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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)

Discloseable Transaction Joint Venture Agreement

On 29 October 2019, the Company, Tianjin Technology, Yiqi Logistics, GAC Business entered into the Joint Venture Agreement, pursuant to which, the parties have agreed to establish the JV Company.

Pursuant to the Joint Venture Agreement, the total investment of the JV Company will be RMB908,000,000, and the registered capital of the JV Company shall be RMB454,000,000. Each of the Company, Tianjin Technology, Yiqi Logistics, GAC Business shall contribute in cash respectively in the amount of RMB22,700,000, RMB231,540,000, RMB104,420,000, RMB95,340,000, representing 5%, 51%, 23%, 21% of the equity of the JV Company.

Following completion of capital contribution to the JV Company by all parties, the JV Company will be owned as to 51% by Tianjin Technology, 23% by Yiqi Logistics, 21% by GAC Business and 5% by the Company. The financial results of the JV Company will not be consolidated into the financial statements of the Group. The JV Company will be accounted as an equity investment of the Company.

Since one or more of the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the Company's total capital commitment contemplated under the Joint Venture Agreement exceeds 5% but is less than 25%, the transaction constitutes a notifiable and discloseable transaction of the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting and announcement requirements but exempt from independent shareholders' approval requirement under Chapter 14 of the Listing Rules.

JOINT VENTURE AGREEMENT

On 29 October 2019, the Company, Tianjin Technology, Yiqi Logistics, GAC Business entered into the Joint Venture Agreement, pursuant to which, the parties have agreed to establish the JV Company.

Principal terms of the Joint Venture Agreement are set out below:

Date

29 October 2019

Parties

- (a) the Company;
- (b) Tianjin Technology;
- (c) Yiqi Logistics; and
- (d) GAC Business

To the best of the directors' knowledge, information and belief having made all reasonable enquiry, Tianjin Technology, Yiqi Logistics, GAC Business and their ultimate beneficial owner are Independent Third Parties.

JV Company

The JV Company is to be established as a limited liability company under the laws of the PRC. Each of the Company, Tianjin Technology, Yiqi Logistics, GAC Business shall assume liabilities to the extent of their respective pledged capital contribution and shall share the profits of the JV Company in proportion to their paid-up capital contribution in the JV Company. The JV Company will principally be engaged in wharf construction, port operation, international freight forwarding, customs clearance and inspection, labor services, provision of consulting services with respect to automobiles and logistics, car washing services, motor vehicle inspection and repair, exhibition and display services (subject to the business license of the JV Company as approved by relevant competent authorities). The proposed duration of the JV Company is 50 years commencing from the date on which the business licence of the JV Company is obtained and can be extended with the approval of the shareholders at the shareholder's meeting and the approval of relevant government authorities.

Total investment of the JV Company and Capital contribution by each party

Pursuant to the Joint Venture Agreement, the total investment of the JV Company will be RMB908,000,000, which are proposed to be used to invest in shore line of wharf, wharf, stations, facilities etc. at project located at Tianjin port for the JV Company.

Pursuant to the Joint Venture Agreement, the registered capital of the JV Company shall be RMB454,000,000. Each of the Company, Tianjin Technology, Yiqi Logistics, GAC Business shall contribute in cash respectively in the amount of RMB22,700,000, RMB231,540,000, RMB104,420,000, RMB95,340,000, representing 5%, 51%, 23%, 21% of the equity of the JV Company. The parties may not mortgage, pledge their equity interests or any part thereof in the JV Company or otherwise cause such equity interests to be encumbered.

The amount of capital contribution payable by the parties was determined after arm's length negotiation between the parties to the Joint Venture Agreement.

The total contribution amount of each of the parties shall be paid up in two installments. For the first installment, each of the parties shall pay 20% of their respective contribution amount payable to the JV Company (i.e, the Company, Tianjin Technology, Yiqi Logistics, GAC Business respectively in the amount of RMB4,540,000, RMB46,308,000, RMB20,884,000 and RMB19,068,000) within 15 days upon the date on which the business license of the JV Company is obtained. The second installment shall be paid up within the timeframe designated by the board of directors of the JV Company but in any event not later than 180 days upon obtaining the business license by the JV Company. The JV Company shall issue a capital contribution certificate to each of the parties with 5 working days upon receipt of the amount payable by each of the parties for each installment.

If any of the parties shall fail to make the capital contribution payable for each installment in full within the required timeframe, it shall be deemed as a default and the defaulting party shall be liable to pay a default interest calculated on a daily basis at 0.02% on the outstanding amount of the capital contribution payable for each installment to the JV Company for the period commencing from the due date to the date on which the payment is made in full. The default interest shall be allocated among the non-defaulting parties in proportion to their paid-up capital contribution in the JV Company. If the amount of the capital contribution is not paid within 30 days from the due date for each installment, it will be treated automatically as a repudiation of the equity represented by the outstanding amount under the contract on the part of the defaulting party and the non-defaulting party shall have the right of first refusal to acquire the said equity interest according to their shareholding. Other than the payment of the default interest, the defaulting party shall also be liable to compensate for all the expenses incurred arising out of such default.

Undertakings by the parties

Pursuant to the Joint Venture Agreement, the parties shall endeavor to provide following assistances to ensure the ordinary operation of the JV Company:

- (a) Abide by the articles of association of the JV Company and safeguard the lawful rights and interests;
- (b) Pay the capital contribution in full as provided in the articles of association of the JV Company within designated timeframe and complete relevant transfer procedures;
- (c) Assist the JV Company to obtain relevant approval, permit and licenses necessary to the incorporation and operation of the JV Company;
- (d) Assist the JV Company to secure bank loans or otherwise legitimate financing channels to fund the JV Company;
- (e) Assist the JV Company to introduce advanced management methods and technology;
- (f) Assist the JV Company to achieve operational target and quality of services;
- (g) Urge their representatives to the JV Company to abide by relevant laws, regulations and rules of the JV Company;
- (h) All parties shall not withdraw investments after the registration of the JV Company;
- (i) Protect the lawful rights and interests of the JV Company.

- (j) Parties shall endeavor to provide business support to the JV Company by transporting finished vehicles through the wharfs of the JV Company. The Company undertakes that it shall endeavor to provide the JV Company with business volume of no less than 50,000 finished vehicles per year. Tianjin Technology undertakes that it shall endeavor to provide the JV Company with business volume of no less than 50,000 finished vehicles per year. Yiqi Logistics undertakes that it shall endeavor to provide the JV Company with business volume of no less than 100,000 finished vehicles per year. GAC Business undertakes that it shall endeavor to provide the JV Company with business volume of no less than 100,000 finished vehicles. In addition, Yiqi Logistics and GAC Business jointly undertake that they shall endeavor to secure the transportation services of no less than 100,000 Toyota JV brand per year. Furthermore, all contracting parties shall endeavor to support the future business of the JV Company.

Governance of the JV Company

The incorporation and operation of the JV Company shall strictly abide by the articles of association, the Company Law and other applicable laws, regulations and rules.

Shareholder's meeting shall be the supreme authority of the JV Company, deciding all the fundamental policies and strategic issues. Members of the board of directors of the JV Company shall be elected by shareholders' meeting and accountable to the shareholders at the shareholders' meeting, discharging their capacities according to the articles of association of the JV Company.

The shareholders' meeting, the board of directors and the management of the JV Company shall be set up in accordance with the articles of association of the JV Company. The relevant terms of reference, rules of procedure, rights and obligations shall be all provided for in the articles of association of the JV Company.

Expenditures during the courses of establishment

The parties shall confirm in writing the budget for expenditures incurred during the course of establishment the JV Company, including but not limited to the fees for feasibility study, environmental evaluation, safety evaluation, office equipment and furnishings, etc. Those expenditures shall be paid by Tianjin Technology under the budget confirmed in writing by parties and the amount paid by Tianjin Technology shall be credited as initial expenditure of the JV Company after established. In the event that the incorporation of the JV Company is not proceeded with, the parties shall reimburse Tianjin Technology in proportion to their pledged capital contributions.

Transfer restriction

If any of the shareholders to the JV Company proposes to transfer or otherwise dispose all or any part of its equity interest in the JV Company to any person other than the other shareholder(s), each of the shareholders of the JV Company shall have:

- (a) a right to transfer all or any part of the equity interest held by a shareholder in the JV Company to its associated company(ies), the other shareholder(s) shall have to renounce the right of first refusal and provide full assistance in relevant procedures of such transfer; and
- (b) a right of first refusal on any transfer of all or any part of the equity interest held by a shareholder of the JV Company to any person other than its associated company(ies), on such terms offered by a bona fide purchaser to the relevant shareholder proposing the transfer. If any of the shareholders to the JV Company proposes to transfer or otherwise dispose all of its equity in the JV Company to any other person other than its associated company(ies), such action has to be approved by shareholders at the shareholders' meeting.

FINANCIAL EFFECT OF THE TRANSACTION TO THE COMPANY

The entering into the Joint Venture Agreement and the transaction contemplated under it are not expected to have a material impact on the Group's asset/liabilities ratio and liquidity. After completion of capital contribution, the Company shall hold 5% of the equity interests in the Joint Venture Company and the financial results of the JV Company will not be consolidated into the financial statements of the Group. The JV Company will be accounted as an equity investment of the Company.

REASONS FOR AND BENEFITS OF THE TRANSACTION

Tianjin port is a world class artificial deep-water port, the largest in northern China and one of the major hubs in the coastal area and of the integrated transportation system of the PRC. Tianjin port is one of the most significant ports for the Company to conduct finished vehicle transportation by waterway in northern China. Becoming one of the shareholders of the JV Company, the Company is expected to have better access to Tianjin port and further improve the logistic network for finished vehicle waterway transportation of the Company. In addition, the GB1589 national policy has increased the cost of land transportation, the Company intends to cut back the cost of logistics services by increasing the proportion of waterway transportation. In such circumstances, participating in the JV Company will enable the Company to secure an access to major ro-ro port like Tianjin port for the Company.

In view of the above, the Directors (including the independent non-executive Directors of the Company) consider that the terms of the Joint Venture Agreement and the transaction contemplated thereunder are fair and reasonable, on normal commercial terms and are in the interests of the Company and its shareholders as a whole.

INFORMATION ON THE PARTIES

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.

Tianjin Technology is a limited liability company incorporated in Tianjin city, the PRC in 1987. Tianjin Technology mainly engages in joint investment, cooperative business operation and provision of related technical consulting and training services.

Yiqi Logistics mainly engages in freight transportation by land, railway and waterway, loading, handling, storage, packaging, etc.

GAC Business is a limited liability company established in the PRC in 2000 with a registered capital of RMB3,242,512,000. GAC Business mainly engages in retails.

LISTING RULES IMPLICATIONS

Since one or more of the applicable percentage ratios (as defined under Rule 14.07 of the Listing Rules) in respect of the Company's total capital commitment contemplated under the Joint Venture Agreement exceeds 5% but is less than 25%, the transaction constitutes a notifiable and discloseable transaction of the Company under Chapter 14 of the Listing Rules and is therefore subject to the reporting and announcement requirements but exempt from independent shareholders' approval requirement under Chapter 14 of the Listing Rules.

DEFINITIONS

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

“Company”	Changan Minsheng APLL Logistics Co., Ltd.* (重慶長安民生物流股份有限公司)
“Company Law”	The Company Law of the PRC
“China” or “PRC”	The People's Republic of China which, for the purpose of this announcement, excludes Hong Kong Special Administration Region, Macau Special Administration Region and Taiwan
“Director (s)”	the director(s) of the Company
“GAC Business”	GAC Business Co., Ltd.* (廣汽商貿有限公司)
“Group”	the Company and its subsidiaries from time to time
“Independent Third Party(ies)”	any person(s) or company(ies) and their respective ultimate beneficial owner(s), to the best of the Directors' knowledge, information and belief having made all reasonable enquiries, are not connected persons of the Company and are third parties independent of the Company and its connected persons in accordance with the Listing Rules
“Joint Venture Agreement”	the agreement entered into between the Company, Tianjin Technology, Yiqi Logistics and GAC Business on 29 October 2019, pursuant to which the parties agree to establish the JV Company
“JV Company”	a company to be formed and known as Tianjin Port International Ro-Ro Terminal Co., Ltd. (天津港國際汽車碼頭有限公司)
“Listing Rules”	the Rules Governing the Listing of Securities of The Stock Exchange of Hong Kong Limited

“RMB”	Renminbi, the lawful currency of the PRC
“Tianjin Technology”	Tianjin Gang Economic and Technical Cooperation Limited Comapany* (天津港經濟技術合作有限公司)
“Yiqi Logistics”	Yiqi Logistics Co., Ltd.* (一汽物流有限公司)

* *For identification purpose.*

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

Chongqing, the PRC
29 October 2019

As at the date of this notice, the board of directors of the Company comprises: (1) Mr. Xie Shikang, Mr. Chen Wenbo, Mr. William K Villalon and Mr. Shi Jinggang as the executive directors; (2) Mr. Chen Xiaodong, Mr. Man Hin Wai Paul (also known as Paul Man) and Mr. Li Xin as the non-executive directors; (3) Mr. Chong Teck Sin, Mr. Poon Chiu Kwok, Mr. Jie Jing and Ms. Zhang Yun as the independent non-executive directors.

* *For identification purpose only*