



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)



2010 Third Quarterly Report

*For identification purpose only

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This report includes particulars given in compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (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 nine months ended 30 September, 2010, the unaudited revenue of the Group was approximately RMB2,005,811,000, representing an increase of approximately 33.69% from the corresponding period in 2009.
- For the nine months ended 30 September, 2010, the unaudited profit attributable to equity holders of the Company was approximately RMB130,554,000, representing an increase of approximately 43.55% from the corresponding period in 2009.
- For the nine months ended 30 September, 2010, the unaudited basic earnings per share were RMB0.81 (corresponding period in 2009: RMB0.56).
- The Board does not propose the declaration of an interim dividend for the nine months ended 30 September, 2010.

QUARTERLY REPORT (UNAUDITED)

The board of directors (the "Board") of the Company is pleased to announce the unaudited consolidated results of the Company and its subsidiaries (collectively, the "Group") for the nine months ended 30 September, 2010 together with the comparative unaudited figures for the corresponding period in 2009 as follows:

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Note	For the nine months ended 30 September		For the three months ended 30 September	
		2010 (unaudited) RMB'000	2009 (unaudited) RMB'000	2010 (unaudited) RMB'000	2009 (unaudited) RMB'000
Revenue	5	2,005,811	1,500,316	655,765	593,462
Cost of sales		(1,725,923)	(1,306,370)	(561,237)	(518,860)
Gross profit		279,888	193,946	95,628	74,602
Other income		1,137	1,059	270	524
Distribution costs		(59,266)	(45,663)	(21,081)	(18,533)
Administrative expenses		(45,434)	(31,539)	(11,603)	(10,451)
Operating profit		176,325	117,803	62,114	46,142
Finance income		1,916	1,104	483	390
Finance costs	6	(1,033)	(608)	(635)	(608)
Finance income/(costs)- net		883	496	(152)	(218)
Share of profit/(loss) of associates		1,753	(150)	559	(392)
Profit before income tax		178,961	118,149	62,521	45,532
Income tax expense	7	(31,938)	(20,501)	(11,235)	(8,565)
Profit for the period		147,023	97,648	51,286	36,967
Other comprehensive income for the period, net of tax		-	-	-	-
Total comprehensive income for the period		147,023	97,648	51,286	36,967
Profit and total comprehensive income attributable to:					
Equity holders of the Company		130,554	90,946	42,174	32,129
Minority interest		16,469	6,702	9,112	4,838
		147,023	97,648	51,286	36,967
Earnings per share for profit attributable to the equity holders of the Company					
-basic and diluted	8	RMB 0.81	RMB 0.56	RMB 0.26	RMB 0.20
Dividends		-	-	-	-

Notes:

1.General Information

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

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

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

The H Shares of the Company have been listed on the GEM of the Stock Exchange since February, 2006.

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

This condensed consolidated statement of comprehensive income has not been audited.

2.Basis of preparation

The financial information has been prepared in accordance with the disclosure requirements of Chapter 18 of the GEM Listing Rules.

The amounts included in this financial information have been computed in accordance with Hong Kong Financial Reporting Standards ("HKFRS") issued by the Hong Kong Institute of Certified Public Accountants applicable to interim periods. However, it does not contain sufficient information to constitute an interim financial report as defined in HKFRS.

3.Principle accounting policies

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

The accounting policies adopted in the interim financial information are consistent with those used in the preparation of the Company's annual financial statements for the year ended 31 December 2009.

The Group has adopted the new or amended HKFRS, amendments of standards and interpretations effective for the accounting periods beginning on or after 1 January 2010. Adoption of such new and amended standards, amendments of standards and interpretations has no material effects on the condensed consolidated quarterly financial information, and has caused no material change to the accounting policies of the Group.

4. Segment information

Management has determined the operating segments based on the reports reviewed by the general manager meeting of the Company on monthly basis that are used to make strategic decisions.

The general manager meeting considers the business from a service perspective only, as geographically all the services are provided in PRC, which is considered as one geographic location with similar risks and returns.

The reportable operating segments derive their revenue primarily from the rendering of transportation and supply chain management for automobile components and parts, and transportation of non-vehicle commodities services.

Other services include the sales of package materials and processing of tyres, and the results of these operations are included in the “all other segments” column.

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

The segment information provided to the general manager meeting for the reportable segments for the nine months ended 30 September 2010 is as follows:

	Transportation and supply chain management for vehicle commodities RMB'000	Transportation of non-vehicle commodities RMB'000	All other segments RMB'000	Total RMB'000
Segment revenue	1,844,974	116,481	44,357	2,005,811
Inter-segment revenue	-	-	-	-
Revenue from external customers	1,844,974	116,481	44,357	2,005,811
Adjusted operating profit	179,179	20,298	5,133	204,610

The segment information for the nine months ended 30 September 2009 is as follows:

	Transportation and supply chain management for vehicle commodities RMB'000	Transportation of non-vehicle commodities RMB'000	All other segments RMB'000	Total RMB'000
Segment revenue	1,403,911	70,896	25,509	1,500,316
Inter-segment revenue	-	-	-	-
Revenue from external customers	1,403,911	70,896	25,509	1,500,316
Adjusted operating profit	126,517	11,645	2,952	141,114

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

	For the nine months ended 30 September	
	2010 RMB'000	2009 RMB'000
Adjusted operating profit for reportable segments	199,477	138,162
Other segments adjusted operating profit	5,133	2,952
Total segments	204,610	141,114
Depreciation and amortisation included in cost of sales and distribution cost	(15,926)	(13,332)
Other income	1,137	1,059
Administrative expenses	(45,434)	(31,539)
Finance income – net	883	496
Share of profit of associates	1,753	(150)
Profit before income tax	147,023	97,648

	For the three months ended 30 September	
	2010 RMB'000	2009 RMB'000
Adjusted operating profit for reportable segments	65,808	47,171
Other segments adjusted operating profit	1,099	1,868
	<hr/>	<hr/>
Total segments	66,907	49,040
Depreciation and amortisation included in cost of sales and distribution cost	(4,695)	(1,536)
Other income	270	524
Administrative expenses	(11,603)	(10,451)
Finance income – net	(152)	(218)
Share of profit of associates	559	(392)
	<hr/>	<hr/>
Profit before income tax	51,286	36,967

5.Revenue

	For the nine months ended 30 September		For the three months ended 30 September	
	2010 (unaudited) RMB'000	2009 (unaudited) RMB'000	2010 (unaudited) RMB'000	2009 (unaudited) RMB'000
Transportation of finished vehicles	1,288,368	1,024,545	397,835	415,969
Supply chain management for automobile components and parts	556,605	379,366	172,281	139,054
Transportation of non-vehicle commodities	116,481	70,896	50,576	21,269
Others	44,357	25,509	35,073	17,170
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Total	2,005,811	1,500,316	655,765	593,462

6. Finance costs

	For the nine months ended 30 September		For the three months ended 30 September	
	2010 (unaudited) RMB'000	2009 (unaudited) RMB'000	2010 (unaudited) RMB'000	2009 (unaudited) RMB'000
Interest fees	749	608	621	608
Exchange loss	55	-	(15)	-
Others	229	-	29	-
Total	<u>1,033</u>	<u>608</u>	<u>635</u>	<u>608</u>

7. Income tax expense

	For the nine months ended 30 September		For the three months ended 30 September	
	2010 (unaudited) RMB'000	2009 (unaudited) RMB'000	2010 (unaudited) RMB'000	2009 (unaudited) RMB'000
Current corporate income tax ("CIT")	34,873	20,127	12,544	8,702
Deferred tax	(2,935)	374	(1,309)	(137)
Total	<u>31,938</u>	<u>20,501</u>	<u>11,235</u>	<u>8,565</u>

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

	For the nine months ended 30 September	
	2010	2009
	CIT rate	CIT rate
The Company	15.0%	15.0%
Chongqing Changan Minsheng Bo Yu Transportation Co., Ltd. ("Chongqing Bo Yu")	15.0%	15.0%
Nanjing CMSC Logistics Company Limited("Nanjing CMSC")	25.0%	25.0%
Chongqing Changan Mingsheng Future Bonded Logistics Co, Ltd ("Chongqing MFBL")	25.0%	25.0%
Chongqing Changan Minsheng Dingjie Logistics Co., Ltd. ("Chongqing Dingjie ")	25.0%	NA

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 Bo Yu, the wholly owned subsidiary of the Company, is 15% from 2008 to 2010. The applicable CIT rate of Nanjing CMSC (the Company holds 51% of its total share capital and Beijing Changjiu Logistics Co., Ltd. and Sumitomo Corporation respectively holds 24% and 25% of its total share capital) is 25% from 1 January 2008 onwards. The applicable CIT rate of Chongqing MFBL (the wholly owned subsidiary of the Company) and Chongqing Dingjie (the Company holds 95% of its total share capital and Chongqing Dajiang Zhenyue Storage Co., Ltd., Chongqing Weitai Trade Co., Ltd. and Chongqing Lingxin Storage Co., Ltd. respectively holds 2%, 2% and 1% of its total share capital) is respectively 25% from their respective establishment date.

No provision for Hong Kong profits tax was made as the Group had no assessable profit arising in or derived from Hong Kong for the nine months ended 30 September 2010 (corresponding period in 2009: 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 nine months ended 30 September		For the three months ended 30 September	
	2010 (unaudited) RMB'000	2009 (unaudited) RMB'000	2010 (unaudited) RMB'000	2009 (unaudited) RMB'000
Profit before tax	<u>178,961</u>	<u>118,149</u>	<u>62,521</u>	<u>45,532</u>
Tax calculated at actual tax rates applicable to each group entities	32,757	19,589	11,461	8,208
Expenses not deductible for tax purposes	231	889	100	298
Share of profit of associates	(263)	23	(84)	59
Others	<u>(787)</u>	<u>-</u>	<u>(242)</u>	<u>-</u>
Tax charge	<u><u>31,938</u></u>	<u><u>20,501</u></u>	<u><u>11,235</u></u>	<u><u>8,565</u></u>

The effective tax rate for the nine months ended 30 September 2010 was 17.85% (2009: 17.35%).

8.Earnings per share

Basic earnings per share are calculated by dividing the Group's profit attributable to shareholders of the Company by the weighted average number of share in issue for the nine months or for the three months ended 30 September 2010.

	For the nine months ended 30 September		For the three months ended 30 September	
	2010 (unaudited) RMB'000	2009 (unaudited) RMB'000	2010 (unaudited) RMB'000	2009 (unaudited) RMB'000
Group's profit attributable to equity holders of the Company	<u>130,554</u>	<u>90,946</u>	<u>42,174</u>	<u>32,129</u>
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><u>0.81</u></u>	<u><u>0.56</u></u>	<u><u>0.26</u></u>	<u><u>0.20</u></u>

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

9. 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 2009 (audited)	75,150	35,647	4,835	229,581	345,213
Profit for the year (audited)	-	-	-	130,235	130,235
Dividend	-	-	-	(14,586)	(14,586)
Appropriation	-	11,384	-	(11,384)	-
At 31 December 2009 (audited)	75,150	47,031	4,835	333,846	460,862
Profit for the period (unaudited)	-	-	-	37,024	37,024
At 31 March 2010 (unaudited)	75,150	47,031	4,835	370,870	497,886
Profit for the period (unaudited)	-	-	-	51,356	51,356
Dividends	-	-	-	(14,586)	(14,586)
At 30 June 2010 (unaudited)	75,150	47,031	4,835	407,640	534,656
Profit for the period (unaudited)	-	-	-	42,174	42,174
At 30 September 2010 (unaudited)	75,150	47,031	4,835	449,814	576,830

10. Contingent liabilities

On 18 May 2010, a fire broke out in a warehouse which is used by Penglai Branch of the Company. In this regard, certain car components and parts owned by the customers of the Company were damaged. All such car components and parts and so on in the warehouse were insured under an all-risk insurance policy from the Peoples Insurance Company of China. As at 30 September 2010, discussion with relevant parties regarding indemnification and compensation is still in process.

INTERIM DIVIDENDS

The Board does not propose to declare any interim dividend for the nine months ended 30 September 2010 (corresponding period in 2009: nil).

The final dividend of 2009 of RMB0.09 per share, including tax, had been approved by the shareholders of the Company in the annual general meeting of the Company held on 30 June 2010 and had been paid.

BUSINESS REVIEW

OVERVIEW

According to the statistics provided by China Association of Automobile Manufacturers, for the nine months from January to September of 2010, the production and sales volume of automobiles in the PRC was respectively approximately 13,082,700 vehicles and 13,138,400 vehicles, representing an increase of 36.10% and 35.97% from the same period in 2009, which still maintained a rapid developing momentum. For the nine months ended 30 September 2010, both the production and sales volume of the Group's customers exceeded 1,300,000 vehicles, representing an increase of over 30% from the same period in 2009. During the nine months ended 30 September 2010, with the efforts of all staff of the Group, the Group recorded total revenue of approximately RMB2,005,811,000, representing an increase of approximately 33.69% from the same period of last year. The income from transportation of finished vehicles and supply chain management of car components and parts for the nine months ended 30 September 2010, representing respectively 64.23% and 27.75% of the Group's total revenue (for the nine months ended 30 September 2009: 68.29% and 25.29% respectively). The detailed breakdown of revenue is set out in Note 5 to the section headed "Condensed Consolidated Statement of Comprehensive Income" of this report.

For the nine months ended 30 September 2010, the domestic automobile market saw a rapid growth momentum. As the Group had strengthened its logistics cost control, together with a reward of CMSCL (one subsidiary)'s rapid increase in the business volume and its strong profitability, the Group's gross profit margin and the net profit margin has got an increase, reaching respectively 13.95% (for the same period in 2009: 12.93%) and 7.33% (for the same period in 2009: 6.51%). The Group's profit attributable to the equity holders of the Company for the nine months ended 30 September 2010 increased approximately 43.55% to approximately RMB 130,554,000 (from RMB90,946,000 in the corresponding period in 2009).

PROSPECTS

With China's economy further opening to the outside of the world and the continuing development of logistics industry, the Company expects that the future Chinese automobile logistics market would be full of challenges and keen competition. The Company will actively explore the new logistics market; expand the service area of the automobile logistics market; explore for the increasing income space through implementing professional logistics technology, complete logistics network and lean managing mode to seek for more growing chances.

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 September 2010, none of the directors, chief executive and the supervisors of the Company have any interests and short positions in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the “SFO”)) which (a) were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which the directors and the supervisors are taken or deemed to have under such provisions of the SFO); or (b) were required pursuant to section 352 of the SFO to be entered in the register referred to therein; or (c) were required pursuant to the Rules 5.46 to 5.67 of the GEM Listing Rules to be notified to the Company and the Stock Exchange.

As at 30 September 2010, 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 2009 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 September 2010, so far as is known to the directors and chief executive of the Company, the following persons, other than a director, supervisor, or chief executive of the Company, had interests or short positions in the shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who were, directly or indirectly, interested in 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company; or are required, pursuant to Section 336 of the SFO, to be entered in the register referred to therein:

Name of Shareholders	Capacity	Number of shares	Percentage of domestic shares (non- H foreign shares included)	Percentage of H shares	Percentage of total registered share capital
Chongqing Changan Industry Company (Group) Limited ("Changan Industry Co.") (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%
Chongqing Changan Industrial Company Limited (Changan Industrial) (Note 2)	Beneficial owner	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. ("Minsheng Industrial") (Note 3)	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)") (Note 3)	Beneficial owner	7,844,480(L)	7.33%	-	4.84%
Atlantis Investment Management Limited (Note 4)	Investment manager	6,532,000(L)	-	11.88%	4.03%
Liu Yang (Note 4)	Investment manager	6,532,000(L)	-	11.88%	4.03%
788 China Fund Ltd.	Investment manager	4,000,000(L)	-	7.27%	2.47%
The Northern Trust Company (ALA)	Other	3,744,000(P)	-	6.81%	2.31%
Braeside Investments, LLC (Note 5)	Investment manager	3,423,000(L)	-	6.22%	2.11%
Braeside Management, LP (Note 5)	Investment manager	3,423,000(L)	-	6.22%	2.11%
McIntyre Steven (Note 5)	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 Industrial is the wholly owned subsidiary of Changan Industry Co.

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

Note 4: Liu Yang is the controlling shareholder of Atlantis Investment Management Limited.

Note 5: McIntyre Steven is the controller of Braeside Investments, LLC and Braeside Investments, LLC is the controller of Braeside Management, LP.

Save as disclosed above, as at 30 September 2010, 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

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 four meetings in 2010.

The audit committee met on 12 March 2010 to review and discuss the Group’s annual results, financial statements, principal accounting policies and internal audit matters for the year ended 31 December 2009, listened to the auditor’s suggestions for the Company and approved the 2009 Annual Report.

The audit committee met on 5 May 2010 to review the unaudited quarterly report of the Group for the three months ended 31 March 2010, and approved such report.

The audit committee met on 26 July 2010 to review the unaudited interim report of the Group for the six months ended 30 June 2010, and approved such report.

The audit committee met on 4 November 2010 to review the unaudited quarterly report of the Group for the nine months ended 30 September 2010, and approved such report.

COMPETING INTERESTS

The Company has entered into a non-competition undertaking in favor of the Company with each of its shareholders, namely APLL, Minsheng Industrial, Ming Sung (HK) and Changan Industry Co., respectively. For details of the non-competition undertakings, please refer to the prospectus of the Company published on 16 February 2006 and the 2009 Annual Report of the Company.

CONTINUING CONNECTED TRANSACTIONS

For the nine months ended 30 September 2010, the turnover generated from the continuing connected transactions between the Group and the connected persons (as defined in the GEM Listing Rules) was approximately RMB1,825,559,000, which accounted for approximately 91.01% of the total revenue during the reporting period.

For the nine months ended 30 September 2010, the cost of purchasing transportation services from connected persons (as defined in the GEM Listing Rules) was approximately RMB185,368,000, which accounted for approximately 10.74% of the cost of sales during the reporting period.

For the nine months ended 30 September 2010, the cost of purchasing engineering construction services from connected persons (as defined in the GEM Listing Rules) was approximately RMB6,973,000.

For the nine months ended 30 September 2010, the balance of the maximum amount of loan outstanding (including interests) on a daily basis taken from connected persons (as defined in the GEM Listing Rules) was approximately RMB50,608,000, the balance of the maximum amount of deposit (including interests) on a daily basis with connected persons was approximately RMB224,136,000 and the accumulated amount of note discounting at connected persons was RMB0.

PURCHASE, SALE OR REDEMPTION OF SECURITIES

For the nine months ended 30 September 2010, 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.
Shi Yubao
Chairman

Chongqing, the PRC
10 November 2010

As at the date of this report the Board comprises

Executive directors:

Mr. Shi Yubao
Ms. Cui Xiaomei
Mr. Lu Xiaozhong
Mr. Shi Chaochun
Mr. William K Villalon

Non-executive directors:

Mr. Lu Guoji
Mr. Zhang Lungang
Mr. Danny Goh Yan Nan
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