廣東粵運交通股份有限公司

Guangdong Yueyun Transportation Company Limited*

(A joint stock limited company incorporated in the People's Republic of China with limited liability)

(Stock Code: 03399)

ANNOUNCEMENT OF RESULTS FOR THE YEAR ENDED 31 DECEMBER 2024

- The operating income of the Group in 2024 was approximately RMB7,200,338,000, representing a decrease of approximately RMB26,893,000 in 2023 as compared to 2023.
- The net profit attributable to shareholders of the parent company in 2024 was approximately RMB236,508,000, representing an increase of RMB34,620,000 or 17% as compared to 2023.
- Both basic earnings per share and diluted earnings per share in 2024 were RMB0.30, representing an increase of RMB0.05 per share or 17% as compared to 2023.

The Board (the "**Board**") of Directors (the "**Directors**") of Guangdong Yueyun Transportation Company Limited (the "**Company**" or "**Yueyun Transportation**") announces the consolidated annual results of the Company and its subsidiaries (the "**Group**") for the year ended 31 December 2024. The consolidated annual results of the Group have been reviewed by the audit and corporate governance committee of the Company (the "**Audit and Corporate Governance Committee**"). The majority of members of the Audit and Corporate Governance Committee are independent non – executive Directors.

The following figures in respect of the preliminary announcement of the Group's results for the year ended 31 December 2024 have been compared by the Company's auditor, BDO CHINA Shu Lun Pan Certified Public Accountants LLP, with the amounts set out in the Group's audited financial statements for the year ended 31 December 2024 and the amounts were found to be consistent. The procedures performed by BDO CHINA Shu Lun Pan Certified Public Accountants LLP in respect of this announcement did not constitute an audit, a review or other assurance engagement and consequently no assurance has been expressed by BDO CHINA Shu Lun Pan Certified Public Accountants LLP on this announcement.

CONSOLIDATED BALANCE SHEET

As at 31 December 2024

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

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

	Note	31 December 2024	31 December 2023
Liabilities and shareholders' equity			
Current liabilities:			
Short-term loans	*9*	**368,550,148.34**	445,872,428.68
Accounts payable	*10*	**676,079,874.58**	557,734,954.12
Advances from customers		**118,905,815.30**	81,161,524.13
Contract liabilities		**68,556,815.47**	58,497,321.69
Employee benefits payable		**209,816,524.65**	207,817,120.80
Taxes payable		**82,793,402.66**	91,842,732.06
Other payables		**694,955,680.63**	696,061,086.14
Non-current liabilities due within one year	*11*	**505,826,347.00**	421,415,221.31
Total current liabilities		**2,725,484,608.63**	2,560,402,388.93
Non-current liabilities:			
Long-term loans	*12*	**370,147,647.01**	872,009,713.05
Lease liabilities	*13*	**2,469,579,814.55**	1,833,134,415.92
Long-term payables		**34,599,960.41**	140,351,914.14
Long-term employee benefits payable		**139,841,506.26**	157,202,263.47
Deferred income		**341,725,565.04**	368,225,943.95
Deferred tax liabilities		**36,820,070.66**	55,136,309.92
Total non-current liabilities		**3,392,714,563.93**	3,426,060,560.45
Total liabilities		**6,118,199,172.56**	5,986,462,949.38

	Note	31 December 2024	31 December 2023
Shareholders' equity:			
Share capital		**799,847,800.00**	799,847,800.00
Capital reserve		**21,781,436.03**	21,862,542.66
Other comprehensive income		**(33,666,160.93)**	(30,609,457.82)
Specific reserve		**36,096,290.62**	33,769,964.27
Surplus reserve		**259,176,302.97**	246,913,317.41
Retained earnings	*14*	**1,002,904,081.67**	842,647,338.85
Total equity attributable to shareholders of the Company		**2,086,139,750.36**	1,914,431,505.37
Non-controlling interests		**519,720,854.91**	702,473,850.86
Total shareholders' equity		**2,605,860,605.27**	2,616,905,356.23
Total liabilities and shareholders' equity		**8,724,059,777.83**	8,603,368,305.61

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

Items	*Note*	**2024**	2023
I. Total operating income		**7,200,338,305.93**	7,227,231,098.67
Including: Operating income		**7,200,338,305.93**	7,227,231,098.67
II. Total operating costs		**7,337,298,365.24**	7,366,936,804.42
Including: Operating costs		**6,550,388,644.61**	6,580,451,362.46
Taxes and surcharges		**46,386,739.40**	47,793,824.56
Selling and distribution expenses		**64,062,426.65**	58,757,634.05
General and administrative expenses		**470,985,857.90**	492,604,375.25
Research and development expenses		**5,492,718.04**	7,044,729.80
Financial expenses	*15*	**199,981,978.64**	180,284,878.30
Add: Other income	*16*	**343,125,834.79**	362,142,659.89
Investment income	*17*	**95,945,365.18**	96,908,895.23
Accrual of credit losses	*18*	**(5,061,774.55)**	(18,377,524.92)
Impairment losses	*19*	**(11,120,671.80)**	(39,380,629.66)
Gains from asset disposals	*20*	**23,509,572.73**	34,209,054.95
III. Operating profit		**309,438,267.04**	295,796,749.74
Add: Non-operating income	*21*	**12,876,244.45**	15,266,621.50
Less: Non-operating expenses	*22*	**14,226,264.80**	12,498,411.76
IV. Profit before income tax		**308,088,246.69**	298,564,959.48
Less: Income tax expenses	*23*	**78,795,237.25**	84,738,115.66

Items	*Note*	**2024**	2023
V. Net profit		**229,293,009.44**	213,826,843.82
(1) Net profit classified by continuity of operations			
1. Net profit from continuing operations		**229,293,009.44**	213,826,843.82
2. Net profit from discontinued operations		**–**	–
(2) Net profit (loss) classified by ownership Attributable to:			
1. Shareholders of the Company		**236,507,552.38**	201,887,517.27
2. Non-controlling interests		**(7,214,542.94)**	11,939,326.55
VI. Other comprehensive income, net of tax		**(1,092,016.38)**	6,321,101.29
Other comprehensive income (net of tax) attributable to shareholders of the Company		**(3,056,703.11)**	5,517,440.07
(1) Items that will not be reclassified to profit or loss		**(467,916.22)**	(4,877,491.38)
1. Remeasurement of defined benefit plan		**(439,044.57)**	(1,761,404.36)
2. Changes in fair value of investments in other equity instruments		**(28,871.65)**	(3,116,087.02)
(2) Items that may be reclassified subsequently to profit or loss		**(2,588,786.89)**	10,394,931.45
1. Other comprehensive income that may be reclassified subsequently to profit or loss under the equity method		**(4,036,848.21)**	9,040,762.76
2. Translation differences arising from translation of foreign currency financial statements		**1,448,061.32**	1,354,168.69
Other comprehensive income (net of tax) attributable to non-controlling interests		**1,964,686.73**	803,661.22
VII. Total comprehensive income		**228,200,993.06**	220,147,945.11
Attributable to:			
Shareholders of the Company		**233,450,849.27**	207,404,957.34
Non-controlling interests		**(5,249,856.21)**	12,742,987.77
VIII. Earnings per share:			
(1) Basic earnings per share (RMB/share)	*24*	**0.30**	0.25
(2) Diluted earnings per share (RMB/share)	*24*	**0.30**	0.25

1. BASIS OF PREPARATION OF FINANCIAL STATEMENTS

1) Basis of preparation

The financial statements of the Group have been prepared in accordance with the requirements of Accounting Standard for Business Enterprises – Basic Standards and its relevant specific accounting standards issued by the Ministry of Finance ("MOF") of the PRC, Application Guidance for Accounting Standards for Business Enterprises, Interpretation of Accounting Standards for Business Enterprises and other relevant requirements. The financial statements also comply with the applicable disclosure requirements of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and the applicable disclosure requirements of the Hong Kong Companies Ordinance.

2) Going concern

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

2. CHANGES IN SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES

1) Significant accounting policy changes

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

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

① *Classification of Current and Non-current Liabilities*

Interpretation No. 17 specifies that:

– If a company does not have the substantive right to defer settlement of liabilities for more than one year after the balance sheet date, such liabilities shall be classified as current liabilities.

– For liabilities arising from corporate loan arrangements, the right of a company to defer the settlement of liabilities to more than one year after the balance sheet date may depend on its performance of covenants as stipulated in the loan arrangement (hereinafter referred to as the covenants). A company, in determining whether or not it has a substantive right to defer settlement of the liability, shall only take into account the covenants that should have been complied with on or before the balance sheet date, and shall not take into account the covenants that should be complied with by the business enterprise after the balance sheet date.

– Settlement of a liability for the purpose of division of a liability based on liquidity means that the company discharges the liability by transferring cash, other economic resources (such as goods or services) or the company's own equity instruments to the counterparty. If the terms of the liability result in the company settling the liability by delivering its own equity instruments at the option of the counterparty, and if the company classifies the above option as an equity instrument and recognizes it separately as an equity component of a compound financial instrument in accordance with the requirements of the "Accounting Standards for Business Enterprises No. 37 – Presentation of Financial Instruments", the terms of the liability shall not affect the liquidity classification of the liability.

② *Disclosures Regarding Suppliers Financing Arrangements*

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

③ *Accounting Treatment for Sale and Leaseback Transactions*

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

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

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

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

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

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

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

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

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

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

2) Changes in significant accounting estimates

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

3. CHANGES IN THE SCOPE OF CONSOLIDATION

1) Business combinations not under common control

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

2) Business combinations under common control

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

3) Disposal of subsidiaries

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

Name of subsidiaries	Consideration of disposal of equity	Percentage of disposal of equity (%)	Mode of disposal	Time of loss of control	Basis for determining the time of loss of control	The differences of consideration of disposal and shares in net assets of the original subsidiary at the consolidated financial statement level	Percentage of remaining equity at the date of loss of control	Carrying amount of remaining equity at the date of loss of control	Fair value of remaining equity at the date of loss of control	Gains or losses arising from remeasurement of remaining equity at the fair value	Determination method and major assumptions of the fair value of the remaining equity at the date of loss of control	The amount of other comprehensive income related to the equity investment of the original subsidiary transferred to the investment profit and loss
Maoming City Dianbai District Xinjieyun City Transportation Co., Ltd. (former name: Maoming City Dianbai District Yueyun Vehicles Transportation Co., Ltd.)	17,800,540.30	51.00	Publicly listed for sale	2024/1/10	Completion of equity transfer	(1,161,868.31)	-	N/A	N/A	N/A	N/A	N/A
Hengjing Urban Transportation Co., Ltd., Sanshui District, Foshan City (former name: Foshan City Sanshui District Yueyun Traffic Co., Ltd.)	10,159,753.70	15.00	Publicly listed for sale	2024/6/25	Completion of equity transfer	3,280,915.98	36%	24,285,625.91	24,383,408.88	97,782.97	Evaluation by income method	N/A
Yangjiang Jiaotou Langri Co., Ltd. (former name: Guangdong yueyun Langri Co., Ltd.) *(Note)*	99,612,282.00	51.00	Publicly listed for sale	2024/10/12	Completion of equity transfer	11,234,702.97	-	N/A	N/A	N/A	N/A	N/A

Note: On 12 October 2024, the Company completed the equity transfer in relation to Yangjiang Jiaotou Langri Co., Ltd. (former name: Guangdong yueyun Langri Co., Ltd.) and its subsidiaries at a total consideration for disposal of RMB99,612,282.00.

4) **Other reasons for changes in the scope of consolidation**

The subsidiary of the Company, Shenzhen City Man Kam To Bus station Co., Ltd. completed the industrial and commercial cancellation in 2024 and was no longer included in the scope of consolidation of the Group since then.The operating results and cash flows of Shenzhen City Man Kam To Bus station Co., Ltd. before the date of deregistration has been included in the Group's consolidated income statement and consolidated cash flow statement for the year.

4. ACCOUNTS RECEIVABLE

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

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

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

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

Items	31 December 2024					31 December 2023				
	Amount		**Provision for bad and doubtful debts**		**Book value**	Amount		Provision for bad and doubtful debts		Book value
Items	**Amount**	**Percentage (%)**	**Amount**	**Provision ratio (%)**		Amount	Percentage (%)	Amount	Provision ratio (%)	
Provision for bad debts is made on an individual basis	**3,825,180.63**	**1.25**	**3,825,180.63**	**100.00**	**–**	25,117,280.29	5.97	25,117,280.29	100.00	–
Provision for bad debts is made on a collective basis	**303,294,801.23**	**98.75**	**44,473,720.20**	**14.66**	**258,821,081.03**	395,944,197.64	94.03	52,338,190.34	13.22	343,606,007.30
Including:										
Aging portfolio	**303,294,801.23**	**98.75**	**44,473,720.20**	**14.66**	**258,821,081.03**	395,944,197.64	94.03	52,338,190.34	13.22	343,606,007.30
Total	**307,119,981.86**	**100.00**	**48,298,900.83**		**258,821,081.03**	421,061,477.93	100.00	77,455,470.63		343,606,007.30

Provision for bad debts is made on an individual basis:

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

Provision for bad debts is made on a collective basis:

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

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

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

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

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

Important accounts receivable write off situations include:

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

5. INVESTMENT PROPERTIES

1) Investment properties using cost measurement model

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

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

As at 31 December 2024, investment properties of the Group with carrying amount of RMB168,267,427.79 (31 December 2023: 192,033,725.57) were pledged for bank loans, among which, RMB30,759,915.85 (31 December 2023: 72,564,353.13) were pledged for long-term loans, RMB137,507,511.94 (31 December 2023: 119,469,372.44) were pledged for short-term loans.

6. FIXED ASSETS

1) Fixed assets

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

2) Fixed assets

Items	Buildings and structures	Buildings improvements	Machinery and equipment	Electronic equipment, office equipment and others	Transportation vehicles	Total
1. Cost						
(1) Balance as at 31 December 2023	1,846,446,961.28	263,240,207.04	131,171,021.11	378,214,246.02	3,455,813,458.19	6,074,885,893.64
(2) Additions during the year	85,017,398.84	–	3,918,211.95	43,214,473.09	122,330,141.12	254,480,225.00
– Purchases	6,940,195.90	–	3,911,539.60	38,618,538.42	117,977,051.76	167,447,325.68
– Transfer from construction in progress	71,758,143.40	–	–	4,547,348.06	–	76,305,491.46
– Transfer from investment properties	5,448,861.67	–	–	–	–	5,448,861.67
– Foreign currency financial statement translation differences	870,197.87	–	6,672.35	48,586.61	4,353,089.36	5,278,546.19
(3) Reductions during the year	157,901,218.13	29,782,473.11	34,560,353.11	57,051,047.01	837,404,517.53	1,116,699,608.89
– Disposals or discarding	37,924,517.73	29,782,473.11	4,780,570.18	29,553,230.29	195,959,657.51	298,000,448.82
– Transfer to investment properties	8,482,465.79	–	–	–	–	8,482,465.79
– Disposals of subsidiaries	111,494,234.61	–	29,779,782.93	27,497,816.72	641,444,860.02	810,216,694.28
(4) Balance as at 31 December 2024	1,773,563,141.99	233,457,733.93	100,528,879.95	364,377,672.10	2,740,739,081.78	5,212,666,509.75
2. Accumulated depreciation						
(1) Balance as at 31 December 2023	658,111,842.06	189,672,058.33	78,992,432.02	253,793,323.77	2,499,730,697.63	3,680,300,353.81
(2) Additions during the year	85,191,985.85	20,193,713.83	11,317,786.46	13,582,791.94	276,753,848.08	407,040,126.16
– Accruals	84,189,155.11	20,193,713.83	11,311,114.11	13,578,903.86	272,809,885.50	402,082,772.41
– Transfer from investment properties	460,462.94	–	–	–	–	460,462.94
– Foreign currency financial statement translation differences	542,367.80	–	6,672.35	3,888.08	3,943,962.58	4,496,890.81
(3) Reductions during the year	69,584,989.74	29,297,280.56	22,854,742.53	51,655,054.52	668,558,006.88	841,950,074.23
– Disposals or discarding	24,599,540.71	29,297,280.56	3,614,751.07	28,576,987.38	173,870,314.39	259,958,874.11
– Transfer to investment properties	4,101,800.92	–	–	–	–	4,101,800.92
– Disposals of subsidiaries	40,883,648.11	–	19,239,991.46	23,078,067.14	494,687,692.49	577,889,399.20
(4) Balance as 31 December 2024	673,718,838.17	180,568,491.60	67,455,475.95	215,721,061.19	2,107,926,538.83	3,245,390,405.74

Items		Buildings and structures	Buildings improvements	Machinery and equipment	Electronic equipment, office equipment and others	Transportation vehicles	Total
3.	Provision of impairment						
(1)	Balance as at 31 December 2023	–	–	–	–	4,048,026.09	4,048,026.09
(2)	Additions during the year	4,211,963.05	–	–	560,250.00	–	4,772,213.05
	– Accruals	4,211,963.05	–	–	560,250.00	–	4,772,213.05
(3)	Reductions during the year	–	–	–	560,250.00	–	560,250.00
	– Disposals or discarding	–	–	–	560,250.00	–	560,250.00
(4)	Balance as at 31 December 2024	4,211,963.05	–	–	–	4,048,026.09	8,259,989.14
4.	Book value						
(1)	Book value as at 31 December 2024	1,095,632,340.77	52,889,242.33	33,073,404.00	148,656,610.91	628,764,516.86	1,959,016,114.87
(2)	Book value as at 31 December 2023	1,188,335,119.22	73,568,148.71	52,178,589.09	124,420,922.25	952,034,734.47	2,390,537,513.74

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

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

Except for the buildings for which the certificate of title is being processed, certain buildings and structures of the Group located in Guangzhou, Qingyuan, Foshan, Shaoguan, Shanwei, Meizhou and Heyuan etc. have not yet obtained the certificate of title due to historical reasons. As at 31 December 2024, the book value of such buildings and structures was RMB75,140,219.15 (31 December 2023: RMB79,731,369.89).

7. RIGHT-OF-USE ASSETS

Items	Buildings and structures	Lease of land	Transportation vehicles	Total
1. Cost				
(1) Balance as at 31 December 2023	2,860,852,908.08	95,308,943.20	247,814,049.60	3,203,975,900.88
(2) Additions during the year	758,719,866.57	5,717,579.56	–	764,437,446.13
– Additions of lease	758,645,988.23	5,717,579.56	–	764,363,567.79
– Foreign currency financial statement translation differences	73,878.34	–	–	73,878.34
(3) Reductions during the year	44,573,223.65	12,147,376.08	–	56,720,599.73
– Disposals or expiration	37,158,419.43	10,599,528.53	–	47,757,947.96
– Disposals of subsidiaries	7,414,804.22	1,547,847.55	–	8,962,651.77
(4) Balance as at 31 December 2024	3,574,999,551.00	88,879,146.68	247,814,049.60	3,911,692,747.28
2. Accumulated depreciation				
(1) Balance as at 31 December 2023	1,225,724,514.20	41,631,773.67	136,600,463.62	1,403,956,751.49
(2) Additions during the year	209,850,169.57	6,459,448.65	30,666,986.28	246,976,604.50
– Accrual	209,795,022.09	6,459,448.65	30,666,986.28	246,921,457.02
– Foreign currency financial statement translation differences	55,147.48	–	–	55,147.48
(3) Reductions during the year	38,070,809.93	11,313,269.29	–	49,384,079.22
– Disposals or expiration	35,665,282.22	10,519,986.86	–	46,185,269.08
– Disposals of subsidiaries	2,405,527.71	793,282.43	–	3,198,810.14
(4) Balance as 31 December 2024	1,397,503,873.84	36,777,953.03	167,267,449.90	1,601,549,276.77
3. Book value				
(1) As at 31 December 2024	2,177,495,677.16	52,101,193.65	80,546,599.70	2,310,143,470.51
(2) As at 31 December 2023	1,635,128,393.88	53,677,169.53	111,213,585.98	1,800,019,149.39

8. INTANGIBLE ASSETS

1) Details of intangible assets

Items	Land use rights	Computer software	Passenger service licenses	Station and toll bridge franchise operating rights	Line license use rights and route operation rights	Trademark rights and others	Total
1. Cost							
(1) Balance as at 31 December 2023	658,050,064.54	112,985,901.72	39,886,693.32	387,478,456.26	304,786,470.91	4,673,854.67	1,507,861,441.42
(2) Additions during the year	51,435,571.66	10,867,538.04	872,364.61	–	–	–	63,175,474.31
– Purchases	50,579,140.00	10,867,538.04	–	–	–	–	61,446,678.04
– Foreign currency financial statement translation differences	856,431.66	–	872,364.61	–	–	–	1,728,796.27
(3) Reductions during the year	126,353,995.18	5,234,518.31	–	–	20,434,707.04	–	152,023,220.53
– Disposals	–	2,390,018.91	–	–	–	–	2,390,018.91
– Transfer to investment properties	30,338,715.10	–	–	–	–	–	30,338,715.10
– Disposals of subsidiaries	96,015,280.08	2,844,499.40	–	–	20,434,707.04	–	119,294,486.52
(4) Balance as at 31 December 2024	583,131,641.02	118,618,921.45	40,759,057.93	387,478,456.26	284,351,763.87	4,673,854.67	1,419,013,695.20
2. Accumulated amortization							
(1) Balance as at 31 December 2023	157,324,792.95	76,847,471.22	–	313,365,715.85	224,647,850.90	2,875,698.78	775,061,529.70
(2) Additions during the year	13,226,583.30	12,794,437.27	–	11,299,916.52	7,474,884.43	538,787.76	45,334,609.28
– Accrual	12,819,059.18	12,794,437.27	–	11,299,916.52	7,474,884.43	538,787.76	44,927,085.16
– Foreign currency financial statement translation differences	407,524.12	–	–	–	–	–	407,524.12
(3) Reductions during the year	41,171,770.14	4,079,356.81	–	–	20,434,707.04	–	65,685,833.99
– Disposals	–	1,419,623.51	–	–	–	–	1,419,623.51
– Transfer to investment properties	11,178,836.25	–	–	–	–	–	11,178,836.25
– Disposals of subsidiaries	29,992,933.89	2,659,733.30	–	–	20,434,707.04	–	53,087,374.23
(4) Balance as at 31 December 2024	129,379,606.11	85,562,551.68	–	324,665,632.37	211,688,028.29	3,414,486.54	754,710,304.99
3. Provision of impairment							
(1) Balance as at 31 December 2023	2,956,979.57	–	–	–	38,084,104.79	–	41,041,084.36
(2) Additions during the year	–	–	–	–	5,782,608.73	–	5,782,608.73
– Accrual	–	–	–	–	5,782,608.73	–	5,782,608.73
(3) Reductions during the year	–	–	–	–	–	–	–
(4) Balance as at 31 December 2024	2,956,979.57	–	–	–	43,866,713.52	–	46,823,693.09

Items	Land use rights	Computer software	Passenger service licenses	Station and toll bridge franchise operating rights	Line license use rights and route operation rights	Trademark rights and others	Total
4. Book value							
(1) As at 31 December 2024	450,795,055.34	33,056,369.77	40,759,057.93	62,812,823.89	28,797,022.06	1,259,368.13	617,479,697.12
(2) As at 31 December 2023	497,768,292.02	36,138,430.50	39,886,693.32	74,112,740.41	42,054,515.22	1,798,155.89	691,758,827.36

Note 1: As at 31 December 2024, land use rights with carrying amount of RMB40,397,549.17 (31 December 2023 RMB59,008,987.31) were pledged for long-term loans, among which, RMB3,595,219.66 (31 December 2023: Nil) were sealed up. As at 31 December 2024,RMB17,808,957.11 (31 December 2023 RMB51,633,890.45) were pledged for short-term loans.

Note 2: In addition to the land that are in the process of applying for the certificates of title, certain pieces of land of the Group located in the cities of Shanwei, Shaoguan and Meizhou etc. have not yet obtained the certificates of ownership. As at 31 December 2024, the carrying amount of land use rights without certificate of the title for the Group was RMB6,794,825.79 (31 December 2023: RMB6,957,525.39).

Note 3: As at 31 December 2024, land use rights with carrying amount of RMB82,578,261.92 (31 December 2023: RMB83,822,210.96) were obtained through allocation.

9. SHORT-TERM LOANS

1) Classification of short-term loans

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

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

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

Note 3: For the details of assets mortgaged for secured loans as at 31 December 2024, please refer to Notes 5,6 and 8.

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

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

2) Overdue short-term loans

As at 31 December 2024, the outstanding balance of the Group's overdue short-term loans were borrowed by its subsidiary Heyuan City Yueyun Motor Transportation Co., Ltd with the amount of RMB100,130,000.00 with bearing overdue interest rate ranging from 6.53%-7.65% per annum.

10. ACCOUNTS PAYABLE

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

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

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

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

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

Items	31 December 2024	Nature and reasons for unsettlement
Guangxi Construction First Construction Engineering Group Co., Ltd.	**30,700,849.22**	Construction fee unsettled
Guangdong Wuhua Erjian Engineering Co., Ltd.	**12,730,426.76**	Construction fee unsettled
Total	**43,431,275.98**	

11. NON-CURRENT LIABILITIES DUE WITHIN ONE YEAR

Items	*Note*	31 December 2024	31 December 2023
Long-term loans due within one year	*12*	**152,847,526.21**	112,726,491.96
Long-term payables due within one year		**153,959,092.13**	147,778,059.39
Lease liabilities due within one year	*13*	**199,019,728.66**	160,910,669.96
Total		**505,826,347.00**	421,415,221.31

12. LONG-TERM LOANS

1) Classification of long-term loans

Items	31 December 2024	31 December 2023
Unsecured loans	**300,597,625.00**	561,009,396.46
Including: Loans from banks	**268,000,000.00**	505,606,077.01
Loans from Guangdong Provincial Communication Group Finance Company Limited ("**GCG Finance**")	**32,597,625.00**	55,403,319.45
Loans secured by mortgages *(note 2)*	**133,336,604.76**	349,230,532.07
Mortgaged and guaranteed loans *(note 3)*	**41,941,817.27**	51,158,778.25
Pledged and mortgaged loans *(note 4)*	**36,698,726.19**	8,878,189.20
Pledged, mortgaged and guaranteed loans *(note 5)*	**10,420,400.00**	14,459,309.03
Total	**522,995,173.22**	984,736,205.01

Items	**31 December 2024**	31 December 2023
Less: Long-term loans due within one year		
Including: Unsecured loans	**6,097,625.00**	40,153,319.45
Loans secured by mortgages	**84,023,577.93**	32,034,040.99
Mortgaged and guaranteed loans	**41,797,197.09**	27,601,633.29
Pledged and mortgaged loans	**10,508,726.19**	8,878,189.20
Pledged, mortgaged and guaranteed loans	**10,420,400.00**	4,059,309.03
Sub-total *(Note 11)*	**152,847,526.21**	112,726,491.96
Long-term loans due after 1 year	**370,147,647.01**	872,009,713.05
Including: Due after 1 year but within 2 years	**334,847,647.01**	397,944,748.27
Due after 2 years but within 5 years	**35,300,000.00**	474,064,964.78

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

Note 2: For the details of assets mortgaged for secured loans as at 31 December 2024, please refer to Notes 5, 6 and 8.

Note 3: As at 31 December 2024, mortgaged and guaranteed loans held by the Group include the loans borrowed by the subsidiaries: ①the loans borrowed by Heyuan City Yueyun Motor Transportation Co., Ltd., with land as collateral, and joint liability guaranteed by shareholders for the remaining exposures in proportion to their shareholdings; ②the loans borrowed by Meizhou Yueyun Motor Transportation Co., Ltd., with vehicles as collateral and Zhengzhou Anchi Bonding Co., Ltd., which is the third party, as joint liability guarantee.

Note 4: As at 31 December 2024, pledged and mortgaged loans held by the Group include the loans borrowed by the subsidiaries: ①the loans borrowed by Shanwei Yueyun Automobile Transportation Co., Ltd., with the comprehensive operation subsidy during the demonstration, promotion and application period of new energy bus in Haifeng County from 2022 to 2025 as the pledged assets and land as the collateral; ②the loans borrowed by Shanwei Yueyun Automobile Transportation Co., Ltd., with the comprehensive operation subsidy during the demonstration, promotion and application period of new energy bus in Haifeng County from 2022 to 2024 as the pledged assets and vehicles as the collateral.

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

2) **Overdue long-term loans**

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

13. LEASE LIABILITIES

Items	**31 December 2024**	31 December 2023
Lease liabilities	**2,668,599,543.21**	1,994,045,085.88
Less: lease liabilities due within one year *(Note 11)*	**199,019,728.66**	160,910,669.96
Lease liabilities due after one year	**2,469,579,814.55**	1,833,134,415.92
Including: Due after 1 year but within 2 years	**195,797,370.32**	171,492,118.96
Due after 2 years but within 5 years	**494,543,273.19**	441,793,199.31
After 5 years	**1,779,239,171.04**	1,219,849,097.65

14. RETAINED EARNINGS

Items	**31 December 2024**	31 December 2023
Retained earnings at the beginning of the year	**842,647,338.85**	646,279,200.57
Add: Net profit for the year attributable to the shareholders of the Company	**236,507,552.38**	201,887,517.27
Less: Appropriation for statutory surplus reserve	**12,262,985.56**	5,519,378.99
Final dividends in respect of the previous financial year, approved and declared during the year *(Note)*	**63,987,824.00**	–
Retained earnings at the end of the year	**1,002,904,081.67**	842,647,338.85

Note: The Company made a distribution of final dividends of RMB0.08 per share (tax inclusive) for the year ended 31 December 2023 or total cash dividend for 2023 amounted to RMB63,987,824.00 (based on total equity) upon approval by the annual general meeting held on 28 June 2024 (2023: did not recommend dividends).

As of 31 December 2024, the whole amount of these cash dividends has been paid.

15. FINANCIAL EXPENSES

Items	**2024**	2023
Interest expenses from loans	**53,593,486.21**	69,302,075.09
Interest income	**(19,598,450.27)**	(16,933,582.35)
Exchange gains	**(142,455.23)**	(543,688.13)
Interest expenses from lease liabilities	**122,203,960.06**	101,383,710.21
Others	**43,925,437.87**	27,076,363.48
Total	**199,981,978.64**	180,284,878.30

16. OTHER INCOME

Items	**2024**	2023
Government grants related to assets	**62,199,059.78**	82,218,145.99
Government grants related to income	**279,637,576.85**	277,901,649.72
VAT reduction and exemption, etc.	**1,289,198.16**	2,022,864.18
Total	**343,125,834.79**	362,142,659.89

Government grants included in other income

Items	**2024**	2023	**Related to assets/ Related to income**
Subsidies for vehicles replacement	**76,295.86**	1,727,707.98	Related to assets
Subsidies for procurement of new energy vehicles	**52,276,673.47**	68,669,237.44	Related to assets
Subsidies for fixed assets renovation	**6,893,381.87**	8,530,908.19	Related to assets
Tax subsidies for vehicle purchase	**425,531.88**	425,531.88	Related to assets
Other subsidies related to assets	**2,527,176.70**	2,864,760.50	Related to assets
Subsidies for operation of bus line	**251,217,482.50**	248,428,995.49	Related to income
Subsidies of elderly concessionary travel card	**12,930,716.74**	19,819,498.94	Related to income
Others subsidies related to income	**15,489,377.61**	9,653,155.29	Related to income
Total	**341,836,636.63**	360,119,795.71	

17. INVESTMENT INCOME

Items	**2024**	2023
Income from long-term equity investments under equity method	**77,029,797.89**	85,740,550.95
Gains on disposal of subsidiaries *(Note 3.3)*	**13,451,533.61**	11,316,051.34
Others	**5,464,033.68**	(147,707.06)
Total	**95,945,365.18**	96,908,895.23

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

18. ACCRUAL OF CREDIT LOSS

Items	**2024**	2023
Accounts receivable	**(1,374,898.41)**	(7,629,928.63)
Other receivables	**(3,686,876.14)**	(10,747,596.29)
Total	**(5,061,774.55)**	(18,377,524.92)

19. IMPAIRMENT LOSSES

Items	**2024**	2023
Loss on inventory decline	**(565,850.02)**	–
Impairment loss of fixed assets	**(4,772,213.05)**	–
Impairment loss of construction in progress	**–**	(1,296,524.87)
Impairment loss of intangible assets	**(5,782,608.73)**	(38,084,104.79)
Total	**(11,120,671.80)**	(39,380,629.66)

20. GAINS FROM ASSET DISPOSALS

Items	**2024**	2023
Gains from disposal of fixed assets	**22,440,579.14**	22,217,156.76
Gains from disposal of other non-current assets	**–**	12,094,551.60
Gains from disposal of right-of-use assets	**1,068,993.59**	(102,653.41)
Total	**23,509,572.73**	34,209,054.95

21. NON-OPERATING INCOME

Items	**2024**	2023
Gains on scrapping of non-current assets	**2,459,020.77**	2,408,778.33
Government grants	**1,520.00**	5,310,882.83
Compensations	**2,113,352.32**	3,035,525.94
Others	**8,302,351.36**	4,511,434.40
Total	**12,876,244.45**	15,266,621.50

Government grants included in non-operating income

Subsidy items	2024	2023	Related to assets/ Related to income
Other subsidies	**1,520.00**	5,310,882.83	Related to income
Total	**1,520.00**	5,310,882.83	

22. NON-OPERATING EXPENSE

Items	2024	2023
Donations	**–**	181,121.30
Losses on scrapping of non-current assets	**4,670,550.35**	4,398,098.43
Road accidents losses	**1,175,280.00**	685,227.61
Penalty expenses	**3,081,607.31**	2,602,792.64
Others	**5,298,827.14**	4,631,171.78
Total	**14,226,264.80**	12,498,411.76

23. INCOME TAX EXPENSES

1) Income tax expenses

Items	2024	2023
Current income tax expense	**103,424,538.76**	101,276,100.89
Deferred tax expense	**(24,629,301.51)**	(16,537,985.23)
Total	**78,795,237.25**	84,738,115.66

2) Reconciliation of income tax expenses to accounting profit is as follows

Items	2024
Profit before taxation	**308,088,246.69**
Income tax expense calculated at tax rate of 25%	**77,022,061.67**
Effect of different tax rates applied by certain subsidiaries	**(1,816,699.54)**
Adjustments of tax filing differences	**(8,237,103.82)**
Effect of non-taxable income	**(20,978,499.13)**
Effect of non-deductible expenses	**8,158,233.51**
Effect of utilisation of deductible tax losses of unrecognised deferred tax assets in previous years	**(6,738,197.00)**
Effect of unrecognised deductible temporary differences or tax losses	**31,385,441.56**
Income tax expenses	**78,795,237.25**

24. EARNINGS PER SHARE

1) Basic earnings per share

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

Items	2024	2023
Consolidated net profit attributable to ordinary shareholders of the Company	**236,507,552.38**	201,887,517.27
Weighted average number of ordinary shares outstanding	**799,847,800.00**	799,847,800.00
Basic earnings per share (RMB/share)	**0.30**	0.25
Including: Basic earnings per share from continuing operations (RMB/share)	**0.30**	0.25

Weighted average number of ordinary shares is calculated as follows:

Items	2024	2023
Issued ordinary shares at the beginning and the end of the year	**799,847,800.00**	799,847,800.00
Weighted average number of ordinary shares at the end of the year	**799,847,800.00**	799,847,800.00

2) Diluted earnings per share

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

25. GOVERNMENT GRANTS

1) Government grants related to assets

Items	Balance	Balance sheet presentation items	The amount included in the current profit and loss or offsetting the related costs and expenses 2024	2023	Items included in the current profit and loss or offsetting the related costs and expenses
Subsidies for vehicles replacement	4,632.77	Deferred income	**76,295.86**	1,727,707.98	Other income
Subsidies for procurement of new energy vehicles	54,222,362.43	Deferred income	**52,276,673.47**	68,669,237.44	Other income
Subsidies for fixed assets renovation	127,236,111.96	Deferred income	**6,893,381.87**	8,530,908.19	Other income
Tax subsidies for vehicles purchase	10,748,686.08	Deferred income	**425,531.88**	425,531.88	Other income
Other subsidies related to assets	7,801,792.42	Deferred income	**2,527,176.70**	2,864,760.50	Other income
Total	200,013,585.66		**62,199,059.78**	82,218,145.99	

2) Government grants related to income

Items	The amount included in the current profit and loss or offsetting the related costs and expenses 2024	2023	Items included in the current profit and loss or offsetting the related costs and expenses
Fuel subsidies	**54,943,774.95**	145,725,701.47	Operating costs
Subsidies for operation of bus lines	**251,217,482.50**	248,428,995.49	Other income
Subsidies of elderly concessionary travel card	**12,930,716.74**	19,819,498.94	Other income
Other subsidies	**15,489,377.61**	9,653,155.29	Other income
Other subsidies	**1,520.00**	5,310,882.83	Non-operating income
Total	**334,582,871.80**	428,938,234.02	

26. NET CURRENT LIABILITIES

Items	31 December 2024	31 December 2023
Current assets	**2,666,605,098.63**	2,453,909,196.32
Less: Current liabilities	**2,725,484,608.63**	2,560,402,388.93
Net current liabilities	**(58,879,510.00)**	(106,493,192.61)

27. TOTAL ASSETS LESS CURRENT LIABILITIES

Items	31 December 2024	31 December 2023
Total assets	**8,724,059,777.83**	8,603,368,305.61
Less: Current liabilities	**2,725,484,608.63**	2,560,402,388.93
Total assets less current liabilities	**5,998,575,169.20**	6,042,965,916.68

28. LEASE

1) As a lessee

Items	2024	2023
Interest expense on lease liabilities	**122,203,960.06**	101,383,710.21
Short-term lease expenses applied the practical expedient	**101,303,819.58**	60,378,892.26
Variable lease payments not included in the measurement of lease liabilities	**8,181,031.40**	13,978,542.51
Income from sub-leasing right-of-use assets	**485,303,712.43**	436,041,496.83
Total cash outflow for leases	**305,709,516.10**	384,622,352.98

2) As a lessor

(1) Operating lease

Items	2024	2023
Lease income	**545,759,966.93**	495,062,652.19
Including: income related to variable lease payments not included in lease receipts	**63,505,264.03**	37,119,363.08

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

Remaining lease term	**31 December 2024**	31 December 2023
Within 1 year	**466,167,281.03**	491,609,268.54
Over 1 year but within 2 years	**403,154,410.46**	453,936,749.57
Over 2 years but within 3 years	**337,607,201.63**	381,507,162.92
Over 3 years but within 4 years	**283,526,857.01**	322,254,930.99
Over 4 years but within 5 years	**204,390,022.58**	270,555,117.05
Over 5 years	**745,073,379.15**	977,236,470.22
Total	**2,439,919,151.86**	2,897,099,699.29

29. SEGMENT INFORMATION

1) Determination basis and accounting policies of reportable segments

Based on the Group's internal organisation structure, management requirements and internal reporting system, the operations of the Group were classified into three segments, including expressway service zones operation, road passenger transportation and auxiliary and other business. Each reportable segment is a separate business unit which offers different products and services, and is managed separately because they require different technology and marketing strategies.

2) Segment reporting

2024

Items	Expressway service zones operation	Road passenger transportation and auxiliary	Other business	Inter-segment eliminations	Total
Operating income	5,234,085,620.07	1,838,727,985.30	132,573,463.38	(5,048,762.82)	7,200,338,305.93
Including: Operating income from external customers	5,233,405,396.29	1,834,359,446.26	132,573,463.38	–	7,200,338,305.93
Inter-segment operating income	680,223.78	4,368,539.04	–	(5,048,762.82)	–
Operating costs	4,653,347,243.76	1,870,491,153.00	30,941,888.12	(4,391,640.27)	6,550,388,644.61
Income from investments in associates and joint ventures	398,842.70	67,070,169.45	9,560,785.74	–	77,029,797.89
Credit impairment loss	4,807,823.36	(11,853,066.96)	1,983,469.05	–	(5,061,774.55)
Impairment losses on assets	–	(11,120,671.80)	–	–	(11,120,671.80)
Depreciation and amortisation	325,189,629.91	426,665,717.03	22,635,309.43	–	774,490,656.37
Profit/(Loss) before income tax	250,588,627.16	(46,368,059.91)	103,217,207.70	650,471.74	308,088,246.69
Income tax expenses	74,317,720.05	4,477,517.20	–	–	78,795,237.25
Net profit/(loss)	176,270,907.11	(50,845,577.11)	103,217,207.70	650,471.74	229,293,009.44
Total assets	4,572,808,854.47	3,703,151,328.32	2,874,514,204.04	(2,426,414,609.00)	8,724,059,777.83
Total liabilities	3,561,155,893.04	2,456,002,046.66	957,658,152.20	(856,616,919.34)	6,118,199,172.56
Other important non-cash items:					
– Long-term equity investments in associates and joint ventures	39,948,524.43	322,827,966.48	62,818,953.13	–	425,595,444.04
– The amounts of increase/(decrease) of non-current assets other than long-term equity investments	551,724,854.12	(640,154,061.06)	(38,889,644.81)	(14,228,655.04)	(141,547,506.79)

2023

Items	Expressway service zones operation	Road passenger transportation and auxiliary	Other business	Inter-segment eliminations	Total
Operating income	4,959,557,186.44	2,129,947,475.54	143,633,302.25	(5,906,865.56)	7,227,231,098.67
Including: Operating income from external customers	4,954,993,251.00	2,128,604,545.42	143,633,302.25	–	7,227,231,098.67
Inter-segment operating income	4,563,935.44	1,342,930.12	–	(5,906,865.56)	–
Operating costs	4,461,899,079.24	2,093,110,405.64	30,028,490.04	(4,586,612.46)	6,580,451,362.46
Income from investments in associates and joint ventures	2,099,116.70	71,510,020.70	12,131,413.55	–	85,740,550.95
Credit impairment loss	(11,094,167.82)	(12,783,331.32)	5,499,974.22	–	(18,377,524.92)
Impairment losses on assets	–	(39,380,629.66)	–	–	(39,380,629.66)
Depreciation and amortisation	289,074,459.73	566,454,839.31	17,855,454.26	–	873,384,753.30
Profit/(Loss) before income tax	213,166,915.05	(31,933,531.64)	118,651,829.17	(1,320,253.10)	298,564,959.48
Income tax expenses	62,884,256.63	21,853,859.03	–	–	84,738,115.66
Net profit/(loss)	150,282,658.42	(53,787,390.67)	118,651,829.17	(1,320,253.10)	213,826,843.82
Total assets	3,696,393,256.87	4,521,553,424.87	2,702,461,090.88	(2,317,039,467.01)	8,603,368,305.61
Total liabilities	2,831,151,353.98	2,931,207,574.10	853,487,711.78	(629,383,690.48)	5,986,462,949.38
Other important non-cash items:					
– Long-term equity investments in associates and joint ventures	42,688,785.59	281,510,471.32	71,688,924.76	–	395,888,181.67
– The amounts of increase/(decrease) of non-current assets other than long-term equity investments	(98,331,635.01)	(663,227,725.06)	(128,332,470.64)	5,613,480.56	(884,278,350.15)

MANAGEMENT DISCUSSION AND ANALYSIS (ALL AMOUNTS ARE PRESENTED IN RMB UNLESS OTHERWISE STATED)

BUSINESS REVIEW

In 2024, China's GDP grew by 5% year-on-year, reflecting a trend of sustained economic recovery. The Group adheres to the overall strategy of "driving transformation and enhancing quality to achieve industrial evolution." By implementing eight major enhancement actions, including "enhancing corporate cohesion, creating strong main businesses in service areas, serving new economies to unlock new potentials, orderly exiting from road passenger transportation operations, integrating digital technology with core businesses, and implementing targeted measures to drive industry transformation," to promote the reform and enhancement of the Company, with improving fundamentals.

TRAVEL SERVICE SEGMENT

1. EXPRESSWAY SERVICE ZONES OPERATION

In accordance with the mid-term adjustments of the "14th Five-Year Plan", the Group has proactively responded to market changes, continued to optimize its institutional mechanism and business model through the reorganization and reform of its service area businesses, and enhanced the quality of its travel services, resulting in different degrees of growth in various businesses such as energy, investment promotion and retailing.

1. Energy Business

The Group adheres to the strategy of energy development and further expands the scale of its petrol filling station network while actively promoting the construction of the clean energy industry and enhancing the capability of the "Yueyun Energy" industry chain. As of the end of December 2024, the Group has the right to operate 226 gas stations including 112 owned-and-operated gas stations, 11 cooperative gas stations, 98 external contracted gas stations, and 5 gas stations under construction or renovation; 55 charging stations with 279 charging piles under management, and 8 power exchange stations in operation. The main operational measures are as follows:

(1) Expand traditional energy and promote balanced development of efficiency and scale. Continuously expanding the scale of gas station network, completing the recycling and self operation of 25 gas stations in northern Guangdong, Yunyan, Shatin, etc., and building 12 new gas stations in Henghe, Cheung Sha Wan, Pingtian, etc. Our group focuses on the intensive and large-scale development of refined oil business, enhancing the bargaining power of highway gas stations and external cooperation of refined oil products. We have completed the formulation of a cooperative operation plan between our gas stations and state-owned oil companies, explored and studied various cooperation methods, and expanded the scale and economic benefits of gas station operations.

(2) Strengthen comprehensive energy, build a new energy management platform. Continue to sign 49 service area charging station contracts with Guangdong Power Grid Co., Ltd., complete the bidding and signing of 10 service area battery swapping station projects, and have 8 stations in operation; utilize about 30 mu of land at the exit of the Yunfu West Interchange and idle land in the interchange area to build gas stations, convenience stores, and distributed photovoltaic, charging (swapping) stations, actively expand more new energy projects; establish a new energy development team, complete the feasibility study of self-construction and self-operation of ultra-fast charging stations, charging piles, and photovoltaic projects, actively pilot the Da Huai (near) zero-carbon digital direct current microgrid demonstration project, utilize parking canopy and service building roof of service area parking lots to install photovoltaic systems, build 84 new charging spaces, and aggregate and control charging facilities, distributed photovoltaics, and energy storage systems through the intelligent comprehensive energy management system, and build a green electricity self-sufficient and mutually beneficial new energy industrial chain ecosystem based on new energy vehicle charging demand.

(3) Optimize brand operation and implement all-staff marketing. A total of 63 themed marketing activities with 1,600 stops were carried out throughout the year; 36 new major refueling customers were signed, achieving a refueling volume of more than 36,000 tons for major customers, a year-on-year increase of 52%; 365,700 new Yueyun Energy E-Members were added; annual oil sales were 284,900 tons.

2. *Retail Business*

The Group has comprehensively strengthened the operation capability of its retail business in its service areas through an innovative operation and management model supplemented by digital construction means. As of the end of December 2024, the Group had 522 "Loyee" convenience stores.

(1) Innovative store business model. The Group implemented differentiated management for store business model according to business volume, gradually adjusted stores with low business volume into unmanned sales or "vending machine +2 people" business model in stages to reduce management costs; innovatively adjusted store motivation and assessment system, improved store sales enthusiasm and service quality, and effectively improved store customer unit price.

(2) Empowering the Group to drive business development. The Loyee online mall was successfully established to realize the O2O pick-up function of the online mall. Leveraging on the scale advantage of retail network, the Group expanded its group-buying wholesale business with an increase of 17 group-buying customers; introduced a new commodity investment promotion system, formulated practical difficulties in the introduction of new commodities; comprehensively coordinated and optimized the logistics and distribution routes of retail business to reduce delivery mileage and logistics costs.

(3) Strengthening retail supply chain management. The Group has carried out 4 phases of merchandise investment promotion activities in stores across the province, which effectively reduced the procurement cost, with the procurement of some commodities being reduced by up to 18%; the investment in cold-chain transportation vehicles was increased to achieve full coverage of cold-chain commodity distribution in stores in service areas in the province; complete the analysis of raw material supply and cold chain demand of cooked food stores in the service area, the Company will make use of its comprehensive network nodes of service areas, integrate cold chain transportation resources, and establish contact with cold chain head enterprises and prepare for cooperation.

(4) Deeply cultivating the target market of marketing. The Group developed the concept consumption scenarios of "people, vehicles and daily life", and launched various sales promotions themed such as "free zone" and "truck economy" to effectively stimulate the increase in revenue from sales promotion and display; the Group promoted a new model of rural revitalization and sales of agricultural products, with a total of 71 pairs of services provided The district was awarded the plaque of "Guangdong Rural Revitalization Quality Agricultural Products Station" by the Provincial Department of Agriculture and Rural Affairs, and 210 self-operated Loyee convenience stores have set up "Guangdong rural revitalization quality agricultural product counters". Government bureaus, supply and marketing cooperatives, local leading agricultural and sideline enterprises, industry associations, provincial enterprises and other channels to promote the introduction of local specialty products.

3. *Merchant Solicitation Business*

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

(1) Planning first to improve service quality. The Company focused on the completion of the commercial planning, investment promotion and conceptual design of the Cypress Bridge Service Area to accelerate the acceleration of promotion of the landmark projects of the "High-quality development project in counties, towns, and villages" in Guangdong Province; the business plans for 20 pairs of characteristic service areas were over-completed, and the implementation of the specialised service areas was gradually promoted The investment promotion project has been implemented. The investment promotion work for 7 pairs of characteristic service areas including Cheung Sha Wan has been completed. Among them, the Cheung Sha Wan and Henghe service areas have tried to implement a new model of overall leasing operation investment promotion, and have been gradually put into operation in line with the construction progress of the owner.

(2) We improved our existing stock and quality and tapped into our development potential. The total commercial area was 185,100 sq.m., of which 145,100 sq.m. was leased, with an occupancy rate of approximately 78%. The Group made overall overall planning for investment promotion projects, increased information disclosure on investment promotion, and continuously increased revenue from investment promotion. The Group implemented 135 leasing projects, which were successfully recruited. 78 vehicles were leased with a success rate of 57.78%, and the total rental price of RMB55.48 million was won in the first year of bidding. The Group proactively explored the new business model of "low-altitude economy" travel services, and promoted the work of "low-altitude economy" in Xuwen service area in an orderly manner.

(3) Innovation and transformation drive the high-quality development of commercial brands. Actively promoting the construction of proprietary brands, establishing multiple "Yipinhui" brand specialty stores with strong local characteristics, successfully launching two "Letuhui" comprehensive shopping experience stores in Liangjinshan Service Area, and initiating pilot projects for eight "大食匯" restaurants in six service areas including Shatian, continuously exploring new cooperation models for proprietary commercial brands, and constantly enhancing commercial value; actively expanding brand merchant resources with eight new additions, bringing the total to 142; accelerating the expansion of KFC franchise locations, which have now reached six, with continuously increasing store revenues.

4. *Advertising Business*

The Group has further expanded its industry influence while consolidating its existing market share in the advertising business through continuous optimization of management mechanisms, enhanced resource integration, and the promotion of digital transformation. As of the end of December 2024, the Group manages 516 advertising resources across 76 expressways, including rooftop signs, toll station top signs, gantries, columns, overpasses, and ground signs. The main operational measures are as follows:

(1) Consolidation of existing business and expansion of market presence. The Group strengthened marketing efforts and successfully signed multiple projects through media briefings and other promotional activities, resulting in a significant increase in contract value. The Group actively promoted resource development and signed several important contracts. Throughout the year, three new overpasses were added to the Southern Second Ring Road, along with four pillar resources, including those along the Boshen Section of the Wushen Expressway. The advertising area increased by 1,215 sq.m. year-on-year.

(2) Acquisition of direct sales customers to enhance market competitiveness. It continued to drive new customer acquisition, optimized its business expansion strategy, and successfully engaged with multiple well-known companies. Leveraging its strengths in planning, design, and integrated marketing, direct sales business grew significantly. Direct sales contract revenue reached RMB19.67 million, up 36% year-on-year, while gross profit from new direct sales business increased by 50% year-on-year.

(3) Improvement of strategic planning capabilities and cultivation of core business competencies. The Group organized major events such as the '4th China Expressway Food Festival' and the '6th Expressway Service Area Food Tasting Fair,' and fulfilled its social responsibilities, enhanced corporate social value, and provided a solid foundation for its sustainable development.

II. Road Passenger Transportation and Auxiliary Services

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

1. Road passenger transport

As of the end of December 2024, the Group has 8 road passenger transportation enterprises directly under its management and 55 passenger terminals; 5,558 vehicles in operation, of which 922 are shuttle buses and 758 are rural passenger vehicles, of which 522 are in towns and villages; 3,720 urban buses, of which 1,021 are purely electric; 117 cabs, leased vehicles and school buses, etc.; and a total of 679 road passenger operation lines, of which 168 lines and 750 vehicles are connected to the use of the operational safety digital early warning management system application, with a total of 1,296 risk points.

(1) Stabilizing the fundamentals of passenger transportation business through digitalization and customized services. It cooperated with Didi Company, the leading Internet transportation platform in China, to carry out bus stop and intercity car pooling business, and mobilized offline existing resources to increase the actual load factor and total passenger volume, and strive to increase revenue. Among them, the bus routes covering 18 prefectures and cities in Guangdong Province, sending an average of 23,100 passengers a day, cultivated three boutique routes, Guangzhou-Shenzhen Futian, Guangzhou-Shenzhen Longgang and Guangzhou-Meizhou, with an average daily passenger flow exceeding 500; for the ride-sharing business, 13 lines were launched in Guangdong Province, covering 11 prefectures and cities; 12 lines were introduced under the cooperative operation of Baiyun Bus Terminal, with 17 daily departures.

(2) In accordance with the principle of "one enterprise, one policy", the Group continued to optimize capital layout. The Group implemented the conditional overall exit of passenger transport enterprises, and completed the overall exit of three regional passenger transport enterprises, namely Guangdong Yueyun Longri Co., Ltd., Foshan Sanshui Yueyun Transportation Co., Ltd. and Maoming Dianbai Yueyun Motor Transportation Co., Ltd.

(3) Optimizing the business model to reduce operating costs. Continue to promote the matching of the personnel size, personnel structure and labor cost of passenger transportation enterprises with the existing business scale, and the number of employees in the passenger transportation business for the whole year of 2024 decreased by 25.34%.

(4) Effectively reducing interest-bearing liabilities. Actively coordinate the collection of government subsidies, urge all passenger transport companies to collect subsidy funds with existing policies and documents, and improve the effect of subsidy collection; simultaneously promote the reduction of functional area and grade of passenger terminals at all levels, and revitalization of property assets to achieve "responsiveness". The Group also increased its efforts in asset disposal, made use of the special bonds of the central government to restart the policy of land acquisition and storage, and actively sought the idle land of local governments for acquisition, storage and passenger transportation business, revitalized assets and lowered the corporate debt ratio. As of 31 December 2024, interest-bearing liabilities of passenger transport companies decreased by approximately 37% from the beginning of the year.

2. Expressway Vehicle Rescue Service

The Group is committed to ensuring smooth expressway traffic and actively expands the business scope of expressway rescue while improving vehicle rescue services. By the end of December 2024, the mileage of vehicle rescue services exceeded 7,500 kilometers, with a total of 83 road sections, 211 rescue stations and 740 sets of rescue equipment. The main operating initiatives are as follows:

(1) Steadily developing the rescue business and improving service quality. In 2024, we successfully undertook the vehicle rescue services on multiple expressways including Guangfo Expressway, Fokai Expressway and Xiongxin Expressway, with the service mileage increasing significantly; we focused on improving service quality through measures such as optimizing the rescue process and strengthening staff training, leading to a satisfaction rate of over 90% among vehicle owners for our rescue services; we actively utilized 5G+AI technology to provide data sharing and technical support to owners, further enhancing the efficiency and quality of rescue services.

(2) Expanding the market and broadening the business channels. The Company strengthened the cooperation and negotiation with external enterprises to further broaden the sales channels; paid attention to the marketing and promotion of internal membership service products, which improved the enthusiasm of employees to open up the market; actively explored the "low-altitude economy" service format, and formulated manned helicopter highway emergency rescue drills The Plan clearly defines the helicopter dispatching process, flight route planning and emergency handling process to ensure that rescue can be carried out quickly and effectively in case of emergency, which opens up a new direction for our future business development.

(3) Significantly enhancing management level through business digitization. We completed the first phase of the "Digital Rescue" platform and officially launched its operation. The launch of the new system has enabled the Company to manage rescue business more efficiently and improved its work efficiency; we actively promoted the "Sunshine Rescue" platform service project for expressways in Guangdong Province, and signed relevant contracts with the Department of Transport of Guangdong Province to provide corresponding services; we strengthened the informatization construction in safety management, and carried out safety supervision on the job site through technical means such as video surveillance, effectively improving the level of safety management.

III. Taiping Interchange Operation Business

The Group stepped up daily inspections of Taiping Interchange, and organized maintenance and repairs. Affected by the diversion of traffic flow on the Humen Bridge due to the opening of the Shenzhen-Zhongshan Corridor, the traffic flow of Taiping Interchange slightly decreased, but the overall operation remained stable. As of the end of December 2024, the cumulative tolled vehicle flow of Taiping Interchange Project was 35.31 million vehicles, with a daily average of 92,300 vehicles, representing a year-on-year decrease of 7.12%.

IV. Other Businesses

The material supply businesses was substantially discontinued.

FINANCIAL REVIEW

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

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

For the year ended 31 December 2024, the Group's cumulative net profit attributable to shareholders of the parent company ("**Shareholders**") was RMB236,508,000 (2023: RMB201,888,000), representing a year-on-year increase of RMB34,620,000; basic earnings per share were RMB0.30 (2023: RMB0.25), representing a year-on-year increase of RMB0.05 per share. The main reason for the year-on-year increase in profits was the Company's efforts in optimizing its institutional mechanism and business model through reorganization and reform of its service area businesses, which led to growth in businesses such as the energy business at different rates.

SEGMENT INFORMATION

Operating Income

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

Operating income by business segments:

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

1. *Expressway Service Zones Operation Business*

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

(1) For energy business, the operating income amounted to RMB4,336,355,000 (2023: RMB4,086,296,000) in 2024, representing a year-on-year increase of RMB250,059,000 or 6%, which was mainly due to an increase in operating income in line with an increase in oil stations.

(2) For retail business, the operating income amounted to RMB530,906,000 (2023: RMB529,035,000) in 2024, representing a year-on-year increase of RMB1,871,000 or 0%, which was basically flat as compared with last year.

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

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

2. Road Passenger Transportation and Auxiliary Business

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

3. Operation of Taiping Interchange

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

4. Other Businesses

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

Gross profit

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

Gross profit by business segments:

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

1. Expressway Service Zones Operation

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

(1) The energy business generated gross profit of RMB539,891,000 (2023: RMB447,826,000) in 2024, representing a year-on-year increase of RMB92,065,000 or approximately 21%. The gross profit margin was 12% (2023: 11%). It was mainly due to a year-on-year increase in the sales revenue in line with the new oil stations.

(2) The retail business generated gross profit of RMB68,852,000 (2023: RMB64,044,000) in 2024, representing a year-on-year increase of RMB4,808,000 or 8%. The gross profit margin was 13% (2023: gross profit margin of 12%). It was mainly due to an effective control on cost.

(3) The merchant solicitation business generated gross loss of RMB49,762,000 in 2024 (2023: gross loss of RMB40,047,000), representing a year-on-year increase of RMB9,715,000 or a change of 24%. The gross loss margin was 17% (2023: gross loss margin of 15%). It was mainly due to an increase in the renovation expenses for micro-renovation in service zones.

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

2. Road Passenger Transportation and Auxiliary Business

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

3. Taiping Interchange Operation

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

4. Other Businesses

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

ADMINISTRATIVE AND R&D EXPENSES

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

FINANCE EXPENSES

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

OTHER INCOME

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

INVESTMENT GAIN

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

CREDIT IMPAIRMENT LOSSES

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

IMPAIRMENT LOSSES OF ASSETS

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

GAINS ON DISPOSAL OF ASSETS

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

NON-OPERATING INCOME AND EXPENDITURE

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

LIQUIDITY AND CAPITAL STRUCTURE

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

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

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

Cash flows

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

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

Operating activities

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

Investing activities

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

Financing activities

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

Borrowings

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

Material subsequent events

On 22 January 2025, the Company entered into an equity transaction agreement with Kee Kwan Motor Road Co., Ltd., pursuant to which the Company transferred 100% of the equity interests in its subsidiary, Zhuhai Gongyun Bus Terminal Co., Ltd.* (珠海市拱運汽車客運站有限公司), to Kee Kwan Motor Road Co., Ltd. The consideration for the equity transfer was RMB25,096,100. Please refer to the Company's announcement dated 22 January 2025 for details.

Major investments held

Nil.

MAJOR ACQUISITIONS, DISPOSALS AND ESTABLISHMENT OF NEW COMPANIES

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

MAJOR PROPERTIES HELD FOR INVESTMENT

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

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

* The Group has no freehold interest in these properties.

PLEDGE OF ASSETS

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

FOREIGN EXCHANGE RISK AND HEDGING

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

CONTINGENT LIABILITIES

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

MAJOR INVESTMENTS AND KEY BUSINESS DEVELOPMENTS OF THE GROUP IN 2025

TRAVEL SERVICES SEGMENT

1. *Expressway Service Zones Operation*

1. *Energy Business*

   (1) Deepening the layout of comprehensive energy business and promoting the optimization of industrial structure. We continued to promote the construction of new gas station and self-operated projects recycling, deepened gas supply and marketing cooperation with central enterprises, and further expanded the revenue of traditional gas business and the scale of terminal sales at gas stations; we accelerated the construction of the comprehensive energy business service network, including charging piles, battery swap stations, photovoltaic power generation integration, and other diversified energy services, and built an integrated service platform for expressway photovoltaic storage and charging as well as comprehensive energy, to realize the intelligence, efficiency and greening of energy supply.

(2) Expanding the clean energy landscape and enhancing the level of green development. We accelerated the progress of the photovoltaic storage and charging integration project in the Dahuai Service Zone, and ensured that the project will be completed and put into operation in 2025; based on the principle of "self-generation and self-consumption with surplus electricity fed into the grid", we simultaneously promoted the tendering and software development of the intelligent comprehensive energy management platform, and completed the deployment of the data center of the Guangdong Provincial Communication Group; we set up a professional operation and management team, and put on-line the comprehensive energy intelligent management platform of source grid load storage integration, and enhanced the intelligent level of energy management; we further increased the investment in new energy projects such as photovoltaics, energy storage, and supercharging, to continuously promote the green transformation of the energy structure of the service zone.

(3) Strengthening business collaboration to enhance brand influence. We strengthened cooperation with the Guangdong UETC and other enterprises to broaden the scope of cooperation and enhance brand awareness and influence; we implemented "one station, one policy" marketing in an accurate and effective manner, and launched themed marketing activities through measures such as publicly reduction of diesel to promote the increase in the volume of gas products and non-gas products business and improve efficiency; we strengthened the operational capacity of gas stations with special features, vigorously developed "digital energy", and enhanced the quality of service through multiple measures to create a competitive energy brand.

(4) Increasing investment in scientific research and innovation to promote business transformation and upgrading. Relying on the results of the emerging industry layout, we formulated a roadmap for scientific and technological innovation plan; combining with new energy application scenarios in the service zones, we actively launched joint innovation with the leading scientific research institutes within the industry and the leading enterprises in the new energy manufacturing industry to apply for scientific research and innovation projects and policy subsidies; we promoted the use of new technologies and equipment to promote the Company's business transformation and the development of new-quality productivity.

2. Retail Business

(1) Promoting business quality improvement and upgrading to expand sales channels. We strived to improve the quality and efficiency of retail trade in the service zones, further expanded our self-operated store network, broadened our online shopping mall sales channels, and expanded the scale of group purchasing and wholesale business within and outside the system; we enhanced our store management strategy and operation management, and continued to optimize our "one store, one policy" and vertical management measures to promote the upgrading of the consumer environment.

(2) Improving the category operation system and enhancing logistics and distribution capability. We comprehensively coordinated and optimized the logistics and distribution routes of retail business, reduced distribution mileage, saved logistics costs and actively expanded the space for incremental development of retail business in the future; we formulated the work plan of the cold chain logistics project, intending to make use of the perfect network nodes of the service zone and relying on the study and exploration of the expressway cold chain transportation resources integration, cold chain distribution and the network nodes establishment, etc., and actively made use of the advantages of leading enterprises, such as cargo transportation and platform technology to cooperate in building a logistics network operation platform.

(3) Improving information construction and opening up ecological links. Leveraging the digital intelligence capability of the leading platform, we improved the construction of "digital retail", enhanced the comprehensive strength of the retail brand, further integrated and revitalize resources, innovated the commercial management mode of the service zones, so as to bring new revenue to the Company through the innovation of the business model; through the integration of digital information resources and the reorganization of the business process, we realized the management and control of commercial operation and unified cashier supervision in the service zones, and standardized the operation and control of the commercial and financial operation of the service zones to form a "centralized, scaled-up and professional" operation mode, promote management enhancement and realize cost reduction and efficiency; we conducted regular analysis of retail-related data on the service zones, stores, and passengers to provide more scientific analysis basis for corporate development decisions while providing a better service experience for expressway travelers and merchants; we explored the development of innovative services such as customer operation, supply chain cooperation, takeaway, and drone delivery.

3. *Merchant Solicitation Business*

(1) Constructing a new system of operation and promoting the quality improvement and upgrading of the merchant solicitation business. We actively expanded the service zone business, promoted the in-depth integration of the service zones with the surrounding resources, digging into special industries, and tried to launch specific projects to achieve co-construction, sharing, and win-win; we implemented the "digital merchant solicitation," "large-scale merchant solicitation," and "recruiting big merchant" to comprehensively coordinate the merchant solicitation resources in the service zones, and intensify the efforts of recruitment for increasing the leasing rate; we comprehensively coordinated and planed merchant solicitation resources to improve the efficiency and quality of merchant solicitation through the implementation of the strategy of "digital merchant solicitation". We created the function of "online service zone" on the platform, built and promoted the service zone business circle, implemented the unified deployment and relocation of travel service and car-related scenic applications to the "Guangdong Pass" platform step by step, and cooperated with the "Guangdong Pass" platform to realize the unified entrance for vehicle owners to provide services externally; by deepening the construction of cross-border membership system, strengthening the synergy of the whole chain of supply chain,

promoting the layout of intelligent logistics network and other innovative service methods, we enhanced the comprehensive competitiveness and service level of the service zones.

(2) Exploring self-operated catering business and innovating business models. We summarized and assessed the overall situation of the KFC franchise project, to conduct feasibility studies and analyses of the project promotion; we explored the expansion and strengthening of the catering self-operated business, to continuously innovate the business model and development path; we strengthened the cooperation and exchanges with other catering brands, to learn from the advanced experience and management model, so as to enhance the competitiveness and influence of the Group's catering self-operated business.

(3) Implementing the "Urban and Rural Coordinated Development Project" to promote the rural revitalization. We created "five refined" special service area with more accurate planning and positioning, more lean design and implementation, more refined management, more exquisite industry products and more exquisite service experience, focused on completing the merchant solicitation operation work for the demonstration project, "Urban and Rural Coordinated Development Project" for Baiqiao (Maoming) service zone and other service zones, completed the business planning, merchant solicitation, investment and operation for the XiaoLan and other special service zones in a high-quality manner; we implemented the "Urban and Rural Coordinated Development Project", rural revitalization strategic deployment, to promote more local specialties into the service zone for sale, and strived to create another 30 pairs of service zone that is "High Quality Agricultural Products Station for Rural Revitalization in Guangdong"; we actively developed the upgrading and transformation of the service zones to help agriculture and industry, to realize the operation of special service zones with micro-renovation to help agriculture and industry, such as Dianbai.

(4) Reforming and upgrading the service zones to create a new integrated travel experience. We promoted the service zones from hardware upgrading to service upgrading, promoted changes and upgrading of the travel consumption structure in the service zones, and gradually provided customers with the best integrated travel solutions on the basis of the provision of high-quality special products and services in the service zones, so as to continuously satisfy the people's demand for high-quality travel; we accelerated the promotion of the "silver economy" in the service zones, and comprehensively completed the construction and upgrading of the "adaptive ageing" hardware and facilities in the service zones, to promote the optimization and enhancement of "adaptive ageing" operation and management in the service zones.

4. *Advertising Business*

(1) Accelerating the digital advertising resources management and expanding new media publicity. We will continue to promote the improvement of the advertising resources management platform, and promote the connection between the management platform and "Guangdong Pass" to realize the mobile working function and enhance the management efficiency; in accordance with the plan for the digital advertising in the service zones, we initially selected 18 pairs of service zones to carry out investment and construction in light-box advertising facilities in 2025, and initially built up the scale of the digital advertising network in the service zones; we improved the operation system of Video Accounts and Douyin Accounts, explored the operation of the live streaming room at the same time, further broadened the mode of advertisement and publicity, to accelerate the integration of digital media; we cultivated new business models for film and TV production and investment through innovative business plan models; we integrated Yueyun Rescue Gold Card high-speed trailer benefits, Yueyun Energy fueling and non-fuel discounts and Le Yi convenience store merchandise discounts to establish the Yueyun Highway Benefits Package product and promote cooperation in the sale of this product.

(2) Innovating cooperation mode and strengthening customer relationship. We integrated the existing professional community resources of outdoor advertising to achieve efficient utilization and sharing of resources; we actively participated in industry information exchange activities and professional exhibitions to broaden the horizons and enhance the visibility and influence of the industry; we explored and made full use of our customers' professional network platforms to precisely target professionals and decision makers in the outdoor advertising industry and improve the targeting and effectiveness of customer expansion; through online and offline multi-channel publicity and promotion of outdoor advertising resources, we help our customers to increase brand awareness and market share, and establish a closer relationship with them.

(3) Enhancing advertising resources and optimizing operation and management. We strived for the relocation of advertising facilities during the expansion process to minimize the impact on our operations; we continued to follow up on the legal formalities for advertisements on overpass bridges and vigorously developed advertising resources on overpass bridges in accordance with the latest overpass bridges advertisement policy of the governmental departments; we strengthened the management and maintenance of advertising resources, enhanced the efficiency and value of utilization of the resources, to provide stable resources for the transformation and upgrading as well as the sustainable development of the advertisement business.

2. ROAD PASSENGER TRANSPORTATION AND AUXILIARY

1. Complete withdrawal from the road passenger transportation business

(1) Implementing the withdrawal plan for passenger transportation enterprises. In strict accordance with the entrusted construction allocated by district for gridded points of senior management and scheme of arrangement, we urged our passenger transportation enterprises to strictly implement the "one enterprise, one policy" plan for the withdrawal from the passenger transportation business, efficiently pushed forward the transfer of shareholdings, and made every effort to promote the orderly withdrawal from the traditional passenger transportation business by means of business divestiture, transfer of shareholdings, transfer of controlling interests and liquidation in bankruptcy. In 2025, we fully promoted the orderly withdrawal of traditional passenger transportation business, simultaneously implemented the disposal of assets which are "Non-core business, Disadvantageous", "Inefficient or Ineffective" and implemented the special actions for the governance of loss-making subsidiaries.

(2) Strictly controlling the debt risk of passenger transportation enterprises. We continuously tracked the financial status of our passenger transportation enterprises, included those with excessive debt ratios and liquidity constraints in the key control list, combining with the "one enterprise, one policy" and disposal plan to implement the debt resolution plan on a rolling basis on a monthly basis, and cooperated with the enterprises excessive debt ratios in promoting the smooth and orderly withdrawal from passenger transportation business in order to guard against systemic debt risks; we actively coordinated and communicated with financial institutions to consolidate the strategic partnership between banks and enterprises, maintain the overall credit limit level, optimize the debt structure and alleviate the pressure of debt repayment; we will continue to promote the revitalization and utilization of assets and coordinate the priority use of existing funds for debt repayment and interest payment.

2. Continuous development of expressway vehicle rescue business

(1) Strengthening and optimizing the main business and continuously enhancing core competitiveness. We strengthened the rescue information transfer accuracy through grasping the key information source, to realize joint interaction with road monitoring centers, road administration and local traffic police, to ensure that the vehicle rescue work quickly into the station, quickly to the scene, quickly disposed of; we enhanced the efficiency of rescue and obstacle clearance, strengthened the analysis and conclusion of overtime rescue cases to form corresponding training materials, organized specialized training for frontline staff to enhance the service level and rescue skills of the rescue team and enhanced the efficiency of rescue and obstacle clearance; we also updated rescue equipment, strengthened the ability to ensure smooth access, optimized the model structure of rescue equipment, strengthened the research and application of rescue auxiliary equipment, and continued to promote the innovation of rescue technology to improve the speed of rescue response and emergency response capability.

(2) Actively developing the market and broadening the business landscape. We focused on the main market of vehicle rescue, strengthened the mapping of the existing market situation and road section information to enhance the accuracy and timeliness of the data, and actively complete the undertaking of expressway sections; we strived for rescue business through participation in market-oriented competition; we continued to develop market-oriented business, actively explored diversified sales channels, and visited to understand the market demand, explored the potential for cooperation, and strived for more opportunities for cooperation.

(3) Consolidating the achievements of digital transformation and realizing high-quality development. We improved the construction of the "digital rescue" platform, strengthened the construction and management of the internal management information platform, started the research on the requirements of the second phase based on the first phase project, and promoted the second phase project of the "digital rescue" platform; we promoted the construction of the "Sunshine Rescue" platform for expressways in Guangdong Province, continued to assist the Department of Transportation of Guangdong Province in completing the "Sunshine Rescue" data management work, monitored the progress of the project, summarized the project periodically, and explored a scientific and effective "Sunshine Rescue" operation model for Guangdong Province to provide support for the subsequent operation decision.

OTHER INFORMATION

Interests of Directors and supervisors in contracts

Save for the service contract entered into with the Company, none of the Directors or supervisors had any material interest, whether directly or indirectly, in any contract of significance to the business of the Group to which the Company or any of its subsidiaries was a party during the year ended 31 December 2024.

Dividend

Starting from 2025, the Company will promote the construction of new energy infrastructure in expressway service zones, and strengthen sustainable driving forces by enhancing the capability of supplying green energy and optimising the energy structure. To safeguard our investment in projects and meet the capital reserve requirement, which maintain the foundation for sustainable development of the Company and safeguard the long-term interest of the shareholders, the Board's decision made after due and careful consideration is that it does not recommend the distribution of any dividend for the year ended 31 December 2024.

CORPORATE GOVERNANCE

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 other than code provisions C.1.6 and C.2.1 set out in Part 2 of Appendix C1 to the Listing Rules for the year ended 31 December 2024.

Code provision C.1.6 provides that independent non-executive Directors and other non-executive Directors should generally attend general meetings to gain and develop a balanced understanding of the views of shareholders. At the 2023 annual general meeting of the Company held on 28 June 2024, the 2024 first extraordinary general meeting of the Company held on 30 July 2024 and the 2024 second extraordinary general meeting of the Company held on 11 December 2024, Mr. Chen Chuxuan, a non-executive Director, was unable to attend due to work reasons. The Board considers that such deviation did not affect the Directors' understanding of the views of the shareholders or their responses to the shareholders' inquiries, as other executive Directors and all of the independent non-executive Directors were present in the meeting and they could gain and develop a balanced understanding the shareholders' views of the Company and give adequate answers to any questions raised by the shareholders at the meeting. The Company will provide all Directors with electronic means such as telephone or video conferences in accordance with the provisions of the Articles of Association, so as to provide more flexible ways for our Directors to attend general meetings.

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

Model Code for Securities Transactions by Directors and Supervisor

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

Committees of the Board

The Company has established the Audit and Corporate Governance Committee, the Remuneration Committee and the Nomination Committee.

Each of the Audit and Corporate Governance Committee, the Remuneration Committee and the Nomination Committee of the Company has laid down specific terms of reference, detailing the powers and responsibilities of these committees. All the committees report their decisions or submit their proposals to the Board within their authorities. Under certain circumstances, they have to request for the Board's approval before taking any actions.

(1) Audit and Corporate Governance Committee

The primary duties of the Audit and Corporate Governance Committee are (among others): to provide advice to the Board regarding the appointment, re-appointment and dismissal of the external auditors; to review and monitor the external auditors as to whether they are independent and objective and whether their auditing procedures are valid in accordance with applicable standards; to monitor the completeness of the financial statements, annual reports and accounts, half-yearly reports of the Company, and review the material advice in respect of financial reporting as set out in the financial statements and reports; to review the financial control of the Company and review the risk management and internal control systems of the Company; to review the financial and accounting policies and practices of the Company; to formulate the Company's corporate governance policies and practices, to perform corporate governance functions, to review and monitor the corporate governance of the Company, and make suggestions to the Board; to review and monitor the training and continuous professional development of Directors and the senior management personnel; to review and monitor the policies and practices of the Company in complying with laws and regulatory regulations; to develop, review, and monitor codes of conduct for employees and Directors; to review the compliance with the Corporate Governance Code and disclosure in corporate governance reports. The detailed terms of reference of the Audit and Corporate Governance Committee are set out in the Working Rules for the Audit and Corporate Governance Committee of the Board published on the websites of the Stock Exchange and the Company on 7 May 2019.

The corporate governance policies of the Company were included in other internal regulations and systems of the Company, such as the Articles of Associations, the rules of procedure for the general meeting, the rules of procedure for the Board and the rules of procedure for the Supervisory Committee. In 2024, the Audit and Corporate Governance Committee reviewed and monitored the training and continuous professional development of Directors and senior management, the Company's policies and practices on compliance with legal and regulatory requirements and the Company's employees and Directors' compliance with code of conduct applicable to them. In addition, the Audit and Corporate Governance Committee has reviewed the disclosures in the Corporate Governance Report of the Company for the year ended 31 December 2024 as per its responsibilities, and reviewed the corporate governance of the Company.

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

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

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

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

(2) Remuneration Committee

The primary duties of the Remuneration Committee are (among others): to advise the Board in respect of the remuneration policy and structure of all the Directors and senior management; to review and approve the remuneration recommendations by the management according to the corporate policies and objectives set by the Board; to recommend to the Board the remuneration packages of Directors and senior management; to assess the performance of the executive Directors; to recommend and establish annual and long-term performance criteria and targets as well as to review and supervise the implementation of all executive compensation packages and employee benefit plans of the Company. The detailed terms of reference of the Remuneration Committee are set out in the Working Rules for the Remuneration Committee of the Board published on the websites of the Stock Exchange and the Company on 5 September 2023.

On 31 December 2024, the Remuneration Committee of the eighth session of the Board of the Company consisted of two independent non-executive Directors (Mr. Zhang Xiangfa and Mr. Su Wujun) and one non-executive Director (Mr. Chen Chuxuan). Mr. Zhang Xiangfa is the chairman of the Remuneration Committee.

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

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

(3) Nomination Committee

The primary duties of the Nomination Committee are (among others): to recommend standards and opinions on Director candidates according to the requirements of the Articles of Association and the Board Diversity Policy, to review the structure and composition of the Board and shall be accountable to the Board. The detailed terms of reference of the Nomination Committee are set out in the Working Rules for the Nomination Committee of the Board published on the websites of the Stock Exchange and the Company on 5 September 2023.

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

(1) the composition and diversity of the Board, including but not limited to gender, age, cultural and educational background, professional experience, skills, knowledge and length of service;

(2) candidates' commitment in devoting sufficient time to the Board and diligent discharge of duties;

(3) potential or actual conflict of interest if the candidates were to be appointed; and

(4) length of the service and independence of the candidates to be re-elected as independent non-executive Directors.

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

(1) The Nomination Committee shall conduct personal interviews with candidates who possess adequate qualifications for holding the office of Director and background check (if necessary);

(2) The Nomination Committee shall evaluate the candidates based on the written information provided by the candidates, board diversity policy of the Company, and the Nomination Committee shall meet to discuss the nomination, put it to vote and submit the resolutions to the Board of the Company for further action;

(3) The Board appoints Directors as per the resolutions of the general meetings.

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

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

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

BOARD DIVERSITY

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

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

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

STAFF DIVERSITY

The Group operates in an industry which traditionally had a high concentration of male employees in the talent pool. As at 31 December 2024, the Group had 11,476 employees, among which, the female employees account for 22.95% of the total number of employees, when all members of the senior management are male. In light of the characteristics of the industry where the Group operates and the requirements for operation of the Group, the Board considers that the ratio between the male and female employees was appropriate. Although this is common in the industry, the Group attaches great importance to the issue of gender diversity among employees and has taken active measures to promote related work. The Group always adheres to the principles of fairness and impartiality in employment, ensuring that all employees have equal opportunities in recruitment, promotion and other aspects. The selection criteria are strictly based on their capabilities, skills and work experience, while also valuing the alignment between employees' values and our corporate culture. The Group is committed to creating a more inclusive and diverse work environment and provides more flexible work schedules specifically for employees who need to take care of their families to support them in achieving a balance between work and family. Currently, the Group does not have any plan or measurable target of further promoting staff diversity in terms of gender. However, the Directors will review the employment culture of the Company on a regular basis, and examine if the current practice is still in line with objectives, values and strategies of the Company in an evolving environment. In the future, the Group will continue to strive to increase the proportion of female employees, ensure that they have equal opportunities for career growth and promotion and further promote gender diversity within the Group. As of the date of this announcement, the Group is not aware of any factors or circumstances that would make it more challenging or irrelevant to achieve gender diversity among employees (including senior management members).

SUPERVISORY COMMITTEE

As at 31 December 2024, the supervisory committee of the Company (the "**Supervisory Committee**") comprised seven members, including two independent supervisors (Mr. Duan Xinhong and Ms. Meng Xue), two shareholder representative supervisors (Mr. Zhou Yihua and Mr. Wang Qingwei) and three employee supervisors (Mr. Zhen Jianhui, Ms. Li Xiangrong and Ms. Ou Lixu). The Supervisory Committee is responsible for supervising the Board, the Directors as well as the senior management of the Company, to prevent any abuse of power that may harm the lawful rights and interests of the shareholders, the Company, or its employees.

In addition, Mr. Wang Qingwei resigned as a shareholder representative supervisor of the Company due to work relocation on 3 January 2025. On the same date, Ms. Wang Xiaobing was appointed as a shareholder representative supervisor of the Company. Please see the announcement dated 3 January 2025 of the Company for details. Accordingly, as at the date of this announcement, the current Supervisory Committee of the Company comprises two independent supervisors (Mr. Duan Xinhong and Ms. Meng Xue), two shareholder representative supervisors (Mr. Zhou Yihua and Ms. Wang Xiaobing) and three employee supervisors (Mr. Zhen Jianhui, Ms. Li Xiangrong and Ms. Ou Lixu).

For the year ended 31 December 2024, the Supervisory Committee reviewed and assessed the Company's financial condition and compliance with applicable laws and regulations. In fulfilling its duties with due care, the Supervisory Committee conducted special inspections, convened meetings, and attended Board meetings.

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

REPURCHASE, SALE OR REDEMPTION OF THE COMPANY'S SHARES

During the reporting period and as of the end of the reporting period, the Company did not hold any treasury shares, including any treasury shares held or deposited with the Central Clearing and Settlement System.

During the year ended 31 December 2024, neither the Company nor its subsidiaries repurchased, sold or redeemed listed shares of the Company (including sale of any treasury shares).

PRE-EMPTIVE RIGHTS

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

EMPLOYEES AND REMUNERATION POLICIES

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

The remuneration of the employees of the Group (including the executive Directors) comprises of basic salary, allowances and performance bonuses. The basic salary is determined employee's position, work experience, academic background, and capabilities. The performance bonus is determined according to the performance assessment results and the employee's contributions. The remuneration of the independent non-executive Directors is determined with reference to the remuneration standards in the capital market for independent non-executive Directors of companies with similar business scope and scale. The non-executive Directors do not receive any remuneration in their capacity as non-executive Directors.

AUDITOR

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

Disclosure of Information on the Stock Exchange and the Company's Website

This announcement is published on the website of the Stock Exchange (http://www.hkexnews.hk). The annual report for the year ended 31 December 2024 containing the information required under the Listing Rules will be published on the website of the Stock Exchange in due course.

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

Guangzhou, the PRC
13 March 2025

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

* *For identification purpose only*