CHINA ZHENGTONG AUTO SERVICES HOLDINGS LIMITED

中國正通汽車服務控股有限公司

正通

Stock Code 股份代號：1728

2015 INTERIM REPORT 中期報告

ULTRA-LUXURY AND LUXURY BRANDS

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MANAGEMENT DISCUSSION AND ANALYSIS

MARKET REVIEW

China is set to achieve a 7.0% year-on-year (yoy) growth in gross domestic product (GDP) for the first half of 2015[1], with further growth in household disposable income and further developments in urbanization. Number of passenger vehicle's ownership continued to increase steadily. However, China's automobile market witnessed a slower growth in the first half of 2015 than previous years. The sales volume of the major automobile brands in China in terms of market share in the first half of 2015 are as following[2]: the sales volume of Audi branded automobiles reached 274,000 with 1.9% yoy growth; the sales volume of BMW branded automobiles reached 231,000 with 2.5% yoy growth; the sales volume of Benz branded automobiles achieved 165,000 with 21.6% yoy growth; the sales volume of Porsche branded automobiles reached 29,000 with 48.4% yoy growth; and the sales volume of Cadillac branded automobiles reached 39,000 with 14% yoy growth. Jaguar & Land Rover and Volvo among the luxury brands recorded a negative growth for the first half of 2015, with Jaguar and Land Rover branded automobiles selling 45,000 units at a 27.3% yoy decrease and Volvo 38,000 units at a 1.2% yoy decrease. The lower than expected demand for automobiles led to a deeper price discount and higher inventory level among automobile dealers. Since the second quarter, major OEMs started to revise down annual targets and roll out more marketing campaigns to adapt to the current market demand. Auto dealers strived to maintain effective communication with OEMs, and proactively explored their own competitive advantages and new growth drivers to transform own business models.

China ZhengTong Auto Services Holdings Limited (the "Company") and its subsidiaries (collectively, the "Group") was fully dedicated to its prudent operation strategy under challenging market conditions during the first year and managed to achieve its planned sales target on new cars and maintained a strong growth in the after-sales services. The Group actively explored a variety of business opportunities to further diversify further growth driver and maximize business potentials on current customer base. The future of our business lies in high-quality, personalized and integrated services. The Group's diversified premium brands portfolio and corresponding customer base, its nationwide dealership network, its well-rounded sales and services platform, as well as its emerging innovative business segments, will allow the Company to deliver superior and unique customer experience through our first-in-class automobile services platform.

BUSINESS REVIEW

The Group has been persistently focusing on the sales of luxury and ultra-luxury branded automobiles, and devoted a great effort to develop the traditional after-sales services and the emerging extended services in 2015. For the six months ended 30 June 2015, the Group recorded a revenue of approximately RMB13,870 million, representing a decrease of approximately 11.1% compared to the same period in 2014. Gross profit was approximately RMB1,225 million, representing a year-on-year decline of approximately 16.4%. Profit attributable to shareholders of the Company was RMB347 million with basic earnings per share at approximately RMB15.7 cents.

Adopting Prudent Sales Strategy in Perplexing Market Environment

In the first half of 2015, the Group sold 40,157 automobiles in aggregate, including 27,544 luxury and ultra-luxury branded automobiles. Weakened demand for automobiles combined with relatively substantial fluctuation in price and a number of macro-economic factors have further pushed certain automobile consumers to put their purchase plans temporarily on hold. Automobile dealers continued to explore more healthy business relationship with automobile manufacturers in the first half of 2015 aiming for a sustainable long term growth. In the first half of 2015, the Group's gross margin generated from new car sales improved marginally compared with the second half of 2014. In future, the Group will make greater efforts in securing reasonable profitability from sales channels for new cars.

1 National Bureau of Statistics of the PRC:
http://www.stats.gov.cn/tjsj/zxfb/201507/t20150716_1215900.html

2 China Association of Automobile Manufacturers: http://www.caam.org.cn/hangye/20150724/1405166585.html

MANAGEMENT DISCUSSION AND ANALYSIS

Providing Tailor-made After-sales Services Focusing on Customers' Experience

After-sales services business is one of the Group's core businesses and there is enormous room for growth in automobile aftermarket. The Group continued to maintain robust growth in the number of units serviced on the back of its ongoing focus on customer retention and service quality and vigorous efforts to develop regular maintenance services and new services, such as warranty renewal and extension. The Group benefitted from favorable policy changes on spare parts to further enhance its capability of developing and competitiveness in after-sales services, thus maintaining the gross profit of after-sales services at a higher level. Since the second half of 2014, OEMs have significantly reduced the prices of spare parts and accessories, and would possibly further reduce in the future, which will result in a decrease in the average price per unit. The Group is of the opinion that more reasonable prices of spare parts and accessories will elevate the loyalty of customers to luxury brands as well as the Group's competitiveness.

Differential Competitive Advantages Generated by Automobile Financing and Supply Chain Business

In the first half of 2015, the Group achieved significant breakthrough in automobile financing. Shanghai Dongzheng Automative Finance Co., Ltd. (上海東正汽車金融有限責任公司) ("AFC"), a majority-owned subsidiary of the Company, was officially established in April 2015 and commenced business on 20 April 2015. Since then the AFC has achieved rapid growth and outstanding results, leveraging the Group's multi-brand, nationwide dealer network for luxury and high-market brands and its fast expanding external dealer distribution channels, as well as the Group's deep understanding of customer needs in the auto finance sector and its strategy of product differentiation. As of 30 June 2015, AFC had provided auto finance with a total amount over RMB600 million. The fast growth of AFC signifies a brand new stage of development for the Group's auto finance business of the Group, which is set to become an important niche for profit growth.

The Group's automobile supply chain business enjoyed a cutting-edge and comprehensive logistics management system with national "5A" logistic enterprise qualifications. Its service covers the entire automobile logistic supply chain, ranging from procurement logistics, production logistics, distribution processing, sales logistics, lubricant oil trading to consulting service relating to logistics. It primarily services leading premium auto brands manufacturers in 25 provinces and municipalities in China. Given the enormous potential of the logistic business for future growth, the Company is committed to developing a leading independent platform for automobile logistics in China to provide value-added services across the entire automobile supply chain.

Rapid Expansion of Extended Services through Economies of Scale

The extended services, including automobile financing, insurance brokerage and trading of pre-owned automobiles, play an essential part in the Group's value-added service offering. In the first half of 2015, the Group's dealership stores teamed up with AFC to further enhance Group's auto financing penetration rate of new cars leveraging the financial policies of manufacturers. In the second half of the year, the Group will continue to increase the effect of financial policies on sales and marketing, capitalizing fully on the cooperation with AFC and other financial institutions to drive rapid growth in new car sales and further realize synergies among various business segments. On insurance brokerage, the Group continued to increase penetration of insurance renewal while securing the penetration of new policies, with active efforts in new product development. Currently, the Group maintains a steady new policy penetration rate of over 90%. Meanwhile, the Group endeavored to develop trading of pre-owned automobiles mainly through its own platform by integrating our advantage resources, including automobile financing, supply chain and after-sales services, establishing a professional platform for trading of pre-owned automobiles with huge room for growth in future.

MANAGEMENT DISCUSSION AND ANALYSIS

To ensure successful implementation of the Group's business diversification, upgrade and transformation, we have initiated comprehensive upgrade on our information management system leveraging the technical superiority of the Mobile Internet to facilitate full sharing and integration of internal Group resources and information, a flattened staff management structure, more transparent customer-interactive information and higher individual and overall servicing efficiency, with a view to genuinely accelerating the organizational and servicing transformation of the Group and fostering core competitive strengths.

Sustaining Optimization and Moderate Expansion of Well-balanced Nationwide Dealership Network of Luxury Branded Automobiles in terms of Brands and Geographical Distribution

As a leading 4S dealership group in China, the Group has been focusing on luxury and ultra-luxury branded automobiles, such as BMW, MINI, Audi, Jaguar and Land Rover, Volvo, Benz, Imported Volkswagen, Cadillac, Infiniti and Porsche. In addition, the Group has also been operating dealership stores of middle market brands, such as FAW Volkswagen, Buick, Nissan, Hyundai and Honda.

Standing on the Group's prospective strategic network planning in developed regions and fast growing provinces in China over years, the Group has established a nationwide dealership network for luxury brands which is well-balanced in terms of brand portfolio and geographic location. In addition to the affluent first-tier cities and regions, our existing dealership network covering major core luxury brands has effectively expanded to second and third-tier cities and regions with low automobile penetration and high potential for rapid growth.

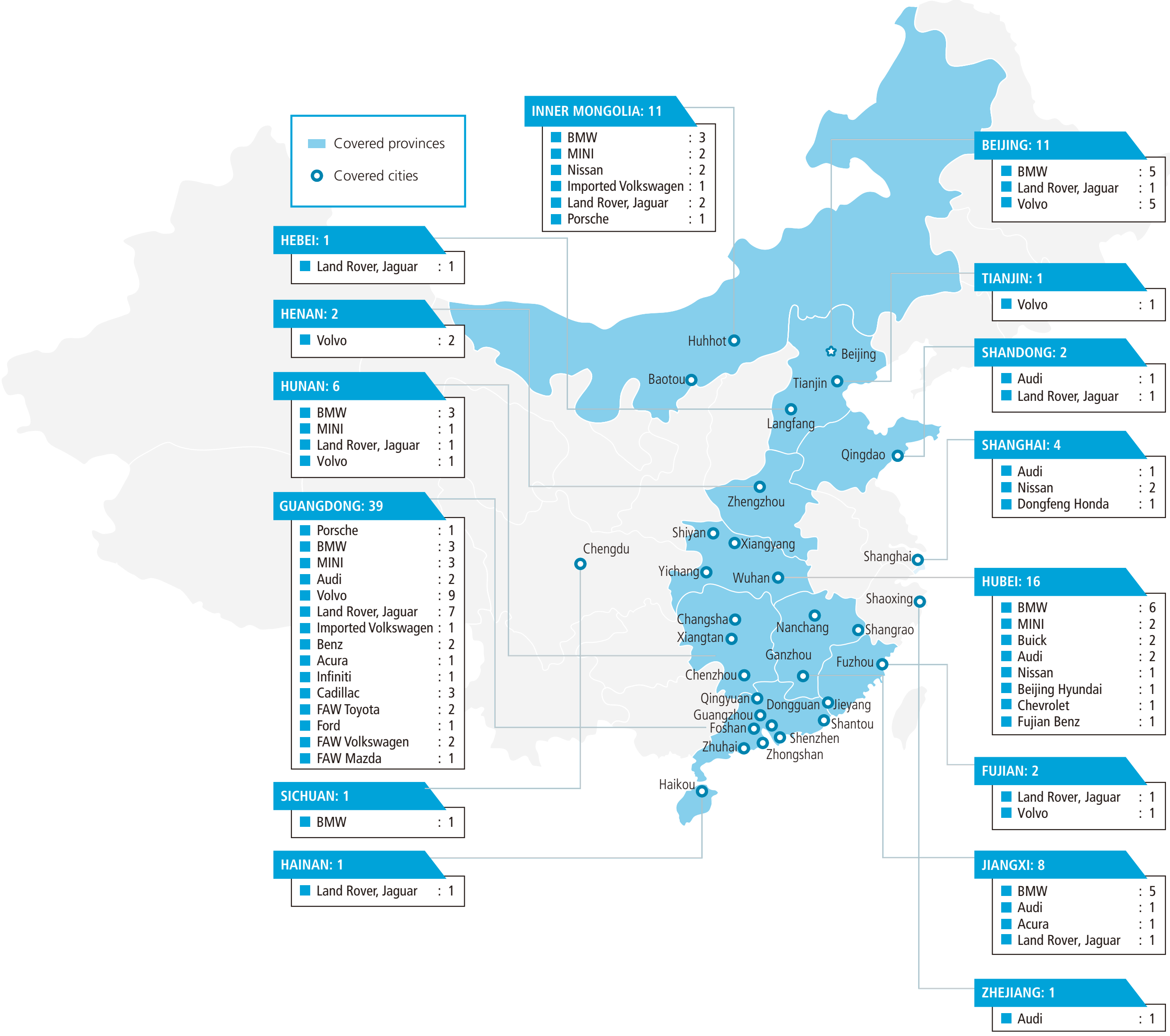
As at the date of this report, the Group operated 106 dealership stores in 37 cities across 15 provinces and municipalities in China. In the first half of 2015, the Group had 4 newly operating stores for luxury branded automobiles, namely Yichun BMW 4S store, Langfang Jaguar and Land Rover 4S store, Tongzhou Volvo 3S store and Baotou MINI repair service center. In addition, there were up to 30 dealership stores under development or to be developed which were authorized to the Group by major luxury brands of automobiles, such as BMW, Audi, Jaguar and Land Rover as well as Volvo. The authorized new projects located in first tier cities, such as Beijing, Shanghai, Guangzhou, Shenzhen, and regions with potential for rapid development, such as Chongqing, Shandong, Hebei, Henan, Hubei, Hunan and Guangdong. With the further expansion of scale and the advantage of sales channels, the quality of the Group's network will be further enhanced. Looking ahead, the Group will discreetly expand its dealership network by responding to market changes and developing new business model.

In addition to moderate expansion of our dealership network, the Group has continued to optimize its existing stores for a more reasonable structure, allowing hardware facilities and workflows for optimal customers' experience in a new market condition. In the first half of 2015, the Group completed upgrade and conversion of 7 dealership stores under the brands of Benz, Land Rover, Volvo, Infiniti and Porsche, and commenced upgrade and conversion of some of other dealership stores. Sustained optimization has significantly enhanced the overall quality and competitiveness of our dealership network.

By establishing strategic cooperation with leading manufacturers of luxury and ultra-luxury branded automobiles in China, the quality of existing network, the quantity and quality of newly authorized stores of the Group have been adequately safeguarded. All the authorized stores under development and to be developed were for luxury and ultra-luxury branded automobiles, which will further strengthen the Group's regional advantages. Our newly planned stores will develop synergy with our existing dealership network. In the second half of 2015, the Group will focus on the moderate expansion of major luxury brands' dealership stores and ongoing optimization of our existing dealership network in order to keep up momentum for the Group's overall operation and all extended services business.

MANAGEMENT DISCUSSION AND ANALYSIS

BALANCED DEALERSHIP NETWORK



Total number of dealership stores in operation in the PRC as at 30 June 2015: 106

FINANCIAL REVIEW

Revenue

For the six months ended 30 June 2015, the Group recorded a revenue of approximately RMB13,870 million, representing a decrease of approximately 11.1% as compared to the revenue of approximately RMB15,609 million in the first half of 2014. The decrease was mainly due to the slowdown of market growth of new passenger motor vehicles in China in the first half of 2015.

	For the six months ended 30 June			
	2015		2014	
Sources of revenue	Revenue (RMB'000)	Contribution (%)	Revenue (RMB'000)	Contribution (%)
Sales of new automobiles	**11,910,113**	**85.9**	13,777,980	88.3
After-sales services	**1,685,221**	**12.1**	1,541,999	9.9
Logistics and lubricant oil	**272,502**	**2.0**	289,288	1.8
Interest income from financial loans	**2,441**	**0.0**	–	0.0
Total	**13,870,277**	**100.0**	15,609,267	100.0

Revenues of the Group were derived from the sales of new automobiles, the after-sales services and other business, among which the weight of the after-sales services continued to increase steadily. In the first half of 2015, revenue from the sales of new automobiles amounted to approximately RMB11,910 million, representing a decrease of approximately 13.6% as compared to approximately RMB13,778 million in the first half of 2014, and accounted for approximately 85.9% of the total revenue in the first half of 2015. Revenue from the after-sales services business was approximately RMB1,685 million, representing a growth of approximately 9.3% as compared to approximately RMB1,542 million in the first half of 2014. In the first half of 2015, revenue from luxury and ultra-luxury branded automobiles decreased by approximately 15.3% to RMB10,322 million from approximately RMB12,193 million in the first half of 2014, accounting for 86.7% of revenue from the sales of new automobiles. In the first half of 2015, revenues from the sales of new automobiles and the after-sales services business accounted for 85.9% and 12.1% of our total revenue respectively, representing an increase of 2.2 percentage points in revenue from the after-sales services business.

Cost of sales

For the six months ended 30 June 2015, the Group's cost of sales decreased by approximately 10.6%, which was in line with a decrease in revenue, to approximately RMB12,645 million as compared to approximately RMB14,143 million in the first half of 2014. In the first half of 2015, the cost of sales for new automobiles decreased by approximately 11.7% to approximately RMB11,524 million from approximately RMB13,056 million in the first half of 2014. The decrease in cost of sales for new automobiles slightly lower than the decrease in revenue from sales of new automobiles was mainly caused by the slowdown of market growth of new passenger motor vehicles. Cost of the after-sales services business increased by approximately 5.9% to approximately RMB880 million from approximately RMB831 million in the first half of 2014. In the after-sales services business segment, the increase in revenue is slightly higher than the increase in cost of sales, which was mainly caused by a further enhancement in cost control of the after-sales business segment, as well as a further growth in gross profit margin attributed to the after-sales business of our newly established stores which has in turn become more mature.

Gross Profit

For the six months ended 30 June 2015, the Group's gross profit decreased by approximately 16.4% to RMB1,225 million from approximately RMB1,467 million in the first half of 2014, and the Group's gross profit margin decreased by 0.6 percentage point to 8.8% from 9.4% in the first half of 2014.

The Group's gross profit was principally generated from after-sales services and sales of new automobiles business. In the first half of 2015, gross profit of sales of new automobiles was approximately RMB386 million, representing a decrease of 46.5% as compared to the same period in 2014; gross profit margin of sales of new automobiles decreased by 2 percentage points to 3.2% from 5.2% in the first half of 2014. In particular, gross profit of sales of luxury and ultra-luxury branded automobiles decreased by approximately 48.1% to approximately RMB363 million. Gross profit margin of sales of luxury and ultra-luxury branded automobiles decreased to 3.5% from 5.7% in the first half of 2014.

In the first half of 2015, gross profit of our after-sales services business was approximately RMB805 million, representing an increase of approximately 13.2% as compared to same period last year; and gross profit margin of after-sales services business increased by 1.7 percentage points to 47.8% from 46.1% in the first half of 2014.

Selling and distribution expenses

For the six months ended 30 June 2015, the Group's selling and distribution expenses decreased by approximately 6.7% to approximately RMB374 million from approximately RMB401 million in the first half of 2014. Such decrease was primarily due to a decrease in sales of new automobiles.

Administrative expenses

For the six months ended 30 June 2015, the Group's administrative expense increased by approximately 4.3% to approximately RMB392 million from approximately RMB376 million in the first half of 2014. Such an increase was mainly caused by provisions for new dealership stores.

Profit from operations

For the six months ended 30 June 2015, the Group's profit from operations decreased by approximately 24.0% to approximately RMB715 million from approximately RMB941 million in the first half of 2014, and the operating profit margin was approximately 5.2%, representing a decrease of 0.8 percentage point over 6.0% in the first half in 2014.

Income tax expenses

For the six months ended 30 June 2015, the Group's income tax expenses amounted to approximately RMB142 million and the effective tax rate was approximately 28.7%.

Profit for the period

For the six months ended 30 June 2015, the Group's profit for the period decreased by approximately 30.8% to approximately RMB352 million from approximately 509 million in the first half of 2014. During the period, net profit margin was decreased by approximately 0.8 percentage point to approximately 2.5% from 3.3% in the first half of 2014.

Interim dividend

The board of directors of the Company resolved not to declare the payment of an interim dividend for the six months ended 30 June 2015.

Contingent liabilities

As at 30 June 2015, the Group has no material contingent liabilities or guarantees save as those assets pledged to the bank.

Current assets and current liabilities

As at 30 June 2015, the Group's current assets amounted to approximately RMB11,210 million, representing a decrease of RMB1,072 million as compared to the current assets of approximately RMB12,282 million as at 31 December 2014. Such a decrease was mainly due to a decrease in the appropriation of capital in the inventories of new automobiles based upon market demand.

As at 30 June 2015, the Group's current liabilities amounted to approximately RMB10,329 million, representing a decrease of approximately RMB621 million as compared to the current liabilities of approximately RMB10,950 million as at 31 December 2014. Such a decrease was mainly due to a decrease in the use of notes payable.

Cash flow

As at 30 June 2015, the Group had cash and cash equivalents amounting to approximately RMB1,229 million, representing a decrease of approximately RMB206 million over approximately RMB1,435 million as at 31 December 2014. The Group's transactions and monetary assets are principally conducted in RMB. In the first half of 2015, the Group's working capital or liquidity did not face any material difficulties or material impacts as a result of movement in exchange rate. The Group's primary uses of cash are to pay for purchases of new automobiles, spare parts and automobile accessories and automobile lubricant oil, to repay the Group's loans, borrowings and other indebtedness, to fund the Group's working capital and ordinary recurring expenses and to establish new dealership stores or to acquire dealership stores or the businesses. The Group finances its liquidity requirements through a combination of cash flows generated from the operating activities, bank loans and other financings. For the six months ended 30 June 2015, the Group had net cash inflow of approximately RMB713 million used for its operating activities (six months ended 30 June 2014: net cash outflow of approximately RMB225 million).

Capital expenditure and investment

For the six months ended 30 June 2015, the Group's capital expenditure and investment were approximately RMB660 million.

Investment in a joint venture

For the six months ended 30 June 2015, the profit contribution from Guangzhou Fengshen Logistics Co., Ltd, a joint venture of the Group was approximately RMB5.7 million (for the six months ended 30 June 2014: approximately RMB12.6 million). As at 30 June 2015, The Group's interest in the joint venture was approximately RMB192.4 million (31 December 2014: approximately RMB186.8 million).

Inventories

The Group's inventories included vehicles, which primarily consisted of new automobiles kept in its dealership stores and warehouses as well as automobiles in transit of which the titles and risks had been transferred to the Group.

The Group's inventories also included automobile spare parts. Generally, each of the Group's dealership stores individually manages the quotas and orders for new automobiles, automobile spare parts and other inventories. In addition, the Group also monitors the inventories within its whole dealership network and, subject to the consent of automobile manufacturers, may also transfer automobiles from one dealership store to another to rebalance inventory levels. The Group utilizes its information technology systems to manage its inventory.

The inventories of the Group decreased from approximately RMB4,346 million as at 31 December 2014 to approximately RMB3,517 million as at 30 June 2015, which was primarily attributable to a decrease in the appropriation of capital in the inventories of new automobiles based upon market demand.

The following table sets forth the average inventory turnover days of the Group for the half-year indicated:

	For the six months ended 30 June (day)	
	2015	**2014**
Average inventory turnover days	**56.0**	36.7

Exchange risks

The Group conducts its business primarily in Renminbi. Certain bank deposit, bank loans and credit enhanced bonds were denominated in foreign currencies. However, the Group's operating cash flow and liquidity has not been subject to significant influence form fluctuation in exchange rate. Nevertheless, the Group will closely monitor currency fluctuations and will consider hedging these exposures should the need arise.

Liquidity and capital resources

Working capital and capital expenditures of the Group were primarily funded through cash generated from internal operation and borrowings provided principal banks. As at 30 June 2015, the Group's cash and bank deposits were approximately RMB2,722 million (including: restricted bank deposits of approximately RMB1,493 million and cash and cash equivalents of approximately RMB1,229 million), representing a decrease of approximately RMB407 million, from approximately RMB3,129 million as at 31 December 2014. As at 30 June 2015, loans and borrowings and bonds payable of the Group amounted to approximately RMB6,438 million (31 December 2014: approximately RMB6,380 million). As at 30 June 2015, the Group's loans and borrowings are repayable within one year and the bonds payable will mature on 16 June 2018. Save as loans and borrowings of approximately RMB2,645 million and the bonds payable that bore interest at fixed rates, other loans and borrowings bore interest at floating rates. Net gearing ratio of the Group as at 30 June 2015 was 44.0% (31 December 2014: 39.2%). Net gearing ratio was calculated as loans and borrowings and bonds payable less cash and bank deposits divided by owner's equity.

Pledged assets of the Group

The Group has pledged its corporate assets as the security for loans and borrowings as well as bank financings to be used as working capital for daily operations. As at 30 June 2015, the pledged assets of the Group amounted to approximately RMB3,880 million (31 December 2014: approximately RMB4,364 million).

Material acquisition and disposal of subsidiaries and associated companies

For the six months ended 30 June 2015, there was no material acquisition or disposal of subsidiaries or associated companies by the Group.

Investments held in foreign currency and hedging

For the six months ended 30 June 2015, the Group did not hold any investments denominated in foreign currencies. Furthermore, the Group's working capital or liquidity did not face any material difficulties or material impacts as a result of the movement in exchange rate. Currently, the Group does not employ any financial instruments for hedging purposes.

Employees and Remuneration Policies

As at 30 June 2015, the Group had a total of 8,784 employees in China (31 December 2014: 8,977 employees). The staff costs incurred for the six months ended 30 June 2015 was approximately RMB300.2 million (for the six months ended 30 June 2014: approximately RMB301.4 million). The Group offers competitive remuneration packages and welfare benefits, including pension, work-related compensation benefits, maternity insurance, medical and unemployment benefit plans. The Group also provided good working environment and diversified training program. The Company has adopted share option schemes and a restricted share award scheme for granting shares to eligible employees as incentives or rewards for the contribution to the Group.

Outlook and Strategy

After years of quick expansion, the auto market in china has become more matured with both new challenges and great opportunities ahead. The Group is dedicated to developing a service-based and more well round platform to address customers' ever growing demand associated with cars with distinctive value proposition. In the second half of 2015, the Group shall put more resources on automobile financing business and develop differential and competitive financing solutions. We are confident that our auto financing business shall grow tremendously and significantly promote our other business segments through effective cross-selling substantially. The Group shall make better use of information technology and establish a leading information exchange system in the industry to strengthen effective interaction among staff and customers for further enhancement of customers' loyalty and satisfaction. For network development, the Group will continue to maintain a low-cost and comprehensive development strategy to complement its existing network on a selective basis. In the meantime, the Group will continue to enhance management efficiency, reinforce rigorous cost control, and boost team morale with a reasonable incentive system. The Group will endeavor to build up a high-quality and one-stop automobile services platform for our premium customers.

OTHER INFORMATION

DIRECTORS' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 30 June 2015, the interests of the Directors and their associates in the shares and underlying shares of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO"), as recorded in the register maintained by the Company pursuant to section 352 of the SFO, or as otherwise notified to the Company and The Stock Exchange of Hong Kong Limited (the "Stock Exchange") pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix 10 to the Rules Governing the Listing of Securities on the Stock Exchange (the "Listing Rules"), were as follows:

(i) Long positions in the shares and underlying shares of the company:

Name of Director	Capacity/nature of interest	Number of Shares/ underlying Shares	Approximate percentage of shareholding
Wang Muqing	Settlor of The Grand Glory Trust	1,372,516,820 (Note 1)	62.10%
Wang Kunpeng	Beneficial Owner	1,230,000 (Note 2)	0.056%
Li Zhubo	Beneficial Owner	1,550,000 (Note 3)	0.070%

Notes:

1. These shares are directly held by Joy Capital Holdings Limited ("Joy Capital"). The entire issued share capital of Joy Capital is owned by Grand Glory Enterprises Limited ("Grand Glory"), whose entire issued share capital is the trust asset of The Grand Glory Trust, which was founded by Mr. Wang Muqing as settlor and managed by J.P. Morgan Trust Company (Bahamas) Limited as trustee of The Grand Glory Trust, which is a trust established in accordance with the Purpose Trust Act 2004 of Bahamas. The discretionary beneficiaries of The Grand Glory Trust include Mr. Wang Muqing and his family members.

2. These represent the maximum number of shares which may be allotted and issued to Mr. Wang Kunpeng upon the exercise of the options under a pre-initial public offering share option scheme ("Pre-IPO Share Options") granted to him. The Pre-IPO Share Options may be exercised in three tranches: (i) The first tranche represents 50% of the total number of shares which may be subscribed for upon the exercise of the Pre-IPO Share Options, and is exercisable during the period between 1 January 2012 to 10 August 2017. (ii) The second tranche represents 25% of the total number of shares which may be subscribed for upon the exercise of the Pre-IPO Share Options, and is exercisable during the period between 1 January 2013 to 10 August 2017. (iii) The third tranche represents 25% of the total number of shares which may be subscribed for upon the exercise of the Pre-IPO Share Options, and is exercisable during the period between 1 January 2014 to 10 August 2017. The exercise price for subscription of each share upon the exercise of the Pre-IPO Share Options is RMB1.5.

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3. Mr. Li Zhubo has a total of 1,550,000 shares, among which 320,000 shares were purchased in the market, and the remaining 1,230,000 shares represent the maximum number of shares which may be allotted and issued to Mr. Li upon the exercise of the options under the Pre-IPO Share Options granted to him. The Pre-IPO Share Options may be exercised in three tranches: (i) The first tranche represents 50% of the total number of shares which may be subscribed for upon the exercise of the Pre-IPO Share Options, and is exercisable during the period between 1 January 2012 to 10 August 2017. (ii) The second tranche represents 25% of the total number of shares which may be subscribed for upon the exercise of the Pre-IPO Share Options, and is exercisable during the period between 1 January 2013 to 10 August 2017. (iii) The third tranche represents 25% of the total number of shares which may be subscribed for upon the exercise of the Pre-IPO Share Options, and is exercisable during the period between 1 January 2014 to 10 August 2017. The exercise price for subscription of each share upon the exercise of the Pre-IPO Share Options is RMB1.5.

(ii) Long positions in the associated corporations of the Company:

Name of Director	Name of associated corporation	Capacity	Approximate percentage of equity interest
Wang Muqing	Joy Capital	Settlor of The Grand Glory Trust (Note 1)	100%

Notes:

1. Joy Capital is the direct owner of 1,372,516,820 shares of the Company. The entire issued share capital of Joy Capital is owned by Grand Glory, whose entire issued share capital is the trust asset of The Grand Glory Trust, which was founded by Mr. Wang Muqing as settlor and managed by J.P. Morgan Trust Company (Bahamas) Limited as trustee of The Grand Glory Trust, which is a trust established in accordance with the Purpose Trust Act 2004 of Bahamas. The discretionary beneficiaries of The Grand Glory Trust include Mr. Wang Muqing and his family members.

Save as disclosed above, as at 30 June 2015, none of the Directors or any of their associates had any interest or short positions in the shares, underlying shares or debentures of the Company or any of its associated corporations.

INTEREST DISCLOSEABLE UNDER THE SFO AND SUBSTANTIAL SHAREHOLDERS

As at 30 June 2015, the interests or short positions of the substantial shareholders (other than the Directors) in the shares and underlying shares of the Company as recorded in the register of substantial shareholders maintained by the Company pursuant to section 336 of the SFO were as follows:

Long positions in the shares of the Company:

Name of Shareholders	Capacity/nature of interest	Number of Shares	Approximate percentage of shareholding
Joy Capital	Beneficial owner (Note 1)	1,372,516,820	62.10%
Grand Glory	Interest of controlled corporation (Note 1)	1,372,516,820	62.10%

Notes:

1. Joy Capital is the direct owner of 1,372,516,820 shares of the Company. The entire issued share capital of Joy Capital is owned by Grand Glory, whose entire issued share capital is the trust asset of The Grand Glory Trust, which was founded by Mr. Wang Muqing as settlor and managed by J.P. Morgan Trust Company (Bahamas) Limited as trustee of The Grand Glory Trust, which is a trust established in accordance with the Purpose Trust Act 2004 of Bahamas. The discretionary beneficiaries of The Grand Glory Trust include Mr. Wang Muqing and his family members.

SHARE OPTION SCHEMES

(a) Share Option Scheme

The Company has adopted a share option scheme ("Share Option Scheme") pursuant to a resolution in writing passed by the Shareholders on 17 November 2010, which enables the Company to grant options to selected participants as incentives or rewards for their contribution to the Group. The Share Option Scheme became effective on 10 December 2010 and, unless otherwise cancelled or amended, will remain in force for 10 years from the date of its adoption.

Eligible participants of the Share Option Scheme include the following:

(i) any employee (whether full-time or part-time including any executive director but excluding any non-executive director) of the Company, any of the Company's subsidiaries or any entity (the "Invested Entity") in which the Group holds an equity interest;

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(ii) any non-executive directors (including independent non-executive directors) of the Company, any of the Company's subsidiaries or any Invested Entity;

(iii) any supplier of goods or services to any member of the Group or any Invested Entity;

(iv) any customer of the Group or any Invested Entity;

(v) any person or entity that provides research, development or other technological support to the Group or any member of any Invested Entity;

(vi) any shareholder of any member of the Group or any Invested Entity or any holder of any securities issued by any member of the Group or any Invested Entity;

(vii) any advisor (professional or otherwise) or consultant to any area of business or business development of the Group or any Invested Entity; and

(viii) any other group or classes of participants who have contributed or may contribute by way of joint venture, business alliance or other business arrangement to the growth of the Group,

and for the purposes of the Share Option Scheme, the options may be granted to any company wholly owned by one or more persons belonging to any of the above classes of participants.

As of the date of this report, the total number of shares of the Company available for issue under the Share Option Scheme and any other share option scheme of the Group must not in aggregate exceed 10% of the shares in issue on the day on which trading of the shares commence on the Stock Exchange, i.e. 200,000,000 shares, representing 9.05% of the issued share capital of the Company as at the date of this report.

The maximum number of shares issuable upon exercise of the options which may be granted under the Share Option Scheme and any other share option scheme of the Group (including both exercised or outstanding options) to each participant (other than a substantial shareholder, chief executive or Director as explained below) in any 12-month period shall not exceed 1% of the issued share capital of the Company for the time being (the "Individual Limit"). Any further grant of share options in excess of the Individual Limit is subject to Shareholders' approval in a general meeting.

Share options granted to a director, chief executive or substantial shareholder of the Company, or to any of their respective associates (as defined under the Listing Rules), are subject to approval in advance by the independent non-executive Directors (excluding any independent non-executive director who is the grantee of the options). In addition, any share options granted to a substantial shareholder or an independent non-executive director of the Company, or to any of their respective associates, in excess of 0.1% of the shares of the Company in issue with an aggregate value (based on the closing price of the Company's shares at the date of the grant) in excess of HK$5 million, in the 12-month period up to and including the date of grant, are subject to shareholders' approval in general meeting.

The offer of a grant of share options may be accepted by a participant within 21 days from the date of offer upon payment of a nominal consideration of HK$1 by the grantee. The exercise period for the share options granted is determined by the board of Directors, which period may commence from the date of acceptance of the offer for the grant of share options but shall end in any event not later than 10 years from the date of the grant of the options subject to the provisions for early termination under the Share Option Scheme.

The subscription price for shares under the Share Option Scheme shall be a price determined by the board of Directors, but shall not be less than the highest of (i) the closing price of shares of the Company as stated in the daily quotation sheets of the Stock Exchange on the date of the offer of the grant, which must be a business day; (ii) the average closing price of the shares of the Company as stated in the Stock Exchange's daily quotation sheets for the five trading days immediately preceding the date of offer of grant; and (iii) the nominal value of the shares of the Company.

Subject to the earlier termination of the Share Option Scheme in accordance with the Share Option Scheme rules, the Share Option Scheme will expire on 16 November 2020.

No options have been granted under the Share Option Scheme since its adoption.

(b) Pre-IPO Share Option Scheme

The Company has, based on a framework plan formulated on 9 August 2010, formally adopted a pre-initial public offering share option scheme ("Pre-IPO Share Option Scheme") pursuant to a resolution in writing passed by the shareholders on 17 November 2010, which enables the Company to recognise and reward the contribution of certain Directors, senior management and employees of the Group to the growth and development of the Group and the Listing.

Details of movements in the Pre-IPO Share Option Scheme during the six months ended 30 June 2015 are as follows:

Grantees	Date of grant	Exercise price per share (RMB)	Exercise period	Outstanding as at 1 January 2015	Granted during the period	Exercised during the period (Note 1)	Lapsed during the period	Outstanding as at 30 June 2015
Directors								
Wang Kunpeng	10/8/2010	1.50	01/01/2012–10/08/2017	205,000	0	0	0	205,000
	10/8/2010	1.50	01/01/2013–10/08/2017	512,500	0	0	0	512,500
	10/8/2010	1.50	01/01/2014–10/08/2017	512,500	0	0	0	512,500
				1,230,000	0	0	0	1,230,000

OTHER INFORMATION

Grantees	Date of grant	Exercise price per share (RMB)	Exercise period	Outstanding as at 1 January 2015	Granted during the period	Exercised during the period (Note 1)	Lapsed during the period	Outstanding as at 30 June 2015
Li Zhubo	10/8/2010	1.50	01/01/2012–10/08/2017	205,000	0	0	0	205,000
	10/8/2010	1.50	01/01/2013–10/08/2017	512,500	0	0	0	512,500
	10/8/2010	1.50	01/01/2014–10/08/2017	512,500	0	0	0	512,500
				1,230,000	0	0	0	1,230,000
Sub-total				2,460,000	0	0	0	2,460,000
Employees and former employees	10/8/2010	1.50	01/01/2012–10/08/2017	223,630	0	0	12,400	211,230
	10/8/2010	1.50	01/01/2013–10/08/2017	1,004,075	0	0	31,000	973,075
	10/8/2010	1.50	01/01/2014–10/08/2017	2,159,075	0	0	31,000	2,128,075
				3,386,780	0	0	74,400	3,312,380
	10/8/2010	2.00	01/04/2012–10/08/2017	216,200	0	150,000	0	66,200
	10/8/2010	2.00	01/04/2013–10/08/2017	183,500	0	0	13,000	170,500
	10/8/2010	2.00	01/04/2014–10/08/2017	183,500	0	0	13,000	170,500
				583,200	0	150,000	26,000	407,200
	10/8/2010	2.50	01/07/2012–10/08/2017	0	0	0	0	0
	10/8/2010	2.50	01/07/2013–10/08/2017	0	0	0	0	0
	10/8/2010	2.50	01/07/2014–10/08/2017	0	0	0	0	0
				0	0	0	0	0
	20/8/2010	2.50	01/07/2012–20/08/2017	0	0	0	0	0
	20/8/2010	2.50	01/07/2013–20/08/2017	0	0	0	0	0
	20/8/2010	2.50	01/07/2014–20/08/2017	0	0	0	0	0
				0	0	0	0	0

OTHER INFORMATION

Grantees	Date of grant	Exercise price per share (RMB)	Exercise period	Outstanding as at 1 January 2015	Granted during the period	Exercised during the period (Note 1)	Lapsed during the period	Outstanding as at 30 June 2015
	17/11/2010	2.50	01/07/2012–17/11/2017	26,000	0	0	0	26,000
	17/11/2010	2.50	01/07/2013–17/11/2017	13,000	0	0	0	13,000
	17/11/2010	2.50	01/07/2014–17/11/2017	13,000	0	0	0	13,000
				52,000	0	0	0	52,000
Sub-total				4,021,980	0	150,000	100,400	3,771,580
Total				6,481,980	0	150,000	100,400	6,231,580

Note:

1. The weighted average closing price of the Company's shares immediately prior to the date of exercise of Pre-IPO Share Option Scheme during the period was HK$4.96.

COMPLIANCE WITH THE MODEL CODE FOR DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted a securities dealing code ("Securities Dealing Code") regarding securities transactions of the directors with standards no less exacting than that of the Model Code. In response to a specific enquiry by the Company, all Directors confirmed that they had compiled with the Securities Dealing Code and the Model Code throughout the six months ended 30 June 2015.

REVIEW OF INTERIM RESULTS

The audit committee of the Company (the "Audit Committee") comprises three members, of which all are independent non-executive Directors, namely Dr. Wong Tin Yau, Kelvin (the chairman of the Audit Committee), Mr. Zhao Chunjun and Mr. Chang Xiuze.

An Audit Committee meeting was held on 21 August 2015 to review the unaudited interim financial statements for six months ended 30 June 2015. KPMG, the Group's external auditor, has carried out a review of the unaudited interim financial statements for the six months ended 30 June 2015 in accordance with Hong Kong Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the HKICPA.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

Neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities during the six months ended 30 June 2015.

CORPORATE GOVERNANCE

The Company places high value on its corporate governance practice and the Board firmly believes that a good corporate governance practice can improve accountability and transparency for the benefit of its shareholders.

The Company has adopted the code provisions set out in the Corporate Governance Code (the "CG Code") in Appendix 14 to the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"). The Company had complied with the code provisions set out in the CG Code throughout the six months ended 30 June 2015.

CHANGES IN DIRECTORS' INFORMATION

The following are the changes in the information of Directors since the date of the 2014 Annual Report of the Company, which are required to be disclosed pursuant to Rules 13.51(2) and 13.51B of the Listing Rules:

Dr. Wong Tin Yau, Kelvin, independent non-executive director of the Company, has been appointed as an independent non-executive director of both AAG Energy Holdings Limited 亞美能源控股有限公司 (HK Stock Code: 2686) and Shanghai Fosun Pharmaceutical (Group) Co., Ltd. 上海復星醫藥(集團)股份有限公司 (HK Stock Code: 2196; Shanghai Stock Code: 600196) since June 2015.

Mr. Zhao Chunjun, independent non-executive director of the Company, retired as an independent non-executive director, chairman of nomination committee, a member of the audit committee and a member of the remuneration committee of Dongfang Electric Corporation Limited (a company listed both on the Hong Kong Stock Exchange and the Shanghai Stock Exchange) with effect from 28 June 2015.

For and on behalf of the board of Directors of
China ZhengTong Auto Services Holdings Limited
中國正通汽車服務控股有限公司
Wang Muqing
Chairman

30 August 2015

INDEPENDENT REVIEW REPORT

KPMG

Review Report to the Board of Directors of
China ZhengTong Auto Services Holdings Limited
(Incorporated in the Cayman Islands with limited liability)

INTRODUCTION

We have reviewed the interim financial report set out on pages 20 to 42 which comprises the consolidated statement of financial position of China ZhengTong Auto Services Holdings Limited as of 30 June 2015, and the related consolidated statement of profit or loss, consolidated statement of profit or loss and other comprehensive income and statement of changes in equity and condensed consolidated cash flow statement for the six months period then ended and explanatory notes. The Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited require the preparation of an interim financial report to be in compliance with the relevant provisions thereof and Hong Kong Accounting Standard 34, *Interim financial reporting*, issued by the Hong Kong Institute of Certified Public Accountants. The directors are responsible for the preparation and presentation of the interim financial report in accordance with Hong Kong Accounting Standard 34.

Our responsibility is to form a conclusion, based on our review, on the interim financial report and to report our conclusion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

SCOPE OF REVIEW

We conducted our review in accordance with Hong Kong Standard on Review Engagements 2410, *Review of interim financial information performed by the independent auditor of the entity*, issued by the Hong Kong Institute of Certified Public Accountants. A review of the interim financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Hong Kong Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

CONCLUSION

Based on our review, nothing has come to our attention that causes us to believe that the interim financial report as of 30 June 2015 is not prepared, in all material respects, in accordance with Hong Kong Accounting Standard 34, *Interim financial reporting*.

KPMG
Certified Public Accountants
8th Floor, Prince's Building
10 Chater Road
Central, Hong Kong

30 August 2015

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the six months ended 30 June 2015 – unaudited
(Expressed in RMB'000)

		Six months ended 30 June	
	Note	2015	2014
Revenue	4	**13,870,277**	15,609,267
Cost of sales		**(12,644,855)**	(14,142,575)
Gross profit		**1,225,422**	1,466,692
Other revenue	5	**217,864**	214,897
Other net income	5	**37,920**	37,190
Selling and distribution expenses		**(373,904)**	(401,328)
Administrative expenses		**(392,212)**	(376,287)
Profit from operations		**715,090**	941,164
Finance costs	6(a)	**(226,420)**	(226,005)
Share of profit of a joint venture		**5,655**	12,638
Profit before taxation	6	**494,325**	727,797
Income tax	7	**(141,915)**	(219,271)
Profit for the period		**352,410**	508,526
Attributable to:			
Equity shareholders of the Company		**346,933**	499,328
Non-controlling interests		**5,477**	9,198
Profit for the period		**352,410**	508,526
Earnings per share	8		
– Basic (RMB cents)		**15.7**	22.6
– Diluted (RMB cents)		**15.7**	22.6

The notes on pages 26 to 42 form part of this interim financial report.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the six months ended 30 June 2015 – unaudited
(Expressed in RMB'000)

		Six months ended 30 June	
	Note	2015	2014
Profit for the period		**352,410**	508,526
Other comprehensive income for the period:			
Item that may be reclassified subsequently to profit or loss:			
Exchange difference on translation of:			
– financial statements of overseas subsidiaries		**80**	2,014
Other comprehensive income for the period		**80**	2,014
Total comprehensive income for the period		**352,490**	510,540
Attributable to:			
Equity shareholders of the Company		**347,013**	501,342
Non-controlling interests		**5,477**	9,198
Total comprehensive income for the period		**352,490**	510,540

The notes on pages 26 to 42 form part of this interim financial report.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2015 – unaudited
(Expressed in RMB'000)

	Note	At 30 June 2015	At 31 December 2014
Non-current assets			
Property, plant and equipment	10	**3,093,633**	2,756,242
Lease prepayments		**1,075,079**	1,084,915
Receivables from financial services		**265,036**	–
Intangible assets		**3,837,617**	3,875,351
Goodwill		**1,926,551**	1,926,551
Interest in a joint venture		**192,427**	186,772
Interest in an associate		**3,200**	3,200
Deferred tax assets	17	**89,987**	67,180
		10,483,530	9,900,211
Current assets			
Inventories	11	**3,517,471**	4,346,017
Trade and other receivables	12	**4,795,270**	4,807,401
Receivables from financial services		**176,260**	–
Pledged bank deposits	13	**1,461,687**	1,662,771
Time deposits		**31,207**	31,207
Cash and cash equivalents	14	**1,228,538**	1,435,083
		11,210,433	12,282,479
Current liabilities			
Loans and borrowings	15	**4,405,506**	4,347,831
Trade and other payables	16	**5,069,397**	5,826,051
Income tax payables		**853,712**	776,580
		10,328,615	10,950,462
Net current assets		**881,818**	1,332,017
Total assets less current liabilities		**11,365,348**	11,232,228

The notes on pages 26 to 42 form part of this interim financial report.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 30 June 2015 – unaudited

(Expressed in RMB'000)

	Note	At 30 June 2015	At 31 December 2014
Non-current liabilities			
Bonds payable		**2,032,279**	2,031,803
Deferred tax liabilities	17	**895,596**	903,317
		2,927,875	2,935,120
NET ASSETS		**8,437,473**	8,297,108
Capital and reserves	18		
Share capital		**188,788**	188,776
Reserves		**8,141,632**	7,983,299
Total equity attributable to shareholders of the Company		**8,330,420**	8,172,075
Non-controlling interests		**107,053**	125,033
TOTAL EQUITY		**8,437,473**	8,297,108

Approved and authorised for issue by the board of directors on 30 August 2015.

Wang Kunpeng
Director, CEO

Li Zhubo
Director, CFO

The notes on pages 26 to 42 form part of this interim financial report.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the six months ended 30 June 2015 – unaudited
(Expressed in RMB'000)

	Attributable to shareholders of the Company									
	Share capital	Share premium	Capital reserves	PRC statutory reserves	Exchange reserves	Discretionary surplus reserves	Retained earnings	Sub-total	Non-controlling interests	Total equity
Balance at 1 January 2014	188,776	4,548,765	334,820	222,442	5,654	4,459	2,238,346	7,543,262	94,825	7,638,087
Changes in equity for the six months ended 30 June 2014:										
Total comprehensive income for the period	–	–	–	–	2,014	–	499,328	501,342	9,198	510,540
Capital injection by non-controlling interest	–	–	–	–	–	–	–	–	4,500	4,500
Equity settled share-based transactions	–	–	(145)	–	–	–	–	(145)	–	(145)
Dividends (note 18)	–	–	–	–	–	–	(175,358)	(175,358)	–	(175,358)
Balance at 30 June 2014 and 1 July 2014	188,776	4,548,765	334,675	222,442	7,668	4,459	2,562,316	7,869,101	108,523	7,977,624
Changes in equity for the six months ended 31 December 2014:										
Total comprehensive income for the period	–	–	–	–	(1,316)	–	304,464	303,148	10,548	313,696
Capital injection by non-controlling interest	–	–	–	–	–	–	–	–	25,000	25,000
Equity settled share-based transactions	–	–	(174)	–	–	–	–	(174)	–	(174)
Dividends	–	–	–	–	–	–	–	–	(19,038)	(19,038)
Appropriation to reserves	–	–	–	73,863	–	–	(73,863)	–	–	–
Balance at 31 December 2014	188,776	4,548,765	334,501	296,305	6,352	4,459	2,792,917	8,172,075	125,033	8,297,108

	Attributable to shareholders of the Company									
	Share capital	Share premium	Capital reserves	PRC statutory reserves	Exchange reserves	Discretionary surplus reserves	Retained earnings	Sub-total	Non-controlling interests	Total equity
Balance at 1 January 2015	188,776	4,548,765	334,501	296,305	6,352	4,459	2,792,917	8,172,075	125,033	8,297,108
Changes in equity for the six months ended 30 June 2015:										
Shares issued under share option scheme	12	469	(179)	–	–	–	–	302	–	302
Total comprehensive income for the period	–	–	–	–	80	–	346,933	347,013	5,477	352,490
Acquisition of non-controlling interest in subsidiaries	–	–	(14,769)	–	–	–	–	(14,769)	(10,457)	(25,226)
Dividends (note 18)	–	–	–	–	–	–	(174,201)	(174,201)	(13,000)	(187,201)
Balance at 30 June 2015	188,788	4,549,234	319,553	296,305	6,432	4,459	2,965,649	8,330,420	107,053	8,437,473

The notes on pages 26 to 42 form part of this interim financial report.

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

For the six months ended 30 June 2015 – unaudited
(Expressed in RMB'000)

		Six months ended 30 June	
	Note	2015	2014
Operating activities			
Cash generated from/(used in) operations		**807,820**	(41,061)
Tax paid		**(95,311)**	(183,776)
Net cash generated from/(used in) operating activities		**712,509**	(224,837)
Investing activities			
Payment for the purchase of property, plant and equipment		**(612,840)**	(622,011)
Payment for purchase of intangible assets		**(12,587)**	–
Other cash generated from investing activities		**215,093**	172,576
Net cash used in investing activities		**(410,334)**	(449,435)
Financing activities			
Dividends paid to non-controlling interests		**(13,000)**	–
Dividend paid to equity shareholders of the Company		**(174,201)**	(175,358)
Proceeds from loans and borrowings		**4,324,129**	4,063,980
Repayment of loans and borrowings		**(4,365,978)**	(3,725,816)
Interest paid		**(249,820)**	(244,457)
Other cash used in financing activities		**(24,924)**	–
Net cash used in financing activities		**(503,794)**	(81,651)
Net decrease in cash and cash equivalents		**(201,619)**	(755,923)
Cash and cash equivalents at 1 January		**1,435,083**	1,468,264
Effect of foreign exchange rate changes		**(4,926)**	3,592
Cash and cash equivalents at 30 June	14	**1,228,538**	715,933

The notes on pages 26 to 42 form part of this interim financial report.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

1 GENERAL INFORMATION

China ZhengTong Auto Services Holdings Limited (the "Company") was incorporated in the Cayman Islands on 9 July 2010 as an exempted company with limited liability under the Companies Law of the Cayman Islands. Its registered address is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands.

The Company and its subsidiaries (collectively, the "Group") are principally engaged in 4S dealership business, motor-related logistics business and lubricant oil trading business in the People's Republic of China (the "PRC").

2 BASIS OF PREPARATION

The interim financial report has been prepared in accordance with the applicable disclosure provisions of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the "Listing Rules"), including compliance with Hong Kong Accounting Standard ("HKAS") 34, *Interim financial reporting*, issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"). It was authorised for issue on 30 August 2015.

The interim financial report has been prepared in accordance with the same accounting policies adopted in the 2014 annual financial statements, except for the accounting policy changes that are expected to be reflected in the 2015 annual financial statements. Details of these changes in accounting policies are set out in note 3.

The preparation of an interim financial report in conformity with HKAS 34 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses on a year to date basis. Actual results may differ from these estimates.

This interim financial report contains condensed consolidated financial statements and selected explanatory notes. The notes include an explanation of events and transactions that are significant to an understanding of the changes in financial position and performance of the Group since the 2014 annual financial statements. The condensed consolidated interim financial statements and notes thereon do not include all of the information required for full set of financial statements prepared in accordance with Hong Kong Financial Reporting Standards ("HKFRSs").

This interim financial report is unaudited, but has been reviewed by the Company's auditors, KPMG, in accordance with Hong Kong Standard on Review Engagements 2410, *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*, issued by the HKICPA. KPMG's independent review report to the board of directors is included on page 19.

2 BASIS OF PREPARATION (CONTINUED)

The financial information relating to the financial year ended 31 December 2014 that is included in the interim financial report as being previously reported information does not constitute the Company's statutory financial statements for that financial year but is derived from those financial statements. Statutory financial statements for the year ended 31 December 2014 are available from the Company's registered office. The auditors have expressed an unqualified opinion on those statutory financial statements in their report dated 30 March 2015.

3 CHANGES IN ACCOUNTING POLICIES

The HKICPA has issued the following amendments to HKFRSs that are first effective for the current accounting period of the Group and the Company.

- Amendments to HKAS 19, *Employee benefits: Defined benefit plans: Employee contribution*
- *Annual Improvements to HKFRSs 2010-2012 Cycle*
- *Annual Improvements to HKFRSs 2011-2013 Cycle*

None of these developments have had a material effect on how the Group's results and financial position for the current or prior periods have been prepared or presented.

The Group has not applied any new standard or interpretation that is not yet effective for the current accounting period.

4 REVENUE

The Group is mainly engaged in sales of passenger motor vehicles, motor spare parts, provision of maintenance services, provision of logistics services, sales of lubricant oil and auto financial services. Revenue represents the sales of goods and services rendered to customers.

The amount of each significant category of revenue recognised during the period is as follows:

	Six months ended 30 June	
	2015	**2014**
	RMB'000	**RMB'000**
Sales of passenger motor vehicles	**11,910,113**	13,777,980
Sales of motor spare parts	**423,314**	358,586
Provision of maintenance services	**1,261,907**	1,183,413
Provision of logistics services	**143,408**	138,309
Sales of lubricant oil	**129,094**	150,979
Interest from the financial services	**2,441**	–
	13,870,277	15,609,267

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

5 OTHER REVENUE AND NET INCOME

	Six months ended 30 June	
	2015	**2014**
	RMB'000	**RMB'000**
Other revenue:		
Commission income	**204,525**	197,646
Interest income from bank deposits	**12,431**	13,769
Others	**908**	3,482
	217,864	214,897
Other net income:		
Net gain on disposal of property, plant and equipment	**23,093**	28,343
Others	**14,827**	8,847
	37,920	37,190

6 PROFIT BEFORE TAXATION

Profit before taxation is arrived at after charging/(crediting):

			Six months ended 30 June	
			2015	**2014**
		Note	**RMB'000**	**RMB'000**
(a)	**Finance costs:**			
	Interest on loans and borrowings wholly repayable within 5 years		**229,831**	220,428
	Other finance costs	(i)	**19,989**	24,029
	Less: interest capitalised		**(23,400)**	(18,452)
			226,420	226,005
(b)	**Staff costs:**			
	Salaries, wages and other benefits		**276,840**	281,970
	Contributions to defined contribution retirement plans	(ii)	**23,333**	19,586
	Equity settled share-based transactions		**–**	(145)
			300,173	301,411

(i) It mainly represents the interest expenses arising from discount of bills.

(ii) Employees of the Group's PRC subsidiaries are required to participate in defined contribution retirement schemes administered and operated by the local municipal governments where the subsidiaries are registered. The Group's PRC subsidiaries contribute funds which are calculated on certain percentages of the average employee salary as agreed by the respective local municipal government to the schemes to fund the retirement benefits of the employees.

The Group has no other material obligation for the payment of retirement benefits other than the annual contributions described above.

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

6 PROFIT BEFORE TAXATION (CONTINUED)

	Six months ended 30 June	
	2015 RMB'000	2014 RMB'000
(c) Other items:		
Cost of inventories	**12,439,851**	13,956,178
Depreciation	**114,649**	113,696
Amortisation of lease prepayments	**11,362**	4,094
Amortisation of intangible assets	**50,321**	49,455
Operating lease charges	**130,673**	112,278
Net foreign exchange (gain)/loss	**(7,841)**	19,361

7 INCOME TAX

Income tax in the consolidated statement of profit or loss represents:

	Six months ended 30 June	
	2015 RMB'000	2014 RMB'000
Current tax:		
Provision for PRC income tax for the period	**172,443**	251,489
Deferred tax:		
Origination of temporary differences (note 17)	**(30,528)**	(32,218)
	141,915	219,271

(i) Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands, the Group is not subject to any income tax in the Cayman Islands and the British Virgin Islands.

(ii) No provision for Hong Kong Profits Tax was made for the Group's subsidiaries located in Hong Kong as these subsidiaries did not have assessable profits subject to Hong Kong Profits Tax during the period. The payments of dividends by Hong Kong companies are not subject to any Hong Kong withholding tax.

(iii) The PRC subsidiaries of the Group are subject to PRC Corporate Income Tax rate of 25%.

Taxation for the Group's PRC subsidiaries is calculated using the estimated annual effective rates of taxation that are expected to be applicable.

8 EARNINGS PER SHARE

(a) Basic earnings per share

The calculation of basic earnings per share for the six months ended 30 June 2015 is based on the profit attributable to shareholders of the Company for the six months of RMB346,933,000 (30 June 2014: RMB499,328,000) and the weighted average number of ordinary shares of 2,210,106,794 (30 June 2014: 2,210,050,440) in issue during the period.

(b) Diluted earnings per share

The calculation of diluted earnings per share for the six months ended 30 June 2015 is based on the profit attributable to ordinary equity shareholders of the Company of RMB346,933,000 (30 June 2014: RMB499,328,000) and the weighted average number of ordinary shares of 2,213,719,040 (30 June 2014: 2,213,673,760) in issue after adjusting for the effect of all dilutive potential ordinary shares under the Company's pre-IPO employee share option scheme.

Weighted average number of shares (diluted)

	Six months ended 30 June	
	2015 Number of shares	**2014 Number of shares**
Weighted average number of ordinary shares	**2,210,106,794**	2,210,050,440
Effect of deemed issue of shares under the pre-IPO employee share option scheme	**3,612,246**	3,623,320
Weighted average number of ordinary shares for the purpose of diluted earnings per share	**2,213,719,040**	2,213,673,760

9 SEGMENT REPORTING

The Group manages its businesses by divisions, which are organised by business lines and in a manner consistent with the way in which information is reported internally to the Group's most senior executive management for the purposes of resource allocation and performance assessment, the Group has identified the following four major operating segments:

1 4S dealership business

4S dealership business mainly includes sales of motor vehicles, motor spare parts and provision of maintenance services through the Group's network of 4S dealership in the PRC.

2 Logistics business

Logistics business mainly includes provision of motor-related logistics services.

3 Lubricant oil business

Lubricant oil business mainly includes trading of lubricant oil.

9 SEGMENT REPORTING (CONTINUED)

4 Auto financial service business

Auto financial service business mainly includes providing financial services to auto customers and dealers.

As none of the logistics business, lubricant oil business or auto financial service has exceeded the quantitative threshold for determining a reportable segment, they are grouped together to form one reportable segment. Consequently, the Group has two reportable segments, namely "4S dealership business" and "Other businesses".

(a) Information about profit or loss, assets and liabilities

For the purposes of assessing segment performance and allocating resources between segments, the Group's chief operating decision maker monitors the results, assets and liabilities attributable to each reportable segment on the following bases:

- Revenue and expenses are allocated to the reportable segments with reference to sales generated by those segments and the expenses incurred by those segments or which otherwise arise from the depreciation or amortisation of assets attributable to those segments.

- The measure used for reporting segment profit is profit before taxation. To arrive at profit before taxation, the Group's earnings are adjusted for items not specifically attributed to individual segments, such as head office and corporate administration costs, other revenue, other net income and finance costs.

- Segment assets include all current and non-current assets with the exception of intangible assets, goodwill, deferred tax assets and unallocated head office assets. Segment liabilities include all current and non-current liabilities with the exception of income tax payables, deferred tax liabilities and unallocated head office liabilities.

9 SEGMENT REPORTING (CONTINUED)

(a) Information about profit or loss, assets and liabilities (continued)

- In addition to receiving segment information concerning profit before taxation, management is provided with segment information concerning revenue (including inter-segment sales), loans and borrowings managed directly by the segments, depreciation, amortisation and impairment losses and additions to non-current segment assets used by the segments in their operations. Inter-segment sales are priced with reference to prices charged to external parties for similar orders.

	4S dealership business		Other businesses		Total	
	2015 RMB'000	2014 RMB'000	2015 RMB'000	2014 RMB'000	2015 RMB'000	2014 RMB'000
Revenue from external customers	**13,595,334**	15,319,979	**274,943**	289,288	**13,870,277**	15,609,267
Inter-segment revenue	**–**	–	**7,873**	8,835	**7,873**	8,835
Reportable segment revenue	**13,595,334**	15,319,979	**282,816**	298,123	**13,878,150**	15,618,102
Reportable segment profit	**454,992**	719,608	**14,489**	10,924	**469,481**	730,532
Depreciation and amortisation for the period	**172,558**	163,389	**3,774**	3,856	**176,332**	167,245
Reportable segment assets as at 30 June 2015/31 December 2014	**13,221,656**	14,175,365	**3,321,929**	2,707,641	**16,543,585**	16,883,006
Additions to non-current segment assets during the period	**629,001**	543,310	**18,247**	2,193	**647,248**	545,503
Reportable segment liabilities as at 30 June 2015/31 December 2014	**(10,328,861)**	(11,095,383)	**(1,955,985)**	(1,920,967)	**(12,284,846)**	(13,016,350)
Investment in a joint venture/ an associate as at 30 June 2015/ 31 December 2014	**–**	–	**195,627**	189,972	**195,627**	189,972

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

9 SEGMENT REPORTING (CONTINUED)

(b) Reconciliations of reportable segment profit or loss

	Six months ended 30 June	
	2015 RMB'000	2014 RMB'000
Reportable segment profit	**469,481**	730,532
Unallocated head office expenses	**(4,520)**	(28,817)
Other revenue	**217,864**	214,897
Other net income	**37,920**	37,190
Finance costs	**(226,420)**	(226,005)
Consolidated profit before taxation	**494,325**	727,797

(c) Geographic information

As the Group solely operates in the PRC, no geographical segment information has been presented.

(d) Reconciliations of reportable segment assets and liabilities

	At 30 June 2015 RMB'000	At 31 December 2014 RMB'000
Assets:		
Reportable segment assets	**16,543,585**	16,883,006
Intangible assets	**3,837,617**	3,875,351
Goodwill	**1,926,551**	1,926,551
Deferred tax assets	**89,987**	67,180
Unallocated head office assets	**77,046**	244,369
Elimination of inter-segment receivables	**(780,823)**	(813,767)
Consolidated total assets	**21,693,963**	22,182,690
Liabilities:		
Reportable segment liabilities	**(12,284,846)**	(13,016,350)
Income tax payables	**(853,712)**	(776,580)
Deferred tax liabilities	**(895,596)**	(903,317)
Unallocated head office liabilities	**(3,159)**	(3,102)
Elimination of inter-segment payables	**780,823**	813,767
Consolidated total liabilities	**(13,256,490)**	(13,885,582)

10 PROPERTY, PLANT AND EQUIPMENT

During the six months ended 30 June 2015, the Group acquired property, plant and equipment with original costs of RMB633,135,000 in aggregate (six months ended 30 June 2014: RMB545,503,000). Items of property, plant and equipment with a net book value of RMB181,095,000 were disposed of during the six months ended 30 June 2015 (six months ended 30 June 2014: RMB132,535,000), resulting in net gain on disposal of RMB23,093,000 (six months ended 30 June 2014: RMB28,343,000).

11 INVENTORIES

	At 30 June 2015 RMB'000	At 31 December 2014 RMB'000
Motor vehicles	**3,268,003**	4,053,604
Motor spare parts	**234,030**	277,753
Others	**15,438**	14,660
	3,517,471	4,346,017

12 TRADE AND OTHER RECEIVABLES

As of the end of the reporting period, the ageing analysis of trade debtors and bills receivable (which are included in trade and other receivables), based on the invoice date (or date of revenue recognition, if earlier) and net of allowance for doubtful debts, is as follows

	At 30 June 2015 RMB'000	At 31 December 2014 RMB'000
Within 3 months	**465,256**	521,724
Over 3 months but within 1 year	**22,127**	31,899
Over 1 year	**5,544**	1,430
Trade debtors and bills receivable, net of allowance for doubtful debts	**492,927**	555,053
Prepayments	**609,324**	724,234
Other receivables and deposits	**3,692,056**	3,528,114
Amount due from third parties	**4,794,307**	4,807,401
Amount due from related parties (note 21(b))	**963**	–
Trade and other receivables	**4,795,270**	4,807,401

All of the trade and other receivables are expected to be recovered within one year.

Credit risk in respect of trade receivables is limited since credit sales are offered in rare cases subject to high level management's approval, for which management has a credit policy in place and the exposures to the credit risks are monitored on an ongoing basis.

The Group grants credit to its customers of the major segments as below:

Reportable segments	**Credit terms in general**
4S dealership business	Cash on delivery to 180 days
Logistics and lubricant oil business	30 to 90 days

13 PLEDGED BANK DEPOSITS

Guarantee deposits in respect of:

	At 30 June 2015 RMB'000	At 31 December 2014 RMB'000
Bank loans	**295,349**	241,804
Bills payable	**1,015,338**	1,269,967
Standby letter of credit	**151,000**	151,000
	1,461,687	1,662,771

The pledged bank deposits will be released upon the settlement of relevant bank loans and bills payable.

14 CASH AND CASH EQUIVALENTS

	At 30 June 2015 RMB'000	At 31 December 2014 RMB'000
Deposit with banks within 3 months of maturity	**14,162**	32,652
Cash at banks and in hand	**1,214,376**	1,402,431
Cash and cash equivalents in the statements of financial position	**1,228,538**	1,435,083
Cash and cash equivalents in the cash flow statements	**1,228,538**	1,435,083

NOTES TO THE UNAUDITED INTERIM FINANCIAL REPORT

15 LOANS AND BORROWINGS

The analysis of the carrying amount of loans and borrowings is as follows:

	At 30 June 2015 RMB'000	At 31 December 2014 RMB'000
Unsecured bank loans	**2,982,500**	2,590,800
Unsecured borrowings from other financial institutions	**–**	350,000
Unsecured short-term commercial paper	**750,000**	750,000
	3,732,500	3,690,800
Secured bank loans	**230,951**	188,328
Secured borrowings from other financial institutions	**110,135**	136,490
	4,073,586	4,015,618
Secured long-term bank loans repayable within 1 year	**331,920**	332,213
	4,405,506	4,347,831

16 TRADE AND OTHER PAYABLES

As of the end of the reporting period, the ageing analysis of trade creditors and bills payables (which are included in trade and other payables), based on the invoice date, is as follows:

	At 30 June 2015 RMB'000	At 31 December 2014 RMB'000
Within 3 months	**3,958,552**	4,787,976
Over 3 months but within 6 months	**126,556**	146,156
Over 6 months but within 12 months	**4,053**	1,818
Total creditors and bills payable	**4,089,161**	4,935,950
Receipts in advance	**395,817**	442,894
Other payables and accruals	**584,419**	447,207
Trade and other payables	**5,069,397**	5,826,051

17 DEFERRED TAX ASSETS AND LIABILITIES

The components of deferred tax assets/(liabilities) recognised in the consolidated statement of financial position and the movements during the period are as follows:

	Fair value adjustment arising from business combination RMB'000	Depreciation allowances in excess of depreciation charges RMB'000	Future benefits of tax losses RMB'000	Deferred revenue RMB'000	Capitalisation of interest RMB'000	Total RMB'000
Deferred tax assets/ (liabilities)arising from:						
At 1 January 2015	(880,474)	(7,243)	64,192	4,297	(16,909)	(836,137)
Credited/(charged) to profit or loss (note 7)	12,404	269	23,225	(522)	(4,848)	30,528
At 30 June 2015	(868,070)	(6,974)	87,417	3,775	(21,757)	(805,609)

	At 30 June 2015 RMB'000	At 31 December 2014 RMB'000
Representing:		
Deferred tax assets	**89,987**	67,180
Deferred tax liabilities	**(895,596)**	(903,317)
	(805,609)	(836,137)

18 CAPITAL, RESERVES AND DIVIDENDS

(a) Dividends

Dividends payable to equity shareholders attributable to the previous financial year, approved and paid during the interim period

	Six months ended 30 June	
	2015	**2014**
	RMB'000	**RMB'000**
Final dividend proposed in respect of the previous financial year, approved and paid during the following interim period, of HK$0.10 (RMB0.08) per ordinary share (six months ended 30 June 2014: HK$0.10 (RMB0.08) per ordinary share)	**174,201**	175,358

(b) Share capital

The share capital of the Group represents the issued capital of the Company at the end of the respective reporting periods.

Movements in the authorised share capital of the Company during the period are as follows:

		2015		2014	
	Note	**Number of shares (thousand)**	**Amount HK$('000)**	**Number of shares (thousand)**	**Amount HK$('000)**
Ordinary shares, issued and fully paid:					
At 1 January		**2,210,050**	**221,005**	2,210,050	221,005
Shares issued pursuant to pre-IPO employee share option scheme	(i)	**150**	**15**	–	–
At 30 June/31 December		**2,210,200**	**221,020**	2,210,050	221,005
RMB equivalent ('000)			**188,788**		188,776

(i) During the period ended 30 June 2015, certain options were exercised to subscribe for 150,000 ordinary shares at HK$2.53, with a total consideration of HK$378,750 (equivalent to RMB301,478), of which HK$15,000 (equivalent to RMB11,940) was credited to share capital. The excess of the total consideration over the par value of the shares, amounting to RMB289,538, was credited to share premium. RMB179,490 has been transferred from capital reserves to share premium.

19 COMMITMENTS

(a) Capital commitments

Capital commitments of the Group in respect of property, plant and equipment outstanding at 30 June 2015 not provided for in the condensed consolidated financial statements were as follows:

	At 30 June 2015 RMB'000	At 31 December 2014 RMB'000
Contracted for	**615,234**	817,443

(b) Operating lease commitments

At 30 June 2015, the total future minimum lease payments under non-cancellable operating leases are payable as follows:

	At 30 June 2015 RMB'000	At 31 December 2014 RMB'000
Within 1 year	**215,010**	225,870
After 1 year but within 5 years	**506,411**	395,381
After 5 years	**572,364**	392,208
	1,293,785	1,013,459

The Group is the lessee in respect of a number of properties and land use rights held under operating leases. The leases typically run for an initial period between 1 and 20 years, with an option to renew the lease after that date. None of the leases includes contingent rentals.

20 CONTINGENT LIABILITIES

As of 30 June 2015, the Group did not have any significant contingent liabilities.

21 MATERIAL RELATED PARTY TRANSACTIONS

During the period ended 30 June 2015, the directors are of the view that the following individual/companies are related parties of the Group:

Name of party	Relationship
Wang Muqing 王木清	Controlling Shareholder
Hubei Shengze Industry Co., Ltd. ("Hubei Shengze") 湖北聖澤實業有限公司	Controlled by the Controlling Shareholder
Beijing Baoze Automobile Technology Development Co., Ltd. ("Beijing Baoze Technology") 北京寶澤汽車科技發展有限公司	Controlled by the Controlling Shareholder
Inner Mongolia Shengze Dingjie Automobile Trading Co., Ltd. ("Inner Mongolia Shengze Dingjie") 內蒙古聖澤鼎傑汽車貿易有限公司	Controlled by the Controlling Shareholder
Changsha Shengze Ruibao Electronics Trading Co., Ltd. ("Changsha Shengze Ruibao") 長沙聖澤瑞寶電子產品貿易有限公司	Controlled by the Controlling Shareholder
Wuhan Shengze Jieyun Trading Co., Ltd. ("Wuhan Jieyun") 武漢聖澤捷運貿易有限公司	Controlled by the Controlling Shareholder
Wuhan Shengze Jiezhong Logistics Co., Ltd. ("Wuhan Jiezhong") 武漢聖澤捷眾物流有限公司	Controlled by the Controlling Shareholder
Wuhan Jiangrong Investment Co., Ltd. ("Wuhan Investment") 武漢江融投資有限公司	Controlled by the Controlling Shareholder

Notes: The English translation of the company names is for reference only. The official names of the companies established in the PRC are in Chinese.

21 MATERIAL RELATED PARTY TRANSACTIONS (CONTINUED)

(a) Recurring transactions

	Six months ended 30 June	
	2015 RMB'000	2014 RMB'000
Rental expense:		
Hubei Shengze	**2,557**	2,557
Beijing Baoze Technology	**7,846**	7,289
Inner Mongolia Shengze Dingjie	**10,936**	11,404
Changsha Shengze Ruibao	**1,149**	1,149
Wuhan Jieyun	**5,984**	5,984
Wuhan Jiezhong	**1,074**	1,075
Wuhan Investment	**7,568**	7,568
	37,114	37,026

The Company's directors are of the opinion that the above related party transactions were conducted on terms no less favourable to the Group than terms available to or from independent third parties and in the ordinary course of business.

(b) Balances with related parties

As at the end of the respective reporting periods, the Group had the following balances with related parties:

	At 30 June 2015 RMB'000	At 31 December 2014 RMB'000
Due from related parties:		
Beijing Baoze Technology	**960**	–
Hubei Shengze	**3**	–
	963	–

22 ULTIMATE HOLDING COMPANY

The directors consider the ultimate holding company of the Company to be Joy Capital Holdings Limited, which was incorporated in the British Virgin Islands.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Mr. Wang Muqing *(Chairman)*
Mr. Wang Kunpeng *(Chief Executive Officer)*
Mr. Li Zhubo *(Chief Financial Officer)*
Mr. Chen Tao *(Vice President)*
Mr. Shao Yong Jun *(Vice President)*

Independent non-executive Directors

Dr. Wong Tin Yau, Kelvin
Mr. Zhao Chunjun
Mr. Chang Xiuze

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COMPANY SECRETARY

Ms. Luo Xiao Jing

AUTHORIZED REPRESENTATIVES

Mr. Shao Yong Jun
Ms. Luo Xiao Jing

MEMBERS OF THE OPERATION AND MANAGEMENT COMMITTEE

Mr. Wang Kunpeng *(Chairman)*
Mr. Li Zhubo
Mr. Chen Tao
Mr. Shao Yong Jun
Mr. Li Yi

CORPORATE INFORMATION

MEMBERS OF THE AUDIT COMMITTEE

Dr. Wong Tin Yau, Kelvin *(Chairman)*
Mr. Zhao Chunjun
Mr. Chang Xiuze

MEMBERS OF THE NOMINATION COMMITTEE

Mr. Zhao Chunjun *(Chairman)*
Mr. Shao Yong Jun
Mr. Chang Xiuze

MEMBERS OF THE REMUNERATION COMMITTEE

Mr. Chang Xiuze *(Chairman)*
Mr. Wang Kunpeng
Dr. Wong Tin Yau, Kelvin

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Hubei Branch
Shenzhen Development Bank,
Shanghai Waitan Branch
Bank of China,
Wuhan Economic Development Zone Branch
China Merchants Bank, Liberation Park Branch
Industrial Bank, Hankou Branch
Bank of Communications, Pacific Branch

AUDITORS

KPMG
Certified Public Accountants

HONG KONG LEGAL COUNSEL

Chiu & Partners
Solicitors

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