



重慶長安民生物流股份有限公司

Changan Minsheng APLL Logistics Co., Ltd.*

(A joint stock limited company incorporated in the People's Republic of China with limited liability)
(Stock Code: 01292)



*For identification purpose only

2013 Interim Report

HIGHLIGHTS

- For the six-month period ended 30 June 2013, the unaudited revenue of the Group was approximately RMB 2,035,695,000, representing an increase of approximately 22.86% from the corresponding period in 2012.
- For the six-month period ended 30 June 2013, the unaudited profit attributable to equity holders of the Company was approximately RMB110,853,000, representing an increase of approximately 31.96% from the corresponding period in 2012.
- For the six-month period ended 30 June 2013, the unaudited basic earnings per share were RMB 0.68 (corresponding period in 2012: RMB 0.52).
- The Board does not propose the payment of an interim dividend for the six-month period ended 30 June 2013.

INTERIM REPORT (UNAUDITED)

The board (the “Board”) of directors (the “Directors”) of Changan Minsheng APLL Logistics Co., Ltd. (the “Company”) is pleased to announce the unaudited consolidated results of the Company and its subsidiaries (collectively, the “Group”) for the six-month period ended 30 June 2013 as follows:

Condensed consolidated statement of comprehensive income

	Note	For the six-month period ended 30 June	
		2013 (unaudited) RMB'000	2012 (unaudited) RMB'000
Revenue	5	2,035,695	1,656,921
Cost of sales		(1,813,870)	(1,457,309)
Gross profit		221,825	199,612
Other income		8,608	4,283
Distribution costs		(57,610)	(47,876)
Administrative expenses		(36,422)	(27,180)
Operating profit		136,401	128,839
Finance income		3,080	3,360
Finance costs	6	(847)	38
Finance income-net		2,233	3,398
Share of profit of associates		1,931	(79)
Profit before income tax	7	140,565	132,158
Income tax expense	8	(24,982)	(32,016)
Profit for the period		115,583	100,142
Profit attributable to:			
Equity holders of the Company		110,853	84,002
Non-controlling interests		4,730	16,140
		115,583	100,142
Other comprehensive income for the period		-	-
Total comprehensive income for the period		115,583	100,142
Total comprehensive income attributable to:			
Equity holders of the Company		110,853	84,002
Non-controlling interests		4,730	16,140
		115,583	100,142
Earnings per share for profit attributable to owners of the Company during the period			
--Basic and diluted	9	RMB0.68	RMB0.52
Dividends		-	-

Condensed consolidated balance sheet

		As at 30 June 2013 (unaudited) RMB'000	As at 31 December 2012 (audited) RMB'000
	Note		
Assets			
Non-current assets			
Property, plant and equipment	10	232,404	254,455
Prepaid lease payments	11	138,669	140,432
Intangible assets		11,421	12,001
Investment in associates	12	21,003	23,573
Deferred income tax assets		19,807	20,900
Total non-current assets		423,304	451,361
Current assets			
Inventories		20,008	26,262
Trade receivables	13	294,806	346,736
Prepayment and other receivables		33,988	25,345
Due from related parties	14	1,163,478	1,039,337
Restricted cash		10,729	6,379
Cash and cash equivalents		661,710	460,037
Total current assets		2,184,719	1,904,096
Total assets		2,608,023	2,355,457

		As at 30 June 2013 (unaudited) RMB'000	As at 31 December 2012 (audited) RMB'000
Equity			
Equity attributable to owners of the Company			
Share capital	15	162,064	162,064
Other reserves	16	152,774	152,774
Retained earnings	16		
-Proposed final dividend		-	48,619
-Others		<u>930,603</u>	<u>819,750</u>
Non-controlling interests		<u>64,422</u>	<u>59,692</u>
Total equity		<u>1,309,863</u>	<u>1,242,899</u>
Liabilities			
Non-current liabilities			
Deferred income tax liability		562	642
Deferred income		<u>1,666</u>	<u>1,691</u>
Total non-current liabilities		<u>2,228</u>	<u>2,333</u>
Current liabilities			
Trade and other payables	17	1,048,428	972,770
Due to related parties	18	124,429	126,079
Short-term bank loans		60,000	-
Dividends payable		48,619	-
Current income tax liabilities		<u>14,456</u>	<u>11,376</u>
Total current liabilities		<u>1,295,932</u>	<u>1,110,225</u>
Total liabilities		<u>1,298,160</u>	<u>1,112,558</u>
Total liabilities and equity		<u>2,608,023</u>	<u>2,355,457</u>
Net current assets		<u>888,787</u>	<u>793,871</u>
Total assets less current liabilities		<u>1,312,091</u>	<u>1,245,232</u>

Condensed consolidated statement of changes in equity

	Unaudited				
	Attributable to Equity holders of the Company			Non- controlling interests	Total equity
	Share capital	Other reserves	Retained earnings		
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Balance at 1 January 2012	162,064	161,017	690,022	106,009	1,119,112
Comprehensive income					
Profit for the period	-	-	84,002	16,140	100,142
Transactions with equity holders of the Company					
Cash dividends	-	-	(25,930)	(39,200)	(65,130)
Balance at 30 June 2012	<u>162,064</u>	<u>161,017</u>	<u>748,094</u>	<u>82,949</u>	<u>1,154,124</u>
Balance at 1 January 2013	162,064	152,774	868,369	59,692	1,242,899
Comprehensive income					
Profit for the period	-	-	110,853	4,730	115,583
Transactions with equity holders of the Company					
Cash dividends	-	-	(48,619)	-	(48,619)
Balance at 30 June 2013	<u>162,064</u>	<u>152,774</u>	<u>930,603</u>	<u>64,422</u>	<u>1,309,863</u>

Condensed consolidated cash flow statement

	For the six-month period ended 30 June	
	2013	2012
	(unaudited)	(unaudited)
	RMB'000	RMB'000
Cash flow from operating activities		
Cash generated from operations	175,101	7,106
Interest paid	(412)	-
Income tax paid	(20,889)	(37,370)
Net cash generated/ (used) in operating activities	153,800	(30,264)
Cash flow from investing activities		
Purchase of property, plant and equipment and intangible assets	(18,594)	(30,885)
Cash received from returns on investments	3,500	-
Proceeds from disposal of property, plant and equipment	111	106
Interest received	3,080	3,360
Net cash used in investing activities	(11,903)	(27,419)
Cash flow from financing activities		
New short-term bank loans	60,000	-
Dividends paid to equity holders and non-controlling interests	-	(39,200)
Net cash generated/ (used) in financing activities	60,000	(39,200)
Net increase/decrease of cash and cash equivalents	201,897	(96,883)
Cash and cash equivalents at beginning of the period	460,037	489,317
Exchange (losses)/gain on cash	(224)	49
Cash and cash equivalents at end of the period	661,710	392,483



Notes:

1. General information

The Company, formerly known as Chongqing Changan Minsheng Logistics Co., Ltd, was incorporated in the People's Republic of China (the "PRC") on 27 August 2001 as a limited liability company. In 2002, the company was converted to a sino-foreign equity joint venture. On 31 December 2004, the company was transformed into a joint stock limited liability company and was renamed CMA Logistics Co., Ltd.

On 5 June 2007, the English name of the Company was changed to "Changan Minsheng APLL Logistics Co., Ltd."

The address of the Company's registered office is Liangjin Village, Yuanyang Town, Yubei District, Chongqing, the PRC.

The H shares of the Company have been listed on the Growth Enterprise Market of the Stock Exchange of Hong Kong Limited (the "Stock Exchange") since 23 February 2006, and have been transferred and traded on the Main Board since 18 July 2013.

The consolidated interim financial information has not been audited.

2. Basis of preparation

This condensed consolidated interim financial information for the six months ended 30 June 2013 has been prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34, "Interim financial reporting". The condensed consolidated interim financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2012, which have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRS").

3. Principle accounting policies

The financial information has been prepared on the historical cost basis.

The accounting policies adopted in the interim financial information are consistent with those used in the preparation of the Company's annual financial statements for the year ended 31 December 2012.

The Group has adopted the new or amended HKFRS, amendments of standards and interpretations effective for the accounting periods beginning on or after 1 January 2013. Adoption of such new and amended standards, amendments of standards and interpretations has no material effect on the condensed consolidated interim financial information, and has caused no material change to the accounting policies of the Group.

4. Segment information

Management has determined the operating segments on the basis of the monthly reports reviewed at the General Manager Meeting of the Company and used for the purpose of making strategic decisions.

During the General Manager Meetings, the business conditions are assessed from the perspective of services provision only. Geographically all the services are provided in PRC which is considered as one geographical segment with similar risks and returns.

The reportable operating segments derive their revenues primarily from rendering of transportation and supply chain management for vehicle commodities, transportation of non-vehicle commodities services and processing of tyres.

Other services mainly include the sales of package materials, and the results of these operations are included in the “All other segments” column below.

During the General Manager Meetings the performance of the operating segments is assessed on the basis of adjusted operating profit. This measurement excludes other income and administrative expenses. The measure also excludes the effects of the depreciation of property, plant and equipment, amortization of prepaid lease payments and intangible assets, which are not allocated to segments, as these types of assets are driven by the central investment function which manages the long-term assets investments of the Group.

The segmental information provided to the management at General Manager Meetings for the six-month period ended 30 June 2013 is as follows:

	Transportation and supply chain management for vehicle commodities (unaudited) RMB'000	Transportation of non-vehicle commodities (unaudited) RMB'000	Processing of tyres (unaudited) RMB'000	All other segments (unaudited) RMB'000	Total (unaudited) RMB'000
Segment revenue	1,573,492	55,611	402,345	4,247	2,035,695
Inter-segment revenue	-	-	-	-	-
Revenue from external customers	1,573,492	55,611	402,345	4,247	2,035,695
Adjusted operating profit	181,121	9,962	7,926	(1,841)	197,168
Total assets	1,167,290	9,659	170,324	6,578	1,353,851

The segmental information provided to the management at the General Manager Meetings for the six-month period ended 30 June 2012 is as follows:

	Transportation and supply chain management for vehicle commodities (unaudited) RMB'000	Transportation of non-vehicle commodities (unaudited) RMB'000	Processing of tyres (unaudited) RMB'000	All other segments (unaudited) RMB'000	Total (unaudited) RMB'000
Segment revenue	1,516,311	39,232	95,833	5,545	1,656,921
Inter-segment revenue	-	-	-	-	-
Revenue from external customers	<u>1,516,311</u>	<u>39,232</u>	<u>95,833</u>	<u>5,545</u>	<u>1,656,921</u>
Adjusted operating profit	<u>182,516</u>	<u>6,040</u>	<u>(5,341)</u>	<u>(1,564)</u>	<u>181,651</u>
Total assets	<u>975,898</u>	<u>13,015</u>	<u>43,670</u>	<u>28,112</u>	<u>1,060,695</u>

Sales between segments are carried out without generating profit. The revenue from external parties reported at the General Manager Meetings is measured in a manner consistent with that in the consolidated statement of comprehensive income.

A reconciliation of adjusted operating profit to profit before tax is shown as follows:

	For the six-month period ended 30 June	
	2013	2012
	(unaudited)	(unaudited)
	RMB'000	RMB'000
Adjusted operating profit for reportable segments	199,009	183,215
Other segments adjusted operating profit	<u>(1,841)</u>	<u>(1,564)</u>
Total segments	197,168	181,651
Depreciation and amortization included in cost of sales and distribution cost	(32,953)	(29,915)
Other income	8,608	4,283
Administrative expenses	(36,422)	(27,180)
Finance income- net	2,233	3,398
Share of profit of associates	<u>1,931</u>	<u>(79)</u>
Profit before income tax	<u>140,565</u>	<u>132,158</u>

Reportable segments' assets are reconciled to total assets as follows:

	30 June 2013	31 December 2012
	(unaudited)	(audited)
	RMB'000	RMB'000
Segments assets for reportable segments	1,347,273	1,177,206
Other segments assets	<u>6,578</u>	<u>6,757</u>
Total reportable segments assets	1,353,851	1,183,963
Unallocated:		
Property, plant and equipment	232,404	254,455
Prepaid lease payments	138,669	140,432
Intangible assets	11,421	12,001
Investments in associates	21,003	23,573
Deferred income tax assets	19,807	20,900
Other current assets	<u>830,868</u>	<u>720,133</u>
Total assets per balance sheet	<u>2,608,023</u>	<u>2,355,457</u>

The operating entities are domiciled in China. All revenues from external customers are derived from the PRC, and all the non-current assets (there are no financial instrument, employment benefit assets and rights arising under insurance contracts) are located in the PRC.

For the six-month period ended 30 June 2013, revenues of approximately RMB 1,076,811,000, RMB 385,811,000 and RMB 97,161,000 (for the six-month period ended 30 June 2012: RMB 661,961,000, RMB 369,248,000 and RMB 140,943,000) are derived from three largest external customers, respectively. These revenues are attributable to the transportation and supply chain management for vehicle commodities segment and processing of tyres segment.

5. Revenue

The Group is principally engaged in rendering transportation of finished vehicles, supply chain management services for automobile components and parts and transportation of non-vehicle commodities services. Revenues recognized for the six-month period ended 30 June 2013 are as follows:

	For the six-month period ended 30 June	
	2013	2012
	(unaudited)	(unaudited)
	RMB'000	RMB'000
Transportation of finished vehicles	1,051,433	1,047,654
Supply chain management for automobile components and parts	522,059	468,657
Transportation of non-vehicle commodities	55,611	39,232
Processing of tyres and others	406,592	101,378
	<u>2,035,695</u>	<u>1,656,921</u>
Total	<u>2,035,695</u>	<u>1,656,921</u>

6. Finance costs

	For the six-month period ended 30 June	
	2013	2012
	(unaudited)	(unaudited)
	RMB'000	RMB'000
Net exchange (gain)/losses	401	(70)
Loan interests	412	-
Others	34	32
	<u>847</u>	<u>32</u>
Total	<u>847</u>	<u>32</u>

As at 30 June 2013, the balance of the Group's borrowings from financial institutions was RMB 60,000,000 (as at 31 December 2012: 0).

7. Profit before income tax

For the six-month period ended 30 June 2013, the profit before tax was determined after charging the following items:

	For the six-month period ended 30 June	
	2013	2012
	(unaudited)	(unaudited)
	RMB'000	RMB'000
Depreciation and amortization	33,495	30,037
Employee benefit expenses	<u>194,884</u>	<u>157,265</u>

8. Income tax expense

	For the six-month period ended 30 June	
	2013	2012
	(unaudited)	(unaudited)
	RMB'000	RMB'000
Current PRC corporate income tax ("CIT")	23,937	31,231
Deferred tax	<u>1,045</u>	<u>785</u>
Total	<u>24,982</u>	<u>32,016</u>

The Company and its subsidiaries are subject to different CIT rates. The applicable CIT rates are shown as follows:

	For the six-month period ended 30 June	
	2013	2012
	CIT rate	CIT rate
The Company	15.0%	15.0%
Chongqing CMAL Boyu Logistics Company Limited (“Chongqing Boyu”)	15.0%	15.0%
Nanjing CMSC Logistics Company Limited (“Nanjing CMSC”)	25.0%	25.0%
Chongqing Changan Minsheng Future Bonded Logistics Co., Ltd (“Chongqing MFBL”)	25.0%	25.0%
Chongqing Changan Minsheng Dingjie Logistics Co., Ltd (“Chongqing Dingjie”)	25.0%	25.0%
Chongqing Changan Minsheng Fuyong Logistics Co., Ltd (“Chongqing Fuyong”)	25.0%	25.0%
Hangzhou Changan Minsheng Logistics Co., Ltd (“Hangzhou Changan Minsheng”)	25.0%	-

According to Caishui (2011) No. 58 issued jointly by Ministry of Finance, General Administration of Customs and State Administration of Taxation (SAT) on 27 July 2011, the enterprises in encouraged industries in Western China are eligible for a reduced CIT rate of 15% for the period from 1 January 2011 to 31 December 2020. Pursuant to the Public Notice [2012] No.12 issued by SAT on 6 April 2012, the Company and Chongqing Boyu satisfy the conditions of tax incentive, and the applicable CIT rate of both of them is 15%.

For the six-month period ended 30 June 2013 and the corresponding period for the last year, the applicable CIT rate of the wholly owned subsidiaries of the Company, Chongqing MFBL and Chongqing Fuyong, were both 25%.

For the six-month period ended 30 June 2013 and the corresponding period for the last year, the applicable CIT rate for Nanjing CMSC, the subsidiary of the Company, was 25% (as at 30 June 2013, the Company and Sumitomo Corporation (“Sumitomo”) of Japan held 67% and 33% of Nanjing CMSC’s shareholdings respectively).

For the six-month period ended 30 June 2013 and the corresponding period for the last year, the applicable CIT rate for Chongqing Dingjie, the subsidiary of the Company, was 25% (As at 30 June 2013, the Company held 95% of Chongqing Dingjie’ shareholdings, Chongqing Dajiang Zhenyue Storage Company Limited, Chongqing Weitai Trade Company Limited and Chongqing Lingxin Storage Company Limited held respectively 2%, 2% and 1% of Chongqing Dingjie’ shareholdings).

Hangzhou Changan Minsheng, a wholly owned subsidiary of the Company, was incorporated on 17 May 2013, and the applicable CIT rate for it has been 25% since its establishment.

No provision for Hong Kong profits tax was made as the Group had no assessable profit arising in or derived from Hong Kong for the six-month period ended 30 June 2013 (corresponding period in 2012: nil).

The tax on the Group's profit before tax differs from the theoretical amount that would arise using the weighted average tax rate applicable to profits of the consolidated entities as follows:

	For the six-month period ended 30 June	
	2013	2012
	(unaudited)	(unaudited)
	RMB'000	RMB'000
Profit before tax	<u>140,565</u>	<u>132,158</u>
Tax calculated at applicable tax rates of the Group entities	24,072	24,883
Expenses not deductible for tax purposes	968	168
Share of profit of associates	(290)	12
Others	<u>232</u>	<u>6,953</u>
Tax charge	<u><u>24,982</u></u>	<u><u>32,016</u></u>

The weighted average applicable tax rate for the six-month period ended 30 June 2013 was 17.13% (2012: 18.83%).

9. Earnings per share

Basic earnings per share is calculated by dividing the Group's profit attributable to shareholders of the Company by the weighted average number of shares in issue for the six-month period ended 30 June 2013.

	For the six-month period ended 30 June	
	2013	2012
	(unaudited)	(unaudited)
	RMB'000	RMB'000
Group's profit attributable to equity holders of the Company	110,853	84,002
Weighted average number of shares in issue(in thousands)	<u>162,064</u>	<u>162,064</u>
Basic earnings per share(RMB per share)#	<u><u>0.68</u></u>	<u><u>0.52</u></u>

#Diluted earnings per share is the same as basic earnings per share as there were no potentially dilutive instruments outstanding.

10. Property, plant and equipment

At 30 June 2013, the Group's original value of property, plant and equipment was approximately RMB482,809,472, and the net value was approximately RMB232,404,481.

During the reporting period, the detailed changes of the property, plant and equipment are as follows:

	As at 30 June 2013 (unaudited) RMB'000	As at 31 December 2012 (audited) RMB'000	Changes during the reporting period RMB'000
Buildings	278,297	264,112	14,185
Machinery	37,460	36,363	1,097
Office facilities	25,405	24,589	816
Transportation vehicle	138,971	134,623	4,348
Construction in progress	2,676	13,107	(10,431)
Total	<u>482,809</u>	<u>472,794</u>	<u>10,015</u>

11. Prepaid lease payments

During the reporting period, the Group had no new land use right (corresponding period in 2012: RMB 0). As at 30 June 2013, the net value of the Group's lease payment was RMB138,669,000 (as at 31 December 2012: RMB140,432,000).

12. Investment in associates

As at 30 June 2013, the Company had interests in the following main associates (non-listed):

Name	Registered capital RMB'000	Location	Assets RMB'000	Liabilities RMB'000	Revenue RMB'000	Profit RMB'000	Interests held
Wuhan Chang'an Minfutong Logistics Company Limited ("Wuhan Minfutong")	10,000	Wuhan PRC	7,625	2,596	1,522	261	31%
Chongqing Terui Transportation Service Company Limited ("Chongqing Terui")	20,000	Chongqing PRC	61,726	45,752	62,187	1,670	45%

13. Trade receivables

	As at 30 June 2013 (unaudited) RMB'000	As at 31 December 2012 (audited) RMB'000
Accounts receivables (Note(a))	223,438	168,405
Less: provision for impairment of receivables	<u>(13,354)</u>	<u>(13,354)</u>
Accounts receivable net	210,084	155,051
Bills receivable (Note(b))	<u>84,722</u>	<u>191,685</u>
	<u><u>294,806</u></u>	<u><u>346,736</u></u>

Note(a)

The Group offers credit terms to its customers ranging from cash on delivery to 90 days. Ageing analysis of accounts receivable as at 30 June 2013 was as follows:

	As at 30 June 2013 (unaudited) RMB'000	As at 31 December 2012 (audited) RMB'000
0 to 90 days	162,735	122,948
91 to 180 days	19,327	15,469
181 to 365 days	18,628	21,549
Over 1 year	22,748	8,439
	<u>223,438</u>	<u>168,405</u>

Note (b):

Ageing analysis of bills receivable as at 30 June 2013 was as follows:

	As at 30 June 2013 (unaudited) RMB'000	As at 31 December 2012 (audited) RMB'000
0 to 180 days	<u>84,722</u>	<u>191,685</u>

14. Due from related parties

	As at 30 June 2013 (unaudited) RMB'000	As at 31 December 2012 (audited) RMB'000
Balance from rendering of services(Note(a))	1,153,062	1,023,409
Less: provision for impairment of due from related parties	(301)	(301)
Subtotal	<u>1,152,761</u>	<u>1,023,108</u>
Balance of deposits for service quality guarantee	4,930	4,910
Prepayments for transportation services	78	7,086
Other receivables	5,709	4,233
Total	<u>1,163,478</u>	<u>1,039,337</u>

Note (a):

The Group offers credit terms to its related parties ranging from cash on delivery to 90 days. Ageing analysis of trading balance from rendering of services as at 30 June 2013 was as follows:

	As at 30 June 2013 (unaudited) RMB'000	As at 31 December 2012 (audited) RMB'000
0 to 90 days	1,105,862	986,111
91 to 180 days	29,518	36,342
181 to 365 days	17,487	655
Over 1 year	195	301
	<hr/> 1,153,062 <hr/>	<hr/> 1,023,409 <hr/>
Total	1,153,062	1,023,409

15. Share capital

	As at 30 June 2013 (unaudited)		As at 31 December 2012 (audited)	
	Number of shares	Nominal value	Number of shares	Nominal value
	Shares	RMB	Shares	RMB
Registered capital	<u>162,064,000</u>	<u>162,064,000</u>	<u>162,064,000</u>	<u>162,064,000</u>
Issued and fully paid				
-domestic shares (including non-H foreign shares), par value RMB1.00	<u>107,064,000</u>	<u>107,064,000</u>	<u>107,064,000</u>	<u>107,064,000</u>
-H shares, par value RMB1.00	<u>55,000,000</u>	<u>55,000,000</u>	<u>55,000,000</u>	<u>55,000,000</u>

16. Other reserves and retained earnings

	Capital surplus	Statutory surplus reserve	Discretionary surplus reserve	Retained earnings	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2012 (audited)	75,150	81,032	4,835	690,022	851,039
Profit for the period (unaudited)	-	-	-	84,002	84,002
Cash dividends	-	-	-	(25,930)	(25,930)
At 30 June 2012 (unaudited)	<u>75,150</u>	<u>81,032</u>	<u>4,835</u>	<u>748,094</u>	<u>909,111</u>
At 1 January 2013(audited)	66,907	81,032	4,835	868,369	1,021,143
Profit for the period (unaudited)	-	-	-	110,853	110,853
Cash dividends	-	-	-	(48,619)	(48,619)
At 30 June 2013 (unaudited)	<u>66,907</u>	<u>81,032</u>	<u>4,835</u>	<u>930,603</u>	<u>1,083,377</u>

17. Trade and other payables

	As at 30 June 2013 (unaudited) RMB'000	As at 31 December 2012 (audited) RMB'000
Accounts payable (Note(a))	833,420	735,191
Bills payable (Note(a))	46,500	34,510
Other payables	71,105	88,300
Accrued payroll and welfare	61,657	72,809
Advance from customers	1,178	592
Other taxes	<u>34,568</u>	<u>41,368</u>
Total	<u><u>1,048,428</u></u>	<u><u>972,770</u></u>

Note (a):

Ageing analysis of accounts payable and bills payable as at 30 June 2013 was as follows:

	As at 30 June 2013 (unaudited)	As at 31 December 2012 (audited)
	RMB'000	RMB'000
0 to 90 days	853,516	728,981
91 to 180 days	11,861	37,494
181 to 365 days	11,589	2,099
Over 1 year	2,954	1,127
	<hr/>	<hr/>
Total	879,920	769,701

18. Due to related parties

	As at 30 June 2013 (unaudited)	As at 31 December 2012 (audited)
	RMB'000	RMB'000
Balance from transportation services provided by related parties	113,808	109,545
Balance from construction services provided by related parties	6,916	10,520
Other payables	3,705	6,014
	<hr/>	<hr/>
Total	124,429	126,079

Ageing analysis of due to related parties as at 30 June 2013 was as follows:

	As at 30 June 2013 (unaudited) RMB'000	As at 31 December 2012 (audited) RMB'000
0 to 90 days	107,299	115,235
91 to 180 days	7,319	572
181 to 365 days	4,945	3,584
Over 1 year	4,866	6,688
	<u>124,429</u>	<u>126,079</u>
Total	<u>124,429</u>	<u>126,079</u>

19. Related party transactions

For the six-month period ended 30 June

	2013 (unaudited) RMB'000	2012 unaudited RMB'000
Revenue from rendering of transportation of finished vehicles services	961,291	941,319
Revenue from rendering of supply chain management for automobile components and parts services	425,420	441,097
Revenue from sales of packages and processing of tyres and others	406,091	100,087
Total	<u>1,792,802</u>	<u>1,482,503</u>
Purchase of transportation services	197,177	186,929
Purchase of construction services	92	-
Operation lease - warehouse and venue	350	350
Total	<u>197,619</u>	<u>187,279</u>

20. Commitments of the Group

(a) Capital expenditure commitments

The capital expenditure commitments not provided for are as follows:

	As at 30 June 2013 (unaudited) RMB'000	As at 31 December 2012 (audited) RMB'000
Property, plant and equipment		
—Contracted but not provided for	<u>109,296</u>	<u>1,563</u>
Total	<u><u>109,296</u></u>	<u><u>1,563</u></u>

(b) Operating lease commitments

The future aggregate minimum lease payments due under non-cancellable operating leases for office premises and distribution center are as follows:

	As at 30 June 2013 (unaudited) RMB'000	As at 31 December 2012 (audited) RMB'000
Not more than 1 year	7,143	5,752
More than 1 year and less than 5 years	<u>8,219</u>	<u>881</u>
Total	<u><u>15,362</u></u>	<u><u>6,633</u></u>

21. Foreign currency

As the transactions of the Group denominated in foreign currency were limited, the foreign currency risk has no material impact on the Group.



INTERIM DIVIDENDS

The Board does not propose the payment of an interim dividend for the six-month period ended 30 June 2013 (corresponding period in 2012: nil).

The final dividend of 2012 of RMB0.30 per share, including tax, has been approved by the shareholders of the Company in the annual general meeting of the Company held on 26 June 2013 and will be paid before 30 September 2013.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

In the first half year of 2013, the overall PRC macro-economic environment remained steady and the gross domestic products in the PRC increased by 7.6% and the quarterly rate of increase has ranged between 7.4% and 7.9% for 5 consecutive quarters. Against this background, the automobile production and sales in the PRC experienced faster growth. According to the PRC Automobile Industry Association's statistics, for the first half year of 2013, the production volume and sales volume of automobile were 10,751,700 vehicles and 10,782,200 vehicles, respectively, representing an increase of approximately 12.83% and 12.34%, which were 8.75 percentage points and 9.41 percentage points higher each as compared with the corresponding period of last year. For the six-month period ended 30 June 2013, the production volume and sales volume of the Group's major customer, Chongqing Changan Automobile Co., Ltd. ("Changan Automobile") were 1,048,500 vehicles and 1,055,900 vehicles, respectively, representing an increase of approximately 21.13% and 18.68% as compared with the corresponding period of last year. For the six-month period ended 30 June 2013, the Group recorded a total revenue of approximately RMB 2,035,695,000, which increased by approximately 22.86% compared to the same period of last year. The income from transportation of finished vehicles and supply chain management of car components and parts for the six-month period ended 30 June 2013 represented approximately 51.65% and 25.65%, respectively, of the Group's total revenue (for the six-month period ended 30 June 2012: approximately 63.23% and 28.28% respectively). Detailed breakdown of revenue is set out in Note 5 to the section headed "Condensed Consolidated Statement of Comprehensive Income" of this report.

For the six-month period ended 30 June 2013, despite the fast development of the domestic automobile market, as a result of the intensifying competition of the domestic automobile market and the decreasing trend in the logistics service prices, as well as the unfavorable factors like the rises in labor costs and the logistics operational costs, there has been some decrease for both the Group's gross profit margin and the net profit margin: approximately 10.90% (for the same period in 2012: approximately 12.05%) and 5.68% (for the same period in 2012: approximately 6.04%), respectively. The Group's profit attributable to the equity holders of the Company for the six-month period ended 30 June 2013 increased by approximately 31.96% to approximately RMB 110,853,000 from approximately RMB 84,002,000 in the corresponding period in 2012.

FINANCIAL REVIEW

Working capital and financial resources

During the reporting period, the Group maintained a balanced financial position. Our sources of funds generally represented income arising from our daily operations.

As at 30 June 2013, the cash and bank balance was approximately RMB661,710,000 (31 December 2012: RMB 460,037,000). As at 30 June 2013, the total assets of the Group amounted to approximately RMB2,608,023,000 (31 December 2012: RMB2,355,457,000). The Group had current liabilities of approximately RMB1,295,932,000 (31 December 2012: RMB1,110,225,000), non-current liabilities of approximately RMB2,228,000 (31 December 2012: RMB2,333,000), shareholders' equity excluding non-controlling interest of approximately RMB1,245,441,000 (31 December 2012: RMB1,183,207,000) and non-controlling interest of approximately RMB64,422,000 (31 December 2012: RMB59,692,000).



Capital structure

For the six-month period ended 30 June 2013, there had been no change to the Company's capital structure.

Gearing and liquidity ratio

As at 30 June 2013, the asset-liability ratio (that is the ratio between the total liabilities and the total assets) of the Group was approximately 49.78% (31 December 2012: approximately 47.23%). The gearing ratio between the total liabilities and the total equity of the Group was approximately 0.99: 1 (31 December 2012: 0.90: 1).

Pledge of assets

As at 30 June 2013, the Group had not pledged any assets as security.

Foreign currency risk

As the transactions of the Group denominated in foreign currency were limited, the foreign currency risk does not have any material impact on the Group.

Employee and remuneration policy

In order to enhance cost efficiency and profitability of the Group, the Group had reduced the number of employees from 7,899 as at 31 December 2012 to 7,219 employees as at 30 June 2013. The salaries of the employees are determined based on the remuneration policy approved by the Board and the remuneration committee of the Company in accordance with PRC laws and regulations. The salary level is in line with the financial performance of the Company. The benefits of the employees comprise endowment insurance, medical insurance, unemployment insurance, personal injury insurance and housing funds.



Major investments

To expand the logistics business of the Hangzhou factory of Changan Ford Automobile Company Limited, the Company invested RMB 250 million on 17 May 2013 to establish a wholly-owned subsidiary—Hangzhou Changan Minsheng, which is mainly engaged in general freight and automobile components and parts manufacturing.

Major acquisition and assets sale

For the six-month period ended 30 June 2013, there had been no major acquisition and assets sales of the group.

Contingent liabilities

As at 30 June 2013, the Group did not have any contingent liabilities.

PROSPECTS

The ownership of cars in Chinese families is much lower than those of other developed countries leading to growth potential of the PRC automobile market. On the other hand, to better control air pollution, some regions in the PRC may introduce restrictions on car ownership, thus causing a negative impact on the automobile production volume and sales volume in China. In addition, the intensifying competition of automobile logistics market, the increasing logistics operational costs including labor costs which may further result from the implementation of the New Labor Law in the second half year, as well as the decreasing trend in the logistics service prices is expected to have an unfavorable impact on the group's operation and profitability in the second half year. In spite of the unfavorable factors stated above, the Group will continue to improve its core competitiveness in the second half of 2013 through enhancing the "Management, Operations and Services", and to carry out Overall Cost Saving Project and Overall Risks Controlling Project to enhance the capacity of cost and risk management and control so as to improve the Group's profit earning capability.



CORPORATE GOVERNANCE

During the period from 1 January 2013 to 17 July 2013, the Company has complied with the code provisions set out in Appendix 15 to the Rules Governing the Listing of Securities on Growth Market Enterprise of the Stock Exchange (the “GEM Listing Rules”). Since the Transfer of Listing (as defined below) on 18 July 2013, the Group continues and will continue to ensure compliance with the corresponding code provisions set out in Appendix 14 to the Rules Governing the Listing of Securities on the Stock Exchange (the “Listing Rules”).

SECURITIES TRANSACTIONS BY THE DIRECTORS

The Company has adopted a code of conduct regarding directors’ securities transactions on terms no less exacting than the required standard of dealings set out in rule 5.48 to rule 5.67 of the GEM Listing Rules (the “Code”) regarding securities transactions by directors during the period from 1 January 2013 to 17 July 2013. After making specific enquiries to all Directors, the Company confirms that the Directors had complied with the required standard set out in the Code. Since the Transfer of Listing (as defined below) on 18 July 2013, the Group continues and will continue to ensure compliance with the corresponding provisions set out in Appendix 10 (Model Code for Securities Transactions by Directors of Listed Issuers) of the Listing Rules.

BOARD OF DIRECTORS

The third session of the Board currently has 16 Directors, including 5 executive Directors, 5 non-executive Directors and 6 independent non-executive Directors. The Board considers that the Board’s composition has maintained a reasonable balance between the number of the non-executive and independent non-executive Directors and the number of executive Directors in the interest of the Company and the shareholders. The non-executive Directors and independent non-executive Directors provide constructive advice in relation to the formulation of the Company’s policies. Among the current Directors, Mr. Lu Guoji and Mr. Lu Xiaozhong are father and son. Besides, the Company is not aware of there being any family or material relationship between the members of the Board. The Company has six independent non-executive Directors, of whom at least one has appropriate professional qualification and financial management expertise. The Company considers that each of the independent non-executive Directors has complied with the guidelines on independence set out in rule 5.09 of the GEM Listing Rules. The term of office of each independent non-executive Director does not exceed nine years.



BOARD CHAIRMAN AND GENERAL MANAGER

The Chairman of the Board is Mr. Zhang Lungang and our General Manager is Mr. Zhu Minghui. The Chairman is in charge of setting the development and business strategies whereas the General Manager is in charge of the daily operations of the Company. The Chairman is responsible for ensuring that the Board operates efficiently and encourages all Directors, including independent non-executive Directors, to contribute to the Board and the three Board committees.

AUDIT COMMITTEE

Disclosure of financial information in this report complies with Appendix 16 to the Listing Rules. The audit committee of the Company has reviewed the Group's business performance, financial status and principal accounting policies of the unaudited financial statements for the six-month period ended 30 June 2013. The audit committee has also discussed the relevant internal audit matters and approved the contents of this interim report.

CHANGES OF DIRECTORS AND SUPERVISORS DURING THE REPORTING PERIOD

On 22 April 2013, the Board received the resignation letter from Ms. Lau Man Yee, Vanessa, who resigned from the position of non-executive Director for the reason of job changes. For details of the information, please refer to the announcement of Resignation of Directors dated 23 April 2013 published by the Company.



OTHER INFORMATION

THE INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS HELD BY THE DIRECTORS AND CHIEF EXECUTIVES OF THE COMPANY

As at 30 June 2013, none of the Directors, chief executive and the supervisors of the Company have any interests and short positions in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the “SFO”) which (a) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which the Directors and the supervisors are taken or deemed to have under such provisions of the SFO); or (b) were required pursuant to section 352 of the SFO to be entered in the register referred to therein; or (c) were required pursuant to the Rules 5.46 to 5.67 of the GEM Listing Rules to be notified to the Company and the Stock Exchange.

As at 30 June 2013, the Directors, chief executive and the supervisors were not beneficially interested in the share capital of any member of the Group nor did they have any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group nor did they have any interest, either direct or indirect, in any assets which have been, since 31 December 2012 were made up, acquired, disposed of by or leased to or are proposed to be acquired or disposed of by or leased to any member of the Group

SUBSTANTIAL SHAREHOLDERS AND PARTIES HOLDING INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 30 June 2013, so far as is known to the Directors and chief executive of the Company, the following persons, other than a Director, supervisor, or chief executive of the Company, had interests or short positions in the shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who were, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company; or are required, pursuant to Section 336 of the SFO, to be entered in the register referred to therein:

Name of Shareholders	Capacity	Number of shares	Percentage of domestic shares (non-H foreign shares included)	Percentage of H shares	Percentage of total registered share capital
Chongqing Changan Industry Company (Group) Limited ("Changan Industry Co.")	Beneficial owner	41,225,600(L)	38.51%	-	25.44%
APL Logistics Ltd. ("APLL")	Beneficial owner	33,619,200(L)	31.40%	-	20.74%
Minsheng Industrial (Group) Co., Ltd. ("Minsheng Industrial")	Beneficial owner	25,774,720(L)	24.07%	-	15.90%
Minsheng Industrial (Note 1)	Interest of a controlled corporation	6,444,480(L)	6.02%	-	3.98%
Ming Sung Industrial Co., (HK) Limited ("Ming Sung (HK)")	Beneficial owner	6,444,480(L)	6.02%	-	3.98%
Pemberton Asian Opportunities Fund	Beneficial owner	4,400,000(L)	-	8.00%	2.71%
788 China Fund Ltd.	Investment manager	4,000,000(L)	-	7.27%	2.47%
Braeside Investments, LLC (Note 2)	Investment manager	3,423,000(L)	-	6.22%	2.11%
Braeside Management, LP (Note 2)	Investment manager	3,423,000(L)	-	6.22%	2.11%
McIntyre Steven(Note 2)	Interest of a controlled corporation	3,423,000(L)	-	6.22%	2.11%

Note 1: Ming Sung (HK) is the subsidiary of Minsheng Industrial. Mr. Lu Guojin and Mr. Lu Xiaozhong, our Directors and are being father and son, hold respectively 24% and 6% shareholdings of Mingsheng Industrial.

Note 2: According to the disclosure of interests notice filed, Braeside Management, LP is a wholly-owned subsidiary of Braeside Investments, LLC. McIntyre Steven is the controlling shareholder of Braeside Investments, LLC.

Note 3: (L) – long position, (S) – short position, (P) - Lending Pool.

Save as disclosed above, as at 30 June 2013, so far as is known to the Directors and chief executive of the Company, there is no other person (other than the Directors, supervisors, or chief executive of the Company) who had interests or short positions in the shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO; or had a direct or indirect interest amounting to 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company and/or any subsidiaries of the Company; or are required, pursuant to Section 336 of the SFO, to be entered in the register referred to therein.



SHARE APPRECIATION RIGHT INCENTIVE SCHEME

On 6 June 2005, in order to enhance the Company's incentive mechanism, the share appreciation right incentive scheme (the "Scheme") was approved by the shareholders of the Company at the second extraordinary general meeting of the Company. The principal terms and conditions of the Scheme are summarized in the section headed "Summary of terms of the Share Appreciation Right Incentive Scheme" in Appendix VII to the Prospectus of the Company issued by the Company on 16 February 2006 ("the Prospectus"). During the reporting period, the Scheme has not been implemented.

COMPETING INTERESTS

The Company has entered into a non-competition undertaking with each of its shareholders, namely APLL, Minsheng Industrial, Ming Sung (HK) and Changan Industry Co., respectively. For details of the non-competition undertakings, please refer to the Prospectus and the 2012 Annual Report of the Company.

Since the end of 2011, the aggregate shareholding in the Company held by Minsheng Industrial and Ming Sung (HK) (together with their respective associates) fell below 20%, the non-competition undertaking signed between the Company and Minsheng Industrial and Ming Sung (HK) became ineffective. The non-competition undertaking will not become effective even if the interests held by Minsheng Industrial and its associates in the Company restore(s) to 20% or more in the future and in which event relevant shareholder(s) will be competing or potentially competing business with the Company.

CONTINUING CONNECTED TRANSACTIONS

For the six-month period ended 30 June 2013, the turnover generated from the continuing connected transactions between the Group and the connected persons (as defined in the GEM Listing Rules) was approximately RMB1,796,647,000 (of which RMB1,789,056,000 was attributable to Changan Automobile and its associates, RMB3,746,000 to Changan Industry Co. and its associates and RMB3,845,000 to Nanjing Baogang Zhushang Metal Manufacturing Company Limited which altogether accounted for approximately 88.26% of the total revenue during the reporting period.

For the six-month period ended 30 June 2013, the cost of purchasing transportation services from connected persons (as defined in the GEM Listing Rules) was approximately RMB181,488,000 (of which RMB13,401,000 was attributable to Changan Industry Co. and its associates, RMB166,041,000 to Minsheng Industrial and its associates, and RMB2,046,000 to APLL and its associates), which altogether accounted for approximately 10.01% of the cost of sales during the reporting period.

For the six-month period ended 30 June 2013, the cost of purchasing engineering construction services from connected persons (as defined in the GEM Listing Rules) was approximately RMB92,000.

For the six-month period ended 30 June 2013, maximum daily outstanding loan balance (including interests) due to connected persons (as defined in the GEM Listing Rules) was approximately RMB60,412,000 while the maximum daily balance of deposit (including interests) with connected persons was approximately RMB380,483,000 and the accumulated balance of bills discounting with connected persons was approximately RMB96,389,000.



PURCHASE, SALE OR REDEMPTION OF SECURITIES

For the six-month period ended 30 June 2013, the Company and its subsidiaries have not purchased, sold or redeemed any of the Company's listed securities.

PUBLIC FLOAT

Based on the public information currently available to the Company, the Company met with the public float requirement as stipulated by GEM Listing Rules and as approved by the Stock Exchange throughout the reporting period.

TRANSFER OF LISTING

On 18 July 2013, the Company successfully transferred listing of its H Shares from GEM (Stock code: 8217) to the Main Board (Stock code: 01292) ("Transfer of Listing"). The Directors believe that the Transfer of Listing (i) may enhance the profile of the Group and increase the trading liquidity of the H Shares; and (ii) will be beneficial to the future growth, future financing exercises and business development of the Group. The Transfer of Listing did not involve any issue of new H Shares by the Company.

The Transfer of Listing has no effect on the existing share certificates in respect of the H Shares which will continue to be good evidence of legal title and be valid for trading, settlement and registration purposes, and does not involve any transfer or exchange of the existing share certificates. Before the Transfer of Listing, the H Shares were traded in a board lot of 1,000 H Shares each and in Hong Kong dollars. No change was made to the English and Chinese stock short names of the Company, the share certificates, board lot size, the trading currency and the H Share registrar in Hong Kong in connection with the Transfer of Listing.

By the Order of the Board
Changan Minsheng APLL Logistics Co., Ltd.
Zhang Lungang
Chairman

Chongqing, the PRC
30 August 2013



As at the date of this report, the Board comprises

Executive Directors:

Mr. Zhang Lungang
Mr. Gao Peizheng
Mr. Lu Xiaozhong
Mr. Zhu Minghui
Mr. William K Villalon

Non-executive Directors:

Mr. Lu Guoji
Mr. Li Ming
Mr. Wu Xiaohua
Mr. Zhou Zhengli
Mr. Danny Goh Yan Nan

Independent non-executive Directors:

Mr. Peng Qifa
Mr. Chong Teck Sin
Mr. Poon Chiu Kwok
Mr. Jie Jing
Ms. Zhang Yun
Mr. Goh Chan Peng