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重慶長安民生物流股份有限公司

Changan Minsheng APLL Logistics Co., Ltd.*

(A joint stock limited company incorporated in the People's Republic of China with limited liability)
(Stock Code: 8217)

ESTABLISHMENT OF JOINT VENTURE
(DISCLOSEABLE TRANSACTION)

Formation of Joint Venture – a discloseable transaction

On 20 April 2010, the Company entered into the JV Agreement with Dajiang Zhenyue, Weitai Trading and Lingxin Storage for establishment of the JV Company. The principal scope of the business of the JV Company is logistic related businesses.

The registered capital of the JV Company is RMB50 million. The Company will hold 95 per cent. of the registered capital in the JV Company and is obliged to contribute in cash.

The establishment of the JV Company constitutes a discloseable transaction of the Company pursuant to Chapter 19 of the GEM Listing Rules.

FORMATION OF JV COMPANY

Date of the JV Agreement

20 April 2010

Scope of the business of the JV Company

Processing, assembling and sale of vehicle raw materials and parts; manufacturing, sale of vehicle parts packaging; common goods transportation, storage, distribution and packaging; development of logistics software and information services; planning, management and advisory services in logistics (reference to be made to the business scope as stipulated in the business licence issued by the relevant authority).

Information on the JV Parties

According to the information provided by Dajiang Zhenyue, Dajiang Zhenyue is principally engaged in material storage, package processing, sale of materials, etc..

According to the information provided by Weitai Trading, Weitai Trading is principally engaged in manufacturing, wholesaling and retailing of vehicle parts, motorcycle parts and sale of other products, etc..

According to the information provided by Lingxin Storage, Lingxin Storage is principally engaged in goods storage, retailing of vehicle parts and motorcycle parts, and sale of other products, etc..

Registered capital of the JV Company

The registered capital of the JV Company is RMB50 million.

The Company, Dajiang Zhenyue, Weitai Trading and Lingxin Storage are obliged to contribute RMB47.5 million, RMB1 million, RMB1 million and RMB0.5 million, respectively, to the registered capital of the JV Company and will hold 95 per cent., 2 per cent., 2 per cent. and 1 per cent., respectively, of the registered capital of the JV Company. Each JV Parties will contribute to the registered capital by cash. Profits derived from the JV Company are to be shared in proportion to the JV Parties' contributions to the registered capital of the JV Company.

The Company shall comply with the requirements of the GEM Listing Rules if it is required to make further contributions to or provide any guarantees or other security for the benefit of the JV Company.

The JV Company will be a subsidiary of the Company, and its accounts will be consolidated into the accounts of the Company.

Representation of the JV Company's board of directors

The board of directors of the JV Company will comprise three directors. Upon arm's length negotiations among the JV Parties, the Company is entitled to nominate two directors while Dajiang Zhenyue, Weitai Trading and Lingxin Storage are entitled to jointly nominate one director. According to the articles of association of the JV Company, resolutions of the board of directors of the JV Company shall require consent from over one half of the members. Further, it is also agreed that the chairman of the board, the general manger and the financial controller of the JV Company

will be appointed by the Company. As such, the Company has actual control over the operation of the JV Company.

Timing of capital contribution

The JV Parties are obliged, within 30 days of the signing of the JV Agreement, to make an one-off payment according to their respective share of contribution to the registered capital of the JV Company, amounting to an aggregate of RMB50 million. The Company expects that the JV Company will obtain its business licence within 12 months from the date of the JV Agreement.

Reasons for Establishing the JV Company

The formation of the JV Company enables the Company to benefit from the business, network and good relationship with target customers of the other JV Parties and to further develop the logistics business of the Company. The Company, through its participation in the JV Company, anticipates to be benefited from the resource sharing between JV Parties and the synergy achieved to effectively control operation and risks in management so as to satisfy the needs of customers.

The Directors believe that the terms of the JV Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

Funding

The contribution to the registered capital of the JV Company by the Company was agreed upon after arm's length negotiations with the other JV Parties, and is to be funded from internal funds by the Company.

Articles of Association

The articles of association of the JV Company were entered into by the JV Parties on 20 April 2010 and contain substantially the same terms as the JV Agreement.

Implication under the GEM Listing Rules

The establishment of the JV Company constitutes a discloseable transaction for the Company under the GEM Listing Rules.

Prior Relationships with Dajiang Zhenyue, Weitai Trading and Lingxin Storage

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, each of Dajiang Zhenyue, Weitai Trading and Lingxin Storage and their respective ultimate beneficial owners are independent third parties and are not connected with or related to the Company or its subsidiaries or their respective associates or connected persons of the Company.

The Company has not entered into any prior transactions with Dajiang Zhenyue, Weitai Trading and Lingxin Storage.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions have the following meanings:

China or PRC	the People's Republic of China which, for the purpose of this announcement, excludes Hong Kong, Macau and Taiwan
Company	Changan Minsheng APLL Logistics Co., Ltd.
Dajiang Zhenyue	Chongqing Dajiang Zheyue Storage Company Limited, a company incorporated in the PRC with limited liability on 19 June 2009
Director(s)	the director(s) of the Company
GEM Listing Rules	Rules Governing the Listing of Securities on the Growth Enterprise Market of The Stock Exchange of Hong Kong Limited
Hong Kong	the Hong Kong Special Administrative Region of China
Lingxin Storage	Chongqing Shi Lingxin Storage Company Limited, a company incorporated in the PRC with limited liability on 10 May 2000
RMB	Renminbi, the legal currency of China
Shareholders	shareholders of the Company
Shares	ordinary shares of the Company, with a par value of RMB1.00 each
Stock Exchange	The Stock Exchange of Hong Kong Limited
JV Agreement	the joint venture agreement entered into among the JV Parties on 20 April 2010 in relation to the formation of the JV Company
JV Company	a joint venture company to be incorporated in the PRC according to the JV Agreement, which is tentatively named Chongqing Changan Minsheng Dingjie Logistics Company Limited
JV Parties	the Company, Dajiang Zhenyue, Weitai Trading and Lingxin Storage
Weitai Trading	Chongqing Shi Weitai Trading Company Limited, a company incorporated in the PRC with limited liability on 15 June 2000

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

Chongqing, the PRC, 20 April 2010

As at the date of this announcement, the board of the Company comprises: (1) Mr. Yin Jiaxu, Ms. Cui Xiaomei, Mr. Lu Xiaozhong, Mr. Shi Chaochun and Mr. James H McAdam as the Executive directors; (2) Mr. Lu Guoji, Mr. Zhang Lungang, Mr. Joseph Frederick Lee, Mr. Li Ming, Mr. Wu Xiaohua and Ms. Lau Man Yee, Vanessa as the Non-executive directors; (3) Ms. Wang Xu, Mr. Peng Qifa and Mr. Chong Teck Sin as the Independent non-executive directors.

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*