



2024 Interim Report

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)



* For identification purpose only



HIGHLIGHTS

- For the six months ended 30 June 2024, the unaudited revenue of the Group was approximately RMB4,165,152,715.24, representing an increase of approximately 4.54% from the corresponding period in 2023.
- For the six months ended 30 June 2024, the unaudited revenue attributable to owners of the parent was approximately RMB29,260,117.19, representing an increase of approximately RMB1,125,494.51, compared to the unaudited revenue attributable to owners of the parent of RMB28,134,622.68 from the corresponding period in 2023.
- For the six months ended 30 June 2024, the unaudited basic earnings per share were RMB0.18 (corresponding period in 2023: RMB0.17).
- The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2024.





INTERIM REPORT (UNAUDITED)

The board (the “**Board**”) of directors (the “**Directors**”) of Changan Minsheng APLL Logistics Co., Ltd. (the “**Company**”) hereby announces the unaudited interim condensed consolidated financial information of the Company and its subsidiaries (collectively, the “**Group**”) for the six months ended 30 June 2024 as follows:





Consolidated and Company Balance Sheets

As at 30 June 2024 (RMB)

Item	Note	As at 30 June 2024		As at 31 December 2023	
		Consolidated	Company	Consolidated	Company
Current assets:					
Cash and bank balances	IV.1	1,222,369,687.03	1,011,618,693.23	882,939,512.98	645,371,743.56
Notes receivable	IV.2	750,000.00		36,533.43	36,533.43
Accounts receivable	IV.3	1,740,055,151.16	1,183,229,963.58	1,466,849,212.92	1,002,429,019.90
Receivable financing	IV.4	432,561,224.66	416,528,465.63	776,739,880.82	742,845,558.72
Prepayments	IV.5	19,744,231.39	9,680,470.27	12,126,101.53	7,154,545.81
Other receivables	IV.6	75,241,380.96	77,561,050.39	89,026,316.09	71,415,940.99
Inventories		39,144,544.74	4,937,168.17	28,876,115.92	3,435,208.87
Contract assets	IV.7	342,368,403.53	231,658,933.63	245,138,987.01	132,313,200.30
Non-current assets due within one year					
Other current assets		28,592,579.77	10,756,004.79	168,174,280.84	152,329,029.32
Total current assets		3,900,827,203.24	2,945,970,749.69	3,669,906,941.54	2,757,330,780.90
Non-current assets:					
Long-term equity investments	IV.8	82,677,155.16	1,081,859,608.09	87,353,330.93	1,086,535,783.85
Other equity instruments investment	IV.9	71,580,000.00	71,580,000.00	71,580,000.00	71,580,000.00
Investment properties		32,910,179.32	32,910,179.32	33,544,833.04	33,544,833.04
Fixed assets	IV.10	704,817,024.60	233,817,713.70	728,979,329.43	238,218,648.36
Construction in progress		9,828,458.23	5,765,436.94	9,149,679.44	3,057,518.15
Right-of-use assets	IV.11	180,419,646.43	52,567,120.05	216,669,938.35	61,060,997.49
Intangible assets	IV.12	263,008,650.25	118,887,996.54	273,459,834.67	126,233,857.94
Goodwill	IV.13	5,016,185.42	2,222,222.00	5,016,185.42	2,222,222.00
Long-term deferred expenses		14,376,486.19	3,178,478.70	7,716,106.11	3,526,657.86
Deferred tax assets		60,923,485.89	48,808,578.54	63,796,465.44	52,489,373.41
Other non-current assets		55,600,685.87	55,600,685.87	7,239,124.15	7,239,124.15
Total non-current assets		1,481,157,957.36	1,707,198,019.75	1,504,504,826.98	1,685,709,016.25
TOTAL ASSETS		5,381,985,160.59	4,653,168,769.44	5,174,411,768.52	4,443,039,797.15

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Consolidated and Company Balance Sheets (Continued)

As at 30 June 2024 (RMB)

Item	Note	As at 30 June 2024		As at 31 December 2023	
		Consolidated	Company	Consolidated	Company
Current Liabilities:					
Short-term loans	IV.14	45,011,877.78		26,526,864.44	
Notes payable	IV.15	486,296,197.01	454,146,356.19	532,579,693.95	505,288,280.58
Accounts payable	IV.16	1,785,500,793.46	1,358,456,690.44	1,518,537,172.85	1,150,556,744.51
Contract liabilities	IV.17	18,548,839.16	15,887,526.83	13,315,099.27	10,832,122.30
Employee benefits payable		107,324,301.65	82,643,447.94	158,152,027.89	117,903,409.40
Taxes payable		53,871,368.13	34,249,594.06	34,615,423.85	12,502,283.67
Other payables	IV.18	355,197,420.62	866,415,351.04	313,506,475.20	779,591,479.22
Non-current liabilities due within one year	IV.19	111,966,497.53	20,810,166.79	117,995,287.03	33,388,833.60
Other current liabilities		8,531,369.57	4,415,399.51	14,313,616.86	8,015,393.89
Total current liabilities		2,972,248,664.91	2,837,024,532.80	2,729,541,661.34	2,618,078,547.17
Non-current liabilities:					
Long-term loans	IV.20	69,326,524.99		97,515,898.76	
Lease liabilities	IV.21	126,413,107.24	30,845,778.70	137,552,585.90	26,393,269.25
Provisions		7,284,335.34	7,284,335.34	360,560.00	
Deferred income		12,717,263.81	11,312,247.07	13,141,084.85	11,312,247.07
Deferred tax liabilities		6,693,238.02	4,173,611.18	6,724,905.82	4,175,219.19
Other non-current liabilities		8,727.20	8,727.20	11,227.20	11,227.20
Total non-current liabilities		222,443,196.60	53,624,699.49	255,306,262.53	41,891,962.71
TOTAL LIABILITIES		3,194,691,861.51	2,890,649,232.29	2,984,847,923.87	2,659,970,509.88
Share capital	IV.22	162,064,000.00	162,064,000.00	162,064,000.00	162,064,000.00
Capital reserve		64,912,746.56	72,951,671.45	67,113,845.09	75,152,769.98
Other comprehensive income		22,572,515.00	22,572,515.00	22,572,515.00	22,572,515.00
Specific reserve		11,391,007.37	69,254.88	10,251,350.13	60,947.25
Surplus reserve		85,867,093.00	85,867,093.00	85,867,093.00	85,867,093.00
Undistributed profits		1,665,231,837.90	1,418,995,002.82	1,668,384,520.71	1,437,351,962.04
Total shareholders' equity attributable to the parent		2,012,039,199.83	1,762,519,537.15	2,016,253,323.93	1,783,069,287.27
Minority interests		175,254,099.25		173,310,520.72	
Total shareholders' (or owners') equity		2,187,293,299.08	1,762,519,537.15	2,189,563,844.65	1,783,069,287.27
Total liabilities and shareholders' (or owners') equity		5,381,985,160.59	4,653,168,769.44	5,174,411,768.52	4,443,039,797.15





Consolidated and Company Income Statements

For the six months ended 30 June 2024 (RMB)

Item	Note	For the six months ended 30 June 2024		For the six months ended 30 June 2023	
		Consolidated	Company	Consolidated	Company
I. Revenue from operations	IV.23	4,165,152,715.24	2,984,131,633.96	3,984,312,286.73	2,986,520,135.93
Less: Cost of operations	IV.23	3,974,282,672.99	2,888,007,276.30	3,809,377,663.94	2,900,749,280.76
Taxes and surcharges		14,130,198.78	10,073,904.57	12,562,870.18	9,913,863.70
Selling expenses		26,329,695.79	11,085,166.15	24,679,130.85	10,090,932.03
Administrative expenses		100,182,650.19	57,089,467.37	105,617,198.42	45,977,577.28
Research and development expenses		12,077,612.34	1,174,178.32	13,797,929.35	13,797,929.35
Financial expense		2,205,122.98	1,907,383.96	-110,368.18	265,671.88
Including: Interest expenses		8,552,747.43	3,689,484.75	7,864,863.50	2,834,515.26
Interest income		10,805,283.91	5,276,752.20	10,027,486.24	4,812,726.16
Add: Other income		7,354,174.18	81,307.95	9,110,570.44	4,399,541.91
Investment income ("-" for loss)		-3,298,517.12	-2,178,517.12	-922,788.52	8,457,211.48
Including: Gains from investments in associates and joint ventures		-2,475,077.24	-2,475,077.24	-922,788.52	-922,788.52
Gain from derecognition of financial assets at amortized cost ("-" for loss)					
Credit impairment loss ("-" for loss)		3,901,209.34	4,160,073.03	-1,062,770.47	-319,230.08
Assets impairment loss ("-" for loss)		-1,924,622.98	288,871.47	127,346.50	-338,942.70
Gain from disposal of assets ("-" for loss)		653,892.47	710,785.40	176,306.53	162,169.47
II. Operating profit ("-" for loss)		42,630,898.06	17,856,778.02	25,816,526.65	18,085,631.01
Add: Non-operating income		1,093,240.61	313,647.21	12,324,259.46	9,967,113.32
Less: Non-operating expenses		403,397.74	435,397.59	4,016,294.14	3,505,081.75
III. Total profit ("-" for loss)		43,320,740.93	17,735,027.64	34,124,491.97	24,547,662.58
Less: Income tax expenses	IV.24	12,101,446.53	3,679,186.86	5,947,634.51	-345,851.46

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Consolidated and Company Income Statements (Continued)

For the six months ended 30 June 2024 (RMB)

Item	Note	For the six months ended 30 June 2024		For the six months ended 30 June 2023	
		Consolidated	Company	Consolidated	Company
IV. Net profit ("-" for net loss)		31,219,294.40	14,055,840.78	28,176,857.46	24,893,514.04
(I) Classified by continuity of operations:					
Including: Net profit from continuing operations ("-" for net loss)		31,219,294.40	14,055,840.78	28,176,857.46	24,893,514.04
Net profit from discontinued operations ("-" for net loss)					
(II) Classified by attribution to ownership:					
Including: Net profit attributable to shareholders of the parent ("-" for net loss)		29,260,117.19	14,055,840.78	28,134,622.68	24,893,514.04
Net profit attributable to minority interests ("-" for net loss)		1,959,177.21		42,234.78	
V. Other comprehensive income - after tax					
Other comprehensive income - after tax attributable to shareholders of the parent					
Other comprehensive income - after tax attributable to minority interests					
VI. Total comprehensive income		31,219,294.40	14,055,840.78	28,176,857.46	24,893,514.04
Total comprehensive income attributable to shareholders of the parent		29,260,117.19	14,055,840.78	28,134,622.68	24,893,514.04
Total comprehensive income attributable to minority interests		1,959,177.21		42,234.78	
VII. Earnings per share					
(I) Basic earnings per share			0.18		0.17
(II) Diluted earnings per share			0.18		0.17





Consolidated and Company Cash Flows Statements

For the six months ended 30 June 2024 (RMB)

Item	Note	For the six months ended 30 June 2024		For the six months ended 30 June 2023	
		Consolidated	Company	Consolidated	Company
I. Cash flows from operating activities:					
Cash received from sales of goods or rendering of services		5,359,332,518.45	3,865,130,270.48	4,989,580,038.58	3,895,925,678.83
Tax refund received		931,658.63	1,633.53	2,013,655.35	42,190.63
Other cash received relating to operating activities		59,988,994.15	639,477,944.58	310,991,541.27	799,361,375.73
Sub-total of cash inflows		5,420,253,171.23	4,504,609,848.59	5,302,585,235.20	4,695,329,245.19
Cash paid for goods and services		4,492,818,512.04	3,237,573,092.19	4,383,703,828.94	3,406,475,346.95
Cash paid to and on behalf of employees		382,434,186.10	266,868,636.34	385,854,242.44	283,507,719.43
Payments of all types of taxes		63,088,860.79	37,837,122.83	57,629,466.84	38,125,555.51
Other cash paid relating to operating activities		145,115,635.88	640,089,643.60	154,949,023.77	635,974,608.20
Sub-total of cash outflows		5,083,457,194.81	4,182,368,494.96	4,982,136,561.99	4,364,083,230.09
Net cash flows from operating activities		336,795,976.42	322,241,353.63	320,448,673.21	331,246,015.10
II. Cash flows from investing activities:					
Cash received from disposal of investments		150,000,000.00	150,000,000.00		
Cash received from returns on investments			1,120,000.00		9,380,000.00
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		2,729,507.65	3,072,331.55	490,632.88	157,822.30
Cash received from disposal of subsidiaries and other business units					
Other cash received relating to investing activities		1,237.20		8,700.34	
Sub-total of cash inflows		152,730,744.85	154,192,331.55	499,333.22	9,537,822.30
Cash paid to acquire fixed assets, intangible assets and other long-term assets		32,617,260.59	11,501,033.55	44,537,004.91	9,710,234.49
Cash paid to acquire investments		50,000,000.00	50,000,000.00		
Cash paid to acquire subsidiaries and other business units					
Other cash paid relating to investing activities		59,039.42	59,039.42	28,000.00	28,000.00
Sub-total of cash outflows		82,676,300.01	61,560,072.97	44,565,004.91	9,738,234.49
Net cash flows from investing activities		70,054,444.84	92,632,258.58	-44,065,671.69	-200,412.19

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Consolidated and Company Cash Flows Statements (Continued)

For the six months ended 30 June 2024 (RMB)

Item	Note	For the six months ended 30 June 2024		For the six months ended 30 June 2023	
		Consolidated	Company	Consolidated	Company
III. Cash flows from financing activities :					
Cash received from capital contribution					
Including: Cash received from investment by minority interests of subsidiaries					
Cash received from borrowings		55,643,581.00		58,000,000.00	
Cash received from bonds issuance					
Cash received relating to other financing activities					
Sub-total of cash inflows		55,643,581.00		58,000,000.00	
Cash repayments of amounts borrowed		46,995,546.57		28,280,010.59	
Cash payments for interest expenses and distribution of dividends or profits		3,268,258.45		7,529,354.89	
Including: Dividend paid to minority interests of subsidiaries		480,000.00		4,620,000.00	
Other cash payments relating to financing activities		49,844,867.07	25,601,954.37	21,985,660.00	
Sub-total of cash outflows		100,108,672.09	25,601,954.37	57,795,025.48	
Net cash flows from financing activities		-44,465,091.09	-25,601,954.37	204,974.52	
IV. Effect of foreign exchange rate changes on cash		2,329.65	52,777.60	3,619,634.39	2,903,980.63
V. Net increase in cash and cash equivalents		362,387,659.82	389,324,435.44	280,207,610.43	333,949,583.54
Add: Opening balance of cash and cash equivalent		849,334,512.98	615,071,743.56	755,716,815.13	409,692,145.31
VI. Closing balance of cash and cash equivalent		1,211,722,172.80	1,004,396,179.00	1,035,924,425.56	743,641,728.85





Consolidated Statement of Changes in Equity

For the six months ended 30 June 2024 (RMB)

2024									
Equity attributable to the shareholders of parent company									
Item	Share capital	Capital reserve	Treasury shares	Less: Other comprehensive income	Special reserve	Surplus reserve	Undistributed profits	Minority interests	Total shareholders' equity
I. Balance at end of previous year	162,064,000.00	67,113,845.09		22,572,515.00	10,251,350.13	85,867,093.00	1,668,384,520.71	173,310,520.72	2,189,563,844.65
Add: Changes in accounting policies									
Correction of errors									
Business combination under common control									
Others									
II. Balance in beginning of year	162,064,000.00	67,113,845.09		22,572,515.00	10,251,350.13	85,867,093.00	1,668,384,520.71	173,310,520.72	2,189,563,844.65
III. Movement over the year ("-" for loss)									
(I) Total comprehensive income					1,139,657.24		-3,152,682.81	1,943,578.53	-2,270,545.57
(II) Contributions from shareholders and reduction of capital							29,260,117.19	1,959,177.21	31,219,294.40
1. Capital contribution from shareholders									
2. Increase in shareholders' equity resulted from share-based payments									
3. Others									
(III) Appropriation of profits									
1. Transfer to surplus reserve								-480,000.00	-32,892,800.00
2. Distributions to shareholders									
3. Others									
(IV) Transfer within shareholders' equity									
1. Capital reserve converting into share capital									
2. Surplus reserve converting into share capital									
3. Surplus reserve cover the deficit									
4. Other comprehensive income transfer to retained earnings									
5. Others									
(V) Specific reserve									
1. Appropriation for the year					1,139,657.24			464,401.32	1,604,058.56
2. Used in the year					1,265,189.98			534,112.16	1,799,302.14
(VI) Others					-125,532.74			-69,710.84	-195,243.58
IV. Balance at end of year	162,064,000.00	64,912,746.56		22,572,515.00	11,391,007.37	85,867,093.00	1,665,231,837.90	175,254,099.25	2,187,293,299.08





Consolidated Statement of Changes in Equity

For the six months ended 30 June 2024 (RMB)

Item	Equity attributable to the shareholders of parent company							Total shareholders' equity	
	Share capital	Capital reserve	Treasury shares	Less: Other comprehensive income	Special reserve	Surplus reserve	Undistributed profits		Minority interests
I. Balance at end of previous year	162,064,000.00	66,907,278.00		22,929,515.00	11,479,081.74	85,867,093.00	1,636,555,790.69	176,070,582.49	2,161,873,340.92
Add: Changes in accounting policies									
Correction of errors									
Business combination under common control									
Others									
II. Balance in beginning of year	162,064,000.00	66,907,278.00		22,929,515.00	11,479,081.74	85,867,093.00	1,636,555,790.69	176,070,582.49	2,161,873,340.92
III. Movement over the year ("-" for loss)									
(I) Total comprehensive income					3,758,017.75		28,134,622.68	-4,432,460.60	27,460,179.83
(II) Contributions from shareholders and reduction of capital							28,134,622.68	42,234.78	28,176,857.46
1. Capital contribution from shareholders									
2. Increase in shareholders' equity resulted from share-based payments									
3. Others									
(III) Appropriation of profits								-4,620,000.00	-4,620,000.00
1. Transfer to surplus reserve									
2. Distributions to shareholders									
3. Others									
(IV) Transfer within shareholders' equity									
1. Capital reserve converting into share capital									
2. Surplus reserve converting into share capital									
3. Surplus reserve cover the deficit									
4. Other comprehensive income transfer to retained earnings									
5. Others								145,304.62	3,903,322.37
(V) Specific reserve					3,758,017.75			190,873.06	4,029,238.85
1. Appropriation for the year					3,838,365.79			-45,568.44	-125,916.48
2. Used in the year					-80,348.04				
(VI) Others									
IV. Balance at end of year	162,064,000.00	66,907,278.00		22,929,515.00	15,237,099.49	85,867,093.00	1,664,690,413.37	171,638,121.89	2,189,333,520.75



Company Statement of Changes in Equity

For the six months ended 30 June 2024 (RMB)

Item	2024							Total shareholders' equity
	Share capital	Capital reserve	Less: Treasury shares	Other comprehensive income	Special reserve	Surplus reserve	Undistributed profits	
I. Balance at end of previous year	162,064,000.00	75,152,769.98		22,572,515.00	60,947.25	85,867,093.00	1,437,351,962.04	1,783,069,287.27
Add: Changes in accounting policies								
Correction of errors								
Others								
II. Balance in beginning of year	162,064,000.00	75,152,769.98		22,572,515.00	60,947.25	85,867,093.00	1,437,351,962.04	1,783,069,287.27
III. Movement over the year ("+" for loss)		-2,201,098.53			8,307.63		-18,356,959.22	-20,549,750.12
(I) Total comprehensive income							14,055,840.78	14,055,840.78
(II) Contributions from shareholders and reduction of capital								
1. Capital contribution from shareholders								
2. Increase in shareholders' equity resulted from share-based payments								
3. Others								
(III) Appropriation of profits								
1. Transfer to surplus reserve								
2. Distributions to shareholders								
3. Others								
(IV) Transfer within shareholders' equity								
1. Capital reserve converting into share capital								
2. Surplus reserve converting into share capital								
3. Surplus reserve cover the deficit								
4. Other comprehensive income transfer to retained earnings								
5. Others								
(V) Specific reserve								
1. Appropriation for the year								
2. Used in the year								
(VI) Others								
IV. Balance at end of year	162,064,000.00	72,951,671.45		22,572,515.00	69,254.88	85,867,093.00	1,418,995,002.82	1,762,519,537.15



Company Statement of Changes in Equity

For the six months ended 30 June 2024 (RMB)

Item	2023						Total shareholders' equity	
	Share capital	Capital reserve	Less: Treasury shares	Other comprehensive income	Special reserve	Surplus reserve		Undistributed profits
I. Balance at end of previous year	162,064,000.00	75,150,257.00		22,929,515.00	2,895,359.25	85,867,093.00	1,418,004,660.06	1,766,910,884.31
Add: Changes in accounting policies								
Correction of errors								
Others								
II. Balance in beginning of year	162,064,000.00	75,150,257.00		22,929,515.00	2,895,359.25	85,867,093.00	1,418,004,660.06	1,766,910,884.31
III. Movement over the year ("+" for loss)					2,192,636.85		24,893,514.04	27,086,150.89
(I) Total comprehensive income					2,192,636.85		24,893,514.04	24,893,514.04
(II) Contributions from shareholders and reduction of capital								
1. Capital contribution from shareholders								
2. Increase in shareholders' equity resulted from share-based payments								
3. Others								
(III) Appropriation of profits								
1. Transfer to surplus reserve								
2. Distributions to shareholders								
3. Others								
(IV) Transfer within shareholders' equity								
1. Capital reserve converting into share capital								
2. Surplus reserve converting into share capital								
3. Surplus reserve cover the deficit								
4. Other comprehensive income transfer to retained earnings								
5. Others								
(V) Specific reserve					2,192,636.85			2,192,636.85
1. Appropriation for the year					2,192,636.85			2,192,636.85
2. Used in the year								
(VI) Others								
IV. Balance at end of year	162,064,000.00	75,150,257.00		22,929,515.00	5,087,996.10	85,867,093.00	1,442,898,174.10	1,793,997,035.20





Notes to Financial Statements

I. Company information

The Company was established domestically on 27 August 2001. It became a Sino-foreign joint venture in 2002 and was restructured into a joint stock limited company on 31 December 2004. On 23 February 2006, the Company's H-shares were listed and traded on the Growth Enterprise Market ("GEM") of the Stock Exchange of Hong Kong Limited (the "Stock Exchange"). On 18 July 2013, they were transferred from the GEM to the Main Board of the Stock Exchange. The place of registration is in Yubei District, Chongqing, the People's Republic of China (the "PRC").

As of 30 June 2024, the total number of shares of the Company is 162,064,000.00 shares. The Company's business term started on 27 August 2001, and has no fixed term.

The Group is primarily engaged in providing finished vehicle transportation services, automotive raw materials and parts supply chain management services, transportation services for non-automotive goods, production and sales of packaging materials, as well as tire packaging, and tire sales.

The interim condensed consolidated financial information has not been audited.

II. Basis of preparation of financial statements

The financial statements are prepared in accordance with the Accounting Standards for Business Enterprises and guidelines, interpretations and other related provisions promulgated by the Ministry of Finance (collectively, "Accounting Standards for Business Enterprises").

The consolidated financial statements have been prepared on going concern basis.

The Group adopts the accrual basis of accounting. The financial statements are prepared under the historical cost convention. In the event that impairment of assets occurs, a provision for impairment is made accordingly in accordance with the relevant regulations.

The new Hong Kong Companies Ordinance came into effect in 2015, and these financial statements have been adjusted in accordance with the requirements of the Hong Kong Companies Ordinance.





Notes to Financial Statements

III. Taxation

1. Major taxes and their tax rates

Taxes	Tax basis	Statutory tax rate %
Value-added tax	VAT taxable amount	13, 9 or 6
Urban maintenance and construction tax	Actual turnover tax paid	7 or 1
Education surcharge	Actual turnover tax paid	3
Local education surcharge	Actual turnover tax paid	2
Enterprise income tax	Subject to taxable profit	25

Details are in below:

Entity	Income tax rate %
Changan Minsheng APLL Logistics Co., Ltd. (重慶長安民生物流股份有限公司)	15.00
Chongqing Changan Minsheng Boyu Transportation Co., Ltd. (重慶長安民生博宇運輸有限公司)	15.00
Fulu International Logistics Co., Ltd. (福路國際物流有限公司)	25.00
Chongqing Saimei Digital Intelligence Technology Co., Ltd. (重慶賽美數智科技有限公司)	15.00
Chongqing Changzu Feiyue Technology Co., Ltd. (重慶長足飛越科技有限公司)	15.00
Chongqing Fuji Supply Chain Management Co., Ltd. (重慶福集供應鏈管理有限公司)	25.00
Chongqing Changxiang Supply Chain Technology Co., Ltd. (重慶長享供應鏈科技有限公司)	15.00
Nanjing Changan Minsheng Zhujiu Logistics Co., Ltd. (南京長安民生住久物流有限公司)	25.00
Changan Minsheng (Shanghai) Supply Chain Co., Ltd. (長安民生(上海)供應鏈有限公司)	25.00
Hangzhou Changan Minsheng Logistics Co., Ltd. (杭州長安民生物流有限公司)	25.00
Wuhan Changjiang Intelligent Port Development Co., Ltd. (武漢長江智聯港口發展有限公司)	25.00
Shenyang Changyou Supply Chain Co., Ltd. (瀋陽長友供應鏈有限公司)	15.00



Notes to Financial Statements



2. Tax incentives and approval documents

According to Announcement No. 23 of 2020 issued by the Ministry of Finance, the State Administration of Taxation, and the National Development and Reform Commission on “Announcement on the Continuation of Enterprise Income Tax Policies for the Development of the Western Region”, from 1 January 2021 to 31 December 2030, enterprises in encouraged industries located in the western region are subject to a reduced enterprise income tax rate of 15%. The Company, Chongqing Changan Minsheng Boyu Transportation Co., Ltd. (重慶長安民生博宇運輸有限公司), Chongqing Changxiang Supply Chain Technology Co., Ltd. (重慶長享供應鏈科技有限公司), Chongqing Saimei Digital Intelligence Technology Co., Ltd. (重慶賽美數智科技有限公司) are subject to a 15% enterprise income tax rate for calculating its payable enterprise income tax.

According to Announcement No. 13 of 2022 issued by the Ministry of Finance and the State Administration of Taxation on “Announcement on Further Implementation of Preferential Policies for Small and Micro Enterprises Income Tax”, from 1 January 2022 to 31 December 2024, for small and micro enterprises with annual taxable income exceeding RMB1 million but not exceeding RMB3 million, 25% of the portion exceeding RMB1 million and up to RMB3 million is deducted from the taxable income, and the enterprise income tax is levied at a rate of 20%. Fulu International Logistics Co., Ltd. (福路國際物流有限公司) enjoys the preferential income tax exemption policy for small and micro enterprises.

According to the “Administrative Measures for the Recognition of High-tech Enterprises” jointly promulgated by the Ministry of Science and Technology, the Ministry of Finance, and the State Administration of Taxation in April 2008, and the high-tech enterprises recognized in the “National Key Supported High-tech Fields”, technology service enterprises recognized as high-tech enterprises can be subject to a reduced enterprise income tax rate of 15% in accordance with the new “Enterprise Income Tax Law” and its “Implementation Regulations”, the “PRC Tax Collection and Administration Law”, and the “Implementation Rules of the PRC Tax Collection and Administration Law” implemented since 1 January 2008. Chongqing Changzu Feiyue Technology Co., Ltd. (重慶長足飛越科技有限公司) and Shenyang Changyou Supply Chain Co., Ltd. (瀋陽長友供應鏈有限公司) are classified as high-tech enterprises, with an enterprise income tax rate of 15%.

Other subsidiaries of the Company are subject to the enterprise income tax rate of 25%.

IV. Notes to the items of consolidated financial statements

1. Cash and bank balances

Item	Closing balance	Beginning balance
Cash on hand		138,637.03
Cash at bank	1,043,389,335.10	702,050,146.27
Deposits in the finance company	175,555,351.93	177,445,729.68
Other monetary funds	3,425,000.00	3,305,000.00
Total	1,222,369,687.03	882,939,512.98

Note: At the end of the period, the Company had restricted funds frozen by court amounted to RMB7,222,514.23, and deposits for bank acceptance bills amounted to RMB3,425,000.00.





Notes to Financial Statements

2. Notes receivable

Category	Closing balance			Beginning balance		
	Book balance	Provision for bad debts	Carrying amount	Book balance	Provision for bad debts	Carrying amount
Bank acceptance bills	700,000.00		700,000.00			
Commercial acceptance bills	50,000.00		50,000.00	36,570.00	36.57	36,533.43
Total	750,000.00		750,000.00	36,570.00	36.57	36,533.43

3. Accounts receivable

Ageing	Closing balance	Beginning balance
0-3 months	1,632,382,638.80	1,378,720,144.29
4-6 months	57,085,644.64	43,053,036.47
7-12 months	21,398,358.13	33,075,436.09
1-2 years	36,724,370.41	19,664,317.21
2-3 years	3,938,318.19	5,976,331.29
Over 3 years	77,478,644.83	79,297,037.89
Subtotal	1,829,007,975.00	1,559,786,303.24
Less: Provision for bad debts	88,952,823.84	92,937,090.32
Total	1,740,055,151.16	1,466,849,212.92

4. Receivables financing

Item	Closing balance	Beginning balance
Notes receivable	419,038,079.16	774,531,760.51
Notes receivable from BYD e-platform	13,523,145.50	2,208,120.31
Subtotal	432,561,224.66	776,739,880.82
Less: Other comprehensive income-Changes in fair value		
Fair value at year end	432,561,224.66	776,739,880.82





Notes to Financial Statements

5. Prepayments

Ageing	Closing balance		Beginning balance	
	Amount	Ratio %	Amount	Ratio %
0-3 months	13,336,809.70	63.74	8,102,050.06	59.25
4-6 months	3,084,660.75	14.74	845,363.13	6.18
7-12 months	1,279,310.67	6.11	2,805,966.76	20.52
1-2 years	2,233,069.66	10.67	960,915.00	7.03
2-3 years	46,275.41	0.22	892,501.15	6.52
Over 3 years	945,070.05	4.52	67,843.90	0.50
Subtotal	20,925,196.24	100.00	13,674,640.00	100.00
Less: Provision for bad debts	1,180,964.85		1,548,538.47	
Total	19,744,231.39		12,126,101.53	

6. Other receivables

Item	Closing balance	Beginning balance
Interest receivable		
Dividends receivable		
Other receivables	75,241,380.96	89,026,316.09
Total	75,241,380.96	89,026,316.09

(1) Other receivables

(i) Disclosure by ageing

Ageing	Closing balance	Beginning balance
0-6 months	23,086,244.34	48,645,349.08
7-12 months	22,829,716.48	7,528,055.12
1-2 years	11,066,219.55	9,528,816.71
2-3 years	7,305,008.39	11,155,535.95
Over 3 years	14,696,904.46	15,828,214.35
Subtotal	78,984,093.22	92,685,971.21
Less: Provision for bad debts	3,742,712.26	3,659,655.12
Total	75,241,380.96	89,026,316.09





Notes to Financial Statements

(ii) Disclosure by nature

Item	Closing balance			Beginning balance		
	Book balance	Provision for bad debts	Carrying amount	Book balance	Provision for bad debts	Carrying amount
Security deposits, deposit	60,844,216.78	603,638.10	60,240,578.68	71,291,739.44	732,951.75	70,558,787.69
Current accounts	3,956,425.80	2,751,503.53	1,204,922.27	3,737,087.59	2,573,276.09	1,163,811.50
Advances for taxes and expenses	2,926,191.30	75,879.27	2,850,312.03	539,185.64	37,421.70	501,763.94
Staff petty cash borrowing	1,989,069.34		1,989,069.34	159,100.00		159,100.00
Withholding for sale and purchase of goods				43,810.00	1,698.46	42,111.54
Others	9,268,190.00	311,691.36	8,956,498.64	16,915,048.54	314,307.12	16,600,741.42
Total	78,984,093.22	3,742,712.26	75,241,380.96	92,685,971.21	3,659,655.12	89,026,316.09

7. Contract assets

Item	Closing balance			Beginning balance		
	Book balance	Provision for impairment	Carrying amount	Book balance	Provision for impairment	Carrying amount
Logistics services not completed and settled	345,127,287.41	2,758,883.88	342,368,403.53	245,605,637.72	466,650.71	245,138,987.01
Subtotal	345,127,287.41	2,758,883.88	342,368,403.53	245,605,637.72	466,650.71	245,138,987.01
Less: Contract assets as presented as other non-current assets						
Total	345,127,287.41	2,758,883.88	342,368,403.53	245,605,637.72	466,650.71	245,138,987.01



Notes to Financial Statements



8. Long-term equity investment

Investee	Beginning balance (carrying amount)	Beginning balance of provision for impairment	Movement in the year					Closing balance of provision for impairment	
			Additions in investment	Decrease in investment	Investment income/loss recognized under equity method	Adjustment of other comprehensive income	Changes of other equity		Announced distribution of cash dividend or profit
① Joint ventures									
Hangzhou Changhe									
Anji Supply Chain Management Co., Ltd. (杭州长合安吉供应链管理有限公司) (Note)	12,747,661.95			-1,256,254.83					11,481,407.12
② Associates									
Chongqing Guoyuan RoRo Terminal Co., Ltd. (重慶果園滾裝碼頭有限公司)	74,605,668.98			-1,208,822.41		-2,201,098.53			71,195,748.04
Total	87,353,330.93			-2,475,077.24		-2,201,098.53			82,677,155.16

Note: On 22 May 2024, the third interim shareholders' meeting of Hangzhou Changhe Anji Supply Chain Management Co., Ltd. passed the resolution on the liquidation and cancellation of the joint venture company, and agreed to liquidate Hangzhou Changhe Anji Supply Chain Management Co., Ltd. on 31 May 2024 as the base date. As of the date of this report, liquidation has not been completed.





Notes to Financial Statements

9. Other equity instruments investment

Item	Closing balance	Beginning balance
China South Industries Group Finance Co., Ltd. (兵器裝備集團財務有限責任公司)	71,580,000.00	71,580,000.00

Note: Due to the strategic purpose of long-term holding planned by the Company, China South Industries Group Finance Co., Ltd. (兵器裝備集團財務有限責任公司) is designated by the Company as a financial asset measured at fair value through other comprehensive income, with changes recognized in other comprehensive income.

10. Fixed assets

Item	Closing balance	Beginning balance
Fixed assets	704,283,313.43	728,808,090.70
Fixed assets for disposal	533,711.17	171,238.73
Total	704,817,024.60	728,979,329.43





Notes to Financial Statements

(1) Fixed assets

Item	Housing and buildings	Machinery and equipment	Motor vehicles	Electronics and office equipment	Total
I. Book value:					
1.Beginning balance	822,878,191.12	498,422,229.31	179,438,596.89	88,614,579.36	1,589,353,596.68
2.Increase		26,597,151.96	2,373,662.96	4,500,891.10	33,471,706.02
(1) Purchase		26,597,151.96	2,004,445.22	4,482,016.10	33,083,613.28
(2) Transfer from construction in progress			369,217.74	18,875.00	388,092.74
3.Decrease	3,429,498.00	6,023,713.51	18,128,947.90	7,344,126.23	34,926,285.64
(1) Disposal or scrap	3,429,498.00	6,023,713.51	18,128,947.90	7,344,126.23	34,926,285.64
4.Closing balance	819,448,693.12	518,995,667.76	163,683,311.95	85,771,344.23	1,587,899,017.06
II. Accumulated depreciation					
1.Beginning balance	391,155,483.38	229,297,029.02	166,741,834.95	72,017,082.64	859,211,429.99
2.Increase	15,695,189.60	32,622,481.42	1,986,292.72	5,130,501.27	55,434,465.01
(1) Provision	15,695,189.60	32,622,481.42	1,986,292.72	5,130,501.27	55,434,465.01
3.Decrease	3,322,859.64	5,715,545.16	17,014,614.02	6,311,248.54	32,364,267.36
(1) Disposal or scrap	3,322,859.64	5,715,545.16	17,014,614.02	6,311,248.54	32,364,267.36
4.Closing balance	403,527,813.34	256,203,965.28	151,713,513.65	70,836,335.37	882,281,627.64
III. Provision for impairment					
1.Beginning balance		248,133.43	1,085,942.56		1,334,075.99
2.Increase					
(1) Provision					
3.Decrease					
(1) Disposal or scrap					
4.Closing balance		248,133.43	1,085,942.56		1,334,075.99
IV. Carrying amount					
1.Carrying value at the end of the period	415,920,879.78	262,543,569.05	10,883,855.74	14,935,008.86	704,283,313.43
2.Carrying value at beginning of year	431,722,707.74	268,877,066.86	11,610,819.38	16,597,496.72	728,808,090.70





Notes to Financial Statements

(2) Fixed assets for disposal

Item	Closing balance	Beginning balance	Reason for disposal
Machinery and equipment	113,778.36	3,877.08	Not in use
Motor vehicles	208,619.80	139,985.50	Not in use
Electronics and office equipment	196,700.22	26,885.59	Not in use
Other equipment	14,612.79	490.56	Not in use
Total	533,711.17	171,238.73	

11. Right-of-use assets

Item	Housing and buildings	Machinery and equipment	Motor vehicles	Total
I. Book value:				
1.Beginning balance	286,848,082.26	18,810,983.88	3,337,677.29	308,996,743.43
2.Increase	19,644,237.44			19,644,237.44
(1) Additions by lease in	19,644,237.44			19,644,237.44
3.Decrease	43,364,540.98		1,434,659.38	44,799,200.36
(1) Disposal	43,364,540.98		1,434,659.38	44,799,200.36
4.Closing balance	263,127,778.72	18,810,983.88	1,903,017.91	283,841,780.51
II. Accumulated depreciation				
1.Beginning balance	81,435,588.54	8,387,968.15	2,503,248.39	92,326,805.08
2.Increase	28,067,225.56	2,817,825.21	491,724.17	31,376,774.94
(1) Provision	28,067,225.56	2,817,825.21	491,724.17	31,376,774.94
3.Decrease	18,846,786.56		1,434,659.38	20,281,445.94
(1) Disposal	18,846,786.56		1,434,659.38	20,281,445.94
4.Closing balance	90,656,027.54	11,205,793.36	1,560,313.18	103,422,134.08
III. Provision for impairment				
1.Beginning balance				
2.Increase				
3.Decrease				
4.Closing balance				
IV. Carrying amount				
1.Carrying value at the end of the period	172,471,751.18	7,605,190.52	342,704.73	180,419,646.43
2.Carrying value at beginning of year	205,412,493.72	10,423,015.73	834,428.90	216,669,938.35





Notes to Financial Statements

12. Intangible assets

Item	Land use rights	Software	Trademark	Patent	Total
I. Book value					
1.Beginning balance	327,788,321.41	166,886,826.91	107,000.00	48,928.19	494,831,076.51
2.Increase		3,120,603.11			3,120,603.11
(1) Purchase		2,648,904.99			2,648,904.99
(2) Other increase		471,698.12			471,698.12
3.Decrease		4,976,113.72			4,976,113.72
(1) Disposal		4,976,113.72			4,976,113.72
4.Closing balance	327,788,321.41	165,031,316.30	107,000.00	48,928.19	492,975,565.90
II. Accumulated amortisation					
1.Beginning balance	84,030,873.59	137,225,105.34	107,000.00	8,262.91	221,371,241.84
2.Increase	3,446,716.66	9,130,794.97		2,446.20	12,579,957.83
(1) Provision	3,446,716.66	9,130,794.97		2,446.20	12,579,957.83
3.Decrease	11,246.45	3,973,037.57			3,984,284.02
(1) Disposal	11,246.45	3,973,037.57			3,984,284.02
4.Closing balance	87,466,343.80	142,382,862.74	107,000.00	10,709.11	229,966,915.65
III. Provision for impairment					
1.Beginning balance					
2.Increase					
3.Decrease					
4.Closing balance					
IV. Carrying amount					
1.Carrying value at the end of the period	240,321,977.61	22,648,453.56		38,219.08	263,008,650.25
2.Carrying value at beginning of year	243,757,447.82	29,661,721.57		40,665.28	273,459,834.67





Notes to Financial Statements

13. Goodwill

Investee or matters formed the goodwill	Beginning balance	Increase	Decrease	Closing balance
Vehicle transportation service unit	5,016,185.42			5,016,185.42

14. Short-term loans

Item	Closing balance	Beginning balance
Unsecured loans	45,011,877.78	26,526,864.44

15. Notes payable

Category	Closing balance	Beginning balance
Bank acceptance bills	486,296,197.01	532,579,693.95

16. Accounts payable

Item	Closing balance	Beginning balance
0-3 months	1,679,934,209.92	1,477,535,445.25
4-6 months	38,261,472.13	18,571,697.85
7-12 months	49,990,757.67	7,678,455.48
1-2 years	10,179,395.41	9,934,813.68
2-3 years	4,984,049.01	2,731,544.61
Over 3 years	2,150,909.32	2,085,215.98
Total	1,785,500,793.46	1,518,537,172.85

17. Contract liabilities

Item	Closing balance	Beginning balance
Advance receipts of transportation and storage	20,163,592.49	14,570,042.13
Less: Contract liabilities included in other current liabilities	1,614,753.33	1,254,942.86
Total	18,548,839.16	13,315,099.27



Notes to Financial Statements



18. Other payables

Item	Closing balance	Beginning balance
Interest payable		
Dividends payable	32,412,800.00	
Other payables	322,784,620.62	313,506,475.20
Total	355,197,420.62	313,506,475.20

(1) Dividends payable

Item	Closing balance	Beginning balance
Common stock dividends	32,412,800.00	
Total	32,412,800.00	

(2) Other payables

Item	Closing balance	Beginning balance
Current accounts	130,952,337.87	138,113,108.88
Warranty deposits	182,349,278.67	169,536,032.62
Paid on behalf	2,330,219.99	5,824,926.56
Intermediary service fees	2,326,251.50	
Others	4,826,532.59	32,407.14
Total	322,784,620.62	313,506,475.20

19. Non-current liabilities due within one year

Item	Closing balance	Beginning balance
Long-term loans due within one year	52,552,382.99	34,255,565.08
Lease liabilities due within one year	59,414,114.54	83,739,721.95
Total	111,966,497.53	117,995,287.03





Notes to Financial Statements

20. Long term loans

Item	Closing balance	Range of interest rate	Beginning balance	Range of interest rate
Unsecured loans	28,800,000.00	3.65%-3.80%	29,430,800.00	3.65%-3.80%
Mortgage loans	20,502,380.20	3.65%-3.90%	22,256,219.40	3.65%-3.90%
Mortgage & pledged loans	72,576,527.78	3.80%	80,084,444.44	3.80%
Subtotal	121,878,907.98		131,771,463.84	
Less: Long-term loans due within one year	52,552,382.99		34,255,565.08	
Total	69,326,524.99		97,515,898.76	

21. Lease liabilities

Item	Closing balance	Beginning balance
Lease payment	198,445,936.80	238,508,801.54
Less: Unrecognized financing expenses	12,618,715.02	17,216,493.69
Less: Lease liabilities due within one year	59,414,114.54	83,739,721.95
Total	126,413,107.24	137,552,585.90

22. Share capital

Item	Beginning balance	Movement in the year				Subtotal	Closing balance
		Issue of new shares	Bonus shares	Provident fund share transfer	Other		
Total shares	162,064,000.00					162,064,000.00	





Notes to Financial Statements

23. Operating income and operating cost

(1) Operating income and operating cost

Item	Current period		Prior period	
	Revenue	Cost	Revenue	Cost
Primary operations	4,153,620,483.50	3,972,158,206.77	3,972,947,244.59	3,807,404,447.94
Other operations	11,532,231.74	2,124,466.22	11,365,042.14	1,973,216.00
Total	4,165,152,715.24	3,974,282,672.99	3,984,312,286.73	3,809,377,663.94

(2) Operating revenue and operating costs based on the timing of goods transfer

Item	Current period			
	Transportation and storage service		Others	
	Revenue	Cost	Revenue	Cost
Primary operations	4,153,620,483.50	3,972,158,206.77		
Including: Recognized at a point in time	4,153,620,483.50	3,972,158,206.77		
Other operations			11,532,231.74	2,124,466.22
Including: Recognized at a point in time			11,532,231.74	2,124,466.22
Total	4,153,620,483.50	3,972,158,206.77	11,532,231.74	2,124,466.22

24. Income tax expenses

Item	Current period	Prior period
Current income tax	9,260,134.77	6,741,389.83
Deferred income tax	2,841,311.76	-793,755.32
Total	12,101,446.53	5,947,634.51





Notes to Financial Statements

V. Commitments and contingencies

1. Significant commitments

Capital commitments entered into but not recognized in the financial statements	Closing balance	Beginning balance
Commitment to purchase of long-term assets	12,440.25	2,100,440.25

2. Contingencies

(1) Important pending litigations

- (i) On 18 August 2022, Tongnan Branch of Chongqing Changan Minsheng Boyu Transportation Co., Ltd., a subsidiary of the Company (hereinafter referred to as “Boyu Tongnan Branch”), signed a goods transportation agreement with Zhongcun Trading Yunnan Co., Ltd. (hereinafter referred to as “Zhongcun Trading”) to provide coal transportation services. Boyu Tongnan Branch fulfilled all rights and obligations as agreed, but Zhongcun Trading did not fully pay the freight as agreed. On 8 September 2023, Boyu Tongnan Branch, Zhongcun Trading, and Zhongcun Coal Mine reached a civil ruling under the jurisdiction of the Qilin District People’s Court of Qujing City, Yunnan Province, China ((2023) Yun 0302 pre-litigation surety 438), stipulating that Zhongcun Trading should pay Boyu Tongnan Branch RMB38,791,900 for transportation fees and RMB3,037,100 for funds occupation fees before 30 September 2023, totaling RMB41,829,000. Zhongcun Coal Mine assumes joint and several liability for the debt. On 6 September 2023, Boyu Tongnan Branch, Zhongcun Trading, and Zhongcun Coal Mine signed a coal pledging agreement, agreeing to pledge coal owned by Zhongcun Coal Mine to Boyu Tongnan Branch as collateral for the aforementioned debt. If Zhongcun Trading and Zhongcun Coal Mine fail to repay the debt by 30 September 2023, Boyu Tongnan Branch has the right to dispose of the collateral to repay the debt, and the proceeds enjoy priority repayment rights.

Due to Zhongcun Trading’s failure to pay the transportation fee and funds occupation fee as stipulated in the aforementioned civil ruling, totaling RMB41,829,000, on 6 November 2023, the Qujing Court formally accepted Boyu Tongnan Branch’s application for execution (case No. (2023) Yun 0302 Execution 6293), requiring Zhongcun Trading to repay the debt and Zhongcun Coal Mine to assume joint guarantee responsibility for repaying the debt to Boyu Tongnan Branch. Boyu Tongnan Branch obtained court orders to seal two land use rights owned by Zhongcun Coal Mine on 27 November 2023, and mining rights on 20 December 2023. As of 31 December 2023, Zhongcun Trading and Zhongcun Coal Mine have repaid RMB597,500 of the outstanding debt, and the remaining debt of RMB38,194,400 is under recovery. From January to June 2024, Zhongcun Trading repaid RMB3 million. The Company expects to recover the outstanding debt through judicial auctions of pledged assets and asset seizures.





Notes to Financial Statements

- (ii) On 7 September 2023, Boyu Tongnan Branch and Yizhao Huasheng Logistics Co., Ltd. (hereinafter referred to as “Yizhao Huasheng”) signed the “Cargo Transportation Agreement” (hereinafter referred to as “Transportation Agreement”, number: S-BY-TN-2023-0010), and Yizhao Huasheng entrusted Boyu Tongnan Branch to provide road cargo transportation services. The contract is valid until 30 September 2024. On 12 September 2023, ELION Energy Co., Ltd. Dalad Branch (hereinafter referred to as “ELION Dalad Branch”) issued a Letter of Guarantee to Boyu Tongnan Branch, setting forth the joint and several guarantee liability of the surety in respect of the transportation business under the Contract of Carriage (Signed in September 2023 between Yizhao Huasheng and ELION Dalad Branch, No.: YLIN-DLTC-SHSYS-2023-11) incurred during the performance of the principal contract between the surety Yizhao Huasheng and Boyu Tongnan Branch. The guarantee period is six months from the date of expiration of the term of the obligation under the main contract.

After the signing of the aforesaid transportation agreement, Boyu Tongnan Branch has fulfilled the transportation obligations as agreed in the contract, but the accumulated freight of RMB18,306,300 incurred from November 2023 to February 2024 has not been paid by Yizhao Huasheng. On 6 May 2024, Boyu Tongnan Branch signed the “Freight Compensation Agreement” with Yizhao Huasheng and ELION Dalad Branch, which agreed that ELION Dalad Branch should pay to Boyu Tongnan Branch on behalf of Yizhao Huasheng within the payable range to repay the debt of Yizhao Huasheng, and pay no less than RMB500,000 per week since 6 May 2024. On 11 May 2024, the company paid the freight of RMB500,000 by way of bank acceptance bills and subsequently failed to pay the other amount in accordance with the compensation agreement. On 20 May 2024, Boyu Tongnan Branch filed a lawsuit with the Tongnan District People’s Court of Chongqing Municipality, demanding that Yizhao Huasheng and ELION Dalad Branch pay the unpaid freight of RMB17,806,300. The court has accepted the case.





Notes to Financial Statements

VI. Fair value

The level in which fair value measurement is categorized is determined by the level of the fair value hierarchy of the lowest level input that is significant to the entire fair value measurement. The levels are defined as follows:

Level 1: unadjusted quoted prices in active market for identical assets or liabilities.

Level 2: inputs other than Level 1 inputs that are either directly (i.e. price) or indirectly (i.e. derived from the price) observable for underlying assets or liabilities.

Level 3: inputs that are unobservable for underlying assets or liabilities.

(1) Item and amount measured at fair value

As at 31 December 2023, assets and liabilities measured at fair value are shown as follows:

Item	Level 1 fair value measurement	Level 2 fair value measurement	Level 3 fair value measurement	Total
I. Recurring fair value measurement				
1. Receivables financing			432,561,224.66	432,561,224.66
2. Other equity instruments investment			71,580,000.00	71,580,000.00

(2) Quantitative information of important unobservable input values used in level 3 of fair value measurement

Content	Fair value at the end of the period	Valuation techniques	Unobservable inputs	Range (weighted average)
Other equity instruments investment	71,580,000.00	Net assets value	Not applicable	N/A



Notes to Financial Statements



VII. Related party and related party transactions

1. Related party transactions

(1) Purchase or sale with related parties

(i) Purchase of goods/receiving of services

Related party	Nature of transaction	Current period	Prior period
Minsheng Industrial (Group) Co., Ltd. and its associates (民生實業(集團)有限公司及其關聯公司)	Vehicle transportation business	101,791,247.56	138,160,357.28
China Changan Automobile Group Company Limited and its associates (中國長安汽車集團有限公司及其關聯公司)	Security cleaning service	6,616,593.66	5,996,757.26
China Changan Automobile Group Company Limited and its associates (中國長安汽車集團有限公司及其關聯公司)	Real estate leasing service	1,906,042.67	1,153,242.74

(ii) Sales of goods/rendering of services

Related party	Nature of transaction	Current period	Prior period
Chongqing Changan Automobile Co., Ltd. and its associates (重慶長安汽車股份有限公司及其關聯公司)	Logistics services (including finished vehicle transportation, tire packaging, automotive raw materials and components supply chain logistics services)	2,645,077,471.21	2,507,240,448.80
China Changan Automobile Group Company Limited and its associates (中國長安汽車集團有限公司及其關聯公司)	Logistics services (include finished vehicle transportation, tire packaging, automotive raw materials and components supply chain management, as well as logistics services for non-automotive products such as transformers, steel, optical products, etc.)	162,148,838.77	96,640,142.92
Minsheng Industrial (Group) Co., Ltd. and its associates (民生實業(集團)有限公司及其關聯公司)	Logistics services	153,305.28	70,000.00
Nanjing Baogang Zhushang Metal Products Company Limited (南京寶鋼住商金屬製品有限公司)	Logistics services	579,590.29	1,790,338.34





Notes to Financial Statements

(2) Rental with related party

The Company as tenant

Landlord	Type of assets leased	Rental expense recognized in current period	Rental expense recognized in prior period
Chongqing Minsheng Integrated Logistics Co., Ltd. (重慶民生綜合物流有限公司)	Factory building	1,164,288.00	
Changan Mazda Automobile Co., Ltd. (長安馬自達汽車有限公司)	Factory building		662,117.77
Changan Ford Motor Co., Ltd. (長安福特汽車有限公司)	Factory building	719,147.68	932,228.47
Hebei Changan Automobile Co., Ltd. (河北長安汽車有限公司)	Land	10,262.70	10,262.70
Chongqing Lingyao Automobile Co., Ltd. (重慶鈴耀汽車有限公司)	Site	164,419.89	168,423.51

Right-of-use assets newly added by the Company as a lessee in the current period:

Landlord	Type of assets leased	Increase in current period	Increase in prior period
Changan Ford Motor Co., Ltd. (長安福特汽車有限公司)	Factory building		2,540,399.38

Interest expenses of lease liabilities incurred by the Company as a lessee:

Landlord	Type of assets leased	Interest expense for this period	Interest expense in prior period
Chongqing Minsheng Integrated Logistics Co., Ltd. (重慶民生綜合物流有限公司)	Factory building	169,381.73	
Changan Mazda Automobile Co., Ltd. (長安馬自達汽車有限公司)	Factory building		28,504.33
Changan Ford Motor Co., Ltd. (長安福特汽車有限公司)	Factory building	3,747.31	29,196.39



Notes to Financial Statements



2. Receivables and payables with related parties

(1) Receivables from related parties

Item	Related party	Closing balance		Beginning balance	
		Book balance	Provision for bad debts	Book balance	Provision for bad debts
Accounts receivable	Chongqing Changan Automobile Co., Ltd. and its associates (重慶長安汽車股份有限公司及其關聯公司)	887,233,844.32	38,259,593.51	638,124,168.60	44,280,109.21
Accounts receivable	Changan Ford Motor Co., Ltd. and its associates (長安福特汽車有限公司及其關聯公司)	175,112,466.41	349,707.76	244,143,503.73	699,343.44
Accounts receivable	China Changan Automobile Group Company Limited and its associates (中國長安汽車集團有限公司及其關聯公司)	37,748,241.40	175,097.34	38,728,954.35	552,195.30
Accounts receivable	China South Industries Group Corporation Co., Ltd. and its associates (中國兵器裝備集團有限公司及其關聯公司)	7,586,396.86	362,837.66	4,280,017.44	333,170.27
Accounts receivable	Other associates	1,722,188.51	2,036.79	3,780,370.92	3,780.37
Accounts receivable	Minsheng Industrial (Group) Co., Ltd. and its associates (民生實業(集團)有限公司及其關聯公司)	1,446,465.47	5,642.27	3,432,944.25	9,111.04
Accounts receivable	Nanjing Baogang Zhushang Metal Products Company Limited (南京寶鋼住商金屬製品有限公司)			951,065.47	951.07
Contract assets	Chongqing Changan Automobile Co., Ltd. and its associates (重慶長安汽車股份有限公司及其關聯公司)	128,263,380.21	2,193,708.62	58,433,070.67	58,433.08
Contract assets	Changan Ford Motor Co., Ltd. and its associates (長安福特汽車有限公司及其關聯公司)	123,832,844.46	221,986.18	78,288,609.15	87,474.05
Contract assets	China Changan Automobile Group Company Limited and its associates (中國長安汽車集團有限公司及其關聯公司)	9,784,808.78	9,784.81	6,501,093.52	6,501.09
Contract assets	Other associates	3,318,963.87	3,318.96	8,494,667.54	16,139.87
Contract assets	China South Industries Group Corporation Co., Ltd. and its associates (中國兵器裝備集團有限公司及其關聯公司)	3,247,169.66	3,247.16	6,641,459.81	6,641.45
Contract assets	Minsheng Industrial (Group) Co., Ltd. and its associates (民生實業(集團)有限公司及其關聯公司)			14,048.18	14.05

Continued...





Notes to Financial Statements

(1) Receivables from related parties (continued)

Item	Related party	Closing balance		Beginning balance	
		Book balance	Provision for bad debts	Book balance	Provision for bad debts
Prepayment	Chongqing Changan Automobile Co., Ltd. and its associates (重慶長安汽車股份有限公司及其關聯公司)	6,354,312.75	5,174.47	564,437.59	43,416.00
Prepayment	China South Industries Group Corporation Co., Ltd. and its associates (中國兵器裝備集團有限公司及其關聯公司)	103,530.00	80.64	18,600.00	14.88
Prepayment	China Changan Automobile Group Company Limited and its associates (中國長安汽車集團有限公司及其關聯公司)	65,555.97	52.44		
Other receivables	Chongqing Changan Automobile Co., Ltd. and its associates (重慶長安汽車股份有限公司及其關聯公司)	13,339,564.56	167,509.29	19,648,663.42	289,212.26
Other receivables	Changan Ford Motor Co., Ltd. and its associates (長安福特汽車有限公司及其關聯公司)	4,569,845.01	164,577.11	3,054,184.73	1,027,521.48
Other receivables	Other associates	3,208,356.45	177,653.70	3,355,024.95	229,227.62
Other receivables	China Changan Automobile Group Company Limited and its associates (中國長安汽車集團有限公司及其關聯公司)	1,647,522.37	25,300.36	398,994.00	5,052.57
Other receivables	Minsheng Industrial (Group) Co., Ltd. and its associates (民生實業(集團)有限公司及其關聯公司)	1,288,777.63	9,046.53	788,777.63	7,650.23
Other receivables	Nanjing Baogang Zhushang Metal Products Company Limited (南京寶鋼住商金屬製品有限公司)	800,000.00	12,340.00	300,000.00	10,290.00
Other receivables	China South Industries Group Corporation Co., Ltd. and its associates (中國兵器裝備集團有限公司及其關聯公司)	2,500.00	207.45	259,072.80	23,684.56





Notes to Financial Statements

(2) Payables to related party

Item	Related party	Closing balance	Beginning balance
Accounts payable	Minsheng Industrial (Group) Co., Ltd. and its associates (民生實業(集團)有限公司及其關聯公司)	63,088,170.40	56,622,572.64
Accounts payable	Other associates	3,216,467.60	2,595,137.80
Accounts payable	Changan Ford Motor Co., Ltd. and its associates (長安福特汽車有限公司及其關聯公司)	435,069.45	599,902.76
Accounts payable	China Changan Automobile Group Company Limited and its associates (中國長安汽車集團有限公司及其關聯公司)	256,404.39	1,350,634.64
Accounts payable	Chongqing Changan Automobile Co., Ltd. and its associates (重慶長安汽車股份有限公司及其關聯公司)	161,311.50	1,656,967.07
Contract liabilities	Changan Ford Motor Co., Ltd. and its associates (長安福特汽車有限公司及其關聯公司)	5,153,837.30	3,254,065.92
Contract liabilities	Chongqing Changan Automobile Co., Ltd. and its associates (重慶長安汽車股份有限公司及其關聯公司)	1,095,342.55	372,502.84
Contract liabilities	China Changan Automobile Group Company Limited and its associates (中國長安汽車集團有限公司及其關聯公司)	160,177.54	98,485.90
Contract liabilities	China South Industries Group Corporation Co., Ltd. and its associates (中國兵器裝備集團有限公司及其關聯公司)	1,695.43	6,351.70
Contract liabilities	Minsheng Industrial (Group) Co., Ltd. and its associates (民生實業(集團)有限公司及其關聯公司)		127,713.58
Other payables	Minsheng Industrial (Group) Co., Ltd. and its associates (民生實業(集團)有限公司及其關聯公司)	6,088,102.55	7,366,229.86
Other payables	Other associates	3,754,200.37	5,790,723.17
Other payables	China South Industries Group Corporation Co., Ltd. and its associates (中國兵器裝備集團有限公司及其關聯公司)	3,353,600.93	2,969,899.03
Other payables	Chongqing Changan Automobile Co., Ltd. and its associates (重慶長安汽車股份有限公司及其關聯公司)	3,046,862.07	4,775,316.39
Other payables	China Changan Automobile Group Company Limited and its associates (中國長安汽車集團有限公司及其關聯公司)	531,450.45	485,962.37
Other payables	Changan Ford Motor Co., Ltd. and its associates (長安福特汽車有限公司及其關聯公司)	151,061.94	
Other payables	APL Logistics Co., Ltd. and its associates (美集物流有限公司及其關聯公司)	89,838.41	89,838.41





Notes to Financial Statements

VIII. Segment reporting

The Company's directors, as the primary decision-makers in the Company's operations, believe that the Company's business activities are associated with various individual operational divisions. These divisions include providing transportation services for complete vehicles, supply chain management services for automotive raw materials, transportation services for spare parts and non-automotive goods, sales of packaging materials, and tire processing.

As all of the Company's assets are located within China and operations are conducted solely within China, no further disclosure is made regarding geographical segments based on operational divisions.

IX. Return on equity and earnings per share

Profit in reporting period	Weighted average net assets Rate of return%	Earnings per share	
		Basic earnings per share	Diluted earnings per share
Net profit attributable to the shareholders of the Group	1.44	0.18	0.18
Net profit attributable to ordinary shareholders of the Group after deducting non-recurring gains and losses	1.40	0.18	0.18





INTERIM DIVIDENDS

The Board does not recommend the payment of an interim dividend for the six months ended 30 June 2024 (corresponding period in 2023: nil).

The 2023 final dividend of RMB0.20 (including tax) per share, in the aggregate amount of RMB32,412,800 (including tax), has been approved by the shareholders at the 2023 annual general meeting of the Company held on 28 June 2024, and is expected to be paid on or before 27 September 2024.





MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

In the first half of 2024, given the complex international environment such as geopolitical tensions, trade protectionism, change in energy prices and exchange rate fluctuations etc., and as impacted by such domestic factors as a lack of effective demand, overcapacity in some industries and weakened expectations in the society etc., China's economy was still facing some prominent structural problems and difficulties and challenges during the recovery process. However, the fundamentals of China's positive long-term economic prospects did not change. It still has strong resilience, huge potential and room for growth. In the first half year of 2024, with a series of policies adopted to drive economic growth, with these measures coming into effect, China's economy maintained a stable growth. The gross domestic production increased by 5.0% year on year in the first half of 2024.

The main business of the Group is to provide customers with automobiles and automobile raw materials and parts supply chain management services, such services include finished vehicle transportation and related logistics services, automobile raw materials and parts supply chain management services, tire assembly, after-sales logistics services, etc., and the growth of the Group is closely related to the automobile industry. The automobile industry continues to mature and consumers have more and more diversified demands, which has intensified competition in the automobile industry, resulting in the carmakers mainly take price reduction as the main tool to win the competition, the benefit of the industry is reduced. On the whole, thanks to the promotion of a series of policies by the government, such as providing subsidies for the purchase of new cars to replace old ones, subsidiaries for the purchase of new energy cars in the rural areas, etc., combined with such measures as price reduction for promotion by carmakers etc., the production volume and sales volume of China's automobile industry maintained a stable growth. As shown by the production and sales figures as at June 2024 quoted by China Association of Automobile Manufacturers on its website, the cumulative automobile production volume and sales volume in the PRC were approximately 13,891,000 vehicles and 14,047,000 vehicles, respectively, up by 4.9% and 6.1% year on year. For the six months ended 30 June 2024, the production volume and sales volume of the Group's major customer, Chongqing Changan Automobile Company Limited ("**Changan Automobile**") were 1,234,042 vehicles and 1,334,051 vehicles, respectively, increased by 5.96% and 9.74% year on year. Changan Automobile's market performance was higher than the industry average in the first half of the year.

For the six months ended 30 June 2024, thanks to measures such as market expansion contributing to increased revenue, the Group recorded total revenue of approximately RMB4,165,152,715.24, with an increase of approximately 4.54% year on 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 2024 amounted to RMB1,923,884,039.17, RMB860,520,550.97 and RMB1,380,748,125.10, accounting for approximately 46.19%, 20.66% and 33.15%, respectively, of the Group's total revenue (for the six months ended 30 June 2023: approximately 46.63%, 12.69% and 40.68%, respectively).

For the six months ended 30 June 2024, though with fiercer competition in the domestic automotive market, lower logistics service prices, higher operating costs and human resources costs and other unfavorable factors, the Group has made sound progress by continuing to implement the cost-effectiveness programme and market expansion. The Group's gross profit margin and net profit margin were 4.58% (for six months ended 30 June 2023: 4.39%) and 0.75% (for six months ended 30 June 2023: 0.71%), respectively. The profit attributable to the equity holders of the Company for the six months ended 30 June 2024 increased to approximately RMB29,260,117.19 from approximately RMB28,134,622.68 in the corresponding period of last year.





MANAGEMENT DISCUSSION AND ANALYSIS

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 2024, the cash and bank balance and pledged deposits of the Group were approximately RMB10,647,514.23 (31 December 2023: RMB33,605,000.00). As at 30 June 2024, the total assets of the Group amounted to approximately RMB5,381,985,160.59 (31 December 2023: RMB5,174,411,768.52). The Group had current liabilities of approximately RMB2,972,248,664.91 (31 December 2023: RMB2,729,541,661.34), non-current liabilities of approximately RMB222,443,196.60 (31 December 2023: RMB255,306,262.53), shareholders' equity excluding non-controlling interest of approximately RMB2,012,039,199.83 (31 December 2023: RMB2,016,253,323.93) and non-controlling interest of approximately RMB175,254,099.25 (31 December 2023: RMB173,310,520.72).

Capital Structure

For the six months ended 30 June 2024, there has been no change to the Company's issued shares.

Loans and Borrowings

As at 30 June 2024, the outstanding balance of short-term loans and other borrowings of the Group from financial institutions was RMB166,890,785.76 (31 December 2023: RMB158,298,328.28). Please refer to note IV.14, IV.19, IV.20 to the interim condensed consolidated 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 2024, the gearing ratio (net debt divided by the adjusted capital plus net debt) of the Group was approximately 59.36% (31 December 2023: approximately 57.68%). The gearing ratio between the total liabilities and the total equity of the Group was approximately 146.06% (31 December 2023: 136.32%).





MANAGEMENT DISCUSSION AND ANALYSIS

Pledge of Assets

As at 30 June 2024, the Group had pledged bank deposits of approximately RMB3,425,000.00 (31 December 2023: RMB3,305,000) to secure bank acceptance bills.

On 27 July 2022, the Company's subsidiary Shenyang Changyou Supply Chain Co., Ltd. ("**Shenyang Changyou**") mortgaged its fixed assets, including buildings and land, to the Agricultural Bank of China Shenyang Branch, for the purpose of obtaining secured loans for a term from 27 July 2022 to 26 July 2025. Shenyang Changyou obtained loans of RMB15,822,400 and RMB8,600,000 on 29 July 2022 and 29 September 2022, respectively. The ownership of the mortgaged assets is still vested in Shenyang Changyou and can be used normally. As at 30 June 2024, the original book value of the building was RMB53,263,525.74, with accumulated depreciation of RMB4,951,288.66 and book value of RMB48,312,237.08; the original book value of the land was RMB12,709,087.28, with accumulated amortisation of RMB519,978.24 and book value of RMB12,189,109.04. The balance of the long-term loans is RMB20,502,380.20, of which RMB6,175,855.21 is due within one year.

On 29 July 2023, Shenyang Changyou mortgaged accounts receivable, fixed assets (machinery and equipment) and fixed assets (buildings and land) to China Everbright Bank Corporation Chongqing Branch for obtaining secured loans for a period from 27 September 2023 to 20 September 2028. On 27 September 2023, Shenyang Changyou obtained a loan of RMB80,000,000. The ownership of the mortgaged assets is still vested in Shenyang Changyou and can be used normally. As at 30 June 2024, the book value of accounts receivable was RMB106,048,352.38; the original book value of machinery and equipment was RMB92,713,414.40, with accumulated depreciation of RMB19,335,906.37 and book value of RMB73,377,512.30; the original book value of the building was RMB53,263,525.74, with accumulated depreciation of RMB4,951,288.66 and book value of RMB48,312,237.08; the original book value of the land was RMB12,709,087.28, with accumulated amortisation of RMB519,978.24 and book value of RMB12,189,109.04. The balance of the long-term loans amounts to RMB72,576,527.78, of which RMB17,576,527.78 is due within one year.





MANAGEMENT DISCUSSION AND ANALYSIS

Foreign Currency Exposure

The Group's reporting currency is RMB. As the transactions of the Group denominated in foreign currency were limited, the Group had no material exposure to foreign currency risk.

Employee, Remuneration Policy and Training Programme

As at 30 June 2024, the Group employed 3,209 employees (as at 31 December 2023: 4,031 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

For the six months ended 30 June 2024, there had been no material investment by the Group.

Major Acquisition and Assets Disposal

For the six months ended 30 June 2024, there had been no material acquisition and disposal of subsidiaries, associates and joint ventures of the Group.

Contingent Liabilities

As at 30 June 2024, the Group did not have any material contingent liabilities.





MANAGEMENT DISCUSSION AND ANALYSIS

LITIGATION

Litigation 1

In March 2022, the Company entered into a storage supervision agreement with Chongqing Supply and Marketing Automobile Trading Co., Ltd.* (“**SMAT**”), which stipulates, among others, that the Company shall provide vehicle storage supervision services to SMAT, for a term of one year from 1 March 2022 to 28 February 2023. In April 2022, a total of 105 vehicles were stolen. A supervision contract dispute arose between the Company and SMAT and SMAT filed lawsuits with Chongqing Yubei District People’s Court (“**Yubei District Court**”). On 21 December 2022, the Yubei District Court accepted the case of contract disputes and froze a total of over RMB30 million in the Company’s bank account.

On 28 October 2023, the Yubei District Court issued civil judgments with case number of No. (2022) Yu 0112 Min Chu 37670 and No. (2022) Yu 0112 Min Chu 37681, dismissing the litigation claims of SMAT. SMAT appealed to Chongqing No. 1 Intermediate People’s Court, and on 11 April 2024, Chongqing No. 1 Intermediate People’s Court made civil verdicts with case number of No. (2024) Yu 01 Min Zhong 593 and No. (2024) Yu 01 Min Zhong 596, which revoked the civil judgments issued by the Yubei District Court under No. (2022) Yu 0112 Min Chu No. 37670 and No. (2022) Yu 0112 Min Chu No. 37681, respectively, and dismissed the appeals filed by SMAT.

Under the judicial system in China, the appeal case is final and conclusive, and the Company is not liable for compensation claimed by SMAT. On 30 April 2024, the Company’s frozen bank account of over RMB30 million were unfrozen. Please refer to the announcements of the Company dated 30 December 2022 and 30 April 2024 respectively for further details.





MANAGEMENT DISCUSSION AND ANALYSIS

Litigation 2

On 18 August 2022, Boyu Tongnan Branch, a wholly-owned subsidiary of the Company, entered into a cargo transportation agreement (the “**Agreement**”) with Zhongcun Trading, a limited liability company incorporated in the PRC, to provide coal transportation services to it and payment under the Agreement shall be payable by Zhongcun Trading to Boyu Tongnan Branch within 2 months after completion of the services contemplated under the Agreement and account checking between two parties. On 18 August 2022, Zhongcun Coal Mine (“**Zhongcun Coal Mine**”) of Qujing City, Yunnan Province, the PRC, the parent company of Zhongcun Trading, issued a letter of guarantee (the “**Guarantee**”) in favour of Boyu Tongnan Branch, stipulating that Zhongcun Coal Mine, as the guarantor, shall assume an irrevocable joint liability to Boyu Tongnan Branch for all debts due and owing by Zhongcun Trading to Boyu Tongnan Branch arising out of the performance of the Agreement. The scope of the Guarantee includes, but is not limited to, the creditor’s rights, interest, penalties, and expenses for claiming the creditor’s rights (including but not limited to litigation fees, arbitration fees, attorney fees, etc.) and all other expenses payable.

After the signing of the Agreement, Boyu Tongnan Branch fulfilled all rights and obligations as agreed on or about 6 January 2023. However, despite repeated requests, Zhongcun Trading failed to settle the transportation fees in full as agreed and owed, as of 13 November 2023, Boyu Tongnan Branch the sum of RMB38,791,900 being the transportation fees. On 8 September 2023, Boyu Tongnan Branch, Zhongcun Trading and Zhongcun Coal Mine reached a civil ruling ((2023) Yun 0302 Su Qian Tiao Que No. 438) under the ruling of the Qilin District People’s Court of Qujing City, Yunnan Province, the PRC (“**Qujing Court**”). It is agreed that Zhongcun Trading will pay Boyu Tongnan Branch the outstanding transportation fees in the sum of RMB38,791,900 and capital occupation fees caused by overdue payment in the sum of RMB3,037,100, totaling RMB41,829,000 (the “**Debts**”) before 30 September 2023. Zhongcun Coal Mine shall assume joint liability for paying the Debts.

Since Zhongcun Trading failed to pay the said sum of RMB41,829,000 being the outstanding transportation fees and capital occupation fees as stipulated in the civil ruling, Boyu Tongnan Branch applied to Qujing Court for enforcement after repeatedly urging Zhongcun Trading and Zhongcun Coal Mine for payment of the Debts. On 6 November 2023, Qujing Court accepted the enforcement application of Boyu Tongnan Branch (case no.: (2023) Yun 0302 Zhi No. 6293), requesting Zhongcun Trading to pay the Debts, and Zhongcun Coal Mine to assume joint liability for paying the Debts to Boyu Tongnan Branch. Please refer to the announcement of the Company dated 13 November 2023 for further details.

On 29 December 2023, Boyu Tongnan Branch received an enforcement payment of RMB597,500 transferred from the Qujing Court, and the debts owned by Zhongcun Trading to Boyu Tongnan Branch was reduced from RMB38,791,900 to RMB38,194,400. From January to June 2024, Zhongcun Trading repaid RMB3 million.

Currently, the Company is taking active measures to collect the Debts from Zhongcun Trading and Zhongcun Coal Mine and will make further announcements to keep the shareholders and potential investors of the Company informed of any significant development on the litigation as and when appropriate.





MANAGEMENT DISCUSSION AND ANALYSIS

Litigation 3

On 7 September 2023, Boyu Tongnan Branch, a wholly-owned subsidiary of the Company, entered into a Cargo Transportation Agreement (the “**Agreement**”) with Yizhao Huasheng for the provision of cargo road transportation services to it for the period up to 30 September 2024. ELION ENERGY Company Limited holds approximately 76.92% of the shares in Yizhao Huasheng. On 12 September 2023, ELION Dalad Branch issued a letter of guarantee (the “**Guarantee**”) in favour of Boyu Tongnan Branch, pursuant to which ELION Dalad Branch, as the guarantor, assumes an irrevocable joint liability to Boyu Tongnan Branch for all debts due and owing by Yizhao Huasheng to Boyu Tongnan Branch arising out of the performance of the Agreement. The Guarantee will expire six months after the due date of the debts incurred under the Agreement.

After the signing of the Agreement, Boyu Tongnan Branch fulfilled its transportation obligations in accordance with the Agreement. However, Yizhao Huasheng failed to settle the transportation fees incurred from November 2023 to February 2024 totaling RMB18,306,300. On 6 May 2024, the Company entered into the Freight Repayment Agreement (the “**Repayment Agreement**”) with Yizhao Huasheng and ELION Dalad Branch, pursuant to which ELION Dalad Branch shall make payments to Boyu Tongnan Branch on behalf of Yizhao Huasheng within the scope of the amount payable to settle the debts of Yizhao Huasheng, and the payment shall be made at no less than RMB500,000 per week commencing from 6 May 2024 onwards. ELION Dalad Branch only made a payment of RMB500,000 on behalf of Yizhao Huasheng on 11 May 2024 and then failed to make payment in accordance with the Repayment Agreement.

On 22 May 2024, Boyu Tongnan Branch filed a lawsuit with Chongqing Tongnan District People’s Court (the “**Tongnan Court**”), requesting Yizhao Huasheng and ELION Dalad Branch to jointly pay RMB17,806,300 to Boyu Tongnan Branch for the unpaid freight rates. The Tongnan Court has issued a notice of acceptance of the case. Please refer to the announcement of the Company dated 9 July 2024 for further details.

Currently, the Company is taking active measures to collect the debts and will make further announcements to keep the shareholders and potential investors of the Company informed of any significant development on the litigation as and when appropriate.

Save as disclosed above, as at 30 June 2024, none of the members of the Group was involved in any material litigation or arbitration and no material litigation or claim was pending or threatened or made against any member of the Group.





MANAGEMENT DISCUSSION AND ANALYSIS

PROSPECTS

From a global perspective, changes in energy prices, foreign exchange rate fluctuations, the Russia-Ukraine conflict and the tightening of monetary policy in the US, hold back economic growth in terms of economic recovery, soaring commodity prices and market liquidity. From a domestic perspective, the targets of ensuring stable growth and operation are still hard to attain. The Chinese government will continue to implement proactive fiscal policies and prudent monetary policies and intensify macro-control efforts to promote a sustained recovery of the economy. At the same time, more attention will be paid to solve structural problems to promote high-quality economic development.

In the first half of 2024, China's automobile market, although facing certain challenges, still showed a certain growth trend, with the characteristics of the new energy vehicles market continuing to grow at a high speed and the traditional fuel vehicles market facing a huge downward pressure. As battery technology continues to advance and charging facilities expand, the range of new energy vehicles will be further improved and more consumers will choose to buy the new energy vehicles. Meanwhile, in June 2023, three government departments including the Ministry of Finance, the State Administration of Taxation, and the Ministry of Industry and Information Technology jointly issued the Announcement on Continuing and Optimizing the Policy for the Reduction of New Energy Vehicle Purchase Tax, stating that the validity of the policy of reduction and exemption of purchase tax of new energy vehicles will be extended to 31 December 2027 from 31 December 2023. It is expected that the new energy vehicles will continue to maintain a rapid growth. On the whole, the demand for car consumption is still not strong enough to face the complicated domestic and international economic environments. The automobile industry is still facing the arduous tasks of stabilizing its growth, which should be boosted by continuing to adopt relevant policies for stabilizing economic growth and expanding demand for car consumption, so as to facilitate a smooth operation of the automobile industry. While with such great difficulties in the whole auto industry, the production and sales of new energy vehicles continues to present a high growth and the production and market share of Chinese passenger car brands increase significantly. Auto exports continued to grow rapidly, showing a rising international competitiveness of Chinese brands. However, high energy prices caused by the Russia-Ukraine conflict and the decision to impose a temporary countervailing duty on imports of electric vehicles from China by the EU are still problematic. With uncertainties in the international community and complex and changing domestic and international situations, the prospect of the auto industry needs to be viewed with caution.

In the second half of 2024, the Company will press ahead with a sense of urgency to achieve its goal by turning crises into opportunities and being proactive. In the third quarter of 2024, the whole Company is sprinting towards success in the second half of 2024 by quickly being involved in the battle of "ensuring stable growth, preventing risk and promoting reforms". The Company will focus on being "strategy-oriented, goal-directed, problem-based and result-oriented" and be guided by the principles of "all for customers, all for market, all for frontline, and all for growth". The Company will forge ahead and strive to achieve its annual operation goal so as to push itself towards a first-class green intelligent logistics and supply chain provider.





CORPORATE GOVERNANCE

During the reporting period, the Company has complied with the code provisions of the Corporate Governance Code set out in Appendix C1 to the Rules Governing the Listing of Securities (“**Listing Rules**”) on the Stock Exchange. During the reporting period the Company has implemented and complied with the revised Corporate Governance Code in relation to risk management and internal control.

During the reporting period, the Company has complied with the code provisions of the Corporate Governance Code set out in Appendix C1 to the Listing Rules.

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 than the required standard (the “**Code of Conduct**”) set out in Appendix C3 (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 2024.

BOARD OF DIRECTORS

The sixth session of the Board of the Company was elected at the 2022 annual general meeting of the Company held on 30 June 2023, comprising nine Directors, including two executive Directors, four non-executive Directors and three 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 three independent non-executive Directors, of whom at least one has appropriate professional qualifications 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.

BOARD CHAIRMAN AND GENERAL MANAGER

The chairman of the Board of the Company is Mr. Xie Shikang. The general manager is Mr. Wan Nianyong. 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 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.



CORPORATE GOVERNANCE



AUDIT AND RISK COMMITTEE

The disclosure of financial information in this report complies with Appendix D2 to the Listing Rules. The audit and risk 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 2024. The audit and risk committee has also discussed the relevant internal audit matters and approved the contents of this interim results report.

CHANGES OF DIRECTORS AND SUPERVISORS DURING THE REPORTING PERIOD

On 19 April 2024, Mr. Chen Zhigang ceased to be the deputy general manager of the Company as he reached the retirement age and Mr. Tan Chaohu was appointed as the deputy general manager of the Company.

For the six months ended 30 June 2024, there are no other personnel changes in relation to the Directors, Supervisors and senior management of the Company.





OTHER INFORMATION

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

As at 30 June 2024, 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.

RIGHTS OF DIRECTORS, CHIEF EXECUTIVE AND SUPERVISORS TO ACQUIRE SHARES OR DEBENTURE

Save as disclosed in section headed “Share Appreciation Right Incentive Scheme” below, at no time during the period ended 30 June 2024 was the Company, or any of its subsidiaries or associated corporations, a party to any arrangement to enable the Directors, chief executive and the Supervisors of the Company (including their respective spouse and children under 18 years of age) to acquire benefits by means of the acquisition of shares or underlying shares in, or debentures of, the Company or any of its associated corporations.

SUBSTANTIAL SHAREHOLDERS AND PARTIES HOLDING INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 30 June 2024, so far as is known to the Directors and chief executive of the Company, the following substantial shareholders, 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 which were recorded in the register required to be kept by the Company under Section 336 of the SFO, or which were notified to the Company, were as follows:





OTHER INFORMATION

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) (H Shares)	-	31.75%	25.44%
China Changan Automobile Group Company Limited (“China Changan”)	Beneficial owner	41,225,600(L) (H Shares)	-	31.75%	25.44%
Kintetsu World Express, Inc.	Interest of a controlled corporation	32,399,200(L) (H Shares)	-	24.96%	19.99%
APL Logistics Ltd. (“APL Logistics” or “APLL”)	Beneficial owner	32,399,200(L) (H Shares)	-	24.96%	19.99%
Chongqing Luzuofu Equity Fund Management Co., Ltd.	Interest of a controlled corporation	32,219,200(L) (Domestic Shares and Non-H Foreign Shares)	100.00%	-	19.88%
Minsheng Industrial (Group) Co., Ltd. (“Minsheng Industrial”) (note 1)	Beneficial owner	25,774,720(L) (Domestic Shares)	80.00%	-	15.90%
Minsheng Industrial	Interest of a controlled corporation	6,444,480(L) (Non-H Foreign Shares)	20.00%	-	3.98%
Ming Sung Industrial Co., (HK) Limited (“Ming Sung (HK)”) (note 1)	Beneficial owner	6,444,480(L) (Non-H Foreign Shares)	20.00%	-	3.98%

Note 1: Ming Sung (HK) is the subsidiary of Minsheng Industrial.

Note 2: (L) – Long position, (S) – Short position, (P) – Lending Pool.

Save as disclosed in this report, as at 30 June 2024, so far as is known to the Directors and chief executive of the Company, there were no other persons (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 which were recorded in the register required to be kept by the Company under Section 336 of the SFO, or which were notified to the Company.





OTHER INFORMATION

SHARE APPRECIATION RIGHT INCENTIVE SCHEME

The original share appreciation rights incentive scheme which was set up by the Company on 6 June 2005 lapsed on 23 February 2016.

On 28 August 2020, the Board has considered and approved a Share Appreciation Rights Scheme (the “**Scheme**”). The Scheme has been approved by the State-owned Assets Supervision and Administration Commission of the State Council of the PRC and the shareholders of the Company at the 2021 first extraordinary general meeting held on 27 April 2021. The Scheme became effective and was adopted by the Company before 1 January 2024. Please refer to the announcements of the Company dated 28 August 2020, 1 March 2021 and 27 April 2021, and the circular of the Company dated 12 April 2021 for further details. Unless otherwise defined, capitalized terms used in this announcement shall have the same meaning as those defined in the aforementioned announcement and circular.

The purpose of the Scheme is to establish a long-term incentive mechanism closely linking the interests of the management team with those of the Company and Shareholders and to bring them together in focusing on the long-term and sustainable development of the Company.

The Board set the date of 27 April 2021 as the date of grant (the “**Date of Grant**”) and HKD2.98 as the exercise price of the share appreciation right (“**Share Appreciation Right(s)**”). The closing price of the H Shares of the Company as stated in the daily quotation sheet of the Stock Exchange immediately before the Date of Grant was HKD2.668 per Share. The exercise price of the Share Appreciation Rights under the Scheme was determined based on the higher of: (1) the closing price of H Share of the Company as stated in the daily quotation sheet of the Stock Exchange on the Date of Grant; (2) the average closing price of H Share of the Company as stated in the daily quotation sheet of the Stock Exchange for five consecutive trading days prior to the Date of Grant; or (3) the par value of the H Share of the Company. The number of units of the Share Appreciation Rights (number of shares) to be granted under the Scheme shall not in aggregate exceed ten percent (10%) of the issued share capital of the Company as of the effective date of the Scheme.

On the Date of Grant, the Company granted incentive recipients (“**Incentive Recipients**”) Share Appreciation Rights with 4,861,400 underlying Shares to 29 Incentive Recipients, accounting for 3.00% of the total issued share capital of the Company. Incentive Recipients are the individual(s) eligible to receive the Share Appreciation Rights to be granted by the Company under the Scheme, including Directors (External Directors and Supervisors are excluded), senior management, and key employees having immediate impact on the business performance and sustainable development of the Company, but shall not be a substantial shareholder or de facto controller holding over 5% of the Shares, or parents, spouses or children thereof. The number of underlying Shares of the Share Appreciation Rights to be granted to any single Incentive Recipients shall be no more than one percent (1%) of the total issued share capital of the Company. The maximum gains from the Share Appreciation Rights to

be granted to any Director or member of senior managements under the Scheme shall not exceed 40% of their total annual remuneration (including expected benefits from Share Appreciation Rights) as at the grant of the Share Appreciation Rights. During the effective period, the actual gains to be received by each Incentive Recipients from the Share Appreciation Rights shall not exceed his or her total remuneration (equivalent to an aggregate of two-year remuneration and benefits from Share Appreciation Rights) as at the grant of the Share Appreciation Rights. Any excess shall be turned over to the discretion of the Company.

The Scheme shall remain valid for a period of five years from 27 April 2021. Vesting Period is a period of two years (24 months) commencing from the Date of Grant until the first Vesting Date, (i.e. no Share Appreciation Rights shall be exercised for a period of two years since the Date of Grant). The Share Appreciation Rights to be granted to the Incentive Recipients shall take effect by one third each year in the next three years upon the expiry of the Vesting Period. Each of the Vesting Dates shall be the second, third and fourth anniversary of the Date of Grant. The Vesting Date may be extended to the next trading day should the anniversary fall to be on a non-trading day.





OTHER INFORMATION

The Share Appreciation Rights granted by the Company on 27 April 2021 entered into the First Exercise Period on 27 April 2023. Pursuant to the audited financial report prepared by PKF Hong Kong Limited, the previous international auditor of the Company, the revenue of the Group for 2021 was RMB6.021 billion, the net profit for 2021 was RMB42,109,000 and the return on equity for 2021 was 2.01%. The return on equity for 2021 is lower than 75 percentile of the respective indicators of benchmark companies and the industry average. Thus, the effective conditions to the First Exercise Period under the Scheme were not met.

On 12 May 2023, the Board approved that a total number of 1,620,467 units (representing 1/3 of the total number of Share Appreciation Rights granted) of Share Appreciation Rights in the First Exercise Period was nullified. This nullification would not affect the remaining number of Share Appreciation Rights of 3,240,933 units to be effective in the Second Exercise Period and the Third Exercise Period under the Scheme. Please refer to the announcement of the Company dated 12 May 2023 for further details.

The Share Appreciation Rights entered into the Second Exercise Period on 27 April 2024. As at 30 June 2024, details of the Share Appreciation Rights were as follows:

Date of grant	Exercise price (HKD)	Vesting period	Exercisable period	Number of Share Appreciation Rights		
				Lapsed during the period	Outstanding as at 31 December 2023	Outstanding as at 30 June 2024
27 April 2021	2.98	27 April 2021 to 27 April 2026	27 April 2023 to 27 April 2025	1,620,467	3,240,933	3,240,933

Note: The conditions to effect the Share Appreciation Rights in the First Exercise Period of 1,620,467 units (representing 1/3 of the Share Appreciation Rights) were not fulfilled. Therefore, those Share Appreciation Rights have lapsed.





OTHER INFORMATION

COMPETING INTERESTS

Before the listing of the H shares on the GEM of the Stock Exchange, the Company's substantial shareholders, APL Logistics, Minsheng Industrial, Ming Sung (HK) and Changan Industry Company (Group) Limited (“**Changan Industry Company**”), had all entered into non-competition undertakings with the Company in favor of the Company. Please further refer to the Prospectus of the Company for details of such undertakings.

Up to the date of this report, the non-competition undertakings given by Changan Industry Company are still effective. As at the end of 2011, 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 undertakings signed between the Company and Minsheng Industrial and Ming Sung (HK) became ineffective. On 27 December 2023, the shareholding in the Company held by APL Logistics fell to 19.99%, the non-competition undertakings signed between the Company and APL Logistics became ineffective.

China Changan acquired all the shares in the Company held by Changan Industry Company on 9 March 2016. The obligations under the non-competition undertakings signed by Changan Industry Company were assumed by China Changan since 9 March 2016.

Up to the date of this report, the non-competition undertakings given by China Changan are still effective.

Save as disclosed above, during the reporting period, none of the director(s) or substantial shareholder(s) of the Company had any interest in any business that competes or may compete with the Group.

CONTINUING CONNECTED TRANSACTIONS

For the six months ended 30 June 2024, the turnover generated from the continuing connected transactions between the Group and the connected persons (as defined in the Listing Rules) was approximately RMB2,807,959,205.55 (unaudited) (of which RMB2,645,077,471.21 was attributable to Changan Automobile and its associates, RMB162,148,838.77 to China Changan and its associates, RMB153,305.28 to Minsheng Industrial and its associates, and RMB579,590.29 to Nanjing Baogang Zhushang Metal Manufacturing Company Limited), which accounted for approximately 67.42% of the total revenue during the reporting period.

For the six months ended 30 June 2024, the cost of purchasing transportation services from Minsheng Industrial and its associates was approximately RMB101,791,247.56 (unaudited), which accounted for approximately 2.56% of the cost of sales during the reporting period.

For the six months ended 30 June 2024, the maximum daily balance of deposit (including interests) on a daily basis with China South Industries Group Finance Co., Ltd. was approximately RMB180,630,000.00 (unaudited).

For the six months ended 30 June 2024, the cost of purchasing security and cleaning services from China Changan and its associates was RMB6,616,593.66 (unaudited).





OTHER INFORMATION

PURCHASE, SALE OR REDEMPTION OF SECURITIES

For the six months ended 30 June 2024, the Company and its subsidiaries had not purchased, sold or redeemed any of the Company's listed securities. The Company did not hold any treasury shares as at 30 June 2024.

PUBLIC FLOAT

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

Up to the date of this report, the Group had no significant events after the reporting period.

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

Chongqing, the PRC
21 August 2024

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

Executive Directors:

Mr. Xie Shikang
Mr. Wan Nianyong

Non-executive Directors:

Mr. Che Dexi
Mr. Chen Wenbo
Ms. Jin Jie
Mr. Dong Shaojie

Independent Non-executive Directors:

Mr. Li Ming
Mr. Man Wing Pong
Ms. Chen Jing

