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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: 08217)

**CONNECTED TRANSACTION -
ACQUISITION OF SHAREHOLDING INTEREST**

On 11th June 2012, the Company enters into the Equity Transfer Agreement with Beijing Changjiu and Sumitomo, pursuant to which Beijing Changjiu agrees to sell its entire 24% equity interest in Nanjing CMSC, and the Company and Sumitomo agree to purchase from Beijing Changjiu its equity interest in Nanjing CMSC for a total consideration of RMB51.8 million.

Beijing Changjiu and Sumitomo are substantial shareholders of Nanjing CMS and therefore are the connected persons to the Company under the GEM Listing Rules. The Acquisition contemplated under the Equity Transfer Agreement constitutes a connected transaction of the Company.

Since the highest of the applicable percentage ratios (other than the profits ratio) of the Acquisition pursuant to the terms of the Equity Transfer Agreement as calculated in accordance with Rule 19.07 of the GEM Listing Rules is more than 1% but less than 5%, the Acquisition is subject to the reporting, annual review and announcement requirements, but is exempt from the independent shareholders' approval requirements pursuant to Rule 20.32 of the GEM Listing Rules.

INTRODUCTION

On 11th June 2012, the Company enters into the Equity Transfer Agreement with Beijing Changjiu and Sumitomo, pursuant to which Beijing Changjiu agrees to sell its entire 24% equity interest in Nanjing CMSC, and the Company and Sumitomo agree to purchase from Beijing Changjiu its equity interest in Nanjing CMSC for a total consideration of RMB51.8 million.

Nanjing CMSC was incorporated as a foreign invested joint venture company in the PRC by the Company, Sumitomo and Beijing Changjiu in 2007. It is a non-wholly owned subsidiary of the Company. Prior to the completion of the Acquisition, it was owned as to 24% by Beijing Changjiu, 51% by the Company and 25% by Sumitomo. It is principally engaged in provision of logistics services.

Beijing Changjiu and Sumitomo are substantial shareholders of the Company's subsidiary and each of them is a connected person to the Company under the GEM Listing Rules. The

Acquisition contemplated under the Equity Transfer Agreement constitutes a connected transaction of the Company. Save for the holding of the equity interest in Nanjing CMSC and Beijing Changjiu's holding of 55% equity interest in Chongqing Terui (in which the Company holds 45% equity interest), Beijing Changjiu and Sumitomo do not hold any shares in the Group.

MAJOR TERMS OF THE EQUITY TRANSFER AGREEMENT

- Date: 11th June 2012
- Parties: Beijing Changjiu as the vendor
the Company and Sumitomo as the purchasers
- Subject matter: The transfer of 24% of the equity interest held by Beijing Changjiu in Nanjing CMSC in the following manner: 16% is to be acquired by the Company and the remaining 8% is to be acquired by Sumitomo
- Consideration: The total consideration payable by the Company and Sumitomo to Beijing Changjiu under the Equity Transfer Agreement is RMB51.8 million, which is to be settled in cash in the following proportion:
- (i) RMB34.533 million by the Company; and
 - (ii) RMB17.267 million by Sumitomo
- The Company shall pay the consideration to Beijing Changjiu in the following manner:
- (a) RMB24.173 million within 5 working days from the date when the approval is obtained from the Foreign Investment Department in Jiangsu Province by Nanjing CMSC; and
 - (b) RMB10.36 million (i) within 5 working days from completion of the share transfer registration with the Industrial and Commercial Department by Nanjing CMSC or (ii) 7 September 2012, whichever is earlier.
- The consideration to be contributed by the Company shall be funded by the Group's internal cash surplus.

REASONS FOR THE ACQUISITION AND PRICING FACTORS

Nanjing CMSC is one of the key operating subsidiaries of the Group, the revenue of which accounted for approximately 15% of the Group's total revenue for the year ending 31 December 2011. Nanjing CMSC is principally engaged in provision of logistics services. There has been an increasing demand for logistics services during the past few years, the Board is of the view that the business potential of Nanjing CMSC will continue to be promising and such strategic acquisition is beneficial to the Company. On such basis, the Board considers that the slimming down of the number of shareholders following completion of the Acquisition will enable the Company to have a greater control and management of Nanjing CMSC. In addition, with Sumitomo's continuous investment in Nanjing CMSC and its enriched experience in the field, the Board believes that the Acquisition will further increase the competitiveness of the Company.

The total consideration of RMB51.8 million under the Equity Transfer Agreement was determined after arm's length negotiation between the parties, having made reference to the corresponding portion in the net asset value of Nanjing CMSC as at 30 April 2012 and the business results of Nanjing CMSC.

The following sets out certain financial information of Nanjing CMSC for the years ended 31 December 2010 and 31 December 2011, and the four-month period from January to April 2012, respectively, all prepared in accordance with PRC accounting standards:

	As at 31 December 2010 <i>(audited)</i>	As at 31 December 2011 <i>(audited)</i>	the four-month period from January to April 2012 <i>(unaudited)</i>
	(in RMB 1.00 yuan)	(in RMB 1.00 yuan)	(in RMB 1.00 yuan)
Net profit before taxation	98,327,704.83	99,551,732.86	27,905,017.33
Net profit after taxation	73,733,860.95	74,431,434.44	20,928,763.00
Total assets	267,737,085.07	300,855,235.15	32,066,198.45
Net assets	176,944,336.33	211,375,770.77	152,304,533.77

The Board is of the view that the price of the Acquisition and the terms of the Equity Transfer Agreement are fair and reasonable to the Company and its shareholders as a whole. The Acquisition will assist in rationalizing the shareholding of the Company in Nanjing CMSC.

IMPLICATION UNDER THE GEM LISTING RULES

Since the highest of the applicable percentage ratios (other than the profits ratio) of the Acquisition pursuant to the terms of the Equity Transfer Agreement as calculated in accordance with Rule 19.07 of the GEM Listing Rules is more than 1% but less than 5%, the Acquisition is subject to the reporting, annual review and announcement requirements, but is exempt from the independent shareholders' approval requirements pursuant to Rule 20.32 of the GEM Listing Rules.

The Directors (including the independent non-executive Directors) consider that the Equity Transfer Agreement is entered into on normal commercial terms and its terms and conditions are fair and reasonable and are in the interests of the Company and its Shareholders as a whole. As the payment for the consideration of the Equity Transfer Agreement will be funded by the Group's internal cash surplus, the Board does not expect that the Acquisition will have any significant financial impact to the Group.

Given that Beijing Changjiu and Sumitomo are connected persons of the Company as each of them is a substantial shareholder of the Company's subsidiary, no directors of the Company are required under the GEM Listing Rules to abstain from voting on the board resolution relating to the Acquisition and/or the entering of the Equity Transfer Agreement.

GENERAL INFORMATION

The Company is principally engaged in supply chain management services for vehicles and car raw material, components and parts, it includes finished vehicle transportation and related logistics services, car components and parts supply chain management services. Besides, the Group also provides non-vehicle commodities transportation services.

Beijing Changjiu, a limited liability company established in China, is principally engaged in transportation by road.

Sumitomo, a limited company established in Japan on 24 December 1919, is principally engaged in manufacturing, trading and logistics services.

DEFINITIONS

" Acquisition"	the acquisition of 16% equity interest held by Beijing Changjiu in Nanjing CMSC by the Company pursuant to the terms of the Equity Transfer Agreement
"Beijing Changjiu"	Beijing Changjiu Logistics Co., Ltd. (北京長久物流股份有限公司), (formerly known as Beijing Changjiu Logistics Limited (北京長久物流有限公司)), a joint stock limited company established in the PRC
"Board"	the board of directors of the Company
" Chongqing Terui "	Chongqing Terui Transportation Service Limited (重慶特銳運輸服務有限公司), a limited liability company established on 26 September 2006 established in the PRC
"China" or "PRC"	The People's Republic of China which, for the purpose of this announcement, excludes Hong Kong, Macau and Taiwan
"Company"	重慶長安民生物流股份有限公司 (Changan Minsheng APLL Logistics Co., Ltd.)
"connected person(s)"	has the meaning ascribed to it under the GEM Listing Rules
"Director(s) "	the directors of the Company
"Equity Transfer Agreement"	the sale and purchase agreement dated 11 th June 2012 regarding the transfer of the equity interest in Nanjing CMSC entered into between Beijing Changjiu, the Company and Sumitomo
"GEM"	the Growth Enterprise Market of the Stock Exchange
"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 the PRC
"Nanjing CMSC"	Nanjing CMSC Logistics Co., Ltd. (南京長安民生住久物流有限公司), a foreign invested joint venture company established in 2007
"RMB"	Renminbi, the lawful currency of the PRC
"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

"Sumitomo"

Sumitomo Corporation, a limited company established in Japan on 24 December 1919

By Order of the Board
Changan Minsheng APLL Logistics Co., Ltd.
Executive Director
Zhu Minghui

Chongqing, the PRC, 11th June 2012

As at the date of this announcement, the board of directors of the Company comprises: (1) Mr. Zhang Lungang, Mr. Gao Peizheng, Mr. Lu Xiaozhong, Mr. Zhu Minghui and Mr. William K Villalon as the Executive Directors; (2) Mr. Lu Guoji, Ms. Vanessa Lau Man Yee, Mr. Li Ming, Mr. Wu Xiaohua, Mr. Zhou Zhengli and Mr. Danny Goh Yan Nan as the Non-executive directors; (3) Mr. Peng Qifa, Mr. Chong Teck Sin and Mr. Poon Chiu Kwok as Independent non-executive directors.

This announcement, for which the directors of the Company collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the Growth Enterprise Market of the Stock Exchange of Hong Kong Limited 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 the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

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** For identification purpose only*