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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)

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2015

HIGHLIGHTS

- For the six-month period ended 30 June 2015, the unaudited revenue of the Group was approximately RMB2,820,647,000, representing an increase of approximately 9.45% from the corresponding period in 2014.
- For the six-month period ended 30 June 2015, the unaudited profit attributable to equity holders of the Company was approximately RMB121,995,000, representing an increase of approximately 9.50% from the corresponding period in 2014.
- For the six-month period ended 30 June 2015, the unaudited basic earnings per share were RMB0.75 (corresponding period in 2014: RMB0.69).
- The Board does not propose the payment of an interim dividend for the six-month period ended 30 June 2015.

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 2015 as follows:

Interim condensed consolidated statement of profit or loss and other comprehensive income

| | Note | For the six months ended 30 June | |
|---|------|----------------------------------|--------------------------------|
| | | 2015 (unaudited) RMB'000 | 2014 (unaudited) RMB'000 |
| Revenue | 4 | 2,820,647 | 2,577,023 |
| Cost of sales | | (2,574,322) | (2,327,888) |
| Gross profit | | 246,325 | 249,135 |
| Other income and gains | 4 | 34,128 | 12,726 |
| Selling and distribution costs | | (44,681) | (71,561) |
| Administrative expenses | | (60,833) | (43,988) |
| Other operating costs | | (5,444) | - |
| Finance costs | 5 | (411) | (947) |
| Share of profits and losses of associates | | 1,312 | 2,640 |
| Profit before tax | | 170,396 | 148,005 |
| Income tax expense | 6 | (36,568) | (26,936) |
| Profit for the period | | 133,828 | 121,069 |
| Attributable to: | | | |
| Equity holders of the parent | | 121,995 | 111,416 |
| Non-controlling interests | | 11,833 | 9,653 |
| | | 133,828 | 121,069 |
| Other comprehensive income for the period | | - | - |
| Total comprehensive income for the period | | 133,828 | 121,069 |
| Attributable to: | | | |
| Equity holders of the parent | | 121,995 | 111,416 |
| Non-controlling interests | | 11,833 | 9,653 |
| | | 133,828 | 121,069 |
| Earnings per share for profit for the period attributable to ordinary equity holders of the parent | | | |
| --Basic and diluted | 7 | RMB0.75 | RMB0.69 |

Interim condensed consolidated balance sheet

| Assets | Note | As at 30 June 2015 (unaudited) RMB'000 | As at 31 December 2014 (audited) RMB'000 |
|--|------|--|--|
| Non-current assets | | | |
| Property, plant and equipment | 8 | 447,473 | 359,391 |
| Prepaid land lease payments | 9 | 168,986 | 157,129 |
| Intangible assets | | 12,905 | 5,647 |
| Investment in associates | | 26,253 | 24,941 |
| Available-for-sale investments | | 28,900 | 28,900 |
| Goodwill | 10 | 7,457 | 4,663 |
| Deferred tax assets | | 38,659 | 46,373 |
| Other non-current assets | | 81,921 | 79,897 |
| | | 812,554 | 706,941 |
| Current assets | | | |
| Inventories | | 39,176 | 36,459 |
| Trade and bills receivables | 11 | 353,518 | 344,581 |
| Prepayment, deposits and other receivables | 12 | 82,404 | 53,438 |
| Due from related parties | 13 | 1,774,214 | 1,439,447 |
| Pledged deposits | 14 | 88,760 | 56,589 |
| Cash and cash equivalents | 14 | 699,703 | 897,924 |
| | | 3,037,775 | 2,828,438 |
| | | 3,850,329 | 3,535,379 |

Interim condensed consolidated balance sheet (continued)

| | | As at 30 June 2015 (unaudited) RMB'000 | As at 31 December 2014 (audited) RMB'000 |
|--|----|--|--|
| Equity | | | |
| Issued capital | 15 | 162,064 | 162,064 |
| Reserves | | 1,439,817 | 1,317,822 |
| Proposed final dividend | | - | 43,757 |
| Equity attributable to equity holders of the parent | | 1,601,881 | 1,523,643 |
| Non-controlling interests | | 108,900 | 85,810 |
| Total equity | | 1,710,781 | 1,609,453 |
| Liabilities | | | |
| Non-current liabilities | | | |
| Deferred revenue | | 3,388 | 3,388 |
| Deferred tax liabilities | | 3,502 | - |
| Total non-current liabilities | | 6,890 | 3,388 |
| Current liabilities | | | |
| Trade and bills payables | 17 | 1,535,355 | 1,426,055 |
| Other payables and accruals | 18 | 288,406 | 370,799 |
| Due to related parties | 19 | 153,931 | 91,176 |
| Interest-bearing bank and other borrowings | 20 | 110,000 | - |
| Dividends payable | | 43,757 | - |
| Tax payable | | 1,209 | 34,508 |
| Total current liabilities | | 2,132,658 | 1,922,538 |
| Total liabilities | | 2,139,548 | 1,925,926 |
| Total liabilities and equity | | 3,850,329 | 3,535,379 |
| Net current assets | | 905,117 | 905,900 |
| Total assets less current liabilities | | 1,717,671 | 1,612,841 |

**Interim condensed consolidated statement of changes in equity
For the six months ended 30 June 2015**

| | Unaudited | | | | | | Non-controlling interests | Total equity |
|------------------------------------|---|--------------------------|---------------|------------------|-------------------------------|------------------|------------------------------|------------------|
| | Attributable to equity holders of the Company | | | | | | | |
| | Share capital | Share premium account | Reserve funds | Retained profits | Proposed final dividend | Total | | |
| RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | |
| Balance at 1 January 2015 | 162,064 | 66,907 | 85,867 | 1,165,048 | 43,757 | 1,523,643 | 85,810 | 1,609,453 |
| Acquisition of a subsidiary | - | - | - | - | - | - | 11,257 | 11,257 |
| Comprehensive income | | | | | | | | |
| Profit for the period | - | - | - | 121,995 | - | 121,995 | 11,833 | 133,828 |
| Proposed final 2014 dividend | - | - | - | - | (43,757) | (43,757) | - | (43,757) |
| Balance at 30 June 2015 | <u>162,064</u> | <u>66,907</u> | <u>85,867</u> | <u>1,287,043</u> | <u>-</u> | <u>1,601,881</u> | <u>108,900</u> | <u>1,710,781</u> |

**Interim condensed consolidated statement of changes in equity
For the six months ended 30 June 2014**

| | Unaudited | | | | | | Non-controlling interests | Total equity |
|----------------------------------|---|-----------------------------|---------------|------------------|-------------------------------|------------------|------------------------------|------------------|
| | Attributable to equity holders of the Company | | | | | | | |
| | Share capital | Share premium account | Reserve funds | Retained profits | Proposed final dividend | Total | | |
| RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | RMB'000 | |
| Balance at 1 January 2014 | 162,064 | 66,907 | 85,867 | 986,841 | 40,516 | 1,342,195 | 62,240 | 1,404,435 |
| Comprehensive income | | | | | | | | |
| Profit for the period | - | - | - | 111,416 | - | 111,416 | 9,653 | 121,069 |
| Proposed final 2013 dividend | - | - | - | - | (40,516) | (40,516) | - | (40,516) |
| Balance at 30 June 2014 | <u>162,064</u> | <u>66,907</u> | <u>85,867</u> | <u>1,098,257</u> | <u>-</u> | <u>1,413,095</u> | <u>71,893</u> | <u>1,484,988</u> |

Interim condensed consolidated cash flow statement

| | For the six months ended 30 June | |
|--|---|-----------------|
| | 2015 | 2014 |
| | (unaudited) | (unaudited) |
| | RMB'000 | RMB'000 |
| Operating activities | | |
| Cash generated from/(used in) operations | (108,484) | 201,535 |
| Interest paid | (405) | (1,452) |
| Income tax paid | (59,404) | (38,148) |
| | <u>(168,293)</u> | <u>161,935</u> |
| Net cash flows from/(used in) operating activities | | |
| Cash flow used in investing activities | | |
| Purchase of property, plant and equipment and intangible assets | (123,672) | (81,192) |
| Purchases of available-for-sale investment | (40,000) | - |
| Acquisition of subsidiary | (19,673) | - |
| Proceeds from disposal of property, plant and equipment | 500 | 324 |
| Interest received | 2,955 | 2,574 |
| Decrease in time deposits with original maturity of more than three months | 20,199 | - |
| | <u>(159,691)</u> | <u>(78,294)</u> |
| Net cash used in investing activities | | |
| Cash flow from/(used in) financing activities | | |
| New interest-bearing bank and other borrowings | 110,000 | 70,000 |
| Repayment of interest-bearing bank and other borrowings | - | (120,000) |
| | <u>110,000</u> | <u>(50,000)</u> |
| Net cash from/(used in) financing activities | | |
| Increase/(decrease) of cash and cash equivalents | (217,984) | 33,641 |
| Cash and cash equivalents at beginning of the period | 843,322 | 614,008 |
| Effect of foreign exchange rate changes, net | (38) | 214 |
| | <u>625,300</u> | <u>647,863</u> |
| Cash and cash equivalents at end of the period | | |
| Analysis of cash and cash equivalents' ending balance: | | |
| Cash and bank deposit | 699,703 | 647,863 |
| Structured deposit | (40,000) | - |
| Time deposits with original maturity of more than three months when acquired | (34,403) | - |
| | <u>625,300</u> | <u>647,863</u> |
| Cash and cash equivalents in consolidated cash flow statement | | |
| | <u>625,300</u> | <u>647,863</u> |

Notes:

1. General information

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

The principal activities of the Group are the rendering of transportation of finished vehicles, supply chain management for automobile raw materials, components and parts, transportation services of non-vehicle commodities, sales of packaging materials and processing of tyres.

The address of the Company's registered office is Liangjin Village, Yuanyang Town, Yubei District, Chongqing, the PRC. As at 30 June 2015, the Company has direct interests in the following subsidiaries:

| Company name | Place and date of incorporation/ registration and place of operations | Percentage of equity interest attributable to the Company | | Paid-in capital | Principal activities |
|--|---|---|----------|-----------------|--|
| | | Direct | Indirect | | |
| 重慶長安民生博宇運輸有限公司 CMAL Bo Yu Transportation Co., Ltd. ("Chongqing Boyu") | PRC/Mainland China 3 November 2005 | 100 | - | RMB60,000,000 | Providing logistics services in Mainland China |
| 南京長安民生住久物流有限公司 Nanjing CMSC Logistics Co., Ltd. ("Nanjing CMSC") (note1) | PRC/Mainland China 26 July 2007 | 67 | - | RMB100,000,000 | Providing logistics services in Mainland China |
| 重慶福集供應鏈管理有限公司 Chongqing Future Supply Chain Management Co., Ltd. ("Chongqing Future") (note2) | PRC/Mainland China 18 March 2009 | 100 | - | RMB30,000,000 | Providing logistics services in Mainland China |
| 重慶長安民生鼎捷物流有限公司 Chongqing Changan Minsheng Dingjie Logistics Co., Ltd. ("Chongqing Dingjie") (note3) | PRC/Mainland China 30 April 2010 | 95 | - | RMB50,000,000 | Providing logistics services in Mainland China |
| 重慶長安民生福永物流有限公司 Chongqing Changan Minsheng Fuyong Logistics Co., Ltd. ("Chongqing Fuyong") | PRC/Mainland China 28 April 2011 | 100 | - | RMB5,000,000 | Providing logistics services in Mainland China |
| 杭州長安民生物流有限公司 Hangzhou Changan Minsheng Logistics Co., Ltd. ("Hangzhou Changan Minsheng") | PRC/Mainland China 17 May 2013 | 100 | - | RMB250,000,000 | Providing logistics services in Mainland China |
| 重慶福路保稅物流有限公司 Chongqing Fulu Bonded Logistics Co., Ltd. ("Chongqing Fulu") | PRC/Mainland China 9 April 2014 | 100 | - | RMB3,000,000 | Providing logistics services in Mainland China |
| 重慶長安民生東立包裝有限公司 Chongqing Changan Minsheng Dongli Packaging Co., Ltd. ("Dongli Packaging") (note4) | PRC/Mainland China 16 May 2014 | 55 | - | RMB18,000,000 | Providing logistics services in Mainland China |

continued/...

1. General information (continued)

| Company name | Place and date of incorporation/ registration and place of operations | Percentage of equity interest attributable to the Company | | Paid-in capital | Principal activities |
|---|---|---|----------|-----------------|--|
| | | Direct | Indirect | | |
| 長安民生（上海）供應鏈有限公司 Changan Minsheng (Shanghai) Supply Chain Co., Ltd. ("Shanghai Supply Chain") | PRC/Mainland China 5 August 2014 | 100 | - | RMB2,000,000 | Providing logistics services in Mainland China |
| 武漢卓爾盛德汽車物流有限公司 Zhuoer Shengde Automobile Logistics Co., Ltd. ("Zhuoer Shengde") (note5) | PRC/Mainland China 18 August 2010 | 60 | - | RMB23,070,000 | Providing logistics services in Mainland China |

Note 1: The Company and Sumitomo Corporation of Japan held 67% and 33% of Nanjing CMSC's shareholdings respectively.

Note 2: Chongqing Changan Minsheng Future Bonded Logistics Co., Ltd. was renamed as Chongqing Future Supply Chain Management Co., Ltd. on 30 October 2014.

Note 3: 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.

Note 4: The Company and Tonglit Logistics Co., Ltd., held 55% and 45% of Dongli Packaging's shareholdings respectively.

Note5: The Company acquired 60% equity interest of Zhuoer Shengde (the commercial registration of changes for the relevant acquisition completed on 22 May 2015), after the acquisition, 60.0%, 20.4% and 19.6% shareholding in Zhuoer Shengde were held by the Company, Hubei Zhuoer Eco-Industrial City Building Co., Ltd. and Wuhan Shengde Nisshin Auto Industrial Park Co., Ltd., respectively. Please refer to note 16 to the interim report for details.

The consolidated interim financial information has not been audited.

2. Basis of preparation and changes to the Group's accounting policies

Basis of preparation

This interim condensed consolidated financial statements for the six months ended 30 June 2015 have been prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34, "Interim financial reporting". The condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements for the year ended 31 December 2014, which have been prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRS").

New standards, interpretations and amendments adopted by the Group

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2014, except for the adoption of new standards and interpretations effective as of 1 January 2015 as follows:

| | |
|-------------------------------------|---|
| Amendments to HKAS 19 | Defined Benefit Plans: Employee Contributions |
| Annual Improvements 2010-2012 Cycle | Amendments to a number of HKFRSs |
| Annual Improvements 2011-2013 Cycle | Amendments to a number of HKFRSs |

2. Basis of preparation and changes to the Group's accounting policies (continued)

New standards, interpretations and amendments adopted by the Group (continued)

The adoption of new standards and interpretations has had no material impact on the annual consolidated financial statements of the Group or the interim condensed consolidated financial statements of the Group.

The Group has not adopted in advance any other standard, interpretation or amendment that has been issued but is not yet effective.

Issued but not yet effective Hong Kong Financial Reporting Standards

| | |
|---|--|
| HKFRS 9 | Financial Instruments ² |
| Amendments to HKAS 10 and HKAS 28 (2011) | Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ¹ |
| Amendments to HKFRS 10, HKFRS 12 and HKAS 28 (2011) | Investment Entities: Applying the Consolidation Exception ¹ |
| Amendments to HKFRS 11 | Accounting for Acquisitions of Interests in Joint Operations ¹ |
| HKFRS 14 | Regulatory Deferral Accounts ³ |
| HKFRS 15 | Revenue from Contracts with Customers ² |
| Amendments to HKAS 1 | Disclosure Initiative ¹ |
| Amendments to HKAS 16 and HKAS 38 | Clarification of Acceptable Methods of Depreciation and Amortisation ¹ |
| Amendments to HKAS 16 and HKAS 41 | Agriculture: Bearer Plants ¹ |
| Amendments to HKAS 27 (2011) | Equity Method in Separate Financial Statements ¹ |
| Annual Improvements 2012-2014 Cycle | Amendments to a number of HKFRSs ¹ |

¹ Effective for annual periods beginning on or after 1 January 2016

² Effective for annual periods beginning on or after 1 January 2018

³ Effective for an entity that first adopts HKFRSs for its annual financial statements beginning on or after 1 January 2016 and therefore is not applicable to the Group

3. Segment information

For management purposes, the Group's operating activities are related to a single operating segment, the transportation and supply chain management for vehicle commodities, transportation of non-vehicle commodities, processing of tyres and others. Therefore, no analysis by operating segment is presented.

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 months ended 30 June 2015, revenues of approximately RMB1,723,327,000, RMB439,013,000 and RMB210,006,000 (for the six months ended 30 June 2014: RMB1,479,960,000, RMB435,640,000 and RMB194,800,000) were derived from three largest external customers, respectively.

4. Revenue, other income and gains

Revenues recognised for the six months ended 30 June 2015 are as follows:

| | For the six months ended 30 June | |
|---|----------------------------------|------------------|
| | 2015 | 2014 |
| | (unaudited) | (unaudited) |
| | RMB'000 | RMB'000 |
| <u>Revenue</u> | | |
| Transportation of finished vehicles | 1,189,019 | 1,138,356 |
| Sale of tyres and others | 795,051 | 749,083 |
| Supply chain management for automobile raw materials, components and parts | 800,813 | 648,227 |
| Transportation of non-vehicle commodities | 29,035 | 39,948 |
| Others | 6,729 | 1,409 |
| Total | <u>2,820,647</u> | <u>2,577,023</u> |
| <u>Other income and gains</u> | | |
| Bank interest income | 2,955 | 2,574 |
| Government grants | 25,893 | 6,506 |
| Others | 5,280 | 3,646 |
| Total | <u>34,128</u> | <u>12,726</u> |

5. Finance costs

| | For the six months ended 30 June | |
|----------------------------|----------------------------------|-------------|
| | 2015 | 2014 |
| | (unaudited) | (unaudited) |
| | RMB'000 | RMB'000 |
| Net exchange (gain)/losses | 6 | (505) |
| Interests on bank loans | 405 | 1,452 |
| Total | <u>411</u> | <u>947</u> |

6. Income tax expense

| | For the six months ended 30 June | |
|-------------------------------------|---|--------------------------------|
| | 2015 (unaudited) RMB'000 | 2014 (unaudited) RMB'000 |
| Current income tax expense- the PRC | 28,854 | 27,771 |
| Deferred income tax expense | 7,714 | (835) |
| Total income tax expense | <u>36,568</u> | <u>26,936</u> |

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

| | For the six months ended 30 June | |
|---------------------------|---|-----------------------------|
| | 2015 applicable tax rate | 2014 applicable tax rate |
| The Company | 15.0% | 15.0% |
| Chongqing Boyu | 15.0% | 15.0% |
| Nanjing CMSC | 25.0% | 25.0% |
| Chongqing Future | 25.0% | 25.0% |
| Chongqing Dingjie | 25.0% | 25.0% |
| Chongqing Fuyong | 25.0% | 25.0% |
| Hangzhou Changan Minsheng | 25.0% | 25.0% |
| Chongqing Fulu | 25.0% | 25.0% |
| Dongli Packaging | 25.0% | 25.0% |
| Shanghai Supply Chain | 25.0% | N/A |
| Zhuoer Shengde | 25.0% | N/A |

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 met with the conditions for tax incentives, and the applicable tax rate for both of them is 15%.

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 months ended 30 June 2015 (corresponding period in 2014: nil).

A reconciliation of the tax expense applicable to profit before tax at the statutory rates for the countries (or jurisdictions) in which the Company and its subsidiaries are domiciled to the tax expense at the effective tax rates, and a reconciliation of the applicable rates (i.e., the statutory tax rates) to the effective tax rates, are as follows:

6. Income tax expense (continued)

| | For the six months ended 30 June | |
|---|----------------------------------|-------------|
| | 2015 | 2014 |
| | (unaudited) | (unaudited) |
| | RMB'000 | RMB'000 |
| Profit before tax | 170,396 | 148,005 |
| Tax at applicable tax rates of the Group entities | 35,411 | 26,344 |
| Adjustments in respect of current tax of previous periods | 834 | 598 |
| Expenses not deductible for tax | 520 | 390 |
| Profits and losses attributable to associates | (197) | (396) |
| Tax charge | 36,568 | 26,936 |

The effective rate of tax for the six months period ended 30 June 2015 is 21.5% (corresponding period in 2014:18.2%).

7. Earnings per share

The calculation of basic earnings per share amounts is based on the profit for the six months ended 30 June 2015 attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 162,064,000 (30 June 2014: 162,064,000) in issue during the six months ended 30 June 2015, as adjusted to reflect the rights issue during the year.

| | For the six months ended 30 June | |
|--|----------------------------------|-------------|
| | 2015 | 2014 |
| | (unaudited) | (unaudited) |
| | RMB'000 | RMB'000 |
| Group's profit attributable to equity holders of the Company | 121,995 | 111,416 |
| Weighted average number of shares in issue (in thousands) | 162,064 | 162,064 |
| Basic earnings per share (RMB per share)# | 0.75 | 0.69 |

#Diluted earnings per share is the same as basic earnings per share as the Group had no potential dilutive ordinary shares in issue during those years.

8. Property, plant and equipment

During the six months ended 30 June 2015, the Group acquired assets with a cost of RMB107,330,000 (the six months ended 30 June 2014: RMB13,728,000).

8. Property, plant and equipment (continued)

The Group continued its construction of a logistics information center, and the carrying amount as at 30 June 2015 was approximately RMB85.68 million (31 December 2014: RMB72.11 million). The Group also continued the development of an automobile components and parts manufacturing, distribution and supply chain integration project, and the carrying amount as at 30 June 2015 was approximately RMB32.81 million (31 December 2014: RMB18.68 million). The Group has the fourth production lines for its tyres processing segment under construction, and the carrying amount as at 30 June 2015 was approximately RMB6.86 million (31 December 2014: nil).

Assets with a net book value of RMB764,000 were disposed of by the Group during the six months ended 30 June 2015 (for the year ended 31 December 2014: RMB1,944,000), resulting in a net loss of RMB264,000 on disposal (for the year ended 31 December 2014: net loss of RMB558,000).

9. Prepaid land lease payments

During the six months ended 30 June 2015, the Group acquired a new piece of land of RMB13,948,000 through the business acquisition of 60% equity interests of Zhuoer Shengde, and the amortisation of prepaid land lease payments was approximately RMB2,091,000 (for six months ended 30 June 2014: RMB2,272,000).

10. GOODWILL

| | As at 30 June 2015 (unaudited) RMB'000 | As at 31 December 2014 (audited) RMB'000 |
|---------------------------------------|--|--|
| Cost | 7,457 | 4,663 |
| Less: Provision for impairment losses | - | - |
| Net carrying amount | <u>7,457</u> | <u>4,663</u> |

| | Transportation of finished vehicles RMB'000 | Warehouse management service RMB'000 | Total RMB'000 |
|---|---|--|------------------|
| Cost at 1 January 2015 | 2,222 | 2,441 | 4,663 |
| Acquisition of a subsidiary (note 16) | <u>2,794</u> | <u>-</u> | <u>2,794</u> |
| Cost and net carrying amount at 30 June 2015 | <u>5,016</u> | <u>2,441</u> | <u>7,457</u> |

10. GOODWILL (continued)

Impairment testing of goodwill

The Group performs its annual impairment test of goodwill as at 31 December. Goodwill acquired through business combinations is allocated to the following cash-generating units for impairment testing:

- Transportation services for finished vehicle cash-generating unit; and
- Storage management services cash-generating unit.

During the six months ended 30 June 2015, goodwill allocated to storage management services cash-generating unit may be impaired due to significant decrease in the production volume and sales volume of the cash-generating unit's major customer, Chongqing Changan Suzuki Automobile Co., Ltd.. The Group is in the process of making an assessment of the impact of the impairment.

11. Trade and bills receivables

| | As at 30 June 2015 (unaudited) RMB'000 | As at 31 December 2014 (audited) RMB'000 |
|--------------------------------|--|--|
| Accounts receivables (note(a)) | 190,441 | 205,768 |
| Less: Impairment | <u>(14,188)</u> | <u>(14,192)</u> |
| Accounts receivable, net | 176,253 | 191,576 |
| Bills receivable (note(b)) | <u>177,265</u> | <u>153,005</u> |
| | <u>353,518</u> | <u>344,581</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 2015 and 31 December 2014 was as follows:

| | As at 30 June 2015 (unaudited) RMB'000 | As at 31 December 2014 (audited) RMB'000 |
|-----------------|--|--|
| 0 to 90 days | 137,166 | 170,255 |
| 91 to 180 days | 35,517 | 11,732 |
| 181 to 365 days | <u>3,570</u> | <u>9,589</u> |
| | <u>176,253</u> | <u>191,576</u> |

Note (b):

The ageing of bills receivable as at 30 June 2015 and 31 December 2014 were all less than 6 months.

12. PREPAYMENTS, DEPOSITS AND OTHER RECEIVABLES

| | As at 30 June 2015 (unaudited) RMB'000 | As at 31 December 2014 (audited) RMB'000 |
|--------------------------------|--|--|
| Prepayments | 26,180 | 20,664 |
| Deposits and other receivables | 33,047 | 26,262 |
| Other current assets | <u>23,177</u> | <u>6,512</u> |
| | <u>82,404</u> | <u>53,438</u> |

None of the above assets is either past due or impaired. The financial assets included in the above balances relate to receivables for which there was no recent history of default.

13. Due from related parties

| | As at 30 June 2015 (unaudited) RMB'000 | As at 31 December 2014 (audited) RMB'000 |
|---|--|--|
| Balance from rendering of services and sales of goods (note(a)) | 1,782,579 | 1,457,608 |
| Less: Impairment (note(b)) | <u>(31,166)</u> | <u>(31,166)</u> |
| Balance from rendering of services and sales of goods, net | 1,751,413 | 1,426,442 |
| Prepayments for transportation services | 5,904 | 1,495 |
| Other receivables | <u>16,897</u> | <u>11,510</u> |
| | <u>1,774,214</u> | <u>1,439,447</u> |

13. Due from related parties (continue)

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 and sales of goods as at 30 June 2015 and 31 December 2014 was as follows:

| | As at 30 June 2015 (unaudited) RMB'000 | As at 31 December 2014 (audited) RMB'000 |
|-----------------|--|--|
| 0 to 90 days | 1,392,743 | 1,424,117 |
| 91 to 180 days | 358,670 | 1,747 |
| 181 to 365 days | - | 578 |
| | <u>1,751,413</u> | <u>1,426,442</u> |

Note (b):

The Group provided full provision for impairment of receivable amounted to RMB31,166,000 (31 December 2014:RMB31,166,000) due from Hafei Automobile Co., Ltd..

14. Cash and cash equivalents and pledged deposits

| | As at 30 June 2015 (unaudited) RMB'000 | As at 31 December 2014 (audited) RMB'000 |
|---|--|--|
| Cash and bank balances | 708,060 | 897,912 |
| Structured deposit | 40,000 | - |
| Time deposits | <u>40,403</u> | <u>56,601</u> |
| | 788,463 | 954,513 |
| Less: | | |
| Pledged for bills payables | 88,760 | 56,589 |
| Time deposits with original maturity of more than three months when acquired | 34,403 | 54,602 |
| Structured deposit | <u>40,000</u> | <u>-</u> |
| Cash and cash equivalents | <u>625,300</u> | <u>843,322</u> |

15. Share capital

| | As at 30 June 2015 (unaudited) | | As at 31 December 2014 (audited) | |
|--|-----------------------------------|-------------------------|-------------------------------------|-------------------------|
| | Number of shares | Nominal value RMB | Number of shares | Nominal value 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. BUSINESS COMBINATION

On 19 January 2015, the Company entered into Equity Transfer Agreement of Zhuoer Shengde Automobile Logistics Co., Ltd. with Hubei Hannan Gang Logistics Co., Ltd. and Wuhan Shengde Nisshin Auto Industrial Park Co., Ltd.. According to the agreement, the Company acquired 30.6% and 29.4% of equity interests in Zhuoer Shengde from Hubei Hannan Gang Logistics Co., Ltd. and Wuhan Shengde Nisshin Auto Industrial Park Co., Ltd. respectively, at a total consideration of RMB19,680,000. After the acquisition, the Company held 60% of equity interests in Zhuoer Shengde.

The Group owns 60% voting rights of Zhuoer Shengde and holds the majority members of the board of directors. Accordingly, the Group has the ability to approve decisions that related to the relevant operating activities of Zhuoer Shengde and control over Zhuoer Shengde. Zhuoer Shengde was therefore accounted for as a non-wholly owned subsidiary of the Group with effect from on 22 May 2015 on which the Company legally obtained control of Zhuoer Shengde, acquired the assets and assumed the liabilities of Zhuoer Shengde.

16. BUSINESS COMBINATION (CONTINUED)

| | Fair value recognised on acquisition |
|---|--------------------------------------|
| | RMB'000 |
| Property, plant and equipment (note 8) | 8,046 |
| Prepaid land lease payments (note 9) | 13,948 |
| Intangible assets | 7,237 |
| Cash and bank balances | 7 |
| Trade and notes receivables | 1,602 |
| Prepayments, deposits and other receivables | 5,699 |
| Other non-current assets | 416 |
| Accounts payable | (5,285) |
| Tax payable | (15) |
| Other payable | (10) |
| Deferred tax liabilities | (3,502) |
| | <hr/> |
| Total identifiable net assets at fair value | 28,143 |
| Non-controlling interest | (11,257) |
| Goodwill on acquisition (note 10) | 2,794 |
| | <hr/> |
| | 19,680 |
| | <hr/> |
| Satisfied in cash | 19,680 |
| | <hr/> |

None of the goodwill recognised is expected to be deductible for income tax purposes.

17. Trade and bills payables

| | As at 30 June 2015 (unaudited) RMB'000 | As at 31 December 2014 (audited) RMB'000 |
|------------------|--|--|
| Accounts payable | 1,216,142 | 1,201,484 |
| Bills payable | <u>319,213</u> | <u>224,571</u> |
| | <u>1,535,355</u> | <u>1,426,055</u> |

Ageing analysis of accounts payable and bills payable as at 30 June 2015 and 31 December 2014 was as follows:

| | As at 30 June 2015 (unaudited) RMB'000 | As at 31 December 2014 (audited) RMB'000 |
|-----------------|--|--|
| 0 to 90 days | 1,468,498 | 1,367,844 |
| 91 to 180 days | 56,857 | 52,685 |
| 181 to 365 days | 7,143 | 3,876 |
| Over 1 year | <u>2,857</u> | <u>1,650</u> |
| | <u>1,535,355</u> | <u>1,426,055</u> |

18. Other payables and accruals

| | As at 30 June 2015 (unaudited) RMB'000 | As at 31 December 2014 (audited) RMB'000 |
|------------------------|--|--|
| Accrued payroll | 142,752 | 195,014 |
| Other payables | 92,748 | 99,699 |
| Advance from customers | 1,359 | 3,498 |
| Other taxes | <u>51,547</u> | <u>72,588</u> |
| Total | <u>288,406</u> | <u>370,799</u> |

19. Due to related parties

| | As at 30 June 2015 (unaudited) RMB'000 | As at 31 December 2014 (audited) RMB'000 |
|---|--|--|
| Balance from transportation services provided by related parties | 126,514 | 65,000 |
| Balance from construction services provided by related parties | <u>27,417</u> | <u>26,176</u> |
| | <u>153,931</u> | <u>91,176</u> |

Ageing analysis of balance from transportation services and construction services provided by related parties as at 30 June 2015 and 31 December 2014 was as follows:

| | As at 30 June 2015 (unaudited) RMB'000 | As at 31 December 2014 (audited) RMB'000 |
|----------------|--|--|
| 0 to 90 days | 152,996 | 90,847 |
| 91 to 180 days | 935 | 123 |
| Over 1 year | <u>-</u> | <u>206</u> |
| | <u>153,931</u> | <u>91,176</u> |

20. Interest-Bearing Bank Loans

| | As at 30 June 2015 (unaudited) RMB'000 | As at 31 December 2014 (audited) RMB'000 |
|--------------------------------|--|--|
| Related party loans, unsecured | 110,000 | - |
| Effective interest rate (%) | 5.10% | - |
| Repayable within one year | <u>110,000</u> | <u>-</u> |
| Analyzed into: | | |
| Current | 110,000 | - |
| Non-current | <u>-</u> | <u>-</u> |
| | <u>110,000</u> | <u>-</u> |

21. Related party transactions

| | For the six months ended 30 June | |
|---|----------------------------------|------------------------|
| | 2015 | 2014 |
| | (unaudited) RMB'000 | (unaudited) RMB'000 |
| Revenue from rendering of transportation of finished vehicles services | 1,189,019 | 1,122,071 |
| Revenue from rendering of supply chain management services for automobile raw materials, components and parts | 561,217 | 450,869 |
| Revenue from sales of tyres | 795,051 | 749,083 |
| Revenue from others | 2,232 | 1,409 |
| | <u>2,547,519</u> | <u>2,323,432</u> |
| Purchase of transportation services | 234,809 | 152,156 |
| Purchase of construction services | 24,516 | 37,150 |
| Other | 3,139 | 1,048 |
| | <u>262,464</u> | <u>190,354</u> |
| Borrowings from a related party | <u>110,000</u> | <u>120,000</u> |

22. Financial instruments

Set out below is an overview of financial instruments held by the Group as at 30 June 2015 and 31 December 2014:

| Financial assets | Loans and receivables | |
|--|--|--|
| | As at 30 June 2015 (unaudited) RMB'000 | As at 31 December 2014 (audited) RMB'000 |
| Available-for-sale investments | 28,900 | 28,900 |
| Trade and bills receivables | 353,518 | 344,581 |
| Financial assets included in prepayment, deposits and other receivables | 33,047 | 26,262 |
| Due from related parties | 1,768,310 | 1,437,952 |
| Pledged deposits | 88,760 | 56,589 |
| Cash and cash equivalents | <u>699,703</u> | <u>897,924</u> |
| Total | <u>2,972,238</u> | <u>2,792,208</u> |

22. Financial instruments (continued)

Set out below is an overview of financial instruments held by the Group as at 30 June 2015 and 31 December 2014 (continued):

| Financial liabilities | Other financial liabilities | |
|--|--|--|
| | As at 30 June 2015 (unaudited) RMB'000 | As at 31 December 2014 (audited) RMB'000 |
| Trade and bills payables | 1,535,355 | 1,426,055 |
| Financial liabilities included in | | |
| Other payables and accruals | 92,748 | 99,699 |
| Due to related parties | 153,931 | 91,176 |
| Interest-bearing bank and other borrowings | 110,000 | - |
| Dividends payable | 43,757 | - |
| Total | <u>1,935,791</u> | <u>1,616,930</u> |

23. Commitments of the Group

(a) Capital expenditure commitments

As at 30 June 2015, the capital expenditure commitments not provided for are as follows:

| | As at 30 June 2015 (unaudited) RMB'000 | As at 31 December 2014 (audited) RMB'000 |
|----------------------------------|--|--|
| Property, plant and equipment | | |
| -Contracted but not provided for | <u>130,771</u> | <u>110,192</u> |

23. Commitments of the Group (continued)

(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 2015 (unaudited) RMB'000 | As at 31 December 2014 (audited) RMB'000 |
|--|--|--|
| Not more than 1 year | 17,185 | 15,292 |
| More than 1 year and less than 5 years | <u>17,117</u> | <u>10,151</u> |
| Total | <u><u>34,302</u></u> | <u><u>25,443</u></u> |

24. Events after the reporting period

There was no significant event occurring after the balance sheet date that needed to be disclosed.

INTERIM DIVIDENDS

The Board does not propose the payment of an interim dividend for the six months ended 30 June 2015 (corresponding period in 2014: nil).

The 2014 final dividend of RMB0.27 per share, including tax, has been approved by the shareholders of the Company at the annual general meeting of the Company held on 30 June 2015 and is expected to be paid before 30 September 2015.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

In the first half of 2015, the macro-economic environment in China showed signs of stabilization and becoming good while automobile production and sales volume in the PRC experienced significant retreat as compared with last year. According to the China Association of Automobile Manufacturers' statistics, for the first half of 2015, automobile production volume and sales volume in the PRC were 12,095,000 vehicles and 11,850,300 vehicles, respectively, representing an increase of approximately 2.64% and 1.43%, respectively, a decrease of 6.96 and 6.97 percentage points respectively as compared with the corresponding period of last year. For the six-month period ended 30 June 2015, the production volume and sales volume of the Group's major customer, Chongqing Changan Automobile Co., Ltd. ("Changan Automobile") were 1,415,900 vehicles and 1,465,700 vehicles, respectively, representing an increase of approximately 7.24% and 11.02%, respectively, as compared with the corresponding period of last year. For the six-month period ended 30 June 2015, the Group recorded a total revenue of approximately RMB2,820,647,000, representing an increase of approximately 9.45% as compared with the corresponding period of last year. The income from transportation of finished vehicles, processing of tyres and supply chain management of automobile raw materials, components and parts for the six months ended 30 June 2015 represented approximately 42.15%, 28.19% and 28.40%, respectively, of the Group's total revenue (for the six-month period ended 30 June 2014: approximately 44.17%, 29.07% and 25.15%, respectively). Detailed breakdown of revenue is set out in note 4 to the Group's interim condensed consolidated statement of profit or loss and other comprehensive income of this report.

For the six-month period ended 30 June 2015, although affected by unfavorable factors such as the intensifying competition in the domestic automobile market, the decreasing trend in the logistics service price as well as the rise in labor costs, the Group strengthened cost control, made efforts to explore business units of strong profitability and obtained support from the local government. The Group's gross profit margin decreased while the net profit margin increased slightly, which were: approximately 8.73% (for six months ended 30 June 2014: approximately 9.67%) and 4.74% (corresponding period last year: 4.70%), respectively. The Group's profit attributable to the equity holders of the parent for the six months ended 30 June 2015 increased by approximately 9.50% to approximately RMB121,995,000 from approximately RMB111,416,000 in the corresponding period in 2014.

FINANCIAL REVIEW

Working Capital and Financial Resources

During the reporting period, the Group's sources of funds generally represented income arising from our daily operations.

As at 30 June 2015, the cash and bank balance and pledged deposits were approximately RMB788,463,000 (31 December 2014: RMB954,513,000). As at 30 June 2015, the total assets of the Group amounted to approximately RMB3,850,329,000 (31 December 2014: RMB3,535,379,000). As at 30 June 2015, the Group had current liabilities of approximately RMB2,132,658,000 (31 December 2014: RMB1,922,538,000), non-current liabilities of approximately RMB6,890,000 (31 December 2014: 3,388,000), shareholders' equity excluding non-controlling interest of approximately RMB1,601,881,000 (31 December 2014: RMB1,523,643,000) and non-controlling interest of approximately RMB108,900,000 (31 December 2014: RMB85,810,000).

Capital Structure

For the six-month period ended 30 June 2015, there had been no change to the Company's share capital.

Loans and Borrowings

As at 30 June 2015, there was RMB110,000,000 of bank loans and borrowings (31 December 2014: nil).

Gearing and Liquidity Ratio

As at 30 June 2015, the gearing ratio (defined as the ratio between the total liabilities and the total assets) of the Group was approximately 55.57% (31 December 2014: approximately 54.48%). The gearing ratio between the total liabilities and the total equity of the Group was approximately 1.25:1 (31 December 2014: 1.20:1).

Pledge of Assets

As at 30 June 2015, 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 did not have any material impact on the Group.

Employee, Remuneration Policy and Training Programme

As at 30 June 2015, the Group employed 9,037 employees (as at 31 December 2014: 8,426 employees). The salaries of the employees are determined based on the remuneration policy approved by the Board and the remuneration committee of the Company and in accordance with the relevant PRC policies. The salary level is in line with the economic efficiency of the Company. The benefits of the employees comprise endowment insurance, medical insurance, unemployment insurance, personal injury insurance and housing funds. During the reporting period, the Company has provided the staff with training regarding technology, security and management, etc.

Major Investment

For the six-month period ended 30 June 2015, there had been no major investment of the Group.

Major Acquisition and Assets Sale

For the six-month period ended 30 June 2015, there had been no major acquisition and assets sale of the Group.

Contingent Liabilities

As at 30 June 2015, the Group did not have any contingent liabilities.

PROSPECTS

As the surrounding environment of China is getting increasingly complicated, China further opens its economy to the outside world and the competition of logistics market is intensifying, excess capacity within automobile industry and increasingly fierce market competition will continue, the Company anticipates that the pressure in operating the automobile logistics in China will increase. These factors will have an unfavorable impact on the Group's operation and profitability. In the second half of 2015, the Group is still faced with unfavorable factors, such as continuous rise in labor expenditure cost, the Group will make greater efforts to stabilize traditional business, continue to improve its core competitiveness through enhancing the "Management, Operations and Services", and make efforts and attempts to explore new business in order to improve the Company's operating results.

CORPORATE GOVERNANCE

During the reporting period, the Company has complied with the code provisions of Corporate Governance Code set out in Appendix 14 of the Rules Governing the Listing of Securities of the Stock Exchange (“Listing Rules”).

SECURITIES TRANSACTIONS BY THE DIRECTORS

Since the transfer of listing on 18 July 2013, the Company has adopted a code of conduct regarding directors’ securities transactions on terms no less exacting the required standard (the “Code of Conduct”) set out in Appendix 10 (Model Code for Securities Transactions by Directors of Listed Issuers (the “Model Code”)) to the Listing Rules. After making specific enquiries to all Directors, the Company confirms that the Directors had complied with the Code of Conduct for the six-month period ended 30 June 2015.

BOARD OF DIRECTORS

The fourth session of the Board comprises 11 Directors, including 4 executive Directors, 3 non-executive Directors and 4 independent non-executive Directors. The Board considers that the composition of the Board represents a reasonable balance between the 7 non-executive and independent non-executive Directors and the 4 executive Directors in the interest of the Company and the shareholders. The 7 non-executive Directors and independent non-executive Directors provide constructive advice in relation to the formulation of the Company’s policies. The Company is not aware of any family or material relationship among the members of the Board. The Company has four independent non-executive Directors, of whom at least one has appropriate professional qualification and financial management expertise. The Company considers that, during the reporting period, each of the independent non-executive Directors has complied with the guidelines on independence set out in the Listing Rules. As at the date of this report, except for the fact that the independent non-executive director Mr. Chong Teck Sin has served for consecutive 9 years, the term of office of each of the other 3 independent non-executive directors does not exceed nine years. As regard the re-election of Directors, the Company will ensure compliance with code A.4.3 of the Corporate Governance Code under the Listing Rules.

BOARD CHAIRMAN AND GENERAL MANAGER

The chairman of the Board is Mr. Zhu Minghui and our general manager is Mr. Wang Yang. The chairman is in charge of formulating 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 its three board committees.

AUDIT COMMITTEE

The 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 and the unaudited financial statements of the Group for the six-month period ended 30 June 2015. 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

For the six-month period ended 30 June 2015, there had been no change of the Directors and Supervisors of the Company.

OTHER INFORMATION

INTERESTS OF DIRECTORS, CHIEF EXECUTIVE AND SUPERVISORS IN SHARES OF THE COMPANY AND ASSOCIATED CORPORATIONS

As at 30 June 2015, 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”) in Chapter 571 of Laws of Hong Kong) which (a) were required pursuant to section 352 of the SFO to be entered in the register referred to therein; or (b) were required, pursuant to the Model Code to be notified to the Company and the Stock Exchange.

As at 30 June 2015, the Directors, chief executive and the Supervisors of the Company 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 it have any interest, either direct or indirect, in any assets which have been, since 31 December 2014, 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 2015, 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 shares 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 Company”) | Beneficial owner | 41,225,600(L) | 38.51% | - | 25.44% |
| APL Logistics Ltd. (“APL Logistics”) | 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)”) (note 1) | 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 Xiaozhong, the Director of the Company, holds 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 in this report, as at 30 June 2015, so far as is known to the Directors and chief executive of the Company, there is no 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").

To comply with the regulations of The Administration of Share Right Incentive for State Holding Listed Company (Overseas) (State Assets Development Distribution [2006] No. 8 Document), the remuneration committee of the Company has approved the amendments to the Scheme on 25 June 2013, stipulating that the specific plans of the Scheme must be submitted to the state owned assets supervision and administration department for approval on the implementation, the exercise waiting period was extended by one year, and the total number of the share appreciation right granted within the validity of the Scheme which must not in aggregate exceed 10% of the total share capital of the Company.

During the reporting period, no such plan has been implemented.

COMPETING INTERESTS

The Company has entered into a non-competition undertaking with each of its shareholders, namely APL Logistics, Minsheng Industrial, Ming Sung (HK) and Changan Industry Company, respectively. For details of the non-competition undertakings, please refer to the Prospectus and the 2014 Annual Report of the Company.

As 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.

CONTINUING CONNECTED TRANSACTIONS

For the six-month period ended 30 June 2015, the turnover generated from the continuing connected transactions between the Group and the connected persons (as defined in the Listing Rules) of the Company was approximately RMB2,558,482,000 (of which RMB2,536,820,000 was attributable to Changan Automobile and its associates, RMB7,224,000 to Changan Industry Company and its associates, RMB7,009,000 to Nanjing Baogang Zhushang Metal Manufacturing Company Limited, RMB4,497,000 to Tonglit Logistics Co., Ltd. and its associates, RMB2,932,000 to Minsheng Industrial and its associates), which altogether accounted for approximately 90.71% of the total revenue during the reporting period.

For the six-month period ended 30 June 2015, the cost of purchasing transportation services from connected persons (as defined in the Listing Rules) was approximately RMB211,533,000 (of which RMB6,670,000 was attributable to Changan Industry Company and its associates, RMB202,020,000 to Minsheng Industrial and its associates, and RMB2,843,000 to APL Logistics and its associates), which altogether accounted for approximately 8.22% of the cost of sales during the reporting period.

For the six-month period ended 30 June 2015, the cost of purchasing construction services from connected persons (as defined in the Listing Rules) was RMB24,516,000.

For the six-month period ended 30 June 2015, maximum daily outstanding loan balance (including interests) due to connected persons (as defined in the Listing Rules) was approximately RMB110,303,000 while the maximum daily balance of deposit (including interests) with connected persons (as defined in the Listing Rules) was approximately RMB195,480,000.

For the six-month period ended 30 June 2015, the cost of purchasing processing packaging services and fixed assets from connected persons (as defined in the Listing Rules) was RMB872,000.

For the six-month period ended 30 June 2015, the Company purchased security and cleaning services from Chongqing Changan Property Management Co., Ltd. and its associates for RMB1,665,000.

PURCHASE, SALE OR REDEMPTION OF SECURITIES

For the six-month period ended 30 June 2015, the Company and its subsidiaries had 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 Listing Rules and as approved by the Stock Exchange throughout the reporting period.

PUBLICATION OF INTERIM REPORT ON THE WEBSITES OF THE STOCK EXCHANGE AND THE COMPANY

The 2015 interim report of the Company, which contains the unaudited consolidated financial statements of the Group for the six months ended 30 June 2015, and all other information required under Appendix 16 to the Listing Rules will be despatched to the holders of H shares of the Company and published on the websites of the Stock Exchange (www.hkexnews.hk) and the Company (www.camsl.com) in due course.

By the Order of the Board
Changan Minsheng APLL Logistics Co., Ltd.
Zhu Minghui
Chairman

Chongqing, the PRC
31 August 2015

As at the date of this announcement, the board of directors of the Company comprises: (1) Mr. Zhu Minghui, Mr. Lu Xiaozhong, Mr. William K Villalon and Mr. Wang Yang as the executive directors; (2) Mr. Wu Xiaohua, Mr. Danny Goh Yan Nan and Mr. Wang Lin as the non-executive directors; (3) Mr. Chong Teck Sin, Mr. Poon Chiu Kwok, Mr. Jie Jing and Ms. Zhang Yun as independent non-executive directors.

** For identification purpose only*