The Group is committed to creating a more inclusive and diverse work environment and provides more flexible work schedules specifically for employees who need to take care of their families to support them in achieving a balance between work and family. The Group currently does not have any plans or measurable targets to further expand gender diversity at the employee level, but the Directors will regularly reflect on the Company's employment culture and review whether it remains in line with the Company's mission, values and strategies in the ever-changing environment. In the future, the Group will continue to strive to increase the proportion of female employees, ensure that they have equal opportunities for career growth and promotion and further promote gender diversity within the Group. As of the date of this report, the Group is not aware of any factors and circumstances that make achieving gender diversity among its workforce, including senior management, more challenging or irrelevant.

SUPERVISORY COMMITTEE

As at 31 December 2024, the supervisory committee of the Company (the "Supervisory Committee") comprised seven members, including two independent Supervisors (namely Mr. Duan Xinhong and Ms. Meng Xue), two Shareholder representative Supervisors (namely Mr. Zhou Yihua and Mr. Wang Qingwei) and three employee representative Supervisors (namely Mr. Zhen Jianhui, Ms. Li Xiangrong and Ms. Ou Lixu). The Supervisory Committee is responsible for supervising the Board, the Directors as well as the senior management of the Company, so as to prevent them from abusing their power to damage the lawful rights and interests of the Shareholders, the Company and its employees.

In addition, on 3 January 2025, Mr. Wang Qingwei resigned as a Shareholder representative Supervisor of the Company due to work rearrangement. On 23 January 2025, Ms. Wang Xiaobing was appointed as a Shareholder representative Supervisor of the Company. Please refer to the announcements of the Company dated 3 January 2025 and 23 January 2025 for details. Accordingly, as at the date of this report, the Supervisory Committee of the Company currently comprises two independent Supervisors, (namely Mr. Duan Xinhong and Ms. Meng Xue), two Shareholder representative Supervisors (namely Mr. Zhou Yihua and Mr. Wang Qingwei), and three employee representative Supervisors (namely Mr. Zhen Jianhui, Ms. Li Xiangrong and Ms. Ou Lixu).

For the year ended 31 December 2024, the Supervisory Committee reviewed and examined the financial conditions and the legal compliance of the operations of the Company and performed its duties under the principles of due care through conducting special inspections, convening meetings of the Supervisory Committee and attending the Board meetings.

For the year ended 31 December 2024, the Supervisory Committee held a total of two meetings with an average attendance rate of 100%.



CORPORATE GOVERNANCE REPORT

FEES OF THE EXTERNAL AUDITOR

The Company has appointed BDO CHINA Shu Lun Pan Certified Public Accountants LLP as the independent auditor of the Company. The fees for the audit and non-audit services provided by the above auditor to the Group for the year ended 31 December 2024 amounted to RMB4,727,000 (tax inclusive), including audit service fees of RMB4,120,000 and non-audit service fees of RMB607,000 (including interim review fees and professional service fees relating to the circular).

The statement of the Company's auditor concerning its responsibilities in the financial statements of the Company is set out in the Auditor's Report of this annual report.

The Company has received confirmation of independence from the external auditor. The Board and the Audit and Corporate Governance Committee have no disagreement with respect to the appointment of external auditor.

COMPANY SECRETARY

As at 31 December 2024 and the date of this report, Ms. Zhang Li served as the company secretary of the Company and was responsible for, amongst other things, ensuring that the Group complied with all obligations imposed by the Listing Rules and the Code on Takeovers and Mergers and Share Buy-backs.

Ms. Zhang currently serves as the general counsel, the manager of the securities and legal department (Board Office) of the Company. Ms. Zhang is also a director of Yueyun Transportation (HK) Company Limited (粵運交通股份(香港)有限公司). Ms. Zhang joined the Company in March 2001 and has worked as the deputy manager of the securities department. Prior to joining the Company, Ms. Zhang worked in the securities department of Guangzhou Economic and Technological Development Zone International Trust and Investment Company (廣州經濟技術開發區國際信託投資公司). Ms. Zhang obtained a bachelor's degree in economics from Huazhong University of Science and Technology (華中理工大學) in 1993 and obtained a master's degree in economics from Jinan University (暨南大學) in 2002. She has obtained professional qualification as a senior economist.

During the year, Ms. Zhang had complied with Rule 3.29 of the Listing Rules by taking no less than 15 hours of relevant professional training.

GENERAL MEETINGS

1. SHAREHOLDERS' RIGHTS

The general meeting is the highest authority of the Company. The general meetings of the Company have complied with the relevant legal formalities to ensure participation of Shareholders and the exercise of their powers. The Company highly values the functions of the general meetings and therefore encourages all Shareholders to attend the general meetings, which serve as a direct and effective communication channel between the Board and the investors of the Company. The Articles of Association expressly provides for the rights of the Shareholders, including the right to attend, to receive notices, and to vote in general meetings.

Shareholders who request to convene an extraordinary general meeting or class general meeting shall comply with the following procedures:

- (1) Two or more Shareholders who have 10% or above voting shares in aggregate at the proposed general meeting may sign a written request or sign on several duplicates with the same format and contents to request the Board to convene an extraordinary general meeting or class general meeting and provide explanations on the topics to be addressed at the meeting. Upon receipt of the aforesaid written request, the Board shall convene an extraordinary general meeting or class general meeting as soon as possible. The aforesaid number of shares required shall be calculated on the date when the written request was made by the Shareholders.
- (2) If the Board fails to issue any notice of the general meeting within 30 days after receipt of the aforesaid written request, the Shareholders who submit the request may convene a general meeting by themselves within four months after receiving the request by the Board and the procedures shall be as similar as possible to the procedures of convening a general meeting by the Board.

For Shareholders who convene a general meeting by themselves due to the failure of the Board to hold a general meeting in response to the aforesaid request, all reasonable expenses incurred consequently shall be borne by the Company

At the general meeting convened by the Company, Shareholders who have 3% or above of the total number of shares of the Company with voting rights are entitled to propose new motions in writing to the Company, and the Company shall include proposed items within the terms of reference of a general meeting in the agenda of such meeting. However, such proposal is required to be duly served on the Company within 30 days commencing from the issue date of the aforesaid notice of general meeting. Shareholders who submit the proposal shall comply with the following conditions: the content of the proposal shall not violate any requirements of laws and regulations and shall be within the scope of the operations of the Company and the terms of reference of the general meeting; the proposal shall contain explicit topics and specific resolutions; and the proposal shall be submitted to or duly served on the Board in writing. Shareholders may submit the above proposal by way of telephone at 8620-32318115, fax at 8620-32318150 or email at zqb@gdyueyun.com.

Voting shall be made by way of poll based on the number of shares at general meetings and the Company's Hong Kong Share Registrar shall act as the scrutinizer. Voting results shall be published on the websites of the Company and the Stock Exchange.

The Company attaches great importance to communication with Shareholders. Shareholders may submit questions and opinions to the Board through the Company Secretary of the Company by telephone at 8620-32318115, fax at 8620-32318150 or email at zqb@gdyueyun.com.



CORPORATE GOVERNANCE REPORT

2. THE 2023 ANNUAL GENERAL MEETING HELD ON 28 JUNE 2024

On 28 June 2024, the Company held the 2023 Annual General Meeting, at which the Shareholders considered and approved seven ordinary resolutions as follows:

- (1) the Directors' Report for the year ended 31 December 2023;
- (2) the Supervisors' Report for the year ended 31 December 2023;
- (3) the Auditor's Report and audited financial statements for the year ended 31 December 2023;
- (4) appointment of BDO CHINA Shu Lun Pan Certified Public Accountants LLP as the auditor of the Company, and grant of authorization to the Board to determine its remuneration;
- (5) grant of authorization to the Board to determine the remuneration of the Directors, Supervisors and management;
- (6) amendments to the Articles of Association of the Company and authorization of any of the Directors of the Company to modify the wordings of such amendments as appropriate (such amendments will not be required to be approved by the Shareholders) and execute all such documents and/or do all such acts as the Directors may, in their absolute discretion, deem necessary or expedient and in the interests of the Company in order to deal with other related issues arising from the amendments to the Articles; and
- (7) payment of a final dividend of RMB0.08 per share (tax inclusive) for the year ended 31 December 2023.

All resolutions proposed to the Shareholders have been passed. The full text of the aforesaid resolutions and the voting results have been published on the websites of the Company and the Stock Exchange.

3. EXTRAORDINARY GENERAL MEETING

On 30 July 2024, the Company held the 2024 first extraordinary general meeting, at which the Shareholders considered and approved one ordinary resolution as follows:

- (1) THAT: the Equity Transfer Contract dated 22 March 2024 entered into between the Company and Guangdong Provincial Expressway Company Limited in relation to the acquisition by the Company of a 4.44% equity interest in Guangdong Top-E Expressway Service Zone Limited at a total consideration of RMB109,482,084 and the transaction contemplated thereunder be and are hereby approved, ratified and confirmed; and the directors of the Company be and are hereby authorized for and on behalf of the Company to sign, execute, perfect, perform and deliver all such other agreements, instruments, deeds and documents and do all such acts or things and take all such steps as they may in their absolute discretion consider to be necessary, desirable, appropriate or expedient to implement or give effect to or otherwise in connection with, incidental or ancillary to the Equity Transfer Contract referred to in paragraph (i) and the transaction contemplated thereunder and to agree to such variations, amendments or waivers as are, in the opinion of the directors of the Company, in the interests of the Company and the Shareholders.

The resolution proposed to the Shareholders was not passed. The full text of the aforesaid resolution and the voting results have been published on the websites of the Company and the Stock Exchange.

On 11 December 2024, the Company held the 2024 second extraordinary general meeting, at which the Shareholders considered and approved one ordinary resolution as follows:

- (1) amendments to the articles of association of the Company and authorization of any of the Directors of the Company to modify the wordings of such amendments as appropriate (such amendments will not be required to be approved by the Shareholders) and execute all such documents and/or do all such acts as the Directors may, in their absolute discretion, deem necessary or expedient and in the interest of the Company in order to deal with other related issues arising from the amendments to the Articles.

The resolution proposed to the Shareholders has been passed. The full text of the aforesaid resolution and the voting results have been published on the websites of the Company and the Stock Exchange.



CORPORATE GOVERNANCE REPORT

RISK MANAGEMENT AND INTERNAL CONTROL

1. THE MANAGEMENT SYSTEM AND STRUCTURE

The Company and its subsidiaries have established a risk management system in accordance with the internal rules and regulations relating to risk prevention and management such as the Risk Management and Internal Control Management Measures. When performing their work duties, the management, each of the business departments and the staff are required to strictly comply with relevant corporate rules and workflows and shoulder responsibility for their conduct and performance. The Company's risk management and internal control systems are designed to manage significant risks rather than to eliminate risks of failure to achieve business objectives and can provide reasonable and not absolute assurance that the Company will not have material misstatement or significant losses.

The Board is the highest decision-making body for the Company's risk management work and is responsible for the development of the internal control system and the effective implementation of internal control rules; the Audit and Corporate Governance Committee is responsible for reviewing the corporate internal control and supervising the implementation of the internal control system; the management of the Company is responsible for the daily conduct of internal control; and the Supervisory Committee is responsible for supervising the establishment and implementation of internal control by the Board and the daily conduct of internal control by the management. The Company has established the Risk Control Office, which is responsible for taking the lead in advancing specific risk control works. The discipline inspection and audit department is the Company's internal control and assessment and audit department and is responsible for the deployment of monitoring, evaluation and services functions in respect of the effectiveness and efficiency of the Company and its units, such as subsidiaries, staff and their operational and administrative behaviors in the process of internal control, corporate governance and risk management.

The Audit and Corporate Governance Committee held three meetings in 2024 to hear reports on the audit of the Company's financial statements for the year ended 31 December 2023 and the financial statements review, financial analysis reports, major contract performance management, risk management and internal audit work for the six months ended 30 June 2024. It also reports to the Board on the effectiveness of design and operation of the Company's internal control. The Directors believe that the Company has established a complete internal system and has sufficient effective measures to monitor the Company's business and prevent potential risks.

Having considered the resources, qualifications and experience of the staff and staff training of the Company's accounting and financial reporting functions, internal control functions and the performance in environmental, social and governance, the Directors considered that the Company had well-established internal control system in place to monitor and control the Company's business and prevent potential risks, which were adequate and effective.

2. FINANCIAL CONTROL

According to the actual operating environment and business conditions, the Company focused its efforts on the development of the overall risk management system in respect of its financial control and carried out strict and effective control and management in combination of external auditor and internal financial risk control.

The Company is responsible for the truthfulness and completeness of the financial statements. In addition, the Company has engaged external auditors with a good reputation and strong professionalism through a public tender to audit its financial statements. The auditor has issued standard unqualified audit reports over the years.

The auditor engaged by the Company conducted the audit in accordance with the professional standards and proposed management recommendations on their observations during the course of audit. With these management recommendations, the Company took measures to improve business operation, enhance risk control and prevent risk.

The Company attaches great importance to its financial internal control, formulates an optimized financial rule and system and developed a financial system mechanism. The Company fully implements the financial control requirements through various aspects such as risk identification, risk measurement and risk control.

Through comprehensive budget management, the Group arranges to adjust its operation plan in due time by comparing its operating results with the budget targets to improve the operational efficiency of its funds and reduce its operation and management risks. The Company carries out various processes towards investment projects, such as feasibility studies, tender and settlement upon completion to strictly control the lawfulness and reasonableness of fund usage. It also established a specific ledger to control the budget of fund management and its usage.

3. LEGAL AFFAIRS MANAGEMENT AND COMPLIANCE CONTROL

In the ordinary course of the Company's operations, external expansion and information disclosure, the Company strictly abides by relevant laws and regulations and regulatory requirements to have legal affairs management and compliance and regulation go through all processes of the Company from decision, execution to supervision and cover or even permeate all procedures and all aspects of the Company's operation and management. In addition to the engagement of its standing legal advisors, the Company also has in place a legal affairs department and designated legal personnel to provide compliance opinions on its significant operational decisions and the entering into of contracts. In 2024, the legal review rate of business contracts, management rules and major events was 100%. With regards to significant investment and operation decisions, the Group engages specialized legal advisor to perform due diligence with the aim of giving legal opinions to ensure compliance with laws and regulations of the Company's operation and management, safety of its assets, truthfulness and completeness of its financial reports and the relevant information.

4. RISK MANAGEMENT

The Company comprehensively tests out and optimizes important procedures in accordance with the Risk Management and Internal Control Management Measures, including but not limited to the Group's funding activities, purchasing business, asset management, sales business, research and development, engineering project, guarantee business, business outsourcing, financial report and overall budget; manages and controls key points of risk; proposes rectification opinions on the existing problems found during the process of risk inspection and follows the rectification for ensuring that the problems can be rectified effectively; meanwhile, the Company continues to update "risk events database" for controlling the risk from the origin.

The Company has formulated the Internal Guidance on Information Disclosure and the Management Measures for Confidentiality and Registration of Inside Information. The Company handles and disseminates inside information according to the procedures stipulated in the Internal Guidance on Information Disclosure and manages information insiders to cause them to comply with their confidentiality obligations according to the Management Measures for Confidentiality and Registration of Inside Information.

In order to achieve risk transfer, the Company has made appropriate insurance arrangements for relevant businesses and assets and maintains responsibility insurance for directors, supervisors and senior management pursuant to the Listing Rules, so as to safeguard the potential personal legal liabilities of the Company's directors, supervisors and senior management.

5. INTERNAL AUDIT

In 2024, in line with the development requirements of the Company's "14th Five-Year Plan" strategic plan, the Company continued to increase audit supervision around annual work goals set by the party committee and the Board of the Company and the five-year plan for internal audit work. The Group completed a total of 72 audit projects throughout the year, including 30 annual comprehensive inspections, 16 economic responsibility audits, 24 special audits, 2 internal control evaluations (the internal control evaluations were conducted by an intermediary accounting firm engaged by the Group). The Group fully implemented the comprehensive supervision mechanism and achieved full coverage of audit supervision. In 2024, a total of 83 meetings of the party committees of affiliated entities were attended with 52 suggestions put forward for supervision and improvement. Through daily supervision, timely detection, reporting and rectification were achieved, effectively improving the level of corporate governance and risk prevention capabilities. The Group also made great efforts to carry out audit rectifications, promoted the transformation of audit results, linked the completion rate of audit rectification of affiliated entities in 2023 with business performance assessment, incorporated it into evaluation and control indicators for deduction of points and improved the effectiveness of audit rectification through assessment, forming a long-term mechanism for audit rectification. In 2024, deduction of points was made in respect of three entities under assessment whose completion rate of audit rectification did not reach 100%.

CORPORATE GOVERNANCE REPORT

INFORMATION DISCLOSURE AND INVESTOR RELATIONS

As disclosed above, the Company reviewed and approved the resolution to amend the Articles of Association at the 2023 annual general meeting held on 28 June 2024 and the 2024 second extraordinary general meeting held on 11 December 2024. These amendments are to ensure that the Articles of Association complies with the latest regulatory requirements and internal governance requirements. During the year ended 31 December 2024, the major amendments were as follows:

The Hong Kong Stock Exchange, in accordance with its consultation conclusions on “Proposals to Expand the Paperless Listing Regime and Other Rule Amendments” published in June 2023, made amendments to the Listing Rules with effect from 31 December 2023. As a result, among other things, subject to compliance with all applicable laws and regulations, a listed issuer is required to (i) send or otherwise make available the relevant corporate communication (as defined in the Listing Rules) to the relevant holders of its securities by electronic means; or (ii) publish the relevant corporate communication on its own website and the website of the Stock Exchange. Listed issuers are required to make any necessary changes to their constitutional documents in order to comply with these requirements prior to the first annual general meeting held after 31 December 2023. Accordingly, at the 2023 annual general meeting, the Company made certain amendments to the Company’s existing Articles of Association to (i) align them with the latest regulatory requirements in relation to the expansion of the paperless listing regime and the electronic dissemination of corporate communications by listed issuers; and (ii) make certain other housekeeping amendments. For details, please refer to the announcement and circular of the Company dated 28 May 2024.

In addition, pursuant to the needs of the Company’s actual business development and in accordance with the regulatory requirements on the administration of registration of the business scope, the Company modified its business scope, and accordingly amended the Articles of Association. For details, please refer to the announcement and circular of the Company dated 25 November 2024.

Shareholders and investors are advised to note that the currently effective Articles of Association of the Company has been uploaded on the website of the Stock Exchange on 11 December 2024.

In respect of any disclosable and significant event (including inside information of the Company), the Company makes accurate and complete information disclosure through publication of announcements, notices, circulars, interim and annual reports in a timely manner on the websites of the Stock Exchange and the Company under the disclosure requirements of the Listing Rules to ensure the right to information of the Shareholders; meanwhile, the Directors believe that transparency will enable the Shareholders and investors to make the best investment decisions. The Company also makes voluntary announcements to disclose the latest business development of the Group.

The Company has established a dedicated team responsible for investor relations to maintain communication with investors and review the implementation and effectiveness of the Shareholder Communication Policy of the Company in a timely manner. The Company places strong emphasis on communication with investors and considers that maintaining on-going and open communications with investors could enhance investors’ understanding of and confidence in the Company as well as improving its corporate governance standards. The Company actively strengthens the investor relationship management and constantly communicates with investors and analysts admittedly and sufficiently as well as maintains close communications with analysts, fund managers and investors through different channels, such as results press conferences, non-deal roadshows, strategic conferences, company research and teleconference, so that investors can have a better understanding of the Company’s management philosophy, operating environment and development strategies. As such, the Board believes that the Company’s shareholder communication policy is effective.

DIRECTORS' REPORT

The Board presents the Directors' Report for the year ended 31 December 2024 together with the audited financial statements of the Group for the year ended 31 December 2024.

PRINCIPAL ACTIVITIES

The Group is principally engaged in the transportation services business. The Company is an investment holding company and details of the principal activities of its principal subsidiaries are set out in Note VII to the financial statements.

BUSINESS REVIEW

A fair review of the Group's business, which includes a performance analysis of the Group during the year, a description of the principal risks and uncertainties facing the Group, events that have significant effects on the Group, and indication of likely future development in the Group's business, is set out in the sections headed "Chairman's Statement", "Management Discussion and Analysis" and "Investment Value of the Company" of this annual report.

RESULTS AND CONSOLIDATED FINANCIAL STATEMENTS

The Group's results for the year ended 31 December 2024 are set out in the consolidated income statement. The financial highlights of the Group for the year ended 31 December 2024 are set out on pages 5 to 6 of this annual report, and the results and financial position for the year ended 31 December 2024 prepared in accordance with the Accounting Standard for Business Enterprises issued by the Ministry of Finance of the PRC and the relevant regulations (the "ASBE") are set out on pages 104 to 118 in the audited financial statements of this annual report.

FIVE-YEAR FINANCIAL SUMMARY

A summary of the results and the assets and liabilities of the Group for the year ended 31 December 2024 as well as the past five financial years are set out on page 42 of this annual report.

DIRECTORS' REPORT

DIVIDEND POLICY

The Company is committed to realizing long-term and sustainable development. After taking into comprehensive consideration of factors including the Company's actual conditions, development planning, Shareholders' requirements and intentions, social capital cost and external financing conditions, as well as taking into full account of factors such as current and future profitability, cash flow position, current stage of development, funding needs and financing planning, the Company shall establish a continuous, stable and scientific return planning and mechanism for investors, and thereby formulating institutional arrangements for dividend distribution to ensure the continuity and stability of the dividend distribution policies.

The specific amount and ratio for the dividend payout of the Company are subject to shareholder's approval, current and future funding needs of the Company, corporate plans, cash flow, financial position and dividends received from subsidiaries and restrictions of the relevant laws and regulations.

DIVIDEND

Starting from 2025, the Company focuses on promoting the construction of new energy infrastructure in expressway service zones, and enhance the momentum of sustainable development by improving green energy supply capacity and optimizing energy structure. In order to meet the demand for project investment and capital reserve, ensure the foundation of sustainable development of the Company and safeguard the long-term interests of the Shareholders, the Board has decided, after prudent study, not to recommend the payment of any dividend for the year ended December 31, 2024.

MAJOR SUPPLIERS AND CUSTOMERS

For the year ended 31 December 2024, the Group's five largest suppliers accounted for 73% of the Group's total purchases, and the Group's five largest customers accounted for 9% of the Group's total sales.

For the year ended 31 December 2024, the largest supplier of the Group accounted for 24% of the Group's total purchases. For the year ended 31 December 2024, the largest customer of the Group accounted for 3% of the Group's total sales.

In 2024, none of the Directors, the Supervisors or their respective associates or any Shareholders of the Company who, to the best knowledge of the Directors, held more than 5% of the issued shares of the Company (excluding treasury shares), had any interest in the five largest suppliers or the five largest customers of the Group during the year.

RESERVES

Details of movements in the reserves of the Company and the Group during the year ended 31 December 2024 and details of the distributable reserves of the Company as at 31 December 2024 are set out in Note V 38 to the financial statements prepared in accordance with the ASBE.

STATUTORY RESERVE FUNDS

Details of the statutory reserve funds are set out in Note V 37 to the financial statements prepared in accordance with the ASBE.

INVESTMENT PROPERTIES AND FIXED ASSETS

Particulars of the movements in investment properties and fixed assets of the Group and the Company during the year ended 31 December 2024 are set out in Notes V 10 and 11 to the financial statements.

RELATIONSHIP WITH EMPLOYEES

Upholding the “people-oriented” corporate culture, the Group respects every employee, advocate equal employment, offer reasonable remuneration and protect employees’ legitimate rights and interests in accordance with the laws.

Adhering to the talent concept of “talent-oriented, enabling talents to shine and achieving talents’ dreams”, the Company strives to provide every employee with a good working environment, a sound protective system for remuneration and benefits, a broad space for career development, multi-layer training sessions and rich recreational activities, and enable employees to work and live happily during their achievement of their own value.

To grow together with its employees, the Group has established a sound system and working mechanism for employees’ career development, and a professional selection and employment path for talents and reserve talents echelon.

While improving the Group’s performance continuously, we participate in social insurance and housing fund in accordance with relevant policies, deepen the reform on income allocation system according to the management concepts of “post-oriented salary, pay for performance, promotion of capability development and gradual integration with the market”, respect and promote personal development. The Group endeavours to raise employees’ remuneration and income level, with the growth of salary and income inclining to first-line positions and core key positions and boosts the simultaneous development of the Company and its employees.

RELATIONSHIP WITH SUPPLIERS AND CUSTOMERS

The Group values long-standing relationships with its suppliers and customers. The Group aims to deliver high quality services to its customers and fulfill promises faithfully. The Group develops mutual trust and enhances communication and commitment with its suppliers, regulates the supplier management system and improves the mechanism regarding access and exit of suppliers.

ENVIRONMENTAL POLICY AND PERFORMANCE

The Group is always committed to energy saving and consumption reduction, continues to enhance environmental protection performance, and accomplishes comprehensive planning, continued investment, structural adjustment, management intensification and the construction of a green and low-carbon transportation system and achieves the sustainable development of the enterprise.

The Group abides by laws, regulations, standards and other provisions relating to environmental protection. For achieving green and low-carbon transportation, we formulate an emission reduction system scientifically based on the green concept, keep optimizing our operation and management models and introducing advanced environmental-friendly technologies, and promote harmonious development between business operations and environment. Meanwhile, we regularly conduct publicity activities on energy-saving and environmental protection to enhance the awareness of environmental protection among employees.



DIRECTORS' REPORT

We always believe that the biggest contribution to the environment is minimizing the impact of transportation vehicles operated by us, to reduce the emissions of pollutants. Therefore, we are committed to optimizing our management system, reforming and upgrading our technologies, with a view to lowering the emissions of exhaust gas and greenhouse gases generated from operation through proper emission controls and continuous upgrading of technologies. Adhering to the concept of minimizing the damage to the external environment and the impact on society, the Company endeavours to minimize the emissions into the environment generated from production and operation.

For details about the environmental policies and performance of the Group, please refer to the "2024 Environmental, Social and Governance Report" issued by the Company at the same time of the publication of the 2024 annual report of the Company. The Company's 2024 Environmental, Social and Governance Report was published in electronic form only under the Information Disclosure section of the Company's website at <http://www.gdyueyun.com> and is also available on the website of HKEX at www.hkexnews.hk.

COMPLIANCE WITH THE RELEVANT LAWS AND REGULATIONS

The Company is a joint stock limited company established under the Company Law of the People's Republic of China. The Group is principally engaged in the transportation services business. The Group is required to comply with the Company Law of the People's Republic of China, the Contract Law of the People's Republic of China, the Road Transportation Safety Law of the People's Republic of China, the Tendering and Bidding Law of the People's Republic of China and all other applicable laws and regulations during our normal operating activities. There was no material breach nor non-compliance with the applicable laws and regulations by the Group for the year ended 31 December 2024. The Company and its subsidiaries have obtained all significant licenses, approvals and permits for the operation of business from relevant regulatory authorities.

As the Company is listed on the Stock Exchange, and the Group operates cross-border transportation business between Guangdong Province and Hong Kong, as far as the Board and management are aware, for the year ended 31 December 2024, the Group has also complied with the Listing Rules, Hong Kong Companies Ordinance, the Securities and Futures Ordinance and applicable laws and regulations in Hong Kong.

The Group has established a relatively well-developed internal control mechanism and system to supervise and ensure compliance with laws and regulations of the business operations.

COMPETING INTEREST

None of the Directors has any interest in any business which competes or is likely to compete, either directly or indirectly, with the businesses of the Group.

DIRECTORS AND SUPERVISORS

The Directors who were in office during the year ended 31 December 2024 and up to the date of this report are as follows:

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

The Supervisors who were under current term of office during the year ended 31 December 2024 and up to the date of this report are as follows:

Name	Date of Appointment as Supervisor	Date of Resignation as Supervisor
Mr. Zhou Yihua	31 August 2022	N/A
Mr. Wang Qingwei*	7 June 2016	3 January 2025
Mr. Duan Xinhong	31 August 2022	N/A
Ms. Meng Xue	31 August 2022	N/A
Mr. Zhen Jianhui	15 April 2014	N/A
Ms. Li Xiangrong	7 June 2016	N/A
Ms. Ou Lixu	16 January 2024	N/A
Ms. Wang Xiaobing	23 January 2025	N/A

DIRECTORS' REPORT

INDEPENDENCE OF THE INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has received the letter of annual confirmation issued by each of the independent non-executive Directors as to his independence pursuant to Rule 3.13 of the Listing Rules. All of the four independent non-executive Directors are considered by the Company as independent parties.

During the period of their current term of office as independent non-executive Directors, Mr. Su Wujun, Ms. Huang Yuan, Mr. Shen Jialong and Mr. Zhang Xiangfa provided the Board with objective opinions and independent guidance, which indicated that they possessed the required experience and independence to discharge their responsibilities. The Board has evaluated and reviewed their annual confirmation of independence pursuant to the independence criteria as set out in Rule 3.13 of the Listing Rules, which confirmed that they have complied with the independence requirement.

BIOGRAPHIES OF DIRECTORS, SUPERVISORS AND MEMBERS OF THE SENIOR MANAGEMENT

The biographies of Directors, Supervisors and members of the senior management of the Company as at the date hereof are set out on pages 43 to 48 in this annual report.

DIRECTORS', SUPERVISORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 31 December 2024, the interests of Directors, Supervisors and Chief Executive in the shares, underlying shares and debentures of the Company or any of its associated corporations (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 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code were as follows:

LONG POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES OF ASSOCIATED CORPORATIONS OF THE COMPANY

Name of Associated Corporation	Name of Director/ Supervisor	Nature of Interests	Number and Class of shares held	Approximate percentage in the relevant class of share capital	Approximate percentage in total share capital
Guangdong Provincial Expressway Development Co., Ltd.	Chen Chuxuan	Beneficial owner	5,987 A shares	0.00046%	0.00046%

ARRANGEMENTS TO PURCHASE SHARES OR DEBENTURES

At no time during the year ended 31 December 2024 was the Company, its subsidiaries, its fellow subsidiaries or its holding company a party to any arrangements to enable the Directors, Supervisors or senior management officers of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

REMUNERATION OF THE DIRECTORS, SUPERVISORS, SENIOR MANAGEMENT AND FIVE HIGHEST PAID INDIVIDUALS

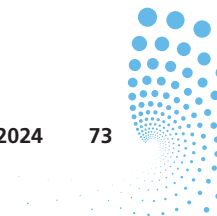
Details of the remuneration of the Directors and Supervisors of the Company and the five highest paid individuals of the Group are set out in Note X 5 to the financial statements prepared in accordance with the ASBE. There were no arrangements under which a Director or Supervisor had waived or agreed to waive any remuneration in respect of the year ended 31 December 2024. Pursuant to E.1.5 of the CG Code, the range of remuneration of the members of the senior management (including the executive Directors) as of 31 December 2024 is set out below:

Range of Remuneration (RMB)	Number of persons
Below 300,000	2
300,000 to 500,000	5
500,000 to 700,000	5
700,000 above	1

SERVICE CONTRACTS OF DIRECTORS AND SUPERVISORS

The Company had entered into service contracts with each of the Directors and Supervisors.

As at 31 December 2024, no Director or Supervisor had entered into any service contract with the Company or any of its subsidiaries that is not terminable by the Company within one year without payment of compensation (other than statutory compensation).



DIRECTORS' REPORT

INTERESTS OF DIRECTORS AND SUPERVISORS IN CONTRACTS

Other than the service contracts with the Company and saved as disclosed in the section headed "Continuing Connected Transactions" and note X to the consolidated financial statements in this report, none of the Company or any of its subsidiaries has any transaction, arrangement or contract of significance subsisting during the Reporting Period or at the end of the Reporting Period, in which the directors and supervisors of the Company or the related entities of these directors or supervisors has or had a material interest, whether directly or indirectly, during the year ended 31 December 2024.

CONTROLLING SHAREHOLDERS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

Save as disclosed in the section headed "Continuing Connected Transactions" and note X to the consolidated financial statements in this report, there was no other contract of significance entered into between the Company or any of its subsidiaries and the controlling Shareholders or any of its subsidiaries during the year ended 31 December 2024, and no contract of significance for the provision of services to the Company or any of its subsidiaries by a controlling Shareholder or any of its subsidiaries was entered into during the year ended 31 December 2024.

EQUITY-LINKED AGREEMENTS

The Company has not entered into any equity-linked agreements during the year ended 31 December 2024 or has entered into any equity-linked agreements which subsisted at the end of the year ended 31 December 2024.

PERMITTED INDEMNITY PROVISIONS

In 2024, the Company had made an appropriate insurance arrangement in respect of costs associated with legal proceedings that may be brought against its Directors, Supervisors and senior management arising from negligence in the course of performing their duties. These provisions are valid during the year ended 31 December 2024 and remain to be valid as at the date of this report.

MANAGEMENT CONTRACT

Except for the employment contracts, the Group has no contract of significant concerning the management and administration of the whole or any substantial part of the business of the Company entered into or existed in 2024.

BOARD COMMITTEES

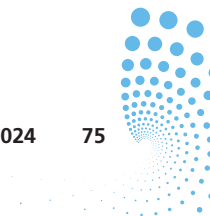
The Company has established the Audit and Corporate Governance Committee, the Remuneration Committee, the Nomination Committee, the Strategy Committee and the Compliance Committee. For details of the board committees, please refer to the relevant contents of the section headed Corporate Governance Report as set out in this annual report.

CONTINUING CONNECTED TRANSACTIONS

1. Pursuant to Chapter 14A of the Listing Rules, details of the following continuing connected transactions of the Group for the year ended 31 December 2024 which are required to be disclosed in the annual report of the Company are described below:

- (1) Non-exempt continuing connected transactions approved by independent Shareholders:

	Annual Caps of Transactions Amount:
(a) On 15 September 2005, the Company and GCGC (the controlling Shareholder of the Company and thus a connected person of the Company under Chapter 14A of the Listing Rules) entered into a first right of operation agreement (the "First Right of Operation Agreement"), pursuant to which the Group has been granted preferential rights of operation by GCGC. When exercising such preferential rights, members of the Group entered into individual agreements with owners of each of the expressways, which were companies under GCGC. As the term of individual agreements entered into pursuant to the First Right of Operation Agreement would remain valid beyond 31 December 2022, the annual caps were renewed for three years until 31 December 2025 upon approval by the extraordinary general meeting held on 30 November 2022.	For the years ended or ending 31 December 2023, 2024 and 2025, the annual caps shall be RMB277,270,000, RMB288,430,000 and RMB298,480,000, respectively.



Annual Caps of Transactions Amount:

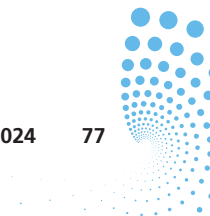
Pursuant to the First Right of Operation Agreement, members of the Group may enter into, and have previously entered into, Expressway Service Subcontracting Arrangements with the owner of the relevant expressways (i.e. the GCGC Group), for the right to operate the expressway service zone by the Group in consideration of subcontracting fees payable by the Group to the GCGC Group. The contracting fee charged by the GCGC Group are determined with reference to the following principles:

- (1) the value of the right of operation of the relevant expressway service zones as appraised by an independent valuer;
- (2) the discounted value of the total contracting fee calculated in proportion to the investment amount for different facilities at the relevant expressway service zones (using a discount rate based on the bank loan interest rate for the same period); or
- (3) the contracting fee calculated at a certain percentage (usually at approximately 50%) of the net profits of the service zones as a whole.

Pursuant to the First Right of Operation Agreement, members of the Group may enter into, and have previously entered into Expressway Advertisement Subcontracting Arrangements with the owner of the relevant expressways (i.e. the GCGC Group) for the right to operate the expressway advertisement resources. The basis for determination of the advertisement subcontracting fees charged by the GCGC Group is with reference to approximately 30% of the operating revenue from the advertisements (the specific percentage is subject to the location of the expressways and determined after negotiations between the parties, usually at approximately 30%) shall be payable to the owner of the relevant expressways (i.e. the GCGC Group) as subcontracting fees.

Please refer to the announcements dated 17 October 2022 and 30 November 2022 and the circular dated 10 November 2022 of the Company for details of, among others, the major terms of the First Right of Operation Agreement and the transactions contemplated thereunder. The Company has confirmed that the specific agreements to be implemented under the First Right of Operation Agreement have been entered into and implemented in accordance with the pricing principles in relation to continuing connected transactions as stipulated in the First Right of Operation Agreement, during the Reporting Period.

Annual Caps of Transactions Amount:	
<p>(b) On 30 September 2013, the Company and GCGC entered into a rescue services entrustment master agreement (the "Rescue Services Entrustment Master Agreement"), pursuant to which the Group provides rescue services to members of the GCGC pursuant to the execution agreements under the Rescue Services Entrustment Master Agreement, with an initial term of three years. Subject to the relevant requirements of the Listing Rules, the agreement shall be automatically renewed unless a notice of non-renewal was given by either party to the other party at least three months prior to the expiry of such initial term. The term of the Rescue Services Entrustment Master Agreement expired on 31 December 2022, the parties agreed to renew the agreement for a further term of three years commencing on 1 January 2023 and ending on 31 December 2025.</p> <p>Pursuant to the Rescue Services Entrustment Master Agreement, the Group has agreed to provide the GCGC Group with the rescue services as described below:</p> <ul style="list-style-type: none"> (1) vehicles towing services in the event of traffic accidents and malfunction of vehicles within the service area as stipulated under the relevant individual implementation agreements; (2) cleaning-up services on accident sites within the service area, namely, clearing of debris and oil spills and transportation of goods and passengers; (3) assistance in the management of cordoning of roads and maintaining traffic flow at the request of the traffic police department and the service provider; and (4) assistance in the maintenance of safety on accident sites. 	<p>The annual caps for transactions for the years ended or ending 31 December 2023, 2024 and 2025 shall be RMB168,780,000, RMB128,050,000 and RMB129,330,000, respectively.</p>



DIRECTORS' REPORT

Annual Caps of Transactions Amount:

Service fees for the rescue services are determined based on the General Pricing Principles. According to the General Pricing Principles, such consideration shall be based on State-prescribed prices, State-referenced prices, market price, or if market-price is not available, based on the reasonable cost incurred for provision of the relevant services or products plus a reasonable profit margin. Reasonable cost for the relevant services or products is determined in accordance with industry norms and the historical cost incurred for similar types of services or products, and a reasonable profit margin is based on the nature of services or products provided and the scale of the business operations. The costs mainly include (i) labour costs; (ii) fuel expenses and (iii) depreciation charges, maintenance fee, production safety fees and administrative expenses. The Group may add a markup of 10% to 13% on the estimated cost. The GCGC Group and the Group may enter into individual implementation agreements from time to time in respect of the provision of the rescue services upon specific terms in compliance with those of the Rescue Services Entrustment Master Agreement as agreed between the relevant parties.

Please refer to the announcements dated 17 October 2022 and 30 November 2022 and the circular dated 10 November 2022 of the Company for details of, among others, the major terms of the Rescue Services Entrustment Master Agreement and the transactions contemplated thereunder. The Company has confirmed that the specific agreements to be implemented under the Rescue Services Entrustment Agreement have been entered into and implemented in accordance with the pricing principles in relation to continuing connected transactions as stipulated in the the Rescue Services Entrustment Agreement.

- (2) Disclosable continuing connected transactions exempt from independent Shareholders' approval:

	Annual Caps:
<p>(c) On 30 December 2014, the Company and Guangdong Humen Bridge Company Limited ("Humen Bridge Company", an associate of GCGC and therefore a connected person of the Company under Chapter 14A of the Listing Rules) entered into an entrusted operation management contract (the "Entrusted Operation Management Contract"). On 27 December 2017, the Company and Humen Bridge Company entered into a new entrusted operation management contract (the "Taiping Interchange Management Contract"), pursuant to which the Company engaged Humen Bridge Company in providing certain entrusted toll fee collection and other operation management services in relation to the operation of the Taiping Interchange for the period from 1 January 2018 to 31 December 2020. The term may be automatically renewed for approximately three years upon expiry on 31 December 2020 subject to compliance with the relevant requirements under the Listing Rules if there is no objection from any parties. As the term of the Taiping Interchange Management Contract expired on 31 December 2020, the parties agreed to renew the agreement for a further term of three years commencing from 1 January 2021 and ending on 31 December 2023. The term may be automatically renewed for three years upon expiry on 31 December 2023 subject to compliance with the relevant requirements under the Listing Rules if there is no objection from any parties. The term of the Taiping Interchange Management Contract expired on 31 December 2023, the parties agreed to renew the contract for a further term of three years commencing on 1 January 2024 and ending on 31 December 2026. Pursuant to the Taiping Interchange Management Contract, Humen Bridge Company shall provide entrusted toll fee collection and other operation management services at the Tai Ping Interchange to the Company. The annual service fee payable under the Tai Ping Interchange Management Agreement was agreed between the parties after arm's length negotiations with reference to, among other factors, the Group's expected toll fee entitlement and the actual management costs incurred for collection of toll fees.</p>	<p>The annual caps of transactions for the years ended or ending 31 December 2024, 2025 and 2026 were RMB5,000,000, RMB5,000,000 and RMB5,000,000, respectively.</p>

Please refer to the announcement dated 20 December 2023 of the Company for details of, among others, the major terms of Taiping Interchange Management Contract and the transactions contemplated thereunder. The Company has confirmed that the specific agreements to be implemented under the Taiping Interchange Management Contract have been entered into and implemented in accordance with the pricing principles in relation to continuing connected transactions as stipulated in the Taiping Interchange Management Contract.



DIRECTORS' REPORT

Annual Caps:	
(d)	<p>On 26 February 2015, The Motor Transport Company of Guangdong and Hong Kong Limited ("GD-HK Company", a non – wholly-owned subsidiary of the Company) and Weisheng Transportation Enterprises Company Limited ("Weisheng", a subsidiary of GCGC and a connected person of the Company under Chapter 14A of the Listing Rules) entered into the GDHK Transportation Branch Outsourcing Agreement. As the term of the GD-HK Transportation Branch Outsourcing Agreement expired on 31 December 2023, the parties agreed to renew the agreement for a further term of three years commencing from 1 January 2024 and ending on 31 December 2026. Pursuant to the Guangdong and Hong Kong Transportation Branch Outsourcing Agreement, Guangdong and Hong Kong Company agreed to outsource the business of Guangdong and Hong Kong Transportation Branch to Weisheng, which include among other things, 76 quotas for Guangdong - Hong Kong cross-border through lorries, 28 lorries, the Kwu Tung parking lot in New Territories and 24 drivers. The outsourcing fees payable under the Guangdong and Hong Kong Transportation Branch Outsourcing Agreement was agreed between the parties after arm's length negotiations with reference to, among other factors, the operating results and financial data of Guangdong and Hong Kong Transportation Branch for the recent three years.</p>

The annual caps of transactions for the years ended or ending 31 December 2024, 2025 and 2026 were HK\$11,510,000, HK\$11,510,000 and HK\$11,510,000, respectively.

Please refer to the announcement dated 20 December 2023 of the Company for details of, among others, the major terms of the GDHK Transportation Branch Outsourcing Agreement and the transactions contemplated thereunder. The Company has confirmed that the specific agreements to be implemented under the Guangdong and Hong Kong Transportation Branch Outsourcing Agreement have been entered into and implemented in accordance with the pricing principles in relation to continuing connected transactions as stipulated in the Guangdong and Hong Kong Transportation Branch Outsourcing Agreement.

Annual Caps:	
(e)	<p>On 26 February 2015, GD-HK Company and Weisheng entered into the Weisheng Bus Outsourcing Agreement, pursuant to which Weisheng outsourced the operation of Weisheng Bus to GD-HK Company. As the term of the Weisheng Bus Outsourcing Agreement expired on 31 December 2023, the parties agreed to renew the agreement for a further term of three years commencing from 1 January 2024 and ending on 31 December 2026. Pursuant to the Weisheng Bus Outsourcing Agreement, Weisheng will outsource the operation of Weisheng Bus to Guangdong and Hong Kong Company, which include among other things, 20 quotas for cross-border passenger transportation vehicles, 8 passenger transportation vehicles, 3 drivers and 3 routes for Hong Kong-PRC passenger transportation. The outsourcing fees payable under the Weisheng Bus Outsourcing Agreement was agreed between the parties after arm's length negotiations with reference to, among other things, the operating results and financial data of Weisheng Bus for the recent three years. The monthly outsourcing fees of HK\$250,000 shall be payable by Guangdong and Hong Kong Company to Weisheng before the 25th day of each month.</p>
	<p>The annual caps of transactions for the years ended or ending 31 December 2024, 2025 and 2026 were HK\$4,200,000, HK\$4,200,000 and HK\$4,200,000, respectively.</p>

Please refer to the announcement dated 20 December 2023 of the Company for details of, among others, the major terms of the Weisheng Bus Outsourcing Agreement and the transactions contemplated thereunder. The Company has confirmed that the specific agreements to be implemented under the Weisheng Bus Outsourcing Agreement have been entered into and implemented in accordance with the pricing principles in relation to continuing connected transactions as stipulated in the Weisheng Bus Outsourcing Agreement.



DIRECTORS' REPORT

Annual Caps:	
(f)	<p>On 9 August 2006, the Company and GCGC entered into a Tai Ping Interchange repairs master agreement (the "Tai Ping Interchange Master Agreement"), pursuant to which GCGC Group provided repair and renovation services at the Tai Ping Interchange to the Group according to the execution agreements entered into under the Tai Ping Interchange Master Agreement. The agreement shall have an initial term of three years, which, subject to compliance with the relevant requirements under the Listing Rules, may be automatically renewed unless a notice of non-renewal is given by either party to the other party at least three months prior to the expiry of such term. On 17 October 2022, the parties agreed to renew the agreement for a further term of three years commencing on 1 January 2023 and ending on 31 December 2025. Service fees for the major repair and single item renovation services under the Tai Ping Interchange Master Agreement are determined based on the General Pricing Principles, and are payable in such manner and in accordance with such timetable as agreed by the parties in the relevant individual execution agreement. In particular, the service fees for relevant repair projects are determined based on the repair project budget determined in accordance with the applicable PRC regulations on project budget promulgated by the Ministry of Transport of the PRC and the Ministry of Housing and Urban-Rural Development of the PRC, and finally determined through open tender process conducted pursuant to the applicable PRC laws and regulations. For services where no open tender process is conducted due to small contractual sum, the Group will determine the service fees by taking into account the prices for comparable services offered by at least two independent third party service providers. The GCGC Group and the Group may enter into individual execution agreements from time to time in respect of the provision of major repair and single item renovation services upon specific terms in compliance with those of the Tai Ping Interchange Master Agreement as agreed between the relevant parties.</p>

The annual caps for the year ended or ending 31 December 2023, 2024 and 2025 shall be RMB14,400,000, RMB10,600,000 and RMB10,710,000, respectively.

Please refer to the announcement dated 17 October 2022 of the Company for details of, among others, the major terms of the Tai Ping Interchange Master Agreement and the transactions contemplated thereunder. The Company has confirmed that the specific agreements to be implemented under the the Tai Ping Interchange Master Agreement have been entered into and implemented in accordance with the pricing principles in relation to continuing connected transactions as stipulated in the Tai Ping Interchange Master Agreement.

	Annual Caps:
<p>(g) On 30 September 2013, the Company and GCGC entered into an information system services master agreement (the “Information Systems Services Master Agreement”), pursuant to which the GCGC Group provided information systems services to the Group, including construction of information systems, maintenance of information systems, software development and other informatization related services, according to the execution agreements entered into under the Information Systems Services Master Agreement. The agreement shall have an initial term of three years, which, subject to compliance with the relevant requirements under the Listing Rules, shall be automatically renewed unless a notice of non-renewal is given by either party to the other party at least three months prior to the expiry of such term. On 17 October 2022, the parties to the Information Systems Services Master Agreement agreed to renew the agreement for a further term of three years commencing on 1 January 2023 and ending on 31 December 2025.</p>	<p>The annual caps for the years ended or ending 31 December 2023, 2024 and 2025 shall be RMB7,050,000, RMB6,100,000, and RMB5,500,000, respectively.</p>
<p>Service fees for the information systems services under the Information Systems Services Master Agreement are determined based on the General Pricing Principles, and are payable in such manner and in accordance with such timetable as agreed by the parties in the relevant individual execution agreement. In particular, the service fees are determined through public tender process conducted in accordance with the applicable PRC laws and regulations, and if no open tender process is conducted due to small contractual sum of the relevant services, the Group will determine the service fees by taking into account the prices for comparable services offered by at least two independent third party service providers.</p>	
<p>Please refer to the announcement dated 17 October 2022 of the Company for details of, among others, the major terms of the Information Systems Services Master Agreement and the transactions contemplated thereunder. The Company has confirmed that the specific agreements to be implemented under the Information Systems Services Master Agreement have been entered into and implemented in accordance with the pricing principles in relation to continuing connected transactions as stipulated in the Information Systems Services Master Agreement.</p>	

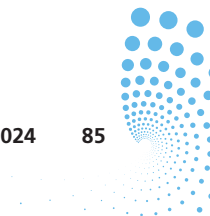


DIRECTORS' REPORT

	Annual Caps:
<p>(h) On 13 August 2018, the Company (as lessee) and Guangdong Litong Properties Investment Company Limited (was renamed as Guangdong Litong Development and Investment Company Limited) ("GD Litong", a whollysubsidiary of GCGC and thus a connected person of the Company under the Chapter 14A of the Listing Rule) (as lessor) entered into a Property Leasing Framework Agreement for regulating the existing and future leasing agreements between the Group and GD Litong. The Group may extend, revise or renew the existing leasing contracts with GD Litong from time to time within the term of the Property Leasing Framework Agreement. The Property Leasing Framework Agreement was expired on 31 December 2023, the parties had agreed to renew the agreement for a further term of three years commencing on 1 January 2024 and ending on 31 December 2026. Pursuant to the Property Leasing Framework Agreement, the Company or its subsidiaries may lease the properties of GD Litong or its subsidiaries. The Company or its subsidiaries shall negotiate the monthly rent with GD Litong or its subsidiaries based on the actual area of the leased property, and settle the rental payment on a monthly basis. The deposit, rent, property management fees, cleaning fees, daily maintenance service fees, vehicle custody fees, air conditioning fees and other relevant charges and expenses in relation to the properties leased by the Company or its subsidiaries shall be determined between the parties after arm's length negotiations with reference to the market prices, being the relevant prices charged by independent third parties on normal commercial terms for comparable properties at the same or nearby locations. The water and electricity charges in relation to the properties leased by the Company or its subsidiaries shall be determined based on the relevant prices fixed by the water supply companies and the electricity supply companies.</p>	<p>The annual caps of transactions for the years ended or ending 31 December 2024, 2025 and 2026 are RMB40,720,000, RMB5,410,000 and RMB5,430,000, respectively.</p>

Please refer to the announcement dated 30 December 2023 of the Company for details of, among others, the major terms of the Property Leasing Framework Agreement. The Company has confirmed that the specific agreements to be implemented under the Property Leasing Framework Agreement have been entered into and implemented in accordance with the pricing principles in relation to continuing connected transactions as stipulated in the Property Leasing Framework Agreement.

	Annual Caps:
<p>(i) On 5 July 2021, the Group and GCGC entered into the Transportation Service Framework Agreement, pursuant to which, the Group (as trustee) will provide GCGC and GCGC Group with vehicle rental, provincial and municipal charter and other relevant transportation services. The Transportation Service Framework Agreement commences from 5 July 2021 and ends on 31 December 2023, which, subject to compliance with the relevant requirements under the Listing Rules, may be automatically renewed unless a notice of non-renewal is given by either party to the other party at least three months prior to the expiry of such term. The Transportation Service Framework Agreement was expired on 31 December 2023, the parties had agreed to renew the agreement for a further term of three years commencing on 1 January 2024 and ending on 31 December 2026.</p>	<p>The annual caps of transactions for the years ended or ending 31 December 2024, 2025 and 2026 are RMB8,260,000, RMB8,100,000 and RMB8,100,000.</p>



Annual Caps:

Pursuant to the Transportation Service Framework Agreement, prices are determined based on the general pricing principles, and are payable in such manner and such timetable as agreed by the parties in the relevant individual agreements. The prices for providing the transportation services are primarily determined with reference to the mileage and market price of the services. General principles for determination of prices as follows:

- (1) state-prescribed prices, being the prices set by any relevant laws, regulations, decisions or orders issued by the relevant authorities of the Chinese government or set by such authorities in respect of the relevant types of services or products;
- (2) where there is no state-prescribed price, then may be based on state-reference prices, being prices determined by the parties within the price ranges set by any relevant laws, regulations, decisions or orders issued by the relevant authorities of the Chinese government or set by such authorities in respect of the relevant types of services or products; and
- (3) where there is no state-reference price, then may be based on relevant market prices, being prices at which comparable services or products are provided by independent third parties in the same or surrounding areas in the ordinary course of businesses.

GCGC Group and the Group may enter into individual implementation agreements from time to time in respect of the provision of the transportation services upon specific terms and other specific regulations in accordance with the principles of the Renewed Transportation Service Framework Agreement as agreed between the relevant parties.

Please refer to the announcement dated 20 December 2023 of the Company for details of, among others, the major terms of the Transportation Service Framework Agreement and the transactions contemplated thereunder. The Company has confirmed that the specific agreements to be implemented under the Transportation Service Framework Agreement have been entered into and implemented in accordance with the pricing principles in relation to continuing connected transactions as stipulated in the Transportation Service Framework Agreement.

Annual Caps:	
<p>(j) On 28 December 2021, Zhuhai Gongyun Coach Terminal Company Limited ("Zhuhai Gongyun", a wholly-owned subsidiary of the Company) (as lessee) and Kee Kwan Motor Road Company Limited ("Kee Kwan", a whollyowned subsidiary of GCGC and a connected person of the Company under the Chapter 14A of the Listing Rules) (as lessor) entered into a property lease agreement, pursuant to which Zhuhai Gongyun leased a commercial premise from Kee Kwan at an aggregate monthly rent and fees of RMB30,370.68 (tax inclusive) for a lease term commencing from 1 January 2022 to 31 December 2024. During the term of the lease, the rent and fees for the respective month shall be payable by Zhuhai Gongyun to Kee Kwan before the fifth day of each calendar month. Water, electricity, telephone, network and internet charges, security and maintenance and other expenses incurred by Zhuhai Gongyun shall be borne by Zhuhai Gongyun. The monthly rent and fees payable were determined after arm's length negotiation taking into account the actual requirements of the lessee, the market prices of the regions and/or the rental fees charged by an independent third party for the leasing the premises of similar size at the same or nearby locations.</p> <p>On 30 December 2023, Zhuhai Gongyun (as lessee) and Kee Kwan entered into a property lease agreement (together with the lease agreement disclose in the preceding paragraph, the "Kee Kwan Lease Agreement"), pursuant to which Zhuhai Gongyun leased various parking spaces from Kee Kwan. The maximum rent and frees payable for each month under the lease agreement by Zhuhai Gongyun were RMB42,000 (tax inclusive). The lease term commenced on 1 January 2024 and expired on 31 December 2024.</p> <p>Please refer to the announcement dated 28 December 2021 and 30 December 2022 of the Company for details of, among others, the major terms of the aforesaid Kee Kwan Lease Agreement. The Company has confirmed that the specific agreements to be implemented under Kee Kwan Lease Agreement have been entered into and implemented in accordance with the pricing principles in relation to continuing connected transactions as stipulated in the Kee Kwan Lease Agreement.</p>	<p>The maximum rent and fees payable by Zhuhai Gongyun under the Kee Kwan Lease Agreement for each of the years ended 31 December 2022, 2023 and 2024 shall be approximately RMB364,500, RMB3,700,500 and RMB364,500, respectively.</p> <p>The maximum rent and fees payable by Zhuhai Gongyun to Guangdong Gongbei under the Kee Kwan Lease Agreement for the year ended 31 December 2024 is RMB504,000.</p>



DIRECTORS' REPORT

2. The Company's independent non-executive Directors, Mr. Su Wujun, Ms. Huang Yuan, Mr. Shen Jialong and Mr. Zhang Xiangfa have reviewed the above continuing connected transactions as set out in items (a) to (j) and confirmed that such transactions:

- (1) have been entered in the ordinary and usual course of business of the Company;
- (2) are conducted on normal commercial terms or on terms no less favourable to the Company than terms provided to or available from (as appropriate) independent third parties;
- (3) are conducted in accordance with the relevant agreements and the relevant terms are fair and reasonable and in the interest of the Shareholders as a whole; and
- (4) are subject to internal control procedures established by the Company which are sufficient and effective.

3. The following table sets out the relevant annual caps and the actual transaction amounts of continuing connected transactions of the Company for the year ended 31 December 2024.

For the year ended 31 December 2024			
No.	Transactions	Actual amount RMB	Annual cap RMB
1	Management fees paid by the Group for toll fee collection services provided to the Company by Guangdong Humen Bridge Company	5,000,000.00	5,000,000.00
2	Services fees paid by the Group for repairment and single-project renovation services of the Taiping Interchange Bridge provided by GCGC and its subsidiaries	5,684,767.30	10,600,000.00
3	Services fees paid by the Group for information systems services provided by GCGC and its subsidiaries	5,946,009.19	6,100,000.00
4	Income from providing rescue services to GCGC and its subsidiaries by the Group	95,657,193.57	128,050,000.00
5	Contracting fees payable by the Group for expressway services zones operation rights granted by GCGC and its subsidiaries	236,275,564.21	288,430,000.00
6	Leasing commercial premises by the Group from Guangdong Litong Properties Investment Company Limited for office use, renting vehicles and leasing commercial premises from Kee Kwan Motor Road Company Limited, leasing parking lot from Kee Kwan Motor Road Company Limited Zhuhai Company and leasing commercial premises from Guangdong Gongbei Vehicles Transportation Company Limited	28,550,082.97	41,588,500.00
7	Total amount of freight transportation outsourcing income from Weisheng Freight Company Limited ("Weisheng Freight") and the freight transportation outsourcing disbursements paid by the Group on behalf of Weisheng Freight	7,777,872.03	HK\$11,510,000.00 (equivalent to RMB10,544,311.00)

For the year ended 31 December 2024			
No.	Transactions	Actual amount RMB	Annual cap RMB
8	Contracting fees paid by the Group for passenger transportation outsourcing expense to Weisheng Freight and the disbursements paid by Weisheng Freight on behalf of the Group	3,503,203.65	HK\$4,200,000.00 (equivalent to RMB3,847,620.00)
9	Income from providing vehicle rental, provincial and municipal charter and other relevant transportation services for GCGC and its subsidiaries by the Group	6,579,728.78	8,260,000.00

4. The Company has followed the pricing policies and guidelines as disclosed in the relevant announcements and circulars when determining the prices and terms of the continuing connected transactions conducted during the year ended 31 December 2024.
5. The Company's auditor was engaged to report on the Group's continuing connected transactions in accordance with Chinese Certified Public Accountants Standard on Other Assurance Engagements 3101 "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 (Revised) "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. The auditor has issued its unqualified letter containing its findings and conclusions in respect of the continuing connected transactions disclosed by the Group in this report in accordance with Rule 14A.56 of the Listing Rules.

In respect of the continuing connected transactions, the Company's auditor confirmed that:

- (1) nothing has come to its attention that causes it to believe that the disclosed continuing connected transactions have not been approved by the Board;
- (2) for transactions involving the provision of goods or services by the Group, nothing has come to its attention that causes it to believe that the disclosed continuing connected transactions were not, in all material respects, in accordance with the pricing policies of the Group;
- (3) nothing has come to its attention that causes it to believe that the disclosed continuing connected transactions were not entered into, in all material respects, in accordance with the relevant agreements governing such transactions; and
- (4) with respect to the aggregate amount of each of the continuing connected transactions set out above, nothing has come to its attention that causes it to believe that the disclosed continuing connected transactions have exceeded the annual caps disclosed in the previous announcements made by the Company in respect of each of the disclosed continuing connected transactions.



DIRECTORS' REPORT

RELATED PARTY TRANSACTIONS

Details of material related party transactions of the Company which occurred during the ordinary course of business of the Company are contained in Note X to the consolidated financial statements, and whether such transactions fall under the definition of “connected transaction” or “continuing connected transaction” in Chapter 14A of the Listing Rules is specifically explained therein. Details of such related party transactions constituting “continuing connected transactions” or “connected transactions” under the Listing Rules have been set out in the section headed “Continuing Connected Transactions” above, and the Company has complied with the disclosure requirements in accordance with Chapter 14A of the Listing Rules.

EMPLOYEES AND REMUNERATION POLICIES

As at 31 December 2024, the Group had 11,476 employees and the staff costs (including remuneration of Directors) of the Group were RMB1,552,000,000 (2023: RMB1,689,000,000) for the year ended 31 December 2024.

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

EMPLOYEE TRAINING

The Group has always attached great importance to human resources training and development, strived to provide various training and education for employees, and conscientiously implemented various training and development expense budget standards and their implementation plans. The Company carried out a total of 347 training projects of various types throughout the year. The number of participants in training reached 60,259, with a total of 167,100 hours of various courses; 69 management skills training courses were held, accounting for 20% of the total number of training courses; 87 general skills training courses were held, accounting for 25% of the total number of training courses; 156 professional skills training courses were held, accounting for 45% of the total number of training courses; 35 other skills training courses were held, accounting for 10% of the total number of training courses. In independent internal and external training effect evaluations, the overall student satisfaction rate was above 90% or reached a satisfactory level.

In 2024, the Company continued to strengthen the professional training of financial staff of the Group and improved the business quality of financial management staff at all levels. The training method was a combination of internal training and external training. The training contents include training of financial sharing cost control system, the continued education of financial staff, newly revised and implemented accounting standards, new taxation policies, comprehensive budget management and financial analysis.

EMPLOYEE PENSION SCHEME

Defined contribution plans

(1) Employees of the Group in the PRC

In accordance with the relevant PRC regulations, employees of the Group and its subsidiaries in the PRC are required to participate in a defined contribution basic pension insurance plan in the social insurance system established and managed by government organizations. The contribution amount for the basic pension insurance is based on the applicable benchmarks and rates stipulated by the government (generally approximately 15% of the average monthly salary of the employees in the previous year).

(2) Employees of the Group in Hong Kong

Meanwhile, 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 charged to profit or loss or recognised as part of the cost of assets when incurred.

For the financial year ended 31 December 2024, no contributions to the above pension schemes have been forfeited that could be utilized by the Group to reduce the contributions payable in future years. Accordingly, no forfeited contributions were utilized during the financial year and there were no forfeited contributions as at 31 December 2024 that could be utilized to reduce the level of future contributions to be made by the Group to the pension schemes.

Defined benefit plans

The qualified retired employees and early retired employees (until formal retirement) of the Group are entitled to a certain amount of allowance for a period of time. According to 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 retirement allowance for such employees will be determined based on a certain percentage (generally 1% to 18%) of the average monthly salary of their current positions as determined by the defined benefit plans. Before the end of each financial year, the Group assesses the balance of the defined benefit plans. As at 31 December 2024, the net liabilities under the defined benefit plans amounted to RMB150,258,000, and there was no material surplus or deficit.

The most recent actuarial valuation of the defined benefit plans and the present value of the defined benefit plan obligations was carried out with 31 December 2024 as the valuation reference date by 深圳品酷信諮詢有限公司, an independent qualified actuary. The present value of the defined benefit plan obligations and related current service costs and past service costs are measured using the projected unit credit method. The principal assumptions used in the actuarial valuation mainly include demographic assumptions and financial assumptions, details of which are set out in Note V 31 of the financial statements prepared in accordance with the Accounting Standards for Business Enterprises.



DIRECTORS' REPORT

REPURCHASE, SALE OR REDEMPTION OF THE COMPANY'S SHARES

During the year ended 31 December 2024 and at the end of the year ended 31 December 2024, the Company did not hold any treasury shares, including any treasury shares held or deposited in CCASS.

There was no purchase, sale and redemption of the Company's listed shares, including sale of any treasury shares, by the Company or any of its subsidiaries during the year ended 31 December 2024.

CORPORATE BONDS

Nil.

DONATIONS

No external donations were made by the Group during the year ended 31 December 2024.

EQUITY-LINKED AGREEMENT

The Company did not enter into any equity-linked agreement in 2024 and no equity-link agreement subsisted at the end of 2024.

AUDITOR

On 28 June 2024, as approved at the 2023 annual general meeting, the Company appointed BDO CHINA Shu Lun Pan Certified Public Accountants LLP as the auditor of the Company. BDO CHINA Shu Lun Pan Certified Public Accountants LLP has audited the Group's financial statements for 2021, 2022, 2023 and 2024 which were prepared in accordance with the Chinese Accounting Standards for Business Enterprises. The Company will propose a resolution at the 2024 annual general meeting to be held before the end of June 2025 to re-appoint BDO CHINA Shu Lun Pan Certified Public Accountants LLP as the auditor of the Company.

SHARE CAPITAL

Details of the share capital of the Company are set out in Note V 33 to the financial statements prepared in accordance with the ASBE.

PRE-EMPTIVE RIGHTS

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

SUBSTANTIAL SHAREHOLDERS' INTERESTS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY

To the best knowledge of the Directors, as at 31 December 2024, Shareholders who had interests or short positions in the shares and underlying shares of the Company required to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the Securities and Futures Ordinance (the "SFO"), or required to be recorded in the register required to be kept by the Company under Section 336 of the SFO were as follows:

Name of Shareholder	Class of shares	Number of shares/ underlying shares held (Note 1)	Capacity	Approximate percentage in 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	Beneficial owner	16.22	4.20
Pope Asset Management, LLC	H shares	21,950,247	Investment manager	10.60	2.74
Shah Capital Management	H shares	18,040,000	Investment manager	8.71	2.26

- (1) The number of H shares is based on records filed by the Shareholders and/or enquiries made by the Company with the Shareholders, taking into account the issue of bonus shares by the Company in 2015.

DIRECTORS' REPORT

- (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 69.36% 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 of the Company held by Sinopec (Hong Kong) Limited respectively.

Save as disclosed above, as at 31 December 2024, the Company was not aware of any Shareholders who had other interests or short positions in the shares or underlying shares of the Company 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.

SUBSTANTIAL SHAREHOLDERS WITH A SHAREHOLDING OF 10% OR MORE IN THE COMPANY

The shareholding structure of the Company as at 31 December 2024 is as follows:

Shareholder	Class of shares	Number of shares (shares)	Percentage of shareholding (%)
GCGC	Domestic shares	592,847,800	74.12
Public Shareholders	H shares	207,000,000	25.88
Total		799,847,800	100

GCGC is a controlling Shareholder of the Company. Its legal representative is Deng Xiaohua and its registered capital as at 31 December 2024 was RMB26,800,000,000. It is principally engaged in the investment, construction and management of expressways in Guangdong Province, as well as logistics and transportation business.

SUFFICIENCY OF PUBLIC FLOAT

Based on information that is publicly available to the Company and to the best knowledge of the Directors, as required by the Listing Rules, the percentage of public float exceeds 25% of the shares in issue of the Company as at the date of this report.

MATERIAL LITIGATION OR ARBITRATION

As of the date of this report, the Board was aware of the following material litigation involving the Company:

The Company has brought legal proceedings before the Guangzhou Intermediate People's Court against Tangshan Shuihou Steel Rolling Mill No.1 (唐山市稅後軋鋼一廠), Tangshan Xingye Industrial & Trading Group Co., Ltd. (唐山興業工貿集團有限公司) and Tangshan Kaiping District Xingye Steel Rolling Mill (唐山市開平區興業軋製廠) to recover the sum paid in advance by the Company to purchase steel products in the amount of RMB472,397,000 together with compensation for breach of contract. The Company has applied to the court for a charging order against the defendants' assets. The Guangzhou Intermediate People's Court gave its judgment on 7 June 2011, pursuant to which the defendants had to repay the prepayments of the Company with a penalty of RMB477,490,263.25 in total. On 12 July 2011, the Guangzhou Intermediate People's Court issued a certificate of judgment 《裁判文書生效證明》 to confirm that the relevant ruling became effective on 30 June 2011. The Company has applied to the court for filing and executing the certificate which is currently being executed by the court. The obligor, Tangshan Xingye Industrial & Trading Group Co., Ltd. has filed for bankruptcy petition to Tangshan Kaiping District People's Court due to insolvency, and the court has decided to accept the bankruptcy petition filed by it on 28 February 2014. In March 2015, receiver of Tangshan Xingye Industry & Trade Group Co., Ltd. informed the Company that Tangshan Kaiping District People's Court has accepted the merger and bankruptcy case of seven related enterprises including Tangshan Shuihou Steel Rolling Mill No.1, Tangshan Xingye Industrial & Trading Group Co., Ltd. and Tangshan Kaiping District Xingye Steel Rolling Mill. Guangzhou Intermediate People's Court later ruled that the above case was closed as 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 strengthen its effort to recover the aforesaid defaulted prepayments. In 2015 and 2019, the Company received three sets of properties as set-off of the debt from the partners of Tangshan Kaiping District Xingye Steel Rolling Mill amounting to RMB3,424,779.00 and RMB5,301,120.45 allocated from the bankruptcy of Tangshan Xingye Industrial & Trading Group Co., Ltd., respectively. The balance of the prepayment defaulted by Tangshan Xingye Group to the Company is currently RMB468,764,363.80, which has been fully provided for impairment with net book value of zero. As the possibility of recovering the relevant amounts is uncertain, the Company has written off such prepayments. Please refer to the announcement published by Company on 9 December 2022 for details. In 2023, the Company received an allocation of RMB1,150,000.00 from receiver of Tangshan Xingye Industry & Trade Group Co., Ltd.

On behalf of the Board

Zhu Fang

Chairman of the Board

Guangzhou, the PRC

13 March 2025



SUPERVISORS' REPORT

Dear Shareholders:

In 2024, based on the principle of safeguarding the interest of all Shareholders, the Supervisory Committee lawfully performed its supervisory functions in accordance with the relevant requirements under the Company Law, the Articles of Association and the Stock Exchange. The Supervisory Committee monitored the Company's production and operation activities, financial position and the performance by the Directors and senior management members of their duties, providing strong support for the Company's standardized operations. We hereby present the tasks carried out by the Supervisory Committee of the Company for the year:

I. CONVENING SUPERVISORY COMMITTEE MEETINGS

In 2024, the Supervisory Committee of the Company had convened two meetings of the Supervisory Committee: the fourth and fifth meetings of the eighth session. The convening and holding of the meeting complied with the relevant provisions of the Company Law and the Articles of Association, and the resolutions of the meeting were legal and valid.

Upon due consideration at the meeting, the following three resolutions were approved unanimously:

1. considered and approved Annual Work Report of the Supervisory Committee for 2023;
2. considered and approved Work Plan of the Supervisory Committee for 2024;
3. considered and approved Supervision and Inspection Report of the Company for 2023;

The following reports and proposals of the Company were agreed unanimously upon appraisal:

1. Annual Report and Results Announcement 2023;
2. Financial final report 2023;
3. Financial Budget Report 2024;
4. Profit Distribution Plan 2023;
5. Proposal on Application for Integrated Financial Institution Facilities (Borrowings);
6. Internal Control Appraisal Report 2023;
7. Debt Risk Analysis Report 2023;
8. Status on Completion of Investment 2023 and Investment Plan 2024;
9. Proposal on Engaging an Accounting Firm;
10. Internal Audit Plan 2024;
11. Interim Report 2024 of the Company.

II. MAJOR TASKS PERFORMED BY THE SUPERVISORY COMMITTEE DURING THE YEAR ENDED 31 DECEMBER 2024

In 2024, members of the Supervisory Committee attended various meetings relating to major business operations and decision making of the Company, such as meetings of the party committee, the Board and general manager office, they have also reviewed and monitored the voting procedures for major decisions and resolutions, and examined the lawful operation of the Company.

Regarding the Company's major investments, significant capital flows, financial position and other significant events which require shareholder notification, the Supervisory Committee conducted investigation and survey activities and one specific review during the year ended 31 December 2024, involving the Company and its subsidiaries.

III. INDEPENDENT OPINIONS OF THE SUPERVISORY COMMITTEE ON RELATED MATTERS OF THE COMPANY

(I) THE OPERATION OF THE COMPANY ACCORDING TO THE LAWS

In 2024, the procedures for convening board meetings and the process for passing resolutions complied with laws and regulations. The Board was able to strictly execute each of the resolutions and authorizations given at the general meetings. Directors and the management of the Company were able to perform their duties in accordance with the resolutions of the general meetings. The Supervisory Committee was not aware of any violation of the laws, regulations and the Articles of Association or other matters which will damage the interest of the Company and the Shareholders in the course of performing corporate duties by Directors and senior management of the Company.

(II) CONNECTED TRANSACTIONS

The Company was able to enter into connected transactions at market prices based on the principles of being open, fair and just, with no adverse effects on the interests of minority Shareholders holding small to medium sized shareholdings in the Company or the interests of the Company.

(III) FINANCIAL AUDIT OF THE COMPANY

BDO CHINA Shu Lun Pan Certified Public Accountants LLP has audited the 2024 financial statements of the Company, and has issued a standard unqualified audit report. As confirmed by the Supervisory Committee, the 2024 financial statements of the Company fairly reflect the financial position and operating results of the Company and are truthful and objective.

Zhou Yihua

Chairman of the Supervisory Committee

Guangzhou, the PRC

13 March 2025



AUDITOR'S REPORT

Xin Kuai Shi Bao Zi [2025] No. ZC10086

To the shareholders of Guangdong Yueyun Transportation Company Limited:

I. OPINION

We have audited the accompanying financial statements of Guangdong Yueyun Transportation Company Limited (the "Company"), which comprise the consolidated and company balance sheets as at 31 December 2024, the consolidated and company income statements, the consolidated and company cash flow statements, the consolidated and company statements of changes in shareholders' equity for the year then ended, and notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated and company financial position of the Company as at 31 December 2024, and the consolidated and company financial performance and cash flows of the Company for the year then ended in accordance with Accounting Standards for Business Enterprises.

II. BASIS FOR OPINION

We conducted our audit in accordance with China Standards on Auditing for Certified Public Accountants. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the China Code of Ethics for Certified Public Accountants ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

III. KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We identify the following key audit matters during our audit:

Recognition of government subsidies

Please refer to note III 26 significant accounting policies and accounting estimates and notes V 32, 41, 46 and 53 to the consolidated financial statements.

The Key Audit Matter

The Group obtains various subsidies from government authorities in connection with its passenger transportation business, and the total amount of such government subsidies in 2024 is about RMB397 million. These subsidies principally comprise vehicles related subsidies, fuel subsidies and subsidies for public bus operations. Specific conditions are generally attached to the subsidies which are subject to formal application and approval procedures.

Management evaluates, on a periodic basis, whether the Group has complied with the relevant conditions attached to each subsidy and whether reasonable assurance has been obtained that the subsidies will be received, in order to determine the timing and amounts of subsidies to be recognised.

Management further assesses the terms and designated usage of each subsidy and classifies them either as asset related subsidies or subsidies to compensate for expenses incurred. Asset related subsidies are recognised as deferred income and are amortised over the useful lives of the related assets on a reasonable and systematic manner as other income. Subsidies to compensate for expenses or losses already incurred are offset against related expenses directly, or included in other income or non-operating income when the subsidies are received or when reasonable assurance has been obtained that the subsidies will be received.

We identified the recognition of government subsidies as a key audit matter because the amount of subsidies is material to the consolidated financial statements and the exercise of significant management judgement is required in assessing whether the conditions attached to the subsidies have been met and whether there is reasonable assurance that the subsidies will be received.

How the matter was addressed in our audit

Our audit procedures to assess the recognition of government subsidies included the following:

- Inspecting, on a sample basis, documentation relating to the subsidies given by government authorities and identifying the specific conditions attached to the respective subsidies and respective application and approval procedures;
- Obtaining an understanding of the basis of management's judgement about whether the conditions attached to the subsidies have been met and whether reasonable assurance has been obtained that the subsidies will be received and evaluating, on a sample basis, management's judgement by examining the terms of the underlying documentation and by examining the information used by management to form such judgements, which included analyses of relevant operation data, application and approval documents and other correspondence with the government authorities;
- Assessing, on a sample basis, the classification of subsidies with reference to the terms of the underlying documentation;
- In respect of asset related subsidies, recalculating, on a sample basis, the amortisation charge for the current year and comparing our calculations with the amounts recorded by the Group;
- In respect of subsidies to compensate for expenses or losses incurred recorded during the current year, comparing, on a sample basis, costs actually incurred with the descriptions of expenses for which the subsidies are to compensate in the relevant documents and correspondence from the government authorities to assess whether the criteria for offsetting against related expenses, or including in other income or non-operating income have been met; and
- Inspecting bank-in slips, on a sample basis, for the subsidies which were received during the current year.

AUDITOR'S REPORT

Xin Kuai Shi Bao Zi [2025] No. ZC10086

III. KEY AUDIT MATTERS (CONTINUED)

Impairment of vehicle asset groups

Refer to note III 21 significant accounting policies and accounting estimates and notes V 11,12,13,14,16 and 17 to the financial statements.

The Key Audit Matter

As at 31 December 2024, the non-current assets related to vehicles operation of the Group mainly include fixed assets, construction in progress, intangible assets, long-term deferred expenses, right-of-use assets and allocated corresponding goodwill ("vehicle asset groups").

Influenced by changes in the way people travel, the indication of impairment of vehicle asset groups exists, the recoverable amount of the asset groups is estimated. The management conducts impairment testing on the vehicle asset groups with indication of impairment, and estimates the recoverable amount of the vehicle asset groups.

The recoverable amount of an asset group is the higher of its fair value less costs of disposal and its present value of expected future cash flows.

The net amount of the fair value less costs of disposal of the asset groups shall be determined according to the market price of the asset group less the disposal expenses.

The present value of expected future cash flows of an asset groups is determined by discounting the future cash flows, estimated to be derived from continuing use of the asset and from its ultimate disposal, to their present value using an appropriate discount rate.

As the carrying amount of the vehicle asset groups are material to the financial statements, and the management's evaluation of the recoverable amount of the vehicle asset groups involves the management's significant judgment and estimation, especially for the judgment and estimation of the expected future cash flow and the discount rate used, we identified the impairment of the vehicle asset group as the key audit matter.

How the matter was addressed in our audit

Our audit procedures to assess the impairment of vehicle asset groups included the following:

- Obtaining an understand of the key internal control over financial reporting related to management's impairment test of vehicle asset groups, and evaluate its design and operating effectiveness;
- Evaluating the appropriateness of the methodologies adopted by the management to identify the indication of the impairment of the asset groups and the method to perform impairment testing based on the requirements of Accounting Standards for Business Enterprises;
- Evaluating the appropriateness of the key assumptions such as the revenue growth rate and operating profit rate used by the management in the cash flow forecast based on our understanding of the business and industry in which the Group operate and considering the historical operation records and scale of the vehicle asset groups;
- Use the work of valuation experts to evaluate the appropriateness of the discount rate used in the present value of estimated cash flow forecast;
- Compare the key assumptions such as revenue growth rate and operating profit rate used in calculating the present value of cash flow forecast in the previous year's goodwill impairment testing with the actual situation of the current year to evaluate whether there is any indication of management bias;
- Perform sensitivity analysis of the key assumptions such as revenue growth rate, operating profit rate and discount rate used in the present value of the cash flow forecast of the asset groups. Evaluate the impact of changes in the key assumptions on the impairment evaluation results and consider whether the selection of the key assumptions consist management bias;
- Check the relevant basis for the management to calculate the fair value of the vehicle asset groups and the relevant disposal expenses, including the Group's valuation report on the disposal of vehicles in the historical period and other supporting documents;
- Review the accuracy of the management's calculation of the impairment testing of the vehicle asset groups; and evaluate whether the management's disclosure of the impairment of the vehicle asset groups and goodwill in the financial statements is in accordance with the Accounting Standards for Business Enterprises.

IV. OTHER INFORMATION

The Company's management ("management") is responsible for the other information. The other information comprises all the information included in 2024 annual report of the Company, other than the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

V. RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the Accounting Standards for Business Enterprises, and for the design, implementation and maintenance of such internal control necessary to enable that the financial statements are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

AUDITOR'S REPORT

Xin Kuai Shi Bao Zi [2025] No. ZC10086

VI. AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the auditing standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- (1) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- (2) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal control.
- (3) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- (4) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- (5) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- (6) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

VI. AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS *(CONTINUED)*

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and, where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

BDO CHINA Shu Lun Pan
Certified Public Accountants LLP

Shanghai • China

Certified Public Accountant of China
Jiang Gan (Engagement Partner)

Certified Public Accountant of China
Chang Yuying

13 March 2025

CONSOLIDATED BALANCE SHEET

As at 31 December 2024

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

	Note V	31 December 2024	31 December 2023
Assets			
Current assets:			
Cash at bank and on hand	1	1,443,130,391.29	1,102,710,458.51
Bills receivable	2	400,000.00	500,000.00
Accounts receivable	3	258,821,081.03	343,606,007.30
Prepayments	4	200,945,440.05	177,212,248.22
Other receivables	5	592,661,831.54	676,364,559.01
Inventories	6	122,641,321.68	116,394,019.79
Other current assets	7	48,005,033.04	37,121,903.49
Total current assets		2,666,605,098.63	2,453,909,196.32
Non-current assets:			
Long-term equity investments	8	425,595,444.04	395,888,181.67
Investments in other equity instruments	9	194,401.33	223,272.98
Investment properties	10	266,068,070.27	340,597,127.55
Fixed assets	11	1,959,016,114.87	2,390,537,513.74
Construction in progress	12	31,939,629.08	20,061,156.78
Right-of-use assets	13	2,310,143,470.51	1,800,019,149.39
Intangible assets	14	617,479,697.12	691,758,827.36
Development expenditure	15	1,102,236.33	522,421.15
Goodwill	16	11,099,709.51	26,744,839.64
Long-term deferred expenses	17	204,904,105.42	253,860,802.09
Deferred tax assets	18	152,776,797.28	132,940,982.95
Other non-current assets	19	77,135,003.44	96,304,833.99
Total non-current assets		6,057,454,679.20	6,149,459,109.29
Total assets		8,724,059,777.83	8,603,368,305.61

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

CONSOLIDATED BALANCE SHEET (Continued)

As at 31 December 2024
(Unless otherwise stated, all amounts are denominated in Renminbi Yuan)

	Note V	31 December 2024	31 December 2023
Liabilities and shareholders' equity			
Current liabilities:			
Short-term loans	20	368,550,148.34	445,872,428.68
Accounts payable	21	676,079,874.58	557,734,954.12
Advances from customers	22	118,905,815.30	81,161,524.13
Contract liabilities	23	68,556,815.47	58,497,321.69
Employee benefits payable	24	209,816,524.65	207,817,120.80
Taxes payable	25	82,793,402.66	91,842,732.06
Other payables	26	694,955,680.63	696,061,086.14
Non-current liabilities due within one year	27	505,826,347.00	421,415,221.31
Total current liabilities		2,725,484,608.63	2,560,402,388.93
Non-current liabilities:			
Long-term loans	28	370,147,647.01	872,009,713.05
Lease liabilities	29	2,469,579,814.55	1,833,134,415.92
Long-term payables	30	34,599,960.41	140,351,914.14
Long-term employee benefits payable	31	139,841,506.26	157,202,263.47
Deferred income	32	341,725,565.04	368,225,943.95
Deferred tax liabilities	18	36,820,070.66	55,136,309.92
Total non-current liabilities		3,392,714,563.93	3,426,060,560.45
Total liabilities		6,118,199,172.56	5,986,462,949.38

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

CONSOLIDATED BALANCE SHEET (Continued)

As at 31 December 2024

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

	Note V	31 December 2024	31 December 2023
Liabilities and shareholders' equity <i>(continued)</i>			
Shareholders' equity:			
Share capital	33	799,847,800.00	799,847,800.00
Capital reserve	34	21,781,436.03	21,862,542.66
Other comprehensive income	35	(33,666,160.93)	(30,609,457.82)
Specific reserve	36	36,096,290.62	33,769,964.27
Surplus reserve	37	259,176,302.97	246,913,317.41
Retained earnings	38	1,002,904,081.67	842,647,338.85
Total equity attributable to shareholders of the Company		2,086,139,750.36	1,914,431,505.37
Non-controlling interests		519,720,854.91	702,473,850.86
Total shareholders' equity		2,605,860,605.27	2,616,905,356.23
Total liabilities and shareholders' equity		8,724,059,777.83	8,603,368,305.61

The person in charge
of the Company
Zhu Fang

The person in charge
of accounting affairs
Huang Wenban

The head of the
accounting department
Zeng Mengyun

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

COMPANY BALANCE SHEET

As at 31 December 2024

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

	Note XV	31 December 2024	31 December 2023
Assets			
Current Assets:			
Cash at bank and on hand		872,853,135.03	642,080,698.45
Accounts receivable	1	12,605,951.73	15,133,117.91
Prepayments		3,136,256.55	6,277,876.25
Other receivables	2	217,981,638.66	222,708,526.78
Inventories		–	134,966.64
Other current assets		97,938.75	527,005.09
Total current assets		1,106,674,920.72	886,862,191.12
Non-current assets:			
Long-term receivables		47,700,000.00	47,700,000.00
Long-term equity investments	3	1,589,840,653.92	1,722,444,859.40
Investments in other equity instruments		971,813.78	1,000,685.43
Fixed assets		2,905,872.72	3,114,626.63
Construction in progress		2,291,569.00	2,276,000.00
Right-of-use assets		98,386,945.17	1,651,930.35
Intangible assets		25,244,204.39	35,948,853.27
Long-term deferred expenses		498,224.34	1,461,944.68
Total non-current assets		1,767,839,283.32	1,815,598,899.76
Total assets		2,874,514,204.04	2,702,461,090.88

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

COMPANY BALANCE SHEET (Continued)

As at 31 December 2024

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

	Note XV	31 December 2024	31 December 2023
Liabilities and shareholders' equity			
Current liabilities:			
Accounts payable		20,616,555.34	13,725,149.34
Contract liabilities		6,833,884.05	5,258,859.68
Employee benefits payable		22,342,053.20	20,931,359.81
Taxes payable		5,900,148.26	5,730,801.24
Other payables		552,563,218.67	411,187,611.61
Non-current liabilities due within one year		18,896,854.90	4,261,147.74
Total current liabilities		627,152,714.42	461,094,929.42
Non-current liabilities:			
Long-term loans		243,500,000.00	391,500,000.00
Lease liabilities		87,005,437.78	892,782.36
Total non-current liabilities		330,505,437.78	392,392,782.36
Total liabilities		957,658,152.20	853,487,711.78
Shareholders' equity:			
Share capital		799,847,800.00	799,847,800.00
Capital reserve		117,238,669.53	117,238,669.53
Other comprehensive income		44,401.33	73,272.98
Surplus reserve		266,454,296.08	254,191,310.52
Retained earnings		733,270,884.90	677,622,326.07
Total shareholders' equity		1,916,856,051.84	1,848,973,379.10
Total liabilities and shareholders' equity		2,874,514,204.04	2,702,461,090.88

The person in charge
of the Company

Zhu Fang

The person in charge
of accounting affairs

Huang Wenban

The head of the
accounting department

Zeng Mengyun

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

CONSOLIDATED INCOME STATEMENT

For the year ended 31 December 2024
(Unless otherwise stated, all amounts are denominated in Renminbi Yuan)

Items	Note V	2024	2023
I. Total operating income		7,200,338,305.93	7,227,231,098.67
Including: Operating income	39	7,200,338,305.93	7,227,231,098.67
II. Total operating costs		7,337,298,365.24	7,366,936,804.42
Including: Operating costs	39	6,550,388,644.61	6,580,451,362.46
Taxes and surcharges		46,386,739.40	47,793,824.56
Selling and distribution expenses		64,062,426.65	58,757,634.05
General and administrative expenses		470,985,857.90	492,604,375.25
Research and development expenses		5,492,718.04	7,044,729.80
Financial expenses	40	199,981,978.64	180,284,878.30
Add: Other income	41	343,125,834.79	362,142,659.89
Investment income	42	95,945,365.18	96,908,895.23
Accrual of credit losses	43	(5,061,774.55)	(18,377,524.92)
Impairment losses	44	(11,120,671.80)	(39,380,629.66)
Gains from asset disposals	45	23,509,572.73	34,209,054.95
III. Operating profit		309,438,267.04	295,796,749.74
Add: Non-operating income	46	12,876,244.45	15,266,621.50
Less: Non-operating expenses	47	14,226,264.80	12,498,411.76

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

CONSOLIDATED INCOME STATEMENT (Continued)

For the year ended 31 December 2024

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

Items	Note V	2024	2023
IV. Profit before income tax		308,088,246.69	298,564,959.48
Less: Income tax expenses	48	78,795,237.25	84,738,115.66
V. Net profit		229,293,009.44	213,826,843.82
(1) Net profit classified by continuity of operations			
1. Net profit from continuing operations		229,293,009.44	213,826,843.82
2. Net profit from discontinued operations		–	–
(2) Net profit (loss) classified by ownership			
Attributable to:			
1. Shareholders of the Company		236,507,552.38	201,887,517.27
2. Non-controlling interests		(7,214,542.94)	11,939,326.55
VI. Other comprehensive income, net of tax		(1,092,016.38)	6,321,101.29
Other comprehensive income (net of tax) attributable to shareholders of the Company		(3,056,703.11)	5,517,440.07
(1) Items that will not be reclassified to profit or loss		(467,916.22)	(4,877,491.38)
1. Remeasurement of defined benefit plan		(439,044.57)	(1,761,404.36)
2. Changes in fair value of investments in other equity instruments		(28,871.65)	(3,116,087.02)
(2) Items that may be reclassified subsequently to profit or loss		(2,588,786.89)	10,394,931.45
1. Other comprehensive income that may be reclassified subsequently to profit or loss under the equity method		(4,036,848.21)	9,040,762.76
2. Translation differences arising from translation of foreign currency financial statements		1,448,061.32	1,354,168.69
Other comprehensive income (net of tax) attributable to non-controlling interests		1,964,686.73	803,661.22
VII. Total comprehensive income		228,200,993.06	220,147,945.11
Attributable to:			
Shareholders of the Company		233,450,849.27	207,404,957.34
Non-controlling interests		(5,249,856.21)	12,742,987.77
VIII. Earnings per share:			
(1) Basic earnings per share (RMB/share)	49	0.30	0.25
(2) Diluted earnings per share (RMB/share)	49	0.30	0.25

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

The person in charge
of the Company
Zhu Fang

The person in charge
of accounting affairs
Huang Wenban

The head of the
accounting department
Zeng Mengyun

COMPANY INCOME STATEMENT

For the year ended 31 December 2024
(Unless otherwise stated, all amounts are denominated in Renminbi Yuan)

Items	Note XV	2024	2023
I. Operating income	4	143,321,343.82	154,650,173.01
Less: Operating costs	4	36,388,277.41	39,691,918.69
Taxes and surcharges		706,762.18	639,861.53
Selling and distribution expenses		24,991.91	44,112.45
General and administrative expenses		80,351,003.49	79,937,900.70
Research and development expenses		–	1,230,163.90
Financial expenses		(3,714,516.25)	(283,301.06)
Add: Other income		–	–
Investment income	5	96,569,377.01	19,055,584.17
Accrual of credit losses		3,706,855.62	2,925,914.09
Impairment losses		(7,004,900.00)	–
Gains from asset disposals		61,690.95	–
II. Operating profit		122,897,848.66	55,371,015.06
Add: Non-operating income		–	19,801.29
Less: Non-operating expenses		267,993.10	197,026.46
III. Profit before income tax		122,629,855.56	55,193,789.89
Less: Income tax expenses		–	–
IV. Net profit		122,629,855.56	55,193,789.89
1. Net profit from continuing operations		122,629,855.56	55,193,789.89
2. Net profit from discontinued operations		–	–
V. Other comprehensive income, net of tax		(28,871.65)	73,272.98
(1) Items that will not be reclassified to profit or loss		(28,871.65)	73,272.98
1. Changes in fair value of investments in other equity instruments		(28,871.65)	73,272.98
(2) Items that may be reclassified subsequently to profit or loss		–	–
VI. Total comprehensive income		122,600,983.91	55,267,062.87

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

The person in charge
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Zhu Fang

The person in charge
of accounting affairs
Huang Wenban

The head of the
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Zeng Mengyun

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 December 2024

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

Items	Note V	2024	2023
I. Cash flows from operating activities			
Proceeds from sale of goods and rendering of services		7,995,241,928.49	7,912,480,762.77
Cash received relating to other operating activities		359,815,725.64	564,151,388.02
Sub-total of cash inflows		8,355,057,654.13	8,476,632,150.79
Payment for goods and services		5,190,608,434.32	5,320,638,807.88
Payment to and for employees		1,527,658,281.77	1,718,164,081.56
Payment of various taxes		320,906,347.41	321,988,293.49
Payment relating to other operating activities		163,444,595.75	111,952,019.12
Sub-total of cash outflows		7,202,617,659.25	7,472,743,202.05
Net cash inflow from operating activities	51	1,152,439,994.88	1,003,888,948.74
II. Cash flows from investing activities			
Investment return received		11,340,168.57	1,555,665.69
Proceeds from investment income		62,462,956.52	12,983,676.00
Net proceeds from disposal of fixed assets, intangible assets and other long-term assets		48,092,244.65	69,261,870.23
Net cash received from disposal of subsidiaries and other business entities	51	163,849,825.23	14,860,049.85
Proceeds from other investing activities		–	15,274,127.29
Sub-total of cash inflows		285,745,194.97	113,935,389.06
Payment for acquisition of fixed assets, intangible assets and other long-term assets		313,124,603.85	144,938,691.45
Payment for acquisition of investments		11,128,276.59	4,700,000.00
Sub-total of cash outflows		324,252,880.44	149,638,691.45
Net cash outflow from investing activities		(38,507,685.47)	(35,703,302.39)

CONSOLIDATED CASH FLOW STATEMENT (Continued)

For the year ended 31 December 2024
(Unless otherwise stated, all amounts are denominated in Renminbi Yuan)

Items	Note V	2024	2023
III. Cash flows from financing activities			
Proceeds from borrowings		352,728,544.87	1,137,717,401.46
Cash received from other financing activities		–	3,000,000.00
Sub-total of cash inflows		352,728,544.87	1,140,717,401.46
Repayments of borrowings		674,758,685.56	1,511,571,905.52
Payment for profit distributions or interest		165,554,682.36	120,105,827.49
Payments relating to other financing activities		288,717,482.71	337,034,094.30
Sub-total of cash outflows		1,129,030,850.63	1,968,711,827.31
Net cash outflow from financing activities		(776,302,305.76)	(827,994,425.85)
IV. Effect of foreign exchange rate changes on cash and cash equivalents		1,661,966.02	474,744.80
V. Net increase in cash and cash equivalents		339,291,969.67	140,665,965.30
Add: Cash and cash equivalents at the beginning of the year		1,085,764,984.96	945,099,019.66
VI. Cash and cash equivalents at the end of the year		1,425,056,954.63	1,085,764,984.96

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

The person in charge
of the Company
Zhu Fang

The person in charge
of accounting affairs
Huang Wenban

The head of the
accounting department
Zeng Mengyun

COMPANY CASH FLOW STATEMENT

For the year ended 31 December 2024

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

Items	2024	2023
I. Cash flows from operating activities		
Proceeds from sale of goods and rendering of services	154,674,680.59	175,978,543.13
Cash received relating to other operating activities	17,782,864.70	63,228,839.06
Sub-total of cash inflows	172,457,545.29	239,207,382.19
Payment for goods and services	15,908,556.53	17,419,423.13
Payment to and for employees	47,629,265.40	47,744,020.34
Payment of various taxes	5,364,775.72	5,155,737.96
Payment relating to other operating activities	61,337,444.13	62,305,385.98
Sub-total of cash outflows	130,240,041.78	132,624,567.41
Net cash inflow from operating activities	42,217,503.51	106,582,814.78
II. Cash flows from investing activities		
Investment return received	184,816,394.57	21,224,036.00
Proceeds from investment income	91,826,617.72	40,642,237.31
Net proceeds from disposal of fixed assets, intangible assets and other long-term assets	151,280.00	60,966.46
Cash received relating to other investing activities	–	20,000,000.00
Sub-total of cash inflows	276,794,292.29	81,927,239.77
Payment for acquisition of fixed assets, intangible assets and other long-term assets	1,136,435.00	348,486.00
Sub-total of cash outflows	1,136,435.00	348,486.00
Net cash inflow from investing activities	275,657,857.29	81,578,753.77

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

COMPANY CASH FLOW STATEMENT (Continued)

For the year ended 31 December 2024
(Unless otherwise stated, all amounts are denominated in Renminbi Yuan)

Items	2024	2023
III. Cash flows from financing activities		
Proceeds from borrowings	–	248,500,000.00
Cash received from other financing activities	143,256,171.07	–
Sub-total of cash inflows	143,256,171.07	248,500,000.00
Repayments of borrowings	150,000,000.00	251,500,000.00
Payment for profit distributions or interest	73,916,000.51	12,314,094.02
Payments relating to other financing activities	6,390,263.00	61,994,552.32
Sub-total of cash outflows	230,306,263.51	325,808,646.34
Net cash outflow from financing activities	(87,050,092.44)	(77,308,646.34)
IV. Effect of foreign exchange rate changes on cash and cash equivalents	(52,831.78)	–
V. Net increase in cash and cash equivalents	230,772,436.58	110,852,922.21
Add: Cash and cash equivalents at the beginning of the year	642,080,698.45	531,227,776.24
VI. Cash and cash equivalents at the end of the year	872,853,135.03	642,080,698.45

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

The person in charge
of the Company
Zhu Fang

The person in charge
of accounting affairs
Huang Wenban

The head of the
accounting department
Zeng Mengyun

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

For the year ended 31 December 2024

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

Items	2024								
	Attributable to shareholders of the Company								Total shareholders' equity
	Share capital	Capital reserve	Other comprehensive income	Specific reserve	Surplus reserve	Retained earnings	Sub-total	Non-controlling interests	
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 year	-	(81,106.63)	(3,056,703.11)	2,326,326.35	12,262,985.56	160,256,742.82	171,708,244.99	(182,752,995.95)	(11,044,750.96)
(I) Total comprehensive income	-	-	(3,056,703.11)	-	-	236,507,552.38	233,450,849.27	(5,249,856.21)	228,200,993.06
(II) Shareholders' contributions and reduction	-	(81,106.63)	-	-	-	-	(81,106.63)	(134,741,874.33)	(134,822,980.96)
1. Others	-	(81,106.63)	-	-	-	-	(81,106.63)	(134,741,874.33)	(134,822,980.96)
(III) Appropriation of profits	-	-	-	-	12,262,985.56	(76,250,809.56)	(63,987,824.00)	(48,504,942.93)	(112,492,766.93)
1. Appropriations for surplus reserve	-	-	-	-	12,262,985.56	(12,262,985.56)	-	-	-
2. Distributions to shareholders	-	-	-	-	-	(63,987,824.00)	(63,987,824.00)	(48,504,942.93)	(112,492,766.93)
(IV) Internal transfer of equity	-	-	-	-	-	-	-	-	-
(V) Specific reserve	-	-	-	2,326,326.35	-	-	2,326,326.35	5,743,677.52	8,070,003.87
1. Accrued	-	-	-	39,283,649.42	-	-	39,283,649.42	17,542,862.64	56,826,512.06
2. Utilised	-	-	-	36,957,323.07	-	-	36,957,323.07	11,799,185.12	48,756,508.19
IV. Balance as at 31 December 2024	799,847,800.00	21,781,436.03	(33,666,160.93)	36,096,290.62	259,176,302.97	1,002,904,081.67	2,086,139,750.36	519,720,854.91	2,605,860,605.27

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

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY (Continued)

For the year ended 31 December 2024
(Unless otherwise stated, all amounts are denominated in Renminbi Yuan)

Items	2023								
	Attributable to shareholders of the Company								Total shareholders' equity
	Share capital	Capital reserve	Other comprehensive income	Specific reserve	Surplus reserve	Retained earnings	Sub-total	Non-controlling interests	
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 year	-	3,186,700.03	5,517,440.07	5,791,010.00	5,519,378.99	196,368,138.28	216,382,667.37	(81,232,787.33)	135,149,880.04
(I) Total comprehensive income	-	-	5,517,440.07	-	-	201,887,517.27	207,404,957.34	12,742,987.77	220,147,945.11
(II) Shareholders' contributions and reduction	-	3,186,700.03	-	-	-	-	3,186,700.03	(45,831,519.19)	(42,644,819.16)
1. Others	-	3,186,700.03	-	-	-	-	3,186,700.03	(45,831,519.19)	(42,644,819.16)
(III) Appropriation of profits	-	-	-	-	5,519,378.99	(5,519,378.99)	-	(50,966,363.11)	(50,966,363.11)
1. Appropriations for surplus reserve	-	-	-	-	5,519,378.99	(5,519,378.99)	-	-	-
2. Distributions to shareholders	-	-	-	-	-	-	-	(50,966,363.11)	(50,966,363.11)
(IV) Internal transfer of equity	-	-	-	-	-	-	-	-	-
(V) Specific reserve	-	-	-	5,791,010.00	-	-	5,791,010.00	2,822,107.20	8,613,117.20
1. Accrued	-	-	-	31,701,654.62	-	-	31,701,654.62	14,824,932.16	46,526,586.78
2. Utilised	-	-	-	25,910,644.62	-	-	25,910,644.62	12,002,824.96	37,913,469.58
IV. 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

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

The person in charge
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Zhu Fang

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Huang Wenban

The head of the
accounting department
Zeng Mengyun

COMPANY STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

For the year ended 31 December 2024

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

Items	2024						Total shareholders' equity
	Share capital	Capital reserve	Other comprehensive income	Specific reserve	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: 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 year	-	-	(28,871.65)	-	12,262,985.56	46,379,046.00	58,613,159.91
(I) Total comprehensive income	-	-	(28,871.65)	-	-	122,629,855.56	122,600,983.91
(II) Shareholders' contributions and reduction	-	-	-	-	-	-	-
(III) Appropriation of profits	-	-	-	-	12,262,985.56	(76,250,809.56)	(63,987,824.00)
1. Appropriation for surplus reserve	-	-	-	-	12,262,985.56	(12,262,985.56)	-
2. 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 31 December 2024	799,847,800.00	117,238,669.53	44,401.33	-	266,454,296.08	733,270,884.90	1,916,856,051.84

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

Items	2023						Total shareholders' equity
	Share capital	Capital reserve	Other comprehensive income	Specific reserve	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 year	-	-	73,272.98	-	5,519,378.99	49,674,410.90	55,267,062.87
(I) Total comprehensive income	-	-	73,272.98	-	-	55,193,789.89	55,267,062.87
(II) Shareholders' contributions and reduction	-	-	-	-	-	-	-
(III) Appropriation of profits	-	-	-	-	5,519,378.99	(5,519,378.99)	-
1. Appropriations for surplus reserves	-	-	-	-	5,519,378.99	(5,519,378.99)	-
(IV) Internal transfer of equity	-	-	-	-	-	-	-
(V) Specific reserve	-	-	-	-	-	-	-
1. Accrued	-	-	-	288,887.10	-	-	288,887.10
2. Utilised	-	-	-	288,887.10	-	-	288,887.10
IV. 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

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

The person in charge
of the Company
Zhu Fang

The person in charge
of accounting affairs
Huang Wenban

The head of the
accounting department
Zeng Mengyun

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 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 FINANCIAL STATEMENTS

For the year ended 31 December 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.

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

This financial statements were approved by the board of directors of the Company on 13 March 2025.

II. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

1. Basis of preparation

The financial statements of the Group have been prepared in accordance with the requirements of Accounting Standard for Business Enterprises – Basic Standards and its relevant specific accounting standards, Application Guidance for Accounting Standards for Business Enterprises, Interpretation of Accounting Standards for Business Enterprises and other relevant requirements (collectively referred to as the “Accounting Standards for Business Enterprises”) issued by the Ministry of Finance (“MOF”) of the PRC. The 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 financial statements have been prepared on the going concern basis.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 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 financial statements have been prepared in accordance with the requirements of Accounting Standards for Business Enterprises issued by the MOF. These financial statements present truly and completely the consolidated financial position and financial position of the Company as at 31 December 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 year then ended.

2. Accounting Year

The Group has adopted the calendar year as its accounting year, from 1 January to 31 December.

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 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 *(Continued)*

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.

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 FINANCIAL STATEMENTS

For the year ended 31 December 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.

(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.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 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

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 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)*

(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.

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”.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

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

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

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024
(Unless otherwise stated, all amounts are denominated in Renminbi Yuan)

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

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 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)*

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

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

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

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

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.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 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)*

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

Financial assets (debt instruments) measured at fair value through other comprehensive income include other debt investment, of which initial measurement is made at fair value, and relevant transaction costs are included in the initially recognised amount. The subsequent measurement of such financial assets is made at fair value. Changes in fair value are included in other comprehensive income except for the interest calculated by the effective interest method. The dividends received are included in the current profit or loss.

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

(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.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 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)*

(5) *Financial liabilities measured at amortised cost*

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

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

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

(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.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 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)*

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 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*

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.

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 FINANCIAL STATEMENTS

For the year ended 31 December 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).

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

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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)

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.

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.

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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*

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.

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.

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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)*

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.

(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.

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

10. Financial instruments *(Continued)*

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

(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.

(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.

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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.

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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 FINANCIAL STATEMENTS

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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.

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.

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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*

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.

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.

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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

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.

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.

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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.

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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.

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.

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

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.

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.

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

17. Borrowing costs *(Continued)*

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.

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.

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

18. Intangible assets *(Continued)*

2) *Estimate of useful lives for intangible assets*

Category	Amortisation period (years)
Land use rights	20-70/uncertain
Joint operating earning rights	10
Software use right	5-10
Passenger service licenses	uncertain
Station franchise operating rights	38
Toll bridge franchise operating rights	28
Trademark rights	10
Line license use rights	3-20
Others	2-16.25

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

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

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.

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

18. Intangible assets *(Continued)*

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.

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.

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

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.

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 FINANCIAL STATEMENTS

For the year ended 31 December 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.

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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 FINANCIAL STATEMENTS

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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 FINANCIAL STATEMENTS

For the year ended 31 December 2024
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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 FINANCIAL STATEMENTS

For the year ended 31 December 2024

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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.

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.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 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)*

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

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(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*

(1) *Road passenger transportation and auxiliary services*

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

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

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

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

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

(3) *Taiping interchange assets operation revenue*

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

(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).

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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.

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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.

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.

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

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

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.

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.

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

28. Leases *(Continued)*

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.

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 FINANCIAL STATEMENTS

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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.

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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.

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.

NOTES TO THE FINANCIAL STATEMENTS

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

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

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

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

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.

2) *Impairment of assets except for inventories and financial assets*

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

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

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

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

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

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.

4) *Deferred tax assets*

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

5) *Liabilities of retirement benefits*

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

6) *Recognition of government subsidies*

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

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

34. Changes in significant accounting policies and accounting estimates

1) *Significant accounting policy changes*

(1) *Implement "Accounting Standards for Business Enterprises Interpretation No. 17"*

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

① Classification of Current and Non-current Liabilities

Interpretation No. 17 specifies that:

- If a company does not have the substantive right to defer settlement of liabilities for more than one year after the balance sheet date, such liabilities shall be classified as current liabilities.
- For liabilities arising from corporate loan arrangements, the right of a company to defer the settlement of liabilities to more than one year after the balance sheet date may depend on its performance of covenants as stipulated in the loan arrangement (hereinafter referred to as the covenants). A company, in determining whether or not it has a substantive right to defer settlement of the liability, shall only take into account the covenants that should have been complied with on or before the balance sheet date, and shall not take into account the covenants that should be complied with by the business enterprise after the balance sheet date.
- Settlement of a liability for the purpose of division of a liability based on liquidity means that the company discharges the liability by transferring cash, other economic resources (such as goods or services) or the company's own equity instruments to the counterparty. If the terms of the liability result in the company settling the liability by delivering its own equity instruments at the option of the counterparty, and if the company classifies the above option as an equity instrument and recognizes it separately as an equity component of a compound financial instrument in accordance with the requirements of the "Accounting Standards for Business Enterprises No. 37".
- Presentation of Financial Instruments", the terms of the liability shall not affect the liquidity classification of the liability.

NOTES TO THE FINANCIAL STATEMENTS

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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) *Implement "Accounting Standards for Business Enterprises Interpretation No. 17" (Continued)*

② Disclosures Regarding Suppliers Financing Arrangements

Interpretation No. 17 specifies that a company in making disclosure in notes shall summarize and disclose information about supplier financing arrangements, to assist users of the statements in assessing the impact of these arrangements on the liabilities, cash flows and exposure to liquidity risk of the company. The impact of supplier financing arrangements should also be considered when identifying and disclosing information about liquidity risk. The disclosure requirement applies only to supplier financing arrangements. A supplier financing arrangement is a transaction with the following characteristics: one or more financing providers providing funds for the payment of company's amounts due to its suppliers, with an agreement that the company shall make repayment to the finance providers in accordance with terms and conditions of the arrangement on or after the date the company receives payment from its suppliers. The supplier financing arrangement shall extend the payment period for the company or advance the collection period for the suppliers of the business enterprise compared to the original due date of payment.

③ Accounting Treatment for Sale and Leaseback Transactions

Interpretation No. 17 specifies that when a lessee subsequently measures a lease liability arising from sale and leaseback, the manner of which it determines the amount of the lease payments or the amount of the lease payments after the change shall not result in the recognition of a gain or loss relating to the right of use acquired in connection with the leaseback. A company shall make retrospective adjustments to sale and leaseback transactions initiated after the date of initial implementation of the "Accounting Standards for Business Enterprises No. 21 – Leasing" when implementing this requirement for the first time.

The Group has implemented the provisions of Interpretation No. 17 since 1 January 2024, and the implementation of this provision has no significant impact on the Group's financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

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

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

1) *Significant accounting policy changes (Continued)*

(2) *Implement Interim Provisions on Accounting Treatment of Enterprise Data Resources*

The MOF issued the “Interim Provisions on Accounting Treatment of Enterprise Data Resources” (Cai Kuai [2023] No. 11) on 1 August 2023, which is applicable to data resources recognized as assets such as intangible assets and inventories when these meet relevant requirements in Accounting Standards for Business Enterprises, and data resources legally or owned by the company that are expected to bring economic benefits to the company when they have not been recognized as they do not meet the criteria for recognition of assets. These provisions also provide specific requirements for disclosure of data resources.

These provisions were effective from 1 January 2024 and applied by the Group prospectively, and no adjustment is required to be made on the expenses relating to the financial data expensed and charged to profit or loss before the effective date of these provisions. The application of these provisions has no significant impact on the financial condition and results of operation of the Company.

(3) *Implement the provision of “Accounting Standards for Business Enterprises Interpretation No. 18” “Accounting for product quality warranties that do not fall within the category of standalone performance obligation”*

The MOF issued the “Accounting Standards for Business Enterprises Interpretation No. 18” (Cai Kuai [2024] No. 24, hereinafter referred to as “Interpretation No. 18”) on 6 December 2024. The Interpretation No. 18 became effective immediately upon issuance, with early adoption permitted for companies in fiscal years subsequent to the year of issuance.

Interpretation No. 18 stipulates that when accounting for provisions arising from assurance-type warranties (which do not constitute distinct performance obligations), enterprises shall: debit accounts such as “cost of sales” and “other operating costs,” and credit the “provision for liabilities” account, based on the determined amount of the provision, in accordance with Accounting Standards for Business Enterprises No. 13 – Contingencies. These amounts shall be: presented under “operating costs” in the income statement, and presented under “other current liabilities,” “non-current liabilities due within one year,” or “provisions” in the balance sheet.

For enterprises applying the interpretation for the first time, if assurance-type warranties were previously recognized in accounts such as “selling expenses,” retrospective adjustments shall be made in accordance with accounting policy changes.

The Group adopted the provisions of Interpretation No. 18 effective from 1 January 2024. The application of this interpretation has no material impact on the Group’s financial statements.

2) *Changes in significant accounting estimates*

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

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For the year ended 31 December 2024
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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 prior 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 FINANCIAL STATEMENTS

For the year ended 31 December 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
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%
Guangdong Guantong Expressway Luchan Operation Co., Ltd. (former name: Guangdong Tongyi Landscape Co., Ltd.)	20%
Yangshan County Yueyun Motor Inspection Co., Ltd.	20%
Shaoguan Polycor 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 FINANCIAL STATEMENTS

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

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

IV. TAXATION (CONTINUED)

2. Tax incentives (Continued)

Note 3: The applicable Hong Kong profits tax rate for the year 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.

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 smallscale taxpayers, small and micro-profit enterprises and individual business operators.

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

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

NOTES TO THE FINANCIAL STATEMENTS

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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. Details of cash at bank and on hand

Items	31 December 2024	31 December 2023
Cash on hand	3,869,621.30	4,007,698.06
Deposits with bank	1,421,187,333.33	1,081,757,286.90
Other monetary funds (Note 1)	18,073,436.66	16,945,473.55
Total	1,443,130,391.29	1,102,710,458.51

Note 1: The details of other monetary funds that are restricted in use due to mortgage, pledge or freezing are as follows:

Items	31 December 2024	31 December 2023
Performance security deposits	1,127,000.00	10,811,784.00
Property maintenance funds	4,637,257.05	4,616,257.35
Tourism quality security deposits	650,000.00	650,000.00
Judicial freeze (Note)	11,659,179.61	867,432.20
Total	18,073,436.66	16,945,473.55

Note: As at 31 December 2024, certain subsidiaries of the Company, namely Heyuan City Yueyun Motor Transportation Co., Ltd., and Shanwei Yueyun Automobile Transportation Co., Ltd. (including their subsidiaries), defaulted on debt repayments and were sued by creditors, who filed applications for property preservation. This resulted in the freezing of certain bank accounts and the seizure of certain assets of these subsidiaries. Details of the overdue debts are disclosed in Note V.20, 28 and 30. Details of the seized assets are disclosed in notes V.11 and 14.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

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

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

2. Bills receivable

1) Classification of bills receivable

Item	31 December 2024	31 December 2023
Bank acceptance bills	400,000.00	500,000.00
Total	400,000.00	500,000.00

Note 1: As at 31 December 2024, the Group had no pledged bills receivable.

Note 2: As at 31 December 2024, the Group has no endorsed or discounted bills receivable that have not yet expired on the balance sheet date.

3. Accounts receivable

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

Aging	31 December 2024	31 December 2023
Within 3 months (inclusive)	131,192,645.97	249,538,395.73
Over 3 months but within 6 months (inclusive)	38,340,384.58	39,960,178.29
Over 6 months but within 1 year (inclusive)	82,330,921.47	44,586,220.38
Over 1 year but within 2 years (inclusive)	19,113,279.43	29,665,700.80
Over 2 years but within 3 years (inclusive)	10,651,170.50	9,343,757.50
Over 3 years	25,491,579.91	47,967,225.23
Sub-total	307,119,981.86	421,061,477.93
Less: Provision for bad and doubtful debts	48,298,900.83	77,455,470.63
Total	258,821,081.03	343,606,007.30

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024
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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

3. Accounts receivable (Continued)

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

Category	31 December 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	3,825,180.63	1.25	3,825,180.63	100.00	-	25,117,280.29	5.97	25,117,280.29	100.00	-
Provision for bad debts is made on a collective basis	303,294,801.23	98.75	44,473,720.20	14.66	258,821,081.03	395,944,197.64	94.03	52,338,190.34	13.22	343,606,007.30
Including:										
Aging portfolio	303,294,801.23	98.75	44,473,720.20	14.66	258,821,081.03	395,944,197.64	94.03	52,338,190.34	13.22	343,606,007.30
Total	307,119,981.86	100.00	48,298,900.83		258,821,081.03	421,061,477.93	100.00	77,455,470.63		343,606,007.30

Provision for bad debts is made on an individual basis:

Names	31 December 2024			
	Amount	Provision for bad and doubtful debts	Provision ratio (%)	Reasons for accruing
Yingde Baixiu Talent Brand Management Co., Ltd.	744,171.92	744,171.92	100.00	Not expected to be recovered
China Travel Service (Zhuhai) Haiquan Bay Co., Ltd.	600,000.00	600,000.00	100.00	Not expected to be recovered
Guangdong Yuechahui Cultural Communication Co., Ltd.	545,000.00	545,000.00	100.00	Not expected to be recovered
Changsha Sail Advertising Co., Ltd.	500,000.00	500,000.00	100.00	Not expected to be recovered
Others	1,436,008.71	1,436,008.71	100.00	Not expected to be recovered
Total	3,825,180.63	3,825,180.63		

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

3. 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	31 December 2024		Provision ratio (%)
	Amount	Provision for bad and doubtful debts	
Aging portfolio			
Service zone operation			
Within 1 year (inclusive)	71,051,047.57	3,552,552.39	5.00
Over 1 year but within 2 years (inclusive)	2,790,085.78	279,008.57	10.00
Over 2 years but within 3 years (inclusive)	406,104.81	121,831.44	30.00
Over 3 years	700,285.68	350,142.85	50.00
Sub-total	74,947,523.84	4,303,535.25	
Road transportation and other service			
Within 1 year (inclusive)	180,201,964.19	9,003,963.17	5.00
Over 1 year but within 2 years (inclusive)	16,012,761.59	5,604,466.55	35.00
Over 2 years but within 3 years (inclusive)	8,335,811.05	4,167,905.56	50.00
Over 3 years	18,990,958.78	18,990,958.78	100.00
Sub-total	223,541,495.61	37,767,294.06	
Other business			
Over 3 years	4,805,781.78	2,402,890.89	50.00
Sub-total	4,805,781.78	2,402,890.89	
Total	303,294,801.23	44,473,720.20	

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024
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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

3. Accounts receivable (Continued)

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

Category	31 December 2023	Changes during the year				31 December 2024
		Charge into income statement	Written-off	Disposal of subsidiaries	Foreign currency financial statement translation differences	
Provision for bad debts is made on an individual basis	25,117,280.29	(2,478,835.87)	18,813,263.79	–	–	3,825,180.63
Provision for bad debts is made on a collective basis	52,338,190.34	3,853,734.28	4,171,366.69	7,556,195.92	9,358.19	44,473,720.20
Total	77,455,470.63	1,374,898.41	22,984,630.48	7,556,195.92	9,358.19	48,298,900.83

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

Items	Written-off amount
Accounts receivable of actual written-off	22,984,630.48

Significant write-off of accounts receivable:

Names	Nature of accounts receivable	Written-off amount	Reason for write-off	Write-off procedures for fulfillment	Whether the payment is due to related party transactions
Shenzhen Hongbao Trading Co., Ltd.	Goods payment	14,264,922.29	Not expected to be recovered	Board resolution	No

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

4. Prepayments

1) The aging analysis of prepayments is as follows

Aging	31 December 2024			31 December 2023		
	Gross carrying Amount	Percentage (%)	Provision for bad and doubtful debts	Gross carrying Amount	Percentage (%)	Provision for bad and doubtful debts
Within 1 year (inclusive)	190,051,546.42	94.57	–	163,910,383.06	92.49	–
Over 1 year but within 2 years (inclusive)	6,244,294.85	3.11	–	6,698,302.56	3.78	–
Over 2 years but within 3 years (inclusive)	1,919,239.79	0.96	–	2,031,836.21	1.15	–
Over 3 years	2,730,358.99	1.36	–	4,571,726.39	2.58	–
Total	200,945,440.05	100.00	–	177,212,248.22	100.00	–

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

5. Other receivables

Items	31 December 2024	31 December 2023
Dividends receivable	13,700,000.00	16,057,160.40
Others	578,961,831.54	660,307,398.61
Total	592,661,831.54	676,364,559.01

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024
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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(CONTINUED)*

5. Other receivables *(Continued)*

1) Dividends receivable

(1) Details of dividends receivable

Investees	31 December 2024	31 December 2023
Yangjiang Jiaotou Langri Company Limited	13,260,000.00	–
Shaoguan Libao Technology Company Limited	440,000.00	–
Southern United Assets and Equity Exchange Company Limited	–	16,057,160.40
Sub-total	13,700,000.00	16,057,160.40
Less: Provision for bad and doubtful debts	–	–
Total	13,700,000.00	16,057,160.40

2) Others

(1) The aging analysis is as follows:

Aging	31 December 2024	31 December 2023
Within 1 year (inclusive)	293,001,282.20	417,250,680.76
Over 1 year but within 2 years (inclusive)	156,815,381.14	122,016,357.94
Over 2 years but within 3 years (inclusive)	42,316,818.70	44,985,323.82
Over 3 years	190,359,220.98	190,213,297.26
Sub-total	682,492,703.02	774,465,659.78
Less: Provision for bad and doubtful debts	103,530,871.48	114,158,261.17
Total	578,961,831.54	660,307,398.61

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For the year ended 31 December 2024

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

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5. Other receivables (Continued)

2) Others (Continued)

(2) Classified disclosure by bad debt provision method

Category	31 December 2024					31 December 2023				
	Gross carrying		Provision for bad and doubtful debts			Gross carrying		Provision for bad and doubtful debts		
	Amount	Percentage (%)	Amount	Provision ratio (%)	Book value	Amount	Percentage (%)	Amount	Provision ratio (%)	Book value
Provision for bad debts is made on an individual basis	86,679,434.83	12.70	86,314,217.91	99.58	365,216.92	96,934,643.75	12.52	96,721,895.87	99.78	212,747.88
Provision for bad debts is made on a collective basis	595,813,268.19	87.30	17,216,653.57	2.89	578,596,614.62	677,531,016.03	87.48	17,436,365.30	2.57	660,094,650.73
Including:										
Aging portfolio	96,664,111.56	14.16	17,216,653.57	17.81	79,447,457.99	141,322,238.95	18.25	17,436,365.30	12.34	123,885,873.65
Combination of security deposit and government subsidy	499,149,156.63	73.14	–	–	499,149,156.63	536,208,777.08	69.23	–	–	536,208,777.08
Total	682,492,703.02	100.00	103,530,871.48		578,961,831.54	774,465,659.78	100.00	114,158,261.17		660,307,398.61

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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5. Other receivables (Continued)

2) Others (Continued)

(2) Classified disclosure by bad debt provision method (Continued)

Provision for bad debts is made on a collective basis:

Items	31 December 2024		Provision ratio (%)
	Other receivables	Provision for bad and doubtful debts	
Provision for bad debts based on aging portfolio			
Within 1 year (inclusive)	55,487,351.06	2,774,367.53	5.00
Over 1 year but within 2 years (inclusive)	9,719,019.12	971,901.92	10.00
Over 2 years but within 3 years (inclusive)	11,292,433.56	3,387,730.08	30.00
Over 3 years	20,165,307.82	10,082,654.04	50.00
Sub-total	96,664,111.56	17,216,653.57	
Combination of security deposit and government subsidy	499,149,156.63	–	
Total	595,813,268.19	17,216,653.57	

(3) Provision for bad and doubtful debts:

Provision for bad and doubtful debts	The first stage	The second stage	The third stage	Total
	Expected credit loss for the next 12 months	Expected credit loss for the entire duration (no credit impairment has occurred)	Expected credit loss for the entire duration (credit impairment already occurred)	
Balance at the end of the previous year	17,436,365.30	–	96,721,895.87	114,158,261.17
Provision for this year	1,836,986.96	–	1,849,889.18	3,686,876.14
Written-off for this year	15,480.00	–	825,477.87	840,957.87
Disposal of subsidiaries	2,059,655.03	–	11,432,089.27	13,491,744.30
Foreign currency financial statement translation differences	18,436.34	–	–	18,436.34
Closing balance	17,216,653.57	–	86,314,217.91	103,530,871.48

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For the year ended 31 December 2024

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

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

5. Other receivables (Continued)

2) Others (Continued)

(3) Provision for bad and doubtful debts: (Continued)

The changes in the book balance of other receivables are as follows:

	The first stage Expected credit loss for the next 12 months	The second stage Expected credit loss for the entire duration (no credit impairment has occurred)	The third stage Expected credit loss for the entire duration (credit impairment already occurred)	Total
Gross carrying amount				
Balance at the end of the previous year	677,531,016.03	–	96,934,643.75	774,465,659.78
Provision for this year	36,237,387.35	–	2,002,358.22	38,239,745.57
Written-off for this year	15,480.00	–	825,477.87	840,957.87
Disposal of subsidiaries	118,044,272.60	–	11,432,089.27	129,476,361.87
Foreign currency financial statement translation differences	104,617.41	–	–	104,617.41
Closing balance	595,813,268.19	–	86,679,434.83	682,492,703.02

(4) Provisions for bad debts accrued, reversed or recovered during the current year

Category	31 December 2023	Changes during the year				31 December 2024
		Charge into income statement	Written-off	Disposal of subsidiaries	Foreign currency financial statement translation differences	
Provision for bad debts is made on an individual basis	96,721,895.87	1,849,889.18	825,477.87	11,432,089.27	–	86,314,217.91
Provision for bad debts is made on a collective basis	17,436,365.30	1,836,986.96	15,480.00	2,059,655.03	18,436.34	17,216,653.57
Total	114,158,261.17	3,686,876.14	840,957.87	13,491,744.30	18,436.34	103,530,871.48

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For the year ended 31 December 2024
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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(CONTINUED)*

5. Other receivables *(Continued)*

2) Others *(Continued)*

(5) Other receivables of actually written off in the current year

Items	Amount of written-off
Other receivables of actually written off	840,957.87

(6) Disclosure of other receivables by nature

Nature	31 December 2024	31 December 2023
Security deposits	50,923,416.31	64,277,570.00
Government grants	375,150,535.02	401,259,330.30
Staff advances	9,951,805.71	10,458,586.96
Insurance compensation relating to traffic accidents	12,461,778.78	14,985,254.32
Amount due from related parties	70,920,031.88	73,410,283.09
Amount due from third parties	110,163,295.44	122,782,694.15
Payments and receipts on behalf	11,839,258.89	10,100,709.36
Consideration receivables	16,009,915.43	48,942,729.25
Others	25,072,665.56	28,248,502.35
Total	682,492,703.02	774,465,659.78

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

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

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

6. Inventory

1) Inventory classification

Items	31 December 2024			31 December 2023		
	Book balance	Provision for impairment of inventories	Book value	Book balance	Provision for impairment of inventories	Book value
Raw materials	9,051,915.62	565,850.02	8,486,065.60	9,425,742.86	–	9,425,742.86
Finished goods	113,820,164.63	–	113,820,164.63	106,946,168.24	–	106,946,168.24
Others	335,091.45	–	335,091.45	22,108.69	–	22,108.69
Total	123,207,171.70	565,850.02	122,641,321.68	116,394,019.79	–	116,394,019.79

2) Provision for impairment of inventories

Items	31 December 2023	Increase during this year	Decrease during this year	31 December 2024
Raw materials	–	565,850.02	–	565,850.02
Total	–	565,850.02	–	565,850.02

7. Other current assets

Items	31 December 2024	31 December 2023
Deductable and uncertified input VAT	42,990,470.11	25,057,262.87
Prepaid tax and surcharges	5,014,562.93	12,064,640.62
Total	48,005,033.04	37,121,903.49

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For the year ended 31 December 2024
(Unless otherwise stated, all amounts are denominated in Renminbi Yuan)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

8. Long-term equity investments

Investee	Book balance as at 31 December 2023	Additional investment	Reduce investment	Changes during this period				Declaring cash dividends or profits	Others	Book balance as at 31 December 2024	Provision for impairment as at 31 December 2024
				Investment gains and losses recognized under the equity method	Other comprehensive income adjustment	Other changes in equity					
1. Joint ventures											
Guangdong Yuehuahui Business Management Co., Ltd. (Note 1)	8,731,479.59	-	-	669,404.47	-	-	-	-	-	9,400,884.06	-
Zhuhai Yuegong Xinhai Transportation Co., Ltd. (Note 2)	105,837,366.14	-	-	53,682,266.43	(4,036,848.21)	-	17,248,722.75	-	-	138,234,061.61	-
Guangdong Zhongyou Top-E Energy Trading Company Limited (Note 3)	35,117,296.38	-	-	(237,653.87)	-	-	106,800.00	-	-	34,772,842.51	-
Guangdong Roadnet Innovalues Media Information Technology Co., Ltd.	2,756,457.90	-	-	(687,469.01)	-	-	-	-	-	2,068,988.89	-
Guangzhou Hehe Intelligent Technology Co., Ltd.	-	-	-	-	-	-	-	-	-	-	-
Shaoguan Yuehong Bus Station Company Limited	2,333,769.65	-	-	(300,104.24)	-	-	-	-	-	2,033,665.41	-
Sub-total	154,776,369.66	-	-	53,126,443.78	(4,036,848.21)	-	17,355,522.75	-	-	186,510,442.48	-
2. Associates											
Southern United Assets and Equity Exchange Co., Ltd.	58,754,878.31	-	-	8,565,245.61	-	-	18,195,609.51	-	-	49,124,514.41	-
Guangdong South Passenger Network Center Company Limited (Note 4)	5,603,422.47	-	-	121,317.07	-	-	-	-	-	5,724,739.54	-
Qingyuan Zhongguan Development Co., Ltd.	348,779.03	-	-	19,752.15	-	-	-	-	-	368,531.18	-
Zhuhai Wandatong Hongkong-Zhuhai-Macau Bridge Port Passenger Service Co. Ltd.	4,761,846.63	-	2,400,000.00	(1,412,391.41)	-	-	-	-	-	949,455.22	-
Lufeng Shen-Shan Expressway Services Company Limited	4,815,031.31	-	-	1,323,965.58	-	-	3,032,303.86	-	-	3,106,693.03	-
Shantou City Chaonan Yueyun Sky Island Transportation Co., Ltd.	-	-	-	-	-	-	-	-	-	-	-
Guangzhou City Tianhe Coach Terminal Co., Ltd.	32,480,905.51	-	-	571,235.67	-	-	-	-	-	33,052,141.18	-
Guangdong Guangye Yueyun Natural Gas Company Limited	3,125,526.49	-	-	(281,763.68)	-	-	-	-	-	2,843,762.81	-
CNPC Yueyun Natural Gas Co. Ltd.	9,149,293.24	-	-	(1,924,561.49)	-	-	-	-	-	7,224,731.75	-
Shantou City Automobile Passenger Traffic Centre Co., Ltd.	20,697,284.58	-	-	(694,265.24)	-	-	-	-	-	20,003,019.34	-
Shantou City Chaoyang Yueyun Sky Island Transportation Co., Ltd.	-	-	-	-	-	-	-	-	-	-	-
Shenzhen Yueyun Investment Development Company Limited	46,979,582.47	-	-	374,600.18	-	-	-	-	-	47,354,182.65	-
Hui Ke Tong Technology (Zhuhai) Company Limited	-	139,469.31	-	(139,469.31)	-	-	-	-	-	-	-
Express Cross-Border Coach Management Company Limited	-	-	-	-	-	-	-	-	-	-	-
Hong Kong-Zhuhai-Macao Bridge Shuttle Bus Company Limited	43,357,117.98	-	-	17,090,566.06	-	-	6,962,360.00	1,058,161.05	-	54,543,485.09	-

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

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

8. Long-term equity investments (Continued)

Investee	Changes during this period								Provision for impairment as at 31 December 2024	
	Book balance as at 31 December 2023		Additional investment	Reduce investment	Investment gains and losses recognized under the equity method	Other comprehensive income adjustment	Other changes in equity	Declaring cash dividends or profits		Others
	as at									
	31 December 2023	31 December 2024								
2. Associates (continued)										
Guangdong-Hong Kong-Macao System Technology Co., Ltd.	-	351,415.96	-	(351,415.96)	-	-	-	-	-	-
Shaoguan Libao Technology Company Limited	2,665,684.80	-	-	500,608.51	-	-	1,280,000.00	-	1,886,293.31	-
Shaoguan City Danxia Mountain Travel Bus Company Limited	8,372,459.19	-	-	(1,249,421.15)	-	-	-	-	7,123,038.04	-
Foshan City Sanshui District Hengjing Urban Transportation Co., Ltd. (former name: Foshan City Sanshui District Yueyun Traffic Co. Ltd.)	-	24,383,408.88	24,618,556.74	235,147.86	-	-	-	-	-	-
Hong Kong & Macao International Airport Transportation Service (HK) Co. Limited	-	2,613,480.31	-	658,741.47	-	-	-	35,504.73	3,307,726.51	-
Hong Kong International Airport Passenger Service (Macao) Co., Ltd.	-	1,950,683.79	-	495,462.19	-	-	-	26,541.52	2,472,687.50	-
Sub-total	241,111,812.01	29,438,458.25	27,018,556.74	23,903,354.11	-	-	29,470,273.37	1,120,207.30	239,085,001.56	-
Total	395,888,181.67	29,438,458.25	27,018,556.74	77,029,797.89	(4,036,848.21)	-	46,825,796.12	1,120,207.30	425,595,444.04	-

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 Articles of Association of Nanyuetong, resolutions of the company's shareholders' meeting must be passed by a majority of the voting rights held by the shareholders present at the meeting. According to the promoter agreement of Nanyuetong, the Company has appointed management personnel to serve as directors in Nanyuetong and enjoy the corresponding substantive right to participate in decision-making. Therefore, the Company has a significant influence on Nanyuetong, which is an associate of the Group.

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For the year ended 31 December 2024
(Unless otherwise stated, all amounts are denominated in Renminbi Yuan)

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

9. Investment in other equity instruments

1) *Investment in other equity instruments*

Items	31 December 2024	31 December 2023
Zhuhai Gongyun Automobile Transportation Co., Ltd. (Note 1)	–	–
Zhongdao Tourism Industry Development Co., Ltd. (Note 2)	194,401.33	223,272.98
Guangzhou Huadu Jindaoda expressway economic development Co., Ltd. (Note 3)	–	–
Total	194,401.33	223,272.98

Note 1: At 31 December 2024, the Group only holds 10% of the shares and has no significant impact on the operating decisions of Zhuhai Gongyun Automobile Transportation Co., Ltd. The Group accounts for the investment in Zhuhai Gongyun Automobile Transportation Co., Ltd. as an investment in other equity instruments. Zhuhai Gongyun Vehicle Transportation Co., Ltd.'s net assets at the end of the year have been negative. Therefore, the fair value of the investment in other equity instruments was zero.

Note 2: Zhongdao Tourism Industry Development Co., Ltd. (hereinafter referred to as "Zhongdao Tourism") is a company initiated and established by 30 companies on 17 April 2018. The registered capital of the Zhongdao Tourism is RMB300 million. The Group only holds 1% of the shares of the Zhongdao Tourism. The Group does not have a significant impact on the business decisions of Zhongdao Tourism. The Group accounts for the investment in Zhongdao Tourism as an investment in other equity instruments.

Note 3: As at 31 December 2024, the Group holds 10% equity interests in Guangzhou Huadu Jindaoda Expressway Economic Development Co., Ltd. Since Guangdong Huadu Jindaoda Expressway Economic Development Co., Ltd. has suffered losses all the year round, the fair value of the investment in other equity instruments was zero.

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For the year ended 31 December 2024

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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

10. Investment properties

1) Investment properties using cost measurement model

Items	Buildings	Land use rights	Total
1. Cost			
(1) Balance as at 31 December 2023	342,170,968.42	89,249,427.57	431,420,395.99
(2) Additions during the year	8,554,595.49	30,660,499.68	39,215,095.17
– Transfer from fixed assets	8,482,465.79	–	8,482,465.79
– Transfer from intangible assets	–	30,338,715.10	30,338,715.10
– Foreign currency financial statement translation differences	72,129.70	321,784.58	393,914.28
(3) Decrease during the year	107,507,466.06	20,380,845.73	127,888,311.79
– Transfer to fixed assets	5,448,861.67	–	5,448,861.67
– Disposals of subsidiaries	102,058,604.39	20,380,845.73	122,439,450.12
(4) Balance as at 31 December 2024	243,218,097.85	99,529,081.52	342,747,179.37
2. Accumulated depreciation or amortisation			
(1) Balance as at 31 December 2023	68,079,328.08	22,743,940.36	90,823,268.44
(2) Additions during the year	11,231,430.46	14,577,639.99	25,809,070.45
– Accrual	7,059,648.63	3,298,590.79	10,358,239.42
– Transfer from fixed assets	4,101,800.92	–	4,101,800.92
– Transfer from intangible assets	–	11,178,836.25	11,178,836.25
– Foreign currency financial statement translation differences	69,980.91	100,212.95	170,193.86
(3) Decrease during the year	33,312,715.61	6,640,514.18	39,953,229.79
– Transfer to fixed assets	460,462.94	–	460,462.94
– Disposals of subsidiaries	32,852,252.67	6,640,514.18	39,492,766.85
(4) Balance as at 31 December 2024	45,998,042.93	30,681,066.17	76,679,109.10
3. Book value			
(1) As at 31 December 2024	197,220,054.92	68,848,015.35	266,068,070.27
(2) As at 31 December 2023	274,091,640.34	66,505,487.21	340,597,127.55

Note: The remaining period of amortisation of land use rights is 16 to 58 years.

As at 31 December 2024, investment properties of the Group with carrying amount of RMB168,267,427.79 (31 December 2023: RMB192,033,725.57) were pledged for bank loans, among which, RMB30,759,915.85 (31 December 2023: RMB72,564,353.13) were pledged for long-term loans, RMB137,507,511.94 (31 December 2023: RMB119,469,372.44) were pledged for short-term loans.

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For the year ended 31 December 2024
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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

11. Fixed assets

1) Fixed assets

Items	31 December 2024	31 December 2023
Fixed assets	1,959,016,114.87	2,390,537,513.74
Total	1,959,016,114.87	2,390,537,513.74

2) Fixed assets

Items	Buildings and structures	Buildings improvements	Machinery and equipment	Electronic equipment, office equipment and others	Transportation vehicles	Total
1. Cost						
(1) Balance as at 31 December 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 year	85,017,398.84	–	3,918,211.95	43,214,473.09	122,330,141.12	254,480,225.00
– Purchases	6,940,195.90	–	3,911,539.60	38,618,538.42	117,977,051.76	167,447,325.68
– Transfer from construction in progress	71,758,143.40	–	–	4,547,348.06	–	76,305,491.46
– Transfer from investment properties	5,448,861.67	–	–	–	–	5,448,861.67
– Foreign currency financial statement translation differences	870,197.87	–	6,672.35	48,586.61	4,353,089.36	5,278,546.19
(3) Reductions during the year	157,901,218.13	29,782,473.11	34,560,353.11	57,051,047.01	837,404,517.53	1,116,699,608.89
– Disposals or discarding	37,924,517.73	29,782,473.11	4,780,570.18	29,553,230.29	195,959,657.51	298,000,448.82
– Transfer to investment properties	8,482,465.79	–	–	–	–	8,482,465.79
– Disposals of subsidiaries	111,494,234.61	–	29,779,782.93	27,497,816.72	641,444,860.02	810,216,694.28
(4) Balance as at 31 December 2024	1,773,563,141.99	233,457,733.93	100,528,879.95	364,377,672.10	2,740,739,081.78	5,212,666,509.75

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

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

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

11. Fixed assets (Continued)

2) Fixed assets (Continued)

Items	Buildings and structures	Buildings improvements	Machinery and equipment	Electronic equipment, office equipment and others	Transportation vehicles	Total
2. Accumulated depreciation						
(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 year	85,191,985.85	20,193,713.83	11,317,786.46	13,582,791.94	276,753,848.08	407,040,126.16
– Accruals	84,189,155.11	20,193,713.83	11,311,114.11	13,578,903.86	272,809,885.50	402,082,772.41
– Transfer from investment properties	460,462.94	–	–	–	–	460,462.94
– Foreign currency financial statement translation differences	542,367.80	–	6,672.35	3,888.08	3,943,962.58	4,496,890.81
(3) Reductions during the year	69,584,989.74	29,297,280.56	22,854,742.53	51,655,054.52	668,558,006.88	841,950,074.23
– Disposals or discarding	24,599,540.71	29,297,280.56	3,614,751.07	28,576,987.38	173,870,314.39	259,958,874.11
– Transfer to investment properties	4,101,800.92	–	–	–	–	4,101,800.92
– Disposals of subsidiaries	40,883,648.11	–	19,239,991.46	23,078,067.14	494,687,692.49	577,889,399.20
(4) Balance as at 31 December 2024	673,718,838.17	180,568,491.60	67,455,475.95	215,721,061.19	2,107,926,538.83	3,245,390,405.74
3. Provision of impairment						
(1) Balance as at 31 December 2023	–	–	–	–	4,048,026.09	4,048,026.09
(2) Additions during the year	4,211,963.05	–	–	560,250.00	–	4,772,213.05
– Accruals	4,211,963.05	–	–	560,250.00	–	4,772,213.05
(3) Reductions during the year	–	–	–	560,250.00	–	560,250.00
– Disposals of subsidiaries	–	–	–	560,250.00	–	560,250.00
(4) Balance as at 31 December 2024	4,211,963.05	–	–	–	4,048,026.09	8,259,989.14
4. Book value						
(1) Book value as at 31 December 2024	1,095,632,340.77	52,889,242.33	33,073,404.00	148,656,610.91	628,764,516.86	1,959,016,114.87
(2) Book value as at 31 December 2023	1,188,335,119.22	73,568,148.71	52,178,589.09	124,420,922.25	952,034,734.47	2,390,537,513.74

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For the year ended 31 December 2024
(Unless otherwise stated, all amounts are denominated in Renminbi Yuan)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

11. Fixed assets (Continued)

2) Fixed assets (Continued)

Note 1: As at 31 December 2024, fixed assets of the Group with carrying amount of RMB144,314,101.68 (31 December 2023: RMB205,635,516.22) were pledged for long-term loans, (Note V 28), among which, RMB4,758,349.93 (31 December 2023: Nil) were sealed up (Note V 1). As at 31 December 2024, fixed assets of the Group with carrying amount of RMB11,825,996.17 (31 December 2023: RMB9,093,505.43) were pledged for short-term loans, (Note V 20), among which, RMB1,894,658.49 (31 December 2023: Nil) were sealed up (Note V 1). As at 31 December 2024, fixed assets of the Group with carrying amount of RMB114,048,862.12 (31 December 2023: RMB153,006,500.89) were pledged for long-term payables, (Note V 30), among which, RMB50,592,183.36 (31 December 2023: Nil) were sealed up (Note V 1).

Note 2: In 2024, influenced by changes in the way people travel, the indication of impairment of certain vehicle-related assets of the Group (including buildings, structures, line license use rights and route operation rights) exists. By comparing the fair value less costs of disposal and the present value of expected future cash flows of the relevant assets, the Group determined the recoverable amount of these assets based on the higher of the two values. Subsequently, the Group recognized total impairment provisions of RMB9,994,571.78 based on the difference between the recoverable amount and the carrying amount, of which impairment provisions of fixed assets is RMB 4,211,963.05 and impairment provisions of intangible assets is RMB5,782,608.73.

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 31 December 2024, the book value of such buildings and structures was RMB75,140,219.15 (31 December 2023: RMB79,731,369.89).

12. Construction in progress

1) Construction in progress

Items	31 December 2024	31 December 2023
Construction in progress	31,939,629.08	20,061,156.78
Total	31,939,629.08	20,061,156.78

2) Movements of construction in progress

Items	31 December 2024			31 December 2023		
	Gross carrying amount	Provision for impairment	Book value	Gross carrying amount	Provision for impairment	Book value
Commercial transformation of service zones	20,982,038.20	–	20,982,038.20	2,967,392.92	–	2,967,392.92
Bus station reconstruction	3,646,796.36	206,275.47	3,440,520.89	9,228,164.94	930,277.09	8,297,887.85
Digital Media Project	892,102.89	–	892,102.89	892,102.89	–	892,102.89
Others	7,443,171.98	818,204.88	6,624,967.10	8,721,978.00	818,204.88	7,903,773.12
Total	32,964,109.43	1,024,480.35	31,939,629.08	21,809,638.75	1,748,481.97	20,061,156.78

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

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

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

13. Right-of-use assets

Items	Buildings and structures	Lease of land	Transportation vehicles	Total
1. Cost				
(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 year	758,719,866.57	5,717,579.56	–	764,437,446.13
– Additions of lease	758,645,988.23	5,717,579.56	–	764,363,567.79
– Foreign currency financial statement translation differences	73,878.34	–	–	73,878.34
(3) Reductions during the year	44,573,223.65	12,147,376.08	–	56,720,599.73
– Disposals or expiration	37,158,419.43	10,599,528.53	–	47,757,947.96
– Disposals of subsidiaries	7,414,804.22	1,547,847.55	–	8,962,651.77
(4) Balance as at 31 December 2024	3,574,999,551.00	88,879,146.68	247,814,049.60	3,911,692,747.28
2. Accumulated depreciation				
(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 year	209,850,169.57	6,459,448.65	30,666,986.28	246,976,604.50
– Accrual	209,795,022.09	6,459,448.65	30,666,986.28	246,921,457.02
– Foreign currency financial statement translation differences	55,147.48	–	–	55,147.48
(3) Reductions during the year	38,070,809.93	11,313,269.29	–	49,384,079.22
– Disposals or expiration	35,665,282.22	10,519,986.86	–	46,185,269.08
– Disposals of subsidiaries	2,405,527.71	793,282.43	–	3,198,810.14
(4) Balance as 31 December 2024	1,397,503,873.84	36,777,953.03	167,267,449.90	1,601,549,276.77
3. Book value				
(1) As at 31 December 2024	2,177,495,677.16	52,101,193.65	80,546,599.70	2,310,143,470.51
(2) As at 31 December 2023	1,635,128,393.88	53,677,169.53	111,213,585.98	1,800,019,149.39

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024
(Unless otherwise stated, all amounts are denominated in Renminbi Yuan)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

14. Intangible assets

1) Details of intangible assets

Items	Land use rights	Computer software	Passenger service licenses	Station and toll bridge franchise operating rights	Line license use rights and route operation rights	Trademark rights and others	Total
1. Cost							
(1) Balance as at 31 December 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 year	51,435,571.66	10,867,538.04	872,364.61	–	–	–	63,175,474.31
– Purchases	50,579,140.00	10,867,538.04	–	–	–	–	61,446,678.04
– Foreign currency financial statement translation differences	856,431.66	–	872,364.61	–	–	–	1,728,796.27
(3) Reductions during the year	126,353,995.18	5,234,518.31	–	–	20,434,707.04	–	152,023,220.53
– Disposals	–	2,390,018.91	–	–	–	–	2,390,018.91
– Transfer to investment properties	30,338,715.10	–	–	–	–	–	30,338,715.10
– Disposals of subsidiaries	96,015,280.08	2,844,499.40	–	–	20,434,707.04	–	119,294,486.52
(4) Balance as at 31 December 2024	583,131,641.02	118,618,921.45	40,759,057.93	387,478,456.26	284,351,763.87	4,673,854.67	1,419,013,695.20
2. Accumulated amortization							
(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 year	13,226,583.30	12,794,437.27	–	11,299,916.52	7,474,884.43	538,787.76	45,334,609.28
– Accrual	12,819,059.18	12,794,437.27	–	11,299,916.52	7,474,884.43	538,787.76	44,927,085.16
– Foreign currency financial statement translation differences	407,524.12	–	–	–	–	–	407,524.12
(3) Reductions during the year	41,171,770.14	4,079,356.81	–	–	20,434,707.04	–	65,685,833.99
– Disposals	–	1,419,623.51	–	–	–	–	1,419,623.51
– Transfer to investment properties	11,178,836.25	–	–	–	–	–	11,178,836.25
– Disposals of subsidiaries	29,992,933.89	2,659,733.30	–	–	20,434,707.04	–	53,087,374.23
(4) Balance as at 31 December 2024	129,379,606.11	85,562,551.68	–	324,665,632.37	211,688,028.29	3,414,486.54	754,710,304.99
3. Provision of impairment							
(1) Balance as at 31 December 2023	2,956,979.57	–	–	–	38,084,104.79	–	41,041,084.36
(2) Additions during the year	–	–	–	–	5,782,608.73	–	5,782,608.73
– Accrual	–	–	–	–	5,782,608.73	–	5,782,608.73
(3) Reductions during the year	–	–	–	–	–	–	–
(4) Balance as at 31 December 2024	2,956,979.57	–	–	–	43,866,713.52	–	46,823,693.09
4. Book value							
(1) As at 31 December 2024	450,795,055.34	33,056,369.77	40,759,057.93	62,812,823.89	28,797,022.06	1,259,368.13	617,479,697.12
(2) As at 31 December 2023	497,768,292.02	36,138,430.50	39,886,693.32	74,112,740.41	42,054,515.22	1,798,155.89	691,758,827.36

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

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

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

14. Intangible assets *(Continued)*

1) *Details of intangible assets (Continued)*

Note 1: As at 31 December 2024, land use rights of the Group with carrying amount of RMB40,397,549.17 (31 December 2023: RMB59,008,987.31) were pledged for long-term loans (Note V 28), among which, RMB3,595,219.66 (31 December 2023: Nil) were sealed up (Note V 1). As at 31 December 2024, RMB17,808,957.11 (31 December 2023: RMB51,633,890.45) were pledged for short-term loans (Note V 20). As at 31 December 2024, the Group had no land use rights as collateral for long-term payables (31 December 2023: RMB1,025,674.00) (Note V 30).

Note 2: The provision of impairment loss on intangible assets of the Group for the year refers to Note V 11.

Note 3: Certain pieces of land of the Group located in the cities of Shanwei, Shaoguan and Meizhou etc. have not yet obtained the certificates of ownership. As at 31 December 2024, the carrying amount of land use rights without certificate of the title for the Group was RMB6,794,825.79 (31 December 2023: RMB6,957,525.39).

Note 4: As at 31 December 2024, land use rights with carrying amount of RMB82,578,261.92 (31 December 2023: RMB83,822,210.96) were obtained through allocation.

15. Development expenditure

Project	31 December 2023	Additions during the year Internal development expenditure	Reductions during the year		31 December 2024
			Recognized as intangible assets	Included in profit or loss	
"Digital rescue" highway vehicle rescue service platform phase I project	522,421.15	579,815.18	—	—	1,102,236.33
Total	522,421.15	579,815.18	—	—	1,102,236.33

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024
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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

16. Goodwill

1) Movements of goodwill

Name of investee from which goodwill arising	31 December 2023	Additions during the year Accrual	Reductions during the year Disposal	31 December 2024
Cost				
Heyuan City Yueyun Motor Transportation Co., Ltd.	28,559,728.57	–	–	28,559,728.57
Qingyuan Yueyun Vehicles Transportation Co., Ltd.	35,402,088.43	–	–	35,402,088.43
Yangjiang Jiaotou Langri Co., Ltd. (former name: Guangdong Yueyun Langri Co., Ltd.) (Note 1)	23,198,978.67	–	23,198,978.67	–
Guangdong Yangjiang Vehicles Transportation Group Co., Ltd. (Note 1)	7,558,101.69	–	7,558,101.69	–
Guangdong Zhong Yue Tong Oil Products Operation Co., Ltd.	1,641,316.22	–	–	1,641,316.22
Sub-total	96,360,213.58	–	30,757,080.36	65,603,133.22
Provision for impairment				
Heyuan City Yueyun Motor Transportation Co., Ltd.	24,021,500.84	–	–	24,021,500.84
Qingyuan Yueyun Vehicles Transportation Co., Ltd.	30,481,922.87	–	–	30,481,922.87
Yangjiang Jiaotou Langri Co., Ltd. (former name: Guangdong Yueyun Langri Co., Ltd.) (Note 1)	15,111,950.23	–	15,111,950.23	–
Sub-total	69,615,373.94	–	15,111,950.23	54,503,423.71
Book value	26,744,839.64	–	15,645,130.13	11,099,709.51

Note 1: The Company has disposed of its subsidiaries Yangjiang Jiaotou Langri Co., Ltd. (former name: Guangdong Yueyun Langri Co., Ltd., hereinafter referred to as “Guangdong Yueyun Langri”) and Guangdong Yangjiang Vehicles Transportation Group Co., Ltd in this year, and the related goodwill and provision for impairment of goodwill have been transferred to investment income.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

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

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

16. Goodwill (Continued)

2) Information of the goodwill related to asset group or portfolio of asset group

Goodwill is allocated to each asset group which is expected to benefit from the synergies of the combination. Details of each asset group are as follows:

Items	Note	2024	2023
Heyuan City Yueyun Motor Transportation Co., Ltd. Vehicle Assets Group	(a)	22,241,351.46	22,241,351.46
Heyuan City Yueyun Motor Transportation Co., Ltd. Bus Station Assets Group	(c)	6,318,377.11	6,318,377.11
Qingyuan Yueyun Vehicles Transportation Co., Ltd. Vehicle Assets Group	(a)	30,481,922.87	30,481,922.87
Qingyuan Yueyun Vehicles Transportation Co., Ltd. Bus Station Assets Group	(c)	4,920,165.56	4,920,165.56
Guangdong Yueyun Langri Co., Ltd. Vehicle Assets Group	(a)	–	15,111,950.23
Guangdong Yueyun Langri Co., Ltd. Bus Station Assets Group	(c)	–	8,087,028.44
Guangdong Yangjiang Vehicles Transportation Co., Ltd. Bus Station Assets Group	(c)	–	7,558,101.69
Zhongyuetong Gas Station Assets Group	(b)	1,641,316.22	1,641,316.22
Total		65,603,133.22	96,360,213.58

(a) Vehicle Assets Group

At the previous balance sheet date, according to the estimated recoverable amount of Vehicle Assets Group, the management of the Group has made a full provision for impairment of goodwill related to the Vehicle asset groups.

NOTES TO THE FINANCIAL STATEMENTS

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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

16. Goodwill (Continued)

2) Information of the goodwill related to asset group or portfolio of asset group (Continued)

(b) Gas Station Asset Group

For Zhongyuetong Gas Station Asset Group, the recoverable amount is determined based on the present value of expected future cash flows. The present value of expected future cash flows was projected based on the most recent five-year financial budgets approved by management and a discount rate of 9.68% (2023: 11.23%). The expected growth rate of cash flows beyond the five-year budget period were assumed to be 0%.

The calculation of present value of expected future cash flows of Zhongyuetong Gas Station Asset Group was based on operating income growth rate and profit margin as the key assumption, which was determined by management on the basis of past performance up to the budget period:

	Average income growth rate during the forecast period	Average profit margin during the forecast period
Zhongyuetong Gas Station Asset Group	1.30%	10.31%

At 31 December 2024, based on the estimated recoverable amount, no impairment loss was recognised of Zhongyuetong Gas Station Asset Group. However, as key assumptions on which management has made in respect of future cash projections are subject to change, an adverse change in the assumptions could cause the carrying amount to exceed its recoverable amount.

(c) Bus Station Asset Group

For the above station asset group, the recoverable amount is determined by the fair value less costs of disposal. In the related asset group, the fair value of land and buildings is determined according to the bidding, auction and listing transaction price of similar lots or recent related evaluation reports; the fair value of other assets such as equipment is determined according to the replacement cost method. Disposal costs consider transaction listing costs, intermediary fees, and transaction taxes.

As at 31 December 2024, based on the Group's management's estimated recoverable amount of bus station assets group, no impairment loss was recognized. However, as key assumptions on which the management has made in respect of the net amount of fair value less disposal costs are subject to change, an adverse change in the assumptions could cause the carrying amount to exceed its recoverable amount.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

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

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

17. Long-term deferred expenses

Items	31 December 2023	Additions during the year	Decrease during the year	31 December 2024
Leasehold improvements	241,234,364.48	52,371,156.93	95,568,306.28	198,037,215.13
Others	12,626,437.61	3,966,117.24	9,725,664.56	6,866,890.29
Total	253,860,802.09	56,337,274.17	105,293,970.84	204,904,105.42

18. Deferred tax assets and deferred tax liabilities

1) Deferred tax assets that are not offset

Items	31 December 2024		31 December 2023	
	Deductible temporary differences	Deferred tax assets	Deductible temporary differences	Deferred tax assets
Provision for bad and doubtful debts of accounts receivable	27,373,659.84	6,639,536.74	31,898,197.24	7,580,423.44
Provision for bad and doubtful debts of other receivables	40,119,892.55	9,946,959.37	40,047,022.33	9,946,773.09
Deductible tax losses	26,990,566.96	4,402,299.79	36,331,006.05	6,139,142.23
Accrued Expenses	6,161,602.07	1,531,560.75	5,973,009.78	1,484,927.28
Employee benefits payable	22,654,889.58	5,663,722.40	20,654,308.66	5,163,577.17
Amortisation of intangible assets	655,141.52	163,785.38	1,276,575.86	319,143.96
Long-term employee benefits payable	782,582.29	195,645.57	9,939,090.23	2,484,772.56
Depreciation of fixed assets	14,798,595.92	3,699,648.98	9,862,071.52	2,465,517.88
Lease liabilities	2,566,768,306.21	641,692,076.55	1,994,045,085.88	498,511,271.48
Deferred revenue	37,661,599.82	9,415,399.96	58,472,419.68	14,593,104.93
Total	2,743,966,836.76	683,350,635.49	2,208,498,787.23	548,688,654.02

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024
(Unless otherwise stated, all amounts are denominated in Renminbi Yuan)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

18. Deferred tax assets and deferred tax liabilities (Continued)

2) Deferred tax liabilities that are not offset

Items	31 December 2024		31 December 2023	
	Taxable temporary differences	Deferred tax liabilities	Taxable temporary differences	Deferred tax liabilities
Assets appreciation	93,671,236.32	23,417,809.09	96,531,371.33	24,132,842.83
Debit difference of long-term equity investments	–	–	15,618,967.16	3,904,741.79
Investment income	7,404,892.40	1,851,223.10	5,398,979.92	1,349,744.98
Government grants	61,150,112.65	15,287,528.16	61,150,112.65	15,287,528.16
Depreciation of fixed assets	56,356,015.27	13,113,267.58	148,912,960.00	35,802,998.45
Right-of-use assets	2,054,896,323.78	513,724,080.94	1,561,624,499.11	390,406,124.78
Total	2,273,478,580.42	567,393,908.87	1,889,236,890.17	470,883,980.99

3) Deferred tax assets or liabilities presented on a net basis after offset

Items	31 December 2024		31 December 2023	
	Deferred tax assets and liabilities offset	Balance of deferred tax assets or liabilities after offset	Deferred tax assets and liabilities offset	Balance of deferred tax assets or liabilities after offset
Deferred tax assets	530,573,838.21	152,776,797.28	415,747,671.07	132,940,982.95
Deferred tax liabilities	530,573,838.21	36,820,070.66	415,747,671.07	55,136,309.92

4) Details of unrecognized deferred tax assets

Items	31 December 2024	31 December 2023
Deductible temporary differences	242,227,589.58	269,043,288.25
Deductible tax losses	1,425,703,830.33	1,502,734,838.89
Total	1,667,931,419.91	1,771,778,127.14

Note: As certain of the Group's subsidiaries consider that it is not probable that sufficient taxable profits will be available in future periods to offset the above deductible temporary differences and deductible losses, no deferred tax assets are recognised on the above deductible tax losses and temporary differences.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

18. Deferred tax assets and deferred tax liabilities (Continued)

5) Deductible tax losses for unrecognized deferred tax assets will expire in the following years

Year	31 December 2024	31 December 2023
2024	–	56,987,716.88
2025	50,286,048.17	73,876,054.07
2026	324,256,029.24	362,370,846.25
2027	623,679,335.52	693,208,205.88
2028	339,941,807.25	316,292,015.81
2029	87,540,610.15	–
Total	1,425,703,830.33	1,502,734,838.89

Note: According to “The Announcement on tax revenue policies for supporting COVID-19 prevention and control” (Announcement [2020] No. 8) issued by MOF and National Tax Bureau, the tax loss carried forward can be extended from 5 years to 8 years for the enterprises affected by the epidemic seriously.

19. Other non-current assets

Items	31 December 2024			31 December 2023		
	Book balance	Provision for impairment	Book value	Book balance	Provision for impairment	Book value
Prepayments for land use rights (Note 1)	32,871,710.00	–	32,871,710.00	36,056,562.84	–	36,056,562.84
Prepaid taxes	6,377,113.48	–	6,377,113.48	6,861,016.62	–	6,861,016.62
Prepayment for long-term assets	33,725,851.51	–	33,725,851.51	33,453,101.51	–	33,453,101.51
Revaluation increment of asset value of Guangdong Yueyun Langri Co., Ltd. (Note 2)	–	–	–	15,618,967.15	–	15,618,967.15
Others	4,160,328.45	–	4,160,328.45	4,315,185.87	–	4,315,185.87
Total	77,135,003.44	–	77,135,003.44	96,304,833.99	–	96,304,833.99

Note 1: As at 31 December 2024, the prepayments for land use rights are paid by Qingyuan Yueyun Vehicles Transportation Co., Ltd., a subsidiary of the Company, for the land expropriation of Jiangnan Automobile Passenger Station.

Note 2: As disclosed in Note VI.3, on 12 October 2024, the Company completed the equity transfer in relation to Guangdong Yueyun Langri and its subsidiaries. Accordingly, these other non-current assets have been transferred to profit or loss during the period.

NOTES TO THE FINANCIAL STATEMENTS

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

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

20. Short-term loans

1) *Classification of short-term loans*

Items	31 December 2024	31 December 2023
Pledged loan (Note 2)	12,700,000.00	–
Loans secured by mortgages (Note 3)	119,610,648.34	136,575,342.46
Pledged and mortgaged loans (Note 4)	7,600,000.00	–
Pledged and guaranteed loans (Note 5)	13,800,000.00	–
Unsecured loans	214,839,500.00	309,297,086.22
Including: Loans from banks	214,839,500.00	309,297,086.22
Total	368,550,148.34	445,872,428.68

Note 1: As at 31 December 2024, the Group's short-term loans were borrowings from banks within 1 year, which bear interest rates ranging from 2.39%-5.10% per annum (31 December 2023: 2.00%-5.10%).

Note 2: As at 31 December 2024, the pledged loans held by the Group are the loans borrowed by the subsidiaries: ① the loans borrowed by Shanwei Yueyun Automobile Transportation Co., Ltd., with the subsidies for rural road passenger transport in Shanwei City in 2023 and the government subsidies for urban transport development incentives as collateral; ② the loans borrowed by Guangzhou City Yueyun Motor Transportation Co., Ltd., with the subsidies for procurement of vehicles as collateral.

Note 3: For the details of assets mortgaged for secured loans as at 31 December 2024, please refer to Notes V.10, 11 and 14.

Note 4: As at 31 December 2024, the pledged and mortgaged loans held by the Group are the loans borrowed by Guangzhou City Yueyun Motor Transportation Co., Ltd., with vehicles and land as collateral and the subsidies for procurement of vehicles as collateral.

Note 5: As at 31 December 2024, the pledged and guaranteed loans held by the Group were borrowed by its subsidiary Shanwei Yueyun Automobile Transport Co., Ltd., with the New Energy Bus Demonstration and Promotion Application Period Operation Comprehensive Subsidy as pledged assets and guaranteed by Shanwei City Yueyun New Energy Vehicles Service Co., Ltd. at joint and several liabilities.

2) *Overdue short-term loans*

As at 31 December 2024, the outstanding balance of overdue short-term loans of the Heyuan City Yueyun Motor Transportation Co., Ltd., a subsidiary of the Company, were RMB100,130,000.00 with bearing overdue interest rates ranging from 6.53%-7.65% per annum.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

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

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

21. Accounts payable

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

Items	31 December 2024	31 December 2023
Materials payable	82,001,906.93	79,309,182.67
Transportation fee payable	62,736,080.67	66,193,883.05
Contract payments for cars	42,833,590.92	5,652,172.18
Progress payments for constructions	229,785,343.99	191,379,479.64
Expressway service zones contracts fee payable	147,723,720.64	115,795,970.57
Fuel expenses payable	19,256,129.09	18,606,391.41
Service fees payable	11,574,063.91	14,315,395.53
Others	80,169,038.43	66,482,479.07
Total	676,079,874.58	557,734,954.12

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

Items	31 December 2024	31 December 2023
Within 1 year (inclusive)	468,885,160.18	326,983,018.81
Over 1 year but within 2 years (inclusive)	66,825,658.78	56,657,261.79
Over 2 years but within 3 years (inclusive)	30,616,021.41	142,895,962.46
Over 3 years	109,753,034.21	31,198,711.06
Total	676,079,874.58	557,734,954.12

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

Items	31 December 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.	12,730,426.76	Construction fee unsettled
Total	43,431,275.98	

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024
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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

22. Advances from customers

1) The nature of advances from customers is as follows:

Items	31 December 2024	31 December 2023
Advances from contractors	96,602,845.86	62,164,958.14
Advances for advertising space rental fee	16,061,978.61	15,409,561.07
Other advances	6,240,990.83	3,587,004.92
Total	118,905,815.30	81,161,524.13

2) The aging analysis of advances from customers is as follows:

Items	31 December 2024	31 December 2023
Within 1 year (inclusive)	113,003,621.74	77,338,940.10
Over 1 year but within 2 years (inclusive)	3,725,382.66	1,555,259.37
Over 2 years but within 3 years (inclusive)	425,136.31	201,228.65
Over 3 years	1,751,674.59	2,066,096.01
Total	118,905,815.30	81,161,524.13

3) Material advances from customers with aging over one year

As at 31 December 2024, the Group had no advances from customers with aging over one year with individual amount over RMB10 million.

23. Contract liabilities

1) Contract liabilities

Items	31 December 2024	31 December 2023
Advances payments for transportation fees	16,121,009.35	15,410,740.21
Advances payments for goods	30,040,469.35	18,925,617.28
Advances payments for services fee	22,395,336.77	24,160,964.20
Total	68,556,815.47	58,497,321.69

2) Amount and reasons for significant changes in book value during the reporting period

The Group's contractual liabilities with carrying amount of RMB56,370,211.57 as of 31 December 2023 have been transferred into operating income in the current year, including passenger transportation income of RMB15,410,740.21 (2023: RMB17,008,459.59), commodity sales income of RMB18,925,617.28 (2023: RMB17,547,659.21), and other service income of RMB22,033,854.08 (2023: RMB6,479,706.27).

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

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

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

24. Employee benefits payable

1) *Employee benefits payable*

Items	31 December 2024	31 December 2023
Short-term employee benefits	153,544,613.31	152,143,773.38
Post-employment benefits-defined contribution plans	34,857,867.10	36,143,565.59
Termination benefits	10,637,365.67	10,539,130.17
Long-term employee benefits due within one year (note V. 31)	10,776,678.57	8,990,651.66
Total	209,816,524.65	207,817,120.80

2) *Short-term employee benefits*

Items	31 December 2023	Additions during the year	Reductions during the year	31 December 2024
(1) Salaries, bonuses, allowances	134,627,047.65	1,107,804,118.54	1,110,565,020.59	131,866,145.60
(2) Staff welfare	66,777.15	51,529,830.88	51,596,608.03	–
(3) Social insurance	5,186,432.67	56,364,019.32	53,726,975.49	7,823,476.50
Including: Medical insurance and maternity insurance	4,578,882.31	51,220,262.28	48,813,963.80	6,985,180.79
Work-related injury insurance	607,443.32	5,143,757.04	4,913,011.69	838,188.67
Others	107.04	–	–	107.04
(4) Housing fund	4,811,300.35	66,721,264.39	65,067,247.20	6,465,317.54
(5) Labor union fee, staff and workers' education fee	7,212,913.39	21,146,312.21	21,169,797.81	7,189,427.79
(6) Other short-term employee benefits	239,302.17	30,808,461.37	30,847,517.66	200,245.88
Total	152,143,773.38	1,334,374,006.71	1,332,973,166.78	153,544,613.31

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024
(Unless otherwise stated, all amounts are denominated in Renminbi Yuan)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

24. Employee benefits payable (Continued)

3) Defined contribution plans

Items	31 December 2023	Additions during the year	Reductions during the year	31 December 2024
Basic pension insurance	25,965,298.61	129,356,463.27	123,973,259.62	31,348,502.26
Unemployment insurance	771,517.68	6,092,693.27	5,877,749.14	986,461.81
Annuity payments	9,406,749.30	13,986,259.16	20,902,468.68	2,490,539.78
Mandatory provident fund	–	943,276.56	910,913.31	32,363.25
Total	36,143,565.59	150,378,692.26	151,664,390.75	34,857,867.10

Note: Pursuant to the relevant laws and regulations of the PRC, the Company and its domestic subsidiaries participated in defined contribution plans, including basic pension insurance, unemployment insurance and enterprise annuity plans, established and managed by government organisations. According to such plans, the Group makes contributions to those insurance plans based on the applicable benchmarks and rates stipulated by the government. Meanwhile, 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). Apart from the above monthly payment fee, the Group shall not undertake any further payment obligation and shall not use or withdraw the contributions already paid.

25. Taxes payable

Tax items	31 December 2024	31 December 2023
VAT	18,751,373.88	21,023,066.04
Corporate income tax	52,010,218.51	58,738,950.15
Individual income tax	1,521,749.36	1,343,688.55
Urban maintenance and construction tax	926,991.89	1,052,438.86
Property tax	5,007,575.43	4,262,965.44
Land appreciation tax	156,399.44	143,410.52
Education surcharges (including local education surcharges)	701,987.05	810,865.60
Land use tax	1,496,158.87	1,561,508.79
Others	2,220,948.23	2,905,838.11
Total	82,793,402.66	91,842,732.06

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

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

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

26. Other payables

Items	31 December 2024	31 December 2023
Interests payable	11,345,224.29	–
Dividends payable	11,871,213.34	26,571,213.34
Others	671,739,243.00	669,489,872.80
Total	694,955,680.63	696,061,086.14

1) *Interests payable*

Items	31 December 2024	31 December 2023
Interest payable on long-term borrowings	4,202,179.71	–
Interest payable on short-term borrowings	7,143,044.58	–
Total	11,345,224.29	–

2) *Dividends payable*

Item	31 December 2024	31 December 2023
Common stock dividends	11,871,213.34	26,571,213.34
Total	11,871,213.34	26,571,213.34

3) *Other payables*

(1) *Other payables by nature:*

Items	31 December 2024	31 December 2023
Security deposits and other deposits	259,030,576.14	244,253,592.42
Deposits received from drivers for safety management purpose	8,642,748.33	13,840,497.11
Accidents compensation payables	5,850,016.03	7,704,398.77
Amount received paid on behalf	110,932,062.16	94,846,486.87
Amount due to third parties	107,475,236.33	126,157,839.75
Construction payables	22,960,619.47	23,146,840.51
Professional Service Fee	3,328,712.88	8,971,085.37
Water, electricity and fuel charges	10,322,763.28	20,377,875.71
Amount due to related parties	41,924,313.20	32,751,867.84
Others	101,272,195.18	97,439,388.45
Total	671,739,243.00	669,489,872.80

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024
(Unless otherwise stated, all amounts are denominated in Renminbi Yuan)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

26. Other payables (Continued)

3) Other payables (Continued)

(2) Material other payables with ageing over one year:

Items	31 December 2024	Reasons for unsettlement
Qingyuan City Jiafu Investment Co., Ltd.	30,409,189.52	Construction in progress, unbilled
China Petrochemical Sales Co., Ltd. Guangdong Branch	19,000,000.00	Performance security deposit
Guangdong Province Gongbei Vehicles Automobile Transportation Co., Ltd.	18,256,200.22	Unbilled

27. Non-current liabilities due within one year

Items	Note V	31 December 2024	31 December 2023
Long-term loans due within one year	28	152,847,526.21	112,726,491.96
Long-term payables due within one year	30	153,959,092.13	147,778,059.39
Lease liabilities due within one year	29	199,019,728.66	160,910,669.96
Total		505,826,347.00	421,415,221.31

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

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

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

28. Long-term loans

1) Classification of long-term loans

Items	31 December 2024	31 December 2023
Unsecured loans	300,597,625.00	561,009,396.46
Including: Loans from banks	268,000,000.00	505,606,077.01
Loans from GCG Finance	32,597,625.00	55,403,319.45
Loans secured by mortgages (Note 2)	133,336,604.76	349,230,532.07
Mortgaged and guaranteed loans (Note 3)	41,941,817.27	51,158,778.25
Pledged and mortgaged loans (Note 4)	36,698,726.19	8,878,189.20
Pledged, mortgaged and guaranteed loans (Note 5)	10,420,400.00	14,459,309.03
Total	522,995,173.22	984,736,205.01
Less: Long-term loans due within one year		
Including: Unsecured loans	6,097,625.00	40,153,319.45
Loans secured by mortgages	84,023,577.93	32,034,040.99
Mortgaged and guaranteed loans	41,797,197.09	27,601,633.29
Pledged and mortgaged loans	10,508,726.19	8,878,189.20
Pledged, mortgaged and guaranteed loans	10,420,400.00	4,059,309.03
Sub-total (Note V 27)	152,847,526.21	112,726,491.96
Long-term loans due after 1 year	370,147,647.01	872,009,713.05
Including: Due after 1 year but within 2 years	334,847,647.01	397,944,748.27
Due after 2 years but within 5 years	35,300,000.00	474,064,964.78

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024
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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

28. Long-term loans (Continued)

1) Classification of long-term loans (Continued)

Note 1: As at 31 December 2024, all the Group's long-term loans were from banks and GCG Finance with interest rates ranging from 2.80%-5.00% per annum (31 December 2023: 2.80%-5.90%).

Note 2: For the details of assets mortgaged for secured loans as at 31 December 2024, please refer to Notes V 10, 11 and 14.

Note 3: As at 31 December 2024, mortgaged and guaranteed loans held by the Group include the loans borrowed by the subsidiaries: ① the loans borrowed by Heyuan City Yueyun Motor Transportation Co., Ltd., with land as collateral, and joint liability guaranteed by shareholders for the remaining exposures in proportion to their shareholdings; ② the 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 31 December 2024, pledged and mortgaged loans held by the Group include the loans borrowed by the subsidiaries: ① the loans borrowed by Shanwei Yueyun Automobile Transportation Co., Ltd., with the comprehensive operation subsidy during the demonstration, promotion and application period of new energy bus in Shanwei urban area from 2022 to 2025 as the pledged assets and land as the collateral; ② the loans borrowed by Shanwei Yueyun Automobile Transportation Co., Ltd., with the comprehensive operation subsidy during the demonstration, promotion and application period of new energy bus in Haifeng County from 2022 to 2024 as the pledged assets and vehicles as the collateral.

Note 5: As at 31 December 2024, pledged, mortgaged and guaranteed loans held by the Group are the loan borrowed by Shanwei Yueyun Automobile Transportation Co., Ltd., with the comprehensive operation subsidy during the demonstration, promotion and application period of new energy bus in Lufeng City in 2025 as pledged assets, with land as the collateral and guaranteed by the Company at 51% joint and several liabilities.

2) Overdue long-term loans

As at 31 December 2024, the outstanding balance of overdue long-term loans of Heyuan City Yueyun Motor Transportation Co., Ltd. and Heyuan City Yueyun Lvdu Public Transportation Co., Ltd., the subsidiaries of the Company, were RMB66,960,833.29 with overdue interest rates ranging from 6.83%-7.50% per annum.

29. Lease liabilities

Items	31 December 2024	31 December 2023
Lease liabilities	2,668,599,543.21	1,994,045,085.88
Less: lease liabilities due within one year (Note V. 27)	199,019,728.66	160,910,669.96
Lease liabilities due after one year	2,469,579,814.55	1,833,134,415.92
Including: Due after 1 year but within 2 years	195,797,370.32	171,492,118.96
Due after 2 years but within 5 years	494,543,273.19	441,793,199.31
After 5 years	1,779,239,171.04	1,219,849,097.65

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

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

30. Long-term payables

Items	31 December 2024	31 December 2023
Long-term payables	34,599,960.41	140,351,914.14
Total	34,599,960.41	140,351,914.14

1) *Long-term payables*

Items	31 December 2024	31 December 2023
Finance lease payable	170,857,345.57	236,133,201.63
Payables for vehicles purchase	16,010,585.70	27,947,538.79
Station construction fees and land transfer fee	1,000,000.00	17,380,376.00
Deposits	489,121.27	6,357,357.11
Others	202,000.00	311,500.00
Total	188,559,052.54	288,129,973.53
Less: Long-term payables due within one year		
Including: Finance lease payable	140,203,709.39	126,594,462.02
Payables for purchasing vehicles	13,755,382.74	21,183,597.37
Sub-total (Note V.27)	153,959,092.13	147,778,059.39
Long-term payables due after one year	34,599,960.41	140,351,914.14
Including: Due after 1 year but within 2 years	30,653,636.18	91,431,449.50
Due after 2 years but within 5 years	3,946,324.23	48,920,464.64

2) *Overdue long-term payables*

As at 31 December 2024, the outstanding balance of overdue long-term payables of Heyuan City Yueyun Motor Transportation Co., Ltd. and Shanwei Yueyun Automobile Transportation Co., Ltd., the subsidiaries of the Company, were RMB129,996,576.62 with overdue interest rates ranging from 4.52% to 18.30% per annum.

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For the year ended 31 December 2024
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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(CONTINUED)*

31. Long-term employee benefits payable

1) *Details of long-term employee benefits payable*

Items	31 December 2024	31 December 2023
1. Post-employment Benefits – defined benefit plan net liabilities	150,257,518.82	165,708,611.25
2. Termination benefits	360,666.01	484,303.88
Total	150,618,184.83	166,192,915.13
Less: Long-term employee benefits payable due within one year	10,776,678.57	8,990,651.66
Including: Post-employment Benefits – defined benefit plan net liabilities (Note V.24)	10,776,678.57	8,990,651.66
Long-term employee benefits payable due after one year	139,841,506.26	157,202,263.47

2) *Movements in defined benefit plans are as follows*

(1) *Present value of defined benefit plans obligation*

Items	2024	2023
1. Balance at the beginning of the year	165,708,611.25	182,985,779.67
2. Included in profit or loss:	3,948,430.51	4,264,350.66
(1) Current cost	227,328.58	231,967.93
(2) Net interest	3,721,101.93	4,032,382.73
3. Included in other comprehensive income:	92,526.21	(1,815,737.83)
(1) Actuarial loss	92,526.21	(1,815,737.83)
4. Other movements	(19,306,996.73)	(23,357,256.91)
(1) Benefits paid	(19,306,996.73)	(23,357,256.91)
5. Balance at the end of the year	150,257,518.82	165,708,611.25

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

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

31. Long-term employee benefits payable *(Continued)*

2) **Movements in defined benefit plans are as follows** *(Continued)*

(2) *Significant actuarial assumptions and sensitivity analysis for defined benefit plans*

① Actuarial assumptions

Actuarial assumptions include demographic and financial assumptions. Demographic assumptions include mortality, employee turnover, disability, and early retirement rates. Financial assumptions include discount rates, benefit levels and future compensation. Regarding the demographic assumptions of the Group, this report only considers mortality. In terms of financial assumptions, this report only considers the discount rate.

1) Mortality

Use the general life table of the insurance industry "China Life Insurance Industry Experience Life Table (2000-2003)" pension business mortality.

2) Interest rate

With reference to the interest rates of long-term treasury bonds and high-quality corporate bonds in recent years, the annual interest rate for the year ended 31 December 2024 is assumed to be 4.00%. ((31 December 2023: 4.00%)

② Explanation of the results of sensitivity analysis

1) Mortality sensitivity analysis results

When other factors remain constant and mortality increases, future subsidy payments are reduced, thereby reducing the present value of the defined benefit plan obligation at the end of each year. When mortality declines, future subsidy payments increase and the present value of defined benefit plan obligations increases. When the death rate is 5% higher than the benchmark level, the liabilities decrease by RMB1,153,686.82 (31 December 2023: RMB1,213,844.92).

2) Interest rate sensitivity analysis results

When other factors remain unchanged and the interest rate is higher than the benchmark level, the present value of the defined benefit plan obligation at the end of each year decreases; when the interest rate is lower than the benchmark level, the annual present value of the defined benefit plan obligation at the end of each year increases. When interest rates rose to 4.10% that year, the liabilities of defined benefit plans obligation fell by RMB951,787.19 (31 December 2023: RMB1,012,566.29) to the benchmark level.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024
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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS *(CONTINUED)*

32. Deferred income

Items	31 December 2024	31 December 2023
Government grant related to assets	200,013,585.66	209,266,251.25
Prepayments of contracts	130,602,628.44	147,070,722.04
Rental of stations and advertising sites	11,109,350.94	11,888,970.66
Total	341,725,565.04	368,225,943.95

33. Share capital

Item	31 December 2023	Issue new shares	Bonus	Conversion of provident fund to shares	Others	31 December 2024
Total shares	799,847,800.00	–	–	–	–	799,847,800.00

34. Capital reserve

Items	31 December 2023	Additions during the year	Reductions during the year	31 December 2024
Share premium	3,186,700.03	–	81,106.63	3,105,593.40
Other capital reserve	18,675,842.63	–	–	18,675,842.63
Total	21,862,542.66	–	81,106.63	21,781,436.03

Note: During the year, the Company disposed of 10% equity interests of Guangdong Yueyun Development Co., Ltd., a subsidiary of the Company, without loss of 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.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

35. Other comprehensive income

Items	31 December 2023	Amount before income tax for the current year	Movements for the year		Less: income tax expense	Attributable to shareholders of the Company after tax	Attributable to non-controlling interest after tax	31 December 2024
			Less: included in other comprehensive income in the previous period and transferred to profit or loss in the current period	Less: included in other comprehensive income in the previous period and transferred to retained earnings in the current period				
1. Other comprehensive income that cannot be reclassified to profit or loss	(15,759,203.19)	63,654.56	-	-	-	(467,916.22)	531,570.78	(16,227,119.41)
Including: Remeasurement of defined benefit plan liability	(12,752,476.19)	92,526.21	-	-	-	(439,044.57)	531,570.78	(13,191,520.76)
Changes in fair value gains or losses on investments in other equity instruments	(3,006,727.00)	(28,871.65)	-	-	-	(28,871.65)	-	(3,035,598.65)
2. Other comprehensive income to be reclassified to profit or loss	(14,850,254.63)	(1,155,670.94)	-	-	-	(2,588,786.89)	1,433,115.95	(17,439,041.52)
Including: Translation differences of foreign currency financial statements	(23,891,017.39)	2,881,177.27	-	-	-	1,448,061.32	1,433,115.95	(22,442,956.07)
Changes in fair value of investments in other equity instruments	9,040,762.76	(4,036,848.21)	-	-	-	(4,036,848.21)	-	5,003,914.55
Total	(30,609,457.82)	(1,092,016.38)	-	-	-	(3,056,703.11)	1,964,686.73	(33,666,160.93)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024
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V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

36. Specific reserve

Item	31 December 2023	Additions during the year	Reductions during the year	31 December 2024
Safety specific reserve	33,769,964.27	39,283,649.42	36,957,323.07	36,096,290.62
Total	33,769,964.27	39,283,649.42	36,957,323.07	36,096,290.62

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.

37. Surplus reserve

Item	31 December 2023	Additions during the year	Reductions during the year	31 December 2024
Statutory surplus reserve	246,913,317.41	12,262,985.56	–	259,176,302.97
Total	246,913,317.41	12,262,985.56	–	259,176,302.97

Note 1: Statutory surplus reserve can be used to make up for the losses, expand the production and operation or to be transferred to increase capital; when being transferred to capital, the statutory surplus reserve remained shall be no less than 25% of the Company’s registered capital before the surplus reserve was transferred to increase capital.

38. Retained earnings

Items	31 December 2024	31 December 2023
Retained earnings at the beginning of the year	842,647,338.85	646,279,200.57
Add: Net profit for the year attributable to the shareholders of the Company	236,507,552.38	201,887,517.27
Less: Appropriation for statutory surplus reserve	12,262,985.56	5,519,378.99
Less: Final dividends in respect of the previous financial year, approved and declared during the year (Note)	63,987,824.00	–
Retained earnings at the end of the year	1,002,904,081.67	842,647,338.85

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 (2023: no dividend was declared). As at 31 December 2024, the above cash dividend has been paid.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

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

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

39. Operating income and operating costs

1) Operating income and operating costs

Item	2024		2023	
	Operating income	Operating cost	Operating income	Operating cost
Operating income from principal activities	7,200,338,305.93	6,550,388,644.61	7,227,231,098.67	6,580,451,362.46
Total	7,200,338,305.93	6,550,388,644.61	7,227,231,098.67	6,580,451,362.46

Details of operating income are as follows:

Items	2024	2023
Expressway service zones operation	5,233,405,396.29	4,954,993,251.00
Road passenger transportation and auxiliary services (Note)	1,834,359,446.26	2,128,604,545.42
Taiping interchange assets operation services	132,573,463.38	143,366,423.55
Material logistics services	–	266,878.70
Total	7,200,338,305.93	7,227,231,098.67
Including: Lease income	545,759,966.93	495,062,652.19

Note: Operating income of Foshan City Yueyun Public Transportation Company Limited, Foshan City Sanshui District Hengjing Urban Transportation Co., Ltd., (former name: Foshan City Sanshui District Yueyun Traffic Co., Ltd.) and Guangzhou City Yueyun Motor Transportation Co., Ltd. includes income derived from their operations of public traffic community business (hereinafter referred to as “TC Business”). Pursuant to the Public Traffic Service Contracts signed by these companies and local transportation and city management bureau in Foshan and Zengcheng, these companies shall operate certain bus lines in designated areas and all fare income derived from routes operation shall be enjoyed by local transportation and city management bureau. The companies shall settle operating income with local transportation and city management bureau monthly based on actual operating mileages of each operating route under price per kilometre of each route method as agreed in the Public Traffic Service Contract. During the year, income derived from TC Business was RMB338,209,397.14, representing 4.70% of total operating income (2023: RMB423,384,778.53, representing 5.86% of total operating income).

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024
(Unless otherwise stated, all amounts are denominated in Renminbi Yuan)

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

40. Financial expenses

Items	2024	2023
Interest expenses from loans	53,593,486.21	69,302,075.09
Interest income	(19,598,450.27)	(16,933,582.35)
Exchange gains	(142,455.23)	(543,688.13)
Interest expenses from lease liabilities	122,203,960.06	101,383,710.21
Others	43,925,437.87	27,076,363.48
Total	199,981,978.64	180,284,878.30

41. Other income

Items	2024	2023
Government grants related to assets	62,199,059.78	82,218,145.99
Government grants related to income	279,637,576.85	277,901,649.72
VAT reduction and exemption, etc. (Note)	1,289,198.16	2,022,864.18
Total	343,125,834.79	362,142,659.89

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

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

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

41. Other income (Continued)

Government grants included in other income

Items	2024	2023	Related to assets/ Related to income
Subsidies for vehicles replacement	76,295.86	1,727,707.98	Related to assets
Subsidies for procurement of new energy vehicles	52,276,673.47	68,669,237.44	Related to assets
Subsidies for fixed assets renovation	6,893,381.87	8,530,908.19	Related to assets
Tax subsidies for vehicle purchase	425,531.88	425,531.88	Related to assets
Other subsidies related to assets	2,527,176.70	2,864,760.50	Related to assets
Subsidies for operation of bus line	251,217,482.50	248,428,995.49	Related to income
Subsidies of elderly concessionary travel card	12,930,716.74	19,819,498.94	Related to income
Others subsidies related to income	15,489,377.61	9,653,155.29	Related to income
Total	341,836,636.63	360,119,795.71	

42. Investment income

Items	2024	2023
Income from long-term equity investments under equity method	77,029,797.89	85,740,550.95
Gains on disposal of subsidiaries (Note VI 3)	13,451,533.61	11,316,051.34
Others	5,464,033.68	(147,707.06)
Total	95,945,365.18	96,908,895.23

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

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024
(Unless otherwise stated, all amounts are denominated in Renminbi Yuan)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

43. Accrual of credit loss

Items	2024	2023
Accounts receivable	(1,374,898.41)	(7,629,928.63)
Other receivables	(3,686,876.14)	(10,747,596.29)
Total	(5,061,774.55)	(18,377,524.92)

44. Impairment losses

Items	2024	2023
Impairment loss of inventory	(565,850.02)	–
Impairment loss of fixed assets	(4,772,213.05)	–
Impairment loss of construction in progress	–	(1,296,524.87)
Impairment loss of intangible assets	(5,782,608.73)	(38,084,104.79)
Total	(11,120,671.80)	(39,380,629.66)

45. Gains from asset disposals

Items	2024	2023
Gains from disposal of fixed assets	22,440,579.14	22,217,156.76
Gains from disposal of other non-current assets	–	12,094,551.60
Gains from disposal of right-of-use assets	1,068,993.59	(102,653.41)
Total	23,509,572.73	34,209,054.95

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

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

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

46. Non-operating income

Items	2024	2023
Gains on scrapping of non-current assets	2,459,020.77	2,408,778.33
Government grants	1,520.00	5,310,882.83
Compensations	2,113,352.32	3,035,525.94
Others	8,302,351.36	4,511,434.40
Total	12,876,244.45	15,266,621.50

Government grants included in non-operating income

Subsidy items	2024	2023	Related to assets/ Related to income
Other subsidies	1,520.00	5,310,882.83	Related to income
Total	1,520.00	5,310,882.83	

47. Non-operating expense

Items	2024	2023
Donations	—	181,121.30
Losses on scrapping of non-current assets	4,670,550.35	4,398,098.43
Road accidents losses	1,175,280.00	685,227.61
Penalty expenses	3,081,607.31	2,602,792.64
Others	5,298,827.14	4,631,171.78
Total	14,226,264.80	12,498,411.76

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024
(Unless otherwise stated, all amounts are denominated in Renminbi Yuan)

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

48. Income tax expenses

1) *Income tax expenses*

Items	2024	2023
Current income tax expense	103,424,538.76	101,276,100.89
Deferred tax expense	(24,629,301.51)	(16,537,985.23)
Total	78,795,237.25	84,738,115.66

2) *Reconciliation of income tax expenses to accounting profit is as follows*

Items	2024
Profit before taxation	308,088,246.69
Income tax expense calculated at tax rate of 25%	77,022,061.67
Effect of different tax rates applied by certain subsidiaries	(1,816,699.54)
Adjustments of tax filing differences	(8,237,103.82)
Effect of non-taxable income	(20,978,499.13)
Effect of non-deductible expenses	8,158,233.51
Effect of utilisation of deductible tax losses of unrecognised deferred tax assets in previous years	(6,738,197.00)
Effect of unrecognised deductible temporary differences or tax losses	31,385,441.56
Income tax expenses	78,795,237.25

Note: The details of the Company and its subsidiaries' applicable income tax rates are set out in Note IV.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

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

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

49. 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	2024	2023
Consolidated net profit attributable to ordinary shareholders of the Company	236,507,552.38	201,887,517.27
Weighted average number of ordinary shares outstanding	799,847,800.00	799,847,800.00
Basic earnings per share	0.30	0.25
Including: Basic earnings per share from continuing operations	0.30	0.25

Weighted average number of ordinary shares is calculated as follows:

Items	2024	2023
Issued ordinary shares at the beginning and the end of the year	799,847,800.00	799,847,800.00
Weighted average number of ordinary shares at the end of the year	799,847,800.00	799,847,800.00

2) Diluted earnings per share

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

50. Supplement to income statement

Operating costs, selling and distribution expenses, general and administrative expenses, research and development expenses and financial expenses in the income statement are classified according to their nature and listed as follows:

Items	2024	2023
Changes in finished goods	3,728,374,775.83	3,613,583,530.94
Employee benefits expenses	1,553,947,663.10	1,689,201,714.45
Depreciation and amortization	528,337,758.27	629,875,569.07
Depreciation of right-of-use	246,921,457.02	243,270,075.19
Raw materials used	79,113,734.02	103,174,823.00
Fuel fee	164,348,192.53	146,945,365.31
Rental expenses	115,844,901.41	70,011,425.05
Financial expenses	199,981,978.64	180,284,878.30
Accrual of impairment losses	11,120,671.80	39,380,629.66
Accrual of credit losses	5,061,774.55	18,377,524.92
Auditors' remuneration	4,120,000.00	4,490,000.00
Other expenses	669,921,165.02	638,305,598.55
Total	7,307,094,072.19	7,376,901,134.44

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024
(Unless otherwise stated, all amounts are denominated in Renminbi Yuan)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

51. Supplement to cash flow statement

1) Supplement to cash flow statement

Supplement	2024	2023
1. Reconciliation of net profit to cash flows from operating activities:		
Net profit	229,293,009.44	213,826,843.82
Add: Provisions for credit loss	5,061,774.55	18,377,524.92
Provisions for impairment of assets	11,120,671.80	39,380,629.66
Depreciation of fixed assets and investment properties	412,441,011.83	503,528,062.00
Depreciation of right-of-use assets	246,921,457.02	243,270,075.19
Amortisation of intangible assets	44,927,085.16	57,099,545.33
Amortisation of long-term deferred expenses	70,201,102.36	69,487,070.78
Gains on disposal of fixed assets, intangible assets and other long-term assets	(23,509,572.73)	(34,209,054.95)
Losses on disposal of fixed assets	2,211,529.58	1,989,320.10
Financial expenses	204,212,768.95	179,318,356.57
Investment income	(95,945,365.18)	(96,908,895.23)
Increase in deferred tax assets	(19,964,469.02)	(9,019,128.09)
Decrease in deferred tax liabilities	(4,674,399.55)	(7,426,594.30)
Increase in inventories	(11,039,136.09)	(11,901,680.09)
Increase in operating receivables	(102,589,345.85)	(60,518,747.49)
Increase/(decrease) in operating payables	173,458,173.69	(108,109,624.75)
Increase in specific reserve	10,313,698.92	5,705,245.27
Net cash inflow from operating activities	1,152,439,994.88	1,003,888,948.74
2. Change in cash and cash equivalents		
Cash and cash equivalents at the end of the year	1,425,056,954.63	1,085,764,984.96
Less: Cash and cash equivalents at the beginning of the year	1,085,764,984.96	945,099,019.66
Net increase in cash and cash equivalents	339,291,969.67	140,665,965.30

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

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

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

51. Supplement to cash flow statement (Continued)

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

Items	Amounts
Cash and cash equivalents received from disposal of subsidiaries	127,572,576.00
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 Hengjing Urban Transportation Co., Ltd. (former name: Foshan City Sanshui District Yueyun Traffic Co., Ltd.)	10,159,753.70
Guangdong Yueyun Langri	99,612,282.00
Less: Cash and cash equivalents held on the date of loss of control over subsidiaries	12,665,480.02
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 Hengjing Urban Transportation Co., Ltd. (former name: Foshan City Sanshui District Yueyun Traffic Co., Ltd.)	3,215,107.64
Guangdong Yueyun Langri	8,185,300.87
Add: Cash or cash equivalents received in the current year from the disposal of subsidiaries in prior periods.	48,942,729.25
Including: Zhaoqing City Yueyun Motor Transportation Co., Ltd.	48,942,729.25
Net cash received from disposal of subsidiaries	163,849,825.23

3) Details of cash and cash equivalents

Items	31 December 2024	31 December 2023
I. Cash at bank and on hand	1,425,056,954.63	1,085,764,984.96
Including: Cash on hand	3,869,621.30	4,007,698.06
Bank deposits available on demand	1,421,187,333.33	1,081,757,286.90
II. Closing balance of cash and cash equivalents available on demand	1,425,056,954.63	1,085,764,984.96

52. Assets with restricted ownership or right of use

Items	Book value at the end of the year	Restricted reason
Monetary funds	18,073,436.66	Performance security deposits, property maintenance funds, tourism quality deposits and judicial freeze
Investment properties	168,267,427.79	Short-term loans mortgage, long-term loans mortgage
Fixed assets	270,188,959.97	Short-term loans mortgage, long-term loans mortgage, long-term payable mortgage guarantee, preservation of property
Intangible assets	58,206,506.28	Short-term loans mortgage, long-term loans mortgage, preservation of property
Total	514,736,330.70	

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024
(Unless otherwise stated, all amounts are denominated in Renminbi Yuan)

V. NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

53. Government grants

1) Government grants related to assets

Items	Balance	Balance sheet presentation items	The amount included in the current profit and loss or offsetting the related costs and expenses		Items included in the current profit and loss or offsetting the related costs and expenses
			2024	2023	
Subsidies for vehicles replacement	4,632.77	Deferred income	76,295.86	1,727,707.98	Other income
Subsidies for procurement of new energy vehicles	54,222,362.43	Deferred income	52,276,673.47	68,669,237.44	Other income
Subsidies for fixed assets renovation	127,236,111.96	Deferred income	6,893,381.87	8,530,908.19	Other income
Tax subsidies for vehicles purchase	10,748,686.08	Deferred income	425,531.88	425,531.88	Other income
Other subsidies related to assets	7,801,792.42	Deferred income	2,527,176.70	2,864,760.50	Other income
Total	200,013,585.66		62,199,059.78	82,218,145.99	

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
	2024	2023	
Fuel subsidies	54,943,774.95	145,725,701.47	Operating costs
Subsidies for operation of bus lines	251,217,482.50	248,428,995.49	Other income
Subsidies of elderly concessionary travel card	12,930,716.74	19,819,498.94	Other income
Other subsidies	15,489,377.61	9,653,155.29	Other income
Other subsidies	1,520.00	5,310,882.83	Non-operating income
Total	334,582,871.80	428,938,234.02	

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

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

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

54. Net current liabilities

Items	31 December 2024	31 December 2023
Current assets	2,666,605,098.63	2,453,909,196.32
Less: Current liabilities	2,725,484,608.63	2,560,402,388.93
Net current liabilities	(58,879,510.00)	(106,493,192.61)

55. Total assets less current liabilities

Items	31 December 2024	31 December 2023
Total assets	8,724,059,777.83	8,603,368,305.61
Less: Current liabilities	2,725,484,608.63	2,560,402,388.93
Total assets less current liabilities	5,998,575,169.20	6,042,965,916.68

56. Lease

1) *As a lessee*

Items	2024	2023
Interest expense on lease liabilities	122,203,960.06	101,383,710.21
Short-term lease expenses applied the practical expedient	101,303,819.58	60,378,892.26
Variable lease payments not included in the measurement of lease liabilities	8,181,031.40	13,978,542.51
Income from sub-leasing right-of-use assets	485,303,712.43	436,041,496.83
Total cash outflow for leases	305,709,516.10	384,622,352.98

2) *As a lessor*

(1) *Operating lease*

Items	2024	2023
Lease income	545,759,966.93	495,062,652.19
Including: income related to variable lease payments not included in lease receipts	63,505,264.03	37,119,363.08

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024
(Unless otherwise stated, all amounts are denominated in Renminbi Yuan)

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

56. Lease *(Continued)*

2) **As a lessor** *(Continued)*

(1) *Operating lease (Continued)*

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

Remaining lease term	31 December 2024	31 December 2023
Within 1 year	466,167,281.03	491,609,268.54
Over 1 year but within 2 years	403,154,410.46	453,936,749.57
Over 2 years but within 3 years	337,607,201.63	381,507,162.92
Over 3 years but within 4 years	283,526,857.01	322,254,930.99
Over 4 years but within 5 years	204,390,022.58	270,555,117.05
Over 5 years	745,073,379.15	977,236,470.22
Total	2,439,919,151.86	2,897,099,699.29

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 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 year.

2. Business combinations under common control

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

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 Xinjiyun 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	N/A
Foshan City Sanshui District Hengjing Urban Transportation Co., Ltd. (former name: 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	N/A
Guangdong Yueyun Langri (Note)	99,612,282.00	51.00	Publicly listed for sale	2024/10/12	Completion of equity transfer	11,234,702.97	-	N/A	N/A	N/A	N/A	N/A

Note: On 12 October 2024, the Company completed the equity transfer in relation to Guangdong Yueyun Langri and its subsidiaries at a total consideration of RMB99,612,282.00.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024
(Unless otherwise stated, all amounts are denominated in Renminbi Yuan)

VI. CHANGES IN THE SCOPE OF CONSOLIDATION *(CONTINUED)*

4. Other reasons for changes in the scope of consolidation

The subsidiary of the Company, Shenzhen City Man Kam To Bus station Co., Ltd. completed the industrial and commercial cancellation in 2024 and was no longer included in the scope of consolidation of the Group since then. The operating results and cash flows of Shenzhen City Man Kam To Bus station Co., Ltd. before the date of deregistration has been included in the Group's consolidated income statement and consolidated cash flow statement for the year.

VII. INTERESTS IN OTHER ENTITIES

1. Interests in subsidiaries

1) *Composition of the Group*

Full name of the subsidiary	Incorporation place	Registered place	Kind of legal entity	Business nature	Registered capital (RMB million)	Direct and indirect holdings (%)	Voting rights (%)	Established or acquired
Guangdong Highway Media Company Limited	Guangdong China	Guangdong China	Limited liability company	Expressway services	33.00	100.00	100.00	Established
Yueyun Transportation (HK) Company Limited	Hong Kong China	Hong Kong China	Incorporated corporation	Material Logistics services	HKD1.5	100.00	100.00	Established
Guangdong Top-E Expressway Service Zone Company Limited	Guangdong China	Guangdong China	Limited liability company	Expressway services	100.00	95.56	95.56	Business combinations involving enterprises under common control
Guangdong Tongyi Ecological and Environmental Protection Construction Co., Ltd (former name: Guangdong Tongyi Landscape Co., Ltd.)	Guangdong China	Guangdong China	Limited liability company	Expressway services	20.00	100.00	100.00	Business combinations involving enterprises under common control
Guangdong Jindaoda Expressway Economic Development Company Limited	Guangdong China	Guangdong China	Limited liability company	Expressway services	10.00	100.00	100.00	Business combinations involving enterprises under common control
The Motor Transport Company of Guangdong and Hong Kong Limited (Note 1)	Hong Kong China	Hong Kong China	Incorporated corporation	Cross-border transportation services	HKD9	62.00	71.43	Business combinations involving enterprises under common control
Gang Tong (HK) Motor Transport Company Limited	Hong Kong China	Hong Kong China	Limited liability company	Cross-border transportation services	HKD0.01	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	HKD0.5	70.00	70.00	Business combinations involving enterprises under common control

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VII. INTERESTS IN OTHER ENTITIES *(CONTINUED)*

1. Interests in subsidiaries *(Continued)*

1) *Composition of the Group (Continued)*

Full name of the subsidiary	Incorporation place	Registered place	Kind of legal entity	Business nature	Registered capital (RMB million)	Direct and indirect holdings (%)	Voting rights (%)	Established or acquired
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	HKD10.50	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	HKD3.5	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
Guangzhou City Yueyun Motor Transportation Co., Ltd.	Guangdong China	Guangdong China	Limited liability company	Domestic transportation	0.503	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

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VII. INTERESTS IN OTHER ENTITIES *(CONTINUED)*

1. Interests in subsidiaries *(Continued)*

1) *Composition of the Group (Continued)*

Full name of the subsidiary	Incorporation place	Registered place	Kind of legal entity	Business nature	Registered capital (RMB million)	Direct and indirect holdings (%)	Voting rights (%)	Established or acquired
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	HKD5	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 Lvdv 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

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VII. INTERESTS IN OTHER ENTITIES (CONTINUED)

1. Interests in subsidiaries (Continued)

1) Composition of the Group (Continued)

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

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VII. INTERESTS IN OTHER ENTITIES *(CONTINUED)*

1. Interests in subsidiaries *(Continued)*

1) *Composition of the Group (Continued)*

Full name of the subsidiary	Incorporation place	Registered place	Kind of legal entity	Business nature	Registered capital (RMB million)	Direct and indirect holdings (%)	Voting rights (%)	Established or acquired
Lufeng Yueyun Public Transportation Co., Ltd.	Guangdong China	Guangdong China	Limited liability company	Domestic transportation	10.00	100.00	100.00	Established
Meizhou City Yueyun Motor Transportation Co., Ltd.	Guangdong China	Guangdong China	Limited liability company	Domestic transportation	38.00	100.00	100.00	Business combinations involving enterprises under common control
Meizhou Vehicles Passenger Transportation Co., Ltd.	Guangdong China	Guangdong China	Limited liability company	Domestic transportation	4.50	100.00	100.00	Business combinations involving enterprises under common control
Xingning Vehicles Transportation Co., Ltd.	Guangdong China	Guangdong China	Limited liability company	Domestic transportation	4.00	100.00	100.00	Business combinations involving enterprises under common control
Dapu Vehicles Transportation Co., Ltd.	Guangdong China	Guangdong China	Limited liability company	Domestic transportation	3.20	100.00	100.00	Business combinations involving enterprises under common control
Wuhua Vehicles Transportation Co., Ltd.	Guangdong China	Guangdong China	Limited liability company	Domestic transportation	4.50	100.00	100.00	Business combinations involving enterprises under common control
Pingyuan Vehicles Transportation Co., Ltd.	Guangdong China	Guangdong China	Limited liability company	Domestic transportation	3.20	100.00	100.00	Business combinations involving enterprises under common control
Jiaoling Vehicles Transportation Co., Ltd.	Guangdong China	Guangdong China	Limited liability company	Domestic transportation	12.60	100.00	100.00	Business combinations involving enterprises under common control
Meizhou Vehicle Materials Supply Co., Ltd.	Guangdong China	Guangdong China	Limited liability company	Domestic transportation	1.00	100.00	100.00	Business combinations involving enterprises under common control
Chaozhou City Yueyun Vehicle Transportation Co., Ltd.	Guangdong China	Guangdong China	Limited liability company	Domestic transportation	40.00	100.00	100.00	Business combinations involving enterprises under common control

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VII. INTERESTS IN OTHER ENTITIES *(CONTINUED)*

1. Interests in subsidiaries *(Continued)*

1) *Composition of the Group (Continued)*

Full name of the subsidiary	Incorporation place	Registered place	Kind of legal entity	Business nature	Registered capital (RMB million)	Direct and indirect holdings (%)	Voting rights (%)	Established or acquired
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
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.

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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 year	Dividends paid to NCI during the year	Accumulated NCI at the end of the year
The Motor Transport Company of Guangdong and Hong Kong Limited (Hong Kong)	38.00	9,202,514.60	(2,235,284.00)	77,036,331.16
Foshan City Yueyun Public Transportation Co., Ltd.	49.00	780,424.89	(3,564,368.48)	143,134,774.08
Heyuan City Yueyun Motor Transportation Co., Ltd.	44.72	(16,677,080.92)	–	(14,030,583.75)
Qingyuan Yueyun Vehicles Transportation Co., Ltd.	33.61	512,036.07	–	105,573,861.05
Shaoguan Yueyun Vehicles Transportation Co., Ltd.	40.31	(2,400,097.67)	(3,724,090.45)	94,444,967.24
Guangdong Zhong Yue Tong Oil Products Operation Company Limited	49.00	36,747,950.00	(38,981,200.00)	101,252,663.12

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VII. INTERESTS IN OTHER ENTITIES (CONTINUED)

1. Interests in subsidiaries (Continued)

3) Key financial information of material non-wholly-owned subsidiaries

Name of the subsidiary	31 December 2024					
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total Liabilities
The Motor Transport Company of Guangdong and Hong Kong Limited (Hong Kong)	128,105,687.82	204,498,474.30	332,604,162.12	120,795,228.56	2,350,259.87	123,145,488.43
Foshan City Yueyun Public Transportation Co., Ltd.	116,860,628.46	244,553,743.70	361,414,372.16	43,444,671.94	25,857,916.35	69,302,588.29
Heyuan City Yueyun Motor Transportation Co., Ltd.	45,139,241.31	260,707,797.37	305,847,038.68	302,759,241.28	40,472,061.76	343,231,303.04
Qingyuan Yueyun Vehicles Transportation Co., Ltd.	146,041,936.70	401,701,472.09	547,743,408.79	95,076,359.20	107,895,251.99	202,971,611.19
Shaoguan Yueyun Vehicles Transportation Co., Ltd.	109,037,069.64	254,750,259.69	363,787,329.33	82,669,387.30	45,236,796.02	127,906,183.32
Guangdong Zhong Yue Tong Oil Products Operation Company Limited	194,182,541.18	51,623,776.54	245,806,317.72	18,648,299.72	7,603,362.86	26,251,662.58

Name of the subsidiary	As at 31 December 2023					
	Current assets	Non-current assets	Total assets	Current liabilities	Non-current liabilities	Total Liabilities
The Motor Transport Company of Guangdong and Hong Kong Limited (Hong Kong)	104,178,100.59	177,079,600.73	281,257,701.32	89,915,181.76	4,495,714.27	94,410,896.03
Foshan City Yueyun Public Transportation Co., Ltd.	93,500,593.38	342,602,085.36	436,102,678.74	59,665,032.63	80,553,021.12	140,218,053.75
Heyuan City Yueyun Motor Transportation Co., Ltd.	52,551,114.56	293,035,785.33	345,586,899.89	230,607,718.35	113,897,894.06	344,505,612.41
Qingyuan Yueyun Vehicles Transportation Co., Ltd.	140,323,841.17	469,452,741.68	609,776,582.85	108,053,433.90	154,686,857.04	262,740,290.94
Shaoguan Yueyun Vehicles Transportation Co., Ltd.	87,238,391.61	295,075,564.19	382,313,955.80	84,847,043.26	53,513,089.21	138,360,132.47
Guangdong Zhong Yue Tong Oil Products Operation Company Limited	226,354,665.53	57,027,750.54	283,382,416.07	29,012,477.30	8,223,005.37	37,235,482.67

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VII. INTERESTS IN OTHER ENTITIES *(CONTINUED)*

1. Interests in subsidiaries *(Continued)*

3) *Key financial information of material non-wholly-owned subsidiaries (Continued)*

Name of the subsidiary	2024				2023			
	Operating income	Net profit/(loss)	Total comprehensive income	Net Cash inflow/(outflow) from operating activities	Operating income	Net profit/(loss)	Total comprehensive income	Net Cash inflow/(outflow) from operating activities
The Motor Transport Company of Guangdong and Hong Kong Limited (Hong Kong)	201,314,497.57	23,951,870.98	28,163,194.89	42,189,714.15	169,481,187.53	12,119,119.12	14,657,157.13	13,420,479.39
Foshan City Yueyun Public Transportation Co., Ltd.	237,779,709.14	1,592,703.86	1,592,703.86	80,081,617.12	285,712,761.55	1,106,030.54	1,106,030.54	64,361,199.59
Heyuan City Yueyun Motor Transportation Co., Ltd.	60,679,450.81	(37,294,722.18)	(38,450,389.69)	(1,789,896.90)	65,570,094.96	(26,124,563.59)	(26,124,563.59)	8,627,978.69
Qingyuan Yueyun Vehicles Transportation Co., Ltd.	244,036,431.15	1,523,526.91	(2,573,469.54)	42,593,450.62	256,640,654.93	8,182,875.65	7,923,194.01	28,279,442.49
Shaoguan Yueyun Vehicles Transportation Co., Ltd.	157,552,960.07	4,636,124.90	1,166,980.91	29,342,765.47	181,298,451.93	14,814,324.12	14,626,514.58	17,113,103.91
Guangdong Zhong Yue Tong Oil Products Operation Company Limited	975,502,339.39	257,173,149.16	253,573,149.16	90,574,747.96	1,218,054,893.56	213,236,677.33	213,236,677.33	144,648,458.31

Note: The key financial information of the above subsidiaries without offsetting intra-group transactions, but with adjustments made in light of the fair value at the consolidation date and difference in accounting policies.

2. Changes in the share of the owner's equity in the subsidiary and still control the subsidiary's transactions

1) *Changes in the share of the owner's equity in the subsidiary*

During the year, the Company disposed of 10% equity interests of Guangdong Yueyun Development Co., Ltd., a subsidiary of the Company, without loss of 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.

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VII. INTERESTS IN OTHER ENTITIES *(CONTINUED)*

2. Changes in the share of the owner's equity in the subsidiary and still control the subsidiary's transactions *(Continued)*

2) Effect on Non-controlling interests and the shareholders of the company

Items	Guangdong Yueyun Development Co., Ltd.
Consideration of disposal	
– Cash	312,875.30
Total consideration of disposal	312,875.30
Less: Calculated in proportion to the equity disposed share of net assets of a subsidiary	393,981.93
Difference	(81,106.63)
Including: Adjusting capital reserves	(81,106.63)

3. 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 Passenger Traffic Centre Co., Ltd.	Guangdong China	Guangdong China	Passenger terminal Operation	35.00	Equity method	Yes
Guangzhou City Tianhe Coach Terminal Co., Ltd.	Guangdong China	Guangdong China	Station services	20.00	Equity method	Yes
Hong Kong-Zhuhai-Macao Bridge Shuttle Bus Co., Ltd.	Hong Kong China	Hong Kong China	Transportation	20.00	Equity method	Yes
CNPC Yueyun Natural Gas Co. Ltd.	Guangdong China	Guangdong China	Gas wholesale and retail	24.00	Equity method	Yes

Note: All joint ventures and associates of the Group are non-listed companies. As at 31 December 2024, the ability to transfer fund from the above joint ventures and associates to the Group is not restricted (31 December 2023: Nil).

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VII. INTERESTS IN OTHER ENTITIES (CONTINUED)

3. Interests in joint arrangements or associates (Continued)

2) Key financial information of material joint ventures

Items	Closing balance/current amount		Balance at the end of the previous year/ Amount of the previous year	
	Guangdong Zhongyou Top-E Energy Trading Company Limited	Yuegong Xinhai	Guangdong Zhongyou Top-E Energy Trading Company Limited	Yuegong Xinhai
Current assets	68,883,881.73	12,045,508.26	67,881,907.66	4,352,215.65
Including: Cash and cash equivalents	51,208,802.58	4,307,471.68	23,206,533.83	4,352,215.65
Non-current assets	29,691,354.46	270,216,071.56	35,211,241.82	211,828,119.76
Total assets	98,575,236.19	282,261,579.82	103,093,149.48	216,180,335.41
Current liabilities	1,891,353.19	151,250.03	2,155,491.84	117,000.00
Non-current liabilities	28,501,838.87	–	32,080,213.75	68,710.63
Total liabilities	30,393,192.06	151,250.03	34,235,705.59	185,710.63
Equity attributable to parent company's shareholders	68,182,044.13	282,110,329.79	68,857,443.89	215,994,624.78
Group's share of net assets	34,772,842.51	138,234,061.61	35,117,296.38	105,837,366.14
Book value of equity investments in joint ventures	34,772,842.51	138,234,061.61	35,117,296.38	105,837,366.14
Operating income	119,069,526.32	–	196,806,720.02	–
Financial expenses	670,498.40	(10,994.69)	626,295.79	(110,929.02)
Income tax expense	(127,518.51)	3,989,500.50	118,398.20	3,919.08
Net profit	(2,808,253.98)	110,161,372.45	232,687.77	105,864,104.33
Other comprehensive income	–	–	–	21,176,515.63
Total comprehensive income	(2,808,253.98)	110,161,372.45	232,687.77	127,040,619.96
Dividends received from joint ventures in the current year	106,800.00	17,248,722.75	–	–

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VII. INTERESTS IN OTHER ENTITIES *(CONTINUED)*

3. Interests in joint arrangements or associates *(Continued)*

3) Key financial information of material associates

Items	Closing balance/current amount					
	Southern United Assets and Equity Exchange Company Limited	Shenzhen Yueyun Investment Development Company Limited	Shantou City Automobile Passenger Traffic Centre Co., Ltd.	Guangzhou City Tianhe Coach Terminal Co., Ltd.	Hong Kong- Zhuhai-Macao Bridge Shuttle Bus Co., Ltd.	CNPC Yueyun Natural Gas Co. Ltd.
Current assets	145,985,936.38	43,016,800.86	5,100,560.38	123,237,196.67	2,165,210.43	25,117,658.67
Non-current assets	66,699,986.76	204,389,993.24	64,712,444.37	100,959,842.09	270,571,660.07	11,303,606.38
Total assets	212,685,923.14	247,406,794.10	69,813,004.75	224,197,038.76	272,736,870.50	36,421,265.05
Current liabilities	14,851,372.17	10,694,640.03	12,661,520.93	58,936,332.86	19,446.84	5,234,525.22
Non-current liabilities	1,336,493.33	-	-	-	-	-
Total liabilities	16,187,865.50	10,694,640.03	12,661,520.93	58,936,332.86	19,446.84	5,234,525.22
Equity attributable to parent company's shareholders	196,498,057.64	236,712,154.07	57,151,483.82	165,260,705.90	272,717,423.66	30,103,048.97
Group's share of net assets	49,124,514.41	47,342,430.81	20,003,019.34	33,052,141.18	54,543,484.72	7,224,731.75
Book value of equity investments in joint ventures	49,124,514.41	47,342,430.81	20,003,019.34	33,052,141.18	54,543,485.09	7,224,731.75
Operating income	104,208,084.32	24,946,801.37	6,636,801.44	-	-	208,793.06
Net profit	34,014,286.60	1,843,621.29	(1,921,817.64)	2,856,379.51	85,455,626.95	(9,379,605.45)
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income	34,014,286.60	1,843,621.29	(1,921,817.64)	2,856,379.51	85,455,626.95	(9,379,605.45)
Dividends received from joint ventures in the current year	18,195,609.51	-	-	-	6,962,360.00	-

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VII. INTERESTS IN OTHER ENTITIES (CONTINUED)

3. Interests in joint arrangements or associates (Continued)

3) Key financial information of material associates (Continued)

Items	Balance at the end of the previous year/Amount of the previous year					
	Southern United Assets and Equity Exchange Company Limited	Shenzhen Yueyun Investment Development Company Limited	Shantou City Automobile Passenger Traffic Centre Co., Ltd.	Guangzhou City Tianhe Coach Terminal Co., Ltd.	Hong Kong- Zhuhai-Macao Bridge Shuttle Bus Co., Ltd.	CNPC Yueyun Natural Gas Co. Ltd.
Current assets	255,653,219.81	34,267,446.76	4,967,498.92	132,324,270.23	2,152,984.99	26,664,892.77
Non-current assets	73,520,827.35	210,089,423.12	67,459,927.35	98,924,419.59	214,666,778.51	17,743,648.07
Total assets	329,174,047.16	244,356,869.88	72,427,426.27	231,248,689.82	216,819,763.50	44,408,540.84
Current liabilities	91,840,619.46	9,458,957.52	13,252,327.46	68,844,162.25	34,173.56	4,368,925.80
Non-current liabilities	2,313,914.46	–	40,000.00	–	–	–
Total liabilities	94,154,533.92	9,458,957.52	13,292,327.46	68,844,162.25	34,173.56	4,368,925.80
Equity attributable to parent company's shareholders	235,019,513.24	234,897,912.36	59,135,098.81	162,404,527.57	216,785,589.94	38,122,055.16
Group's share of net assets	58,754,878.31	46,979,582.47	20,697,284.58	32,480,905.51	43,357,117.98	9,149,293.24
Book value of equity investments in joint ventures	58,754,878.31	46,979,582.47	20,697,284.58	32,480,905.51	43,357,117.98	9,149,293.24
Operating income	124,761,749.05	22,777,305.63	6,892,130.65	–	–	231,039.48
Net profit	52,087,287.59	1,619,287.10	(2,413,134.31)	3,081,853.80	70,115,849.20	(3,130,688.73)
Other comprehensive income	–	–	–	–	–	–
Total comprehensive income	52,087,287.59	1,619,287.10	(2,413,134.31)	3,081,853.80	70,115,849.20	(3,130,688.73)
Dividends received from joint ventures in the current year	16,057,160.40	–	–	12,983,676.00	–	–

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For the year ended 31 December 2024

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

VII. INTERESTS IN OTHER ENTITIES (CONTINUED)

3. Interests in joint arrangements or associates (Continued)

4) Financial information of immaterial joint ventures and associates

	2024	2023
Joint ventures:		
Aggregate carrying amount of investments	13,503,538.36	13,821,707.14
Aggregate amount of share of		
– Net profit	(4,057,474.84)	261,208.65
– Other comprehensive income	–	–
– Total comprehensive income	(4,057,474.84)	261,208.65
Associates:		
Aggregate carrying amount of investments	27,794,678.98	29,692,749.92
Aggregate amount of share of		
– Net profit	9,614,250.28	(5,348,991.34)
– Other comprehensive income	–	–
– Total comprehensive income	9,614,250.28	(5,348,991.34)

5) Excessive losses incurred by joint ventures or associates

Name of joint ventures or associates	Accumulated unrecognised share of losses at the beginning of the year	Recognised share of net losses during the year	Accumulated unrecognised share of losses at the end of the year
Shantou City Chaoyang Yueyun Sky Island Transportation Co., Ltd.	2,589,777.33	309,041.06	2,898,818.39
Guangdong – Hong Kong – Macao System Technology Co., Ltd.	411,024.31	(215,915.76)	195,108.55
Express Cross-Border Coach Management Company Limited	1,726,221.88	(370,321.72)	1,355,900.16
Huiketong Technology (Zhuhai) Co., Ltd.	885,104.78	(151,843.22)	733,261.56
Guangzhou Hehe Intelligent Technology Co., Ltd.	335,291.76	1,998,379.63	2,333,671.39
Total	5,947,420.06	1,569,339.99	7,516,760.05

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For the year ended 31 December 2024
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VIII. RISK RELATED TO FINANCIAL INSTRUMENTS

The Company has exposure to various financial risks in the course of operation: credit risk, liquidity risk and market risk (including exchange rate risk, interest rate risk and other price risks). The details of the above financial risks and the risk management policies adopted by the Company to reduce these risks are as follows:

The objective of the Group's risk management is to achieve an appropriate balance between risk and income, and strive to reduce the adverse impact of financial risks on the Group's financial performance. Based on this risk management objective, the Group has formulated risk management policies to identify and analyze the risks faced by the Group, set an appropriate risk acceptable level and design corresponding internal control procedures to monitor the risk level of the Group. The Group will regularly review these risk management policies and relevant internal control systems to adapt to market conditions or changes in the Group's business activities.

1. Credit risk

Credit risk refers to the risk of financial losses incurred by the company due to the failure of counterparties to fulfill contractual obligations.

The Group's credit risk mainly comes from monetary funds and receivables. The management will continuously monitor the exposure of these credit risks.

The Group's monetary funds other than cash are mainly deposited in financial institutions with good credit. The management believes that there is no significant credit risk and is not expected to cause losses to the Group due to the other party's default.

The maximum credit risk exposure of the Group is the carrying amount of each financial asset in the consolidated balance sheet. The Group has not provided any guarantee that may expose the Group and the Company to credit risk.

In addition, for accounts receivables, the Group has formulated a credit policy according to the actual situation and conducted credit evaluation on customers to determine the credit limit and credit period. Credit evaluation is mainly based on the customer's financial status, external rating and bank credit record (if possible). The relevant accounts receivables are due within 30 to 90 days from the date of issuing the invoice. For debtors with overdue accounts receivable, the Group will urge collection from the debtors or negotiate with them to reschedule the payment term. Under normal circumstances, the Group will not require customers to provide collateral.

For other receivables, the Group monitors changes in credit risk by tracking the debtor's operating results and changes in the current economic environment. Credit evaluation is mainly based on the customer's financial status, external rating and bank credit record (if possible). For debtors whose other receivables are overdue, the Group will urge collection from them or negotiate with them to reschedule the payment term. Under normal circumstances, the Group will not require customers to provide collateral.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

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

VIII. RISK RELATED TO FINANCIAL INSTRUMENTS *(CONTINUED)*

2. Liquidity risk

Liquidity risk refers to the risk of capital shortage when an enterprise performs its obligation to settle by delivering cash or other financial assets.

The Company and its subsidiaries are responsible for their own cash management, including short-term investment of cash surplus and loan raising to meet the expected cash demand (if the loan amount exceeds some preset authorization limit, it needs to be approved by the board of directors of the Company). The Group's policy is to regularly monitor the short-term and long-term liquidity needs and whether they comply with the provisions of the loan agreement, so as to ensure the maintenance of sufficient cash reserves and marketable securities that can be realized at any time, and obtain the commitment of major financial institutions to provide sufficient standby funds to meet the short-term and long-term liquidity needs.

The Company's financial liabilities are listed as follows based on the undiscounted contract cash flow according to the maturity date:

Items	31 December 2024				
	Within 1 year or on demand	1-2 years	2-5 years	More than 5 years	Total
Short-term loans	370,126,147.54	–	–	–	370,126,147.54
Accounts payable	676,079,874.58	–	–	–	676,079,874.58
Other payables	694,955,680.63	–	–	–	694,955,680.63
Long-term loans	165,791,658.28	339,188,559.67	36,753,359.90	–	541,733,577.85
Long-term payables	153,868,511.84	31,980,245.66	7,266,665.16	–	193,115,422.66
Lease liabilities	298,308,688.72	292,963,718.34	752,422,522.69	2,143,520,237.64	3,487,215,167.39
Total	2,359,130,561.59	664,132,523.67	796,442,547.75	2,143,520,237.64	5,963,225,870.65

Items	31 December 2023				
	Within 1 year or on demand	1-2 years	2-5 years	More than 5 years	Total
Short-term loans	451,233,569.72	–	–	–	451,233,569.72
Accounts payable	557,734,954.12	–	–	–	557,734,954.12
Other payables	696,061,086.14	–	–	–	696,061,086.14
Long-term loans	122,958,298.90	438,929,545.28	488,551,675.82	–	1,050,439,520.00
Long-term payables	162,700,382.08	59,325,132.10	66,422,424.54	570,000.00	289,017,938.72
Lease liabilities	244,830,705.58	250,089,940.63	646,797,921.18	1,510,546,991.71	2,652,265,559.10
Total	2,235,518,996.54	748,344,618.01	1,201,772,021.54	1,511,116,991.71	5,696,752,627.80

Note: The non-current liabilities due within one year are included in the non-current liabilities above.

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For the year ended 31 December 2024
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VIII. RISK RELATED TO FINANCIAL INSTRUMENTS *(CONTINUED)*

3. Market risk

Market risk of financial instruments refers to the risk that the fair value or future cash flow of financial instruments will fluctuate due to changes in market prices, including exchange rate risk, interest rate risk and other price risks.

1) *Interest rate risk*

Interest rate risk refers to the risk that the fair value or future cash flow of financial instruments will fluctuate due to changes in market interest rates.

Interest-bearing financial instruments at floating rates and at fixed rates expose the Group to cash flow interest rate risk and fair value interest risk, respectively. The Group determines the appropriate weightings of the fixed and floating rate interest-bearing instruments based on the current market conditions and performs regular reviews and monitoring to achieve an appropriate mix of fixed and floating rate exposure. The Group does not enter into financial derivatives to hedge interest rate risk.

As at 31 December 2024, when other variables remain constant, if the interest rate of these borrowings at floating interest rate increases or decreases by 25 basis points, the net profit of the Company will decrease or increase by RMB1,141,035.91 (31 December 2023: RMB1,689,478.52). The management believes that 25 basis points reasonably reflects the reasonable range of possible changes in interest rates in the next year.

2) *Exchange-rate risks*

Exchange rate risk refers to the risk that the fair value or future cash flow of financial instruments will fluctuate due to changes in foreign exchange rates.

The functional currency of the Group's Hong Kong subsidiaries is Hong Kong dollars (HKD), while, the functional currency of other subsidiaries of the Group is RMB. In respect of cash at bank and on hand, accounts receivable and payables, short-term loans and other assets and liabilities denominated in foreign currencies other than the functional currency, if there is a short-term imbalance, the Group ensures that its net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates when necessary to address short-term imbalances.

The exchange rate risk faced by the Company mainly comes from financial assets denominated in US dollars (USD). The amount of foreign currency financial assets converted into RMB is listed as follows:

Items	31 December 2024		31 December 2023	
	USD	Total	USD	Total
Cash at bank and on hand	8,040,404.39	8,040,404.39	7,709,361.50	7,709,361.50
Total	8,040,404.39	8,040,404.39	7,709,361.50	7,709,361.50

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

VIII. RISK RELATED TO FINANCIAL INSTRUMENTS *(CONTINUED)*

3. Market risk *(Continued)*

2) Exchange-rate risks *(Continued)*

As at 31 December 2024, with all other variables remain constant, if the RMB appreciates or depreciates by 5% against the USD, the net profit of the Group will decrease or increase by RMB301,515.17 (31 December 2023: RMB289,101.06). The management of the Company believes that 5% reasonably reflects the reasonable range of possible changes of RMB against USD in the next year.

3) Other price risk

Other price risk refers to the risk that the fair value or future cash flow of financial instruments will fluctuate due to changes in market prices other than exchange rate risk and interest rate risk.

As at 31 December 2024, the Group has no such price risk.

IX. DISCLOSURE OF FAIR VALUE

1. Fair value measurement

As at 31 December 2024 and 2023, the Group did not hold significant financial instruments measured at fair value.

2. Others

As at 31 December 2024 and 2023, there was no significant difference between the book value and fair value of the Group's financial assets and financial liabilities.

X. 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.8 Long-term equity investments.

NOTES TO THE FINANCIAL STATEMENTS

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

4. Information on other related parties

Other related parties	Related party relationships
Guangdong Bo-Da Expressway Company Limited	Controlled by the ultimate holding company
Guangdong Chao-Hui Expressway Company Limited	Controlled by the ultimate holding company
Guangdong Chaoshan Circle Line Expressway Co., Ltd.	Controlled by the ultimate holding company
Guangdong Dachao Expressway Co., Ltd.	Controlled by the ultimate holding company
Guangdong Oriental Thought Co., Ltd.	Controlled by the ultimate holding company
Guangdong Guangfozhao Expressway Company Limited	Controlled by the ultimate holding company
Guangdong Guanghui Expressway Co., Ltd.	Controlled by the ultimate holding company
Guangdong Guangle Expressway Co., Ltd.	Controlled by the ultimate holding company
Guangdong Guangzhu Expressway West Section Co., Ltd.	Controlled by the ultimate holding company
Guangdong Humen Bridge Co., Ltd.	Controlled by the ultimate holding company
Guangdong Jiangzhong Expressway Co., Ltd.	Controlled by the ultimate holding company
Guangdong Yunmao Expressway Co., Ltd.	Controlled by the ultimate holding company
Guangdong Jiaoke Testing Co., Ltd.	Controlled by the ultimate holding company
Guangdong Traffic Industry Investment Co., Ltd.	Controlled by the ultimate holding company
Guangdong Kaiyang Expressway Co., Ltd.	Controlled by the ultimate holding company
Guangdong Lea Top Technology Investment Co. Ltd.	Controlled by the ultimate holding company
Guangdong Lea Top Development Investment Co. Ltd.	Controlled by the ultimate holding company
Guangdong Union Electronic Services Co., Ltd.	Controlled by the ultimate holding company
Guangdong Maozhan Expressway Co., Ltd.	Controlled by the ultimate holding company
Guangdong Meihe Expressway Co., Ltd.	Controlled by the ultimate holding company
Guangdong Meiping Expressway Co., Ltd.	Controlled by the ultimate holding company
Guangdong Ninghua Expressway Co., Ltd.	Controlled by the ultimate holding company
Guangdong Pingxing Expressway Co., Ltd.	Controlled by the ultimate holding company
Guangdong Shanfen Expressway Co., Ltd.	Controlled by the ultimate holding company
Guangdong Provincial Expressway Development Co., Ltd.	Controlled by the ultimate holding company
Guangdong Provincial Freeway Co., Ltd.	Controlled by the ultimate holding company
Guangdong Provincial Highway Construction Co., Ltd.	Controlled by the ultimate holding company
Guangdong Province Gongbei Vehicles Automobile Transportation Co., Ltd.	Controlled by the ultimate holding company

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For the year ended 31 December 2024

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

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

Other related parties	Related party relationships
GCG Finance	Controlled by the ultimate holding company
Guangdong Province Road & Bridge Construction Development Co., Ltd.	Controlled by the ultimate holding company
Guangdong Taishan Coastal Expressway Co., Ltd.	Controlled by the ultimate holding company
Guangdong Xinyue Transportation Investment Co., Ltd.	Controlled by the ultimate holding company
Guangdong Yangmao Expressway Co., Ltd.	Controlled by the ultimate holding company
Guangdong Yuetongbao E-commerce Co., Ltd.	Controlled by the ultimate holding company
Guangdong Zhaoyang Expressway Co., Ltd.	Controlled by the ultimate holding company
Guangdong Zihui Expressway Co., Ltd.	Controlled by the ultimate holding company
Guangfo Expressway Co., Ltd.	Controlled by the ultimate holding company
Guang-Shen-Zhu Expressway Co., Ltd.	Controlled by the ultimate holding company
Heyuan Helong Expressway Co., Ltd.	Controlled by the ultimate holding company
Jingzhu Expressway Guangzhu Section Co., Ltd.	Controlled by the ultimate holding company
Kee Kwan Motor Road Co., Ltd.	Controlled by the ultimate holding company
Shenzhen Yueyun Investment Development Company Limited	Controlled by the ultimate holding company
Weisheng Transportation Enterprises Co., Ltd.	Controlled by the ultimate holding company
Guangzhou Xinyue Asphalt Co., Ltd.	Controlled by the ultimate holding company
Yunfu City Guangyun Expressway Co., Ltd.	Controlled by the ultimate holding company
Dongguan Weisheng International Logistics Company Limited	Controlled by the ultimate holding company
Guangdong Lea Top Property Development Company Limited	Controlled by the ultimate holding company
Xin Yue (Guangzhou) Financial Leasing Co., Ltd.	Controlled by the ultimate holding company
Guangdong Lisheng Asset Operation Co., Ltd.	Controlled by the ultimate holding company
Guangdong Hualu Traffic Technology Co., Ltd.	Controlled by the ultimate holding company
Guangdong Provincial Transportation Development Co., Ltd.	Controlled by the ultimate holding company
Zhaoqing Yuezhaoh Highway Co., Ltd.	Joint venture of the ultimate holding company
Poly Changda Engineering Co., Ltd.	Associates of the ultimate controlling party
Guangdong Jingzhu Expressway Guangzhu North Section Co., Ltd.	Associates of the ultimate controlling party
Shenzhen Huiyan Expressway Co., Ltd.	Associates of the ultimate controlling party
Foshan Guangsan Expressway Co., Ltd.	Associates of the ultimate controlling party
Zhuhai Wandatong Hongkong-Zhuhai-Macau Bridge Port Passenger Service Co.Ltd.	Associates of the ultimate controlling party

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For the year ended 31 December 2024
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X. RELATED PARTIES AND RELATED PARTY TRANSACTIONS *(CONTINUED)*

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

Transactions between the Group and its related parties for the year

[#] 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	2024	2023
Guangdong Yuehuahui	Purchase of materials	47,806,366.40	27,026,315.93
Shaoguan Libao Technology Company Limited	Purchase of materials	702,661.55	1,257,685.50
Others	Purchase of materials	–	641,171.36
Total		48,509,027.95	28,925,172.79
Guangdong Humen Bridge Co., Ltd. [#]	Receipt of services	5,743,127.25	5,614,302.37
Guangdong Oriental Thought Co., Ltd. [#]	Receipt of services	420,569.70	264,270.43
Guangdong Jiaoke Testing Co., Ltd. [#]	Receipt of services	1,685,580.45	523,722.00
Guangzhou Hehe Intelligent Technology Co., Ltd. [#]	Receipt of services	5,525,439.49	5,098,548.61
Guangdong Xinyue Transportation Investment Co., Ltd. [#]	Receipt of services	2,498,124.11	–
Others ^β	Receipt of services	3,077,935.93	2,306,674.78
Total		18,950,776.93	13,807,518.19

NOTES TO THE FINANCIAL STATEMENTS

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X. RELATED PARTIES AND RELATED PARTY TRANSACTIONS (CONTINUED)

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

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

Sales of goods and rendering of services

Related parties	Descriptions	2024	2023
Guangdong Zhongyou Top-E Energy Trading Company Limited	Expressway service operation income	1,742,185.23	1,728,804.58
Guangdong Yuehuahui	Expressway service operation income	2,556,575.49	2,102,312.83
Guangdong Provincial Transportation Development Co., Ltd	Expressway service operation income	4,780,485.18	2,942,870.02
Poly Changda Engineering Co., Ltd.	Expressway service operation income	2,458,600.14	–
Guangdong Roadnet Innovalues Media Information Technology Co., Ltd.	Expressway service operation income	1,194,412.95	845,733.63
Others	Expressway service operation income	3,672,817.12	2,924,545.32
Total		16,405,076.11	10,544,266.38
Guangdong Chao-Hui Expressway Company Limited [#]	Logistics service income	–	686,455.89
Guangdong Lea Top Technology Investment Co. Ltd. [#]	Logistics service income	1,187,541.75	1,913,805.83
Express Cross-Border Coach Management Company Limited [#]	Logistics service income	4,315,376.19	2,851,995.57
Guangdong Province Road & Bridge Construction Development Co., Ltd. [#]	Logistics service income	1,105,333.83	82,038.84
Others [#]	Logistics service income	4,286,853.20	8,271,340.43
Total		10,895,104.97	13,805,636.56
Others	Repairing income	594,208.30	776,360.00
Total		594,208.30	776,360.00
Zhuhai Wandatong Hongkong-Zhuhai-Macau Bridge Port Passenger Service Co. Ltd.	Rendering of other services income	–	1,164,848.00
Guangdong Union Electronic Services Co., Ltd.	Rendering of other services income	2,841,850.00	–
Others [®]	Rendering of other services income	296,984.53	2,847,014.47
Total		3,138,834.53	4,011,862.47

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For the year ended 31 December 2024
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X. RELATED PARTIES AND RELATED PARTY TRANSACTIONS *(Continued)*

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

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

Sales of goods and rendering of services (Continued)

Related parties	Descriptions	2024	2023
Guangdong Provincial Freeway Co., Ltd. [#]	Road rescue service income	21,186,916.28	19,432,104.08
Guangdong Province Road & Bridge Construction Development Co., Ltd. [#]	Road rescue service income	19,655,287.53	20,023,189.59
Guangdong Provincial Highway Construction Co., Ltd. [#]	Road rescue service income	7,518,054.00	8,837,099.50
Guangdong Chao-Hui Expressway Company Limited [#]	Road rescue service income	5,939,719.81	5,693,187.74
Guangdong Guangle Expressway Co., Ltd. [#]	Road rescue service income	4,763,205.36	4,763,203.20
Guangdong Guangfozhao Expressway Company Limited [#]	Road rescue service income	2,804,759.40	2,804,759.40
Guangdong Guanghui Expressway Co., Ltd. [#]	Road rescue service income	2,469,811.29	2,469,811.32
Guangdong Bo-Da Expressway Company Limited [#]	Road rescue service income	2,389,799.06	2,389,798.39
Guangdong Meihe Expressway Co., Ltd. [#]	Road rescue service income	2,299,881.58	2,313,764.15
Guangdong Yunmao Expressway Co., Ltd. [#]	Road rescue service income	2,082,018.84	2,082,018.84
Guangdong Kaiyang Expressway Co., Ltd. [#]	Road rescue service income	2,020,754.76	2,020,754.76
Guang-Shen-Zhu Expressway Co., Ltd. [#]	Road rescue service income	1,973,384.31	1,901,353.80
Guangdong Dachao Expressway Co., Ltd. [#]	Road rescue service income	1,936,845.24	1,936,845.28
Guangdong Zhaoyang Expressway Co., Ltd. [#]	Road rescue service income	1,894,890.60	3,426,594.59
Guangdong Pingxing Expressway Co., Ltd. [#]	Road rescue service income	1,580,422.64	1,580,422.64
Guangdong Taishan Coastal Expressway Co., Ltd. [#]	Road rescue service income	1,383,719.76	1,383,719.76
Guangdong Ninghua Expressway Co., Ltd. [#]	Road rescue service income	1,347,891.48	1,347,891.51
Guangdong Maozhan Expressway Co., Ltd. [#]	Road rescue service income	1,302,509.64	1,732,075.46
Guangdong Provincial Expressway Development Co., Ltd. [#]	Road rescue service income	1,283,018.88	–
Guangdong Yangmao Expressway Co., Ltd. [#]	Road rescue service income	1,279,169.76	3,517,716.94
Guangdong Zihui Expressway Co., Ltd. [#]	Road rescue service income	1,241,481.09	1,241,481.13
Guangdong Chaoshan Circle Line Expressway Co., Ltd. [#]	Road rescue service income	1,192,886.78	1,192,886.79
Guangdong Shanfen Expressway Co., Ltd. [#]	Road rescue service income	1,056,132.96	1,056,133.02
Shenzhen Huiyan Expressway Co., Ltd. [#]	Road rescue service income	–	1,033,703.28
Others [#]	Road rescue service income	5,054,632.52	4,371,257.18
Total		95,657,193.57	98,551,772.35

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

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

2) *Entrusted management and outsourcing*

(1) *Entrusted management:*

Consignor	Contractor	Contract object	Start date	End date	Pricing basis	Contract cost for the year
Guang-Shen-Zhu Expressway Co., Ltd.	Guangdong Highway Media Company Limited	Expressway advertisement resources operation	2010-12-01	2027-06-30	Negotiated price	4,902,727.30
Guangdong Provincial Freeway Co., Ltd.	Guangdong Highway Media Company Limited	Expressway advertisement resources operation	2008-08-22	Termination date of the highway toll	Negotiated price	2,546,807.79
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	2,397,150.26
Guangdong Humen Bridge Co., Ltd.	Guangdong Highway Media Company Limited	Expressway advertisement resources operation	2024-08-26	2025-08-25	Negotiated price	1,477,726.50
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	820,052.98
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	871,590.66
Others	Guangdong Highway Media Company Limited	Expressway advertisement resources operation			Negotiated price	2,531,931.60
Weisheng Freight Enterprises Co., Ltd. [#]	The Motor Transport Company of Guangdong and Hong Kong Limited	Passenger transportation contracting fee	2024-01-01	2026-12-31	Negotiated price	2,748,300.00
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	754,903.65

(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	3,783,584.61
The Motor Transport Company of Guangdong and Hong Kong Limited	Weisheng Freight Enterprises Co., Ltd. [#]	Disbursements	2024-01-01	2026-12-31	Negotiated price	3,994,287.42

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For the year ended 31 December 2024
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X. RELATED PARTIES AND RELATED PARTY TRANSACTIONS *(CONTINUED)*

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

3) *Lease*

(1) *The Group as the lessor:*

Lessee	Type of assets leased	Lease income recognised in 2024	Lease income recognised in 2023
Others	Buildings and structures	353,052.11	226,749.60

(2) *The Group as the lessee:*

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

Lessor	Type of assets leased	2024	2023
Guangdong Kaiyang Expressway Co., Ltd.	Buildings and structures	604,901,164.87	–
Guangdong Provincial Freeway Co., Ltd.	Buildings and structures	111,710,720.30	–
Guangdong Lea Top Property Development Company Limited [#]	Buildings and structures	18,786,232.83	–
Guangdong Guangzhu Expressway West Section Co., Ltd.	Buildings and structures	8,155,389.60	–
Guangdong Provincial Transportation Development Co., Ltd	Buildings and structures	8,121,484.80	–
Guangdong Zihui Expressway Co., Ltd.	Buildings and structures	–	172,313,527.07
Guangdong Provincial Freeway Co., Ltd.	Buildings and structures	–	3,390,015.11
Guangdong Province Road & Bridge Construction Development Co., Ltd.	Buildings and structures	–	10,930,996.49

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For the year ended 31 December 2024

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

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

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

3) *Lease (Continued)*

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

(ii) Lease of expressway service zone

Lessor	Lessee	Type of assets leased	Start date	End date	Basis of pricing	Leasing expenses in 2024
Guangdong Provincial Freeway Co., Ltd. [#]	Guangdong Tongyi Expressway Service Area Co., Ltd.	Expressway services	2003-04-03	2045-09-25	Negotiated price	52,353,694.72
Guangdong Kaiyang Expressway Co., Ltd. [#]	Guangdong Tongyi Expressway Service Area Co., Ltd.	Expressway services	2020-07-09	Termination date of the highway toll	Negotiated price	45,106,994.61
Guangdong Yangmao Expressway Co., Ltd. [#]	Guangdong Tongyi Expressway Service Area Co., Ltd.	Expressway services	2004-12-01	2029-11-30	Negotiated price	32,924,266.22
Guangdong Humen Bridge Co., Ltd. [#]	Guangdong Tongyi Expressway Service Area Co., Ltd.	Expressway services	2022-01-08	2029-05-08	Negotiated price	17,933,781.40
Guangdong Provincial Highway Construction Co., Ltd. [#]	Guangdong Tongyi Expressway Service Area Co., Ltd.	Expressway services	2019-12-03	2041-12-28	Negotiated price	16,456,722.39
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	14,839,899.48
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	14,114,439.72
Guangdong Guangzhu Expressway West Section Co., Ltd. [#]	Guangdong Tongyi Expressway Service Area Co., Ltd.	Expressway services	2013-01-25	2038-01-23	Negotiated price	10,388,909.46
Guangdong Chao-Hui Expressway Company Limited [#]	Guangdong Tongyi Expressway Service Area Co., Ltd.	Expressway services	2003-12-29	2045-06-17	Negotiated price	9,992,841.38
Guangdong Guangle Expressway Co., Ltd. [#]	Guangdong Tongyi Expressway Service Area Co., Ltd.	Expressway services	2014-09-27	2039-09-26	Negotiated price	9,938,374.07
Lufeng Shen-Shan Expressway Services Company Limited [#]	Guangdong Tongyi Expressway Service Area Co., Ltd.	Expressway services	2021-09-20	2030-09-19	Negotiated price	8,141,362.87
Guangdong Guangfozhao Expressway Company Limited [#]	Guangdong Tongyi Expressway Service Area Co., Ltd.	Expressway services	2016-12-31	2041-12-31	Negotiated price	7,571,044.38
Guangdong Ninghua Expressway Co., Ltd. [#]	Guangdong Tongyi Expressway Service Area Co., Ltd.	Expressway services	2020-07-30	2042-09-27	Negotiated price	6,324,786.28
Guang-Shen-Zhu Expressway Co., Ltd. [#]	Guangdong Tongyi Expressway Service Area Co., Ltd.	Expressway services	2018-02-01	2027-06-30	Negotiated price	5,555,273.34
Guangdong Bo-Da Expressway Company Limited [#]	Guangdong Tongyi Expressway Service Area Co., Ltd.	Expressway services	2013-03-31	2039-12-27	Negotiated price	4,012,714.95
Guangdong Maozhan Expressway Co., Ltd. [#]	Guangdong Tongyi Expressway Service Area Co., Ltd.	Expressway services	2004-11-26	2040-12-29	Negotiated price	3,674,120.89
Guangdong Meihe Expressway Co., Ltd. [#]	Guangdong Tongyi Expressway Service Area Co., Ltd.	Expressway services	2005-11-30	2033-12-27	Negotiated price	3,160,714.84

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For the year ended 31 December 2024
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X. RELATED PARTIES AND RELATED PARTY TRANSACTIONS *(Continued)*

5. Transactions between the Group and its related parties for the year *(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 in 2024
Guangdong Provincial Expressway Development Co., Ltd. [#]	Guangdong Tongyi Expressway Service Area Co., Ltd.	Expressway services	2012-12-26	2036-03-14	Negotiated price	2,586,085.08
Guangdong Dachao Expressway Co., Ltd. [#]	Guangdong Tongyi Expressway Service Area Co., Ltd.	Expressway services	2020-12-28	2045-12-29	Negotiated price	2,371,436.09
Guangdong Zhaoyang Expressway Co., Ltd. [#]	Guangdong Tongyi Expressway Service Area Co., Ltd.	Expressway services	2011-01-01	2039-12-31	Negotiated price	2,200,688.08
Guangdong Jiangzhong Expressway Co., Ltd. [#]	Guangdong Tongyi Expressway Service Area Co., Ltd.	Expressway services	2016-01-01	2027-08-26	Negotiated price	1,892,372.50
Guangdong Pingxing Expressway Co., Ltd. [#]	Guangdong Tongyi Expressway Service Area Co., Ltd.	Expressway services	2015-12-31	2040-12-30	Negotiated price	1,789,414.67
Guangdong Shanfen Expressway Co., Ltd. [#]	Guangdong Tongyi Expressway Service Area Co., Ltd.	Expressway services	2018-01-01	2025-11-23	Negotiated price	1,477,714.68
Guangdong Taishan Coastal Expressway Co., Ltd. [#]	Guangdong Tongyi Expressway Service Area Co., Ltd.	Expressway services	2004-01-01	2028-12-31	Negotiated price	1,377,350.06
Yunfu City Guangyun Expressway Co., Ltd. [#]	Guangdong Tongyi Expressway Service Area Co., Ltd.	Expressway services	2019-01-01	2027-12-23	Negotiated price	1,237,040.46
Heyuan Helong Expressway Co., Ltd. [#]	Guangdong Tongyi Expressway Service Area Co., Ltd.	Expressway services	2005-06-08	2032-12-31	Negotiated price	1,179,481.58
Others [#]	Guangdong Tongyi Expressway Service Area Co., Ltd.	Expressway services			Negotiated price	30,066,721.15
Guangdong Guangzhu Expressway West Section Co., Ltd. [#]	Guangdong Highway Media Company Limited	Expressway advertisement resources operation	2024-01-01	2026-11-30	Negotiated price	5,092,385.96
Jingzhu Expressway Guangzhu Section Co., Ltd. [#]	Guangdong Highway Media Company Limited	Expressway advertisement resources operation	2009-01-01	2030-05-12	Negotiated price	878,002.64
Others [#]	Guangdong Highway Media Company Limited	Expressway advertisement resources operation			Negotiated price	552,207.37

Note: The Group has applied Accounting Standards for Business Enterprises 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 FINANCIAL STATEMENTS

For the year ended 31 December 2024

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

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

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

3) *Lease (Continued)*

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

(iii) Others

Lessor	Type of assets leased	Leasing expenses in 2024	Leasing expenses in 2023
Guangdong Lea Top Property Development Company Limited [Ⓟ]	Buildings and structures	8,547,126.75	6,358,497.22
Guangdong Province Gongbei Vehicles Automobile Transportation Co., Ltd. [Ⓟ]	Buildings and structures	1,160,621.20	2,320,000.00
Kee Kwan Motor Road Co., Ltd. [Ⓟ]	Buildings and structures	1,621,662.85	1,107,846.62
Guangdong Lisheng Asset Operation Co., Ltd. [Ⓟ]	Buildings and structures	6,919,619.86	7,217,350.51
Others [Ⓟ]	Buildings and structures	523,652.16	1,030,168.82

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

4) *Guarantees*

As at 31 December 2024, the Group has no guarantees to related parties.

5) *Borrowing from and lending to related parties*

Related parties	Annual interest rate	As at 1 January 2024	Loan amount	Repayment	As at 31 December 2024	Start date	End date
GCG Finance	3.60%	–	20,000,000.00	2,000,000.00	18,000,000.00	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	–	1,000,000.00	12,500,000.00	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	24,800,000.00	50,500,000.00		

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

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

6) *Interest expenses*

Related parties	Descriptions	2024	2023
GCG Finance	Loan interest expense	1,370,317.40	1,277,749.22
Total		1,370,317.40	1,277,749.22

7) *Cash pool arrangement*

Pursuant to the relevant agreements, the Group centrally collects and manages the funds from bank accounts (the "Cash Pool Accounts") of certain related party companies. The funds received are recorded as "other payables" and bear the same interest rate as demand deposit. In 2024, the above deposit interest rate is 0.10%-0.20%(2023: 0.20%-0.25%).

8) *Compensation for key management personnel*

Item	2024	2023
Compensation for key management personnel	6,375,231.42	6,567,777.91

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

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

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

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

8) *Compensation for key management personnel (Continued)*

Compensation for the directors and supervisors are as below:

2024

Title and name	Note	Board expenses	Basic salaries	Performance salaries	Retirement plan contributions	Total
Executive Director, Chairman of the Board, General Manager Zhu Fang	(3)	–	135,021.60	537,911.34	46,927.17	719,860.11
Executive Director, Financial Director Huang Wenban	(4)	–	111,672.00	440,119.52	46,927.17	598,718.69
Executive Director, Deputy General Manager Hu Xianhua	(5)	–	111,672.00	458,494.65	46,927.17	617,093.82
Executive Director, Full-time deputy Party Secretary, President of the trade union Hu Jian	(6)	–	111,672.00	401,874.14	46,927.17	560,473.31
Supervisor Li Xiangrong	(7)	–	95,090.40	350,715.16	46,927.17	492,732.73
Supervisor Zhen Jianhui	(8)	–	81,554.40	290,781.40	46,927.17	419,262.97
Supervisor Ou Lixu	(9)	–	92,383.20	345,762.60	46,927.17	485,072.97
Independent non-executive Director Su Wujun	(11)	60,000.00	–	–	–	60,000.00
Independent non-executive Director Shen Jialong	(12)	60,000.00	–	–	–	60,000.00
Independent non-executive Director Huang Yuan	(13)	60,000.00	–	–	–	60,000.00
Independent non-executive Director Zhang Xiangfa	(14)	60,000.00	–	–	–	60,000.00
Independent Supervisor Meng Xue	(15)	48,000.00	–	–	–	48,000.00
Independent Supervisor Duan Xinhong	(16)	48,000.00	–	–	–	48,000.00
Total		336,000.00	739,065.60	2,825,658.81	328,490.19	4,229,214.60

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For the year ended 31 December 2024
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X. RELATED PARTIES AND RELATED PARTY TRANSACTIONS *(CONTINUED)*

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

8) *Compensation for key management personnel (Continued)*

2023

Title and name	Note	Board expenses	Basic salaries	Performance salaries	Retirement plan contributions	Total
Executive Director, Chairman of the Board Guo Junfa	(2)	–	135,698.40	459,665.71	43,134.84	638,498.95
Executive Director, General Manager Zhu Fang	(3)	–	132,991.20	388,149.10	43,134.84	564,275.14
Executive Director, Financial Director Huang Wenban	(4)	–	111,672.00	371,829.46	43,134.84	526,636.30
Executive Director, Deputy General Manager Hu Xianhua	(5)	–	111,672.00	349,898.68	43,134.84	504,705.52
Executive Director, Full-time deputy Party Secretary Hu Jian	(6)	–	83,754.00	219,854.25	32,664.24	336,272.49
Supervisor Li Xiangrong	(7)	–	95,090.40	334,378.07	43,134.84	472,603.31
Supervisor Zhen Jianhui	(8)	–	81,554.40	270,329.36	43,134.84	395,018.60
Supervisor Lian Yuebin	(10)	–	81,554.40	265,730.00	43,134.84	390,419.24
Independent non-executive Director Su WuJun	(11)	60,000.00	–	–	–	60,000.00
Independent non-executive Director Shen Jialong	(12)	60,000.00	–	–	–	60,000.00
Independent non-executive Director Huang Yuan	(13)	60,000.00	–	–	–	60,000.00
Independent non-executive Director Zhang Xiangfa	(14)	60,000.00	–	–	–	60,000.00
Independent Supervisor Meng Xue	(15)	48,000.00	–	–	–	48,000.00
Independent Supervisor Duan Xinhong	(16)	48,000.00	–	–	–	48,000.00
Total		336,000.00	833,986.80	2,659,834.63	334,608.12	4,164,429.55

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For the year ended 31 December 2024

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

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

8) *Compensation for key management personnel (Continued)*

Notes:

- (1) The compensation for the following key management personnel are not paid by the Company:

2024: non-executive Director Mr. Chen Chuxuan, Supervisor Mr. Zhou Yihua, Supervisor Mr. Wang Qingwei.

2023: non-executive Director Mr. Chen Min, non-executive Director Mr. Chen Chuxuan, Supervisor Mr. Zhou Yihua, Supervisor Mr. Wang Qingwei.

- (2) The salaries of Mr. Guo Junfa included his salaries as both of Executive Director and Chairman of the Board, and he left the position in December 2023.
- (3) The salaries of Mr. Zhu Fang included his salaries as Executive Director, Chairman of the Board, General Manager, and he became Executive Director and General Manager in July 2022.
- (4) The salaries of Mr. Huang Wenban included his salaries as both Executive Director and Financial Director of the Company. Mr. Huang Wenban became Executive Director and Financial Director in December 2020.
- (5) Mr. Hu Xianhua as Deputy General Manager of the Company from April 2022 to 31 August 2022, and he became executive Director and Deputy General Manager of the Company at 31 August 2022.
- (6) Mr. Hu Jian became Executive Director in June 2023.
- (7) Ms. Li Xiangrong became Employee Supervisor in June 2016.
- (8) Mr. Zhen Jianhui became Employee Supervisor in June 2016.
- (9) Ms. Ou Lixu became Employee Supervisor in January 2024.
- (10) Ms. Lian Yuebin became Supervisor in August 2017, and he left the position in December 2023.
- (11) Mr. Su Wujun became Independent non-executive Director at 31 August 2022.
- (12) Mr. Shen Jialong became Independent non-executive Director at 31 August 2022.
- (13) Ms. Huang Yuan became Independent non-executive Director at 31 August 2022.
- (14) Mr. Zhang Xiangfa became Independent non-executive Director at 31 August 2022.
- (15) Ms. Meng Xue became Independent Supervisor in September 2022.
- (16) Mr. Duan Xinhong became Independent Supervisor in September 2022.

During the year, the Company have neither made any payments that served as a motivation for Directors to join, nor paid any compensation for Director's resignation.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024
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X. RELATED PARTIES AND RELATED PARTY TRANSACTIONS *(CONTINUED)*

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

8) *Compensation for key management personnel (Continued)*

Apart from the above directors and supervisors, the compensation for other key management personnel of the Company is as follows:

Item	2024	2023
Other key management personnel	2,146,016.82	2,403,348.36

Note: Key management personnel are those personnel having the authority and responsibility for planning, directing and controlling the activities of the entity, including director, general manager, chief accountant, financial director, vice general managers taking charge of each business unit, and personnel who perform similar strategic functions. The CEO of the Company is general manager.

3 (2023: 4) of the Group's top five highest paid people are directors. The compensation for the remaining 2 (2023: 1).

Items	2024	2023
Basic salaries	223,344.00	111,672.00
Bonus	870,286.25	345,599.31
Retirement plan contributions	93,854.34	43,134.84
Total	1,187,484.59	500,406.15

The emolument of each of the top five individuals was below HKD1 million in 2024 and 2023.

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For the year ended 31 December 2024

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

6. Amounts due from/to related parties

1) Amounts due from related parties

Items	Related parties	31 December 2024		31 December 2023	
		Amount	Provision for bad and doubtful debts	Amount	Provision for bad and doubtful debts
Accounts receivable					
	Guangdong Humen Bridge Co., Ltd.	3,813,028.80	190,651.44	5,722,048.01	286,102.40
	Guangdong Provincial Freeway Co., Ltd.	3,521,013.97	446,429.68	2,207,005.33	110,350.50
	Guangdong Province Road & Bridge Construction Development Co., Ltd.	3,216,727.97	160,538.55	3,021,771.61	151,088.58
	Guangdong Provincial Highway Construction Co., Ltd.	2,010,500.62	100,525.04	816,120.11	40,806.01
	Guangdong Meihe Expressway Co., Ltd.	1,825,135.00	811,299.94	1,816,435.00	810,864.94
	Dongguan Weisheng International Logistics Company Limited	1,519,059.60	372,188.45	1,203,170.30	181,214.38
	Nanyuetong	1,020,395.87	51,019.81	1,086,607.34	155,958.78
	Poly Changda Engineering Co., Ltd.	802,110.02	40,105.50	2,275,990.03	113,799.50
	Zhuhai Wandatong Hongkong-Zhuhai-Macau Bridge Port Passenger Service Co. Ltd.	759,005.00	262,753.15	1,164,848.00	58,242.40
	Guangdong Chao-Hui Expressway Company Limited	598,228.87	29,911.44	712,925.46	35,827.11
	Guangdong Guangle Expressway Co., Ltd.	534,906.74	30,151.93	487,665.35	24,383.27
	Express Cross-Border Coach Management Company Limited	509,322.00	53,247.30	434,985.60	21,749.28
	GCGC	489,863.01	489,863.01	532,602.72	532,602.72
	Guangdong Yunmao Expressway Co., Ltd.	381,703.32	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
	Guangdong Lea Top Technology Investment Co. Ltd.	336,848.40	16,842.42	333,374.00	16,668.70
	Guangdong Guangfozhao Expressway Company Limited	297,304.50	14,865.23	280,507.75	14,033.35
	Guangdong Kaiyang Expressway Co., Ltd.	214,200.00	10,710.00	296,075.49	14,803.77
	Guangdong Maozhan Expressway Co., Ltd.	91,800.00	4,590.00	86,603.77	4,330.19
	Guangdong Shanfen Expressway Co., Ltd.	90,499.35	4,524.97	90,499.35	4,524.97
	Shenzhen Huiyan Expressway Co., Ltd.	–	–	258,426.00	12,921.30
	Others	3,390,704.72	255,345.01	4,370,243.81	262,807.82
Total		25,794,758.95	3,383,268.10	28,162,211.48	2,901,295.29

NOTES TO THE FINANCIAL STATEMENTS

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

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

1) Amounts due from related parties *(Continued)*

		31 December 2024		31 December 2023	
			Provision for bad and doubtful debts		Provision for bad and doubtful debts
Items	Related parties	Amount		Amount	
Prepayments					
	Guangdong Union Electronic Services Co., Ltd.	1,124,894.48	–	906,403.48	
	Guangdong Provincial Highway Construction Co., Ltd.	382,926.00	–	–	–
	Guangdong Guangfozhao Expressway Company Limited	243,336.86	–	–	–
	Guangdong Lea Top Development Investment Co. Ltd.	201,161.79	–	201,161.79	–
	Shaoguan Libao Technology Company Limited	11,532.00	–	113,116.50	–
	Guangdong Jingzhu Expressway Guangzhu North Section Co., Ltd.	3,343.64	–	188,713.00	–
	Guang-Shen-Zhu Expressway Co., Ltd.	–	–	590,856.75	–
	Others	282,479.70	–	151,429.85	–
	Total	2,249,674.47		2,151,681.37	
Other receivables					
	Guangdong Lisheng Asset Operation Co., Ltd.	41,567,188.00	–	40,884,286.00	42,143.00
	Guang-Shen-Zhu Expressway Co., Ltd.	3,563,000.00	–	3,584,000.00	–
	Shantou City Automobile Passenger Traffic Centre Co., Ltd.	3,521,868.79	3,326,475.39	3,871,868.79	3,871,868.79
	Shantou City Chaonan Yueyun Sky Island Transportation Co., Ltd.	3,005,433.26	3,005,433.26	3,005,433.26	3,005,433.26
	Guangdong Provincial Freeway Co., Ltd.	3,002,095.81	35,487.67	2,271,542.69	26,470.86
	Weisheng Transportation Enterprises Co., Ltd.	2,759,820.19	137,991.01	6,459,221.45	566,654.00
	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	–
	Guangdong Provincial Highway Construction Co., Ltd.	1,335,000.00	–	706,124.58	–
	Guangdong Maozhan Expressway Co., Ltd.	1,000,000.00	–	1,000,000.00	–

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X. 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	31 December 2024		31 December 2023	
		Amount	Provision for bad and doubtful debts	Amount	Provision for bad and doubtful debts
	Lufeng Shen-Shan Expressway Services Company Limited	1,000,000.00	–	1,000,000.00	–
	Guangdong Union Electronic Services Co., Ltd.	930,343.28	70.74	134,067.03	2,982.53
	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 Bo-Da Expressway Company Limited	300,000.00	–	300,000.00	–
	Guangdong Yunmao Expressway Co., Ltd.	300,000.00	–	300,000.00	–
	Guangdong Guangye Yueyun Natural Gas Company Limited	204,782.53	42,524.40	204,782.53	42,524.40
	Others	2,671,200.02	79,811.90	4,606,550.89	100,684.23
	Total	70,920,031.88	6,627,794.37	73,410,283.09	7,658,916.36
Dividends receivable					
	Shaoguan Libao Technology Company Limited	440,000.00	–	–	–
	Southern United Assets and Equity Exchange Co., Ltd.	–	–	16,057,160.40	–
	Total	440,000.00	–	16,057,160.40	–

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For the year ended 31 December 2024
(Unless otherwise stated, all amounts are denominated in Renminbi Yuan)

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

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

2) Amounts due to related parties

Items	Related parties	31 December 2024	31 December 2023
Accounts payable			
	Guangdong Provincial Freeway Co., Ltd.	39,071,823.31	5,777,422.78
	Guangdong Yangmao Expressway Co., Ltd.	31,223,628.03	933,938.51
	Guangdong Yunmao Expressway Co., Ltd.	27,816,093.74	–
	Guang-Shen-Zhu Expressway Co., Ltd.	15,370,935.81	17,640,855.49
	Guangdong Province Road & Bridge Construction Development Co., Ltd.	7,514,748.57	6,913,674.99
	Guangdong Yuehuahui	6,381,574.16	3,817,623.11
	Shaoguan Libao Technology Company Limited	4,151,695.33	2,436,216.75
	Foshan Guangsan Expressway Co., Ltd.	3,321,862.10	2,208,971.59
	Guangdong Guangzhu Expressway West Section Co., Ltd.	3,028,879.93	3,318,128.10
	Poly Changda Engineering Co., Ltd.	2,543,272.91	1,980,663.19
	Guangdong Maozhan Expressway Co., Ltd.	2,482,629.75	876,033.38
	Guangdong Xinyue Transportation Investment Co., Ltd.	2,148,124.11	–
	Jingzhu Expressway Guangzhu Section Co., Ltd.	2,008,449.07	1,596,608.93
	Guangdong Humen Bridge Co., Ltd.	1,699,702.58	8,452,825.83
	Guangdong Provincial Highway Construction Co., Ltd.	1,525,670.99	1,149,586.18
	Guangdong Union Electronic Services Co., Ltd.	1,099,715.60	1,159,850.25
	Guangfo Expressway Co., Ltd.	568,053.66	2,002,600.85
	Kee Kwan Motor Road Co., Ltd.	505,661.60	505,661.60
	Guangdong Hualu Traffic Technology Co., Ltd.	359,282.00	344,781.85
	Yunfu City Guangyun Expressway Co., Ltd.	306,716.13	150,682.47
	Guangdong Guangle Expressway Co., Ltd.	258,070.33	155,517.13
	Guangdong Chao-Hui Expressway Company Limited	216,715.23	278,453.92
	Guangdong Kaiyang Expressway Co., Ltd.	70,839.96	46,515,617.64
	Guangdong Taishan Coastal Expressway Co., Ltd.	46,546.94	15,225.00
	Guangdong Jiangzhong Expressway Co., Ltd.	–	730,804.34
	Others	3,946,402.16	2,551,985.85
	Total	157,667,094.00	111,513,729.73
Advances from customers			
	Guangdong Chao-Hui Expressway Company Limited	465,493.57	537,840.57
	Guangdong Xinyue Transportation Investment Co., Ltd.	340,558.40	–
	Guangdong Provincial Highway Construction Co., Ltd.	–	217,890.00
	Others	135,109.85	175,930.00
	Total	941,161.82	931,660.57

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For the year ended 31 December 2024

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X. 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	31 December 2024	31 December 2023
Contract liabilities			
	Guangdong Province Road & Bridge Construction Development Co., Ltd.	3,660,593.12	1,984,799.58
	Guangdong Provincial Highway Construction Co., Ltd.	2,261,211.41	107,928.50
	Guangdong Yangmao Expressway Co., Ltd.	646,068.39	410.87
	Guangdong Province Road & Bridge Construction Development Co., Ltd.	–	380,173.56
	Guangdong Ninghua Expressway Co., Ltd.	206,362.90	206,362.90
	Others	638,789.21	324,337.68
	Total	7,413,025.03	3,004,013.09
Other payables			
	Guangdong Province Gongbei Vehicles Automobile Transportation Co., Ltd.	19,451,211.68	8,921,257.11
	Kee Kwan Motor Road Co., Ltd.	8,886,673.86	7,394,984.62
	GCGC	2,944,346.83	2,944,346.83
	Shaoguan Yuehong Bus Station Company Limited	2,026,990.00	2,168,191.00
	Guangdong Lea Top Property Development Company Limited	1,693,568.78	115,570.98
	Guangdong Lea Top Development Investment Co. Ltd.	1,565,843.20	1,565,843.20
	Shaoguan Libao Technology Company Limited	1,290,203.12	678,624.12
	Guang-Shen-Zhu Expressway Co., Ltd.	1,171,960.17	–
	Weisheng Transportation Enterprises Co., Ltd.	710,917.15	769,173.95
	Guangdong Union Electronic Services Co., Ltd.	530,363.51	686,583.87
	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
	Yuegong Xinhai	–	5,573,227.22
	Others	912,393.98	879,674.31
	Total	41,924,313.20	32,751,867.84
Long-term payables			
	Xin Yue (Guangzhou) Financial Leasing Co., Ltd.	2,200,000.00	2,709,400.00
	Total	2,200,000.00	2,709,400.00

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024
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X. 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	31 December 2024	31 December 2023
Lease liabilities			
	Guangdong Kaiyang Expressway Co., Ltd.	661,467,155.25	21,678,083.22
	Guangdong Provincial Freeway Co., Ltd.	188,760,169.49	112,775,273.72
	Guangdong Provincial Highway Construction Co., Ltd.	156,730,898.50	161,706,250.92
	Guangdong Zihui Expressway Co., Ltd.	152,181,919.96	156,730,140.65
	Guangdong Province Road & Bridge Construction Development Co., Ltd.	105,168,256.81	115,800,845.69
	Guangdong Chao-Hui Expressway Company Limited	94,212,177.17	98,708,594.63
	Guangdong Guangle Expressway Co., Ltd.	83,556,598.62	87,254,797.77
	Guangdong Ninghua Expressway Co., Ltd.	64,569,855.39	61,758,230.14
	Guangdong Guangzhu Expressway West Section Co., Ltd.	49,298,954.91	49,394,810.92
	Guangdong Guangfozhao Expressway Company Limited	37,548,630.33	39,089,865.07
	Guangdong Bo-Da Expressway Company Limited	33,394,734.84	35,153,928.05
	Guangdong Dachao Expressway Co., Ltd.	29,802,078.75	28,655,537.92
	Lufeng Shen-Shan Expressway Services Company Limited	27,691,087.27	33,862,751.92
	Guangdong Meihe Expressway Co., Ltd.	22,360,742.24	24,545,814.97
	Guangdong Provincial Expressway Development Co., Ltd.	20,209,145.23	23,053,212.95
	Guangdong Zhaoyang Expressway Co., Ltd.	17,550,464.78	18,222,740.10
	Guangdong Pingxing Expressway Co., Ltd.	16,947,542.17	17,702,228.52
	Guang-Shen-Zhu Expressway Co., Ltd.	16,495,243.31	14,067,538.74
	Guangdong Yangmao Expressway Co., Ltd.	12,632,497.00	15,179,660.36
	Guangdong Maozhan Expressway Co., Ltd.	9,410,422.51	11,468,459.23
	Guangdong Provincial Transportation Development Co., Ltd	7,660,541.95	–
	Heyuan Helong Expressway Co., Ltd.	7,245,907.26	8,134,047.60
	Guangdong Jiangzhong Expressway Co., Ltd.	6,977,648.03	6,761,776.98
	Guangdong Lea Top Property Development Company Limited	6,321,677.20	–
	Guangdong Meiping Expressway Co., Ltd.	5,750,954.90	5,948,782.98
	Zhaoqing Yuezhaoh Highway Co., Ltd.	4,990,532.79	6,450,835.93
	Guangdong Taishan Coastal Expressway Co., Ltd.	3,733,028.41	5,022,965.28
	Yunfu City Guangyun Expressway Co., Ltd.	2,392,549.22	3,505,672.78
	Guangdong Jingzhu Expressway Guangzhu North Section Co., Ltd.	1,719,599.67	2,089,497.00
	Jingzhu Expressway Guangzhu Section Co., Ltd.	1,687,816.34	2,592,433.79
	Guangdong Lisheng Asset Operation Co., Ltd.	5,347.89	–
	Guangdong Shanfen Expressway Co., Ltd.	–	2,738,931.84
	Total	1,848,474,178.19	1,170,053,709.67

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

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

X. 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	31 December 2024	31 December 2023
Non-current liabilities			
due within one year			
	Guangdong Provincial Freeway Co., Ltd.	20,831,617.46	14,657,231.32
	Guangdong Kaiyang Expressway Co., Ltd.	16,735,314.50	6,627,043.46
	Guangdong Province Road & Bridge Construction Development Co., Ltd.	10,601,126.81	10,100,861.78
	Guangdong Provincial Highway Construction Co., Ltd.	7,439,299.39	6,659,000.93
	Lufeng Shen-Shan Expressway Services Company Limited	6,171,664.69	6,350,634.51
	Guangdong Lea Top Property Development Company Limited	6,006,311.21	–
	Guang-Shen-Zhu Expressway Co., Ltd.	5,775,123.50	6,291,224.68
	Guangdong Guangzhu Expressway West Section Co., Ltd.	5,007,096.38	1,885,449.63
	Guangdong Zihui Expressway Co., Ltd.	4,548,220.66	4,326,143.23
	Guangdong Chao-Hui Expressway Company Limited	4,496,417.51	4,266,757.66
	Guangdong Guangle Expressway Co., Ltd.	3,698,199.25	3,456,625.03
	Guangdong Shanfen Expressway Co., Ltd.	2,738,931.85	2,576,704.10
	Guangdong Yangmao Expressway Co., Ltd.	2,548,430.53	2,398,727.21
	Guangdong Ninghua Expressway Co., Ltd.	2,464,946.23	2,347,436.04
	Guangdong Meihe Expressway Co., Ltd.	2,185,072.72	2,055,584.09
	Guangdong Jiangzhong Expressway Co., Ltd.	2,147,004.13	2,045,870.34
	Xin Yue (Guangzhou) Financial Leasing Co., Ltd.	2,119,792.00	8,493,992.00
	Guangdong Maozhan Expressway Co., Ltd.	2,058,036.66	1,950,352.90
	Guangdong Bo-Da Expressway Company Limited	1,759,193.09	1,657,078.27
	Guangdong Guangfozhao Expressway Company Limited	1,541,234.86	1,465,583.42
	Guangdong Taishan Coastal Expressway Co., Ltd.	1,289,936.96	1,231,841.21
	Guangdong Provincial Expressway Development Co., Ltd.	1,176,605.92	1,100,353.18
	Yunfu City Guangyun Expressway Co., Ltd.	1,113,123.63	1,060,529.85
	Guangdong Zhaoyang Expressway Co., Ltd.	1,012,393.12	949,528.83
	Heyuan Helong Expressway Co., Ltd.	888,140.42	835,461.04
	Guangdong Dachao Expressway Co., Ltd.	778,412.23	740,644.68
	Zhaoqing Yuezhao Highway Co., Ltd.	773,219.46	730,005.81
	Guangdong Pingxing Expressway Co., Ltd.	754,686.30	717,019.83
	Others	976,254.89	880,433.21
	Total	119,635,806.36	97,858,118.24

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024
(Unless otherwise stated, all amounts are denominated in Renminbi Yuan)

XI. 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.

XII. EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

On 22 January 2025, the Company entered into a contract with Kee Kwan Motor Road Co., Ltd., the Company will transfer of 100% of equity interests in Zhuhai Gongyun Bus Terminal Co., Ltd. to Kee Kwan Motor Road Co., Ltd. The consideration for the equity transfer was RMB25,096,100.00. As at the date of approval of these financial statements, by the Board of Directors of the Company, the above equity transfer has been completed.

XIII. CAPITAL MANAGEMENT

Items	31 December 2024	31 December 2023
Total liabilities	3,560,144,864.77	3,424,653,719.57
Less: cash and cash equivalents	1,425,056,954.63	1,085,764,984.96
Adjusted net debt	2,135,087,910.14	2,338,888,734.61
Shareholders' equity	2,605,860,605.27	2,616,905,356.23
Adjusted capital	2,605,860,605.27	2,616,905,356.23
Adjusted net debt-to-capital ratio	81.93%	89.38%

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

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

XIV. 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 and other business. Each reportable segment is a separate business unit which offers different products and services, and is managed separately because they require different technology and marketing strategies.

2) Segment reporting

2024

Items	Expressway service zones operation	Road passenger transportation and auxiliary	Other business	Inter-segment eliminations	Total
Operating income	5,234,085,620.07	1,838,727,985.30	132,573,463.38	(5,048,762.82)	7,200,338,305.93
Including: Operating income from external customers	5,233,405,396.29	1,834,359,446.26	132,573,463.38	-	7,200,338,305.93
Inter-segment operating income	680,223.78	4,368,539.04	-	(5,048,762.82)	-
Operating costs	4,653,347,243.76	1,870,491,153.00	30,941,888.12	(4,391,640.27)	6,550,388,644.61
Income from investments in associates and joint ventures	398,842.70	67,070,169.45	9,560,785.74	-	77,029,797.89
Credit impairment loss	4,807,823.36	(11,853,066.96)	1,983,469.05	-	(5,061,774.55)
Impairment losses on assets	-	(11,120,671.80)	-	-	(11,120,671.80)
Depreciation and amortisation	325,189,629.91	426,665,717.03	22,635,309.43	-	774,490,656.37
Profit/(Loss) before income tax	250,588,627.16	(46,368,059.91)	103,217,207.70	650,471.74	308,088,246.69
Income tax expenses	74,317,720.05	4,477,517.20	-	-	78,795,237.25
Net profit/(loss)	176,270,907.11	(50,845,577.11)	103,217,207.70	650,471.74	229,293,009.44
Total assets	4,572,808,854.47	3,703,151,328.32	2,874,514,204.04	(2,426,414,609.00)	8,724,059,777.83
Total liabilities	3,561,155,893.04	2,456,002,046.66	957,658,152.20	(856,616,919.34)	6,118,199,172.56
Other important non-cash items:					
- Long-term equity investments in associates and joint ventures	39,948,524.43	322,827,966.48	62,818,953.13	-	425,595,444.04
- The amounts of increase/(decrease) of non-current assets other than long-term equity investments	551,724,854.12	(640,154,061.06)	(38,889,644.81)	(14,228,655.04)	(141,547,506.79)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024
(Unless otherwise stated, all amounts are denominated in Renminbi Yuan)

XIV. OTHER SIGNIFICANT MATTERS (CONTINUED)

2. Segment information (Continued)

2) Segment reporting (Continued)

2023

Items	Expressway service zones operation	Road passenger transportation and auxiliary	Other business	Inter-segment eliminations	Total
Operating income	4,959,557,186.44	2,129,947,475.54	143,633,302.25	(5,906,865.56)	7,227,231,098.67
Including: Operating income from external customers	4,954,993,251.00	2,128,604,545.42	143,633,302.25	–	7,227,231,098.67
Inter-segment operating income	4,563,935.44	1,342,930.12	–	(5,906,865.56)	–
Operating costs	4,461,899,079.24	2,093,110,405.64	30,028,490.04	(4,586,612.46)	6,580,451,362.46
Income from investments in associates and joint ventures	2,099,116.70	71,510,020.70	12,131,413.55	–	85,740,550.95
Credit impairment loss	(11,094,167.82)	(12,783,331.32)	5,499,974.22	–	(18,377,524.92)
Impairment losses on assets	–	(39,380,629.66)	–	–	(39,380,629.66)
Depreciation and amortisation	289,074,459.73	566,454,839.31	17,855,454.26	–	873,384,753.30
Profit/(Loss) before income tax	213,166,915.05	(31,933,531.64)	118,651,829.17	(1,320,253.10)	298,564,959.48
Income tax expenses	62,884,256.63	21,853,859.03	–	–	84,738,115.66
Net profit/(loss)	150,282,658.42	(53,787,390.67)	118,651,829.17	(1,320,253.10)	213,826,843.82
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
Other important non-cash items:					
– Long-term equity investments in associates and joint ventures	42,688,785.59	281,510,471.32	71,688,924.76	–	395,888,181.67
– The amounts of increase/(decrease) of non-current assets other than long-term equity investments	(98,331,635.01)	(663,227,725.06)	(128,332,470.64)	5,613,480.56	(884,278,350.15)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

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

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

1. Accounts receivable

1) Disclosure of accounts receivable by aging

Aging	31 December 2024	31 December 2023
Within 3 months (inclusive)	8,921,336.80	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	6,766,725.67	29,760,771.91
Sub-total	15,688,062.47	39,791,603.09
Less: Provision for bad and doubtful debts	3,082,110.74	24,658,485.18
Total	12,605,951.73	15,133,117.91

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

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

Items	31 December 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	46.41	18,465,300.94	100.00	–
Provision for bad debts is made on a collective basis	15,688,062.47	100.00	3,082,110.74	19.65	12,605,951.73	21,326,302.15	53.59	6,193,184.24	29.04	15,133,117.91
Including:										
Aging portfolio	9,082,781.59	57.90	3,082,110.74	33.93	6,000,670.85	19,855,221.27	49.89	6,193,184.24	31.19	13,662,037.03
Portfolio of the Group's scope of consolidation	6,605,280.88	42.10	–	–	6,605,280.88	1,471,080.88	3.70	–	–	1,471,080.88
Total	15,688,062.47	100.00	3,082,110.74		12,605,951.73	39,791,603.09	100.00	24,658,485.18		15,133,117.91

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024
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XV. 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	Amount	31 December 2024 Provision for bad and doubtful debts	Provision ratio (%)
Aging portfolio			
Road transportation and other service			
Within 1 year (inclusive)	3,787,136.80	189,356.84	5.00
Over 3 years	489,863.01	489,863.01	100.00
Sub-total	4,276,999.81	679,219.85	
Other business			
Over 3 years	4,805,781.78	2,402,890.89	50.00
Sub-total	4,805,781.78	2,402,890.89	
Portfolio of the Group's scope of consolidation	6,605,280.88	–	
Total	15,688,062.47	3,082,110.74	

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

Category	31 December 2023	Changes during the year Charge into		31 December 2024
		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	(2,216,741.41)	894,332.09	3,082,110.74
Total	24,658,485.18	(2,216,741.41)	19,359,633.03	3,082,110.74

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

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

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

1. Accounts receivable (Continued)

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

Items	Written-off amount
Accounts receivable of actual written-off	19,359,633.03

Significant written-off of accounts receivable:

Names	Nature of accounts receivable	Written-off amount	Reason for write-off	Write-off procedures for fulfillment	Whether the payment is due to related party transactions
Shenzhen Hongbao Trading Co., Ltd	Goods payment	14,264,922.29	Not expected to be recovered	Board resolution	No

2. Other receivables

Items	31 December 2024	31 December 2023
Dividends receivable	4,669,078.00	17,080,160.40
Others	213,312,560.66	205,628,366.38
Total	217,981,638.66	222,708,526.78

1) Dividends receivable

(1) Details of dividends receivable

Investees	31 December 2024	31 December 2023
Guangdong-Hong Kong Motor Transport Joint Venture Co., Ltd. (Hong Kong)	4,669,078.00	1,023,000.00
Southern United Assets and Equity Exchange Co., Ltd.	–	16,057,160.40
Sub-total	4,669,078.00	17,080,160.40
Total	4,669,078.00	17,080,160.40

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024
(Unless otherwise stated, all amounts are denominated in Renminbi Yuan)

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

2. Other receivables (Continued)

2) Other receivables

(1) Disclosure of other receivables by aging

Aging	31 December 2024	31 December 2023
Within 1 year (inclusive)	63,907,505.02	84,308,476.12
Over 1 year but within 2 years (inclusive)	32,684,697.39	11,296,102.48
Over 2 years but within 3 years (inclusive)	4,877,831.73	69,154,476.68
Over 3 years	113,522,082.79	44,864,459.45
Sub-total	214,992,116.93	209,623,514.73
Less: Provision for bad and doubtful debts	1,679,556.27	3,995,148.35
Total	213,312,560.66	205,628,366.38

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

Category	31 December 2024					31 December 2023				
	Gross carrying		Provision for bad and doubtful debts		Book value	Gross carrying		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	627,988.60	0.29	627,988.60	100.00	-	1,453,466.47	0.69	1,453,466.47	100.00	-
Provision for bad debts is made on a collective basis	214,364,128.33	99.71	1,051,567.67	0.49	213,312,560.66	208,170,048.26	99.31	2,541,681.88	1.22	205,628,366.38
Including:										
Aging portfolio	16,512,059.21	7.69	1,051,567.67	6.37	15,460,491.54	49,531,261.12	23.63	2,541,681.88	5.13	46,989,579.24
Portfolio of the Group's scope of consolidation	156,351,638.13	72.72	-	-	156,351,638.13	117,697,098.16	56.15	-	-	117,697,098.16
Combination of security deposit and government subsidy	41,500,430.99	19.30	-	-	41,500,430.99	40,941,688.98	19.53	-	-	40,941,688.98
Total	214,992,116.93	100.00	1,679,556.27		213,312,560.66	209,623,514.73	100.00	3,995,148.35		205,628,366.38

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

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

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

2. Other receivables (Continued)

2) Other receivables (Continued)

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

Provision for bad debts is made on a collective basis:

Items	31 December 2024		Provision ratio (%)
	Other receivables	Provision for bad and doubtful debts	
Provision for bad debts based on aging portfolio			
Within 1 year (inclusive)	16,009,915.43	800,495.77	5.00
Over 3 years	502,143.78	251,071.90	50.00
Sub-total	16,512,059.21	1,051,567.67	
Portfolio of the Group's scope of consolidation	156,351,638.13	–	
Combination of security deposit and government subsidy	41,500,430.99	–	
Total	214,364,128.33	1,051,567.67	

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

Category	31 December 2023	Changes during the year		31 December 2024
		Charge into income statement	Written-off	
Provision for bad debts is made on an individual basis	1,453,466.47	–	825,477.87	627,988.60
Provision for bad debts is made on a collective basis	2,541,681.88	(1,490,114.21)	–	1,051,567.67
Total	3,995,148.35	(1,490,114.21)	825,477.87	1,679,556.27

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024
(Unless otherwise stated, all amounts are denominated in Renminbi Yuan)

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

2. Other receivables (Continued)

2) Other receivables (Continued)

(4) Disclosure of other receivables by nature

Nature	31 December 2024	31 December 2023
Security deposits	511,550.00	696,771.97
Staff advances	38,498.01	58,065.25
Consideration receivables	16,009,915.43	48,942,729.25
Amount due from related parties	197,397,295.77	158,661,760.02
Others	1,034,857.72	1,264,188.24
Total	214,992,116.93	209,623,514.73

3. Long-term equity investment

Items	31 December 2024			31 December 2023		
	Book balance	Provision for bad and doubtful debts	Book value	Book balance	Provision for bad and doubtful debts	Book value
Investment in subsidiaries	1,558,048,101.63	31,026,400.84	1,527,021,700.79	1,674,777,435.48	24,021,500.84	1,650,755,934.64
Investment in associates and joint ventures	62,818,953.13	–	62,818,953.13	71,688,924.76	–	71,688,924.76
Total	1,620,867,054.76	31,026,400.84	1,589,840,653.92	1,746,466,360.24	24,021,500.84	1,722,444,859.40

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024

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

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

3. Long-term equity investment (Continued)

1) Investments in subsidiaries

Investee	Book balance as at 31 December 2023	Additions during the year	Reductions during the year	Book balance as at 31 December 2024	Provision for impairment during this year	Closing balance of provision for impairment losses
Guangdong Yueyun Development Co., Ltd.	7,200,000.00	–	–	7,200,000.00	7,004,900.00	7,004,900.00
Chaozhou City Yueyun Vehicle Transportation Co., Ltd.	49,627,064.35	–	–	49,627,064.35	–	–
Foshan City Sanshui District Hengjing Urban Transportation Co., Ltd. (former name: Foshan City Sanshui District Yueyun Traffic Co., Ltd.)	20,579,475.24	–	20,579,475.24	–	–	–
Foshan City Yueyun Public Transportation Co., Ltd.	128,000,000.00	–	–	128,000,000.00	–	–
Guangdong Highway Media Company Limited	19,800,000.00	–	–	19,800,000.00	–	–
Guangdong Vehicles Transportation Group Co., Ltd.	136,240,647.70	–	–	136,240,647.70	–	–
Guangdong Top-E Expressway Service Zone Company Limited	119,055,570.29	–	–	119,055,570.29	–	–
Guangdong Yueyun Traffic Rescue Co., Ltd.	60,000,000.00	–	–	60,000,000.00	–	–
Guangdong Yueyun Langri	78,580,658.61	–	78,580,658.61	–	–	–
Heyuan City Yueyun Motor Transportation Co., Ltd.	164,623,493.41	–	–	164,623,493.41	–	24,021,500.84
Maoming City Dianbai District Xinjieyun City Transportation Co., Ltd. (former name: Maoming City Dianbai District Yueyun Vehicles Transportation Co., Ltd.)	17,569,200.00	–	17,569,200.00	–	–	–
Meizhou City Yueyun Motor Transportation Co., Ltd.	143,779,032.69	–	–	143,779,032.69	–	–
Qingyuan Yueyun Vehicles Transportation Co., Ltd.	288,520,709.96	–	–	288,520,709.96	–	–
Shanwei Yueyun Vehicles Transportation Co., Ltd.	67,334,634.63	–	–	67,334,634.63	–	–
Shaoguan Yueyun Vehicles Transportation Co., Ltd.	175,702,676.32	–	–	175,702,676.32	–	–
The Motor Transport Company of Guangdong and Hong Kong (Guangzhou) Limited	25,319,234.10	–	–	25,319,234.10	–	–
The Motor Transport Company of Guangdong and Hong Kong Limited	120,196,428.59	–	–	120,196,428.59	–	–
Yueyun Transportation (HK) Company Limited	1,323,750.00	–	–	1,323,750.00	–	–
Zhuhai Gongyun Coach Terminal Co., Ltd.	43,736,980.29	–	–	43,736,980.29	–	–
Meizhou Yueyun Investment Co., Ltd.	7,587,879.30	–	–	7,587,879.30	–	–
Total	1,674,777,435.48	–	116,729,333.85	1,558,048,101.63	7,004,900.00	31,026,400.84

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024
(Unless otherwise stated, all amounts are denominated in Renminbi Yuan)

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

3. Long-term equity investment (Continued)

2) Interests in associates or joint ventures

Investee	Book balance as at 31 December 2023	Additional investment	Disposals	Changes during this year				Others	Book balance as at 31 December 2024	Provision for impairment as at 31 December 2024
				Investment gains and losses recognized under the equity method	Other comprehensive income adjustment	Other changes in equity	Declaring cash dividends or profits			
1. Joint ventures										
Guangdong Yuehuahui	8,731,479.59	-	-	669,404.47	-	-	-	-	9,400,884.06	-
Sub-total	8,731,479.59	-	-	669,404.47	-	-	-	-	9,400,884.06	-
2. Associates										
Southern United Assets and Equity Exchange Co., Ltd.	58,754,878.31	-	-	8,565,245.61	-	-	18,195,609.51	-	49,124,514.41	-
Nanyuetong	4,202,566.86	-	-	90,987.80	-	-	-	-	4,293,554.66	-
Foshan City Sanshui District Hengjing Urban Transportation Co., Ltd. (former name: Foshan City Sanshui District Yueyun Traffic Co., Ltd.)	-	24,285,625.91	24,520,773.77	235,147.86	-	-	-	-	-	-
Sub-total	62,957,445.17	24,285,625.91	24,520,773.77	8,891,381.27	-	-	18,195,609.51	-	53,418,069.07	-
Total	71,688,924.76	24,285,625.91	24,520,773.77	9,560,785.74	-	-	18,195,609.51	-	62,818,953.13	-

Note: All joint ventures and associates of the Group are non-listed companies. As at 31 December 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 FINANCIAL STATEMENTS

For the year ended 31 December 2024

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

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

4. Operating income and operating costs

1) Operating income and operating costs

Items	2024		2023	
	Operating income	Operating cost	Operating income	Operating cost
Operating income from principal activities	143,321,343.82	36,388,277.41	154,650,173.01	39,691,918.69
Total	143,321,343.82	36,388,277.41	154,650,173.01	39,691,918.69

Detail of operating income:

Items	2024	2023
Road passenger transportation and auxiliary services	10,747,880.44	11,016,870.76
Taiping interchange assets operation services	132,573,463.38	143,366,423.55
Material logistics services	—	266,878.70
Total	143,321,343.82	154,650,173.01

5. Investment income

Items	2024	2023
Income from long-term equity investments under cost method	61,020,766.87	40,642,237.31
Income from long-term equity investments under equity method	9,560,785.74	12,131,413.55
Gains on disposal of long-term equity investments	25,788,665.46	(33,718,066.69)
Dividend income earned during the holding period of other equity instrument investments	199,158.94	—
Total	96,569,377.01	19,055,584.17



廣東粵運交通股份有限公司

GUANGDONG YUEYUN TRANSPORTATION COMPANY LIMITED