



# 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)



**2009** First Quarterly Report

\*For identification purpose only

**CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET ("GEM") OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE "STOCK EXCHANGE")**

GEM has been positioned as a market designed to accommodate companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration. The greater risk profile and other characteristics of GEM mean that it is a market more suited to professional and other sophisticated investors.

**Given the emerging nature of companies listed on GEM, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.**

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*This report includes particulars given in compliance with the GEM Listing Rules of the Stock Exchange 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 three-month period ended 31 March, 2009, the unaudited revenue of the Group was approximately RMB383,275,000, representing a decrease of approximately 12.95% from the corresponding period in 2008.
- For the three-month period ended 31 March, 2009, the unaudited profit attributable to equity holders of the Company was approximately RMB26,860,000, representing a decrease of approximately 5.88% from the corresponding period in 2008.
- For the three-month period ended 31 March, 2009, the unaudited basic earnings per share were RMB0.166 (corresponding period in 2008: RMB0.176).
- The Board does not propose the payment of an interim dividend for the three-month period ended 31 March, 2009.

## 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 three-month period ended 31 March, 2009, together with the comparative figures for the corresponding period in 2008, as follows:

### CONDENSED CONSOLIDATED INCOME STATEMENT

		For the three-month period ended 31 March	
		2009 (unaudited)	2008 (unaudited)
	Note	RMB'000	RMB'000
Revenue	3	383,275	440,283
Cost of sales		(331,773)	(389,163)
Gross profit		51,502	51,120
Other gains		362	754
Distribution costs		(11,174)	(8,778)
Administrative expenses		(8,076)	(8,861)
Operating profit		32,614	34,235
Finance costs	4	93	(1,070)
Finance income		337	537
Net finance costs		430	(533)
Share of (loss)/profit of associates		(825)	41
Profit before income tax		32,219	33,743
Income tax	5	(5,338)	(5,120)
		26,881	28,623
Attributable to:			
Equity holders of the Company	6	26,860	28,537
Minority interest		21	86
		26,881	28,623
Earnings per share of profit–basic and diluted attributable to equity holders of the Company	7	RMBO. 166	RMBO. 176
Dividends		–	–

## 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.

As 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.

### 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, 2008.

### 3. Revenue

The Company is principally engaged in the provision of transportation of finished vehicles services, supply chain management services relating to car components and parts and transportation of non-vehicle commodities services. Revenues for the three-month period ended 31 March, 2009 are as follows:

	<b>For the three-month period ended 31 March</b>	
	<b>2009</b>	2008
	<b>(unaudited)</b>	(unaudited)
	<b>RMB'000</b>	RMB'000
Transportation of finished vehicles	<b>232,703</b>	276,965
Supply chain management for automobile components and parts	<b>126,654</b>	140,036
Transportation of non-vehicle commodities	<b>22,887</b>	23,282
Others	<b>1,031</b>	-
	<hr/>	<hr/>
Total	<b>383,275</b>	440,283

The Group has only one business segment, which is the rendering of transportation of finished vehicles, supply chain management for automobile components and parts, transportation of non-vehicle commodities services and so on. 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

Finance costs for the three-month period ended 31 March, 2009 are as follows:

	<b>For the three-month period ended 31 March</b>	
	<b>2009</b>	2008
	<b>(unaudited)</b>	(unaudited)
	<b>RMB'000</b>	RMB'000
Interest on bank loans	-	470
Exchange loss	(92)	600
Others	(1)	-
	<u>                    </u>	<u>                    </u>
Total	<u>                    </u> <u>(93)</u>	<u>                    </u> <u>1,070</u>

#### 5. Income tax expense

	<b>For the three-month period ended 31 March</b>	
	<b>2009</b>	2008
	<b>(unaudited)</b>	(unaudited)
	<b>RMB'000</b>	RMB'000
Current PRC enterprise income tax ("EIT")	5,691	5,412
Deferred tax	(353)	(292)
	<u>                    </u>	<u>                    </u>
Total	<u>                    </u> <u>5,338</u>	<u>                    </u> <u>5,120</u>

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

	<b>For the three-month period ended 31 March</b>			
	<b>2009</b>		<b>2008</b>	
	<b>Applicable</b>	<b>Actual</b>	<b>Applicable</b>	<b>Actual</b>
	<b>EIT rate</b>	<b>EIT rate</b>	<b>EIT rate</b>	<b>EIT rate</b>
Company	15.0%	15.0%	15.0%	15.0%
Chongqing CMAL Gangcheng Logistics Company Limited ("Chongqing Gangcheng")	15.0%	15.0%	15.0%	15.0%
Nanjing CMSC Logistics Company Limited ("Nanjing CMSC")	25.0%	25.0%	25.0%	25.0%

On 16 March 2007, the National People's Congress approved the Corporate Income Tax Law of the People's Republic of China (the "new CIT Law"). The new CIT Law was effective from 1 January 2008. Pursuant to detailed measures of the new CIT Law in respect of West China Development Champion, the applicable EIT rate of each of the Company and Chongqing Gangcheng is 15% from 2008 to 2010. The applicable EIT rate of Nanjing CMSC is 25% from 1 January 2008 onwards.

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:

	<b>For the three-month period ended 31 March</b>	
	<b>2009</b>	2008
	<b>(unaudited)</b>	(unaudited)
	<b>RMB'000</b>	RMB'000
Profit before tax	32, 219	33, 743
Tax calculated at actual tax rates applicable to each group entities	5, 175	5, 061
Expenses not deductible for tax purposes	124	381
Share of profit of associates	50	-
Others	(11)	(322)
	<u>5, 338</u>	<u>(322)</u>
Tax charge	<u>5, 338</u>	<u>5, 120</u>

The effective tax rate for the three-month period ended 31 March, 2009 was 16.57% (corresponding period in 2008: 15.17 %).

#### **6. Profit attributable to equity holders of the Company**

For the three-month period ended 31 March, 2009, the profit attributable to shareholders of the Company calculated in the financial statement is RMB26,925,000 (corresponding period in 2008: RMB28,564,000), representing a decrease of approximately 5.74% from the corresponding period in 2008.

#### **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 three-month period ended 31 March, 2009.

	<b>For the three-month period ended 31 March</b>	
	<b>2009</b>	2008
	<b>(unaudited)</b>	(unaudited)
	<b>RMB'000</b>	RMB'000
Group's profit attributable to equity holders of the Company	26, 860	28, 537
Weighted average number of ordinary shares in issue (in thousands)	<u>162, 064</u>	<u>162, 064</u>
Basic earnings per share (RMB per share) *	<u>0. 166</u>	<u>0. 176</u>

\*Diluted earning per share is the same as basic earnings per share as there were no potentially dilutive financial instruments during the report period.

## 8. Reserves

	Capital surplus	Statutory surplus reserve fund	Discretionary surplus reserve fund	Retained earnings	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
As at 1 January 2008 (audited)	75,150	26,502	4,835	151,396	257,883
Net profit for the period (unaudited)	-	-	-	28,537	28,537
As at 31 March 2008 (unaudited)	75,150	26,502	4,835	179,933	286,420
As at 1 January 2009 (audited)	75,150	35,647	4,835	229,581	345,213
Net profit for the period (unaudited)	-	-	-	26,860	26,860
As at 31 March 2009 (unaudited)	75,150	35,647	4,835	256,441	372,073

## INTERIM DIVIDENDS

The Board does not propose the payment of an interim dividend for the three-month period ended 31 March, 2009 (corresponding period in 2008: nil).

## BUSINESS REVIEW

### OVERVIEW

From January to March 2009, despite the impact of the US financial turmoil and the slowdown of the PRC economy, the automobile market in China has picked up due to favorable factors such as the economic stimulus policies introduced by the Chinese government from the beginning of the year which include the industrial revival plans for the automobile industry and the logistics industry. From January to March 2009, China's auto production volume reached approximately 2,567,600 vehicles, representing an increase of approximately 1.91% from the corresponding period in 2008. The auto production of the Group's customers increased approximately by 4% compared with the corresponding period in 2008. For the three-month period ended 31 March 2009, the Group recorded a revenue of approximately RMB383,275,000, representing a decrease of approximately 12.95% over the same period last year due to the decrease in the sale of the middle to high end products of the Group's customers as a result of the mainland policy that encourages the low emission vehicles consumption. The income from transportation of finished vehicles and supply chain management of car components and parts for the three-month period ended 31 March, 2009 represented respectively approximately 60.71% and 33.05% of the Group's total revenue (corresponding period in 2008: 62.91% and 31.81%, respectively). The detailed breakdown of revenue is set out in Note 3 to the section headed "Condensed Consolidated Income Statement" of this report.

For the three-month period ended 31 March, 2009, the domestic automobile industry recovered gradually and the pace of low-value products increased notably. The Group strengthened its control over logistics costs and internal management costs, the Group's gross profit margin, which was approximately 13.44%, increased about 1.83 percentages from that of the same period of last year. The Group's profit attributable to the shareholders of the Company for the three-month period ended 31 March, 2009 was approximately RMB26,860,000, representing a decrease of approximately 5.88% from RMB28,537,000 for the corresponding period in 2008.

In order to explore the bonded business in Chongqing, a wholly owned subsidiary of the Company, Chongqing Changan Minsheng Future Bonded Logistics Co., Ltd. was established on 18 March 2009.

## PROSPECTS

In the second quarter of 2009, the Group will further seek to strengthen on relationship with the existing customers, overcome the impact caused by the US financial turmoil, to try every effort to maintain the Group's steady business development, continuously seek to widen the logistics services scope for the existing customers, to explore expansion opportunities, continuously to try the best to explore non-automobile commodities transportation market in order to get more and more revenue increasing space.

## OTHER INFORMATION

### 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 31 March 2009, 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 31 March 2009, 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 2008 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 31 March 2009, 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:

#### 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%
	Interest of a controlled corporation	796,512	0.74%	—	0.49%
Changan Co. (Note 1)					
APL Logistics Ltd. ("APLL")	Beneficial owner	33,619,200	31.40%	—	20.74%
Minsheng Industrial (Group) Co., Ltd. ("Minsheng Industrial")	Beneficial owner	25,774,720	24.07%	—	15.90%
	Interest of a controlled corporation	7,844,480	7.33%	—	4.84%
Minsheng Industrial (Note 2)					

Ming Sung Industrial Co., (HK) Limited ("Ming Sung (HK)")	Beneficial owner	7,844,480	7.33%	—	4.84%
Atlantis Investment Management Ltd	Investment manager	13,140,000	—	23.89%	8.11%
788 China Fund Ltd.	Investment manager	4,000,000	—	7.27%	2.47%
Braeside Investments,LLC(Notes 3)	Investment manager	3,423,000	—	6.22%	2.11%
Braeside Management,LP(Notes 3)	Investment manager	3,423,000	—	6.22%	2.11%
McIntyre Steven(Notes 3)	Interest of a controlled corporation	3,423,000	—	6.22%	2.11%
Ajia Partners Asian Equity Special Opportunities Portfolio Master Fund Limited	Beneficial owner	3,315,000	—	6.03%	2.05%

Note 1: Chongqing 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.

Note 3: McIntyre Steven is the controller of Braeside Investments, LLC and Braeside Investments, LLC is the controller of Braeside Management, LP

As at 31 March 2009, 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 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 Industrial	Beneficial owner	796,512	0.74%	—	0.49%

Save as disclosed above, as at 31 March 2009, 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.

## **AUDIT COMMITTEE**

The Company has set up an audit committee whose primary duties 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.

Up to the date of this report, the audit committee has held two meetings in 2009.

The audit committee met on 6 March, 2009 to review and discuss the Group's annual results, financial statements, principal accounting policies and internal audit items for the year ended 31 December, 2008, listen to the auditor's suggestions for the Company and approve such report.

The audit committee met on 30 April, 2009 to review the unaudited quarterly report of the Group for the three-month period ended 31 March, 2009, and approved such report.

## **INTEREST OF COMPLIANCE ADVISOR**

The term of the compliance advisor appointed by the Company according to the GEM Listing Rules expired in March 2009.

As at the date of 31 March, 2009, none of Anglo Chinese Corporate Finance, Limited, the compliance advisor of the Company, its directors, employees or associates 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 three-month period ended 31 March, 2009, the Company and its subsidiaries did not purchase, sell or redeem any of the Company's listed securities.

## **PUBLIC FLOAT**

For the three-month period ended 31 March, 2009, 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  
5 May, 2009



As at the date of this report the Board comprises

*Executive directors:*

Mr. Yin Jiaxu  
Mr. Zhang Baolin  
Mr. Lu Xiaozhong  
Mr. Shi Chaochun  
Mr. James H McAdam

*Non-executive directors:*

Mr. Lu Guoji  
Mr. Huang Zhangyun  
Mr. Daniel C Ryan  
Mr. Li Ming  
Mr. Wu Xiaohua  
Ms. Lau Man Yee, Vanessa

*Independent non-executive directors:*

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