重慶長安民生物流股份有限公司

Changan Minsheng APLL Logistics Co., Ltd.

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

（**Stock Code：01292**）

INTERIM RESULTS ANNOUNCEMENT FOR THE SIX MONTHS ENDED 30 JUNE 2018

HIGHLIGHTS

- For the six months ended 30 June 2018, the unaudited revenue of the Group was approximately RMB2,653,588,000, representing a decrease of approximately 12.26% from the corresponding period in 2017.
- For the six months ended 30 June 2018, the unaudited profit attributable to owners of the parent was approximately RMB51,997,000, representing a decrease of approximately 8.64% from the corresponding period in 2017.
- For the six months ended 30 June 2018, the unaudited basic earnings per share were RMB0.32 (corresponding period in 2017: RMB0.35).
- The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2018.

INTERIM REPORT (UNAUDITED)

The board (the "Board") of directors (the "Directors") of Changan Minsheng APLL Logistics Co., Ltd. (the "Company") is pleased to announce the unaudited interim condensed financial information of the Company and its subsidiaries (collectively, the "Group") for the six months ended 30 June 2018 as follows:

Interim consolidated statement of profit or loss and other comprehensive income

		For the six months ended 30 June	
		2018	2017
		(unaudited)	(unaudited)
	Notes	RMB'000	RMB'000
Revenue	4	2,653,588	3,024,216
Cost of sales		(2,434,619)	(2,809,605)
Gross profit		**218,969**	**214,611**
Other income and gains	5	19,640	17,092
Selling and distribution expenses		(43,180)	(39,807)
Administrative expenses		(95,238)	(87,394)
Other expenses		(10,145)	(2,113)
Finance costs	7	(828)	(318)
Share of profits and losses of associates and a joint venture		1,584	(3,723)
Profit before tax	6	**90,802**	**98,348**
Income tax expense	8	(24,911)	(27,513)
Profit for the period		**65,891**	**70,835**
Attributable to:			
Equity holders of the parent		51,997	56,915
Non-controlling interests		13,894	13,920
		65,891	**70,835**
Other comprehensive income for the period		**-**	**-**
Total comprehensive income for the period		**65,891**	**70,835**
Attributable to:			
Owners of the parent		51,997	56,915
Non-controlling interests		13,894	13,920
		65,891	**70,835**
Earnings per share for profit for the period attributable to ordinary equity holders of the parent			
--Basic and diluted	9	RMB0.32	RMB0.35

Interim consolidated statement of financial position

	Notes	As at 30 June 2018 (unaudited) RMB'000	As at 31 December 2017 (audited) RMB'000
Non-current assets			
Property, plant and equipment	10	600,727	537,428
Investment property		8,385	8,528
Prepaid land lease payments	11	231,304	213,954
Goodwill	12	5,016	5,016
Other intangible assets		24,172	22,304
Investment in a joint venture		12,546	11,661
Investments in an associate		23,151	22,452
An available-for-sale investment	2	-	28,900
An equity instrument at fair value through other comprehensive income	2	28,900	-
Deferred tax assets		58,704	54,886
Other non-current assets	10	59,636	67,871
Total non-current assets		**1,052,541**	**973,000**
Current assets			
Inventories		50,464	37,103
Trade and bills receivables	13	596,111	582,448
Prepayments, deposits and other receivables	14	144,335	88,463
Due from related parties	15	1,613,147	1,849,513
Pledged deposits	16	6,699	29,799
Cash and cash equivalents	16	828,005	1,244,992
Total current assets		**3,238,761**	**3,832,318**
Current liabilities			
Trade and bills payables	17	1,474,966	1,952,149
Other payables and accruals	18	382,646	527,000
Contract liabilities	2	21,958	-
Due to related parties	19	256,027	197,292
Interest-bearing bank and other loans	20	17,458	17,130
Tax payable/(deductable)		(5,055)	3,844
Total current liabilities		**2,148,000**	**2,697,415**
Net current assets		**1,090,761**	**1,134,903**
Total assets less current liabilities		**2,143,302**	**2,107,903**

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Interim consolidated statement of financial position (continued)

	Notes	As at 30 June 2018 (unaudited) RMB'000	As at 31 December 2017 (audited) RMB'000
Total assets less current liabilities		**2,143,302**	**2,107,903**
Non-current liabilities			
Interest-bearing bank and other loans	20	12,812	18,260
Deferred tax liabilities		3,116	3,191
Deferred income		7,076	7,387
Total non-current liabilities		**23,004**	**28,838**
Net assets		**2,120,298**	**2,079,065**
Equity			
Equity attributable to owners of the parent			
Share capital	21	162,064	162,064
Reserves		1,842,878	1,789,139
		2,004,942	1,951,203
Non-controlling interests		115,356	127,862
Total equity		**2,120,298**	**2,079,065**

Interim consolidated statement of changes in equity

For the six months ended 30 June 2018

	Unaudited							
	Attributable to owners of the parent						Non-controlling interests	Total equity
	Share capital	Share premium account	Statutory reserve funds	Safety fund surplus reserve	Retained profits	Total		
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2018	162,064	66,907*	85,867*	9,261*	1,627,104*	1,951,203	127,862	2,079,065
Total comprehensive income for the period	-	-	-	-	51,997	51,997	13,894	65,891
Establishment for safety fund surplus reserve	-	-	-	1,742	-	1,742	-	1,742
Dividend paid to non-controlling shareholders	-	-	-	-	-	-	(26,400)	(26,400)
At 30 June 2018	162,064	66,907*	85,867*	11,003*	1,679,101*	2,004,942	115,356	2,120,298

* These reserve accounts comprised the consolidated reserves of RMB1,842,878,000 (31 December 2017: RMB1,789,139,000) in the interim consolidated statement of financial position.

Interim consolidated statement of changes in equity (continued)

For the six months ended 30 June 2017

	Unaudited							
	Attributable to owners of the parent						Non-controlling interests	Total equity
	Share capital	Share premium account	Statutory reserve funds	Safety fund surplus reserve	Retained profits	Total		
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2017	162,064	66,907	85,867	7,165	1,516,011	1,838,014	120,299	1,958,313
Total comprehensive income for the period	-	-	-	-	56,915	56,915	13,920	70,835
Establishment for safety fund surplus reserve	-	-	-	1,267	-	1,267	-	1,267
Utilisation of safety fund surplus reserve	-	-	-	(41)	-	(41)	-	(41)
Dividend paid to non-controlling shareholders	-	-	-	-	-	-	(26,400)	(26,400)
At 30 June 2017	162,064	66,907	85,867	8,391	1,572,926	1,896,155	107,819	2,003,974

Interim consolidated statement of cash flows

	Notes	For the six months ended 30 June 2018 (unaudited) RMB'000	2017 (unaudited) RMB'000
Cash flows from operating activities			
Profit before tax		90,802	98,348
Adjustments for:			
Finance costs	7	828	318
Share of profits and losses of associates and a joint venture		(1,584)	3,723
Interest income	5	(6,524)	(4,771)
Loss/(gain) on disposal of items of property, plant and equipment and other intangible assets	6	(33)	21
Depreciation of property, plant and equipment	6	46,491	44,627
Depreciation of an investment property	6	143	214
Amortisation of prepaid land lease payments	6	3,682	2,907
Amortisation of other intangible assets	6	5,184	5,091
Provision/(reversal of provision) for impairment of trade and other receivables	6	6,506	(2,130)
Reversal of provision for impairment of amounts due from related parties	6	(1,270)	(177)
Deferred income released to profit or loss		(311)	(303)
Unrealised foreign exchange losses/(gains), net		(90)	383
		143,824	148,251
Decrease/(increase) in inventories		(13,361)	6,284
Increase in trade and bills receivables		(20,517)	(30,601)
Increase in prepayments		(3,449)	(13,076)
Decrease in pledged deposits		23,100	12,780
Decrease/(increase) in deposits and other receivables		(51,430)	313
Decrease in amounts due from related parties		237,636	202,807
Decrease in trade and bills payables		(477,183)	(138,146)
Decrease in other payables and accruals		(138,577)	(63,524)
Increase in contract liabilities		19,410	-
Increase in amounts due to related parties		53,639	33,893
Increase in safety fund surplus reserve		1,742	1,226
		(225,166)	160,207
Income taxes paid		(37,703)	(31,490)
Net cash flows from/(used in) operating activities		(262,869)	128,717

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Interim consolidated statement of cash flows (continued)

	Notes	For the six months ended 30 June 2018 (unaudited) RMB'000	2017 (unaudited) RMB'000
Net cash flows from/(used in) operating activities		(262,869)	128,717
Cash flows from investing activities			
Purchase of items of property, plant and equipment and other intangible assets		(122,358)	(46,902)
Proceeds from disposal of items of property, plant and equipment and other intangible assets		1,155	51
Additions to prepaid land lease payments		(4,606)	-
Disposal of an associate		-	3,304
Interest received		6,524	4,771
Decrease/(increase) in time deposits with original maturity of more than three months		27,710	(2,000)
Net cash flows used in investing activities		(91,575)	(40,776)
Cash flows from financing activities			
Proceeds from bank and other loans		4,000	6,000
Repayment of bank and other loans		(9,120)	(6,383)
Interest paid		(664)	(318)
Payment for finance lease deposits		(2,739)	-
Dividend paid to the non-controlling shareholder by a subsidiary		(26,400)	(26,400)
Net cash flows used in financing activities		(34,923)	(27,101)
Net increase/(decrease) in cash and cash equivalents		(389,367)	60,840
Cash and cash equivalents at beginning of the period		1,217,282	1,074,394
Effect of foreign exchange rate changes, net		90	(383)
Cash and cash equivalents at end of the period		828,005	1,134,851
Analysis of balances of cash and cash equivalents:			
Non-pledged cash and bank balances	16	828,005	1,134,851
Time deposits	16	-	15,000
Cash and cash equivalents as stated in the statement of financial position		828,005	1,149,851
Less: time deposits with original maturity of more than three months when acquired	16	-	(15,000)
Cash and cash equivalents as stated in the statement of cash flows		828,005	1,134,851

Notes to interim condensed financial information

1. General information

The Company is a limited liability company incorporated in the People's Republic of China (the "PRC") on 27 August 2001. In 2002, the Company was converted to a Sino-foreign equity joint venture. On 31 December 2004, the Company was transformed into a joint stock limited liability company. The H shares of the Company were listed on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited (the "Stock Exchange") on 23 February 2006, and have been transferred and traded on the Main Board since 18 July 2013. The registered office of the Company is now located at No. 1881, Jinkai Road, Yubei District, Chongqing, the PRC.

During the six months ended 30 June 2018 (the "Period"), the principal activities of the Group are the rendering of transportation services of finished vehicles, supply chain management services for automobile raw materials, components and parts, transportation services for non-automobile commodities, the sales of packaging materials and the processing of tyres. There were no significant changes in the nature of the Group's principal activities during the Period.

The consolidated interim condensed financial information has not been audited.

2. Basis of preparation and summary of significant accounting policies

Basis of preparation

The unaudited interim condensed financial information for the Period has been prepared in accordance with Hong Kong Accounting Standard ("HKAS") 34 "Interim financial reporting". The unaudited interim condensed financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements for the year ended 31 December 2017.

Summary of significant accounting policies

The accounting policies adopted in the preparation of the unaudited interim condensed financial information are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2017, except for the adoption of following new standards, interpretations and amendments to a number of Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Accountants ("HKICPA") for the first time for financial year beginning 1 January 2018:

Amendments to HKFRS 2	*Classification and Measurement of Share-based Payment Transactions*
Amendments to HKFRS 4	*Applying HKFRS 9 Financial Instruments with HKFRS 4 Insurance Contracts*
HKFRS 9	*Financial Instruments*
HKFRS 15	*Revenue from Contracts with Customers*
Amendments to HKFRS 15	*Clarifications to HKFRS 15 Revenue from Contracts with Customers*
Amendments to HKAS 40	*Transfers of Investment Property*
HK(IFRIC)-Int 22	*Foreign Currency Transactions and Advance Consideration*
Annual Improvements 2014-2016 Cycle	Amendments to HKFRS 1 and HKAS 28

The adoption of these amendments to HKFRSs has had no significant financial effect on the financial position or performance of the Group.

2. Basis of preparation and summary of significant accounting policies (continued)

Summary of significant accounting policies (continued)

The Group applies, for the first time, HKFRS 15 *Revenue from Contracts with Customers* and HKFRS 9 *Financial Instruments* using the modified retrospective method for adoption, therefore the Group has not restated comparative information and has not recognised any transition adjustments against the opening balance of equity at 1 January 2018. For the adoption of HKFRS 15, the Group has applied the new requirements only to contracts that were not completed before 1 January 2018.

HKFRS 15 Revenue from Contracts with Customers

The Group has performed an assessment on the impact of the adoption of HKFRS 15 and concluded that no material financial impact exists, and therefore no adjustment to the opening balance of equity at 1 January 2018 was recognised. However, as the presentation and disclosure requirements in HKFRS 15 are more detailed than those under HKAS 18, as required for the condensed interim financial statements, the Group has disaggregated revenue recognised from contracts with customers into categories that depict how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors. In addition, upon adoption of HKFRS 15, the Group recognised revenue-related contracts labilities for the unsatisfied performance obligation which were previously recognised as “Advances from customers” under “Other payables and accruals (current)”, but no comparative information was restated.

HKFRS 9 Financial Instruments

The Group has performed an assessment and concluded that no material financial impact exists, and therefore no adjustment to the opening balance of equity at 1 January 2018 was recognised. With respect to the equity investment classified as “available-for-sale” under HKAS 39, the Group elected to designate the equity investment as fair value through other comprehensive income (non-recycling) on 1 January 2018, subsequent changes in fair value are recognised in other comprehensive income, which cannot be recycled to profit or loss when it is derecognised. Since no material fair value changes in respect of such equity investment, no adjustment in other comprehensive income at 1 January 2018 was recognized, but reclassed “an available-for-sale investment” to “an equity instrument at fair value through other comprehensive income” as at 1 January 2018.

3. Operating segment information

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

<u>Geographical information</u>

Since the Group solely operates in Mainland China and all of the assets of the Group are located in Mainland China, geographical segment information is not presented.

3. Operating segment information (continued)

Information about major customers
Revenue from each of the major customers, which amounted to 10% or more of the total revenue, is set out below:

	For the six months ended 30 June	
	2018	2017
	(unaudited)	(unaudited)
	RMB'000	RMB'000
Customer A	1,250,403	1,759,564
Customer B	489,399	501,714

4. Revenue from contracts with customers

Revenue represents the net invoiced value of goods sold, after allowances for returns and trade discounts and the value of logistics services rendered during the Period.

Disaggregation of revenue

Set out below is the disaggregation of the Group's revenue from contracts with customers:

	For the six months ended 30 June	
	2018	2017
	(unaudited)	(unaudited)
	RMB'000	RMB'000
Sale of goods	710,502	915,815
Rendering of logistics services		
Transportation of finished vehicles	1,071,492	1,259,506
Supply chain management for vehicle raw materials, components and parts	871,564	842,412
Others	30	6,483
Total revenue from contracts with customers	2,653,588	3,024,216

5. Other income and gains

	For the six months ended 30 June	
	2018	2017
	(unaudited)	(unaudited)
	RMB'000	RMB'000
Bank interest income	6,524	4,771
Government grants	2,912	501
Penalty on transportation companies	3,241	4,345
Sales of recycled packages of vehicle spare parts	2,215	2,151
Reversal of provision for impairment of trade and other receivables, and amounts due from related parties	-	2,307
Others	4,748	3,017
	19,640	17,092

6. Profit before tax

The Group's profit before tax is arrived at after charging/(crediting):

	For the six months ended 30 June	
	2018	2017
	(unaudited)	(unaudited)
	RMB'000	RMB'000
Cost of inventories sold	686,357	890,584
Cost of logistics services rendered	1,461,520	1,616,937
Depreciation of property, plant and equipment	46,491	44,627
Depreciation of an investment property	143	214
Amortisation of other intangible assets	5,184	5,091
Minimum lease payments under operating leases	22,780	22,342
Amortisation of prepaid land lease payments	3,682	2,907
Employee benefit expense (excluding directors' and chief executive's remuneration):		
Wages and salaries and relevant benefits	284,970	286,667
Pension scheme contributions	31,538	35,395
Termination benefits	1,623	11,023
	318,131	333,085
Foreign exchange differences, net	185	(356)
Provision/(reversal of provision) for impairment of trade and other receivables	6,506	(2,130)
Reversal of provision for impairment of amounts due from related parties	(1,270)	(177)
Bank interest income	(6,524)	(4,771)
Loss/(gain) on disposal of items of property, plant and equipment and other intangible assets, net	(33)	21

7. Finance costs

	For the six months ended 30 June	
	2018	2017
	(unaudited)	(unaudited)
	RMB'000	RMB'000
Interest on bank and other loans	828	318

8. Income tax expense

	For the six months ended 30 June	
	2018	2017
	(unaudited)	(unaudited)
	RMB'000	RMB'000
Current - Mainland China		
Charge for the period	28,804	26,932
Deferred	(3,893)	581
Total tax charged for the period	24,911	27,513

The Company and its subsidiaries are registered in the PRC and have operations only in Mainland China. They are subject to PRC corporate income tax ("CIT") on the taxable income as reported in their PRC statutory accounts adjusted in accordance with relevant PRC income tax laws.

The applicable CIT rate for the Company and subsidiaries is 25% except for the entities that would be entitled to preferential tax rates as described below:

According to Caishui (2011) No. 58 jointly issued by Ministry of Finance, General Administration of Customs and State Administration of Taxation (SAT) on 27 July 2011, the enterprises in encouraged industries in Western China are eligible for a preferential CIT rate of 15% for the period from 1 January 2011 to 31 December 2020. Pursuant to the Public Notice [2014] No.15 issued by National Development and Reform Commission on 20 August 2014, the Company and its subsidiary, CMAL Bo Yu Transportation Co., Ltd., ("CMAL Bo Yu") satisfy the conditions for tax incentives, and the applicable CIT rate for both of them is 15%.

9. Earnings per share attributable to ordinary equity holders of the parent

The calculation of basic earnings per share amounts is based on the profit for the Period attributable to ordinary equity holders of the parent, and the weighted average number of ordinary shares of 162,064,000 (six month ended 30 June 2017: 162,064,000) in issue during the Period.

	For the six months ended 30 June	
	2018	2017
	(unaudited)	(unaudited)
	RMB'000	RMB'000
Profit attributable to ordinary equity holders of the parent	51,997	56,915
Weighted average number of ordinary shares in issue (in thousands)	162,064	162,064
Basic earnings per share (RMB per share) #	0.32	0.35

Diluted earnings per share is the same as basic earnings per share as the Group had no potential dilutive ordinary shares in issue during the Period and the prior period.

10. Property, plant and equipment and other non-current assets

During the Period, the Group acquired assets with a cost of RMB36,008,000 (six months ended 30 June 2017: RMB24,100,000), excluding property, plant and equipment under construction.

As at 30 June 2018, the Group's other non-current assets with total carrying amount of RMB17,868,000 (31 December 2017: RMB11,771,000) were paid for development of softwares. In addition, about RMB39,029,000 were prepaid for acquiring a land use right as at 30 June 2018 (31 December 2017: RMB56,100,000) and RMB2,739,000 (31 December 2017: Nil) were paid for finance lease deposit.

11. Prepaid land lease payments

During the Period, the Group acquired a land use right located at Luohuang industry park in Chongqing with total consideration of RMB21,677,000 (six months ended 30 June 2017: nil), the amortisation of prepaid land lease payments during the Period was approximately RMB3,682,000 (six months ended 30 June 2017: RMB2,907,000).

12. Goodwill

	As at 30 June 2018 (unaudited) RMB'000	As at 31 December 2017 (audited) RMB'000
Cost	7,457	7,457
Less: accumulated impairment	(2,441)	(2,441)
Net carrying amount	5,016	5,016

Impairment testing of goodwill

The Group performs its annual impairment test of goodwill in December and when circumstances indicate the carrying value may be impaired. The recoverable amount of each cash-generating unit is based on value-in-use calculations. The key assumptions used to determine the recoverable amount for the different cash generating units were disclosed in the annual consolidated financial statements for the year ended 31 December 2017.

Transportation services for finished vehicle cash-generating unit

As there had been no circumstances indicating that the goodwill of RMB5,016,000 allocated to finished vehicle cash-generating unit may be impaired, the Group did not perform the impairment test of goodwill allocated to finished vehicle cash-generating unit as at 30 June 2018.

Storage management services cash-generating unit

The goodwill of RMB2,441,000 allocated to storage management services cash-generating unit was fully impaired in 2015 due to significant decrease in the production volume and sales volume of the cash-generating unit's major customer.

13. Trade and bills receivables

	As at 30 June 2018 (unaudited) RMB'000	As at 31 December 2017 (audited) RMB'000
Trade receivables (note (a))	439,437	411,957
Less: impairment (note (b))	(58,137)	(51,283)
Trade receivables, net	381,300	360,674
Bills receivable (note (c))	214,811	221,774
	596,111	582,448

Note (a):
The Group's trading terms with its customers are mainly on credit. The credit period for major customers ranges from cash on delivery to three months. The Group seeks to maintain strict control over its outstanding receivables to minimise credit risk. Overdue balances are reviewed regularly by senior management. The Group does not hold any collateral or other credit enhancements over its trade receivable balances. Trade receivables are non-interest-bearing.

An ageing analysis of the trade receivables as at the end of the reporting period, net of provisions, is as follows:

	As at 30 June 2018 (unaudited) RMB'000	As at 31 December 2017 (audited) RMB'000
Within 3 months	273,899	316,711
3 to 6 months	65,083	23,940
6 months to 12 months	37,366	15,907
1 to 2 years	3,148	4,116
2 to 3 years	1,804	-
	381,300	360,674

Note (b):
The movements in the provision for impairment of trade receivables are as follows:

	As at 30 June 2018 (unaudited) RMB'000
At 1 January 2018	51,283
Impairment losses recognised	6,854
	58,137

Note (c):
The ageing of bills receivable as at 30 June 2018 and 31 December 2017 were all within 1 year.

14. Prepayments, deposits and other receivables

	As at 30 June 2018 (unaudited) RMB'000	As at 31 December 2017 (audited) RMB'000
Prepayments	47,744	44,295
Interest receivables	-	167
Value-added tax recoverable	52,799	-
Deposits and other receivables	45,573	46,130
Impairment	(1,781)	(2,129)
	144,335	88,463

The movements in the provision for impairment of deposits and other receivables are as follows:

	As at 30 June 2018 (unaudited) RMB'000
At 1 January 2018	2,129
Reversal of impairment losses	(348)
	1,781

15. Due from related parties

	As at 30 June 2018 (unaudited) RMB'000	As at 31 December 2017 (audited) RMB'000
Balances from rendering of services and sales of goods (note (a))	1,628,472	1,873,712
Less: impairment (note (b))	(29,346)	(31,594)
Balances from rendering of services and sales of goods, net	1,599,126	1,842,118
Deposits and other receivables	17,851	10,332
Less: impairment (note (b))	(4,019)	(3,041)
Deposits and other receivables, net	13,832	7,291
Prepayments	189	104
	1,613,147	1,849,513

15. Due from related parties (continued)

Note (a):
The Group offers credit terms to its related parties ranging from cash on delivery to three months. An ageing analysis of the amounts from the rendering of services and the sales of goods due from related parties as at the end of the reporting period, net of provisions, is as follows:

	As at 30 June 2018 (unaudited) RMB'000	As at 31 December 2017 (audited) RMB'000
Within 3 months	1,588,359	1,817,198
3 to 6 months	8,727	10,624
6 months to 1 year	2,040	13,996
1 year to 2 years	-	300
	1,599,126	1,842,118

Note (b):
The movements in the provision for impairment of amounts due from related parties are as follows:

	As at 30 June 2018 (unaudited) RMB'000
At 1 January 2018	34,635
Reversal of impairment losses	(1,270)
	33,365

16. Cash and cash equivalents and pledged deposits

	As at 30 June 2018 (unaudited) RMB'000	As at 31 December 2017 (audited) RMB'000
Cash and bank balances	834,704	1,247,081
Time deposits	-	27,710
	834,704	1,274,791
Less:		
Bank balances pledged for bank acceptance bills, letter of credit and bank letter of guarantee	(6,699)	(29,799)
Time deposits with original maturity of more than three months when acquired	-	(27,710)
Cash and cash equivalents	828,005	1,217,282

17. Trade and bills payables

	As at 30 June 2018 (unaudited) RMB'000	As at 31 December 2017 (audited) RMB'000
Trade payables	1,243,845	1,620,747
Bills payable	231,121	331,402
	1,474,966	1,952,149

An ageing analysis of the trade and bills payables as at the end of the reporting period is as follows:

	As at 30 June 2018 (unaudited) RMB'000	As at 31 December 2017 (audited) RMB'000
Within 3 months	1,255,504	1,609,033
3 to 6 months	179,343	323,703
6 months to 1 year	37,598	9,032
1 to 2 years	629	7,603
2 to 3 years	512	793
Over 3 years	1,380	1,985
	1,474,966	1,952,149

As at 30 June 2018, bills payables with an aggregate amount of approximately RMB66,989,000 (31 December 2017: RMB137,848,000) were secured by the pledge deposits of RMB6,699,000 (note 16) (31 December 2017: secured by the pledge deposits of RMB19,799,000 and bills receivables of RMB1,930,000).

18. Other payables and accruals

	As at 30 June 2018 (unaudited) RMB'000	As at 31 December 2017 (audited) RMB'000
Accruals for payroll and welfare	170,707	274,719
Other payables	209,202	226,979
Advances from customers	-	2,548
Other taxes	2,737	22,754
	382,646	527,000

19. Due to related parties

	As at 30 June 2018 (unaudited) RMB'000	As at 31 December 2017 (audited) RMB'000
Balance from transportation services provided by related parties	230,763	166,477
Other payables	25,262	30,812
Advances from customers	-	3
Contract liabilities	2	-
	256,027	197,292

An ageing analysis of the amounts from transportation services provided by related parties as at the end of the reporting period is as follows:

	As at 30 June 2018 (unaudited) RMB'000	As at 31 December 2017 (audited) RMB'000
Within 3 months	223,322	165,485
3 to 6 months	4,602	910
6 months to 1 year	2,772	59
1 to 2 years	52	-
Over 2 years	15	23
	230,763	166,477

20. Interest-bearing bank and other loans

	As at 30 June 2018			As at 31 December 2017		
	(unaudited)			(audited)		
	Effective interest rate (%)	Maturity	RMB'000	Effective interest rate (%)	Maturity	RMB'000
Current						
Unsecured bank loans	5.00-5.30	2019	6,000*	5.00	2018	8,000
Other secured loans	4.75	2019	11,458**	4.75	2018	9,130
			17,458			17,130
Non-current						
Other secured loans	4.75	2020	12,812**	4.75	2020	18,260
			30,270			35,390

20. Interest-bearing bank and other loans (continued)

* As at 30 June 2018, the Group's interest-bearing bank loans bore interest at 5.0% to 5.3% per annum and were repayable within twelve months.

** It represented the other loan borrowed from a related party by the Company and its subsidiary Hangzhou Changan Minsheng Logistics Co., Ltd., by way of production lines sale-leaseback arrangement, with the principal of approximately RMB27,390,000 in 2017, which bears interest at an effective rate of 4.75% per annum with quarterly instalment payments up to the maturity date on 31 December 2020. The production lines were set as security to the other loan in substance.

21. Share capital

<u>Shares</u>

	As at 30 June 2018 (unaudited) RMB'000	As at 31 December 2017 (audited) RMB'000
Authorised:		
162,064,000 (31 December 2017: 162,064,000) ordinary shares of RMB1.00 each	162,064	162,064
Issued and fully paid:		
162,064,000 (31 December 2017: 162,064,000) ordinary shares of RMB1.00 each	162,064	162,064

During the period, there was no movement in the Company's issued share capital:

	Number of shares in issue	Issued capital RMB'000
At 1 January 2018 and 30 June 2018	162,064,000	162,064

22. Related party transactions

	For the six months ended 30 June	
	2018 (unaudited) RMB'000	2017 (unaudited) RMB'000
Revenue from rendering of transportation services for finished vehicles	964,621	1,241,925
Revenue from rendering of supply chain management services for vehicle raw materials, components and parts	623,232	533,793
Revenue from sale of goods	573,745	908,686
	2,161,598	2,684,404
Purchase of transportation services	122,755	242,780
Others	6,030	9,360
	128,785	252,140
Borrowings from a related party	6,000	6,000

23. Transfers of financial assets

Financial assets that are derecognised in their entirety

As at 30 June 2018, the Group endorsed certain bills (notes) receivable accepted by banks in Mainland China (the "Derecognised Bills") to certain of its suppliers in order to settle the trade payables due to these suppliers with a carrying amount in aggregate of RMB101,611,000 (31 December 2017: RMB17,717,000) ("the Endorsement"). The Derecognised Bills have a maturity from one to six months at the end of the reporting period. In accordance with the Law of Negotiable Instruments in Mainland China, holders of the Derecognised Bills have a right of recourse against the Group if the PRC banks default (the "Continuing Involvement"). In the opinion of the directors, the Group has transferred substantially all risks and rewards relating to the Derecognised Bills. Accordingly, it has derecognised the full carrying amounts of the Derecognised Bills and the associated trade payables. The maximum exposure to loss from the Group's Continuing Involvement in the Derecognised Bills and the undiscounted cash flows to repurchase these Derecognised Bills is equal to their carrying amounts. In the opinion of the directors, the fair values of the Group's Continuing Involvement in the Derecognised Bills are not significant.

During the reporting period, the Group has not recognised any gain or loss on the date of transfer of the Derecognised Bills. No gains or losses were recognised from the Continuing Involvement, both during the Period or cumulatively. The Endorsement has been made evenly throughout the Period.

24. Fair value and fair value hierarchy of financial instruments

The carrying amounts of the Group's and the Company's financial instruments reasonably approximate to fair value.

Management has assessed that the fair values of cash and cash equivalents, pledged deposits, trade and bills receivables, trade and bills payables, financial assets included in prepayments, deposits and other receivables, financial liabilities included in other payables and accruals, amounts due from/to related parties, and the current portion of interest-bearing bank and other loans approximate to their carrying amounts largely due to the short term maturities of these instruments.

The fair values of the non-current portion of interest-bearing bank and other loans have been calculated by discounting the expected future cash flows using rates currently available for instruments with similar terms, credit risk and remaining maturities, which approximate to their carrying amounts.

The Group's corporate finance team headed by the finance manager is responsible for determining the policies and procedures for the fair value measurement of financial instruments. The finance manager reports directly to the audit committee. At the end of each reporting period, the corporate finance team analyses the movements in the values of financial instruments and determines the major inputs applied in the valuation. The valuation is reviewed and approved by the chief financial officer.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

25. Commitments of the Group

(a) Capital expenditure commitments

The Group had the following capital expenditure commitments at the end of the reporting period:

	As at 30 June 2018 (unaudited) RMB'000	As at 31 December 2017 (audited) RMB'000
Contracted but not provided for		
Property, plant and equipment	93,404	179,389

(b) Operating lease arrangements

The Group leases certain of its office properties and equipment under operating lease arrangements. Leases for properties are negotiated for terms ranging from one to ten years.

At the end of the reporting period, the Group had total future minimum lease payments under non-cancellable operating leases falling due as follows:

	As at 30 June 2018 (unaudited) RMB'000	As at 31 December 2017 (audited) RMB'000
Within one year	41,225	42,873
In the second to fifth years, inclusive	43,565	43,645
After five years	46,912	53,874
	131,702	140,392

26. Events after the reporting period

On 30 July 2018, the Company entered into an equity transfer agreement with Beijing Changjiu Logistics Co., Ltd. to sell 45% equity interest in Chongqing Terui Transportation Service Company Limited, the associate of the Company, for a total consideration of RMB22,610,000. As at the date of this announcement, the transaction has not been completed.

INTERIM DIVIDENDS

The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2018 (corresponding period in 2017: nil).

The 2017 final dividend of RMB0.15 (including tax) per share, in the aggregate amount of RMB24,309,600 (including tax), has been approved by the shareholders of the Company at the annual general meeting of the Company held on 29 June 2018, and is expected to be paid on or before 28 September 2018.

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

In the first half of 2018, facing complex and challenging domestic and international environment, while held on to the general principle of steady progress, the Chinese government pursued quality development despite all the difficulties and obstacles by adopting new development ideas and working industriously in a down-to-earth manner. The efforts have ensured a steadily growing and better-structured national economy, further facilitated the transition from traditional economy to new economy, elevated economic benefit, and introduced a good start to the economic quality development. The gross domestic product ("GDP") of the PRC in the first half of 2018 reached 6.8% compared with the same period last year, in the first quarter of 2018 reached 6.8% compared with the first quarter of last year, and in the second quarter of 2018 reached 6.7% as compared with corresponding period of last year.

According to the China Association of Automobile Manufacturers' statistics, for the first half of 2018, automobile production volume and sales volume in the PRC were 14,058,000 vehicles and 14,066,000 vehicles respectively, up approximately 4.2% and 5.6% respectively as compared with the corresponding period of last year, among which, the growth rate of production volume slightly declined while the growth rate of sales volume went up by 1.8 percentage point compared with the corresponding period of last year. After a phase of rapid growth, the Chinese automobile industry has entered a mediocre growth stage and the growth rate sometimes even fell behind the rate of concurrent GDP growth.

Due to the slowdown of the overall automobile industry, increasingly competitive market and fewer new products, for the six months ended 30 June 2018, the production volume and sales volume of the Group's major customer, Chongqing Changan Automobile Co., Ltd. ("Changan Automobile") were 1,167,077 vehicles and 1,207,381 vehicles respectively, representing a decrease of approximately 15.44% and 15.54% respectively as compared with the corresponding period of last year.

For the six months ended 30 June 2018, affected by deterioration in production and sales of customers, the Group recorded a total revenue of approximately RMB2,653,588,000, representing a decrease of approximately 12.26% as compared with the corresponding period of last year. The income from transportation of finished vehicles, sale of goods and supply chain management of car raw materials, components and parts for the six months ended 30 June 2018 represented approximately 40.38%, 26.78% and 32.84%, respectively, of the Group's total revenue (for the six months ended 30 June 2017: approximately 41.65%, 30.28% and 27.86%, respectively). Detailed breakdown of revenue is set out in note 4 to the interim condensed financial information of this announcement.

For the six months ended 30 June 2018, although affected by the unfavorable factors such as the intensifying competition in the domestic automobile market, the sliding logistics service prices as well as the ever-rising operational costs and increasing transportation cost caused by the national policy of *Limits of Dimensions, Axle Load and Mass for Motor Vehicles, Trailers and Combined Vehicles (GB1589-2016)*, the Group actively engaged in cost reduction and efficiency improvement by such means as optimizing logistics network, strengthening logistics node construction and adjusting the ratios of road transportation, railway transportation and waterway transportation and thus achieved certain results. The Group saw a slight increase in both the gross profit margin and net profit margin, at 8.25% (for six months ended 30 June 2017: 7.10%) and 2.48% (for six months ended 30 June 2017: 2.34%), respectively. However, due to the decrease in revenue of the Group, profit attributable to the equity holders of the Company for the six months ended 30 June 2018 went down to approximately RMB51,997,000 from approximately RMB56,915,000 in the corresponding period of last year.

FINANCIAL REVIEW

Working Capital and Financial Resources

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

As at 30 June 2018, the cash and bank balance and pledged deposits of the Group were approximately RMB834,704,000 (31 December 2017: RMB1,274,791,000). As at 30 June 2018, the total assets of the Group amounted to approximately RMB4,291,302,000 (31 December 2017: RMB4,805,318,000). The Group had current liabilities of approximately RMB2,148,000,000 (31 December 2017: RMB2,697,415,000), non-current liabilities of approximately RMB23,004,000 (31 December 2017: RMB28,838,000), shareholders' equity excluding non-controlling interest of approximately RMB2,004,942,000 (31 December 2017: RMB1,951,203,000) and non-controlling interest of approximately RMB115,356,000 (31 December 2017: RMB127,862,000).

Capital Structure

For the six months ended 30 June 2018, there has been no change to the Company's issued shares.

Loans and Borrowings

As at 30 June 2018, the outstanding balance of borrowings of the Group was RMB30,270,000 (31 December 2017: RMB35,390,000), please refer to the note 20 to the interim condensed financial information for further details.

During the reporting period, the Group had no short-term loans that were due but not repaid and no financial instrument that were used for hedging purposes.

Gearing and Liquidity Ratio

As at 30 June 2018, the gearing ratio (net debt divided by the adjusted capital plus net debt) of the Group was approximately 39.90% (31 December 2017: approximately 42.41%). The gearing ratio between the total liabilities and the total equity of the Group was approximately 102.39% (31 December 2017:131.13%).

Pledge of Assets

As at 30 June 2018, bills payables with an aggregate amount of approximately RMB66,989,000 (31 December 2017: RMB137,848,000) were secured by the pledge deposits of RMB6,699,000 (31 December 2017: secured by the pledge deposits of RMB19,799,000 and bills receivables of RMB1,930,000).

At the end of 2017, Harbin Branch of Changan Minsheng APLL Logistics Co., Ltd., a branch company of the Company, and Hangzhou Changan Minsheng APLL Logistics Co., Ltd., a subsidiary of the Company respectively entered into finance leasing and leaseback arrangements with United Prosperity Investment (Shenzhen) Co., Ltd. ("leasing and leaseback arrangements"). The leasing and leaseback arrangements is in nature a loan with the tire assembly lines as security and the aggregate principal of the leasing and lease-back arrangements is approximately RMB27,390,000, which bears interest at an effective interest rate 4.75% per annum with quarterly instalment payments up to the maturity date on 31 December 2020. Please refer to the announcement of the Company dated 1 January 2018 and the note 20 to the interim condensed financial information for further details.

Foreign Currency Risk

As the transactions of the Group denominated in foreign currency were limited, the foreign currency risk did not have any material impact on the Group.

Employee, Remuneration Policy and Training Programme

As at 30 June 2018, the Group employed 8,086 employees (as at 31 December 2017: 8,530 employees). The salaries of the employees are determined based on the remuneration policy approved by the Board and the remuneration committee of the Company and in accordance with the relevant PRC policies. The salary level is in line with the economic efficiency of the Company. The benefits of the employees comprise endowment insurance, medical insurance, unemployment insurance, personal injury insurance and housing funds. During the reporting period, the Company has provided the staff with training regarding technology, security and management, etc.

Major Investment

On 7 February 2018, the Company entered into a transfer contract of land use right with the Land Resources and Housing Management Bureau of Jiangjin District in Chongqing, the PRC, pursuant to which, the Company secured a land plot within the comprehensive bonded area in Luohuang Industrial Park in Jiangjin District of Chongqing, the PRC, with a total site area of approximately 42,404.39 square meters (equivalent to approximately 63.6066 mu) for a transfer price of RMB20,990,200. Please refer to the announcement of the Company dated 7 February 2018.

Save as disclosed above, for the six-month period ended 30 June 2018, there had been no material investment of the Group.

Major Acquisition and Assets Sale

On 30 July 2018, the Company entered into an equity transfer contract with Beijing Changjiu Logistics Co., Ltd. Pursuant to the equity transfer contract, the Company shall sell 45% of the equity interest in Chongqing Terui Transportation Service Company Limited, the associate of the Company, to Beijing Changjiu Logistics Co., Ltd, for a price of RMB22,610,000. As at the date of the announcement, the disposal was not completed.

Save as disclosed above, for the six months ended 30 June 2018, there had been no material acquisition and assets sale of the Group.

Contingent Liabilities

As at 30 June 2018, the Group did not have any material contingent liabilities.

PROSPECTS

2018 marks the 40th anniversary of the national reform and opening up, and the country still faces rather tough task of economic reform and transformation. While the domestic market is increasingly intertwined with the global markets, the international political and economic landscape is witnessing profound changes with the potentially spreading consequences from the trade tension between China and the United States. Confronted with such a grim and challenging domestic and international environment, the Chinese government aims to further open its market to boost reform and quality development.

On 28 June 2018, the National Development and Reform Commission and Ministry of Commerce of the PRC jointly issued the "*Special Management Measures on Foreign Investment Admission (Negative List) (2018)*" (the "Negative List of Foreign Investment Admission"), pursuant to which, the automobile industry will further open to foreign investors in stages. The previous restrictions on equity ratio of foreign investments in special-purpose finished vehicles and new energy finished vehicles manufacturing enterprises are lifted in 2018, the same restrictions on commercial vehicles will be lifted in 2020 and the restrictions on equity ratio of foreign investments and no more two foreign joint ventures in passenger vehicles will be lifted in 2022. Those restrictions on automobile industry will be lifted after the 5-year transition period. In addition, to save energy and encourage the use of new energy, the Ministry of Finance announced that energy-efficient and new energy vehicles and boats will be entitled to tax breaks effective from 10 July 2018: taxes on standard energy-efficient vehicles shall be reduced by half and those on standard new energy vehicles shall be exempted. Those policies are expected to stimulate the transformation and development of domestic automobile industry, especially the development of energy-efficient vehicles and new energy vehicles, and lower the costs of purchasing vehicles for consumers to boost vehicles consumption, which is an opportunity for enterprise like the Group which focuses primarily on automobile logistics. However, this is a challenge as much as an opportunity for us as the automobile logistics industry is still confronted with negative factors such as the operation pressure, ever-falling service rate and intensifying market competition. For the second half of 2018, the Group shall aim for quality, return, efficiency and brand improvement and building, focus on increasing efficiency, enhancing brand image, optimizing customer experiences and making breakthrough by innovation and implement strategy of cost efficiency through excellent operation and innovation to transform and upgrade itself. The Group will stick to the general principles of "customer success, employee growth, honesty and integrity and cooperation and diligence as its cooperate value, keep up the good work passionately, innovatively, professionally and effectively by sizing each day to become a world-class automobile logistics integrated supply chain service provider.

CORPORATE GOVERNANCE

During the reporting period, the Company has complied with the code provisions of Corporate Governance Code set out in Appendix 14 of the Rules Governing the Listing of Securities of the Stock Exchange ("Listing Rules"). During the reporting period, the Company has implemented and complied with the revised Corporate Governance Code in relation to risk management and internal control.

SECURITIES TRANSACTIONS BY DIRECTORS

Since the transfer of listing to the Main Board on 18 July 2013, the Company has adopted a code of conduct regarding directors' securities transactions on terms no less exacting the required standard (the "Code of Conduct") set out in Appendix 10 (Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code")) to the Listing Rules. After making specific enquiries to all Directors, the Company confirms that the Directors had complied with the Code of Conduct for the six months ended 30 June 2018.

BOARD OF DIRECTORS

The fourth session of the Board of the Company comprises 11 Directors, including 4 executive Directors, 3 non-executive Directors and 4 independent non-executive Directors. The Board considers that the composition of the Board represents a reasonable balance and is able to provide protection to the Company and the shareholders as a whole. The non-executive Directors and independent non-executive Directors provide constructive advice in relation to the formulation of the Company's policies. The Company is not aware of any family or material relationship among the members of the Board. The Company has four independent non-executive Directors, of whom at least one has appropriate professional qualification and financial management expertise. The Company considers that, during the reporting period, each of the independent non-executive Directors has complied with the guidelines on independence set out in the Listing Rules. As at the date of this announcement, except for the fact that the independent non-executive director Mr. Chong Teck Sin has served for consecutive 9 years, the term of office of each of the other 3 independent non-executive directors does not exceed nine years. Notwithstanding the fact that Mr. Chong Teck Sin has served the Company for more than nine years, there are no circumstances which are likely to affect his independence as an independent non-executive director. Mr. Chong Teck Sin is not involved in the daily management of the Company nor in any relationships which would interfere with the exercise of the independent judgment. The Board considers Mr. Chong Teck Sin remains independent notwithstanding the length of his service. As regard the re-election of independent non-executive Directors, the Company will ensure compliance with code A.4.3 of the Corporate Governance Code under the Listing Rules.

BOARD CHAIRMAN AND GENERAL MANAGER

The chairman of the Board of the Company is Mr. Xie Shikang and our general manager is Mr. Shi Jinggang. The chairman is in charge of formulating the development and business strategies and deal with the Company's affairs in accordance with the Articles of Association and with the Board's resolutions. The general manager is in charge of the daily operations of the Company. The chairman is responsible for ensuring that the Board operates efficiently and encourages all Directors, including independent non-executive Directors, to contribute to the Board and the four board committees under the Board.

AUDIT COMMITTEE

The disclosure of financial information in this announcement complies with Appendix 16 to the Listing Rules. The audit committee of the Company has reviewed the Group's business performance and the unaudited financial statements of the Group for the six months ended 30 June 2018. The audit committee has also discussed the relevant internal audit matters and approved the contents of this interim results announcement.

CHANGES OF DIRECTORS AND SUPERVISORS DURING THE REPORTING PERIOD

Due to job relocation, Mr. Danny Goh Yan Nan resigned as a non-executive Director of the fourth session of the Board of the Company on 29 March 2018. The resignation of Mr. Danny Goh Yan Nan took effect from the conclusion of the 2017 annual general meeting of the Company held on 29 June 2018. Please refer to the announcement of the Company dated 29 June 2018 for further details.

Due to job relocation, Mr. Chen Jianfeng resigned as a shareholder representative Supervisor and chairman of the fourth session of the supervisory committee of the Company on 29 March 2018. The resignation of Mr. Chen Jianfeng took effect from the conclusion of the 2017 annual general meeting of the Company held on 29 June 2018. Please refer to the announcement of the Company dated 29 June 2018 for further details.

Due to job relocation, Mr. Zhou Zhengli resigned as an employee representative Supervisor of the fourth session of the supervisory committee of the Company on 29 June 2018. Please refer to the announcement of the Company dated 29 June 2018 for further details.

At the 2017 annual general meeting of the Company held on 29 June 2018, Mr. Man Hin Wai Paul (also known as Mr. Paul Man) was elected as a non-executive Director of the fourth session of the Board of the Company for a term commencing from the conclusion of the annual general meeting until the expiry of the fourth session of the Board of the Company. Please refer to the announcement of the Company dated 29 June 2018 for further details.

At the 2017 annual general meeting of the Company held on 29 June 2018, Mr. Wang Huaicheng was elected as a shareholder representative Supervisor of the fourth session of the supervisory committee of the Company for a term commencing from the conclusion of the annual general meeting until the expiry of the fourth session of the supervisory committee of the Company. Mr. Wang Huaicheng has also been elected and appointed as the chairman of the supervisory committee of the Company at the meeting of the Supervisory Committee held subsequent to the annual general meeting with effect immediately from the conclusion of the meeting of the supervisory committee. Please refer to the announcement of the Company dated 29 June 2018 for further details.

On 29 June 2018, Ms. Deng Li was democratically elected as the employee representative Supervisor of the fourth session of the supervisory committee of the Company. Ms. Deng Li's term of service will commence from 29 June 2018 until the expiry of the term of fourth session of supervisory committee of the Company. Please refer to the announcement of the Company dated 29 June 2018 for further details.

On 6 June 2018, Mr. Poon Chiu Kwok, an independent non-executive Director of the Company stepped down as a non-executive director of Chong Kin Group Holdings Limited (listed on the Stock Exchange, stock code: 01609).

OTHER INFORMATION

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

As at 30 June 2018, 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"), Chapter 571 of Laws of Hong Kong) which were required pursuant to section 352 of the SFO to be entered in the register referred to therein, or were required pursuant to the Model Code to be notified to the Company and the Stock Exchange.

As at 30 June 2018, the Directors, chief executive and the Supervisors of the Company were not beneficially interested in the share capital of any member of the Group nor did they have any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group nor did he/she have any interest, either direct or indirect, in any assets which have been, since 31 December 2017, 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 2018, so far as is known to the Directors and chief executive of the Company, the following persons, other than a Director, chief executive, or Supervisor of the Company, had interests or short positions in the shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who were directly or indirectly, interested in 10% or more of the nominal value of any class of shares capital carrying rights to vote in all circumstances, at general meetings of the Company; or are required, pursuant to Section 336 of the SFO, to be entered in the register referred to therein:

Name of Shareholders	Capacity	Number of Shares	Percentage of Domestic Shares (non-H Foreign Shares Included)	Percentage of H Shares	Percentage of Total Registered Share Capital
China South Industries Group Co., Ltd.	Interest of a controlled corporation	41,225,600(L) (Domestic Shares)	38.51%	-	25.44%
China Changan Automobile Group Co., Ltd. ("China Changan")	Beneficial owner	41,225,600(L) (Domestic Shares)	38.51%	-	25.44%
Kintetsu World Express, Inc.	Interest of a controlled corporation	33,619,200(L) (Non-H Foreign Shares)	31.40%	-	20.74%
APL Logistics Ltd. ("APL Logistics")	Beneficial owner	33,619,200(L) (Non-H Foreign Shares)	31.40%	-	20.74%
重慶盧作孚股權基金管理有限公司	Interest of a controlled corporation	32,219,200(L) (Domestic Shares and Non-H Foreign Shares)	30.09%	-	19.88%

Minsheng Industrial (Group) Co., Ltd. ("Minsheng Industrial") *(note 1)*	Beneficial owner	25,774,720(L) (Domestic Shares)	24.07%	-	15.90%
Minsheng Industrial	Interest of a controlled corporation	6,444,480(L) (Non-H Foreign Shares)	6.02%	-	3.98%
Ming Sung Industrial Co., (HK) Limited ("Ming Sung (HK)") *(note 1)*	Beneficial owner	6,444,480(L) (Non-H Foreign Shares)	6.02%	-	3.98%
Pemberton Asian Opportunities Fund	Beneficial owner	5,000,000 (L)	-	9.09%	3.09%
788 China Fund Ltd.	Investment manager	4,000,000 (L)	-	7.27%	2.47%
Mclntyre Steven *(note 2)*	Interest of a controlled corporation	3,423,000(L)	-	6.22%	2.11%
Braeside Investments, LLC *(note 2)*	Investment manager	3,423,000(L)	-	6.22%	2.11%
Braeside Management, LP *(note 2)*	Investment manager	3,423,000(L)	-	6.22%	2.11%

Note 1: *Ming Sung (HK) is the subsidiary of Minsheng Industrial. Mr. Lu Xiaozhong, the Director of the Company, holds 6% of shareholdings of Mingsheng Industrial.*

Note 2: *According to the Corporate Substantial Shareholder Notice filed, Braeside Management, LP is a wholly-owned subsidiary of Braeside Investments, LLC. Mclntyre Steven is the controlling shareholder of Braeside Investments, LLC.*

Note 3: *(L) – long position, (S) – short position, (P) - Lending Pool.*

Save as disclosed in this announcement, as at 30 June 2018, so far as is known to the Directors and chief executive of the Company, there is no person (other than the Directors, chief executive, or Supervisors of the Company) who had interests or short positions in the shares and underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO; or had a direct or indirect interest amounting to 10% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company and/or any subsidiaries of the Company; or are required, pursuant to Section 336 of the SFO, to be entered in the register referred to therein.

SHARE APPRECIATION RIGHT INCENTIVE SCHEME

The share appreciation right incentive scheme of the Company became ineffective since 23 February 2016. Please refer to the 2017 annual report of the Company for further details.

COMPETING INTERESTS

The Company has entered into a non-competition undertaking with each of its shareholders, namely APL Logistics, Minsheng Industrial, Ming Sung (HK) and China Changan, respectively. For details of the non-competition undertakings, please refer to the Prospectus issued on 16 February 2006 and the 2017 Annual Report of the Company.

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

CONTINUING CONNECTED TRANSACTIONS

For the six months ended 30 June 2018, the turnover generated from the continuing connected transactions between the Group and the connected persons (as defined in the Listing Rules) was approximately RMB2,145,515,000 (unaudited) (of which RMB2,109,916,000 was attributable to Changan Automobile and its associates, RMB29,614,000 to China Changan and its associates, RMB1,672,000 to Minsheng Industrial and its associates, and RMB4,313,000 to Nanjing Baogang Zhushang Metal Manufacturing Company Limited),which accounted for approximately 80.85% of the total revenue during the reporting period.

For the six months ended 30 June 2018, the cost of purchasing transportation services from connected persons (as defined in the Listing Rules) was approximately RMB122,755,000 (unaudited) (of which RMB122,755,000 was attributable to Minsheng Industrial and its associates), which accounted for approximately 5.04 % of the cost of sales during the reporting period.

For the six months ended 30 June 2018, the maximum daily balance of deposit (including interests) on a daily basis with Binqi Zhuangbei Group Financial Limited Liability Company was approximately RMB311,940,000 (unaudited).

For the six months ended 30 June 2018, the cost of purchasing security and cleaning services from China Changan and its associates was RMB3,994,000 (unaudited).

For the six months ended 30 June 2018, the cost of purchasing property leasing services from China Changan and its associates was RMB1,082,000 (unaudited).

For the six months ended 30 June 2018, the cost of purchasing maintenance services from Chongqing Changanxin Construction Co., Ltd. and its associates was RMB954,000 (unaudited).

PURCHASE, SALE OR REDEMPTION OF SECURITIES

For the six months ended 30 June 2018, the Company and its subsidiaries had not purchased, sold or redeemed any of the Company's listed securities.

PUBLIC FLOAT

Based on the public information currently available to the Company, the Company met with the public float requirement as stipulated by Listing Rules and as approved by the Stock Exchange throughout the reporting period.

By the Order of the Board
Changan Minsheng APLL Logistics Co., Ltd.
Xie Shikang
Chairman

Chongqing, the PRC
29 August 2018

As at the date of this announcement, the board of directors of the Company comprises: (1) Mr. Xie Shikang, Mr. Lu Xiaozhong, Mr. William K Villalon and Mr. Shi Jinggang as the executive directors; (2) Mr. Tan Hongbin, Mr. Man Hin Wai Paul (also known as Paul Man) and Mr. Li Xin as the non-executive directors; (3) Mr. Chong Teck Sin, Mr. Poon Chiu Kwok, Mr. Jie Jing and Ms. Zhang Yun as independent non-executive directors.

** For identification purpose only*