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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 : 01292)

**CONTINUING CONNECTED TRANSACTIONS EXEMPT FROM INDEPENDENT
SHAREHOLDERS' APPROVAL REQUIREMENTS FOR 2015**

On 30 November 2015, the Company entered into the Tonglit Logistics Framework Agreement with Tonglit Logistics and the Changan Industry Framework Agreement with Changan Industry Company, each for a term of one year commencing on 1 January 2015 and expiring on 31 December 2015.

Donglit Packaging was jointly established by the Company and Tonglit Logistics, and the Company and Tonglit Logistics each holds a 55% and 45% of the equity interest in Donglit Packaging, respectively. Pursuant to the Listing Rules, Tonglit Logistics and its subsidiaries and associates are the connected persons at the subsidiary level of the Company.

Changan Industry Company is a substantial shareholder of the Company, holding 25.44% equity interests in the Company. Therefore, according to the Listing Rules, Changan Industry Company and its subsidiaries and associates are the connected persons at the issuer level of the Company.

Since the highest applicable percentage ratio of the transaction contemplated under the Tonglit Logistics Framework Agreements as calculated under Rule 14.07 of the Listing Rules is above 1% but less than 5%, the transactions between the Group and Tonglit Logistics and its subsidiaries and associates are subject to the reporting, annual review and announcement requirements, but are exempt from independent shareholders' approval requirements.

Since the highest applicable percentage ratio of the transaction contemplated under the Changan Industry Framework Agreement as calculated under Rule 14.07 of the Listing Rules is above 0.1% but less than 5%, the transactions between the Group and Changan Industry Company and its subsidiaries and associates are subject to the reporting, annual review and announcement requirements, but are exempt from independent shareholders' approval requirements.

In addition, if the Company wishes to renew the transactions contemplated under the relevant framework agreement(s) with Tonglit Logistics and (where applicable) Changan Industry Company upon expiry of the current term, the Company will re-comply with the reporting, announcement and (if applicable) the independent shareholders' approval requirements under the Listing Rules.

BACKGROUND

On 27 November 2015, the Board of the Company approved the resolutions regarding the continuing connected transactions of the Company with each of Tonglit Logistics and the Changan Industry Company and their respective subsidiaries and associates, according to which, the Company entered into Tonglit Logistics Framework Agreement with Tonglit Logistics and Changan Industry Framework Agreement with Changan Industry Company on 30 November 2015.

**THE TONGLIT LOGISTICS FRAMEWORK AGREEMENT AND THE CHANGAN
INDUSTRY FRAMEWORK AGREEMENT**

On 30 November 2015, the Company entered into the Tonglit Logistics Framework Agreement with Tonglit Logistics and the Changan Industry Framework Agreement with Changan Industry Company, each for a term of one year commencing on 1 January 2015 and expiring on 31 December 2015:

- (1) the Tonglit Logistics Framework Agreement with Tonglit Logistics, pursuant to which the Group will provide packaging process services (including transshipment of engines to locations such as Taiwan) to Tonglit Logistics and its subsidiaries and associates; and
- (2) the Changan Industry Framework Agreement with Changan Industry Company, pursuant to which the Group will leasing property (including the renting of warehouses on a short-term basis) from Changan Industry Company and its subsidiaries and associates.

Donglit Packaging was jointly established by the Company and Tonglit Logistics, and the Company and Tonglit Logistics each holds a 55% and 45% of the equity interest in Donglit Packaging, respectively. Pursuant to the Listing Rules, Tonglit Logistics and its subsidiaries and associates are the connected persons at the subsidiary level of the Company.

Changan Industry Company is a substantial shareholder of the Company holding 25.44% equity interest in the Company. Therefore, according to the Listing Rules, Changan Industry Company and its subsidiaries and associates are the connected persons at the issuer level of the Company.

Separate written agreement(s) setting out the detailed terms shall be, if required, entered into between the relevant parties. The terms of any agreement will be governed by the relevant framework agreements and as such will not constitute new categories of continuing connected transactions of the Company. Payment of each transaction will be settled in cash in arrears, or in accordance with the payment terms agreed by the relevant parties in the contract(s) to be entered into pursuant to the relevant framework agreements.

INTERNAL CONTROL MEASURES TO MONITOR THE CONTINUING CONNECTED TRANSACTIONS UNDER EACH OF THE TONGLIT LOGISTICS FRAMEWORK AGREEMENT AND THE CHANGAN INDUSTRY FRAMEWORK AGREEMENT

The Company has established a series of internal control measures in order to ensure that the pricing mechanism and terms of the transactions are fair and reasonable and no more favorable than the terms available to/offered by any independent third party so as to ensure that they serve the interest of the Company and the shareholders as a whole. Such internal control measures mainly include:

- (1) The transactions contemplated under each of the Tonglit Logistics Framework Agreement and the Changan Industry Framework Agreement shall be conducted on a non-exclusive basis.
- (2) According to the Listing Rules, the independent non-executive Directors of the Company shall conduct a regular review with respect to the continuing connected transactions of the Company and confirm on the transactional amounts and terms of the transactions in the annual report of the Company.
- (3) The Supervisory Committee is also responsible for, among others, supervising on the continuing connected transactions of the Company and reviewing the fairness of the transactions and whether the pricing of the transactions are fair and reasonable.
- (4) The Company's internal control and risk management departments, the audit committee of the Company and the Supervisory Committee shall each conduct random internal assessments on the internal control measures and the financial information of the Company, in order to ensure that the internal control measures in respect of the connected transactions remain complete and effective. Furthermore, members of the internal control and risk management departments, the audit committee and the Supervisory Committee shall convene meetings at least twice a year to discuss and assess the implementation of connected transactions. Meanwhile, the legal and contract management departments shall conduct prudent review and appraisal of the contracts entered or to be entered into by the Group, the operational and management department shall monitor the transactional amounts in a timely manner and manage the compliance during the process of business operations.
- (5) The Company has formulated a series of internal rules and regulations on connected transaction management, internal control management handbook and internal control assessment management methods, to ensure that the pricing mechanism is transparent and the implementation of such pricing mechanism is subject to strict scrutiny by the Group and that connected transactions are conducted in a fair and reasonable manner and in all respect in the

best interest of the Company and its shareholders as a whole.

PRICING POLICY, HISTORICAL FIGURES, HISTORICAL CAPS, PROPOSED CAPS AND RATIONALE

1. Packaging process services to be provided by the Group to Tonglit Logistics and its subsidiaries and associates for the year of 2015				
Pricing Policy	<p>The pricing of the services to be provided under the agreement shall be determined in accordance with the principle and order as follow:</p> <p>(1) Market price: the price of the same or similar type of services provided by the Company and its subsidiaries to the independent third party in the ordinary course of business and on normal commercial terms. The management shall consider at least two comparable deals with the independent third party for the same period when determining whether the price for any service under the agreement is market price.</p> <p>(2) Agreed price: to be determined with reference to a reasonable costs plus a reasonable profit margin.</p>			
Proposed caps and basis	Historical figures	Historical caps	Proposed cap for 2015	Basis of determination of the proposed caps
	For the year ended 31 December 2014:RMB 2,250,000 and for the period of 10 months ended 31 October 2015: RMB 8,365,800 (unaudited).	N/A	For the year of 2015 ending 31 December 2015:RMB 15,000,000	It is expected that the vehicle production volume of Tonglit Logistics' clients will increase towards the end of the year. As the growth is market driven which is beyond the control of the Company, the cap is set so as to enable the Group to make room for further expansion of the transaction volume between the Group and Tonglit Logistics and its subsidiaries and associates so as to maximize the Company's revenue generated from provision of such services.
2. Property rental services to be provided by Changan Industry Company and its subsidiaries and associates to the Group for the year of 2015				
Pricing Policy	<p>The pricing of the services to be provided under the agreement shall be determined in accordance with the principle and order as follow:</p> <p>(1) Bidding Price: the price will be arrived at by bidding process in principle. The bidding price shall be a price conducted after a bidding procedure according to the PRC Bidding Law.</p> <p>(2) Market price: the price of the same or similar type of services provided by the independent third party in the ordinary course of business and on normal commercial terms. The management shall consider at least two comparable deals with the independent third party for the same period when determining whether the price for any service under the agreement is market price.</p>			
Proposed caps and basis	Historical figures	Historical caps	Proposed cap for 2015	Basis of determination of the proposed cap
	For the year ended 31 December 2014: Nil and for the period of 10 months ended 31 October 2015: RMB885,983 (unaudited)	N/A	For the year of 2015 ending 31 December 2015:RMB 10,000,000	The production and sales of Harbin Auto base of China Changan are expected to be back to normal track. Therefore, more immovable properties such as warehouses on a short-term basis would be required by the Group to cope with the Group's logistics operation.

REASONS FOR AND BENEFITS OF THE TRANSACTIONS

The Group has been in cooperation with each of Tonglit Logistics and Changan Industry Company and their respective subsidiaries and associates for years. In the past, the transaction amounts fell to be de minimis and the transactions were exempt from reporting, announcement and the independent shareholders' approval requirements under the Listing Rules.

In respect of the leasing of properties (including the renting of warehouses on a short-term basis) under the Changan Industry Framework Agreement, the competitive advantage of Changan Industry Company and its subsidiaries and associates is their ability to offer more favorable prices for leasing of properties with flexible terms in a timely and reliable manner and hence would minimize the

management and operation costs of the Group. In arriving at the above proposed caps, the Directors have considered, in addition to specific factors mentioned above, the market condition of logistics industry as well as the current and projected level of the relevant transactions.

THE VIEWS OF BOARD OF DIRECTORS

The Board has resolved to approve the transactions with Tonglit Logistics and Changan Industry Company contemplated under each of the Tonglit Logistics Framework Agreement and the Changan Industry Framework Agreement and the respective annual caps of the transactions for 2015.

As Tonglit Logistics and its subsidiaries and associates are the connected persons at the subsidiary level of the Company, no directors is required to abstain from voting in the resolution in respect of the entering of the Longlit Logistics Framework Agreement.

According to Rule 14A.68(8) of the Listing Rules, Zhu Minghui (Chairman) and Wang Lin (director), who being regarded as having a material interest in the transactions with Changan Industry Company, have abstained from voting with respect to the resolution regarding the entering of the Changan Industry Framework Agreement. The resolution was voted for by directors who are not connected to such transactions.

The Board (including the independent non-executive Directors) are of the view that the transactions contemplated under each of the Tonglit Logistics Framework Agreement and the Changan Industry Framework Agreement were entered into: (i) in the ordinary course of business of the Group (ii) on normal commercial terms (on arm's length basis or on terms no less favourable to the Company than terms available to/from independent third parties); and (iii) on terms and the proposed caps are fair and reasonable and in the interests of the Company and the shareholders as a whole.

IMPLICATION UNDER THE LISTING RULES

Since the highest applicable percentage ratio of the transaction contemplated under of the Tonglit Logistics Framework Agreements as calculated under Rule 14.07 of the Listing Rules is above 1% but less than 5%, the transactions between the Group and Tonglit Logistics and its subsidiaries and associates are subject to the reporting, annual review and announcement requirements, but are exempt from independent shareholders' approval requirements.

Since the highest applicable percentage ratio of the transaction contemplated under the Changan Industry Framework Agreement as calculated under Rule 14.07 of the Listing Rules is above 0.1% but less than 5%, the transactions between the Group and Changan Industry Company and its subsidiaries and associates are subject to the reporting, annual review and announcement requirements, but are exempt from Independent Shareholders' approval requirements.

In addition, if the Company wishes to renew the transactions contemplated under relevant framework agreement(s) with Tonglit Logistics and (where applicable) Changan Industry Company upon expiry of the current term, the Company will re-comply with the reporting, announcement and (if applicable) the independent shareholders' approval requirements under the Listing Rules.

GENERAL INFORMATION

The Company is a foreign-invested limited liability company incorporated in the PRC and provides a variety of logistics services mainly for car manufacturers and car component and parts suppliers in China.

Changan Industry Company is principally engaged in the production and sales of car component and other industrial products.

Tonglit Logistics is principally engaged in finished vehicle related business such as import/export logistics of finished vehicles, import/export packaging for car components and parts, and providing overall logistics solution for customers.

Donglit Packaging is principally engaged in the packaging services and the production, sale and maintenance of packaging container and so on.

DEFINITIONS

“Associate” has the meaning ascribed to it under the Listing Rules

“Board”	the board of directors of the Company
“Changan Industry Company”	Chongqing Changan Industry (Group) Co., Ltd., a limited liability company established in China on 28 October 1996, formerly known as Changan Automobile Company (Group) Limited (長安汽車(集團)有限責任公司)
“Changan Industry Framework Agreement”	the framework agreement entered into on 30 November 2015 between the Company and Changan Industry Company in relation to the property rental services provided or to be provided by Changan Industry Company and its associates to the Company and its subsidiaries for the year of 2015
“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. (重慶長安民生物流股份有限公司)
“Group”	the Company and its subsidiaries
“Donglit Packaging”	Chongqing Changan Minsheng Donglit Packaging Limited Company(重慶長安民生東立包裝有限公司)
“Tonglit Logistics”	Tonglit Logistics Co., Ltd.(東立物流股份有限公司), a company established in Taiwan, the PRC
“Tonglit Logistics Framework Agreement”	the framework agreement entered into on 30 November 2015 between the Company and Tonglit Logistics in relation to the packaging process services provided or to be provided by the Company and its subsidiaries to Tonglit Logistics and its associates for the year of 2015
“Listing Rules”	the Rules Governing the Listing of Securities of The Stock Exchange of Hong Kong Limited
“Supervisory Committee”	the supervisory committee of the Company

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

Chongqing, the PRC
30 November 2015

As at the date of this announcement, the board of directors of the Company comprises: (1) Mr. Zhu Minghui, Mr. Lu Xiaozhong, Mr. William K Villalon and Mr. Wang Yang as the executive directors; (2) Mr. Wu Xiaohua, Mr. Danny Goh Yan Nan and Mr. Wang Lin as the non-executive directors; (3) Mr. Chong Teck Sin, Mr. Poon Chiu Kwok, Mr. Jie Jing, and Ms. Zhang Yun as independent non-executive directors.

** For identification purpose only*