



重慶長安民生物流股份有限公司

Changan Minsheng APLL Logistics Co., Ltd.*

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

(Stock Code: 8217)



CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET
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This report includes particulars given in compliance with the GEM Listing Rules of the Stock Exchange of Hong Kong for the purpose of giving information with regard to Changan Minsheng APLL Logistics Co., Ltd. (the “Company”). The directors of the Company collectively and individually accept full responsibility of this report. The directors, having made all reasonable enquiries, confirm that, to the best of their knowledge and belief: (i) the information contained in this report is accurate and complete in all material respects and not misleading; (ii) there are no other matters the omission of which would make any statement in this report misleading; and (iii) all opinions expressed in this report have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

HIGHLIGHTS

- For the nine-month period ended 30 September, 2007, the unaudited turnover of the Group was approximately RMB1,033,431,000, representing an increase of approximately 34.02% from the corresponding period in 2006.
- For the nine-month period ended 30 September, 2007, the unaudited profit attributable to equity holders of the Company was approximately RMB61,302,000, representing an increase of approximately 27.81% from the corresponding period in 2006.
- For the nine-month period ended 30 September, 2007, the unaudited basic earnings per share were RMB0.38 (corresponding period in 2006: RMB0.32).
- The Board does not propose the payment of an interim dividend for the nine-month period ended 30 September, 2007.

QUARTERLY REPORT (UNAUDITED)

The board of directors (the "Board") of the Company is pleased to announce the unaudited consolidated results of the Company and its subsidiaries (collectively, the "Group") for the nine-month period ended 30 September, 2007, together with the comparative figures for the corresponding period in 2006, as follows:

CONDENSED CONSOLIDATED INCOME STATEMENT

	Note	For the nine-month period ended 30 September		For the three-month period ended 30 September	
		2007 (unaudited) RMB'000	2006 (unaudited) RMB'000	2007 (unaudited) RMB'000	2006 (unaudited) RMB'000
Turnover	3	1,033,431	771,101	362,419	202,127
Cost of sales		<u>(926,172)</u>	<u>(689,448)</u>	<u>(326,219)</u>	<u>(175,300)</u>
Gross profit		107,259	81,653	36,200	26,827
Other gains		2,879	2,243	1,260	868
Distribution costs		<u>(20,672)</u>	<u>(17,553)</u>	<u>(6,951)</u>	<u>(6,164)</u>
Administrative expenses		<u>(24,221)</u>	<u>(14,404)</u>	<u>(12,356)</u>	<u>(3,625)</u>
Operating profit		65,245	51,939	18,153	17,906
Finance costs	4	<u>(3,605)</u>	<u>(2,481)</u>	<u>(909)</u>	<u>(1,510)</u>
Finance income		1,833	2,827	510	2,151
Share of profits of associates		<u>1,161</u>	<u>-</u>	<u>436</u>	<u>-</u>
Profit before tax		64,634	52,285	18,190	18,547
Income tax expense	5	<u>(4,237)</u>	<u>(4,322)</u>	<u>(652)</u>	<u>(1,118)</u>
Profit for the period		60,397	47,963	17,538	17,429
Attributable to: Equity holders of the Company	6	61,302	47,963	18,443	17,429
Minority interest		(905)	-	(905)	-
Interim dividends		-	-	-	-
Earnings per share—basic and diluted	7	<u>RMB0.38</u>	<u>RMB0.32</u>	<u>RMB0.11</u>	<u>RMB0.11</u>

Notes:

1. Basis of presentation

The Company, formerly known as Chongqing Changan Minsheng Logistics Co., Ltd., was incorporated in 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.

Approved by the Ministry of Commerce of the PRC, on 5 June, 2007, the English name of the Company was changed to "Changan Minsheng APLL Logistics Co., Ltd."

The H Shares of the Company have been listed on the Growth Enterprise Market of the Stock Exchange of Hong Kong Limited on 23 February, 2006. The condensed consolidated financial statements of the Group have been prepared in accordance with Hong Kong Accounting Standard 34 "Interim financial reporting".

2. Principal accounting policies

The unaudited condensed consolidated financial statements of the Group have been prepared in accordance with Hong Kong Financial Reporting Standards. The accounting policies adopted are consistent with those followed in preparation of the Group's consolidated financial statements for the year ended 31 December, 2006.

3. Turnover

The Group is principally engaged in rendering of transportation of finished vehicles, supply chain management for automobile components and parts and transportation of non-vehicle commodities services. Revenues for the nine-month period ended 30 September, 2007 are as follows:

	For the nine-month period ended 30 September		For the three-month period ended 30 September	
	2007 (unaudited) RMB'000	2006 (unaudited) RMB'000	2007 (unaudited) RMB'000	2006 (unaudited) RMB'000
Transportation of finished vehicles	671,636	465,667	222,336	107,964
Supply chain management for automobile components and parts	315,002	291,933	126,160	88,428
Transportation of non-vehicle commodities	<u>46,793</u>	<u>13,501</u>	<u>13,923</u>	<u>5,735</u>
Total	<u>1,033,431</u>	<u>771,101</u>	<u>362,419</u>	<u>202,127</u>

The Group has only one business segment, which is the rendering of transportation of finished vehicles, supply chain management for automobile components and parts and transportation of non-vehicle commodities services. The directors of the Company consider that its primary reporting format of its segment information is its business

segment.

No geographical segment information is presented as all of the Group's turnover and profit are derived within the PRC and all assets of the Group are located in the PRC, which is considered as one geographic location with similar risks and returns.

4. Finance costs

	For the nine-month period ended 30 September		For the three-month period ended 30 September	
	2007 (unaudited) RMB'000	2006 (unaudited) RMB'000	2007 (unaudited) RMB'000	2006 (unaudited) RMB'000
Interest on bank loans	1,439	-	511	-
Exchange loss	2,065	2,397	364	1,473
Others	101	84	34	37
Total	<u>3,605</u>	<u>2,481</u>	<u>909</u>	<u>1,510</u>

5. Income tax expense

	For the nine-month period ended 30 September		For the three-month period ended 30 September	
	2007 (unaudited) RMB'000	2006 (unaudited) RMB'000	2007 (unaudited) RMB'000	2006 (unaudited) RMB'000
Current PRC enterprise income tax ("EIT")	3,890	4,159	360	1,156
Deferred tax	347	163	292	(38)
Total	<u>4,237</u>	<u>4,322</u>	<u>652</u>	<u>1,118</u>

The company, its subsidiary, and its branches are subject to different EIT rates. The applicable and actual EIT rates are shown as follows:

		For the nine-month period ended 30 September			
		2007		2006	
		Applicable EIT rate	Actual EIT rate	Applicable EIT rate	Actual EIT rate
Company					
- Headquarter	Note (a)	15.0%	7.5%	15.0%	7.5%
- Nanjing branch	Note (a)	24.0%	12.0%	24.0%	12.0%
- Dingzhou branch	Note (a)	30.0%	15.0%	30.0%	15.0%
- Qingdao branch	Note (a)	30.0%	15.0%	30.0%	15.0%
- Wuhan branch	Note (a)	30.0%	15.0%	30.0%	15.0%
- Shanghai branch	Note (a)	15.0%	7.5%	15.0%	7.5%
Chongqing CMAL Gangcheng Logistics Company Limited ("Chongqing Gangcheng")	Note (b)	33.0%	33.0%	33.0%	33.0%
Nanjing CMSC Logistics Company Limited ("Nanjing CMSC")	Note (c)	33.0%	33.0%	N/A	N./A

Note:

(a) In accordance with an Approval of Enjoying Favorable EIT Policy (YYSJH[2003]No. 27) issued by the national tax bureau of Chongqing Technological Economic Development Zone on 27 May 2003, the Company is entitled to exemption from EIT in 2003 and 2004 followed by a 50% tax reduction from 2005 to 2007.

(b) As Chongqing Gangcheng, the Company's subsidiary, incurred losses for the nine-month period ended 30 September, 2007, no EIT expense was incurred.

(c) Nanjing CMSC, the Company's subsidiary, was incorporated on 26 July, 2007 and was still in the pre-operating period. During the period from the establishment date of the JV company to 30 September, 2007, Nanjing CMSC was incurred losses ended no EIT expense was incurred.

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 nine-month period ended 30 September, 2007 (corresponding period in 2006: nil).

The tax amount on the Group's profit before tax differs from the theoretical amount that would arise using the applicable EIT rates was as follows:

	For the nine-month period ended 30 September		For the three-month period ended 30 September	
	2007 (unaudited) RMB'000	2006 (unaudited) RMB'000	2007 (unaudited) RMB'000	2006 (unaudited) RMB'000
Profit before tax	64,634	52,285	18,190	18,547
Tax at the applicable EIT rates	9,695	7,843	2,728	2,782
EIT exemption	(6,755)	(3,810)	(3,164)	(1,552)
Expenses not deductible for tax purposes	<u>1,297</u>	<u>289</u>	<u>1,088</u>	<u>(112)</u>
Tax charge	<u>4,237</u>	<u>4,322</u>	<u>652</u>	<u>1,118</u>

The effective tax rate for the nine-month period ended 30 September, 2007 was 6.56% (corresponding period in 2006: 8.27%).

6. Profit attributable to equity holders of the Company

For the period ended 30 September, 2007, the profit attributable to shareholders of the Company as shown in the financial statements of the Company was approximately RMB63,765,000 (corresponding period in 2006: approximately 47,963,000).

7. 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 share in issue for the nine-month period ended 30 September, 2007.

	For the nine-month period ended 30 September		For the three-month period ended 30 September	
	2007 (unaudited) RMB'000	2006 (unaudited) RMB'000	2007 (unaudited) RMB'000	2006 (unaudited) RMB'000
	Group's profit attributable to equityholders of the Company	<u>61,302</u>	<u>47,963</u>	<u>18,443</u>
Weighted average number of ordinary shares in issue (in thousands)	<u>162,064</u>	<u>150,953</u>	<u>162,064</u>	<u>162,064</u>
Basic earnings per share (RMB per share)	<u>0.38</u>	<u>0.32</u>	<u>0.11</u>	<u>0.11</u>

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

8. Reserves (The Group)

	Capital surplus RMB'000	Statutory surplus reserve fund RMB'000	Statutory public welfare fund RMB'000	Discretionary surplus reserve fund RMB'000	Share issue costs RMB'000	Retained earnings RMB'000	Total RMB'000
At 1 January 2006	-	9,670	4,835	-	(4,749)	38,310	48,066
Net profit for the period	-	-	-	-	-	30,534	30,534
Share issue costs	-	-	-	-	(11,584)	-	(11,584)
Fund raised from IPO	75,546	-	-	-	16,333	-	91,879
Dividends	-	-	-	-	-	(17,827)	(17,827)
At 30 June 2006 (unaudited)	75,546	9,670	4,835	-	-	51,017	141,068
Net profit for the period	-	-	-	-	-	17,429	17,429
At 30 September 2006 (unaudited)	<u>75,546</u>	<u>9,670</u>	<u>4,835</u>	-	-	<u>68,446</u>	<u>158,497</u>
At 1 January 2007 (audited)	75,150	16,525	-	4,835	-	79,577	176,087
Net profit for the period	-	-	-	-	-	42,859	42,859
Dividends	-	-	-	-	-	(12,965)	(12,965)
At 30 June 2007 (unaudited)	75,150	16,525	-	4,835	-	109,471	205,981
Net profit for the period	-	-	-	-	-	18,443	18,443
At 30 September 2007 (unaudited)	<u>75,150</u>	<u>16,525</u>	-	<u>4,835</u>	-	<u>127,914</u>	<u>224,424</u>

INTERIM DIVIDENDS

The Board does not propose the payment of an interim dividend for the nine-month period ended 30 September, 2007 (corresponding period in 2006: nil).

BUSINESS REVIEW

OVERVIEW

For the nine-month period ended 30 September, 2007, the Group recorded a turnover of approximately RMB1,033,431,000, representing an increase of approximately 34.02 % over the same period of last year. The increase in turnover was due to the increasing demand for vehicle logistics services from our existing clients, which increased their car manufacturing and selling activities during this period. The income from transportation of finished vehicles and supply chain management of car components and parts for the nine-month period ended 30 September, 2007 represented approximately 64.99 % and 30.48% of the Group's total turnover respectively (corresponding period in 2006: 60.39% and 37.86%, respectively). The detailed breakdown of turnover is set out in Note 3 to the section headed " Condensed Consolidated Income Statement " of this report.

For the nine-month period ended 30 September, 2007, the domestic automobile industry remained highly competitive. As we continue to implement control over our costs, our Company's gross profit margin, which was approximately 10.38%, remained stable when compared to the same period of last year. The Group's profit attributable to the shareholders of the Company for the nine-month period ended 30 September, 2007, was approximately RMB 61,302,000 (corresponding period in 2006: RMB47,963,000), representing an increase of approximately 27.81 %.

SALES AND MARKETING

Our Group is mainly engaged in the provision of vehicle logistics services to car manufacturers. For the nine-month period ended 30 September, 2007, we have provided services to more than 89 new customers and the Group's total number of customers increased to over 962. We will continue to strengthen the relationships with our customers and consolidate the existing customers base.

On 26 July, 2007, Nanjing CMSC was established by the Company and Sumitomo Corporation and Beijing Changjiu Logistics Company Limited. The registered capital of the JV Company is RMB 100 million (the total initial capital contribution to Nanjing CMSC of each shareholder accounts for 20% of its registered capital and as at 30 September, 2007 the initial capital contribution has been fully made). The Company holds 51% of the registered capital of the JV Company. The scope of the business of the JV Company includes transportation, storage, distribution, loading and unloading, processing and packaging of common freight, and relevant information processing and consultancy services; international freight forwarding agent; import business and related services, including import/export, and acting on its own or as agent to import/export, provision of agent services for international freight forwarding by sea, by air and by land; design

and development of logistics systems. The establishment of Nanjing CMSC will further expand the logistics business of the Company.

PROSPECTS

For the nine-month period ended 30 September, 2007, the Group achieved a significant growth in sales because of the expansion of the domestic automobile market and production volume of the Group's customers as well as the expansion of the Company's own sales market. In the fourth quarter of 2007, we will continue to strengthen the strategic and business relationships with our existing customers, broaden our market and device network, including new areas of the automobile logistics market. We will also expedite the construction of logistics network, fully utilize our information network technology, optimize the resources of allocation, actively develop our third party logistics business in order to further enhance the competitiveness of the Company. At the same time, we will strive to achieve sustainable growth of the Group by taking advantages of our professional and technical knowledge and skills in the vehicle logistics industry and the good quality of our management.

OTHER INFORMATION

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

As at 30 September, 2007, the Directors and chief executives of the Company hold no 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")) as recorded in the register required to be kept under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the minimum standards of dealing by directors as referred to in Rule 5.46 of the Rules Governing the Listing of Securities on the GEM (the "GEM Listing Rules").

SUBSTANTIAL SHAREHOLDER AND MANAGEMENT SHAREHOLDER

As at 30 September, 2007, the following persons (other than the Directors and chief executives of the Company) had interests in the shares and underlying shares of the Company as recorded in the register required to be kept under Section 336 of the SFO:

Long position in shares

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
Changan Automobile Company (Group) Limited ("Changan Co.")	Beneficial owner	39,029,088	36.45%	—	24.08%
Changan Co. (Note 1)	Interest of a controlled corporation	796,512	0.74%	—	0.49%
Minsheng Industrial (Group) Co., Ltd. ("Minsheng Industrial")	Beneficial owner	25,774,720	24.07%	—	15.90%
Minsheng Industrial (Note 2)	Interest of a controlled corporation	7,844,480	7.33%	—	4.84%
APL Logistics Ltd. ("APLL")	Beneficial owner	33,619,200	31.40%	—	20.74%
Ming Sung Industrial Co., (HK) Limited ("Ming Sung (HK)")	Beneficial owner	7,844,480	7.33%	—	4.84%
Atlantis Investment Management Ltd	Investment manager	15,000,000	—	27.27%	9.26%
788 China Fund Ltd.	Investment manager	4,000,000	—	7.27%	2.47%
Ajia Partners Asian Equity Special Opportunities Portfolio Master Fund Limited	Beneficial owner	3,315,000	—	6.03%	2.05%

Note 1: Changan Industrial Company Limited ("Changan Industrial"), Changan Co.'s subsidiary, holds 0.49% of the Company.

Note 2: Ming Sung (HK) is the subsidiary of Minsheng Industrial.

As at 30 September, 2007, the management shareholders (interests in the shares and underlying shares of the Company held by the management shareholders such as Changan Co., Minsheng industrial, APLL and Ming Sung (HK) are as disclosed above) hold interests in the shares and underlying shares of the Company as follows:

Name of shareholder	Capacity	Number of Shares	Percentage of domestic shares	Percentage of non H foreign shares	Percentage of H shares	Percentage of total registered share capital
Changan Industrial	Beneficialowner	796,512	0.74%	-	-	0.49%

Save as disclosed above, as at 30 September, 2007, so far as is known to the Directors and chief executive of the Company, there is no other person (other than the Director, 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 interests 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.

CONTINUING CONNECTED TRANSACTIONS

For the nine-month period ended 30 September, 2007, the turnover generated from the continuing connected transactions between the Group and the connected parties (as defined in the GEM Listing Rules) was approximately RMB916,321,000, which accounted for approximately 88.67% of our total turnover during the reporting period.

For the nine-month period ended 30 September, 2007, the cost of purchasing transportation labor from connected parties (as defined in the GEM Listing Rules) was approximately RMB133,515,000, which accounted for approximately 14.42 % of our total cost of sales during the reporting period.

For the nine-month period ended 30 September, 2007, the engineering construction services purchased from the connected persons (as defined in the GEM Listing Rules) by the Group was approximately RMB0.

AUDIT COMMITTEE

Pursuant to the Rule 5.28 of the GEM Listing Rules, the Company has set up an audit committee according to "A Guide For The Formation of An Audit Committee" compiled by the Hong Kong Society of Accountants. In compliance with Rule of 5.29 of the GEM Listing Rules, the authority and responsibility of the audit committee have been properly laid down. The primary duties of the audit committee are to review and monitor the Company's financial reporting process and internal control system.

The committee comprises Mr. Peng Qifa (the chairman of the committee), Ms. Wang Xu and Mr. Chong Teck Sin. Mr. Peng Qifa is the independent non-executive director with appropriate professional qualifications and financial experience.

During the reporting period, the audit committee has met for four times.

The audit committee has met on 8 March, 2007 to review and discuss the Group's annual results, financial statements, principal accounting policies and internal audit items for the year ended 31 December, 2006, listened to the auditors' suggestions for the Company and approved such report.

The audit committee has met on 27 April, 2007 to review the unaudited quarterly report of the Group for the three-month period ended 31 March, 2007, and approved such report.

The audit committee has met on 26 July, 2007 to review the unaudited interim report of the Group for the six-month period ended 30 June, 2007, and approved this report.

The audit committee has met on 29 October, 2007 to review the unaudited third quarterly report of the Group for the nine-month period ended 30 September, 2007, and approved this report.

INTEREST OF COMPLIANCE ADVISOR

As at the date of 30 September, 2007, none of Anglo Chinese Corporate Finance, Limited,

the compliance advisor of the Company, its directors or its employees has any interest in the Company's securities, including share options and the other rights to the Company's securities.

PURCHASE, SALE OR REDEMPTION OF SECURITIES

For the nine-month period ended 30 September, 2007, the Company and its subsidiaries have not purchased, sold or redeemed any of the Company's listed securities.

PUBLIC FLOAT

The Company has maintained the public float requirement as stipulated by GEM listing rules throughout the reporting period.

By the Order of the Board
Changan Minsheng APLL Logistics Co., Ltd.
Yin Jiaxu
Chairman

Chongqing, the PRC
12 November, 2007

As at the date of this report the Board comprises

Executive directors:

Mr. Yin Jiaxu
Mr. Huang Zhangyun
Mr. Lu Xiaozhong
Mr. Shi Chaochun
Mr. James H McAdam.

Non-executive directors:

Mr. Lu Guoji
Mr. Daniel C Ryan
Mr. Zhang Baolin
Ms. Cao Dongping
Mr. Wu Xiaohua
Ms. Lau Man Yee, Vanessa

Independent non-executive directors:

Ms. Wang Xu
Mr. Peng Qifa
Mr. Chong Teck Sin

** For identification only*