



2024 Annual 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



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CORPORATE INFORMATION



Executive Directors

Xie Shikang (Chairman)
Wan Nianyong

Non-Executive Directors

Che Dexi
Chen Wenbo
Dong Shaojie

Independent Non-Executive Directors

Li Ming
Man Wing Pong
Chen Jing

Supervisors

Wang Huaicheng (Chairman)
Ang Lai Fern
Yang Gang
Deng Li
Liu Shasha

General Manager

Wan Nianyong

Senior Management

Ren Fei
Liao Jiahua
Liao Yannan
Chen Hongyu
Tang Zhong
Tan Chaohu

Company Secretary

Yuan Quan

Audit and Risk Committee

Li Ming (Chairman)
Dong Shaojie
Man Wing Pong
Chen Jing

Remuneration Committee

Man Wing Pong (Chairman)
Dong Shaojie
Li Ming
Chen Jing

Nomination Committee

Xie Shikang (Chairman)
Dong Shaojie
Li Ming
Man Wing Pong
Chen Jing

Strategy and Investment Committee

Xie Shikang (Chairman)
Wan Nianyong
Li Ming
Man Wing Pong
Chen Jing

Authorised Representative

Xie Shikang
Chen Wenbo

Auditors

Grant Thornton Zhitong Certified Public Accountants LLP
5th Floor, Scitech Place, 22 Jianguomenwai Avenue,
Chaoyang District, Beijing, the PRC

Hong Kong Counsellor

Haiwen & Partners LLP
Suites 1101-1104, 11/F, One Exchange Square
8 Connaught Place, Central, Hong Kong

Principal Bankers

Industrial and Commercial Bank of China Limited, Chongqing Branch
China Merchants Bank Limited, Chongqing Branch
China Construction Bank Limited, Chongqing Branch

H-shares Registrar and Transfer Office

Computershare Hong Kong Investor Services Limited
17M Floor, Hopewell Centre
183 Queen's Road East, Hong Kong

Registered Office in the PRC

No. 1881 Jinkai Road, Yubei District,
Chongqing, the PRC

Office and Address of Correspondence

No. 1881 Jinkai Road, Yubei District,
Chongqing, the PRC
Zip Code: 401122

Head Office in Hong Kong

16/F, 144-151 Singa Commercial Centre
Connaught Road West, Hong Kong

Stock Code

01292

Website

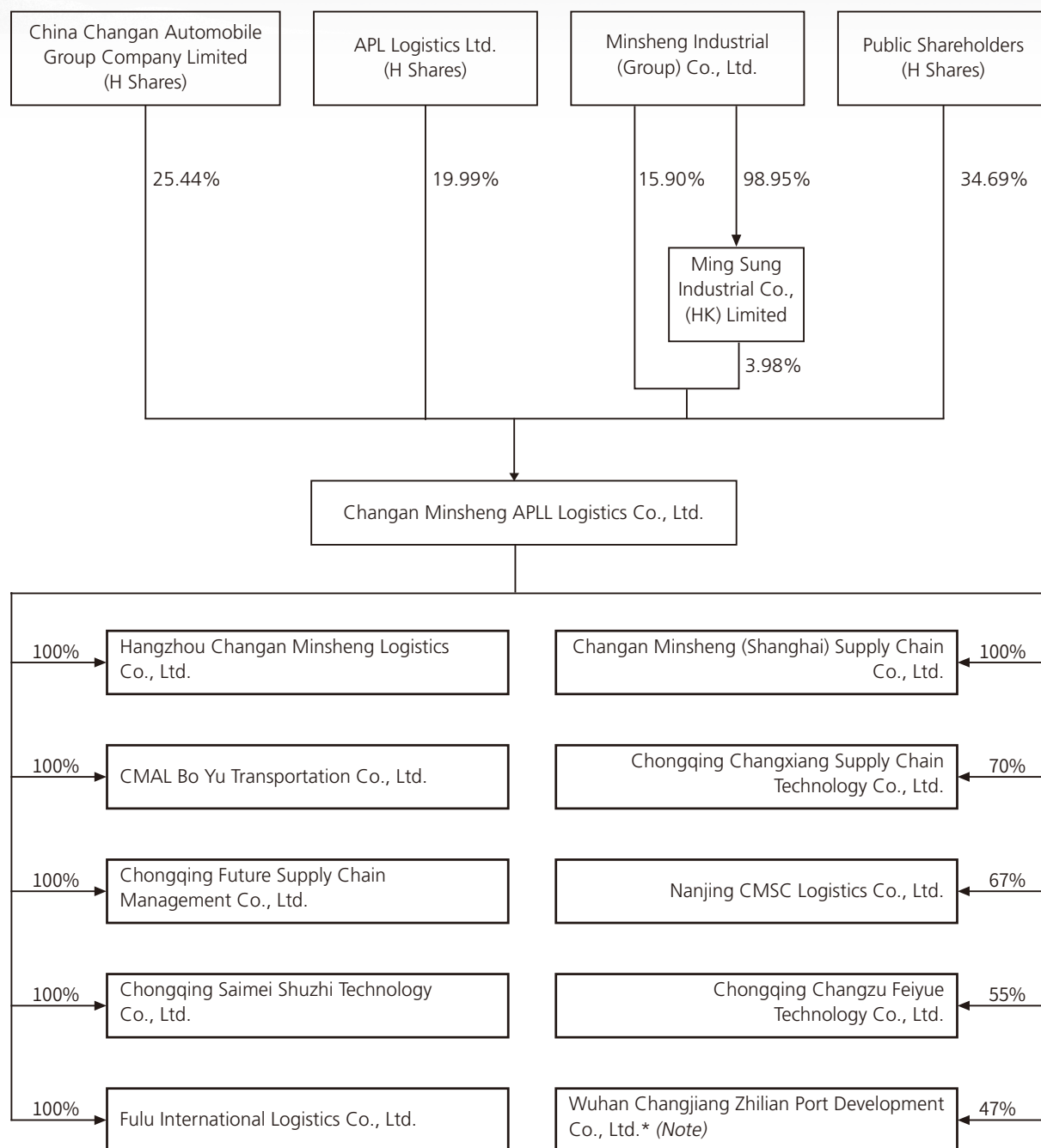
<http://www.camsl.com>





GROUP'S SHAREHOLDING STRUCTURE

As at 31 December 2024, the Group's shareholding structure is as follows:



Note: The Company entered into an Acting-in-Concert Agreement with Wuhan Changxin Hengyuan Group Co., Ltd. on the general meeting of shareholders and Board meeting, and in respect of which the Company shall exert huge influence on Wuhan Changjiang Zhilian Port Development Co., Ltd. ("Changjiang Zhilian")



FINANCIAL SUMMARY



Results

Set out below is the summary of the consolidated results of Changan Minsheng APLL Logistics Co., Ltd. (“**CMAL**” or the “**Company**”) and its subsidiaries (the “**Group**”) for the five years ended 31 December 2024 (as extracted from the Group’s audited consolidated and company income statement):

	As at 31 December				
	2024	2023	2022	2021	2020
	RMB yuan	RMB yuan	RMB yuan	RMB yuan	RMB yuan
Revenue	8,963,208,271.72	7,968,998,231.49	7,720,202,129.16 (Note 3)	6,020,899,000.00	4,685,655,000.00
Total profit/(loss)	92,056,359.11	75,008,581.99	68,292,726.82	58,843,000.00	23,241,000.00
Income tax expense	23,678,118.31	17,045,642.33	21,777,052.53	16,734,000.00	9,451,000.00
Net profit/(loss) for the year	68,378,240.80	57,962,939.66	46,515,674.29	42,109,000.00	13,790,000.00
Minority shareholders interest	8,435,234.35	1,516,074.74	8,033,866.12	12,961,000.00	13,369,000.00
Profit attributable to equity holders of the Company	59,943,006.45	56,446,864.92	38,481,808.17	29,148,000.00	421,000.00
	RMB yuan	RMB yuan	RMB yuan	RMB yuan	RMB yuan
Earnings per share attributable to ordinary equity holders of the Company					
Basic and diluted-for profit for the year (Note 1)	0.37	0.35	0.24	0.18	0.00
Dividends per share	0.20	0.20	0.15	0.05	Nil
	(including tax) (Note 2)	(including tax)	(including tax)	(including tax)	(including tax)

Note 1: Earnings per share attributable to ordinary equity holders of the Company is calculated by dividing the profit attributable to owners of the Company for the years ended 31 December 2020, 2021, 2022, 2023 and 2024 by the weighted average number of shares in issue for the respective years ended 31 December 2020, 2021, 2022, 2023 and 2024 respectively, being 162,064,000, 162,064,000, 162,064,000, 162,064,000 and 162,064,000 shares.

Note 2: The Board recommends the payment of the final dividend for the year ended 31 December 2024, which is subject to approval of the Company’s shareholders at general meeting.

Note 3: This figure was adjusted according to China Accounting Standards for Business Enterprises.





FINANCIAL SUMMARY

Assets and Liabilities

Set out below is the summary of the Group's assets and liabilities for the five years ended 31 December 2024 (as extracted from the Group's audited consolidated and company balance sheets):

	As at 31 December				
	2024	2023	2022	2021	2020
	RMB yuan	RMB yuan	RMB yuan	RMB yuan	RMB yuan
Non-current assets	1,366,725,229.73	1,504,504,826.98	1,341,713,302.42	1,259,073,000.00	1,225,005,000.00
Current assets	3,830,000,817.43	3,669,906,941.54	3,573,957,122.08	2,917,203,000.00	3,169,621,000.00
Total assets	5,196,726,047.16	5,174,411,768.52	4,915,670,424.50	4,176,276,000.00	4,394,626,000.00
Non-current liabilities	110,063,007.75	255,306,262.53	196,476,282.44	111,699,000.00	61,387,000.00
Current liabilities	2,880,016,920.99	2,729,541,661.34	2,557,320,801.14	1,968,504,000.00	2,292,740,000.00
Total liabilities	2,990,079,928.74	2,984,847,923.87	2,753,797,083.58	2,080,203,000.00	2,354,127,000.00
Minority shareholders' equity	159,146,928.42	173,310,520.72	176,070,582.49	144,382,000.00	122,167,000.00
Equity attributable to owners of the Company	2,047,499,190.00	2,016,253,323.93	1,985,802,758.43	1,951,691,000.00	1,918,332,000.00
Total equity	2,206,646,118.42	2,189,563,844.65	2,161,873,340.92	2,096,073,000.00	2,040,499,000.00



CHAIRMAN'S STATEMENT



On behalf of the board (the “**Board**”) of directors (the “**Director(s)**”) of the Company, I am pleased to present the audited annual results of the Group for the year ended 31 December 2024 to all shareholders of the Company.

In 2024, benefiting from the continuous upward and healthy development of China's economy and the automobile industry, and thanks to the hard work and efforts of members of the Board, management and all staff, the Company's revenue reached a record high and profit margin and returns on net assets reached a seven-year high. The Company has continued to maintain a favourable development trend.

Annual Results

In 2024, thanks to the ongoing effects of a series of policies adopted, such as subsidies for replacing old cars by new ones and purchase of new energy cars, coupled with the ongoing enthusiasm for promotional activities of automakers, these multiple measures have collectively stimulated consuming in the automotive market. As a result, the domestic automotive market has experienced steady growth, with production and sales reaching record highs. In 2024, the domestic automobile production volume and sales volume were 31.282 million vehicles and 31.436 million vehicles, respectively, increased by 3.7% and 4.5% year-on-year, and the production volume and sales volume remained the world's largest. Under the overall favourable market environment of the automobile industry, Chongqing Changan Automobile Co., Ltd. (“**Changan Automobile**”), the Group's major customer, and its associates recorded a steady growth in the production volume and sales volume in 2024, which amounted to 2,625,658 vehicles and 2,683,798 vehicles, respectively, representing a year-on-year increase of 1.64% and 5.12%.

The growth in production volume and sales volume of our major customer has prompted them to procure more logistics related services from the Group. In 2024, the Group's revenue reached RMB8,963,208,271.72, up by 12.48% as compared with RMB7,968,998,231.49 last year. The profit attributable to equity holders of the Company was up to RMB59,943,006.45, representing an increase of RMB3,496,141.53 as compared with RMB56,446,864.92 last year. The basic earnings per share was RMB0.37 (in 2023: RMB0.35).





Annual Review

In 2024, faced up to difficulties, the Company forged ahead and worked together to consistently promote high technology, high vitality, high efficiency, high brand, and high quality. The Company's transformation and upgrading and high-quality development made progress, achieving upward transformation and upgrading, stronger vitality, stronger organizational effectiveness, more prominent brand potential, and more solid development momentum. The Company made outstanding achievements in business performance, strategic planning, technological innovation, and reform and innovation. The Company's operating scale reached record highs.

Awards

In 2024, we have been honoured by the industry and our customers for our outstanding service quality and innovation, and we have earned the trust and praise of our customers for our efficient logistics services. Whether in terms of supply chain management, transportation efficiency, or customer service, we always uphold the principle of win-win development to continue to promote the upgrading of industry standards. In the future, we will continue to drive development with innovation and provide even better services to our customers!



ORGANISER	AWARDS
China Enterprise Confederation, China Enterprise Directors Association	🏆 Top 500 Enterprises of China's Service Industry
China Federation of Logistics & Purchasing	🏆 Top 50 Enterprises of China's Logistics Industry 🏆 AAAAA Logistics Enterprise 🏆 Recommended Brands in Logistics Technology and Equipment 🏆 KPI Benchmarking Enterprises for Automotive Finished Vehicle Logistics 🏆 KPI Benchmarking Enterprises for Automotive Parts Inbound Logistics 🏆 KPI Benchmarking Enterprises for Automotive After-Sales Parts Logistics 🏆 Outstanding Innovation Cases in Automotive Logistics Industry
China Culture Administration Association	🏆 Silver Award of the Voice of the Most Beautiful Brand 🏆 Advanced Unit of Team Building in the New Era in 2024 🏆 First Prize for Outstanding Case in Party Building Driving Enterprise Development 🏆 First Prize for Enterprise Party Building and Enterprise Culture Innovation
PMI (China)	🏆 Outstanding Project Award
Chongqing Enterprise Confederation (Enterprise Directors Association)	🏆 Top 100 Enterprises in Chongqing in 2024 🏆 Top 100 Enterprises of Chongqing's Service Industry in 2024
Changan Automobile	🏆 Strategic Partnership Award
Changan Ford Automobile Co., Ltd. ("Changan Ford")	🏆 Outstanding Supplier



CHAIRMAN'S STATEMENT



In 2024, we firmly implemented the development strategy of “developing outside Changan Group and outside the automotive industry”. On the one hand, we continued to improve our quality of services to core customers and won the highest awards for suppliers from Changan Automobile, Changan Ford and Changan Mazda Automobile Co., Ltd. (“**Changan Mazda**”); on the other hand, the Company further expanded its collaboration with the members under China South Industries Group Co., Ltd. (“**CSGC**”). By aligning with the logistics needs of the Chengdu Industrial Park of CSGC, we secured contracts to provide finished products transportation services for Sichuan Ningjiang Shanchuan Machinery Co., Ltd. and Chengdu Huachuan Denso Co., Ltd. At the same time, we strengthened our cooperation with upstream suppliers by providing in-plant logistics and finished products transportation services for Chenzhi Technology Co., Ltd., integrated transportation, package, storage and distribution services for Times Changan Power Battery Co., Ltd. and storage and distribution services for CATL. Meanwhile, we have accelerated our expansion outside Changan Group, successfully breaking into the supply chains of BYD, LUXEED and Li Auto, providing them with such services as finished vehicles transportation, parts milk-run etc.

Being customer-centric and expanding our business, we accelerated the transformation into a technology company with digitalisation, intelligence, green development and expertise to make the Company greener. Firstly, we continuously improved our digitisation capability, with 6 system products developed and applied to 12 projects; we have deepened our data operation and governance and initially completed the Digital Brain 1.0. Secondly, we have enriched our intelligent scenarios, with 6 intelligent products developed and applied to 6 scenarios. Thirdly, we deepened the application of green products, enriched the packaging design database, and realised online management of 40,000 Internet-connected packages for five projects by relying on the self-developed packaging operation management system (CMS). Fourthly, the results have been recognised, with the establishment of 10 corporate technical standards and participation in the compilation of 3 national standards; 35 patents and 25 softwritings have been accepted; Chongqing Saimei Shuzhi Technology Co., Ltd. (“**Chongqing Saimei**”), a wholly-owned subsidiary of the Company, has been certified as a national high and new technology enterprise and an innovative small and medium-sized enterprise of Chongqing.

The Company fully implements the New Development Concept and at the same time actively fulfils its social responsibilities by actively exploring and practising ESG. The Board and the management of the Company collaborate with each other to incorporate ESG sustainability into the daily operation and management of the Company. We insist on governing the enterprise in accordance with the law, regulating the internal control system and institutional construction, and actively practicing clean business practices, so as to build a solid foundation for the realisation of steady development. On the other hand, the Company continues to promote energy conservation, emission reduction and carbon reduction, coordinates the relationship between environmental protection and industrial development, and integrates green concepts into all aspects of storage, transportation, packaging and recycling to build a carbon-reducing ecosystem.





Outlook and Prospects

In 2025, the global economy may face various uncertainties, including weak global demand, high inflation, ongoing geopolitical tensions and intensified trade protectionism, making the international trade environment complex and volatile, while the domestic economy will face the triple pressures of insufficient effective demand, overcapacity and weak expectations. However, the basic trend of a long-term improvement in the domestic economy will remain unchanged.

According to the forecast by the China Association of Automobile Manufacturers, the total sales volume of automobiles in China is expected to reach 32.9 million in 2025, representing a year-on-year growth of 4.7%, while the export of automobiles is expected to hit 6.2 million, representing a year-on-year growth of 5.8%, and the total sales volume of new energy vehicles is expected to reach 16 million, representing a year-on-year growth of 24.4%. Government subsidies, tax incentives and licensing policies will continue to increase the popularity of new energy vehicles. In particular, improvements in battery technology, driving range and charging efficiency will enhance the competitiveness of new energy vehicles, fuelling sustained high-speed growth in the new energy vehicles sector. China's automobile exports will continue to grow, especially for new energy vehicles, with Europe, Southeast Asia and the Middle East becoming the key markets. China's automakers, such as BYD, GWM and Changan Automobile, have gradually established production bases overseas. The overseas market for Chinese automobiles is growing very strongly, and it has become a general trend for the industrial chain to develop overseas. The stable development of the automobile industry will lead the automobile logistics industry to continue to improve steadily.

At the same time, in order to promote the automobile enterprises in Chongqing to further seize the development opportunities of automobile exports, deeply integrate into the global automobile industry chain and value system and accelerate the construction of world-class intelligent networked new energy automobile industry clusters, Chongqing government released the "Chongqing-Made Cars Going Global" development plan at the end of 2023. The plan aims for the annual export volume of the city's finished vehicles to account for 10% of the national annual export volume by 2027. Changan Automobile has launched its overseas development plan, aiming to achieve an annual sales volume of more than 1.2 million vehicles by 2030 in overseas markets. The Company will closely follow Changan Automobile's overseas deployment by building overseas logistics networks to provide customers with comprehensive and all-round logistics solutions.

But at the same time, we must also recognise the challenges ahead. On the one hand, many logistics companies are expanding their networks and optimizing resource allocation, moving towards integrated supply chain logistics and automobile logistics, which has intensified market competition. On the other hand, the auto industry is going through a period of transformation, and the negative impact of the ongoing price wars among major automakers will inevitably ripple through the supply chain, placing significant pressure on the Company. However, with clear strategic focus and a solid growth strategy, we will increase operational efficiency and implement more stringent cost control measures to cope with the impact of unfavourable factors.

Going forward, we are committed to meeting our customers' needs in alignment with our mission of "innovating logistics services, creating a better life". We will explore the path of new quality productivity, from technical planning and design to integrated operation of transportation, package, warehousing and distribution, to digital intelligent software and hardware products, to provide customers with integrated or modular intelligent logistics services. We will enhance our international service capabilities, and strategically allocate resources to actively expand into the overseas automotive and manufacturing intelligent logistics market. By driving the Company's high-quality development and transformation, we aim to create greater value for shareholders and society.

I would like to express my thanks to my Board colleagues and all employees of the Company for their valuable contributions, hard work and dedication. Furthermore, I extend my sincere gratitude to our shareholders and stakeholders for their long-time support and trust.

Xie Shikang
Chairman

Chongqing, the PRC
27 March 2025



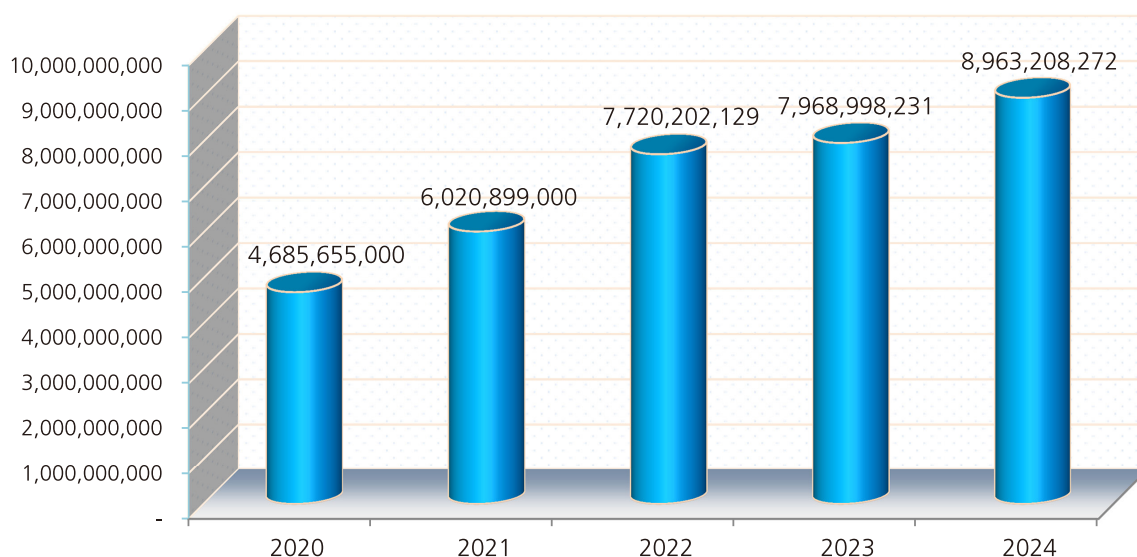


Business Review

The principal businesses of the Group are supply chain management services for automobiles and automobile raw materials, components and parts. Such services include finished vehicle transportation and related logistics services, automobile raw materials and components and parts supply chain management services, tires assembly and after-sales logistics service. Separately, the Group also provides non-automobile commodities transportation services to our customers. The Group's major customers include Changan Automobile, Changan Ford, Changan Mazda, Hebei Changan Automobile Co., Ltd., Nanjing Changan Automobile Co., Ltd., Baoding Changan Bus Manufacturing Co., Ltd. and Chongqing Changan International Sales and Services Co., Ltd., etc.

The revenue of the Group amounted to RMB8,963,208,271.72 for the year ended 31 December 2024, approximately 12.48% increase from RMB7,968,998,231.49 of last year.

Picture 1: Growth in revenue for the five years ended 31 December 2024
(Unit: RMB yuan)



Supply Chain Management Services of Automobiles and Automobile Raw Materials, Components and Parts

1. Transportation of Finished Vehicles

During the reporting period, the Group's major customer recorded an increase in the sales volume, resulting in the corresponding growth in the demand of finished vehicles transportation from the Group. Therefore, for the year ended 31 December 2024, the revenue of the Group from finished vehicle transportation services was RMB4,445,873,165.89, up by approximately 14.04% from RMB3,898,671,826.86 of last year.

2. Supply Chain Management Services of Automobile Raw Materials & Components and Parts

During the reporting period, the increase in the sales volume of the Group's major customer led to the increase in the demand for supply chain management services of automobile raw materials and components and parts. As such, the revenue from supply chain management services of automobile raw materials & components and parts for the year ended 31 December 2024 was RMB2,584,677,127.03, up by approximately 7.32% from RMB2,408,300,157.96 of last year.





MANAGEMENT DISCUSSION AND ANALYSIS

Transportation of Non-automobile Commodities and Other Logistics Services

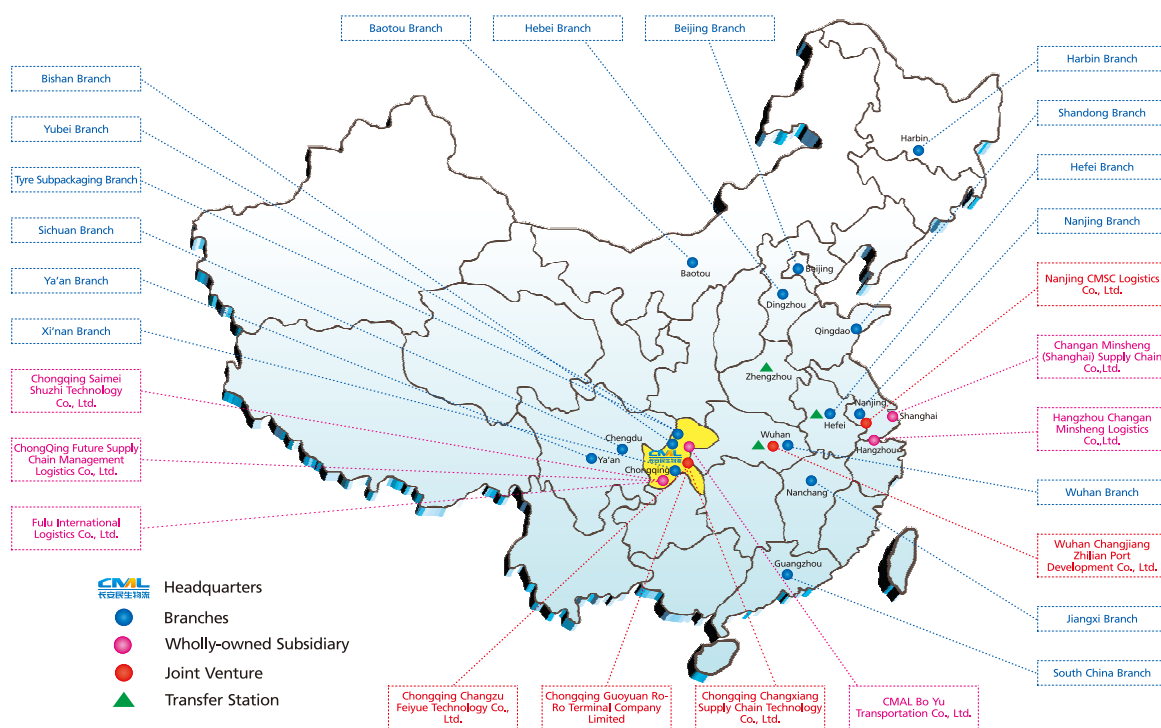
During the reporting period, the Group adjusted its business structure, which resulted in a significant decrease in the business volume of non-automobile commodities transportation. As such, the revenue of the Group from such logistics services was RMB303,699,241.69 for the year ended 31 December 2024, representing a decrease of approximately 28.39% from RMB424,107,662.09 of last year.

Automobile Components & Parts Packaging Sales and Tyres Sub-packaging

During the reporting period, the core customers of the Group increased in their demand for automotive parts packaging and tire assembly services. For the year ended 31 December 2024, the revenue of the Group from automobile parts packages sales and tires assembly was RMB1,628,958,737.11, up by approximately 31.59% from RMB1,237,918,584.58 of last year.

Logistics Services Network

As at 31 December 2024, the Company had a total of 27 branches, subsidiaries, associated companies and representative offices, which are mainly located in East China, Central China, North China, South China and Southwest China (Picture 2). The continuous enhancement of service network enables the Group to provide logistics services to different parts of the country.



Picture 2: Location of the Company's existing branches, subsidiaries, associated companies and representative offices





Financial Review

Cash Flow and Financial Resources

As at 31 December 2024, the Group's cash and cash equivalents was RMB982,221,928.70 (31 December 2023: RMB849,334,512.98), among which, RMB787,158,929.59 was attributed to the Company and RMB195,062,999.11 was attributed to the subsidiaries of the Company. As at 31 December 2024, the Group's total assets were RMB5,196,726,047.16 (31 December 2023: RMB5,174,411,768.52), current liabilities were RMB2,880,016,920.99 (31 December 2023: RMB2,729,541,661.34), the non-current liabilities were RMB110,063,007.75 (31 December 2023: RMB255,306,262.53), the equity attributable to owners of the Company was RMB2,047,499,190.00 (31 December 2023: RMB2,016,253,323.93) and the minority shareholders' equity was RMB159,146,928.42 (31 December 2023: RMB173,310,520.72).

Cost of Operation and Gross Profit Margin

For the year ended 31 December 2024, the Group's cost of operations was RMB8,559,911,051.80 (2023: RMB7,597,717,455.50), up by approximately 12.66% from the previous year. Though the Group's emphasis on management and continuous strengthening of logistics and internal management cost control, it faced various adverse factors such as the rising transportation cost and labour cost, and tumbling logistics service price, resulting in the gross profit margin of the Group reduced to 4.50% (2023: 4.66%).

Selling Expenses

For the year ended 31 December 2024, the Group's selling expenses were RMB50,561,038.70, representing approximately 0.56% of the Group's revenue during the period (2023: 0.64%).

During the year, the selling expenses included salaries, travelling, business and market promotion expenses incurred by the Group's sales and marketing department. Such expenses decreased by approximately 0.76% from the previous year.

Administrative Expenses

During the reporting year, the Group's administrative expenses increased from RMB214,717,665.51 in 2023 to RMB231,943,315.20 in 2024, up approximately 8.02% as compared with the corresponding period of previous year.

R&D Expenses

During the reporting year, the Group's R&D expenses decreased from RMB26,803,369.07 in 2023 to RMB23,011,712.49 in 2024, down by approximately 14.15% as compared with the corresponding period of previous year.

Financial Expenses

The Group's financial expenses for the year amounted to RMB611,815.98 (2023: RMB-3,225,090.68).

Taxation

During the reporting year, the income tax expense was RMB23,678,118.31 (2023: RMB17,045,642.33).



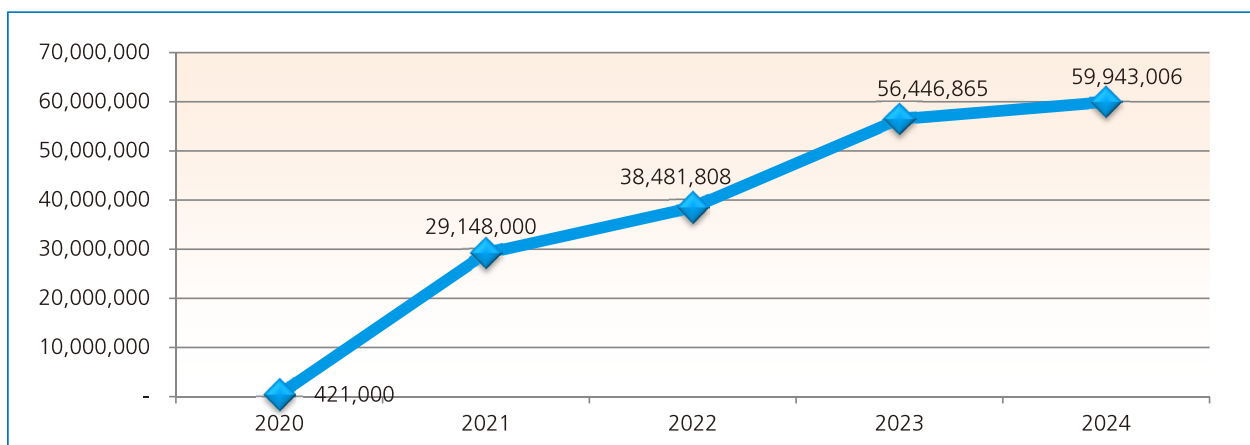


MANAGEMENT DISCUSSION AND ANALYSIS

Profit Attributable to Equity Holders of the Company

During the year, the profit attributable to owners of the Company was RMB59,943,006.45, up by approximately RMB3,496,141.53 compared to RMB56,446,864.92 of the previous year.

Picture 3: Profit attributable to owners of the Company for the five years ended 31 December 2024
(Unit: RMB yuan)



Capital Structure

For the year ended 31 December 2024, there was no change in the Company's share capital.

Loans and Borrowings

As at 31 December 2024, the balance of short term loans and other loans from financial institutions of the Group was RMB25,479,206.58 (31 December 2023: RMB158,298,328.28). Please refer to note 22, 30 and 32 to the financial statements of this report for further details.

Gearing Ratio

As at 31 December 2024, the gearing ratio (net debt divided by the adjusted capital plus net debt) of the Group was approximately 57.54% (31 December 2023: 57.68%).

Pledge of Assets

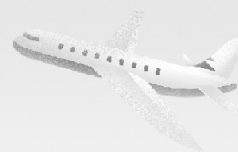
As at 31 December 2024, the Group had pledged bank deposits of approximately RMB5,448,998.06 to secure bank acceptance bills.

Contingent Liabilities

Other than disclosed in note XIII of the financial statements in this report, as at 31 December 2024, the Group did not have any significant contingent liabilities. For details of legal proceedings, please refer to the "Report of the Board".



MANAGEMENT DISCUSSION AND ANALYSIS



Principal Risks and Uncertainties

The Group's financial condition, results of operations and business prospects may be affected by a number of risks and uncertainties directly or indirectly pertaining to our Group's businesses. The following are the key risks and uncertainties identified by the Group. There may be other risks and uncertainties in addition to those shown below which are not known to our Group or which may not be material at the moment but could turn out to be material in the future.

Market Risks

Market risk is the risk arising from the movement in market price that deteriorates profitability or affects the ability to achieve business objectives. The management of our Group manages and monitors these exposures to ensure appropriate measures are implemented in a timely and effective manner.

Liquidity Risk

Liquidity risk is the potential that our Group will be unable to meet its obligations when they fall due because of an inability to obtain adequate funding or liquidate assets. In managing liquidity risk, our Group monitors cash flows and maintains an adequate level of cash and cash equivalent to ensure the ability to finance the Group's operations and reduce the effects of fluctuation in cash flows.

Operational Risk

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. Responsibility for managing operational risks basically rests with every function at divisional and departmental levels. Key functions in our Group are guided by their standard operating procedures, limits of authority and reporting framework. Our management will identify and assess key operational exposures regularly so that appropriate risk response can be taken.

Reliance Risk

For the logistics industry, the alliance between automobile manufacturers and logistics services providers are common in the PRC market. It is typical that a substantial part of the logistics services will be provided by related entity(ies) within the group of companies. The Group is no exception and China Changan Automobile Group Co., Ltd. ("**China Changan**") and its subsidiaries ("**Changan Group**") have been the Group's long-term client. As the Group is primarily engaged in automobile logistics and relies on the automobile production and sales of Changan Group, the fluctuation of Changan Group's automobile production and sales would undoubtedly impact on the business performance of the Group. Therefore, if Changan Group ceases to use or substantially reduces the use of the Group's logistics services and if the Group is not able to secure new customers with similar sales volume on terms acceptable to the Group, the business scale of the Group will be substantially reduced, and the financial performance of the Group will be adversely affected.

Exchange Rate Risks

As the Group has limited transactions denominated in foreign currencies, there is no significant effect on the Group's existing operations.

Capital Commitment

As at 31 December 2024, the Group's capital expenditure at the balance sheet date but not yet incurred was as follows:

	2024 RMB yuan	2023 RMB yuan
Contracted, but not provided for:		
Plant and machinery	-	2,100,440.25
Capital contributions payable to equity investment	-	-
	<u>-</u>	<u>2,100,440.25</u>





MANAGEMENT DISCUSSION AND ANALYSIS

Significant Purchase or Sale of Subsidiaries and Associated Companies

On 26 September 2024 (after trading hours of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”)), the Company and Shenyang Changyou Automobile Supply Chain Co., Ltd. (the “**Purchaser**”) entered into the equity transfer agreement, pursuant to which the Company agreed to dispose of and the Purchaser agreed to acquire 51% equity interest of Shenyang Changyou Supply Chain Co., Ltd. (“**Shenyang Changyou**”) at a total consideration of RMB47.90 million (the “**Disposal**”). Upon completion of the Disposal, the Group recorded an audited profit before tax of approximately RMB59.97 million from the Disposal, which has a significant impact on the Group’s profit in 2024.

Upon completion of the Disposal, the Group no longer held any interest in Shenyang Changyou and Shenyang Changyou was no longer a subsidiary of the Group. Accordingly, Shenyang Changyou’s financial results, assets and liabilities were no longer consolidated into the Group’s consolidated financial statements. Please refer to the announcements of the Company dated 26 September 2024 and 21 October 2024 respectively for further details.

Save as disclosed above, during the reporting period, there was no significant purchase or sale of subsidiaries and associated companies of the Group.

Substantial Investment or Acquisition

During the reporting period, the Group had no substantial investment or acquisition.



REPORT OF THE BOARD



The Board is pleased to present the report of the Board for the year ended 31 December 2024.

Principal Activities and Business Review

The Group is principally engaged in supply chain management services for automobiles and automobile raw material, components and parts. Such services include finished vehicle transportation and related logistics services, automobile raw materials and components and parts supply chain management services, tires assembly, after sales logistics services, etc. Besides, the Group also provides non-automobile commodities transportation services.

Further discussion and analysis of these activities as required by Schedule 5 of the Companies Ordinance, Chapter 622 of the laws of Hong Kong, including a discussion of the principal risks and uncertainties the Group is facing and an indication of likely future developments in the Group's business, can be found in the Management Discussion and Analysis set out on pages 10 to 15 of this report. This discussion forms part of this Report of the Board.

Major Customers and Suppliers

During the reporting period, the Group's sales to its 5 largest customers in proportion to the Group's total sales are as follows:

	For the year ended 31 December
	2024
A Chongqing Changan Automobile Co., Ltd.	22%
B Changan Ford Automobile Company Limited	15%
C Chongqing Changan Automobile International Sales Service Co., Ltd.	9%
D BMW Brilliance Automotive Ltd.	7%
E Hebei Changan Automobile Co., Ltd.	4%
Total of 5 largest customers	57%
	2023
A Chongqing Changan Automobile Co., Ltd.	29%
B Changan Ford Automobile Company Limited	23%
C BMW Brilliance Automotive Ltd.	5%
D Hebei Changan Automobile Co., Ltd.	4%
E Hefei Changan Automobile Co., Ltd.	2%
Total of 5 largest customers	63%

According to the Rules Governing the Listing of Securities (the "Listing Rules") on the Stock Exchange, except for BMW Brilliance Automotive Ltd., all the other largest customers mentioned above are the connected persons of the Company.





REPORT OF THE BOARD

During the reporting period, the Group's purchases from the 5 largest suppliers in proportion to the Group's total purchases are as follows:

	For the year ended 31 December
	2024
A China Railway Special Cargo Logistics Co., Ltd. Chengdu Branch	7%
B CITIC Decca Co. Ltd	5%
C Chongqing Meilian International Warehousing and Transportation (Group) Co., LTD	4%
D CIMC World Union Daya Asian Union International Logistics Co., Ltd	3%
E MSC Mitsui (China) Limited Guangzhou Branch	3%
Total of 5 largest suppliers	<u>22%</u>
	2023
A China Railway Special Cargo Logistics Co., Ltd. Chengdu Branch	11%
B Yuxinou Supply Chain Co., Ltd.	7%
C San Yang Ma (Chongqing) Logistics Co., Ltd.	4%
D MSC Mitsui (China) Limited Guangzhou Branch	3%
E Kunshan Liufeng Machinery Industry Co., Ltd.	3%
Total of 5 largest suppliers	<u>28%</u>

Each of the 5 largest suppliers is not a connected person of the Company pursuant to the requirements of the Listing Rules.

Save as disclosed above, none of the Directors, their respective close associates or any shareholders (which to the knowledge of the Directors own more than 5% of the Company's issued share capital, excluding treasury shares) had any interest in the 5 largest customers and 5 largest suppliers mentioned above.

Results

The results of the Group for the year ended 31 December 2024 are set out in the consolidated and company income statement in this report.





Dividend Distribution Policy

On 7 December 2023, the Board reviewed and adjusted the dividend distribution policy, among which, including clarifying the dividend appropriation ratio into the policy, which the Board will follow in formulating the dividend distribution plan. The dividend distribution policy aims to reward shareholders with reasonable dividend payout to the extent possible while maintaining adequate capital reserves for the current business operation and future growth.

- (1) When deciding to distribute profit, the Company should consider both reasonable returns to investors and its sustainable development, and the profit to be distributed should not exceed the accumulated distributable profits;
- (2) The Company may distribute profits by way of cash, stocks, a combination of cash and stocks, or other means permitted by laws and regulations;
- (3) On the premise that the Company's distributable profits are positive, cash dividends are allowed;
- (4) If the above condition referred to in the previous paragraph numbered (3) is met, the Company will, in principle, distribute cash dividends once a year. The Board may propose to distribute mid-term cash dividends with reference to profitability and capital needs of the Company;
- (5) Cash dividends in every year shall be no less than 30% of the distributable profits realized in that year. The shareholders and Directors may propose a profit distribution plan for the undistributed profits retained in previous years in accordance with the Articles of Association of the Company (the **"Articles of Association"**);
- (6) The profit distribution plan is proposed and drafted by the management team and the office to the Board with reference to the provisions of the Articles of Association, profitability, capital needs and shareholder return plan, and is subject to approval by shareholders at a general meeting upon being approved by the Board.

The Board will continually review these policies and reserves the right in its sole and absolute discretion to update, amend and/or modify these policies from time to time.

Dividends

Based on the total number of shares in issue on the record date for implementation of the profit appropriation, the Board recommended the payment of a final dividend of RMB0.20 (including tax) (2023: RMB0.20 (including tax) per share for the year ended 31 December 2024. The above proposal of profit appropriation is subject to consideration and approval at the 2024 annual general meeting (the **"2024 AGM"**) of the Company. Subject to approval to the Board's proposal being obtained at the 2024 AGM, the final dividend is expected to be paid on or before 26 September 2025.

In accordance with the "Enterprise Income Tax Law of the People's Republic of China" and its implementation regulations which came into effect on 1 January 2008, the Company is required to withhold and pay enterprise income tax at the rate of 10% on behalf of the non-resident enterprise shareholders whose names appear on the register of members for H shares of the Company when distributing final dividends to them. Any H shares registered not under the name of an individual shareholder, including HKSCC Nominees Limited, other nominees, agents or trustees, or other organizations or groups, shall be deemed as shares held by non-resident enterprise shareholders. Therefore, on this basis, enterprise income tax shall be withheld from dividends payable to such shareholders. If holders of H shares intend to change its shareholder status, please enquire about the relevant procedures with your agents or trustees. The Company will strictly comply with the laws and/or the requirements of the relevant government authority and withhold and pay enterprise income tax on behalf of the relevant shareholders based on the register of members for H shares of the Company.

Pursuant to the requirements of "Notice of the Ministry of Finance and the State Administration of Taxation on Certain Policies Regarding Individual Income Tax" (Cai Shui Zi No. [1994] 020) 《財政部、國家稅務總局關於個人所得稅若干政策問題的通知》(財稅字[1994]020號), individual foreigners exempt from individual income tax on dividend and bonus from foreign-invested enterprises in the PRC. As the Company is a foreign-invested joint stock limited company, the individual shareholders who hold the H shares of the Company and whose names appear in the H-share registrar are not required to pay the individual income tax of PRC.





REPORT OF THE BOARD

The record date of the 2024 AGM, the last day for trading in the securities with entitlement, the ex-entitlement date and the last registration date of transfer of shares for the purpose of the 2024 final dividend and the period for the closure of register of members will be set out in the notice convening the 2024 AGM of the Company to be sent to the shareholders. The Company shall comply with the relevant rules and regulations to withhold and pay the enterprise income tax on behalf of the relevant shareholders whose names are listed in the register of members of the share of the Company as of the record date for the purpose of the 2024 final dividend.

Share Capital

For the year ended 31 December 2024, there had been no change in the share capital of the Company. Details of the share capital of the Company are set out in note V. 37 to the financial statements.

Connected Transaction in relation to the Proposed Subscription of New Domestic Shares Under the Specific Mandate

On 22 August 2024 (after trading hours), the Company and China South Industries Assets Management Co., Ltd. (“SIAMC”) entered into the share subscription agreement (the “**Share Subscription Agreement**”), pursuant to which the Company has conditionally agreed to allot and issue, and SIAMC has conditionally agreed to subscribe for 40,000,000 new domestic shares (“**Subscription Share(s)**”) at the subscription price of RMB2.54648 (equivalent to HK\$2.78) per Subscription Share (“**Subscription Price**”) for a total consideration of RMB101,859,200 (equivalent to approximately HK\$111,200,000) in cash (the “**Share Subscription**”).

Completion of the Share Subscription is conditional upon the fulfilment of the following conditions:

- (a) the valid approval of this transaction and Share Subscription Agreement by the decision-making body of SIAMC;
- (b) the valid approval of this transaction and Share Subscription Agreement by the Board and the general meeting of the Company (i.e. the Share Subscription was approved by more than 50% of the votes by the independent shareholders at the extraordinary general meeting of the CompanyEGM (“**EGM**”) pursuant to The Code on Takeovers and Mergers (“**Takeovers Code**”));
- (c) the approval of this transaction by the State-owned Assets Supervision and Administration Department or its authorised body;
- (d) the obtaining of the whitewash waiver granted by the Executive Director of the Corporate Finance Division of the Securities and Futures Commission of Hong Kong to SIAMC in respect of this transaction (“**Whitewash Waiver**”) pursuant to Note 1 on dispensations from Rule 26 of the Takeovers Code;
- (e) the Whitewash Waiver was approved by at least 75% of the votes cast in favour by the independent shareholders at the EGM of the Company;
- (f) this transaction was registered by China Securities Regulatory Commission; and
- (g) the obtaining of other approvals, ratifications and filings from the competent regulatory authorities which may be involved in respect of this transaction.

As at the date of this report, all of the above conditions have been fulfilled.

Completion of the Share Subscription

After SIAMC pays the Company the total Subscription Price for the Subscription Shares, the Company shall appoint a Chinese Certified Public Accountant to verify the aforementioned payment of the SIAMC and issue a capital verification report. Within 10 business days after the issuance of the capital verification report, the Company shall submit a written application for registration of SIAMC as the holder of newly issued domestic shares to China Securities Depository and Clearing Corporation Limited or its branches. SIAMC may exercise its rights as a Shareholder of newly issued domestic shares only after the completion of the aforementioned registration.

As at the date of this report, SIAMC has paid the Company the total consideration of RMB101,859,200 for the Subscription Shares, and the capital verification report and share registration process are in progress.



REPORT OF THE BOARD



Use of Proceeds

The maximum aggregate proceeds from the Share Subscription will be approximately RMB101,859,200 (equivalent to approximately HK\$111,200,000) and the maximum net proceeds (after deduction of issuance expenses and other related costs and expenses) will be approximately RMB100,859,200 (equivalent to approximately HK\$110,108,297), whereas the net Subscription Price per Subscription Share will be approximately RMB2.52 (equivalent to approximately HK\$2.75).

The net proceeds from the Share Subscription are intended to be fully invested in the Company's overseas capacity building and smart logistics construction, in order to strengthen capacities in provision of overseas logistics services to ensure supply, and enhance investment in warehousing and logistics construction, smart logistics and extension of dual-power supply chains, etc.

Effects on Shareholding Structure of the Company

The following table sets out the (i) shareholding structure of the Company as at the date of this report; and (ii) the potential shareholding structure of the Company immediately after completion of the Share Subscription, assuming that there is no other change to the share capital and shareholding structure of the Company prior to completion:

	As at the date of this report		Immediately after completion of the Share Subscription	
	Number of shares held	Approximate percentage of total number of issued shares	Number of shares held	Approximate percentage of total number of issued shares
Domestic Shares				
SIAMC	-	-	40,000,000	19.80%
Minsheng Industrial (Group) Co., Ltd. ("Minsheng Industrial")	25,774,720	15.90%	25,774,720	12.76%
Non-H foreign Shares				
Ming Sung Industrial Co., (HK) Limited ("Ming Sung (HK)")	6,444,480	3.98%	6,444,480	3.19%
H Shares				
China Changan	41,225,600	25.44%	41,225,600	20.40%
APL Logistics Co., Ltd. ("APLL" or "APL Logistics")	32,399,200	19.99%	32,399,200	16.03%
Public Shareholders of H Shares	56,220,000	34.69%	56,220,000	27.82%
Total issued shares	162,064,000	100.00%	202,064,000	100.00%
SIAMC and the party acting in concert with it				
SIAMC	-	-	40,000,000	19.80%
China Changan	41,225,600	25.44%	41,225,600	20.40%
Sub-total	41,225,600	25.44%	81,225,600	40.20%

Note 1: The percentage figures as set out above are subject to rounding adjustments.

Note 2: Figures shown above are calculated assuming that no other shares will be issued or transferred from the date of this report to the completion of the Share Subscription.





REPORT OF THE BOARD

Reasons for and Benefits of Conducting the Share Subscription

The State-owned Assets Supervision and Administration Commission (the “SASAC”) of the State Council has proposed to deepen and enhance the reform of state-owned enterprises to improve their development qualities by leveraging the listing platforms more effectively to increase the market recognition and facilitate value realization of the listed enterprises. The Share Subscription is beneficial to the Company by effectively replenishing its liquidity, easing liquidity pressures, optimising its capital structure and enhancing its overall risk-resistant capability. The issuance of domestic shares to SIAMC will also showcase the support and confidence of the substantial Shareholders to the market, which will be conducive to boosting the market capitalisation and share price, and promoting the functioning of the listing platform and the restoration of valuation, which is required by the operation and development of the Company.

In addition, the proceeds from the Share Subscription will be used to strengthen the construction of overseas logistics capacity, providing capital support for the future overseas business, which is conducive to enhancing the Company’s overall competitiveness, thereby enabling the Company to create greater value for its Shareholders.

Further announcement(s) in respect of the progress of the Share Subscription will be made by the Company as and when appropriate in accordance with the requirements of the Listing Rules and other applicable requirements.

For details please refer to an announcement of the Company dated 22 August 2024 and a circular of the Company dated 4 November 2024 in relation to, among others, (i) the Share Subscription (including the Share Subscription Agreement, the transactions contemplated thereunder, and the Specific Mandate); (ii) the Whitewash Waiver; and (iii) the proposed amendments to the Articles of Association, an announcement of the Company dated 12 September 2024 in relation to delay despatch of circular, an announcement of the Company dated 14 October 2024 in relation to further delay despatch of circular, a supplemental announcement dated 10 October 2024 and an announcement dated 6 March 2025 in relation to Approval by the CSRC of the Company’s Application for Registration of the Issuance of Subscription Shares.

Public Float

Based on the public information known to the Company and to the best knowledge of the Directors, as at the date of this report, the Company has met the public float requirement as stipulated under the Listing Rules.

Reserves

Details of changes in the Company’s reserves during the reporting period are set out in the consolidated statement of changes in equity and in note V. 40 to the financial statements of this report.

Property, Plant and Equipment

Details of changes in the Group’s property, plant and equipment during the reporting period are set out in note V. 15 to the financial statements.

Financial Position

A summary which includes the Group’s results and its assets and liabilities for the past five financial years is set out in the section headed “Financial Summary” of this report.





Subsidiaries

As at 31 December 2024, the Company had the following subsidiaries.

Wholly-Owned Subsidiaries

CMAL Bo Yu Transportation Co., Ltd. (“CMAL Bo Yu”)*

It was incorporated on 3 November 2005 in the PRC with an address at No.111-5-1, Shengtai Road, Fusheng Prefecture, Jiangbei District, Chongqing City, the PRC and possesses the registered capital of RMB60,000,000 and the Company holds 100% of its equity interests. CMAL Bo Yu’s main business includes general freight, storage (storage of dangerous goods not included), logistics planning and consultation and telecommunication services in the PRC. Please refer to note VII to the financial statements of this report for further details.

Chongqing Future Supply Chain Management Co., Ltd. (“Chongqing Future”)*

It was incorporated on 18 March 2009 in the PRC with an address at Logistics Distribution Plant, No.10, Huiliu Road, Beibu New District, Chongqing City, the PRC and has a registered capital of RMB30,000,000 and the Company holds 100% of its equity interests. Chongqing Future is mainly engaged in general freight, storage (storage of dangerous goods not included), loading and unloading, handling, distribution, package processing (excluding printing), packaging, automobile components and parts sub-packaging, processing (excluding engine processing) and sales, international freight forwarding services (excluding international shipping forwarding) and logistics information consultation and solution design, etc. Please refer to note VII to the financial statements of this report for further details.

Chongqing Saimei

It was incorporated on 28 April 2011 in the PRC and on 28 June 2023 it was renamed as Chongqing Saimei Shuzhi Technology Co., Ltd. from Chongqing Changan Minsheng Fuyong Logistics Co., Ltd. with an address at Room 1-1, Building 15, No. 39 Xinggu Road, Hangu Town, High-tech Zone, Chongqing, the PRC changed from the previous address of No.26-11, Zongbao Road, Shapingba District, Chongqing City, the PRC. It had a registered capital of RMB5,000,000 and increased to RMB50,000,000 since 5 November 2023 after completion of capital increase and 100% of its equity interests is held by the Company. Chongqing Saimei is mainly engaged in technology-related services, package containers leasing, intelligent sales and leasing businesses etc. Please refer to note VII to the financial statements of this report for further details.

Fulu International Logistics Co., Ltd. (“Fulu International”)*

It was established on 9 April 2014 in the PRC and was subsequently renamed as Fulu International Logistics Co., Ltd. from Chongqing Fulu Bonded Logistics Co., Ltd., with an address at No.88-7-108, Maya Road, Luohuang Prefecture, Jiangjin District, Chongqing City, the PRC and has a registered capital of RMB3,000,000 which was subsequently increased to RMB60,000,000. Fulu International mainly engages in storage services (excluding dangerous goods); loading and unloading, handling; freight forwarding; packaging, distribution; processing and selling automobile parts; import and export of cargos and technology; designing of logistics solution and provision of related information consultation, Non-Vessel Operating Common Carrier business, etc. Please refer to note VII to the financial statements of this report for further details.





Hangzhou Changan Minsheng Logistics Co., Ltd.* (“Hangzhou Changan Minsheng”)

It was incorporated on 17 May 2013 in the PRC with an address at No.599, Luyin Road, Qianjin Industrial Park (Jiangdong Benji Qukuai), Hangzhou City, Zhejiang Province, the PRC. After capital increase of RMB360,000,000 on 12 December 2016, its registered capital reaches RMB610,000,000 and the Company holds 100% of its equity interests. Hangzhou Changan Minsheng is mainly engaged in dangerous goods road transportation, large objects transportation; freight stowage, forwarding and tally; domestic waterway freight forwarding; processing, producing, assembling, selling finished vehicles, automobile raw materials, parts and parts package materials; developing logistics software and providing logistics technology consultation. Please refer to note VII to the financial statements of this report for further details.

Changan Minsheng (Shanghai) Supply Chain Co., Ltd.* (“Shanghai Supply Chain”)

It was incorporated on 5 August 2014 in the PRC with an address at Room 208A, Building B, No.5, Shuntong Road, Linggang Special Area, Pilot Free Trade Zone, Shanghai City, the PRC. After capital increase of RMB28,000,000 on 6 May 2015, its registered capital reaches RMB30,000,000. The Company holds 100% of its equity interests. The main business of Shanghai Supply Chain is supply chain management, road transportation, import and export of goods and technology, exhibition and display services, development and design of computer software and hardware, storage (excluding dangerous goods), packaging, development of logistics software and information services. Please refer to note VII to the financial statements of this report for further details.

Non-Wholly Owned Subsidiaries

Nanjing CMSC Logistics Co., Ltd.* (“Nanjing CMSC”)

It was incorporated on 26 July 2007 in the PRC with an address at No.222, Qinshuiting West Road, Economic and Technological Development Zone, Jiangning District, Nanjing City, Jiangsu Province, the PRC with a registered capital of RMB100,000,000. The Company holds 67% of its equity interests and Sumitomo Corporation (“Sumitomo”) holds 33% of its equity interests. Nanjing CMSC is mainly engaged in general freight, domestic freight forwarding, provision of international freight forwarding for cargo transported via sea, air and land; import and export and related services, assembly and processing of automobile parts, leasing of machinery and vehicles, etc. Please refer to note VII to the financial statements of this report for further details.

Chongqing Changzu Feiyue Technology Co., Ltd.* (“Changzu Feiyue”)

Previously named Chongqing Changliang Logistics Technology Co., Ltd., it was incorporated on 16 May 2014 in the PRC with an address at Industrial Park Zone, Economic Development Zone, Shuangqiao District, Chongqing City (No.39-2, Checheng Road), the PRC and has a registered capital of RMB50,000,000. The Company holds 55% of equity interests of Changzu Feiyue, Chongqing Shuangqiao Economic & Technological Development Zone Investment Group, Co. Ltd.* holds 37.80% of its equity interests and Suzhou Zhongji Liangcai Technology Co., Ltd. holds the remaining 7.20% of its equity interests. Changzu Feiyue is mainly engaged in developing logistics technology, technical services and provision of technology consultation; producing, selling, renting and maintenance of containers; processing and selling of automobile parts; imports and exports; general freight; storage (excluding dangerous goods); international freight forwarding (excluding forwarding cargos transported by waterway and international freight forwarding by vessels); provision of packaging information consultation services, etc. Please refer to note VII to the financial statements of this report for further details.



REPORT OF THE BOARD



Chongqing Changxiang Supply Chain Technology Co., Ltd. ("Changxiang Supply Chain")*

It was incorporated on 24 March 2021 in the PRC with an address at No.2-4-401, Longgang Road, Guojiatuo Street, Jiangbei District, Chongqing, the PRC and has a registered capital of RMB20 million. The Company and FAW Logistics Co., Ltd. own 70% and 30% equity interests of Changxiang Supply Chain respectively. Changxiang Supply Chain is primarily engaged in road cargo transportation (excluding dangerous goods), city distribution and transportation (excluding dangerous goods), road cargo transport station operation, road cargo transportation (including dangerous goods and items that need to be approved according to law, and the specific items are subject to the approval documents or licenses of relevant departments); ordinary cargo storage, packaging, automobile sales, second-hand car brokerage, business agent service, motor vehicle refitting, car repair and maintenance, auto parts retail, domestic container freight forwarding agent service, second-hand car dealing, automotive decoration sales and other businesses. Please refer to note VII to the financial statements of this report for further details.

Changjiang Zhilian

It was established on 3 November 2017 with the registered address at 1/F, Unit 1, Building 19-3-1, Jincheng Village, Dengnan Street, Hannan District, Wuhan, the PRC and has a registered capital of RMB30 million. Changjiang Zhilian is owned as to 55.1150%, 12.7770%, 12.7340%, 12.2340% and 7.1400% by the Company, Hubei Port Group Co., Ltd.*, Hubei Hannangang Logistics Co., Ltd.*, Wuhan Shengde Rixin Automobile Industrial Park Co., Ltd.* and Wuhan Changxin Hengyuan Industrial Development Co., Ltd.* respectively. Changjiang Zhilian is primarily engaged in licensed business items, including port operation, port cargo handling services, road transport of goods (excluding dangerous goods), water transport of general cargo, road transport of goods (including dangerous goods), road transport of goods (Internet freight) and general business items, including general goods storage service (excluding dangerous goods and items that need to be licensed or approved), domestic container freight forwarding, domestic freight forwarding, international freight forwarding, non-vessel carrier business, road freight transport station operation, used automobiles brokerage, used automobiles dealing, house leasing, property management, machinery equipment leasing, non-residential property leasing, auto spare parts retail, new car sales and other services. Please refer to note VII to the financial statements of this report for further details.

Capitalized Interests

For the year ended 31 December 2024, no interest had been capitalized by the Company.

Permitted Indemnity Provision

A permitted indemnity provision for the benefit of the Directors of the Company is currently in force and was in force throughout this year. The Company has taken out and maintained appropriate insurance cover in respect of potential legal actions against its Directors and officers.

Relationship with Stakeholders

The Group recognizes that employees are our valuable assets. Thus, our Group provides a competitive remuneration package to attract and motivate the employees. The Group regularly reviews the remuneration packages of employees and makes necessary adjustments to conform to the market standard. The Group also understands that it is important to maintain good relationships with business partners and bank enterprises to achieve its long-term goals. During the reporting period, there was no material and significant dispute between the Group and its business partners or bank enterprises.





Retirement Plan

The employees of members of the Group in the PRC are members of Social Insurance Scheme (the “**Social Insurance Scheme**”) (such as pension insurance, medical insurance, occupational injury insurance, unemployment insurance, maternity insurance and housing funds) operated by the PRC government. The Group is required to make contributions to the Social Insurance Scheme based on a certain percentage of the salaries of its employees to fund the benefits. The Social Insurance Scheme is operated and administered by the relevant local government authorities and is non-refundable, and the Company has no access nor any discretion after making the aforesaid contributions, therefore there were no such forfeited contributions within the meaning of paragraph 26(2) of Appendix D2 to the Listing Rules for the year ended 31 December 2024. Apart from basic pension insurance, the Group has established an enterprise annuity plan (“**annuity plan**”) in accordance with relevant policies of the national enterprise annuity system. Employees can voluntarily participate in this annuity plan. Besides this, the Group has no other significant employee social security commitments. Accordingly, none of the Group's forfeited contributions under the Social Insurance Scheme can be used to offset future contributions or reduce current and future contribution levels.

Further details of the Company's retirement pension schemes are set out in note III. 23 SIGNIFICANT ACCOUNTING POLICIES AND ACCOUNTING ESTIMATES “Employee benefits” to the financial statements.

Employees

As at 31 December 2024, the Group had 3,137 employees (31 December 2023: 4,031 employees), and the gender ratio in the workforce (including senior management) was male: female=2.22 : 1.

The breakdown of the number of employees of the Group by functions is as follows:

As at 31 December		
	2024	2023
Administration	246	239
Specialists	1,500	1,482
Operators	1,391	2,310
Total	3,137	4,031

Please refer to note V. 27 to the financial statements for a breakdown of the employee benefit expense.

Remuneration Policy

The salaries of the Company's employees are determined by reference to the market rates, performance, qualifications and experience of the relevant employees. A discretionary bonus may also be given based on the performance of individual staff during the year in order to reward the employees for their contributions to the Company. Other employee benefits include pension insurance, medical insurance, unemployment insurance, personal injury insurance and housing funds, etc.

Training Programme

During the year, the Company has provided the staff with training regarding technology, security and management, etc.

Staff Quarters

During the year, the Company has not provided any staff quarters to the staff (2023: nil). Full-time employees are entitled to participate in the government-sponsored housing fund. The Company contributes on a monthly basis to the fund at certain rates of the employees' basic salary.





Directors and Supervisors

The Directors of the sixth session of the Board and supervisors of the sixth session of the supervisory committee (the “**Supervisory Committee**”) of the Company up to the date of this report were as follows:

Executive Directors	
Xie Shikang (Chairman)	(re-appointed on 30 June 2023)
Wan Nianyong	(re-appointed on 30 June 2023)
Non-executive Directors	
Che Dexi	(re-appointed on 30 June 2023)
Chen Wenbo	(re-appointed on 30 June 2023)
Dong Shaojie	(re-appointed on 30 June 2023)
Independent non-executive Directors	
Li Ming	(appointed on 30 June 2023)
Man Wing Pong	(appointed on 30 June 2023)
Chen Jing	(appointed on 30 June 2023)
Supervisors	
Wang Huaicheng	(re-appointed on 30 June 2023)
Ang Lai Fern	(appointed on 30 June 2023)
Yang Gang	(re-appointed on 30 June 2023)
Deng Li	(re-appointed on 30 June 2023)
Liu Shasha	(re-appointed on 30 June 2023)

Members of each of the sixth session of the Board and the sixth session of the Supervisory Committee of the Company were elected and appointed on 30 June 2023. For further details, please refer to the circular dated 14 June 2023 and the announcement dated 30 June 2023 of the Company.

Confirmation of Independence

The Company has received the annual confirmation of independence from each of the independent non-executive Directors pursuant to the Listing Rules. The Company considers that the existing independent non-executive Directors are independent of the Company and connected persons of the Company.

Service Contracts of Directors and Supervisors

Each of the Directors and supervisors of the Company has entered into a service contract with the Company. There is no unexpired period of any service contract which is not determinable by the Company within one year without payment of compensation (other than statutory compensation).





Directors' and Supervisors' Interests in Contracts

Save as disclosed in the section headed "Continuing Connected Transactions", there was no contract of significance to which the Company was a party and in which a Director or supervisor had a material interest, whether directly and indirectly, subsisting at the end of the year or at any time during the year.

Management Contract

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or existed during the year ended 31 December 2024.

Directors, Supervisors and Senior Management

There are no relationships, including financial, business, family or other material/relevant relationships among members of the Board, the Supervisory Committee and the senior management of the Company except for their working relationships within the Company.

Highest Paid Individuals

During the year, the five individuals with the highest remuneration in the Group are all Directors and senior management of the Company. Details of the highest paid individuals are set out in note XV.4 to the financial statements of this report.

Remuneration of Directors and Supervisors

Details of the remuneration of Directors and supervisors are set out in note XV.3 to the financial statements of this report.

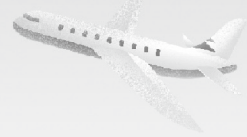
The remuneration provided to Directors and supervisors is determined on, among other things, the relevant experience and responsibility of, and time devoted to the Company by the Director or supervisor.

Interests of Directors, Chief Executive and Supervisors in Shares of the Company and Associated Corporations

As at 31 December 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, Chapter 571 of Laws of Hong Kong (the "SFO")) which (a) were required pursuant to section 352 of the SFO to be entered in the register referred to therein; or (b) were required, pursuant to the Appendix C3 of Model Code for Securities Transactions by Directors of Listed Issuers ("Model Code") to the Listing Rules to be notified to the Company and the Stock Exchange.

As at 31 December 2024, the Directors, chief executive and the supervisors of the Company were not beneficially interested in the share capital of any member of the Group nor did they have any right (whether legally enforceable or not) to subscribe for or to nominate persons to subscribe for securities in any member of the Group, nor did they have any interest, either direct or indirect, in any assets which have been, since 31 December 2024, made up, acquired, disposed of by or leased to or are proposed to be acquired or disposed of by or leased to any member of the Group.





Substantial Shareholders and Parties Holding Interests and Short Positions in Shares and Underlying Shares of the Company

As at 31 December 2024, so far as is known to the Directors, chief executive and the supervisors of the Company, the following persons, other than a Director, supervisor, or chief executive of the Company, had interests or short positions in the shares and underlying shares of the Company which would fall to be disclosed to the Company under the provision of Divisions 2 and 3 of Part XV of the SFO, or are required, pursuant to Sections 336 of the SFO, to be entered in the register referred to therein:

Name of Shareholders	Capacity	Number of Shares	Percentage of Domestic Shares (non-H Foreign Shares Included)	Percentage of H shares	Percentage of Total Registered Share Capital
CSGC	Interest of a controlled corporation	41,225,600(L) (H shares)	-	31.75%	25.44%
China Changan	Beneficial owner	41,225,600(L) (H shares)	-	31.75%	25.44%
Kintetsu World Express, Inc. (note 3)	Interest of a controlled corporation	32,399,200(L) (H shares)	-	24.96%	19.99%
APL Logistics (note 3)	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 (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 (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.

Note 3: APL Logistics is a wholly owned subsidiary of Kintetsu World Express, Inc., which is a wholly owned subsidiary of Kintetsu Group Holdings Co., Ltd.

Save as disclosed in this report, as at 31 December 2024, so far as is known to the Directors and chief executive of the Company, there is no other person (other than the Directors, supervisors, or chief executive of the Company) who had interests or short positions in the provisions of Divisions 2 and 3 of Part XV of the SFO; or are required, pursuant to Section 336 of the SFO, to be entered in the register referred to therein.





Share Appreciation Rights Incentive Scheme

On 28 August 2020, the Board has considered and approved a share appreciation rights (the “Share Appreciation Rights”) scheme (the “Scheme”). The Scheme has been approved by the SASAC 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 report 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 its shareholders and to bring them together in focusing on the long-term and sustainable development of the Company.

The Board set 27 April 2021 as the date of grant (the “Date of Grant”) and HKD2.98 as the exercise price. 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 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 of HKD2.98 per share; (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 of HKD2.83 per share; or (3) the par value of the H shares of the Company of RMB1. The number of units of the Share Appreciation Rights (number of shares) 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 4,861,400 units of Share Appreciation Rights to 29 incentive recipients (“Incentive Recipient(s)”), accounting for approximately 3.00% of the total issued share capital of the Company. Incentive Recipients are the individual(s) eligible to receive the Share Appreciation Rights 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 their parents, spouses or children thereof. The number of underlying shares of the Share Appreciation Rights granted to any single Incentive Recipient did not exceed one percent (1%) of the total issued share capital of the Company. The maximum gains from the Share Appreciation Rights 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 Recipient 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 is valid for a period of five years from 27 April 2021. The 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 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.

The Share Appreciation Rights granted by the Company on 27 April 2021 entered the First Exercise Period on 27 April 2023. Pursuant to the audited financial report prepared by PKF Hong Kong Limited (the “PKF”), the former 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 percentiles 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.



REPORT OF THE BOARD



The Share Appreciation Rights entered the Second Exercise Period on 27 April 2024. As at 31 December 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		
				Outstanding as at 1 January 2024	Lapsed during the year	Outstanding as at 31 December 2024
27 April 2021	2.98	27 April 2021 to 27 April 2026	27 April 2023 to 27 April 2025	3,240,933	0	3,240,933

Competing Interests

Before the listing of the H shares on the Growth Enterprise Market (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 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.

In March 2025, the Company received the confirmation regarding the above-mentioned non-competition undertakings from China Changan.

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.

Mergers & Acquisitions

No material mergers and acquisitions of the Group were carried out during the reporting period.





Continuing Connected Transactions

Set out below is information in relation to the continuing connected transactions of the Company which need to be reported pursuant to the Listing Rules during the year.

Background of the Continuing Connected Transactions

China Changan holds approximately 25.44% of the issued share capital of the Company and 17.98% of the equity interests of Changan Automobile. In addition, CSGC holds 100% equity interests in China Changan and 14.23% equity interests in Changan Automobile. SIAMC (a wholly-owned subsidiary of CSGC) holds 4.60% equity interest in Changan Automobile. The ultimate shareholder of SIAMC is CSGC. The ultimate beneficial owner of CSGC is the SASAC of the State Council. China South Industries Group Finance Co., Ltd. (“**Zhuangbei Finance**”) is a member company of CSGC in that CSGC holds 22.90% equity interests and China Changan holds 13.27% equity interests. The ultimate beneficial owner of Zhuangbei Finance is CSGC. As at the date of this report, the Company holds approximately 0.81% equity interests in Zhuangbei Finance. Both of APLL and Minsheng Industrial are the substantial shareholders of the Company, respectively holding approximately 19.99% and approximately 15.90% of the total issued share capital of the Company. Therefore, according to the Listing Rules, the transactions between the Group and each of China Changan, Changan Automobile, APLL, Minsheng Industrial, Zhuangbei Finance and their respective associates become connected transactions of the Company.

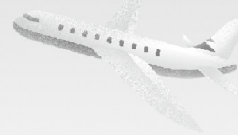
As the Company and Sumitomo hold 67% and 33% of the registered capital of Nanjing CMSC respectively, and Sumitomo holds 49% of the registered capital of Nanjing Baogang Zhushang Metal Products Company Limited (“**Baogang Zhushang**”). Therefore, according to the Listing Rules, Baogang Zhushang is a connected person of the Company at the subsidiary level and the transactions between Nanjing CMSC and Baogang Zhushang contemplated under the framework agreement constitute continuing connected transactions of the Company.

On 30 October 2023, the Company entered into the following framework agreements, each for a term of three years commencing on 1 January 2024 and expiring on 31 December 2026 (both days inclusive):

- (1) the framework agreement with Changan Automobile, pursuant to which the Group shall provide logistics services (including but not limited to the following logistics services: finished vehicle transportation, tire assembly, and supply chain management for automobile raw materials, components and parts) to Changan Automobile and its associates;
- (2) the framework agreement with China Changan, pursuant to which the Group shall provide logistics services (including but not limited to the following logistics services: finished vehicle transportation, tire assembly, supply chain management for automobile raw materials, components and parts; and logistics services for non-automobile products, such as transformer, steel, optical product and specialty product) to China Changan and its associates;
- (3) the procurement framework agreement with Minsheng Industrial, pursuant to which the Group shall purchase logistics services from Minsheng Industrial and its associates;
- (4) the framework agreement with Zhuangbei Finance, pursuant to which Zhuangbei Finance shall provide the Group with settlements, deposit and loans, note discounting services;
- (5) the framework agreement with Minsheng Industrial, pursuant to which the Group shall provide logistics services to Minsheng Industrial and its associates;
- (6) the procurement framework agreement with China Changan, pursuant to which the Group shall purchase security and cleaning services and property leasing services from China Changan and its associates;
- (7) the framework agreement with APLL, pursuant to which the Group shall (i) provide logistics services to APLL and its associates and (ii) purchase logistics services from APLL and its associates;
- (8) the framework agreement signed between Nanjing CMSC and Baogang Zhushang, pursuant to which Nanjing CMSC shall provide logistics services to Baogang Zhushang and its associates.

Please refer to the announcements dated 30 October 2023, 3 November 2023 and the circular dated 23 January 2024 of the Company for further details.





Brief Description and Purpose of the Group's Continuing Connected Transactions

With respect to the logistics services provided by the Group to Changan Automobile and its associates

The Group has been in business contact with Changan Automobile since the establishment of the Company and has maintained a good relationship with Changan Automobile ever since. The Group is a major logistics services supplier of Changan Automobile and its associates. The Group's logistics services have been highly recognized by Changan Automobile and its associates. Provision of logistics services to Changan Automobile and its associates by the Group continues to occupy a major portion of the Group's business, thus contributing significantly to the overall revenue of the Group. The Company believes that it is essential to maintain the provision of logistics services by the Group to Changan Automobile and its associates to ensure a source of revenue. The Company therefore is of the view that the Group should continue to provide comprehensive automobile logistics services for Changan Automobile and its associates to maximize the revenue of the Group.

With respect to the logistic services provided by the Group to China Changan and its associates

China Changan is essentially a large enterprise with businesses mainly ranging from parts and components to automobile retail. It has roughly 18 member companies engaging in parts production such as automobile engines, transmissions, power components, chassis, shock absorbers, supercharges, pistons and so on. The Group stepped up efforts in exploring the parts business of China Changan and its associates ever since China Changan became one of the substantial shareholders of the Company. Currently, the Group has established steady business contact with several member companies of China Changan by providing logistics services such as automobile parts distribution, transportation, storage, etc. The Group anticipates that by leveraging on the current business relationship, the Group can establish more business contact with Changan Group and can tap into the market potentials presented by China Changan and its associates, thereby increasing business sources and maximizing revenue of the Group.

With respect to the logistic services provided to the Group by Minsheng Industrial and its associates

The Group is a third-party automobile logistics service provider for providing comprehensive logistics solution for our customers. However, the Group currently does not have any vessels or enough freight carriers to ensure an independent operation of business. Therefore, the Group needs to purchase logistics services from suppliers with sufficient transportation capacity and logistics facilities and equipment. Minsheng Industrial is fully equipped with ro-ro ships of various volumes and car transporters and has extensive, well established logistics network across the country. Therefore, Minsheng Industrial and its associates are competent in providing logistics services to the Group. In addition, Minsheng Industrial and its associates have been credible and reliable business partners of the Group and have been providing various logistics services such as waterway transportation of cars and car components and parts, finished vehicles transportation by road, customs clearance, container transportation, etc. for many years. As such, the Directors are of the view that the Group should continue to purchase logistics services from Minsheng Industrial and its associates to support the smooth running of the Group's primary business and tap on the strength of Minsheng Industrial's various resources to our advantage and provide our customers with quality services and maximize the revenue of the Group. The Directors are of the view that the transaction is in the interest of the Company and its shareholders as a whole.

With respect to the transaction between the Group and Zhuangbei Finance

Zhuangbei Finance is a non-banking financial institution in the PRC as approved by the National Financial Regulatory Administration and is established with capital contribution from member companies of CSGC for purpose of centralizing capital management and optimizing capital efficiency within CSGC. Zhuangbei Finance has been providing financial services for member companies of CSGC for years and is highly recognized for its financial management services. In addition, the major customers of the Group are member companies within CSGC and they all have maintained accounts with Zhuangbei Finance. It would reduce time costs and finance costs if the Company deposits and conducts note discounting services with, and/or to obtain loan advancement from, Zhuangbei Finance. Moreover, Zhuangbei Finance offers more favourable terms and comparatively less finance fees and charges than those payable to external banks in the PRC.

With respect to the logistics services provided by the Group to Minsheng Industrial and its associates

Minsheng Industrial and its associates specialized in waterway transportation and has affluent resources such as ro-ro ships, vessels and vast waterway logistics network, enabling them to operate smoothly along the Yangtze River. However, in order to provide comprehensive logistics solutions to its customers, like combined transportation by waterway plus road, occasionally, Minsheng Industrial and its associates find themselves in need of logistics services from the Group such as station management support and road transportation support. As a longstanding business partner of Minsheng Industrial, the Group's strength is in provision of comprehensive logistics solutions which could cater to the needs of Minsheng Industrial and its associates. The Directors are of the view that the Group should continue to do business with Minsheng Industrial and its associates in the hope that by combining the resources and strength from both parties, Minsheng Industrial and the Group will find common ground to cooperate to our mutual benefit.





REPORT OF THE BOARD

With respect to the security and cleaning services and property leasing services provided by China Changan and its associates to the Group

Chongqing Changan Smart City Operation and Management Co., Ltd. (the former Chongqing Changan Property Management Co., Ltd.), an associate of China Changan, is a first-class property management company in the country and a member of the China Property Management Institute and has extensive property management experience. The Group considers that procurement of security and cleaning services from China Changan and its associates, mainly from Chongqing Changan Smart City Operation and Management Co., Ltd., can provide assurance to the Group that it would be provided with comprehensive, standard and high-level security and cleaning services, thereby ensuring the smooth running of the daily operation of the business projects of the Group. As such, the Directors are of the view that it is in the interest of the Company and its shareholders as a whole for the Group to continue to purchase security and cleaning services from China Changan and its associates.

China Changan and its associates have long been providing property leasing services for the Group and is rather familiar with the Group's requirement on the leased properties and will continue to respond quickly and in cost-efficient manner to any new requirement that the Group may have. Most warehouses and stations available from China Changan and its associates are geographically convenient for the Group to store car raw materials and finished vehicles. In addition, entering into property leasing transactions with China Changan would provide the Group with stability and substantially reduce the risks of possible shortage of suitable warehouses and stations and the wild fluctuation in rentals arising from the generally expected appreciation in the value of properties. Besides, the Group maintains the flexibility in leasing properties such as warehouses and stations from other independent parties. Therefore, the Directors are of the view that the Group should continue the property leasing transactions with China Changan and its associates as it is in the interest of the Company and its shareholders as a whole.

With respect to the logistics services provided by the Group to APLL and its associates

As a seasoned international logistics service provider with advanced logistics technology, APLL has strengthened its footprint overseas with extensive branches reaching mainland China, America and India. APLL and its associates have been providing supply chain management services for IT companies in Mainland China. The Group has strong logistics capacity in Mainland China and is also looking to explore overseas business to achieve further development. APLL is the substantial shareholder of the Company and is open to cooperation with the Group. Cooperation with APLL will not only help the Group to obtain various outsourced logistics business from APLL to generate revenue but also will help the Group keep abreast of the cutting-edge international logistics technology, leading operation schema and time-tested management method to optimize the business operation of the Group. The Directors is of the view that the continuing connected transactions exempt from shareholder's approval with APLL and its associates are beneficial for the Group's development and is in the interests of the Company and its shareholders as a whole.

With respect to the logistics services purchased by the Group from APLL and its associates

The Group's customers, Changan Ford and Changan Automobile have business in overseas countries such as America, Mexico, Vietnam and Philippines. The Group needs to purchase international logistics services from qualified international logistics service providers with sufficient capacity and well-established logistics network. APLL offers a comprehensive suite of services extending from international freight forwarding to both origin and destination services, including freight consolidation, warehousing and distribution management and operates in several international trade lines. The Company is of the view that APLL and its associates are competent to provide comprehensive international logistics services for the Group and will help to ensure the Group's service quality. In addition, having APLL and its associates to provide logistics services for the Group will give the Group with more choice in the selection of international logistics service providers. Therefore, the Directors is of the view that it is in the interests of the Company and its shareholders as a whole.

With respect to the logistics services provided by Nanjing CMSC to Baogang Zhushang

Baogang Zhushang needs to purchase steel transportation services, etc. Nanjing CMSC has been providing steel transportation services for Baogang Zhushang for a considerable period of time and is recognized by Baogang Zhushang for its service quality. In addition, as the business with Baogang Zhushang is rather stable, the Directors are of the view that Nanjing CMSC should continue to provide logistics services to Baogang Zhushang to ensure a stable revenue source to maximize the revenue of the Group and is in the interests of the Company and its shareholders as a whole.





Pricing of Continuing Connected Transactions

According to the framework agreements signed on 30 October 2023 between the Company and each of Changan Automobile, China Changan, APLL and Minsheng Industrial and the framework agreement signed between Nanjing CMSC, the Company's holding subsidiary, and Baogang Zhushang, the prices of the transactions for the services provided by the Group to our customers under such framework agreements are determined in accordance with the principles and order of bidding price, internal compared price and cost-plus price. Please refer to the announcements of the Company dated 30 October 2023, 3 November 2023 and the circular dated 23 January 2024 for further details.

According to the framework agreements signed on 30 October 2023 between the Company and each of Minsheng Industrial, China Changan, and APLL, the prices of the transactions for the services purchased by the Group under such framework agreements are determined in accordance with the principle and order of bidding price and internal compared price. Please refer to the announcements of the Company dated 30 October 2023, 3 November 2023 and the circular dated 23 January 2024 for further details.

According to the framework agreement signed on 30 October 2023 between the Company and Zhuangbei Finance regarding settlements, deposits and loans, and note discounting services, the prices of the transaction under such framework agreement are set on normal commercial terms.

The transactions between the Company and the connected persons were on normal commercial terms or on terms no less favorable to the Company than those available from independent third parties under current local market conditions, and the relevant connected transactions were fair and reasonable and in the interests of the Company and its shareholders as a whole.





Total Consideration of the Continuing Connected Transactions

During the reporting period, the Group conducted continuing connected transactions with China Changan, Changan Automobile, APL Logistics, Minsheng Industrial, Zhuangbei Finance, and their respective associates, and Nanjing CMSC also entered into continuing connected transactions with Baogang Zhushang, which constitute related party transactions in accounting during the period. The details are set out in note XI to the financial statements of the report. During the reporting period, the Group had strictly complied with the disclosure requirements under Chapter 14A of the Listing Rules.

For the year ended 31 December 2024, the total consideration paid to the Group by each of the relevant connected persons for the logistics services is as follows:

	For the year ended 31 December 2024	
	Actual Transaction Amount RMB yuan	Annual Caps or Revised Annual Caps RMB yuan
China Changan and its associates:		
- Logistics services (including but not limited to the following logistics services: finished vehicle transportation, tire assembly, supply chain management for automobile raw materials, components and parts; and logistics services for non-automobile products, such as transformer, steel, optical product and specialty product)	241,409,746.74	300,000,000.00
Changan Automobile and its associates:		
- Logistics services (including but not limited to the following logistics services: finished vehicle transportation, tire assembly, and supply chain management for automobile raw materials, components and parts)	5,681,365,858.69	7,000,000,000.00
Minsheng Industrial and its associates:		
- logistics services	332,030.16	11,000,000.00
APL Logistics and its associates:		
- logistics services	0.00	5,000,000.00
Baogang Zhushang:		
- logistics services	580,311.27	7,000,000.00

For the year ended 31 December 2024, the total consideration paid by the Group to each of the connected persons for the purchase of transportation services of automobiles and automobile raw materials, components and parts is as follows:

	For the year ended 31 December 2024	
	Actual Transaction Amount RMB yuan	Annual Caps or Revised Annual Caps RMB yuan
Minsheng Industrial and its associates:	214,192,727.22	450,000,000.00
APL Logistics and its associates:	0.00	5,000,000.00



REPORT OF THE BOARD



For the year ended 31 December 2024, the total consideration paid by the Group to each of the connected persons for the purchase of property leasing services is as follows:

	For the year ended 31 December 2024	
	Actual Transaction Amount RMB yuan	Annual Caps or Revised Annual Caps RMB yuan
China Changan and its associates:	3,998,616.51	5,000,000.00

For the year ended 31 December 2024, the total consideration paid by the Group to each of the connected persons for the purchase of security and cleaning services is as follows:

	For the year ended 31 December 2024	
	Actual Transaction Amount RMB yuan	Annual Caps or Revised Annual Caps RMB yuan
China Changan and its associates:	15,248,654.66	16,200,000.00

For the year ended 31 December 2024, the amount of transactions between the Group and Zhuangbei Finance are as follows:

	For the year ended 31 December 2024	
	Actual Transaction Amount RMB yuan	Annual Caps or Revised Annual Caps RMB yuan
The balance of the maximum amount of outstanding of deposit (including interest) on a daily basis	188,131,908.59	200,000,000.00

In March 2025, the Company received confirmation letters as required under Rule 14A.55 of the Listing Rules from Mr. Li Ming, Mr. Man Wing Pong and Ms. Chen Jing, the independent non-executive Directors of the Company, confirming that the continuing connected transactions of the Company for 2024 were:

1. in the ordinary and usual course of business of the Group;
2. on normal commercial terms or better; and
3. in accordance with the relevant agreements governing them on terms that are fair and reasonable and in the interests of the shareholders of the Company as a whole.

Further, the Company has engaged its external auditor to report on the Company's continuing connected transactions in accordance with the Hong Kong Standard on Assurance Engagements 3000 (Revised) "Assurance Engagements Other Than Audits or Reviews of Historical Financial Information" and with reference to Practice Note 740 "Auditor's Letter on Continuing Connected Transactions under the Hong Kong Listing Rules" issued by the Hong Kong Institute of Certified Public Accountants. In accordance with Rule 14A.71 of the Listing Rules, the Board of the Company confirmed that the external auditor of the Company had made a confirmation statement on the issues mentioned in Rule 14A.56 of the Hong Kong Listing Rules. The external auditor has issued an unqualified letter containing their findings and conclusions in respect of the continuing connected transactions set out above.





Related Party Transactions

Details of the significant related party transactions entered into by the Group during the twelve months ended 31 December 2024 are set out in note XI to the consolidated financial statements. None of these related party transactions constitutes a disclosable connected transaction as defined under the Listing Rules, except for the transactions described in this paragraph headed “Continuing Connected Transactions”, in respect of which the disclosure requirements in accordance with Chapter 14A of the Listing Rules have been complied with.

Legal Proceedings

Litigation 1

In March 2022, the Company entered into a storage supervision agreement with Chongqing Supply and Marketing Automobile Trading Co., Ltd.* (the “**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 (the “**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.





Litigation 2

On 18 August 2022, CMAL Bo Yu Transportation Co., Ltd. Tongnan Branch (“**Boyu Tongnan Branch**”), a wholly-owned subsidiary of the Company, entered into a cargo transportation agreement (the “**Agreement**”) with Zhongcun Material Trading Yunnan Co., Ltd. (“**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 the 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 from January to December 2024, Zhongcun Trading repaid RMB6,510,000. The debts owned by Zhongcun Trading to Boyu Tongnan Branch were reduced from RMB38,791,900 to RMB32,281,900.

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.





Litigation 3

On 7 September 2023, Boyu Tongnan Branch entered into a Cargo Transportation Agreement (the “**Agreement**”) with Yizhao Huasheng Logistics Co., Ltd. (“**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 ENERGY Company Limited Dalad Branch (“**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.

As at 31 December 2024, the balance of freight charges receivable from Yizhao Huasheng of Boyu Tongnan Branch amounted to RMB17,806,300, and a provision for bad debts of receivables of RMB7,122,500 was made.

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 in the litigation as and when appropriate.

Save as disclosed above, as at 31 December 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.





Designated Deposits

As at 31 December 2024, the Group had no designated deposits in any financial institutions in and out of the PRC or any overdue fixed deposit which could not be recovered.

Compliance with the relevant Laws and Regulations

As far as the Board and management are aware, the Group has complied in material respects with the relevant laws and regulations that have a significant impact on the business and operation of the Group. During the year, there was no material breach of or non-compliance with the applicable laws and regulations by the Group.

Environmental Policies and Performance

The Group is committed to the long-term sustainability of the environment and communities in which it operates. Acting in an environmentally responsible manner, the Group endeavors to comply with the laws and regulations regarding environmental protection and adopt effective measures to achieve efficient use of resources, energy saving and wastes reduction.

The Company is preparing the environmental, social and governance report (the “ESG report”) for the year ended 31 December 2024 in accordance with the Environmental, Social and Governance Reporting Guide in Appendix C2 of the Listing Rules. The Company will publish the ESG report on the Stock Exchange’s website and the Company’s website at the same time as the publication of the Company’s annual report of 2024.

Donation

During the year, the total amount of donations in cash made by the Company was RMB600,000 (2023: RMB600,000).

Purchase, Sale and Redemption of the Company’s Listed Securities

There was no purchase, redemption, sale or cancellation by the Group of the Company’s listed securities (including the sales of treasury shares) during the year ended 31 December 2024. As at 31 December 2024, the Company did not hold any treasury shares.

Pre-emptive Rights

There is no provision of pre-emptive rights in the Articles of Association requiring the Company to offer new shares proportionately to its existing shareholders.

Auditors

The consolidated financial statements of the Group set out in this report have been audited by Grant Thornton Zhitong Certified Public Accountants LLP, the Group’s auditor.





REPORT OF THE BOARD

Review of Final Results

The audit and risk committee of the Company (the “**Audit and Risk Committee**”) has reviewed the Group’s audited consolidated results for the year ended 31 December 2024.

By the Order of the Board
Xie Shikang
Chairman

Chongqing, the PRC
27 March 2025



REPORT OF THE SUPERVISORY COMMITTEE



Dear Shareholders,

Pursuant to the Company Law of the People's Republic of China, the relevant laws and regulations and the Articles of Association, the Supervisory Committee, under its fiduciary duty, took up an active role to work with diligence to protect the interests of the Company and its shareholders.

During the year, the Supervisory Committee carefully reviewed the Group's operation and development plans and made reasonable recommendations and suggestions to the Board, frequently examined the financial position of the Company and supervised the code of conduct of the Directors, the General Manager and other senior management. The Supervisory Committee exercised strict and effective supervision over whether the major policies and decisions made by the management of the Company were in compliance with the laws and regulations of the PRC and the Articles of Association and in the interests of its shareholders.

The Supervisory Committee considers that in 2024, the members of the Board, the General Manager and other senior management of the Company were able to strictly fulfil their fiduciary duties, to act diligently and to exercise their authority faithfully in the best interests of the Company, to carry out work pursuant to the Articles of Association in standard operation and gradually improve the internal control system. The transactions between the Company and related parties were carried out on fair and reasonable terms and in the interests of the shareholders as a whole. As of the date of this report, none of the Directors, the General Manager and other senior management had been found to have abused their authority, prejudiced the interests of the Company and its shareholders. None of them was found to be in breach of any laws and regulations or the Articles of Association.

The Supervisory Committee is confident in the Company's future development.

The Supervisory Committee has conscientiously reviewed and agreed with the report of the Board and the audited consolidated financial statements etc., which will be submitted by the Board to the 2024 AGM.

By order of the Supervisory Committee
Wang Huaicheng
Chairman

Chongqing, the PRC
27 March 2025





CORPORATE GOVERNANCE REPORT

The Board believes that the Company can enhance its corporate governance and transparency by adhering to strict corporate governance practices in the interest of the shareholders of the Company. Since 18 July 2013, the provisions of the Corporate Governance Code (the “**Code**”) set out in Appendix C1 of the Listing Rules have been adopted as the Company’s corporate governance standards, which coupled with the experience and circumstances of the Company, help to establish a favorable corporate governance structure of the Group.

Code Provision C.1.6 of Part 2 of the Code provides that independent non-executive Directors and other non-executive Directors should generally attend general meetings of the Company. During the reporting period, Mr. Che Dexi and Ms. Jin Jie did not attend the 2023 annual general meeting (the “**2023 AGM**”) and two extraordinary general meetings of the Company due to work reasons. The non-attendance of Mr. Che Dexi and Ms. Jin Jie at the general meetings did not affect the Company in answering queries from the shareholders nor Mr. Che Dexi’ and Ms. Jin Jie’s ability to develop a balanced understanding of the views of the shareholders at the general meetings as it is a practice of the Company to send the proposed resolutions to Directors and supervisors prior to the meeting, and therefore Mr. Che Dexi and Ms. Jin Jie has an understanding of the matters considered at the general meetings. The Company will strengthen its communication with Directors and make arrangements for the meetings in advance so that Directors will have sufficient time to make arrangements for their participation in the Company’s meetings.

Save as disclosed above, for the period from 1 January 2024 to 31 December 2024, the Company has complied with the code provisions set out in the Code throughout and adopted the recommended best practices as set out in the Code.

The following is a summary of key corporate governance practices of the Company:

Corporate Strategy

Under Code provision A.1.1 of Part 2 of the Code, the Board is required to establish the Company’s purpose, values and strategy, and ensure that these and the Company’s culture are aligned.

With “becoming world-class” as the goal, green, intelligent and digital technologies as the key, the “service leading strategy” as the cornerstone, and building “five high” (high technology, high vitality, high efficiency, high brand and high quality) as the direction, the Company is committed to transforming and upgrading from traditional logistics to a world-class green intelligent supply chain logistics technology company in 10 to 15 years by strengthening automobile logistics, expanding non-automobile logistics, and the logistics ecosystem, so that customers can trust us and entrust us with their business.

Corporate Governance Principles

The Board and the management of the Company are committed to the maintenance of good corporate governance practices and procedures. The Company believes that good corporate governance provides a framework that is essential for effective management, a healthy corporate culture, successful business growth and enhancing shareholders’ value. The corporate governance principles of the Company emphasise a high-quality Board, sound internal controls, and transparency and accountability to all shareholders.

Securities Transactions by the Directors

Since the Transfer of Listing of the shares to the main board of the Stock Exchange on 18 July 2013, the Company has adopted a code of conduct regarding Directors’ securities transactions on terms of the required standard of dealings (the “**Code of Conduct**”) prepared according to the Model Code. After making specific enquiries to all Directors, the Company confirms that the Directors have complied with the Code of Conduct during the period from 1 January 2024 to 31 December 2024.





Board

The sixth session of the Board of the Company was elected at the 2022 annual general meeting (“2022 AGM”) held on 30 June 2023 and comprises nine Directors, including two executive Directors, four non-executive Directors and three independent non-executive Directors. The Board is of the view that the composition of the Board maintains a reasonable balance and can provide protection for the interests of the Company and the shareholders as a whole. The non-executive Directors and the independent non-executive Directors of the Company fulfil their duties in formulating the Company’s policies by providing constructive advice. There is no family or material relationship among the members of the Board. The names of the members of the sixth session of the Board are set out in the section headed “Report of the Directors” of this report.

The Company has 3 independent non-executive Directors, of whom one has appropriate professional qualification and financial management expertise. The Company received the relevant independence confirmation letter from each of the independent non-executive Directors in March 2025. There is no relationship between the members of the Board, the Supervisory Committee and other senior management in finance, business, family and other material or relevant aspects.

Election of Directors and Supervisors and Provision of Information in respect of and by Directors, Supervisors and Chief Executives Required under Rule 13.51B of the Listing Rules

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

Saved as disclosed, for the year ended 31 December 2024, there are no other personnel changes in relation to the Directors, supervisors and senior management of the Company.

Ms. Jin Jie resigned as a non-executive Director of the sixth session of the Board of the Company with effect from 3 January 2025 due to a change in work arrangement.





Directors' Attendance of Regular Meetings

The Board has held four regular meetings in 2024 to discuss and determine the Company's major strategies, key operational issues, financial matters and other matters set out in the Articles of Association. Details of Directors' attendance records at the Board's regular meetings held during the year of 2024 are set out in the following table:

Director's name	Due attendance	Records for personal attendance	Records for attendance by alternate	Individual attendance rate
Executive Director				
Xie Shikang	4	4	0	100%
Wan Nianrong	4	3	1	75%
Non-executive Director				
Che Dexi	4	0	4	0%
Chen Wenbo	4	4	0	100%
Jin Jie (note 1, note 2)	4	3	0	75%
Dong Shaojie	4	4	0	100%
Independent non-executive Director				
Li Ming	4	4	0	100%
Man Wing Pong	4	4	0	100%
Chen Jing	4	4	0	100%

Note 1: Ms. Jin Jie resigned as a non-executive Director of the sixth session of the Board of the Company with effect from 3 January 2025 due to a change in work arrangement.

Note 2: Ms. Jin Jie attended three of the four regular meetings held in 2024 in person, and neither attended in person nor delegated another Director to attend on her behalf for the other regular meeting.

Composition of the Board

Directors (including non-executive Directors) are elected in general meetings of the Company with a term of 3 years and can be re-elected and re-appointed upon the expiry of the term.

The terms of all the existing Directors will end upon the expiry of the sixth session of the Board. The Directors shall then retire but may be available for re-election.

On diversity, the Board consists of Directors with different backgrounds that can provide the Company with professional advice on various aspects. Currently, the Board has one female Director. The independent non-executive Directors are independent of management of the Company and have adequate business and financial experience. They provide advice to the Board and the management on the strategic development of the Company and ensure the interests of shareholders and the Company as a whole by implementing measures.

According to the Listing Rules, the Company received the relevant written independence confirmation letter from each of the independent non-executive Directors for the year 2024. The Company confirmed that all the independent non-executive Directors are independent of the Company.

The Company has provided liability insurance for all Directors and supervisors.





Duties of Directors and Management

Pursuant to the regulations of the Articles of Association, the duties of Directors are: to be responsible for the convening of and reporting to the shareholders' meeting; to implement the resolutions passed by the shareholders' meeting; to determine the Company's business plans and investment proposals; to formulate the Company's preliminary and final annual financial budgets; to formulate the Company's profit distribution proposal and loss recovery proposal; to make plans for the Company's increasing or decreasing its registered capital and issuing bonds; to formulate plans for the Company's merger, division, changing of forms and dissolution; to decide on the Company's internal management structure; to appoint or remove the Company's general manager and secretary to the Board of Directors, and to engage or remove the Company's deputy general manager, person(s) in charge of the finance department and other senior management according to the nomination of the general manager, and to decide on their remuneration and payment method; to formulate the Company's basic management system; to formulate proposals for any amendment to the Articles of Association; to formulate plans for the Company's acquisition or sale of major assets; in compliance with the relevant laws and regulations, to exercise the Company's right to finance and loan as well as mortgage, rent, contract for or transfer the Company's major assets and authorizing general manager and vice general managers to exercise the foregoing rights within certain scope; to propose at the shareholders' meeting the engagement or replacement of an accounting firm for the audit of the Company's accounts; to listen to the opinions of the Party Committee of the Company before making decisions on material issues of the Company; to exercise any other functions and powers conferred upon by the shareholders' meeting and the Articles of Association.

Pursuant to the regulations of the Articles of Association, the duties of management of the Company are: to operate and manage the Company as well as implement resolutions of the Board; to implement the Company's annual operation and investment plan; to make plans for the structuring of the Company's internal management departments; to formulate the Company's basic management system; to formulate regulations for the Company; to propose to appoint or remove vice general managers and CFO of the Company; to decide to appoint or remove management staff except those that shall be appointed or removed by the Board; to decide the rewards and punishments, promotions, pay raises, appointments, employment, removal and dismissal of the Company's employees; to represent the Company to handle major business as authorized by the Board; to exercise other functions and powers conferred upon by the Articles of Association and the Board.

During the year, the Directors and the management of the Company strictly fulfilled their duties in accordance with the requirements in the Articles of Association. The Board has reviewed its performance during the reporting period, obtained advice from the senior management and considered the advice contained in the Report of the Supervisory Committee. The Board is of the view that it has effectively performed its responsibilities in the interests of the Company and its shareholders in the year under review.

Board Diversity Policy

The Board has adopted the board diversity policy (the "**Board Diversity Policy**") in compliance with the mandatory disclosure requirements under Rule 13.92 of the Listing Rules and paragraph J of Part 1 of the Code.

The Board Diversity Policy aims to set out the approach to achieve diversity on the Board and does not apply to diversity in relation to the employees of the Company, nor the board and the employees of any subsidiary of the Company. In reviewing and assessing the composition of the Board, the nomination committee of the Company (the "**Nomination Committee**") will consider the benefits of all aspects of diversity, including without limitation, differences in the talents, skills, regional and industry experience, background, gender, age and other qualities of the members of the Board, in order to maintain an appropriate range and balance of talents, skills, experience and background on the Board. In recommending candidates for appointment to the Board, the Nomination Committee will consider candidates on merit against objective criteria and with due regard for the benefits of diversity on the Board. The Nomination Committee will discuss and agree on the measurable objectives for achieving diversity on the Board and recommend them to the Board for adoption. At any given time, the Board may seek to improve one or more aspects of its diversity and measure progress accordingly. The Company aims to maintain an appropriate balance of diversity perspectives of the Board that are relevant to the Company's business growth.





Chairman and General Manager

The Company's chairman is Mr. Xie Shikang, and the general manager is Mr. Wan Nianyong. The chairman is responsible for setting the strategic direction of the Company and formulating the business strategies, while the general manager is responsible for overseeing the daily operations of the Company. The chairman is also responsible for the Board and ensuring the effective operation of the Board. The chairman encourages all the Directors (including the independent non-executive Directors) to be fully dedicated in carrying out their duties to the Board and its four committees.

Continuing Professional Development of Directors (Training for Directors)

Directors should participate in continuing professional development to develop and refresh their knowledge and skills. This is to ensure that they will remain well informed to make their contribution to the Board.

Below is a summary of the training received by the Directors for the period between 1 January 2024 and 31 December 2024 based on the records provided by the Directors and supervisors:

Name	Category of Continuing Professional Development
Directors	
Xie Shikang	A/B
Wan Nianyong	A/B
Che Dexi	A/B
Chen Wenbo	A/B
Jin Jie (note 2)	A/B
Dong Shaojie	A/B
Li Ming	A/B
Man Wing Pong	A/B
Chen Jing	A/B
Supervisors	
Wang Huaicheng	A/B
Ang Lai Fern	A/B
Yang Gang	A/B
Deng Li	A/B
Liu Shasha	A/B

Note 1: A refers to seminar materials and other updated information regarding the amendments to the Listing Rules and other applicable regulations. B refers to attending briefings and/or seminars.

Note 2: Ms. Jin Jie resigned as a non-executive Director of the sixth session of the Board of the Company with effect from 3 January 2025 due to a change in work arrangement.





Four Committees of the Board

The Audit and Risk Committee, the remuneration committee of the Company (the “**Remuneration Committee**”), the Nomination Committee and the strategy and investment committee of the Company (the “**Strategy and Investment Committee**”) have laid down specific terms of reference, detailing the powers and responsibilities of these committees. All the committees shall report their decisions or submit their proposals to the Board within their authorities, and under certain circumstances, have to request for the Board’s approval before taking any actions.

1. Audit and Risk Committee

The Company has set up an audit committee pursuant to the requirements of the Listing Rules and the “Guidelines for the Establishment of Audit Committees” published by Hong Kong Institute of Certified Public Accountants, and set out its duties, powers and functions with written terms of reference. With effect from 30 June 2023, the audit committee of the Company was renamed as the Audit and Risk Committee. The major duties of the Audit and Risk Committee are:

- (a) be primarily responsible for making recommendations to the Board on the appointment, reappointment and removal of the external auditor, and to approve the remuneration and terms of engagement of the external auditor, and any questions of its resignation or dismissal;
- (b) review and monitor the external auditor’s independence and objectivity and the effectiveness of the audit process in accordance with applicable standards. The Audit and Risk Committee should discuss with the auditor the nature and scope of the audit and reporting obligations before the audit commences;
- (c) develop and implement policy on engaging an external auditor to supply non-audit services, if any, to ensure that provisions of such services would not impair the independence and objectivity of the external auditors. For this purpose, ‘external auditor’ includes any entity that is under common control, ownership or management with the audit firm or any entity that a reasonable and informed third party knowing all relevant information would reasonably conclude to be part of the audit firm nationally or internationally. The Audit and Risk Committee should report to the Board, identifying and making recommendations on any matters where action or improvement is needed;
- (d) monitor the integrity of the Company’s financial statements and the annual report and accounts, half-year report and (if prepared for publication) quarterly reports, and to review significant financial reporting judgments contained in them. In reviewing these reports before submission to the Board, the Audit and Risk Committee should focus particularly on:
 - (i) any changes in accounting policies and practices;
 - (ii) major judgmental areas;
 - (iii) significant adjustments resulting from audit;
 - (iv) the going concern assumptions and any qualifications;
 - (v) compliance with accounting standards; and
 - (vi) compliance with the Listing Rules and other legal requirements in relation to financial reporting;
- (e) regarding (d) above:
 - (i) members of the Audit and Risk Committee should liaise with the Board and senior management and the Audit and Risk Committee must meet, at least twice a year, with the Company’s auditors; and
 - (ii) the Audit and Risk Committee should consider any significant or unusual items that are, or may need to be, reflected in the reports and accounts, it should give due consideration to any matters that have been raised by the Company’s staff responsible for the accounting and financial reporting function, compliance officer or auditors;
- (f) review the Company’s financial controls, and review the Company’s risk management and internal control systems;





CORPORATE GOVERNANCE REPORT

- (g) discuss risk management and internal control systems with management to ensure that management has performed its duty to have an effective internal control system. This discussion should include the adequacy of resources, staff qualifications and experience, training programmes and budget of the Company's accounting and financial reporting function;
- (h) consider major investigation findings on risk management and internal control matters as delegated by the Board or on its own initiative and management's response to these findings;
- (i) where an internal audit function exists, ensure co-ordination between the internal and external auditors, and ensure that the internal audit function is adequately resourced and has appropriate standing within the Company, and review and monitor its effectiveness;
- (j) review the group's financial and accounting policies and practices;
- (k) review the external auditor's management letter, any material queries raised by the auditor to management about accounting records, financial accounts or systems of control and management's response;
- (l) ensure that the Board will provide a timely response to the issues raised in the external auditor's management letter;
- (m) report to the Board on the matters on the corporate governance code contained in Appendix C1 of the Listing Rules;
- (n) review arrangements employees of the Company can use, in confidence, to raise concerns about possible improprieties in financial reporting, risk management and internal control or other matters. The Committee should ensure that proper arrangements are in place for the fair and independent investigation of these matters and for appropriate follow-up action;
- (o) act as the key representative body for overseeing the Company's relations with the external auditor; and
- (p) study policies for risk management and compliance management of the Company, review the regulatory updates on risk management related issues and consider their material implications to the Company's risk appetite/tolerance and risk profiles, oversee the implementation of risk management policies and compliance with respective statutory rules and regulations;
- (q) monitor the establishment and enforcement of risk and compliance management systems, and the prevention and control of major risks, review and recommend for the Board's approval the Company's risk management framework, risk management system and corporate governance framework including their appropriateness, effectiveness and independence of risk management functions;
- (r) listen to reports on risk and compliance management, put forward suggestions on how to improve risk and compliance management, and consider proposals in relation to risk and compliance management to be submitted to the Board for review and approval;
- (s) review and recommend for the Board's approval the Company's overall risk management strategies and risk appetite/tolerance, which shall take into account the business, financial, operational, compliance, and all the relevant risks faced by the Company and the prevailing and prospective market and economic conditions;
- (t) evaluate the risks of major investment and funding projects and issues concerning the operation of capital, and advise the Board on such decision-making;
- (u) review reports from the management and to make recommendations to the Board on the Company's risk management policies, which govern the identification, assessment, monitoring, and reporting of the major risks faced by the Company; and
- (v) consider other topics, as defined by the Board.



CORPORATE GOVERNANCE REPORT



The Audit and Risk Committee currently comprises Mr. Li Ming, Mr. Man Wing Pong and Ms. Chen Jing, who are all independent non-executive Directors, as well as Mr. Dong Shaojie, a non-executive Director, and Mr. Li Ming has the requisite financial experience.

During the year, the Audit and Risk Committee held 4 regular meetings.

The Audit and Risk Committee met on 21 March 2024 to review and discuss the Group's annual results, financial statements; principal accounting policies and internal audit matters for the year ended 31 December 2023, listened to the auditor's suggestions for the Company, and approved such reports.

The Audit and Risk Committee met on 10 May 2024 to review the income statement, cash flow statement and balance sheet of the Group for the three months ended 31 March 2024.

The Audit and Risk Committee met on 16 August 2024 to review the unaudited interim report of the Group for the six months ended 30 June 2024 and approved such report.

The Audit and Risk Committee met on 17 October 2024 to review the income statement, cash flow statement and balance sheet of the Group for the nine months ended 30 September 2024.

Details of the Audit and Risk Committee members' attendance records at the regular meetings during the year are set out in the following table:

Members of the Audit and Risk Committee	Due attendance	Records for personal attendance	Records for attendance by alternate	Individual attendance rate
Li Ming	4	4	0	100%
Dong Shaojie	4	4	0	100%
Man Wing Pong	4	4	0	100%
Chen Jing	4	4	0	100%

In 2024, the Audit and Risk Committee worked actively mainly on the following aspects:

- reviewed the policies and systems on internal financial supervision & operation, compliance monitoring and risks management, for the purpose of ensuring the effectiveness of the policies and systems on internal financial supervision and operation, compliance monitoring and risks management;
- monitored the accounts of the relevant reporting period and reviewed the financial statements and all the financial reporting materials which are set out in the report and took the view that all of these were in accordance with the requirements of Chinese Accountant Standard and complied with the relevant laws and regulations of PRC and the Listing Rules;
- made in-depth communication and discussions with the Group's external auditors regarding the 2024 conducted annual financial auditing nature and scope; and
- made recommendations to the Board to appoint Grant Thornton Zhitong Certified Public Accountants LLP as the auditor of the Company for 2024.





2. Remuneration Committee

The Remuneration Committee currently comprises Mr. Man Wing Pong, Mr. Dong Shaojie, Mr. Li Ming and Ms. Chen Jing. Mr. Man Wing Pong, Mr. Li Ming and Ms. Chen Jing are independent non-executive Directors and Mr. Dong Shaojie is a non-executive Director. The Remuneration Committee is chaired by Mr. Man Wing Pong.

The major duties of the Remuneration Committee are:

- (a) make recommendations to the Board on the Company's policy and structure for all Directors and senior management remuneration and on the establishment of a formal and transparent procedure for developing remuneration policy;
- (b) review and approve the management's remuneration proposals with reference to the Board's corporate goals and objectives;
- (c) determine, with delegated responsibility, the remuneration packages of individual executive Directors and senior management. These should include stock appreciation stimulating plan, benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of their office or appointment;
- (d) make recommendations to the Board on the remuneration of non-executive Directors;
- (e) consider salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the group;
- (f) review and approve compensation payable to executive Directors and senior management for any loss or termination of office or appointment to ensure that it is consistent with contractual terms and is otherwise fair, reasonable and not excessive;
- (g) review and approve compensation arrangements relating to dismissal or removal of Directors for misconduct to ensure that they are consistent with contractual terms and are otherwise reasonable and appropriate;
- (h) ensure that no Director or any of his associates is involved in deciding his own remuneration;
- (i) review and/or approve matters relating to share schemes under Chapter 17 of Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited, including any grants of options or awards to Directors or senior management, and to make disclosure and give explanation on the appropriateness to such material matters (if any) being approved in the corporate governance report; and
- (j) consider other topics, as authorized by the Board from time to time.



CORPORATE GOVERNANCE REPORT



During the year, the Remuneration Committee held one regular meeting.

Details of the Remuneration Committee members' attendance records at the meeting during the year are set out in the following table:

Members of the Remuneration Committee	Due attendance	Records for personal attendance	Records for attendance by alternate	Individual attendance rate
Man Wing Pong	1	1	0	100%
Dong Shaojie	1	1	0	100%
Li Ming	1	1	0	100%
Chen Jing	1	1	0	100%

In 2024, the Remuneration Committee worked actively mainly on the following aspects:

- (a) submitted suggestions to the Board on the remuneration policy and composition of the Directors and senior managements of the Company in 2024, and suggested the establishment of a normal and transparent remuneration system;
- (b) analyzed and continuously refined the procedures of meetings of the Remuneration Committee; and
- (c) reviewed annual performance contract for management members of the Company.





3. Nomination Committee

The Nomination Committee currently comprises Mr. Xie Shikang, Mr. Dong Shaojie, Mr. Li Ming, Mr. Man Wing Pong and Ms. Chen Jing. The Nomination Committee is chaired by Mr. Xie Shikang, who is also the chairman of the Board, and comprises a majority of independent non-executive Directors.

The major duties of the Nomination Committee are:

- (a) review the structure, size and composition (including the skills, knowledge and experience) of the Board at least annually and make recommendations on any proposed changes to the Board to complement the Company's corporate strategy;
- (b) identify individuals suitably qualified to become Board members and select or make recommendations to the Board on the selection of individuals nominated for directorships;
- (c) assess the independence of independent non-executive Directors;
- (d) make recommendations to the Board on the appointment or re-appointment of Directors and succession planning for Directors, in particular the chairman and the general manager; and
- (e) consider other topics, as authorized by the Board.

In identifying individuals suitably qualified to become Board members, the Nomination Committee will fully consider if his or her skills, experience and diversity of perspectives is appropriate to the requirements of the Group's business and has a thorough knowledge regarding the candidate's occupation, educational background, professional titles, specific working background, part-time jobs and other background information required under the Listing Rules, the Articles of Association and the relevant PRC authorities (if any). In addition, the Nomination Committee will also take into account the potential contributions a candidate can bring to the Board in terms of qualifications, skills, experience, independence and gender diversity and comply with the Procedures for shareholders to Nominate Candidate(s) for Election as Director(s) or Shareholders' Representative Supervisor(s) established by the Company, and all of the applicable provisions of the Articles of Association and the Listing Rules.



CORPORATE GOVERNANCE REPORT



During the year, the Nomination Committee of the Company held one regular meeting.

Details of the Nomination Committee members' attendance records at the regular meeting during the year are set out in the following table:

Members of the Nomination Committee	Due attendance	Records for personal attendance	Records for attendance by alternate	Individual attendance rate
Xie Shikang	1	1	0	100%
Dong Shaojie	1	1	0	100%
Li Ming	1	1	0	100%
Man Wing Pong	1	1	0	100%
Chen Jing	1	1	0	100%

In 2024, the Nomination Committee worked actively mainly on the following aspects:

- (a) analyzed the framework, population and composition of the current Board of the Company;
- (b) assessed and reviewed the independent non-executive Directors of the Company, ensuring their independency. The Company shall abide by relevant rules of the Articles of Association and Listing Rules in selection of the candidate(s) for non-executive Director(s), with reference to his/her character, experience and integrity and competence; and
- (c) analyzed and continuously refined the procedures of meetings of the Nomination Committee.

The Board has adopted the Director nomination policy in compliance with the mandatory disclosure requirement under paragraph E.(d)(iii) of Part 1 of the Code pursuant to which the Company should disclose its policy for nomination of Directors in the summary of work performed by the Nomination Committee in its corporate governance report.





CORPORATE GOVERNANCE REPORT

4. Strategy and Investment Committee

The Strategy and Investment Committee currently comprises Mr. Xie Shikang, Mr. Wan Nianyong, Mr. Li Ming, Mr. Man Wing Pong and Ms. Chen Jing. The chairman of the Strategy and Investment Committee is Mr. Xie Shikang.

The Strategy and Investment Committee shall be responsible for the following duties:

- (a) study and advise on the Company's development strategy and interim and long-term development plan;
- (b) study and advise on the annual business plan, total budget plan, yearly investment program and major investment program subject to the approval of the Board;
- (c) study and advise on major financing activities, the disposal of assets, and mergers and acquisitions subject to the approval of the Board;
- (d) study and advise on mortgages, pledges of major assets and the provision of security to external party subject to the approval of the Board;
- (e) assess and examine the implementation of the above stated activities; and
- (f) exercise other functions and powers conferred upon by the Board and relevant laws and regulations.

During the reporting period, the Strategy and Investment Committee held one meeting and discussed the development strategy and direction of the Company.

Details of the Strategy and Investment Committee members' attendance records at the meeting held during the year are set out in the following table:

Members of the Nomination Committee	Due attendance	Records for personal attendance	Records for attendance by alternate	Individual attendance rate
Xie Shikang	1	1	0	100%
Wan Nianyong	1	1	0	100%
Li Ming	1	1	0	100%
Man Wing Pong	1	1	0	100%
Chen Jing	1	1	0	100%





Corporate Governance Responsibility

The Board is responsible for performing the functions set out in the code provision C.3 of Part 2 of the Code.

The Board reviewed (i) the Company's corporate governance policies and practices; (ii) the training and continuous professional development of Directors and senior management; (iii) the Company's policies and practices on compliance with legal and regulatory requirements; (iv) the code of conduct applicable to the employees and Directors; and (v) the Company's compliance with the Code and disclosure in this corporate governance report. With respect to procedures and internal controls for the handling and dissemination of inside information, the Company is aware of its obligations under the SFO and the Listing Rules and the overriding principle that inside information should be announced immediately if it is the subject of a decision; and that the Company's affairs be conducted with close regard to the "Guidelines on Disclosure of Inside Information" issued by the Securities and Futures Commission in June 2012. The Company has been working on developing its own disclosure policy aiming at preventing selective disclosure of material non-public information and providing broad non-exclusive distribution of material information to the public. The Board will continue to review and improve the corporate governance practices and standards of the Company to ensure that their business and decision-making processes are regulated in a proper and prudent manner.

During the year of 2024, the Board reviewed the Company's status on compliance with the Code and other rules applicable according to the requirements of the Code and approved the annual corporate governance report of the Company and its disclosure on the websites of the Stock Exchange and the Company.

Adoption of China Accounting Standards for Business Enterprises

Since the listing of the H shares of the Company on the Stock Exchange, the Company has been preparing its financial statements in accordance with Hong Kong Financial Reporting Standards (which include all Hong Kong Financial Reporting Standards, Hong Kong Accounting Standards and Interpretations) issued by the Hong Kong Institute of Certified Public Accountants.

Pursuant to the "Consultation Conclusions on Acceptance of Mainland Accounting and Auditing Standards and Mainland Audit Firms for Mainland Incorporated Companies Listed in Hong Kong" (《有關接受在香港上市的內地註冊成立公司採用內地的會計及審計準則以及聘用內地會計師事務所的諮詢總結》) issued by the Stock Exchange in December 2010 and the related amendments to the Listing Rules, Mainland incorporated issuers listed in Hong Kong are allowed to prepare their financial statements using China Accounting Standards for Business Enterprises ("CASBE"), and Mainland accounting firms that have been approved by the Ministry of Finance of the People's Republic of China and the China Securities Regulatory Commission are eligible to provide auditing related services to the aforementioned issuers using CASBE.

In light of the above arrangements and in view of the fact that the Company mainly conducts its business in mainland China, in order to improve working efficiency of audit, the Board has resolved to align the preparation of its financial statements and disclose relevant financial information in accordance with CASBE commencing from the financial year ended 31 December 2023.

The alignment of the preparation of all of its financial statements in accordance with CASBE commencing from the financial year ended 31 December 2023 did not have a significant impact on the operating results and financial position of the Company and there was no material financial impact of the transition of the accounting standards of the Company on the Company's immediately preceding published information. Please refer to the announcement of the Company dated 30 October 2023 for further details.





Auditors and their Remuneration

PKF and WUYIGE Certified Public Accountants LLP (“WUYIGE”) were re-appointed as the 2023 international auditor and the 2023 PRC auditor of the Company respectively at the 2022 AGM held on 30 June 2023 to hold office till the conclusion of next annual general meeting of the Company.

PKF and WUYIGE resigned as the international auditor and the PRC auditor of the Company, respectively, with effect from 30 October 2023, since the above-mentioned changes in the standards for the preparation of the financial statements of the Company, the Board and WUYIGE had not reached a consensus on the audit fee in respect of the audit of the consolidated financial statements of the Group for the year ended 31 December 2023.

With the recommendation of the Audit and Risk Committee, the Board has resolved to appoint Grant Thornton Zhitong Certified Public Accountants LLP as the new auditor of the Company with effect from 30 October 2023 to fill the casual vacancy arising from the resignation of PKF and WUYIGE and to hold office until the conclusion of the next annual general meeting of the Company. Please refer to the announcement of the Company dated 30 October 2023 for further details.

The 2023 AGM held on 28 June 2024 approved to appoint Grant Thornton Zhitong Certified Public Accountants LLP as the auditor of the Company for 2024.

Save as disclosed above, for the three years ended 31 December 2024, the Company did not change its auditor.

The responsibilities of the external auditors in respect of their financial reporting are set out in the independent auditor’s report attached to the Company’s financial statements for the year ended 31 December 2024.

The remuneration of the auditor for the year ended 31 December 2024 is set out below:

Services provided	Fees (RMB)
Audit services	1,280,000
Non-audit services	200,000
Total	1,480,000

The Directors took the view that they have the responsibilities for preparing the account and have conducted a review of the effectiveness of the internal control system of the Group. The Audit and Risk Committee presented their opinions on the appointment of the auditors and approved the above-mentioned appointing arrangement.

Company Secretary

During the year ended 31 December 2024, Mr. Yuan Quan, the company secretary of the Company, has received no less than 15 hours of professional training in compliance with Rule 3.29 of the Listing Rules.





Rights of Shareholders

The Company's shareholders of ordinary shares shall enjoy the following rights:

- (1) the right to receive dividends and other distributions proportional to the number of shares held;
- (2) the right to attend shareholders' meeting of the Company, either in person or by proxy, and exercise their voting right;
- (3) the right to supervise, advise or inquire about the operating activities of the Company;
- (4) the right to transfer, bestow, or pledge the shares held according to the laws and regulations and the Articles of Association;
- (5) the right to be provided with relevant information in accordance with provisions of the Articles of Association, including:
 - (A) to obtain a copy of the Articles of Association, subject to payment of a reasonable charge;
 - (B) to inspect and to make duplicate copies, subject to payment of a reasonable charge, of the following:
 - (i) all parts of the register of shareholders;
 - (ii) personal profiles of the Company's Directors, supervisors, general manager and other senior managements including:
 - (a) their present and former names and aliases;
 - (b) their principal addresses (residence);
 - (c) their nationalities;
 - (d) their full-time and all other part-time occupations and duties;
 - (e) their identification documents and the numbers thereof.
 - (iii) report(s) on the Company's share capital;
 - (iv) report(s) showing the aggregate par value, number, maximum and minimum price paid with respect to each class of shares repurchased by the Company since the end of the last financial year, and the aggregate amount incurred by the Company for this purpose;
 - (v) minutes of shareholders' meetings; and
 - (vi) audited financial reports.
- (6) the right to receive distribution of the remaining assets proportionate to the number of shares held at the point of the Company's dissolution or liquidation;
- (7) other rights conferred by the laws and regulations and the Articles of Association.





Communications with Shareholders

The Company attaches great importance to communication with shareholders and investors. The Company uses a number of channels to account for the performance and operations of the Company to shareholders, particularly periodic reports such as annual and interim reports. In addition to delivering circulars, notices and financial reports to our shareholders, the Company also publishes its corporate information on its website (<http://www.camsl.com>) by electronic means. The annual general meeting (the “AGM”) provides a good opportunity for communication between the Board and the shareholders of the Company. The Company regards the AGM as an important event in the year and all Directors, supervisors, senior management and the Chairmen of the Audit and Risk Committee, the Remuneration Committee, the Nomination Committee and the Strategy and Investment Committee should make an effort to attend and answer questions raised by the shareholders. For the year ended 31 December 2024, in responding to investors’ enquiries, the Company held conferences and/or conference calls.

The Company encourages the shareholders to be involved in the Company’s affair and to discuss the corporate business and prospects directly at the AGM or EGM.

Shareholders individually or jointly holding 10% or more of the shares are conferred on the right to vote at the forthcoming EGM and can sign and submit one or more written requests of the same format and content to the Board to request the convening of an EGM, with the issues to be discussed clearly stated. The Board shall convene an EGM as soon as practicable upon receiving such written request(s). The number of the shares will be calculated as at the date of the submission of the written requests.

If the Board fails to send notification of the meeting within 30 days from the date of the receipt of such a request, the Supervisory Committee shall call and preside over the meeting in a timely manner; if the Supervisory Committee fails to do so as well, the shareholder(s), individually or jointly holding over 10% or more of the voting shares of the Company for more than 90 consecutive days may call the meeting within 4 months of the date of the receipt of such a request by the Board, and the procedures for calling the meeting shall mirror the procedures of the Board to call the meeting to the extent possible.

Enquiries may be made to the Board either by contacting the company secretary of the Company through office and address of correspondence (No. 1881 Jinkai Road, Yubei District, Chongqing, the PRC, Zip Code: 401122), directly through questions at the AGM or EGM, or by contacting the Board office of the Company (which is in charge of investor relations, email: dongshihui@camsl.com).

Dividend Policy

The Board has adopted the dividend policy (the “Dividend Policy”) in compliance with the Code Provision F.1.1 in the Code as contained in Appendix C1 of the Listing Rules.

The Dividend Policy aims to set out the principles and guidelines that the Company intends to apply in relation to the declaration, payment or distribution of its net profits as dividends to the shareholders of the Company. In recommending or declaring dividends, the Company shall maintain adequate cash reserves to meet its working capital requirements and future growth as well as its shareholder value and does not have any pre-determined dividend payout ratio. The Board has the discretion to declare and distribute dividends to the shareholders of the Company, subject to the Articles of Association and all applicable laws and regulations and the following factors concerning the Group when considering the declaration and payment of dividends:

- (a) financial results;
- (b) cash flow situation;
- (c) business conditions and strategies;
- (d) future operations and earnings;
- (e) capital requirements and expenditure plans;
- (f) interests of shareholders;
- (g) any restrictions on payment of dividends; and
- (h) any other factors that the Board may consider relevant.





Shareholders' Communication Policy

Under Paragraph L of Part 1 of the Code, the Board is required to conduct an annual review of the shareholders' communication policy to ensure its effectiveness and make disclosure in the Corporate Governance Report which is to be incorporated in the annual report of the Company. The Company reviewed the implementation and effectiveness of the shareholders' communication policy by reviewing the Company's shareholders engagement and communication activities conducted in 2024 and considered it to be effective for the year ended 31 December 2024.

Anti-Corruption Policy

Under Code provision D.2.7 of Part 2 of the Code, the Board is required to establish an anti-corruption policy and system that promote and support anti-corruption laws and regulations.

The Board has adopted the anti-corruption policy (the "**Anti-Corruption Policy**") which sets out the principles and guidelines for the Company to promote and support anti-corruption laws and regulations. The Anti-Corruption Policy sets out the basic standard of conduct which applies to all Directors, officers and employees of the Company and its wholly owned subsidiaries. It also provides guidance to all employees on the acceptance of advantage and handling of conflict of interest when dealing with the Company's business. The Company also encourages and expects our business partners including suppliers, contractors and clients to abide by the principles of the Anti-Corruption Policy.

Whistleblowing Policy

Under Code provision D.2.6 of Part 2 of the Code, the Board is required to establish a whistleblowing policy and system for employees and those who deal with the Company to raise concerns, in confidence and anonymity, with the Audit and Risk Committee or any designated committee of the Company about possible improprieties in any matter related to the Company.

The Board has adopted the whistleblowing policy (the "**Whistleblowing Policy**") and has set the Discipline Inspection Commission which plays an important role in clean corporate governance and compliance management. The terms of reference for the Discipline Inspection Commission set out, among other matters, the reporting and investigation procedures for the employees of the Group and those who deal with the Company to raise concerns about possible improprieties in matters related to the Group.

The Whistleblowing Policy aims to enable the Company's employees and those who deal with the Company to raise concerns, in confidence and anonymity, with the Discipline Inspection Commission, about possible improprieties in matters related to the Company, in order to help detect and deter misconduct or malpractice or unethical acts in the Company.

The Whistleblowing Policy and the terms of reference for the Discipline Inspection Commission set out, among other matters, the reporting and investigation procedures for the employees of the Group and those who deal with the Company to raise concerns about possible improprieties in matters related to the Group.





Remuneration policy

The salaries of the Company's employees are determined by reference to the market rates, performance, qualifications and experience of the relevant employees. A discretionary bonus may also be given based on the performance of individual staff during the year in order to reward the employees for their contributions to the Company. Other employee benefits include pension insurance, medical insurance, unemployment insurance, personal injury insurance and housing funds, etc.

Details of the fees and other emoluments paid or payable to the Directors for the reporting period are set out in note XV.3 to the financial statements of this report.

As at 31 December 2024, the Company's senior management comprised 7 individuals (including one Director). The remuneration of the members of senior management (excluding the Director) of the Company for the year ended 31 December 2024, by band, is set out below:

	Number of individuals
HKD 0-1,000,000.00	2
HKD 1,000,001.00 – 1,500,000.00	5

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

Board Independence Evaluation Mechanism

Under Code provision B.1.4 of Part 1 of the Code, the Board is required to establish mechanism(s) to ensure independent views and input are available to the Board.

The Board has adopted the board independence evaluation mechanism (the “**Mechanism**”) which sets out the principles and guidelines for the Company to ensure independent view and input to be available to the Board.

Continuing improvement and development of the Board of the Company and its committee processes and procedures through the Board independence evaluation provides a powerful and valuable feedback mechanism for improving Board effectiveness, maximising strengths, and identifying the areas that need improvement or further development. The evaluation process also clarifies what actions of the Company need to be taken to maintain and improve the Board performance, for instance, addressing individual training and development needs of each Director.

The Mechanism is designed to ensure a strong independent element on the Board of the Company, which allows the Board to effectively exercise independent judgment to better safeguard shareholders' interests.





Risk Management and Internal Control

The Company established an audit and legal affairs department to perform internal control assessment, risk management and internal audit. The Company's internal control system was effective, and the Company did not have any material operation risks.

(1) Constantly improving the internal control system

The Company has revised and implemented the protocols in instructive documents such as the Internal Control Manual, the Internal Control Assessment Manual, the Internal Control Assessment Management Workflow, the Annual Risks Assessment Workflow, the Regular Risks Assessment Workflow, the Internal Audit Workflow and other internal control, risk management and internal audit related administrative rules and relevant work instructions to guide the relevant work regarding internal control, risk and audit management.

The Company persistently refines and improves the internal control system, vigorously builds a lean operation and management system to internalize, improve and computerize relevant work processes, and constantly complete the authorization system and internal management system. The Company has also identified risks and how to control them in the flow plan contained in those documents and has effectively linked the risk control responsibility with individual job description to strengthen the internal control system.

(2) Conduct internal control assessment and risk management and supervision

The Company has conducted a series of assessments and supervision such as annual internal control assessments, internal control deficiency remedy, annual risk assessment, monthly risk status update, regular risk identification and control, special assessment and audit, accountability audit to examine the Company's internal control and risk management status. The internal control deficiencies and risks identified were corrected and follow-up actions were taken to monitor the results. A sound system of internal controls is designed to manage rather than to eliminate the risk of failure to achieve business objectives and can only provide reasonable but not absolute assurance.

(3) Continue to raise risk management and internal control awareness

The Company took various opportunities to provide training to officials, managers and employees regarding risk management, internal control, legal affairs and spread the concept of risk management and control, and lawful operation in an effort to integrate risk management and control into the everyday operation and management of the Company.

One of the duties of the Audit and Risk Committee of the Board is to review the adequacy and effectiveness of the Group's financial control, internal audit functions and risk management systems. The Audit and Risk Committee examined and reviewed the work of the audit and legal affairs department, the Group's external auditor and the regular reports on internal financial control, operation and compliance control, and risk management policies and systems for the financial year ended 31 December 2024.

As a result of the above review, the Board confirms, and management has also confirmed to the Board, that the Group's risk management and internal control systems are effective and adequate (including the resources, staff qualifications and experience, training programmes and budget of the Company's accounting, internal audit and financial reporting functions are adequate) and have complied with the Code provisions on risk management and internal control throughout the reporting period and up to the date of this report.





General Meetings

On 19 February 2024, the executive Directors Mr. Xie Shikang and Mr. Wan Nianyong, the non-executive Directors Mr. Chen Wenbo and Mr. Dong Shaojie, and the independent non-executive Directors Mr. Li Ming, Mr. Man Wing Pong and Ms. Chen Jing, attended the extraordinary general meeting of the Company.

On 28 June 2024, the executive Directors Mr. Xie Shikang and Mr. Wan Nianyong, the non-executive Directors Mr. Chen Wenbo and Mr. Dong Shaojie, and the independent non-executive Directors Mr. Li Ming, Mr. Man Wing Pong and Ms. Chen Jing, attended the annual general meeting of the Company.

On 22 November 2024, the executive Directors Mr. Xie Shikang and Mr. Wan Nianyong, the non-executive Director Mr. Dong Shaojie, and the independent non-executive Directors Mr. Li Ming, Mr. Man Wing Pong and Ms. Chen Jing, attended the extraordinary general meeting, the H shareholders class meeting and the domestic shareholders class meeting of the Company.

Amendments of Articles of Association

During the year ended 31 December 2024, the Company did not make any amendments to its Articles of Association.

Subsequent Events

Establishment of a JV Company

On 16 January 2025, the Company, Minsheng Shipping (Thailand) Co., Ltd. ("**Minsheng Shipping (Thailand)**") and CTI Logistics Co., Ltd. ("**CTI**") entered into a joint venture agreement (the "**Joint Venture Agreement**"), pursuant to which the three parties agreed to establish a joint venture company (the "**JV Company**").

Pursuant to the Joint Venture Agreement, the registered capital of the JV Company shall be denominated in Thai Baht, equivalent to RMB30 million. The capital contribution of each of the Company, Minsheng Shipping (Thailand) and CTI shall be denominated in Thai Baht, equivalent to RMB13.2 million, RMB9 million and RMB7.8 million, respectively. Following completion of the capital contributions to the JV Company by the three parties, the JV Company will be owned as to 44% by the Company, 30% by Minsheng Shipping (Thailand) and 26% by CTI.

Upon completion of capital contributions, the Company shall hold 44% of the equity interests in the JV Company and will nominate three out of five members to the board of the JV Company. As Minsheng Shipping (Thailand) and CTI have both confirmed the Company has actual control over the JV Company's operations, the financial results of the JV Company will be consolidated into the financial statements of the Group.

On 21 January 2025, the JV Company has been incorporated in Thailand under the name of CCM Logistics Co., Ltd.





Executive Directors

Mr. Xie Shikang

Mr. Xie Shikang (謝世康), aged 55, professor-level senior economist, is secretary of the CPC Committee of the Company, chairman, executive director, chairman of Strategy and Investment Committee and Nomination Committee of the sixth session of the Board. Mr. Xie joined the Company in June 2016. Mr. Xie graduated from Chongqing Normal University in 1992. His final academic degree obtained in 2006 was a postgraduate diploma in Master of Business Administration from Chongqing University School of Economics and Business Administration. From July 1992 to August 1998, Mr. Xie worked as secretary in China South Industry Group Corporation Southwest Division* and after that, he joined the former Changan Automobile (Group) Company Limited Liability* and served as deputy director of Corporate Office, deputy minister of the Customer Services Department, deputy general manager of the auto parts company, deputy general manager and Party branch secretary of Chongqing Changan Visteon Engine Control System Co., Ltd.*, a joint venture company. From 2009 to 2016, Mr. Xie worked in Changan Automobile (listed in Shenzhen Stock Exchange) as head of Office and Party branch secretary, press spokesperson, general manager of the High-end Limousine Sales Department, minister of the High-end Limousine Overall Development Department, head of the Strategic Planning Department and assistant general manager. Mr. Xie has extensive experience in strategic development planning, production and operation management and has been in a leadership position in leading enterprises in the automobile industry, thus he has enriched theoretical knowledge and working experience in enterprise operation management and leading development planning and customer services.

Mr. Wan Nianrong

Mr. Wan Nianrong (萬年勇), aged 49, professor-level senior engineer, is general manager and deputy secretary of the CPC Committee of the Company, executive director and member of the Strategy and Investment Committee of the sixth session of the Board. Mr. Wan graduated from Shenyang Ligong University majoring in machinery electronic engineering and then obtained a master's degree in project management from Chongqing University. Mr. Wan joined Changan Automobile in July 2000 and served in various positions including deputy head of the manufacture logistics department of Changan Automobile, general manager, secretary of the CPC Committee and project supervisor of Heibei Changan Automobile Co., Ltd., a subsidiary of Changan Automobile. Mr. Wan joined the Company in August 2018 and served as deputy general manager of the Company and the chairman of the Labour Union of the Company. Mr. Wan has extensive experience in enterprise production and operation and project management.





DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Non-executive Directors

Mr. Che Dexi

Mr. Che Dexi (車德西), aged 71, is the non-executive director of the sixth session of the Board. Mr. Che joined the Company in November 2021. Mr. Che graduated from Chongqing University in 1977 with a major in ironmaking in the Metallurgy Department. From 1977 to 1986, Mr. Che Dexi worked in Ngawa Tibetan Autonomous Prefecture Qipangou Ironmaking Plant* (阿壩藏族自治州七盤溝煉鐵廠) and Science and Technology Commission of Ngawa Prefecture* (阿壩州科學技術委員會). From 1986 to 1993, Mr. Che served as director of Ngawa Prefecture Ironmaking Plant* (阿壩州煉鐵廠), director of Ngawa Prefecture Light Industry Bureau No. 2* (阿壩州工業二輕局), and director of Ngawa Prefecture Planned Economy Committee* (阿壩州計劃經濟委員會). From 1993 to 2003, Mr. Che served as general manager of Chengdu Branch of Sinotrans Changhang (Group), general manager of Chongqing Branch of Sinotrans Changhang (Group) and general manager of Sichuan Branch of Sinotrans Changhang (Group). Mr. Che joined Minsheng Shipping Co., Ltd. in December 2003, and was in many important positions in Minsheng Industrial (Group) Co., Ltd. and its subsidiaries, including deputy general manager of Minsheng Shipping Limited Company*, general manager of Sichuan Minsheng International Freight Forwarding Co., Ltd., the president assistant of Minsheng Industrial (Group) Co., Ltd. and executive deputy general manager in Minsheng Shipping Limited Company*. Mr. Che is now a consultant of Minsheng Industrial (Group) Co., Ltd. Mr. Che has extensive experience in the logistics industry and corporate management.

Mr. Chen Wenbo

Mr. Chen Wenbo (陳文波), aged 57, is the non-executive director of the sixth session of the Board. Mr. Chen joined the Company in December 2018. Mr. Chen graduated from Kunming Engineering College (now known as Kunming University of Science and Technology) in July 1987, majoring in geology and mineral exploration at the Geology Department. Mr. Chen joined Minsheng Shipping Limited Company* in December 1989 and assumed several important roles in Minsheng Shipping Limited Company* and its subsidiaries, including manager of the Intermodal Department of Minsheng International Freight Forwarding Co., Ltd.*, manager of Business Department of Minsheng Shipping Limited Company and general manager of Minsheng Logistics Limited Company*. Mr. Chen is director and deputy general manager of Minsheng Shipping Co., Ltd.*. Mr. Chen has extensive experience in finished vehicle logistics and enterprise management.

Mr. Dong Shaojie

Mr. Dong Shaojie (董紹杰), aged 61, professor-level senior engineer, is non-executive Director, member of each of the Audit and Risk Committee, the Remuneration Committee and the Nomination Committee of the sixth session of the Board. Mr. Dong joined the Company in January 2023. Mr. Dong graduated from Beijing Institute of Technology (former name: Beijing Engineering College) in 1986, with a major in metal materials and heat treatment. From July 1986 to November 2022, Mr. Dong worked at Yunnan Xiyi Industrial Co., Ltd. (a company listed on the Shenzhen Stock Exchange), as chairman of the board and secretary of the party committee, deputy chief engineer, deputy general manager, secretary of the discipline inspection committee, and chairman of the labor union, etc. Mr. Dong has extensive experience in corporate management.





Independent Non-executive Directors

Mr. Li Ming

Mr. Li Ming (黎明), aged 61, a Professor in Accounting and a CPA in China, is an independent non-executive director, chairman of the Audit and Risk Committee, member of each of the Remuneration Committee, the Nomination Committee and the Strategy and Investment Committee of the sixth session of the Board. Mr. Li joined the Company in June 2023. Mr. Li is now a professor and postgraduate instructor of the Accounting School of Chongqing University of Technology. Mr. Li graduated from Chongqing Industrial School in 1980, majoring in industrial accounting and graduated from the Accounting Department of Southwestern University of Finance and Economics in 1989 with a master's degree majoring in accounting. Mr. Li used to serve as the deputy dean, secretary of the party branch and dean of the Accounting School of Chongqing University of Technology. At present, Mr. Li serves as an independent director in the following listed companies: Huapont Life Sciences Co., Ltd. (listed on the Shenzhen Stock Exchange, stock code: 002004) and Seres Group Co., Ltd. (listed on the Shanghai Stock Exchange, stock code: 601127).

Mr. Man Wing Pong

Mr. Man Wing Pong (文永邦), aged 54, is an independent non-executive director, chairman of the Remuneration Committee, member of each of the Audit and Risk Committee, the Nomination Committee and the Strategy and Investment Committee of the sixth session of the Board. Mr. Man joined the Company in June 2023. Mr. Man has over 20 years of experience in investment banking, asset management and corporate management. Mr. Man is currently the Chief Risk Officer of Silverstone Investments Limited and is licensed under the SFO as a responsible officer to carry out Type 4 (Advising on Securities), Type 6 (Advising on Corporate Finance) and Type 9 (Asset Management) regulated activities. From April 2020 to June 2021, Mr. Man served at League Capital Limited as Managing Director. From January 2019 to February 2020, he worked at Mason Global Capital Limited as Director, Investment Banking. From September 2014 to April 2018, he worked at ABCI Capital Limited with his last position as Senior Vice President, Investment Banking Department. From June 2011 to September 2014, he worked at RHB OSK Capital Hong Kong Limited with his last position as Director, Corporate Finance. From October 2007 to June 2011, he worked at China Merchants Securities (HK) Co., Limited with his last position as Manager, Investment Banking Department. Currently, Mr. Man is an independent non-executive director of BoardWare Intelligence Technology Limited, a company listed on the Main Board of Hong Kong Stock Exchange (stock code: 01204), a member of China Committee of the Hong Kong Securities and Investment Institute, the Honorary Treasurer of The Federation of Alumni Associations of The Chinese University of Hong Kong, and the Vice-President of The Alumni Association of Shaw College of The Chinese University of Hong Kong. Mr. Man is a fellow of CPA Australia, a fellow of Institute of Public Accountants, a fellow of Institute of Financial Accountants, a fellow of The Hong Kong Institute of Directors, a fellow of the Hong Kong Securities and Investment Institute and a Sustainability Professional of HKCGI Sustainability Governance Academy. Mr. Man obtained a bachelor's degree of social science from The Chinese University of Hong Kong in 1993, obtained a master's degree of financial management from Rotterdam School of Management, Erasmus University in 2004, and obtained a postgraduate diploma in professional accountancy from Graduate School, The Chinese University of Hong Kong in 2018.

Ms. Chen Jing

Ms. Chen Jing (陳靜), aged 49, is an independent non-executive director, member of each of the Audit and Risk Committee, the Remuneration Committee, the Nomination Committee and the Strategy and Investment Committee of the sixth session of the Board. Ms. Chen joined the Company in June 2023. Ms. Chen is now the principal of CO-EFFORT (Chongqing) Law Firm LLP. Ms. Chen obtained the degree of Bachelor of Laws from Xi'an Jiaotong University majoring in Economic Law in 1999 and the degree of Master of Laws from Chicago-Kent School of Law of Illinois Institute of Technology majoring in Advocacy in 2019. From 2009 to 2020, Ms. Chen served as the founding partner of Shanghai Hehua Lisheng (Chongqing) Law Firm, which had been merged into Grandall (Chongqing) Law Firm. From 2006 to 2009, Ms. Chen served as the director of Haobang Law Firm. From 1999 to 2006, Ms. Chen has successively worked in the Zhuhai Waterway Bureau, the Legal Department of Loncin Group Co., Ltd. and Chongqing Dingsheng Law Firm. Ms. Chen is good at professional legal services in the logistics and shipping industries, especially in the field of maritime affairs.





DIRTECTOR, SUPERVISORS AND SENIOR MANAGEMENT

Supervisors

Mr. Wang Huaicheng

Mr. Wang Huaicheng (王懷成), aged 59, senior engineer, is shareholder representative supervisor and chairman of the sixth session of the Supervisory Committee. Mr. Wang joined the Company in June 2018. Mr. Wang holds a master's degree in industrial engineering of Chongqing University. From August 1989 to January 2000, Mr. Wang worked at Pingshan Machinery Factory, a state-owned enterprise. From January 2000 to December 2000, Mr. Wang served as deputy head of one of the factories of Chongqing Dajiang Automobile General Factory. From January 2000 to August 2014, Mr. Wang served as deputy general manager, general manager and director of Chongqing Dajiang Industry Co., Ltd.*, and deputy general manager, general manager and director of Chongqing Dajiang Xinda Automobile Co., Ltd.* From August 2014 to October 2014, Mr. Wang served as chairman of the Supervisory Committee of Chongqing Changfeng Machinery Limited Liability Company*. From October 2014 to March 2016, Mr. Wang served as chairman of the Supervisory Committee of Hubei Huazhong Precision Instrument Factory*. From April 2016 to October 2017, Mr. Wang served as chairman of the Supervisory Committee of CDGM Glass Co., Ltd., supervisor of Chengdu Huachuan Electric Equipment Co., Ltd.* and supervisor of Yunnan Xiyi Industrial Co., Ltd. (a company listed on the SME board of the Shenzhen Stock Exchange, Stock Code: 002265). Mr. Wang is currently director of Henan Zhongyuan Special Steel Equipment Manufacturing Co., Ltd.* and Luoyang North Enterprises Group Co., Ltd.*

Ms. Ang Lai Fern

Ms. Ang Lai Fern (洪萊芬), aged 43, a member of Malaysian Institute of Accountants and Malaysian Institute of Certified Public Accountants, is shareholder representative supervisor of the sixth session of the Supervisory Committee. Ms. Ang joined the Company in June 2023. Ms. Ang is now working as Senior Manager of Financial Accounting and Reporting in APLL Global Support Services (M) Sdn. Bhd. Ms. Ang graduated from the University of Malaya with a bachelor's degree in Accounting (First Class Honors) in 2005. From April 2005 to August 2010, Ms. Ang worked as Audit Associate, Senior Audit Associate and Assistant Manager of audit assurance department in Ernst & Young, Kuala Lumpur. From September 2010 to October 2014, Ms. Ang worked as Manager of Professional Standards and Practices department in Malaysian Institute of Accountants. Ms. Ang joined APLL in October 2014, working as Manager of Financial Accounting and Reporting in APLL Global Support Services (M) Sdn. Bhd.

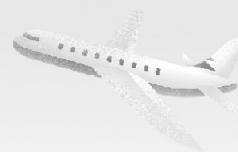
Mr. Yang Gang

Mr. Yang Gang (楊剛), aged 49, senior accountant, is shareholder representative supervisor of the sixth session of the Supervisory Committee. Mr. Yang joined the Company in June 2019. Mr. Yang graduated from College of Business Administration under Liaoning Technical University majoring in accounting. Mr. Yang joined Minsheng Industrial Limited Company* in July 2000 and since then has served in various important roles such as manager of the Financial Department in Guangzhou Branch of Minsheng Shipping Limited Company*, manager of the Financial Department in Guangzhou Minsheng International Freight Co., Ltd.* (a subsidiary of Minsheng Shipping Limited Company*), deputy general manager of Sichuan Minsheng International Freight Co., Ltd.* (a subsidiary of Minsheng Shipping Limited Company*), and deputy general manager of Minsheng Logistics Sichuan Co., Ltd.* Mr. Yang currently serves as director of Financial Department in Minsheng Shipping, supervisor of Sichuan Changhong Minsheng Co., Ltd.* (listed on National Equities Exchange and Quotations, Stock Code: 836237) and. Mr. Yang has extensive experience in accounting and financial management.

Ms. Deng Li

Ms. Deng Li (鄧莉), aged 55, accountant, is employee representative supervisor of the sixth session of the Supervisory Committee. Ms. Deng graduated from Chongqing University with a master's degree. Ms. Deng worked in the former Changan Automobile (Group) Company Liability Limited and was responsible for finance services including financial accounting, financial analysis and tax management. In July 2001, Ms. Deng joined the Company and has held various positions, such as manager and deputy director of the Finance Department, and deputy director of the Audit and Legal Affairs Center. Ms. Deng is currently a senior management expert of the Company. Ms. Deng has extensive experience in the areas of finance management, tax management, auditing and legal affairs, internal control management and risk control.





Ms. Liu Shasha

Ms. Liu Shasha (劉莎莎), aged 43, is employee representative supervisor of the sixth session of the Supervisory Committee. Ms. Liu is deputy head and secretary of the Party Branch of Discipline Inspection and Supervision Department. Ms. Liu graduated from Chongqing Vocational and Technical University of Mechatronics, majoring in motorcycle manufacturing and maintenance. From June 2000 to August 2009, Ms. Liu worked at Jianshe Industry (Group) Co., Ltd. and Chongqing Jianshe Motorcycle Co., Ltd. From August 2009 to September 2017, Ms. Liu served as Party discipline inspector in the Discipline Inspection Office of Chongqing Jianshe Motorcycle Co., Ltd. and Party discipline inspector in the Discipline Inspection Office of Chongqing Jianshe Electromechanical Co., Ltd.* (重慶建設機電有限責任公司). Ms. Liu joined the Company in September 2017 and since then has held various positions within the Company such as acting deputy manager of the Clean Practice Office of the Department of Party and Masses Work (Corporate Culture Center), acting deputy manager of the Discipline Inspection and Supervision Department (Inspection Office), and manager of Discipline Inspection and Supervision Department. Ms. Liu currently serves as deputy head and secretary of the Party Branch of Discipline Inspection and Supervision Department. Ms. Liu has extensive experience in discipline inspection and supervision.

General Manager and Senior Management

Mr. Wan Nianying

Mr. Wan Nianying (萬年勇) is general manager of the Company. Please refer to the biography details of Mr. Wan in the Executive Directors column.

Mr. Ren Fei

Mr. Ren Fei (任飛), aged 51, accountant, is chief accountant and Board secretary of the Company. Mr. Ren joined the Company in August 2022. Mr. Ren graduated from Chongqing University of Technology in 1997 majoring in computerized accounting. He also obtained a master's degree from Beijing Institute of Technology, majoring in EMBA. From July 1997 to July 2004, Mr. Ren worked in the CSGC Southwest Division. From July 2004 to January 2012, Mr. Ren served as deputy head of Finance Department, deputy head of Financial Auditing Department, head of Financial Auditing Department of Southwest Ordnance Industry Co., Ltd., and head of Finance Department of Southwest Ordnance Industry Corporation. From January 2012 to July 2020, Mr. Ren served as head of the Financial Auditing Department, Chief Accountant and Director of Wanyou Automobile Investment Co., Ltd. Mr. Ren has extensive experience in finance, auditing and business management.

Mr. Liao Jiahua

Mr. Liao Jiahua (廖家華), aged 48, senior engineer, is deputy general manager of the Company. Mr. Liao graduated from Changchun University of Science and Technology majoring in computer and application in 2000 and then graduated from Chongqing University majoring in industrial engineering with a master's degree in 2019. From July 2000 to June 2016, Mr. Liao served as director of Network Security Division of Management Information Department of Changan Automobile, director of Information Technology Management Division of Management Information Department, director of Information Technology Management Department of the Management Innovation and IT Center. Ms. Liao joined the Company in June 2016 and since then has held various positions within the Company such as senior director of Information Department, head of Management Innovation and IT Center, Chief Digital Officer, senior director of Intelligent Logistics Promotion Center (Enterprise Technology Center), assistant to general manager, general counsel, secretary of the Party branch of Intelligent Logistics Promotion Center and spokesman. Mr. Liao has extensive experience in digital information, logistics sci-tech and corporate management.





DIRECTORS, SUPERVISORS AND SENIOR MANAGEMENT

Ms. Liao Yannan

Ms. Liao Yannan (廖雁南), aged 42, a professor-level senior engineer, is deputy general manager of the Company. Ms. Liao joined the Company in June 2022. Ms. Liao graduated from Tsinghua University majoring in vehicle engineering in 2003 with a bachelor's degree. In 2007, she graduated from Tsinghua University majoring mechanical engineering with a master's degree, during which she studied at RWTH Aachen University in Germany, majoring in automatic system engineering from 2004 to 2005 with a master's degree. From February 2007 to November 2007, Ms. Liao worked as an application engineer at Bosch Technology Center (Suzhou) Co., Ltd. From November 2007 to August 2011, Ms. Liao worked in Technology and Management Information Department of China South Industries Automobile Co., Ltd. From August 2011 to May 2021, Ms. Liao served as head of the Post-evaluation Division of Audit and Risk Department and head of Project Audit and Evaluation Division of the Audit and Risk Management Department (Supervisors Affairs Office), director of Comprehensive Audit Office of Audit Risk Control and Legal Department. Ms. Liao served as supervisor of Baoding Tongwei Electrical Equipment Co., Ltd.*, supervisor of China South Industries Group Information Center Co., Ltd.*, supervisor of China South Industries Financial Leasing Co., Ltd, and supervisor of Fujian Chenguang Qiming Technology Co., Ltd.* Ms. Liao has extensive experience in audit management.

Ms. Chen Hongyu

Ms. Chen Hongyu (陳虹餘), aged 43, senior political worker* (高級政工師) is deputy secretary of the CPC Committee of the Company. Ms. Chen joined the Company in September 2022. Ms. Chen graduated from North University of China majoring in computer science and technology with a bachelor's degree in 2004. From August 2004 to September 2022, Ms. Chen served as deputy manager of the Corporate Management Department, deputy manager of Development and Planning Department, head of Administrative Office, head of Human Resources Department, and Party branch secretary of Chengdu Lingchuan Special Industries Co., Ltd. During her term, Ms. Chen participated Class for Advanced Studies of Postgraduate Curricula held by the School of Marxism Studies of Renmin University of China, majoring in ideological and political education and Class for Advanced Studies of Postgraduate Curricula held by the School of Labor and Human Resources of Renmin University of China, majoring in human resources management. Ms. Chen has extensive experience in the Party construction and human resources management.

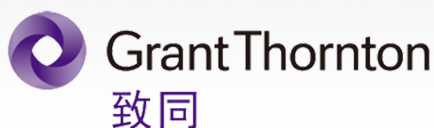
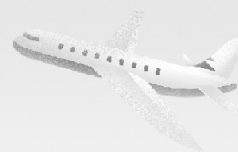
Mr. Tang Zhong

Mr. Tang Zhong (唐忠), aged 42, is secretary of the Discipline Inspection Commission of the Company. Mr. Tang joined the Company in September 2022. Mr. Tang graduated from Shenyang Ligong University majoring in material forming and control engineering with a bachelor's degree in 2006. Mr. Tang served as head of Party and Administrative Office, head of Discipline Inspection and Supervision Department, manager of Inspection Office. Mr. Tang has rich experience in administration, Party construction, discipline supervision and inspection.

Mr. Tan Chaohu

Mr. Tan Chaohu (譚朝虎), aged 51, is currently the deputy general manager of the Company. Mr. Tan graduated from Chongqing Normal College (now known as Chongqing Normal University) in 1997, majoring in Ideological and Political Education under the Department of Economics and Politics and Law. Mr. Tan worked in Changan Automobile from July 1997 to December 2004. Joined the Company in December 2004, Mr. Tan served as project leader, the general manager of Nanjing Branch, the general manager of Nanjing CMSC, the director of the Reform and Investment Management Centre of the Company, the general manager of the Finished Vehicle Logistics Division, the deputy secretary and secretary of the branch party under Finished Vehicle Logistics Division and the assistant general manager of the Company etc. Mr. Tan has extensive experience in logistics operations and corporate management.





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To all shareholders of Changan Minsheng APLL Logistics Co., Ltd.:

I. Opinion

We have audited the financial statements of Changan Minsheng APLL Logistics Co., Ltd. (hereinafter "**the Company**"), which comprise the consolidated and Company balance sheets as at 31 December 2024, and the consolidated and Company income statements, consolidated and Company cash flows statements and consolidated and Company statements of changes in equity for the year then ended, and notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the consolidated and Company financial positions as at 31 December 2024, and their financial performance and their cash flows for the year then ended in accordance with the requirements of Accounting Standards for Business Enterprises.

II. Basis for Opinion

We conducted our audit in accordance with China Standards on Auditing. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company and have fulfilled our other ethical responsibilities in accordance with the China Code of Ethics for Certified Public Accountants. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

III. Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

(I) Accuracy of revenue recognition

Relevant disclosures of information refer to Note III.26 and Note V.43 of the notes to the financial statements.

1. Descriptions of the matter

The Company mainly engages in transportation services for complete vehicles and automotive parts, as well as tire packaging and sales of packaging materials. In the year 2024, the Company achieved operating revenue of RMB8.963billion. Revenue recognition by the Company occurs when control of the goods has been transferred to the customer or services have been completed and accepted by the customer. Since operating revenue is one of the key performance indicators for the Company, there exists inherent risk that management of the Company (hereinafter "Management") may inappropriately recognize revenue to meet specific targets or expectations. Therefore, we identify revenue recognition as a key audit matter.





INDEPENDENT AUDITOR'S REPORT

2. Addressed in the context of our audit

The audit procedures that we have performed are mainly as follows:

- (1) Obtained understanding, evaluated and tested the effectiveness of key internal control design and operation related to revenue recognition.
- (2) Reviewed major logistics service or sales contracts, identified contract terms and conditions related to the transfer of control of services or goods, and assessed whether the specific methods of revenue recognition comply with the provisions of the Accounting Standards for Business Enterprises.
- (3) Performed analytical procedures on revenue and gross profit margin on a monthly basis, by product, customer, etc., to identify significant or abnormal fluctuations, and analyzed the reasons for the fluctuations.
- (4) Selected samples to examine supporting documents related to revenue recognition, including sales contracts, orders, sales invoices, settlement documents, etc.
- (5) Selected samples to send confirmations to key customers regarding sales figures for the current period.
- (6) Conducted cut-off testing on revenue recognized before and after the balance sheet date to evaluate whether revenue was recognized in the appropriate period.

(II) Provision for bad debts on accounts receivable

Relevant disclosures of information refer to Note III.11 and 33 and Note V.3 of the notes to the financial statements.

1. Descriptions of the matter

As of 31 December 2024, the Company had accounts receivable with book value of RMB1.721 billion. An allowance for bad debts of RMB94.00 million had been recognized, resulting in a net carrying amount of RMB1.627 billion, representing 42.49% of current assets. The Company measures impairment provisions for expected credit losses on accounts receivable. Due to the significant amount of accounts receivable and the use of significant accounting estimates and professional judgment by the management in determining the provision for bad debts, we identified the recognition of the provision for bad debts on accounts receivable as a key audit matter.

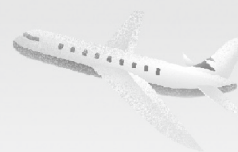
2. Addressed in the context of our audit

The audit procedures that we have performed are mainly as follows:

- (1) Obtained understanding, evaluated and tested the effectiveness of key internal controls design and operation related to the recognition of the provision for bad debts on accounts receivable.
- (2) For accounts receivable assessed on an individual basis, we reviewed management's assessment of expected credit losses based on factors such as the customer's financial condition, historical repayment records, and forecasts of future economic conditions.
- (3) For accounts receivable assessed based on the characteristics of credit risk characteristics, we reviewed management's rationale for the division of portfolios and the reasonableness of the expected credit loss rates, and recalculated the provision for bad debts on accounts receivable to ensure its accuracy.
- (4) Compared the provision for bad debts on accounts receivable from previous years with the actual bad debt amounts incurred. Additionally, we examined subsequent collections to evaluate the adequacy of the provision for expected credit losses on accounts receivable.
- (5) Selected samples of accounts receivable balances and sent confirmations to the respective debtors. We then reconciled the confirmation responses with the corresponding amounts recorded in the Company's books.
- (6) Reviewed the disclosure of the provision for bad debts on accounts receivable in the financial statements to ensure it is adequate and appropriate.



INDEPENDENT AUDITOR'S REPORT



IV. Other Information

Management of the Company is responsible for the other information. The other information comprises the information included in the Company's 2024 annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

V. Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management of the Company is responsible for the preparation of the financial statements to achieve fair presentation in accordance with Accounting Standards for Business Enterprises, and for the design, implementation and maintenance of such internal control as management determine is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

VI. Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- (1) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- (2) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- (3) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.





INDEPENDENT AUDITOR'S REPORT

- (4) Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, auditing standards require us to draw attention to users of the financial statements in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- (5) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- (6) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Grant Thornton Zhitong Certified
Public Accountants LLP

Auditor signature and stamp:
(Engagement partner)

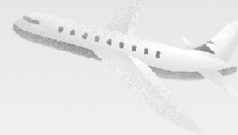
Auditor signature and stamp:

Beijing, the PRC

27 March 2025



CHANGAN MINSHENG APLL LOGISTICS CO., LTD.
CONSOLIDATED AND COMPANY BALANCE SHEETS
As at 31 December 2024 (RMB yuan)



		As at 31 December 2024		As at 31 December 2023	
Item	Notes	Consolidated	Company	Consolidated	Company
Current assets:					
Cash and bank balances	V.1	995,091,926.76	794,578,929.59	882,939,512.98	645,371,743.56
Notes receivable	V.2	50,426,261.09	37,825,182.42	36,533.43	36,533.43
Accounts receivable	V.3	1,627,248,472.38	1,320,589,352.28	1,466,849,212.92	1,002,429,019.90
Receivable financing	V.4	601,021,043.25	593,451,139.06	776,739,880.82	742,845,558.72
Prepayments	V.5	16,159,144.79	7,643,561.26	12,126,101.53	7,154,545.81
Other receivables	V.6	75,855,060.33	69,440,151.56	89,026,316.09	71,415,940.99
Inventories	V.7	14,090,076.83	3,735,095.11	28,876,115.92	3,435,208.87
Contract assets	V.8	432,640,805.21	253,335,857.71	245,138,987.01	132,313,200.30
Non-current assets due within one year		-	-	-	-
Other current assets	V.9	17,468,026.79	13,242,860.59	168,174,280.84	152,329,029.32
Total current assets		3,830,000,817.43	3,093,842,129.58	3,669,906,941.54	2,757,330,780.90
Non-current assets:					
Long-term equity investments	V.10	28,200,000.00	981,482,452.93	87,353,330.93	1,086,535,783.85
Other equity instruments investment	V.11	74,000,000.00	74,000,000.00	71,580,000.00	71,580,000.00
Investment properties	V.12	31,407,638.28	31,407,638.28	33,544,833.04	33,544,833.04
Fixed assets	V.13	588,848,946.27	229,270,564.14	728,979,329.43	238,218,648.36
Construction in progress	V.14	5,005,318.07	3,927,590.33	9,149,679.44	3,057,518.15
Right-of-use assets	V.15	157,374,451.92	44,282,687.61	216,669,938.35	61,060,997.49
Intangible assets	V.16	249,650,586.08	117,530,103.72	273,459,834.67	126,233,857.94
Goodwill	V.17	5,016,185.42	2,222,222.00	5,016,185.42	2,222,222.00
Long-term deferred expenses	V.18	26,427,193.33	2,830,299.54	7,716,106.11	3,526,657.86
Deferred tax assets	V.19	49,145,333.61	36,756,864.85	63,796,465.44	52,489,373.41
Other non-current assets	V.20	151,649,576.75	151,649,576.75	7,239,124.15	7,239,124.15
Total non-current assets		1,366,725,229.73	1,675,360,000.15	1,504,504,826.98	1,685,709,016.25
TOTAL ASSETS		5,196,726,047.16	4,769,202,129.73	5,174,411,768.52	4,443,039,797.15

continued/...





CHANGAN MINSHENG APLL LOGISTICS CO., LTD.
CONSOLIDATED AND COMPANY BALANCE SHEETS (CONTINUED)
As at 31 December 2024 (RMB yuan)

		As at 31 December 2024		As at 31 December 2023	
Item	Notes	Consolidated	Company	Consolidated	Company
Current Liabilities:					
Short-term loans	V.22	12,062,465.76	-	26,526,864.44	-
Notes payable	V.23	496,060,939.76	462,521,372.64	532,579,693.95	505,288,280.58
Accounts payable	V.24	1,732,595,773.59	1,503,531,326.38	1,518,537,172.85	1,150,556,744.51
Receipts in advance	V.25	45,139.42	45,139.42	-	
Contract liabilities	V.26	14,735,563.22	11,595,030.36	13,315,099.27	10,832,122.30
Employee benefits payable	V.27	152,584,230.88	109,707,609.47	158,152,027.89	117,903,409.40
Taxes payable	V.28	29,940,003.20	7,046,813.77	34,615,423.85	12,502,283.67
Other payables	V.29	352,309,223.32	762,693,143.79	313,506,475.20	779,591,479.22
Non-current liabilities due within one year	V.30	76,097,623.88	24,826,437.98	117,995,287.03	33,388,833.60
Other current liabilities	V.31	13,585,957.96	4,502,506.00	14,313,616.86	8,015,393.89
Total current liabilities		2,880,016,920.99	2,886,469,379.81	2,729,541,661.34	2,618,078,547.17
Non-current liabilities:					
Long-term loans	V.32	-	-	97,515,898.76	-
Lease liabilities	V.33	97,394,356.94	17,408,455.86	137,552,585.90	26,393,269.25
Provisions	V.34	-	-	360,560.00	-
Deferred income	V.35	12,433,040.16	11,155,224.32	13,141,084.85	11,312,247.07
Deferred tax liabilities	V.19	228,763.45	-	6,724,905.82	4,175,219.19
Other non-current liabilities	V.36	6,847.20	6,847.20	11,227.20	11,227.20
Total non-current liabilities		110,063,007.75	28,570,527.38	255,306,262.53	41,891,962.71
TOTAL LIABILITIES		2,990,079,928.74	2,915,039,907.19	2,984,847,923.87	2,659,970,509.88
Share capital	V.37	162,064,000.00	162,064,000.00	162,064,000.00	162,064,000.00
Capital reserve	V.38	67,079,415.05	75,118,339.94	67,113,845.09	75,152,769.98
Other comprehensive income	V.39	24,629,515.00	24,629,515.00	22,572,515.00	22,572,515.00
Specific reserve	V.40	11,874,038.40	60,947.25	10,251,350.13	60,947.25
Surplus reserve	V.41	85,867,093.00	85,867,093.00	85,867,093.00	85,867,093.00
Undistributed profits	V.42	1,695,985,128.55	1,506,422,327.35	1,668,384,520.71	1,437,351,962.04
Total shareholders' equity attributable to the parent		2,047,499,190.00	1,854,162,222.54	2,016,253,323.93	1,783,069,287.27
Minority interests		159,146,928.42	-	173,310,520.72	-
Total shareholders' (or owners') equity		2,206,646,118.42	1,854,162,222.54	2,189,563,844.65	1,783,069,287.27
Total liabilities and shareholders' (or owners') equity		5,196,726,047.16	4,769,202,129.73	5,174,411,768.52	4,443,039,797.15

The financial statements of the Company and the notes thereto are signed by the following person:

Legal representative (Chairman):

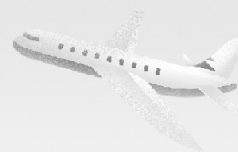
Principal in charge of accounting:

Director:

Head of accounting department:



CHANGAN MINSHENG APLL LOGISTICS CO., LTD.
CONSOLIDATED AND COMPANY INCOME STATEMENT
For the year ended 31 December 2024 (RMB yuan)



Item	Notes	2024		2023	
		Consolidated	Company	Consolidated	Company
I. Revenue from operations	V.43	8,963,208,271.72	6,654,371,724.98	7,968,998,231.49	6,160,696,569.40
Less: Cost of operations	V.43	8,559,911,051.80	6,469,631,072.10	7,597,717,455.50	5,982,895,771.00
Taxes and surcharges	V.44	32,578,963.89	21,425,844.99	31,065,780.87	20,372,503.77
Selling expenses	V.45	50,561,038.70	26,434,262.97	50,946,651.73	18,571,767.73
Administrative expenses	V.46	231,943,315.20	135,294,386.43	214,717,665.51	116,286,318.44
Research and development expenses	V.47	23,011,712.49	1,860,109.36	26,803,369.07	3,874,542.73
Financial expense	V.48	611,815.98	384,041.62	-3,225,090.68	-4,221,926.31
Including: Interest expenses		13,967,111.72	10,341,831.39	14,853,022.71	6,531,087.69
Interest income		19,162,321.53	15,481,848.01	20,268,842.18	15,529,602.59
Add: Other income	V.49	15,971,453.11	5,259,208.66	18,703,748.11	9,683,609.26
Investment income ("-" for loss)	V.50	59,023,785.66	142,829,057.89	-1,239,545.56	8,140,454.44
Including: Gains from investments in associates and joint ventures		-5,607,545.62	-5,607,545.62	-1,060,985.29	-1,060,985.29
Gain from derecognition of financial assets at amortized cost ("-" for loss)					
Credit impairment loss ("-" for loss)	V.51	-7,821,731.11	8,089,146.35	7,605,998.41	8,835,198.19
Assets impairment loss ("-" for loss)	V.52	-42,685,734.74	-42,532,176.01	-1,179,826.31	-1,201,927.74
Gain from disposal of assets ("-" for loss)	V.53	4,418,191.50	1,688,409.41	282,776.04	208,710.78
II. Operating profit ("-" for loss)		93,496,338.08	114,675,653.81	75,145,550.18	48,583,636.97
Add: Non-operating income	V.54	2,965,674.68	1,301,769.13	3,105,350.39	2,340,028.70
Less: Non-operating expenses	V.55	4,405,653.65	3,261,634.55	3,242,318.58	1,404,005.83
III. Total profit ("-" for loss)		92,056,359.11	112,715,788.39	75,008,581.99	49,519,659.84
Less: Income tax expenses	V.56	23,678,118.31	11,194,289.37	17,045,642.33	5,554,222.96

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CHANGAN MINSHENG APLL LOGISTICS CO., LTD.
CONSOLIDATED AND COMPANY INCOME STATEMENT (CONTINUED)
For the year ended 31 December 2024 (RMB yuan)

Item	Notes	2024		2023	
		Consolidated	Company	Consolidated	Company
IV. Net profit ("-" for net loss)		68,378,240.80	101,521,499.02	57,962,939.66	43,965,436.88
(I) Classified by continuity of operations:					
Including: Net profit from continuing operations ("-" for net loss)		68,378,240.80	101,521,499.02	57,962,939.66	43,965,436.88
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)		59,943,006.45	101,521,499.02	56,446,864.92	43,965,436.88
Net profit attributable to minority interests ("-" for net loss)		8,435,234.35	-	1,516,074.74	-
V. Other comprehensive income - after tax		2,057,000.00	2,057,000.00	-357,000.00	-357,000.00
Other comprehensive income - after tax attributable to shareholders of the parent		2,057,000.00	2,057,000.00	-357,000.00	-357,000.00
(I) Other comprehensive income not reclassified into profit or loss subsequently		2,057,000.00	2,057,000.00	-357,000.00	-357,000.00
1. Changes in fair value of other equity instruments investment		2,057,000.00	2,057,000.00	-357,000.00	-357,000.00
(II) Other comprehensive income that will be reclassified into profit or loss subsequently					
Other comprehensive income - after tax attributable to minority interests					
VI. Total comprehensive income		70,435,240.80	103,578,499.02	57,605,939.66	43,608,436.88
Total comprehensive income attributable to shareholders of the parent		62,000,006.45	103,578,499.02	56,089,864.92	43,608,436.88
Total comprehensive income attributable to minority interests		8,435,234.35	-	1,516,074.74	-
VII. Earnings per share					
(I) Basic earnings per share		0.37	-	0.35	-
(II) Diluted earnings per share		0.37	-	0.35	-

Legal representative:

Principal in charge of accounting:

Head of accounting department:



CHANGAN MINSHENG APLL LOGISTICS CO., LTD.
CONSOLIDATED AND COMPANY CASH FLOWS STATEMENTS
For the year ended 31 December 2024 (RMB yuan)



		2024		2023	
Item	Notes	Consolidated	Company	Consolidated	Company
I. Cash flows from operating activities:					
Cash received from sales of goods or rendering of services		10,606,842,645.34	8,021,432,188.55	11,127,380,231.35	8,324,381,305.11
Tax refund received		-	-	5,639,641.71	2,950,051.60
Other cash received relating to operating activities	V.57	275,366,888.41	1,248,635,413.87	195,076,030.16	1,972,655,612.17
Sub-total of cash inflows		10,882,209,533.75	9,270,067,602.42	11,328,095,903.22	10,299,986,968.88
Cash paid for goods and services		9,364,117,242.31	7,256,600,250.97	9,997,365,494.28	7,417,508,160.74
Cash paid to and on behalf of employees		697,023,158.27	490,078,280.80	724,531,009.73	507,514,945.00
Payments of all types of taxes		120,920,252.40	77,059,177.78	119,055,404.32	70,984,397.97
Other cash paid relating to operating activities	V.57	339,577,603.08	1,363,103,355.43	289,325,033.96	2,027,652,833.24
Sub-total of cash outflows		10,521,638,256.06	9,186,841,064.98	11,130,276,942.29	10,023,660,336.95
Net cash flows from operating activities		360,571,277.69	83,226,537.44	197,818,960.93	276,326,631.93
II. Cash flows from investing activities:					
Cash received from disposal of investments		186,148,364.58	186,148,364.58	-	-
Cash received from returns on investments		6,356,781.14	148,129,506.14	3,435,623.28	12,815,623.28
Net cash received from disposal of fixed assets, intangible assets and other long-term assets		1,135,273.92	51,993,949.40	820,750.61	278,726.98
Cash received from disposal of subsidiaries and other business units		-	-	-	-
Other cash received relating to investing activities		-	-	-	-
Sub-total of cash inflows		193,640,419.64	386,271,820.12	4,256,373.89	13,094,350.26
Cash paid to acquire fixed assets, intangible assets and other long-term assets		75,924,318.48	48,479,896.29	171,928,257.31	24,961,122.69
Cash paid to acquire investments		168,900,000.00	168,900,000.00	150,000,000.00	195,000,000.00
Cash paid to acquire subsidiaries and other business units		-	-	-	-
Other cash paid relating to investing activities	V.57	21,930,498.54	-	-	-
Sub-total of cash outflows		266,754,817.02	217,379,896.29	321,928,257.31	219,961,122.69
Net cash flows from investing activities		-73,114,397.38	168,891,923.83	-317,671,883.42	-206,866,772.43

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CHANGAN MINSHENG APLL LOGISTICS CO., LTD.
CONSOLIDATED AND COMPANY CASH FLOWS STATEMENTS (CONTINUED)
For the year ended 31 December 2024 (RMB yuan)

		2023		2022	
Item	Notes	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		79,643,581.00	-	573,362,267.00	-
Cash received relating to other financing activities	V.57	-	-	185,000,000.00	185,000,000.00
Sub-total of cash inflows		79,643,581.00	-	758,362,267.00	185,000,000.00
Cash repayments of amounts borrowed		93,895,546.57	-	455,786,232.58	-
Cash payments for interest expenses and distribution of dividends or profits		46,878,705.07	32,451,133.71	34,786,472.02	23,085,217.82
Including: Dividend paid to minority interests of subsidiaries		9,296,775.00	-	-	-
Other cash payments relating to financing activities	V.57	94,566,066.18	48,702,903.48	58,494,942.29	29,500,240.79
Sub-total of cash outflows		235,340,317.82	81,154,037.19	549,067,646.89	52,585,458.61
Net cash flows from financing activities		-155,696,736.82	-81,154,037.19	209,294,620.11	132,414,541.39
IV. Effect of foreign exchange rate changes on cash					
		1,127,272.23	1,122,761.95	4,176,000.27	3,505,197.40
V. Net increase in cash and cash equivalents					
		132,887,415.72	172,087,186.03	93,617,697.89	205,379,598.29
Add: Opening balance of cash and cash equivalent		849,334,512.98	615,071,743.56	755,716,815.09	409,692,145.27
VI. Closing balance of cash and cash equivalent					
		982,221,928.70	787,158,929.59	849,334,512.98	615,071,743.56

Legal representative:

Principal in charge of accounting:

Head of accounting department:



CHANGAN MINSHENG APLL LOGISTICS CO., LTD.
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the year ended 31 December 2024 (RMB yuan)



Items	2024							
	Equity attributable to the shareholders of the Company							
	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	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
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
III. Movement over the year								
(I) Total comprehensive income								
(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	67,079,415.05	-	24,629,515.00	11,982,773.50	85,867,093.00	1,695,876,393.45	159,146,928.42

Legal representative: _____ Principal in charge of accounting: _____ Head of accounting department: _____ continued/...



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CHANGAN MINSHENG APLL LOGISTICS CO., LTD.
COMPANY STATEMENT OF CHANGES IN EQUITY
For the year ended 31 December 2024 (RMB yuan)

Items	2024							Total shareholders' equity
	Share capital	Capital reserve	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)	-	-34,430.04	-	2,057,000.00	-	-	69,070,365.31	71,092,935.27
(I) Total comprehensive income	-	-	-	2,057,000.00	-	-	101,521,499.02	103,578,499.02
(II) Contributions from shareholders and reduction of capital	-	-34,430.04	-	-	-	-	-	-34,430.04
1. Capital contribution from shareholders								
2. Increase in shareholders' equity resulted from share-based payments								
3. Others	-	-34,430.04	-	-	-	-	-	-34,430.04
(III) Appropriation of profits	-	-	-	-	-	-	-32,451,133.71	-32,451,133.71
1. Transfer to surplus reserve								
2. Distributions to shareholders	-	-	-	-	-	-	-32,451,133.71	-32,451,133.71
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	-	-	-	-	4,462,023.66	-	-	4,462,023.66
2. Used in the year	-	-	-	-	-4,462,023.66	-	-	-4,462,023.66
(VI) Others								
IV. Balance at end of year	162,064,000.00	75,118,339.94	-	24,629,515.00	60,947.25	85,867,093.00	1,506,422,327.35	1,854,162,222.54

Legal representative:

Principal in charge of accounting:

Head of accounting department:

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CHANGAN MINSHENG APLL LOGISTICS CO., LTD.
COMPANY STATEMENT OF CHANGES IN EQUITY (CONTINUED)
For the year ended 31 December 2024 (RMB yuan)

Items	2023							Total shareholders' equity
	Share capital	Capital reserve	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)	-	2,512.98	-	-357,000.00	-2,834,412.00	-	19,347,301.98	16,158,402.96
(I) Total comprehensive income	-	-	-	-357,000.00	-	-	43,965,436.88	43,608,436.88
(II) Contributions from shareholders and reduction of capital	-	2,512.98	-	-	-	-	-	2,512.98
1. Capital contribution from shareholders								
2. Increase in shareholders' equity resulted from share-based payments								
3. Others	-	2,512.98	-	-	-	-	-	2,512.98
(III) Appropriation of profits	-	-	-	-	-	-	-24,618,134.90	-24,618,134.90
1. Transfer to surplus reserve								
2. Distributions to shareholders	-	-	-	-	-	-	-24,618,134.90	-24,618,134.90
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	-	-	-	-	-2,834,412.00	-	-	-2,834,412.00
(V) Specific reserve	-	-	-	-	4,051,932.06	-	-	4,051,932.06
1. Appropriation for the year								
2. Used in the year	-	-	-	-	-6,886,344.06	-	-	-6,886,344.06
(VI) Others								
IV. Balance at end 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

Legal representative: _____ Head of accounting department: _____

Principal in charge of accounting: _____





I. Company information

CMAL 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 GEM of 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 NO.1881 Jinkai Road, Yubei District, Chongqing, China.

As of 31 December 2024, the total number of shares of CMAL 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 financial statements and accompanying notes were approved by the 20th meeting of the sixth Board of Directors held on 27 March 2025.

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 a going concerning basis.

The Group adopts the accrual basis of accounting. The financial statements are prepared under the historical cost convention. If 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.

III. Significant accounting policies and accounting estimates

1. Statement of compliance with the Accounting Standards for Business Enterprises

Statement of compliance with the Accounting Standards for Business Enterprises

The consolidated financial statements have been prepared in compliance with the Accounting Standards for Business Enterprises to truly and completely reflect the consolidated and Company's financial positions as of 31 December 2024, and their operating results and their cash flows for the year ended 31 December 2024 and other relevant information.

2. Financial year

The financial year of the Group is from 1 January to 31 December of each calendar year.

3. Operating cycle

The Group's operating cycle is 12 months.

4. Functional currency

The financial statements of the Company and its domestic subsidiaries have been prepared in Renminbi ("RMB"). The currency used by the Company in preparing these financial statements is RMB.





5. Determination method and selection basis of materiality criteria

Item	Materiality criteria
Individually significant accounts receivable for provision for bad debts	Amount \geq 2.5 million
Significant construction in progress	Amount \geq 2.5 million
Significant non wholly owned subsidiaries	Considering the proportion of relevant entity assets to the total assets of the consolidated financial statements, the proportion of operating income to the total revenue of the consolidated financial statements, and the proportion of net profit to the net profit of the consolidated financial statements, any one of which exceeds 10%
Significant investment activities	Amount \geq 2.5 million

6. Accounting treatment of business combinations not involving enterprises under common control

(1) Business combinations involving enterprises under common control

For a business combination involving enterprises under common control, assets acquired, and liabilities assumed by acquirer in the business combination are measured at their carrying amounts of the acquiree in the consolidated financial statements of the ultimate controlling party at the combination date. The difference between the carrying amount of the consideration paid for the combination and the carrying amount of the net assets acquired is adjusted to capital reserve. If the capital reserve is not sufficient to absorb the difference, any excess is adjusted to undistributed profits.

Business combinations involving entities under common control achieved in stages and involved multiple transactions

In the separate financial statements, initial investment cost is the acquirer's share of the carrying amount of the net assets of the acquiree in the consolidated financial statements of the ultimate controlling party at the combination date. The difference between the initial investment cost and the sum of carrying amount of investment prior to combination date and carrying amount of new considerations paid for the combination at the combination date is adjusted to capital reserve. If the capital reserve is not sufficient to absorb the difference, any excess is adjusted against undistributed profits.

(2) Business combinations not involving enterprises under common control

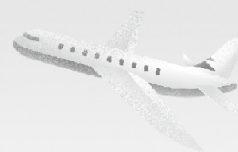
For business combinations involving enterprises not under common control, the consideration costs include acquisition-date fair values of the assets transferred, liabilities incurred or assumed, and the equity instruments issued by the acquirer in exchange for control of the acquire. At the acquisition date, the acquired assets, liabilities and contingent liabilities of the acquiree are measured at their fair value.

Where the combination cost exceeds the acquirer's interest in the fair value of the acquiree's identifiable net assets, the difference is recognized as goodwill and subsequently measured on the basis of its costs less accumulated impairment provisions. Where the combination cost is less than the acquirer's interest in the fair value of the acquiree's identifiable net assets, the difference is credited in profit or loss for the current period after reassessment.

Business combinations involving entities not under common control achieved in stages and involved multiple transactions

The combination cost is the sum of the consideration paid at the acquisition date and the fair value of equity investment of the acquiree held prior to the acquisition date. The cost of equity investment of the acquiree held prior to the acquisition date is re-measured at the fair value at the acquisition date, the difference between the fair value and carrying value is recognized as profit or loss for the current period. Other comprehensive income and changes of other owners' equity from the equity interest held in the acquiree prior to the acquisition date are transferred to profit or loss for the current period, except for other comprehensive income resulted in the change of net liabilities or assets in the investee's re-measurement of defined benefit plan and investments in non-trading equity instruments originally designated as measured at fair value.





(3) Transaction costs for business combination

The overhead for the business combination, including the expenses for audit, legal services, valuation advisory, and other administrative expenses, are recorded in profit or loss for the current period when incurred. The transaction costs of equity or debt instruments issued as the considerations of business combination are included in the initial recognition amount of the equity or debt instruments.

7. Basis in determination of control and preparation of consolidated financial statements

(1) Basis in determination of control

The scope of consolidated financial statements is determined on the basis of control. Control exists when the Group has power over the investee; exposure, or rights to variable returns from its involvement with the investee and has the ability to affect its returns through its power over the investee. When changes in relevant facts and circumstances lead to changes in the elements involved in defining control, the Group will conduct a reassessment.

When determining whether to include a structured entity in the scope of consolidation, the Group assesses whether it controls the structured entity based on a comprehensive review of all facts and circumstances. This includes evaluating the purpose and design of the structured entity, identifying the types of variable returns, and assessing whether the Group bears part or all of the variable returns by participating in its related activities.

(2) Basis of preparation of consolidated financial statements

The consolidated financial statements are prepared by the Group based on the financial statements of the Company and its subsidiaries and other relevant information. In preparation of consolidated financial statements, the accounting policies and accounting periods of the subsidiaries should be consistent with those established by the Group, and all significant intercompany accounts and transactions are eliminated.

Where a subsidiary or business was acquired during the reporting period, through a business combination involving enterprises under common control, the subsidiary or business is deemed to be included in the consolidated financial statements from the date they are controlled by the ultimate controlling party. Their operating results and cash flows are included in the consolidated income statement and consolidated cash flow statement respectively from the date they are controlled by the ultimate controlling party.

Where a subsidiary or business has been acquired during the reporting period, through a business combination not involving enterprises under common control, the revenue, expenses and profit of the subsidiary or business after the acquisition date are included in the consolidated income statement, the cash flows after the acquisition date are included in the consolidated cash flow statement.

The portion of a subsidiary's equity that is not attributable to the parent is treated as minority interests and presented separately in the consolidated balance sheet within shareholders' equity. The portion of net profit or loss of subsidiaries for the period attributable to minority interests is presented in the consolidated income statement below the "net profit" line item as "minority interests". When the amount of loss for the current period attributable to minority interests of the subsidiary exceeds the minority interests' share of the opening equity of the subsidiary, the excess is still allocated against the minority interests.

(3) Acquiring minority interests of subsidiaries

Where the Company acquires a minority interest from a subsidiary's minority shareholders or disposes of a portion of an interest in a subsidiary without a change in control, the transaction is treated as equity transaction, and the book value of shareholder's equity attributed to the Company and to the minority interest is adjusted to reflect the change in the Group's interest in the subsidiaries. The difference between the proportion interests of the subsidiary's net assets being acquired or disposed and the amount of the consideration paid or received is adjusted to the capital reserve (share premium) in the consolidated balance sheet, with any excess adjusted to undistributed profits.





(4) Losing control over the subsidiary

When the Company loses control over the subsidiary because of disposing part of equity investment or other reasons, the remaining part of the equity investment is re-measured at fair value at the date when losing control over the subsidiary. A gain or loss is recognized in profit or loss for the current period and is calculated by the aggregate of the consideration received in disposal and the fair value of remaining part of the equity investment deducting the share of carrying value of net assets in proportion to previous shareholding percentage in former subsidiary since acquisition date and the goodwill.

Other comprehensive income related to the former subsidiary is transferred to profit or loss for the current period when the control is lost, except for the comprehensive income arising from the movement of net liabilities or assets in the former subsidiary's re-measurement of defined benefit plan.

8. Joint arrangement classification and accounting treatment for joint operation

A joint arrangement is an arrangement of which two or more parties have joint control. The Company classifies joint arrangements into joint operations and joint ventures.

(1) Joint operations

A joint operation is a joint arrangement whereby the joint operators have rights to the assets, and obligations for the liabilities relating to the arrangement.

The Group recognizes the following items in relation to its interest in joint operation, and account for them in accordance with relevant accounting standards:

- A. its solely-held assets, and its share of any liabilities incurred jointly;
- B. its solely-assumed liabilities, and its share of any liabilities incurred jointly;
- C. its revenue from the sale of its share of the output arising from the joint operation;
- D. its share of the revenue from the sale of output by the joint operation; and
- E. its solely-incurred expenses, and its share of any expenses incurred jointly.

(2) Joint ventures

A joint venture is a joint arrangement whereby the joint venturers have rights to the net assets of the arrangement.

The Group adopts equity method under long-term equity investment in accounting for its investment in joint venture.

9. Cash and cash equivalents

Cash comprises cash on hand and deposits that can be readily drawn on demand. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash, and which are subject to an insignificant risk of change in value.





10. Foreign currency transactions

Foreign currency transactions are translated into the functional currency of the Group at the spot exchange rates on the dates of the transactions.

Monetary items denominated in foreign currencies are translated to Renminbi at the spot exchange rate at the balance sheet date. The resulting exchange differences between the spot exchange rate on balance sheet date and the spot exchange rate on initial recognition or on the previous balance sheet date are recognized in profit or loss. Non-monetary items that are measured at historical cost in foreign currencies are translated to Renminbi using the exchange rate at the transaction date. Non-monetary items that are measured at fair value in foreign currencies are translated using the exchange rate at the date the fair value is determined. The resulting exchange differences are recognized in profit or loss for the current period or other comprehensive income according to the nature of non-monetary items.

11. Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one enterprise and a financial liability or equity instrument of another enterprise.

(1) Recognition and derecognition of financial instruments

A financial asset or financial liability is recognized when the Group becomes a party to the contractual provisions of a financial instrument.

If one of the following conditions is met, the financial assets are derecognized:

- (i) The contractual rights to the cash flows from the financial asset expire;
- (ii) The financial asset has been transferred, and is in accordance with the following conditions for derecognition.

A financial liability (or part of it) is derecognized when its contractual obligation (or part of it) is discharged or cancelled or expires. If the Group (as a debtor) makes an agreement with the creditor to replace the current financial liability with assuming a new financial liability, and contractual provisions are different in substance, the current financial liability is derecognized and a new financial liability is recognized meanwhile.

If the financial assets are traded routinely, the financial assets are recognized and derecognized at the transaction date.

(2) Classification and measurement of financial assets

Upon initial recognition, the Group classifies the financial assets according to the business model for managing the financial assets and characteristics of the contractual cash flows as follows: financial assets measured at amortized cost, financial assets measured at fair value through other comprehensive income, and financial assets measured at fair value through profit or loss.

Financial assets are measured at fair value on initial recognition. For financial assets measured at fair value through profit or loss, the related transaction costs are recognised directly in profit or loss; for other types of financial assets, the related transaction costs are included in the amount initially recognised. For receivables arising from the sale of products or provision of services that do not contain or do not take into account a significant financing element, the Group recognises them initially at the amount of consideration that it expects to be entitled to receive.





CHANGAN MINSHENG APLL LOGISTICS CO., LTD.
NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024 (All amounts in RMB unless otherwise stated)

Financial assets at amortized cost

Financial assets are measured at amortized cost if they meet both of the following conditions and are not designated as measured at fair value through other comprehensive income:

- The Group's business model for managing such financial assets is to collect contractual cash flows.
- The contractual terms of the financial asset stipulate that cash flows generated on specific dates are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, such financial assets are measured at amortized cost using the effective interest method. A gain or loss on a financial asset that is measured at amortized cost and is not part of a hedging relationship shall be recognized in profit or loss for the current period when the financial asset is derecognized, amortized using the effective interest method or with impairment recognized.

Financial assets measured at fair value through other comprehensive income

A financial asset is classified as measured at fair value through other comprehensive incomes if it meets both of the following conditions and is not designated as measured at fair value through profit or loss:

- The Group's business model for managing such financial assets is achieved both by collecting contractual cash flows and selling such financial assets;
- The contractual terms of the financial asset stipulate that cash flows generated on specific dates are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, such financial assets are subsequently measured at fair value. Interest calculated using the effective interest method, impairment losses or gains and foreign exchange gains and losses are recognized in profit or loss for the current period, and other gains or losses are recognized in other comprehensive income. On derecognition, the cumulative gain or loss previously recognized in other comprehensive income is reclassified from other comprehensive income to profit or loss.

Financial assets measured at fair value through profit or loss

The Group classifies the financial assets other than those measured at amortized cost and measured at fair value through other comprehensive income as financial assets measured at fair value through profit or loss. Upon initial recognition, the Group irrevocably designates certain financial assets that are required to be measured at amortized cost or at fair value through other comprehensive income as financial assets measured at fair value through profit or loss in order to eliminate or significantly reduce accounting mismatch.

Upon initial recognition, such financial assets are measured at fair value. Except for those held for hedging purposes, gains or losses (including interests and dividend income) arising from such financial assets are recognized in the profit or loss for the current period.

The business model for managing financial assets refers to how the Group manages its financial assets in order to generate cash flow. That is, the Group's business model determines whether cash flows will result from collecting contractual cash flows, selling financial assets or both. The Group determines the business model for managing financial assets on the basis of objective facts and specific business objectives for managing financial assets determined by key management personnel.

The Group assesses the characteristics of the contractual cash flows of financial assets to determine whether the contractual cash flows generated by the relevant financial assets on a specific date are solely payments of principal and interest on the principal amount outstanding. The principal refers to the fair value of the financial assets at the initial recognition. Interest includes consideration for the time value of money, for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks, costs and profits. In addition, the Group evaluates the contractual terms that may result in a change in the time distribution or amount of contractual cash flow from a financial asset to determine whether it meets the requirements of the above contractual cash flow characteristics.

All affected financial assets are reclassified on the first day of the first reporting period following the change in the business model where the Group changes its business model for managing financial assets; otherwise, financial assets shall not be reclassified after initial recognition.





(3) Classification and measurement of financial liabilities

At initial recognition, the financial liabilities of the Group are classified as financial liabilities measured at fair value through profit or loss and financial liabilities measured at amortized cost. For financial liabilities not classified as measured at fair value through profit or loss, relevant transaction costs are included in the amount initially recognized.

Financial liabilities measured at fair value through profit or loss

Financial liabilities measured at fair value through profit or loss comprise held-for-trading financial liabilities and financial liabilities designated as measured at fair value through profit or loss upon initial recognition. Such financial liabilities are subsequently measured at fair value, and the gains or losses from the change in fair value and the dividend or interest expenses related to the financial liabilities are included in the profit or loss of the current period.

Financial liabilities measured at amortized cost

Other financial liabilities are subsequently measured at amortized cost using the effective interest rate method, and the gains or losses arising from derecognition or amortization are recognized in profit or loss for the current period.

Classification between financial liabilities and equity instruments

A financial liability is a liability if:

- (i) it has a contractual obligation to pay in cash or other financial assets to other parties.
- (ii) it has a contractual obligation to exchange financial assets or financial liabilities under potential adverse condition with other parties.
- (iii) it is a non-derivative instrument contract which will or may be settled with the entity's own equity instruments, and the entity will deliver a variable number of its own equity instruments according to such contract.
- (iv) it is a derivative instrument contract which will or may be settled with the entity's own equity instruments, except for a derivative instrument contract that exchanges a fixed amount of cash or other financial asset with a fixed number of its own equity instruments.

Equity instruments are any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

If the Group cannot unconditionally avoid the performance of a contractual obligation by paying cash or delivering other financial assets, the contractual obligation meets the definition of financial liabilities.

Where a financial instrument must or may be settled with the Group's own equity instruments, the Group's own equity instruments used to settle such instrument should be considered as to whether it is as a substitute for cash or other financial assets or for the purpose of enabling the holder of the instrument to be entitled to the remaining interest in the assets of the issuer after deducting all of its liabilities. For the former, it is a financial liability of the Group; for the latter, it is the Group's own equity instruments.

(4) Derivative financial instruments and embedded derivative instruments

The Group's derivative financial instruments include forward foreign exchange contracts, currency exchange rate swap contracts, interest rate swap contracts and foreign exchange option contracts, etc. They are initially measured at the fair value of the date a derivative contract entered into and subsequently measured at their fair value. Derivative financial instruments of positive fair value are recognized as assets; those of negative fair value are recognized as liabilities. Any gains or losses arising from changes in fair value which do not meet the requirements of hedge accounting are directly recognized as profit or loss for the current period.





For hybrid instrument with embedded derivative, where financial assets or liabilities not designated as fair value through profit or loss, the economic features and risks of the embedded derivative are not closely related to that of the host contract, and a similar instrument with the same terms as the embedded derivative would meet the definition of a derivative, then embedded derivative is separated from hybrid instrument and accounted for as a derivative. If embedded derivative is unable to measure separately either at acquisition or subsequently at balance sheet date, hybrid instrument as a whole is designated as financial assets or liabilities at fair value through profit or loss.

(5) Fair value of financial instruments

Determination of fair value of financial assets and financial liabilities refers to Note III.12.

(6) Impairment of financial assets

The Group makes a provision for impairment based on expected credit losses (ECLs) on the following items:

- Financial assets at amortized cost;
- Receivables and debt instrument investments measured at fair value through other comprehensive income;
- Contract assets as defined in "Accounting Standards for Business Enterprises No. 14-Revenue"
- Lease receivables;
- Financial guarantee contract (Except those measured at fair value through profit or loss, the transfer of financial assets does not meet the conditions for derecognition or continuing involvement in transferred financial assets).

Measurement of ECLs

ECLs are the weighted average of credit losses of financial instruments weighted by the risk of default. Credit losses refer to the difference between all contractual cash flows receivable according to the contract and discounted according to the original effective interest rate and all cash flows expected to be received, i.e. the present value of all cash shortages.

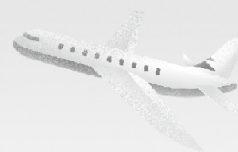
The Group takes into consideration of account reasonable and well-founded information such as past events, current conditions and forecasts of future economic conditions, and calculates the probability-weighted amount of the present value of the difference between the cash flows receivable from the contract and the cash flows expected to be received weighted by the risk of default.

The Group measures ECLs of financial instruments at different stages. If the credit risk of the financial instrument did not increase significantly upon initial recognition, it is at the first stage, and the Group makes provision for impairment based on the ECLs within the next 12 months; if the credit risk of a financial instrument increased significantly upon initial recognition but has not yet incurred credit impairment, it is at the second stage, and the Group makes provision for impairment based on the lifetime ECLs of the instrument; if the financial instrument incurred credit impairment upon initial recognition, it is at the third stage, and the Group makes provision for impairment based on the lifetime ECLs of the instrument.

For financial instruments with low credit risk on the balance sheet date, the Group assumes that the credit risk did not increase significantly upon initial recognition and makes provision for impairment based on the ECLs within the next 12 months.

Lifetime ECLs represent the ECLs resulting from all possible default events over the expected life of a financial instrument. The 12-month ECLs are the ECLs resulting from possible default events on a financial instrument within 12 months (or a shorter period if the expected life of the financial instrument is less than 12 months) after the balance sheet date and is a portion of lifetime ECLs.





The maximum period to be considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk, including renewal options.

For the financial instruments at the first and second stages and with low credit risks, the Group calculates the interest income based on the book balance and the effective interest rate before deducting the impairment provisions. For financial instruments at the third stage, interest income is calculated based on the amortized cost after deducting impairment provisions made from the book balance and the effective interest rate.

For accounts receivable, notes receivable, financing receivables, other receivables, contract assets, and other receivables, if the credit risk characteristics of a particular customer significantly differ from those of other customers in the portfolio, or if there is a significant change in the credit risk characteristics of that customer, the Group recognizes an individual bad debt for that receivable. In addition to individually recognizing bad debt, the Group segregates receivables based on credit risk characteristics and calculates provision for bad debts on a portfolio basis.

Bills receivable, accounts receivable and contract assets

For bills receivable, accounts receivable and contract assets, regardless of whether there is a significant financing component, the Group always makes provision for impairment at an amount equal to lifetime ECLs.

When the Group is unable to assess the information of ECLs for an individual financial asset at a reasonable cost, it classifies Bills receivable and accounts receivable into portfolios based on the credit risk characteristics and calculates the ECLs on a portfolio basis. The basis for determining the portfolios is as follows:

A. Bills receivable

- Bills receivable portfolio 1: Bank acceptance bills
- Bills receivable portfolio 2: Commercial acceptance bills

B. Accounts receivable

- Accounts receivable portfolio 1: Receivable from general customers
- Accounts receivable portfolio 2: Receivable from related parties

C. Contract assets

- Contract assets portfolio 1: Logistics services not completed and settled

For note receivables and contract assets classified as a portfolio, the Group refers to the historical credit loss experience, combined with the current situation and the forecast of future economic conditions, to assess the exposures to default risk and the expected credit loss rate for the lifetime and calculate the ECLs.

For accounts receivable classified as a portfolio, the Group refers to the historical credit loss experience, combined with the current situation and the forecast of future economic conditions, to compile a matrix of accounts receivable aging / overdue days and expected credit loss rate for the lifetime and calculate the ECLs. The aging of accounts receivable is calculated from the date of recognition, while the overdue days are calculated from the expiration of the credit period.



*Other receivables*

The Group classifies other receivables into portfolios based on the credit risk characteristics and calculates the ECLs on a portfolio basis. The basis for determining the portfolios is as follows:

- Other receivables portfolio 1: Security deposits and deposits
- Other receivables portfolio 2: Advances for taxes and expenses
- Other receivables portfolio 3: Staff petty cash borrowing
- Other receivables portfolio 4: Current accounts
- Other receivables portfolio 5: Withholding for sale and purchase of goods
- Other receivables portfolio 6: Others

For other receivables divided into portfolio, the Group calculates the expected credit loss on the exposures to default risk and the expected credit loss rate within the future 12 months or the lifetime. For other receivables categorized by aging, the aging is calculated from the date of recognition.

Debt investment and other debt investment

For debt investments and other debt investments, the Group calculates the expected credit loss on the exposures to default risk and the expected credit loss rate within the future 12 months or the lifetime, based on the nature of the investment and various types of counterparties and risk exposures.

Assessment of significant increase in credit risk

In assessing whether the credit risk of a financial instrument has increased significantly upon initial recognition, the Group compares the risk of default of the financial instrument at the balance sheet date with that at the date of initial recognition to determine the relative change in risk of default within the expected lifetime of the financial instrument.

In determining whether the credit risk has increased significantly upon initial recognition, the Group considers reasonable and well-founded information, including forward-looking information, which can be obtained without unnecessary extra costs or efforts. Information considered by the Group includes:

- The debtor's failure to make payments of principal and interest on their contractually due dates;
- An actual or expected significant deterioration in a financial instrument's external or internal credit rating (if any);
- An actual or expected significant deterioration in the operating results of the debtor;
- Existing or expected changes in the technological, market, economic or legal environment that have a significant adverse effect on the debtor's ability to meet its obligation to the Group.

Depending on the nature of the financial instruments, the Group assesses whether there has been a significant increase in credit risk on either an individual basis or a collective basis. When the assessment is performed on a collective basis, the financial instruments are grouped based on their common credit risk characteristics, such as past due information and credit risk ratings.

If more than 30 days have passed due, the Group determines that the credit risk of financial instruments has increased significantly.

The Group believes that financial assets default in the following situations:

- It is unlikely that the borrower will pay its debts to the Group in full, and this assessment does not consider the Group's recourse actions such as the realization of mortgaged assets (if held); or
- Financial assets are more than 90 days past due.





Credit-impaired financial assets

At balance sheet date, the Group assesses whether financial assets measured at amortised cost and debt investments measured at fair value through other comprehensive income are credit impaired. A financial asset is credit-impaired when one or more events that have an adverse effect on the estimated future cash flows of the financial asset have occurred. Evidence that a financial asset is credit-impaired includes the following observable events:

- Significant financial difficulty of the issuer or debtor;
- A breach of contract by the debtor, such as a default or delinquency in interest or principal payments;
- For economic or contractual reasons relating to the debtor's financial difficulty, the Group granted the debtor a concession that would not otherwise consider;
- It becoming probable that the debtor will enter bankruptcy or other financial reorganization;
- The disappearance of an active market for that financial asset because of financial difficulties of the issuer or debtor.

Presentation of provisions for ECLs

ECLs are remeasured at each balance sheet date to reflect changes in the financial instrument's credit risk upon initial recognition. Any change in the ECL amount is recognized as an impairment gain or loss in profit or loss for the current period. For financial assets measured at amortized cost, the provision of impairment is deducted from the carrying amount of the financial assets presented in the balance sheet; for debt investments at fair value through other comprehensive income, the Group makes provisions of impairment in other comprehensive income without reducing the carrying amount of the financial asset.

Write-offs

The book balance of a financial asset is directly written off to the extent that there is no realistic prospect of recovery of the contractual cash flows of the financial asset (either partially or in full). Such a write-off constitutes derecognition of such financial assets. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

If a write-off of financial assets is later recovered, the recovery is credited to profit or loss in the period in which the recovery occurs.

(7) Transfer of financial assets

Transfer of financial assets refers to the transference or deliverance of financial assets to the other party (the transferee) other than the issuer of financial assets.

The Group derecognizes a financial asset if it transfers substantially all the risks and rewards of ownership of the financial asset to the transferee. If substantially all the risks and rewards of ownership of the financial asset are retained, the financial asset is not derecognized.

The Group neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset, and the accounting treatment is shown as follows: if the Group has forgone control over the financial asset, the financial assets are derecognized, and new assets and liabilities are recognized. If the Group retains control over the financial asset, the financial asset is recognized to the extent of its continuing involvement in the transferred financial asset, and an associated liability is recognized.

(8) Offset of financial assets and financial liabilities

If the Group owns the legitimate rights of offsetting the recognized financial assets and financial liabilities, which are enforceable currently, and the Group plans to realize the financial assets or to clear off the financial liabilities on a net amount basis or simultaneously, the net amount of financial assets and financial liabilities shall be presented in the balance sheet upon offsetting. Otherwise, financial assets and financial liabilities are presented separately in the balance sheet without offsetting.





12. Fair value measurement

Fair value is the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The Group measures the related assets or liabilities at fair value assuming the assets or liabilities are exchanged in an orderly transaction in the principal market or, in the absence of a principal market, the most advantageous market. Principal market (or most advantageous market) is the market that the Group can normally enter into a transaction on measurement date. The Group adopts the presumptions that would be used by market participants in achieving the maximized economic value of the assets or liabilities.

For financial assets or financial liabilities in active markets, the Group uses the quoted prices in active markets as their fair value. If there is no active market, the Group uses valuation techniques to determine their fair value.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset at its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs. If the observable inputs are not available or impractical, then unobservable inputs are used.

For assets and liabilities measured or disclosed at fair value in the financial statements, 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: Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities; Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and Level 3 inputs are unobservable inputs for the asset or liability.

At the balance sheet date, the Group revalues assets and liabilities being measured at fair value continuously in the financial statements to determine whether to change the levels of fair value measurement.

13. Inventories

(1) Classification of inventories

Inventories include raw materials, work in progress, finished goods, turnover materials and contract fulfillment costs.

(2) Method for calculating value of inventories

The Group values inventory at the actual cost upon acquisition. The cost of raw materials and finished goods are calculated using the first-in, first-out (FIFO) method when issued.

(3) Basis for determining the net realizable value and method for provision for decline in value of inventories

At balance sheet date, inventory is measured at the lower cost and net realizable value. When the net realizable value is lower than the cost, an allowance for inventory impairment is recognized.

Net realizable value is the estimated selling price less estimated costs to be incurred upon completion, estimated selling expenses and related taxes. When determining the net realizable value of inventory, basis is relied on the actual evidence obtained while the objectives of inventories holding and the impact of post balance sheet date event are also considered.

The Group normally makes provision for losses in the value of inventories based on individual items of inventories. For large quantities of inventories with relatively low unit prices, provision for loss of value of inventories is made according to the type of inventory.

When the factors causing the inventory impairment no longer exist at balance sheet date, the provision for decline in value of inventories previously made is reversed.





(4) Inventory system

The Group adopts perpetual inventory system.

(5) Amortization methods of low-value consumables

The Group adopts one-time write-off when low-value consumables and packaging materials are taken for use.

14. Long-term equity investments

Long-term equity investments include equity investments in subsidiaries and equity investments in joint ventures and associates. An associate is an enterprise over which the Group has significant influence.

(1) Determination of initial investment cost

Long-term equity investment acquired through a business combination: For a business combination involving enterprises under common control, the initial investment cost of a long-term equity investment is the combining party's share of the carrying amount of the owners' equity of the combined party in the consolidated financial statements of the ultimate controlling party at the date of combination. For a business combination not involving enterprises under common control, the initial investment cost of a long-term equity investment is the cost of acquisition.

Long-term equity investment acquired other than through a business combination: For a long-term equity investment acquired by cash, the initial investment cost is the amount of cash paid. For a long-term equity investment acquired by issuing equity securities, the initial investment cost is the fair value of the equity securities issued.

(2) Subsequent measurement and recognition of profit or loss

Long-term equity investments in subsidiaries are accounted for using the cost method, unless the investment satisfies the conditions of held-for-sales. An investment in a joint venture or an associate is accounted for using the equity method for subsequent measurement.

For long-term equity investment which is accounted for using the cost method, investment income is recognized in profit or loss for the current period as the cash dividend or profit announced and distributed, except for those cash dividend or profit which have already included in the actual payment or consideration of offer when the investment was made.

For long-term equity investment, which is accounted for using the equity method, where the initial investment cost of a long-term equity investment exceeds the Group's interest in the fair values of the investee's identifiable net assets, no adjustment is made to the initial investment cost. Where the initial investment cost is less than the Group's interest in the fair values of the investee's identifiable net assets, the difference is charged to profit or loss for the current period, and the carrying amount of the long-term equity investment is adjusted accordingly.

Under the equity method, the Group recognizes its share of the investee's net profit or losses and other comprehensive income as investment income or losses and other comprehensive income respectively and adjusts the carrying amount of the investment accordingly. The carrying amount of the investment is reduced by the portion of any profit distributions or cash dividends declared by the investee that is attributable to the Group. The Group's share of the investee's owners' equity changes, other than those arising from the investee's net profit or loss, other comprehensive income or profit distribution, is recognized in the capital reserve (other capital reserve), and the carrying amount of the long-term equity investment is adjusted accordingly. The Group recognizes its share of the investee's net profits or losses based on the fair values of the investee's individual separately identifiable assets at the time of acquisition, after making appropriate adjustments thereto in conformity with the accounting policies and accounting periods of the Group.

When the Group becomes capable of exercising significant influence or joint control (but not sole control) over an investee due to additional investment or other reasons, the accounting is changed to the equity method and the initial investment cost on the date of change is the sum of the fair value of the previously held equity investment and additional investment cost. If the original equity is classified as non-trading equity instrument investment measured at fair value through other comprehensive income, the relevant accumulative changes in fair value originally included in other comprehensive income will be transferred to retained earnings when changed to equity method accounting.





CHANGAN MINSHENG APLL LOGISTICS CO., LTD. NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024 (All amounts in RMB unless otherwise stated)

When the Group can no longer exercise joint control of or significant influence over an investee due to partial disposal of equity investment or other reasons, the remaining equity investment on the date of losing joint control or significant influence is accounted for in accordance with Accounting Standard for Business Enterprises No.22 - Recognition and Measurement of Financial Instruments and the difference between the fair value and the carrying amount at the date of the loss of joint control or significant influence is charged to profit or loss for the current period. When the previously held equity investment is accounted for under the equity method, any other comprehensive income previously recognized is accounted for on the same basis as if the Group directly disposes of the related assets or liabilities for the current period upon discontinuation of the equity method. Other movement of owner's equity related to previously held equity investment is transferred in profit or loss for the current period.

When the Group can no longer exercise control over an investee due to partial disposal of equity investment or other reasons and the remaining equity investment after disposal can exercise joint control of or significant influence over an investee, the remaining equity investment is accounted for under equity method and re-measured by equity method as if it has been acquired since date of acquisition. Where the remaining equity investment can no longer exercise joint control of or significant influence over an investee, the remaining equity investment is accounted for in accordance with Accounting Standard for Business Enterprises No.22-Recognition and Measurement of Financial Instruments and the difference between the fair value and the carrying amount at the date of the loss of control is charged to profit or loss for the current period.

When the Group can no longer exercise control over an investee due to dilution of shareholding by issuance of new shares to other investors by the investee but the Group can still exercise joint control of or significant influence on the investee, the difference between the Group's share of the increment of net assets in investee by the new shareholding percentage after new share issuance and the pro-rata portion of carrying value of long term equity investment for the decreased shareholding percentage is recognized in profit or loss in the current period. The remaining equity investment is accounted for by the equity method as if it was acquired since initial acquisition.

The unrealized profit or loss from internal transactions entered into between the Group and its associate or joint venture is offset according to the shareholding percentage held by the Group and the remaining portion is recognized as investment income or loss. However, the unrealized loss from internal transactions entered into between the Group and its investee is not offset if it belongs to impairment loss from assets transferred.

(3) Basis for determination of joint control or significant influence over an investee

Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control. In assessing whether joint control of an arrangement exists, the Group firstly assesses whether all the parties or a group of the parties control the arrangement collectively. When all the parties or a group of the parties must act together unanimously in directing the relevant activities, then all the parties or a group of the parties are regarded as having joint control of an arrangement. Then assess whether decisions about the relevant activities require the unanimous consent of those parties that control the arrangement collectively. When more than one combination of the parties can control an arrangement collectively, joint control does not exist. Protective rights of any party are not considered when determining joint control.

Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control of those policies. When determining whether an investor can exercise significant influence over an investee, the effect of potential voting rights (for example, warrants, share options and convertible bonds) held by the investors or other parties that are currently exercisable, or convertible, shall be considered.

When the Group, directly or indirectly through subsidiaries, owns more than 20% (20% inclusive) but less than 50% of the voting share of the investee, the Group has significant influence on the investee unless there is clear evidence to show that the Group cannot participate in the business and operation decisions of the investee, and accordingly cannot exercise any significant influence. When the Group owns less than 20% of the voting share of the investee, the Group has no significant influence on the investee unless there is clear evidence to show that the Group can participate in the business and operation decisions of the investee and accordingly can exercise a significant influence.

(4) Method of impairment testing and impairment provision

For investment of subsidiaries, associates and joint ventures, refer to Note III. 21 for the method of asset impairment.





15. Investment properties

Investment properties refer to real estate held for earning rental income or for capital appreciation, or both. The investment properties of the Group include leased land use rights, land use rights held for appreciation and subsequent transfer, and leased buildings.

The investment properties of the Group are initially measured at cost and subsequently depreciated or amortized according to the relevant provisions for fixed assets or intangible assets.

For investment properties measured using the cost model, impairment is recognized according to the method as stated in Note III. 21.

The difference between the disposal proceeds, net of any related taxes and fees, and the carrying amount of investment properties sold, transferred, scrapped, or damaged is recognized in the profit or loss for the current period.

16. Fixed assets

(1) Recognition of fixed assets

Fixed assets are tangible assets that are held for use in the production or supply of services, for rental to others, or for administrative purposes and have useful lives for more than one year of accounting.

Fixed assets are only recognized when its related economic benefits are likely to flow to the Group and its cost can be reliably measured.

Fixed assets are initially measured at cost.

Subsequent expenditures related to fixed assets are included in the cost of fixed assets when the economic benefits related to them are likely to flow into the Group and their costs can be measured reliably; the daily repair expenses of fixed assets that do not meet the criteria for subsequent expenditure of fixed assets capitalization shall be included in the current profit or loss or the cost of relevant assets according to the beneficiary at the time of occurrence. The carrying amount of the replaced part shall be derecognized.

(2) Depreciation methods

The cost of a fixed asset is depreciated using the straight-line method since the state of intended use, unless the fixed asset is derecognized or classified as held for sale. Not considering impairment provision, the estimated useful lives, residual rates and annual depreciation rates of each class of fixed assets are as follows:

Category	Useful life (years)	Residual rate (%)	Annual depreciation rate (%)
Housing and buildings	20-30	3	3.23-4.85
Machinery and equipment	4-10	3	9.70-24.25
Motor vehicles	3-5	3	19.40-32.33
Electronics and office equipment	4-8	3	12.13-24.25

Among the above, depreciation rate of impaired fixed assets is determined after deduction of the cumulative amount of impairment provision.

(3) Impairment testing and the impairment provision of fixed assets refers to Note III. 21.

(4) The Group reviews the useful life, estimated net residual value and the depreciation method of fixed assets at the end of each financial year

Useful lives of fixed assets are adjusted if they are different with the initial estimates. Estimated net residual values are adjusted if they are different from the initial estimates.





(5) Disposal of fixed assets

When the fixed assets are disposed, or no economic benefit is expected to be generated through the use or disposal, the fixed assets shall be derecognised. The amount of the disposal income from the sale, transfer, scrapping or destruction of fixed assets after deducting their carrying value and relevant taxes is recorded into the current profit or loss.

17. Construction in progress

Construction in progress is recognized based on the actual construction cost, including all expenditures incurred for construction projects, capitalized borrowing costs for the construction in progress before it has reached the working condition for its intended use and other related expenses during the construction period.

Construction in progress is transferred to fixed assets when it has reached the working conditions for its intended use.

Provision for impairment of construction in progress refers to Note III. 21.

18. Borrowing costs

(1) Recognition of borrowing costs capitalization

Borrowing costs are capitalized when they are directly attributable to the acquisition, construction or production of a qualifying asset and included in the cost of related assets. Other borrowing costs are recognized as expenses and recorded in profit or loss for the current period when incurred. Capitalization of such borrowing costs commenced only when all of the following conditions are satisfied:

- (i) Expenditures for the asset are being incurred, capital expenditure includes the expenditure in the form of cash payment, transfer of non-cash assets or interest bearing liabilities for the purpose of acquiring or constructing assets eligible for capitalization;
- (ii) Borrowing costs are being incurred; and
- (iii) Activities relating to the acquisition, construction or production of the asset that are necessary to prepare the asset for its intended use or sale have commenced.

(2) Borrowing costs capitalization period

Capitalization of such borrowing costs ceases when the qualifying assets being acquired, constructed or produced become ready for their intended use or sale. Borrowing costs incurred after the qualifying assets became ready for their intended use or sale are recognized as an expense when incurred and recorded in profit or loss for the current period.

Capitalization of borrowing costs is suspended during periods in which the acquisition, construction or production of a qualifying asset is suspended abnormally and when the suspension is for a continuous period of more than 3 months. Borrowing costs continue to be capitalized during the normal suspension period.

(3) Borrowing costs capitalization rate and calculation of capitalization amount

For funds borrowed for a specific purpose, the amount of interest to be capitalized is the actual interest expense incurred on that borrowing less any bank interest earned from depositing the borrowed funds before being used into banks or any investment income on the temporary investment of those funds. For funds borrowed for general purposes, the amount of interest to be capitalized on such borrowings is calculated by applying a capitalization rate to the weighted average of the excess amounts of cumulative expenditures on the asset over and above the amounts of specific-purpose borrowings. Capitalization rate is determined by calculating weighted average interest rate of general borrowings.

In the capitalization period, exchange differences of specific borrowings in foreign currency are fully capitalized. Exchange differences of general borrowings in foreign currency are recorded in profit or loss for the current period.





19. Intangible assets

The Group's intangible assets include land use rights, software, patent rights, and trademark rights.

Intangible assets are initially measured at cost and their useful life is determined on acquisition. An intangible asset with a finite useful life is amortized by a method which can reflect the expected realization of economic benefits related to the asset since the intangible asset is available for use. When the expected realization of economic benefits cannot be reliably determined, intangible asset is amortized under straight-line method. An intangible asset with an indefinite useful life is not amortized.

Amortization methods of intangible assets with finite useful life are shown as follows:

Category	Useful life (years)	Basis for determining useful life	Amortization method
Land use rights	30-50	Real estate title certificate	Straight line method
Software	3	Contract signed	Straight line method
Trademark rights	3	Trademark registration certificate	Straight line method
Patent rights	3	Patent certificate	Straight line method

The Group reviews the finite useful life of an intangible asset and the amortization method at the end of each financial year. Any change is accounted for as a change in accounting estimate.

If an intangible asset is expected no longer in generating future economic benefits to the Group at the balance sheet date, the carrying amount of the asset is charged to profit or loss for the current period.

Impairment method of intangible assets refers to Note III. 21.

20. Research and development expenditure

The research and development (R&D) expenditure of the Group comprises expenses directly related to the Group's R&D activities. These include salaries of R&D personnel, direct input costs, depreciation and amortization of equipment, design expenses, equipment debugging costs, amortization expenses of intangible assets, expenses for outsourcing R&D activities, and other related costs. Among these, the salaries of R&D personnel are allocated to R&D expenses based on project hours. Equipment, production lines, and facilities shared between R&D activities and other production operations are allocated to R&D expenses based on the proportion of hours used and the proportion of space utilized.

Expenditure on an internal research and development project is classified into expenditure on the research phase and expenditure on the development phase.

Expenditure on the research phase is recorded in profit or loss when incurred.

Expenditure on the development phase is capitalized only when the Group can satisfy all of the following conditions: it is technical feasible that the intangible asset can be used or sold upon completion; there is intention to complete the intangible asset for use or sale; the intangible asset can generate economic benefits, including there is evidence that the products produced using the intangible asset has a market or the intangible asset itself has a market; if the intangible asset is for internal use, there is evidence that there is usage for the intangible asset; there is sufficient support in terms of technology, financial resources and other resources in order to complete the development of the intangible asset, and there is capability to use or sell the intangible asset; the expenses attributable to the development stage of the intangible asset can be measured reliably. Expenditure on the development phase is recorded in profit or loss for the current period if the above conditions are not met.

Research and development projects of the Group will enter into the development phase when they meet the above conditions and pass the technical feasibility and economic feasibility studies and necessary approval of the project.





Capitalized expenditure on the development phase is presented as “development costs” in the balance sheet and is transferred to intangible assets when the project is completed to its intended use.

Capitalization conditions of specific research and development projects:

Research Phase: A phase of innovative and planned investigation and research activities aimed at acquiring and understanding new scientific or technological knowledge, among other things. Development Phase: In contrast to the research phase, the development phase should encompass work completed after the research phase, to a large extent meeting the basic conditions for forming a new product or technology. For instance, activities such as the design, construction, and testing of prototypes and models before production or use, as well as the design, construction, and operation of trial production facilities not yet at a commercially viable scale, all fall under development activities. Expenditures incurred during the development phase can only be recognized as intangible assets if they meet the following conditions:

- (i) Completion of the intangible asset to make it capable of being used or sold, with technological feasibility.
- (ii) Intent to complete the intangible asset and use or sell it, with the Group able to explain the purpose of developing the intangible asset.
- (iii) Ability of the intangible asset to generate economic benefits.
- (iv) Adequate technical, financial, and other resources to support the development of the intangible asset, and the ability to use or sell the intangible asset.
- (v) Expenditures attributable to the development phase of the intangible asset can be reliably measured.

Expenditures incurred that cannot be distinguished between the research and development phases will be recognized as expenses in the profit or loss for the current period.

21. Impairment of assets

The impairment of subsidiaries, associates and joint ventures in long-term equity investments, Investment properties that adopt cost models for subsequent measurement, fixed assets, construction in progress, right-of-use assets, intangible assets and goodwill (excluding inventories, deferred tax assets and financial assets) are determined as follows:

At each balance sheet date, the Group determines whether there may be indications of impairment of the assets, if there is any, the Group will estimate the recoverable amount of the asset and perform test for impairment. For goodwill arising from a business combination, intangible assets with indefinite useful life and intangible assets that have not reached the usable condition are tested for impairment annually regardless of whether such indication exists.

The recoverable amount of an asset is determined by the higher of the net amount after deducting the disposal costs from the asset's fair value and the present value of the asset's estimated future cash flow. The recoverable amount of assets is estimated on an individual basis. If it is not possible to estimate the recoverable amount of the individual asset, the Group determines the recoverable amount of the asset group to which the asset belongs. The identification of the asset group is based on whether the cash flow generated from the asset group is independent of the major cash inflows from other assets or asset groups.

When the asset or asset group's recoverable amount is lower than its carrying amount, the Group reduces its carrying amount to its recoverable amount, the reduced amount is recorded in profit or loss for the current period and the provision for impairment of assets is recognized.

For tests of goodwill impairment, the carrying amount of goodwill arising from a business combination is allocated reasonably to the relevant asset group since the acquisition date. If the carrying value of goodwill is unable to be allocated to asset group, the carrying value of goodwill will be allocated to asset portfolio. Asset group or portfolio of asset group is asset group or portfolio of asset group which can benefit from synergies of a business combination and is not greater than the reportable segment of the Group.





In impairment testing, if an indication of impairment exists in asset group or portfolio of asset group containing allocated goodwill, impairment test is first conducted on asset group or portfolio of asset group that does not contain goodwill, and corresponding recoverable amount is estimated, and any impairment loss is recognized. Then the asset group or portfolio of asset group containing goodwill conducts an impairment test by comparing its carrying amount and its recoverable amount. If the recoverable amount is less than the carrying amount, impairment loss of goodwill is recognized.

Once an impairment loss is recognized, it is not reversed in a subsequent period.

22. Long-term deferred expenses

Long-term deferred expenses are recorded at the actual cost and amortized evenly over the expected benefit period. For the long-term deferred expense that cannot benefit in future accounting period, their amortized value is recognized in profit or loss for the current period.

23. Employee benefits

(1) Scope of employee benefits

Employee benefits refer to all forms of consideration or compensation given by the Group in exchange for service rendered by employees or for the termination of the employment relationship. Employee benefits include short-term employee benefits, post-employment benefits, termination benefits and other long-term employee benefits. Benefits provided to the employee's spouse, children, dependents, family members of deceased employees, or other beneficiaries are also employee benefits.

According to their liquidities, employee benefits are presented as "employee benefits payable" on the balance sheet.

(2) Short-term employee benefits

In the accounting period in which employees have rendered services, the Group recognized the employee wages, bonus, and social security contributions according to regulations such as medical insurance, work injury insurance and maternity insurance as well as housing funds as liability and charged to profit or loss for the current period or cost of relevant assets.

(3) Post-employment benefits

Post-employment benefit plan includes defined contribution plans and defined benefit plans. Defined contribution plans are post-employment benefit plans under which a corporate pays fixed contributions into an escrow fund and will have no further obligation. Defined benefit plans are post-employment benefit plans other than defined contribution plans.

Defined contribution plans

Defined contribution plans include basic pension insurance, unemployment insurance and enterprise annuity plans.

Apart from basic pension insurance, the Group has established an enterprise annuity plan ("annuity plan") in accordance with relevant policies of the national enterprise annuity system. Employees can voluntarily participate in this annuity plan. Besides this, the Group has no other significant employee social security commitments.

In the accounting periods which employees render services, the amount of defined contribution plan is recognized as liability and charged to profit or loss for the current period or cost of relevant assets.



*Defined benefit plans*

For defined benefit plans, independent actuaries estimate the actuarial value at the balance sheet date to determine the cost of welfare by using the Projected Unit Credit method. The Group recognizes the following components of employee benefits cost arising from defined benefit plan:

- (i) service cost, comprising current service cost, past service cost and any gain or loss on settlement. Current service cost is the increase in the present value of the defined benefit plan obligation resulting from employee service in the current period. Past service cost is the increase or decrease in the present value of the defined benefit plan obligation for employee service in prior periods, resulting from a plan amendment.
- (ii) net interest on the defined benefit plan net liabilities or assets, including interest income on plan assets, interest cost on the defined benefit plan obligation and interest on the effect of the asset ceiling.
- (iii) changes as a result of remeasurement of the net defined benefit plan liabilities or assets.

Item (i) and item (ii) above are recognized in profit or loss for the current period unless another Accounting Standard requires or permits the inclusion of the employee benefit costs in the cost of assets. Item (iii) is recognized in other comprehensive income and is not reclassified to profit or loss in subsequent period. On termination of defined benefit plans, other comprehensive income previously recognized is transferred to undistributed profits.

(4) Termination benefits

Termination benefits provided by the Group to employees are recognized as an employee benefits liability and charged to profit or loss for the current period at the earlier of the following dates: the Group cannot unilaterally withdraw the offer of termination benefits because of an employment termination plan or a curtailment proposal; and when the Group recognizes costs or expenses related to the restructuring that involves the payment of termination benefits.

For early retirement arrangement, early retirement benefits are accounted for termination benefits, in which the salaries and social security contributions to be paid to and for the early retired employees from the off-duty date to the normal retirement date are charged to the profit or loss for the current period. Compensations after the normal retirement date (such as formal endowment insurance) are accounted for as post-employment benefits.

(5) Other long-term employee benefits

Other long-term employee benefits provided by the Group to the employees satisfied the conditions for classifying as a defined contributions plan; those benefits are accounted for in accordance with the above requirements relating to the defined contribution plan. When the benefits satisfy a defined benefits plan, they are accounted for in accordance with the above requirements relating to defined benefits plan, but the movement of net liabilities or assets in re-measurement of defined benefit plan is recorded in profit or loss for the current period or cost of relevant assets.

24. Provisions

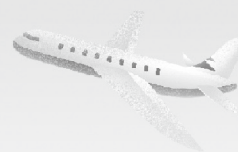
A provision is recognized as a liability when an obligation related to a contingency satisfied all of the following conditions:

- (1) The obligation is a present obligation of the Group;
- (2) It is probable that an outflow of economic benefits will be required to settle the obligation;
- (3) The amount of the obligation can be measured reliably.

Provisions are initially measured at the best estimate of the payment to settle the associated obligations and consider the relevant risk, uncertainty and time value of money. If the impact of time value of money is significant, the best estimate is determined as its present value of future cash outflow. the Group reviews the carrying amount of provisions at the balance sheet date and adjusts the carrying amount to reflect the best estimate.

If all or part of the expenses necessary for settling the provision is expected to be compensated by a third party, the amount of compensation is separately recognized as an asset when it is basically certain to be received. The recognized compensation amount shall not exceed the carrying value of the provision.





25. Share-based payments

(1) Types of share-based payments

Share-based payments can be distinguished into equity-settled and cash-settled share-based payment.

(2) Determination of fair value of equity instruments

If there exists an active market for options and other equity instruments granted by the Group, their fair value is determined by the price quotes in an active market. If an active market does not exist for options and other equity instruments granted by the Group, their fair value is determined by using an option pricing model. Selection of option pricing model considers the following factors: A) Exercise price of option; B) Validity period of option; C) Spot price of subject shares; D) Estimated volatility of share price; E) Estimated dividend of shares; F) Risk-free interest rate in the validity period of option.

(3) Basis for the best estimate of vested equity instruments

At each balance sheet date of the vesting period, the Group revises the number of equity instruments that will ultimately vest based on the best estimate of the latest number of eligible employees and other subsequent information. On vesting date, the number of expected vested equity instruments should be agreed with the actual number vested.

(4) Accounting treatment for implementation, modification, and termination of share-based payment

Equity-settled share-based payments are measured at the fair value of equity instruments granted to employees. Instruments which are vested immediately upon the grant are charged to relevant costs or expenses at the fair value on the date of the grant and the capital reserve is credited accordingly. Instruments of which vesting is conditional upon completion of services or fulfillment of performance conditions are measured by recognizing services rendered during the period in relevant costs or expenses and crediting the capital reserve accordingly at the fair value on the date of grant according to the best estimates conducted by the Group at each balance sheet date. No subsequent adjustment is made to the recognized relevant cost and expenses and owners' equity after the vesting date.

Cash-settled share-based payments are measured based on the value of shares or other equity instruments undertaken by the Group. Instruments which are vested immediately upon the grant are charged to relevant costs or expenses at the fair value on the date of grant and a liability is credited accordingly. Instruments of which vesting is conditional upon completion of services or fulfillment of performance conditions are measured by recognizing services rendered during the period in relevant costs or expenses and crediting a liability accordingly at the fair value on the date of grant according to the best estimates conducted by the Group at each balance sheet date. The fair value of the liability is remeasured at each balance sheet date and at the date of settlement, with any changes in fair value recognized in profit or loss for the current period.

Where the terms of an equity-settled share-based payment are modified, if the modification increases the fair value of the equity instruments granted, the incremental fair value is recognized as additional service obtained; if the modification increases the number of equity instruments granted, the incremental fair value is recognized as additional service received. The incremental fair value granted is the difference between the fair value of the modified equity instrument and that of the original equity instrument both estimated as at the date of modification. If the modification of the terms and conditions of share-based payment arrangement reduces the total fair value of the share-based payment or is not otherwise beneficial to the employee, the Group nevertheless continues to account for the services received as if that modification had not occurred, other than the Group cancels of some or all the equity instruments granted.

If a grant of equity instruments is cancelled during the vesting period (other than a grant cancelled by forfeiture when the vesting conditions are not satisfied), the Group accounts for the cancellation as an acceleration of vesting and recognizes immediately the amount that otherwise would have been recognized over the remainder of the vesting period and the capital reserve is credited accordingly. When employees or other parties are permitted to choose to fulfill non-vesting conditions but have not fulfilled during the vesting period, the Group deems the granted equity instruments are cancelled.





26. Revenue

(1) General principle

The Group recognizes revenue when it satisfies a performance obligation in the contract, i.e. when the customer obtains control of the relevant goods or services.

Where a contract has two or more performance obligations, the Group allocates the transaction price to each performance obligation based on the percentage of respective unit prices of goods or services guaranteed by each performance obligation and recognizes as revenue based on the transaction price that is allocated to each performance obligation.

If one of the following conditions is fulfilled, the Group performs its performance obligation within a certain period; otherwise, it performs its performance obligation at a point in time:

- (i) when the customer simultaneously receives and consumes the benefits provided by the Group when the Group performs its obligations under the contract; or
- (ii) when the customer is able to control the goods in progress in the course of performance by the Group under the contract; or
- (iii) when the goods produced by the Group under the contract are irreplaceable and the Group has the right to payment for performance completed to date during the whole contract term.

For performance obligations performed within a certain period, the Group recognizes revenue by measuring the progress towards completion of that performance obligation within that certain period. When the progress of performance cannot be reasonably determined, if the costs incurred by the Group are expected to be compensated, the revenue shall be recognized at the amount of costs incurred until the progress of performance can be reasonably determined.

For performance obligation performed at a point in time, the Group recognizes revenue at the point of time at which the customer obtains control of relevant goods or services. To determine whether a customer has obtained control of goods or services, the Group considers the following indications:

- (i) The Group has the current right to receive payment for the goods, which is when the customer has the current payment obligations for the goods;
- (ii) The Group has transferred the legal title of the goods to the customer, which is when the client possesses the legal title of the goods;
- (iii) The Group has transferred the physical possession of goods to the customer, which is when the customer obtains physical possession of the goods;
- (iv) The Group has transferred all of the substantial risks and rewards of ownership of the goods to the customer, which is when the customer obtains all of the substantial risks and rewards of ownership of the goods to the customer;
- (v) The customer has accepted the goods or services;
- (vi) other information indicates that the customer has obtained control of the goods.

(2) Specific revenue recognition

The specific method for revenue recognition is as follows:

Sales of goods: Revenue from the sale of goods is recognized at the point in time when control over the asset is transferred to the customer, typically upon delivery of the goods.





Rendering of services: Service revenue, including the provision of vehicle transportation services, automotive raw materials and parts supply chain management services, transportation services for non-automotive commodities, and the recognition of service revenue at the time when the customer signs for the receipt of the vehicle, auto parts or non-automotive commodities and both parties confirm the completion of the service. Since customers are unable to simultaneously obtain and consume the benefits provided by the Group's transportation services and supply chain management services upon performance, and the Group cannot control the goods at the time of service provision, and the Group also lacks the enforceable right to payment for services performed to date, the Group believes that control over services transfers to the customer at the point when the customer receives the services provided by the Group.

When another party is involved in providing goods or services to the customer, the Group determines whether its commitment is to perform (i.e., the Group is the principal) or to arrange for the goods or services to be provided by the other party (i.e., the Group is the agent). If the Group controls the goods or services before transferring them to the customer, then the Group is considered the principal.

If the Group's obligation is to arrange for another party to provide specific goods or services, then the Group acts as an agent. In this case, the Group does not control the specified goods or services provided by the other party before transferring them to the customer. When acting as an agent, the Group recognizes revenue for any fees or commissions expected to be entitled to. This amount is recognized as the net amount after deducting the amount payable to other related parties from the total consideration received or receivable, or as determined based on the established commission amount or percentage, etc.

27. Contract costs

Contract costs consist of incremental costs of obtaining a contract and contract fulfillment costs.

Incremental costs of obtaining a contract are those costs that an entity incurs to obtain a contract with a customer that it would not have incurred if the contract had not been obtained (for example, a sales commission). The Group recognizes as an asset the incremental costs of obtaining a contract with a customer if those costs are expected to be recoverable. Other expenses incurred by the Group other than the incremental costs that are expected to be recovered in obtaining a contract are recognized in profit or loss for the current period when incurred.

The Group recognizes as an asset the costs incurred in fulfilling a contract with a customer if those costs are not within the scope of another Standard (for example, Inventories) and meets all of the following criteria:

- (i) the costs relate directly to a contract or to an anticipated contract, including direct labour, direct materials, manufacturing costs (or similar costs) , costs that are explicitly chargeable to the customer and other costs that are incurred only because the Group entered into the contract;
- (ii) the costs generate or enhance resources of the Group that will be used in satisfying performance obligations in the future; and
- (iii) the costs are expected to be recovered.

Assets recognised on incremental costs of obtaining a contract and contract fulfillment costs (hereinafter refer as “**contract assets**”) are amortized on a systematic basis that is consistent to the revenue recognition of the related goods or services and are charged to profit or loss for the current period. If the amortization period is not more than one year, it is recognized in the current period's income statement when it occurs.

The Group recognises a provision for impairment of assets when the carrying amount of contract assets is higher than the difference between the following two items:

- (i) the remaining amount of consideration that the Group expects to receive in exchange for the goods or services to which the asset relates;
- (ii) costs anticipated to be incurred for the transfer of goods or services.





28. Government grants

Government grants are recognized when prescribed conditions are satisfied and the grant will be received.

If a government grant is in the form of a transfer of a monetary asset, it is measured at the amount received or receivable. If a government grant is in the form of a transfer of a non-monetary asset, it is measured at fair value. If fair value cannot be reliably determined, it is measured at a nominal amount of RMB1.

A government grant related to an asset is a grant obtained by the Group for purchase, construction or formation of long-term assets. The grant not related to an asset is classified as a government grant related to income.

For government grant with unspecified purpose, the amount of grant used to form a long-term asset or related to an asset is regarded as government grant related to an asset, the remaining amount of grant is regarded as government grant related to income. If it is not possible to distinguish, the amount of grant is treated as government grant related to income.

A government grant related to an asset is recognized as deferred income and amortized to profit or loss over the useful life of the related asset on a reasonable and systematic basis. For a government grant related to income, if the grant is compensation for related expenses or losses already incurred, the grant is recognized immediately in profit or loss for the current period. If the grant is compensation for related expenses or losses to be incurred in subsequent periods, the grant is recognized as deferred income and recognized in profit or loss over the periods in which the related expenses or losses are recognized. Government grants measured at nominal amounts are directly recognized in profit or loss for the period. The Group adopts the same treatment for those transactions of similar government grants.

Government grants relating to daily activities, according to the substance of business transaction, it is recorded as other income or offset relevant expenditures. If it is not related to daily activities, it is recorded as non-operating income.

Repayment of a government grant related to an asset, that initially deducted the carrying amount of the asset, is recognized by increasing the carrying amount of the asset; if there exists of the related deferred income balance, then the deferred income balance is reduced by the amount repayable, any excess is charged to profit or loss for the current period. Repayment of a government grant related to other situations, it is directly charged to profit or loss for the current period.

If policy-based subsidized loans are obtained and the government disburses the subsidy funds to the lending bank, the fair value of the loan is recognized as the borrowing value, and borrowing costs are calculated using the effective interest rate method. The difference between the actual amount received and the fair value of the loan is recognized as deferred income, which is amortized using the effective interest rate method over the term of the loan, offsetting borrowing costs. If the government disburses the subsidy funds directly to the Group, the subsidy offsets borrowing costs.

29. Deferred tax assets and deferred tax liabilities

Income tax comprises of current tax and deferred tax. Current tax and deferred tax are recognized in profit or loss except to the extent that they relate to transactions or items recognized directly in equity and goodwill arising from a business combination.

Temporary differences arising from the difference between the carrying amount of an asset or liability and its tax base are recognized as deferred tax using the balance sheet liability method.

All the temporary tax differences are recognized as deferred tax liabilities except for those incurred in the following transactions:

- (1) Initial recognition of goodwill or initial recognition of an asset or liability in a transaction which is neither a business combination nor affects accounting profit or taxable profit (or deductible loss) when the transaction occurs (Except for individual transactions that result in equal taxable temporary differences and deductible temporary differences arising from the initial recognition of assets and liabilities) ;
- (2) The taxable temporary differences associated with investments in subsidiaries, associates and joint ventures, and the Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.





The Group recognizes a deferred tax asset for the carry forward of deductible temporary differences, deductible losses and tax credits to subsequent periods, to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences, deductible losses and tax credits can be utilized, except for those incurred in the following transactions:

- (1) The transaction is neither a business combination nor affects accounting profit or taxable profit (or deductible loss) when the transaction occurs (Except for individual transactions that result in equal temporary differences and deductible temporary differences arising from the initial recognition of assets and liabilities);
- (2) The deductible temporary differences associated with investments in subsidiaries, associates and joint ventures, the corresponding deferred tax asset is recognized when both of the following conditions are satisfied: it is probable that the temporary difference will reverse in the foreseeable future, and it is probable that taxable profits will be available in the future against which the temporary difference can be utilized.

At the balance sheet date, deferred tax assets and deferred tax liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, and their tax effect is reflected.

At the balance sheet date, the Group reviews the carrying amount of a deferred tax asset. If it is probable that sufficient taxable profits will not be available in future periods to allow the benefit of the deferred tax asset to be utilized, the carrying amount of the deferred tax asset is reduced. Any such reduction in amount is reversed when it becomes probable that sufficient taxable profits will be available.

On the balance sheet date, deferred tax assets and deferred tax liabilities are presented as a net amount after offsetting when they simultaneously meet the following conditions:

- (1) The legal right exists for the tax-paying entity within the Group to settle current income tax assets and current income tax liabilities on a net basis.
- (2) Deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority on the same tax-paying entity within the Group.

30. Leases

(1) Identification of leases

At inception of a contract, the Group, as a lessee or a lessor, shall assess whether the customer under the contract has the right to obtain substantially all the economic benefits from use of the identified asset during the period of use and has to right to direct the use of the identified asset during the period of use. The Group considers the contract to be a lease or to include a lease if one of the parties to the contract conveys the right to control the use of one or more identified assets for a certain period of time in exchange for consideration.

(2) The Group acts as the lessee

At the commencement date, the Group recognizes the right-of-use assets and lease liabilities for all leases, except for simplified short-term leases and leases of low value assets.

For the accounting policy of the right-of-use assets, see Note III. 31.

Lease liabilities are initially measured at the present value of the outstanding lease payments at the commencement date of the lease using the interest rate implicit in the lease. If the interest rate implicit in the lease cannot be determined, the incremental borrowing rate shall be used as the discount rate. The lease payments include: fixed payments and in-substance fixed payments; if there are lease incentives, the relevant amount of lease incentives shall be deducted; variable lease payments depending on an index or a rate; the exercise price of the option provided that the lessee is reasonably certain that the option will be exercised; the amount to be paid to exercise the option to terminate the lease if the lease term reflects that the lessee will exercise the option to terminate the lease; and the amount expected to be payable based on the residual value of the security provided by the lessee. The interest expense of the lease liability in each period of the lease term shall be calculated in accordance with the fixed periodic interest rate and recorded into the profit or loss of the current period. The variable lease payment not included in the measurement of lease liabilities shall be recorded into the current profit or loss when actually incurred.





Short-term lease

A short-term lease is a lease that, at the commencement date, has a lease term of 12 months or less, except for a lease that contains a purchase option.

The Group will record the lease payment amount of short-term lease into the cost of relevant assets or current profit or loss in each period of the lease term according to the straight-line method.

Leases of low value assets

Leases of low value assets refer to the lease of a single leased asset whose value is less than RMB40,000 when it is a brand-new asset.

The Group will include the lease payment of the low-value asset lease into the cost of the relevant asset or current profit or loss in each period of the lease term according to the straight-line method.

For leases of low value assets, the Group chooses to adopt the above simplified treatment method according to the specific situation of each lease.

Lease modifications

A lessee shall account for a lease modification as a separate lease if both: (i) the modification increases the scope of the lease by adding the right to use one or more underlying assets; and (ii) the consideration for the lease increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the contract.

When lease modification is not accounted for as a separate lease, on the day of the lease modification, the Group re-allocates the consideration in the modified lease, re-determines the lease term, and re-measures the present value of lease liability according to the revised lease payments and revised discount rate.

For lease modifications that result in a decrease in the lease scope or the lease term, the Group decreases the carrying amount of the right-of-use asset accordingly and recognizes in the profit or loss of the current period any gain or loss relating to the partial or full termination of the lease.

For all other lease modifications that result in remeasurement of lease liabilities, the Group makes a corresponding adjustment to the carrying amount of right-of-use assets.

(3) The Group acts as the lessor

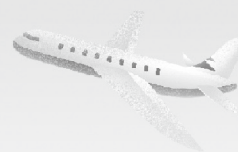
When the Group acts as the lessor, the leases that substantially transfer all the risks and rewards related to the ownership of the assets are recognized as finance leases, and other leases other than finance leases are recognized as operating leases.

Finance leases

In the case of finance leases, the Group takes the net investments in the lease as the carrying amounts of finance lease receivable at the commencement date, and the net lease investments are the sum of the unguaranteed residual value and the present value of the lease payments receivable at the commencement date, discounted at the implicit interest rate. The Group, as the lessor, calculates and recognizes interest income for each period of the lease term at a fixed periodic rate. The variable lease payments obtained by the Group as the lessor and not included in the measurement of the net lease investments shall be recorded into the current profit or loss when actually incurred.

The derecognition and impairment of finance lease receivable shall be accounted for in accordance with the provisions of the "Accounting Standards for Business Enterprises No. 22 - Recognition and Measurement of Financial Instruments" and the "Accounting Standards for Business Enterprises No. 23 - Transfer of Financial Assets".





Operating lease

For the rent in the operating lease, the Group shall recognize the profit or loss of the current period in accordance with the straight-line method during each period of the lease term. The initial direct costs incurred in connection with the operating lease shall be capitalized, allocated on the same basis as the recognition of rental income during the lease term and recorded into the current profit or loss in installments. The variable lease payments obtained in connection with the operating lease and not included in the lease payments shall be recorded into the current profit or loss when actually incurred.

Lease modifications

When an operating lease is modified, the Group will treat it as a new lease for accounting treatment from the effective date of the modification, and the amount of lease payments received in advance or receivable related to the lease before the modification will be regarded as the amount of new lease payments.

The Group will treat the finance lease modification as a separate lease if the following conditions are met: (i) the modification increases the scope of the lease by adding the right to use one or more underlying assets; and (ii) the consideration for the lease increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the contract.

If the finance lease modification is not accounted for as a separate lease, the Group will deal with the modified lease under the following circumstances: (i) If the modification takes effect on the commencement date of the lease, the lease will be classified as an operating lease, and the Group will treat it as a new lease from the effective date of the lease modification, and take the net investment in lease before the effective date of the lease modification as the carrying amount of the leased asset; (ii) If the modification takes effect on the commencement date of the lease, the lease will be classified as a finance lease, and the Group will conduct accounting treatment in accordance with the provisions of the "Accounting Standards for Business Enterprises No. 22 - Recognition and Measurement of Financial Instruments" concerning the modification or renegotiation of the contract.

31. Right-of-use assets

(1) Criteria for the recognition of right-of-use assets

The Group's right-of-use assets refer to the Group's right to use the leased assets during the lease term as the lessee.

On the commencement date, the right-of-use assets shall be initially measured at cost. The cost includes: the initial measurement of the lease liability; for the amount of lease payments paid on or before the commencement date of the lease term, if there is a lease incentive, the relevant amount of lease incentive already enjoyed will be deducted; initial direct costs incurred by the Group as the lessee; the costs which the Group, as the lessee, expects to incur in dismantling and removing the leased assets, restoring the premises on which the leased assets are located or restoring the leased assets to the state agreed in the lease terms. the Group, as the lessee, shall recognize and measure the costs of demolition and restoration in accordance with the "Accounting Standards for Business Enterprises No.13 – Contingencies". Subsequent adjustments are made for any remeasurement of lease liabilities.

(2) Depreciation method of the right-of-use assets

The Group uses the straight-line method of depreciation. Where the Group, as the lessee, can reasonably determine that it obtains the ownership of the leased assets upon expiration of the lease term, depreciation shall be accrued over the remaining useful life of the leased assets. Where it is impossible to reasonably determine that the ownership of the leased asset can be acquired at the expiration of the lease term, depreciation shall be accrued in the shorter period between the lease term and the remaining useful life of the leased asset.

(3) See Note III. 21 for the impairment test method of the right-of-use assets and the loss allowance.





32. Safety production costs and simple reproduction fee

According to relevant regulations, the Group accrues and uses safety production costs in accordance with the "Management Measures for the Extraction and Use of Enterprise Safety Production Costs" [Cai Qi (2022) No. 136].

Circulation processing business is subject to the standard for machinery manufacturing enterprises, and an average monthly withdrawal is made on a regressive basis:

- (1) 2.35% for operating income not exceeding RMB10 million;
- (2) 1.25% for the portion ranging RMB10 million to RMB100 million;
- (3) 0.25% for the portion ranging RMB100 million to RMB1 billion;
- (4) 0.1% for the portion ranging RMB1 billion to RMB5 billion;
- (5) 0.05% for the portion exceeding RMB5 billion.

The amount to be accrued for the current year is determined based on the previous year's operating income and is extracted on a monthly average basis. Specifically:

- (1) General freight transportation business: 1%;
- (2) Passenger transportation business, pipeline transportation, hazardous goods, and other special freight transportation businesses: 1.5%.

When the Group, acting as a contractor or carrier, provides services to customers that fall within the scope specified in this regulation, and if the cost of purchased materials and services exceeds 85% of the revenue earned from customers, the Group can use the net amount obtained by deducting the relevant cost of purchased materials and services from the revenue as the basis for provisioning safety production costs.

Safety production costs, when extracted, are recorded as part of the cost of related products or as an expense in the profit or loss for the current period. Simultaneously, they are also recorded under the "special reserve" account.

When payment is made for safety production costs within the specified scope, if it is an expense, it is directly deducted from special reserve. If it is related to fixed assets, the expenditures incurred are initially accounted in "Construction in progress" and transfer to fixed assets when the safety project is completed and reaches the predetermined usable status and after that, the cost of fixed assets is deducted from special reserve and the same amount is recognized in accumulated depreciation. Such fixed assets will not accrue for depreciation in subsequent periods.

33. Significant accounting judgments and estimates

The Group makes continuous evaluations on critical accounting estimates and key assumptions based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The followings are the critical accounting estimations and key assumptions that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year:

Classification of financial assets

Significant judgements involved in determining the classification of financial assets include the analysis of business models and contractual cash flow characteristics.

Factors considered by the Group in determining the business model for a group of financial assets include how the asset's performance is evaluated and reported to key management personnel, how risks are assessed and managed and how the relevant management personnel are compensated.





When the Group assesses whether the contractual cash flows of the financial assets are consistent with basic lending arrangements, the main judgements are described as below: whether the principal amount may change over the life of the financial asset (for example, if there are repayments of principal) ; whether the interest includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin and cost. For example, whether the amount repaid in advance reflects only the outstanding principal and interest thereon, as well as reasonable compensation paid for early termination of the contract.

Measurement of the ECLs of accounts receivable

For the receivables that are provisioned for bad debts based on the aging group, the Group calculates the migration rate step by step based on the balances of different aging periods in the past several years, and then determines the expected credit loss rate. When determining the expected credit loss rate, the Group uses internal historical credit loss experience and other data, and adjusts the historical data in combination with the current situation and forward-looking information. When considering forward-looking information, the indicators used by the Group include GDP growth rate, broad money (M2) growth rate, total retail sales of consumer goods, consumer price index (CPI), and logistics business climate index. For the receivables that are provisioned for bad debts on an individual basis, the Group calculates the present value of the expected future cash flows based on the expected cash inflow time and amount under different assumption scenarios, and the determined discount rate. The Group regularly monitors and reviews the assumptions related to the calculation of expected credit losses.

Goodwill impairment

The Group evaluates whether goodwill is impaired at least annually. This requires an estimate of the use-value of the asset group to which goodwill has been allocated. When estimating the value in use, The Group needs to estimate the future cash flows from the asset group and select the appropriate discount rate to calculate the present value of the future cash flows.

Determination of fair value of unlisted equity investments

The Group assesses the value of non-listed equity investments based on market-based valuation techniques. This valuation requires the Group to identify comparable companies in the same industry as the non-listed companies holding the equity and select corresponding value ratios. Besides the aforementioned, the Group also needs to adjust the value ratios based on differences in indicators such as asset size and profitability, and calculate the investment value according to the adjusted value ratios.

34. Changes in accounting policies and accounting estimates

(1) Changes in significant accounting policies

(i) Interpretation No. 17 of Accounting Standards for Business Enterprises

The Ministry of Finance issued Interpretation No. 17 of the Enterprise Accounting Standards (Finance and Accounting [2023] No. 21) in November 2023 (hereinafter referred to as “**Interpretation No. 17**”).

Classification of current liabilities and non-current liabilities

Interpretation No. 17 stipulates that for liabilities arising from corporate loan arrangements, the right of a company to defer debt repayment for more than one year after the balance sheet date may depend on whether the company has complied with the conditions specified in the loan arrangement (hereinafter referred to as the “**contractual conditions**”). The contractual conditions that enterprises should comply with on or before the balance sheet date, even if the compliance with the contractual conditions is evaluated only after the balance sheet data (if any contractual conditions stipulate that the evaluation should be based on the financial condition on the balance sheet date after the balance sheet date), affect the judgment of whether the right exists on the balance sheet date, and thus affect the liquidity allocation of the liability on the balance sheet date. The contractual conditions that enterprises should follow after the balance sheet date (if any contractual conditions stipulate that the evaluation should be based on the financial condition of the six months after the balance sheet date) do not affect the judgment of whether the right exists on the balance sheet date and are unrelated to the liquidity classification of the liability on the balance sheet date.





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If the term of a liability causes a company to settle by delivering its own equity instruments at the option of the counterparty, and if the option is classified as an equity instrument and separately recognized as an equity component of a composite financial instrument according to the standard, then this clause does not affect the liquidity classification of the liability.

The group will implement this regulation from 1 January 2024 and adjust the comparable period information.

The adoption of Interpretation No. 17 has not had a significant impact on the financial condition and operating results of the Group.

(ii) Interpretation No. 18 of Accounting Standards for Business Enterprises

On 31 December 2024, the Ministry of Finance released Interpretation of Enterprise Accounting Standards No. 18 (Finance and Accounting [2024] No. 24) (the “**Interpretation No. 18**”).

Accounting treatment of guaranteed quality assurance that does not belong to a single performance obligation

Interpretation No. 18 stipulates that when accounting for the estimated liabilities arising from quality assurance that do not belong to a single performance obligation, enterprises shall, in accordance with the relevant provisions of Enterprise Accounting Standard No. 13- Contingencies, debit the accounts of “main business costs” and “other business costs” and credit the account of “estimated liabilities” based on the determined estimated liability amount, and accordingly present them in the “operating costs” in the income statement and the “other current liabilities”, “non-current liabilities due within one year”, “estimated liabilities” and other items in the balance sheet.

The Group shall implement this regulation from the date of issuance of Interpretation No. 18 and make retrospective adjustments.

The implementation of Interpretation No. 18 has not had a significant impact on the financial condition and operating results of the Group.

(2) Significant changes in accounting estimates

None.





IV. 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, 20 or 15

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
CMAL BO Yu 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)	20.00
Chongqing Saimei Shuzhi Technology Co., Ltd. (重慶賽美數智科技有限公司)	25.00
Chongqing Changzu Feiyue Technology Co., Ltd. (重慶長足飛越科技有限公司)	15.00
Chongqing Future Supply Chain Management Logistics 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 CMSC 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 Zhilian Port Development Co., Ltd. (武漢長江智聯港口發展有限公司)	25.00

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, CMAL BO Yu, Chongqing Changxiang Supply Chain Technology Co., Ltd. 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%. According to the Announcement No. 6 of 2023 by the Ministry of Finance and the State Administration of Taxation on Preferential Policies for Income Tax for Small and Micro Enterprises and Individual Industrial and Commercial Households, and the Announcement No. 12 of 2023 by the Ministry of Finance and the State Administration of Taxation on Further Supporting the Development of Small and Micro Enterprises and Individual Industrial and Commercial Households, from 1 January 2023 to 31 December 2027, the portion of the annual taxable income of small and micro profit enterprises that does not exceed RMB1 million will be reduced by 25% and included in the taxable income, and enterprise income tax will be paid at a rate of 20%. Fulu International Logistics Co., Ltd. enjoys the preferential income tax exemption policy for small and micro enterprises.





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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. Changzu Feiyue is a high-tech enterprise with high-tech certificate number: GR202251100591. The term is three years, starting from 12 October 2022, and the corporate income tax rate is 15%.

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

V. Notes to the items of consolidated financial statements

1. Cash and bank balances

Item	Closing balance	Beginning balance
Cash on hand	20,126.17	138,637.03
Cash at bank	801,490,893.85	702,050,146.27
Deposits in the finance company	188,131,908.68	177,445,729.68
Other monetary funds	5,448,998.06	3,305,000.00
Total	995,091,926.76	882,939,512.98
Among them: total amount of funds stored overseas		

Note: At the end of the period, the Company had restricted funds frozen by court amounted to RMB7,420,000.00, deposits for bank acceptance bills amounted to RMB5,448,998.06 and the official vehicle ETC deposit was RMB1,000.00.

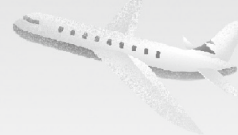
2. Notes receivable

Category	Closing balance			Beginning balance		
	Book balance	Provision for bad debts	Carrying amount	Book balance	Provision for bad debts	Carrying amount
Bank acceptance bills	49,919,626.97		49,919,626.97	-	-	-
Commercial acceptance bills	506,634.12		506,634.12	36,570.00	36.57	36,533.43
Total	50,426,261.09		50,426,261.09	36,570.00	36.57	36,533.43

(1) Accounts receivable that has been endorsed or discounted by the Group but have not yet matured at the end of the period

Types	End of term termination confirmation amount	Confirmation amount not terminated at the end of the period
Bank acceptance bill	-	12,294,483.18





(2) Disclosure by method of provision for bad debts

Category	Book balance		Closing balance		Carrying amount
	Amount	Ratio (%)	Amount	Provision for bad debts Expected credit loss rate (%)	
Provision for bad debts on an individual basis					
Provision for bad debts on a portfolio basis	50,426,261.09	100.00			50,426,261.09
Including:					
Bank acceptance bill	49,919,626.97	99.00			49,919,626.97
Commercial acceptance bill	506,634.12	1.00			506,634.12
Total	50,426,261.09	100.00			50,426,261.09

Continued:

Category	Book balance		Beginning balance		Carrying amount
	Amount	Ratio (%)	Amount	Provision for bad debts Expected credit loss rate (%)	
Provision for bad debts on an individual basis					
Provision for bad debts on a portfolio basis	36,570.00	100.00	36.57	0.10	36,533.43
Including:					
Bank acceptance bill					
Commercial acceptance bill	36,570.00	100.00	36.57	0.10	36,533.43
Total	36,570.00	100.00	36.57	0.10	36,533.43

Notes receivable for which bad debts provision is made on a portfolio basis

Provision for bad debts on a portfolio basis: Bank acceptance bills

Item	Closing balance			Beginning balance		
	Notes receivable	Provision for bad debts	Expected credit loss rate (%)	Notes receivable	Provision for bad debts	Expected credit loss rate (%)
Bank acceptance bill	49,919,626.97	-	-	-	-	-

Provision for bad debts on a portfolio basis: Commercial acceptance bills

Item	Closing balance			Beginning balance		
	Notes receivable	Provision for bad debts	Expected credit loss rate (%)	Notes receivable	Provision for bad debts	Expected credit loss rate (%)
Commercial acceptance bill	506,634.12	-	-	36,570.00	36.57	0.10





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(3) Accrual, recovery or reversal of bad debts provision during the year

	Amount of provision for bad debts
Beginning balance	36.57
Provision for the year	-
Recovered or reversal in the year	36.57
Closing balance	-

3. Accounts receivable

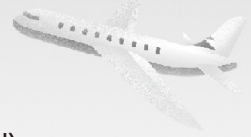
(1) By ageing

Ageing	Closing balance	Beginning balance
0-3 months	1,547,018,778.79	1,378,720,144.29
4-6 months	29,084,964.20	43,053,036.47
7-12 months	37,712,067.31	33,075,436.09
1-2 years	30,028,694.46	19,664,317.21
2-3 years	11,374,705.88	5,976,331.29
Over 3 years	66,065,871.00	79,297,037.89
Subtotal	1,721,285,081.64	1,559,786,303.24
Less: Provision for bad debts	94,036,609.26	92,937,090.32
Total	1,627,248,472.38	1,466,849,212.92

Note: The main trading condition between the Group and customers is credit. The credit period for major clients is generally 3 months. Each customer has a maximum credit limit. The Group is committed to strictly controlling its outstanding accounts receivable to reduce credit risk. The overdue balance is regularly reviewed by senior management. The aging of accounts receivable is calculated based on the invoice date.

As at 31 December 2024, the aggregate carrying amount of the Group's receivables, including debtors overdue as at the reporting date, was RMB82,760,000 (2023: RMB79,534,000).





(2) Disclosure by method of provision for bad debts

Category	Book balance		Closing balance		Carrying amount
	Amount	Ratio (%)	Provision for bad debts Amount	Expected credit loss rate (%)	
Provision for bad debts on an individual basis	65,248,445.57	3.79	21,910,011.08	33.58	43,338,434.49
Including:					
Zhongcun Trading Yunnan Co., Ltd. (中村物貿雲南有限公司)	31,684,467.44	1.84	4,752,670.12	15.00	26,931,797.32
Yizhao Huasheng Logistics Co., Ltd. (億兆華盛物流有限公司)	17,806,256.60	1.03	7,122,502.64	40.00	10,683,753.96
Yunnan Yuzhen Supply Chain Co., Ltd. (雲南禦臻供應鏈有限公司)	5,797,990.98	0.34	2,898,995.49	50.00	2,898,995.49
Golmud Jingbei Salt Industry Co., Ltd. (格爾木晶北鹽業有限公司)	5,482,401.08	0.32	3,837,680.75	70.00	1,644,720.33
Golmud North Economic and Trade Co., Ltd. (格爾木北方經貿有限公司)	1,671,365.98	0.10	1,169,956.19	70.00	501,409.79
Chongqing Jiazhe Yongbang Building Materials Sales Co., Ltd. (重慶嘉哲勇邦建材銷售有限公司)	1,486,421.80	0.09	1,486,421.80	100.00	-
Tianjin Free Trade Qiancheng Taifeng Technology Co., Ltd. (天津自貿乾程泰鋒科技有限公司)	753,064.00	0.04	75,306.40	10.00	677,757.60
Wuhan Xinhengrong Technology Co., Ltd. (武漢鑫恒融科技有限公司)	210,185.60	0.01	210,185.60	100.00	-
Other Customers	356,292.09	0.02	356,292.09	100.00	-
Provision for bad debts on a portfolio basis	1,656,036,636.07	96.21	72,126,598.18	4.36	1,583,910,037.89
Including:					
Receivable from general customers	371,518,470.14	21.58	38,794,178.36	10.44	332,724,291.78
Receivables from related parties	1,284,518,165.93	74.63	33,332,419.82	2.59	1,251,185,746.11
Total	1,721,285,081.64	100.00	94,036,609.26	5.46	1,627,248,472.38

Continued:

Category	Book balance		Beginning balance		Carrying amount
	Amount	Ratio (%)	Provision for bad debts Amount	Expected credit loss rate (%)	
Provision for bad debts on an individual basis	38,194,467.44	2.45	622,569.82	1.63	37,571,897.62
Including:					
Zhongcun Trading Yunnan Co., Ltd. (中村物貿雲南有限公司)	38,194,467.44	2.45	622,569.82	1.63	37,571,897.62
Provision for bad debts on a portfolio basis	1,521,591,835.80	97.55	92,314,520.50	6.07	1,429,277,315.30
Including:					
Receivable from general customers	594,659,454.82	38.12	46,531,219.28	7.82	548,128,235.54
Receivables from related parties	926,932,380.98	59.43	45,783,301.22	4.94	881,149,079.76
Total	1,559,786,303.24	100.00	92,937,090.32	5.96	1,466,849,212.92





CHANGAN MINSHENG APLL LOGISTICS CO., LTD.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024 (All amounts in RMB unless otherwise stated)

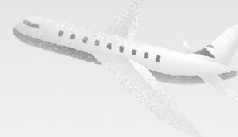
Accounts receivable for which bad debts provision is made on an individual basis

Name	Book balance	Closing balance		Basis for accrual
		Provision for bad debts	Expected credit loss rate (%)	
Zhongcun Trading Yunnan Co., Ltd. (中村物貿雲南有限公司)	31,684,467.44	4,752,670.12	15.00	Based on collateral and expected future payment
Yizhao Huasheng Logistics Co., Ltd. (億兆華盛物流有限公司)	17,806,256.60	7,122,502.64	40.00	Based on collateral and expected future payment
Yunnan Yuzhen Supply Chain Co., Ltd. (雲南禦臻供應鏈有限公司)	5,797,990.98	2,898,995.49	50.00	Based on collateral and expected future payment
Golmud Jingbei Salt Industry Co., Ltd. (格爾木晶北鹽業有限公司)	5,482,401.08	3,837,680.75	70.00	Based on collateral and expected future payment
Golmud North Economic and Trade Co., Ltd. (格爾木北方經貿有限公司)	1,671,365.98	1,169,956.19	70.00	Based on collateral and expected future payment
Chongqing Jiazhe Yongbang Building Materials Sales Co., Ltd. (重慶嘉哲勇邦建材銷售有限公司)	1,486,421.80	1,486,421.80	100.00	Based on future payment projections
Tianjin Free Trade Qiancheng Taifeng Technology Co., Ltd. (天津自貿乾程泰鋒科技有限公司)	753,064.00	75,306.40	10.00	Based on future payment projections
Wuhan Xinhengrong Technology Co., Ltd. (武漢鑫恒融科技有限公司)	210,185.60	210,185.60	100.00	Based on future payment projections
Other Customers	356,292.09	356,292.09	100.00	Expected irretrievable
Total	65,248,445.57	21,910,011.08	33.58	

Continued:

Name	Book balance	Beginning balance		Basis for accrual
		Provision for bad debts	Expected credit loss rate (%)	
Zhongcun Trading Yunnan Co., Ltd. (中村物貿雲南有限公司)	38,194,467.44	622,569.82	1.63	According to the litigation and collateral conditions





Accounts receivable for which bad debts provision is made on a portfolio basis

Provision for bad debts on a portfolio basis: Receivable from general customers

Ageing	Closing balance			Beginning balance		
	Book balance	Provision for bad debts	Expected credit loss rate (%)	Book balance	Provision for bad debts	Expected credit loss rate (%)
0-3 months	312,238,418.97	1,467,520.57	0.47	507,129,413.44	963,545.89	0.19
4-6 months	13,876,538.82	222,024.62	1.60	36,432,291.89	874,375.00	2.40
7-12 months	9,414,935.21	1,475,320.35	15.67	5,877,825.00	576,614.63	9.81
1-2 years	498,179.14	259,003.33	51.99	3,690,734.47	2,689,438.21	72.87
2-3 years	454,536.37	334,447.86	73.58	3,226,090.89	3,124,146.42	96.84
Over 3 years	35,035,861.63	35,035,861.63	100.00	38,303,099.13	38,303,099.13	100.00
Total	371,518,470.14	38,794,178.36	10.44	594,659,454.82	46,531,219.28	7.82

Provision for bad debts on a portfolio basis: Receivables from related parties

Ageing	Closing balance			Beginning balance		
	Book balance	Provision for bad debts	Expected credit loss rate (%)	Book balance	Provision for bad debts	Expected credit loss rate (%)
0-3 months	1,234,704,797.41	1,082,719.49	0.09	871,590,730.85	871,590.73	0.10
4-6 months	14,890,159.69	52,115.56	0.35	6,620,744.58	15,227.71	0.23
7-12 months	3,249,584.47	644,392.60	19.83	4,236,351.72	1,020,537.13	24.09
1-2 years	271,802.01	172,268.11	63.38	740,374.67	437,043.17	59.03
2-3 years	490,570.22	469,671.93	95.74	2,750,240.40	2,444,963.72	88.90
Over 3 years	30,911,252.13	30,911,252.13	100.00	40,993,938.76	40,993,938.76	100.00
Total	1,284,518,165.93	33,332,419.82	2.59	926,932,380.98	45,783,301.22	4.94





CHANGAN MINSHENG APLL LOGISTICS CO., LTD.

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For the year ended 31 December 2024 (All amounts in RMB unless otherwise stated)

(3) Accrual, recovery or reversal of bad debts provision during the year

	Amount of provision for bad debts
Beginning balance	92,937,090.32
Provision for the year	6,296,723.85
Recovered or reversal in the year	106,113.00
Write-off in the year	4,747,508.13
Transfer in the year	-
Others-impact of the disposal of Shenyang Changyou	-343,583.78
Closing balance	94,036,609.26

(4) Accounts receivable actually written-off in the period

Project	Write-off amount
Accounts receivable actually written off	4,747,508.13

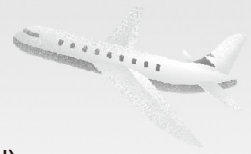
Significant accounts receivable write-off status

Unit Name	Accounts receivable nature	Write off amount	Reason for verification	Verification procedures for performance	Is the payment generated from related party transactions
Suzhou Baoqi Logistics Co., Ltd. and 6 other companies	Business funds	2,552,072.16	Debtor cancellation	General Manager's Office Meeting	No
Shanghai Sizhi Automotive Engineering Technology Co., Ltd. and 9 other companies	Business funds	1,860,734.47	Debtor goes bankrupt with no enforceable assets	General Manager's Office Meeting	No
Total		4,412,806.63			

(5) Accounts receivable and contract assets due from the top five debtors

Accounts receivable and contract assets due from the top five debtors as of 31 December 2024 was totaling RMB1,159,092,677.90, which accounted for 53.79% of total accounts receivable and contract assets, and the corresponding impairment provision was totaling RMB6,995,782.34.





4. Receivables financing

Item	Closing balance	Beginning balance
Notes receivable	595,339,035.82	774,531,760.51
Notes receivable from BYD e-platform	5,682,007.43	2,208,120.31
Subtotal	601,021,043.25	776,739,880.82
Less: Other comprehensive income-Changes in fair value	-	-
Fair value at year end	601,021,043.25	776,739,880.82

(1) Closing balance of notes receivable being endorsed or factored and not yet matured

Category	Amount derecognized at year end	Amount not derecognized at year end
Bank acceptance bills	75,938,110.72	-

5. Prepayments

(1) Prepayments by ageing

Ageing	Closing balance		Beginning balance	
	Amount	Ratio (%)	Amount	Ratio (%)
0-3 months	11,099,027.58	64.81	8,102,050.06	59.25
4-6 months	880,422.76	5.14	845,363.13	6.18
7-12 months	2,305,983.39	13.47	2,805,966.76	20.52
1-2 years	1,742,748.31	10.17	960,915.00	7.03
2-3 years	152,212.56	0.89	892,501.15	6.53
Over 3 years	945,090.05	5.52	67,843.90	0.50
Subtotal	17,125,484.65	100.00	13,674,640.00	100.00
Less: Provision for bad debts	966,339.86		1,548,538.47	
Total	16,159,144.79		12,126,101.53	





CHANGAN MINSHENG APLL LOGISTICS CO., LTD.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024 (All amounts in RMB unless otherwise stated)

(2) Important prepayments with an age of over 1 year

Debtor's name	Book balance	Proportion of total prepayments (%)	Provision for bad debts
Chongqing Yanxiang Logistics Co., Ltd. (重慶燕翔物流有限公司)	970,583.06	6.01	194.12
Nanjing Handshake Information Technology Co., Ltd. (南京握手信息科技有限公司)	101,886.79	0.63	20.38
Beijing Zhongjiao Xinglu Connected Vehicle Technology Co., Ltd. (北京中交興路車聯網科技有限公司)	100,000.00	0.62	20.00
Total	1,172,469.85	7.26	234.50

(3) Prepayments due from the top five debtors

Prepayments to the top five debtors as at 31 December 2024 was totaling RMB9,492,271.32, which accounted for 55.43% of total prepayments.

6. Other receivables

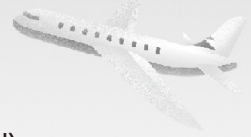
Item	Closing balance	Beginning balance
Interest receivable	-	-
Dividends receivable	-	-
Other receivables	75,855,060.33	89,026,316.09
Total	75,855,060.33	89,026,316.09

(1) Other receivables

(i) By ageing

Ageing	Closing balance	Beginning balance
0-6 months	22,858,541.26	48,645,349.08
7-12 months	9,694,056.14	7,528,055.12
1-2 years	20,388,395.48	9,528,816.71
2-3 years	7,600,519.65	11,155,535.95
Over 3 years	20,602,719.75	15,828,214.35
Subtotal	81,144,232.28	92,685,971.21
Less: Provision for bad debts	5,289,171.95	3,659,655.12
Total	75,855,060.33	89,026,316.09





(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
Current accounts	2,703,242.16	1,090,087.54	1,613,154.62	3,737,087.59	2,573,276.09	1,163,811.50
Security deposits, deposit	64,095,149.08	1,399,737.14	62,695,411.94	71,291,739.44	732,951.75	70,558,787.69
Staff petty cash borrowing	435,174.00	-	435,174.00	159,100.00	-	159,100.00
Advances for taxes and expenses	2,237,929.46	62,248.14	2,175,681.32	539,185.64	37,421.70	501,763.94
Withholding for sale and purchase of goods	-	-	-	43,810.00	1,698.46	42,111.54
Others	11,672,737.58	2,737,099.13	8,935,638.45	16,915,048.54	314,307.12	16,600,741.42
Total	81,144,232.28	5,289,171.95	75,855,060.33	92,685,971.21	3,659,655.12	89,026,316.09

(iii) Information of provision for bad debts

At 31 December 2024, provision for bad debts on those in first stage:

Category	Book balance	Expected credit loss rate in the next 12 months (%)	Provision for bad debts	Carrying amount
Provision for bad debts on an individual basis				
Provision for bad debts on a portfolio basis	77,351,293.75	1.93	1,496,233.42	75,855,060.33
Including:				
Current accounts	1,636,070.51	1.40	22,915.89	1,613,154.62
Security deposits, deposit	63,892,649.08	1.87	1,197,237.14	62,695,411.94
Staff petty cash borrowing	435,174.00	-	-	435,174.00
Advances for taxes and expenses	2,194,119.46	0.84	18,438.14	2,175,681.32
Others	9,193,280.70	2.80	257,642.25	8,935,638.45
Total	77,351,293.75	1.93	1,496,233.42	75,855,060.33





CHANGAN MINSHENG APLL LOGISTICS CO., LTD.
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2024 (All amounts in RMB unless otherwise stated)

At 31 December 2024, the Company had no other receivables classified as second stage.

At 31 December 2024, provision for bad debts on those in third stage:

Category	Book balance	Expected credit loss rate for the lifetime (%)	Provision for bad debts	Carrying amount
Provision for bad debts on an individual basis	3,792,938.53	100.00	3,792,938.53	
Including:				
Changan Ford Motor Co., Ltd. (長安福特汽車有限公司)	2,183,486.91	100.00	2,183,486.91	
Hafei Automobile Co., Ltd. (哈飛汽車股份有限公司)	713,359.16	100.00	713,359.16	
Changan Ford Motor Co., Ltd. Power System Branch (長安福特汽車有限公司動力系統分公司)	471,814.49	100.00	471,814.49	
Jiangsu Weilong New Energy Vehicle Co., Ltd. (江蘇威龍新能源汽車有限公司)	200,000.00	100.00	200,000.00	
Other Customers	224,277.97	100.00	224,277.97	
Total	3,792,938.53	100.00	3,792,938.53	

At 31 December 2023, provision for bad debts on those in first stage:

Category	Book balance	Expected credit loss rate in the next 12 months (%)	Provision for bad debts	Carrying amount
Provision for bad debts on an individual basis				
Provision for bad debts on a portfolio basis	90,159,607.60	1.26	1,133,291.51	89,026,316.09
Including:				
Current accounts	1,210,723.98	3.87	46,912.48	1,163,811.50
Security deposits, deposit	71,291,739.44	1.03	732,951.75	70,558,787.69
Staff petty cash borrowing	159,100.00	-	-	159,100.00
Advances for taxes and expenses	539,185.64	6.94	37,421.70	501,763.94
Withholding for sale and purchase of goods	43,810.00	3.88	1,698.46	42,111.54
Others	16,915,048.54	1.86	314,307.12	16,600,741.42
Total	90,159,607.60	1.26	1,133,291.51	89,026,316.09





At 31 December 2023, the Company had no other receivables classified as second stage.

At 31 December 2023, provision for bad debts on those in third stage:

Category	Book balance	Expected credit loss rate for the lifetime (%)	Provision for bad debts	Carrying amount
Provision for bad debts on an individual basis	2,526,363.61	100.00	2,526,363.61	
Including:				
Changan Ford Motor Co., Ltd. (長安福特汽車有限公司)	1,006,404.45	100.00	1,006,404.45	
Hafei Automobile Co., Ltd. (哈飛汽車股份有限公司)	710,859.16	100.00	710,859.16	
Others	809,100.00	100.00	809,100.00	
Total	2,526,363.61	100.00	2,526,363.61	

(iv) Accrual, recovery or reversal of bad debt provision during the year

	First stage Expected credit loss within the next 12 months	Second stage Expected credit loss for lifetime (no credit impairment occurred)	Third stage Expected credit loss for lifetime (credit impairment has occurred)	Total
Provision for bad debts				
Beginning balance	1,133,291.51	-	2,526,363.61	3,659,655.12
Movement of beginning balance during the period				
--Transfer to second stage				
--Transfer to third stage				
--Reverse to second stage				
--Reverse to first stage				
Provision for the year	364,581.91	-	2,075,674.92	2,440,256.83
Reversal in the year	-	-	809,100.00	809,100.00
Transfer in the year				
Write-off in the year				
Other movement	-1,640.00	-	-	-1,640.00
Closing balance	1,496,233.42	-	3,792,938.53	5,289,171.95

Significant bad debt provisions reversed or recovered during the period

Item	Reason for reversal	Recovery method	Original basis for determining the bad debt provision	Amounts reversed or recovered
		Offset against other accounts payable		
Other customers-claims	Debt settlement		Unrecoverable	809,100.00





CHANGAN MINSHENG APLL LOGISTICS CO., LTD.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024 (All amounts in RMB unless otherwise stated)

(v) Other receivables due from the top five debtors

Name of entity	Nature	Closing balance of other receivables	Ageing	Proportion to total other receivables (%)	Closing balance of provision for bad debts
Company 1	Security deposits	5,591,281.28	0-6 months, 1-2 years, 2-3 years, 3 years or more	6.89	114,782.88
Company 2	Security deposits	4,715,265.19	0-6 months, 7-12 months, 1-2 years, 2-3 years, 3 years or more	5.81	54,700.90
Company 3	Others	3,158,000.00	More than 3 years	3.89	196,743.40
Company 4	Security deposits	3,000,000.00	7-12 months, 1-2 years, 2-3 years, 3 years or more	3.70	47,813.00
Company 5	Security deposits	3,000,000.00	0-6 months	3.70	12,300.00
Total		19,464,546.47		23.99	426,340.18

7. Inventories

Item	Book balance	Closing balance Provision for decline in value/ Provision for impairment of contract performance cost	Carrying amount	Book balance	Beginning balance Provision for decline in value/ Provision for impairment of contract performance cost	Carrying amount
Raw materials	1,513,838.73		1,513,838.73	1,460,127.97		1,460,127.97
Work-in-progress	1,085,067.07		1,085,067.07	659,347.66		659,347.66
Finished goods	11,491,171.03		11,491,171.03	17,133,651.00		17,133,651.00
Reusable materials	-		-	1,048,261.40		1,048,261.40
Contract performance cost	-		-	8,574,727.89		8,574,727.89
Total	14,090,076.83		14,090,076.83	28,876,115.92		28,876,115.92

8. Contract assets

Item	Book balance	Closing balance Provision for impairment	Carrying amount	Book balance	Beginning balance Provision for impairment	Carrying amount
Logistics services not completed and settled	433,477,516.14	836,710.93	432,640,805.21	245,605,637.72	466,650.71	245,138,987.01
Sub-total	433,477,516.14	836,710.93	432,640,805.21	245,605,637.72	466,650.71	245,138,987.01
Less: Contract assets as presented as other non-current assets						
Total	433,477,516.14	836,710.93	432,640,805.21	245,605,637.72	466,650.71	245,138,987.01





(1) Information on impairment of contract assets

Category	Book balance		Closing balance		Carrying amount
	Amount	Ratio (%)	Provision for impairment Amount	Expected credit loss rate (%)	
Provision for bad debts on an individual basis	33,866.10	0.01	3,386.61	10.00	30,479.49
Including:					
Tianjin Free Trade Qiancheng Taifeng Technology Co., Ltd (天津自贸试验区泰锋科技有限公司)	33,866.10	0.01	3,386.61	10.00	30,479.49
Provision for bad debts on a portfolio basis	433,443,650.04	99.99	833,324.32	0.19	432,610,325.72
Including:					
Logistics services not completed and settled	433,443,650.04	99.99	833,324.32	0.19	432,610,325.72
Total	433,477,516.14	100.00	836,710.93	0.19	432,640,805.21

Continued:

Category	Book balance		Balance at end of previous year		Carrying amount
	Amount	Ratio (%)	Provision for impairment Amount	Expected credit loss rate (%)	
Provision for bad debts on an individual basis					
Provision for bad debts on a portfolio basis	245,605,637.72	100.00	466,650.71	0.19	245,138,987.01
Including:					
Logistics services not completed and settled	245,605,637.72	100.00	466,650.71	0.19	245,138,987.01
Total	245,605,637.72	100.00	466,650.71	0.19	245,138,987.01

Provision for bad debts on an individual basis

Name	Book balance	Ending balance		Basis for provision
		impairment provision	Expected credit loss rate (%)	
Tianjin Free Trade Qiancheng Taifeng Technology Co., Ltd (天津自贸试验区泰锋科技有限公司)	33,866.10	3,386.61	10.00	Based on litigation and projected future cash collections





CHANGAN MINSHENG APLL LOGISTICS CO., LTD.

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Provision for impairment on a portfolio basis:

Provision for impairment on a portfolio basis: Logistics services not completed and settled

Ageing	Closing balance			Beginning balance		
	Contract assets	Provision for impairment	Expected credit loss rate (%)	Contract assets	Provision for impairment	Expected credit loss rate (%)
0-3 months	433,432,702.91	833,169.97	0.19	245,605,637.72	466,650.71	0.19
4-6 months	10,947.13	154.35	1.41	-	-	-
Total	433,443,650.04	833,324.32	0.19	245,605,637.72	466,650.71	0.19

(2) Additions, recoveries or reversals of provision for impairment of contract assets

Item	Provision for the year	Reversal in the year	Written-off in the year	Reason
Contract assets	370,060.22	-	-	Provision based on projected future cash collections

9. Other current assets

Item	Closing balance	Beginning balance
Prepaid value-added tax	12,114,571.83	6,136,982.19
Deductible input tax	3,000,998.29	7,899,678.84
Prepaid income tax	2,351,617.04	3,983,228.00
Prepaid other taxes	839.63	-
VAT carry forward	-	127,263.49
Certificates of deposit and interest	-	150,027,128.32
Total	17,468,026.79	168,174,280.84



10. Long-term equity investment

Investee	Beginning balance (Carrying amount)	Beginning balance of provision for impairment	Movement in the year							Closing balance (Carrying amount)	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	Provision for impairment			Other
(i) Joint ventures												
Hangzhou Changhe Anji Supply Chain Management Co., Ltd.												
安吉供應鏈管理有限公司	12,747,661.95		17,248,364.59	4,500,702.64	-							-
(ii) Associates												
Chongqing Guoyuan Ro-Ro Terminal Company Limited												
重慶果園滾裝碼頭有限公司	74,605,668.98		-	-4,341,290.79	-34,430.04	42,029,948.15	28,200,000.00	42,029,948.15				
Total	87,353,330.93		17,248,364.59	159,411.85	-34,430.04	42,029,948.15	28,200,000.00	42,029,948.15				



Notes:

1. Overall situation of impairment test

The Company conducted impairment testing on long-term equity investments based on the evaluation benchmark date of 31 December 2024. After testing, the recoverable amount of the 31% equity of Chongqing Guoyuan Ro-Ro Terminal Company Limited ("Guoyuan Ro-Ro") held by our company is RMB28.2 million, which is lower than its book value of RMB70.2299 million. An impairment loss of RMB42.029 million has been provisioned for this period.

2. Method for determining recoverable amount

The recoverable amount of Guoyuan Ro-Ro is determined based on the higher of the net amount of the fair value of the asset minus disposal expenses and the present value of the expected future cash flows of the asset. After testing, the present value of the expected future cash flow for orchard roll on/roll off is RMB28.2 million. Based on the situation of the Guoyuan Ro-Ro, it is determined that the fair value of the Company shall be measured using the income method when calculating the net fair value after deducting the disposal cost in accordance with the assumption of the whole transfer. Disposal costs are incremental costs that can be directly attributed to asset disposal. Taking into account all factors, this valuation estimates disposal costs at 5% of fair value.

The present value of the expected future cash flows of orchard roll on/roll off equipment is estimated using the income method, and the discounted amount is determined by selecting an appropriate discount rate based on the expected future cash flows generated by the asset during its continuous use. This income approach adopts the discounted cash flow model of enterprise free cash flow in the discounted cash flow method. The expected cash flow for the future will be based on the pretax free cash flow of the enterprise. According to the principle of consistency between the income amount and the discount rate, the discount rate is selected as the weighted average cost of capital before income tax. The valuation adopts a perpetual period as the income period. Among them, the first stage is from 1 January 2025 to 31 December 2031, a total of 7 years. During this stage, based on the company's historical performance and future market analysis, the revenue situation is changing and gradually stabilizing; The second stage is from 1 January 2032 to sustainable operation, during which our company considers maintaining a stable level of income as predicted in 2031.

3. Cancellation of joint venture in this period

During the reporting period, in accordance with the unanimous resolution of the Fourth Extraordinary Shareholders' Meeting of Hangzhou Changhe Anji Supply Chain Management Co., Ltd. ("Changhe Anji") held on 28 November 2024, the joint venture company Changhe Anji was deregistered. According to relevant laws and regulations and the company's articles of association, as of 31 December 2024, Changhe Anji completed the cancellation procedures and recovered an investment amount of RMB17.25 million.

11. 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)	74,000,000.00	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.

Project	Gains and losses recognized in other comprehensive income for the current period	Accumulated gains and losses recognized in other comprehensive income at the end of this period	Dividend income recognized in this period	Accumulated gains and losses transferred to retained earnings due to termination of recognition	Reason for termination of confirmation
China South Industries Group Finance Co., Ltd. (兵器裝備集團財務有限責任公司)	2,057,000.00	28,975,900.00			





12. Investment properties

Item	Housing and buildings
I. Book value	
1. Beginning balance	49,223,928.04
2. Increase	-
3. Decrease	-
4. Closing balance	49,223,928.04
II. Accumulated depreciation and amortisation	
1. Beginning balance	9,630,577.66
2. Increase	1,269,307.44
(1) Amortisation for the year	1,269,307.44
3. Decrease	-
4. Closing balance	10,899,885.10
III. Provision for impairment	
1. Beginning balance	6,048,517.34
2. Increase	867,887.32
(1) Provision	867,887.32
3. Decrease	-
4. Closing balance	6,916,404.66
IV. Carrying amount	
1. Carrying value at year end	31,407,638.28
2. Carrying value at beginning of year	33,544,833.04

Note: As of 31 December 2024, Sinovalve Assets Appraisal Co., Ltd. evaluated the fair value of the Group's investment properties and issued an "Investment Property Fair Value Assessment Project Asset Appraisal Report". The appraisal report determined the appraisal value based on market approach, and some properties had a partial impairment of RMB867,887.32.





CHANGAN MINSHENG APLL LOGISTICS CO., LTD.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024 (All amounts in RMB unless otherwise stated)

13. Fixed assets

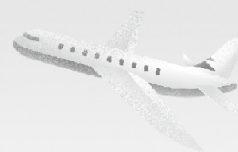
Item	Closing balance	Beginning balance
Fixed assets	588,239,961.64	728,808,090.70
Fixed assets for disposal	608,984.63	171,238.73
Total	588,848,946.27	728,979,329.43

(1) Fixed assets

(i) Details of 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	4,043,052.23	115,412,554.87	7,848,952.94	9,548,742.40	136,853,302.44
(1) Purchase	-	108,388,665.95	4,282,999.18	8,999,229.11	121,670,894.24
(2) Transfer from construction in progress	4,043,052.23	7,023,888.92	3,565,953.76	549,513.29	15,182,408.20
3.Decrease	56,919,123.74	167,364,003.87	30,628,835.94	14,826,679.27	269,738,642.82
(1) Disposal or scrap	3,476,441.00	71,236,067.77	30,225,030.61	9,370,887.20	114,308,426.58
(2) Disposal of subsidiaries	53,442,682.74	96,127,936.10	403,805.33	5,455,792.07	155,430,216.24
4.Closing balance	770,002,119.61	446,470,780.31	156,658,713.89	83,336,642.49	1,456,468,256.30
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	28,704,693.18	64,485,487.30	3,638,358.92	8,789,303.93	105,617,843.33
(1) Provision	28,704,693.18	64,485,487.30	3,638,358.92	8,789,303.93	105,617,843.33
3.Decrease	8,975,640.53	48,372,463.95	28,750,518.34	11,499,950.68	97,598,573.50
(1) Disposal or scrap	3,378,531.61	25,080,571.28	28,677,605.97	8,227,060.50	65,363,769.36
(2) Disposal of subsidiaries	5,597,108.92	23,291,892.67	72,912.37	3,272,890.18	32,234,804.14
4.Closing balance	410,884,536.03	245,410,052.37	141,629,675.53	69,306,435.89	867,230,699.82
III. Provision for impairment					
1.Beginning balance	-	248,133.43	1,085,942.56	-	1,334,075.99
2.Increase	-	-	-	-	-
(1) Provision	-	-	-	-	-
3.Decrease	-	248,133.43	88,347.72	-	336,481.15
(1) Disposal or scrap	-	248,133.43	88,347.72	-	336,481.15
4.Closing balance	-	-	997,594.84	-	997,594.84
IV. Carrying amount					
1.Carrying value at year end	359,117,583.58	201,060,727.94	14,031,443.52	14,030,206.60	588,239,961.64
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





(ii) Fixed assets held under finance leases

Item	Carrying amount
Housing and buildings	92,723,038.14
Motor vehicles	1,514,149.77
Total	94,237,187.91

(2) Fixed assets for disposal

Item	Closing balance	Beginning balance	Reason for disposal
Housing and buildings	113,778.36	-	Unused
Machinery and equipment	118,046.72	3,469.08	Unused
Motor vehicles	286,473.92	139,985.50	Unused
Electronics and office equipment	2,230.64	26,885.59	Unused
Other equipment	87,926.99	490.56	Unused
Others	528.00	408.00	Unused
Total	608,984.63	171,238.73	

14. Construction in progress

Item	Closing balance	Beginning balance
Construction in progress	5,005,318.07	9,149,679.44
Construction materials	-	-
Total	5,005,318.07	9,149,679.44





CHANGAN MINSHENG APLL LOGISTICS CO., LTD.

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For the year ended 31 December 2024 (All amounts in RMB unless otherwise stated)

(1) Construction in progress

(i) Information of construction in progress

	Closing balance		Beginning balance			
Item	Book balance	Provision for impairment	Net book value	Book balance	Provision for impairment	Net book value
Yubei New Factory Smart Logistics Project	2,085,312.74		2,085,312.74	-		-
Yubei New Factory Logistics Integration Project	883,552.30		883,552.30	-		-
TMS system for milk-run	550,537.18		550,537.18	-		-
Installing equipment	505,560.61		505,560.61	-		-
Vehicle Loading Project of Chongqing Regional Company	234,446.40		234,446.40	-		-
New energy smart logistics project	173,977.70		173,977.70	2,928,085.36		2,928,085.36
Supply Chain Business Unit Spare Parts Customer Service System Upgrade Project	166,795.20		166,795.20	-		-
Milk-run route arrangement system	144,000.00		144,000.00	-		-
Steel Platform Project	111,609.79		111,609.79	-		-
Automated Allocation Module Project for Transportation Management System of Vehicle Division	92,378.88		92,378.88	-		-
Intelligent Visual Scanning System for Unmanned Warehouses	51,769.91		51,769.91	51,769.91		51,769.91
HR Digital Transformation Project	5,377.36		5,377.36	-		-
VTC CHEYI CLOUD PLATFORM PROJECT	-		-	559,681.07		559,681.07
Beijing Inland Storage i-WMS Promotion Project	-		-	72,455.33		72,455.33
Jianan i-WMS-SRM interface project	-		-	5,207.55		5,207.55
DC SORTING GOODS TO PERSON AGV PROJECT	-		-	1,022,240.73		1,022,240.73
DC LIBRARY OPERATION PULL PROJECT	-		-	141,283.02		141,283.02
RFID AUTOMATIC COLLECTION PROJECT	-		-	2,037,897.42		2,037,897.42
Class C Warehouse Project	-		-	1,241,740.24		1,241,740.24
TPMS ONLINE READING AND WRITING EQUIPMENT	-		-	240,265.50		240,265.50
Dedicated spoke design	-		-	18,875.00		18,875.00
Online Freight Platform Phase II Project	-		-	405,650.00		405,650.00
Online Freight Platform Upgrading Project	-		-	424,528.31		424,528.31
Total	5,005,318.07		5,005,318.07	9,149,679.44		9,149,679.44





(ii) Changes in significant construction in progress

Project	Beginning balance	Increase	Transfer to fixed assets/ Intangible assets	Other decrease	Cumulative amount of interest capitalization	Including: interest capitalized in the period	Interest capitalization rate in the year (%)	Closing balance
Yubei New Factory Smart Logistics Project	-	2,085,312.74	-					2,085,312.74
New energy smart logistics project	2,928,085.36	7,272,243.07	10,026,350.73					173,977.70
Class C warehouse project	1,241,740.24	2,777,727.08	4,019,467.32					-
DC SORTING GOODS TO PERSON AGV PROJECT	1,022,240.73	777,152.53	1,799,393.26					-
RFID AUTOMATIC COLLECTION PROJECT	2,037,897.42	490,694.12	2,528,591.54					-
Total	7,229,963.75	13,403,129.54	18,373,802.85					2,259,290.44

Changes in significant construction in progress (Continued):

Project item	Budget	Proportion of cumulative input to budget (%)	Progress (%)	Source of fund
Yubei New Factory Smart Logistics Project	43,334,500.00	4.81	4.81	Self-financing
New energy smart logistics project	60,772,700.00	81.00	81.00	Self-financing
Category C warehouse project	5,500,000.00	73.08	100.00	Self-financing
DC SORTING GOODS TO PERSON AGV PROJECT	2,600,000.00	69.21	100.00	Self-financing
RFID AUTOMATIC COLLECTION PROJECT	3,500,000.00	72.25	100.00	Self-financing
Total	115,707,200.00			





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15. 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	29,016,877.40	-	3,856,943.34	32,873,820.74
(1) Additions by lease in	29,016,877.40	-	3,856,943.34	32,873,820.74
3.Decrease	48,251,200.81	-	3,206,301.83	51,457,502.64
(1) Expiration of contract	27,160,680.00	-	3,206,301.83	30,366,981.83
(2) Early renunciation	14,353,974.24	-	-	14,353,974.24
(3) Contract modification	6,736,546.57	-	-	6,736,546.57
4.Closing balance	267,613,758.85	18,810,983.88	3,988,318.80	290,413,061.53
II. Accumulated depreciation				
1.Beginning balance	81,435,588.54	8,387,968.15	2,503,248.39	92,326,805.08
2.Increase	74,722,048.58	5,635,650.42	1,210,950.12	81,568,649.12
(1) Provision	74,722,048.58	5,635,650.42	1,210,950.12	81,568,649.12
3.Decrease	37,650,542.76	-	3,206,301.83	40,856,844.59
(1) Expiration of contract	27,160,680.00	-	3,206,301.83	30,366,981.83
(2) Early renunciation	6,235,815.19	-	-	6,235,815.19
(3) Contract modification	4,254,047.57	-	-	4,254,047.57
4.Closing balance	118,507,094.36	14,023,618.57	507,896.68	133,038,609.61
III. Provision for impairment				
1.Beginning balance				
2.Increase				
3.Decrease				
4.Closing balance				
IV. Carrying amount				
1.Carrying value at year end	149,106,664.49	4,787,365.31	3,480,422.12	157,374,451.92
2.Carrying value at beginning of year	205,412,493.72	10,423,015.73	834,428.90	216,669,938.35

Note: The Company recognizes lease expenses related to short-term leases and leases of low-value assets. Please refer to Note V. 60 for details.





16. Intangible assets

Item	Land use rights	Software	Trademark	Patent	Total
I. Book value					
1.Beginning balance	331,263,839.17	167,143,996.72	107,000.00	48,928.19	498,563,764.08
2.Increase	-	15,277,019.90	-	-	15,277,019.90
(1) Purchase	-	14,498,517.42	-	-	14,498,517.42
(2) Other increase	-	778,502.48	-	-	778,502.48
3.Decrease	12,977,955.20	10,966,360.39	-	48,928.19	23,993,243.78
(1) Disposal	268,867.92	4,957,341.60	-	-	5,226,209.52
(2) Disposal of subsidiaries	12,709,087.28	6,009,018.79	-	48,928.19	18,767,034.26
4.Closing balance	318,285,883.97	171,454,656.23	107,000.00	-	489,847,540.20
II. Accumulated amortisation					
1.Beginning balance	87,506,391.35	137,482,275.15	107,000.00	8,262.91	225,103,929.41
2.Increase	6,959,149.38	17,342,421.80	-	3,669.30	24,305,240.48
(1) Provision	6,959,149.38	17,342,421.80	-	3,669.30	24,305,240.48
3.Decrease	711,940.90	8,488,342.66	-	11,932.21	9,212,215.77
(1) Disposal	126,965.38	3,971,464.27	-	-	4,098,429.65
(2) Disposal of subsidiaries	584,975.52	4,516,878.39	-	11,932.21	5,113,786.12
4.Closing balance	93,753,599.83	146,336,354.29	107,000.00	-	240,196,954.12
III. Provision for impairment					
1.Beginning balance					
2.Increase					
3.Decrease					
4.Closing balance					
IV. Carrying amount					
1.Carrying value at year end	224,532,284.14	25,118,301.94	-	-	249,650,586.08
2.Carrying value at beginning of year	243,757,447.82	29,661,721.57	-	40,665.28	273,459,834.67





17. Goodwill

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

Note: The goodwill arising from the Group's business combinations has been allocated to the cash-generating unit of the whole vehicle transportation service unit for impairment testing. The recoverable amount of the cash-generating unit is determined based on its estimated future cash flow, which is projected for the next five years. The impairment testing of goodwill is approved by the senior management of the Group, and management conducts the goodwill impairment testing based on cash flow forecasts.

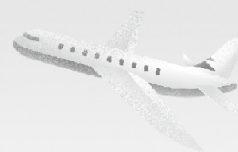
Other key assumptions used in determining the fair value relate to estimates of cash inflows/outflows (including budgeted revenue and gross margin rates). These estimates are based on the historical performance of existing cash-generating units and management's expectations for market development.

The key assumptions encompass market conditions, and the discount rate is consistent with external sources of information. According to the opinion of the directors of the Company, as of 31 December 2024, the directors believe that the recoverable amount significantly exceeds the carrying amount of the cash-generating unit. Any possible changes in the key assumptions of the recoverable amount would not result in the carrying amount of the cash-generating unit exceeding its recoverable amount.

18. Long-term deferred expenses

Item	Beginning balance	Increase	Decrease		Closing balance
			Amortization	Other decrease	
Renovation costs	1,520,095.06	641,106.80	464,802.65		1,696,399.21
Overhaul repair expenses	2,329,559.95	-	292,712.55		2,036,847.40
Engineering improvement expenditures	1,198,112.92	-	597,574.37		600,538.55
Factory renovation expenses	1,815,412.57	8,387.78	658,693.52		1,165,106.83
Network-linked glass fiber tray	838,348.10	3,424,778.76	724,601.46		3,538,525.40
lot tags	-	1,955,798.76	164,558.96		1,791,239.80
China chassis base project	-	3,540,435.23	342,360.98		3,198,074.25
Yubei new factory project	-	3,982,265.26	289,270.18		3,692,995.08
Heavy pallet project	-	5,309,734.42	1,050,884.90		4,258,849.52
Changan Mazda after-sales parts logistics project	-	5,575,650.85	1,486,840.16		4,088,810.69
Others	14,577.51	420,792.45	75,563.36		359,806.60
Total	7,716,106.11	24,858,950.31	6,147,863.09		26,427,193.33





19. Deferred tax assets and deferred tax liabilities

(1) Deferred tax assets and deferred tax liabilities before offsetting

Item	Closing balance		Beginning balance	
	Deductible or taxable timing differences	Deferred tax assets or liabilities	Deductible or taxable timing differences	Deferred tax assets or liabilities
Deferred tax assets:				
Lease liabilities	160,075,240.00	34,968,263.54	221,292,307.85	47,320,926.12
Deductible tax loss	151,457,484.45	22,720,454.29	196,631,634.00	29,745,742.45
Provision for bad debts	99,325,781.21	15,211,608.43	95,787,665.25	14,534,053.03
Assets depreciation and amortization differences	59,158,330.29	12,190,081.78	72,233,430.33	13,464,223.62
Deferred income	12,433,040.16	1,992,737.61	13,098,275.62	2,143,344.20
Provision for impairment of assets	9,717,050.29	1,466,496.52	8,657,426.36	1,304,361.72
Internal transactions	1,226,200.17	273,454.02	1,336,151.68	334,037.92
Accrued expenses	-	-	360,560.00	90,140.00
Subtotal	493,393,126.57	88,823,096.19	609,397,451.09	108,936,829.06
Deferred tax liabilities:				
Increase in asset appraisal value under business combination not under common control	9,159,305.70	2,267,251.32	9,356,411.65	2,339,102.91
Changes in fair value of receivables financing recognised in other comprehensive income	28,975,900.00	4,346,385.00	26,555,900.00	3,983,385.00
Right-of-use assets	157,374,451.92	33,292,889.71	219,208,558.68	45,542,781.53
Subtotal	195,509,657.62	39,906,526.03	255,120,870.33	51,865,269.44

(2) Deferred income tax assets or liabilities presented on a net basis after offsetting

Item	Offset amount of deferred tax assets and liabilities at year end	Closing balance of deferred tax assets or liabilities after offsetting	Offset amount of deferred tax assets and liabilities in prior year	Beginning balance of deferred tax assets or liabilities after offsetting
Deferred tax assets	39,677,762.58	49,145,333.61	45,140,363.62	63,796,465.44
Deferred tax liabilities	39,677,762.58	228,763.45	45,140,363.62	6,724,905.82





CHANGAN MINSHENG APLL LOGISTICS CO., LTD.

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(3) Deductible temporary differences and deductible tax losses of unrecognized deferred tax assets

Item	Closing balance	Beginning balance
Deductible temporary differences	42,029,948.15	1,549,472.91
Deductible tax loss	-	44,030,579.31
Total	42,029,948.15	45,580,052.22

(4) Deductible tax loss of unrecognized deferred income tax assets will expire in the following year

Year	Closing balance	Beginning balance
2025		-
2026		-
2027		-
2028		-
2029		-
2030		6,406,710.28
2031		20,869,257.47
2032		12,612,640.71
2033		4,141,970.85
2034		-
Total		44,030,579.31

20. Other non-current assets

Item	Closing balance		Carrying amount	Beginning balance		Carrying amount
	Book balance	Provision for impairment		Book balance	Provision for impairment	
Prepaid project funds	8,490.57		8,490.57	-		-
Prepaid building, equipment payment	-		-	7,239,124.15		7,239,124.15
Contract performance cost	241,427.71		241,427.71	-		-
Large denomination certificates of deposit and accrued interest	151,399,658.47		151,399,658.47	-		-
Total	151,649,576.75		151,649,576.75	7,239,124.15		7,239,124.15





21. Ownership or using rights of assets subject to restriction

Item	Book balance	Closing balance Carrying amount	Types of restriction	Restricted situation
Cash and bank balances	7,420,000.00	7,420,000.00	Frozen by court	Frozen
Cash and bank balances	5,448,998.06	5,448,998.06	Deposits for bank acceptance bills	Security deposits
Cash and bank balances	1,000.00	1,000.00	ETC deposit for official vehicles	Deposit
Total	12,869,998.06	12,869,998.06		

Continued:

Item	Book balance	Beginning balance Carrying amount	Types of restriction	Restricted situation
Cash and bank balances	3,305,000.00	3,305,000.00	Deposits for bank acceptance bills	Security deposits
Cash and bank balances	30,300,000.00	30,300,000.00	Frozen by court	Frozen
Accounts receivable	106,048,352.38	105,846,860.51	Loan pledge	Pledge
Fixed assets	145,976,940.14	127,477,987.11	Loan mortgage	Mortgage
Intangible assets	12,709,087.28	12,319,103.60	Loan mortgage	Mortgage
Total	298,339,379.80	279,248,951.22		

22. Short-term loans

Item	Closing balance	Beginning balance
Factoring financing amount	12,062,465.76	-
Unsecured loans	-	26,526,864.44
Total	12,062,465.76	26,526,864.44

Note: The principal amount of factoring financing between the subsidiary Changzu Feiyue and China South Industries Group Commercial Factoring Co., Ltd.(中國兵器裝備集團商業保理有限公司)is RMB12,000,000.00. The factoring financing amount is the factoring financing from China North Equipment Group Commercial Factoring Co., LTD., based on all existing and future receivables and related rights of Chongqing Saimei Shuzhi Technology Co., Ltd. (重慶賽美數智科技有限公司) a subsidiary of the Company, during the period from 20 November 2024 to 20 February 2026. The principal amount is RMB12,000,000.00 and the closing balance includes accrued interest of RMB62,465.76. Among them, the interest-bearing date of the RMB8,000,000.00 factoring financing is November 20, 2024, and the maturity date is February 20, 2025; The interest-bearing date of the RMB4,000,000.00 factoring Facility is 2 December 2024 and the maturity date is 2 June 2025, and the interest rate of the above two factoring facilities is 5.00%.

23. Notes payable

Category	Closing balance	Beginning balance
Bank acceptance bills	496,060,939.76	532,579,693.95





CHANGAN MINSHENG APLL LOGISTICS CO., LTD.

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24. Accounts payable

Item	Closing balance	Beginning balance
0-3 months	1,703,178,056.95	1,477,535,445.25
4-6 months	5,768,951.81	18,571,697.85
7-12 months	1,936,378.27	7,678,455.48
1-2 years	15,455,608.47	9,934,813.68
2-3 years	5,483,581.10	2,731,544.61
Over 3 years	773,196.99	2,085,215.98
Total	1,732,595,773.59	1,518,537,172.85

Trade payables are interest free and generally settled within 90 days. The aging of accounts payable is calculated based on the invoice date.

Including significant accounts payable ageing over 1 year

Item	Closing balance	Reasons for outstanding or not transferred
WM Motor Manufacturing Wenzhou Co., Ltd. (威馬汽車製造溫州有限公司)	3,000,000.00	Involving litigation, payment will not be made temporarily
Hubei Xinghui New Energy Intelligent Vehicle Co., Ltd. (湖北星暉新能源智慧汽車有限公司)	2,450,000.00	There are differences in business cleaning, and there will be offsetting of accounts receivable and payable in the future
Sanyangma (Chongqing) Logistics Co., Ltd (三羊馬(重慶)物流股份有限公司)	3,020,512.02	Verify with the carrier that the settlement has not been made yet
Chongqing Minsheng Comprehensive Logistics Co., Ltd (重慶民生綜合物流有限公司)	2,899,434.30	Reconciliation in progress
Lezhi County Elephant Logistics Co., Ltd (樂至縣大象物流有限公司)	3,560,376.03	Reconciliation in progress
Chongqing Huamao Electromechanical Equipment Co., Ltd (重慶華茂機電設備有限責任公司)	2,114,700.18	Reconciliation in progress
Total	17,045,022.53	

25. Advance receipts

Project	Closing balance	Beginning balance
Within 1 year (including 1 year)	45,139.42	-

26. Contract liabilities

Item	Closing balance	Beginning balance
Advance receipts of transportation and storage	15,899,001.07	14,570,042.13
Less: Contract liabilities included in other current liabilities	1,163,437.85	1,254,942.86
Total	14,735,563.22	13,315,099.27





27. Employee benefits payables

Item	Beginning balance	Increase	Decrease	Closing balance
Short-term employee benefits	155,364,612.78	617,424,404.34	623,021,650.29	149,767,366.83
Post-employment benefits -Defined contribution plans	270,483.35	75,435,347.98	75,405,899.04	299,932.29
Termination benefits	2,516,931.76	530,549.83	530,549.83	2,516,931.76
Total	158,152,027.89	693,390,302.15	698,958,099.16	152,584,230.88

(1) Short-term employee benefits

Item	Beginning balance	Increase	Decrease	Closing balance
Salaries, bonus and allowances	109,341,916.67	435,557,359.40	439,916,254.02	104,983,022.05
Staff welfare	-	35,824,966.11	35,824,966.11	-
Social insurances	134,894.69	33,838,324.37	33,841,983.52	131,235.54
Including: 1. Medical insurance	129,492.23	30,350,762.45	30,356,552.15	123,702.53
2. Work injury insurance	5,402.46	3,076,784.35	3,074,653.80	7,533.01
3. Maternity insurance	-	410,777.57	410,777.57	-
Housing fund	101,619.03	66,116,432.88	66,102,300.92	115,750.99
Union funds and staff education	44,506,446.15	15,059,340.43	15,052,442.04	44,513,344.54
Other short-term employee benefits	1,279,736.24	31,027,981.15	32,283,703.68	24,013.71
Total	155,364,612.78	617,424,404.34	623,021,650.29	149,767,366.83

(2) Defined contribution plans

Item	Beginning balance	Increase	Decrease	Closing balance
Post-employment benefits				
Including: Basic pension insurance	240,788.24	62,831,482.29	62,810,590.88	261,679.65
Unemployment insurance	11,872.14	2,513,524.06	2,511,192.75	14,203.45
Corporate annuity plan	17,822.97	10,090,341.63	10,084,115.41	24,049.19
Total	270,483.35	75,435,347.98	75,405,899.04	299,932.29

(3) Termination benefits

Item	Beginning balance	Increase	Decrease	Closing balance
Termination benefits	2,516,931.76	530,549.83	530,549.83	2,516,931.76



**28. Taxes payable**

Taxation	Closing balance	Beginning balance
Value-added tax	11,421,367.90	18,732,166.92
Enterprise income tax	9,742,000.46	6,766,598.06
Individual income Tax	3,249,879.46	678,970.61
Urban maintenance and construction tax	770,439.70	624,655.91
Property tax	2,210,257.87	2,865,610.27
Education surcharge	369,602.64	332,412.44
Local education surcharges	130,595.12	61,585.33
Land use tax	694,478.74	563,119.93
Stamp duty	1,323,875.63	1,453,989.76
Deed duty	-	2,514,583.49
Other taxes	27,505.68	21,731.13
Total	29,940,003.20	34,615,423.85

29. Other payables

Item	Closing balance	Beginning balance
Interest payable	-	-
Dividends payable	-	-
Other payables	352,309,223.32	313,506,475.20
Total	352,309,223.32	313,506,475.20

Other payables

Item	Closing balance	Beginning balance
Current accounts	198,732,537.62	138,113,108.88
Warranty deposits	153,571,423.28	169,536,032.62
Paid on behalf	-	5,824,926.56
Others	5,262.42	32,407.14
Total	352,309,223.32	313,506,475.20





30. Non-current liabilities due within one year

Item	Closing balance	Beginning balance
Long-term loans due within one year	13,416,740.82	34,255,565.08
Lease liabilities due within one year	62,680,883.06	83,739,721.95
Total	76,097,623.88	117,995,287.03

(1) Long-term loans due within one year

Item	Closing balance	Beginning balance
Unsecured loans	13,416,740.82	34,255,565.08

31. Other current liabilities

Item	Closing balance	Beginning balance
Output VAT pending for transfer	1,291,474.78	1,254,942.86
Endorsed notes receivable not yet derecognized	12,294,483.18	13,058,674.00
Total	13,585,957.96	14,313,616.86

32. Long term loans

Item	Closing balance	Range of interest rate (%)	Beginning balance	Range of interest rate (%)
Unsecured loans	13,416,740.82	3.65-3.90	22,256,219.40	3.65-3.90
Mortgage loans	-	-	29,430,800.00	3.65-3.80
Pledged loans	-	-	80,084,444.44	3.80
Subtotal	13,416,740.82	-	131,771,463.84	-
Less: Long-term loans due within one year	13,416,740.82	-	34,255,565.08	-
Total	-		97,515,898.76	





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33. Lease liabilities

Item	Closing balance	Beginning balance
Lease payment	167,973,155.60	238,508,801.54
Less: Unrecognized financing expenses	7,897,915.60	17,216,493.69
Less: Lease liabilities due within one year	62,680,883.06	83,739,721.95
Total	97,394,356.94	137,552,585.90

Note: The interest expense for lease liabilities recognized in 2024 amounted to RMB2,666,609.12, which recorded under financial expenses - interest expenses at RMB2,666,609.12.

34. Provisions

Item	Closing balance	Beginning balance	Reason of formation
Pending litigations	-	360,560.00	-

35. Deferred income

Item	Beginning balance	Increase	Decrease	Closing balance
5G+ collaborative manufacturing project	2,250,000.00	-	-	2,250,000.00
Logistics market entity cultivation policy incentive funds	2,000,000.00	2,000,000.00	1,212,241.02	2,787,758.98
Supply chain system construction subsidy funds	1,701,116.01	-	348,184.95	1,352,931.06
Hangzhou Qiantang New District Fixed assets investment subsidy	897,083.50	-	361,882.71	535,200.79
Supply Chain Intelligent Logistics Consolidation Centre Stereoscopic Warehouse Construction	724,945.05	-	105,330.00	619,615.05
Subsidy for BMW Brilliance Automotive Wheel Assembly Phase I Project Fixed assets	42,809.23	-	42,809.23	-
Application Demonstration Project of Regional Automotive Industry Ecological Circle Network Collaborative Manufacturing Shared Cloud Service Platform	350,000.00	-	344,509.51	5,490.49
Liangjiang New Area Financial Subsidy	3,066,666.68	-	133,333.33	2,933,333.35
Ford after-sales parts D1, D2 site improvement project compensation	1,013,798.28	-	92,163.48	921,634.80
Government subsidies for land purchase	930,666.10	-	26,590.46	904,075.64
CMAL Hangzhou Auto Parts Manufacturing and Distribution Project	164,000.00	-	41,000.00	123,000.00
Total	13,141,084.85	2,000,000.00	2,708,044.69	12,433,040.16

Note: Government grants recorded as deferred income refer to Note VIII. Government grants.





36. Other non-current liabilities

Item	Closing balance	Beginning balance
Party building funds	6,847.20	11,227.20

37. Share capital

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

38. Capital reserve

Item	Beginning balance	Increase	Decrease	Closing balance
Capital premium	67,111,332.11	-	-	67,111,332.11
Other capital reserve	2,512.98	-	34,430.04	-31,917.06
Total	67,113,845.09	-	34,430.04	67,079,415.05

Note: The change in other capital reserves amounted to RMB-34,430.04. This change is attributed to the equity method accounting for the change in other equity of the Guoyuan Ro-Ro.

39. Other comprehensive income

Other comprehensive income attributable to the parent company in the balance sheet:

Item	Beginning balance (1)	Current year		Closing balance (4) =(1) +(2) -(3)
		Amount attributable to parent company after tax(2)	Less: Included in other comprehensive income in the previous period and transferred to retained earnings in the current period(3)	
I. Other comprehensive income not reclassified into profit or loss subsequently				
1.Changes in fair value of other equity instrument investments	22,572,515.00	2,057,000.00	-	24,629,515.00
II. Other comprehensive income that will be reclassified into profit or loss subsequently				
Total other comprehensive income	22,572,515.00	2,057,000.00	-	24,629,515.00





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Other comprehensive income attributable to the parent company in the income statement:

Item	Current year				
	Amount before tax(1)	Less: transferred to profit or loss in current year(2)	Less: Income tax expenses(3)	Less: Amount attributable to minority interests after tax(4)	Amount attributable to parent company after tax(5) =(1) -(2) -(3) -(4)
I. Other comprehensive income not reclassified into profit or loss subsequently					
1.Changes in fair value of other equity instrument investments	2,420,000.00	-	363,000.00	-	2,057,000.00
II. Other comprehensive income that will be reclassified into profit or loss subsequently					
Total other comprehensive income	2,420,000.00	-	363,000.00	-	2,057,000.00

Note: The after-tax net amount of other comprehensive income for the current period is RMB2,057,000.00. Among which, the portion attributable to the shareholders of the parent company is RMB2,057,000.00.

40. Special reserve

Item	Beginning balance	Increase	Decrease	Closing balance
Safety production fee	10,251,350.13	7,534,025.17	5,802,601.80	11,982,773.50

41. Surplus reserve

Item	Beginning balance	Increase	Decrease	Closing balance
Statutory surplus reserve	81,032,000.00			81,032,000.00
Discretionary surplus reserve	4,835,093.00			4,835,093.00
Total	85,867,093.00			85,867,093.00





42. Undistributed profits

Item	Current year	Prior year
Closing balance of undistributed profits of prior year before adjustment	1,668,384,520.71	1,636,555,790.69
Total adjustments of beginning undistributed profits	-	-
Beginning balance of undistributed profits after adjustment	1,668,384,520.71	1,636,555,790.69
Add: Net profit attributable to parent company for the current year	59,943,006.45	56,446,864.92
Less: Appropriation of statutory surplus reserve	-	-
Appropriation of discretionary surplus reserve	-	-
Appropriation of general risk reserve	-	-
Appropriation for dividends to ordinary shares	32,451,133.71	24,618,134.90
Appropriation for dividends to other equity holders	-	-
Dividend to ordinary shares converted to share capital	-	-
Closing balance of undistributed profits	1,695,876,393.45	1,668,384,520.71

Note: According to the resolution of the 2023 Annual General Meeting of the Company on 28 June 2024, it was agreed that the year-end dividend distribution plan for 2023 would be: to distribute RMB0.20 per share (including tax) to all shareholders, totaling RMB32,451,100.

43. Operating income and operating cost

(1) Operating income and operating cost

Item	Current year		Prior year	
	Revenue	Cost	Revenue	Cost
Primary operations	8,939,763,695.95	8,556,962,914.80	7,944,011,762.38	7,593,254,891.58
Other operations	23,444,575.77	2,948,137.00	24,986,469.11	4,462,563.92
Total	8,963,208,271.72	8,559,911,051.80	7,968,998,231.49	7,597,717,455.50

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

Item	Current year			
	Transportation service		Others	
	Revenue	Cost	Revenue	Cost
Primary operations				
Including: Recognized at a point in time	8,939,763,695.95	8,556,962,914.80	-	-
Other operations				
Including: Recognized at a point in time	-	-	23,444,575.77	2,948,137.00
Total	8,939,763,695.95	8,556,962,914.80	23,444,575.77	2,948,137.00





(3) Description of Performance Obligations

Provision of services:

Revenue from the provision of services by the Group includes transportation services for finished vehicles, logistics services for automobile parts and components and raw materials, supply chain management services for parts and components, and transportation services for non-automobile commodities. After the completion of the Group's transportation services and warehousing and logistics services and the completion of the regular reconciliations with the customers, the services rendered are recognised and the Company recognises the related revenue. In these services, the Group assumes the main performance obligations for services such as transport from the customers and is the primary obligor. Payment for these services is generally due within 90 days after acceptance of the complete vehicle, auto parts or non-vehicle merchandise.

Sales of goods:

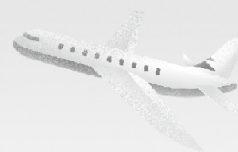
Performance obligations are fulfilled when the goods are delivered and the customer obtains control of the goods, and payment is generally required within 90 days after delivery of the goods.

44. Taxes and surcharges

Item	Current year	Prior year
Property tax	9,228,152.51	9,333,403.82
Stamp duty	7,897,056.52	7,998,412.85
Land use tax	6,568,482.08	5,975,434.17
Urban maintenance and construction tax	5,038,009.22	4,258,072.43
Education surcharge	2,181,155.44	2,607,651.83
Local education surcharge	1,454,103.63	512,915.75
Vehicle and vessel use tax	61,206.58	76,985.18
Others	150,797.91	302,904.84
Total	32,578,963.89	31,065,780.87

Note: For details of the rates of various taxes and surcharges, please refer to Note 4, Taxation.





45. Selling expenses

Item	Current year	Prior year
Employee's salary	40,011,842.89	42,209,498.94
Travel expenses	2,829,131.30	2,022,260.89
Depreciation and amortization	2,016,178.38	1,795,684.04
Business entertainment expenses	1,167,831.95	938,432.31
Utility bill	769,154.53	296,007.33
Advertising fee	664,746.08	623,814.29
Repair fee	547,300.29	58,056.27
Conference fees	261,930.09	132,749.45
Rental fees	259,991.50	526,289.12
Safety expenses	203,174.08	328,286.27
Low value consumables	145,280.34	148,418.84
Communication fees	96,684.86	81,366.20
Office expenses	68,060.39	247,295.91
Service charge	5,095.24	103,403.37
Others	1,514,636.78	1,435,088.50
Total	50,561,038.70	50,946,651.73





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46. Administrative expenses

Item	Current year	Prior year
Employee's salary	168,410,206.96	152,229,012.44
Depreciation and amortization	19,120,017.90	18,528,433.99
Depreciation of right-of -use assets	5,333,196.07	4,770,974.31
Travel expenses	3,923,767.39	3,986,399.50
Board of Directors fees	3,875,258.41	2,104,913.65
Low value consumables	3,778,749.34	1,203,991.13
Utility bill	3,457,034.09	2,346,147.73
Consulting service fees	2,847,371.23	4,521,729.22
Business entertainment expenses	2,429,712.37	2,816,562.84
Repair fee	2,228,355.40	3,080,823.84
Hiring intermediary agency fee	1,865,276.12	1,994,292.96
Communication fees	1,439,638.19	1,369,935.33
Office expenses	1,114,695.46	1,022,964.02
Short-term rental expenses	803,619.24	915,131.95
Conference fee	573,564.74	158,969.14
Property insurance premium	448,296.89	528,124.39
Disability employment security changes	347,629.22	149,223.69
Security fees	244,437.84	273,132.42
Vehicle expenses	188,272.55	319,195.63
Service charge	150,040.28	252,655.58
Others	9,364,175.51	12,145,051.75
Total	231,943,315.20	214,717,665.51





47. Research and development expenses

Item	Current year	Prior year
Employee's salary	20,111,593.09	22,628,307.49
Amortization of intangible assets	1,441,056.22	1,801,712.61
Depreciation	932,928.26	949,463.20
Material fee	300,793.47	517,648.36
Rental fees	32,561.60	340,945.04
Utility bill	21,216.78	12,194.16
Low value consumables	-	4,550.44
Test trial production fee	-	482,849.40
Travel expenses	-	4,361.18
Others	171,563.07	61,337.19
Total	23,011,712.49	26,803,369.07

48. Financial expenses

Item	Current year	Prior year
Interest expense	13,967,111.72	14,853,022.71
Less: Interest income	19,162,321.53	20,268,842.18
Exchange gain or loss	4,783,900.36	919,860.99
Bank charges and others	1,023,125.43	1,270,867.80
Total	611,815.98	-3,225,090.68

49. Other income

Item	Current year	Prior year
Government grants	15,757,943.96	15,670,945.31
Refund of individual income tax handling fee	41,191.39	197,437.94
Value added tax incentives	172,317.76	2,835,364.86
Total	15,971,453.11	18,703,748.11

Note: Detail information of government grants refers to Note VIII. Government grants.





50. Investment income

Item	Current year	Prior year
Income from long-term equity investment by equity method	159,411.85	-1,060,985.29
Investment income generated from the disposal of long-term equity investments	59,967,452.77	-
Dividends income from other equity instruments investment	-	2,435,623.28
Discount interest on derecognised notes	-1,103,078.96	-2,614,183.55
Total	59,023,785.66	-1,239,545.56

51. Credit impairment loss ("-" for loss)

Item	Current year	Prior year
Bad debts of notes receivable	36.57	-36.57
Bad debts of accounts receivable	-6,190,452.40	8,718,424.32
Bad debts of other receivables	-1,631,315.28	-1,112,389.34
Total	-7,821,731.11	7,605,998.41

52. Assets impairment loss ("-" for loss)

Item	Current year	Prior year
Impaired loss of contract assets	-370,060.22	392,181.61
Impairment loss of prepayments	582,160.95	-303,997.44
Impairment losses on long-term equity investments	-42,029,948.15	-
Impairment loss of investment properties	-867,887.32	-1,019,877.05
Impairment loss of fixed assets	-	-248,133.43
Total	-42,685,734.74	-1,179,826.31

53. Gains from disposal of assets ("-" for Loss)

Item	Current year	Prior year
Gain from disposal of fixed assets ("-" for Loss)	2,459,443.16	317,030.56
Others	1,958,748.34	-34,254.52
Total	4,418,191.50	282,776.04

Note: The others of RMB1,958,748.34 represents gains from the early termination of right of use assets or lease changes.





54. Non-operating income

Item	Current year	Prior year	Amount included in non-recurring gains and losses
Government subsidies unrelated to daily activities	30,531.00	-	30,531.00
Penalty revenue	165,703.01	173,834.61	165,703.01
Compensation income of breach of contract	132,360.98	73,750.00	132,360.98
Gain from retirement of non-current assets	545,995.94	689,881.74	545,995.94
Insurance claims income	116,205.48	1,380,338.61	116,205.48
Income from various incentives	-	7,557.17	-
Unpaid payables	6,299.69	-	6,299.69
Others	1,968,578.58	779,988.26	1,968,578.58
Total	2,965,674.68	3,105,350.39	2,965,674.68

Note: Detail information of government grants refers to Note VIII. Government grants.

55. Non-operating expenses

Item	Current year	Prior year	Amount included in non-recurring gains and losses
Donations	600,000.00	600,000.00	600,000.00
Loss of damage and scrapping of non-current assets	165,619.26	75,446.13	165,619.26
Deficits in physical count	828,176.46	274,198.33	828,176.46
Penalty expenses	127,521.55	305,484.08	127,521.55
Extraordinary loss	50.00	-	50.00
Compensation expenses	64,206.17	1,402,704.31	64,206.17
Decided litigation losses	2,349,538.09	-	2,349,538.09
Others	270,542.12	584,485.73	270,542.12
Total	4,405,653.65	3,242,318.58	4,405,653.65

56. Income tax expenses

(1) Details of income tax expenses

Item	Current year	Prior year
Current income tax	16,000,514.08	12,325,698.75
Deferred income tax	7,677,604.23	4,719,943.58
Total	23,678,118.31	17,045,642.33





CHANGAN MINSHENG APLL LOGISTICS CO., LTD.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024 (All amounts in RMB unless otherwise stated)

(2) Reconciliation between income tax expenses and accounting profits

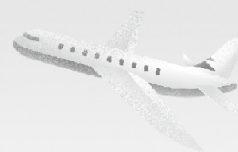
Item	Current year	Prior year
Profit before tax	92,056,359.11	75,008,581.99
Income tax expenses calculated at statutory (or applicable) tax rates (Profit before tax*15%)	13,808,453.87	11,251,287.30
Impact from tax preferential rates on certain subsidiaries	4,376,771.75	5,952,886.40
Adjustment to income tax in prior year	629,454.39	392,865.26
Gain or loss from investments in associates and joint ventures by equity method	-23,911.78	-206,195.70
Non-taxable income	-	-1,014,872.47
Non-deductible costs, expenses and losses	2,159,302.95	1,322,639.72
Utilization of tax losses in prior years that are not recognized as deferred tax assets	-1,537,676.75	-898,363.55
Unrecognized tax losses and deductible temporary differences	6,304,492.22	5,326,535.80
Impact of super-deduction of research and development expenses	-3,465,862.01	-4,941,706.42
Others	1,427,093.67	-139,434.00
Income tax expenses	23,678,118.31	17,045,642.33

57. Notes to cash flows statement

(1) Other cash received relating to operating activities

Item	Current year	Prior year
Deposits interest income	11,425,743.57	20,268,842.18
Operating Rental income	1,381,481.34	4,021,864.81
Government grants income	15,820,558.16	16,151,634.15
Penalty revenue	165,703.01	173,834.61
Income from liquidated damages	132,360.98	73,750.00
Non-operating income related to other business activities	178,499.00	2,857,765.78
Receipts of operational Current accounts	101,268,882.95	41,296,119.56
Income from waste purchase and other operating activities	718,282.32	1,022,695.23
Security deposits received	76,839,036.28	40,047,720.74
Security deposits collected and returned	7,053,508.04	37,992,535.63
Other income	20,584,892.22	25,074,078.28
Net income	1,421,481,467.19	-
Others	39,797,940.54	6,095,189.19
Total	1,696,848,355.60	195,076,030.16





(2) Other cash paid relating to operating activities

Item	Current year	Prior year
Handling fee expenses (in financial expenses)	1,023,125.43	1,270,447.80
Pay cash for Selling expenses	10,169,138.13	10,587,042.71
Pay cash for administrative expenses	42,707,306.53	42,823,424.40
Penalty expenses	127,521.55	305,484.08
Cash donation expenditure	600,000.00	600,000.00
Liquidated damages expenses	64,206.17	1,402,704.31
Non-operating expenses related to other business activities	870,542.12	1,534,130.19
Payment of operational Current accounts	216,063,049.84	115,362,944.84
Payment Deposits and security deposits	19,887,792.35	72,893,168.10
Security deposits refund	38,941,097.74	16,101,825.21
Expenditures accounted for by the net method	1,421,481,467.19	-
Others	9,123,823.22	26,443,862.32
Total	1,761,059,070.27	289,325,033.96

(3) Other cash paid relating to investing activities

Item	Current year	Prior year
Reclassify negative net cash received from disposal of subsidiaries	21,930,498.54	-

(4) Other cash received relating to financing activities

Item	Current year	Prior year
Receive restricted Cash and bank balances	-	185,000,000.00

(5) Other cash paid relating to financing activities

Item	Current year	Prior year
Repayment of lease liabilities	94,566,066.18	46,590,555.93
Time deposit certificates for pledge, etc.	-	11,904,386.36
Total	94,566,066.18	58,494,942.29





58. Supplement to cash flow statement

(1) Supplement to cash flow statement

Supplement information	Current year	Prior year
1. Reconciliation of net profit to cash flow from operating activities:		
Net profit	68,378,240.80	57,962,939.66
Add: Assets impairment loss	42,685,734.74	1,179,826.31
Credit impairment loss	7,821,731.11	-7,605,998.41
Depreciation of Depreciation of fixed assets and investment properties	106,887,150.77	103,593,895.02
Depreciation of right-of-use assets	81,568,649.12	71,461,631.50
Amortization of intangible assets	24,305,240.48	29,780,141.30
Long-term prepaid expenses amortization	6,147,863.09	1,530,169.71
Losses on disposal of fixed assets, intangible assets and other long-term assets (Gain as in "-")	-4,418,191.50	-282,776.04
Loss on retirement of fixed assets (Gain as in "-")	-380,376.68	-614,435.61
Losses on changes in fair value (Gain as in "-")	-	-
Financial expenses (Gain as in "-")	17,351,353.61	9,547,474.79
Investment losses (Gain as in "-")	-59,023,785.66	1,239,545.56
Decrease in deferred tax assets (Increase as in "-")	14,651,131.83	1,217,978.98
Increase in deferred tax liabilities (Decrease as in "-")	-12,321,743.41	311,905.82
Decrease in inventories (Increase as in "-")	14,786,039.09	-10,353,935.05
Decrease in operating receivables (Increase as in "-")	-215,269,362.01	-631,865,218.57
Increase in operating payables (Decrease as in "-")	267,401,602.31	570,715,815.96
Others	-	-
Net cash flows from operating activities	360,571,277.69	197,818,960.93
2. Significant investment or finance activities not involving cash:		
Conversion of debt into capital	-	-
Convertible bonds mature within one year	-	-
Additions to right-of-use assets	32,873,820.74	211,846,592.11
3. Net increase / (decrease) in cash and cash equivalents:		
Cash and bank balance at end of year	982,221,928.70	849,334,512.98
Less: cash and bank balance at beginning of year	849,334,512.98	755,716,815.09
Add: cash equivalents at end of year	-	-
Less: cash equivalents at beginning of year	-	-
Net increase in cash and cash equivalents	132,887,415.72	93,617,697.89





(2) Net cash received from disposal of subsidiaries in this period

Item	Current amount incurred
Cash or cash equivalents received from disposal of subsidiaries in the current period	47,900,000.00
Among them: Shenyang Changyou	47,900,000.00
Less: Cash and cash equivalents held by the subsidiary on the day of loss of control	69,830,498.54
Among them: Shenyang Changyou	69,830,498.54
Add: Cash or cash equivalents received from disposal of subsidiaries in previous periods	-
Net cash received from disposal of subsidiaries	-21,930,498.54

(3) Details of cash and cash equivalents

Item	Closing balance	Beginning balance
I. Cash	982,221,928.70	849,334,512.98
Including: Cash on hand	20,126.17	138,637.03
Cash at bank readily available for payment	982,201,802.53	849,195,875.95
Other monetary fund readily available for payment	-	-
II. Cash equivalents	-	-
Including: bonds investment mature within 3 months	-	-
III. Cash and cash equivalents as at closing balance	982,221,928.70	849,334,512.98
Including: Restricted cash and cash equivalents held by the Company or subsidiaries of the Group	-	-

(4) Cash and bank balances not classified as cash equivalents

Item	Closing balance	Beginning balance	Reason that does not belong to cash and cash equivalents
Bills deposit	5,448,998.06	3,305,000.00	Deposits for bank acceptance bills
Frozen in litigation	7,420,000.00	30,300,000.00	Frozen by court
Others	1,000.00	-	ETC deposit for official vehicles
Total	12,869,998.06	33,605,000.00	



**59. Items in foreign currencies**

Item	Closing balance in foreign currency	Conversion rate	Closing balance translated into RMB
Cash and bank balances			70,289,169.43
Including: US Dollar	9,778,138.31	7.1884	70,289,169.43
Accounts receivable			3,427,607.32
Including: US Dollar	476,824.79	7.1884	3,427,607.32
Other receivable			1,744,876.27
Including: US Dollar	242,735.00	7.1884	1,744,876.27
Accounts payable			21,416,247.08
Including: US Dollar	2,979,278.71	7.1884	21,416,247.08
Other payables			849,307.81
Including: US Dollar	118,149.77	7.1884	849,307.81

60. Leases**(1) As lessee**

Item	Current year
Short-term rental expenses	44,652,869.76
Low-value rental expenses	2,147,149.98
Variable lease payments not included in the measurement of lease liabilities	-
Total cash outflows related to leases	94,566,066.18
Total	141,366,085.92

(2) As lessor**Operating leases****(i) Rental income**

Item	Current year
Rental income	3,566,193.29
Including: Income related to variable lease payments not included in lease receipts	-





- (ii) Total undiscounted lease payments to be received annually for each of the five accounting years following the balance sheet date, as well as the total undiscounted lease payments to be received for the remaining years

Period after balance sheet date	Closing balance	Beginning balance
In first year	430,000.00	876,000.00
In second year	320,000.00	430,000.00
In third year	325,000.00	320,000.00
In fourth year	-	325,000.00
Total	1,075,000.00	1,951,000.00

VI. Research and development expenses

Item	Current year		Prior year	
	Expensed amount	Capitalised amount	Expensed amount	Capitalised amount
Employee's salary	20,111,593.09		22,628,307.49	
Depreciation and amortization	2,373,984.48		2,751,175.81	
Material fee	300,793.47		517,648.36	
Rental fees	32,561.60		340,945.04	
Utility bill	21,216.78		12,194.16	
Test trial production fee	-		482,849.40	
Low value consumables	-		4,550.44	
Travel expenses	-		4,361.18	
Others	171,563.07		61,337.19	
Total	23,011,712.49		26,803,369.07	





CHANGAN MINSHENG APLL LOGISTICS CO., LTD.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024 (All amounts in RMB unless otherwise stated)

VII. Interests in other entities

1. Interests in subsidiaries

(1) Group structure

Name of subsidiary	Registered capital	Paid-in capital	Business Type	Operating location	Place of registration	Business nature	Shareholding (%)		Acquisition method
							Direct	Indirect	
CMAL BO Yu Transportation Co., Ltd. (重慶長安民生博宇運輸有限公司)	60,000,000.00	60,000,000.00	Limited liability company (sole proprietorship) (foreign investment enterprises)	Chongqing	Chongqing	Logistics	100.00		1
Fulu International Logistics Co., Ltd. (福路國際物流有限公司)	60,000,000.00	11,500,000.00	Limited liability company (sole proprietorship) (foreign investment enterprise)	Chongqing	Chongqing	Logistics	100.00		1
Chongqing Saimai Shuzhi Technology Co., Ltd. (重慶賽美數智科技有限公司)	50,000,000.00	50,000,000.00	Limited liability company (sole proprietorship of foreign investment enterprise)	Chongqing	Chongqing	Logistics	100.00		1
Chongqing Changzu Feiyue Technology Co., Ltd. (重慶長足飛越科技有限公司)	50,000,000.00	50,000,000.00	Limited liability company (invested or controlled by natural persons)	Chongqing	Chongqing	Sale of packaging materials	55.00		1
Chongqing Future Supply Chain Management Logistics Co, Ltd. (重慶福集供應鏈管理有限公司)	30,000,000.00	30,000,000.00	Limited liability company (sole proprietorship of foreign invested enterprise)	Chongqing	Chongqing	Logistics	100.00		1
Chongqing Changxiang Supply chain Technology Co., Ltd. (重慶長享供應鏈科技有限公司)	20,000,000.00	20,000,000.00	Limited liability company (invested or controlled by natural persons)	Chongqing	Chongqing	Logistics	70.00		1
Nanjing CMSC Logistics Co., Ltd. (南京長安民生住久物流有限公司)	100,000,000.00	100,000,000.00	Limited liability company (chinese-foreign equity joint venture)	Nanjing	Nanjing	Logistics	67.00		1
Changan Minsheng (Shanghai) Supply Chain Co., Ltd. (長安民生(上海)供應鏈有限公司)	30,000,000.00	30,000,000.00	Limited liability company (sole proprietorship by a legal person not invested or controlled by a natural person)	Shanghai	Shanghai	Logistics	100.00		1
Hangzhou Changan Minsheng Logistics Co., Ltd. (杭州長安民生物流有限公司)	610,000,000.00	610,000,000.00	Limited liability company (wholly owned by foreign invested enterprises)	Hangzhou	Hangzhou	Logistics and tire assembly	100.00		1
Wuhan Changjiang Zhilian Port Development Co., Ltd (武漢長江智聯港口發展有限公司)	30,000,000.00	30,000,000.00	Other limited liability company	Wuhan	Wuhan	Logistics	55.12		2

Note: Acquisition method: 1. Set up by investment, 2. Business combination not under common control.





(2) Significant non-wholly owned subsidiaries

Name of subsidiary	Minority shareholders shareholding (%)	Profit and loss attributable to minority shareholders in the current period	Dividends declared to minority shareholders in this period	Balance of Minority interests at the end of the period
Nanjing CMSC Logistics Co., Ltd. (南京長安民生住久物流有限公司)	33.00	5,335,148.19	8,250,000.00	96,511,611.94

(3) Principal financial information of significant non-wholly owned subsidiaries

Name of subsidiary	Current assets	Non-current assets	Closing balance		Non-current liabilities	Total liabilities
			Total assets	Current liabilities		
Nanjing CMSC Logistics Co., Ltd. (南京長安民生住久物流有限公司)	387,184,767.06	131,684,056.50	518,868,823.56	183,638,959.57	42,770,433.86	226,409,393.43

Continued (1) :

Name of subsidiary	Current assets	Non-current assets	Beginning balance		Non-current liabilities	Total liabilities
			Total assets	Current liabilities		
Nanjing CMSC Logistics Co., Ltd. (南京長安民生住久物流有限公司)	365,825,288.98	150,135,002.74	515,960,291.72	158,013,282.06	58,376,362.39	216,389,644.45

Continued (2) :

Name of subsidiary	Operating income	Current year		Cash flows from operating activities
		Net profit	Total comprehensive income	
Nanjing CMSC Logistics Co., Ltd. (南京長安民生住久物流有限公司)	579,910,770.15	16,167,115.72	16,167,115.72	35,489,857.78

Continued (3) :

Name of subsidiary	Opening income	Prior year		Cash flows from operating activities
		Net profit	Total comprehensive income	
Nanjing CMSC Logistics Co., Ltd. (南京長安民生住久物流有限公司)	404,921,009.53	12,182,316.33	12,182,316.33	-62,206,216.72





2. Disposal of subsidiaries

(1) Subsidiaries reduced from single disposal to loss of control

Subsidiary name	Equity disposal price	Equity disposal ratio (%)	Equity disposal method	The point of losing control	Basis for determining the point of losing control	The difference between the disposal price and the share of the subsidiary's net assets in the consolidated financial statements corresponding to the disposal investment	Goodwill related to the subsidiary in the consolidated financial statements
Shenyang Changyou	RMB47.9 million	51.00	transfer	2024.9.27	Complete asset delivery and payment of consideration	RMB59.9675 million	-

After disposal, the Company no longer holds equity interest in Shenyang Changyou.

3. Interests in joint arrangement or associates

(1) Significant joint ventures or associates

Joint ventures or associates Name of entity	Place of business	Place of registration	Business nature	Shareholding (%)		Accounting treatment of investment
				Direct	Indirect	
I. Associates						
Guoyuan Ro-Ro (果園滾裝)	Chongqing	Chongqing	Logistics	31.00		Equity method





(2) Main financial information of significant associates

Item	Guoyuan Ro-Ro (果園滾裝)	
	Closing balance	Beginning balance
Current assets	19,577,374.48	15,341,672.53
Including: Cash and cash equivalents	5,890,932.92	7,368,276.31
Non-current assets	372,979,700.94	391,046,964.24
Total Assets	392,557,075.42	406,388,636.77
Current liabilities	5,250,547.88	4,446,704.45
Non-current liabilities	176,055,159.00	176,575,335.32
Total liabilities	181,305,706.88	181,022,039.77
Net assets	211,251,368.54	225,366,597.00
Including: Minority interests	-	-
Owners' equity attributable to parent company	211,251,368.54	225,366,597.00
Share of net assets calculated based on shareholding ratio	65,487,924.25	69,863,645.07
Adjustments	4,742,023.91	4,742,023.91
Including: Goodwill	4,742,023.91	4,742,023.91
Provision for impairment of long-term equity investments	-42,029,948.15	-
Carrying value of equity investment in associates	28,200,000.00	74,605,668.98
Fair value of publicly quoted equity investments	-	-

Continued:

Item	Guoyuan Ro-Ro (果園滾裝)	
	Current year	Prior year
Operating income	29,953,010.00	28,012,520.37
Net profit	-6,341,990.83	-7,780,169.52
Total comprehensive income	-6,341,990.83	-7,780,169.52
Dividends received by the company from associates in the current period	-	-





VIII. Government grants

1. Government grants recorded in deferred income

Item	Beginning balance	Increase	Decrease	Closing balance
Government subsidies related to assets	7,615,953.79	2,000,000.00	2,070,447.91	7,545,505.88
Government subsidies related to income	5,525,131.06	-	637,596.78	4,887,534.28
Total	13,141,084.85	2,000,000.00	2,708,044.69	12,433,040.16

Government grants recorded as deferred income and measured at gross amount method subsequently

Subsidy item	Beginning balance	Additions during the year	Amount recognized in profit or loss in the year	Other changes	Closing balance	Item presented in profit or loss in the year
Government subsidies related to assets:						
5G+ collaborative manufacturing project	2,250,000.00	-	-	-	2,250,000.00	-
Logistics market entity cultivation policy incentive funds	2,000,000.00	2,000,000.00	1,212,241.02	-	2,787,758.98	Other income
Supply chain system construction subsidy funds	1,701,116.01	-	348,184.95	-	1,352,931.06	Other income
Hangzhou Qiantang New District Fixed assets investment subsidy	897,083.50	-	361,882.71	-	535,200.79	Other income
Supply Chain Intelligent Logistics Consolidation Centre Stereoscopic Warehouse Construction	724,945.05	-	105,330.00	-	619,615.05	Other income
Subsidy for BMW Brilliance Automotive Wheel Assembly Phase I Project Fixed assets	42,809.23	-	40,232.38	2,576.85	-	Other income
Sub-total	7,615,953.79	2,000,000.00	2,067,871.06	2,576.85	7,545,505.88	-
Government subsidies related to income:						
Application Demonstration Project of Regional Automotive Industry Ecological Circle Network Collaborative Manufacturing Shared Cloud Service Platform	350,000.00	-	344,509.51	-	5,490.49	Other income
Liangjiang New Area Financial Subsidy	3,066,666.68	-	133,333.33	-	2,933,333.35	Other income
Ford after-sales parts D1, D2 site improvement project compensation	1,013,798.28	-	92,163.48	-	921,634.80	Other income
Government subsidies for land purchase	930,666.10	-	26,590.46	-	904,075.64	Other income
CMAL Hangzhou Auto Parts Manufacturing and Distribution Project	164,000.00	-	41,000.00	-	123,000.00	Other income
Sub-total	5,525,131.06	-	637,596.78	-	4,887,534.28	-
Total	13,141,084.85	2,000,000.00	2,705,467.84	2,576.85	12,433,040.16	





2. Government grants recognized in income for the year by gross method

Types	Amount recognized in profit or loss for the current period	Amount recognized in profit or loss in the previous period	Reported items included in profit or loss
Government subsidies related to assets:			
Jiangjin District Comprehensive Bonded Zone Management Committee Industrial Development Fund	-	1,168,400.00	Other income
Subtotals	-	1,168,400.00	-
Government subsidies related to income:			
Tianjin Online Freight Platform Business Policy Return	2,390,000.00	1,480,000.00	Other income
Chongqing Liangjiang New Area Social Insurance Management Center's third batch of social insurance subsidies in 2023	2,388,576.13	-	Other income
Chongqing Shuangqiao Economic and Technological Development Zone Finance Bureau Factory Rent Subsidy	2,150,969.60	2,670,969.60	Other income
Customs operation subsidy for Chongqing Shuangqiao Economic and Technological Development Zone Development Investment Group Co., Ltd	1,200,000.00	1,200,000.00	Other income
Anshang Education Financial Support Funds	957,000.00	629,300.00	Other income
Received performance evaluation for the supervision of workplaces by Chongqing Shuangqiao Economic and Technological Investment Group	800,000.00	-	Other income
Employment subsidies	761,987.81	-	Other income
Chongqing Science and Technology Subsidy	430,000.00	10,000.00	Other income
Lingang Management Committee Enterprise Development Funds	415,000.00	-	Other income
Stable employment subsidy	353,626.56	595,182.21	Other income
National IV diesel vehicle elimination subsidy	337,650.00	-	Other income
Received the National High tech Policy Award from the Finance Bureau of Liangjiang New Area, Chongqing	300,000.00	-	Other income
Received rewards from Chongqing Liangjiang New Area Finance Bureau for high-tech enterprises in Liangjiang New Area	150,000.00	-	Other income
Received daily funding for postdoctoral fellows from the Chongqing Municipal Human Resources and Social Security Bureau and full-time funding for the recruitment of workstations	130,000.00	-	Other income
Supporting industrial enterprises to accelerate the release of production capacity rewards in the first quarter of 2024	100,000.00	-	Other income
Nanchang Xiaolan Economic and Technological Development Zone Management Committee Party Fees Fund Committee Party Fees Return	30,531.00	-	Non-operating income
Social security subsidies for college graduates	91,392.86	112,938.76	Other income
Received DSF internship subsidy from the Social Security Bureau	51,849.16	-	Other income
Government subsidies	15,427.00	13,762.00	Other income
Received intellectual property patent funding from the Dazu District Market Supervision Administration of Chongqing in 2022	10,000.00	-	Other income
Received subsidies from the Municipal Unemployment Insurance Office for the Unemployment Insurance Fund	9,003.00	-	Other income

Continued...





2. Government grants recognized in income for the year by gross method (Continued)

Types	Amount recognized in profit or loss for the current period	Amount recognized in profit or loss in the previous period	Reported items included in profit or loss
Enterprise development funds paid by the Finance Bureau of Tongnan District, Chongqing	6,994.00	315,459.00	Other income
Subsidies from the Human Resources and Social Security Bureau	3,000.00	-	Other income
Second Prize for Outstanding Collective Statistics in Liangjiang New Area in 2022	-	800.00	Other income
According to Chongqing Liangjiang Caiye (2023) No. 61, allocate industry support funds	-	170,000.00	Other income
Encourage small and medium-sized enterprises to grow rapidly with incentive funds	-	200,000.00	Other income
National high-tech enterprise subsidy	-	100,000.00	Other income
One time reward for enterprises with harmonious labor relations (Labor Security Supervision Brigade of Liangjiang New Area)	-	10,000.00	Other income
Training subsidy from the Labor Bureau	-	21,000.00	Other income
Social Insurance Subsidies from Liangjiang New Area Social Insurance Management Center	-	2,280,794.64	Other income
Revenue from stamp duty with six taxes and two fees	-	127,137.16	Other income
Reward for large taxpayers	-	60,000.40	Other income
Social insurance subsidy for hiring college graduates by enterprises	-	17,461.00	Other income
Stable Growth Reward	-	200,000.00	Other income
One time expansion subsidy	-	53,500.00	Other income
Chongqing Jiangbei District Employment and Talent Center Employment Subsidy	-	2,353.00	Other income
Chongqing Liangjiang New Area Finance Bureau Science and Technology Enterprise Storage Award	-	10,000.00	Other income
The Chongqing Liangjiang New Area Management Committee has received the first prize for the 2022 Liangjiang New Area Statistical Excellent Collective Award	-	1,000.00	Other income
Chongqing Liangjiang New Area Social Insurance Management Center 2023 Youth Employment Internship Subsidy	-	1,148,800.00	Other income
Chongqing Dazu District Science and Technology Association Dazu District Science and Technology Association Transfer Science Popularization Project Subsidy Funds	-	5,000.00	Other income
Subsidy funds for 69 projects accepted by Chongqing Science and Technology Bureau	-	1,950,980.00	Other income
Funding Award for Postdoctoral Workstation of Finance Bureau of Shuangqiao Economic and Technological Development Zone, Chongqing	-	280,000.00	Other income
Subtotals	13,083,007.12	13,666,437.77	-
Total	13,083,007.12	14,834,837.77	





IX. Financial instrument and risk management

The Company's main financial instruments include cash and bank balances, notes receivable, accounts receivable, receivables financing, other receivables, non-current assets due within one year, other current assets, other equity instruments investment, notes payable, accounts payable, other payables, short-term loans, non-current liabilities due within one year, long term loans and lease liabilities. Details of each financial instrument have been disclosed in the relevant notes. The risks associated with these financial instruments and the Company's risk management policies to mitigate these risks are described below. The Company's management manages and monitors these risk exposures to ensure that the above risks are controlled within the defined scope.

1. Risk management objectives and policies

The main risks arising from the Company's financial instruments are credit risk, liquidity risk, and market risk (including interest rate risk and commodity price risk).

(1) Credit risk

Credit risk is the risk that a counterparty of financial assets will cause a financial loss for the Company by failing to discharge an obligation.

The Company managed the credit risk by groups. Credit risk mainly came from bank balances, notes receivable, accounts receivable and other receivables.

The bank deposits of our company are mainly held in state-owned banks and in financial institutions with a good reputation and high credit ratings. The Company expects that there is no significant credit risks exist on the bank deposit.

For notes receivable, accounts receivable and other receivables, the Company makes relevant policies to control credit risk exposures. The Company assesses the quality of customers' credit rating and set their credit limits and credit period based on the customers' financial position, credit history and other factors such as current market condition. The Company monitors the debtors' credit records regularly and ensures its overall credit risk within controllable range by written reminders, shorten or cancel credit periods to the debtors with bad credit history.

The Company's debtors of account receivables are customers distributed in different industries and geographical areas. The Company continuously performs credit assessments on the debtors and purchases credit guarantee insurance when necessary.

The maximum exposure to credit risk borne by the Company is the carrying amount of each financial asset in the balance sheet. The Company does not provide any other guarantee that may expose the Company to credit risk.

Accounts receivable due from the top five customers of the Company accounted for 53.79% of total accounts receivable (2023: 54.24%); other receivables due from the top five customers of the Company amounted to RMB36,767,371.95, which accounted for 23.99% of total other receivables (2023: 39.66%).

(2) Liquidity risk

Liquidity risk is the risk that the Company is short of funds to deliver cash or other financial assets or meet settlement obligations.

To manage liquidity risk, the Company maintains cash and cash equivalents at a level that the management considers adequate and monitors them so as to meet its operation demand as well as to reduce the effect of cash flow fluctuations. The management is responsible for monitoring the usefulness of bank loans to ensure they comply with the covenants in loan agreements. Meanwhile, the management obtains the commitment from the principal financial institutions to provide enough surplus in reserve to satisfy the Company's short and long-term fund demands.

The Company finances working capital with funds arising from operations and bank and other borrowings. As at 31 December 2024, the available loan facilities for withdrawal by the Company are RMB1,630.00 million (At 31 December 2023: RMB2,460.65 million).





CHANGAN MINSHENG APLL LOGISTICS CO., LTD.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024 (All amounts in RMB unless otherwise stated)

As at 31 December 2024, the analysis of the due date of the Company's financial liabilities and off-balance sheet guarantees by remaining undiscounted contractual cash flows are as follows (unit: RMB):

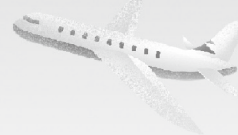
Item	Closing balance			Total
	Within a year	1-3 years	Over 3 years	
Financial liabilities:				
Short-term loans	12,062,465.76	-	-	12,062,465.76
Notes payable	496,060,939.76	-	-	496,060,939.76
Accounts payable	-1,732,595,773.59	-	-	-1,732,595,773.59
Other payables	352,309,223.32	-	-	352,309,223.32
Non-current liabilities due within one year	76,097,623.88	-	-	76,097,623.88
Other current liabilities (excluding deferred income)	13,585,957.96	-	-	13,585,957.96
Lease liabilities	-	96,167,344.32	7,243,725.15	103,411,069.47
Total	2,682,711,984.27	96,167,344.32	7,243,725.15	2,786,123,053.74

As at 31 December 2023, the analysis of due date of the Company's financial liabilities and off-balance sheet guarantees by remaining undiscounted contractual cash flows of are as follow (unit: RMB):

Item	Closing balance			Total
	Within a year	1-3 years	Over 3 years	
Financial liabilities:				
Short-term loans	26,526,864.44	-	-	26,526,864.44
Notes payable	532,579,693.95	-	-	532,579,693.95
Accounts payable	1,518,537,172.85	-	-	1,518,537,172.85
Other payables	313,506,475.20	-	-	313,506,475.20
Non-current liabilities due within one year	117,995,287.03	-	-	117,995,287.03
Other current liabilities (not including deferred income)	14,313,616.86	-	-	14,313,616.86
Long term loans	-	72,515,898.76	25,000,000.00	97,515,898.76
Lease liabilities	-	18,140,010.20	35,672,853.75	53,812,863.95
Total	2,523,459,110.33	90,655,908.96	60,672,853.75	2,674,787,873.05

The amount of financial liabilities disclosed above are undiscounted cash flow of contracts, so they may be different with those presented in the balance sheet.





(3) Market risk

The market risk of a financial instrument is the risk of fluctuation in the fair value or future cash flow due to changes in market price, including interest rate risk, foreign exchange rate risk and other pricing risks.

Interest rate risk

The interest rate risk is the risk of fluctuation in the fair value or future cash flow of financial instrument due to the changes of market interest rate. Interest rate risk can come from the recognized interest-bearing financial instruments and unrecognized financial instruments (such as loan commitments).

The interest rate risk of the Company mainly arises from interest bearing borrowings, such as long-term bank loans and bonds payable. A financial liability with floating interest rates causes interest rate risks in cash flow to the Company; and a financial liability with fixed interest rates causes interest rate risks in fair value to the Company. The Company determines the proportion of bank loans with fixed and floating interest rate according to current market situation and maintains the appropriate combination of the instruments with fixed and floating interest rate by regular review and monitoring.

The Company pays close attention to the effect of interest rate changes on the Company's interest rate risk. The Company does not adopt any interest rate hedge, but the management is responsible for monitoring interest rate risk and will consider hedging on significant interest rate risk. Rising interest rates will increase the cost of new interest-bearing debts and the interest expenses of interest-bearing debts with floating interest rates that the Company has not paid in full and will have a significant adverse impact on the Company's financial performance. The management will make timely adjustments based on the latest market conditions. These adjustments may be arrangements for interest rate swaps to reduce interest rate risk.

The interest-bearing financial instruments held by the Company are as follows (unit: RMB):

Item	Closing balance	Beginning balance
Fixed interest rate financial instruments		
Financial liabilities	122,873,563.52	295,850,914.18
Including: Short-term loans	12,062,465.76	26,526,864.44
Long-term loans due within one year	13,416,740.82	34,255,565.08
Long-term loans	-	97,515,898.76
Lease liabilities	97,394,356.94	137,552,585.90
Financial assets	1,146,471,459.06	1,032,966,641.30
Including: Cash and bank balances	995,071,800.59	882,939,512.98
Other current assets	-	150,027,128.32
Other non-current assets	151,399,658.47	-

For financial instruments held on the balance sheet date that expose the Company to fair value interest rate risk, the impact of net profit and shareholder's equity in the above sensitivity analysis assumes that the effect of remeasurement of financial instruments by the interest rate changes on the balance sheet date.

Foreign exchange rate risk

Foreign exchange rate risk is the risk of fluctuation of financial instrument fair value or future cash flow fluctuation due to the changes of foreign exchange rate. Foreign exchange rate risk can arise from financial instruments measured at foreign currencies other than the functional currency.

The main operations of the Company are within China and mainly settled in RMB. At as 31 December 2024, the RMB equivalent of the cash denominated in foreign currencies held by the Company was USD 9,778,138.31, as detailed in Note V.59. Exchange rate changes had no material impact on the Company.





2. Capital management

The purpose of the Company's capital management policy is to ensure the Company is going concern so as to provide returns to the shareholders and benefit other stakeholders and maintain the optimal capital structure to reduce capital cost.

To maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to the shareholders, return capital to the shareholders, issue new shares or sell assets to reduce debts.

The Company monitors capital structure on the basis of asset-liability ratio (total liabilities divided by total assets). As at 31 December 2024, the Company's asset-liability ratio is 57.54% (As at 31 December 2023: 57.68%).

X. 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

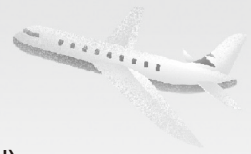
As at 31 December 2024, assets and liabilities measured at fair value are as follows:

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			601,021,043.25	601,021,043.25
2. Other equity instruments investment			74,000,000.00	74,000,000.00

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

Content	Fair value at year end	Valuation techniques	Unobservable inputs	Range (weighted average)
Other equity instruments investment	74,000,000.00	Net assets value	Net asset multiplier (revised price-book ratio)	N/A
Receivables financing	601,021,043.25	Book value	Cash flow, discount rate	0.00 (discount rate)





(3) Reconciliation of fair value measurements categorized in Level 3 of the fair value hierarchy

Project (current amount)	Opening balance	Transfer to the third level	Transfer out of the third level	Total profit or loss for the current period			Purchase, issuance, sale, and settlement			Changes in unrealized gains or losses recognized in profit or loss for assets held at the end of the reporting period
				Included in profit or loss	Include in other comprehensive income		Purchase	Issue	Sell	
Other equity instrument investments	26,555,900.00				2,420,000.00					28,975,900.00
Accounts receivable financing	-				-					-
Total	26,555,900.00			2,420,000.00						28,975,900.00





CHANGAN MINSHENG APLL LOGISTICS CO., LTD.
NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024 (All amounts in RMB unless otherwise stated)

XI. Related party and related party transactions

1. Information on shareholders

As of 31 December 2024, the shareholding of the Company is as follows: China Changan holds 25.44%, APL Logistics holds 19.99%, Minsheng Industrial holds 15.90%, Ming Sung (HK) holds 3.98%, and other shareholders hold 34.69%. The actual controlling party of the Company is CSGC.

On 22 August 2024, the Company entered into a share subscription agreement with SIAMC. The Company has conditionally agreed to issue and distribute, and Southern Asset has conditionally agreed to subscribe for 40,000,000 new domestic shares at a subscription price of RMB2.54648 per share (equivalent to HKD 2.78), with a total cash consideration of RMB101,859,200 (equivalent to approximately HKD 111,200,000). The proposal was officially passed by vote at the shareholders' meeting on 22 November 2024. On 6 March 2025, the Company received the "Approval on the Registration of the Issuance of Shares to Specific Investors by Changan Minsheng APLL Logistics Co., Ltd.*" (Zheng Jian Xu Ke [2025] No. 373) (《關於同意重慶長安民生物流股份有限公司向特定對象發行股票註冊的批復》(證監許可[2025]373號)) issued by the China Securities Regulatory Commission (the "CSRC") on 27 February 2025 (being the registration approval date). The CSRC has approved the registration application for the issuance of 40,000,000 (inclusive) domestic shares of the Company.

2. Subsidiaries of the Company

Details of subsidiaries refer to Note VII.1.

3. Joint ventures or associates of the Company

Details of joint ventures or associates refer to Note VII.3.

4. Other related parties of the Company

Related party name	Relationship with our group
Chongqing Huxi Motor Industry Co., Ltd. (重慶虎溪電機工業有限責任公司)	Ultimately controlled by CSGC
Chongqing Dajiang Jiexin Forging Co., Ltd. (重慶大江傑信鍛造有限公司)	Ultimately controlled by CSGC
Chengdu Lingchuan Automotive Fuel Tank Co., Ltd. (成都陵川車用油箱有限公司)	Ultimately controlled by CSGC
Hubei Huazhong Marelli Automotive Lighting Co., Ltd. (湖北華中馬瑞利汽車照明有限公司)	Ultimately controlled by CSGC
Hubei Xiaogan Huazhong Automotive Lamp Co., Ltd. (湖北孝感華中車燈有限公司)	Ultimately controlled by CSGC
Hubei 295 Technology Co., Ltd. (湖北二九五科技有限公司)	Ultimately controlled by CSGC
Chongqing Construction Industry (Group) Co., Ltd. (重慶建設工業(集團)有限責任公司)	Ultimately controlled by CSGC
Chongqing Construction Tongda Industrial Co., Ltd. (重慶建設全達實業有限公司)	Ultimately controlled by CSGC
Chongqing Construction Transmission Technology Co., Ltd. (重慶建設傳動科技有限公司)	Ultimately controlled by CSGC
Chengdu Jialing Huaxi Optics Precision Machinery Co., Ltd. (成都嘉陵華西光學精密機械有限公司)	Ultimately controlled by CSGC
Nanyang Lida Optoelectronics Co., Ltd. (南陽利達光電有限公司)	Ultimately controlled by CSGC
Chongqing Shangfang Automotive Parts Co., Ltd. (重慶上方汽車配件有限責任公司)	Ultimately controlled by CSGC
Chengdu Wanyou Filter Co., Ltd. (成都萬友濾機有限公司)	Ultimately controlled by CSGC

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4. Other related parties of the Company (Continued)

Related party name	Relationship with our group
Chongqing Yihong Defense Technology Co., Ltd. (重慶益弘防務科技有限公司)	Ultimately controlled by CSGC
Southern Industrial Technology Trading Co., Ltd. (南方工業科技貿易有限公司)	Ultimately controlled by CSGC
China South Industries Group Human Resources Development Center (中國兵器裝備集團人力資源開發中心)	Ultimately controlled by CSGC
China South Industries Group Financial Leasing Co., Ltd. (中國兵器裝備集團融資租賃有限責任公司)	Ultimately controlled by CSGC
China South Industries Group Commercial Factoring Co., Ltd. (中國兵器裝備集團商業保理有限公司)	Ultimately controlled by CSGC
Changan Automobile Finance Co., Ltd. (長安汽車金融有限公司)	Ultimately controlled by CSGC
China South Industries Group Automation Research Institute Co., Ltd. (中國兵器裝備集團自動化研究所有限公司)	Ultimately controlled by CSGC
Chongqing Hongyu Friction Products Co., Ltd. (重慶紅宇摩擦製品有限公司)	Ultimately controlled by CSGC
Chongqing Construction Automotive Air Conditioner Co., Ltd. (重慶建設車用空調器有限責任公司)	Ultimately controlled by CSGC
Chongqing Anbo Automobile Sales Co., Ltd. (重慶安博汽車銷售有限公司)	Ultimately controlled by CSGC
Chongqing Changan Property Management Co., Ltd. (重慶市長安物業管理有限公司)	Ultimately controlled by CSGC
Chongqing Changan Property Management Co., Ltd. Ya'an Branch (重慶市長安物業管理有限公司雅安分公司)	Ultimately controlled by CSGC
China Weapon News Agency (中國兵器報社)	Ultimately controlled by CSGC
Chongqing Changan Smart City Operation and Management Co., Ltd. (重慶長安智慧城市運營管理有限公司)	Ultimately controlled by CSGC
Construction Industry Group (Yunnan) Co., Ltd. (建設工業集團(雲南)股份有限公司)	Ultimately controlled by CSGC
Chongqing Construction Electromechanical Co., Ltd. (重慶建設機電有限責任公司)	Ultimately controlled by CSGC
Yangzhou Suken Galaxy Connecting Rod Co., Ltd. (揚州蘇墾銀河連杆有限公司)	Ultimately controlled by CSGC
Chongqing Changfeng Jiquan Machinery Co., Ltd. (重慶長風基鉗機械有限公司)	Ultimately controlled by CSGC
Chongqing Changjiang Electric Industry Group Co., Ltd. (重慶長江電工工業集團有限公司)	Ultimately controlled by CSGC
Chongqing Changan Industry (Group) Co., Ltd. (重慶長安工業(集團)有限責任公司)	Ultimately controlled by CSGC
Chengdu Lingchuan Special Industry Co., Ltd. (成都陵川特種工業有限責任公司)	Ultimately controlled by CSGC
Chongqing Changan Construction Engineering Co., Ltd. (重慶長安建設工程有限公司)	Ultimately controlled by CSGC
Chongqing Changan Intelligent Industrial Technology Service Co., Ltd. (重慶長安智慧工業技術服務有限公司)	Ultimately controlled by CSGC
Minsheng Logistics Co., Ltd. (民生物流有限公司)	Ultimately controlled by Minsheng Industrial
Minsheng International Container Transport Co., Ltd. (民生國際集裝箱運輸有限公司)	Ultimately controlled by Minsheng Industrial
Minsheng International Freight Forwarding Co., Ltd. (民生國際貨物運輸代理有限公司)	Ultimately controlled by Minsheng Industrial
Tianjin Minsheng International Shipping Agency Co., Ltd. (天津民生國際船務代理有限公司)	Ultimately controlled by Minsheng Industrial
Hubei Minsheng International Freight Forwarding Co., Ltd. (湖北民生國際貨物運輸代理有限公司)	Ultimately controlled by Minsheng Industrial
Shanghai Minsheng Shipping Co., Ltd. (上海民生輪船有限公司)	Ultimately controlled by Minsheng Industrial
Hong Kong Minsheng Industrial Co., Ltd. (香港民生實業有限責任公司)	Ultimately controlled by Minsheng Industrial

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CHANGAN MINSHENG APLL LOGISTICS CO., LTD. NOTES TO THE FINANCIAL STATEMENTS

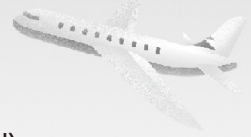
For the year ended 31 December 2024 (All amounts in RMB unless otherwise stated)

4. Other related parties of the Company (Continued)

Related party name	Relationship with our group
Guangzhou Minsheng International Freight Forwarding Co., Ltd. (廣州民生國際貨物運輸代理有限公司)	Ultimately controlled by Minsheng Industrial
Chongqing Minsheng Customs Declaration Co., Ltd. (重慶民生報關有限公司)	Ultimately controlled by Minsheng Industrial
Chongqing Minsheng Comprehensive Logistics Co., Ltd. (重慶民生綜合物流有限公司)	Ultimately controlled by Minsheng Industrial
Minsheng Shipping Co., Ltd. (民生輪船股份有限公司)	Ultimately controlled by Minsheng Industrial
Guangzhou Minsheng International Shipping Agency Co., Ltd. (廣州民生國際船務代理有限公司)	Ultimately controlled by Minsheng Industrial
Ningbo Minsheng International Shipping Agency Co., Ltd. (寧波民生國際船務代理有限公司)	Ultimately controlled by Minsheng Industrial
Minsheng Shipping Co., Ltd. Shanghai Branch (民生輪船有限公司上海分公司)	Ultimately controlled by Minsheng Industrial
Minsheng Shipping Co., Ltd. (民生輪船有限公司)	Ultimately controlled by Minsheng Industrial
Sichuan Changhong Minsheng Logistics Co., Ltd. (四川長虹民生物流股份有限公司)	Ultimately controlled by Minsheng Industrial
Shenzhen Minsheng Jiefukai Logistics Co., Ltd. (深圳民生捷富凱物流有限公司)	Ultimately controlled by Minsheng Industrial
APLL Transportation (China) Co., Ltd. (美集物流運輸(中國)有限公司)	Ultimately controlled by APLL
Chongqing Changan Automobile Co., Ltd. (重慶長安汽車股份有限公司)	Ultimately controlled by Changan Automobile
Chongqing Changan Automobile International Sales Service Co., Ltd. (重慶長安汽車國際銷售服務有限公司)	Ultimately controlled by Changan Automobile
Chongqing Changan Automobile Co., Ltd. Beijing Changan Automobile Co., Ltd. (重慶長安汽車股份有限公司北京長安汽車公司)	Ultimately controlled by Changan Automobile
Chongqing Changan Automobile Customer Service Co., Ltd. (重慶長安汽車客戶服務有限公司)	Ultimately controlled by Changan Automobile
Chongqing Changan Kaicheng Automotive Technology Co., Ltd. (重慶長安凱程汽車科技有限公司)	Ultimately controlled by Changan Automobile
Hebei Changan Automobile Co., Ltd. (河北長安汽車有限公司)	Ultimately controlled by Changan Automobile
Chongqing Lingyao Automobile Co., Ltd. (重慶鈴耀汽車有限公司)	Ultimately controlled by Changan Automobile
Chongqing Xingzhi Technology Co., Ltd. (重慶行智科技有限公司)	Ultimately controlled by Changan Automobile
Chongqing Chemei Technology Co., Ltd. (重慶車和美科技有限公司)	Ultimately controlled by Changan Automobile
Nanjing Changan Automobile Co., Ltd. (南京長安汽車有限公司)	Ultimately controlled by Changan Automobile
Chongqing Changan Special Purpose Vehicle Co., Ltd. (重慶長安專用汽車有限公司)	Changan Automobile
Hangzhou Changan Yixing Technology Co., Ltd. (杭州長安宜行科技有限公司)	Ultimately controlled by Changan Automobile
Hefei Changan Yixing Technology Co., Ltd. (合肥長安宜行科技有限公司)	Ultimately controlled by Changan Automobile
Chongqing Changan Chelian Technology Co., Ltd. (重慶長安車聯科技有限公司)	Ultimately controlled by Changan Automobile
Chongqing Changan Chelian Technology Co., Ltd. Jinhua Branch (重慶長安車聯科技有限公司金華分公司)	Ultimately controlled by Changan Automobile
Chongqing Changan Chelian Technology Co., Ltd. Ningbo Branch (重慶長安車聯科技有限公司寧波分公司)	Ultimately controlled by Changan Automobile
Chongqing Changan Chelian Technology Co., Ltd. Jiaxing Branch (重慶長安車聯科技有限公司嘉興分公司)	Ultimately controlled by Changan Automobile
Chongqing Changan Xing Automobile Co., Ltd. (重慶長安行汽車有限公司)	Ultimately controlled by Changan Automobile
Hefei Changan Automobile Co., Ltd. (合肥長安汽車有限公司)	Ultimately controlled by Changan Automobile
Deep Blue Automobile Sales (Chongqing) Co., Ltd. (深藍汽車銷售(重慶)有限公司)	Ultimately controlled by Changan Automobile

Continued...





4. Other related parties of the Company (Continued)

Related party name	Relationship with our group
Changan Automobile Sales Co., Ltd. Chengdu Parts Branch (長安汽車銷售有限公司成都配件分公司)	Ultimately controlled by Changan Automobile
Deep Blue Automotive Technology Co., Ltd. (深藍汽車科技有限公司)	Ultimately controlled by Changan Automobile
Chongqing Anyi Automotive Technology Service Co., Ltd. (重慶安驛汽車技術服務有限公司)	Ultimately controlled by Changan Automobile
Changan Automobile (Group) Co., Ltd. (長安汽車(集團)有限責任公司)	Ultimately controlled by Changan Automobile
Changan Ford New Energy Vehicle Technology Co., Ltd. (長安福特新能源汽車科技有限公司)	Changan Automobile's joint venture
Jiangling Motors Holdings Limited (江鈴控股有限公司)	Changan Automobile's joint venture
Zhongqi Chuangzhi Technology Co., Ltd. (中汽創智科技有限公司)	Changan Automobile's joint venture
Era Changan Power Battery Co., Ltd. (時代長安動力電池有限公司)	Changan Automobile's joint venture
Avita Technology (Chongqing) Co., Ltd. (阿維塔科技(重慶)有限公司)	Changan Automobile's joint venture
Avita (Chongqing) Automotive Sales and Service Co., Ltd. (阿維塔(重慶)汽車銷售服務有限公司)	Subsidiary of Changan Automobile Joint Venture
JMC (江鈴汽車股份有限公司)	Changan Automobile's joint venture
Changan Mazda Engine Co., Ltd. (長安馬自達發動機有限公司)	Changan Automobile's joint venture
Changan Mazda Automobile Co., Ltd. (長安馬自達汽車有限公司)	Changan Automobile's joint venture
Changan Mazda Automobile Sales Branch (長安馬自達汽車銷售分公司)	Changan Automobile's joint venture
Changan Ford Motor Co., Ltd. (長安福特汽車有限公司)	Changan Automobile's joint venture
Changan Ford Motor Co., Ltd. Power System Branch (長安福特汽車有限公司動力系統分公司)	Changan Automobile's joint venture
Changan Ford Motor Co., Ltd. Hangzhou Branch (長安福特汽車有限公司杭州分公司)	Changan Automobile's joint venture
Changan Ford Automobile Co., Ltd. Sales Branch (長安福特汽車有限公司銷售分公司)	Changan Automobile's joint venture
Changan Ford Automobile Co., Ltd. Harbin Branch (長安福特汽車有限公司哈爾濱分公司)	Changan Automobile's joint venture
Changan Ford New Energy Vehicle Sales and Service (Shenzhen) Co., Ltd. (長安福特新能源汽車銷售服務(深圳)有限公司)	Subsidiary of Changan Automobile Joint Venture
Chongqing Ante Import and Export Trading Co., Ltd. (重慶安特進出口貿易有限公司)	Subsidiary of Changan Automobile Joint Venture
Anhui Jian'an Chassis System Co., Ltd. (安徽建安底盤系統有限責任公司)	Ultimately controlled by China Changan
Sichuan Jian'an Industrial Co., Ltd. (四川建安工業有限責任公司)	Ultimately controlled by China Changan
Chengdu Qingshan Industrial Co., Ltd. (成都青山實業有限責任公司)	Ultimately controlled by China Changan
Chongqing Qingshan Industrial Co., Ltd. (重慶青山工業有限責任公司)	Ultimately controlled by China Changan
Hunan Tianyan Machinery Co., Ltd. (湖南天雁機械有限責任公司)	Ultimately controlled by China Changan
Chengdu Ningjiang Zhaohe Automotive Parts Co., Ltd. (成都甯江昭和汽車零部件有限公司)	Ultimately controlled by China Changan
Southern Faurecia Automotive Parts Co., Ltd. (南方佛吉亞汽車部件有限公司)	Ultimately controlled by China Changan
Chengdu Huachuan Denso Co., Ltd. (成都華川電裝有限責任公司)	Ultimately controlled by China Changan
Longchang Shanchuan Machinery Co., Ltd. (隆昌山川機械有限責任公司)	Ultimately controlled by China Changan
Sichuan Ningjiang Shanchuan Machinery Co., Ltd. (四川甯江山川機械有限責任公司)	Ultimately controlled by China Changan

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CHANGAN MINSHENG APLL LOGISTICS CO., LTD.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024 (All amounts in RMB unless otherwise stated)

4. Other related parties of the Company (Continued)

Related party name	Relationship with our group
Chongqing Wanyou Economic Development Co., Ltd. (重慶萬友經濟發展有限責任公司)	Ultimately controlled by China Changan
Yunnan Wanyou Automobile Sales and Service Co., Ltd. (雲南萬友汽車銷售服務有限公司)	Ultimately controlled by China Changan
Guizhou Wanfu Automobile Sales and Service Co., Ltd. (貴州萬福汽車銷售服務有限公司)	Ultimately controlled by China Changan
China Changan Automobile Group Tianjin Sales Co., Ltd. (中國長安汽車集團天津銷售有限公司)	Ultimately controlled by China Changan
Dali Wanfu Automobile Sales and Service Co., Ltd. (大理萬福汽車銷售服務有限公司)	Ultimately controlled by China Changan
Chongqing Wanyou Ducheng Automobile Sales and Service Co., Ltd. (重慶萬友都成汽車銷售服務有限公司)	Ultimately controlled by China Changan
Dehong Wanfu Automobile Sales and Service Co., Ltd. (德宏萬福汽車銷售服務有限公司)	Ultimately controlled by China Changan
Chuxiong Wanfu Automobile Sales and Service Co., Ltd. (楚雄萬福汽車銷售服務有限公司)	Ultimately controlled by China Changan
Anhui Wanyou Automobile Sales and Service Co., Ltd. (安徽萬友汽車銷售服務有限公司)	Ultimately controlled by China Changan
Jiangsu Wanyou Automobile Sales and Service Co., Ltd. (江蘇萬友汽車銷售服務有限公司)	Ultimately controlled by China Changan
Chengdu Wanyou Automobile Trade Service Co., Ltd. (成都萬友汽貿服務有限公司)	Ultimately controlled by China Changan
Chengdu Wanyou Automobile Trade Service Co., Ltd. Luzhou Branch (成都萬友汽貿服務有限公司瀘州分公司)	Ultimately controlled by China Changan
Chengdu Wanxing Automobile Sales and Service Co., Ltd. (成都萬星汽車銷售服務有限公司)	Ultimately controlled by China Changan
Chongqing Wanyou Xingjian Automobile Sales and Service Co., Ltd. (重慶萬友行健汽車銷售服務有限公司)	Ultimately controlled by China Changan
Guizhou Wanyou Automobile Sales and Service Co., Ltd. (貴州萬友汽車銷售服務有限公司)	Ultimately controlled by China Changan
Yunnan Wanfu Automobile Sales and Service Co., Ltd. (雲南萬福汽車銷售服務有限公司)	Ultimately controlled by China Changan
Guizhou Wanjia Automobile Sales and Service Co., Ltd. (貴州萬佳汽車銷售服務有限公司)	Ultimately controlled by China Changan
Chongqing Anfu Automobile Marketing Co., Ltd. (重慶安福汽車行銷有限公司)	Ultimately controlled by China Changan
Chongqing Anfu Automobile Marketing Co., Ltd. Maintenance Service Branch (重慶安福汽車行銷有限公司維修服務分公司)	Ultimately controlled by China Changan
Beijing North Changfu Automobile Sales Co., Ltd. (北京北方長福汽車銷售有限責任公司)	Ultimately controlled by China Changan
Chongqing Wanyou Longrui Automobile Sales and Service Co., Ltd. (重慶萬友龍瑞汽車銷售服務有限公司)	Ultimately controlled by China Changan
Chongqing Wanyou Zunda Automobile Sales and Service Co., Ltd. (重慶萬友尊達汽車銷售服務有限公司)	Ultimately controlled by China Changan
Chongqing Wanyou Zhicheng Automobile Sales and Service Co., Ltd. (重慶萬友致誠汽車銷售服務有限公司)	Ultimately controlled by China Changan
Honghe Wanfu Automobile Sales and Service Co., Ltd. (紅河萬福汽車銷售服務有限公司)	Ultimately controlled by China Changan

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4. Other related parties of the Company (Continued)

Related party name	Relationship with our group
Beijing Baiwang Changfu Automobile Sales and Service Co., Ltd. (北京百旺長福汽車銷售服務有限公司)	Ultimately controlled by China Changan
Chongqing Wanyou Chengxing Automobile Sales and Service Co., Ltd. (重慶萬友誠行汽車銷售服務有限公司)	Ultimately controlled by China Changan
Harbin Dong'an Automotive Power Co., Ltd. (哈爾濱東安汽車動力股份有限公司)	Ultimately controlled by China Changan
Harbin Dong'an Automotive Engine Manufacturing Co., Ltd. (哈爾濱東安汽車發動機製造有限公司)	Ultimately controlled by China Changan
Southern Intel Air Conditioning Co., Ltd. (南方英特空調有限公司)	Ultimately controlled by China Changan
Chenzhi Technology Co., Ltd. (辰致科技有限公司)	Ultimately controlled by China Changan
Mianyang Wanzhong Auto Parts Co., Ltd. (綿陽萬眾汽配有限責任公司)	Ultimately controlled by China Changan
Southern Faurecia Automotive Parts Co., Ltd. Haining Branch (南方佛吉亞汽車部件有限公司海寧分公司)	Ultimately controlled by China Changan
Southern Faurecia Automotive Parts Co., Ltd. Nanjing Branch (南方佛吉亞汽車部件有限公司南京分公司)	Ultimately controlled by China Changan
Faurecia (Chongqing) Automotive Parts Co., Ltd. (佛吉亞(重慶)汽車零部件有限公司)	Ultimately controlled by China Changan
Chengdu Wanyou Economic and Technological Development Corporation (成都萬友經濟技術開發總公司)	Ultimately controlled by China Changan
Guangxi Wanyou Automobile Sales and Service Co., Ltd. (廣西萬友汽車銷售服務有限公司)	Ultimately controlled by China Changan
Nanning Wanyou Automobile Sales and Service Co., Ltd. (南寧萬友汽車銷售服務有限公司)	Ultimately controlled by China Changan
Liangshan Wanyou Automobile Sales and Service Co., Ltd. (涼山萬友汽車銷售服務有限公司)	Ultimately controlled by China Changan
Chenzhi (Chongqing) Brake System Co., Ltd. (辰致(重慶)制動系統有限公司)	Ultimately controlled by China Changan
Chongqing Wanyou Economic Development Co., Ltd. Tongliang Gravity Branch (重慶萬友經濟發展有限責任公司銅梁引力分公司)	Ultimately controlled by China Changan
Chongqing Wanyou Economic Development Co., Ltd. Hangzhou Branch (重慶萬友經濟發展有限責任公司杭州分公司)	Ultimately controlled by China Changan
Chengdu Wanyou Automobile Trade Service Co., Ltd. Checheng Branch (成都萬友汽貿服務有限公司車城分公司)	Ultimately controlled by China Changan
China Changan Automobile Group Co., Ltd. Ya'an Chassis System Branch (中國長安汽車集團有限公司雅安底盤系統分公司)	Ultimately controlled by China Changan
Chenzhi (Chongqing) Brake System Co., Ltd. (辰致(重慶)制動系統有限公司)	Ultimately controlled by China Changan
Chenzhi (Chengdu) Intelligent Suspension Co., Ltd. (辰致(成都)智慧懸架有限公司)	Ultimately controlled by China Changan
Wanyou Automotive Investment Co., Ltd. (萬友汽車投資有限公司)	Ultimately controlled by China Changan
Hubei Hannan Port Industrial Co., Ltd. (湖北漢南港實業有限公司)	Minority shareholder of Changjiang Zhilian
Wuhan Shengde Rixin Automobile Industry Park Co., Ltd. (武漢盛德日新汽車產業園有限公司)	Minority shareholder of Changjiang Zhilian
Nanjing Baosteel Zhushang Metal Products Co., Ltd. (南京寶鋼住商金屬製品有限公司)	Related parties of Nanjing CMSC





CHANGAN MINSHENG APLL LOGISTICS CO., LTD.
NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024 (All amounts in RMB unless otherwise stated)

5. Related party transactions

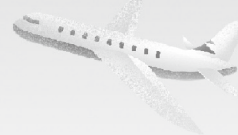
(1) Purchase or sale with related parties

(i) Purchase of goods/receiving of services

Related parties	Related party transaction content	Current amount incurred	Amount incurred in the previous period
Minsheng Logistics Co., Ltd. (民生物流有限公司)	Vehicle transportation business	167,446,294.95	195,489,296.34
Changan Ford Motor Co., Ltd. (長安福特汽車有限公司)	Vehicle transportation business	287,429.66	4,276.99
Changan Automobile Finance Co., Ltd. (長安汽車金融有限公司)	Vehicle transportation business	8,462.79	-
Chongqing Minsheng Comprehensive Logistics Co., Ltd. (重慶民生綜合物流有限公司)	Automotive raw material and component supply chain services	19,640,914.59	28,072,336.77
Minsheng International Freight Forwarding Co., Ltd. (民生國際貨物運輸代理有限公司)	Automotive raw material and component supply chain services	21,141,701.47	14,279,195.61
Shanghai Minsheng Shipping Co., Ltd. (上海民生輪船有限公司)	Automotive raw material and component supply chain services	3,591,931.32	5,843,616.17
Chongqing Changan Automobile Co., Ltd. (重慶長安汽車股份有限公司)	Automotive raw material and component supply chain services	2,132,035.69	-
Guangzhou Minsheng International Freight Forwarding Co., Ltd. (廣州民生國際貨物運輸代理有限公司)	Automotive raw material and component supply chain services	1,019,004.94	486,317.51
Tianjin Minsheng International Shipping Agency Co., Ltd. (天津民生國際船務代理有限公司)	Automotive raw material and component supply chain services	871,031.00	1,509,868.26
Hebei Changan Automobile Co., Ltd. (河北長安汽車有限公司)	Automotive raw material and component supply chain services	557,907.80	1,101,281.94
Minsheng International Container Transport Co., Ltd. (民生國際集裝箱運輸有限公司)	Automotive raw material and component supply chain services	490,031.60	998,015.85
Changan Mazda Automobile Co., Ltd. (長安馬自達汽車有限公司)	Automotive raw material and component supply chain services	348,180.05	260,796.03
Changan Ford Motor Co., Ltd. (長安福特汽車有限公司)	Automotive raw material and component supply chain services	298,295.42	48,656.00
Chongqing Changan Property Management Co., Ltd. Ya'an Branch (重慶市長安物業管理有限公司雅安分公司)	Automotive raw material and component supply chain services	104,016.00	-
Chongqing Lingyao Automobile Co., Ltd. (重慶鈴耀汽車有限公司)	Automotive raw material and component supply chain services	81,499.00	-
China South Industries Group Automation Research Institute Co., Ltd. (中國兵器裝備集團自動化研究所有限公司)	Automotive raw material and component supply chain services	79,245.28	-
Southern Industrial Technology Trading Co., Ltd. (南方工業科技貿易有限公司)	Automotive raw material and component supply chain services	74,911.33	-
Chongqing Wanyou Zunda Automobile Sales and Service Co., Ltd. Shaanxi Branch (重慶萬友尊達汽車銷售服務有限公司陝西分公司)	Automotive raw material and component supply chain services	45,835.00	-
Chengdu Qingshan Industrial Co., Ltd. (成都青山實業有限責任公司)	Automotive raw material and component supply chain services	41,717.41	-
Chongqing Qingshan Industrial Co., Ltd. (重慶青山工業有限責任公司)	Automotive raw material and component supply chain services	607.17	-

Continued...





(i) Purchase of goods/receiving of services (Continued)

Related parties	Related party transaction content	Current amount incurred	Amount incurred in the previous period
Chongqing Changan Automobile Co., Ltd. Beijing Changan Automobile Co., Ltd. (重慶長安汽車股份有限公司北京長安汽車公司)	Automotive raw material and component supply chain services	294.84	-
Minsheng Logistics Co., Ltd. (民生物流有限公司)	Automotive raw material and component supply chain services	-8,182.65	875,964.41
Ningbo Minsheng International Shipping Agency Co., Ltd. (寧波民生國際船務代理有限公司)	Automotive raw material and component supply chain services	-	834,754.36
Hefei Changan Automobile Co., Ltd. (合肥長安汽車有限公司)	Automotive raw material and component supply chain services	-	29,879.09
Chongqing Minsheng Customs Declaration Co., Ltd. (重慶民生報關有限公司)	Automotive raw material and component supply chain services	-	7,316.60
Guangzhou Minsheng International Shipping Agency Co., Ltd. (廣州民生國際船務代理有限公司)	Automotive raw material and component supply chain services	-	2,438.00
Hefei Changan Automobile Co., Ltd. (合肥長安汽車有限公司)	Other	-	74,133.49
China South Industries Group Human Resources Development Center (中國兵器裝備集團人力資源開發中心)	Other	52,166.03	1,300.00
Southern Industrial Technology Trading Co., Ltd. (南方工業科技貿易有限公司)	Other	14,150.94	24,751.89
Chongqing Anbo Automobile Sales Co., Ltd. (重慶安博汽車銷售有限公司)	Other	4,017.69	11,862.84
Nanjing Changan Automobile Co., Ltd. (南京長安汽車有限公司)	Other	-	14,127.78
Changan Ford Motor Co., Ltd. (長安福特汽車有限公司)	Other	-	11,963.48
Hefei Changan Yixing Technology Co., Ltd. (合肥長安宜行科技有限公司)	Other	-	9,398.23
Hong Kong Minsheng Industrial Co., Ltd. (香港民生實業有限責任公司)	Other	-	2,360.65
China Weapon News Agency (中國兵器報社)	Other	-101,550.00	406,134.72
Changan Ford Motor Co., Ltd. (長安福特汽車有限公司)	Lease	1,521,684.48	
Chongqing Lingyao Automobile Co., Ltd. (重慶鈴耀汽車有限公司)	Lease	843,217.64	
Hefei Changan Automobile Co., Ltd. (合肥長安汽車有限公司)	Lease	655,787.38	
Changan Mazda Automobile Co., Ltd. (長安馬自達汽車有限公司)	Lease	220,705.93	450,745.29
Chongqing Chang'an Smart City Operation and Management Co., Ltd (重慶長安智慧城市運營管理有限公司)	Security and cleaning services	13,473,705.29	10,546,640.80
Chongqing Chang'an Smart City Operation and Management Co., Ltd. Nanjing Branch (重慶長安智慧城市運營管理有限公司南京分公司)	Security and cleaning services	1,576,907.38	
Chongqing Chang'an Smart City Operation and Management Co., Ltd. Sichuan Branch (重慶長安智慧城市運營管理有限公司四川分公司)	Security and cleaning services	117,806.15	
Chongqing Changan Smart City Operation and Management Co., Ltd. Hangzhou Branch (重慶長安智慧城市運營管理有限公司杭州分公司)	Security and cleaning services	50,943.39	-
Chongqing Changan Property Management Co., Ltd. Ya'an Branch (重慶市長安物業管理有限公司雅安分公司)	Security and cleaning services	29,292.45	-





CHANGAN MINSHENG APLL LOGISTICS CO., LTD.

NOTES TO THE FINANCIAL STATEMENTS

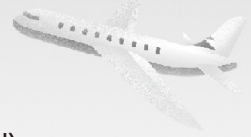
For the year ended 31 December 2024 (All amounts in RMB unless otherwise stated)

(ii) Sales of goods/rendering of services

Related parties	Related party transaction content	Current amount incurred	Amount incurred in the previous period
Chongqing Changan Automobile Co., Ltd. (重慶長安汽車股份有限公司)	Vehicle transportation business	1,650,644,855.24	1,954,476,673.24
Changan Ford Motor Co., Ltd. (長安福特汽車有限公司)	Vehicle transportation business	376,667,026.49	487,963,812.60
Hebei Changan Automobile Co., Ltd. (河北長安汽車有限公司)	Vehicle transportation business	300,140,852.64	316,321,337.23
Deep Blue Automotive Technology Co., Ltd. (深藍汽車科技有限公司)	Vehicle transportation business	192,985,949.13	414,831,683.59
Changan Mazda Automobile Sales Branch (長安馬自達汽車銷售分公司)	Vehicle transportation business	136,969,644.28	130,237,276.03
Hefei Changan Automobile Co., Ltd. (合肥長安汽車有限公司)	Vehicle transportation business	26,032,914.03	30,380,358.79
Chongqing Changan Automobile International Sales Service Co., Ltd. (重慶長安汽車國際銷售服務有限公司)	Vehicle transportation business	17,333,791.62	18,951,476.38
China South Industries Group Financial Leasing Co., Ltd. (中國兵器裝備集團融資租賃有限責任公司)	Vehicle transportation business	16,752,680.84	27,740,463.72
Avita Technology (Chongqing) Co., Ltd. (阿維塔科技(重慶)有限公司)	Vehicle transportation business	6,892,913.12	1,224,108.19
Chongqing Changan Automobile Co., Ltd. Beijing Changan Automobile Co., Ltd. (重慶長安汽車股份有限公司北京長安汽車公司)	Vehicle transportation business	6,667,713.15	-
Chongqing Changan Xing Automobile Co., Ltd. (重慶長安行汽車有限公司)	Vehicle transportation business	4,478,463.91	-
Chongqing Lingyao Automobile Co., Ltd. (重慶鈴耀汽車有限公司)	Vehicle transportation business	2,500,555.89	46,479.54
Chongqing Changan Kaicheng Automotive Technology Co., Ltd. (重慶長安凱程汽車科技有限公司)	Vehicle transportation business	2,246,893.19	703,941.60
Guizhou Wanyou Automobile Sales and Service Co., Ltd. (貴州萬友汽車銷售服務有限公司)	Vehicle transportation business	2,116,858.50	1,408,595.38
Changan Ford New Energy Vehicle Technology Co., Ltd. (長安福特新能源汽車科技有限公司)	Vehicle transportation business	1,820,502.86	-
Chongqing Wanyou Economic Development Co., Ltd. (重慶萬友經濟發展有限責任公司)	Vehicle transportation business	717,716.29	344,963.98
Hefei Changan Yixing Technology Co., Ltd. (合肥長安宜行科技有限公司)	Vehicle transportation business	630,106.41	608,672.96
Zhongqi Chuangzhi Technology Co., Ltd. (中汽創智科技有限公司)	Vehicle transportation business	629,744.01	-
Hangzhou Changan Yixing Technology Co., Ltd. (杭州長安宜行科技有限公司)	Vehicle transportation business	583,382.76	-
Chongqing Changan Chelian Technology Co., Ltd. (重慶長安車聯科技有限公司)	Vehicle transportation business	582,466.36	1,509,731.92
Changan Automobile Finance Co., Ltd. (長安汽車金融有限公司)	Vehicle transportation business	397,071.56	40,603.77
Minsheng Logistics Co., Ltd. (民生物流有限公司)	Vehicle transportation business	288,765.23	115,555.11
Chengdu Wanyou Automobile Trade Service Co., Ltd. (成都萬友汽車貿易服務有限公司)	Vehicle transportation business	282,697.25	-
Chongqing Anbo Automobile Sales Co., Ltd. (重慶安博汽車銷售有限公司)	Vehicle transportation business	214,425.59	306,991.51
Sichuan Ningjiang Shanchuan Machinery Co., Ltd. (四川甯江山川機械有限責任公司)	Vehicle transportation business	149,364.15	2,529.25
Jiangsu Wanyou Automobile Sales and Service Co., Ltd. (江蘇萬友汽車銷售服務有限公司)	Vehicle transportation business	108,406.27	37,519.03
Chongqing Wanyou Zhicheng Automobile Sales and Service Co., Ltd. (重慶萬友致誠汽車銷售服務有限公司)	Vehicle transportation business	107,738.53	-

Continued...





(ii) Sales of goods/rendering of services (Continued)

Related parties	Related party transaction content	Current amount incurred	Amount incurred in the previous period
Minsheng Shipping Co., Ltd. (民生輪船股份有限公司)	Vehicle transportation business	43,264.93	28,677.15
Chongqing Wanyou Chengxing Automobile Sales and Service Co., Ltd. (重慶萬友誠行汽車銷售服務有限公司)	Vehicle transportation business	26,011.45	10,965.09
Chongqing Wanyou Xingjian Automobile Sales and Service Co., Ltd. (重慶萬友行健汽車銷售服務有限公司)	Vehicle transportation business	22,627.24	42,890.56
Chongqing Chemei Technology Co., Ltd. (重慶車和美科技有限公司)	Vehicle transportation business	22,172.64	-
Yunnan Wanyou Automobile Sales and Service Co., Ltd. (雲南萬友汽車銷售服務有限公司)	Vehicle transportation business	20,124.52	127,358.49
Chongqing Changan Special Purpose Vehicle Co., Ltd. (重慶長安專用汽車有限公司)	Vehicle transportation business	18,084.91	489,716.98
Chongqing Shangfang Automotive Parts Co., Ltd. (重慶上方汽車配件有限責任公司)	Vehicle transportation business	5,643.40	-
Chongqing Wanyou Ducheng Automobile Sales and Service Co., Ltd. (重慶萬友都成汽車銷售服務有限公司)	Vehicle transportation business	4,783.44	9,178.30
Baoding Changan Bus Manufacturing Co., Ltd. (保定長安客車製造有限公司)	Vehicle transportation business	-	16,142,213.40
Nanjing Changan Automobile Co., Ltd. (南京長安汽車有限公司)	Vehicle transportation business	-	179,988.08
Chongqing Qingshan Industrial Co., Ltd. (重慶青山工業有限責任公司)	Vehicle transportation business	-	49,811.25
Southern Intel Air Conditioning Co., Ltd. (南方英特空調有限公司)	Vehicle transportation business	-	833.02
Changan Ford Motor Co., Ltd. (長安福特汽車有限公司)	Automotive raw material and component supply chain services	878,196,826.93	866,067,624.98
Chongqing Changan Automobile International Sales Service Co., Ltd. (重慶長安汽車國際銷售服務有限公司)	Automotive raw material and component supply chain services	802,846,903.46	762,966.50
Chongqing Changan Automobile Co., Ltd. (重慶長安汽車股份有限公司)	Automotive raw material and component supply chain services	264,844,857.35	316,942,123.09
Changan Mazda Automobile Co., Ltd. (長安馬自達汽車有限公司)	Automotive raw material and component supply chain services	189,139,765.08	125,361,273.57
Hefei Changan Automobile Co., Ltd. (合肥長安汽車有限公司)	Automotive raw material and component supply chain services	131,187,578.04	111,766,778.96
Deep Blue Automotive Technology Co., Ltd. (深藍汽車科技有限公司)	Automotive raw material and component supply chain services	71,398,290.97	45,825,047.85
Hebei Changan Automobile Co., Ltd. (河北長安汽車有限公司)	Automotive raw material and component supply chain services	59,921,627.47	19,574,545.83
Chongqing Xingzhi Technology Co., Ltd. (重慶行智科技有限公司)	Automotive raw material and component supply chain services	58,258,855.29	-
Sichuan Jian'an Industrial Co., Ltd. (四川建安工業有限責任公司)	Automotive raw material and component supply chain services	56,923,613.53	51,293,072.54
Chongqing Qingshan Industrial Co., Ltd. (重慶青山工業有限責任公司)	Automotive raw material and component supply chain services	53,673,281.21	55,874,293.52
Nanjing Changan Automobile Co., Ltd. (南京長安汽車有限公司)	Automotive raw material and component supply chain services	51,506,396.08	51,753,168.20
Chongqing Changan Automobile Customer Service Co., Ltd. (重慶長安汽車客戶服務有限公司)	Automotive raw material and component supply chain services	48,800,467.25	54,459,855.52

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CHANGAN MINSHENG APLL LOGISTICS CO., LTD.
NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024 (All amounts in RMB unless otherwise stated)

(ii) Sales of goods/rendering of services (Continued)

Related parties	Related party transaction content	Current amount incurred	Amount incurred in the previous period
Chongqing Wanyou Zunda Automobile Sales and Service Co., Ltd. (重慶萬友尊達汽車銷售服務有限公司)	Automotive raw material and component supply chain services	40,266,292.91	24,037,532.62
Chengdu Huachuan Denso Co., Ltd. (成都華川電裝有限責任公司)	Automotive raw material and component supply chain services	21,892,891.57	21,057,626.47
Chongqing Changan Automobile Co., Ltd. Beijing Changan Automobile Co., Ltd. (重慶長安汽車股份有限公司北京長安汽車公司)	Automotive raw material and component supply chain services	18,402,701.98	30,192,856.04
Anhui Jian'an Chassis System Co., Ltd. (安徽建安底盤系統有限責任公司)	Automotive raw material and component supply chain services	17,109,223.71	10,483,504.05
Era Changan Power Battery Co., Ltd. (時代長安動力電池有限公司)	Automotive raw material and component supply chain services	14,836,246.61	-
Chenzhi (Chongqing) Brake System Co., Ltd. (辰致(重慶)制動系統有限公司)	Automotive raw material and component supply chain services	13,448,650.70	-
JMC (江鈴汽車股份有限公司)	Automotive raw material and component supply chain services	9,769,454.05	12,635,614.27
Avita Technology (Chongqing) Co., Ltd. (阿維塔科技(重慶)有限公司)	Automotive raw material and component supply chain services	9,281,622.55	-
Changan Ford New Energy Vehicle Technology Co., Ltd. (長安福特新能源汽車科技有限公司)	Automotive raw material and component supply chain services	6,648,871.62	-
Sichuan Ningjiang Shanchuan Machinery Co., Ltd. (四川甯江山川機械有限責任公司)	Automotive raw material and component supply chain services	5,311,987.90	4,191,300.89
Chongqing Lingyao Automobile Co., Ltd. (重慶鈴耀汽車有限公司)	Automotive raw material and component supply chain services	4,534,184.91	6,826,484.66
Chongqing Shangfang Automotive Parts Co., Ltd. (重慶上方汽車配件有限責任公司)	Automotive raw material and component supply chain services	4,252,535.94	1,345,946.62
Southern Intel Air Conditioning Co., Ltd. (南方英特空調有限公司)	Automotive raw material and component supply chain services	3,892,146.78	1,619,808.04
Changan Mazda Engine Co., Ltd. (長安馬自達發動機有限公司)	Automotive raw material and component supply chain services	3,295,470.32	4,655,498.72
Hubei Huazhong Marelli Automotive Lighting Co., Ltd. (湖北華中馬瑞利汽車照明有限公司)	Automotive raw material and component supply chain services	3,255,737.49	3,146,544.67
China Changan Automobile Group Co., Ltd. (中國長安汽車集團有限公司)	Automotive raw material and component supply chain services	2,907,919.21	11,220.00
Chongqing Construction Transmission Technology Co., Ltd. (重慶建設傳動科技有限公司)	Automotive raw material and component supply chain services	2,833,463.50	3,754,285.45
Harbin Dong'an Automotive Engine Manufacturing Co., Ltd. (哈爾濱東安汽車發動機製造有限公司)	Automotive raw material and component supply chain services	2,465,125.65	2,276,505.21
Hubei Xiaogan Huazhong Automotive Lamp Co., Ltd. (湖北孝感華中車燈有限公司)	Automotive raw material and component supply chain services	2,223,279.50	1,551,691.30
Chengdu Wanyou Filter Co., Ltd. (成都萬友濾機有限公司)	Automotive raw material and component supply chain services	2,099,027.84	2,249,711.08
Chongqing Huxi Motor Industry Co., Ltd. (重慶虎溪電機工業有限責任公司)	Automotive raw material and component supply chain services	1,379,196.35	-
Faurecia (Chongqing) Automotive Parts Co., Ltd. (佛吉亞(重慶)汽車零部件有限公司)	Automotive raw material and component supply chain services	1,268,527.39	1,274,240.06
Chongqing Construction Automotive Air Conditioner Co., Ltd. (重慶建設車用空調器有限責任公司)	Automotive raw material and component supply chain services	1,096,348.19	500,596.96

Continued...





(ii) Sales of goods/rendering of services (Continued)

Related parties	Related party transaction content	Current amount incurred	Amount incurred in the previous period
Changan Mazda Automobile Sales Branch (長安馬自達汽車銷售分公司)	Automotive raw material and component supply chain services	856,046.21	-
Chongqing Construction Tongda Industrial Co., Ltd. (重慶建設全達實業有限公司)	Automotive raw material and component supply chain services	831,587.44	319,607.68
Construction Industry Group (Yunnan) Co., Ltd. (建設工業集團(雲南)股份有限公司)	Automotive raw material and component supply chain services	797,217.28	-
Nanjing Baosteel Zhushang Metal Products Co., Ltd. (南京寶鋼住商金屬製品有限公司)	Automotive raw material and component supply chain services	580,311.27	4,102,063.35
Southern Faurecia Automotive Parts Co., Ltd. (南方佛吉亞汽車部件有限公司)	Automotive raw material and component supply chain services	225,095.36	257,600.46
Harbin Dong'an Automotive Power Co., Ltd. (哈爾濱東安汽車動力股份有限公司)	Automotive raw material and component supply chain services	215,121.37	783,056.62
Chongqing Dajiang Jiexin Forging Co., Ltd. (重慶大江傑信鍛造有限公司)	Automotive raw material and component supply chain services	90,750.94	20,112.91
Chengdu Lingchuan Automotive Fuel Tank Co., Ltd. (成都陵川車用油箱有限公司)	Automotive raw material and component supply chain services	57,894.16	5,502.85
Longchang Shanchuan Machinery Co., Ltd. (隆昌山川機械有限責任公司)	Automotive raw material and component supply chain services	56,972.02	51,007.29
Mianyang Wanzhong Auto Parts Co., Ltd. (綿陽萬眾汽配有限責任公司)	Automotive raw material and component supply chain services	52,924.67	40,841.66
Nanyang Lida Optoelectronics Co., Ltd. (南陽利達光電有限公司)	Automotive raw material and component supply chain services	44,056.62	35,896.24
Chenzhi Technology Co., Ltd. (辰致科技有限公司)	Automotive raw material and component supply chain services	43,860.00	11,390.00
Chongqing Changan Smart City Operation and Management Co., Ltd. (重慶長安智慧城市運營管理有限公司)	Automotive raw material and component supply chain services	43,067.89	-
Chengdu Jialing Huaxi Optics Precision Machinery Co., Ltd. (成都嘉陵華西光學精密機械有限公司)	Automotive raw material and component supply chain services	16,823.31	44,397.28
Chongqing Hongyu Friction Products Co., Ltd. (重慶紅宇摩擦製品有限公司)	Automotive raw material and component supply chain services	9,229.64	15,982.75
Guizhou Wanfu Automobile Sales and Service Co., Ltd. (貴州萬福汽車銷售服務有限公司)	Automotive raw material and component supply chain services	6,557.13	3,174.76
Chongqing Anfu Automobile Marketing Co., Ltd. (重慶安福汽車行銷有限公司)	Automotive raw material and component supply chain services	6,467.88	1,086.17
Chongqing Yihong Defense Technology Co., Ltd. (重慶益弘防務科技有限公司)	Automotive raw material and component supply chain services	5,660.39	3,537.74
Anhui Wanyou Automobile Sales and Service Co., Ltd. (安徽萬友汽車銷售服務有限公司)	Automotive raw material and component supply chain services	4,021.38	-
Beijing Baiwang Changfu Automobile Sales and Service Co., Ltd. (北京百旺長福汽車銷售服務有限公司)	Automotive raw material and component supply chain services	4,015.07	-
Chuxiong Wanfu Automobile Sales and Service Co., Ltd. (楚雄萬福汽車銷售服務有限公司)	Automotive raw material and component supply chain services	2,807.46	192.65
Yunnan Wanfu Automobile Sales and Service Co., Ltd. (雲南萬福汽車銷售服務有限公司)	Automotive raw material and component supply chain services	2,280.41	420.14
Beijing North Changfu Automobile Sales Co., Ltd. (北京北方長福汽車銷售有限責任公司)	Automotive raw material and component supply chain services	2,007.42	96.41

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CHANGAN MINSHENG APLL LOGISTICS CO., LTD.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024 (All amounts in RMB unless otherwise stated)

(ii) Sales of goods/rendering of services (Continued)

Related parties	Related party transaction content	Current amount incurred	Amount incurred in the previous period
Chengdu Wanyou Automobile Trade Service Co., Ltd. (成都萬友汽貿服務有限公司)	Automotive raw material and component supply chain services	1,777.79	876.37
Dali Wanfu Automobile Sales and Service Co., Ltd. (大理萬福汽車銷售服務有限公司)	Automotive raw material and component supply chain services	1,146.15	2,598.92
Chongqing Wanyou Longrui Automobile Sales and Service Co., Ltd. (重慶萬友龍瑞汽車銷售服務有限公司)	Automotive raw material and component supply chain services	902.78	155.17
Chongqing Anbo Automobile Sales Co., Ltd. (重慶安博汽車銷售有限公司)	Automotive raw material and component supply chain services	533.45	-
Guizhou Wanjia Automobile Sales and Service Co., Ltd. (貴州萬佳汽車銷售服務有限公司)	Automotive raw material and component supply chain services	468.81	-
China Changan Automobile Group Tianjin Sales Co., Ltd. (中國長安汽車集團天津銷售有限公司)	Automotive raw material and component supply chain services	334.33	218.66
Chengdu Wanxing Automobile Sales and Service Co., Ltd. (成都萬星汽車銷售服務有限公司)	Automotive raw material and component supply chain services	161.45	11.93
Honghe Wanfu Automobile Sales and Service Co., Ltd. (紅河萬福汽車銷售服務有限公司)	Automotive raw material and component supply chain services	26.78	18.43
Baoding Changan Bus Manufacturing Co., Ltd. (保定長安客車製造有限公司)	Automotive raw material and component supply chain services	-102,440.12	16,308,693.98
Jiangling Motors Holdings Limited (江鈴控股有限公司)	Automotive raw material and component supply chain services	77,693,666.36	35,547,241.13
Chongqing Changan Special Purpose Vehicle Co., Ltd. (重慶長安專用汽車有限公司)	Automotive raw material and component supply chain services	-	896,230.19
Chengdu Ningjiang Zhaohe Automotive Parts Co., Ltd. (成都甯江昭和汽車零部件有限公司)	Automotive raw material and component supply chain services	-	182,120.91
Chengdu Qingshan Industrial Co., Ltd. (成都青山實業有限責任公司)	Automotive raw material and component supply chain services	-	103,950.00
Chongqing Construction Industry (Group) Co., Ltd. (重慶建設工業(集團)有限責任公司)	Automotive raw material and component supply chain services	-	30,535.00
Hunan Tianyan Machinery Co., Ltd. (湖南天雁機械有限責任公司)	Automotive raw material and component supply chain services	-	24,659.88
Minsheng International Container Transport Co., Ltd. (民生國際集裝箱運輸有限公司)	Automotive raw material and component supply chain services	-	953.21
Dehong Wanfu Automobile Sales and Service Co., Ltd. (德宏萬福汽車銷售服務有限公司)	Automotive raw material and component supply chain services	-	803.88
Hubei 295 Technology Co., Ltd. (湖北二九五科技有限公司)	Automotive raw material and component supply chain services	-	552.99
Sichuan Jian'an Industrial Co., Ltd. (四川建安工業有限責任公司)	Sales of automotive parts packaging materials	15,948,765.49	18,935,112.53
Chengdu Huachuan Denso Co., Ltd. (成都華川電裝有限責任公司)	Sales of automotive parts packaging materials	1,866,686.03	3,311,400.09
Anhui Jian'an Chassis System Co., Ltd. (安徽建安底盤系統有限責任公司)	Sales of automotive parts packaging materials	251,358.76	-
Nanyang Lida Optoelectronics Co., Ltd. (南陽利達光電有限公司)	Sales of automotive parts packaging materials	32,000.00	-
Chongqing Construction Transmission Technology Co., Ltd. (重慶建設傳動科技有限公司)	Sales of automotive parts packaging materials	-	536,000.00

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(ii) Sales of goods/rendering of services (Continued)

Related parties	Related party transaction content	Current amount incurred	Amount incurred in the previous period
Chengdu Lingchuan Automotive Fuel Tank Co., Ltd. (成都陵川車用油箱有限公司)	Sales of automotive parts packaging materials	-	33,750.00
Changan Ford Motor Co., Ltd. (長安福特汽車有限公司)	Automobile tire packaging	279,576,204.70	311,012,554.69
Chongqing Changan Automobile Co., Ltd. (重慶長安汽車股份有限公司)	Automobile tire packaging	2,888,759.60	-
Chongqing Changan Automobile Co., Ltd. (重慶長安汽車股份有限公司)	Other	22,905,085.52	-
Avita Technology (Chongqing) Co., Ltd. (阿維塔科技(重慶)有限公司)	Other	1,343,971.69	-
Hebei Changan Automobile Co., Ltd. (河北長安汽車有限公司)	Other	390,500.00	-
Changan Ford Motor Co., Ltd. (長安福特汽車有限公司)	Other	389,919.03	-
Chongqing Changan Automobile International Sales Service Co., Ltd. (重慶長安汽車國際銷售服務有限公司)	Rent	1,427,418.76	121,559.63
Chongqing Changan Property Management Co., Ltd. (重慶市長安物業管理有限公司)	Rent	-	72,269.73

The pricing of services provided by the company to customers is mainly driven by the market. The price of outsourced logistics services is often determined through internal price comparison, while the price of newly outsourced logistics services is often determined through bidding.





CHANGAN MINSHENG APLL LOGISTICS CO., LTD.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024 (All amounts in RMB unless otherwise stated)

(2) Rental with related party

(i) The Company as tenant

Landlord	Type of assets leased	Rental expense payable in current year	Rental expense payable in prior year
Chongqing Minsheng Integrated Logistics Co., Ltd. (重慶民生綜合物流有限公司)	Factory building	1,805,311.36	498,980.57
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	716,188.23	2,583,604.62
Hebei Changan Automobile Co., Ltd. (河北長安汽車有限公司)	Land	30,951.00	20,525.40
Chongqing Lingyao Automobile Co., Ltd. (重慶鈴耀汽車有限公司)	Site	-	1,636,136.32

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

Landlord	Type of assets leased	Increase	Increase in prior year
Chongqing Minsheng Integrated Logistics Co., Ltd. (重慶民生綜合物流有限公司)	Factory building	-	9,301,246.10
Changan Ford Motor Co., Ltd. (長安福特汽車有限公司)	Factory building	-	3,239,673.08
Hebei Changan Automobile Co., Ltd. (河北長安汽車有限公司)	Land	89,453.23	-

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	331,164.65	62,217.36
Changan Mazda Automobile Co., Ltd. (長安馬自達汽車有限公司)	Factory building	-	17,739.48
Changan Ford Motor Co., Ltd. (長安福特汽車有限公司)	Factory building	3,747.31	59,331.90
Hebei Changan Automobile Co., Ltd. (河北長安汽車有限公司)	Land	927.63	540.38

(3) Remuneration of key management personnel

Key management personnel are responsible for formulating strategic goals, business plans, commanding and scheduling production and operation activities, mainly including the chairman, directors, board secretary, general manager, chief accountant, financial director, deputy general manager in charge of various affairs, and personnel performing similar functions.

The Company has 15 key management personnel in the current period and 18 key management personnel in the previous period. The salary payment is shown on the table below:

Item	Current year	Prior year
Remuneration of key management personnel	10,382,980.94	10,137,315.37





(4) Other related party transactions

Deposits with related party

Item	Amount of deposit	Deposit interest rate
China South Industries Group Finance Co., Ltd. (兵器裝備集團財務有限責任公司)	188,131,908.68	0.10%-1.55%

Interest income

Item	Current year	Prior year
China South Industries Group Finance Co., Ltd. (兵器裝備集團財務有限責任公司)	2,989,401.67	3,249,960.82

Dividend income

Item	Current year	Prior year
China South Industries Group Finance Co., Ltd. (兵器裝備集團財務有限責任公司)	-	2,435,623.28

Factoring services

Item	Current year	Prior year
China South Industries Group Commercial Factoring Co., Ltd. (中國兵器裝備集團商業保理有限公司)	12,000,000.00	-





CHANGAN MINSHENG APLL LOGISTICS CO., LTD.

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For the year ended 31 December 2024 (All amounts in RMB unless otherwise stated)

6. 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. (重慶長安汽車股份有限公司)	526,730,962.56	6,106,035.99	240,898,321.99	5,626,936.99
Accounts receivable	Deep Blue Automobile Sales (Chongqing) Co., Ltd. (深藍汽車銷售(重慶)有限公司)	181,718,203.17	145,374.56	-	-
Accounts receivable	Changan Ford Motor Co., Ltd. Hangzhou Branch (長安福特汽車有限公司杭州分公司)	94,071,301.19	75,257.04	-	-
Accounts receivable	Hebei Changan Automobile Co., Ltd. (河北長安汽車有限公司)	73,927,241.28	59,250.10	62,909,799.84	62,937.30
Accounts receivable	Changan Ford Motor Co., Ltd. (長安福特汽車有限公司)	53,314,850.03	411,489.99	244,143,109.73	698,985.29
Accounts receivable	Changan Mazda Automobile Sales Branch (長安馬自達汽車銷售分公司)	43,235,694.67	52,357.82	-	-
Accounts receivable	Hefei Changan Automobile Co., Ltd. (合肥長安汽車有限公司)	42,292,367.43	42,626.75	31,806,598.65	32,683.29
Accounts receivable	Nanjing Changan Automobile Co., Ltd. (南京長安汽車有限公司)	36,309,936.85	29,047.95	26,958,214.86	26,958.21
Accounts receivable	Avita (Chongqing) Automotive Sales and Service Co., Ltd. (阿維塔(重慶)汽車銷售服務有限公司)	35,164,387.23	28,131.51	-	-
Accounts receivable	Deep Blue Automotive Technology Co., Ltd. (深藍汽車科技有限公司)	30,997,302.98	25,781.08	141,631,739.67	635,142.20
Accounts receivable	Changan Mazda Automobile Co., Ltd. (長安馬自達汽車有限公司)	30,409,220.39	24,327.38	56,330,621.38	56,330.62
Accounts receivable	Changan Ford Automobile Co., Ltd. Sales Branch (長安福特汽車有限公司銷售分公司)	10,689,862.11	78,963.95	-	-
Accounts receivable	Sichuan Jian'an Industrial Co., Ltd. (四川建安工業有限責任公司)	10,611,732.56	20,273.98	19,304,925.02	23,118.52
Accounts receivable	Anhui Jian'an Chassis System Co., Ltd. (安徽建安底盤系統有限責任公司)	6,742,591.57	5,470.77	3,069,004.01	3,069.01
Accounts receivable	Chongqing Changan Automobile Customer Service Co., Ltd. (重慶長安汽車客戶服務有限公司)	6,664,646.95	5,331.72	13,230,904.89	13,230.90
Accounts receivable	Avita Technology (Chongqing) Co., Ltd. (阿維塔科技(重慶)有限公司)	6,129,343.39	4,917.77	524,575.40	524.57
Accounts receivable	Chongqing Qingshan Industrial Co., Ltd. (重慶青山工業有限責任公司)	6,089,612.39	4,871.69	4,571,148.93	4,571.15
Accounts receivable	Chengdu Huachuan Denso Co., Ltd. (成都華川電裝有限責任公司)	5,833,808.49	179,174.16	3,157,105.37	41,031.77
Accounts receivable	JMC (江鈴汽車股份有限公司)	5,641,854.26	4,513.48	2,945,188.79	2,945.19
Accounts receivable	Chenzhi (Chongqing) Brake System Co., Ltd. (辰致(重慶)制動系統有限公司)	4,667,661.59	442,657.94	-	-
Accounts receivable	Sichuan Jian'an Industrial Co., Ltd. Chongqing Jian'an Chassis System Branch (四川建安工業有限責任公司重慶建安底盤系統分公司)	4,240,627.83	3,432.82	-	-
Accounts receivable	Chongqing Changan Automobile Co., Ltd. Beijing Changan Automobile Co., Ltd. (重慶長安汽車股份有限公司北京長安汽車公司)	4,233,153.46	3,421.35	4,943,842.51	17,419.60

Continued...





(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
Accounts receivable	Era Changan Power Battery Co., Ltd. (時代長安動力電池有限公司)	4,201,536.84	19,747.22	-	-
Accounts receivable	Changan Ford Motor Co., Ltd. Power System Branch (長安福特汽車有限公司動力系統分公司)	2,265,760.55	1,812.61	-	-
Accounts receivable	Chongqing Lingyao Automobile Co., Ltd. (重慶鈴耀汽車有限公司)	1,929,102.98	1,543.28	679,748.09	679.75
Accounts receivable	Chongqing Wanyou Zunda Automobile Sales and Service Co., Ltd. Shaanxi Branch (重慶萬友尊達汽車銷售服務有限公司陝西分公司)	1,213,917.25	971.13	-	-
Accounts receivable	Sichuan Jian'an Industrial Co., Ltd. Dingzhou Jian'an Axle Branch (四川建安工業有限責任公司定州建安車橋分公司)	972,660.42	778.13	-	-
Accounts receivable	Chongqing Changan Kaicheng Automotive Technology Co., Ltd. (重慶長安凱程汽車科技有限公司)	914,139.29	731.31	182,692.77	182.69
Accounts receivable	Changan Mazda Engine Co., Ltd. (長安馬自達發動機有限公司)	830,792.31	664.63	1,080,407.04	1,080.41
Accounts receivable	Chongqing Shangfang Automotive Parts Co., Ltd. (重慶上方汽車配件有限責任公司)	822,400.13	657.92	391,170.87	1,622.71
Accounts receivable	Chengdu Wanyou Filter Co., Ltd. (成都萬友濾機有限公司)	665,809.25	3,646.52	712,232.25	68,579.77
Accounts receivable	Southern Intel Air Conditioning Co., Ltd. (南方英特空調有限公司)	581,408.84	465.13	190,304.48	190.30
Accounts receivable	Chenzhi (Chongqing) Brake System Co., Ltd. Nanjing Branch (辰致(重慶)制動系統有限公司南京分公司)	568,133.87	454.51	-	-
Accounts receivable	China Changan Automobile Group Co., Ltd. Ya'an Chassis System Branch (中國長安汽車集團有限公司雅安底盤系統分公司)	564,123.36	451.30	-	-
Accounts receivable	Sichuan Ningjiang Shanchuan Machinery Co., Ltd. (四川甯江山川機械有限責任公司)	474,736.85	379.79	3,551,424.50	474,446.44
Accounts receivable	Faurecia (Chongqing) Automotive Parts Co., Ltd. Nanjing Branch (佛吉亞(重慶)汽車部件有限公司南京分公司)	456,167.00	364.93	-	-
Accounts receivable	Chongqing Wanyou Zunda Automobile Sales and Service Co., Ltd. Jiangsu Branch (重慶萬友尊達汽車銷售服務有限公司江蘇分公司)	396,158.15	316.93	-	-
Accounts receivable	Hubei Xiaogan Huazhong Automotive Lamp Co., Ltd. (湖北孝感華中車燈有限公司)	389,625.29	11,549.11	484,276.72	16,688.17
Accounts receivable	Chongqing Huxi Motor Industry Co., Ltd. (重慶虎溪電機工業有限責任公司)	352,064.74	281.65	-	-
Accounts receivable	Harbin Dong'an Automotive Engine Manufacturing Co., Ltd. (哈爾濱東安汽車發動機製造有限公司)	305,558.31	244.65	392,060.04	392.24
Accounts receivable	Chongqing Construction Transmission Technology Co., Ltd. (重慶建設傳動科技有限公司)	289,775.09	231.82	-	-
Accounts receivable	Hubei Huazhong Marelli Automotive Lighting Co., Ltd. (湖北華中馬瑞利汽車照明有限公司)	200,422.83	81,194.33	2,407,660.38	77,756.59
Accounts receivable	Zhongqi Chuangzhi Technology Co., Ltd. (中汽創智科技有限公司)	164,330.08	772.35	-	-

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CHANGAN MINSHENG APLL LOGISTICS CO., LTD.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024 (All amounts in RMB unless otherwise stated)

(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
Accounts receivable	Minsheng Logistics Co., Ltd. (民生物流有限公司)	116,700.00	93.36	-	-
Accounts receivable	Chongqing Dajiang Jiexin Forging Co., Ltd. (重慶大江傑信鍛造有限公司)	105,827.83	58,506.76	63,614.23	58,474.48
Accounts receivable	Sichuan Ningjiang Shanchuan Machinery Co., Ltd. Longchang Shock Absorber Branch (四川甯江山川機械有限責任公司隆昌減振器分公司)	100,457.67	100,457.67	-	-
Accounts receivable	Baoding Changan Bus Manufacturing Co., Ltd. (保定長安客車製造有限公司)	96,117.36	55,927.07	96,117.36	516.80
Accounts receivable	Chongqing Changan Xing Automobile Co., Ltd. (重慶長安行汽車有限公司)	88,368.99	70.70	-	-
Accounts receivable	Construction Industry Group (Yunnan) Co., Ltd. (建設工業集團(雲南)股份有限公司)	86,015.01	68.81	-	-
Accounts receivable	Chongqing Changan Chelian Technology Co., Ltd. Jinhua Branch (重慶長安車聯科技有限公司金華分公司)	85,144.50	68.12	-	-
Accounts receivable	Chongqing Wanyou Zunda Automobile Sales and Service Co., Ltd. (重慶萬友尊達汽車銷售服務有限公司)	74,026.23	59.22	3,060,432.18	3,060.44
Accounts receivable	Nanyang Lida Optoelectronics Co., Ltd. (南陽利達光電有限公司)	66,160.00	742.73	3,000.00	3.00
Accounts receivable	Chongqing Construction Automotive Air Conditioner Co., Ltd. (重慶建設車用空調器有限責任公司)	54,858.70	43.89	7,283.93	7.28
Accounts receivable	Chongqing Construction Electromechanical Co., Ltd. (重慶建設機電有限責任公司)	43,105.49	43,105.49	43,105.49	43,105.49
Accounts receivable	Chongqing Changan Chelian Technology Co., Ltd. (重慶長安車聯科技有限公司)	42,014.80	33.61	147,587.00	147.59
Accounts receivable	Chongqing Changan Chelian Technology Co., Ltd. Jiaxing Branch (重慶長安車聯科技有限公司嘉興分公司)	36,969.66	29.58	-	-
Accounts receivable	Southern Faurecia Automotive Parts Co., Ltd. Haining Branch (南方佛吉亞汽車部件有限公司海寧分公司)	36,095.32	28.88	-	-
Accounts receivable	Harbin Dong'an Automotive Power Co., Ltd. (哈爾濱東安汽車動力股份有限公司)	31,130.00	24.90	-	-
Accounts receivable	Chongqing Changan Chelian Technology Co., Ltd. Ningbo Branch (重慶長安車聯科技有限公司寧波分公司)	29,160.00	23.33	-	-
Accounts receivable	Mianyang Wanzhong Auto Parts Co., Ltd. (綿陽萬眾汽配有限責任公司)	15,996.58	5,790.45	42,683.99	925.19
Accounts receivable	Jiangsu Wanyou Automobile Sales and Service Co., Ltd. (江蘇萬友汽車銷售服務有限公司)	15,760.00	12.61	-	-
Accounts receivable	Chongqing Wanyou Economic Development Co., Ltd. Hechuan Branch (重慶萬友經濟發展有限責任公司合川分公司)	12,974.00	29.92	-	-
Accounts receivable	Chenzhi (Chengdu) Intelligent Suspension Co., Ltd. (辰致(成都)智慧懸架有限公司)	11,517.58	9.21	-	-

Continued...





(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
Accounts receivable	Chongqing Wanyou Economic Development Co., Ltd. Hechuan Gravity Branch (重慶萬友經濟發展有限責任公司合川引力分公司)	6,030.00	4.82	-	-
Accounts receivable	Yangzhou Suken Galaxy Connecting Rod Co., Ltd. (揚州蘇墾銀河連杆有限公司)	4,754.40	4,551.86	4,754.40	2,806.52
Accounts receivable	Minsheng International Container Transport Co., Ltd. (民生國際集裝箱運輸有限公司)	4,200.00	4,200.00	4,200.00	4,200.00
Accounts receivable	Chongqing Wanyou Economic Development Co., Ltd. Changshou Automobile Trade City Branch (重慶萬友經濟發展有限責任公司長壽汽貿城分公司)	2,632.00	9.21	-	-
Accounts receivable	Chongqing Wanyou Economic Development Co., Ltd. Nan'an Branch (重慶萬友經濟發展有限責任公司南岸區分公司)	1,977.00	2.78	-	-
Accounts receivable	Chengdu Lingchuan Automotive Fuel Tank Co., Ltd. (成都陵川車用油箱有限公司)	1,867.81	6.54	43,970.52	43.97
Accounts receivable	Southern Faurecia Automotive Parts Co., Ltd. Nanjing Branch (南方佛吉亞汽車部件有限公司南京分公司)	1,816.56	1.45	-	-
Accounts receivable	Guizhou Wanfu Automobile Sales and Service Co., Ltd. (貴州萬福汽車銷售服務有限公司)	1,438.00	1.15	662.00	0.87
Accounts receivable	China South Industries Group Commercial Factoring Co., Ltd. (中國兵器裝備集團商業保理有限公司)	1,195.26	1,195.26	1,195.26	1,195.26
Accounts receivable	Chongqing Yihong Defense Technology Co., Ltd. (重慶益弘防務科技有限公司)	1,000.00	0.80	-	-
Accounts receivable	Chongqing Anfu Automobile Marketing Co., Ltd. (重慶安福汽車行銷有限公司)	939.00	0.75	88.00	0.09
Accounts receivable	Changan Ford New Energy Vehicle Sales and Service (Shenzhen) Co., Ltd. (長安福特新能源汽車銷售服務(深圳)有限公司)	394.00	394.00	394.00	358.15
Accounts receivable	Chongqing Wanyou Chengxing Automobile Sales and Service Co., Ltd. Yubei Branch (重慶萬友誠行汽車銷售服務有限公司渝北分公司)	346.00	0.28	-	-
Accounts receivable	Guizhou Wanjia Automobile Sales and Service Co., Ltd. (貴州萬佳汽車銷售服務有限公司)	301.00	0.24	-	-
Accounts receivable	Anhui Wanyou Automobile Sales and Service Co., Ltd. (安徽萬友汽車銷售服務有限公司)	260.00	0.21	-	-
Accounts receivable	Yunnan Wanfu Automobile Sales and Service Co., Ltd. (雲南萬福汽車銷售服務有限公司)	221.00	0.18	29.00	0.03
Accounts receivable	Beijing Baiwang Changfu Automobile Sales and Service Co., Ltd. (北京百旺長福汽車銷售服務有限公司)	219.00	0.18	-	-
Accounts receivable	Chongqing Wanyou Longrui Automobile Sales and Service Co., Ltd. (重慶萬友龍瑞汽車銷售服務有限公司)	101.00	0.08	86.00	0.09
Accounts receivable	Chongqing Anbo Automobile Sales Co., Ltd. (重慶安博汽車銷售有限公司)	89.00	0.07	-	-
Accounts receivable	Dali Wanfu Automobile Sales and Service Co., Ltd. (大理萬福汽車銷售服務有限公司)	59.00	0.05	188.00	0.21

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CHANGAN MINSHENG APLL LOGISTICS CO., LTD.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024 (All amounts in RMB unless otherwise stated)

(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
Accounts receivable	Chuxiong Wanfu Automobile Sales and Service Co., Ltd. (楚雄萬福汽車銷售服務有限公司)	49.00	0.04	73.00	0.07
Accounts receivable	Beijing North Changfu Automobile Sales Co., Ltd. Changzhi Branch (北京北方長福汽車銷售有限責任公司長治分公司)	37.00	0.03	-	-
Accounts receivable	Beijing North Changfu Automobile Sales Co., Ltd. Jingnan Changfu Branch (北京北方長福汽車銷售有限責任公司京南長福分公司)	34.00	0.03	-	-
Accounts receivable	Honghe Wanfu Automobile Sales and Service Co., Ltd. (紅河萬福汽車銷售服務有限公司)	29.00	0.02	-	-
Accounts receivable	China Changan Automobile Group Tianjin Sales Co., Ltd. (中國長安汽車集團天津銷售有限公司)	15.00	0.01	31.00	0.03
Accounts receivable	Chenzhi Technology Co., Ltd. (辰致科技有限公司)	0.10	0.00	12,415.10	12.42
Accounts receivable	Jiangling Motors Holdings Limited (江鈴控股有限公司)	49,430,643.19	25,197,473.99	56,298,407.11	37,804,381.76
Accounts receivable	Shenzhen Minsheng Jiefukai Logistics Co., Ltd. (深圳民生捷富凱物流有限公司)	1,319,874.95	6,203.41	3,428,744.25	4,911.04
Accounts receivable	Faurecia (Chongqing) Automotive Parts Co., Ltd. (佛吉亞(重慶)汽車部件有限公司)	-	-	1,268,597.69	1,268.60
Accounts receivable	Nanjing Baosteel Zhushang Metal Products Co., Ltd. (南京寶鋼住商金屬製品有限公司)	-	-	951,065.47	951.07
Accounts receivable	Hangzhou Changhe Anji Supply Chain Management Co., Ltd. (杭州長合安吉供應鏈管理有限公司)	-	-	835,182.13	835.18
Accounts receivable	Chongqing Changan Automobile International Sales Service Co., Ltd. (重慶長安汽車國際銷售服務有限公司)	-	-	352,986.04	904.93
Accounts receivable	Southern Faurecia Automotive Parts Co., Ltd. (南方佛吉亞汽車部件有限公司)	-	-	67,301.06	67.31
Accounts receivable	Chongqing Chemei Technology Co., Ltd. (重慶車和美科技有限公司)	-	-	51,604.00	51.60
Accounts receivable	Chongqing Construction Industry (Group) Co., Ltd. (重慶建設工業(集團)有限責任公司)	-	-	50,000.00	50,000.00
Accounts receivable	Changan Automobile Finance Co., Ltd. (長安汽車金融有限公司)	-	-	46,000.00	46.00
Accounts receivable	Chongqing Wanyou Chengxing Automobile Sales and Service Co., Ltd. (重慶萬友誠行汽車銷售服務有限公司)	-	-	20,562.18	20.56
Accounts receivable	Chongqing Changfeng Jiquan Machinery Co., Ltd. (重慶長風基鉦機械有限公司)	-	-	12,753.39	7,528.33
Accounts receivable	China Changan Automobile Group Co., Ltd. (中國長安汽車集團有限公司)	-	-	12,229.80	12.23
Accounts receivable	Chongqing Changjiang Electric Industry Group Co., Ltd. (重慶長江電工工業集團有限公司)	-	-	9,000.00	5,312.70
Accounts receivable	Guizhou Wanyou Automobile Sales and Service Co., Ltd. (貴州萬友汽車銷售服務有限公司)	-	-	7,326.00	7.32
Accounts receivable	Chengdu Wanyou Automobile Trade Service Co., Ltd. (成都萬友汽貿服務有限公司)	-	-	277.00	0.41

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(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
Contract assets	Changan Ford Motor Co., Ltd. (長安福特汽車有限公司)	142,767,929.37	129,124.90	78,288,609.15	87,474.05
Contract assets	Changan Ford Motor Co., Ltd. Hangzhou Branch (長安福特汽車有限公司杭州分公司)	47,518,178.61	38,014.54	-	-
Contract assets	Chongqing Changan Automobile Co., Ltd. (重慶長安汽車股份有限公司)	37,171,124.19	29,736.90	-	-
Contract assets	Changan Mazda Automobile Co., Ltd. (長安馬自達汽車有限公司)	17,949,653.15	14,359.72	32,039,278.79	32,039.28
Contract assets	Changan Mazda Automobile Sales Branch (長安馬自達汽車銷售分公司)	13,912,219.97	11,129.78	-	-
Contract assets	Hefei Changan Automobile Co., Ltd. (合肥長安汽車有限公司)	13,036,022.05	10,428.82	6,841,075.18	6,841.08
Contract assets	Nanjing Changan Automobile Co., Ltd. (南京長安汽車有限公司)	7,767,581.00	6,214.06	12,438,398.59	12,438.40
Contract assets	Changan Ford New Energy Vehicle Technology Co., Ltd. (長安福特新能源汽車科技有限公司)	4,375,994.30	3,500.80	-	-
Contract assets	Sichuan Jian'an Industrial Co., Ltd. (四川建安工業有限責任公司)	4,163,109.71	3,330.49	2,725,526.01	2,725.52
Contract assets	Chongqing Qingshan Industrial Co., Ltd. (重慶青山工業有限責任公司)	3,809,652.66	3,047.72	2,968,626.64	2,968.63
Contract assets	China South Industries Group Financial Leasing Co., Ltd. (中國兵器裝備集團融資租賃有限責任公司)	2,836,845.12	2,269.48	6,551,965.46	6,551.97
Contract assets	China Changan Automobile Group Co., Ltd. Ya'an Chassis System Branch (中國長安汽車集團有限公司雅安底盤系統分公司)	2,043,222.72	1,634.58	-	-
Contract assets	Hebei Changan Automobile Co., Ltd. (河北長安汽車有限公司)	1,872,887.50	1,498.31	1,666,050.40	1,666.05
Contract assets	Changan Ford Automobile Co., Ltd. Sales Branch (長安福特汽車有限公司銷售分公司)	1,175,018.71	940.01	-	-
Contract assets	Chongqing Changan Automobile Co., Ltd. Beijing Changan Automobile Co., Ltd. (重慶長安汽車股份有限公司北京長安汽車公司)	976,173.46	780.94	704,010.86	704.01
Contract assets	JMC (江鈴汽車股份有限公司)	910,501.17	728.40	8,494,667.54	-
Contract assets	Changan Mazda Engine Co., Ltd. (長安馬自達發動機有限公司)	713,916.39	571.13	1,214,707.30	1,214.71
Contract assets	Anhui Jian'an Chassis System Co., Ltd. (安徽建安底盤系統有限責任公司)	556,136.05	444.91	-	-
Contract assets	Chongqing Changan Automobile International Sales Service Co., Ltd. (重慶長安汽車國際銷售服務有限公司)	265,000.00	212.00	-	-
Contract assets	Hubei Xiaogan Huazhong Automotive Lamp Co., Ltd. (湖北孝感華中車燈有限公司)	262,272.36	209.82	-	-
Contract assets	Sichuan Jian'an Industrial Co., Ltd. Chongqing Jian'an Chassis System Branch (四川建安工業有限責任公司重慶建安底盤系統分公司)	208,451.56	166.76	-	-
Contract assets	Guizhou Wanyou Automobile Sales and Service Co., Ltd. (貴州萬友汽車銷售服務有限公司)	111,148.00	88.92	119,000.00	119.00

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CHANGAN MINSHENG APLL LOGISTICS CO., LTD.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024 (All amounts in RMB unless otherwise stated)

(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
Contract assets	Chongqing Wanyou Zhicheng Automobile Sales and Service Co., Ltd. (重慶萬友致誠汽車銷售服務有限公司)	87,445.87	69.96	-	-
Contract assets	Era Changan Power Battery Co., Ltd. (時代長安動力電池有限公司)	78,783.82	370.28	-	-
Contract assets	Chongqing Wanyou Economic Development Co., Ltd. (重慶萬友經濟發展有限責任公司)	65,874.30	52.70	88,202.75	88.20
Contract assets	Southern Faurecia Automotive Parts Co., Ltd. Haining Branch (南方佛吉亞汽車部件有限公司海寧分公司)	50,658.33	40.53	-	-
Contract assets	Chengdu Huachuan Denso Co., Ltd. (成都華川電裝有限責任公司)	32,417.19	25.93	537,541.36	537.54
Contract assets	Chongqing Changan Chelian Technology Co., Ltd. Ningbo Branch (重慶長安車聯科技有限公司寧波分公司)	20,186.32	16.15	-	-
Contract assets	Minsheng Shipping Co., Ltd. (民生輪船股份有限公司)	14,000.91	11.20	14,048.18	14.05
Contract assets	Chongqing Anbo Automobile Sales Co., Ltd. (重慶安博汽車銷售有限公司)	13,769.48	11.02	18,760.00	18.76
Contract assets	Chongqing Construction Automotive Air Conditioner Co., Ltd. (重慶建設車用空調器有限責任公司)	9,331.28	7.47	7,283.93	7.28
Contract assets	Sichuan Ningjiang Shanchuan Machinery Co., Ltd. (四川甯江山川機械有限責任公司)	5,029.00	4.02	8,760.00	8.76
Contract assets	Hangzhou Changan Yixing Technology Co., Ltd. (杭州長安宜行科技有限公司)	2,391.31	1.91	-	-
Contract assets	Chongqing Changan Chelian Technology Co., Ltd. Jinhua Branch (重慶長安車聯科技有限公司金華分公司)	1,426.42	1.14	-	-
Contract assets	Chongqing Construction Tongda Industrial Co., Ltd. (重慶建設全達實業有限公司)	776.96	0.62	10,587.23	10.58
Contract assets	Deep Blue Automotive Technology Co., Ltd. (深藍汽車科技有限公司)	-	-	3,018,002.10	3,018.00
Contract assets	Chongqing Lingyao Automobile Co., Ltd. (重慶鈴耀汽車有限公司)	-	-	345,156.92	345.16
Contract assets	Baoding Changan Bus Manufacturing Co., Ltd. (保定長安客車製造有限公司)	-	-	108,586.53	108.59
Contract assets	Hefei Changan Yixing Technology Co., Ltd. (合肥長安宜行科技有限公司)	-	-	57,804.00	57.80
Contract assets	Chongqing Construction Transmission Technology Co., Ltd. (重慶建設傳動科技有限公司)	-	-	51,563.18	51.56
Contract assets	Southern Faurecia Automotive Parts Co., Ltd. (南方佛吉亞汽車部件有限公司)	-	-	30,936.75	30.94
Contract assets	Southern Intel Air Conditioning Co., Ltd. (南方英特空調有限公司)	-	-	22,500.01	22.50
Contract assets	Nanyang Lida Optoelectronics Co., Ltd. (南陽利達光電有限公司)	-	-	1,300.01	1.30
Prepayment	Deep Blue Automotive Technology Co., Ltd. (深藍汽車科技有限公司)	5,319,673.96	-	-	-

Continued...





(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	Hefei Changan Automobile Co., Ltd. (合肥長安汽車有限公司)	324,793.07	56.95	-	-
Prepayment	China South Industries Group Human Resources Development Center (中國兵器裝備集團人力資源開發中心)	112,590.00	-	-	-
Prepayment	Southern Industrial Technology Trading Co., Ltd. (南方工業科技貿易有限公司)	68,503.00	-	-	-
Prepayment	Chongqing Changan Automobile Co., Ltd. (重慶長安汽車股份有限公司)	43,403.34	34.72	43,403.34	43,403.34
Prepayment	Chengdu Qingshan Industrial Co., Ltd. (成都青山實業有限責任公司)	29,798.19	-	-	-
Prepayment	Chongqing Changan Automobile International Sales Service Co., Ltd. (重慶長安汽車國際銷售服務有限公司)	7,620.00	2.51	-	-
Prepayment	Hefei Changan Automobile Co., Ltd. (合肥長安汽車有限公司)	-	-	508,494.25	-
Prepayment	China South Industries Group Human Resources Development Center (中國兵器裝備集團人力資源開發中心)	-	-	18,600.00	14.88
Prepayment	Chongqing Changan Automobile International Sales Service Co., Ltd. (重慶長安汽車國際銷售服務有限公司)	-	-	12,540.00	12.66
Other receivables	Changan Mazda Automobile Co., Ltd. (長安馬自達汽車有限公司)	5,591,281.28	114,782.88	11,541,281.28	121,043.93
Other receivables	Chongqing Changan Automobile Co., Ltd. (重慶長安汽車股份有限公司)	4,715,265.19	54,700.90	3,202,040.33	37,481.11
Other receivables	Changan Ford Motor Co., Ltd. (長安福特汽車有限公司)	2,183,486.91	11,520.42	3,010,202.50	1,023,004.50
Other receivables	Changan Ford Automobile Co., Ltd. Sales Branch (長安福特汽車有限公司銷售分公司)	2,026,992.17	126,348.46	-	-
Other receivables	Sichuan Ningjiang Shanchuan Machinery Co., Ltd. (四川甯江山川機械有限責任公司)	800,000.00	3,280.00	5,000.00	20.50
Other receivables	Nanjing Changan Automobile Co., Ltd. (南京長安汽車有限公司)	700,000.00	4,060.00	700,000.00	2,870.00
Other receivables	Hebei Changan Automobile Co., Ltd. (河北長安汽車有限公司)	612,400.00	38,642.44	612,400.00	21,005.32
Other receivables	Changan Ford Motor Co., Ltd. Power System Branch (長安福特汽車有限公司動力系統分公司)	471,814.49	2,594.98	-	-
Other receivables	Chongqing Lingyao Automobile Co., Ltd. (重慶鈴耀汽車有限公司)	400,000.00	19,340.00	3,100,000.00	90,730.00
Other receivables	Chongqing Minsheng Comprehensive Logistics Co., Ltd. (重慶民生綜合物流有限公司)	371,635.20	2,155.48	371,635.20	1,523.70
Other receivables	Baoding Changan Bus Manufacturing Co., Ltd. (保定長安客車製造有限公司)	304,000.00	19,182.40	304,000.00	10,427.20
Other receivables	Nanjing Baosteel Zhushang Metal Products Co., Ltd. (南京寶鋼住商金屬製品有限公司)	300,000.00	18,930.00	300,000.00	10,290.00
Other receivables	Southern Industrial Technology Trading Co., Ltd. (南方工業科技貿易有限公司)	280,000.00	1,148.00	-	-

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CHANGAN MINSHENG APLL LOGISTICS CO., LTD.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024 (All amounts in RMB unless otherwise stated)

(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
Other receivables	Shanghai Minsheng Shipping Co., Ltd. (上海民生輪船有限公司)	100,000.00	6,310.00	100,000.00	3,430.00
Other receivables	Hefei Changan Automobile Co., Ltd. (合肥長安汽車有限公司)	78,941.81	4,981.23	78,941.81	2,707.70
Other receivables	Chongqing Changan Chelian Technology Co., Ltd. (重慶長安車聯科技有限公司)	66,565.00	655.00	10,000.00	1,027.00
Other receivables	Deep Blue Automotive Technology Co., Ltd. (深藍汽車科技有限公司)	57,985.00	-	-	-
Other receivables	Changan Ford Motor Co., Ltd. Hangzhou Branch (長安福特汽車有限公司杭州分公司)	46,920.65	258.06	-	-
Other receivables	Chongqing Ante Import and Export Trading Co., Ltd. (重慶安特進出口貿易有限公司)	43,982.23	2,740.09	43,982.23	4,516.98
Other receivables	Avita Technology (Chongqing) Co., Ltd. (阿維塔科技(重慶)有限公司)	30,000.00	-	-	-
Other receivables	Harbin Dong'an Automotive Engine Manufacturing Co., Ltd. (哈爾濱東安汽車發動機製造有限公司)	25,764.65	141.71	-	-
Other receivables	Chongqing Changan Smart City Operation and Management Co., Ltd. Hangzhou Branch (重慶長安智慧城市運營管理有限公司杭州分公司)	7,848.00	-	-	-
Other receivables	Hong Kong Minsheng Industrial Co., Ltd. (香港民生實業有限責任公司)	7,142.43	-	7,142.43	733.53
Other receivables	Chongqing Changan Industry (Group) Co., Ltd. (重慶長安工業(集團)有限責任公司)	2,000.00	124.60	2,000.00	8.20
Other receivables	Chongqing Construction Automotive Air Conditioner Co., Ltd. (重慶建設車用空調器有限責任公司)	500.00	-	-	-
Other receivables	Chengdu Lingchuan Special Industry Co., Ltd. (成都陵川特種工業有限責任公司)	26.54	0.01	-	-
Other receivables	Wuhan Shengde Rixin Automobile Industry Park Co., Ltd. (武漢盛德日新汽車產業園有限公司)	3,158,000.00	196,743.40	3,158,000.00	226,112.80
Other receivables	Shenzhen Minsheng Jiefukai Logistics Co., Ltd. (深圳民生捷富凱物流有限公司)	1,060,000.00	4,631.00	310,000.00	1,963.00
Other receivables	Changan Automobile Finance Co., Ltd. (長安汽車金融有限公司)	-	-	249,224.80	23,676.36
Other receivables	Hangzhou Changhe Anji Supply Chain Management Co., Ltd. (杭州長合安吉供應鏈管理有限公司)	-	-	197,024.95	3,114.82
Other receivables	Chongqing Qingshan Industrial Co., Ltd. (重慶青山工業有限責任公司)	-	-	193,994.00	1,062.07
Other receivables	Sichuan Jian'an Industrial Co., Ltd. (四川建安工業有限責任公司)	-	-	100,000.00	3,430.00
Other receivables	Chongqing Wanyou Zunda Automobile Sales and Service Co., Ltd. (重慶萬友尊達汽車銷售服務有限公司)	-	-	100,000.00	540.00
Other receivables	Chongqing Changan Automobile Co., Ltd. Beijing Changan Automobile Co., Ltd. (重慶長安汽車股份有限公司北京長安汽車公司)	-	-	100,000.00	1,920.00
Other receivables	Chongqing Changan Property Management Co., Ltd. (重慶市長安物業管理有限公司)	-	-	7,848.00	-





(2) Payables to related parties

Item	Related party	Closing balance	Beginning balance
Accounts payable	Minsheng Logistics Co., Ltd. (民生物流有限公司)	51,931,161.79	42,877,421.56
Accounts payable	Chongqing Minsheng Comprehensive Logistics Co., Ltd. (重慶民生綜合物流有限公司)	5,138,433.04	7,610,256.64
Accounts payable	Hubei Hannan Port Industrial Co., Ltd. (湖北漢南港實業有限公司)	1,872,995.25	-
Accounts payable	Minsheng International Freight Forwarding Co., Ltd. (民生國際貨物運輸代理有限公司)	1,106,872.00	1,544,689.47
Accounts payable	Shanghai Minsheng Shipping Co., Ltd. (上海民生輪船有限公司)	909,688.91	1,333,847.06
Accounts payable	Guangzhou Minsheng International Freight Forwarding Co., Ltd. (廣州民生國際貨物運輸代理有限公司)	494,160.84	3,909.46
Accounts payable	Changan Ford Motor Co., Ltd. (長安福特汽車有限公司)	208,040.00	599,902.76
Accounts payable	Tianjin Minsheng International Shipping Agency Co., Ltd. (天津民生國際船務代理有限公司)	189,209.00	136,863.00
Accounts payable	Changan Mazda Automobile Co., Ltd. (長安馬自達汽車有限公司)	141,250.00	-
Accounts payable	Hebei Changan Automobile Co., Ltd. (河北長安汽車有限公司)	139,928.43	100,000.00
Accounts payable	Chongqing Wanyou Zunda Automobile Sales and Service Co., Ltd. Shaanxi Branch (重慶萬友尊達汽車銷售服務有限公司陝西分公司)	96,811.36	-
Accounts payable	Minsheng International Container Transport Co., Ltd. (民生國際集裝箱運輸有限公司)	67,162.73	195,970.19
Accounts payable	Sichuan Jian'an Industrial Co., Ltd. (四川建安工業有限責任公司)	53,974.79	1,350,634.64
Accounts payable	Deep Blue Automotive Technology Co., Ltd. (深藍汽車科技有限公司)	-	1,556,967.07
Accounts payable	Shenzhen Minsheng Jiefukai Logistics Co., Ltd. (深圳民生捷富凱物流有限公司)	-	2,917,415.26
Accounts payable	Chongqing Guoyuan Roll on/Roll off Terminal Co., Ltd. (重慶果園滾裝碼頭有限公司)	-	2,595,137.80
Accounts payable	Minsheng Shipping Co., Ltd. (民生輪船股份有限公司)	-	2,200.00
Contract liabilities	Changan Ford Motor Co., Ltd. Hangzhou Branch (長安福特汽車有限公司杭州分公司)	2,719,371.67	-
Contract liabilities	Changan Ford Automobile Co., Ltd. Sales Branch (長安福特汽車有限公司銷售分公司)	1,152,239.78	-
Contract liabilities	Chongqing Changan Automobile Co., Ltd. (重慶長安汽車股份有限公司)	700,419.96	124,907.65
Contract liabilities	Changan Ford Motor Co., Ltd. (長安福特汽車有限公司)	305,951.07	3,254,065.92
Contract liabilities	Chongqing Changan Automobile International Sales Service Co., Ltd. (重慶長安汽車國際銷售服務有限公司)	203,019.57	159,479.00
Contract liabilities	Chongqing Changan Automobile Customer Service Co., Ltd. (重慶長安汽車客戶服務有限公司)	77,133.43	72,355.07
Contract liabilities	Chengdu Huachuan Denso Co., Ltd. (成都華川電裝有限責任公司)	37,647.24	35,315.11
Contract liabilities	Chenzhi (Chongqing) Brake System Co., Ltd. (辰致(重慶)制動系統有限公司)	35,163.03	-
Contract liabilities	Sichuan Ningjiang Shanchuan Machinery Co., Ltd. (四川甯江山川機械有限責任公司)	15,047.17	0.88

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CHANGAN MINSHENG APLL LOGISTICS CO., LTD.

NOTES TO THE FINANCIAL STATEMENTS

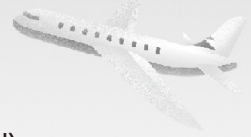
For the year ended 31 December 2024 (All amounts in RMB unless otherwise stated)

(2) Payables to related parties (Continued)

Item	Related party	Closing balance	Beginning balance
Contract liabilities	Chongqing Lingyao Automobile Co., Ltd. (重慶鈴耀汽車有限公司)	14,424.58	13,531.03
Contract liabilities	Chongqing Shangfang Automotive Parts Co., Ltd. (重慶上方汽車配件有限責任公司)	3,447.97	5,293.96
Contract liabilities	Chongqing Changan Automobile Co., Ltd. Sales Company (重慶長安汽車股份有限公司銷售公司)	2,377.36	2,230.09
Contract liabilities	China South Industries Group Commercial Factoring Co., Ltd. (中國兵器裝備集團商業保理有限公司)	1,127.58	1,057.73
Contract liabilities	Chongqing Anfu Automobile Marketing Co., Ltd. Maintenance Service Branch (重慶安福汽車行銷有限公司維修服務分公司)	122.64	-
Contract liabilities	Sichuan Ningjiang Shanchuan Machinery Co., Ltd. Longchang Shock Absorber Branch (四川甯江山川機械有限責任公司隆昌減振器分公司)	0.94	-
Contract liabilities	Changan Ford Automobile Co., Ltd. Harbin Branch (長安福特汽車有限公司哈爾濱分公司)	0.04	-
Contract liabilities	Chengdu Wanyou Filter Co., Ltd. (成都萬友濾機有限公司)	0.01	0.01
Contract liabilities	Shenzhen Minsheng Jiefukai Logistics Co., Ltd. (深圳民生捷富凱物流有限公司)	-	127,713.58
Contract liabilities	Chongqing Qingshan Industrial Co., Ltd. (重慶青山工業有限責任公司)	-	62,787.62
Contract liabilities	Chongqing Anfu Automobile Marketing Co., Ltd. (重慶安福汽車行銷有限公司)	-	300.00
Contract liabilities	Beijing North Changfu Automobile Sales Co., Ltd. (北京北方長福汽車銷售有限責任公司)	-	46.90
Contract liabilities	Dehong Wanfu Automobile Sales and Service Co., Ltd. (德宏萬福汽車銷售服務有限公司)	-	18.58
Contract liabilities	Chongqing Wanyou Longrui Automobile Sales and Service Co., Ltd. (重慶萬友龍瑞汽車銷售服務有限公司)	-	16.81
Other payables	Minsheng Logistics Co., Ltd. (民生物流有限公司)	3,028,611.00	3,028,611.00
Other payables	Chongqing Changan Smart City Operation and Management Co., Ltd. (重慶長安智慧城市運營管理有限公司)	2,794,021.79	-
Other payables	Chongqing Changan Automobile Co., Ltd. (重慶長安汽車股份有限公司)	2,636,725.51	2,559,859.06
Other payables	Chongqing Minsheng Comprehensive Logistics Co., Ltd. (重慶民生綜合物流有限公司)	1,043,738.26	1,083,738.26
Other payables	Minsheng Industrial (Group) Co., Ltd. (民生實業(集團)有限公司)	633,386.09	-
Other payables	Chongqing Changan Construction Engineering Co., Ltd. (重慶長安建設工程有限公司)	601,488.89	601,488.89
Other payables	Sichuan Jian'an Industrial Co., Ltd. (四川建安工業有限責任公司)	429,417.79	405,204.60
Other payables	Changan Ford Motor Co., Ltd. (長安福特汽車有限公司)	399,335.20	-
Other payables	Chongqing Changan Industry (Group) Co., Ltd. (重慶長安工業(集團)有限責任公司)	280,628.31	-
Other payables	Chongqing Lingyao Automobile Co., Ltd. (重慶鈴耀汽車有限公司)	217,429.90	1,636,136.32
Other payables	Minsheng International Freight Forwarding Co., Ltd. (民生國際貨物運輸代理有限公司)	200,500.00	-

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(2) Payables to related parties (Continued)

Item	Related party	Closing balance	Beginning balance
Other payables	Chongqing Changan Smart City Operation and Management Co., Ltd. Sichuan Branch (重慶長安智慧城市運營管理有限公司四川分公司)	118,392.00	-
Other payables	China South Industries Group Co., Ltd. (中國兵器裝備集團有限公司)	112,241.70	110,362.74
Other payables	Shanghai Minsheng Shipping Co., Ltd. (上海民生輪船有限公司)	100,000.00	100,000.00
Other payables	Chongqing Changan Smart City Operation and Management Co., Ltd. Nanjing Branch (重慶長安智慧城市運營管理有限公司南京分公司)	100,000.00	-
Other payables	APLL Transportation (China) Co., Ltd. (美集物流運輸(中國)有限公司)	89,838.41	-
Other payables	China South Industries Group Automation Research Institute Co., Ltd. (中國兵器裝備集團自動化研究所有限公司)	84,000.00	-
Other payables	Hebei Changan Automobile Co., Ltd. (河北長安汽車有限公司)	72,024.00	256,385.44
Other payables	China South Industries Group Commercial Factoring Co., Ltd. (中國兵器裝備集團商業保理有限公司)	62,465.76	-
Other payables	Chongqing Anyi Automotive Technology Service Co., Ltd. (重慶安驛汽車技術服務有限公司)	55,107.00	131,157.60
Other payables	Chongqing Changan Smart City Operation and Management Co., Ltd. Hangzhou Branch (重慶長安智慧城市運營管理有限公司杭州分公司)	53,559.39	-
Other payables	Tianjin Minsheng International Shipping Agency Co., Ltd. (天津民生國際船務代理有限公司)	50,000.00	50,000.00
Other payables	Chongqing Qingshan Industrial Co., Ltd. (重慶青山工業有限責任公司)	48,275.00	58,670.42
Other payables	Mianyang Wanzhong Auto Parts Co., Ltd. (綿陽萬眾汽配有限責任公司)	34,927.94	-
Other payables	China South Industries Group Human Resources Development Center (中國兵器裝備集團人力資源開發中心)	31,600.00	-
Other payables	Chongqing Changan Property Management Co., Ltd. Ya'an Branch (重慶市長安物業管理有限公司雅安分公司)	28,326.00	-
Other payables	Hubei Hannan Port Industrial Co., Ltd. (湖北漢南港實業有限公司)	21,605.91	-
Other payables	Chengdu Wanyou Automobile Trade Service Co., Ltd. (成都萬友汽貿服務有限公司)	20,706.85	20,706.85
Other payables	Chongqing Changan Automobile Co., Ltd. Beijing Changan Automobile Co., Ltd. (重慶長安汽車股份有限公司北京長安汽車公司)	17,582.48	17,582.48
Other payables	Southern Industrial Technology Trading Co., Ltd. (南方工業科技貿易有限公司)	8,526.42	-
Other payables	Chongqing Changan Intelligent Industrial Technology Service Co., Ltd. (重慶長安智慧工業技術服務有限公司)	2,826.05	2,826.05
Other payables	Minsheng Shipping Co., Ltd. (民生輪船股份有限公司)	2,200.00	-
Other payables	Minsheng Shipping Co., Ltd. Shanghai Branch (民生輪船有限公司上海分公司)	1,094.00	-
Other payables	Chongqing Wanyou Economic Development Co., Ltd. (重慶萬友經濟發展有限責任公司)	607.50	880.50
Other payables	Southern Intel Air Conditioning Co., Ltd. (南方英特空調有限公司)	500.00	500.00
Other payables	Minsheng International Container Transport Co., Ltd. (民生國際集裝箱運輸有限公司)	400.00	-

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CHANGAN MINSHENG APLL LOGISTICS CO., LTD.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 December 2024 (All amounts in RMB unless otherwise stated)

(2) Payables to related parties (Continued)

Item	Related party	Closing balance	Beginning balance
Other payables	Chongqing Wanyou Zunda Automobile Sales and Service Co., Ltd. (重慶萬友尊達汽車銷售服務有限公司)	294.61	-
Other payables	Hubei Xiaogan Huazhong Automotive Lamp Co., Ltd. (湖北孝感華中車燈有限公司)	150.00	150.00
Other payables	Baoding Changan Bus Manufacturing Co., Ltd. (保定長安客車製造有限公司)	50.00	50.00
Other payables	Chongqing Changfeng Jiquan Machinery Co., Ltd. (重慶長風基鉗機械有限公司)	40.00	40.00
Other payables	Changan Automobile (Group) Co., Ltd. (長安汽車(集團)有限責任公司)	12.00	-
Other payables	Wanyou Automotive Investment Co., Ltd. (萬友汽車投資有限公司)	0.06	-
Other payables	Jiangling Motors Holdings Limited (江鈴控股有限公司)	-	5,790,723.17
Other payables	Shenzhen Minsheng Jiefukai Logistics Co., Ltd. (深圳民生捷富凱物流有限公司)	-	2,050,000.00
Other payables	Chongqing Changan Property Management Co., Ltd. (重慶市長安物業管理有限公司)	-	1,546,004.17
Other payables	Minsheng Industrial (Group) Co., Ltd. (民生實業(集團)有限公司)	-	1,052,786.60
Other payables	China Weapon News Agency (中國兵器報社)	-	428,398.87
Other payables	Chongqing Changan Industry (Group) Co., Ltd. (重慶長安工業(集團)有限責任公司)	-	280,628.31
Other payables	Hefei Changan Automobile Co., Ltd. (合肥長安汽車有限公司)	-	174,133.49
Other payables	APLL Transportation (China) Co., Ltd. (美集物流運輸(中國)有限公司)	-	89,838.41
Other payables	Minsheng Shipping Co., Ltd. (民生輪船有限公司)	-	1,094.00
Other payables	Changan Automobile (Group) Co., Ltd. (長安汽車(集團)有限責任公司)	-	12.00





XII. Share-based payments

1. Information about share-based payments

The stock appreciation incentive plan (hereinafter referred to as the “Plan”) of the Company was approved by the shareholders’ meeting on 28 August 2020 and further revised and approved by the State-owned Assets Supervision and Administration Commission of the State Council of the People’s Republic of China. The main purpose is to provide incentives for directors and eligible employees, and it will expire on 27 April 2026. On 27 April 2021, the Company approved the issuance of 4,861,400 shares of underlying stock to 29 eligible employees, accounting for 3% of the total issued share capital of the Company, which is 162,064,000 shares. The holders of stock appreciation rights may exercise them in stages within two years from the date of grant. The rights granted to eligible employees shall become effective after one-third of the term expires in each of the following three years.

Exercise Price: Determined by the directors of the Company at HKD 2.98. This is the closing price of the Company’s H-shares listed on the stock exchange on the grant date (i.e., 27 April 2021) as quoted in the daily quotation sheet of the stock exchange, which was HKD 2.98.

The stock appreciation rights granted under this plan are expected to be assessed and exercised annually during the three accounting periods from 2021 to 2023. Performance appraisals and exercises will be conducted annually, with the Company’s business performance objectives serving as the vesting conditions.

The Company has granted stock appreciation rights and does not have any outstanding equity options or other equity instruments at the end of the year.

As of 31 December 2024, none of the stock appreciation rights granted under the plan have been exercised. The Company has not incurred any compensation expenses related to the stock appreciation rights. Consequently, there are no liabilities recorded on the balance sheet attributable to the stock appreciation rights.

XIII. Commitments and contingencies

1. Significant commitments

Capital commitments

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





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2. Contingencies

Potential liabilities arising from pending litigation and arbitration and their financial impact

Plaintiff	Defendant	Cause of action	Accepting court	Amount involved in the lawsuit	Progress of the case
Chongqing Yangcheng Qiqi Logistics Co., Ltd (重慶揚成麒麟物流有限公司)	The Company	Disputes over transportation contracts	Chongqing Liangjiang New Area People's Court	RMB1,000,000	Pending court judgment
Shuangxing Dongfeng Tire Co., Ltd. (雙星東風輪胎有限公司)	The Company	Warehouse contract dispute	Chongqing Pilot Free Trade Zone People's Court	RMB988,500	Shuangxing company lose a lawsuit
Yuanda Financial Leasing (Shenzhen) Co., Ltd (遠大融資租賃(深圳)有限公司)	CMAL Bo Yu Transportation Co., Ltd	Factoring contract dispute	Chongqing Jiangbei District People's Court	RMB900,000	Pending court judgment
Sichuan Jiashun Logistics Co., Ltd (四川佳順物流有限公司)	The Company and Ya'an Branch	Disputes over transportation contracts	Mingshan District People's Court, Ya'an City	RMB876,400	Pending court judgment

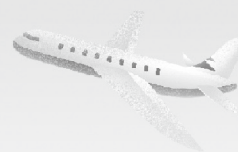
Note 1: Chongqing Chuangpei Logistics Co., Ltd. (Chuangpei Logistics) signed a "Finished Vehicle Road Transport Service Contract" with the company on 30 January 2019, and paid a deposit of RMB1 million to the company. The above business has been terminated in July 2021. Chuangpei Logistics transferred its creditor's rights to Chongqing Yangcheng Qiqi Logistics Co., Ltd. (hereinafter referred to as Yangcheng Qiqi) on 19 August 2021. The effectiveness of the transfer of the creditor's rights has been confirmed by (2022)渝8601民初315号 and (2023)渝01民终2814号民事判决书. In the aforementioned cases, it was ruled that the company should pay the freight to Yangcheng Qiqi, and the company will transfer the deposit to Yangcheng Qiqi. made the payment, and YangCheng Qiqi sued the company for the refund of the RMB1 million deposit.

Note 2: On 14 May 2024, Shuangxing Dongfeng Tire Co., Ltd. filed a lawsuit with the People's Court of Chongqing Pilot Free Trade Zone, claiming that there were material differences during the period of providing warehousing services to the company from 2015 to 2017, and demanded that the company compensate for the difference in material payments of RMB988,458.92. The company received a court summons on 26 July 2024. On 24 January 2025, the first instance judgment was received rejecting the lawsuit request of Double Star Tire. On 10 March 2025, the appeal was rejected and the original judgment was upheld.

Note 3: In May 2022, CMAL Bo Yu, a subsidiary of the Company, carried out the pharmaceutical logistics and transportation project of Taiji Group, and in June 2022, its supplier Chongqing Honghua Shengan Pharmaceutical Logistics Co., LTD. (hereinafter referred to as "Honghua Shengan") applied for factoring financing of its accounts receivable by Broad Financial Leasing (Shenzhen) Co., LTD. (hereinafter referred to as "Broad Leasing"). In December 2022, due to the poor operation and management of Honghua Sheng'an, Yuanda Leasing has not yet repaid the arrears of Yuanda Leasing, thus Yuanda Leasing sued the Jiangbei District People's Court of Chongqing, requiring CMAL Bo Yu to pay the receivables financing principal of 900,000 yuan and interest, overdue interest, factoring fees, legal fees and litigation costs. The lawsuit went to trial on 23 October 2024, and is still pending.

Note 4: Sichuan Jiashun Logistics Co., Ltd. has filed a lawsuit demanding that its Ya'an branch pay the additional fees of RMB876,400 incurred during the cooperation period due to reasons such as epidemic supply guarantee detours and has listed our company as a joint defendant.





XIV. Event after balance sheet date

1. Explanation of significant non adjusting events after the balance sheet date

Project	Content	The impact on financial condition and operating results	Unable to estimate the number of impacts
Important outbound investments	On 16 January 2025, the Group, Minsheng Shipping (Thailand) and CTI has signed a joint venture contract, and the parties agree to establish a joint venture company in Thailand. The main purpose is to use Changan Automobile's Thailand base supply chain integrated logistics business as the foundation, and the shareholders support the joint venture company to establish independent capabilities and gradually expand other logistics businesses in the ASEAN region.		
	According to the joint venture contract, the registered capital of the joint venture company is equivalent to 30 million Thai baht. The Company, Minsheng Shipping (Thailand), and CTI will each contribute RMB13.2 million equivalent to Thai baht, RMB9 million equivalent to Thai baht, and RMB7.8 million equivalent to Thai baht, which will be paid in Thai baht cash. After the completion of their respective contributions to the joint venture, the Company, Minsheng Shipping (Thailand), and CTI will hold approximately 44%, 30%, and 26% of the equity in the joint venture, respectively.	Increase long-term equity investment by RMB13.2 million in 2025	

2. Profit distribution subsequent to balance sheet date

Profit or dividend to be distributed	32,412,800.00
Profits or dividends declared and distributed upon review and approval	

XV. Other significant matters

1. 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.

2. Audit fees

Item	Current year	Prior year
Audit fee	1,280,000.00	1,280,000.00





3. Remuneration of Directors and Supervisors

The remuneration of Directors and Supervisors in 2024 is set out as follows:

Name	Remuneration, allowances, and subsidies.	Social insurance, housing provident funds, and enterprise annuity	Total
Executive Directors			
Xie Shikang	1,082,992.00	134,102.64	1,217,094.64
Wan Nianyong	1,082,992.00	134,102.64	1,217,094.64
Non-executive Directors			
Che Dexi			
Chen Wenbo			
Jin Jie			
Dong Shaojie			
Supervisors			
Deng Li	356,400.00	127,505.64	483,905.64
Liu Shasha	295,500.00	124,082.64	419,582.64
Wang Huaicheng			
Ang Lai Fern			
Yang Gang			
Independent Non-executive Directors			
Li Ming	120,000.00		120,000.00
Man Wing Pong	120,000.00		120,000.00
Chen Jing	120,000.00		120,000.00





The remuneration of Directors and Supervisors in 2023 is set out as follows:

Name	Remuneration, allowances, and subsidies	Social insurance, housing provident funds, and enterprise annuity	Total
Executive Directors			
Xie Shikang	1,052,788.00	127,571.40	1,180,359.40
Wan Nianyong	1,052,788.00	127,571.40	1,180,359.40
Non-executive Directors			
Che Dexi			
Chen Wenbo			
Ms. Jin Jie			
Dong Shaojie			
Supervisors			
Deng Li	388,800.00	121,598.40	510,398.40
Liu Shasha	282,000.00	117,860.40	399,860.40
Wang Huaicheng			
Ang Lai Fern			
Yang Gang			
Independent Non-executive Directors			
Chong Teck Sin	75,000.00		75,000.00
Poon Chiu Kwok	75,000.00		75,000.00
Jie Jing	75,000.00		75,000.00
Zhang Yun	75,000.00		75,000.00
Li Ming	50,000.00		50,000.00
Man Wing Pong	50,000.00		50,000.00
Chen Jing	50,000.00		50,000.00





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4. Top five highest-paid individuals

The five individuals with the highest emoluments during the year include two directors of the Group, whose emoluments are set out in Note XV.3. The emoluments of the remaining three individuals (who are not directors or supervisors) with the highest emoluments are set out below:

Item	2024	2023
Salaries, allowances, and employee benefits	1,065,880.80	993,391.20
Performance bonuses	1,565,245.00	1,533,300.00
Social insurance, housing provident funds, and enterprise annuity	443,563.60	427,058.70

The number of individuals who are not directors or supervisors fall within the scope of the highest-paid employees is as follows:

Category	Number of individual	
	2024	2023
HKD 0-1,000,000.00	0	0
More than HKD 1,000,000.00	3	3

5. Significant litigation progress

- (1) On 29 September 2022, the company signed a "Transportation Service Contract" with Chongqing Xinshuo Group Co., Ltd. (**Xinshuo Company**). The company provides coal transportation services to Xinshuo Company. In April 2023, the 5,227.83 tons of coal stored by Xinshuo Company at Daqingyang Station were lost due to poor storage. Later, Xinshuo Company filed a lawsuit with the People's Court of Chongqing Pilot Free Trade Zone, demanding that the company return the freight and compensate for the coal loss and capital occupation fees. On 20 December 2024, the People's Court of Chongqing Pilot Free Trade Zone made a first instance judgment, requiring the company to return freight charges of RMB1,834,500.56, compensate for coal transportation losses of RMB1,777,462.20, road transportation losses of RMB2,457,080.10, and capital occupation fees (calculated from 30 April 2023 to the date of full payment according to the one-year loan market quotation interest rate standard published by the National Interbank Funding Center, with interest paid along with principal) and lawyer fees of RMB160,000.00. The company has already accrued an estimated liability of RMB6,641,118.75 on its books. After the judgment takes effect, the estimated liability will be carried forward to other payables. As of 31 December 2024, the court has frozen the company's bank deposit of RMB7,420,000.00. In January 2025, the company paid the above-mentioned amount to Xinshuo Company.
- (2) On 1 December 2021, Beijing Huayang Hong Freight Service Co., LTD. (hereinafter referred to as "**Huayang Hongda**") signed a contract of carriage with the Company (valid period: from 1 December 2021 to 31 December 2022), to undertake the Company's after-sales logistics business. The bid security of RMB300,000.00 paid by Huayang Hongda before the signing of the contract will be converted into contract performance security after the signing of the contract, and the refund condition stipulated in the contract is "interest-free refund after the termination of the contract and smooth operation". In January 2022, Huayang Hongda requested that it no longer participate in the business from February 2022 to terminate the contract in advance, and the two parties did not reach an agreement on the refund of the deposit. Therefore, Huayang Hong sued the Court of Chongqing Free Trade Zone to return the deposit of RMB300,000.00 and pay interest, attorney fees and other expenses. According to the civil ruling of Chongqing Pilot Free Trade Zone People's Court on July 30, 2024 (2024) Chongqing 0192 No. 7923 in the Early Republic of China, the court agreed to Huayang Hongda's application for property preservation and froze the Company's bank deposit of RMB300,000.00. On January 20, 2025, the court made a judgment of the first instance, and the company won the lawsuit and rejected all the litigation claims of Huayang Hongda.





- (3) On 7 September 2023, the subsidiary Tongnan Branch of CMAL Bo Yu (“**Boyu Tongnan Branch**”) signed a transportation agreement with Yizhao Huasheng, entrusting Boyu Tongnan Branch to provide road freight transportation services.

On 12 September 2023, ELION Dalad Branch (an upstream customer of Yizhao Huasheng) issued a “Guarantee Letter” to Boyu Tongnan Branch, stating its joint and several guarantee responsibility as the guarantor for all debts payable to the guarantor under the “Transportation Contract” (signed by Yizhao Huasheng and ELION Dalad Branch in September 2023, No. YLIN-DLTC-SHSYS-2023-11) during the performance of the main contract between Yizhao Huasheng Logistics and Boyu Tongnan Branch. The guarantee period is six months from the expiration of the main contract debt period.

After the signing of the aforementioned transportation agreement, Boyu Tongnan Branch fulfilled its transportation obligations in accordance with the contract, but Yizhao Huasheng failed to pay the accumulated freight of RMB18.3063 million from November 2023 to February 2024.

On 6 May 2024, Boyu Tongnan Branch signed a “Freight Compensation Agreement” with Yizhao Huasheng and Yili Jieneng ELION Dalad Branch, agreeing that ELION Dalad Branch would make payments on behalf of Boyu Tongnan Branch within the payable scope to repay Yizhao Huasheng’s debts. Starting from 6 May 2024, the weekly compensation would not be less than RMB500,000. ELION Dalad Branch paid a freight fee of RMB500,000 through an acceptance bill on 11 May 2024, but did not make the payment according to the compensation agreement afterwards.

On 20 May 2024, Boyu Tongnan Branch filed a lawsuit with the Tongnan District People’s Court in Chongqing, demanding that Yizhao Huasheng and ELION Dalad Branch pay the outstanding freight of RMB17.81 million, and demanded that Yili Jieneng (delisted on 18 July 2024) assume the responsibility of repayment as the head office of ELION Dalad Branch. At the same time, Boyu Tongnan Branch also applied to the court to freeze the bank deposits under the names of the three defendants or to seal or freeze other assets of equal value.

In October 2024, the People’s Court of Chongqing Pilot Free Trade Zone was on the waiting list to seal the real estate property rights No. 0007172 of Meng (2019) Dalad Banner under the name of ELION Dalad Branch, with an area of 199,420.4 square meters. In November 2024, the People’s Court of Chongqing Pilot Free Trade Zone was on the waiting list to seal the real estate property rights No. 0008218 of Meng (2022) Dalad Banner under the name of ELION Dalad Branch, with an area of 257,881.1 square meters. The group expects to recover outstanding debts through judicial auction of pledged and seized assets.





XVI. Notes to significant items of financial statements of parent company

1. 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 bill	37,825,182.42	-	37,825,182.42	-	-	-
Commercial acceptance bills	-	-	-	36,570.00	36.57	36,533.43
Total	37,825,182.42	-	37,825,182.42	36,570.00	36.57	36,533.43

(1) Accounts receivable that has been endorsed or discounted by the group but have not yet matured at the end of the period

Types	End of term termination confirmation amount	Confirmation amount not terminated at the end of the period
Bank acceptance bill	-	1,545,055.94

(2) Disclosure by method of provision for bad debts

Category	Closing balance				
	Book balance		Provision for bad debts		Carrying amount
	Amount	Ratio (%)	Amount	Expected credit loss rate (%)	
Provision for bad debts on an individual basis					
Provision for bad debts on a portfolio basis					
Including:					
Bank acceptance bills	37,825,182.42	100.00			37,825,182.42
Commercial acceptance bills	-	-			-
Total	37,825,182.42	100.00			37,825,182.42

Continued:

Category	Beginning balance				
	Book balance		Provision for bad debts		Carrying amount
	Amount	Ratio (%)	Amount	Expected credit loss rate (%)	
Provision for bad debts on an individual basis					
Provision for bad debts on a portfolio basis					
Including:					
Bank acceptance bills					
Commercial acceptance bills	36,570.00	100.00	36.57	0.10	36,533.43
Total	36,570.00	100.00	36.57	0.10	36,533.43





Bills receivable for which bad debt provision is made on a portfolio basis

Provision for bad debts on a portfolio basis: Bank acceptance bills

Item	Closing balance			Beginning balance		
	Notes receivable	Provision for bad debts	Expected credit loss rate (%)	Notes receivable	Provision for bad debts	Expected credit loss rate (%)
Bank acceptance bills	37,825,182.42	-	-	-	-	-

Provision for bad debts on a portfolio basis: Commercial acceptance bills

Item	Closing balance			Beginning balance		
	Notes receivable	Provision for bad debts	Expected credit loss rate (%)	Notes receivable	Provision for bad debts	Expected credit loss rate (%)
Commercial acceptance bills	-	-	-	36,570.00	36.57	0.10

(3) Accrual, recovery or reversal of bad debt provision during the year

	Amount of provision for bad debts
Beginning balance	36.57
Provision for the year	-
Recovered or reversal in the year	36.57
Closing balance	-

2. Accounts receivable

(1) By ageing

Ageing	Closing balance	Beginning balance
0-3 months	1,299,446,214.90	968,526,082.90
4-6 months	16,075,056.46	26,970,536.79
7-12 months	11,982,522.79	8,959,060.35
1-2 years	1,337,066.63	2,466,847.21
2-3 years	846,859.33	5,950,605.01
Over 3 years	65,575,267.63	77,644,850.88
Subtotal	1,395,262,987.74	1,090,517,983.14
Less: Provision for bad debts	74,673,635.46	88,088,963.24
Total	1,320,589,352.28	1,002,429,019.90





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(2) Disclosure by method of provision for bad debts

Category	Book balance		Closing balance		
	Amount	Ratio (%)	Provision for bad debts Amount	Expected credit loss rate (%)	Carrying amount
Provision for bad debts on an individual basis	7,330,419.15	0.53	5,184,289.03	70.72	2,146,130.12
Provision for bad debts on a portfolio basis	1,387,932,568.59	99.47	69,489,346.43	5.01	1,318,443,222.16
Including:					
Receivable from general customers	248,143,370.12	17.78	36,447,351.59	14.69	211,696,018.53
Receivables from related parties	1,135,682,657.67	81.40	33,041,994.84	2.91	1,102,640,662.83
Receivables from the related parties within the scope of consolidation	4,106,540.80	0.29	-	-	4,106,540.80
Total	1,395,262,987.74	100.00	74,673,617.97	5.35	1,320,589,352.28

Continued:

Category	Book balance		Beginning balance		
	Amount	Ratio (%)	Provision for bad debts Amount	Expected credit loss rate (%)	Carrying amount
Provision for bad debts on an individual basis					
Provision for bad debts on a portfolio basis	1,090,517,983.14	100.00	88,088,963.24	8.08	1,002,429,019.90
Including:					
Receivable from general customers	291,190,851.96	26.70	42,390,001.12	14.56	248,800,850.84
Receivables from related parties	790,390,241.14	72.48	45,698,962.12	5.78	744,691,279.02
Receivables from the Group's related parties	8,936,890.04	0.82	-	-	8,936,890.04
Total	1,090,517,983.14	100.00	88,088,963.24	8.08	1,002,429,019.90

Provision for bad debts of accounts receivable on an individual basis

Name	Closing balance			Basis for accrual
	Book balance	Provision for bad debts	Expected credit loss rate (%)	
Golmud North Economic and Trade Co., Ltd. (格爾木北方經貿有限公司)	1,671,365.98	1,169,956.19	70.00	According to the litigation conditions
Golmud Jingbei Salt Industry Co., Ltd. (格爾木晶北鹽業有限公司)	5,482,401.08	3,837,680.75	70.00	According to the litigation conditions
Other Customers	176,652.09	176,652.09	100.00	Expected irretrievable
Total	7,330,419.15	5,184,289.03	70.72	





Accounts receivable for which provision for bad debts is made on a portfolio basis

Provision for bad debts on a portfolio basis: Receivable from general customers

Ageing	Closing balance			Beginning balance		
	Book balance	Provision for bad debts	Expected credit loss rate (%)	Book balance	Provision for bad debts	Expected credit loss rate (%)
0-3 months	201,693,214.60	887,449.82	0.44	224,535,847.36	426,618.11	0.19
4-6 months	8,286,868.51	116,844.85	1.41	20,349,792.30	488,395.02	2.40
7-12 months	2,882,191.93	446,451.54	15.49	4,722,708.63	463,297.72	9.81
1-2 years	415,122.73	215,365.68	51.88	1,731,226.94	1,261,545.07	72.87
2-3 years	320,714.09	235,981.44	73.58	3,200,364.61	3,099,233.08	96.84
Over 3 years	34,545,258.26	34,545,258.26	100.00	36,650,912.12	36,650,912.12	100.00
Total	248,143,370.12	36,447,351.59	14.69	291,190,851.96	42,390,001.12	14.56

Provision for bad debts on a portfolio basis: Receivables from related parties

Ageing	Closing balance			Beginning balance		
	Book balance	Provision for bad debts	Expected credit loss rate (%)	Book balance	Provision for bad debts	Expected credit loss rate (%)
0-3 months	1,093,646,459.50	962,568.53	0.09	735,053,345.50	735,053.35	0.10
4-6 months	7,788,187.95	27,258.66	0.35	6,620,744.49	15,227.71	0.23
7-12 months	2,579,140.26	505,511.49	19.60	4,236,351.72	1,020,537.13	24.09
1-2 years	271,802.01	170,283.96	62.65	735,620.27	434,236.65	59.03
2-3 years	485,815.82	465,120.07	95.74	2,750,240.40	2,499,968.52	90.90
Over 3 years	30,911,252.13	30,911,252.13	100.00	40,993,938.76	40,993,938.76	100.00
Total	1,135,682,657.67	33,041,994.84	2.91	790,390,241.14	45,698,962.12	5.78

Provision for bad debts on a portfolio basis: Receivables from related parties of the Group

Ageing	Closing balance			Beginning balance		
	Book balance	Provision for bad debts	Expected credit loss rate (%)	Book balance	Provision for bad debts	Expected credit loss rate (%)
0-3 months	4,106,540.80	-	-	8,936,890.04	-	-





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(3) Accrual, recovery or reversal of bad debt provision during the year

	Amount of provision for bad debts
Beginning balance	88,088,963.24
Provision for the year	-9,657,533.65
Recovered or reversal in the year	-
Write-off in the year	3,757,794.13
Closing balance	74,673,617.97

(4) Accounts receivable actually written off in this period

Item	Write-off amount
Accounts receivable actually written off	3,757,794.13

Important accounts receivable write-off status

Unit Name	Accounts receivable Nature	Write-off amount	Reason for write-off	Verification procedures for performance	Is the payment generated from related party transactions
Chongqing Younanyuan Agricultural Technology Development Co., Ltd (重慶悠南苑農業科技發展有限公司)	Current accounts	381,250.00	The court judgment cannot be enforced, and there are no enforceable assets	General Manager's Office Meeting	No
Henan Suda Electric Vehicle Technology Co., Ltd (河南速達電動汽車科技有限公司)	Current accounts	186,782.92	The court judgment cannot be enforced, and there are no enforceable assets	General Manager's Office Meeting	No
Jinzhou Anda Automotive Parts Co., Ltd (晉州市安達汽車配件有限公司)	Current accounts	137,500.00	The court judgment cannot be enforced, and there are no enforceable assets	General Manager's Office Meeting	No
Suzhou Baoqi Logistics Co., Ltd (蘇州寶汽物流有限公司)	Current accounts	2,342,647.00	The debtor has been cancelled	General Manager's Office Meeting	No
Chongqing Changan Airport Automotive Parts Co., Ltd (重慶長安空港汽車配件有限責任公司)	Current accounts	109,989.71	The court judgment cannot be enforced, and there are no enforceable assets	General Manager's Office Meeting	No
Total		3,158,169.63			

(5) Accounts receivable and contract assets due from the top five debtors

Accounts receivable and contract assets due from the top five debtors as of 31 December 2024 was totaling RMB1,063,366,211.36, which accounted for 64.49% of total accounts receivable and contract assets, and the corresponding provision for bad debts was totaling RMB32,090,317.44.





3. Other receivables

Item	Closing balance	Beginning balance
Interest receivable	-	-
Dividends receivable	-	-
Other receivables	69,440,151.56	71,415,940.99
Total	69,440,151.56	71,415,940.99

(1) Other receivables

(i) By ageing

Ageing	Closing balance	Beginning balance
0 to 6 months	27,291,218.74	26,999,197.24
7-12 months	8,419,891.62	8,889,147.00
1-2 years	6,486,758.32	11,767,446.81
2-3 years	6,420,460.75	10,610,156.90
Over 3 years	25,341,185.42	16,100,932.46
Less: Provision for bad debts	4,519,363.29	2,950,939.42
Total	69,440,151.56	71,415,940.99

(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
Current accounts	27,949,452.82	3,693,839.03	24,255,613.79	39,799,565.46	2,527,888.98	37,271,676.48
Security deposits, deposit	35,446,848.59	800,203.13	34,646,645.46	29,231,423.29	300,528.83	28,930,894.46
Staff petty cash borrowing	384,090.00	-	384,090.00	19,100.00	-	19,100.00
Advances for taxes and expenses	1,146,934.45	6,593.95	1,140,340.50	466,871.23	32,402.77	434,468.46
Others	9,032,188.99	18,727.18	9,013,461.81	4,849,920.43	90,118.84	4,759,801.59
Total	73,959,514.85	4,519,363.29	69,440,151.56	74,366,880.41	2,950,939.42	71,415,940.99





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(iii) Information of provision for bad debts

At 31 December 2024, provision for bad debts on those in first stage:

Category	Book balance	Expected credit loss rate in the next 12 months (%)	Provision for bad debts	Carrying amount
Provision for bad debts on an individual basis				
Provision for bad debts on a portfolio basis	70,306,941.47	1.23	866,789.91	69,440,151.56
Current accounts	24,296,879.44	0.17	41,265.65	24,255,613.79
Security deposits, deposit	35,446,848.59	2.26	800,203.13	34,646,645.46
Staff petty cash borrowing	384,090.00	-	-	384,090.00
Advances for taxes and expenses	1,146,934.45	0.57	6,593.95	1,140,340.50
Others	9,032,188.99	0.21	18,727.18	9,013,461.81
Total	70,306,941.47	1.23	866,789.91	69,440,151.56

At 31 December 2024, the Company had no other receivables classified as second stage.

At 31 December 2024, provision for bad debts on those in third stage:

Category	Book balance	Expected credit loss rate for the lifetime (%)	Provision for bad debts	Carrying amount
Provision for bad debts on individual basis	3,652,573.38	100.00	3,652,573.38	
Including:				
Changan Ford Motor Co., Ltd. (長安福特汽車有限公司)	2,183,486.91	100.00	2,183,486.91	
Changan Ford Motor Co., Ltd. Power System Branch (長安福特汽車有限公司動力系統分公司)	471,814.49	100.00	471,814.49	
Changan Ford Motor Co., Ltd. Hangzhou Branch (長安福特汽車有限公司杭州分公司)	46,920.65	100.00	46,920.65	
Changan Ford Automobile Co., Ltd. Sales Branch (長安福特汽車有限公司銷售分公司)	26,992.17	100.00	26,992.17	
Guowei Technology Co., Ltd. (國威科技有限公司)	10,000.00	100.00	10,000.00	
Jiangsu Weilong New Energy Vehicle Co., Ltd. (江蘇威龍新能源汽車有限公司)	200,000.00	100.00	200,000.00	
Hafei Automobile Co., Ltd. (哈飛汽車股份有限公司)	713,359.16	100.00	713,359.16	
Total	3,652,573.38	100.00	3,652,573.38	





At December 31, 2023, provision for bad debts on those in first stage:

Category	Book balance	Expected credit loss rate in the next 12 months (%)	Provision for bad debts	Carrying amount
Provision for bad debts on an individual basis				
Provision for bad debts on a portfolio basis	71,840,516.80	0.59	424,575.81	71,415,940.99
Current accounts	37,273,201.85	0.00	1,525.37	37,271,676.48
Security deposits, deposit	29,231,423.29	1.03	300,528.83	28,930,894.46
Advances for taxes and expenses	466,871.23	6.94	32,402.77	434,468.46
Withholding for sale and purchase of goods	19,100.00	-	-	19,100.00
Others	4,849,920.43	1.86	90,118.84	4,759,801.59
Total	71,840,516.80	0.59	424,575.81	71,415,940.99

At December 31, 2023, the Company had no other receivables classified as second stage.

At December 31, 2023, provision for bad debts on those in third stage:

Category	Book balance	Expected credit loss rate for the lifetime (%)	Provision for bad debts	Carrying amount
Provision for bad debts on individual basis	2,526,363.61	100.00	2,526,363.61	
Including:				
Changan Ford Motor Co., Ltd. (長安福特汽車有限公司)	1,006,404.45	100.00	1,006,404.45	
Hafei Automobile Co., Ltd. (哈飛汽車股份有限公司)	710,859.16	100.00	710,859.16	
Others	809,100.00	100.00	809,100.00	
Total	2,526,363.61	100.00	2,526,363.61	





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(iv) Accrual, recovery or reversal of bad debt provision during the year

	First stage Expected credit loss within the next 12 months	Second stage Expected credit loss for lifetime (no credit impairment occurred)	Third stage Expected credit loss for lifetime (credit impairment has occurred)	Total
Provision for bad debts				
Beginning balance	424,575.81	-	2,526,363.61	2,950,939.42
Movement of beginning balance during the period				
- Transfer to second stage				
- Transfer to third stage				
- Reverse to second stage				
- Reverse to first stage				
Provision for the year	442,214.10	-	1,935,309.77	2,377,523.87
Reversal in the year	-	-	809,100.00	809,100.00
Transfer in the year				
Write-off in the year				
Other movement				
Closing balance	866,789.91	-	3,652,573.38	4,519,363.29

Reversal or recovery of significant bad debts

Name of entity	Reason for reversal	Method of recovery	Basis for determining the provision for bad debts	Reversal or recovery amount
Insurance payout	Debt settlement	Offset against other payables	Expected to be uncollectible	809,100.00

(v) Other receivables due from the top five debtors

Name of entity	Nature	Other receivables Closing balance	Ageing	Proportion to total other receivables (%)	Provision for bad debts Closing balance
Company 1	Current accounts	9,196,445.80	0-6 months, 7-12 months, 1-2 years	12.43	-
Company 2	Current accounts	8,862,578.76	0-6 months, 7-12 months, 2-3 years, Over 3 years	11.98	-
Company 3	Current accounts	4,322,149.62	0-6 months, 1-2 years, 2-3 years, Over 3 years	5.84	-
Company 4	Security deposits, deposit	3,000,000.00	0-6 months	4.06	12,300.00
Company 5	Security deposits, deposits	3,000,000.00	7-12 months, 1-2 years, 2-3 years, Over 3 years	4.06	47,813.00
Total		28,381,174.18		38.37	60,113.00





4. Long-term equity investment

Item	Closing balance			Beginning balance		
	Book balance	Provision for impairment	Carrying amount	Book balance	Provision for impairment	Carrying amount
Investment in subsidiaries	953,282,452.93	-	953,282,452.93	999,182,452.93		999,182,452.93
Investment in joint ventures	-	-	-	12,747,661.95		12,747,661.95
Investment in associates	70,229,948.15	42,029,948.15	28,200,000.00	74,605,668.98		74,605,668.98
Total	1,023,512,401.08	42,029,948.15	981,482,452.93	1,086,535,783.85		1,086,535,783.85

(1) Investment in subsidiaries

Investee	Beginning balance			Closing balance	Provision for impairment in the year	Provision for impairment closing balance
	balance	Increase	Decrease			
CMAL BO Yu Transportation Co., Ltd. (重慶長安民生博宇運輸有限公司)	60,000,000.00		-	60,000,000.00		
Fulu International Logistics Co., Ltd. (福路國際物流有限公司)	11,500,000.00		-	11,500,000.00		
Chongqing Saimei Shuzhi Technology Co., Ltd. (重慶賽美數智科技有限公司)	50,000,000.00		-	50,000,000.00		
Chongqing Changzu Feiyue Technology Co., Ltd. (重慶長足飛越科技有限公司)	28,469,452.93		-	28,469,452.93		
Chongqing Future Supply Chain Management Logistics Co., Ltd. (重慶福集供應鏈管理有限公司)	30,000,000.00		-	30,000,000.00		
Chongqing Changxiang Supply chain Technology Co., Ltd. (重慶長享供應鏈科技有限公司)	14,000,000.00		-	14,000,000.00		
Nanjing CMSC Logistics Co., Ltd. (南京長安民生住久物流有限公司)	85,533,000.00		-	85,533,000.00		
Changan Minsheng (Shanghai) Supply Chain Co., Ltd. (長安民生(上海)供應鏈有限公司)	30,000,000.00		-	30,000,000.00		
Hangzhou Changan Minsheng Logistics Co., Ltd. (杭州長安民生物流有限公司)	610,000,000.00		-	610,000,000.00		
Wuhan Changjiang Zhilian Port Development Co., Ltd. (武漢長江智聯港口發展有限公司)	33,780,000.00		-	33,780,000.00		
Shenyang Changyou Supply Chain Co., Ltd. (瀋陽長友供應鏈有限公司)	45,900,000.00		45,900,000.00	-		
Total	999,182,452.93		45,900,000.00	953,282,452.93		





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(2) Investment in associates and joint ventures

Investee	Beginning balance	Additions in investment	Decrease in investment	Investment income/loss recognized under equity method	Movement in the year				Closing balance	Closing balance of provision for impairment
					Adjustment of other comprehensive income	Changes of other equity	Announced distribution of cash dividend or profit	Provision for impairment		
(i) Associates										
Chongqing Guoyuan Ro-Ro Terminal Company Limited (重慶果園滾裝碼頭有限公司)	74,605,668.98			- 4,341,290.79	-34,430.04			42,029,948.15	28,200,000.00	42,029,948.15
(ii) Joint ventures										
Hangzhou Changhe Anji Supply Chain Management Co., Ltd. (杭州辰合安吉供應鏈管理有限公司)	12,747,661.95	17,248,364.59		4,500,702.64	-			-	-	-
Total	87,353,330.93	17,248,364.59	159,411.85	-34,430.04	42,029,948.15	28,200,000.00	42,029,948.15	42,029,948.15	42,029,948.15	42,029,948.15

Note: See note V.10 for details.





5. Operating income and operating cost

(1) Operating income and operating cost

Item	Current year		Prior year	
	Revenue	Cost	Revenue	Cost
Primary operations	6,631,927,582.13	6,462,003,550.11	6,142,728,649.95	5,978,474,843.65
Other operations	22,444,142.85	7,627,521.99	17,967,919.45	4,420,927.35
Total	6,654,371,724.98	6,469,631,072.10	6,160,696,569.40	5,982,895,771.00

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

Item	Current year		Prior year	
	Transportation service	Others	Revenue	Cost
Primary operations				
Including: Recognized at a point in time	6,631,927,582.13	6,462,003,550.11	-	-
Other operations				
Including: Recognized at a point in time	-	-	22,444,142.85	7,627,521.99
Total	6,631,927,582.13	6,462,003,550.11	22,444,142.85	7,627,521.99

6. Investment income

Item	Current year	Prior year
Income from long-term equity investment by cost method	141,772,725.00	9,380,000.00
Income from long-term equity investment by equity method	159,411.85	-1,060,985.29
Investment income generated from the disposal of long-term equity investments	2,000,000.00	-
Dividends income from other equity instruments investment	-	2,435,623.28
Interest expenses for discounted acceptance bills derecognised	-1,103,078.96	-2,614,183.55
Total	142,829,057.89	8,140,454.44





XVII. Supplement information

1. Schedule of non-recurring gains or losses

Item	Current year
Gain or loss on disposal of non-current assets, including the reversal of provisions for impairment of assets.	64,766,020.95
Government grants that are included in the profit and loss (except for government grants that are closely related to the Group's normal business operations and that meet the national policy requirements and continue to enjoy a certain amount or quantitative basis according to certain standards)	15,788,474.96
Reversal of provision for impairment of receivables that are individually tested for impairment	915,213.00
Other non-operating income and expenses other than the above	-1,850,886.65
Total amount of non-recurring items	79,618,822.26
Less: effects of income tax on non-recurring items	3,765,085.28
Net amount of non-recurring items	75,853,736.98
Less: Non-recurring items attributable to the minority shareholders (after tax)	2,899,884.45
Non-recurring items attributable to the shareholders of the Group	72,953,852.53

2. Return on equity and earnings per share

Profits 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	2.94	0.37	
Net profit attributable to ordinary shareholders of the Group after deducting non-recurring gains and losses	-0.64	-0.08	

