



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 Interim Report

*For identification purpose only

CHARACTERISTICS OF THE GROWTH ENTERPRISE MARKET (“GEM”) OF THE STOCK EXCHANGE OF HONG KONG LIMITED (“EXCHANGE”)

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This report includes particulars given in compliance with the Rules Governing the Listing of Securities On the GEM of the Exchange (the “GEM Listing Rules”) 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 six-month period ended 30 June, 2009, the unaudited revenue of the Group was approximately Renminbi (“RMB”) 906,854,000, representing an increase of approximately 5.08% from the corresponding period in 2008.
- For the six-month period ended 30 June, 2009, the unaudited profit attributable to equity holders of the Company was approximately RMB58,817,000, representing a decrease of approximately 2.09% from the corresponding period in 2008.
- For the six-month period ended 30 June, 2009, the unaudited basic earnings per share were RMB 0.36 (corresponding period in 2008: RMB0.37).
- The Board does not propose the payment of an interim dividend for the six-month period ended 30 June 2009.

INTERIM 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 six-month period ended 30 June 2009 as follows:

CONDENSED CONSOLIDATED INTERIM BALANCE SHEET

		As at 30 June 2009 (unaudited) RMB'000	As at 31 December 2008 (audited) RMB'000
Assets			
Non-current assets			
Property, plant and equipment	10	181,754	185,316
Prepaid lease payments	11	130,851	120,901
Intangible assets		3,037	3,100
Investments in associates	12	15,069	14,827
Deferred income tax assets		4,715	5,226
Total non-current assets		335,426	329,370
Current assets			
Trade receivables	13	121,427	110,531
Prepayment and other receivables		25,311	26,390
Due from related parties	14	354,203	279,896
Inventory		7,484	-
Restricted cash		-	10,000
Cash and cash equivalents		181,027	133,239
Total current assets		689,452	560,056
Total assets		1,024,878	889,426

	Note	As at 30 June 2009 (unaudited) RMB'000	As at 31 December 2008 (audited) RMB'000
Equity			
Equity attributable to equity holders of the Company			
Share capital	15	162,064	162,064
Other reserves	16	115,632	115,632
Retained earnings			
-Proposed dividend		-	14,586
-Others		273,812	214,995
		<u>551,508</u>	<u>507,277</u>
Minority interest		<u>28,718</u>	<u>26,854</u>
Total equity		<u>580,226</u>	<u>534,131</u>
Liabilities			
Non-current liabilities			
Deferred income		<u>8,943</u>	<u>10,315</u>
Total Non-current liabilities		<u>8,943</u>	<u>10,315</u>
Current liabilities			
Trade and other payables	17	310,025	258,671
Due to related parties	18	50,345	75,525
Dividends payable		14,586	-
Short-term bank loans		50,000	-
Current income tax liabilities		<u>10,753</u>	<u>10,784</u>
Total current liabilities		<u>435,709</u>	<u>344,980</u>
Total liabilities		<u>444,652</u>	<u>355,295</u>
Total equity and liabilities		<u><u>1,024,878</u></u>	<u><u>889,426</u></u>
Net current assets		<u><u>253,743</u></u>	<u><u>215,076</u></u>
Total assets less current liabilities		<u><u>589,169</u></u>	<u><u>544,446</u></u>

CONDENSED CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME

	For the six-month period ended 30 June		For the three-month period ended 30 June		
	2009	2008	2009	2008	
	(unaudited)	(unaudited)	(unaudited)	(unaudited)	
	RMB'000	RMB'000	RMB'000	RMB'000	
Continuing operations					
Revenue	5	906,854	863,051	523,579	422,768
Cost of sales		(787,510)	(750,070)	(455,737)	(360,907)
Gross profit		119,344	112,981	67,842	61,861
Other income		535	2,426	173	1,672
Distribution costs		(27,130)	(21,301)	(15,956)	(12,523)
Administrative expenses		(21,088)	(21,734)	(13,012)	(12,874)
Operating profit		71,661	72,372	39,047	38,136
Finance income		714	930	284	393
Finance costs	6	-	(2,107)	-	(1,037)
Finance income/costs		714	(1,177)	284	(644)
Share of post tax profit/loss of associates		242	(146)	1,067	(186)
Profit before income tax	7	72,617	71,049	40,398	37,306
Income tax expense	8	(11,936)	(10,743)	(6,598)	(5,623)
Profit from continuing operations		60,681	60,306	33,800	31,683
Profit for the period		60,681	60,306	33,800	31,683
Total comprehensive income for the period		60,681	60,306	33,800	31,683
Profit attributable to:					
Equity holders of the Company		58,817	60,071	31,957	31,534
Minority interest		1,864	235	1,843	149
		60,681	60,306	33,800	31,683
Total comprehensive income attributable to :					
Equity holders of the Company		58,817	60,071	31,957	31,534
Minority interest		1,864	235	1,843	149
		60,681	60,306	33,800	31,683
Earnings per share for profit attributable to the equity holders of the Company					
-basic and diluted	9	RMB 0.36	RMB 0.37	RMB 0.20	RMB 0.19
Earnings per share for profit from continuing operations attributable to the equity holders of the Company					
-basic and diluted		RMB 0.36	RMB 0.37	RMB 0.20	RMB 0.19
Dividends		-	-	-	-

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY

	Unaudited					Total equity
	Attributable to equity holders of the Company				Minority interest	
	Share Capital	Other reserves	Retained earnings	Total		
RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	
Balance at 1 January 2008	162,064	106,487	151,396	419,947	23,410	443,357
Total comprehensive income for the period ended 30 June 2008	-	-	60,071	60,071	235	60,306
Dividends	-	-	(12,965)	(12,965)	-	(12,965)
Balance at 30 June 2008	162,064	106,487	198,502	467,053	23,645	490,698
Balance at 1 January 2009	162,064	115,632	229,581	507,277	26,854	534,131
Total comprehensive income for the period ended 30 June 2009	-	-	58,817	58,817	1,864	60,681
Dividends	-	-	(14,586)	(14,586)	-	(14,586)
Balance at 30 June 2009	162,064	115,632	273,812	551,508	28,718	580,226

CONDENSED CONSOLIDATED INTERIM CASH FLOW STATEMENT

	For the six-month period ended 30 June	
	2009	2008
	(unaudited)	(unaudited)
	RMB'000	RMB'000
Cash flows from operating activities		
Continuing operations		
Cash generated from operations	30,564	(66, 421)
Interest paid	-	(1, 574)
Income tax paid	(11,456)	(5, 076)
	<hr/>	<hr/>
Cash flows from operating activities - net	19,108	(73, 071)
	<hr/>	<hr/>
Cash flows from investing activities		
Continuing operations		
Purchase of property, plant and equipment and intangible assets	(10,503)	(40, 305)
Increase in prepaid lease payments	(11,470)	(54, 909)
Proceeds from disposal of property, plant and equipment	77	95
Interest received	571	930
	<hr/>	<hr/>
Cash flows from investing activities - net	(21,325)	(94, 189)
	<hr/>	<hr/>
Cash flows from financing activities		
Continuing operations		
New short-term bank loans	50,000	50, 000
Repayment of short-term bank loans	-	(30, 000)
	<hr/>	<hr/>
Cash flows from financing activities - net	50,000	20, 000
	<hr/>	<hr/>
Net increase(decrease) in cash and cash equivalents	47,783	(147, 260)
	<hr/>	<hr/>
Cash and cash equivalents at beginning of period	133,239	264, 705
	<hr/>	<hr/>
Exchange profits/losses	5	(533)
	<hr/>	<hr/>
Cash and cash equivalents at end of period	181,027	116, 912
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Notes:

1. General information

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.

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

The address of the Company’s registered office is Liang Jing Village, Yuan Yang Town, Yu Bei District, Chongqing, the PRC.

The H shares of the Company have been listed on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited on 23 February 2006.

The condensed consolidated interim financial information are presented in RMB, unless otherwise stated. This condensed consolidated interim financial information was approved for issue on 29 July 2009.

This condensed consolidated interim financial information has not been audited.

2. Basis of presentation

This condensed consolidated interim financial information for the six months ended 30 June 2009 has been prepared in accordance with HKAS 34, ‘Interim financial reporting’. The condensed consolidated interim financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2008, which have been prepared in accordance with HKFRSS.

3. Principal accounting policies

Except as described below, the accounting policies applied are consistent with those of the annual financial statements for the year ended 31 December 2008, as described in those annual financial statements.

Taxes on income in the interim periods are accrued using the tax rate that would be applicable to expected total annual earnings.

The following new standards and amendments to standards are mandatory for the first time for the financial year beginning 1 January 2009.

- HKAS 1 (revised), ‘Presentation of financial statements’. The revised standard prohibits the presentation of items of income and expenses (that is ‘non-owner changes in equity’) in the statement of changes in equity, requiring ‘non-owner changes in equity’ to be presented separately from owner changes in equity. All ‘non-owner changes in equity’ are required to be shown in a performance statement.

Entities can choose whether to present one performance statement (the statement of comprehensive income) or two statements (the income statement and statement of comprehensive income).

The Group has elected to present one statement: a statement of comprehensive income. The interim financial statements have been prepared under the revised disclosure requirements.

- HKFRS 8, 'Operating segments'. HKFRS 8 replaces HKAS 14, 'Segment reporting'. It requires a 'management approach' under which segment information is presented on the same basis as that used for internal reporting purposes.

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker has been identified as the "working meeting presided by the general manager of the Company" that makes strategic decisions.

- Amendment to HKFRS 7, 'Financial instruments: disclosures'. The amendment increases the disclosure requirements about fair value measurement and amends the disclosure about liquidity risk. The Group will make additional relevant disclosures in its financial statements ending 31 December 2009.

The following new standards, amendments to standards and interpretations are mandatory for the first time for the financial year beginning 1 January 2009, but are not currently relevant for the Group.

- HKAS 23 (amendment), 'Borrowing costs'.
- HKFRS 2 (amendment), 'Share-based payment'.
- HKAS 32 (amendment), 'Financial instruments: presentation'.
- HK(IFRIC) 9 (amendment), 'Reassessment of embedded derivatives' and HKAS 39 (amendment), 'Financial instruments: Recognition and measurement'.
- HK(IFRIC) 13, 'Customer loyalty programmes'.
- HK(IFRIC) 15, 'Agreements for the construction of real estate'.
- HK(IFRIC) 16, 'Hedges of a net investment in a foreign operation'.
- HKAS 39 (amendment), 'Financial instruments: Recognition and measurement'.

The following new standards, amendments to standards and interpretations have been issued, but are not effective for the financial year beginning 1 January 2009 and have not been early adopted:

- Amendment to HKAS 39, 'Financial instruments'.
- HKFRS 3 (revised), 'Business combinations' and consequential amendments to HKAS 27, 'Consolidated and separate financial statements', HKAS 28, 'Investments in associates' and HKAS 31, 'Interests in joint ventures'.
- HK(IFRIC) 17, 'Distributions of non-cash assets to owners'.
- HK(IFRIC) 18, 'Transfers of assets from customers'.
- Amendment to HKFRS 2 'Share-based payments'.
- Amendment to HKFRS 5 'Non-current Assets held for sale and discontinued operations'.
- Amendment to HKFRS 8 'Operating segments'.
- Amendment to HKAS 1 'Presentation of financial statements'.
- Amendment to HKAS 7 'Statement of cash flows'.
- Amendment to HKAS 17 'Leases'.
- Amendment to HKAS 36 'Impairment of assets'.
- Amendment to HKAS 38 'Intangible assets'.
- Amendment to HKAS 39 'Financial instruments: recognition and measurement'.
- Amendment to HK(IFRIC) 9 'Reassessment of embedded derivatives'.
- Amendment to HK(IFRIC) 16 'Hedges of a net investment in a foreign operation'.

4. Segment information

The chief operating decision-maker has been identified as the working meeting presided by the general manager of the Company (the “working meeting”). This working meeting reviews the Group’s internal reporting in order to assess performance and allocate resources. Management has determined the operating segments based on these reports.

The working meeting considers the business from both geographic and services perspectives. From a services perspective, the management assesses the performance of only one 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 and other logistics services.

From a geographic perspective, the management concludes that 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.

5. Revenue

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 recognized for the six-month period ended 30 June 2009 are as follows:

	For the six-month period ended 30 June		For the three-month period ended 30 June	
	2009 (unaudited) RMB’000	2008 (unaudited) RMB’000	2009 (unaudited) RMB’000	2008 (unaudited) RMB’000
Transportation of finished vehicles	608,576	524,997	375,873	248,032
Supply chain management for automobile components and parts	240,312	279,843	113,658	139,807
Transportation of non-vehicle commodities	49,627	58,211	26,740	34,929
Others	8,339	-	7,308	-
Total	<u>906,854</u>	<u>863,051</u>	<u>523,579</u>	<u>422,768</u>

6. Finance costs

	For the six-month period ended 30 June		For the three-month period ended 30 June	
	2009 (unaudited) RMB’000	2008 (unaudited) RMB’000	2009 (unaudited) RMB’000	2008 (unaudited) RMB’000
Interest on bank loans	-	1,574	-	1,104
Exchange loss	-	533	-	(67)
Total	<u>-</u>	<u>2,107</u>	<u>-</u>	<u>1,037</u>

7. Profit before income tax

For the six-month period ended 30 June 2009, the profit before income tax was determined after charging the following items:

	For the six-month period ended 30 June		For the three-month period ended 30 June	
	2009 (unaudited) RMB'000	2008 (unaudited) RMB'000	2009 (unaudited) RMB'000	2008 (unaudited) RMB'000
	Depreciation and amortization	14,433	15,207	6,929
Employee benefit expense	63,369	51,761	38,335	27,268

8. Income tax expense

	For the six-month period ended 30 June		For the three-month period ended 30 June	
	2009 (unaudited) RMB'000	2008 (unaudited) RMB'000	2009 (unaudited) RMB'000	2008 (unaudited) RMB'000
	Current PRC corporate income tax ("CIT")	11,425	9,602	5,734
Deferred tax	511	1,141	864	1,433
Total	11,936	10,743	6,598	5,623

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

	For the six-month period ended 30 June			
	2009		2008	
	Applicable CIT rate	Actual CIT rate	Applicable CIT rate	Actual CIT rate
The 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%
Chongqing Changan Mingsheng Future Bonded Logistics Co, Ltd ("Chongqing MFBL")	25.0%	25.0%	N/A	N/A

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 the detailed measures of the new CIT Law in respect of West China Development Champion, the applicable CIT rate of each of the Company and Chongqing Gangcheng is 15% from 2008 to 2010. The applicable CIT rate of Nanjing CMSC is 25% from 1 January 2008 onwards. The applicable CIT rate of Chongqing MFBL is 25% from its establishment date on 18 March 2009.

No provision for Hong Kong profits tax was made as the Group had no assessable profit arising in or derived from Hong Kong for the six-month period ended 30 June 2009 (corresponding period in 2008: nil).

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

	For the six-month period ended 30 June		For the three-month period ended 30 June	
	2009 (unaudited) RMB'000	2008 (unaudited) RMB'000	2009 (unaudited) RMB'000	2008 (unaudited) RMB'000
Profit before tax	<u>72,617</u>	<u>71,049</u>	<u>40,398</u>	<u>37,306</u>
Tax calculated at actual tax rates applicable to each group entities	11,381	10,657	6,206	5,596
Expenses not deductible for tax purposes	591	252	478	(129)
Share of profit of associates	(36)	-	(86)	-
Others	-	(166)	-	156
Tax charge	<u>11,936</u>	<u>10,743</u>	<u>6,598</u>	<u>5,623</u>

The effective tax rate for the six-month period ended 30 June 2009 was 16.44% (2008: 15.12%).

9. Earnings per share

Basic earnings per share is calculated by dividing the Group's profit attributable to shareholders of the Company by the weighted average number of share in issue for the six-month period or for the three-month period ended 30 June 2009.

	For the six-month period ended 30 June		For the three-month period ended 30 June	
	2009 (unaudited) RMB'000	2008 (unaudited) RMB'000	2009 (unaudited) RMB'000	2008 (unaudited) RMB'000
Group's profit attributable to equity holders of the Company	58,817	60,071	31,957	31,534
Weighted average number of ordinary shares in issue (in thousands)	<u>162,064</u>	<u>162,064</u>	<u>162,064</u>	<u>162,064</u>
Basic earnings per share (RMB per share) #	<u>0.36</u>	<u>0.37</u>	<u>0.20</u>	<u>0.19</u>

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

10. Additions of property, plant and equipment

At 30 June 2009, the Group's original value of property, plant and equipment was approximately RMB265,630,000, and the net book value was approximately RMB181,754,000.

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

	As at 30 June 2009 (unaudited) RMB'000	As at 31 December 2008 (audited) RMB'000	Changes during the reporting period
Buildings	207,014	203,505	3,509
Machinery	8,372	7,877	495
Office facilities	13,120	12,699	421
Transportation vehicle	34,324	33,676	648
Construction in progress	2,800	-	2,800
Total	<u>265,630</u>	<u>257,757</u>	<u>7,873</u>

11. Prepaid lease payments

During the reporting period, the Group used approximately RMB11,469,560 (corresponding period in 2008: RMB54,909,000) for lease payment of land use right. As at 30 June 2009, the net value of the Group's lease payment was approximately RMB130,851,000 (as at 31 December 2008: RMB120,901,000).

12. Investments in associates

As at 30 June 2009, the Company had interest in the following main associates (non-listed):

Name	Registered capital RMB'000	Location	Assets		Revenue RMB'000	Profit/(loss) RMB'000	Interest held
			RMB'000	liabilities RMB'000			
Wuhan Chang'an Minfutong Logistics Company Limited	10,000	Wuhan, PRC	21,452	4,364	4,577	(1,444)	31%
Chongqing Terui Transportation Service Company Limited	20,000	Chongqing, PRC	24,760	3,044	15,093	1,532	45%

13. Trade receivables

	As at 30 June 2009 (unaudited) RMB'000	As at 31 December 2008 (audited) RMB'000
Accounts receivable <i>(Note (a))</i>	45,089	45,743
Less: provision for impairment of receivables	<u>(8,884)</u>	<u>(8,122)</u>
Accounts receivable net	36,205	37,621
Bills receivable <i>(Note (b))</i>	<u>85,222</u>	<u>72,910</u>
	<u><u>121,427</u></u>	<u><u>110,531</u></u>

Note:

(a) The Group offers credit terms to its customers ranging from cash on delivery to 90 days. Ageing analysis of accounts receivable as at 30 June 2009 was as follows:

	As at 30 June 2009 (unaudited) RMB'000	As at 31 December 2008 (audited) RMB'000
0 to 90 days	26,863	24,800
91 to 180 days	5,201	6,396
181 to 365 days	6,355	7,559
Over 1 year	<u>6,670</u>	<u>6,988</u>
	<u><u>45,089</u></u>	<u><u>45,743</u></u>

(b) Ageing analysis of bills receivable as at 30 June 2009 was as follows:

	As at 30 June 2009 (unaudited) RMB'000	As at 31 December 2008 (audited) RMB'000
0 to 180 days	<u>85,222</u>	<u>72,910</u>

14. Due from related parties

	As at 30 June 2009 (unaudited) RMB'000	As at 31 December 2008 (audited) RMB'000
Balance from rendering of services (Note a)	349,598	266,042
Less: provision for impairment of due from related parties	(1,641)	(281)
Subtotal	347,957	265,761
Balance of deposits for service quality guarantee	5,403	5,367
Prepayments for transportation services	699	8,348
Other receivables	144	420
Total	354,203	279,896

Note:

- (a) The Group offers credit terms to its related parties ranging from cash on delivery to 90 days. Ageing analysis of trading balance from rendering of services as at 30 June 2009 was as follows:

	As at 30 June 2009 (unaudited) RMB'000	As at 31 December 2008 (audited) RMB'000
0 to 90 days	334,920	232,097
91 to 180 days	10,724	28,177
181 to 365 days	1,551	3,872
Over 1 year	2,403	1,896
Total	349,598	266,042

15. Share capital

	As at 30 June 2009 (unaudited)		As at 31 December 2008 (audited)	
	Number of shares	Nominal value RMB yuan	Number of shares	Nominal value RMB yuan
Registered capital	162,064,000	162,064,000	162,064,000	162,064,000
Issued and fully paid				
-domestic shares, par value RMB1.00	65,600,320	65,600,320	65,600,320	65,600,320
- non-H foreign shares, par value RMB1.00	41,463,680	41,463,680	41,463,680	41,463,680
- H shares, par value RMB1.00	55,000,000	55,000,000	55,000,000	55,000,000

16. Reserves

	Capital surplus	Statutory surplus reserve fund	Discretionary surplus reserve fund	Retained earnings	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2008 (audited)	75,150	26,502	4,835	151,396	257,883
Total comprehensive income for the period	-	-	-	100,295	100,295
Dividend	-	-	-	(12,965)	(12,965)
Appropriation	-	9,145	-	(9,145)	-
At 31 December 2008 (audited)	75,150	35,647	4,835	229,581	345,213
Total comprehensive income for the period	-	-	-	26,860	26,860
At 31 March 2009 (unaudited)	75,150	35,647	4,835	256,441	372,073
Total comprehensive income for the period	-	-	-	31,957	31,957
Dividend	-	-	-	(14,586)	(14,586)
At 30 June 2009 (unaudited)	75,150	35,647	4,835	273,812	389,444

17. Trade and other payables

	As at 30 June 2009 (unaudited) RMB'000	As at 31 December 2008 (audited) RMB'000
Accounts payable (Note (a))	222,395	165,803
Bills payable	15,200	14,900
Other payables	50,465	72,427
Other taxes	21,965	5,541
	<hr/>	<hr/>
Total	310,025	258,671

Note (a):

Ageing analysis of accounts payable as at 30 June 2009 was as follows:

	As at 30 June 2009 (unaudited) RMB'000	As at 31 December 2008 (audited) RMB'000
0 to 90 days	219,137	161,775
91 to 180 days	1,423	1,525
181 to 365 days	1,007	431
Over 1 year	828	2,072
	<hr/>	<hr/>
Total	222,395	165,803

18. Due to related parties

	As at 30 June 2009 (unaudited) RMB'000	As at 31 December 2008 (audited) RMB'000
Balance from transportation services provided by related parties	19,275	41,444
	<hr/>	<hr/>
Balance from timely settlement compensation fee payable to related parties	737	1,400
	<hr/>	<hr/>
Balance from construction services provided by related parties	3,892	1,172
	<hr/>	<hr/>
Advances for rendering of services	24,797	27,150
	<hr/>	<hr/>
Other payables	1,644	4,359
	<hr/>	<hr/>
Total	50,345	75,525

Ageing analysis of due to related parties as at 30 June 2009 was as follows:

	As at 30 June 2009 (unaudited) RMB'000	As at 31 December 2008 (audited) RMB'000
0 to 90 days	43,143	69,869
91 to 180 days	4,951	1,457
181 to 365 days	841	1,926
Over 1 year	1,410	2,273
	<hr/>	<hr/>
Total	50,345	75,525

19. Commitments of the Group

(a) Capital expenditure commitments

As at 30 June 2009, the capital expenditure commitments not provided for are as follows:

	As at 30 June 2009 (unaudited) RMB'000	As at 31 December 2008 (audited) RMB'000
Property, plant and equipment		
- Contracted but not provided for	25,755	29,332
Prepaid lease payments		
- Contracted but not provided for	-	-
	<hr/>	<hr/>
Total	25,755	29,332

(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 2009 (unaudited) RMB'000	As at 31 December 2008 (audited) RMB'000
Not more than one year	4,549	4,205
More than one year and less than five years	1,531	1,556
	<hr/>	<hr/>
Total	6,080	5,761



20. Contingent liabilities

As at 30 June 2009, the Group did not have any significant contingent liabilities.

21. Foreign currency

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



INTERIM DIVIDENDS

The Board does not propose the payment of any interim dividend for the six-month period ended 30 June 2009 (corresponding period in 2008: nil).

The final dividend of 2008 of RMB0.09 per share, including tax, has been approved by the shareholders of the Company in the annual general meeting of the Company held on 19 June 2009 and will be paid on or before 30 September 2009.

Management Discussion and analysis

BUSINESS REVIEW

For the six-month period ended 30 June 2009, the growth pace of China's economy slowed down as a result of the financial turmoil in the United States. However, at the beginning of this year, the Chinese government introduced the Automobile Industry Revival Plan which has led to a rebound in the growth of the automobile market in the PRC. From January to June 2009, the production volume of automobiles in the PRC was approximately 5,977,000 vehicles, representing an increase of 15.09% from the same period in 2008. For the six-month period ended 30 June 2009, the Group's customers increased the production of the low emission vehicles significantly due to the introduction of stimulus policy in relation to tax benefits on buying low emission vehicles. However, during the period, the sale of medium and high-end products dropped approximately 5% compared with the corresponding period of last year. During the six-month period ended 30 June 2009, the Group recorded total revenue of approximately RMB906,854,000 representing an increase of approximately 5% over the same period of last year. The turnover generated from transportation of finished vehicles and supply chain management of car components and parts for the six-month period ended 30 June 2009 represented respectively 67% and 26% of the Group's total revenue (for the six-month period ended 30 June 2008: 60.83% and 32.43% respectively). The detailed breakdown of revenue is set out in Note 5 to the section headed "Condensed consolidated interim statement of comprehensive income" of this report.

For the six-month period ended 30 June 2009, the domestic automobile market saw a gradual recovery with the performance of low-priced products (such as mini-cars and economical cars) which recorded a satisfactory growth. Although facing the impact of unfavorable factors such as rising oil prices, the Group had strengthened its cost control and the Group's gross profit margin and the net profit margin were maintained steadily at 13.16% (for the same period in 2008: 13.09%) and 6.69% (for the same period in 2008: 6.96%) respectively. The Group's profit attributable to the shareholders of the Company for the six-month period ended 30 June 2009 dropped approximately 2.09% to RMB 58,817,000 from RMB60,071,000 in the corresponding period in 2008.

FINANCIAL REVIEW

Working capital and financial resources

During the reporting period, the Group maintained a balanced financial position. Our sources of funds were generally the income arising from our daily operations and the proceeds from the bank loans.

As at 30 June 2009, the cash and bank balance was approximately RMB181,027,000 (31 December 2008: RMB133,239,000) and the total assets of the Group amounted to approximately RMB1,024,878,000 (31 December 2008: RMB889,426,000). The Group had current liabilities of approximately RMB435,709,000 (31 December 2008: RMB344,980,000), non-current liabilities of approximately RMB8,943,000 (31 December 2008: RMB10,315,000), shareholders' equity excluding minority interest of approximately RMB551,508,000 (31 December 2008: RMB507,277,000) and minority interest of approximately RMB28,718,000 (31 December 2008: RMB26,854,000).

Capital structure

For the six-month period ended 30 June 2009, there was no change to the Company's capital structure.

Gearing and liquidity ratio

As at 30 June 2009, the assets-liabilities ratio (being the ratio of total liabilities to total assets) of the Group was 43% (31 December 2008: 40%). The gearing ratio between the total liabilities and the total equity of the Group was 0.77: 1 (31 December 2008: 0.67:1).

Foreign currency risk

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

Employee and remuneration policy

The Company had 3,403 employees as at 30 June 2009 (31 December 2008: 2,974). The salaries of the employees are determined based on the remuneration policy approved by the Board and the remuneration committee of the Company in accordance with PRC laws and regulations. The salary level is in line with the financial performance of the Company. The benefits of the employees comprise endowment insurance, medical insurance, unemployment insurance, personal injury insurance and housing funds.

PROSPECTS

We will continue to leverage on our competitive advantages and strong customer base to increase our market share, improve our logistics network infrastructure and actively explore other areas of the automobile logistics market so as to maintain the business momentum of the Group.

CORPORATE GOVERNANCE

During the reporting period, the Company has complied with the code provisions set out in Code on Corporate Governance Practices in Appendix 15 of the GEM Listing Rules.

SECURITIES TRANSACTIONS BY THE DIRECTORS

The Company has adopted a code of conduct regarding directors' securities transactions on terms no less exacting than the required standard of dealings set out in rules 5.48 to 5.67 of the GEM Listing Rules (the "Code"). After making specific enquiries of all directors, the Company is not aware of any non-compliance with the Code.

BOARD OF DIRECTORS

The new session of Board was elected in the annual general meeting of the Company held on 20 June 2008. Please refer to the circular of the Company published on 5 May 2008 and the announcement of the Company published on 20 June 2008 for more details.

The Board comprises 14 directors, including 5 executive directors, 6 non-executive directors and 3 independent non-executive directors. The Board considers that the Board's composition has maintained a reasonable balance between a total of 9 non-executive and independent non-executive directors and 5 executive directors. The 9 non-executive directors and independent non-executive directors provide constructive advice in relation to the making of the Company's policies.

The Company has 3 independent non-executive directors, of whom at least one has appropriate professional qualification and financial management expertise. The Company considers that each of the independent non-executive directors has complied with the guidelines on independence set out in rule 5.09 of the GEM Listing Rules. The term of office of each independent non-executive director does not exceed 9 years.

There is no family or material relationship between the members of the Board.

CESSATION AND APPOINTMENT OF DIRECTORS AND SUPERVISORS

On 20 March 2009, the Company received the letters of resignation from Mr. Zhang Baoling, Mr. Huang Zhangyun, Mr. Daniel C. Ryan and Mr. Hua Zhanbiao. Due to the changes in job responsibilities, Mr. Zhang Baoling, Mr. Huang Zhangyun, Mr. Daniel C. Ryan and Mr. Hua Zhanbiao resigned as directors or supervisor and/or other positions in the Company. Please refer to the announcement of the Company published on 20 March 2009 for more details.

In the annual general meeting held on 19 June 2009, Ms. Cui Xiaomei was elected as an executive director of the Company, Mr. Zhang Lungang and Mr. Joseph F. Lee were elected as the non-executive director of the Company, and Ms. Tang Dongmei was elected as a supervisor of the Company. Please refer to the announcement of the Company published on 19 June 2009 for more details.

BOARD CHAIRMAN AND GENERAL MANAGER

The Chairman of the Board is Mr. Yin Jiayu and our General Manager is Mr. Shi Chaochun. The Chairman is in charge of setting the development and business strategies whereas the General Manager is in charge of the daily operations of the Company. The Chairman is responsible for ensuring that the Board operates efficiently and encourages all directors, including the independent non-executive directors, to contribute to the Board and the 3 committees.

AUDIT COMMITTEE

Pursuant to Rule 5.28 of the GEM Listing Rules and "A Guide For The Formation of An Audit Committee" compiled by the Hong Kong Society of Accountants, the Company has set up an audit committee. 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 audit 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 held three 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 matters for the year ended 31 December 2008, listened to the auditor's suggestions for the Company and approved the 2008 Annual Report.

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

The audit committee met on 24 July 2009 to review the unaudited interim report of the Group for the six months ended 30 June 2009, and approved such report.

REMUNERATION COMMITTEE

The Company has established a remuneration committee, pursuant to the requirements under the GEM Listing Rules and its duties and responsibilities have been properly laid down. The principal responsibilities of the remuneration committee include making proposals to the Board in respect of the overall remuneration policy and structures of the directors and senior management.

The Remuneration Committee has 5 members. Mr. Yin Jiayu is the chairman of the committee and the other members are Mr. James H McAdam, Ms. Wang Xu, Mr. Peng Qifa and Mr. Chong Teck Sin. The majority of the members of the remuneration committee are independent non-executive directors of the Company.



NOMINATION COMMITTEE

The Company has established a nomination committee, pursuant to the requirements under the GEM Listing Rules and its duties and responsibilities have been properly laid down. The principal responsibilities of the nomination Committee are to regularly review on the structure and composition of the Board, enhance the corporate governance of the Company and assess the independence of the Company's independent directors.

The Nomination Committee has 5 members. Ms. Lau Man Yee, Vanessa is the chairman of the committee and the other members are Mr. Wu Xiaohua, Ms. Wang Xu, Mr. Peng Qifa and Mr. Chong Teck Sin. The majority of the members of the nomination committee are independent non-executive directors of the Company.

OTHER INFORMATION

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

As at 30 June 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 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 Exchange.

As at 30 June 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 30 June 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:

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 Industry Co. (Note 2)	Beneficial owner	39,029,088 (L)	36.45%	—	24.08%
Changan Industry Co. (Note 2)	Interest of a controlled corporation	796,512 (L)	0.74%	—	0.49%
APL Logistics Ltd. ("APLL")	Beneficial owner	33,619,200 (L)	31.40%	—	20.74%
Minsheng Industrial (Group) Co., Ltd.	Beneficial owner	25,774,720 (L)	24.07%	—	15.90%
Minsheng Industrial (Note 3)	Interest of a controlled corporation	7,844,480 (L)	7.33%	—	4.84%

Ming Sung Industrial Co., (HK) Limited ("Ming Sung (HK)")	Beneficial owner	7,844,480 (L)	7.33%	—	4.84%
Atlantis Investment Management Ltd	Investment manager	13,140,000 (L)	—	23.89%	8.11%
The Northern Trust Company (ALA)	Others	5,000,000 (P)	-	9.09%	3.09%
788 China Fund Ltd.	Investment manager	4,000,000 (L)	—	7.27%	2.47%
Braeside Investments, LLC (Note 4)	Investment manager	3,423,000 (L)	-	6.22%	2.11%
Braeside Management, LP (Note 4)	Investment manager	3,423,000 (L)	-	6.22%	2.11%
McIntyre Steven (Note 4)	Interest of a controlled corporation	3,423,000 (L)	-	6.22%	2.11%

Note 1: (L) – long position, (S) – short position, (P) - Lending Pool.

Note 2: Changan Industry Co.'s full name is Chongqing Changan Industry Company (Group) Limited, which was formerly known as Changan Automobile Company (Group) Limited. Changan Industrial Company Limited (Changan Industrial), Changan Industry Co.'s subsidiary, holds 0.49% of the equity interest of the Company.

Note 3: Ming Sung (HK) is the subsidiary of Minsheng Industrial.

Note 4: McIntyre Steven is the controller of Braeside Investments, LLC and Braeside Investments, LLC is the controller of Braeside Management, LP.

As at 30 June 2009, the management shareholders (interests in the shares and underlying shares of the Company held by the management shareholders such as Changan Industry 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 30 June 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.

COMPETING INTERESTS

The Company has entered into a non-competition undertaking in favor of the Company with each of its management shareholders, namely APLL, Minsheng Industrial, Ming Sung (HK) and Changan Industry Co., respectively. For details of the non-competition undertakings, please refer to the prospectus of the Company published on 16 February 2006 and the 2008 Annual Report of the Company.

CONTINUING CONNECTED TRANSACTIONS

For the six-month period ended 30 June 2009, the turnover generated from the continuing connected transactions between the Group and the connected persons (as defined in the GEM Listing Rules) was approximately RMB825,355,000, which accounted for approximately 90.86% of the total revenue during the reporting period.

For the six-month period ended 30 June 2009, the cost of purchasing transportation services from connected persons (as defined in the GEM Listing Rules) was approximately RMB100,302,000, which accounted for approximately 13% of the cost of sales during the reporting period.

For the six-month period ended 30 June 2009, the cost of purchasing engineering construction services from connected persons (as defined in the GEM Listing Rules) was approximately RMB3,996,000.

For the six-month period ended 30 June 2009, the balance of loan taken from connected persons (as defined in the GEM Listing Rules) was approximately RMB50,000,000, the balance of deposit at connected persons was approximately RMB35,104,000.

INTEREST OF COMPLIANCE ADVISER

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

As at 30 June 2009, none of Anglo Chinese Corporate Finance, Limited, its directors, employees and associates has any interest in the Company's securities, including share options and other rights to the Company's securities.

PURCHASE, SALE OR REDEMPTION OF SECURITIES

For the six-month period ended 30 June 2009, 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
29 July 2009



As at the date of this report the Board comprises

Executive directors:

Mr. Yin Jiaxu
Ms. Cui Xiaomei
Mr. Lu Xiaozhong
Mr. Shi Chaochun
Mr. James H McAdam

Non-executive directors:

Mr. Lu Guoji
Mr. Zhang Lungang
Mr. Joseph F. Lee
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