



重慶長安民生物流股份有限公司 Changan Mingsheng APLL Logistics Co.,Ltd.*

(A joint stock limited company incorporated in the People's Republic of China with limited liability)
(Stock Code: 08217)



*For identification purpose only

2012 Third Quarterly Report

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This report, for which the directors of Changan Minsheng APLL Logistics Co., Ltd. (the “Company”) collectively and individually accept full responsibility, 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 the Company. The directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this report is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this report misleading.



HIGHLIGHTS

- For the nine months ended 30 September, 2012, the unaudited revenue of the Group was approximately RMB2,473,999,000, representing a decrease of approximately 1.62% from the corresponding period in 2011.
- For the nine months ended 30 September, 2012, the unaudited profit attributable to equity holders of the Company was approximately RMB 135,391,000, representing a decrease of approximately 41.49% from the corresponding period in 2011.
- For the nine months ended 30 September, 2012, the unaudited basic earnings per share were RMB0.84 (corresponding period in 2011: RMB1.43).
- The Board does not propose the declaration of an interim dividend for the nine months ended 30 September, 2012.

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, 2012 together with the comparative unaudited figures for the corresponding period in 2011 as follows:

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

		For the nine months ended 30 September		For the three months ended 30 September	
		2012 (unaudited) RMB'000	2011 (unaudited) RMB'000	2012 (unaudited) RMB'000	2011 (unaudited) RMB'000
Revenue	5	2,473,999	2,514,811	817,078	865,442
Cost of sales		(2,173,569)	(2,059,866)	(716,260)	(697,820)
Gross profit		300,430	454,945	100,818	167,622
Other income		7,854	3,016	3,571	1,167
Distribution costs		(73,576)	(75,613)	(25,700)	(31,220)
Administrative expenses		(41,724)	(53,017)	(14,544)	(14,332)
Operating profit		192,984	329,331	64,145	123,237
Finance income		4,973	2,957	1,613	1,064
Finance costs	6	41	(934)	3	(256)
Finance income- net		5,014	2,023	1,616	808
Share of profit/(loss) of associates		131	841	210	(225)
Profit before income tax		198,129	332,195	65,971	123,820
Income tax expense	7	(43,545)	(82,786)	(11,529)	(31,109)
Profit for the period		154,584	249,409	54,442	92,711
Profit attributable to:					
Equity holders of the Company		135,391	231,383	51,389	82,177
Non-controlling interests		19,193	18,026	3,053	10,534
		154,584	249,409	54,442	92,711
Other comprehensive income for the period		-	-	-	-
Total comprehensive income		154,584	249,409	54,442	92,711
Total comprehensive income attributable to:					
Equity holders of the Company		135,391	231,383	51,389	82,177
Non-controlling interests		19,193	18,026	3,053	10,534
		154,584	249,409	54,442	92,711
Earnings per share for profit attributable to equity holders of the Company during the period					
-basic and diluted	8	RMB 0.84	RMB 1.43	RMB 0.32	RMB 0.51
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 Liangjing Village, Yuanyang Town, Yubei 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 2011.

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 2012. Adoption of such new and amended standards, amendments of standards and interpretations has no material effects on the condensed consolidated 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 vehicles commodities, and transportation of non-vehicle commodities services.

Other services include the sales of package materials and processing of tires, 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 2012 is as follows:

	Transportation and supply chain management for vehicle commodities RMB'000 (unaudited)	Transportation of non-vehicle commodities RMB'000 (unaudited)	All other segments RMB'000 (unaudited)	Total RMB'000 (unaudited)
Segment revenue	2,192,449	60,801	220,749	2,473,999
Inter-segment revenue	-	-	-	-
Revenue from external customers	2,192,449	60,801	220,749	2,473,999
Adjusted operating profit	259,290	12,233	921	272,444

The segment information for the nine months ended 30 September 2011 is as follows:

	Transportation and supply chain management for vehicle commodities RMB'000 (unaudited)	Transportation of non-vehicle commodities RMB'000 (unaudited)	All other segments RMB'000 (unaudited)	Total RMB'000 (unaudited)
Segment revenue	2,329,217	138,482	47,112	2,514,811
Inter-segment revenue	-	-	-	-
Revenue from external customers	2,329,217	138,482	47,112	2,514,811
Adjusted operating profit	370,354	34,621	8,480	413,455

Sales between segments are carried out without profit making. The revenue from external parties reported to the General Manager Meeting is measured in a manner consistent with that in the consolidated statement of comprehensive income.

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

	For the nine months ended ended 30 September	
	2012	2011
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Adjusted operating profit for reportable Segments	271,523	404,975
Other segments adjusted operating profit	921	8,480
Total segments	272,444	413,455
Depreciation and amortization included in cost of sales and distribution cost	(45,590)	(34,123)
Other income	7,854	3,016
Administrative expenses	(41,724)	(53,017)
Finance income – net	5,014	2,023
Share of profit of associates	131	841
Profit before income tax	198,129	332,195

	For the three months ended 30 September	
	2012	2011
	RMB'000	RMB'000
	(unaudited)	(unaudited)
Adjusted operating profit for reportable Segments	82,967	147,372
Other segments adjusted operating profit	7,826	909
Total segments	90,793	148,281
Depreciation and amortisation included in cost of sales and distribution cost	(15,675)	(11,879)
Other income	3,571	1,167
Administrative expenses	(14,544)	(14,332)
Finance income – net	1,616	808
Share of profit / (loss) of associates	210	(225)
Profit before income tax	65,971	123,820

5.Revenue

	For the nine months ended 30 September		For the three months ended 30 September	
	2012	2011	2012	2011
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
	RMB'000	RMB'000	RMB'000	RMB'000
Transportation of finished vehicles	1,530,009	1,727,344	482,355	587,879
Supply chain management for automobile components and parts	662,440	601,873	193,783	206,012
Transportation of non-vehicle commodities	60,801	138,482	21,569	61,954
Others	220,749	47,112	119,371	9,597
Total	<u>2,473,999</u>	<u>2,514,811</u>	<u>817,078</u>	<u>865,442</u>

6.Finance costs

	For the nine months ended 30 September		For the three months ended 30 September	
	2012	2011	2012	2011
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
	RMB'000	RMB'000	RMB'000	RMB'000
Exchange (income) / loss	(89)	934	(19)	256
Others	48	-	16	-
Total	<u>(41)</u>	<u>934</u>	<u>(3)</u>	<u>256</u>

7. Income tax expense

	For the nine months ended 30 September		For the three months ended 30 September	
	2012	2011	2012	2011
	(unaudited)	(unaudited)	(unaudited)	(unaudited)
	RMB'000	RMB'000	RMB'000	RMB'000
Current corporate income tax ("CIT")	46,977	84,342	15,746	31,657
Deferred tax	(3,432)	(1,556)	(4,217)	(548)
Total	<u>43,545</u>	<u>82,786</u>	<u>11,529</u>	<u>31,109</u>

The applicable and actual CIT rates of the Company and its subsidiaries are shown as follows:

	For the nine months ended 30 September	
	2012 CIT rate	2011 CIT rate
The Company	15.0%	25.0%
Chongqing Changan Minsheng Boyu Transportation Co., Ltd. ("Chongqing Boyu")	15.0%	25.0%
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%	25.0%
Chongqing Changan Minsheng Fuyong Logistics Co., Ltd. ("Chongqing Fuyong")	25.0%	25.0%

Pursuant to the regulations of the Finance Tax (2011) No. 58 Document jointly issued by the PRC Ministry of Finance, the General Administration of Customs and the State Administration of Taxation on 27 July 2011, as the encouraged industry enterprise in the western China, the CIT rate for the Company and its subsidiary Chongqing Boyu are both 15% for the period from 2011 to 2020. For the nine-month period ended 30 September 2012 and the corresponding period for the last year, the applicable CIT rate of the wholly owned subsidiaries of the Company, Chongqing MFBL and Chongqing Fuyong, are both 25%.

For the nine months ended 30 September 2012 and the same period in the last year, the applicable CIT rate of the subsidiary of the Company, Nanjing CMSC, is 25% (As at 30 September 2012, the Company held 67% equity interest of Nanjing CMSC, Sumitomo Corporation ("Sumitomo") held 33% equity interest of Nanjing CMSC).

For the nine-month period ended 30 September 2012 and the corresponding period for the last year, the applicable CIT rate for Chongqing Dingjie, the Company's subsidiary, is 25% (As at 30 September 2012, the Company holds 95% of Chongqing Dingjie's shareholdings, Chongqing Dajiang Zhenyue Storage Company Limited and Chongqing Weitai Trade Company Limited holds respectively 2% and 2% of Chongqing Dingjie's shareholdings and Chongqing Lingxin Storage Company Limited holds 1% of Chongqing Dingjie's shareholdings).

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 2012 (corresponding period in 2011: 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	
	2012 (unaudited) RMB'000	2011 (unaudited) RMB'000	2012 (unaudited) RMB'000	2011 (unaudited) RMB'000
Profit before tax	198,129	332,195	65,971	123,820
Tax calculated at actual tax rates applicable to each group entities	36,317	83,328	11,434	31,198
Expenses not deductible for tax purposes	255	4	87	-
Share of profit / (loss) of associates	20	(210)	8	56
Others	6,953	(336)	-	(145)
Income tax expense	43,545	82,786	11,529	31,109

The weighted average applicable tax rate for the nine months ended 30 September 2012 was 18.33% (2011: 24.92%).

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 2012.

	For the nine months ended 30 September		For the three months ended 30 September	
	2012 (unaudited) RMB'000	2011 (unaudited) RMB'000	2012 (unaudited) RMB'000	2011 (unaudited) RMB'000
Group's profit attributable to equity holders of the Company	135,391	231,383	51,389	82,177
Weighted average number of ordinary shares in issue (in thousands)	162,064	162,064	162,064	162,064
Basic earnings per share (RMB per share) #	<u>0.84</u>	<u>1.43</u>	<u>0.32</u>	<u>0.51</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 2011 (audited)	75,150	61,076	4,835	484,160	625,221
Profit for the year (audited)	-	-	-	250,128	250,128
Cash dividends	-	-	-	(24,310)	(24,310)
Appropriation	-	19,956	-	(19,956)	-
At 31 December 2011 (audited)	75,150	81,032	4,835	690,022	851,039
Profit for the period (unaudited)	-	-	-	40,939	40,939
At 31 March 2012 (unaudited)	75,150	81,032	4,835	730,961	891,978
Profit for the period (unaudited)	-	-	-	43,063	43,063
Cash dividends	-	-	-	(25,930)	(25,930)
At 30 June 2012 (unaudited)	75,150	81,032	4,835	748,094	909,111
Profit for the period (unaudited)	-	-	-	51,389	51,389
Changes in ownership interest in subsidiary without change of control	(8,243)	-	-	-	(8,243)
At 30 September 2012 (unaudited)	66,907	81,032	4,835	799,483	952,257



INTERIM DIVIDENDS

The Board does not propose to declare any interim dividend for the nine months ended 30 September 2012 (corresponding period in 2011: nil).

The final dividend of 2011 of RMB0.16 per share, including tax, had been approved by the shareholders of the Company in the annual general meeting of the Company held on 26 June 2012 and had been paid.



BUSINESS REVIEW

OVERVIEW

From January to September in 2012, as affected by the continuing slowing down in the growth rate of the macro economy of the PRC, the production and sales volume of the Chinese automobile industry still recorded a decrease in its growth momentum as compared with the corresponding period of last year. According to the statistics provided by China Automobile Industry Association Statistics Information Network, for the nine months from January to September of 2012, the production and sales volume of automobiles in the PRC were respectively approximately 14,131,200 vehicles and 14,092,300 vehicles, representing approximately an increase of 5.0% and 3.4% over the same period of last year. For the nine months ended 30 September 2012, the production and sales volume of the Group's main customer, Chongqing Changan Automobile Company Limited (the "Changan Automobile"), was approximately respectively 1,233,800 vehicles (increased by 0.1% as compared with the corresponding period of last year) and 1,247,600 vehicles (decreased by 0.8% as compared with the corresponding period of last year). The Group recorded a total revenue of approximately RMB2,473,999,000, lower than the same period of last year (decreased by 1.62% as compared with the corresponding period of last year). The turnover generated from transportation of finished vehicles and supply chain management of car components and parts for the nine-month period ended 30 September 2012 represented respectively 61.84% and 26.78% of the Group's total revenue (for the nine-month period ended 30 September 2011: 68.69% and 23.93% 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 2012, as affected by the intensifying competition of the domestic automobile market and the decreasing in the logistics service prices, as well as the unfavourable factors like the increasing labour costs and the logistics operational costs, the level of both the Group's gross profit margin and the net profit margin were lower than those in the last year: 12.14% (for the same period in 2011: 18.09%) and 6.25% (for the same period in 2011: 9.92%), respectively. The Group's profit attributable to the equity holders of the Company for the nine-month period ended 30 September 2012 decreased by approximately 41.49% to approximately RMB 135,391,000 from RMB231,383,000 in the corresponding period in 2011.

PROSPECTS

For the fourth quarter of 2012, it is expected that the development of the PRC economy will continue to be affected by complicated internal and external environments: from the international perspective, the fall in the growth rate of international trade and the tension around China; from the domestic perspective, the control in the real estate is expected to continue. The above mentioned unfavorable factors will bring about uncertainties to the PRC economy development and it is difficult to have any significant improvement for the general development within a short space of time. Besides, with the PRC economy's further opening up to the outside world and the continuous development of logistics industry, the Company anticipates that the automobile logistics market in China will be full of challenges in the future and the competition will be further intensified. These will bring about unfavorable factors to the Group's operation and capacity to generate profit. For the fourth quarter of 2012, although facing the slowing down of the automobile industry development and fierce competition in the automobile logistics market, it is expected that the Group will continue to improve its core competitiveness through enhancing the "Management, Operation and Serving", to carry out Overall Cost Saving Project and Overall Risks Controlling Project and we will make use of all the opportunities to enhance profit earning capability.



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 2012, 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 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 2012, 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 2011 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 2012, 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.")	Beneficial owner	41,225,600(L)	38.51%	-	25.44%
APL Logistics Ltd. ("APLL")	Beneficial owner	33,619,200(L)	31.40%	-	20.74%
Minsheng Industrial (Group) Co., Ltd. ("Minsheng Industrial")	Beneficial owner	25,774,720(L)	24.07%	-	15.90%
Minsheng Industrial (Note 2)	Interest of a controlled corporation	6,444,480(L)	6.02%	-	3.98%
Ming Sung (HK) Co., Ltd. ("Ming Sung (HK)")	Beneficial owner	6,444,480(L)	6.02%	-	3.98%
788 China Fund Ltd.	Investment manager	4,000,000(L)	-	7.27%	2.47%
Braeside Investments, LLC (Note 3)	Investment manager	3,423,000(L)	-	6.22%	2.11%
Braeside Management, LP (Note 3)	Investment manager	3,423,000(L)	-	6.22%	2.11%
McIntyre Steven (Note 3)	Interest of a controlled corporation	3,423,000(L)	-	6.22%	2.11%
Pemberton Asian Opportunities Fund	Beneficial owner	3,300,000(L)	-	6.00%	2.04%

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

Note 2: Ming Sung (HK) is the subsidiary of Minsheng Industrial, Minsheng Industrial holds 98.95% shareholdings of Ming Sung (HK). The directors of the Board of the Company Mr. Lu Guoji and Mr. Lu Xiaozhong holds respectively 24% and 6% shareholdings of Minsheng Industrial.

Note 3: According to the disclosure of interests notice filed, Braeside Management, LP is a wholly-owned subsidiary of Braeside Investments, LLC. McIntyre Steven is the controlling shareholder of Braeside Investments, LLC.

Save as disclosed above, as at 30 September 2012, 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.

DIRECTORS' SECURITIES TRANSACTION

The Company has adopted a code of conduct regarding securities transactions by directors 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. Having made specific enquiry of all directors and supervisors, all directors and supervisors of the Company have complied with the required standard of dealings and the code of conduct regarding securities transactions by directors adopted by the Company throughout the nine months period ended 30 September 2012.

COMPLIANCE WITH CODE PROVISIONS

For the nine months ended 30 September 2012, the Company has complied with the code provisions set out in Appendix 15 (Corporate Governance Code and Corporate Governance Report) of the GEM Listing Rules.

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 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 the independent non-executive directors Mr. Peng Qifa, Mr. Chong Teck Sin and Mr. Poon Chiu Kwok. Mr. Peng Qifa (the chairman of the committee) has appropriate professional qualifications and financial experience.

The audit committee met on 31 October 2012 to review the unaudited third quarterly report of the Group for the nine months ended 30 September 2012, and approved such report.

COMPETING INTERESTS

The Company has entered into a non-competition undertaking 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 2011 Annual Report of the Company.

During the reporting period, since the aggregate shareholding in the Company held by Minsheng Industrial and Ming Sung (HK) (together with their respective associates) fell below 20%, the non-competition undertaking signed between the Company and Minsheng Industrial and Ming Sung (HK) became ineffective.

CONTINUING CONNECTED TRANSACTIONS

For the nine-month period ended 30 September 2012, the turnover generated from the continuing connected transactions between the Group and the connected persons (as defined in the GEM Listing Rules) was approximately RMB2,269,775,000 (among which, Changan Automobile and its associates was RMB2,251,616,000, Changan Industry Co. and its associates was RMB6,736,000 and Nanjing Baogang Zhushang Metal Manufacturing Company Limited was RMB11,423,000), which accounted for approximately 92% of the total revenue during the reporting period.

For the nine-month period ended 30 September 2012, the cost of purchasing transportation services from connected persons (as defined in the GEM Listing Rules) was approximately RMB288,809,000 (among which, Changan Industry Co. and its associates was RMB330,000, Minsheng Industrial and its associates was RMB243,172,000 and Beijing Changjiu and its associates was RMB45,307,000(including the non-connected transaction volume from the end of July 2012 to 30 September 2012)), which accounted for approximately 13.29% of the cost of sales during the reporting period.

For the nine-month period ended 30 September 2012, 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 nil, the balance of the maximum amount of deposit (including interests) on a daily basis with connected persons was approximately RMB316,738,000, the accumulated amount of note discounting at connected persons was RMB68,000,000.

PURCHASE, SALE OR REDEMPTION OF SECURITIES

For the nine months ended 30 September 2012, the Company and its subsidiaries had not purchased, sold or redeemed any of the Company's listed securities.

PUBLIC FLOAT

The Company had 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.
Zhang Lungang
Chairman

Chongqing, the PRC, 12 November 2012

As at the date of this report, the board of directors of the Company comprises:

Executive Directors:

Mr. Zhang Lungang
Mr. Gao Peizheng
Mr. Lu Xiaozhong
Mr. Zhu Minghui
Mr. William K Villalon

Non-executive Directors:

Mr. Lu Guoji
Ms. Vanessa Lau Man Yee
Mr. Li Ming
Mr. Wu Xiaohua
Mr. Zhou Zhengli
Mr. Danny Goh Yan Nan

Independent Non-executive Directors:

Mr. Peng Qifa
Mr. Chong Teck Sin
Mr. Poon Chiu Kwok