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重庆长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: 8217)

**NON-EXEMPT CONTINUING CONNECTED TRANSACTIONS
AMENDMENTS TO THE ARTICLES OF ASSOCIATION**

Non-Exempt Continuing Connected Transactions

On 2 October 2007, the Company entered into the Framework Agreement with Chongqing Changan Construction, pursuant to which the Company (and its subsidiaries) will continuously purchase engineering construction services from Chongqing Changan Construction and its associates for a term effective from 20 September 2007 to 31 December 2008. Chongqing Changan Construction is an associate of Changan Co., a substantial shareholder of the Company holding 24.08% of the total issued share capital of the Company while 100% of the total equity interest of Chongqing Changan Construction is directly and indirectly held by Changan Co. The transactions between the Group and Chongqing Changan Construction and its associates shall constitute continuing connected transactions of the Company. Since the highest of all applicable percentage ratios of the annual amount of the transactions as contemplated by the Framework Agreement as calculated in accordance with Rule 19.07 of the GEM Listing Rules is above 2.5%, the conduct of the Transactions shall be subject to the reporting, announcement and independent shareholders' approval requirements.

An INED Committee has been formed to advise the independent Shareholders in connection with the Transactions (including the Proposed Caps), and the Independent Financial Adviser will be appointed to advise the INED Committee and the independent Shareholders in relation thereto.

A circular containing, amongst other things, details regarding the Transactions, a letter from the INED Committee and an opinion from the Independent Financial Adviser, together with a notice of an extraordinary general meeting to approve, among other things, the Transactions (and the

Proposed Caps) will be issued to the Shareholders as soon as possible.

Amendments to Articles

The Board also proposed to amend the Articles to reflect the update situation of the Company while the Amendments to Articles shall be subject to the Shareholders' approval by way of special resolution and approvals by the relevant governmental authorities of the PRC. Details of the Amendments will be set out in the circular to be issued to the Shareholders by the Company.

FRAMEWORK AGREEMENT

On 2 October 2007, the Company entered into the Framework Agreement with Chongqing Changan Construction, pursuant to which the Company (together with its subsidiaries) will purchase engineering construction services from Chongqing Changan Construction and its associates for a term effective from 20 September 2007 to 31 December 2008. The services to be provided by Chongqing Changan Construction and its associates mainly include civil construction, installation, construction of steel structure and maintenance of warehouses.

REASONS FOR ENTERING INTO THE TRANSACTIONS

The Company is a joint stock company with limited liability incorporated in the PRC while the Company (together its subsidiaries) provides a variety of logistics services mainly for car manufacturers and car component suppliers in China. In order to provide such logistics services, the Group also needs to engage third party contractors to provide engineering construction services for building and maintaining its warehouses. The Group used to purchase engineering construction services from various suppliers, which imposed on the Group a lot of cost and management pressure. Chongqing Changan Construction (and its associates) has the requisite equipment, expertise and/or human resources to perform engineering construction services. Purchasing engineering construction services from Chongqing Changan Construction (and its associates) is beneficial to the Company from cost efficient prospective. It is very costly for a logistic enterprises to maintain an engineering construction team. The Company has established a good co-operation relationship with Chongqing Changan Construction and its associates and is satisfied with the quality and terms of the construction services provided by them. The Board considers it to be beneficial to the Company to enter into the Transactions as such transactions will facilitate the operation and growth of the Company's business.

PRICING OF THE TRANSACTIONS

According to the Framework Agreement, Chongqing Changan Construction undertook to the Company that for transactions proposed to be carried out under the Framework Agreement, the terms offered to the Company and its subsidiaries should not be less favourable than those granted to an independent third party. The fees for transactions under the Framework Agreement should be paid on deferred basis and reached in accordance with the following principles:

- (i) pricing relating to certain types of services fixed by the PRC government;
- (ii) where there is no PRC government fixed price but a government guidance price exists, the government guidance price;
- (iii) when there is neither a PRC government fixed price nor a government guidance price, the market price; or

- (iv) where none of the above is applicable, the price to be agreed between the parties based on arm's length negotiations.

CAPS

Resulting from the repaid increase of the production and sales volume of the Group's customers, the Group needs to substantially expand its storage capacity, thus increasing the need of engineering construction services. According to the Company's expansion plan, the Group plans to construct approximately 140,000 square meters of warehouses and approximately 160,000 square meters of storage facilities for finished vehicles in 2007 and 2008.

In view of the increasing demand of construction services as a result of the expected business expansion of the Group as well as for the Group's benefit, the Directors are of the view that the conduct of Transactions is necessary.

For implementation of the aforesaid expansion plan, the Company will acquire engineering construction services for maintaining and building warehouses starting from the fourth quarter of 2007. Accordingly, the service fees to be paid to Chongqing Changan Construction and its associates for the whole year of 2007 are estimated to be RMB79,500,000. With the market condition of automotive logistics industry as well as the current and projected levels of the relevant transactions, the service fees payable by the Group to Chongqing Changan Construction and its associates for the year 2008 are expected to be increased to RMB118,300,000. The Proposed Caps are determined on assumption of the implementation of the expansion plan of warehouses and storage facilities as mentioned above and by reference to the prevailing construction cost in the market.

Since listing of the Company in February 2006, the Group has not purchased engineering construction services from Chongqing Changan Construction and its associates. During the period from 20 September 2007 to the date hereof, the transaction amount of the Group for acquiring engineering construction services from Chongqing Changan Construction and its associates were less than HK\$1 million. The Company will monitor and ensure that the transaction amount under the Framework Agreement will not exceed HK\$10 million before the obtaining of the Independent Shareholders' approval in relation thereto.

Taking into consideration that the Transactions have been negotiated on an arm's length basis and are conducted on normal commercial terms or on terms no less favourable than those available to independent third parties under prevailing local market conditions, and were entered into in the ordinary and usual course of business of the Company, the Directors are of the view that the Transactions and Proposed Caps are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

IMPLICATIONS UNDER GEM LISTING RULES

Chongqing Changan Construction is an associate of Changan Co., a substantial shareholder of the Company holding 24.08% of the total issued share capital of the Company while 100% of Chongqing Changan Construction's total equity interest is directly and indirectly held by Changan Co. The transactions between the Group and Chongqing Changan Construction and its associates shall constitute continuing connected transactions of the Company. Since the highest of all applicable percentage ratios of the annual amount of the Transactions as calculated in accordance with Rule 19.07 of the GEM Listing Rules is above 2.5%, the conduct of the Transactions shall be subject to the reporting, announcement and independent shareholders' approval.

The Company will seek the Independent Shareholders' approval at the EGM for the Transactions on the condition that:

1. the annual amount of the Transactions shall not exceed the Proposed Caps (i.e. RMB79,500,000 for 2007 and RMB118,300,000 for 2008);
2. (i) the Transactions will be entered into in the usual and ordinary course of businesses of the Company and either (A) on normal commercial terms or (B) if there is no available comparison, on terms no less favourable to the Company than terms available from independent third parties; and
(ii) the Transactions will be entered into in accordance with the Framework Agreement and on terms that are fair and reasonable and in the interests of the Shareholders as a whole.

The Company will also comply with relevant provisions of the GEM Listing Rules in relation to the Transactions.

The Transactions (including the Proposed Caps) are subject to approval by the Independent Shareholders in accordance with the GEM Listing Rules. Changan Co., Changan Industrial and their respective associates (as at the date hereof, in aggregate holding 39,825,600 Shares, representing 24.57% of the total issued share of the Company) will abstain from voting in relation to the resolution approving the Transactions. The voting at the EGM will be taken by a poll and the Company will make an announcement of the poll results.

The INED Committee has been formed to advise the independent Shareholders in connection with the Transactions (including the Proposed Caps), and the Independent Financial Adviser will be appointed to advise the INED Committee and the independent Shareholders on the same.

A circular containing, amongst other things, details regarding the Transactions, a letter from the INED Committee and an opinion from the Independent Financial Adviser, will be issued to the Shareholders as soon as possible.

AMENDMENTS TO ARTICLES

The Board proposed to amend the Articles as follows. The purpose of making amendments to Clause 1 of the Articles is to reflect the changes of the legal representatives of two promoters of the Company while amendments to Clause 12 of the Articles is to ensure the business scope of the Company covering the ancillary logistic services provided by the Company.

1. Amendments to Clause 1 of the Articles
 - (i) Original Clause 1 (2):

"Singapore APL Logistics Ltd, Registered Office: 456 Alexandra Road, #06-00 NOL Building, Singapore, and Legal Representative: Koay Peng Yen"

be amended as

" Singapore APL Logistics Ltd, Registered Office: 456 Alexandra Road, #06-00 NOL Building, Singapore, and Legal Representative: Daniel C.Ryan";
 - (ii) Original Clause 1 (5):

"Chongqing Changan Industry Co., Ltd, Registered Office: #260 Jianxin Eastern Road, Jiangbei District, Chongqing ,China, and Legal Representative: Yin Jiayu"

be amended as

"Chongqing Changan Industry Co., Ltd, Registered Office: #260 Jianxin Eastern Road, Jiangbei District, Chongqing ,China, and Legal Representative: Zhou Bo".

2. Proposed amendments Clause 12 of the Articles

Original Clause 12 of the Articles:

"The business activities as approved by the Company Registration Authority shall be regarded as the business scope of the Company.

The business scope of the Company shall include general carriage of goods, multi-modal transportation services, in-land waterway goods transportation agency, warehousing, distribution and delivery, packaging and de-packaging, development of software for logistics and information services, logistics planning, management, and consultation services, import-export business and related services including operating import and export business on its own or as an agent, acting as import and export agent for export oriented processing or value-add enterprises, providing international freight forwarding agency services of sea, air and land transportation for imported and exported goods, including canvassing for cargoes, consigning cargoes for shipment, shipment arrangement and reservation, storage, transshipment, consolidation and deconsolidation of containers, processing of transportation related charges, customs declaration and clearance, quarantine declaration and clearance, insurance, other related short-distance transportation services and transportation consultancy services.

In line with its own development capability, changes in markets and business demand, the Company may adjust its business scope and investment orientation in accordance with the approval of the resolution in the Company's general meeting and the relevant laws and regulations at an appropriate time and may set up branches and representative offices domestically and abroad and in Hong Kong, Macao and Taiwan (no matter whether it is exclusively-invested).

Notwithstanding the business scope of the Company as specified in Clause 12, the principal business focus of the Company ("Business Focus") shall be: logistics planning, management, consultation and training services; international and domestic multi-modal transportation of goods (including whole vehicle) services, warehousing, distribution and delivery services; packaging and de-packaging of component parts services; development of logistics software and information services; warehousing and transportation services. If the Company intends to make any adjustment to the Business Focus as specified above, approval by a special resolution passed at shareholders' general meeting shall be obtained."

be amended as follows:

"The business activities as approved by the Company Registration Authority shall be regarded as the business scope of the Company.

The business scope of the Company shall include general carriage of goods, multi-modal transportation services, in-land waterway goods transportation agency, warehousing, distribution and delivery, packaging and de-packaging, development of software for logistics and information services, logistics planning, management, and consultation

services, import-export business and related services including operating import and export business on its own or as an agent, acting as import and export agent for export oriented processing or value-add enterprises, providing international freight forwarding agency services of sea, air and land transportation for imported and exported goods, including canvassing for cargoes, consigning cargoes for shipment, shipment arrangement and reservation, storage, transshipment, consolidation and deconsolidation of containers, processing of transportation related charges, customs declaration and clearance, quarantine declaration and clearance, insurance, other related short-distance transportation services and transportation consultancy services. Processing, assembling and selling of car components and parts. Selling and after services of cars. Manufacturing and selling of package.

In line with its own development capability, changes in markets and business demand, the Company may adjust its business scope and investment orientation in accordance with the approval of the resolution in the Company's general meeting and the relevant laws and regulations at an appropriate time and may set up branches and representative offices domestically and abroad and in Hong Kong, Macao and Taiwan (no matter whether it is exclusively-invested).

Notwithstanding the business scope of the Company as specified in Clause 12, the principal business focus of the Company ("Business Focus") shall be: logistics planning, management, consultation and training services; international and domestic multi-modal transportation of goods (including whole vehicle) services, warehousing, distribution and delivery services; packaging and de-packaging of component parts services; development of logistics software and information services; warehousing and transportation services. If the Company intends to make any adjustment to the Business Focus as specified above, approval by a special resolution passed at shareholders' general meeting shall be obtained."

According to the Articles and the relevant laws and regulations, the Amendments are subject to the approval of the shareholders of the Company by way of special resolution at the general meeting. For such purpose, the Company will issue to the Shareholders a circular setting out the details of the Amendments. Further, the Amendments will become effective after the relevant procedures for the approval and/or registration or filing in the PRC have been completed.

DEFINITIONS

Amendments	the amendments to the Articles as proposed by the Board and details of which are set out in the paragraph headed "Amendments to the Articles" in this announcement
Articles	Articles of Association of the Company
associates	has the meanings as ascribed by the GEM Listing Rules
Changan Co.	Changan Automobile Company (Group) Limited (長安汽車(集團)有限責任公司), a substantial shareholder of the Company holding 24.08% of the total issued share capital of the Company
Changan Industrial	Chongqing Changan Industrial Company Limited (重慶長安實業有限公司) which holds 0.49% of the total issued share capital of the Company

China or PRC	the People's Republic of China which, for the purpose of this announcement, excludes Hong Kong, Macau and Taiwan
Chongqing Changan Constructon	Chongqing Changan Construction Limited Company (重慶长安建设工程有限公司) which is wholly owned (directly and indirectly) by Changan Co.
Company	Changan Minsheng APLL Logistics Co., Ltd. (重慶長安民生物流股份有限公司)
connected person	has the meaning ascribed thereto in the Listing Rules
Director(s)	the director(s) of the Company
EGM	extraordinary general meeting of the Company to be held for the purpose of, among other things, approving the Transactions and the Amendments
Framework Agreement	an agreement entered into between the Company and Chongqing Changan Construction on 2 October 2007 in relation to the provision of engineering construction services by Chongqing Changan Construction and its associates to the Company and its subsidiaries
GEM Listing Rules	Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited
Group	the Company and its subsidiaries
Hong Kong	the Hong Kong Special Administrative Region of China
Independent Financial Adviser	an independent financial adviser to be appointed to advise the INED Committee in respect of the Transactions
Independent Shareholders	Shareholders of the Company other than Changan Co., Changan Industrial and their respective associates
INED Committee	a committee comprised of Ms. Wang Xu, Mr. Peng Qifa and Mr. Chong Teck Sin, all of whom are independent non-executive directors of the Company
Proposed Caps	the annual maximum limitation of the Transactions during the period from 20 September 2007 to 31 December 2007 and for the year ended to 31 December 2008
RMB	Renminbi, the legal currency of China
Shares	ordinary shares of the Company, with a par value of RMB1.00 each
Shareholders	shareholders of the Company
Stock Exchange	The Stock Exchange of Hong Kong Limited
Transactions	the on-going connected transactions to be conducted during the period from 20 September 2007 to 31 December 2007 and in 2008 pursuant to

the Framework Agreement

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

Shi Chaochun

Executive Director

Chongqing, the PRC, 2 October 2007

As at the date of this announcement, the Board comprises.

Executive directors:

Yin Jiayu
Huang Zhangyun
Lu Xiaozhong
Shi Chaochun
James H McAdam

Non-executive directors:

Lu Guoji
Daniel C. Ryan
Zhang Baolin
Cao Dongping
Wu Xiaohua
Lau Man Yee, Vanessa

Independent non-executive directors:

Wang Xu
Peng Qifa
Chong Teck Sin

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief: - (1) the information contained in this announcement is accurate and complete in all material respects and not misleading; (2) there are no other matters the omission of which would make any statement in this announcement misleading; and (3) all opinions expressed in this announcement have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.

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** For identification purposes*