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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)

**NON-EXEMPT CONTINUING CONNECTED TRANSACTION OF THE TRADE SERVICES
OF PURCHASE OF FINISHED VEHICLES FOR 2024**

Deepal Automobile is the major carrier of Changan Automobile's new energy cars strategy of the "Shangri-La Plan". Since its establishment, Deepal Automobile has launched several popular models including Deepal SL03, Deepal S7 and Lumin etc., which have received good responses in the market. In order to seize the opportunity of the rapid development of new energy cars to expand the Group's business and revenue and further consolidate the cooperation relationship with the core customer of Changan Automobile, Chongqing Future, a wholly owned subsidiary of the Company, intends to purchase new energy cars from Deepal Automobile to carry out such businesses as new energy cars storage, delivery, derivative services and so on by taking advantage of the Group's already established national storage and distribution network and digital technologies etc., with reference to Changan Automobile's delivery center business model.

On 8 November 2023, Chongqing Future entered into a framework agreement with Deepal Automobile, for a term of three years commencing on 1 January 2024 and expiring on 31 December 2026. Pursuant to the Framework Agreement, Chongqing Future will purchase new energy cars from Deepal Automobile to carry out such businesses as new energy cars storage, delivery, derivative services and so on by taking advantage of the Group's already established national storage and distribution network and digital technologies etc., with reference to Changan Automobile's delivery center business model.

As at the date of the announcement, Chongqing Future is a wholly owned subsidiary of the Company and Changan Automobile holds approximately 51% of equity interests in Deepal Automobile. China Changan holds approximately 25.44% of the total issued share capital of the Company and 17.97% of equity interests in Changan Automobile. In addition, CSGC holds 100% of equity interests in China Changan and 14.22% of equity interests in Changan Automobile. The ultimate beneficial owner of CSGC is the SASAC of the State Council of the PRC. Therefore, according to the Listing Rules, the transaction between Chongqing Future and Deepal Automobile becomes connected transaction of the Company.

Since one or more of the applicable percentage ratios of the Non-Exempt Continuing Connected Transaction contemplated under the Framework Agreement as calculated under Rule 14.07 of the Listing Rules are above 5%, the Non-Exempt Continuing Connected Transaction is subject to the reporting, annual review, announcement and Independent Shareholders' approval requirements.

Introduction

Driven by policies and new technology development etc., the production volume and sales volume of new energy cars in China have maintained high growth in recent years. According to the figures released by the China Association of Automobile Manufacturers, from January to March 2023, the production volume and sales volume of new energy cars were 1.65 million vehicles and 1.586 million vehicles, respectively, representing a year-on-year increase of 27.7% and 26.2%, with a market share reaching 26.1%. From January to June 2023, the production volume and sales volume of new energy cars reached 3.788 million vehicles and 3.747 million vehicles, respectively, increasing by 42.4% and 44.1% year on year. In June 2023, three government departments including the Ministry of Finance, the State Administration of Taxation, and the Ministry of Industry and Information Technology jointly issued the Announcement on Continuing and Optimizing the Policy for the Reduction of New Energy Vehicle Purchase Tax, stating that the validity of the policy of reduction and exemption of purchase tax of new energy vehicles will be extended to 31 December 2027 from 31 December 2023. It is expected that the new energy cars will continue to maintain a rapid growth.

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The Framework Agreement between Chongqing Future and Deepal Automobile

On 8 November 2023, Chongqing Future entered into a framework agreement with Deepal Automobile, for a term of three years commencing on 1 January 2024 and expiring on 31 December 2026. Pursuant to the Framework Agreement, Chongqing Future will purchase new energy cars from Deepal Automobile to carry out such businesses as new energy cars storage, delivery, derivative services and so on by taking advantage of the Group's already established national storage and distribution network and digital technologies etc., with reference to Changan Automobile's delivery center business model.

The terms of the Framework Agreement were concluded through fair negotiations between Chongqing Future and Deepal Automobile. The transactions contemplated under the Framework Agreement shall be conducted on a non-exclusive basis. Separate written agreement(s) setting out the detailed terms shall be,

if required, entered into between the two parties. Payment of each transaction will be settled in cash in arrears, or in accordance with the payment terms agreed by the two parties in the contract(s) to be entered into pursuant to the Framework Agreement. The Framework Agreement, including the related proposed caps for each of the financial years ending 31 December 2026, is conditional upon the obtaining of approval from the Independent Shareholders in accordance with the provisions of the Listing Rules.

In order to provide a more appropriate level of the annual cap for each of 2024, 2025 and 2026, the Company has estimated the annual cap for 2024. With respect to the annual cap for each of 2025 and 2026, the Company will re-comply with the relevant Listing Rule requirements (including issuing announcement(s) and, if required, obtaining Independent Shareholders' approval).

Proposed Cap and Basis of Determination of the Proposed Cap

The proposed cap for 2024 and basis of determination of the proposed cap for 2024 are set out as follows:

The trade services of purchase of new energy cars from Deepal Automobile by Chongqing Future				
Pricing policy	The trade services of purchase of new energy cars by Chongqing Future from Deepal Automobile is subject to bulk sales prices. The prices shall not be less favorable than those provided to independent third parties by Deepal Automobile.			
	The Company will adopt a series of measures to maintain the fairness of transaction prices. Relevant measures include, but are not limited to, understanding and grasping market information through various means. In addition, when Deepal Automobile provides the trade services of purchase of new energy cars to the Group, the conditions for providing such services by Deepal Automobile to the Group shall be on normal commercial terms and no less favorable than the prices to independent third parties.			
Proposed cap and basis	Historical figures	Historical caps (for 2021-2023)	Proposed Cap for 2024	Basis of determination of the Proposed Cap for 2024
	N/A	N/A	For the year ending 31 December 2024, RMB940,000,000	In 2024, Chongqing Future is expected to purchase 5,880 vehicles from Deepal Automobile, with a unit price of approximately RMB160,000 per vehicle. Therefore, for the year ending 31 December 2024, the annual cap for purchase of new energy cars from Deepal Automobile by Chongqing Future is RMB940 million.

Reasons for and Benefits of the Non-Exempt Continuing Connected Transaction with Deepal Automobile

As a professional third-party logistics service provider, the Group has a nationwide warehousing and distribution network with more than 400 vehicle distribution centres, covering 31 capital cities and 39 prefecture-level cities with developed transportation in China. In addition, the Group has been equipped

with digital and intelligent equipment, including smart warehousing system, smart transportation system and so on, which cover the entire processes from the offline in the plants to the end of users. The Group has realized the linkage of entire business processes, integration of online and offline procedures, and full-scenarios IT application, etc. to meet the delivery and management requirements of the customers. Compared with traditional car dealers, the Group has dominant advantages in logistics, warehousing and IT application etc.

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The Board (excluding the independent non-executive Directors) are of the view that the transaction with Deepal Automobile was 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 cap is fair and reasonable and in the interests of the Company and its Shareholders as a whole.

Implication under the Listing Rules

Since one or more of the applicable percentage ratios of the Non-Exempt Continuing Connected Transaction contemplated under the Framework Agreement as calculated under Rule 14.07 of the Listing Rules are above 5%, the Non-Exempt Continuing Connected Transaction is subject to the reporting, annual review, announcement and Independent Shareholders' approval requirements.

The Non-Exempt Continuing Connected Transaction is subject to approval by the Independent Shareholders in accordance with the Listing Rules. China Changan and its associates will abstain from voting in relation to the resolution for approving the Framework Agreement and the Non-Exempt Continuing Connected Transaction contemplated under the Framework Agreement. The voting at the EGM will be taken by a poll and the Company will make an announcement of the poll results.

The EGM

The Company proposes to convene the EGM to seek approval from Independent Shareholders on (among others) the Non-Exempt Continuing Connected Transaction of purchase of new energy cars from Deepal Automobile by Chongqing Future and the annual cap for 2024.

The Independent Board Committee comprising of all the independent non-executive Directors will be formed to advise the Independent Shareholders in connection with the Non-Exempt Continuing Connected Transaction of purchase of new energy cars from Deepal Automobile by Chongqing Future and the annual cap for 2024, and Quam Capital Limited has been appointed as the Independent Financial

Adviser to advise the Independent Board Committee and the Independent Shareholders on the fairness and reasonableness of the Non-Exempt Continuing Connected Transaction of purchase of new energy cars from Deepal Automobile by Chongqing Future and the annual cap for 2024, and whether such transaction is in the interests of the Company and its Shareholders as a whole.

A circular regarding further particulars of the Non-Exempt Continuing Connected Transaction of purchase of new energy cars from Deepal Automobile by Chongqing Future and the annual cap for 2024, with the letter from each of the Independent Board Committee and the Independent Financial Adviser to Shareholders, is expected to be despatched to Shareholders on or before 8 December 2023, as additional time is required to prepare certain information to be contained in the circular by the Company.

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 components and parts suppliers in China.

Changan Automobile produces and sells automobiles and is the major customer of the Group.

China Changan is a company established in the PRC on 26 December 2005. It is one of the substantial shareholders of the Company. China Changan is primarily engaged in automobile and motorcycle production; automobile and motorcycle engines production; the design, development, production and sale of automobile and motorcycle components and parts; sale of optical devices, electronic optoelectronic devices, night vision devices information and communication devices; and the relevant technical development, technical transfer, technical consultation, technical services and import and export business and consultation on assets merger and asset restructuring.

Deepal Automobile was invested and established by Changan Automobile in April 2018 and is the major carrier of Changan Automobile's new energy cars strategy of the "Shangri-La Plan". It is a new energy cars maker covering the whole industrial chain by integrating research and development, production, sales and service of new energy cars and components and parts.

Definitions

“associate(s)”	has the meaning ascribed to it under the Listing Rules
“Board”	the board of directors of the Company
“Changan Automobile”	Chongqing Changan Automobile Co., Ltd. (重慶長安汽車股份有限公司), a joint stock company established in China on 31 October 1996, the shares of which are listed on the A and B share markets of the Shenzhen Stock Exchange
“China Changan”	China Changan Automobile Group Co., Ltd. (中國長安汽車集團股份有限公司), a joint stock limited company established in the PRC on 26 December 2005, former name was China South Industries Automobile Corporation (中國南方工業汽車股份有限公司)

“China” or “PRC”	the People’s Republic of China which, for the purpose of this announcement, excludes Hong Kong, Macau and Taiwan
“Chongqing Future”	Chongqing Future Supply Chain Management Co., Ltd. (重慶福集供應鏈管理有限公司), a wholly-owned subsidiary of the Company
“Company”	Changan Minsheng APLL Logistics Co., Ltd. (重慶長安民生物流股份有限公司)
“CSGC”	China South Industries Group Corporation (中國南方工業集團公司), renamed to China South Industries Group Corporation Co., Ltd. (中國兵器裝備集團有限公司), a company established in the PRC on 1 July 1999 with limited liability
“Deepal Automobile”	Deepal Automobile Technology Co., Ltd. (深藍汽車科技有限公司), a limited liability company established in China
“Director(s)”	directors of the Company
“EGM”	an extraordinary general meeting of the Company to be convened as soon as possible for purposes of considering and approving, among others, the Non-Exempt Continuing Connected Transaction of purchase of new energy cars from Deepal Automobile by Chongqing Future and the annual cap for 2024
“Framework Agreement”	the framework agreement entered into on 8 November 2023 between Deepal Automobile and Chongqing Future in relation with the Non-Exempt Continuing Connected Transaction
“Group”	the Company and its subsidiaries from time to time
“Independent Financial Advisor” or “Quam Capital Limited”	Quam Capital Limited, a licensed corporation to carry out Type 6 (advising on corporate finance) regulated activity under the Securities and Futures Ordinance (Chapter 571 of Laws of Hong Kong), and the independent financial adviser to advise the Independent Board Committee and the Independent Shareholders in relation to the Non-Exempt Continuing Connected Transaction of purchase of new energy cars from Deepal Automobile by Chongqing Future and the annual cap for 2024
“Independent Board Committee”	a committee comprised of Mr. Li Ming, Mr. Man Wing Pong and Ms. Chen Jing, all of whom are independent non-executive directors of the Company, formed to advise the Shareholders in connection with the Non-Exempt Continuing Connected Transaction of purchase of new energy cars from Deepal Automobile by Chongqing Future and the annual cap for 2024
“Independent Third Party(ies)”	person(s) who or company(ies) together with its/their ultimate beneficial owner(s) which is/are third party(ies) independent of the Company and its connected person(s) (as defined under the Listing Rules)

“Independent Shareholders”	shareholders of the Company that, in relation to the resolution approving the Non-Exempt Continuing Connected Transaction of purchase of new energy cars from Deepal Automobile by Chongqing Future and the annual cap for 2024, exclude China Changan and its associates
“Listing Rules”	the Rules Governing the Listing of Securities of The Stock Exchange of Hong Kong Limited
“Non-Exempt Continuing Connected Transaction”	the non-exempt continuing connected transaction of purchase of new energy cars from Deepal Automobile by Chongqing Future contemplated under the framework agreement between Deepal Automobile and Chongqing Future as set out in the paragraph headed “The Framework Agreement between Chongqing Future and Deepal Automobile”
“percentage ratio(s)”	has the same meaning ascribed thereto under the Listing Rules
“RMB”	Renminbi, the lawful currency of the PRC
“SASAC”	the State-owned Assets Supervision and Administration
“Shareholders”	shareholders of the Company
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“%”	per cent

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

Chongqing, the PRC
8 November 2023

As at the date of this announcement, the board of directors of the Company comprises: (1) Mr. Xie Shikang and Mr. Wan Nianrong as executive directors; (2) Mr. Che Dexi, Mr. Chen Wenbo, Ms. Jin Jie and Mr. Dong Shaojie as non-executive directors; (3) Mr. Li Ming, Mr. Man Wing Pong and Ms. Chen Jing as independent non-executive directors.

** For identification purpose only*