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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)

INSIDE INFORMATION
LITIGATION INVOLVING A WHOLLY-OWNED SUBSIDIARY

This announcement is made by Changan Minsheng APLL Logistics Co., Ltd. (the “**Company**”, together with its subsidiaries as the “**Group**”) pursuant to the provisions of inside information under Part XIVA of the Securities and Futures Ordinance and Rule 13.09(2)(a) of the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited (the “**Listing Rules**”).

I. Introduction

On 27 August 2021, CMAL Bo Yu Transportation Co., Ltd. Tongnan Branch* (“**Bo Yu Transportation Tongnan Branch**”), a wholly-owned subsidiary of the Company, filed civil lawsuits as claimant with Shenzhen Longhua District People’s Court (“**Longhua District Court**”) for an order that Shenzhen LingDao Car Life Service Co., Ltd. Zhongshan Branch* (“**LingDao Zhongshan Branch**”), Shenzhen LingDao Car Life Service Co., Ltd. Zhuhai Branch* (“**LingDao Zhuhai Branch**”), Shenzhen LingDao Car Life Service Co., Ltd. Foshan Branch* (“**LingDao Foshan Branch**”), Huhhot LingDao Car Service Co., Ltd.* (“**Huhhot LingDao**”), Lanzhou LingMai Car Service Co., Ltd.* (“**Lanzhou LingMai**”) and Yinchuan LingDao Car Service Co., Ltd. * (“**Yinchuan LingDao**”) (the aforesaid LingDao Zhongshan Branch, LingDao Zhuhai Branch, LingDao Foshan Branch, Huhhot LingDao, Lanzhou LingMai and Yinchuan LingDao are collectively referred to as the “**Defendants**”) shall settle the balance, service charge, storage fee and attorney fee, which were paid by Bo Yu Transportation Tongnan Branch, liquidated damages and other costs owing to Bo Yu Transportation Tongnan Branch in a total amount of RMB96,106,933.36, and for an order that Shenzhen LingDao Car Life Service Co., Ltd.* (“**Shenzhen LingDao**”) and Shenzhen Baoneng Investment Group Co., Ltd. (“**Shenzhen Baoneng**”) shall assume joint and several guarantee liabilities for paying the outstanding amount owing to Bo Yu Transportation Tongnan Branch.

On 8 September 2021, Longhua District Court has accepted the cases on file.

To the best of the Directors’ knowledge, information and belief, having made all reasonable enquiries, LingDao Zhongshan Branch, LingDao Zhuhai Branch and LingDao Foshan Branch are branches of

Shenzhen LingDao. Save as disclosed, each of LingDao Zhongshan Branch, LingDao Zhuhai Branch, LingDao Foshan Branch, Huhhot LingDao, Lanzhou LingMai, Yinchuan LingDao, Shenzhen LingDao, Shenzhen Baoneng and their respective beneficial owners is a third party independent of the Company and its connected persons (as defined under the Listing Rules).

II. Background

Bo Yu Transportation Tongnan Branch and Shenzhen LingDao entered into an automobile sales cooperation agreement (the “**Cooperation Agreement**”) on 15 June 2020, which stipulates, among others: (1) Shenzhen LingDao shall entrust Bo Yu Transportation Tongnan Branch with the purchase of the 3rd generation Alsvin DCT Comfort custom cars (“**custom cars**”) from Chongqing Changan Automobile Co., Ltd.(“**Changan Automobile**”, the shares of which are traded on the A and B share markets of the Shenzhen Stock Exchange), a connected person of the Company; (2) LingDao Zhongshan Branch, LingDao Zhuhai Branch, LingDao Foshan Branch, Huhhot LingDao, Lanzhou LingMai, Yinchuan LingDao shall present the power of attorney and authorisation to Bo Yu Transportation Tongnan Branch which shall authorise Shenzhen LingDao to enter into the Cooperation Agreement with Bo Yu Transportation Tongnan Branch. Shenzhen LingDao associates agree to be bound by the buyer's rights and obligations, and fulfill obligations as purchaser in the Cooperation Agreement. The power of attorney and authorization shall take effect from the date of issuance to the date of full performance of the rights and obligations under the contract. Once issued, the power of attorney and authorization shall be irrevocable; (3) Shenzhen LingDao agrees to provide a joint and several guarantee for all debts and liabilities of the authorized branches/wholly-owned subsidiaries and the branches of the wholly-owned subsidiaries under the Cooperation Agreement and the “Vehicle Purchase Contract”; (4) Bo Yu Transportation Tongnan Branch shall provide Shenzhen LingDao with a series of services including order placement, supervision, coordination, management, organization, shipment, storage, and vehicle licensing assistance towards Changan Automobile, etc; (5) Shenzhen Baoneng shall assume irrevocable joint and several guarantee liabilities for the Cooperation Agreement, and entered into the “Guaranteed Maximum Price Contract” with Bo Yu Transportation Tongnan Branch. The guarantee provided by Shenzhen Baoneng covers all debts that the purchaser shall pay to Bo Yu Transportation Tongnan Branch under the main contract items, including but not limited to the car purchase payment, liquidated damages, compensation, service fee, expenses for realizing creditor's rights and other payable expenses, of which the maximum principal of the car purchase payment is RMB 436.5 million.

The Company has previously successfully completed two deals involving the agent purchase of 7,000 custom cars arising out of the Cooperation Agreement. In March 2021, Bo Yu Transportation Tongnan Branch received a deposit from Shenzhen LingDao for the purchase of 2,000 custom cars. According to the Cooperation Agreement and the contracts with Changan Automobile, Bo Yu Transportation Tongnan Branch purchased 2,000 custom cars from Changan Automobile and paid the balance of RMB87.3 million. According to the Cooperation Agreement, the due date for payment of the balance of 2,000 custom cars paid by Shenzhen LingDao was 27 May 2021.

III. Measures Taken/ to be Taken by the Group

After repeatedly urging the above six companies to pay the balance with failure, Bo Yu Transportation Tongnan Branch filed a pre-litigation preservation of assets with Longhua District Court in August

2021. The amounts of the frozen bank accounts can cover the Company’s initial litigation request (as of 31 August 2021).

No.	Case no.	Application/ preservation amount (RMB/Yuan)	Execution/ frozen amount (RMB/Yuan)
1	(2021) Yue 0309 Cai Bao No.392*	9,209,620.01	9,215,701.42
2	(2021) Yue 0309 Cai Bao No.393*	13,821,380.40	27,642,760.80
3	(2021) Yue 0309 Cai Bao No. 394*	18,471,696.90	18,506,962.60
4	(2021) Yue 0309 Cai Bao No.396*	18,578,648.00	18,578,648.00
5	(2021) Yue 0309 Cai Bao No.397*	13,856,944.80	13,856,944.80
6	(2021) Yue 0309 Cai Bao No.398*	18,575,321.10	20,304,572.36
Total		92,513,611.21	108,105,589.98

On 8 September 2021, Longhua District Court has accepted the filing materials of six litigation cases submitted by Bo Yu Transportation Tongnan Branch, and issued the “Notice of Case Acceptance”, “Notice of Payment of Litigation Costs” and “Notice of Proof”.

No.	Case no.	Defendants
1	(2021) Yue 0309 Min Chu No.14239*	Shenzhen LingDao Car Life Service Co., Ltd. Zhongshan Branch*, Shenzhen LingDao Car Life Service Co., Ltd.*, Shenzhen Baoneng Investment Group Co., Ltd.
2	(2021) Yue 0309 Min Chu No.14240*	Shenzhen LingDao Car Life Service Co., Ltd. Foshan Branch*, Shenzhen LingDao Car Life Service Co., Ltd.*, Shenzhen Baoneng Investment Group Co., Ltd.
3	(2021) Yue 0309 Min Chu No.14241*	Shenzhen LingDao Car Life Service Co., Ltd. Zhuhai Branch*, Shenzhen LingDao Car Life Service Co., Ltd.*, Shenzhen Baoneng Investment Group Co., Ltd.
4	(2021) Yue 0309 Min Chu No.14242*	Lanzhou LingMai Car Service Co., Ltd.*, Shenzhen LingDao Car Life Service Co., Ltd.*, Shenzhen Baoneng Investment Group Co., Ltd.
5	(2021) Yue 0309 Min Chu No.14243*	Huhhot LingDao Car Service Co., Ltd.*, Shenzhen LingDao Car Life Service Co., Ltd.*, Shenzhen Baoneng Investment Group Co., Ltd.
6	(2021) Yue 0309 Min Chu No.14244*	Yinchuan LingDao Car Service Co., Ltd.*, Shenzhen LingDao Car Life Service Co., Ltd.*, Shenzhen Baoneng Investment Group Co., Ltd.

At present, Shenzhen LingDao and Shenzhen Baoneng are negotiating and discussing settlement plans with the Company. The Company will keep shareholders and potential investors of the Company informed of any further material development by way of announcement(s) as and when appropriate

according to relevant rules.

IV. Impact on the Group

As the receivables have been overdue for more than three months, the Company's financial condition is impacted to a certain extent. If the receivables cannot be recovered, the Company will quantify losses in accordance with the accounting policy, which will exert material adverse effects on the Company's annual profit. Although the Group did not deliver those cars to Shenzhen LingDao, the long-term idle and storage costs will affect the net realizable value of non-delivered cars to a certain extent. However, based on risk management, the Company has frozen the bank deposits of RMB108,105,589.98 in total in the above-mentioned six companies and the guarantors, Shenzhen LingDao and Shenzhen Baoneng. The board of directors and the management of the Company have made/will make their best effort to reduce potential risks including legal proceedings, negotiation, settlement and other feasible measures and means.

As at the date of this announcement, the Company is still in a position to assess comprehensively the risks involved and to quantify the actual losses to the Group. Further announcements will be immediately made by the Company to provide material updates on the matters.

Shareholders and potential investors are advised to exercise caution when dealing in the securities of the Company, particularly taking into account the uncertainties and risks associated with the collection of the receivables by Bo Yu Transportation Tongnan Branch and the outcome of the litigations.

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

Chongqing, the PRC
10 September 2021

As at the date of this announcement, the board of directors of the Company comprises: (1) Mr. Xie Shikang, Mr. Chen Wenbo and Mr. William K Villalon as the executive directors; (2) Mr. Chen Xiaodong, Mr. Man Hin Wai Paul (also known as Paul Man) and Mr. Xia Lijun 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*