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

2026 INTERIM REPORT

* For identification purposes only

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CAUTIONARY STATEMENTS REGARDING FORWARD-LOOKING STATEMENTS

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

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

Company Profile

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

- Energy Business
- Retail Trade Business
- Commercial Development Business
  - Merchant Solicitation Business
  - Advertising Business
- Other Businesses
  - Road Passenger Transportation Business
  - Expressway Vehicle Rescue Business
  - Taiping Interchange Operation

The strategic positioning of the Company's "15th Five-Year" Development Plan is to become a leading green and smart highway transportation and energy integration commercial operation platform in China, with a view to establishing itself as a comprehensive transportation services group with benchmark influence in the transportation industry. Externally, the Company is committed to providing the public with high-quality, one-stop travel services and ancillary commercial offerings. Internally, it serves as a key platform for the Group to enhance synergy across its core businesses, explore integrated energy services, and strengthen its capital market financing capabilities.

LEGAL NAME OF THE COMPANY

Guangdong Yueyun Transportation Company Limited

STOCK CODE

03399

REGISTERED OFFICE

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Airport Road, Baiyun District, Guangzhou, Guangdong Province, People's Republic of China

PLACE OF BUSINESS IN HONG KONG

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

BOARD OF DIRECTORS

Executive Directors
Zhu Fang
Huang Wenban
Hu Xianhua

Employee Representative Director
Hu Jian

Non-Executive Directors
Yuan Dengping
Cai Fen

Independent Non-Executive Directors
Su Wujun
Huang Yuan
Zhang Xiangfa
Mu Huihua

COMPANY SECRETARY

Zhang Li

AUTHORISED REPRESENTATIVES

Zhu Fang
Huang Wenban

AUDITOR

KPMG Huazhen LLP
(a Recognized PIE Auditor under the Accounting and Financial Reporting Council Ordinance)
8th Floor, KPMG Tower, Oriental Plaza, 1 East Chang An Avenue, Beijing, PRC

PRINCIPAL BANKS

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

Company Information

LEGAL ADVISER AS TO HONG KONG LAW

Haiwen & Partners
Suites 601-602 & 610-616, 6/F, One International Finance Centre,
1 Harbour View Street, 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

	Six months ended 30 June 2026 RMB'000	Six months ended 30 June 2025 RMB'000	Change
Results highlights			
Operating income			
Energy business	**2,701,720**	2,488,641	9%
Retail trade business	**353,064**	305,742	15%
Commercial development business	**193,603**	196,679	(2%)
Road transportation and auxiliary business	**441,334**	723,616	(39%)
Other businesses	**48,287**	55,350	(13%)
Total operating income	**3,738,008**	3,770,028	(1%)
Gross profit			
Energy business	**167,828**	232,685	(28%)
Retail trade business	**63,390**	46,841	35%
Commercial development business	**50,481**	1,314	3,742%
Road transportation and auxiliary business	**22,489**	(20,707)	N/A
Other businesses	**40,475**	45,718	(11%)
Total gross profit	**344,663**	305,851	13%
Taxes and surcharges	**(17,174)**	(17,794)	(3%)
Selling and distribution expenses	**(19,939)**	(19,638)	2%
General and administrative expenses, and research and development expenses	**(144,714)**	(198,394)	(27%)
Finance expenses	**(55,317)**	(71,021)	(22%)
Other income	**8,076**	89,416	(91%)
Investment income	**50,574**	94,599	(47%)
Loss of credit impairment	**(9,985)**	(12,507)	(20%)
Loss of asset impairment	**–**	(1,042)	(100%)
Gains from asset disposals	**125,121**	6,334	1,875%
Operating profit	**281,305**	175,802	60%
Non-operating income and expenses	**(3,516)**	(183)	1,821%
Total profit	**277,789**	175,619	58%
Income tax expenses	**(40,013)**	(41,205)	(3%)
Net profit	**237,776**	134,414	77%
Of which: Net profit attributable to shareholders of the Company	**171,042**	142,644	20%
Profit and loss attributable to minority interests	**66,734**	(8,230)	N/A
Basic earnings per share (RMB)	**0.21**	0.18	20%
Diluted earnings per share (RMB)	**0.21**	0.18	20%

Financial Highlights

	30 June 2026 RMB'000	31 December 2025 RMB'000	Change
Results highlights			
Total assets	**7,170,839**	6,917,156	4%
Total net assets	**2,846,180**	2,686,598	6%
Equity attributable to shareholders of the parent company	**2,376,427**	2,278,776	4%
Net assets per share attributable to owners of the Company (RMB)	**2.97**	2.85	4%
Ratio			
Gross profit margin	**9.22%**	9.19%	0%
Interest coverage ratio (times)	**6.21**	3.30	88%
Gearing ratio	**60.31%**	61.16%	(1%)
Current ratio (times)	**1.31**	1.17	12%

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

In the first half of 2026, the global economy continued its overall recovery trend; however, the pace of recovery diverged markedly across economies, with the growth momentum in certain major economies showing signs of moderation. Geopolitical rivalry and ongoing regional conflicts continued to disrupt the global economic and trade order, while pressure to restructure industrial and supply chains persistently intensified. International energy prices, including oil and gas, fluctuated upwards, and inflationary pressures persisted and recurred across multiple economies, leading to a notable increase in the uncertainty and complexity of the external environment. Against this complex and evolving global backdrop, China adhered to the overarching policy principle of "pursuing progress while maintaining stability, and enhancing quality and efficiency". Macroeconomic policies were implemented with greater precision and effectiveness, the development of new quality productive forces accelerated, and the transformation of industries towards higher-end, greener and more digitalized models advanced in depth. The vitality of the innovation-driven economy continued to be unleashed. As the inaugural year of the "15th Five-Year Plan", 2026 has seen China's economy achieve a steady recovery despite prevailing downward pressure. GDP grew by 4.7% year-on-year in the first half, underscoring strong economic resilience, while the foundations for sustained recovery and long-term improvement have been further consolidated and strengthened.

In the context of the current macroeconomic environment, Guangdong Province, as a national frontrunner in high-quality economic development, has remained firmly focused on this central objective. In the first half of 2026, its economy maintained a positive trajectory characterized by steady progress, quality enhancement, and the cultivation of new growth drivers. Phased progress was achieved in the key expressway reconstruction and expansion projects, as well as major provincial expressway initiatives, which are of great significance in optimizing the regional transportation infrastructure layout and enhancing the capacity of the road network. As reform and innovation in the transportation sector continued to deepen, the expressway industry entered a critical strategic window for the integration of transportation and energy, as well as digital transformation. Guided by its development positioning under the "15th Five-Year Plan", the Group concentrated on its core transportation-energy integration business and accelerated the development of a green and smart operation system during the reporting period. Construction of clean energy corridors was fully initiated, while supercharging stations and photovoltaic power generation projects were advanced in a well-coordinated and orderly manner. At the same time, the Group actively took forward the "Urban and Rural Coordinated Development Project", focusing on unlocking new commercial momentum in service zones and promoting the evolution of service offerings towards diversified and integrated functions, including cultural presentation, consumption supporting agricultural products, and quality leisure experiences. In parallel, the Group continued to strengthen its retail network, enhanced the operation of agriculture-supporting counters, and actively contributed to the implementation of the rural revitalization strategy.

Looking ahead to the second half of the year, the Group will continue to anchor its strategic positioning as a "green and smart expressway commercial operation platform". It will further strengthen its focus on expressway transportation services, optimize its core business portfolio, accelerate the deployment and commercialization of emerging industries, and advance the in-depth implementation of comprehensive digital transformation. The Group will consolidate its traditional energy business while accelerating the development of a diversified integrated energy ecosystem to sustain momentum in green development. It will reinforce the foundation for overall business growth by upgrading its retail operation model and deepening the integrated development of transportation, agriculture, and cultural tourism. At the same time, the Group will innovate its business cooperation and operating models, enhance the professionalism of merchant solicitation and operations management, and cultivate multi-tiered and diversified consumption scenarios. In addition, the Group will integrate internal and external advertising media resources to establish a multi-dimensional and diversified media operation network, while continuously refining standardized operating procedures and strengthening its comprehensive safety assurance system to reinforce its capabilities in road rescue and transportation service support. Meanwhile, the Group will steadily complete the winding-down of its domestic road passenger transportation business and accelerate the reallocation of resources towards its core competitive segments. Upholding its mission of "serving the society with better travel service", the Group is committed to advancing high-quality development in tandem with Guangdong Province's efforts to build a leading transportation powerhouse.

Key business developments of the Group in the second half of 2026 are as follows:

I. ENERGY BUSINESS

1. Continuing to strengthen its traditional energy business as a core foundation while steadily expanding its operating scale. It will further consolidate its competitive advantages in this segment by advancing, in an orderly manner, the construction of new petrol stations and the takeover of existing contracted petrol stations for self-operation. In alignment with expressway network planning and prevailing market supply and demand dynamics, the Group will moderately expand its terminal sales volume, with plans to construct six new petrol stations in the second half of the year. It will also steadily progress the takeover and integration of contracted petrol stations upon expiry, accelerate the upgrading and refurbishment of the recovered stations, and target the completion of seven petrol stations to be taken back for self-operation within the year. The Group will deepen its strategic cooperation with central state-owned petroleum enterprises, optimize the qualifications and operating model of its joint venture platforms, and leverage complementary resource advantages to develop a replicable and scalable "Guangdong Model" for expressway energy operations. In parallel, it will strengthen end-to-end cooperation across the oil products supply and sales chain by establishing a long-term and stable strategic partnership mechanism. Through initiatives such as joint procurement and resource sharing, the Group will ensure stable supply and effective cost control, thereby reinforcing its market competitiveness and steadily increasing its market share.

2. Advancing refined operation management and innovating diversified marketing models. By fully implementing refined operations and differentiated marketing strategies, it will strengthen its tiered management system for major customers and differentiated pricing mechanism. For underperforming petrol stations, the Group will adopt staggered operation and maintenance arrangements and optimize workforce allocation, while exploring an employee contracting-based management model to further energize frontline operations. It will also develop standardized benchmark petrol stations and comprehensively upgrade its service processes and customer experience. The Group will continue to optimize non-oil retail offerings at petrol stations, cultivate high-traffic, high-demand products and steadily increase the contribution of non-oil revenue. It will further expand its fleet card customer base and, leveraging peak travel seasons such as the summer holiday, the Mid-Autumn Festival and National Day, regularly launch membership day campaigns and integrated promotions for oil and non-oil products. In addition, the Group will collaborate with online platforms to broaden customer acquisition channels and leverage an organization-wide proactive marketing approach to sustain stable oil sales, thereby achieving simultaneous growth in both volume and profitability.

3. Implementing disciplined procurement strategies to safeguard security of supply. It will continuously monitor international oil price trends, and exercise prudent control over procurement volumes during periods of elevated prices to mitigate downside price risks, while securing oil product resources in advance of peak holiday periods. It will also maintain round-the-clock scheduling and allocation to prevent stockouts and supply disruptions. The Group will optimize its inventory turnover, balancing supply stability with cost control to maximize resource allocation efficiency. Through batch procurement and dynamic inventory management, it will mitigate the impact of oil price volatility on costs, stabilize operating profit margins, and ensure the stable and orderly operation of its oil products business.

4. Proactively positioning itself in the new energy sector and accelerating the implementation of its new energy initiatives. A dedicated new energy branch will coordinate the investment, construction, and operational management of distributed photovoltaic, charging and energy storage businesses. The Group will advance the development of the integrated photovoltaic, energy storage and charging project at Dahuai service zone, with the aim of establishing it, in accordance with plan, as a zero-carbon pilot project of the Ministry of Transport of the People's Republic of China (a special pilot under the initiative to build China into a strong transportation nation). It will advance, in an orderly manner, the deployment of photovoltaic power systems across service zones and the construction of megawatt-level supercharging stations for heavy-duty trucks along key national expressways, including the G4 and G15, thereby creating the basic framework of a "zero-carbon transport corridor" and fostering new profit growth drivers. In parallel, the Group will pilot the construction and operation of LNG refilling stations and hydrogen refilling stations, laying a foundation for the diversified deployment of transportation energy in the medium to long term. Concurrently, it will strengthen whole-process cost control, compliance management and risk forecasting to ensure the efficient execution and stable operation of new energy projects.

5. Deepening digital enablement in its energy business and enhancing intelligent management and control capabilities. It will further promote the application of its integrated digital energy management platform, strengthening real-time monitoring of equipment status and operational metrics, as well as intelligent dispatch capabilities. The Group will also expand the application of AI-powered monitoring across safety management, equipment operation and maintenance, and energy consumption optimization. AI-based behavior recognition functions will be deployed within petrol station surveillance systems to establish a closed loop management mechanism encompassing "identifying-warning-handling". These initiatives will drive the transformation of energy management from "passive response and manual dispatch" to "proactive prevention and intelligent dispatch", thereby enhancing operational efficiency and elevating safety management standards across the energy business.

II. RETAIL TRADE BUSINESS

1. Pursuing both capacity expansion and quality enhancement to drive improvements in store efficiency. The Group will steadily expand its convenience store network and plans to open and reopen 34 stores in the second half of the year. In parallel, the Group will accelerate the intelligent and standardized transformation of its stores. By leveraging digital tools such as smart hardware, AI-powered voice recognition and big data analytics, it will standardize service protocols and enhance employees' capabilities in marketing, customer acquisition and professional service delivery. These initiatives will improve employee productivity, sales efficiency per unit of floor area, and overall resource utilization, thereby delivering comprehensive enhancements in the quality and efficiency of supply chain operations, store management, and customer service.

2. Implementing differentiated operating strategies to continuously unlock operational vitality. Leveraging the characteristics of concentrated traffic flows and highly scenario-driven demand at service zones, the Group will drive incremental growth through targeted marketing campaigns during key periods. By integrating online channels, including WeChat official accounts, mini-programs and short-form video platforms, with dedicated offline promotional zones and creative display points, the Group will further unlock store potential and steadily enhance customer traffic and conversion rates. Meanwhile, capitalizing on peak travel periods such as the summer holidays, the Mid-Autumn Festival and the National Day, the Group will adopt a "one store, one policy" approach to optimize its product offerings and business formats, while flexibly extending operating hours to capture demand throughout the day. These measures will support a steady improvement in the overall sales performance of its convenience stores.

3. Enriching consumer service scenarios and broadening diversified revenue streams. Focusing on its core customer segment of self-drive travelers, the Group will introduce distinctive outdoor product categories and further optimize its product mix. It will also develop the "Lexiang Festival (樂享節)" marketing IP, leveraging scenario-based promotional campaigns to drive incremental revenue at the retail level. The Group will expand its welfare group-purchasing business for government and corporate clients, as well as its multiple-category wholesale and distribution business, thereby diversifying its revenue sources. It will accelerate the development of "Loyee Mall (樂驛商城)", enhance user experience, and strengthen themed campaigns and membership operations. Leveraging its integrated warehousing and distribution capabilities, the Group will enable coordinated online and offline inventory management and seamless omnichannel integration, offering convenient services such as online ordering with in-store pickup.

4. Optimizing its outlet network planning and comprehensively enhancing the customer experience. Focusing on newly opened areas and areas undergoing refurbishment, the Group will refine the planning and layout of the "Loyee" convenience store network and strengthen outlet coverage. In parallel, the Group will upgrade store image and service standards. With a focus on enhancing the customer experience, it will optimize store layouts, merchandise displays and the in-store consumption scenarios, standardize visual identity and service protocols, refresh store formats, and elevate the overall in-store experience.

III. COMMERCIAL DEVELOPMENT BUSINESS

(I) Merchant solicitation business

1. Transforming its merchant solicitation strategy by prioritizing quality and optimizing the commercial ecosystem. In alignment with the requirements for high-quality development objectives, the strategy will shift from scale-driven expansion to quality-oriented growth. A digital merchant solicitation information platform will be established to integrate the merchant database with market analytics, thereby enabling intelligent matching and enhancing the efficiency and precision of merchant solicitation. A data-driven dynamic adjustment mechanism for rental per unit area and property management fees will be introduced to improve resource utilization efficiency. The Group will strictly adhere to transparent and standardized leasing procedures, while strengthening oversight of merchants' contractual performance and credit management. A tenant exclusion list will also be implemented to restrict access by non-compliant or underperforming tenants, thereby fostering a sound commercial ecosystem.

2. Deepening the strategic development of its self-operated businesses to drive synergies between business expansion and operational efficiency. It will accelerate the rollout of self-operated catering projects, establish dedicated merchant solicitation and operations teams, and introduce high-quality brand resources. A total of 16 new self-operated stores are expected to open in the second half of the year. The Group will also innovate its commercial collaboration models and steadily expand its branded catering portfolio, with a focus on building an integrated ecological business model of "investment + operation + management output + supply chain", accelerating the incubation of self-owned catering IPs like "Yue Xian Hui (粵鮮薈)" and "Wheat Field Cat (麥田貓)" through the coordinated layout of "own brand + partner brand + franchise brand", while deepening strategic partnerships with leading brands such as KFC. In addition, the Group will improve its operation and service system by formulating standardized management measures to incorporate merchant management, marketing and operation coordination into its system to achieve full supervision over both self-operated stores and leased/franchised merchants and creating model stores based on the "one specialty per service zone" philosophy in combination with local culture. The Group will also strengthen supervision, inspection, and closed-loop rectification to comprehensively improve service quality and passenger experience.

3. Promoting the quality enhancement and upgrading of service zones, and deepening the integrated development of multiple business formats in transportation. With distinctive service zones as carriers, the Group will promote the in-depth integration of "transportation + rural revitalization", "transportation + cultural tourism" and "transportation + commerce", build a benchmark for "one specialty per service zone" and reinforce the demonstration effect of service zones such as Baiqiao and Changshawan to promote the transformation of its service zones from "functional stations" to "cultural tourism attractions" and "consumption nodes", thereby enhancing commercial monetization. Moreover, the Group will complete the commissioning of distinctive service zones, service zones for helping farmers and promoting industry and intensive service zones as scheduled, expand the network of special counters for rural revitalization, and introduce local specialty products. By deepening the cooperation model of "service zones + local industries", the Group aims to develop service zones into "three showcases" for local culture, rural revitalization and civilized service standards, thereby establishing a replicable model for integrated development. The Group will organize themed activities on a regular basis, including product exhibitions and sales events, cultural performances and intangible cultural heritage showcases, to continuously drive footfall and enhance brand influence and commercial value.

4. Innovating the merchant solicitation model for distinctive service zones to accelerate the revitalization of idle resources. Leveraging the enhancement and upgrading of distinctive service zones, the Group will introduce an innovative bundled leasing approach, with a focus on revitalizing underutilized second-floor commercial spaces and precisely aligning them with high-quality business offerings, thereby effectively reducing vacancy rates. The Group will complete, on schedule, the leasing and commencement of operations of three pairs of distinctive service zones, namely Jiancheng, Fengkai and Meilin. It will also continue to advance the merchant solicitation efforts for second-floor premises at Lantang service zone and vacant commercial shops at Changshawan service zone. Through diversified collaboration models, the Group seeks to revitalize existing assets and attract reputable, high-quality brands in the catering, automotive services and retail sectors, thereby enhancing the overall commercial positioning and operational efficiency of its service zones.

5. Advancing digitalized operational management and achieving full coverage through a unified point-of-sale system. Newly contracted merchants are onboarded to the system upon contract execution, with full system integration for all merchants targeted within the year. The Group continues to upgrade its commercial operations management platform by integrating multi-dimensional data interfaces. By leveraging operational data analytics, it supports key functions including merchant solicitation analysis and decision-making, self-operated business management and merchant mix optimization. Through digitalization and data-driven management, the Group enhances the quality and efficiency of its commercial operations, thereby providing a robust analytical foundation for sustained business expansion.

(II) ADVERTISING BUSINESS

1. Consolidating direct sales operations and strengthening full lifecycle customer management. Focusing on core customers in key industries, the Group will establish specialized marketing teams to drive targeted customer acquisition. Through in-depth analysis of market trends and customer needs, the Group will formulate customized advertising solutions and flexibly deploy diversified marketing strategies. It will continue to optimize its customer mix, deepen engagement with high-quality leading customers, and strengthen long-term strategic partnerships, thereby enhancing customer retention and repeat business, and steadily improving both the quality and growth of advertising revenue.

2. Fully leveraging media resources across the expressway network, with a focus on expanding advertising capacity along core road sections and addressing gaps in media coverage on reconstructed and expanded segments, thereby enhancing both the scale and quality of such resources. In tandem with the upgrading and renovation of service zones, the Group will develop innovative media application scenarios and accelerate the implementation of the "Integrated Transport Screens" initiative. It will promote the intelligent and digital upgrading of traditional advertising resources, optimize the overall deployment of advertising spaces, and establish an integrated, multi-dimensional online and offline communication ecosystem. The Group will also explore a new marketing model centered on "offline traffic generation and online value conversion", fostering deep integration between traditional outdoor advertising and digital marketing. By leveraging data analytics, it will enhance the precision of advertising exposure and conversion effectiveness, thereby achieving end-to-end digital enhancement and upgrading of its advertising business.

3. Integrating internal and external advertising resources to build a diversified media resource network. The Group will conduct a comprehensive review of its full spectrum of advertising resources, forming a resource matrix that covers the major expressway corridors across the province and strengthening the foundation for coordinated resource development. The Group will enhance in-depth cooperation with external advertising platforms and media organizations to achieve resource complementarity and customer sharing, further expanding engagement with key national and regional clients, and improving the monetization of its advertising resources. At the same time, through cross-media expansion and innovative partnership models, the Group will launch thematic advertising campaigns in conjunction with commercial marketing activities, fostering synergies and mutual growth between its advertising business and commercial operations, and continuously enhancing the value of its media resources.

IV. OTHER BUSINESSES

(I) Road Passenger Transportation Business

Steadily and systematically advancing the final-stage exit from the domestic road passenger transportation business to comprehensively mitigate operational risks within the segment. The Group has undertaken the phased and categorized disposal of assets of Qingyuan Yueyun Vehicles Transportation Co., Ltd., actively coordinating the smooth transfer of urban public bus and rural passenger transportation operations to the relevant local authorities, while consolidating the remaining equity interests and assets under unified and centralized management. The Group will place particular emphasis on key matters such as employee resettlement and debt resolution, safeguarding employees' lawful rights and interests through multiple channels, optimizing debt disposal plans, and exercising stringent risk controls. These measures will ensure a smooth and orderly exit from the passenger transportation business, enabling the Group to focus its resources on the high-quality development of its core businesses.

(II) Expressway Vehicle Rescue Business

1. Strengthening standard operating procedures and the safety assurance system to comprehensively enhance rescue capabilities. With "safety, efficiency and quality" as the core target, the Group will promote the collaborative operation mechanism of "main vehicles for rescue + pickup trucks for protection", implement the "two-person and two-vehicle" collaboration standard and use pickup trucks with sound and light warning functions to achieve the integration of "alert + transfer", equip with professional rescue equipment and safety protection gear, enhance the safety of onsite operations and effectively reduce operation risks. Moreover, the Group will promote a pilot program for the replacement of buffer vehicles with pickup trucks, with priority given to key bridges and tunnels, and achieve closed-loop safety management through standardized operation procedures; integrate millimeter-wave radars, directional horns and vehicle-mounted LED arrow lights to build an "alarmable, visual and audible" multi-channel sound and light early warning system and reinforce the technology-empowered active safety protection capabilities.

2. Deepening digital empowerment and process optimization and building an intelligent and transparent rescue service system. The Group will promote the construction of the second phase of the "digital rescue" platform, optimize AI dispatch algorithms and integrate data such as real-time traffic flow, road condition and rescue resource distribution to realize scientific and intelligent dispatch of rescue forces and shorten response time. Moreover, the Group will rely on the "5G+AI" vehicle-mounted video system to build a visual command network, realize the supervision over the whole process from alarm reception to operation completion as well as real-time intervention and remote collaboration; promote the application of "Sunshine Rescue (陽光救援)" service platform throughout the province, advance the openness and transparency of the rescue prices, procedures and results throughout the whole process, enhance service reliability and vehicle owner satisfaction and strive to build "Guangdong Rescue (粵救援)" into a benchmark brand in the province's road rescue field.

(III) Taiping Interchange Operation

To further enhance operational professionalism and resource efficiency, the Group has completed the optimization of its business management structure. The operation, maintenance, repair, and engineering management of the Taiping Interchange will continue to be entrusted to Guangdong Humen Bridge Co., Ltd. ("**Humen Bridge Company**") for centralized coordination and management.

(IV) Strategic Positioning in Emerging Industries

In line with evolving economic trends, the Company will adhere to a diversified and synergistic development strategy, proactively expanding into frontier sectors and continuously cultivating new drivers for high-quality growth. The Company has steadily advanced the development of the Yueyun Changxing Industrial Park (粵運長興產業園) as a headquarters economic base. Leveraging the agglomeration advantages of a headquarters economy, it has accelerated the rollout of infrastructure and supporting facilities within the park, with the aim of establishing an integrated industrial platform that combines corporate offices and industrial collaboration, thereby facilitating the coordinated upgrading of regional industries. The Company will also closely monitor development opportunities in the "low-altitude economy" sector, actively aligning with policy directions and exploring forward-looking, diversified application scenarios such as low-altitude cultural tourism, thereby expanding its medium – to long-term growth potential.

MATERIAL INVESTMENTS AND CAPITAL ASSETS PLAN AND EXPECTED FUNDING SOURCES

In the second half of 2026, the Group intends to focus on advancing photovoltaic, energy storage and heavy-duty truck supercharging businesses within the new energy projects, as well as the construction of new petrol stations. As at the date of this report, the relevant projects remain in the planning and evaluation stage, and the specific investment amounts have not yet been determined. The Group expects to fund the relevant investments with funds generated from operating activities and bank loans, based on the actual progress and funding requirements of the projects.

Zhu Fang
Executive Director and Chairman of the Board

Guangzhou, PRC
14 August 2026

BUSINESS REVIEW

During the first half of 2026, the Group closely aligned itself with prevailing industry trends and remained focused on the operation and management of expressway service zones as its core business. Driven by reform and innovation and underpinned by refined management, the Group advanced the coordinated development of its diversified business segments, including energy, retail trade, commercial operations and expressway vehicle rescue services. All key operational and management initiatives were implemented in an orderly manner and delivered tangible results. During the period, the Group steadily progressed with its planned exit from the domestic road passenger transportation business, with resources continuously reallocated and optimized towards its core operations. Overall, the Group's performance demonstrated a positive trajectory characterized by "steady progress and improved quality and efficiency", laying a solid foundation for high-quality development for the full year.

Energy Business

The Group has consistently adhered to a dual-driven strategy of strengthening the foundation of, and enhancing the efficiency of its traditional energy business while advancing breakthroughs in new energy transformation. It continues to further develop its energy services business and actively promotes the green, intelligent and integrated transformation and upgrading of its energy operations. The traditional energy segment maintained stable operations, with the core oil products business continuing to generate stable earnings and provide solid cash flow support for the Group's development. Meanwhile, guided by strategic planning and a disciplined, science-based approach, the Group advanced the orderly development of its new energy business. A tiered supercharging network for heavy-duty trucks was progressively established, pilot zero-carbon service zone projects were successfully implemented, and distributed photovoltaic projects were scaled up, steadily advancing the Group's green and low-carbon transition. As of the end of June 2026, the Group held operating rights for 235 petrol stations, including 121 self-operated stations. Charging stations had been installed in 390 service zones, with a total of 5,977 charging bays, and the Group had established 10 battery swapping stations, 4 gas stations and 1 distributed photovoltaic demonstration station. The coverage of the Group's energy services network continued to improve. During the first half of the year, the Group focused on the following key initiatives:

1. Deepening the development of existing operations and consolidating the foundation for long-term growth. The Group continued to optimize the layout of its energy network and actively advanced the investment in and commencement of operations of high-quality assets, as well as the recovery of relevant assets. It successfully commenced operations of four self-operated petrol stations at Huangzhuping and Yangxi service zones, and completed recovery of the assets relating to four petrol stations at Chaozhou and Pingshang service zones. These efforts further enhanced the Group's regional energy service network, strengthened its market influence and laid a solid foundation for the commencement of the "15th Five-Year Plan".

2. Leveraging refined management, the Group delivered tangible results, driving a comprehensive improvement in operational efficiency. The Group strictly implemented the Operational Guidelines for Fixed-Position Management《定置化管理操作指引》and established a dual-control framework combining on-site supervision and random online video inspections, thereby standardizing service procedures, operating standards and on-site management across petrol stations, and enhancing service quality and operational discipline. The Group also carefully organized labour competitions during the Spring Festival travel rush and the May Day holiday, leveraging such competitions to promote business operations and improve efficiency. During the competitions, sales volume of petroleum products increased by 4% year on year. In addition, the Group introduced the "Golden Ideas" incentive scheme to encourage frontline employees to contribute ideas and suggestions, thereby optimizing the operating plans of individual stations. Targeted improvement programs were implemented for underperforming stations. Through measures such as shift optimization, adjustments to the product mix and end-to-end cost control, the Group effectively reduced operational losses and significantly improved the operating results of individual stations.

3. Innovating precision marketing to drive dual revenue growth in oil and non-oil operations. Leveraging data analytics, the Group developed segmented customer profiles, introduced prepaid packages for high-frequency fleet customers, and implemented tiered pricing incentives for price-sensitive customers. Real-time notifications of oil price adjustments, together with targeted promotional campaigns, were delivered at key pricing intervals. During the first half of the year, the Group launched 95 marketing programs, covering a total of 2,569 station-level promotional campaigns. These precision marketing initiatives effectively increased the average fueling volume per diesel customer, while the synergistic contribution of oil and non-oil businesses to overall gross profit continued to strengthen.

4. Advancing the green transformation strategy and accelerating the establishment of a new energy system. The Group remained committed to its strategic positioning as an integrated provider of green and intelligent energy services. With the supercharging network for heavy-duty trucks and distributed photovoltaics as its key areas for breakthrough, the Group coordinated the integrated and synergistic development of multiple business formats comprising "photovoltaic generation, energy storage, charging and battery swapping", thereby accelerating the development of a clean, low-carbon, safe and efficient modern energy system. Adhering to the principles of "planning-led development, demand-driven deployment and moderately forward-looking deployment", the Group has been progressing the construction, in phases and batches, of an energy supply network comprising supercharging stations for heavy-duty trucks in expressway service zones. The new energy branch has been designated as the dedicated operating entity for the "photovoltaic generation, energy storage, charging and battery swapping" businesses. Construction has commenced on the first batch of 20 supercharging stations across 10 pairs of service zones, including Wengyuan and Waxi, marking a key breakthrough in the Group's green energy rollout.

5. Strengthening operational resilience through coordinated supply assurance and procurement. In response to oil price volatility arising from geopolitical uncertainties and regional conflicts, the Group enhanced its analysis of crude oil market trends, tactically captured favorable procurement windows, and built up inventories at low price levels to mitigate upward cost pressures. The Group successfully ensured stable oil supply during peak periods, including the Spring Festival travel rush, Ching Ming Festival, Labor Day and Dragon Boat Festival, with no incidents of stockouts or supply disruptions. Leveraging the "Yuetongxing Centralized Procurement Platform", the Group coordinated the centralized procurement of bulk materials and services, deepened strategic partnerships with seven major refined oil suppliers, and secured stable supply channels.

RETAIL TRADE BUSINESS

The Group focuses on three core areas: its retail terminal network, supply chain services and rural revitalization. It efficiently operates the merchandise retail, wholesale and distribution businesses under the "Loyee" convenience store brand, while accelerating the development of the "Yuetongxing Centralized Procurement Platform" and the implementation of integrated warehousing and distribution initiatives. In active response to Guangdong Province's strategic deployment of the "Urban and Rural Coordinated Development Project for Consumption", the Group has established an integrated production-supply-sales model to support agriculture, thereby facilitating the effective implementation of the rural revitalization strategy. As of the end of June 2026, the total number of "Loyee" convenience stores reached 533, with continued expansion of the Group's retail network coverage.

1. Advancing refined operations and format innovation in parallel to enhance store profitability. The Group implemented differentiated operating strategies under a "one store, one policy" approach, optimizing product displays and inventory based on location-specific traffic patterns, and introducing temporary ready-to-eat food counters during peak periods. New product categories, including bakery, trendy toys and cultural and creative products, pet supplies and children's toys, were introduced to create integrated "retail + lifestyle services" consumption scenarios. A dedicated toy zone featuring 900 popular products was established at Luhe service zone. High-margin core categories recorded strong growth. The Group obtained 36 additional tobacco retail licenses and optimized sourcing and merchandising strategies, resulting in a steady increase in the contribution from tobacco sales. Through enhanced inventory management and organization-wide marketing initiatives, sales of categories such as betel nuts and ice cream grew significantly. The Group also conducted four recurring, network-wide themed promotional campaigns covering more than 500 products. As a result, average transaction value per customer at stores increased steadily year on year.

2. Deepening procurement system reform to reduce costs, enhance efficiency and improve quality. The Group strictly implemented the multi-dimensional "choosing four out of nine" product selection criteria, completed two rounds of targeted supplier and product sourcing exercises, introduced 117 new products and optimized its product mix. It also established a mechanism for selecting high-performing suppliers and eliminating underperforming suppliers and consolidated small-scale and inefficient suppliers. The Group advanced direct cooperation with brands, procuring directly from brands such as Hong Kong Sweet Heart, Meiji and Baixiang, thereby reducing intermediary distribution layers and significantly lowering overall procurement costs. Tiered discount pricing was applied to selected product categories to further reduce procurement costs. Leveraging Loyee's main warehouse, the Group promoted integrated warehousing and distribution operations, enhancing last-mile distribution efficiency and accelerating inventory turnover.

3. Expanding group purchasing and wholesale distribution channels to increase the scale and footprint of the business. The Group continued to broaden its group purchasing and wholesale distribution channels and deepened collaboration with existing partners such as Guangdong Nanyue Transport Offshore Oil Energy Company Limited (廣東省南粵交通海油能源有限公司) and Guangdong Zhongyou Top-E Energy Trading Company Limited . It successfully secured a group purchasing contract with Guangdong Hualu Traffic Technology Co., Ltd. and added a number of high-quality major customers, thereby steadily expanding the scale of its group purchasing business. The Group also comprehensively expanded its wholesale distribution channels, integrating supply chain resources across its entire network and promoting deeper integration of online and offline channels. These efforts effectively increased overall sales volume and market coverage, further strengthening the reach of its trading business.

4. Strengthening operational foundations through digital and intelligent enablement, with continuous enhancement of management standards. The Group further enhanced the functionality of the "Yuetongxing Centralized Procurement Platform", enabling online centralized procurement and unified management of convenience store operating equipment. The Group initiated the intelligent transformation of underperforming stores through cloud-based remote operations. During the first half of the year, equipment installation was completed at 10 stores, with two pilot stores commencing operations under the new model. The remaining stores will be upgraded in phases. A flexible staffing model was piloted at the central warehouse to optimize labour cost control and improve workforce efficiency. At the same time, the Group recruited fresh university graduates to strengthen its talent pipeline, arranging frontline job rotations to build a younger and more professional workforce. The Group also refined and upgraded its store standardisation guidelines, introducing specific standards covering equipment maintenance, electrical safety, cashier operations and merchandise display, thereby effectively reducing store setup and ongoing operating costs.

COMMERCIAL DEVELOPMENT BUSINESS

The Group adheres to the operating philosophy of "one specialty per service zone and one theme per service zone". Focusing on the diversified needs of travelers, it advances the high-quality upgrading, renovation and commercial management of service zones. The Group oversees the full lifecycle of commercial operations, including space planning, merchant solicitation and investment promotion, and operational management. By innovating merchant solicitation models, optimizing merchant solicitation mechanisms and introducing high-quality, distinctive brands, it has established a dual-driven commercial model combining "merchant solicitation and self-operation". These initiatives continue to invigorate the commercial vitality of service zones and position them as new landmarks for expressway travel services. As of the end of June 2026, the Group had secured operating rights for 459 service zones, of which 392 were in operation, with its commercial operating portfolio continuing to expand.

1. Merchant Solicitation Business

Focusing on benchmark merchant solicitation and asset revitalization, the Group continued to optimize its merchant mix by introducing leading chain brands and adopting diversified partnership models. Meanwhile, it accelerated the expansion of its self-operated catering portfolio and the full rollout of digital systems, leveraging a standardized management framework to enhance operational efficiency and reinforce long-term profitability. As of the end of June 2026, the Group had 1,660 commercial shops available for operation, with a planned leasable area of approximately 203,600 square meters and an occupancy rate of 71% based on gross commercial area.

(1) Leveraging benchmark merchant solicitation and efficiently revitalizing idle assets, the Group prioritized merchant solicitation efforts for two flagship service zones in Zhongshan and Meilin. The Zhongshan service zone was positioned as a cultural and tourism complex serving as a gateway to the Greater Bay Area, featuring a curated mix of debut stores offering intangible cultural heritage-inspired cultural and creative products, international beauty brands, and distinctive Lingnan cuisine. The Meilin service zone was designed to host a diversified merchant mix, including a boutique outlet mall, a fresh food supermarket, trendy lifestyle and toy retailers, as well as new energy product exhibition and sales facilities. In parallel, the Group advanced leasing for commercial shops of major projects across 16 pairs of service zones, including Lantang, while unlocking underutilized second-floor space to enhance overall leasable area. A brand-oriented leasing strategy was implemented for the automotive services segment, introducing established chain operators such as Tmall Auto Care and SUREMOOV into service zones including Liangjinshan. Rental pricing was not adopted as the sole selection criterion, ensuring merchant quality and preventing the admission of high-rent but low-quality operators. Amid a softening leasing market and an increase in merchant exits, the Group proactively revitalized vacant commercial shops through flexible and diversified approaches, including lowering entry costs, bundled leasing arrangements, revenue-sharing models, and strengthened government-enterprise collaboration.

(2) Expanding and enhancing its self-operated catering business and continuously optimizing its brand portfolio. A diversified operating model, comprising "own brands + cooperative brands + franchises of leading brands", has been adopted. The Group currently operates 38 self-operated outlets, including 19 KFC restaurants, 10 food outlets and nine light-meal outlets. In the second half of the year, the Group plans to add 16 new outlets, including six food outlets, eight light-meal outlets and two KFC restaurants. At the same time, franchise cooperation with Luckin Coffee will be advanced to further elevate the brand mix and enhance service quality across service zones.

(3) Advancing the unified digitalization of its point-of-sale (POS) systems and achieving phased progress. A strategic partnership was established with Meituan to develop a digital merchant management system. As of the end of June 2026, POS system migration had been completed for 531 commercial shops, representing a 90% migration rate among eligible merchants. The Group targets 100% onboarding of qualified merchants by year-end and will further integrate data interfaces between the POS system and the service zone operations management platform. Leveraging more granular and accurate operational data, the Group aims to enhance merchant solicitation decisions and the management of self-operated businesses, thereby strengthening the data-driven and systematic management of commercial operations.

(4) Upgrading the self-operated management system and delivering a comprehensive improvement in operational efficiency. During the first half of the year, the Group completed the development of supporting policies and procedures covering store operations and management, operational oversight, procurement, and supply chain collaboration. Standardized mechanisms were also established for purchase, sales, inventory management, talent pipeline development, and performance evaluation, progressively building a more professional self-operated business system. Through the combined application of standardized governance and digital tools, the Group strengthened cost control and improved operational efficiency, while developing a replicable and scalable management model. This provides a solid foundation for future business expansion and robust risk management.

2. Advertising Business

With digital transformation at its core, the Group completed the upgrade of its end-to-end refined management system for advertising resources, while continuing to strengthen its new media communications matrix and explore diversified and innovative cooperation models. By deepening customer engagement and focusing on stabilizing its existing business, expanding new growth and revitalizing current resources, the Group further enhanced its internal control framework and optimized operational management, driving comprehensive improvements in the quality and efficiency of its advertising business. As of the end of June 2026, the Group held advertising operation rights across 81 expressways, with a total of 534 advertising sites and an aggregate display area exceeding 130,000 square meters. The portfolio comprises a diverse range of formats, including monopole billboards, overpass and gantry displays, toll station rooftop signage, ground-mounted billboards, and rooftop signage at service zones.

(1) Upgrading the end-to-end management system to reinforce the foundation for business development. The Group comprehensively optimized refined management processes across the full lifecycle of advertising resources, including planning, merchant solicitation, operations and maintenance. It also enhanced its new media matrix and internal control framework, establishing an operational management system better aligned with market competition and laying a solid institutional and capability foundation for business development.

(2) Strengthening the customer management system and revitalizing advertising resources to underpin business growth. The Group introduced innovative cooperation models and conducted a comprehensive review and revitalization of existing advertising resources. It formulated an organization-wide marketing incentive scheme, established customer acquisition mechanisms, and focused on key segments to develop direct clients, offering integrated marketing and communications solutions to enhance customer retention. In parallel, the Group optimized its customer segmentation and refined its credit rating management system, balancing customer acquisition and revenue growth with risk control and building a solid customer base for further growth in the second half of the year.

(3) Leveraging synergies across multiple business segments, the Group strengthened its core competitive advantages. It actively expanded into new business areas and, building on its integrated service capabilities, accelerated the development of government and corporate thematic events as well as offline brand event planning. An integrated, end-to-end marketing service model was established, linking traditional advertising, scenario-based operations, offline events and new media services, thereby reinforcing market competitiveness and enabling the successful achievement of phased operating targets and priorities for the first half of the year.

OTHER BUSINESSES

1. Road Passenger Transportation Business

The Group continued to advance the orderly exit from its road passenger transportation segment, focusing resources on its core expressway transportation business while optimizing its business mix and resource allocation. During the first half of the year, the Group successfully completed the equity transfer of Meizhou Yueyun Vehicles Transportation Company Limited, achieving a smooth and orderly exit from its domestic passenger transportation operations , with risks effectively controlled and a smooth transition ensured.

2. Expressway Vehicle Rescue Business

The Company continued to strengthen its end-to-end dispatch and control capabilities for rescue operations, with a focus on enhancing clearance efficiency and traffic assurance service standards. As of 30 June 2026, the Company's expressway rescue service network covered 7,537 kilometers, spanning 84 road sections and 223 rescue stations, and was supported by 765 units of rescue equipment. During the first half of the year, a total of 122,700 rescue cases were handled, with service capabilities continuing to lead the industry. Key initiatives are set out below:

(1) Digital upgrade of dispatch operations to establish an intelligent command hub. The Company advanced the transformation of its dispatch center from a traditional information relay hub into a network-wide intelligent monitoring and command center. Dispatch algorithms were further optimized through the integration of multi-dimensional data, including real-time traffic conditions, equipment suitability and workload levels, enabling more precise allocation and efficient utilization of rescue resources. In addition, a 5G+AI-enabled in-vehicle video system was deployed to support network-wide visualized command, enabling real-time monitoring, remote coordination and intervention throughout the rescue process, and significantly enhancing on-site supervision and emergency response efficiency.

(2) Optimization of equipment, teams and coordination mechanisms to enhance rescue capabilities. In line with evolving rescue vehicle trends, the Company refined technical specifications for vehicle procurement to improve equipment suitability and cost efficiency. A technical committee was established to advance the development of auxiliary rescue equipment and optimize operational workflows, facilitating the practical application of technical outcomes. A regular case review mechanism was also implemented to support targeted training and continuously enhance the professional capabilities of rescue teams. Meanwhile, the Company refined its dynamic roster of partner entities and formalized coordination mechanisms through contractual arrangements, strengthening multi-party collaboration and improving on-site response efficiency and traffic assurance capabilities.

3. Taiping Interchange Operation

To ensure the safe and stable operation of the Taiping Interchange and maintain smooth and orderly traffic flow, the Group engaged Humen Bridge Company to carry out routine inspections, maintenance and repairs, and safety management measures. As of the end of June 2026, the Taiping Interchange recorded cumulative tolled traffic of approximately 13.6 million vehicle trips, with an average daily traffic volume of approximately 76,000 vehicle trips, representing a year-on-year decrease of approximately 7%. The decrease was mainly due to roadworks at the Taiping Interchange section associated with the expansion and reconstruction of the Guangzhou-Shenzhen Expressway.

FINANCIAL REVIEW

THE GROUP'S INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2026

For the six months ended 30 June 2026, operating income of the Group amounted to RMB3,738,008,000 (corresponding period in 2025: RMB3,770,028,000), representing a year-on-year decrease of RMB32,020,000 or 1%. Gross profit amounted to RMB344,663,000 (corresponding period in 2025: RMB305,851,000), representing a year-on-year increase of RMB38,812,000 or 13%, which was mainly attributable to the orderly exit from the domestic passenger transportation business with a higher gross loss margin.

For the six months ended 30 June 2026, the Group's cumulative net profit attributable to shareholders of the parent company (the "**Shareholders**") amounted to RMB171,042,000 (corresponding period in 2025: RMB142,644,000), representing a year-on-year increase of RMB28,398,000 or 20%, which was mainly attributable to the increase in gains from asset disposals resulting from acquisitions of land by the government; basic earnings per share was RMB0.21 (corresponding period in 2025: RMB0.18), representing a year-on-year increase of RMB0.03 per share.

Operating income

Operating income by business segment:

	For the six months ended 30 June 2026		For the six months ended 30 June 2025	
	RMB'000	**Percentage**	RMB'000	Percentage
Energy business	**2,701,720**	**73%**	2,488,641	66%
Retail trade business	**353,064**	**9%**	305,742	9%
Commercial development business	**193,603**	**5%**	196,679	5%
Road transportation and auxiliary business	**441,334**	**12%**	723,616	19%
Other businesses	**48,287**	**1%**	55,350	1%
Total	**3,738,008**	**100%**	3,770,028	100%

1. Energy Business

The energy business recorded operating income of RMB2,701,720,000 (corresponding period in 2025: RMB2,488,641,000) in the first half of 2026, representing a year-on-year increase of RMB213,079,000 or 9%, which was mainly due to the increase in revenue arising from newly added petrol stations.

2. Retail Trade Business

The retail trade business recorded operating income of RMB353,064,000 (corresponding period in 2025: RMB305,742,000) in the first half of 2026, representing a year-on-year increase of RMB47,322,000 or 15%, which was mainly due to the expansion of the self-operated convenience store network and increased customer traffic.

3. Commercial Development Business

The commercial development business mainly consists of merchant solicitation business and advertising business, and recorded operating income of RMB193,603,000 (corresponding period in 2025: RMB196,679,000) in the first half of 2026, representing a year-on-year decrease of RMB3,076,000 or 2%.

4. Road Transportation and Auxiliary Business

The road transportation and auxiliary business recorded operating income of RMB441,334,000 (corresponding period in 2025: RMB723,616,000) in the first half of 2026, representing a year-on-year decrease of RMB282,282,000 or 39%, which was mainly due to the optimization of capital deployment and the orderly exit from the domestic passenger transportation business.

5. Other Businesses

Other businesses are mainly engaged in the operation of Taiping Interchange, and recorded operating income of approximately RMB48,287,000 (corresponding period in 2025: RMB55,350,000) in the first half of 2026, representing a year-on-year decrease of RMB7,063,000 or 13%, which was mainly due to the impact of road construction works at the Taiping Interchange section as a result of the expansion and reconstruction project of the Guangzhou-Shenzhen Expressway.

GROSS PROFIT

The gross profit of the Group in the first half of 2026 was RMB344,663,000 (corresponding period in 2025: RMB305,851,000), representing a year-on-year increase of RMB38,812,000 or 13%, with a gross profit margin of 9% (corresponding period in 2025: 8%).

Gross profit/(loss) by business segments:

	For the six months ended 30 June 2026			For the six months ended 30 June 2025		
	RMB'000	**Percentage**	**Gross profit margin**	RMB'000	Percentage	Gross profit margin/ (Gross loss margin)
Energy business	**167,828**	**49%**	**6%**	232,685	76%	9%
Retail trade business	**63,390**	**18%**	**18%**	46,841	16%	15%
Commercial development business	**50,481**	**15%**	**26%**	1,314	0%	1%
Road transportation and auxiliary business	**22,489**	**6%**	**5%**	(20,707)	(7%)	(3%)
Other businesses	**40,475**	**12%**	**84%**	45,718	15%	83%
Total	**344,663**	**100%**		305,851	100%	

Following the completion of the specialized separation reform of Guangdong Top-E Expressway Service Zone Limited, a controlled subsidiary of the Group in 2025, the three major specialized operating entities of energy, retail trade, commercial development independently entered into property management contracts that had been implemented in the second half of 2025, and the attribution of property management costs for public areas shifted from unified allocation to being entirely borne by the energy operating entity, therefore, the year-on-year changes between the gross profit and gross profit margins of the energy business, the retail trade business and the commercial development business for the first half of 2026 and the data originally presented in the financial statements for the corresponding period of 2025 partially reflected the impact of the aforementioned change in cost attribution method. Such adjustment only affected the attribution of the relevant costs among the three businesses, and did not affect the overall gross profit of the Group.

To improve the comparability of the gross profit and gross profit margin of the three businesses between the first half of 2026 and the corresponding period of 2025, and to enable investors to more accurately understand the year-on-year operating performance of such businesses under a consistent cost attribution approach, the Group has assumed that the aforementioned property management contracts were signed and executed in the first half of 2025, and simulated the calculation of the gross profit and gross profit margin for the three businesses for the corresponding period of 2025 in accordance with the attribution method for property management costs for public areas adopted in the first half of 2026, as follows. The simulated comparative data is not the comparative segment data originally presented in the financial statements of the Group for the six months ended 30 June 2025, and is provided solely for investors to conduct year-on-year analysis:

	For the six months ended 30 June 2025			Adjustment item: Change in attribution of property management costs for public areas			For the six months ended 30 June 2025 (pro forma)		
	RMB'000	**Percentage of total gross profit**	**Gross profit margin**	RMB'000	Percentage of total gross profit	Gross profit margin	**RMB'000**	**Percentage of total gross profit**	**Gross profit margin**
Energy business	**232,685**	**76%**	**9%**	(74,564)	(24%)	(3%)	**158,121**	**52%**	**6%**
Retail trade business	**46,841**	**16%**	**15%**	13,198	4%	5%	**60,039**	**20%**	**20%**
Commercial development business	**1,314**	**0%**	**1%**	61,366	20%	31%	**62,680**	**20%**	**32%**

1. Energy Business

Energy business recorded a gross profit of RMB167,828,000 in the first half of 2026 (corresponding period in 2025: RMB232,685,000), representing a year-on-year decrease of RMB64,857,000 or approximately 28%, and the gross profit margin was 6% (corresponding period in 2025: 9%). The decrease was mainly due to an increased allocation ratio of property management costs for public areas and higher rental expenses. After a pro forma calculation based on the attribution basis of property management costs for the current period, the gross profit and gross profit margin for the corresponding period in 2025 was RMB158,121,000 and 6%, respectively.

2. Retail Trade Business

Retail trade business generated gross profit of RMB63,390,000 in the first half of 2026 (corresponding period in 2025: RMB46,841,000), representing a year-on-year increase of RMB16,549,000 or 35%. The gross profit margin was 18% (corresponding period in 2025: 15%). The increase in gross profit was mainly due to the year-on-year increase in revenue and the reduction in allocation ratio of property management costs for public areas. After a pro forma calculation based on the attribution basis of property management costs for the current period, the gross profit and gross profit margin for the corresponding period in 2025 was RMB60,039,000 and 20%, respectively.

3. Commercial Development Business

Commercial development business mainly consists of the merchant solicitation business and the advertising business. It generated gross profit of RMB50,481,000 in the first half of 2026 (corresponding period in 2025: RMB1,314,000), representing a year-on-year increase in gross profit of RMB49,167,000 or 3,742%. The gross profit margin was 26% (corresponding period in 2025: gross profit margin of 1%). These increases were mainly due to the reduction in allocation ratio of property management costs for public areas. After a pro forma calculation based on the attribution basis of property management costs for the current period, the gross profit and gross profit margin for the corresponding period in 2025 was RMB62,680,000 and 32%, respectively.

4. Road Transportation and Auxiliary

Road transportation and auxiliary business generated gross profit of RMB22,489,000 in the first half of 2026 (corresponding period in 2025: gross loss of RMB20,707,000), representing a year-on-year increase of RMB43,196,000 or 209%, and the gross profit margin was 5% (corresponding period in 2025: gross loss margin of 3%). It was mainly due to orderly exit from the domestic passenger transportation business with higher gross loss margin.

5. Other Businesses

Other businesses mainly represent Taiping Interchange operation. It generated gross profit of RMB40,475,000 in the first half of 2026 (corresponding period in 2025: RMB45,718,000), representing a year-on-year decrease of RMB5,243,000 or 11%. The gross profit margin was 84% (corresponding period in 2025: gross profit margin of 83%).

ADMINISTRATIVE AND R&D EXPENSES

In the first half of 2026, the Group incurred administrative and research and development expenses of RMB144,714,000 (corresponding period in 2025: RMB198,394,000), representing a year-on-year decrease of RMB53,680,000 or 27%, which was mainly due to the continued implementation of the "one enterprise, one policy" approach for the road transportation business, the orderly exit from the domestic passenger transportation business and effective cost control.

FINANCE EXPENSES

In the first half of 2026, the Group incurred finance expenses of RMB55,317,000 (corresponding period in 2025: RMB71,021,000), representing a year-on-year decrease of RMB15,704,000 or 22%, which was mainly due to the orderly exit from the domestic passenger transportation business and the reduction in interest-bearing liabilities following the repayment of borrowings.

OTHER INCOME

In the first half of 2026, the Group recorded other income of RMB8,076,000 (corresponding period in 2025: RMB89,416,000), representing a year-on-year decrease of RMB81,340,000 or 91%, which was mainly due to a year-on-year reduction in government grants as a result of the orderly exit from the domestic passenger transportation business.

INVESTMENT GAIN

In the first half of 2026, the Group recorded investment gain of RMB50,574,000 (corresponding period in 2025: RMB94,599,000), representing a year-on-year decrease of RMB44,025,000 or 47%, which was mainly due to the year-on-year difference in gains on disposal of equity interests.

CREDIT IMPAIRMENT LOSSES

Credit impairment losses of the Group in the first half of 2026 were RMB9,985,000 (corresponding period in 2025: RMB12,507,000), representing a year-on-year decrease in losses of RMB2,522,000 or 20%, which was mainly due to an improvement in the aging profile of trade receivables, which led to a reduction in credit impairment losses provision.

IMPAIRMENT LOSSES OF ASSETS

Impairment losses of assets of the Group in the first half of 2026 were RMB0 (corresponding period in 2025: RMB1,042,000), representing a year-on-year decrease in losses of RMB1,042,000, or 100%, which was mainly due to the impairment allowance made for long-term equity investments in the corresponding period of the previous year, whereas no such matter arose during the period.

GAINS ON DISPOSAL OF ASSETS

In the first half of 2026, the Group recorded gains on disposal of assets of RMB125,121,000 (corresponding period in 2025: RMB6,334,000), representing a year-on-year increase of RMB118,787,000, which was primarily due to the compulsory resumption of the land located in Kwu Tung, Hong Kong held by the Group by the Lands Department of Hong Kong in accordance with the law. The compensation amount for such land resumption was approximately RMB134,489,000, and the carrying amount of the relevant assets at the time of the land resumption was approximately RMB12,880,000; after deducting the relevant taxes, fees and other costs, the Group recognised a gain on disposal of assets in respect of such land resumption of approximately RMB121,609,000. As at 30 June 2026, the handover procedures for the relevant assets had been completed, and the Group had received the land resumption compensation of RMB134,489,000. As such land resumption was compulsorily implemented by the relevant government authorities pursuant to applicable laws and administrative decisions, and was not determined by the Group at its own discretion, the Group was required to cooperate with the execution in accordance with the law and had no discretion to take any contrary action. Therefore, such compulsory land resumption does not constitute a transaction of the Group under Chapter 14 of the Listing Rules.

NON-OPERATING INCOME AND EXPENSES

In the first half of 2026, the Group recorded net non-operating expenses of RMB3,516,000 (corresponding period in 2025: net non-operating expenses of RMB183,000), representing a year-on-year increase in net expenses of RMB3,333,000 or 1,821%, which was mainly due to a year-on-year decrease in gains from the write-off of non-current assets.

LIQUIDITY AND CAPITAL STRUCTURE

The Group adopted prudent financial management policies in its financial management and implemented strict budget control on the use of funds. The Group satisfied its cash requirements for payable contractual obligations and general working capital mainly through cash generated from operating activities and bank borrowings. The Group proactively optimized its financial structure and strived to achieve the optimal financing cost. The Group enhanced internal allocation of funds through the operation of cash pooling to improve the efficiency of utilization of funds. Benefiting from the strict budget control over its funds and optimization of its financial structure, the Group's balance of available credit facilities granted by banks and other financial institutions amounted to RMB5,223,550,000 as at 30 June 2026, which provided sufficient protection for the Group's operating loans and ensured repayment of principal and interest without risk.

Items	**30 June 2026 RMB'000**	31 December 2025 RMB'000
Borrowings (banks and other financial institutions)	**31,350**	124,631
Less: Cash and cash equivalents	**1,786,256**	1,131,067
Net debt	**(1,754,906)**	(1,006,436)
Total liabilities	**4,324,660**	4,230,558
Total shareholders' equity	**2,846,180**	2,686,598
Total equity	**1,091,274**	1,680,162
Total assets	**7,170,839**	6,917,156
Gearing ratio	**(160.81%)**	(59.90%)
Asset to liability ratio	**60.31%**	61.16%

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

Taking into account the Group's existing cash and cash equivalents, cash flow generated from operating activities, available banking facilities, maturity profile of borrowings and projected capital expenditures, the Directors are of the opinion that the Group's existing financial resources are sufficient to meet the operating and capital requirements to cover the next twelve months from 30 June 2026 onwards.

CASH FLOWS

In the first half of 2026, the Group satisfied its requirements for payable 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 movements) were as follows:

	For the six months ended 30 June		
	2026	2025	Change
	RMB'000	RMB'000	RMB'000
Cash generated from/(used in)			
Operating activities	**573,688**	434,928	138,760
Investing activities	**166,679**	(64,302)	230,981
Financing activities	**(79,854)**	(247,241)	167,387

OPERATING ACTIVITIES

The Group's net cash inflow from operating activities amounted to RMB573,688,000 in the first half of 2026 (corresponding period in 2025: net cash inflow of RMB434,928,000), representing a year-on-year increase of net cash inflow of RMB138,760,000 or 32%, which was mainly due to the orderly exit from the domestic passenger transport business resulted in a year-on-year decrease in cash paid to and on behalf of employees.

INVESTING ACTIVITIES

In the first half of 2026, the net cash inflow from investing activities was RMB166,679,000 (corresponding period in 2025: net cash outflow of RMB64,302,000), representing a year-on-year increase in net cash inflow of RMB230,981,000 or a change of 359%, which was mainly due to the year-on-year increase in net cash received from the disposal of land.

FINANCING ACTIVITIES

The net cash outflow from financing activities in the first half of 2026 was RMB79,854,000 (corresponding period in 2025: net cash outflow of RMB247,241,000), representing a year-on-year decrease of RMB167,387,000 or 68% in net cash outflow, which was mainly due to the year-on-year decrease in cash paid for debt repayments.

BORROWINGS

As of 30 June 2026, outstanding borrowings of the Group amounted to RMB31,350,000 (31 December 2025: RMB124,631,000), comprising (i) unsecured short-term loans: RMB10,008,000 (31 December 2025: RMB10,000,000); (ii) secured short-term loans of RMB17,842,000 (31 December 2025: RMB21,950,000); (iii) unsecured long-term loans of RMB3,500,000 (31 December 2025: RMB44,751,000); (iv) secured long-term loans: nil (31 December 2025: RMB47,930,000). As of 30 June 2026, the Group's borrowings were denominated in RMB and bearing fixed interest rate.

MATERIAL SUBSEQUENT EVENTS

Nil.

MAJOR INVESTMENTS, MAJOR ACQUISITIONS, DISPOSALS AND ESTABLISHMENT OF NEW COMPANIES

On 20 May 2026, the Company entered into an equity transaction agreement with Foshan Chancheng Yingrui Public Utilities Investment Co., Ltd. (佛山市禪城區盈瑞公用事業投資有限公司) ("**Foshan Yingrui**"), pursuant to which Foshan Yingrui conditionally agreed to acquire and the Company conditionally agreed to sell 51% equity interests held in Foshan City Yueyun Public Transportation Co., Ltd. ("**Foshan Yueyun**") at a consideration of RMB58,244,500. The Group is expected to recognise a loss on the disposal of approximately RMB5,739,000. For details, please refer to the announcement of the Company dated 20 May 2026. As of 30 June 2026, the transfer of equity in Foshan Yueyun had not been completed; therefore, the Group continued to include Foshan Yueyun within the scope of consolidation for the current reporting period. Upon completion of the equity transfer, the Group will determine the amount of gain or loss on the disposal with reference to the net assets of Foshan Yueyun as at the completion date of the disposal and other relevant factors, which will ultimately be subject to the audit results of the auditors.

Save as disclosed in this report, during the reporting period, the Group did not conduct any material acquisitions, or establishment of subsidiaries, associates and joint ventures, or make any significant investment.

The Group did not hold any material investments as at 30 June 2026.

MAJOR PROPERTIES HELD FOR INVESTMENT

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)
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)
Passenger Traffic Center Building in Lianzhou*	No. 136, Beihu Road, Lianzhou City	Operating lease	Short-term (within 10 years)

* The Group has no freehold ownership over the above property which is situated outside Hong Kong.

PLEDGE OF ASSETS

As at 30 June 2026, fixed assets at the net value of approximately RMB74,323,000 (31 December 2025: RMB67,434,000) were pledged as collateral for borrowings. As at 30 June 2026, the Group has no land use rights pledged as collateral for borrowings (31 December 2025: RMB8,688,000).

FOREIGN EXCHANGE RISK AND HEDGING

Most of the revenue and expenditure of the Group are settled or denominated in RMB, except for the revenue and expenditure related to cross-border transportation services. In the first half of 2026, the working capital and liquidity of the Group were slightly affected by the fluctuations in foreign exchange rate. During the reporting period, the Group did not enter into any forward foreign exchange contracts or use other financial instruments to hedge against foreign exchange risk. The directors of the Company (the "**Directors**") believe that the Group will have sufficient foreign currency to meet its demand. The Group will continue to pay close attention to the currency fluctuations of RMB and will adopt proper measures in accord with its operation requirements to reduce the currency risk exposure of the Group.

CONTINGENT LIABILITIES

As of 30 June 2026, the Group had no material contingent liabilities.

Other Information

SHARE CAPITAL

As at 30 June 2026, there were a total of 799,847,800 ordinary shares of the Company in issue, over 25% of which were held by the public. The minimum public float requirement satisfied the requirements under the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "**Stock Exchange**") (the "**Listing Rules**"). So far as it was known to the Directors, as of 30 June 2026, the controlling shareholders and the ultimate controlling shareholder of the Company remained unchanged.

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

As at 30 June 2026, GCGC directly held 592,847,800 domestic shares, representing 100% of the issued domestic shares and approximately 74.12% of the total issued share capital of the Company.

GCGC is a controlling shareholder of the Company. Its legal representative is Wang Hongjun and its registered capital as at 30 June 2026 was RMB26.8 billion. It is principally engaged in investment, construction and management of expressways in the Guangdong Province, as well as logistics and transportation businesses.

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

As at 30 June 2026, so far as it was known to any Director or chief executive of the Company or otherwise notified to them, the following persons (other than the Directors and chief executive of the Company) had 5% or more interests in the shares and underlying shares (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "**SFO**")) as recorded in the register required to be kept by the Company under section 336 of the SFO:

Name of Shareholder	Class of Shares	Number of Shares/ Underlying Shares held (Note 1)	Capacity	Approximate percentage of the relevant class of share capital	Approximate percentage of total share capital
GCGC	Domestic Shares	592,847,800	Beneficial owner	100 (L)	74.12
China Petrochemical Corporation	H Shares	33,570,000 (Note 2)	Interests of controlled corporation	16.22 (L)	4.20
China Petroleum & Chemical Corporation	H Shares	33,570,000 (Note 2)	Interests of controlled corporation	16.22 (L)	4.20
Sinopec Sales Company Limited	H Shares	33,570,000 (Note 2)	Interests of controlled corporation	16.22 (L)	4.20
Sinopec (Hong Kong) Limited	H Shares	33,570,000 (Note 2)	Beneficial owner	16.22 (L)	4.20
Pope Asset Management, LLC	H Shares	20,944,247	Investment manager	10.12 (L)	2.62
Shah Capital Management	H Shares	18,040,000	Investment manager	8.71 (L)	2.26

Note 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.

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

Note 3: "L" denotes a long position.

Save as disclosed above, as at 30 June 2026, the Company was not aware of any other interests or short positions in the shares or underlying shares of the Company that are required to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or required to be recorded in the register required to be kept by the Company under Section 336 of the SFO.

CHANGES IN SHARES

There had been no changes in the shares of the Company for the six months ended 30 June 2026.

PURCHASE, SALE OR REDEMPTION OF LISTED SHARES OF THE COMPANY

The Company does not hold any treasury shares (including any treasury shares held or deposited with the Central Clearing and Settlement System).

During the six months ended 30 June 2026, the Company did not redeem any of its shares. Neither the Company nor its subsidiaries repurchased or sold any shares of the Company (including the sale of any treasury shares) for the six months ended 30 June 2026.

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

As at 30 June 2026, none of the Directors or chief executives of the Company had any interest or short position in the shares, underlying shares and/or debentures (as the case may be) of the Company or any of its associated corporations (within the definition of Part XV of the Securities and Futures Ordinance) which was required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the Securities and Futures Ordinance (including interest and short position which any such Director or chief executive is taken or deemed to have under such provisions of the Securities and Futures Ordinance) or which was required to be recorded in the register required to be kept by the Company pursuant to Section 352 of the Securities and Futures Ordinance or which was otherwise required to be notified to the Company and the Stock Exchange pursuant to the Model Code (the "**Model Code**") as contained in Appendix C3 to the Listing Rules.

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

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 of Hong Kong Limited (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 six months ended 30 June 2026, except for code provision C.2.1.

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 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 is of the view that despite deviating from code provision C.2.1 of the Listing Rules, Mr. Zhu Fang has provided and will continue to provide strong and consistent leadership to the Group with his extensive experience and knowledge in management and the support of other members of the Board. Moreover, the Board is of the view that having the same person as the chairman and general manager can facilitate the execution of the Group's business strategies and enhance its operational efficiency before the Company identifies a suitable candidate for the position of general manager. Under the supervision of other existing members of the Board, the Board is appropriately structured with a balance of power and authority 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 considers appropriate, for the purpose of re-complying with the CG Code and maintaining a high standard of corporate governance practices of the Company.

Other Information

STATEMENT OF COMPLIANCE WITH THE MODEL CODE FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code set out in Appendix C3 to the Listing Rules as its own code of conduct regarding securities transactions by the Directors of the Company. Having made specific enquiries with all the Directors, each of the Directors confirmed that he/she had complied with the requirements set out in the Model Code for the six months ended 30 June 2026.

BOARD

As at 30 June 2026 and up to the date of this report, the Directors in office of the ninth session of the Board are as follows:

Name	Date of appointment as a Director
Executive Directors	
Mr. Zhu Fang (Chairman of the Board and General Manager)	31 August 2022
Mr. Huang Wenban	22 December 2020
Mr. Hu Xianhua	31 August 2022
Employee Representative Director	
Mr. Hu Jian*	23 December 2025
Non-executive Directors	
Mr. Yuan Dengping	29 September 2025
Mr. Cai Fen	29 September 2025
Independent Non-executive Directors	
Mr. Su Wujun	31 August 2022
Ms. Huang Yuan	31 August 2022
Mr. Zhang Xiangfa	31 August 2022
Ms. Mu Huihua	29 September 2025

Note: Mr. Hu Jian was originally appointed as an Executive Director on 15 June 2023, resigned as an Executive Director on 23 December 2025, and was elected as an Employee Representative Director on the same date.

The Board considers that during the Reporting Period, the composition of the Board with three executive Directors, one employee representative Director, two non-executive Directors and four independent non-executive Directors is reasonably balanced. The two non-executive Directors 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.

REVIEW BY AUDIT AND CORPORATE GOVERNANCE COMMITTEE

Pursuant to the Listing Rules, the Company has established an Audit and Corporate Governance Committee, whose terms of reference encompass: making recommendations to the Board on the appointment and reappointment of the external auditor, monitoring the truthfulness and integrity of the Group's financial reporting, reviewing the interim and annual financial results, evaluating the effectiveness of the internal control and risk management mechanisms, and supervising the implementation of and compliance with corporate governance policies. As at 30 June 2026, the Audit and Corporate Governance Committee comprised three members, namely Mr. Su Wujun (Chairman) and Ms. Mu Huihua, two independent non-executive Directors, and Mr. Cai Fen, a non-executive Director. The Audit and Corporate Governance Committee has reviewed the unaudited interim results for the six months ended 30 June 2026 and this interim report, and recommended that the Board adopts them. The independent auditor of the Company, KPMG Huazhen LLP, has also reviewed the unaudited consolidated financial statements for the six-month period ended 30 June 2026 in accordance with the Chinese Standards on Review No. 2101 – Engagements to Review Financial Statements issued by the Chinese Institute of Certified Public Accountants.

EMPLOYEES AND REMUNERATION POLICIES

The Group had 5,061 employees as at 30 June 2026 (31 December 2025: 6,860). Total staff costs for the six months ended 30 June 2026, including the Directors' remuneration, amounted to RMB458 million (corresponding period in 2025: approximately RMB652 million).

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

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

TRAINING OF EMPLOYEES

The Group continued to refine its talent development mechanisms, rigorously implementing training budget management and execution plans. It effectively leveraged both online platforms and offline resources to strengthen internal talent cultivation and delivered a wide range of internal training programs. As of 30 June 2026, the Group has conducted a total of 74 training courses with 4,443 participants and total curriculum duration of approximately 31,880 hours.

Other Information

DIVIDEND

The Board did not recommend the declaration of an interim dividend for the six months ended 30 June 2026.

AUDITOR OF THE COMPANY

The Shareholders considered and approved the ordinary resolution in respect of the proposed appointment of KPMG Huazhen LLP as the auditor of the Company at the annual general meeting of the Company held on 26 June 2026 for a term of office until the close of the next annual general meeting of the Company.

畢馬威華振專字第 2604189 號

All Shareholders of Guangdong Yueyun Transportation Company Limited:

We have reviewed the interim financial statements of Guangdong Yueyun Transportation Company Limited ("Yueyun Transportation"), which comprises the consolidated and company balance sheets as at 30 June 2026, and 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 six months period then ended and notes to the interim financial statements. Yueyun Transportation's management is responsible for preparing the interim financial statements in accordance with "Accounting Standard for Business Enterprises No. 32 – Interim Financial Reporting", issued by the Ministry of Finance of the People's Republic of China. Our responsibility is to issue a report on the interim financial statements based on our review.

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

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

KPMG Huazhen LLP

Certified Public Accountants
Registered in the People's Republic of China

Wang Jie

Beijing, China

Li Dan

14 August 2026

Consolidated Balance Sheet (Unaudited)

As at 30 June 2026

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

	Note (V)	30 June 2026	31 December 2025
Assets			
Current Assets			
Cash at bank and on hand		**1,798,242,788.27**	1,145,373,009.30
Bills receivable		**–**	500,000.00
Accounts receivable	1	**284,347,483.63**	252,078,733.86
Prepayments		**150,557,581.70**	198,742,172.67
Other receivables		**247,165,160.24**	310,206,675.01
Inventories		**144,790,755.36**	126,828,909.43
Other current assets		**13,484,062.55**	22,802,463.07
Total current assets		**2,638,587,831.75**	2,056,531,963.34
Non-current assets			
Long-term equity investments	2	**418,992,173.12**	406,303,255.34
Investments in other equity instruments		**361,107.69**	361,107.69
Investment properties		**54,766,018.49**	68,913,667.07
Fixed assets	3	**1,272,635,498.57**	1,449,115,971.07
Construction in progress		**44,428,383.35**	28,281,589.42
Right-of-use assets	4	**1,944,732,161.46**	2,032,718,077.93
Intangible assets	5	**304,853,666.73**	394,621,427.50
Goodwill		**6,561,481.78**	6,561,481.78
Long-term deferred expenses		**187,868,274.72**	212,373,457.79
Deferred tax assets		**205,821,081.40**	176,286,543.76
Other non-current assets		**91,231,567.57**	85,087,715.44
Total non-current assets		**4,532,251,414.88**	4,860,624,294.79
Total assets		**7,170,839,246.63**	6,917,156,258.13

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

Consolidated Balance Sheet (Unaudited) (Continued)

As at 30 June 2026

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

	Note (V)	30 June 2026	31 December 2025
Liabilities and shareholders' equity			
Current liabilities			
Short-term loans	6	**27,849,865.83**	31,949,662.43
Accounts payable	7	**807,591,974.47**	702,788,948.92
Advances from customers		**109,977,762.02**	69,490,622.19
Contract liabilities		**68,416,064.73**	63,843,136.47
Employee benefits payable		**150,499,855.44**	150,277,332.56
Taxes payable		**75,226,624.11**	78,478,607.62
Other payables		**553,669,711.78**	438,001,782.46
Non-current liabilities due within one year	8	**220,062,143.45**	224,602,208.62
Total current liabilities		**2,013,294,001.83**	1,759,432,301.27
Non-current liabilities			
Long-term loans	9	**–**	30,500,000.00
Lease liabilities	10	**2,091,518,662.01**	2,144,905,561.06
Long-term payables		**–**	1,000,000.00
Long-term employee benefits payable		**82,107,382.81**	96,780,817.30
Provisions		**4,382,049.48**	–
Deferred income	11	**127,072,053.71**	193,608,669.46
Deferred tax liabilities		**6,285,588.76**	4,330,920.90
Total non-current liabilities		**2,311,365,736.77**	2,471,125,968.72
Total liabilities		**4,324,659,738.60**	4,230,558,269.99

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

Consolidated Balance Sheet (Unaudited) (Continued)

As at 30 June 2026

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

	Note (V)	30 June 2026	31 December 2025
Liabilities and shareholders' equity (continued)			
Shareholders' equity			
Share capital		**799,847,800.00**	799,847,800.00
Capital reserve		**21,781,436.03**	21,781,436.03
Other comprehensive income		**(20,048,410.89)**	(14,601,681.25)
Special reserve		**53,124,582.55**	47,014,154.65
Surplus reserve		**249,394,120.35**	259,176,302.97
Retained earnings	12	**1,272,327,775.60**	1,165,557,922.09
Equity attributable to shareholders of the Company		**2,376,427,303.64**	2,278,775,934.49
Non-controlling interests		**469,752,204.39**	407,822,053.65
Total shareholders' equity		**2,846,179,508.03**	2,686,597,988.14
Total liabilities and shareholders' equity		**7,170,839,246.63**	6,917,156,258.13

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

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

Company balance sheet (Unaudited)

As at 30 June 2026

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

	Note XII	30 June 2026	31 December 2025
Assets			
Current assets			
Cash at bank and on hand		**1,255,802,852.08**	587,862,282.17
Accounts receivable	1	**250,572,472.47**	221,862,320.39
Prepayments		**10,121,403.79**	6,692,260.05
Other receivables		**184,421,419.35**	266,529,459.19
Other current assets		**3,444,175.21**	91,613.92
Total current assets		**1,704,362,322.90**	1,083,037,935.72
Non-current assets			
Long-term receivables		**47,700,000.00**	47,700,000.00
Long-term equity investments		**937,810,902.31**	939,252,025.21
Investments in other equity instruments		**777,412.45**	777,412.45
Fixed assets		**35,520,679.35**	36,748,231.38
Construction in progress		**6,932,661.65**	5,388,738.81
Right-of-use assets		**150,520,055.60**	158,797,052.99
Intangible assets		**10,127,832.47**	15,102,323.09
Long-term deferred expenses		**3,225,634.18**	4,353,663.44
Other non-current assets		**7,785,687.81**	–
Total non-current assets		**1,200,400,865.82**	1,208,119,447.37
Total assets		**2,904,763,188.72**	2,291,157,383.09

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

Company balance sheet (Unaudited) (Continued)

As at 30 June 2026

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

	Note XII	30 June 2026	31 December 2025
Liabilities and shareholders' equity			
Current liabilities			
Accounts payable		**83,865,860.86**	55,712,216.19
Contract liabilities		**19,539,273.72**	8,167,364.06
Employee benefits payable		**23,912,996.53**	21,357,375.80
Taxes payable		**531,113.94**	9,251,355.42
Other payables		**1,097,931,869.42**	447,716,883.59
Non-current liabilities due within one year		**17,199,691.80**	17,915,126.07
Total current liabilities		**1,242,980,806.27**	560,120,321.13
Non-current liabilities			
Lease liabilities		**149,087,944.78**	147,918,770.00
Deferred income		**3,905,149.99**	3,957,383.33
Total non-current liabilities		**152,993,094.77**	151,876,153.33
Total liabilities		**1,395,973,901.04**	711,996,474.46

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

Company balance sheet (Unaudited) (Continued)

As at 30 June 2026

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

	Note XII	30 June 2026	31 December 2025
Liabilities and shareholders' equity (Continued)			
Shareholders' equity			
Share capital		**799,847,800.00**	799,847,800.00
Capital reserve		**117,238,669.53**	117,238,669.53
Surplus reserve		**266,454,296.08**	266,454,296.08
Retained earnings		**325,248,522.07**	395,620,143.02
Total shareholders' equity		**1,508,789,287.68**	1,579,160,908.63
Total liabilities and shareholders' equity		**2,904,763,188.72**	2,291,157,383.09

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

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

Consolidated Income Statement (Unaudited)

For the six months ended 30 June 2026

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

Items		Note (V)	For the six months ended 30 June 2026	For the six months ended 30 June 2025
I.	**Total operating income**		**3,738,007,680.55**	3,770,028,082.54
	Including: Operating income		**3,738,007,680.55**	3,770,028,082.54
II.	**Total operating costs**		**3,630,488,102.14**	3,771,025,108.71
	Including: Operating cost		**3,393,344,654.59**	3,464,177,203.76
	Taxes and surcharges		**17,173,663.01**	17,794,412.57
	Selling and distribution expenses		**19,938,998.23**	19,638,063.22
	General and administrative expenses		**144,330,578.63**	197,467,331.85
	Research and development expenses		**383,314.09**	926,768.52
	Financial expenses	13	**55,316,893.59**	71,021,328.79
	Add: Other income	14	**8,076,068.80**	89,415,971.27
	Investment income	15	**50,573,864.05**	94,599,011.02
	Credit losses	16	**(9,985,091.91)**	(12,507,377.47)
	Impairment losses		**–**	(1,042,186.83)
	Gains from asset disposals	17	**125,121,371.35**	6,334,016.13
III.	**Operating profit**		**281,305,790.70**	175,802,407.95
	Add: Non-operating income		**1,896,599.25**	4,141,895.47
	Less: Non-operating expenses		**5,412,905.01**	4,325,343.40
IV.	**Profit before income tax**		**277,789,484.94**	175,618,960.02
	Less: Income tax expenses	18	**40,013,345.62**	41,205,377.44
V.	**Net profit for the period**		**237,776,139.32**	134,413,582.58
	(1) Net profit classified by continuity of operations			
	1. Net profit from continuing operations		**237,776,139.32**	134,413,582.58
	2. Net profit from discontinued operations		**–**	–
	(2) Net profit classified by ownership			
	1. Shareholders of the Company		**171,042,123.89**	142,643,705.10
	2. Non-controlling interests		**66,734,015.43**	(8,230,122.52)

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

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

Items	Note (V)	For the six months ended 30 June 2026	For the six months ended 30 June 2025
VI. Other comprehensive income, net of tax		**(10,402,617.14)**	8,638,035.36
Other comprehensive income (net of tax) attributable to shareholders of the Company		**(7,514,880.64)**	9,813,674.36
(1) Items that will not be reclassified to profit or loss:		**–**	9,912,549.79
1. Remeasurement of defined benefit plan		**–**	9,912,549.79
(2) Items that may be reclassified to profit or loss:		**(7,514,880.64)**	(98,875.43)
1. Other comprehensive income recognised under the equity method		**–**	1,818,669.33
2. Translation differences arising from translation of foreign currency financial statements		**(7,514,880.64)**	(1,917,544.76)
Other comprehensive income (net of tax) attributable to non-controlling interests		**(2,887,736.50)**	(1,175,639.00)
VII. Total comprehensive income for the period		**227,373,522.18**	143,051,617.94
Attributable to shareholders of the Company		**163,527,243.25**	152,457,379.46
Attributable to non-controlling interests		**63,846,278.93**	(9,405,761.52)
VIII. Earnings per share			
(1) Basic earnings per share (RMB/share)	19	**0.21**	0.18
(2) Diluted earnings per share (RMB/share)	19	**0.21**	0.18

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

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

Company Income Statement (Unaudited)

For the six months ended 30 June 2026

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

Items		Note XII	For the six months ended 30 June 2026	For the six months ended 30 June 2025
I.	**Operating income**		**256,073,068.80**	59,153,905.91
	Less: Operating costs		**214,494,045.27**	21,681,190.24
	Taxes and surcharges		**1,300,537.84**	438,807.18
	General and administrative expenses		**39,698,111.32**	28,055,687.33
	Research and development expenses		**319,496.85**	–
	Financial expenses		**717,532.15**	449,290.54
	Add: Other income		**102,300.91**	34,784.45
	Investment income	2	**9,216,295.36**	(8,179,718.63)
	Credit losses		**(7,248,260.59)**	(2,161,792.43)
II.	**Operating profit/(loss)**		**1,613,681.05**	(1,777,795.99)
	Add: Non-operating income		**1,000.00**	–
III.	**Profit/(loss) before income tax**		**1,614,681.05**	(1,777,795.99)
	Less: Income tax expenses		**–**	–

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

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

Items		Note XII	For the six months ended 30 June 2026	For the six months ended 30 June 2025
IV.	**Net profit/(loss) for the period**		**1,614,681.05**	(1,777,795.99)
(1)	Net profit/(loss) from continuing operations		**1,614,681.05**	(1,777,795.99)
(2)	Net profit/(loss) from discontinued operations		**–**	–
V.	**Other comprehensive income, net of tax**		**–**	–
(1)	Items that will not be reclassified to profit or loss:		**–**	–
	1. Changes in fair value of investments in other equity instruments		**–**	–
(2)	Items that may be reclassified to profit or loss:		**–**	–
VI.	**Total comprehensive income of the period**		**1,614,681.05**	(1,777,795.99)

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

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

Consolidated Cash Flow Statement (Unaudited)

For the six months ended 30 June 2026

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

Items	Note V	For the six months ended 30 June 2026	For the six months ended 30 June 2025
I. Cash flows from operating activities			
Proceeds from sale of goods and rendering of services		**4,175,861,036.21**	4,141,083,754.76
Cash received from other operating activities		**107,739,798.01**	128,276,274.25
Sub-total of cash inflows		**4,283,600,834.22**	4,269,360,029.01
Payment for goods and services		**3,010,197,642.66**	2,944,754,718.24
Payment to and for employees		**454,429,892.24**	674,597,297.68
Payment of various taxes		**177,004,326.27**	162,246,087.49
Payment relating to other operating activities		**68,281,108.86**	52,834,264.48
Sub-total of cash outflows		**3,709,912,970.03**	3,834,432,367.89
Net cash inflow from operating activities	20	**573,687,864.19**	434,927,661.12

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

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

Items	Note V	For the six months ended 30 June 2026	For the six months ended 30 June 2025
II. Cash flows from investing activities			
Proceeds from disposal of investments		**3,371,670.00**	4,847,680.40
Investment returns received		**30,266,597.64**	23,845,086.19
Net proceeds from disposal of fixed assets, intangible assets and other long-term assets		**136,768,380.00**	12,611,301.02
Net proceeds from disposal of subsidiaries and other business units	20	**81,737,230.73**	21,397,324.96
Sub-total of cash inflows		**252,143,878.37**	62,701,392.57
Payment for acquisition of fixed assets, intangible assets and other long-term assets		**85,038,824.84**	127,003,025.37
Payment for acquisition of investments		**426,015.80**	–
Sub-total of cash outflows		**85,464,840.64**	127,003,025.37
Net cash inflow/(outflow) from investing activities		**166,679,037.73**	(64,301,632.80)

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

Consolidated Cash Flow Statement (Unaudited) (Continued)

For the six months ended 30 June 2026

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

Items	Note V	For the six months ended 30 June 2026	For the six months ended 30 June 2025
III. Cash flows from financing activities			
Proceeds from borrowings		**13,500,000.00**	169,252,618.59
Sub-total of cash inflows		**13,500,000.00**	169,252,618.59
Repayments of borrowings		**27,350,000.00**	225,571,271.88
Payment for dividends, profit distributions or interest		**1,569,134.14**	19,518,026.18
Payment for other financing activities		**64,434,912.40**	171,404,637.54
Sub-total of cash outflows		**93,354,046.54**	416,493,935.60
Net cash outflow from financing activities		**(79,854,046.54)**	(247,241,317.01)

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

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

Items	Note V	For the six months ended 30 June 2026	For the six months ended 30 June 2025
IV. Effect of foreign exchange rate changes on cash and cash equivalents		**(5,323,144.99)**	(912,032.61)
V. Net increase in cash and cash equivalents		**655,189,710.39**	122,472,678.70
Add: Cash and cash equivalents at the beginning of the period		**1,131,066,532.44**	1,425,056,954.63
VI. Cash and cash equivalents at the end of the period		**1,786,256,242.83**	1,547,529,633.33

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

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

Company Cash Flow Statement (Unaudited)

For the six months ended 30 June 2026

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

Items		For the six months ended 30 June 2026	For the six months ended 30 June 2025
I.	**Cash flows from operating activities**		
	Proceeds from sale of goods and rendering of services	**257,329,206.27**	23,256,180.96
	Proceeds from other operating activities	**119,070,619.82**	7,205,251.87
	Sub-total of cash inflows	**376,399,826.09**	30,461,432.83
	Payment for goods and services	**142,397,306.57**	12,159,087.74
	Payment to and for employees	**60,186,311.24**	21,481,604.05
	Payment of various taxes	**11,774,098.07**	1,954,380.16
	Payment relating to other operating activities	**84,151,568.81**	14,569,397.51
	Sub-total of cash outflows	**298,509,284.69**	50,164,469.46
	Net cash inflow/(outflow) from operating activities	**77,890,541,40**	(19,703,036.63)

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

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

Items		For the six months ended 30 June 2026	For the six months ended 30 June 2025
II.	**Cash flows from investing activities**		
	Proceeds from disposal of investments	**65,732,250.00**	25,252,800.00
	Investment returns received	**–**	10,786,078.00
	Proceeds from other investing activities	**–**	12,000,000.00
	Subtotal of cash inflows	**65,732,250.00**	48,038,878.00
	Payment for acquisition of fixed assets, intangible assets and other long-term assets	**9,618,210.87**	11,963,579.76
	Sub-total of cash outflows	**9,618,210.87**	11,963,579.76
	Net cash inflow from investing activities	**56,114,039.13**	36,075,298.24

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

Company Cash Flow Statement (Unaudited) (Continued)

For the six months ended 30 June 2026

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

Items		For the six months ended 30 June 2026	For the six months ended 30 June 2025
III.	**Cash flows from financing activities**		
	Proceeds relating to other financing activities	**535,939,495.09**	126,277,418.67
	Sub-total of cash inflows	**535,939,495.09**	126,277,418.67
	Repayments of borrowings	**–**	1,000,000.00
	Payment for dividends, profit distributions or interest	**–**	2,779,279.17
	Payment for other financing activities	**2,003,505.71**	5,896,855.37
	Subtotal of cash outflows	**2,003,505.71**	9,676,134.54
	Net cash inflow from financing activities	**533,935,989.38**	116,601,284.13
IV.	**Effect of foreign exchange rate changes on cash and cash equivalents**	**–**	2,204.39
V.	**Net increase in cash and cash equivalents**	**667,940,569.91**	132,975,750.13
	Add: Cash and cash equivalents at the beginning of the period	**587,862,282.17**	872,853,135.03
VI.	**Cash and cash equivalents at the end of the period**	**1,255,802,852.08**	1,005,828,885.16

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

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

Consolidated Statement of Changes in Shareholders' Equity (Unaudited)

For the six months ended 30 June 2026

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

Items	Amount for the period								
	Attributable to shareholders of the Company								
	Share capital	Capital reserve	Other comprehensive income	Specific reserve	Surplus reserve	Retained earnings	Subtotal	Non-controlling interests	Total shareholders' equity
I. Balance as at 31 December 2025	799,847,800.00	21,781,436.03	(14,601,681.25)	47,014,154.65	259,176,302.97	1,165,557,922.09	2,278,775,934.49	407,822,053.65	2,686,597,988.14
II. Balance as at 1 January 2026	799,847,800.00	21,781,436.03	(14,601,681.25)	47,014,154.65	259,176,302.97	1,165,557,922.09	2,278,775,934.49	407,822,053.65	2,686,597,988.14
III. Changes in equity during the period	-	-	(5,446,729.64)	6,110,427.90	(9,782,182.62)	106,769,853.51	97,651,369.15	61,930,150.74	159,581,519.89
1. Total comprehensive income	-	-	(7,514,880.64)	-	-	171,042,123.89	163,527,243.25	63,846,278.93	227,373,522.18
2. Shareholders' contributions and decrease of capital	-	-	-	(953,241.47)	-	-	(953,241.47)	(4,221,642.18)	(5,174,883.65)
(1) Others	-	-	-	(953,241.47)	-	-	(953,241.47)	(4,221,642.18)	(5,174,883.65)
3. Appropriation of profits	-	-	-	-	-	(71,986,302.00)	(71,986,302.00)	-	(71,986,302.00)
(1) Distributions to shareholders	-	-	-	-	-	(71,986,302.00)	(71,986,302.00)	-	(71,986,302.00)
4. Transfers within equity	-	-	2,068,151.00	-	(9,782,182.62)	7,714,031.62	-	-	-
(1) Transfer of other comprehensive income to retained earnings	-	-	2,068,151.00	-	-	(2,068,151.00)	-	-	-
(2) Others	-	-	-	-	(9,782,182.62)	9,782,182.62	-	-	-
5. Specific reserve	-	-	-	7,063,669.37	-	-	7,063,669.37	2,305,513.99	9,369,183.36
(1) Appropriation during the period	-	-	-	11,167,963.57	-	-	11,167,963.57	2,866,338.97	14,034,302.54
(2) Utilisation during the period	-	-	-	(4,104,294.20)	-	-	(4,104,294.20)	(560,824.98)	(4,665,119.18)
IV. Balance as at 30 June 2026	799,847,800.00	21,781,436.03	(20,048,410.89)	53,124,582.55	249,394,120.35	1,272,327,775.60	2,376,427,303.64	469,752,204.39	2,846,179,508.03

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

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

For the six months ended 30 June 2026

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

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

Zhu Fang
The person in charge
of the Company

Huang Wenban
The person in charge
of accounting affairs

Zeng Mengyun
The head of the
accounting department

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

Company Statement of Changes in Shareholders' Equity (Unaudited)

For the six months ended 30 June 2026

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

Items	Amount for the period				
	Share capital	Capital reserve	Surplus reserve	Retained earnings	Total shareholders' equity
I. Balance as at 31 December 2025	799,847,800.00	117,238,669.53	266,454,296.08	395,620,143.02	1,579,160,908.63
II. Balance as at 1 January 2026	799,847,800.00	117,238,669.53	266,454,296.08	395,620,143.02	1,579,160,908.63
III. Changes in equity during the period	–	–	–	(70,371,620.95)	(70,371,620.95)
1. Total comprehensive income	–	–	–	1,614,681.05	1,614,681.05
2. Appropriation of profits	–	–	–	(71,986,302.00)	(71,986,302.00)
(1) Distributions to shareholders	–	–	–	(71,986,302.00)	(71,986,302.00)
IV. Balance as at 30 June 2026	799,847,800.00	117,238,669.53	266,454,296.08	325,248,522.07	1,508,789,287.68

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

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

For the six months ended 30 June 2026

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

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

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

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

I. COMPANY STATUS

Guangdong Yueyun Transportation Company Limited (the "Company") was established in the People's Republic of China (the "PRC") on 28 December 1999 as a limited company under the name of Guangdong Yuedi Communications Company Limited ("Yuedi Communications") by Guangdong Provincial Highway Construction Co., Ltd., Guangdong Communication Enterprise Investment Company Limited, Guangdong Province Road & Bridge Construction Development Co., Ltd., Guangdong Weisheng Transportation Enterprise Company Limited and Guangdong Guantong Expressway Assets Management Company Limited. On 25 December 2000, Yuedi Communications was converted to a joint stock limited company under the approval of the People's Government 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 in 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 ("SEHK"), including 125,454,545 new H shares, and 12,545,455 H shares converted from domestic shares. The registered capital of the Company was changed to RMB417,641,867.00 after the placing and public offer.

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

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

I. COMPANY STATUS *(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, Taiping Interchange operation and other business.

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 14 August 2026.

II. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

1 Basis of preparation

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

2 Going concern

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

III. SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

Accounting policies for the recognition and measurement of provisions for receivables, measurement of cost of inventories in transit, depreciation of fixed assets and right-of-use assets, amortisation of intangible assets, and recognition and measurement of government grants and revenue of the Group are adopted according to the specific characteristics of the Group's operations. Please refer to the relevant notes on specific accounting policies.

1 Statement of compliance

The Group's interim financial statements comply with the requirements of "Accounting Standard for Business Enterprises No.32 – Interim Financial Reporting", issued by the Ministry of Finance ("MOF") of the PRC. The interim financial statements present truly and completely the consolidated financial position and financial position of the Company as at 30 June 2026, and the consolidated financial performance and financial performance and the consolidated cash flows and cash flows of the Company for the period then ended.

2 Accounting period

The Group has adopted the calendar year as its accounting year, from 1 January to 31 December. The accounting period of the interim financial statements is from 1 January 2026 to 30 June 2026.

3 Operating cycle

The Group's operating cycle is 12 months.

4 Functional currency

The Group's and its domestic subsidiaries have determined Renminbi as their functional currency based on the currency in the primary economic environment in which they operate. The Group's overseas subsidiaries have determined Hong Kong Dollar as their functional currency based on the currency in the primary economic environment in which they operate. The Group adopts Renminbi 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. 8. Foreign Currency Transactions and Translation of Financial Statements denominated in Foreign Currencies.

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

5 Accounting treatments for business combinations involving enterprises under and not under common control

A transaction or event constitutes a business combination when the Group obtains control of one or more entities (or a group of assets or net assets) which meet the definition of a business. Business combinations are classified as either business combinations involving enterprises under common control or business combinations not involving enterprises under common control.

For a transaction not involving enterprises under common control, the acquirer determines whether an acquired set of assets constitutes a business. The Group may elect to apply the simplified assessment method, the concentration test, to determine whether an acquired set of assets is a business. If the concentration test is met, the set of assets is determined not to be a business, no further assessment is needed. If the concentration test is not met, the Group should perform the assessment according to the guidance on the determination of a business.

When the set of assets the Group acquired does not constitute a business, acquisition costs should be allocated to each identifiable asset and liability on the basis of their relative fair values at the date of acquisition. The accounting treatments for business combinations described below are not applied.

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

5 Accounting treatments for business combinations involving enterprises under and not under common control *(Continued)*

(1) Business combinations involving enterprises under common control

A business combination involving entities under common control is a business combination in which all of the combining entities are ultimately controlled by the same party or parties both before and after the business combination, and that control is not transitory. The assets acquired and liabilities assumed are measured based on their carrying amounts in the consolidated financial statements of the ultimate controlling party at the combination date. The difference between the share of carrying amount of the net assets acquired and the consideration paid for the combination (or the total par value of shares issued) is adjusted against share premium in the capital reserve, with any excess deducted from surplus reserve and retained earnings sequentially. Any costs directly attributable to the combination are recognised in profit or loss when incurred. The combination date is the date on which one combining entity obtains control of other combining entities.

(2) Business combinations involving entities not under common control

A business combination involving entities not under common control is a business combination in which all of the combining entities are not ultimately controlled by the same party or parties both before and after the business combination. Where (1) the aggregate of the acquisition-date fair value of assets transferred (including the acquirer's previously-held equity interest in the acquiree), liabilities incurred or assumed, and equity securities issued by the acquirer, in exchange for control of the acquiree, exceeds (2) the acquirer's interest in the acquisition-date fair value of the acquiree's identifiable net assets, the difference is recognised as goodwill after taking into account deferred tax impact (see Note III.17). If (1) is less than (2), the difference is recognised in profit or loss for the current period. Other acquisition-related costs are expensed when incurred. Any difference between the fair value and the carrying amount of the assets transferred as consideration is recognised in profit or loss. The acquiree's identifiable assets, liabilities and contingent liabilities, if the recognition criteria are met, are recognised by the Group at their acquisition-date fair values. The acquisition date is the date on which the acquirer obtains control of the acquiree.

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

6 Criteria of control and preparation of consolidated financial statements

(1) General principles

The scope of consolidated financial statements is based on control, and the consolidated financial statements comprise the Company and its subsidiaries. Control exists when the investor has all of the following: power over the investee; exposure, or rights, to variable returns from its involvement with the investee; and the ability to affect those returns through its power over the investee. The financial position, financial performance and cash flows of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Intra-group balances and transactions, and any unrealised profit or loss arising from intra-group transactions, are eliminated when preparing the consolidated financial statements. Unrealised losses resulting from intra-group transactions are eliminated in the same way as unrealised gains, unless they represent impairment losses that are recognised in full in the financial statements.

(2) Subsidiaries acquired through a business combination

Where a subsidiary was acquired during the reporting period through a business combination involving entities under common control, the financial statements of the subsidiary are included in the consolidated financial statements based on the carrying amounts of the assets and liabilities of the subsidiary in the financial statements of the ultimate controlling party as if the combination had occurred at the date that the ultimate controlling party first obtained control. The opening balances and the comparative figures of the consolidated financial statements are also restated.

Where a subsidiary was acquired during the reporting period through a business combination involving entities not under common control, the identifiable assets and liabilities of the acquired subsidiaries are included in the scope of consolidation from the date that control commences, based on the fair values of those identifiable assets and liabilities at the acquisition date.

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

6 Criteria of control and preparation of consolidated financial statements *(Continued)*

(3) Disposal of subsidiaries

When the Group loses control over a subsidiary, any resulting disposal gains or losses are recognised as investment income for the current period. The remaining equity investment is re-measured at its fair value at the date when control is lost, and any resulting gains or losses are also recognised as investment income for the current period. When the Group disposes of a subsidiary originally acquired through a business combination under common control and thereby loses control over it, regardless of whether the counterparty to the transaction is an associate or a non-associate of the enterprise, the capital reserve previously adjusted on the acquisition date due to the difference between the initial investment cost of the long-term equity investment and the carrying amount of the consideration transferred shall not be reclassified into profit or loss for the current period or retained earnings in either the individual financial statements or the consolidated financial statements.

(4) Changes in non-controlling interests

Where the Company acquires more interest in a subsidiary from the subsidiary's non-controlling shareholders or disposes of a portion of an interest in a subsidiary without losing control, the difference between the portion of the interest in the subsidiary's net assets being acquired or disposed of and the amount of the consideration paid or received is adjusted to the capital reserve (share premium) in the consolidated balance sheet, with any excess deducted from surplus reserve and retained earnings sequentially.

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

7 Cash and cash equivalents

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

8 Foreign currency transactions and translation of foreign currency financial statements

When the Group receives capital in foreign currencies from investors, the capital is translated to Renminbi at the spot exchange rate at the date of receipt. Other foreign currency transactions are, on initial recognition, translated to Renminbi at the spot exchange rates on the dates of the transactions.

Monetary items denominated in foreign currencies are translated to Renminbi at the spot exchange rate at the balance sheet date. The resulting exchange differences are generally recognised in profit or loss, unless they arise from the re-translation of the principal and interest of specific borrowings for the acquisition, and construction or production of qualifying assets (see Note III.15). Non-monetary items that are measured at historical cost in foreign currencies are translated to Renminbi using the exchange rate at the transaction date.

In translating the financial statements of a foreign operation, assets and liabilities of foreign operation are translated to Renminbi at the spot exchange rate at the balance sheet date. Equity items, excluding retained earnings and the translation differences in other comprehensive income, are translated to Renminbi at the spot exchange rates at the transaction dates. Income and expenses of foreign operation are translated to Renminbi at the spot exchange rates at the transaction dates. The resulting translation differences are recognised in other comprehensive income. The translation differences accumulated in other comprehensive income with respect to a foreign operation are transferred to profit or loss in the period when the foreign operation is disposed.

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

9 Financial instruments

Financial instruments include cash at bank and on hand, investments in equity securities other than those classified as long-term equity investments (see Note III.11), receivables, payables, loans and borrowings and share capital.

(1) Recognition and initial measurement of financial assets and financial liabilities

A financial asset or financial liability is recognised in the balance sheet when the Group becomes a party to the contractual provisions of a financial instrument.

A financial asset or financial liability is measured initially at fair value. For financial assets and financial liabilities measured at fair value through profit or loss, any related directly attributable transaction costs are charged to profit or loss; for other categories of financial assets and financial liabilities, any related directly attributable transaction costs are included in their initial costs. Accounts receivables that do not have a significant financing component or do not account for the significant financing component in one-year-or-less contracts under the practical expedient are initially measured at the transaction price in accordance with Note III.23.

(2) Classification and subsequent measurement of financial assets

(a) Classification of financial assets

The classification of financial assets is generally based on the business model under which a financial asset is managed and its contractual cash flow characteristics. On initial recognition, a financial asset is classified as measured at amortised cost, at fair value through other comprehensive income ("FVOCI"), or at fair value through profit or loss ("FVTPL").

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

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

9 Financial instruments *(Continued)*

(2) Classification and subsequent measurement of financial assets (Continued)

(a) Classification of financial assets (Continued)

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held under 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 FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

- it is held under 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.

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

9 Financial instruments *(Continued)*

(2) Classification and subsequent measurement of financial assets (Continued)

(a) Classification of financial assets (Continued)

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

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL.

The business model refers to how the Group manages its financial assets in order to generate cash flows. That is, the Group's business model determines whether cash flows will result from collecting contractual cash flows, selling financial assets or both. The Group determines the business model for managing the financial assets according to the facts and based on the specific business objective for managing the financial assets determined by the Group's key management personnel.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs, as well as a profit margin. The Group also assesses whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition.

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

9 Financial instruments *(Continued)*

(2) Classification and subsequent measurement of financial assets (Continued)

(b) Subsequent measurement of financial assets

– Financial assets at FVTPL

These financial assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss unless the financial assets are part of a hedging relationship.

– Financial assets at amortised cost

These assets are subsequently measured at amortised cost using the effective interest method. A gain or loss on a financial asset that is measured at amortised cost and that is not part of a hedging relationship should be recognised in profit or loss when the financial asset is derecognised, amortised under the effective interest method or when an impairment gain or loss is recognised.

– Equity investments at FVOCI

These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss. Other net gains and losses are recognised in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are reclassified to retained earnings.

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

9 Financial instruments *(Continued)*

(3) Classification and subsequent measurement of financial liabilities

Financial liabilities are classified as measured at FVTPL, as financial guarantee liabilities or as financial liabilities measured at amortised cost.

– Financial liabilities at FVTPL

A financial liability is classified as at FVTPL if it is classified as held-for-trading (including derivative financial liabilities) or if it is designated as such on initial recognition.

Financial liabilities at FVTPL are subsequently measured at fair value; and net gains and losses, are recognised in profit or loss, unless the financial liabilities are part of a hedging relationship.

– Financial liabilities at amortised cost

Other financial liabilities are subsequently measured at amortised cost using the effective interest method.

(4) 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.

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

9 Financial instruments *(Continued)*

(5) Derecognition of financial assets and financial liabilities

A financial asset is derecognised when one of the following conditions is met:

- the Group's contractual rights to the cash flows from the financial asset expire;
- the financial asset has been transferred and the Group transfers substantially all of the risks and rewards of ownership of the financial asset; or
- the financial asset has been transferred, although the Group neither transfers nor retains substantially all of the risks and rewards of ownership of the financial asset, it does not retain control over the transferred asset.

Where a transfer of a financial asset in its entirety meets the criteria for derecognition, the difference between the two amounts below is recognised in profit or loss:

- the carrying amount of the financial asset transferred measured at the date of derecognition;
- the sum of the consideration received from the transfer and, when the transferred financial asset is a debt investment at FVOCI, any cumulative gain or loss that has been recognised directly in other comprehensive income for the part derecognised.

The Group derecognises a financial liability (or part of it) only when its contractual obligation (or part of it) is extinguished.

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

9 Financial instruments *(Continued)*

(6) Impairment

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

– financial assets measured at amortised cost; and

– lease receivables.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Group 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.

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

9 Financial instruments *(Continued)*

(6) Impairment (Continued)

Measurement of ECLs (Continued)

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

Loss allowances for bills receivable and accounts receivable arising from ordinary business activities such as sale of goods and provision of services, as well as lease receivables arising from lease transactions 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 bills receivable, accounts receivable and lease receivables, the Group measures loss allowances at an amount equal to 12-month ECLs for the following financial instruments, and at an amount equal to lifetime ECLs for all other financial instruments:

– Financial instruments that have been determined to have low credit risk at the balance sheet date;

– Financial instruments for which credit risk has not increased significantly since initial recognition.

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

9 Financial instruments *(Continued)*

(6) Impairment (Continued)

Provisions for bad and doubtful debts arising from receivables

(a) Categories of groups for collective assessment based on credit risk characteristics and basis for determination

Bills receivable	Based on the different credit risk characteristics of acceptors, the Group classifies bills receivable into two groups: bank acceptance bills and commercial acceptance bills.
Accounts receivable	Historically, there is a significant difference in terms of occurrence of losses among different customer types for the Group. Therefore, the Group classifies all accounts receivable into groups based on business lines, namely expressway service zone operations, road transportation and other service, and other business services, and further distinguishes different customer types when calculating provisions for bad and doubtful debts arising from accounts receivable.
Other receivables	The Group's other receivables mainly include cash pledges and deposits receivable, petty cash receivables due from employees, receivables due from related parties, dividends receivable, etc. Based on the nature of receivables and the credit risk characteristics of different counterparties, the Group classifies other receivables into 4 groups, specifically: the group of cash pledges and deposits receivable and petty cash receivables due from employees, the group of receivables due from related parties, the group of dividends receivable and the group of other receivables.

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

9 Financial instruments *(Continued)*

(6) Impairment (Continued)

Provisions for bad and doubtful debts arising from receivables (Continued)

(b) Criteria for individual assessment

Bills receivable, accounts receivable and other receivables are usually assessed collectively as a group based on credit risk characteristics to make provisions. When a counterparty is significantly different from other counterparties in the group in terms of credit risk characteristics, or if there has been a significant change in its credit risk characteristics, the individual approach is adopted for receivables due from this counterparty. For example, when a counterparty is in serious financial difficulties and the expected credit loss ratio of receivables due from this counterparty is significantly higher than the average expected credit loss ratio of the relevant ageing range, it should be individually assessed for provisioning purposes.

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.

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

9 Financial instruments *(Continued)*

(6) Impairment (Continued)

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, 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 contractual 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.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

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

9 Financial instruments *(Continued)*

(6) Impairment (Continued)

Significant increases in credit risk (Continued)

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

- the debtor 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.

Credit-impaired financial assets

At each balance sheet date, the Group assesses whether financial assets carried at amortised cost and debt investments at FVOCI 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 difficulties of the issuer or debtor;
- a breach of contract, such as a default or delinquency in interest or principal payments;
- for economic or contractual reasons relating to the debtor's financial difficulties, the Group having granted to the debtor a concession that it would not otherwise consider;
- it is probable that the debtor will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for the financial asset because of financial difficulties of the issuer or debtor.

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

9 Financial instruments *(Continued)*

(6) Impairment (Continued)

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. Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

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 generally occurs 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.

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

9 Financial instruments *(Continued)*

(7) Equity instruments

The issuance of equity instruments is recognised at the actual issue price in shareholders' equity, relevant transaction costs are deducted from shareholders' equity (capital reserve), with any excess deducted from surplus reserve and retained earnings sequentially. Consideration and transaction costs paid by the Company for repurchasing self-issued equity instruments are deducted from shareholders' equity.

10 Inventories

(1) Categories and cost of inventories

Inventories include 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.

(2) Measurement method of cost of inventories transferred out

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

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

10 Inventories *(Continued)*

(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.

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

10 Inventories *(Continued)*

(4) Inventory count system

The Group maintains a perpetual inventory system.

(5) Amortisation method for low-value consumables and packaging materials

(a) Low-value consumables are amortised using one-off write -off method.

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

11 Long-term equity investments

(1) Investment cost of long-term equity investments

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

– The initial cost of a long-term equity investment acquired through a business combination involving entities under common control is the Company's share of the carrying amount of the subsidiary's equity in the consolidated financial statements of the ultimate controlling party at the combination date. The difference between the initial investment cost and the carrying amount of the consideration given is adjusted to the share premium in the capital reserve, with any excess deducted from surplus reserve and retained earnings sequentially.

– For a long-term equity investment obtained through a business combination not involving entities under common control, the initial cost comprises the aggregate of the fair value of assets transferred, liabilities incurred or assumed, and equity securities issued by the Company, in exchange for control of the acquiree.

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

11 Long-term equity investments *(Continued)*

(1) Investment cost of long-term equity investments (Continued)

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

– A long-term equity investment acquired other than through a business combination is initially recognised at the amount of cash paid if the Group acquires the investment by cash, or at the fair value of the equity securities issued if an investment is acquired by issuing equity securities.

(2) Subsequent measurement of long-term equity investment

(a) Investments in subsidiaries

In the Company's separate financial statements, long-term equity investments in subsidiaries are accounted for using the cost method for subsequent measurement. The Company recognises its share of the cash dividends or profit distributions declared by the investee as investment income for the current period.

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

11 Long-term equity investments *(Continued)*

(2) Subsequent measurement of long-term equity investment (Continued)

(b) Investment in joint ventures and associates

A joint venture is an arrangement whereby the Group and other parties have joint control (see Note III.11(3)) and rights to the net assets of the arrangement. An associate is an entity over which the Group has significant influence (see Note III.11(3)).

An investment in a joint venture or an associate is accounted for using the equity method for subsequent measurement, unless the investment is classified as held for sale.

After acquiring the investment, 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 the amount attributable to the Group. Changes in the Group's share of the investee's owners' equity, other than those arising from the investee's net profit or loss, other comprehensive income or profit distribution (referred to as "other changes in owners' equity"), are recognised directly in the Group's equity, and the carrying amount of the investment is adjusted accordingly.

Unrealised profits and losses resulting from transactions between the Group and its associates or joint ventures are eliminated to the extent of the Group's interest in the associates or joint ventures. Unrealised losses resulting from transactions between the Group and its associates or joint ventures are eliminated in the same way as unrealised gains, unless they represent impairment losses that are recognised in full in the financial statements.

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

11 Long-term equity investments *(Continued)*

(2) Subsequent measurement of long-term equity investment (Continued)

(b) Investment in joint ventures and associates (Continued)

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 has fully covered the share of losses not recognised.

(3) Criteria for determining the existence of joint control or significant influence over an investee

Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities (activities with significant impact on the returns of the arrangement) require the unanimous consent of the parties sharing control.

The following factors are usually considered when assessing whether the Group can exercise joint control over an investee:

– Whether no single participant party is in a position to control the investee's relevant activities unilaterally;

– Whether strategic decisions relating to the investee's related activities require the unanimous consent of all participant parties that sharing of control.

Significant influence is that the Group has power to participate in the financial and operational policy decisions of an investee but does not have control or joint control over those policies.

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

12 Investment properties

Investment properties are properties held either to earn rental income or for capital appreciation or both. Investment properties are accounted for using the cost model. The cost of investment property, less its estimated residual value and accumulated impairment losses, is depreciated using the straight-line method over its estimated useful life, unless the investment property is classified as held for sale.

The estimated useful lives, residual value rates and depreciation rates of each class of investment properties are as follows:

Class	Estimated useful life (years)	Residual value rate (%)	Depreciation rate (%)
Buildings and structures	20 – 58	0 – 10	1.71 – 5.00
Land use rights	35 – 73	0	1.37 – 2.86

13 Fixed assets

(1) Recognition of fixed assets

The cost of a purchased fixed asset comprises the purchase price, related taxes, and any directly attributable expenditure for bringing the asset to working condition for its intended use. The cost of self-constructed assets is measured in accordance with the policy set out in Note III.14.

Where the parts of an item of fixed assets have different useful lives or provide benefits to the Group in a different pattern, thus necessitating use of different depreciation rates or methods, each part is recognised as a separate fixed asset.

Any subsequent costs including the cost of replacing part of an item of fixed assets are recognised as assets when it is probable that the economic benefits associated with the costs will flow to the Group, and the carrying amount of the replaced part is derecognised. The costs of the day-to-day maintenance of fixed assets are recognised in profit or loss as incurred.

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

13 Fixed assets *(Continued)*

(2) Depreciation of each category of fixed assets

The cost of a fixed asset, less its estimated residual value and accumulated impairment losses, is depreciated using the straight-line method over its estimated useful life.

The estimated useful lives, residual value rates and depreciation rates of each class of fixed assets are as follows:

Category	Useful lives (years)	Residual value rate (%)	Annual depreciation rate (%)
Buildings, structures and improvements	5 – 60	0 – 10	0.81 - 34.55
Transportation vehicles	3 – 10	0 – 5	0.00 - 32.00
Machinery and equipment	3 – 20	0 – 10	7.92 - 30.00
Electronic equipment, office equipment and others	3 – 10	0 – 10	0.72 – 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.

14 Construction in progress

The cost of self-constructed assets includes the cost of materials, direct labour, capitalised borrowing costs (see Note III.15), and any other costs directly attributable to bringing the asset to working condition for its intended use.

A self-constructed asset is classified as construction in progress and transferred to fixed assets when it is ready for its intended use. No depreciation is recorded against construction in progress.

When an enterprise sells products or by-products produced before a fixed asset is available for its intended use, the proceeds and related cost are accounted for in accordance with CAS 14 – Revenue and CAS 1 – Inventories respectively, and recognised in profit or loss for the current period.

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

15 Borrowing costs

Borrowing costs incurred that are directly attributable to the acquisition and construction of a qualifying asset are capitalised as part of the cost of the asset. Other borrowing costs are recognised as financial expenses when incurred.

During the capitalisation period, the amount of interest (including amortisation of any discount or premium on borrowing) to be capitalised in each accounting period is determined as follows:

- Where funds are borrowed specifically for the acquisition and construction of a qualifying asset, the amount of interest to be capitalised is the interest expense calculated using effective interest rates during the period less any interest income earned from depositing the borrowed funds or any investment income on the temporary investment of those funds before they are used on the asset.

- To the extent that the Group borrows funds generally and uses them for the acquisition and construction of a qualifying asset, the amount of borrowing costs eligible for capitalisation is determined by applying a capitalisation rate to the weighted average of the excess amounts of cumulative expenditure on the asset over the above amounts of specific borrowings. The capitalisation rate is the weighted average of the interest rates applicable to the general-purpose borrowings.

The effective interest rate is determined as the rate that exactly discounts estimated future cash flow through the expected life of the borrowing or, when appropriate, a shorter period, to the initially recognised amount of the borrowings.

During the capitalisation period, exchange differences related to the principal and interest on a specific-purpose borrowing denominated in foreign currency are capitalised as part of the cost of the qualifying asset. The exchange differences related to the principal and interest on foreign currency borrowings other than a specific-purpose borrowing are recognised as a financial expense when incurred.

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

16 Intangible assets

(1) Useful life and amortisation methods

For an intangible asset with a finite useful life, its cost less estimated residual value and accumulated impairment losses is amortised over its estimated useful life, unless the intangible asset is classified as held for sale.

The estimated useful lives, basis for determination and amortisation methods of intangible assets are as follows:

Category	Estimated useful life (years)
Land use rights	30 – 75/uncertain
Software use right	3 – 10
Passenger service licenses	uncertain
Toll bridge franchise operating rights	28
Trade mark	10
Route license use rights	12 – 20
Others	2 – 16.25

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

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.

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

16 Intangible assets *(Continued)*

(1) Useful life and amortisation methods (Continued)

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.

An intangible asset is regarded as having an indefinite useful life and is not amortised when there is no foreseeable limit to the period over which the asset is expected to generate economic benefits for the Group. The Group reassesses the useful lives of intangible assets with indefinite useful lives in each accounting period. If there is evidence indicating that the useful life of that intangible asset is finite, the Group estimates its useful life and accounts for it in accordance with the same policy as intangible assets with finite useful lives described above.

(2) Expenditures on research and development

Expenditures on internal research and development projects are classified into expenditures incurred during the research phase and expenditures incurred during the development phase.

Expenditures during the research phase are expensed when incurred. Expenditures during the development phase are capitalised if development costs can be measured reliably, the product or process is technically and commercially feasible, and the Group intends to and has sufficient resources to complete the development. Other development expenditures are recognised as expenses in the period in which it is incurred.

When an enterprise sells products or by-products produced in the course of research and development, the proceeds and related cost are accounted for in accordance with CAS 14 – Revenue and CAS 1 – Inventories respectively, and recognised in profit or loss for the current period.

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

17 Goodwill

The initial cost of goodwill represents the excess of the cost of the acquisition over the acquirer's interest in the fair value of the identifiable net assets of the acquiree under a business combination not involving entities under common control.

Goodwill is not amortised and is stated in the balance sheet at cost less accumulated impairment losses (see Note III.19).

18 Long-term deferred expenses

Expenditures incurred with a beneficial period of over one year are recognised as long-term deferred expenses.

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 and others	5 – 20

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

19 Impairment of assets other than inventories and financial assets

The carrying amounts of the following assets are reviewed at each balance sheet date based on internal and external sources of information to determine whether there is any indication of impairment:

- fixed assets
- construction in progress
- right-of-use assets
- intangible assets
- investment properties measured using a cost model
- long-term equity investments
- goodwill
- long-term deferred expenses, etc.

If any indication exists, the recoverable amount of the asset is estimated. In addition, the Group estimates the recoverable amounts of intangible assets not ready for use at least annually and the recoverable amounts of goodwill and intangible assets with indefinite useful lives at each year-end, irrespective of whether there is any indication of impairment. For the purposes of impairment testing, goodwill is allocated to each asset group, or set of asset groups, that is expected to benefit from the synergies of the business combination.

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

19 Impairment of assets other than inventories and financial assets *(Continued)*

The recoverable amount of an asset (or asset group or set of asset groups) is the higher of its fair value (see Note III.20) less costs of disposal and the present value of its expected future cash flows.

An asset group is composed of assets related to cash generation and is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or asset groups.

The present value of an asset's expected future cash flows 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 pre-tax discount rate.

An impairment loss is recognised in profit or loss when the recoverable amount of an asset is less than its carrying amount. A provision for impairment of the asset is recognised accordingly to reduce the carrying amount to the recoverable amount. Impairment losses related to an asset group or a set of asset groups are allocated first to reduce the carrying amount of any goodwill allocated to the asset group or set of asset groups, and then to reduce the carrying amount of the other assets in the asset group or set of asset groups on a pro rata basis. However, such allocations would not reduce the carrying amount of an asset below the highest of its fair value less costs of disposal (if measurable), the present value of its expected future cash flows (if determinable) and zero.

Once an impairment loss is recognised, it should not be reversed in a subsequent period.

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

20 Fair value measurement

Unless otherwise specified, the Group measures fair value as follows:

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

When measuring fair value, the Group takes into account the characteristics of the particular asset or liability (including the condition and location of the asset and restrictions, if any, on the sale or use of the asset) that market participants would consider when pricing the asset or liability at the measurement date, and the Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data and other information are available to measure fair value. Valuation techniques mainly include the market approach, the income approach and the cost approach.

21 Employee benefits

(1) Short-term employee benefits

Employee wages or salaries, bonuses, and social security contributions such as medical insurance and work injury insurance, and housing fund, measured at the amount incurred or accrued at the applicable benchmarks and rates, are 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.

Employee benefit expenses incurred by the Group are recognized in the profit or loss for the current period, or included in the cost of relevant assets, in accordance with the actual amounts incurred at the time of occurrence. Among these, non-monetary benefits are measured at fair value.

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

21 Employee benefits *(Continued)*

(2) Post-employment benefits – defined contribution plans

Pursuant to the relevant laws and regulations of the PRC, the Group participates in a defined contribution basic pension insurance plan in the social insurance system established and managed by government organisations. The Group 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.

(3) Post-employment benefits – 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 its obligations under defined benefit plans using unbiased and mutually compatible actuarial assumptions to estimate related demographic variables and financial variables, and discounts 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 defined benefit liability are recognised in other comprehensive income.

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

21 Employee benefits *(Continued)*

(4) Termination benefits

When the Group terminates an employee's employment before the employment contract expires, 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 provided in 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 12 months after the end of the reporting period, and the financial impact is material, the obligation shall be measured on a discounted basis using an appropriate discount rate.

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

22 Provisions

A provision is recognised for an obligation related to a contingency if the Group has a present obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

A provision is initially measured at the best estimate of the expenditure required to settle the related present obligation. Where the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows. Factors pertaining to a contingency such as the risks, uncertainties and time value of money are taken into account as a whole in reaching the best estimate. Where there is a continuous range of possible outcomes for the expenditure required, and each possible outcome in that range is as likely as any other, the best estimate is the mid-point of that range. In other cases, the best estimate is determined as follows:

– Where the contingency involves a single item, the best estimate is the most likely outcome.

– Where the contingency involves a large population of items, the best estimate is determined by weighting all possible outcomes by their associated probabilities.

The Group reviews the carrying amounts of provisions at the balance sheet date and adjusts their carrying amounts to the current best estimates.

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

23 Revenue

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

Revenue is recognised when the Group satisfies the performance obligation in a contract by transferring control over relevant goods or services to the customers.

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. 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.

The Group satisfies a performance obligation over time if one of the following criteria is met; otherwise, the 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; or
- 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.

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

23 Revenue *(Continued)*

The Group determines whether it is a principal or an agent, based on whether it obtains control of the specified good or service before that good or service is transferred to a customer. The Group is a principal if it controls the specified good or service before that good or service is transferred to a customer, and recognises revenue in the gross amount of consideration which it has received (or which is receivable). Otherwise, the Group is an agent, and recognises revenue in the amount of any fee or commission to which it expects to be entitled. The fee or commission is the net amount of consideration that the Group retains after paying the other party the consideration, or is determined according to the established amount or proportion.

A contract asset is the Group's right to consideration in exchange for goods or services that it has transferred to a customer when that right is conditional on something other than the passage of time. The Group recognises loss allowances for expected credit loss on contract assets (see Note III.9(6)). Accounts receivable is the Group's right to consideration that is unconditional (only the passage of time is required). A contract liability is the Group's obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer.

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

(1) 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.

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

23 Revenue *(Continued)*

(2) Road passenger transportation and auxiliary service

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.

(3) Taiping interchange assets operation revenue

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

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

24 Government grants

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 attached to the grant.

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 transfer of a non-monetary asset, it is measured at fair value.

Government grants related to assets are grants whose primary condition is that the Group qualifying for them should purchase, construct or otherwise acquire long-term assets. Government grants related to income are grants other than those related to assets. 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. 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 included in other income, non-operating income, or offset against the related expenses directly.

25 Income tax

Current tax and deferred tax are recognised in profit or loss except to the extent that they relate to a business combination or items recognised directly in equity (including other comprehensive income).

Current tax is the expected tax payable calculated at the applicable tax rate on taxable income for the year, plus any adjustment to tax payable in respect of previous years.

At the balance sheet date, current tax assets and liabilities are offset only if the Group has a legally enforceable right to set them off and also intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Deferred tax assets and deferred tax liabilities arise from deductible and taxable temporary differences respectively, being the differences between the carrying amounts of assets and liabilities for financial reporting purposes and their tax bases, which include deductible losses and tax credits carried forward to subsequent periods. Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which deductible temporary differences can be utilised.

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

25 Income tax *(Continued)*

Deferred tax is not recognised for temporary differences arising from the initial recognition of assets or liabilities in a single transaction that is not a business combination, affects neither accounting profit nor taxable profit (or deductible loss) and does not give rise to equal taxable and deductible temporary differences. Deferred tax is also not recognised for taxable temporary differences arising from the initial recognition of goodwill.

At the balance sheet date, deferred tax is measured based on the tax consequences that would follow from the expected manner of recovery or settlement of the carrying amounts of the assets and liabilities, using tax rates enacted at the balance sheet date that are expected to be applied in the period when the asset is recovered or the liability is settled.

The carrying amount of a deferred tax asset is reviewed at each balance sheet date, and is reduced to the extent that it is no longer probable that the related tax benefits will be utilised. Such reductions are reversed to the extent that it becomes probable that sufficient taxable profits will be available.

At the balance sheet date, deferred tax assets and deferred tax liabilities are offset if all of the following conditions are met:

- the taxable entity has a legally enforceable right to offset current tax liabilities and current tax assets;
- they relate to income taxes levied by the same tax authority on either:
  - the same taxable entity; or
  - different taxable entities which intend either to settle the current tax liabilities and current tax assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or deferred tax assets are expected to be settled or recovered.

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

26 Leases

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 for consideration.

For a contract that contains multiple separate lease components, the lessee and the lessor separate the lease components and account for each lease component as a lease separately. For a contract that contains lease and non-lease components, the lessee and the lessor separate the lease components from the non-lease components. However, for leases of land and buildings in which it is a lessee, the Group has elected not to separate lease components from non-lease components and accounts for each lease component and any associated non-lease components as a single lease component.

(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 depreciated using the straight-line method. If the lessee is reasonably certain to obtain the ownership of the lease asset by the end of the lease term, the right-of-use asset is depreciated over the remaining useful life of the underlying asset. Otherwise, the right-of-use asset is depreciated over the shorter of the lease term or the remaining useful life of the lease asset.

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

A constant periodic rate is used to calculate the interest on the lease liability in each period during the lease term with a corresponding charge to profit or loss or included in the cost of assets where appropriate. Variable lease payments not included in the measurement of the lease liability are charged to profit or loss or included in the cost of assets where appropriate as incurred.

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

26 Leases *(Continued)*

(1) the Group as a lessee (Continued)

Under the following circumstances after the lease commencement date, the Group remeasures lease liabilities based on the present value of revised lease payments:

- 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 the Group has exercised the extension or termination option in a different manner from the original assessment.

When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group has elected not to recognize right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets (A leased asset is of low value individually when it is new). The Group recognized the lease payments associated with these leases in profit or loss or as the cost of the assets where appropriate using the straight-line method over the lease term.

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

26 Leases *(Continued)*

(2) the Group as a lessor

The Group determines at lease inception whether each lease is a finance lease or an operating lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset 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 a sub-lessor, it assesses the lease classification of a sub-lease 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 practical expedient described above, then it classifies the sub-lease as an operating lease.

Under a finance lease, at the commencement date, the Group recognises the finance lease receivable and derecognises the asset under finance lease.

The Group recognises finance income over the lease term with a constant periodic rate of return. The derecognition and impairment of the finance lease receivable are accounted for in accordance with the accounting policy in Note III.9. Variable lease payments not included in the measurement of net investment in the lease are recognised as income as they are earned.

Lease receipts from operating leases are recognised as income using the straight-line method over the lease term. Variable lease payments not included in lease receipts are recognised as income as they are earned.

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

27 Specific reserve

The Group recognises a safety fund in the specific reserve pursuant to relevant government regulations, with a corresponding increase in the costs of the related products or expenses.

When the safety fund is subsequently used for revenue expenditure, the specific reserve is reduced accordingly. When the safety fund is subsequently used for the construction or acquisition of fixed assets, the Group recognises the capitalised expenditure incurred as the cost of the fixed assets when the related assets are ready for their intended use. In such cases, the specific reserve is reduced by the amount that corresponds to the cost of the fixed assets and the credit side is recognised in the accumulated depreciation with respect to the related fixed assets. Consequently, such fixed assets are not depreciated in subsequent periods.

28 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 similar economic characteristics and are the same or similar in respect of the nature of 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.

For segment reporting, inter-segment revenues are measured on the basis of the actual transaction prices for such transactions, and segment accounting policies are consistent with those used to prepare the consolidated financial statements.

29 Dividends distributions

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

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

30 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. 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.

31 Significant accounting estimates and judgments

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 the underlying assumptions and uncertainties involved are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

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

(1) Loss allowances for accounts receivable

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

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

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

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

31 Significant accounting estimates and judgments *(Continued)*

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

As described in Note III. 19 Impairment of 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 related operating income and expenses based on reasonable and supportable assumptions.

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

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

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

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

31 Significant accounting estimates and judgments *(Continued)*

(4) Deferred tax assets

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

(5) Liabilities of retirement benefits

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

(6) Recognition of government subsidies

Specific conditions are generally attached to various subsidies obtained by the Group, which are subject to formal application and approval procedures. Management classifies government subsidies related to assets or government subsidies related to income and 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.

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

32 Changes in significant accounting policies and accounting estimates

(1) Significant accounting policy changes

(a) Interpretation of Accounting Standards for Business Enterprises No. 19

The Ministry of Finance issued the Interpretation of Accounting Standards for Business Enterprises No. 19 (hereinafter referred to as "Interpretation No. 19") on 5 December 2025, of which the provisions regarding "accounting treatment of compensatory assets in business combinations not under common control", "accounting treatment of related capital reserves upon disposal of subsidiaries previously acquired through business combinations under common control", "derecognition of financial liabilities settled through electronic payment systems", "assessment of contractual cash flow characteristics of financial assets and related disclosures", and "disclosures for equity instruments designated as measured at fair value through other comprehensive income" became effective from 1 January 2026.

Following the change in accounting policies, the Group has applied the relevant provisions of Interpretation No. 19.

The adoption of these provisions did not have a material effect on the financial position and operating results of the Group.

(b) Interpretation of Accounting Standards for Business Enterprises No. 20

The Ministry of Finance issued the Interpretation of Accounting Standards for Business Enterprises No. 20 (hereinafter referred to as "Interpretation No. 20") on 4 June 2026, of which the provisions regarding "assessment of contractual cash flow characteristics of financial assets" and "accounting treatment and related disclosures when currency lacks convertibility" became effective from the date of issuance. For transactions within the scope of Interpretation No. 20 that occurred between 1 January 2026 and the effective date of Interpretation No. 20, enterprises shall adjust their accounting treatments in accordance with Interpretation No. 20.

Following the change in accounting policies, the Group has applied the relevant provisions of Interpretation No. 20.

The adoption of these provisions did not have a material effect on the financial position and operating results of the Group.

Apart from the above changes in accounting policies, the remaining policies that have not been changed continue to be implemented in accordance with the Accounting Standards for Business Enterprises – Basic Standard, specific accounting standards, application guidance, interpretations and other relevant provisions previously issued by the Ministry of Finance.

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

32 Changes in significant accounting policies and accounting estimates *(Continued)*

(2) Changes in accounting estimates

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

IV. TAXATION

1 Main types of taxes and corresponding tax rates

Tax type	Tax base	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 rescue service	6%
VAT	Service income derived from expressway facilities and other auxiliary facilities (Note 4)	9%, 6%, 5%
VAT	Toll income (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%
Property tax	The taxable residual value of the property	1.2%
Property tax	Rental income	12%

IV. TAXATION *(CONTINUED)*

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

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

Name of the taxpayers	income tax rates
Guangdong Yue Li Jia Passenger Transport Company Limited(Guangzhou)	20%
Guangdong Jindaoda Expressway Economic Development Co., Ltd.	20%
Guangdong Gangtong Vehicles Transportation Company Limited	20%
Shenzhen City Shenwei Lighter 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 Limited	16.5%
Gang Tong (H.K.) Motor Transport Company Limited	16.5%

IV. TAXATION *(CONTINUED)*

2 Preferential tax treatments

Note 1: According to "Notice of the Ministry of Finance on the Continued Implementation of Preferential Policies for Development Fee for Cultural Undertakings" (Cai shui [2025] No. 7), during the period from 1 January 2025 to 31 December 2027, the development fee for cultural undertakings that is attributed to central government revenue will be collected at a reduced rate of 50% of the amount payable by the payment obligors; with regard to the development fee for cultural undertakings that is attributed to local government revenue, the finance departments and the publicity departments of Party committees of all provinces (autonomous regions and centrally administered municipalities) may, in the light of such factors as local economic development level and the development of publicity ideological and cultural undertakings, reduce the amount of the development fees for such cultural undertakings within the range of 50% of the amount payable.

According to "The Announcement of Extension on Cultural Construction Fee Preferential Policy" issued by Department of Finance of Guangdong Province and National Tax Bureau of Guangdong Provincial (Cai shui [2025] No. 15), the payable amount of cultural construction fee belonging to the local government revenue shall be reduced by 50%, from 1 January 2025 to 31 December 2027.

Note 2: 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.

Note 3: The Group's subsidiaries operating in Hong Kong are subject to Hong Kong profits Tax calculated at the statutory rate of 16.5% (the prior year: 16.5%).

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

Note 5: According to "The Announcement of VAT Reduction and Exemption for small-scale-VAT Taxpayers" promulgated by the MOF and the State Administration of Taxation on 1 August 2023 (Announcement No. 19[2023]), the policy of VAT reduction and exemption for small-scale VAT taxpayers extends to 31 December 2027.

V. NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

1 Accounts receivable

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

Ageing	30 June 2026	31 December 2025
Within 3 months (inclusive)	**178,886,594.28**	163,646,078.66
Over 3 months and within 6 months (inclusive)	**46,266,329.30**	32,385,967.26
Over 6 months and within 1 year (inclusive)	**59,268,076.77**	48,688,312.64
Over 1 year and within 2 years (inclusive)	**10,939,678.41**	19,802,006.61
Over 2 years and within 3 years (inclusive)	**7,273,329.76**	7,014,219.06
Over 3 years	**21,649,192.51**	23,939,764.74
Sub-total	**324,283,201.03**	295,476,348.97
Less: Provisions for bad and doubtful debts	**39,935,717.40**	43,397,615.11
Total	**284,347,483.63**	252,078,733.86

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

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

1 Accounts receivable *(Continued)*

(2) Accounts receivable by provisioning methods

	30 June 2026					31 December 2025				
	Book value		Provision for bad and doubtful debts			Book value		Provision for bad and doubtful debts		
Category	Amount	Percentage (%)	Amount	Expected credit loss rate (%)	Carrying amount	Amount	Percentage (%)	Amount	Expected credit loss rate (%)	Carrying amount
Individual assessment	2,130,335.79	0.66	2,130,335.79	100.00	-	2,979,385.43	1.01	2,979,385.43	100.00	-
Collective assessment	322,152,865.24	99.34	37,805,381.61	11.74	284,347,483.63	292,496,963.54	98.99	40,418,229.68	13.82	252,078,733.86
Including:										
Ageing portfolio	322,152,865.24	99.34	37,805,381.61	11.74	284,347,483.63	292,496,963.54	98.99	40,418,229.68	13.82	252,078,733.86
Total	324,283,201.03	100.00	39,935,717.40		284,347,483.63	295,476,348.97	100.00	43,397,615.11		252,078,733.86

Basis for significant individual assessment:

	30 June 2026			
Names	Amount	Provision for debts	Expected credit loss rate (%)	Basis for provision
Yingde Baixiu Talent Brand Management Co., Ltd.	252,298.92	252,298.92	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	233,036.87	233,036.87	100.00	Not expected to be recovered
Total	2,130,335.79	2,130,335.79		

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

1 Accounts receivable *(Continued)*

(2) Accounts receivable by provisioning methods (Continued)

Assessment of ECLs on accounts receivables:

Items	Amount	30 June 2026 Provision for bad and doubtful debts	Expected credit loss rate (%)
Ageing portfolio			
Expressway service zones operation			
Within 1 year (inclusive)	170,026,035.64	8,501,301.78	5.00
Over 1 year but within 2 years (inclusive)	2,283,238.25	228,323.83	10.00
Over 2 year but within 3 years (inclusive)	2,998,467.04	899,540.11	30.00
Over 3 years	359,570.29	179,785.15	50.00
Sub-total	175,667,311.22	9,808,950.87	
Road transportation and other service			
Within 1 year (inclusive)	114,461,806.95	5,723,090.34	5.00
Over 1 year but within 2 years (inclusive)	8,656,440.16	3,029,754.05	35.00
Over 2 year but within 3 years (inclusive)	3,774,862.72	1,887,431.37	50.00
Over 3 years	15,163,953.03	15,163,953.03	100.00
Sub-total	142,057,062.86	25,804,228.79	
Other business			
Within 1 year (inclusive)	48,985.84	2,449.29	5.00
Over 3 years	4,379,505.32	2,189,752.66	50.00
Sub-total	4,428,491.16	2,192,201.95	
Total	322,152,865.24	37,805,381.61	

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

1 Accounts receivable *(Continued)*

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

		Changes during the period			
Category	31 December 2025	Charge into income statement	Disposal of subsidiaries	Foreign currency financial statement translation differences	30 June 2026
Individual assessment	2,979,385.43	(567,611.63)	281,438.01	–	**2,130,335.79**
Collective assessment	40,418,229.68	1,798,877.14	4,360,448.67	(51,276.54)	**37,805,381.61**
Total	43,397,615.11	1,231,265.51	4,641,886.68	(51,276.54)	**39,935,717.40**

2 Long-term equity investments

		Changes during this period								
Investee	Book balance as at 31 December 2025	Increase in capital	Decrease in capital	Investment income recognised under the equity method	Adjustments to other comprehensive income	Other movement	Declared distribution of cash dividends or profits	Others	Book balance as at 30 June 2026	Balance of provision for impairment as at 30 June 2026
1. Joint ventures										
Zhuhai Yuegong Xinhai Transportation Co., Ltd (Note 2)	137,581,742.20	-	-	28,827,366.98	-	-	21,225,555.00	-	145,183,554.18	-
Guangdong Zhongyou Top-E Energy Trading Company Limited (Note 3)	33,071,866.57	-	-	498,027.14	-	-	-	-	33,569,893.71	-
Guangdong Yuehuahui Business Management Co., Ltd. (Note 4)	10,228,076.16	-	-	254,162.44	-	-	-	-	10,482,238.60	-
Guangdong Hong Kong Macau Port Service Company Limited	442,577.80	-	-	6,159,010.13	-	-	-	(137,507.83)	6,464,080.10	-
Chaozhou City Yueyun Public Transport Co., Ltd.	648,930.22	-	-	(545,439.94)	-	-	-	-	103,490.28	-
Sub-total	181,973,192.95	-	-	35,193,126.75	-	-	21,225,555.00	(137,507.83)	195,803,256.87	-

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

2 Long-term equity investments *(Continued)*

Investee	Book balance as at 31 December 2025	Changes during this period							Book balance as at 30 June 2026	Balance of provision for impairment as at 30 June 2026
		Increase in capital	Decrease in capital	Investment income recognised under the equity method	Adjustments to other comprehensive income	Other movement	Declared distribution of cash dividends or profits	Others		
2. Associates										
Hong Kong-Zhuhai-Macao Bridge Shuttle Bus Company Limited	49,153,559.79	-	-	11,032,580.94	-	-	10,037,077.05	(1,906,233.98)	48,242,829.70	-
Shenzhen Lihong Investment Development Co., Ltd.	47,579,940.59	-	-	242,725.36	-	-	-	-	47,822,665.95	-
Southern United Assets and Equity Exchange Co., Ltd.	44,795,524.35	-	-	1,456,197.62	-	-	-	-	46,251,721.97	-
Guangzhou City Tianhe Coach Terminal Co., Ltd.	33,501,174.05	-	-	-	-	-	-	-	33,501,174.05	-
Shantou City Automobile Passenger Traffic Centre Co., Ltd.	19,149,923.78	-	-	(221,335.93)	-	-	-	-	18,928,587.85	-
Guangzhou City Zengcheng Automobile Passenger Traffic Station Co., Ltd	10,896,345.41	-	-	(957,274.18)	-	-	-	-	9,939,071.23	-
Guangdong South Passenger Network Center Company Limited	4,299,309.83	-	-	94,226.92	-	-	-	-	4,393,536.75	-
Hong Kong & Macao International Airport Transportation Service (HK) Co. Limited	4,152,408.77	-	-	44,333.03	-	-	-	(160,257.27)	4,036,484.53	-
Lufeng Shen-Shan Expressway Services Company Limited	4,580,186.05	-	-	841,111.10	-	-	1,323,965.59	-	4,097,331.56	-
Hong Kong International Airport Passenger Service (Macao) Co., Ltd.	3,224,113.90	-	-	100,744.39	-	-	-	(125,728.62)	3,199,129.67	-
Guangdong Guangye Yueyun Natural Gas Company Limited	2,614,422.80	-	-	(201,192.88)	-	-	-	-	2,413,229.92	-
Qingyuan Zhongguan Development Co., Ltd.	383,153.07	-	-	-	-	-	20,000.00	-	363,153.07	-
Guangdong Kedu Transportation Co., Ltd. (Formerly: Meizhou Yueyun Vehicles Transportation Company Limited) (Note 5)	-	486,864.71	-	(486,864.71)	-	-	-	-	-	-
Sub-total	224,330,062.39	486,864.71	-	11,945,251.66	-	-	11,381,042.64	(2,192,219.87)	223,188,916.25	-
Total	406,303,255.34	486,864.71	-	47,138,378.41	-	-	32,606,597.64	(2,329,727.70)	418,992,173.12	-

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

2 Long-term equity investments *(Continued)*

Note 1: The Group holds equity interests in Express Cross-Border Coach Mgt. Co. Limited, Shantou City Chaonan Yueyun Sky Island Transportation Co., Ltd., CNPC Yueyun Natural Gas Co. Ltd., Shantou Chaoyang Yueyun Sky Island Transportation Co., Ltd., Huiketong Technology (Zhuhai) Co., Ltd., Guangzhou Yueyun Automobile Transport Co., Ltd., Guangdong Yueyun Development Co., Ltd., and Heyuan Yueyun Automobile Transport Co., Ltd. In accordance with the articles of association of these companies, the Group is able to exercise significant influence over them. Accordingly, these companies are accounted for as associates of the Group. As at 30 June 2026, the carrying amount of these long-term equity investments was RMB0.00 (31 December 2025: RMB0.00).

Note 2: The Group holds a 39% equity of 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 (such as external investment, external financing, external guarantee, etc.) 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 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 5: On 29 January 2026, the Company disposed of its 85% equity interest in Guangdong Kedu Transportation Co., Ltd. (formerly: Meizhou Yueyun Vehicles Transportation Company Limited). Subsequent to the disposal, the Company retains the remaining 15% equity interest. Pursuant to the latest articles of association of this company, its board of directors consists of 4 members, and the Company appoints 1 director, enabling the Company to exercise significant influence. Accordingly, Guangdong Kedu Transportation Co., Ltd. is accounted for as an associate of the Group.

3 Fixed assets

(1) Fixed assets

Item	30 June 2026	31 December 2025
Fixed assets	1,272,635,498.57	1,449,115,971.07
Total	1,272,635,498.57	1,449,115,971.07

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

3 Fixed assets *(Continued)*

(2) Details of fixed assets

Items	Buildings structures and improvement	Machinery and equipment	Electronic equipment, office equipment and others	Transportation vehicles	Total
I. Cost					
1. Balance as at 31 December 2025	1,743,505,968.83	97,723,082.94	343,457,527.18	1,629,174,351.36	3,813,860,930.31
2. Additions during the period	33,924,118.96	829,592.38	9,115,337.15	19,140,327.28	63,009,375.77
– Purchases	–	–	6,979,058.74	19,140,327.28	26,119,386.02
– Transfers from construction in progress	33,924,118.96	829,592.38	2,136,278.41	–	36,889,989.75
3. Reductions during the period	182,265,892.08	10,376,595.02	19,343,170.74	268,920,978.52	480,906,636.36
– Disposals or discarding	9,385,624.93	2,487,994.60	4,763,596.29	3,205,604.06	19,842,819.88
– Disposals of subsidiaries	171,366,641.02	7,877,213.46	14,553,600.83	257,386,786.52	451,184,241.83
– Foreign currency financial statement translation differences	1,513,626.13	11,386.96	25,973.62	8,328,587.94	9,879,574.65
4. Balance as at 30 June 2026	1,595,164,195.71	88,176,080.30	333,229,693.59	1,379,393,700.12	3,395,963,669.72
II. Accumulated depreciation					
1. Balance as at 31 December 2025	800,467,615.64	47,645,206.01	172,740,781.49	1,340,013,780.04	2,360,867,383.18
2. Additions during the period	33,956,744.67	3,438,815.19	12,613,976.89	53,375,839.48	103,385,376.23
– Depreciation charges	33,956,744.67	3,438,815.19	12,613,976.89	53,375,839.48	103,385,376.23
3. Reductions during the period	66,202,868.28	8,030,344.41	17,419,324.52	250,533,165.46	342,185,702.67
– Disposals or discarding	8,874,692.32	2,285,669.12	3,538,081.74	2,584,033.82	17,282,477.00
– Disposals of subsidiaries	56,314,101.37	5,733,313.45	13,862,052.59	241,241,928.27	317,151,395.68
– Foreign currency financial statement translation differences	1,014,074.59	11,361.84	19,190.19	6,707,203.37	7,751,829.99
4. Balance as at 30 June 2026	768,221,492.03	43,053,676.79	167,935,433.86	1,142,856,454.06	2,122,067,056.74

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

3 Fixed assets *(Continued)*

(2) Details of fixed assets (Continued)

Items	Buildings structures and improvement	Machinery and equipment	Electronic equipment, office equipment and others	Transportation vehicles	Total
III. Provision for impairment					
1. Balance as at 31 December 2025	–	–	–	3,877,576.06	3,877,576.06
2. Reductions during the period	–	–	–	2,616,461.65	2,616,461.65
– Disposals or written-offs	–	–	–	132,446.56	132,446.56
– Disposals of subsidiaries	–	–	–	2,484,015.09	2,484,015.09
3. Balance as at 30 June 2026	–	–	–	1,261,114.41	1,261,114.41
IV. Book value					
1. Book value as at 30 June 2026	826,942,703.68	45,122,403.51	165,294,259.73	235,276,131.65	1,272,635,498.57
2. Book value as at 31 December 2025	943,038,353.19	50,077,876.93	170,716,745.69	285,282,995.26	1,449,115,971.07

Note 1: As at 30 June 2026, no fixed assets of the Group were pledged for long-term loans (Note V.9); fixed assets of the Group with carrying amount of RMB74,323,197.80 were pledged for short-term loans (Note V.6).

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

4 Right-of-use assets

Items	Buildings and structures	Lease of land	Total
I. Cost			
1. Balance as at 31 December 2025	3,606,769,684.95	16,569,489.06	3,623,339,174.01
2. Additions during the period	11,159,140.67	6,380,739.01	17,539,879.68
– New leases	11,159,140.67	6,380,739.01	17,539,879.68
3. Reductions during the period	66,754.65	5,717,579.56	5,784,334.21
– Disposals or expiration	–	5,717,579.56	5,717,579.56
– Foreign currency financial statement translation differences	66,754.65	–	66,754.65
4. Reclassification	(133,333,333.13)	133,333,333.13	–
5. Balance as at 30 June 2026	3,484,528,737.84	150,565,981.64	3,635,094,719.48
II. Accumulated depreciation			
1. Balance as at 31 December 2025	1,575,310,543.13	15,310,552.95	1,590,621,096.08
2. Additions during the period	86,752,224.00	18,762,446.37	105,514,670.37
– Depreciation charges	86,752,224.00	18,762,446.37	105,514,670.37
3. Reductions during the period	55,628.87	5,717,579.56	5,773,208.43
– Disposals or expiration	–	5,717,579.56	5,717,579.56
– Foreign currency financial statement translation differences	55,628.87	–	55,628.87
4. Reclassification	(71,575,718.46)	71,575,718.46	–
5. Balance as at 30 June 2026	1,590,431,419.80	99,931,138.22	1,690,362,558.02
III. Book value			
1. Book value as at 30 June 2026	1,894,097,318.04	50,634,843.42	1,944,732,161.46
2. Book value as at 31 December 2025	2,031,459,141.82	1,258,936.11	2,032,718,077.93

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

5 Intangible assets

(1) Details of intangible assets

Items	Land use rights	Software	Passenger service licenses	Toll bridge franchise operating rights	Route license use rights	Trade mark and others	Total
I. Cost							
1. Balance as at 31 December 2025	373,694,571.13	95,241,120.51	39,754,650.23	327,479,559.48	104,291,830.71	633,279.48	941,095,011.54
2. Additions during the period	31,698.11	1,350,095.18	–	–	–	–	1,381,793.29
– Transfers from construction in progress	31,698.11	1,350,095.18	–	–	–	–	1,381,793.29
3. Reductions during the period	94,188,130.78	10,943,069.31	1,525,977.86	–	–	45,900.00	106,703,077.95
– Disposals of subsidiaries	93,523,679.17	10,871,803.20	–	–	–	45,900.00	104,441,382.37
– Foreign currency financial statement translation differences	664,451.61	71,266.11	1,525,977.86	–	–	–	2,261,695.58
4. Balance as at 30 June 2026	279,538,138.46	85,648,146.38	38,228,672.37	327,479,559.48	104,291,830.71	587,379.48	835,773,726.88
II. Accumulated amortisation							
1. Balance as at 31 December 2025	74,786,959.82	61,839,389.36	–	315,218,488.40	88,417,462.03	105,900.00	540,368,199.61
2. Additions during the period	3,044,757.18	2,747,912.08	–	4,862,441.64	2,378,463.86	–	13,033,574.76
– Amortisation charges	3,044,757.18	2,747,912.08	–	4,862,441.64	2,378,463.86	–	13,033,574.76
3. Reductions during the period	21,541,563.41	4,042,655.67	–	–	–	45,900.00	25,630,119.08
– Disposals of subsidiaries	21,153,395.41	3,971,389.56	–	–	–	45,900.00	25,170,684.97
– Foreign currency financial statement translation differences	388,168.00	71,266.11	–	–	–	–	459,434.11
4. Balance as at 30 June 2026	56,290,153.59	60,544,645.77	–	320,080,930.04	90,795,925.89	60,000.00	527,771,655.29
III. Provision for impairment	-	-	-	-	-	-	-
1. Balance as at 31 December 2025	2,956,979.57	–	–	–	3,148,404.86	–	6,105,384.43
2. Reductions during the period	2,956,979.57	–	–	–	–	–	2,956,979.57
3. Balance as at 30 June 2026	–	–	–	–	3,148,404.86	–	3,148,404.86
IV. Book value							
1. Book value as at 30 June 2026	223,247,984.87	25,103,500.61	38,228,672.37	7,398,629.44	10,347,499.96	527,379.48	304,853,666.73
2. Book value as at 31 December 2025	295,950,631.74	33,401,731.15	39,754,650.23	12,261,071.08	12,725,963.82	527,379.48	394,621,427.50

Note 1: As at 30 June 2026, the Group had no land use rights as collateral for loans (31 December 2025: RMB8,688,268.71) (Note V, 9).

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

6 Short-term loans

(1) Classification of short-term loans

Items	30 June 2026	31 December 2025
Loans secured by mortgages (Note 2)	17,841,532.50	21,949,662.43
Unsecured loans	10,008,333.33	10,000,000.00
Total	27,849,865.83	31,949,662.43

Note 1: As at 30 June 2026, the Group's short-term loans were borrowings from banks within 1 year, which bear interest rates ranging from 3.00% to 4.35% per annum (31 December 2025: 3.00% to 4.50% per annum).

Note 2: For the details of assets pledged for secured loans as at 30 June 2026, please refer to Note V. 3.

(2) Overdue short-term loans

The Group had no overdue short-term loans as at 30 June 2026.

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

7 Accounts payable

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

Items	30 June 2026	31 December 2025
Contract payments for expressway service zone	**343,255,538.60**	231,731,810.40
Progress payments for constructions	**224,975,683.71**	242,630,854.20
Materials payable	**57,902,365.80**	69,749,257.09
Property management fees payable	**51,870,550.66**	22,575,450.11
Transportation fee payable	**37,836,864.14**	58,034,187.10
Contract payments for vehicles	**14,291,555.15**	15,900,731.86
Fuel expenses payable	**8,450,221.38**	10,394,572.71
Others	**69,009,195.03**	51,772,085.45
Total	**807,591,974.47**	702,788,948.92

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

Items	30 June 2026	31 December 2025
Within 1 year (inclusive)	**506,954,258.93**	371,333,550.06
Over 1 year and within 2 years (inclusive)	**192,917,257.18**	215,926,931.87
Over 2 years and within 3 years (inclusive)	**47,420,112.03**	34,722,366.75
Over 3 years	**60,300,346.33**	80,806,100.24
Total	**807,591,974.47**	702,788,948.92

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

7 Accounts payable *(Continued)*

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

Items	30 June 2026	Reasons for unsettlement
Guangdong Wuhua Erjian Engineering Co., Ltd.	**11,582,379.44**	Construction fee unsettled
Jiangxi Construction Engineering Construction and Installation Co., Ltd.	**10,563,900.92**	Construction fee unsettled
Total	**22,146,280.36**	

8 Non-current liabilities due within one year

Items	Note V	30 June 2026	31 December 2025
Long-term loans due within one year	9	**3,500,000.00**	62,181,020.18
Long-term payables due within one year		**–**	3,951,700.00
Lease liabilities due within one year	10	**216,562,143.45**	158,469,488.44
Total		**220,062,143.45**	224,602,208.62

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

9 Long-term loans

(1) Classification of Long-term loans

Items	30 June 2026	31 December 2025
Unsecured loans	3,500,000.00	44,750,000.00
Including: Loans from banks	3,500,000.00	13,250,000.00
Loans from Guangdong Provincial Communication Group Finance Company Limited ("GCG Finance")	–	31,500,000.00
Loans secured by mortgages	–	47,786,400.00
Guaranteed and mortgaged loans	–	144,620.18
Total	3,500,000.00	92,681,020.18
Less: Long-term loans due within one year		
Including: Unsecured loans	3,500,000.00	14,250,000.00
Loans secured by mortgages	–	47,786,400.00
Guaranteed and mortgaged loans	–	144,620.18
Sub-total (Note V.8)	3,500,000.00	62,181,020.18
Long-term loans due after 1 year	–	30,500,000.00
Including: Due after 1 year but within 2 years	–	1,000,000.00
Due after 2 years but within 5 years	–	29,500,000.00

Note 1: As at 30 June 2026, the Group's long-term loans were with interest rates at 3.90% per annum (31 December 2025: 2.95% to 4.35% per annum).

(2) Overdue long-term loans

The Group had no overdue long-term loans as at 30 June 2026.

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

10 Lease liabilities

Items		30 June 2026	31 December 2025
Lease liabilities		**2,308,080,805.46**	2,303,375,049.50
Less: Non-current liabilities due within one year (Note V.8)		**216,562,143.45**	158,469,488.44
Lease liabilities due after 1 year		**2,091,518,662.01**	2,144,905,561.06
Including:	Due after 1 year but within 2 years	**152,185,704.95**	150,799,623.71
	Due after 2 years but within 5 years	**441,796,838.65**	421,623,370.46
	After 5 years	**1,497,536,118.41**	1,572,482,566.89

11 Deferred income

Items	30 June 2026	31 December 2025
Government grants related to assets (Note V.22(2))	**26,171,566.40**	74,539,991.55
Advances of contract prepayments	**96,386,622.85**	114,503,980.81
Rental of stations and advertising sites	**4,513,864.46**	4,564,697.10
Total	**127,072,053.71**	193,608,669.46

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

12 Retained earnings

Items	Amount for the period	Amount for the previous period
Retained earnings at the beginning of the period	**1,165,557,922.09**	1,002,904,081.67
Add: Net profit attributable to the shareholders of the Company for the period	**171,042,123.89**	142,643,705.10
Less: Final dividends in respect of the previous financial year, approved and declared during the interim period (Note 1)	**71,986,302.00**	71,986,302.00
Transfer of other comprehensive income to retained earnings (Note 2)	**2,068,151.00**	2,835,598.67
Others (Note 3)	**(9,782,182.62)**	37,701.33
Retained earnings at the end of the period	**1,272,327,775.60**	1,070,688,184.77

Note 1: A final dividend of RMB0.09 per share (tax included) for the year ended 31 December 2025 were approved for distribution by shareholders at the Annual General Meeting held on 26 June 2026. The total amount of 2025 final dividend was RMB71,986,302.00, calculated based on the total number of shares of 799,847,800 (for the six months ended 30 June 2025: RMB71,986,302.00). As at 30 June 2026, the above cash dividend has been not paid.

Note 2: During the current period, the Company disposed of its 10% equity interest in Guangdong Yueyun Development Co., Ltd. and therefore transferred the accumulated losses previously recognized in other comprehensive income to retained earnings.

Note 3: During the current period, the Company disposed of the 85% equity interest in Meizhou Yueyun Vehicles Transportation Company Limited originally acquired through a business combination under common control, and therefore transferred the surplus reserve which was originally recognized in the consolidated financial statements on the date of business combination to retained earnings.

13 Financial expenses

Items	Amount for the period	Amount for the previous period
Interest expenses on loans	**1,569,337.54**	18,582,266.72
Interest income	**(3,587,228.74)**	(7,286,168.54)
Net exchange gains	**(1,981,648.49)**	(1,291,239.55)
Interest expenses on lease liabilities	**51,706,435.09**	50,460,511.52
Others	**7,609,998.19**	10,555,958.64
Total	**55,316,893.59**	71,021,328.79

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

14 Other income

Items	Amount for the period	Amount for the previous period
Government grants related to assets	**6,100,912.02**	25,494,983.18
Government grants related to income	**1,925,020.31**	63,834,487.25
Others	**50,136.47**	86,500.84
Total	**8,076,068.80**	89,415,971.27

15 Investment income

Items	Amount for the period	Amount for the previous period
Income from investments using equity method (Note V.2)	**47,138,378.41**	38,466,167.38
Gains on disposal of subsidiaries	**2,580,220.94**	55,713,441.19
Others	**855,264.70**	419,402.45
Total	**50,573,864.05**	94,599,011.02

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

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

16 Credit losses

Items	Amount for the period	Amount for the previous period
Accounts receivable	**(1,231,265.51)**	(9,252,325.56)
Other receivables	**(8,753,826.40)**	(3,255,051.91)
Total	**(9,985,091.91)**	(12,507,377.47)

17 Gains from asset disposals

Items	Amount for the period	Amount for the previous period
Gains on disposals of fixed assets	**3,512,494.44**	6,334,016.13
Gains on disposals of investment properties	**121,608,876.91**	–
Total	**125,121,371.35**	6,334,016.13

18 Income tax expenses

(1) Income tax expenses

Items	Amount for the period	Amount for the previous period
Current tax expense	**68,321,558.83**	60,924,373.21
Deferred tax expense	**(28,308,213.21)**	(19,718,995.77)
Total	**40,013,345.62**	41,205,377.44

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

19 Earnings per share

(1) Basic earnings per share

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

Items	Amount for the period	Amount for the previous period
Consolidated net profit attributable to ordinary shareholders of the Company	171,042,123.89	142,643,705.10
Weighted average number of ordinary shares outstanding	799,847,800.00	799,847,800.00
Basic earnings per share (RMB/share)	0.21	0.18
Including: Basic earnings per share from continuing operations(RMB/share)	0.21	0.18

Weighted average number of ordinary shares is calculated as follows:

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

(2) Diluted earnings per share

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

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

20 Supplementary information for the cash flow statement

(1) Supplement to cash flow statement

Supplement	Amount for the period	Amount for the previous period
1. Reconciliation of net profit to cash flows from operating activities:		
Net profit	**237,776,139.32**	134,413,582.58
Add: Provisions for credit loss	**9,985,091.91**	12,507,377.47
Provisions for impairment of assets	**–**	1,042,186.83
Depreciation of fixed assets and investment properties	**104,043,636.27**	173,759,157.92
Depreciation of right-of-use assets	**105,514,670.37**	105,994,331.81
Amortisation of intangible assets	**13,033,574.76**	19,117,441.50
Amortisation of long-term deferred expenses	**29,580,098.62**	32,447,398.48
Gains on disposal of fixed assets, intangible assets and other long-term assets	**(125,121,371.35)**	(6,334,016.13)
Losses/(gains) on disposal of fixed assets	**146,676.76**	(821,198.80)
Financial expenses	**53,275,772.63**	67,751,538.69
Investment income	**(50,573,864.05)**	(94,599,011.02)
Increase in deferred tax assets	**(30,225,106.97)**	(15,683,902.01)
Increase/(decrease) in deferred tax liabilities	**1,954,667.86**	(3,986,699.03)
Increase in inventories	**(19,249,088.99)**	(1,607,802.03)
Increase in operating receivables	**(42,349,109.05)**	(14,912,518.14)
Increase in operating payables	**278,832,406.73**	20,189,312.51
Increase in specific reserve	**7,063,669.37**	5,650,480.49
Net cash inflow from operating activities	**573,687,864.19**	434,927,661.12
2. Change in cash and cash equivalents		
Cash and cash equivalents at the end of the period	**1,786,256,242.83**	1,547,529,633.33
Less: Cash and cash equivalents at the beginning of the period	**1,131,066,532.44**	1,425,056,954.63
Net increase in cash and cash equivalents	**655,189,710.39**	122,472,678.70

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

20 Supplementary information for the cash flow statement *(Continued)*

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

Items	Amounts
Cash and cash equivalents received from disposal of subsidiaries	24,526,634.00
Including: Guangdong Kedu Transportation Co., Ltd. (Formerly: Meizhou Yueyun Vehicles Transportation Company Limited)	2,758,900.00
Yangshan County Yueyun Motor Inspection Co., Ltd.	11,303,434.00
Foshan City Yueyun Hexing Transportation Co., Ltd.	10,464,300.00
Less: Cash and cash equivalents held on the date of loss of control over subsidiaries	5,762,753.27
Including: Guangdong Kedu Transportation Co., Ltd. (Formerly: Meizhou Yueyun Vehicles Transportation Company Limited)	2,366,586.18
Yangshan County Yueyun Motor Inspection Co., Ltd.	1,273,820.27
Foshan City Yueyun Hexing Transportation Co., Ltd.	1,884,738.31
Meizhou Yueyun Investment Co., Ltd.	237,608.51
Add: Cash or cash equivalents received during the period from disposal of subsidiaries previous years	45,500,000.00
Cash received in advance this period for future disposal of subsidiaries	17,473,350.00
Net cash received from disposal of subsidiaries	81,737,230.73

(3) Change in cash and cash equivalents:

Items	30 June 2026	31 December 2025
I. Cash at bank and on hand	**1,786,256,242.83**	1,131,066,532.44
Including: Cash on hand	**2,506,355.35**	5,219,449.06
Bank deposits available on demand	**1,783,749,887.48**	1,125,847,083.38
II. Closing balance of cash and cash equivalents available on demand	**1,786,256,242.83**	1,131,066,532.44

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

21 Assets with restricted ownership or right of use

Items	Book value at the end of the period	Restricted reason
Monetary funds	11,986,545.44	Performance security deposits, judicial freeze
Fixed assets	74,323,197.80	Short-term loans mortgage
Total	86,309,743.24	

As at 30 June 2026, certain bank accounts of Guangdong Top-E Expressway Service Zone Company Limited, a subsidiary of the Company, were frozen due to pre-litigation property preservation applications filed with the court by tenants and construction parties, the frozen funds totalled RMB11,244,786.36.

Certain bank accounts of Guangdong Vehicles Transportation Group Co., Ltd., a subsidiary of the Company, were frozen in the total amount of RMB91,560.08, due to the subsidiary providing a joint liability guarantee for Heyuan City Yueyun Motor Transportation Co., Ltd., an associate of the Company, which failed to repay its overdue debts, leading to a lawsuit by its creditors and an application for asset preservation against the subsidiary.

Foshan Yueyun Public Transportation Co., Ltd., a subsidiary of the Company, deposited a guarantee with the bank for the issuance of a bank performance guarantee. Pursuant to the margin pledge agreement signed with the bank, the withdrawal of these funds is restricted prior to the release of the guarantee liability, with the restricted amount totaling RMB650,199.00.

22 Government grants

(1) Government grants reconignised in profit or loss

Items	Amount for the period	Amount for the previous period
Government grants related to assets	**6,100,912.02**	25,494,983.18
Government grants related to income	**1,925,020.31**	63,834,487.25
Total	**8,025,932.33**	89,329,470.43

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

22 Government grants *(Continued)*

(2) Liabilities relating to government grants

Liability items	31 December 2025	Transferred to other income	Disposals of subsidiaries	30 June 2026	Related to assets/related to income
Deferred income (Note V.11)	74,539,991.55	(6,100,912.02)	(42,267,513.13)	26,171,566.40	Related to assets

23 Net current assets

Items	30 June 2026	31 December 2025
Current assets	**2,638,587,831.75**	2,056,531,963.34
Less: Current liabilities	**2,013,294,001.83**	1,759,432,301.27
Net current assets	**625,293,829.92**	297,099,662.07

24 Total assets less current liabilities

Items	30 June 2026	31 December 2025
Total assets	**7,170,839,246.63**	6,917,156,258.13
Less: Current liabilities	**2,013,294,001.83**	1,759,432,301.27
Total assets less current liabilities	**5,157,545,244.80**	5,157,723,956.86

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

25 Leases

(1) As a lessee

Items	Amount for the period	Amount for the previous period
Interest expense on lease liabilities	**51,706,435.09**	50,460,511.52
Short-term lease expenses applied the practical expedient	**3,297,315.98**	34,501,516.01
Variable lease payments not included in the measurement of lease liabilities	**28,549,833.90**	12,048,005.63
Income from sub-leasing right-of-use assets	**187,538,935.88**	216,671,650.56
Total cash outflow of leases	**92,095,282.33**	177,358,838.77

(2) As a lessor

(a) Operating lease

Items	Amount for the period	Amount for the previous period
Lease income	**229,240,203.87**	239,553,662.27
Including: income related to variable lease payments not included in lease receipts	**14,898,434.15**	16,896,150.74

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

Remaining lease term	30 June 2026	31 December 2025
Within 1 year	**353,812,869.65**	418,667,941.41
Over 1 year but within 2 years	**307,018,522.99**	368,092,308.99
Over 2 years but within 3 years	**244,802,263.70**	314,785,775.92
Over 3 years but within 4 years	**192,060,807.15**	236,043,913.68
Over 4 years but within 5 years	**154,072,954.96**	214,817,141.21
Over 5 years	**384,689,625.09**	585,057,621.89
Total	**1,636,457,043.54**	2,137,464,703.10

VI. CHANGES IN THE SCOPE OF CONSOLIDATION

1 Business combinations not under common control

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

2 Business combinations under common control

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

3 Disposal of subsidiaries

1) Transactions or events resulting in loss of control over subsidiaries

Name of subsidiaries	Consideration of disposal of equity	Percentage of disposal of equity (%)	Mode of disposal	Date of loss of control	Basis for determining the date of loss of control	The differences of consideration of disposal and shares in net assets of the original subsidiary at the consolidated financial statements 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
Guangdong Kedu Transportation Co., Ltd. (Formerly: Meizhou Yueyun Vehicles Transportation Company Limited) (Note)	2,758,900.00	85.00	Publicly listed for sale	2026/1/29	Completion of equity transfer	4,979,658.20	15.00	-	486,864.71	486,864.71	Asset based valuation method	-
Yangshan County Yueyun Motor Inspection Co., Ltd.	11,303,434.00	100.00	Publicly listed for sale	2026/4/30	Completion of equity transfer	(729,991.80)	-	N/A	N/A	N/A	N/A	N/A
Foshan City Yueyun Hexing Transportation Co., Ltd.	10,464,300.00	51.00	Publicly listed for sale	2026/3/6	Completion of equity transfer	6,070,345.89	-	N/A	N/A	N/A	N/A	N/A

Note: See Note V.2.

4 Other reasons for changes in the scope of consolidation

Name of the subsidiary	Method of equity disposal	Deregistration date	Registered capital	Shareholding percentage (%)
Meizhou Yueyun Investment Co., Ltd.	Deregistration	2026/3/27	RMB 1.00 million	100.00

VII. INTERESTS IN OTHER ENTITIES

1 Interests in subsidiaries

(1) Composition of the Group

Full name of the subsidiaries	Incorporation place	Registered place	Company Type	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	HKD 1.5	100.00	100.00	Established
Guangdong Top-E Expressway Service Zone Company Limited	Guangdong China	Guangdong China	Limited liability company	Expressway services	50.00	95.56	95.56	Business combinations involving enterprises under common control
Guangdong Top-E Ecological and Environmental Protection Construction Co., Ltd. (Formerly: Guangdong Top-E 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 Co., Ltd.	Guangdong China	Guangdong China	Limited liability company	Expressway services	10.00	100.00	100.00	Business combinations involving enterprises under common control
The Motor Transport Company of Guangdong and Hong Kong Limited (Note 1)	Hong Kong China	Hong Kong China	Incorporated corporation	Cross-border transportation services	HKD 9	62.00	71.43	Business combinations involving enterprises under common control
Gang Tong (H.K.) Motor Transport Company Limited	Hong Kong China	Hong Kong China	Incorporated corporation	Cross-border transportation services	HKD 0.01	100.00	100.00	Business combinations involving enterprises under common control
Guangdong Yue Li Jia Passenger Transport Company Limited	Hong Kong China	Hong Kong China	Incorporated corporation	Cross-border transportation services	HKD 0.5	70.00	70.00	Business combinations involving enterprises under common control
The Motor Transport Company of Guangdong and Hong Kong (Guangzhou) Limited (Note 1)	Guangdong China	Guangdong China	Limited liability company	Cross-border transportation services	HKD 25	62.00	71.43	Business combinations involving enterprises under common control
Shenzhen Yuegang Transport Company Limited	Guangdong China	Guangdong China	Limited liability company	Cross-border transportation services	HKD 10.50	100.00	100.00	Business combinations involving enterprises under common control

VII. INTERESTS IN OTHER ENTITIES *(CONTINUED)*

1 Interests in subsidiaries *(Continued)*

(1) Composition of the Group (Continued)

Full name of the subsidiaries	Incorporation place	Registered place	Company Type	Business nature	Registered capital (RMB million)	Direct and indirect holdings (%)	Voting rights (%)	Established or acquired
Guangdong Yue Li Jia Passenger Transport Company Limited (Guangzhou)	Guangdong China	Guangdong China	Limited liability company	Cross-border transportation services	HKD 3.5	70.00	70.00	Business combinations involving enterprises under common control
Guangdong Vehicles Transportation Group Co., Ltd.	Guangdong China	Guangdong China	Limited liabil ity company	Investment and domestic transportation	68	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	Road 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	55.00	55.00	Business combinations involving enterprises under common control
Guangdong Gangtong Vehicles Transportation Company Limited	Guangdong China	Guangdong China	Limited liability company	Cross-border transportation services	HKD 5	100.00	100.00	Established
Qingyuan Yueyun Vehicles Transportation Co., Ltd.	Guangdong China	Guangdong China	Limited liability company	Domestic transportation	50	66.39	66.39	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	100.00	100.00	Business combinations involving enterprises not 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
Chaozhou City Yueyun Vehicle Transportation Co., Ltd.	Guangdong China	Guangdong China	Limited liability company	Domestic transportation	40	100.00	100.00	Business combinations involving enterprises not under common control
Chaozhou Changyun Service Co., Ltd.	Guangdong China	Guangdong China	Limited liability company	Hotel service	0.887	100.00	100.00	Business combinations involving enterprises under common control
Guangdong Top-E Business Development Co., Ltd.	Guangdong China	Guangdong China	Limited liability company	Business service	10	95.56	95.56	Established
Guangdong Loyee Commerce Top Co., Ltd.	Guangdong China	Guangdong China	Limited liability company	Retail industry	40	95.56	95.56	Established

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

VII. INTERESTS IN OTHER ENTITIES *(CONTINUED)*

1 Interests in subsidiaries *(Continued)*

(2) Material non-wholly-owned subsidiaries

Name of the subsidiaries	Proportion of ownership interest heldby non-controlling interest ("NCI")	Profit or loss allocated to NCI during the period	Dividends paid to NCI during the period	Accumulated NCI at the end of the period
The Motor Transport Company of Guangdong and Hong Kong Limited (Hong Kong)	38.00	58,814,586.03	–	145,532,973.31
Foshan City Yueyun Public Transportation Co., Ltd.	49.00	1,035,095.72	–	69,234,707.28
Qingyuan Yueyun Vehicles Transportation Co., Ltd.	33.61	(19,833,446.12)	–	89,731,823.97
Guangdong Zhong Yue Tong Oil Products Operation Company Limited	49.00	22,532,801.71	–	104,429,005.12

2 Interests in joint arrangements or associates

(1) Material joint ventures or associates

Name of enterprise	Incorporation place	Registered place	Business nature	Shareholding percentage (%)	Accounting for investments in joint ventures or associates	Strategic to the Group's activities
Hong Kong-Zhuhai-Macao Bridge Shuttle Bus Company Limited..	Hong Kong China	Hong Kong China	Transportation	20.00	Equity method	Yes
Yuegong Xinhai	Guangdong China	Guangdong China	Road transportation	39.00	Equity method	Yes

Note: All joint ventures and associates of the Group are non-listed companies. As at 30 June 2026, the ability to transfer fund from the above joint ventures and associates to the Group is not restricted (31 December 2025: Nil).

VIII RELATED PARTIES AND RELATED PARTY TRANSACTIONS

1 Information on the parent of the Company

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

The ultimate holding company of the Group is GCGC.

2 Information on the subsidiaries of the Company

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

3 Information on joint ventures and associates

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

4 Information on other related parties

Other related parties	Related party relationships
Guangdong 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 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

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

4 Information on other related parties *(Continued)*

Other related parties	Related party relationships
Guangdong Jiangzhong Expressway Co., Ltd.	Controlled by the ultimate holding company
Guangdong Yunmao Expressway 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
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 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

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

4 Information on other related parties *(Continued)*

Other related parties	Related party relationships
Jingzhu Expressway Guangzhu Section Co., Ltd.	Controlled by the ultimate holding company
Weisheng Transportation Enterprises 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
Guangdong Lisheng Asset Operation Co., Ltd.	Controlled by the ultimate holding company
Guangdong Hualu Traffic Technology Co., Ltd.	Controlled by the ultimate holding company
Guangdong Provincial Transportation Development Co., Ltd	Controlled by the ultimate holding company
Guangdong Lulutong Co., Ltd.	Controlled by the ultimate holding company
Guangdong Nanyuetong Passenger Transport Networking Center Co., Ltd.	Controlled by the ultimate holding company
Zhaoqing Yuezhao Highway Co., Ltd.	Joint venture of the ultimate holding company
Poly Changda Engineering Co., Ltd.	Associates of the ultimate controlling party
Guangdong Jingzhu Expressway Guangzhu North Section Co., Ltd.	Associates of the ultimate controlling party
Foshan Guangsan Expressway Co., Ltd.	Associates of the ultimate controlling party

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

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

The identification of related transactions between the Group and related parties is as follows:

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

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

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

(1) Purchases and rendering and receipt of services

Purchases and receipt of services

Related parties	Caption	Amount for the period	Amount for the previous period
Guangdong Yuehuahui	Purchase of materials	**15,258,839.07**	15,864,706.46
Shaoguan Libao Technology Company Limited	Purchase of materials	**–**	286,637.17
Total		**15,258,839.07**	16,151,343.63
Guangdong Humen Bridge Co., Ltd.#	Receipt of services	**487,050.56**	2,558,063.25
Guangzhou Hehe Intelligent Technology Co., Ltd.	Receipt of services	**–**	2,057,303.30
Others	Receipt of services	**3,876,795.81**	2,198,088.76
Total		**4,363,846.37**	6,813,455.31

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

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

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

Sales of goods and rendering of services

Related parties	Descriptions	Amount for the period	Amount for the previous period
Guangdong Yuehuahui	Expressway service operating income	–	1,320,292.48
Guangdong Provincial Transportation Development Co., Ltd.	Expressway service operating income	3,655,840.69	1,065,892.18
Others	Expressway service operating income	727.47	1,486,296.08
Total		3,656,568.16	3,872,480.74
Express Cross-Border Coach Mgt. Co. Limited#	Logistics service income	10,264,962.96	2,373,182.79
Guangdong Lea Top Technology Investment Co. Ltd.#	Logistics service income	–	744,885.44
Others	Logistics service income	403,103.84	1,819,918.45
Total		10,668,066.80	4,937,986.68
Guangdong Union Electronic Services Co., Ltd.	Rendering of other services income	4,650.00	4,727,956.13
Others	Rendering of other services income	356,326.04	–
Total		360,976.04	4,727,956.13

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

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

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

Sales of goods and rendering of services (Continued)

Related parties	Descriptions	Amount for the period	Amount for the previous period
Guangdong Province Road & Bridge Construction Development Co., Ltd.#	Road rescue service income	**9,953,646.64**	9,879,662.16
Guangdong Provincial Freeway Co., Ltd.#	Road rescue service income	**7,889,265.51**	7,891,905.42
Guangdong Provincial Highway Construction Co., Ltd.#	Road rescue service income	**4,941,769.80**	3,759,027.00
Guangdong Chao-Hui Expressway Company Limited#	Road rescue service income	**3,075,692.94**	2,969,859.90
Guangdong Guangle Expressway Co., Ltd.#	Road rescue service income	**2,381,603.76**	2,381,603.76
Guangdong Guangfozhao Expressway Company Limited#	Road rescue service income	**1,402,379.70**	1,402,379.70
Guangdong Guanghui Expressway Co., Ltd.#	Road rescue service income	**1,234,905.66**	1,234,905.66
Guangdong Bo-Da Expressway Company Limited#	Road rescue service income	**–**	1,194,899.58
Guangdong Meihe Expressway Co., Ltd.#	Road rescue service income	**1,156,882.08**	1,156,882.08
Guang-Shen-Zhu Expressway Co., Ltd.#	Road rescue service income	**1,269,640.69**	1,072,297.20
Guangdong Yunmao Expressway Co., Ltd.#	Road rescue service income	**1,041,009.45**	1,041,009.42
Guangdong Kaiyang Expressway Co., Ltd.#	Road rescue service income	**1,010,377.34**	1,010,377.38
Guangdong Dachao Expressway Co., Ltd.#	Road rescue service income	**968,422.62**	968,422.62
Guangdong Zhaoyang Expressway Co., Ltd.#	Road rescue service income	**947,445.25**	947,445.30
Guangdong Maozhan Expressway Co., Ltd.#	Road rescue service income	**846,736.31**	846,736.32
Guangdong Pingxing Expressway Co., Ltd.#	Road rescue service income	**790,211.34**	790,211.34
Guangdong Taishan Coastal Expressway Co., Ltd.#	Road rescue service income	**691,859.93**	691,859.88
Guangdong Ninghua Expressway Co., Ltd.#	Road rescue service income	**673,945.74**	673,945.74
Guangdong Provincial Expressway Development Co., Ltd.#	Road rescue service income	**641,509.43**	641,509.44
Guangdong Yangmao Expressway Co., Ltd.#	Road rescue service income	**639,584.93**	639,584.88
Guangdong Chaoshan Circle Line Expressway Co., Ltd.#	Road rescue service income	**621,406.14**	621,406.14
Guangdong Zihui Expressway Co., Ltd.#	Road rescue service income	**620,740.56**	620,740.56
Others	Road rescue service income	**3,054,634.73**	2,983,203.42
Total		**45,853,670.55**	45,419,874.90

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

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

(2) Entrusted management and outsourcing

(1) Entrusted management

Consignor	Contractor	Contract object	Start date	End date	Pricing basis	Operating income for the period
Guangdong Provincial Freeway Co., Ltd.	Guangdong Yueyun Transportation Company Limited	Expressway services	2025-06-30	Termination date of the expressway toll	Negotiated price	3,997,950.92
Jingzhu Expressway Guangzhu Section Co., Ltd.	Guangdong Top-E Expressway Service Zone Company Limited	Expressway services	2024-12-21	2027-12-20	Negotiated price	5,000,000.00
Foshan Guangsan Expressway Co., Ltd.	Guangdong Highway Media Company Limited	Expressway advertisement resources operation	2012-10-10	Termination date of the expressway toll	Negotiated price	737,410.13
Guangdong provincial Freeway Co., Ltd.	Guangdong Highway Media Company Limited	Expressway advertisement resources operation	2008-08-22	Termination date of the expressway toll	Negotiated price	841,396.14
Guangfo Expressway Co., Ltd.	Guangdong Highway Media Company Limited	Expressway advertisement resources operation	2009-01-01	Termination date of the expressway toll	Negotiated price	246,071.77
Guangdong Provincial Highway Construction Co., Ltd.	Guangdong Highway Media Company Limited	Expressway advertisement resources operation	2008-09-01	Termination date of the expressway toll	Negotiated price	338,493.97
Guangdong Province Road & Bridge Construction Development Co., Ltd.	Guangdong Highway Media Company Limited	Expressway advertisement resources operation	2009-07-15	Termination date of the expressway toll	Negotiated price	285,374.57
Others	Guangdong Highway Media Company Limited	Expressway advertisement resources operation			Negotiated price	2,772,277.30
Weisheng Transportation Enterprises Co., Ltd. #	The Motor Transport Company of Guangdong and Hong Kong Limited	Passenger transportation contracting fee	2024-01-01	2026-12-31	Negotiated price	1,328,827.50
Weisheng Transportation 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	679,177.00

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

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

(2) Entrusted management and outsourcing (Continued)

(2) Outsourcing:

Consignor	Contractor	Contract object	Start date	End date	Pricing basis	Contract expense for the period
The Motor Transport Company of Guangdong and Hong Kong Limited	Weisheng Transportation Enterprises Co., Ltd.#	Freight transportation outsourcing income	2024-01-01	2026-12-31	Negotiated price	2,214,889.68
The Motor Transport Company of Guangdong and Hong Kong Limited	Weisheng Transportation Enterprises Co., Ltd.#	Disbursements	2024-01-01	2026-12-31	Negotiated price	1,649,825.28

(3) Lease

(a) The group as the lessor:

Lessee	Type of assets leased	Lease income recognised for the period	Lease income recognised for the previous period
Express Cross-Border Coach Mgt. Co. Limited	Buildings and structures	**305,139.54**	184,981.83
Guangdong Zhongyou Top-E Energy Trading Company Limited	Expressway services	**743,119.26**	743,119.26

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

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

(3) Lease (Continued)

(b) The Group as the lessee:

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

Lessor	Type of assets leased	Amount for the period	Amount for the previous period
Guangdong Provincial Freeway Co., Ltd.	Buildings and structures	–	66,001,266.09
Guangdong Provincial Expressway Development Co., Ltd.	Buildings and structures	–	4,522,592.74
Guangdong Kaiyang Expressway Co., Ltd.	Buildings and structures	11,159,140.67	–

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

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

(3) Lease (Continued)

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

(ii) Lease of expressway service zone:

Lessor	Lessee	Type of assets leased	Start date	End date	Basis of pricing	Leasing expenses for the period
Guangdong Provincial Freeway Co., Ltd.#	Guangdong Top-E Expressway Service Zone Company Limited	Expressway services	2003-04-03	2045-09-25	Negotiated price	22,422,416.10
Guangdong Kaiyang Expressway Co., Ltd.#	Guangdong Top-E Expressway Service Zone Company Limited	Expressway services	2020-07-09	2027-07-23	Negotiated price	34,790,560.55
Guangdong Humen Bridge Co., Ltd.#	Guangdong Top-E Expressway Service Zone Company Limited	Expressway services	2022-01-08	2029-05-08	Negotiated price	8,822,504.34
Guangdong Yangmao Expressway Co., Ltd.#	Guangdong Top-E Expressway Service Zone Company Limited	Expressway services	2004-12-01	2029-11-30	Negotiated price	4,299,660.37
Guangdong Zihui Expressway Co., Ltd.#	Guangdong Top-E Expressway Service Zone Company Limited	Expressway services	2020-12-28	Termination date of the highway toll	Negotiated price	6,836,046.36
Guangdong Guangzhu Expressway West Section Co., Ltd.#	Guangdong Top-E Expressway Service Zone Company Limited	Expressway services	2013-01-25	2038-01-23	Negotiated price	4,765,590.30
Guangdong Chao-Hui Expressway Company Limited#	Guangdong Top-E Expressway Service Zone Company Limited	Expressway services	2003-12-29	2045-06-17	Negotiated price	4,752,921.09

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

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

(3) Lease (Continued)

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

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

Lessor	Lessee	Type of assets leased	Start date	End date	Basis of pricing	Leasing expenses for the period
Guangdong Guangle Expressway Co., Ltd.#	Guangdong Top-E Expressway Service Zone Company Limited	Expressway services	2014-09-27	2039-09-26	Negotiated price	4,472,505.82
Guangdong Province Road & Bridge Construction Development Co., Ltd.#	Guangdong Top-E Expressway Service Zone Company Limited	Expressway services	2010-07-01	2040-12-31	Negotiated price	76,278,063.42
Lufeng Shen-Shan Expressway Company Limited#	Guangdong Top-E Expressway Service Zone Company Limited	Expressway services	2021-09-20	2030-09-19	Negotiated price	3,195,789.69
Guangdong Guangfozhao Expressway Company Limited#	Guangdong Top-E Expressway Service Zone Company Limited	Expressway services	2016-12-31	2041-12-31	Negotiated price	3,518,052.42
Guangdong Ninghua Expressway Co., Ltd	Guangdong Top-E Expressway Service Zone Company Limited	Expressway services	2020-07-30	2042-09-27	Negotiated price	14,458,305.59
Guang-Shen-Zhu Expressway Co., Ltd.#	Guangdong Top-E Expressway Service Zone Company Limited	Expressway services	2018-02-01	2027-06-30	Negotiated price	2,884,887.43

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

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

(3) Lease (Continued)

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

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

Lessor	Lessee	Type of assets leased	Start date	End date	Basis of pricing	Leasing expenses for the period
Guangdong Meihe Expressway Development Co., Ltd.	Guangdong Top-E Expressway Service Zone Company Limited	Expressway services	2005-11-30	2033-12-27	Negotiated price	1,445,505.65
Guangdong Provincial Expressway Development Co., Ltd.#	Guangdong Top-E Expressway Service Zone Company Limited	Expressway services	2012-12-26	2036-03-14	Negotiated price	1,214,567.76
Guangdong Dachao Expressway Co., Ltd.#	Guangdong Top-E Expressway Service Zone Company Limited	Expressway services	2020-12-28	2045-12-29	Negotiated price	1,148,060.28
Guangdong Zhaoyang Expressway Co., Ltd.#	Guangdong Top-E Expressway Service Zone Company Limited	Expressway services	2011-01-01	2039-12-31	Negotiated price	1,034,954.19
Guangdong Maozhan Expressway Co., Ltd.#	Guangdong Top-E Expressway Service Zone Company Limited	Expressway services	2004-11-26	2040-12-29	Negotiated price	991,863.47
Others#	Guangdong Top-E Expressway Service Zone Company Limited	Expressway services			Negotiated price	35,386,143.05

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

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

(3) Lease (Continued)

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

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

Lessor	Lessee	Type of assets leased	Start date	End date	Basis of pricing	Leasing expenses for the period
Guangdong Provincial Freeway Co., Ltd.#	Guangdong Yueyun Transportation Company Limited	Expressway services	2024-05-01	2046-06-14	Negotiated price	16,246,749.42
Others#	Guangdong Yueyun Transportation Company Limited	Expressway services			Negotiated price	1,414,768.99
Guangdong Guangzhu Expressway West Section Co., Ltd.#	Guangdong Highway Media Company Limited	Expressway advertisement resources operation	2024-01-01	2026-11-30	Negotiated price	4,135,328.25
Others#	Guangdong Highway Media Company Limited	Expressway advertisement resources operation			Negotiated price	818,086.55

Note: The Group has applied CAS No. 21-Leases (Revised) ("new leases standard") since 1 January 2019. Under new leases standard, service area management contracting expenses include depreciation expense of right-of-use assets, interest expenses of lease liabilities, and variable lease payments not included in the measurement of lease liabilities. Furthermore, the aforementioned leasing expenses include provisions for related expenditures for which contract management agreements have not yet been executed, as accrued by the Group on the basis of its best estimates.

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

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

(3) Lease (Continued)

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

(iii) Others:

Lessor	Type of assets leased	Leasing expenses for the period	Leasing expenses for the previous period
Guangdong Lea Top Property Development Company Limited[β]	Buildings and structures	**3,060,655.71**	3,288,949.32
Guangdong Lisheng Asset Operation Co., Ltd.[β]	Buildings and structures	**2,282,326.14**	2,743,475.84
Others[β]	Buildings and structures	**109,035.06**	253,834.96

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

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

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

(4) Guarantees

As at 30 June 2026, guarantees to related parties of the Group as follows:

Guaranteed party	Guarantee amount (Note)	Start date	End date	Type of guarantee	Whether the guarantee has been fulfilled
Heyuan City Yueyun Motor Transportation Co., Ltd.	43,696,320.32	2016-1-29	2028-1-27	Joint guarantee	No

Note: On 8 January 2016, Heyuan City Yueyun Motor Transportation Co., Ltd. entered into a Fixed Asset Loan Contract with Bank of Communications Co., Ltd. Guangzhou Tianhe Sub-branch. The contract stipulated a loan principal of RMB130 million, with the actual borrowed principal totaling RMB60,675,782.95, and a loan term from 29 January 2016 to 27 January 2028.

The loan is secured by a mortgage over the real property (Certificate No.: Yue (2023) Heyuan City Real Property Right No. 0032586) owned by the debtor's subsidiary, Heyuan City Yueyun Chengnan Coach Terminal Co., Ltd. It was also agreed that the debtor's shareholders shall assume joint and several guarantee liability for the remaining debt after deducting the value of the mortgaged property, in proportion to their respective shareholdings. Among them, as one of the shareholders, Guangdong Provincial Automobile Transportation Group Co., Ltd., a subsidiary of our company, provided a relatedparty guarantee for the loan, specifically assuming joint and several guarantee liability for 51% of the aforesaid remaining debt.

As of 30 June 2026, Heyuan City Yueyun Motor Transportation Co., Ltd. has defaulted on the debt. The outstanding principal and interest arising from the actual borrowed principal under this loan total RMB47,571,360.35.

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

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

(5) Borrowing from and lending to related parties

Related parties	Annual interest rate	1 January 2026	Loan amount	Repayment	Impact of disposal of subsidiary in the current period	30 June 2026	Start date	End date
GCG Finance	2.95%	11,500,000.00	-	-	(11,500,000.00)	-	2018-01-25	2028-01-24
GCG Finance	2.95%	5,000,000.00	-	-	(5,000,000.00)	-	2018-05-28	2028-05-27
GCG Finance	2.95%	15,000,000.00	-	-	(15,000,000.00)	-	2018-08-09	2028-08-08
Total		31,500,000.00	-	-	(31,500,000.00)	-		

(6) Interest expense

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

(7) Cash pool arrangement

Pursuant to the relevant agreements, the Company centrally collects and manages the funds from bank accounts (the "Cash Pool Accounts") of certain related party companies within the Group. The funds received are recorded as "Other payables" and bear the same interest rate as demand deposit. As at 30 June 2026, the aggregated balance of funds under the Cash Pool Accounts was RMB929,136,770.91 (31 December 2025: RMB388,396,043.14). For the six months ended 30 June, 2026, the interest rate applicable to such deposits was 0.05% (for the six months ended 30 June 2025: 0.05%-0.10%). Given the frequent nature of these transactions, the Company presents only the net movement of the pooled funds in the statement of cash flows.

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

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

(8) Compensation for key management personnel

Item	Amount for the period	Amount for the previous period
Compensation for key management personnel	**2,322,934.52**	2,528,967.99

6 Amount due from/to related parties

(1) Amounts due from related parties

		30 June 2026		31 December 2025	
Items	Related parities	Amount	Provision for bad and doubtful debts	Amount	Provision for bad and doubtful debts
Accounts receivable	Guangdong Provincial Transportation Development Co., Ltd.	**13,897,517.54**	**694,893.28**	12,874,382.21	645,319.27
	Guangdong Humen Bridge Co., Ltd.	**7,288,982.53**	**364,449.13**	5,655,383.01	282,769.15
	Guangdong Zhongyou Top-E Energy Trading Company Limited	**2,472,465.82**	**5,171.49**	1,641,724.26	82,367.02
	Guangdong Provincial Highway Construction Co., Ltd.	**2,724,577.83**	**146,145.76**	918,321.34	48,085.34
	Guangdong Province Road & Bridge Construction Development Co., Ltd.	**2,223,434.76**	**112,958.77**	3,024,306.66	153,002.39
	Guangdong Provincial Freeway Co., Ltd.	**1,917,019.61**	**102,933.97**	1,980,728.47	372,008.63
	Guangdong Meihe Expressway Development Co., Ltd.	**1,600,095.97**	**800,047.99**	1,816,435.00	810,864.94
	Dongguan Weisheng International Logistics Company Limited	**1,519,059.60**	**548,671.61**	1,519,059.60	548,671.61
	Guangdong Guangle Expressway Co., Ltd.	**1,085,386.30**	**59,379.20**	524,163.65	31,318.08
	Poly Changda Engineering Co., Ltd.	**920,909.49**	**49,816.28**	602,222.98	34,130.95
	Guangdong Chao-Hui Expressway Company Limited	**690,455.00**	**34,522.75**	599,761.72	29,988.08

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

6 Amount due from/to related parties *(Continued)*

(1) Amounts due from related parties (Continued)

Items	Related parities	30 June 2026 Amount	30 June 2026 Provision for bad and doubtful debts	31 December 2025 Amount	31 December 2025 Provision for bad and doubtful debts
	Guang-Shen-Zhu Expressway Co., Ltd	679,252.78	33,962.64	4,911,419.47	245,570.97
	Guangdong Zhaoyang Expressway Co., Ltd	667,612.99	33,380.65	832,183.52	41,609.18
	Guangdong Shanfen Expressway Co., Ltd.	538,299.75	26,914.99	90,499.35	4,524.98
	GCGC	489,863.01	489,863.01	629,413.01	496,840.51
	Guangdong Yunmao Expressway Co., Ltd.	404,605.66	20,230.28	381,703.32	19,085.17
	Express Cross-Border Coach Mgt. Co. Limited	377,523.94	1,505.20	1,679,450.87	83,972.54
	Guangdong Nanyuetong Passenger Transport Networking Center Co., Ltd.	300,873.80	15,043.69	627,884.87	31,394.23
	Guangdong Guangfozhao Expressway Company Limited	297,304.50	14,865.23	297,304.50	14,865.23
	Guangdong Guanghui Expressway Co., Ltd.	261,800.02	13,090.00	372,401.19	56,246.00
	Guangdong Kaiyang Expressway Co., Ltd.	214,200.00	10,710.00	214,200.00	10,710.00
	Guangdong Maozhan Expressway Co., Ltd	179,508.12	8,975.41	179,508.10	8,975.41
	Others	3,132,104.48	159,692.84	2,251,144.97	347,994.10
	Total	43,882,853.50	3,747,224.17	43,623,602.07	4,400,313.78

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

6 Amount due from/to related parties *(Continued)*

(1) Amounts due from related parties (Continued)

Items	Related parities	30 June 2026 Amount	30 June 2026 Provision for bad and doubtful debts	31 December 2025 Amount	31 December 2025 Provision for bad and doubtful debts
Prepayments	Guangdong Province Road & Bridge Construction Development Co., Ltd.	934,363.77	–	956,664.19	–
	Guangdong Provincial Freeway Co., Ltd.	797,492.43	–	480,284.27	–
	Guangdong Provincial Highway Construction Co., Ltd.	777,795.47	–	413,331.18	–
	Guangdong Yuehuahui	374,445.72	–	374,445.72	–
	Guangdong Union Electronic Services Co., Ltd.	129,302.29	–	2,517,922.25	–
	Guangdong Provincial Expressway Development Co., Ltd.	107,015.34	–	4,118.12	–
	Guangdong Lea Top Development Investment Co., Ltd.	3,082.00	–	–	–
	Guangfo Expressway Co., Ltd.	1,584.55	–	–	–
	Guangdong Yueyun Development Co., Ltd.	954,049.70	–	266,118.31	–
	Others	286,539.41	–	1,097.83	–
	Total	4,365,670.68	–	5,013,981.87	–

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

6 Amount due from/to related parties *(Continued)*

(1) Amounts due from related parties (Continued)

Items	Related parities	30 June 2026 Amount	30 June 2026 Provision for bad and doubtful debts	31 December 2025 Amount	31 December 2025 Provision for bad and doubtful debts
Other receivables	Guangdong Lisheng Asset Operation Co., Ltd.	39,960,514.00	–	39,581,572.00	–
	Heyuan City Yueyun Motor Transportation Co., Ltd.	21,330,846.13	21,330,846.13	21,255,530.63	21,255,530.63
	Guangdong Kedu Transportation Co., Ltd	16,664,237.72	4,960,950.73	–	–
	Chaozhou City Yueyun Public Transportation Co., Ltd.	4,961,504.68	–	6,619,357.25	330,967.86
	Shantou City Automobile Passenger Traffic Centre Co., Ltd.	3,346,868.79	3,346,868.79	3,521,868.79	3,326,475.39
	Guang-Shen-Zhu Expressway Co., Ltd.	3,045,600.00	–	3,045,600.00	630.00
	Shantou City Chaonan Yueyun Sky Island Transportation Co., Ltd.	3,005,442.76	3,005,438.01	3,005,433.26	3,005,433.26
	Weisheng Transportation Enterprises Co., Ltd.	2,837,792.57	393,293.47	2,741,771.78	401,554.29
	Guangdong Guangzhu Expressway West Section Co., Ltd.	1,628,300.00	–	1,628,300.00	–
	Guangdong Provincial Freeway Co., Ltd.	1,198,787.80	11,250.00	3,055,913.95	60,231.48
	Guangdong Province Road & Bridge Construction Development Co., Ltd.	1,130,000.00	–	1,780,000.00	–
	Guangdong Kaiyang Expressway Co., Ltd.	1,066,000.00	–	1,066,000.00	–
	Guangdong Provincial Highway Construction Co., Ltd.	1,015,000.00	–	1,635,000.00	–
	Guangdong Maozhan Expressway Co., Ltd.	1,000,000.00	–	1,000,000.00	–
	Lufeng Shen-Shan Expressway Services Company Limited	1,000,000.00	–	1,000,000.00	–
	Guangdong Guangfozhao Expressway Company Limited	900,000.00	–	900,000.00	–
	Guangdong Humen Bridge Co., Ltd.	850,037.93	–	334,000.00	–
	Guangdong Yangmao Expressway Co., Ltd.	500,000.00	–	500,000.00	–
	Guangdong Chao-Hui Expressway Company Limited	401,000.00	–	401,000.00	–
	Guangdong Union Electronic Services Co., Ltd.	365,258.07	8,964.37	1,152,057.18	6.25
	Guangdong Guangle Expressway Co., Ltd.	330,000.00	–	330,000.00	–
	Guangdong Provincial Transportation Development Co., Ltd.	300,000.00	–	300,000.00	–
	Guangdong Yunmao Expressway Co., Ltd.	300,000.00	–	300,000.00	–
	Others	4,870,241.18	863,980.53	2,891,141.10	276,403.89
	Total	112,007,431.63	33,921,592.03	98,044,545.94	28,657,233.05

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

6 Amount due from/to related parties *(Continued)*

(2) Amount due to related parties

Items	Related parties	30 June 2026	31 December 2025
Amounts payable	Guangdong Province Road & Bridge Construction Development Co., Ltd.	**78,278,344.58**	9,946,648.35
	Guangdong Provincial Freeway Co., Ltd.	**70,362,777.30**	64,289,234.94
	Guangdong Yunmao Expressway Co., Ltd.	**68,544,109.23**	55,074,432.51
	Guangdong Yangmao Expressway Co., Ltd.	**47,557,184.40**	43,512,760.54
	Guang-Shen-Zhu Expressway Co., Ltd.	**17,098,224.37**	14,712,897.32
	Guangdong Ninghua Expressway Co., Ltd.	**11,414,204.59**	–
	Jingzhu Expressway Guangzhu Section Co., Ltd.	**16,341,932.42**	12,078,486.65
	Guangdong Humen Bridge Co., Ltd.	**3,476,236.58**	898,610.25
	Guangdong Yuehuahui	**3,214,957.23**	6,314,916.49
	Guangdong Chao-Hui Expressway Company Limited	**2,241,403.85**	1,662,744.90
	Poly Changda Engineering Co., Ltd.	**1,636,370.82**	1,109,920.95
	Guangdong Union Electronic Services Co., Ltd.	**1,552,167.77**	635,159.79
	Guangdong Provincial Highway Construction Co., Ltd.	**1,381,041.38**	1,829,581.07
	Guangdong Guangzhu Expressway West Section Co., Ltd.	**921,424.74**	1,506,221.94
	Guangdong Xinyue Transportation Investment Co., Ltd.	**800,000.00**	800,000.00
	Foshan Guangsan Expressway Co., Ltd.	**731,534.18**	1,743,619.72
	Guangdong Guangle Expressway Co., Ltd.	**623,902.90**	162,823.07
	Guangdong Maozhan Expressway Co., Ltd.	**462,400.22**	927,023.37
	Guangdong Hualu Traffic Technology Co., Ltd.	**359,282.00**	359,282.00
	Guangfo Expressway Co., Ltd.	**246,071.77**	723,148.56
	Guangdong Kaiyang Expressway Co., Ltd.	**134,623.14**	157,039.28
	Guangdong Taishan Coastal Expressway Co., Ltd.	**54,623.87**	89,669.74
	Yunfu City Guangyun Expressway Co., Ltd.	**51,565.63**	250,837.74
	Guangdong Yueyun Development Co., Ltd.	**443,816.74**	2,067,038.23
	Others	**4,342,905.18**	2,613,136.89
	Total	**332,271,104.89**	223,465,234.30

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

6 Amount due from/to related parties *(Continued)*

(2) Amount due to related parties (Continued)

Items	Related parties	30 June 2026	31 December 2025
Advances from customers	Guangdong Provincial Transportation Development Co., Ltd.	**668,897.78**	89,994.95
	Guangdong Chao-Hui Expressway Company Limited	**467,681.78**	465,493.57
	Guangdong Provincial Highway Construction Co., Ltd.	**217,890.00**	217,890.00
	Guangdong Provincial Freeway Co., Ltd.	**110,771.01**	213,000.00
	Guangdong Zhaoyang Expressway Co., Ltd.	**69,150.01**	69,150.01
	Guangdong Guanghui Expressway Co., Ltd.	**56,580.00**	–
	Express Cross-Border Coach Mgt. Co. Limited	**–**	1,212,576.46
	Guangdong Xinyue Transportation Investment Co., Ltd.	**–**	340,558.40
	Others	**127,704.21**	626,795.84
	Total	**1,718,674.79**	3,235,459.23
Contract liabilities	Guangdong West Coastal Expressway Zhuhai Section Co., Ltd.	**2,153,282.88**	–
	Guangdong Province Road & Bridge Construction Development Co., Ltd.	**2,083,168.38**	3,446,841.31
	Guangdong Yuehuahui	**1,183,018.85**	114,132.05
	Guangdong Ninghua Expressway Co., Ltd	**206,362.90**	206,362.90
	Guangdong Provincial Highway Construction Co., Ltd.	**91,194.62**	156,072.55
	Guangdong Provincial Expressway Development Co., Ltd.	**2,019.72**	2,153,282.92
	Guangdong Yangmao Expressway Co., Ltd.	**410.87**	606,092.39
	Guangdong Provincial Freeway Co., Ltd.	**–**	1,047,721.57
	Others	**141,935.93**	152,287.13
	Total	**5,861,394.15**	7,882,792.82

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

6 Amount due from/to related parties *(Continued)*

(2) Amount due to related parties (Continued)

Items	Related parties	30 June 2026	31 December 2025
Other payables	Guangdong Lulutong Co., Ltd.	**8,626,536.04**	8,626,536.04
	GCGC	**2,944,346.83**	2,944,346.83
	Guangdong Lea Top Property Development Company Limited	**1,693,568.78**	1,693,568.78
	Guangdong Lea Top Development Investment Co., Ltd.	**1,565,843.20**	1,565,843.20
	Weisheng Transportation Enterprises Co., Ltd.	**733,217.07**	733,217.07
	Chaozhou City Yueyun Public Transportation Co., Ltd.	**660,942.64**	479,883.95
	Shenzhen Lihong Investment Development Co., Ltd.	**359,840.92**	359,840.92
	Guangdong Union Electronic Services Co., Ltd.	**338,644.04**	488,514.24
	Guangdong Yueyun Development Co., Ltd.	**578,127.69**	5,242,308.51
	Others	**1,235,850.35**	1,950,056.93
	Total	**18,736,917.56**	24,084,116.47
Dividends payables	GCGC	**53,356,302.00**	–
	Total	**53,356,302.00**	–

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

6 Amount due from/to related parties *(Continued)*

(2) Amount due to related parties (Continued)

Items	Related parties	30 June 2026	31 December 2025
Lease liabilities	Guangdong Kaiyang Expressway Co., Ltd.	560,131,286.42	569,755,791.06
	Guangdong Provincial Freeway Co., Ltd.	349,998,509.31	233,916,148.17
	Guangdong Zihui Expressway Co., Ltd.	144,337,137.39	146,671,435.09
	Guangdong Provincial Highway Construction Co., Ltd.	121,308,254.61	151,667,480.85
	Guangdong Province Road & Bridge Construction Development Co., Ltd.	85,928,572.05	94,070,718.05
	Guangdong Chao-Hui Expressway Company Limited	83,150,272.12	89,107,165.40
	Guangdong Guangle Expressway Co., Ltd.	73,098,777.20	79,616,167.34
	Guangdong Ninghua Expressway Co., Ltd	55,363,959.61	60,616,934.95
	Guangdong Guangzhu Expressway West Section Co., Ltd.	39,969,305.89	46,775,564.80
	Guangdong Guangfozhao Expressway Company Limited	33,433,045.23	35,933,567.48
	Guangdong Provincial Expressway Development Co., Ltd.	27,006,523.06	23,228,959.07
	Guangdong Dachao Expressway Co., Ltd.	23,049,213.31	30,918,985.86
	Lufeng Shen-Shan Expressway Services Company Limited	17,852,953.05	21,232,440.12
	Guangdong Meihe Expressway Development Co., Ltd.	17,410,642.54	20,042,316.11
	Guangdong Zhaoyang Expressway Co., Ltd.	15,903,147.28	16,474,699.87
	Guangdong Pingxing Expressway Co., Ltd.	15,740,647.51	16,155,876.10
	Heyuan helong Expressway Co., Ltd.	6,475,963.47	6,303,412.71
	Guangdong Maozhan Expressway Co., Ltd.	6,097,141.65	7,240,812.84
	Guangdong Meiping Expressway Co., Ltd.	5,434,790.63	5,543,532.04
	Guangdong Provincial Transportation Development Co., Ltd.	5,270,577.83	6,502,178.99
	Guangdong Humen Bridge Co., Ltd.	5,096,938.78	4,371,406.22
	Guangdong Yangmao Expressway Co., Ltd.	4,694,836.19	9,495,414.25
	Zhaoqing Yuezhao Highway Co., Ltd.	4,427,429.88	4,172,775.89
	Jingzhu Expressway Guangzhu Section Co., Ltd.	3,688,935.90	2,210,848.78
	Guangdong Jiangzhong Expressway Co., Ltd.	2,362,565.50	2,196,956.92
	Guangdong Jingzhu Expressway Guangzhu North Section Co., Ltd.	2,185,917.30	1,719,599.67
	Guang-Shen-Zhu Expressway Co., Ltd.	1,995,783.98	10,161,066.73
	Guangdong Taishan Coastal Expressway Co., Ltd.	1,676,764.07	2,383,109.38
	Yunfu City Guangyun Expressway Co., Ltd.	1,229,717.38	1,224,882.48
	Guangdong Lisheng Asset Operation Co., Ltd	–	67,012.68
	Total	1,714,319,609.14	1,699,777,259.90

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

6 Amount due from/to related parties *(Continued)*

(2) Amount due to related parties (Continued)

Items	Related parties	30 June 2026	31 December 2025
Non-current liabilities due within one year	Guangdong Kaiyang Expressway Co., Ltd.	**43,152,695.85**	17,442,295.22
	Guangdong Provincial Freeway Co., Ltd.	**39,494,785.05**	24,477,947.31
	Guangdong Province Road & Bridge Construction Development Co., Ltd.	**16,368,748.74**	11,097,538.54
	Guangdong Zihui Expressway Co., Ltd.	**10,641,614.81**	4,759,712.92
	Lufeng Shen-Shan Expressway Services Company Limited	**10,418,334.43**	6,458,647.10
	Guangdong Humen Bridge Co., Ltd.	**7,156,852.42**	1,658,073.57
	Guangdong Lea Top Property Development Company Limited	**6,320,549.30**	6,321,677.20
	Guangdong Provincial Highway Construction Co., Ltd.	**6,038,885.12**	8,199,871.45
	Guang-Shen-Zhu Expressway Co., Ltd	**5,389,125.07**	6,354,353.81
	Guangdong Ninghua Expressway Co., Ltd.	**5,277,826.86**	2,579,566.23
	Guangdong Chao-Hui Expressway Company Limited	**5,235,255.01**	5,105,011.82
	Guangdong Yangmao Expressway Co., Ltd.	**4,139,346.19**	2,704,394.48
	Guangdong Guangle Expressway Co., Ltd.	**4,069,480.43**	3,940,431.31
	Guangdong Maozhan Expressway Co., Ltd.	**3,551,024.93**	2,169,609.72
	Guangdong Guangzhu Expressway West Section Co., Ltd.	**3,216,662.40**	5,137,664.10
	Guangdong Provincial Expressway Development Co., Ltd.	**2,878,594.86**	1,382,883.04
	Guangdong Meihe Expressway Development Co., Ltd.	**2,389,172.34**	2,318,426.11
	Guangdong Jiangzhong Expressway Co., Ltd.	**2,307,386.42**	2,252,207.34
	Guangdong Zhaoyang Expressway Co., Ltd	**2,160,535.23**	1,075,764.93
	Guangdong Taishan Coastal Expressway Co., Ltd.	**2,125,894.65**	1,349,919.03
	Guangdong Guangfozhao Expressway Company Limited	**1,653,746.06**	1,615,062.70
	Guangdong Pingxing Expressway Co., Ltd.	**1,602,888.59**	791,665.93
	Guangdong Dachao Expressway Co., Ltd.	**1,523,334.88**	814,608.40
	Zhaoqing Yuezhao Highway Co., Ltd.	**1,412,736.83**	817,756.90
	Yunfu City Guangyun Expressway Co., Ltd.	**1,196,274.52**	1,167,666.69
	Heyuan helong Expressway Co., Ltd.	**971,334.95**	942,494.61
	Others	**3,686,996.95**	1,598,402.94
	Total	**194,380,082.89**	124,533,653.40

IX. COMMITMENTS AND CONTINGENCIES

1 Significant commitments

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

2 Contingencies

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

X. SUBSEQUENT EVENTS

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

XI. OTHER SIGNIFICANT MATTERS

1 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 (including energy business, retail trade business and commercial development business),road passenger transportation and auxiliary and other business (including Taiping Interchange operationand other business). Each reportable segment is a separate business unit which offers different products and services, and is managed separately because they require different technology and marketing strategies.

XI. OTHER SIGNIFICANT MATTERS *(CONTINUED)*

1 Segment information *(Continued)*

(2) Segment reporting

For the six months ended 30 June 2026

Items	Expressway Service zones operation	Road passenger transportation and auxiliary	Other business	Inter-segment eliminations	Total
Operating income	3,260,791,756.49	442,059,247.12	48,286,580.92	(13,129,903.98)	3,738,007,680.55
Including: Operating income from external customers	3,248,386,857.84	441,334,241.79	48,286,580.92	–	3,738,007,680.55
Inter-segment operating income	12,404,898.65	725,005.33	–	(13,129,903.98)	–
Operating costs	2,974,417,468.83	418,845,480.87	7,811,888.32	(7,730,183.43)	3,393,344,654.59
Profit from operation	124,491,439.23	124,618,311.71	40,474,692.60	(8,278,652.84)	281,305,790.70

For the six months ended 30 June 2025

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

XI. OTHER SIGNIFICANT MATTERS *(CONTINUED)*

1 Segment information *(Continued)*

(2) Segment reporting (Continued)

As at 30 June 2026

Items	Expressway Service zones operation	Road passenger transportation and auxiliary	Other business	Inter-segment eliminations	Total
Total assets	4,760,233,945.95	1,804,244,340.34	2,855,053,309.11	(2,248,692,348.77)	7,170,839,246.63
Total liabilities	3,601,927,724.29	673,302,435.77	1,354,655,284.01	(1,305,225,705.47)	4,324,659,738.60

As at 30 June 2025

Items	Expressway Service zones operation	Road passenger transportation and auxiliary	Other business	Inter-segment eliminations	Total
Total assets	4,619,920,388.24	2,078,997,789.25	2,291,157,383.09	(2,072,919,302.45)	6,917,156,258.13
Total liabilities	3,589,450,564.93	1,048,761,406.42	711,996,474.46	(1,119,650,175.82)	4,230,558,269.99

XII. NOTES TO THE COMPANY'S FINANCIAL STATEMENTS

1 Accounts receivable

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

Ageing	30 June 2026	31 December 2025
Within 3 months (inclusive)	**134,616,765.62**	210,876,286.29
Over 3 months but within 6 months (inclusive)	**89,152,217.51**	1,021,716.74
Over 6 months but within 1 year (inclusive)	**24,726,868.98**	7,401,735.01
Over 3 years	**6,340,449.21**	6,340,449.22
Sub-total	**254,836,301.32**	225,640,187.26
Less: Provision for bad and doubtful debts	**4,263,828.85**	3,777,866.87
Total	**250,572,472.47**	221,862,320.39

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

(2) Accounts receivable by provisioning method

	30 June 2026					31 December 2025				
	Book value		Provision for bad and doubtful debts			Book value		Provision for bad and doubtful debts		
Category	Amount	Percentage (%)	Amount	Percentage (%)	Carrying amount	Amount	Percentage (%)	Amount	Percentage (%)	Carrying amount
Collective assessment	**254,836,301.32**	**100.00**	**4,263,828.85**	**1.67**	**250,572,472.47**	225,640,187.26	100.00	3,777,866.87	1.67	221,862,320.39
Including:										
Ageing portfolio	**36,553,631.84**	**14.34**	**4,263,828.85**	**11.66**	**32,289,802.99**	26,834,390.95	11.89	3,777,866.87	14.08	23,056,524.08
Portfolio of the Group's scope of consolidation	**218,282,669.48**	**85.66**	**-**	**-**	**218,282,669.48**	198,805,796.31	88.11	-	-	198,805,796.31
Total	**254,836,301.32**	**100.00**	**4,263,828.85**		**250,572,472.47**	225,640,187.26	100.00	3,777,866.87		221,862,320.39

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

1 Accounts receivable *(Continued)*

(2) Accounts receivable by provisioning method (Continued)

Assessment of ECLs on accounts receivables:

Items	30 June 2026 Amount	Provision for bad and doubtful debts	Expected credit loss rate (%)
Ageing portfolio			
Expressway service zones operation			
Within 1 year (inclusive)	24,410,871.04	1,220,543.56	5.00
Sub-total	24,410,871.04	1,220,543.56	
Road transportation and other service			
Within 1 year (inclusive)	7,224,406.63	361,220.33	5.00
Over 3 years	489,863.01	489,863.01	100.00
Sub-total	7,714,269.64	851,083.34	
Other business			
Within 1 year (inclusive)	48,985.84	2,449.29	5.00
Over 3 years	4,379,505.32	2,189,752.66	50.00
Sub-total	4,428,491.16	2,192,201.95	
Portfolio of the Group's scope of consolidation	218,282,669.48	–	
Total	254,836,301.32	4,263,828.85	

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

1 Accounts receivable *(Continued)*

(3) Movements of provisions for bad and doubtful debts

Category	31 December 2025	Changes during the period: Charge into income statement	Changes during the period: Written-off	30 June 2026
Collective assessment	3,777,866.87	485,961.98	–	**4,263,828.85**
Total	3,777,866.87	485,961.98	–	**4,263,828.85**

2 Investment income

Items	Amount for the period	Amount for the previous period
Income from long-term equity investments under cost method	**7,907,915.51**	7,140,000.00
Income from long-term equity investments under equity method	**1,804,586.98**	3,321,161.66
Gains on disposal of long-term equity investments	**(496,207.13)**	(18,640,880.29)
Total	**9,216,295.36**	(8,179,718.63)